



**ANNUAL  
REPORT  
2023**

**SBAC Bank PLC.**



# 11<sup>th</sup> AGM

Annual General Meeting (AGM) of SBAC Bank PLC. will be held on June 22, 2024, through Hybrid System in combination of both online (virtual/digital platform Link: <https://sbacbank.bdvirtualagm.com>) and physical presence at Retired Armed Forces Officers' Welfare Association (RAOWA) Club, VIP Road, Mohakhali, Dhaka-1206.

SBAC Bank PLC. Offers confidence and convenience to customers and shareholders. We, as a financial institute, are doing our best to deliver the highest level of services to our clients through fascinating product set with most secured ICT infrastructure. A rock-solid capital base shows our financial strength as a going concern since the beginning of our bank's journey in 2013 with a vision to be the most customer-friendly and trustworthy financial institution of the country. The journey with qualified leadership and a firm capital base of BDT 4,089.6 million along with timeless service excellence elevated us to a capital position of BDT 8,241.92 million as on December 31, 2023. To boost up our financial strength further, we already have increased the Authorized Capital to BDT 20,000.00 million and been listed at Dhaka Stock Exchange PLC. (DSE) and Chittagong Stock Exchange PLC. (CSE). As part of our service diversification efforts, we have opened 10 nos. of Islamic banking windows at selective branches alongside our conventional banking to grab the opportunity offered by the enormous popularity of shariah-based banking around the country. As the country is running fast to becoming Smart Bangladesh through financial digitalization, we have already launched our app-based digital wallet "Banglapay" with some unique features. Recently we have inaugurated our web based internet banking service named "SBAC Click" which has made it more convenient for the customers to avail their required banking services on the go. Business diversification is a key to overcome the challenges and making profit when facing enormous competition. So, the bank has established a subsidiary named "SBAC Bank Investment Limited" as a capital market intermediary to harvest the opportunity from booming capital market. We, together with our vastly experienced leaders are firmly committed to uphold the interest of all our stakeholders. Our highly proficient workforce has enabled us to offer our customers a wide array of differentiated financial solutions and achieve an extraordinary business growth. Our unparalleled leadership, remarkable client-base and hardworking workforce have led us to achieve a robust business growth with a balance sheet size of BDT 117,521.67 million (Solo) & BDT 117,264.13 million (Consolidated) with operating profit of BDT 2,198.55 million (solo) & BDT 2,248.99 million (consolidated). Prioritizing our financial inclusion goal we have started our agent banking operation and so far launched 31 (active) agent outlet along with our conventional service network of 89 branches & 31 Sub-branches (As on 29.05.2024). Furthermore, the bank has been running its off-shore banking operations through a well-functioning off-shore banking unit (OBU) at the Head office. As one of the country's new generation and fastest growing banks, we offer our customers innovative financial solutions, modern technology based products and services as well as reliability and convenience. We are striving to keep our customers' stake protected by cutting-edge security protocols and practices. All our efforts to ensure a continuous and steady growth has borne a series of successes which include deploying a world class Core Banking System and implementing all Central Bank initiated projects (RTGS, NPSB, BACPS, BEFTN, Online CIB, go AML etc.) within the shortest possible time. We are here to deliver all sorts of latest as well as diversified financial services at the doorstep of the customers of all classes.

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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



এসবিএসি ইসলামিক ব্যাংকিং

সেবায় আপনাকে স্বাগতম

এসবিএসি ব্যাংক পিএলসি. এর

নিম্নোক্ত শাখাসমূহের উইডোতে

ইসলামী শরিয়াহভিত্তিক ব্যাংকিং সেবা প্রদান করা হয়:



ইসলামিক ব্যাংকিং ডিভিশন

হেড অফিস  
বিএসসি টাওয়ার (২৩ তলা) ২-৩ রাজউক এভিনিউ  
মতিঝিল বা/এ, ঢাকা-১০০০

এসবিএসি ব্যাংক পিএলসি.

www.sbacbank.com

# Chapter 01

## PRELIMINARY



## Letter of Transmittal

All Shareholders of SBAC Bank PLC.  
Registrar of Joint Stock Companies & Firms  
Bangladesh Bank  
Bangladesh Securities & Exchange Commission (BSEC)  
Dhaka Stock Exchange PLC.  
Chittagong Stock Exchange PLC.  
Central Depository Bangladesh Limited (CDBL)  
Financial Reporting Council Bangladesh  
All other Stakeholders of SBAC Bank PLC.

**Subject:** Annual Report 2023 of SBAC Bank PLC.

Dear Sir/Madam (s),

Reference to the above, we enclose herewith the copy of Annual Report 2023 of SBAC Bank PLC. along with the Audited Financial Statements as on December 31, 2023. This report includes Balance Sheet, Profit and Loss Account, Cash Flow Statement, Liquidity Statement, Statement of Changes in Equity and Notes to the Financial Statements thereon and other disclosures of SBAC Bank PLC. as per provision of laws of the country.

This is for your kind information and ready reference.



**Md. Mokaddess Ali FCS**  
EVP & Company Secretary

## Notice of the 11<sup>th</sup> Annual General Meeting

Notice is hereby given to all Members of SBAC Bank PLC. ("the Company") that the 11<sup>th</sup> Annual General Meeting (AGM) of the Company will be held on Saturday, June 22, 2024 at 11:00 AM (BST) through Hybrid System in combination of both online (virtual/digital platform Link: <https://sbacbank.bdvirtualagm.com>) and physical presence at Retired Armed Forces Officers' Welfare Association (RAOWA) Club, VIP Road, Mohakhali, Dhaka-1206, to transact the following business:

### AGENDA:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2023 along with Auditors' Report and the Directors' Report thereon.
2. To declare dividend out of the Profit for the year ended December 31, 2023.
3. To elect/re-elect Directors in place of those who shall retire in accordance with the provisions of the laws and the Articles of Association of the company.
4. To approve the appointment/re-appointment of Independent Director(s).
5. To appoint/re-appoint Auditor(s) of the Company for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.
6. To appoint/re-appoint Corporate Governance Auditor for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.
7. To intimate expenditure regarding vehicles of Bank's pool, and the transactions with Bank-related persons.

All the Members of the Company are requested to attend the AGM.

Dhaka

Date: 30.05.2024

By order of the Board,



Md. Mokaddess Ali FCS  
EVP & Company Secretary

### NOTES:

- The 'Record Date' in lieu of Book Closure was May 29, 2024. The Shareholders whose names have appeared in the Members Register of the Company under Central Depository System (CDS) on the Record Date will be eligible to participate at the 11<sup>th</sup> AGM and vote thereat, and will be qualified to receive Dividend (if any);
- A Shareholder/Member entitled to participate and vote at the AGM may appoint a proxy to participate at the meeting and take part in the proceedings thereof on his/her/its behalf. Scanned Copy of "Proxy Form" duly signed and affixed with Stamp(s) of BDT 100 must be sent through email to Bank's Company Secretariat at [cs@sbacbank.com](mailto:cs@sbacbank.com) or Hard Copy thereof must be deposited at the Registered Office of the Bank not less than 72 hours before commencement of the AGM.
- For joining through digital platform, and/or for voting on the proposed resolutions, a Shareholder/Member entitled to participate and vote at the AGM shall have to login into the system by putting 16-digit Beneficial Owner (BO) Number and other credentials as a proof of identity. The Process/Procedure for logging into and Participation/Voting through the Digital Platform will be notified by email and will also be made available

at the Bank's Website: <https://www.sbacbank.com>. Members whose contact details have been updated/changed in the meantime are requested to email us at [cs@sbacbank.com](mailto:cs@sbacbank.com) mentioning their full name, BO ID, email address and mobile number.

- The Virtual/Digital Platform [Link: <https://sbacbank.bdvirtualagm.com>] shall be opened 25 hours before commencement of the AGM and shall remain open until the closing of the meeting. Through the link questions/comments may be submitted electronically during this period and voting may be done until closing of voting facility for counting and declaration of the voting result.
- Link for downloading the Annual Report 2023, Notice of the 11<sup>th</sup> AGM, and Proxy Form shall be sent in soft form to the email addresses of the Members available in their BO Accounts maintained with the Depository and also be made available at the Bank's Website: <https://www.sbacbank.com>. Any Member may collect printed copy of the Annual Report 2023 from the registered office of the Bank.
- Depository Participants (DP)/Merchant Banks concerned are requested to provide us with a list of the holders of margin loan holding shares of the Bank as on record date with details of Shareholders' name, BO ID, shareholding position, dividend receivable (if any), tax rate etc. (in MS Excel format), within June 10, 2024, along with the name of the contact person addressing to the Share Department of the Bank and also to email soft copy of the same to [cs@sbacbank.com](mailto:cs@sbacbank.com) for facilitating payment of Dividend (if any). They are requested also to provide us with their Bank Account Details for receiving the dividends against margin loan holders.

## Highlights of previous Annual General Meetings



10 <sup>th</sup> Annual General Meeting		9 <sup>th</sup> Annual General Meeting		8 <sup>th</sup> Annual General Meeting	
Time	11:30 PM	Time	3:00 PM	Time	3:30 PM
Date	18-06-2023	Date	23-06-2022	Date	21-10-2021
Place	Online (virtual platform), organized from Head office, SBAC Bank PLC.	Place	Online (virtual platform), organized from Head office, SBAC Bank PLC.	Place	Online (virtual platform), organized from Head office, SBAC Bank PLC.
Participants	117	Participants	199	Participants	401
Agenda Type	Ordinary	Agenda Type	Ordinary	Agenda Type	Ordinary

Note: Disclosures made under standard 18 of the Bangladesh Secretarial Standard (BSS) 2: Secretarial Standard on General Meetings.



# VISA SBAC CARDS



✓ Accept **44** Million of Shops & Service Outlets across the World



Customer Help Line  
+88 01847-185 001  
+88 01847-185 002

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[www.sbacbank.com](http://www.sbacbank.com)

# Chapter 02

## ABOUT US



## Corporate Information

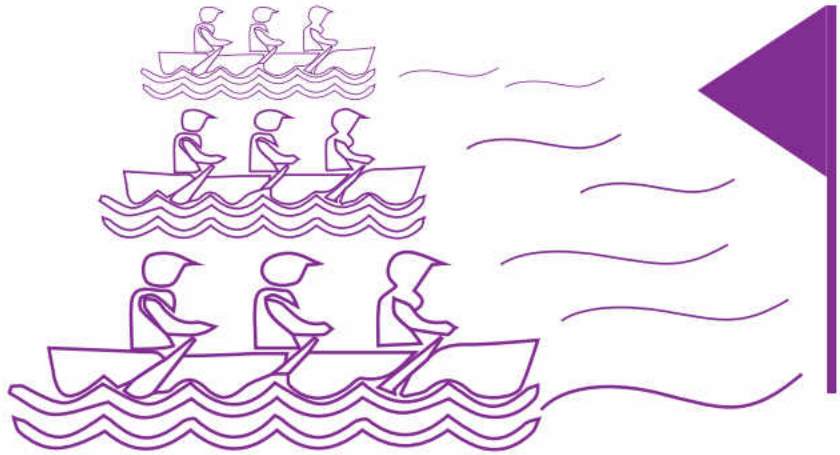
Name of the Company	SBAC Bank PLC. <sup>1</sup>
Legal Form	A public limited (Publicly Listed) company incorporated in Bangladesh on 20th February 2013 under the Companies Act 1994.
Date of incorporation	20th February 2013
Certificate of Commencement of Business	20th February 2013
Nature of Business	Banking, a scheduled Private Commercial Bank licensed under the Bank Company (Amendment) Act, 2023.
Head Office (Registered)	BSC Tower, 2-3 Rajuk Avenue, Motijheel, Dhaka-1000.
Phone	+88(02) 41052811-814 09611-016327 (From Overseas) 16327 (24/7 Hotline)
Routing No (Head Office)	270272684
Fax No.	+88(02) 41052815
SWIFT	SBACBDDH
Email	info@sbacbank.com
Website	www.sbacbank.com
Chairman	Mr. Abu Zafar Mohammad Shofiuddin MP
Managing Director & CEO	Mr. Habibur Rahman
Company Secretary	Mr. Md. Mokaddess Ali FCS
Auditors	MABS & J Partners, Chartered Accountants G. KIBRIA & CO., Chartered Accountants
Tax Consultants	Snehasish Mahmud & Co., Chartered Accountants
Legal Consultant	Bhuiyan Islam and Zaidi
No. of Branches	89 (as on 29-05-2024)
No. of Sub Branches	31 (as on 29-05-2024)
No. of Islamic Banking Windows	10
No. of Agent Outlets	31 (Active) (as on 29-05-2024)
No. of Authorized Dealer	08
No. of Offshore Bank	01
No. of ATM Booth	68 (as on 29-05-2024)
No. of Employees	1165 (as on 31-12-2023)
<b>Stock Summary</b>	
Authorized Capital	Tk. 20,000 million <sup>2</sup>
Paid up Capital	Tk. 8,241.92 million (as on 31-12-2023)
Face Value per Share	Tk. 10

1. The name of the bank was changed from "South Bangla Agriculture and Commerce Bank Limited" to "SBAC Bank PLC." through 2nd EGM held on 18.06.2023 and RJSC recorded the changed name on 09.01.2024, subsequently Bangladesh Bank approved the same on 31.01.2024.

2. The Authorized Capital of the Bank has been increased to Tk. 20,000.00 million through 2nd EGM held on 18.06.2023 and subsequently Bangladesh Bank approved on 02.10.2023 and RJSC recorded the same on 23.01.2024.

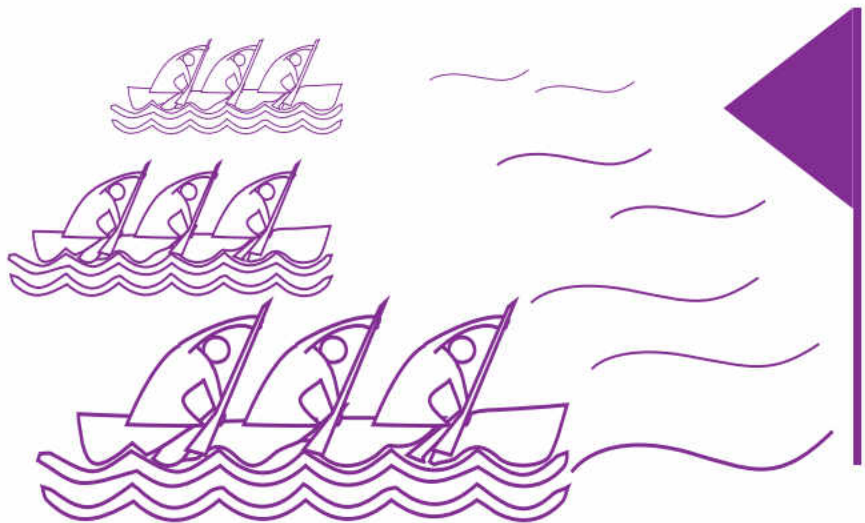
## Our Vision & Mission

### Our Vision



To be a Leading-edge Bank exploring inclusive financial ecosystem by connecting individuals, corporate & communities maintaining high standards of governance, ethics and creating value for our stakeholders.

### Our Mission



- Ensure the best-run, customer-focused, integrated financial environment with a unique and inclusive employee culture.
- Ensure work efficiency, capital adequacy, asset quality and sound management.
- Deliver service excellence to all segments of customer.
- Provide personalized services to women entrepreneurs, agro, SME & MSMEs for sustainable growth.
- Protect the interest of the society by fulfilling corporate social responsibilities.

## Commitments



### Compliance Culture:

Good governance is the backbone of any organization. Compliance is the prerequisite to establish good governance. In SBAC Bank PLC., we believe in compliance Culture.

'Compliance first; profit is its logical consequence' with this motto the Bank is moving forward to accomplish the organizational goal.



### Client Focus:

Bank is mainly a service-oriented organization. To meet the need of customer with satisfactory service, we adopted modern technology-based Core Banking Solution. Our

clients are at the center of our activities and their satisfaction is our ultimate objective. Our success is dependent on our ability to provide the best products and services to our clients; we are committed to help our clients achieve their goals.



### Hard Work:

Discipline and perseverance govern our actions so as to achieve outstanding results for our clients and outstanding returns for our stakeholders. Service excellence

guides our commitment to our clients. We work with our clients to reach their current goals while anticipating and planning for their future objectives.



### Transparency:

We value open and clear communications which develop confidence and trust for our customers, shareholders and employees.



### Integrity:

We believe in the highest standards of personal and professional ethics in all aspects of our business. We comply fully with the letter and spirit of the laws, rules and practices that govern SBAC Bank's business. We say what we do and do what we say.



### Innovation:

Since our inception, the Bank believes innovation is a core competitive advantage and promotes it accordingly. We strive to lead the financial services industry to a higher level of performance in serving the millions of our people who are still under privileged or unbanked.



### Teamwork:

We ensure access to information openly within the stakeholders of the Bank. We believe in Total Quality Management (TQM) within the Bank. We value and respect one another's cultural backgrounds and unique perspectives.

### Respect to the Individual:

We respect the individual whether an employee, a client, a shareholder or a member of the communities in which we live and operate. We treat all with dignity and respect and take reasonable time to answer queries and respond to concerns. We firmly believe that each individual must feel free to make suggestions and offer constructive criticism. SBAC Bank is a meritocracy, where all employees have equal opportunity for development and advancement based only on their merits.

## Management Philosophy



### Growing Together with Our Stakeholders:

SBAC Bank PLC. has been sharing this philosophy as a starting point for all of our business activities since its formation. We believe that the creation and provision of new values based on customers' perspectives will strengthen the relationship of mutual trust between our stakeholders and the Bank, and become a source of mutual development.



### Contribute to the national and global community through our business:

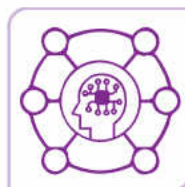
Our Bank recognizes that contributing to "State of the Art System based Services" to our customers throughout the world leads to the development not only of local communities, but also the international community as a whole, and we conduct our business activities with the aim of providing the highest quality of solutions in each area of operations.



### Develop human resources for creative and challenging activities:

Rather than being contented with the present situation, we are constantly in search of new and better ideas to put into action in order to improve

and enhance our business activities. This is the basic philosophy of human resources development of the bank and we believe that the Bank's unique corporate culture will be further developed by the continuation of practicing this philosophy.



### Maintain sound Corporate Culture based on high ethics and fairness:

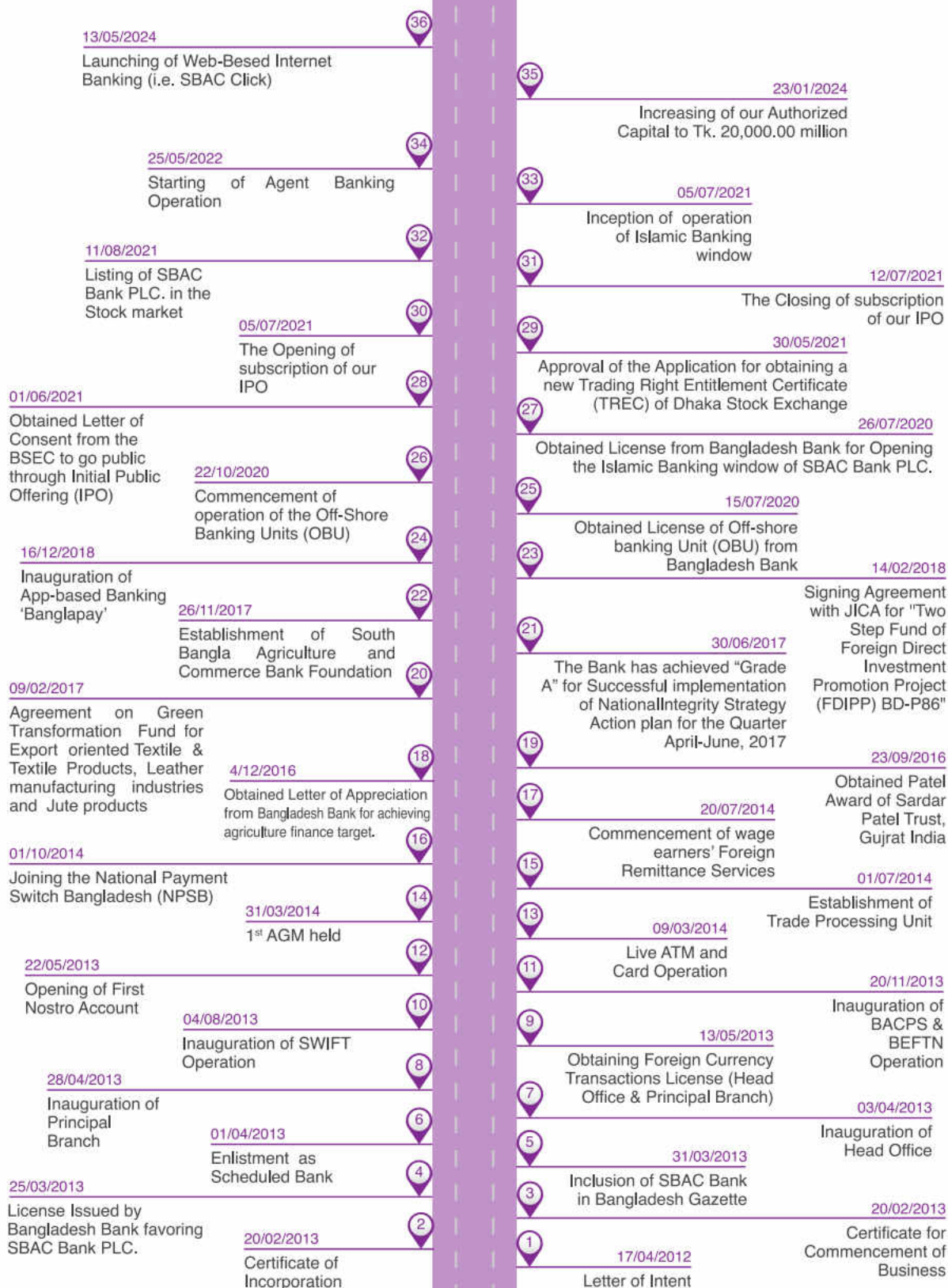
We promote transparency and excellence and we comply with Provisions of Laws in the Bank's management and in all aspects of its business activities and strive to further enhance its corporate value while conducting sound activities. We believe in ethical values, due diligence and good governance as a whole.



### Take good care of people and the planet:

By treating our stakeholders (such as shareholders, customers, business partners, employees and local residents) and the global environment with respect, we strive to continue to be a good company for both people and the earth.

## Milestones



2012

## Unique Achievements

1. The bank has already opened 89 branches, 31 sub-branches and 31 agent banking outlets (active) at different locations & has installed 68 ATM booths and 02 CDMs as on 29.05.2024.
2. At the end of December 2023, The Balance Sheet size of the bank has reached to Tk. 117,521.67 million (solo) & Tk. 117,264.13 million (consolidated).
3. The Bank has earned a net profit of Tk. 536.61 million (solo) & Tk. 546.36 million (consolidated) in 2023.
4. The Bank has started its Agent Banking Operation on May 25, 2022.
5. SBAC Bank PLC. has taken a significant step towards empowering women entrepreneurs and bolstering the agro-processing industry by signing a participation agreement with Bangladesh Bank (BB) for a credit guarantee facility.
6. The Bank was assigned a credit rating of 'A' (long term) and 'ST-2' (short term).
7. SBAC Bank PLC. and Bangladesh Bank signed an agreement on Automated Challan System (ACS), under which all the branches and sub-branches of SBAC Bank will collect Passport Fees, VAT, Tax and other Govt. Fees.
8. We have established a subsidiary naming 'SBAC Bank Investment Limited' as a market intermediary to harvest the opportunity from the capital market.
9. The bank has been a publicly listed company being listed in Dhaka Stock Exchange PLC., and Chittagong Stock Exchange PLC. since August 11, 2021.
10. The Bank has started Shariah-based Banking operations through opening 10 nos. of Islamic Banking Windows at selective branches.
11. SBAC Bank achieved 'The Golden Globe Tigers Award 2018' (for Excellence and Leadership in Branding and Marketing) in the individual and Organization Category of Service Excellence as a recognition of our good governance and brand image.
12. We have introduced SBAC Digital Wallet 'Banglapay' on 16th December 2018 to offer digital financial services through mobile phones, QR based point-of-sale, and networks of small-scale agents.
13. Agreement with JICA on 'Two Step Fund of Foreign Direct Investment Promotion Project (FDIPP) BDP86' On February 14, 2018.
14. The Bank achieved 'Grade A' for Successful implementation of National integrity strategy Action plan for the Quarter April-June, 2017.
15. Agreement on 'Green Transformation Fund for Export oriented Textile & Textile Products, Leather manufacturing industries and Jute products' on February 09, 2017.
16. Agreement on Foreign currency loan from 'Long Term Financing Facility' under their financing agreement with International Development Association (IDA) of World Bank (WB) On August 04, 2016.
17. As an international recognition, the Bank achieved 'Sardar Patel Award 2016' for the contribution in socio-economic development of our country.
18. The Bank got 'Letter of Appreciation' for achieving agriculture finance target in 2016.
19. To transform the human resources into human asset, the bank established its Training institute at the beginning of 2014.
20. The Bank has commenced its off-shore banking operations through a well-functioning off-shore banking unit (OBU) at head office.
21. Among the new banks, SBAC Bank PLC. was first to go on live with SWIFT and open USD Nostro Account with Correspondent Banks in the USA, gets Credit Line Arrangement with foreign bank for LC confirmation and discounting thereof to facilitate foreign trade business.
22. The Bank has made Drawing Arrangements with Xpress Money Services Limited; MoneyGram; Western Union Network; Aman Exchange Company WLL, Kuwait; NEC Money Transfer, UK; Wall Street Finance LLC, USA; Al-Ansari Exchange LLC, UAE; Worldwide West 2 East Services Ltd, UK; LCC Trans-sending Ltd, UK; Sunman Global Express Corp (USA); Transfast Remittance LLC; Placid NK Corporation, Ria Financial services and Turbo Cash.
23. In order to support the Non-AD (Non-Authorized Dealer) branches, the bank established Central Trade Processing Unit (TPU) at Head Office.
24. The Bank launched Online Banking Service from the 1st day of its operation.
25. Among the new generation banks, our Bank was the first to commence BACPS Operation, Inaugurate EFTN/ RTGS Operation and State of the Art Data Centre.
26. To foster inclusive growth, the bank has introduced Tk. 10/50/100 privileged savings account, senior citizen savings account, student savings account, SBAC probashi account, and SBAC pay-roll account.

## Credit Rating Report of the Bank



Base Year	Long Term Rating	Short Term Rating	Date of Rating	Valid Till	Rating Company
2022	A	ST-2	25 June 2023	24 June 2024	CRISL
2021	A	ST-2	27 June 2022	26 June 2023	CRISL
2020	A	ST-2	30 June 2021	29 June 2022	CRISL
2019	A <sub>3</sub>	ST-2	27 September 2020	30 June 2021	CRAB
2018	A <sub>3</sub>	ST-2	27 June 2019	30 September 2020	CRAB

### Long Term:

- A** Bank rated in this category is adjusted to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
- A<sub>3</sub>** Commercial Banks rated 'A<sub>3</sub>' have strong capacity to meet their financial commitments & Judged to be of high quality with low credit risk.

### Short Term:

- ST-2** High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

### Outlook: Stable

The rating for 2022 has been done by Credit Rating Information & Services Ltd. (CRISL) analyzing the operational and financial performance of the bank up to December 31, 2022 and March 31, 2023 along with all its relevant quantitative and qualitative factors up to the date of rating.

# Chapter 03

## ORGANIZATION AND LEADERSHIP



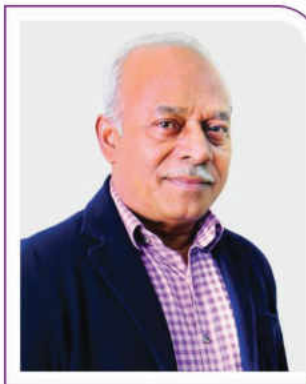
## Board of Directors



**Mr. Abu Zafar Mohammad Shofiuddin MP**  
Chairman



**Engr. Md. Moklesur Rahman**  
Vice-Chairman



**Mr. Abdul Kadir Molla**  
Director



**Mr. Mohammed Ayub**  
Director



**Mr. Mohammad Nawaz**  
Director



**Mr. Anwar Hussain**  
Director



**Mr. Hafizur Rahman Babu**  
Director



**Mst. Nasima Begum**  
Director  
Nominated by:  
Thermax Textile Mills Ltd.



**Mr. Sk. Shyedujjaman**  
Director  
Nominated by:  
Moonstar Ceramic Industries Ltd.



**Mr. Mohammad Helal Uddin**  
Director  
Nominated by:  
TBO Trade Ltd.



**Mr. Mushfiqur Rahman**  
Director  
Nominated by:  
M/S. Contech Construction Ltd.



**Mr. Mohammad Nazmul Huq**  
Director  
Nominated by:  
Techno Electricals Ltd.



**Mr. Md. Sajidur Rahman**  
Independent Director



**Professor Mohammad Moqbul Hossain Bhuiyan**  
Independent Director



**Mr. Ziaur Rahman Zia FCA**  
Independent Director



**Mr. Mohammad Mahbubor Rahman**  
Director  
Nominated by:  
Intec Solution



**Mr. Md. Emdadul Hoque**  
Director  
Nominated by:  
T&A International Ltd.



**Mr. Shohel Ahmed**  
Director  
Nominated by:  
Meter D Tech.



**Mr. Habibur Rahman**  
Managing Director & CEO  
(Ex-Officio)

## Committees (as on 29-05-2024)



### Audit Committee (AC)

<b>Chairman</b>	Mr. Md. Sajidur Rahman
<b>Member</b>	Mr. Mohammad Nawaz
	Professor Mohammad Moqbul Hossain Bhuiyan
	Mr. Ziaur Rahman Zia FCA
	Mr. Mohammad Mahbubor Rahman
<b>Secretary</b>	Mr. Md. Mokaddess Ali FCS



### Nomination & Remuneration Committee (NRC)

<b>Chairman</b>	Mr. Md. Sajidur Rahman
<b>Member</b>	Mr. Sk. Shyedujjaman
	Mr. Ziaur Rahman Zia FCA
	Professor Mohammad Moqbul Hossain Bhuiyan
	Mr. Mohammad Helal Uddin
	Mr. Mohammad Mahbubor Rahman
<b>Secretary</b>	Mr. Md. Mokaddess Ali FCS



### Risk Management Committee (RMC)

<b>Chairman</b>	Mr. Mohammad Nazmul Huq
<b>Member</b>	Mr. Mohammed Ayub
	Mr. Mohammad Helal Uddin
	Mr. Mushfiqur Rahman
	Mr. Md. Emdadul Hoque
<b>Secretary</b>	Mr. Md. Mokaddess Ali FCS



### Executive Committee (EC)

<b>Chairman</b>	Mr. Mohammad Helal Uddin
<b>Member</b>	Engr. Md. Moklesur Rahman
	Mr. Abu Zafar Mohammad Shofiuddin MP
	Mr. Hafizur Rahman Babu
	Mr. Anwar Hussain
	Mr. Sk. Shyedujjaman
<b>Secretary</b>	Mr. Md. Mokaddess Ali FCS



### Shariah Supervisory Committee

<b>Chairman</b>	Moulana Md. Abdur Razzaque
<b>Member</b>	Professor A. N. M. Rashid Ahmad
	Dr. Muhammad Shahjahan Madani
	Dr. Zubair Mohammad Ehsanul Hoque
	Professor Dr. Md. Abdul Kadir
	Dr. Md. Ruhul Amin Rabbani
	Dr. Muhammad Zahirul Islam
	Dr. Md. Rafiqul Islam
<b>Member Secretary</b>	Mr. Md. Mokaddess Ali FCS

## List of Honorable Shareholders

### Sponsor Shareholders



Mr. S.M. Amzad Hossain



Begum Sufia Amjad



Al-Haj Mizanur Rahman



Captain M. Moazzam Hossain



Mr. Maksudur Rahman



Mrs. Kamrun Nahar



Mr. Motiur Rahman



Ms. Tajori



Ms. Mysha Khabir



Mr. Iqbal Haider Chowdhury



Mr. Mohammed Nazrul Islam



Mr. A.K. Mizanur Rahman FCA



Mr. Mainul Huq Khan  
Representing Padma Lamitube Ltd



Mr. Mozaharul Haque Shahid



Mr. Md. Emdadul Haque



Mr. Md. Eathashamul Haque



Mr. Kafil Uddin Bhuiyan



Mr. Shahab Uddin Khan


Mrs. Hazera Begum  
Representing  
Abdul Gaffar & Co. (Pvt.) Ltd


Mr. Mohammad Imran



Mrs. Shamima Hossain



Ms. Sadnam Sadiana



Mr. Md. Mizanur Rahman



Mrs. Shamsun Nahar Rahman



Mr. Mohammed Ilias


Mr. Md. Mizanur Rahman  
Representing  
M/S. Contech Constructing Ltd


Mr. Ayaz Waris Khan Warisi



Ms. Halima Khatun

### Pre IPO Shareholders (Other than Sponsor)



Mr. Mohammed Hasan



Mr. Md. Yakub



Mr. Md. Toyamur Islam Rasel

Barrister Ehsan-E-Moazzam  
Representing Agrovita Ltd.

Mr. Md. Mahin.



Mr. Tabassum Arifin Rahman



Mr. Eshmam Arifin Rahman.



Ms. Mahia Binte Mizan



Mr. Mohammed Belal

Mrs. Shirin Akter  
Representing  
Techno Electricals Ltd.Mr. Khan Habibur Rahman  
Representing  
Moonstar Ceramic Industries Ltd.Mr. Goutam Kumar Kundu  
Representing  
Southern Foods LtdMr. A B M Ruhul Amin  
Howlader

Mr. Abdullah Jamil Matin



Mrs. Sufia Begum

## Profile of The Directors



### Mr. Abu Zafar Mohammad Shofiuddin MP

#### Chairman

Mr. Abu Zafar Mohammad Shofiuddin MP being a prominent business leader and generous philanthropist of the country is the Chairman of SBAC Bank PLC. As recognition of his altruistic works, the people of his constituency has elected him the Member of Parliament. The inspiration to serve the country and the fellow countrymen is rooted in his family and the institutions he belongs. Mr. Shofiuddin showed his excellence being a proud alumnus of the University of Dhaka, the apex

institution of the country for higher studies, from where he obtained his B. Com (Hons.) and M. Com (Marketing) degree in 1991 & 1992 respectively. He started his career in business in 1992 founding SQ Group and chairing the group of companies comprising sister concerns such as SQ Wire & Cable Co. Ltd, SQ Trading & Engineering, SQ Light Ltd., SQ Wood Preservatives, SQ Power Solutions, SQ Energy Ltd., SQ Properties Ltd., Techno Electricals Ltd., TS Transformers Ltd., TSCO

Power Ltd., SQ Electricals Ltd., SQ Distribution Ltd., Microgenix BD Ltd., Papiro Ltd., Arrow Technology Ltd., SQ Denims Ltd., SQ Accessories Ltd., Petroken Ltd., Alliance infrastructure Engineering Pvt. Ltd., SRN Power, Building Dreams Ltd., SQ Agriculture Ltd., SQ Metallurgical Products, SQ Metal Industry Ltd., SQ Resources Ltd. and Power-Add. His social involvement and benevolent contribution are source of encouragement to many young business leaders.



## Engr. Md. Moklesur Rahman

Vice-Chairman

Engr. Md. Moklesur Rahman is one of the Sponsor Directors and Vice-Chairman of SBAC Bank PLC. His vision, ability to think out of the box and enormous hard work in the arena of construction and electrical engineering industry have made him one of the most notable figures in this sector of business. His prominence in business followed his academic excellence. He obtained his B.Sc. degree in Civil Engineering from Chittagong University of Engineering and Technology (former Chittagong Engineering College). He runs relentlessly after his dream of becoming entrepreneur and contribute to the economy of the country best way possible. Working for Gemcon Group was his first attempt to acquire experience and shape his

way to become a successful businessman. On 29 May 2001, he started Contech Construction Ltd., one of the leading SPC Piles & Poles suppliers in Bangladesh. His success grew very fast that allowed him to diversify his business. In 2004, he founded Pre-Stressed Poles Ltd., to meet the demand for SPC Poles. His largest endeavor till date is B&T Cables Ltd. established in 2005 that achieved unparalleled reputation in electrical wire industries of the country. To provide affordable storage facilities to the farmers he established B&T Cold Storage Ltd. His another remarkable endeavor B&T Development Ltd. exhibits that Mr. Rahman is a civil engineer by heart. This dream project is working to build apartments in Lalmatia, Banani, Gulshan,

Khilgaon and other prestigious locations in Dhaka as well as providing affordable housing solutions all over Bangladesh. Presently, Engr. Md. Moklesur Rahman is running B&T Meter Ltd., Nexus Securities Ltd., Pre-Stressed Pole Ltd., Tushar Ceramics Ltd., B&T Transformers Ltd., BD Game Studio Ltd. and Smart Meter. His devotion to serve the underprivileged people of his area, who helped him reach where he is now, made him benevolent enough to donate bigheartedly to a number of educational and religious institutions, provide with basic amenities such as foods, clothing and shelter. The hard work and visionary endeavors of Mr. Rahman and thus his contribution to the economy of the country are really exemplary.


**Mr. Abdul Kadir Molla**

Director

Mr. Abdul Kadir Molla, one of the Sponsor Directors of the Bank, is a renowned business person of the country. He obtained his MBA degree from American World University. Mr. Molla is one of the most successful businessmen in the country having enormous conglomerates in the spinning, dyeing and knitting industries. He started his business in 1997 and established Thermax Group. Currently, he is the Chairman & Managing Director of Thermax Textile Mills Ltd., Thermax Melange Spinning Mills Ltd., Thermax Knit Yarn Ltd., Thermax Spinning Ltd., Thermax Blended Yarn Ltd., Thermax Yarn Dyeing Ltd., Thermax Woven Dyeing Ltd.,

Thermax Yarn Dyed Fabrics Ltd., Thermax Check Fabrics Ltd., Sister Denim Composite Ltd., Indigo Spinning Ltd., Thermax Colour Cotton Ltd., Sister Garments Ltd., Adury Knit Composite Ltd., Adury Apparels Ltd., Adury Fashion & Print Ltd., Adury Ring Denim Spun Ltd., Kadir Molla Medical College & Hospital Ltd., Sultana Enterprise, Sultana Filling Point Ltd., and Sister Denim Composite (Unit-2) Ltd. Mr. Molla is one of the most prominent philanthropists of his this time. He considers the importance of education very high in the way of nation building. He is the founder of Panchkandi Degree College, Monohardi, Narsingdi. He has

founded numerous educational institutions such as Abdul Kadir Molla City College, N.K.M. High School & Homes, Abdul Kadir Molla International School etc. He has become an exemplar in overseas business and a role model for young business enthusiasts. All the industries and institutes of Thermax Group are in "State of the Art" under the dynamic leadership of Mr. Abdul Kadir Molla. He was honored as Commercially Important Person (CIP) in 2012 and as the highest individual tax payer for AY2012-13 for the country and the highest tax payer in Dhaka City Corporation for AY2013-14.


**Mr. Mohammed Ayub**

Director

Mr. Mohammed Ayub is one of the Sponsor Directors of SBAC Bank PLC. He was born in 1962 in a respectable Muslim family in Chittagong. He obtained his B.Com degree from Chittagong University in 1981. He is a distinguished and promising

businessman of garments accessories manufacturing & export and packaging industries in the country, particularly in the port city Chattogram. He is the Managing Director of Ayub & Co Ltd., Proprietor of Pioneer Enterprise, M/S. Ishmam

Enterprise and United Enterprise. Also, he is a Managing Partner of Pacific Enterprise. Mr. Ayub has already proved that hard work and perseverance are the key elements to achieve success in business.


**Mr. Mohammad Nawaz**

Director

Mr. Mohammad Nawaz is one of the directors of SBAC Bank PLC. He is a renowned and successful industrialist of the country having diversified business portfolio. He obtained his B.Sc. and Masters (Marketing & Management) Degree from University of Plymouth. In 2003, He did a Ph.D. in his relevant academic field. After returning Bangladesh in 2004, he started Famous Printing & Packaging Limited (famouspack), one of the leading flexible packaging industry supplying laminates to multinational companies such as Unilever, Peps, Coca-Cola,

Reckitt Benckiser, Bayer, Syngenta etc. Famouspack also supply laminates to local corporate organizations, namely Square, Pran, Cocola, ACI, Ispahani and so on. In 2005, He started Famous Iberchem Flavour & Fragrance Limited (joint venture with Iberchem Spain), the only manufacturer of Fragrance and Flavours in Bangladesh. Their client list includes- Square, ACI, Keya Cosmetics, Kohinoor, Cocola, Olympic, Nabisco, Olympic etc. Mr. Nawaz is also a Director of Eden Multicare Hospital in Dhanmondi. He is a member of Board of Trustee in

South East University, one of the leading private universities of Bangladesh. He is also the Director of Famous Group of Companies Limited, Famous Printing & Packaging Ltd., Famous Iberchem Flavours & Fragrances Ltd., Famous General Agencies Ltd., Matcon limited, F.S. Printing & Packaging Ltd., Green Soap & Chemical Co. Ltd., Famous Flavours & Fragrances Ltd., NY Trading and Eden Multicare Hospital. Mr. Nawaz was born in a respectable Muslim Family in Dhaka on July 25, 1975.


**Mr. Anwar Hussain**

Director

Mr. Anwar Hussain is one of the Sponsor Directors of the Bank. He is a distinguished and promising businessman of the country, with a great reputation and admiration. He has obtained Bachelor Degree

in Business Administration. He is a Proprietor of Anwar Corporation, Managing Director of HAR Industries Ltd., Director of Abdul Gaffar & Co. (Pvt) Ltd., Asuka CNG Filling Station Ltd., SAFAH

CNG Refueling Station Ltd., AGI Flex Ltd. and AGI Corporation. His goal is to bring in new innovation and dynamism in his company.


**Mr. Hafizur Rahman Babu**

Director

Mr. Hafizur Rahman Babu is a prominent business person and renowned entrepreneurs of the country. He is a sponsor director of SBAC Bank PLC. and the Chairman of S.B. Group, a leading group of companies in Bangladesh which was established in the year 1990. The S.B. Group of companies is running with a

number of subsidiaries i.e., S.B. Agro Fertilizer Industries Limited, Sheikh Jute Mills Limited, Sheikh Cement Mills Limited, Joytun Securities International Limited, Joytun Developers Limited, Gold Hill Properties Limited, Sheikh Agro Food Industries, Sheikh Shipping Lines Ltd., M/S. Sheikh Brothers, M/S. Hafizur Rahman

Babu and Arising Trade International. He participated in various professional workshops and seminars at home and abroad and is also associated with many social, cultural and charitable organizations.



### **Mst. Nasima Begum**

Director

Nominated by: Thermax Textile Mills Ltd.

Mst. Nasima Begum, nominated by Thermax Textile Mills Ltd. is an eminent business person in the country particularly in the Garments sector. She is a director of Thermax Textile Mills Ltd., Thermax Knit Yarn Ltd., Thermax Blended Yarn Ltd., Thermax Spinning Ltd., Thermax Melange Spinning Mills Ltd., Adury Knit Composite Ltd., Adury Apparels Ltd., Thermax Yarn Dyeing Ltd., Thermax Woven Dyeing Ltd.,

Thermax Yarn Dyed Fabrics Ltd., Indigo Spinning Ltd., Sister Denim Composite Ltd., Thermax Check Fabrics Ltd, Sister Garments Ltd, Adury Ring Denim Spun Ltd, Kadir Molla Medical College & Hospital, Thermax Colour Cotton Ltd., Sultana Filling Point Ltd., Sister Denim Composite (Unit-2) Ltd., Adury Fashion and Print Ltd. and Adury Ring Denim Spun Ltd. In addition to the admirable contribution to the economy, she

plays an extraordinary role in social development through her involvement with numerous social organizations and educational institutions. Mst. Nasima Begum is the founder of N.K.M. High School & Homes. She is one of the members of governing body of Abdul Kadir Molla City College and also a member of Mazid Molla Foundation.



### **Mr. Sk. Shyedujjaman**

Director

Nominated by: Moonstar Ceramic Industries Ltd.

Mr. Sk. Shyedujjaman is one of the Sponsor Shareholders of SBAC Bank PLC., who is nominated by Moonstar Ceramic Industries Ltd. in the Board of the Bank. He obtained his BBA and MBA

(Marketing) degree from AMC College, Bangalore in 2001 & 2003 respectively. He is a successful businessman in the frozen food industry. Mr. Sk. Shyedujjaman is associated with South East Union

Ceramic Industries Ltd. He is the Proprietor of Mashiyat Fish Farm and AB Siddique & Co. He is a man of strong moral values and believes in ethical investment.



### **Mr. Mohammad Helal Uddin**

Director (Nominated by: TBO Trade Ltd.)

Chairman, Executive Committee (EC)

Mr. Mohammad Helal Uddin is one of the Representative Directors of SBAC Bank PLC., nominated by TBO Trade Ltd. His expertise and experience in the banking industry especially in the areas of Banking & Financial Management, International Banking & Management, Credit Management, Treasury management, Anti-Money Laundering & Combating the Financing of Terrorism, and Foreign Trade are renowned all over the country and appreciated both in home and abroad. Presently, Mr. Uddin is rendering his invaluable service as the Chairman of Executive Committee of the Bank. He with his extraordinary skill in Project

Management, HR Management & Manpower Planning, Credit Management, Strategic and Operational Plan development, and Organizational Development & Reforms had exalted himself at the prestigious position of Managing Director of Bangladesh Krishi Bank Ltd. in January, 2018. Prior to that, he served as the Deputy Managing Director at Janata Bank Ltd. in 2016 where he started his Banking career as a Senior Officer in 1985. Moreover, after completing his outstanding professional career of 33 years as a banker, Mr. Helal has rendered his exceptional support as Director in Board of Janata Bank Ltd. from 10th March 2020 to 15th August 2021. His academic history

was also as bright as his professional life. He completed his B.Sc (Hons) & M.Sc. in Chemistry with brilliant result from the University of Dhaka. Mr. Helal has participated in a number of seminars & symposium on banking & finance. He is a Diplomaed Associate of Institute of Bankers Bangladesh (DAIBB). His willingness to accept any responsibility & uncompromised performance as well as his periphery of knowledge in Banking rules and regulations, procurement policy, automation, restructuring and modernization of Bank, MIS, and Research & Planning are axiomatic in the contemporary banking industry.



### Mr. Mushfiqur Rahman

Director

Nominated by: M/S. Contech Construction Ltd.

Mr. Mushfiqur Rahman is a successful entrepreneur and businessman of Bangladesh. He obtained his B. Com from University of Melbourne, Australia in 2014. As the Managing Director of B&T Group, he diversified his

business from the Poles & Cable sector to the Real Estate, Ceramics and IT sector spanning both home and abroad. He has equity interest in Contech Construction Ltd., Pre-stressed Pole Ltd., B&T Cables Ltd., B&T

Meter Ltd., B&T Poles Ltd, B&T Transformer Ltd, B&T Development Ltd, B&T Cold Storage Ltd, Nexus Securities Ltd, Tushar Ceramics Ltd, BD Game Studio and BD Game Studio Ltd.



### Mr. Mohammad Nazmul Huq

Director (Nominated by: Techno Electricals Ltd.)

Chairman, Risk Management Committee (RMC)

Mr. Mohammad Nazmul Huq, nominated by Techno Electricals Ltd. is one of the Representative Directors of SBAC Bank PLC. and Presently Mr. Huq is the chairman of Risk Management Committee (RMC) of the Board. He is a successful entrepreneur who had started his entrepreneurial journey in 1994 as a Managing Partner of Vicar International, a trading concern & importer as well as supplier of electronic goods. In 2016, Mr. Huq gave concentration on further diversification of his

business portfolio by starting two new ventures naming Vicar Electricals Ltd., an electric transformer manufacturer, as the Managing Director of the concern; and Vicar Concrete Products Ltd., the spc pole manufacturer where he rendered all his experiences & knowledge as the Managing Partner. As an extraordinary leader with marvellous vision Mr. Mohammad Nazmul Huq is keeping up his journey for searching the newer avenues & excellences in his career path. In

the year 2021, the visionary entrepreneur Mr. Huq initiated his newest venture Arrow Technology Ltd. holding the post of managing director with a view to manufacturing & introducing new-design & supreme-quality Bi-cycle in the market. In addition to his increasing recognition and reputation as an entrepreneur, Mr. Mohammad Nazmul Huq is equally famous for his socio-cultural involvement in his area.



## Mr. Mohammad Mahbubor Rahman

Director

Nominated by: Intec Solution.

Mr. Mohammad Mahbubor Rahman is one of the Representative Directors of SBAC Bank PLC., nominated by Intec Solution. He has over 25 years of experience as a Professional accountant who has held various leadership positions across Asia Pacific, and has worked in 6 different countries – Bangladesh, Malaysia, Vietnam, South Korea, Thailand and Cambodia in different capacities with remarkable achievements, i.e., Best Finance Director for Asia Pacific Division, Global Award for Best Business Partners, Division Award for Improving Gross Operating Profit and winner of numerous leadership awards. Mr. Rahman started his professional journey as a Finance Manager of Young One Corporation in 1992 and holding the position of Director of Finance of the SQ Group of Companies & Chief Executive Officer (CEO) of Intec Solution at present. Prior to his ascending the current positions, Mr. Mohammad Mahbubor Rahman rendered his noteworthy

service as General Manager of Le Meridien Angkor, SiemReap, Cambodia, Cluster Director of Finance of Plaza Athenee, A Royal Meridien Hotel, Le Meridien Bangkok, and Vana Belle, A Luxury Collection Resorts Sheraton Koh Samui, Thailand, as Complex Director of Finance of Plaza Athenee, A Royal Meridien Hotel, Le Meridien Bangkok, as Director of Finance, Sheraton Hanoi Hotel, Vietnam, and Four Points by Sheraton Seoul, South Korea, as Financial Controller of Sheraton Penang Hotel, Malaysia, and Assistant Finance Director of Dhaka Sheraton Hotel, Bangladesh as well. Mr. Rahman, being a phenomenal corporate leader with outstanding vision, beholds extensive dexterity and expertise in finance and change management, hotel management, brand building, marketing, sales and business development with a proven track record in turning around non-performing assets, who also has great reputation for using astute business acumen to lead change

and decision-making based on sound economic assessment, asset evaluation, financial modelling, infrastructure and strategic planning, to achieve profit and performance objectives. He is a real 'people person', entrepreneurial, focused, accountable, articulate and a real head-on senior executive. His excellent ability in developing and executing operational as well as internal control policies and procedures is also accredited and exemplary. In his academic life, Mr. Mohammad Mahbubor Rahman showed his extraordinary brilliance too just like his professional career. He completed his Masters (M. Com) degree in Accounting from the University of Dhaka. Besides, Mr. Rahman has few prestigious international degrees and diplomas. Moreover, He is a fellow member of Institute of Cost and Management Accountants of Bangladesh (ICMAB), and a Fellow of Cost and Management Accountant (FCMA) also.



## Mr. Md. Emdadul Hoque

Director

Nominated by: T & A International Ltd.

Mr. Md. Emdadul Hoque, a distinguished professional with brilliant academic background having Master of Social Science (MSS) degree in Economics, is a Representative Director of SBAC Bank PLC. nominated by T & A International Ltd. Prior to his appointment as Director in the of Board of the Bank, Mr. Hoque contributed remarkably in strategy & policy formulation and tactical decision making as a director in the Board of Janata Bank Ltd., Bangladesh Commerce Bank Ltd., and Probashi Kallayan Bank Ltd. Moreover, He was a director of Petro Bangla, Boro Pukuria Coal Mining Co. Ltd., Gas Transmission Company Ltd., Bakhrabad Gas Transmission & Distribution Co. Ltd., Eastern Refinery Ltd., Ashugonj Power Company Ltd., and HYSWA Board. During his Professional life, Mr. Md. Emdadul Hoque served in different capacities as a government official and retired as an Additional Secretary. He served in Finance Division, Ministry of Finance, and Ministry of Public Administration as an Additional Secretary & Senior Assistant Secretary as well, Internal Resources Division, and Energy & Mineral Resources Division as a Joint Secretary,

Board of Investment as a Joint Secretary & Secretary, Banking Division, Ministry of Finance, and Ministry of Civil Aviation & Tourism as Senior Assistant Secretary, and Ministry of Labour & Manpower as well as Ministry of Home Affairs as Assistant Secretary. Mr. Hoque also served as Additional Deputy Commissioner of Jashore, as Upazila Nirbahi Officer of Dacope, Khulna. Besides, his enormous contribution & immense experience during a long period of public service had been recognized with great honour while he was appointed as the chairman of Poschimanchol Gas Company Ltd., Standard Asiatic Oil Company Ltd., and LPG Ltd. Mr. Md. Emdadul Hoque was a well-known member of National Pay & Services Commission 2013, University Grants Commission, Legend Board, University of Science & Technology, Patuakhali, and Islami Bank Foundation also.

Throughout his long career, Mr. Hoque has attended numerous training programs and seminars such as Course on Personnel Management-UK (1989), Course on Training Management-Belgium (1993), Training on External Sector Policies-IMF, Washington DC (1997), Trade and Investment

Seminar-Beijing, China (2005), Seminar on Roundtable Energy System-Madrid, Spain (2006), SAARC Energy Ministers Conference-New Delhi (2007), Environmental and Safety Issues-Canada (2007), SARI/Energy-Global Energy Markets Trade Program, USAID- New Delhi (2008) and Revenue Enhancement Issues in South Africa- Cape Town (2009) and visited a number of countries, including the UK, USA, Belgium, China, Thailand, Spain, India, Nepal, Canada, Italy, Japan, South Africa, Australia, Vietnam, Bhutan etc. All these trainings & seminars as well as tours & excursions have enriched him with extensive expertise and experience from diverse arenas and international exposures and have given him a broader perspective on global socio-economic issues. Overall, Mr. Md. Emdadul Hoque is a seasoned professional with a wealth of experience, knowledge, and expertise especially in the field of economics, finance, and public administration.



### Mr. Shohel Ahmed

Director

Nominated by: Meter D Tech.

Mr. Shohel Ahmed is a distinguished professional who has proved himself to be an accomplished and visionary leader in the businesses he engaged. With experience of leadership in country's notable businesses as top management spanning over two decades, he currently holds the esteemed position of Director of SBAC Bank PLC. being nominated by Meter D Tech. He has consistently demonstrated a commitment to excellence, ethical business practices, and a vision for sustainable growth. His

multifaceted career has seen him assume indispensable roles like Managing Director, Chairman, and Director of various renowned business entities such as Techno Electricals Ltd., SQ Wire & Cable Co. Ltd., SQ Trading & Engineering, SQ Properties Ltd., SQ Accessories Ltd., SQ Lights Ltd., SQ Wood Preservatives, Power Add, Vicar Electricals Ltd., Vicar Concrete Products, SQ Distributions Ltd., SQ Electricals Ltd., Papiro Ltd., and Building Dreams Ltd.

Mr. Shohel Ahmed is a proud alumnus of Newport University of California, USA, where he earned a Masters of Business Administration (MBA) degree. His academic qualifications, combined with his extensive practical experience, have equipped him with the knowledge and skills necessary to lead and innovate in the dynamic world of banking and finance.



### Mr. Md. Sajidur Rahman

Independent Director &  
Chairman, Audit Committee (AC)

Mr. Md. Sajidur Rahman is one of the independent directors of SBAC Bank PLC. He is the Chairman of Audit Committee (AC), and Nomination and Remuneration Committee (NRC) of the Board. He is a Strong Corporate leader in a

multicultural and complex environment and impressive communicator with a passion for strategy, numbers, a keen eye for detail, and the ability to build and coach high performance teams. Mr. Md. Sajidur Rahman was the CEO of

Telenor Health. He is at the advisory board of a number of companies in financial services, energy and technology such as Oddup (from Hong Kong), Xendit (from Indonesia) and Coders Trust (from Denmark). He is also a director of US-DK Green

energy (building the largest wind power plant in Bangladesh), Founder Institute and SD Asia & has an involvement with Indo-Bangla Trading and Lenden Ltd. Prior to his present position, Mr. Rahman was the Managing Director (Consumer Banking) of Standard Chartered Bank in Indonesia, Nigeria and Bangladesh. He was also a board member of Standard Chartered

Gambia. It is also notable that, Mr. Rahman had exhibited his brilliance during the academic life. He completed his Master of Commerce (Marketing) & Bachelor of Commerce degree as First Class First from University of Dhaka. He also studied at London Business School and Oxford University. He is a regular speaker on topics of banking, financial services, health

services and different technology trends. He is regularly invited to speak at different prominent forums including Financial Times of London, Bloomberg, Mobile World Congress, World IOT conference, Royal School of Medicine etc. His writings have been published in different journals including Tech In Asia.



## Professor Mohammad Moqbul Hossain Bhuiyan

Independent Director

Professor Mohammad Moqbul Hossain Bhuiyan is one of the independent directors of SBAC Bank PLC. He is a Professor of Department of Management Information Systems (MIS) of University of Dhaka. He also served as a visiting Professor at number of renowned public and private universities of the country. Mr. Bhuiyan as a university intellect has acquired broad spectrum of expertise in the field of Strategic Management, Management Information Systems (MIS), Total Quality Management, Organizational Behavior, and Business Communication. He has an unparalleled fame & recognition at home and abroad as a researcher in related fields. A good number of his articles have been published in different national and international journals. Mr. Bhuiyan is definitely one of the successful administrators in the faculty of

business studies. he has showed his administrative charisma as the Chairman of Management Information Systems (MIS) Department, Director of MBA (Evening) Program of the same Department, Provost of Masterda Surjasen Hall, and Assistant House Tutor & House Tutor in Masterda Surjasen Hall and Sergeant Zohurul Hoque Hall. Mr. Bhuiyan has demonstrated his exemplary brilliance in his Academic life also. He has completed his M.Com. & B.Com. (Hons.) Degree from the Department of Management of Dhaka University with the first Class first Position in both, and MBA Degree from Otaru University of Commerce, Hokkaido, Japan under 'Monbusho Scholarship' of Japan Government with an outstanding CGPA of 4.0 Out of 4.00 scale. He also has a Diploma in Japanese Language and Culture

from Mara Foundation College, Malaysia. It is worth mentioning here that, Professor Mohammad Moqbul Hossain Bhuiyan has a strong affiliation with numerous publications of the university. He served as the Chief Editor of the Editorial Board of Bangladesh Journal of MIS, a member of the Editorial Board of the Dhaka University Journal of Business Studies, and an Associate Editor of Bangladesh Journal of MIS. He has a strong socio-organizational engagement as former general secretary of Dhaka University Teachers' Club, Secretary of Dhaka University Teachers' Cooperative Society, member of Japanese University Alumni Association, and a life time member of Registered Graduate, Dhaka University. Mr. Bhuiyan comes from a respected Muslim family of Laxmipur.



## Mr. Ziaur Rahman Zia FCA

Independent Director

Mr. Ziaur Rahman Zia FCA is an independent director of SBAC Bank PLC. He is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). Prior to that he obtained his M.Com degree in Accounting. He has about 18 years of experience in auditing, inspection and investigation while working with A. Qasem & Co., a renowned Chartered Accounting firm. Currently he's working as a Partner of the same firm which is one of the oldest and most reputed professional accounting firms in the country founded in 1953. He

was an elected Member of the Dhaka Regional Committee of Institute of Chartered Accountants of Bangladesh and the Chairman of DRC ICAB for the year 2020. He is also past/current member of various standing and non-standing committees of ICAB. He is an Ex-Member of the Executive Committee of the "Professional Club Limited" and a Member of the Executive Committee of "Dristy Unnayan Sanghstha, Dhaka-DUS Dhaka" (a social organization which organizes Free Eye Camp, School Eye Health Check Up and Free Friday Clinic etc.). He specializes in the financial sector

and has extensive expertise and experience in conducting forensic review, special review, procurement review and fiduciary review of government projects funded by international development partners like World Bank and Asian Development Bank etc. He attended many trainings and workshops on banking regulations, public procurement, public financial management, e-Gp, Public-Private Partnership (PPP) and various other leadership trainings in home and abroad.



**Mr. Habibur Rahman**  
Managing Director & CEO

Mr. Habibur Rahman having 28 years of experience in Corporate Banking and Credit Risk Management joined SBAC Bank PLC. as Additional Managing Director on June 26, 2022 and has been appointed as the Managing Director & CEO of the Bank in December 13, 2022. Prior to assuming his current position, he was Deputy Managing Director in United Commercial Bank Ltd. where was responsible to supervise the Corporate and Investment Banking. He started his Banking career in ANZ Grindlays (later merged with Standard Chartered Bank), Dhaka, Bangladesh in 1996 and served there for 07 years as Relationship Manager in Corporate & Institutional Banking Division. Later he moved to Toronto, Canada and started his career as Deal Administration Manager in TD Securities (Wholesale Banking) at Toronto Dominion Bank. In 2007

Mr. Rahman joined HSBC Bank, Bangladesh and served there up to

September 2009 as Vice President, Senior Relationship Manager in Corporate Banking Division. Then, in search of better excellence and bigger challenges, he joined in The City Bank Ltd. in September 2009 and served there at Credit Risk Management Division as Senior Vice President and rendered his invaluable service for next 05 years at different capacities.

In 2013, he took the challenges of future career particularly in Corporate Banking and Credit Risk Management Division of Eastern Bank Ltd. as EVP and later promoted as SEVP. During his magnificent banking career, Mr. Rahman service in different Banks with a proven leadership capacity where he directed, supervised & motivated a large number of diverse individuals to work as a team to meet business objectives. During his tenure in different banks from both home and abroad he was entrusted with many important assignments.

In his academic life, Mr. Rahman has showed his excellence too. He achieved his Master in Business Administration (MBA) from Vrije University Brussels, Belgium and prior to MBA, he obtained his Graduation, Post-Graduation Degree from Jahangirnagar University in Economics. As part of his professional development, Mr. Rahman has attended several professional training programs and workshops both at home and abroad in Risk Management, Sales & Effective Negotiation, Finance on International Trade, Up-skilling Relationship Management, Comprehensive Banking Workshop, Bank Management and Banking products, Lending Risk Analysis & Decision Making and International Trade Skills Assessment Programs. Moreover, He is a Certified Credit Professional (CSA) by Omega.

## Management Committee (ManCom)



**Mr. Habibur Rahman**  
Managing Director & CEO  
Chairman



**Mr. Md. Nurul Azim**  
AMD & CBO  
Member



**Mr. Manzurul Karim**  
SEVP  
Member



**Mr. Md. Masoodur Rahman FCA**  
SEVP & Head of BOD  
Member



**Mr. Moinul Islam**  
SEVP & Head of LARD  
Member



**Mr. Faisal Ahmed**  
EVP & Head of HRD  
Member



**Mr. Md. Mokaddess Ali FCS**  
EVP & Company Secretary  
Member



**Mr. Md. Abdul Mannan**  
EVP & Head of Credit  
Member



**Mr. Abid Hossen**  
EVP & Head of ICT  
Member



**Mr. Mohammad Shafiul Azam**  
SVP & Head of GSD  
Member



**Mr. Mannan Bapari FCMA**  
SVP & Head of FAD  
Member



**Mr. Dewan Arifur Rahman**  
SVP & Head of Treasury  
Member

## List of Executives of the Bank

### MD & CEO

1 Mr. Habibur Rahman

### AMD & CBO

2 Mr. Md. Nurul Azim

### DMD

3 Mr. Md. Altaf Hossain Bhuyan

### Principal, Training Institute

4 Mr. A.K.M. Fazlur Rahman

### SEVP

5 Mr. Manzurul Karim  
6 Mr. Md. Masoodur Rahman FCA  
7 Mr. Mohammad Asadul Haque  
8 Mr. Moinul Islam

### EVP

9 Mr. Faisal Ahmed  
10 Mr. Md. Mokaddess Ali FCS  
11 Mr. Md. Abdul Mannan  
12 Mr. Md. Sharif Al Kashem  
13 Mr. A. H. M. Masud Murshed  
14 Mr. Abid Hossen

### SVP

15 Mr. Md. Sajedul Alam Khan  
16 Mr. Md. Majibur Rahman  
17 Mr. Mohammed Imtiaz  
18 Mohd Abul Kalam Azad  
19 Mr. Mohammed Anwarul Kabir  
20 Mr. Md. Rashed Mahbub Rabban  
21 Mr. Mohammad Faisal  
22 Mr. Mohammad Shafiul Azam  
23 Mr. Emdad Haider  
24 Mr. Mannan Bapari FCMA  
25 Mr. Md. Salah Uddin  
26 Mr. Md. Mostafizur Rahman

27 Mr. Md. Saiful Islam

28 Mr. Dewan Arifur Rahman

### VP

29 Mr. Md. Zakir Hossain  
30 Mr. Md. Ziaul Latif  
31 Mr. Md. Fakhrul Islam  
32 Mr. Md. Raisul Alam  
33 Mr. Syed Habibur Rahman  
34 Mr. Md. Mazharul Hasan  
35 Mr. Md. Delowar Hossain Mondol  
36 Mr. Syed Hafij Ahmed  
37 Mr. A. N. M. Mejbahul Hasan  
38 Mr. Md. Sayeed Bin Islam  
39 Mr. Md. Shahidur Rahman CSAA  
40 Mr. Md. Mahbubur Rahman  
41 Mr. Mohammad Atiar Rahman  
42 Mr. Mohammad Rafiqul Islam Shikder  
43 Mr. Md. Shamsul Azam

### FVP

44 Mr. Bidhan Kumar Saha  
45 Mr. Md. Khalequzzaman  
46 Mr. Mohammed Rofiqul Islam  
47 Mr. Md. Islamul Haque  
48 Mr. Mohammed Gias Uddin  
49 Mr. A B M Muhibbur Rahman  
50 Mr. Mohammad Mahbubul Alam Biswas  
51 Mr. Md. Delower Hossain  
52 Mr. Md. Mushfiq Us Saleheen  
53 Mr. Mohammad Mahfuzur Rahman  
54 Mr. Md. Shakibul Alam  
55 Mr. Imtiaz Rahman  
56 Mr. Razwanul Huq  
57 Mr. Zia Uddin Rony  
58 Mr. A. K. M. Asaduzzaman Talukder  
59 Mr. Muhammad Akhteruzzaman  
60 Mr. Syed Shahjahan Sagar  
61 Mr. Md. Kamruzzaman

62	Mr. Muhammad Ali Yousuf
63	Mr. Md. Manirul Islam
64	Mr. Md. Yasin Huda
65	Mr. Zabed Emdad Chowdhury
66	Mr. A. T. M. Noor Nabi Sarker
67	Mr. Md. Mahasin Sarder
68	Mr. Mohammad Shah Kamal Sarker
69	Mr. Md. Masud Kabir
70	Mr. Mohammed Ikram Pasha
71	Mr. Khondokar Noory Imam
72	Mr. Md. Shoeb
73	Mr. Sankar Kumar Ghosh
74	Mr. Shovan Barai
75	Mr. Mohammad Abdul Basit
76	Mr. Md. Abu Naser Chowdhury
77	Ms. Mehrab Binte Alaur
78	Mr. Mohammad Sayek Ahammad Chowdhury
79	Mr. Sk. Towhedur Rahman FCS

#### AVP

80	Mr. Mohammad Jasim Uddin
81	Mr. Mahmud Hassan
82	Mr. Md. Saifur Rahman
83	Mr. Abdul Mohit
84	Mr. Md. Rabiul Karim
85	Mr. Ahmed Ismail
86	Mr. Syed Hasib Uddin Ansar
87	Mr. Md. Rajib Ahmed
88	Mr. A. B. M. Shohel Pervez
89	Md. Rumon- Ul- Islam
90	Mr. Md. Abdur Razzak
91	Mr. Mamonur Rashid
92	Mr. Md. Kafiluddin Bhuiyan
93	Mr. Md. Feroj Kabir
94	Mr. MD. Arif Billah
95	Mr. Md. Ismail Hossen
96	Mr. Mohammed Rafiqul Hasan
97	Mr. K. M. Shamsul Bari
98	Ms. Tahera Khatun
99	Mr. Mohammad Amran Kaysh

100	Mr. Md. Farid Khan
101	Mr. A. K. M. Ashrafuzzaman
102	Mr. Kawsar Alam
103	Mr. Md. Mujammel Hossen
104	Mr. Mir Abdul Hye Siddique
105	Mr. Md. Shamim Hossain
106	Mr. Khaled Mosharaf
107	Mr. Md. Abdur Rashid
108	Ms. Shamima Akther
109	Mr. Biddut Kumar Sarker
110	Mr. Mohd Monjurul Alam
111	Mr. Anuj Das
112	Mr. Abul Hasan Khan
113	Mr. Abdul Alim
114	Mr. Md. Abu Zafar
115	Mr. Mohammed Salauddin
116	Mr. Mohammad Alauddin
117	Mr. Md. Abdul Hye Bappi
118	Mr. Kazi Masuduzzaman
119	Mr. Kaji Jasim Uddin
120	Mr. Faisal Bin Hasan Siddique
121	Mr. Mohammad Monwar Hossain
122	Mr. Mohammad Abdul Hafiz
123	Mr. S.M. Waliullah Hossain
124	Mr. Md. Abdul Aziz
125	Mr. Md. Abul Kalam Azad
126	Mr. Mohammad Khabirul Islam
127	Mr. Md. Iftexhar Alam Bhuiyan
128	Mr. Md. Nurul Absar
129	Mr. Syed Fahim Ali
130	Mr. Md Abdullah Al Mamun Chowdhury
131	Mr. Md. Habibur Rahman
132	Mr. Md. Nahiduzzaman Khan
133	Mr. Rabiul Hossain Majumder
134	Mr. Md. Akbar Hossen
135	Mr. Md. Surwar Rashed
136	Mr. Mazumdar Istiak Mahmud
137	Mr. Md. Abdullah Al Khayem

# লেনদেন হোক আরও সহজে !

বাংলাপে ডিজিটাল ওয়ালেট



- ☛ যেকোন ব্যাংক হিসাবে টাকা স্থানান্তর
- ☛ সব ব্যাংকের ক্রেডিট কার্ডের বিল পরিশোধ
- ☛ মোবাইল ব্যাংকিং হিসাবে টাকা লেনদেন
- ☛ চেক ছাড়াই কিউআর কোডে যেকোন শাখা থেকে ক্যাশ উত্তোলন
- ☛ কিউআর কোডের মাধ্যমে কেনাকাটা ও রেস্টুরেন্টের বিল পরিশোধ
- ☛ যেকোন মোবাইল অপারেটরে টপআপ
- ☛ এছাড়াও রয়েছে আরও অনেক ফিচার....!

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করুন অথবা আপনার নিকটস্থ  
এসবিএসি ব্যাংকের ব্রাঞ্চে গিয়ে  
নির্ধারিত ফর্ম পূরণ করে জমা দিন।



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## এসবিএসি ব্যাংক পিএলসি.

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# Chapter 04

## MESSAGE FROM THE OFFICE OF THE CHAIRMAN AND REVIEW OF THE MANAGING DIRECTOR & CEO





## Message from the office of the Chairman

### Mr. Abu Zafar Mohammad Shofiuddin MP Chairman

*"Promoting financial stability through maintaining public confidence is one of our main concerns now. A number of recent developments in local and global economies have strongly persuaded us to take initiatives on installation of strict corporate governance, vigorous risk management practices and extensive internal control and compliance for reaching our goals. Our aim is to achieve sustainable business growth through dexterous asset-liability management, conservative advance-deposit ratio, proper fund management, efficient deposit management, enhanced operational efficiency, reduced operational cost, increased fee & commission-based income, and transforming each branch into profitable one. We are absolutely focused on our efforts of human resources development, service-digitalization, and brand value enhancement while reassuring our commitment for adding value to all the stakeholders."*

Bismillahir Rahmanir Rahim

Assalamualaikum

I feel immensely privileged and honoured to welcome you all at the 11<sup>th</sup> Annual General Meeting (AGM) of SBAC Bank PLC. This is a great opportunity to express my sincere gratitude and heartfelt thanks for your trust, confidence, support and continued co-operation for successful completion of the year 2023. I am delighted to present the Annual Report 2023 of the Bank on behalf of the Board of Directors to briefly explain overall performance of the bank, local & global economic overview, and strategic priorities accordingly.

I'm feeling greatly proud to let you know that, we have stepped into the 12<sup>th</sup> year of our journey for excellence in service and have been marching forward for achieving further better performance in all aspects of banking through the deployment of state-of-the-art technologies, expanding branch & sub-branch network, opening Islamic banking windows, starting agent banking operation, and launching innovative products & services.

**Honorable fellow shareholders,**

We all are well conversant that geopolitical tensions continued to pose risks to the global economy in 2023. Trade disputes, geopolitical rivalries, and regional conflicts created uncertainty for businesses and investors, impacting investment decisions and global supply chains. Heightened tensions between major powers, such as the United States, China, and Russia along with turmoil in the Middle East contributed to volatility in financial markets and raised concerns about the stability of the global economic order. The Russia-Ukraine war followed by war in the Middle East have caused catastrophe in emerging and even developed economies. The supply chain disruption caused by those wars have created unprecedented challenge for the international trade and commerce, cost and time of shipment have already gone so high, subsequently foreign trade business of banks have experienced significant adversity and more challenges are yet to come. But what encourages us at this point of time is the rebound of our economy and the global economy as well. Global economic growth was projected 3.1 percent for 2023, 3.1 percent for 2024 and 3.2 for the year 2025. In emerging market and developing economies, growth is expected to remain at 4.1 percent in 2024 and to rise to 4.2 percent in 2025. On the other hand, though inflationary pressure is still in action which started from supply chain disruptions, increased demand as economies reopened, and fiscal stimulus measures implemented by governments after the havoc made by the pandemic, headline inflation has decelerated to 5.9 percent this year and projected to be 4.8 percent in 2024. Core inflation, excluding food and energy prices, is also projected to decline to 4.5 percent in 2024. To reduce inflation, major central

banks raised policy interest rates to restrictive levels in 2023, resulting in high mortgage costs, challenges for firms refinancing their debt, tighter credit availability, and weaker business and residential investment.

The year 2023 witnessed accelerated technological transformation across various industries. Advances in artificial intelligence, automation, and digitalization continued to reshape the way businesses operate, driving efficiency gains and innovation. Environmental sustainability emerged as a critical issue for the global economy in 2023. Heightened awareness of climate change and its potential economic consequences led to increased calls for action to address environmental degradation and transition to renewable energy sources.

The local economy is passing a hard time too as the global economy for the last couple of years. Crises started from the Covid-19 pandemic have been prolonged by wars and conflicts around the world., still the economy is showing again an upward trend after the shock it experienced from the covid-19 pandemic, and Russia-Ukraine conflict, along with the rest of the world, although the very recent slowdown in the global economy due to tensions in Middle East has adversely affected the country's economic growth. According to the provisional estimates of Bangladesh Bureau of Statistics (BBS), the GDP growth stood at 6.03 percent in FY 2022-23. The turbulence in global economy and weakening of taka against US dollar have led to a decay in per capita national income. The per capita national income in dollar terms has declined slightly in FY 2022-23 mainly due to the appreciation of US dollar. However, the per capita national income in terms of Taka increased by about 30 thousand and stood at Tk. 2,70,414. On the other side, the upward trend of the price level is being observed in Bangladesh also. On a point-to-point basis, inflation stood at 9.24 percent in April 2023, as against 6.29 percent in April 2022. However, in order to keep inflation at a tolerable level, the government has taken various measures under fiscal and monetary policy. Reduction of duty on import of essential goods and increase of central bank policy interest rate etc. are significant reforms adopted to curb the price hike. Furthermore, Bangladesh Bank had adopted a cautious monetary and credit programme for FY 2022-23 supporting the economic recovery process in the coming days as well as mitigating inflationary and exchange rate pressures.

In case of Stock market & Money market, Both the Exchanges i.e. Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) experienced some volatility in FY 2022-23 though the market capitalization of all securities increased significantly.

Weighted Average Borrowing and Lending Rate at Call Money Market was 8.84 percent at December 2023 and have slightly decreased to 8.75 percent at March 2024. The recent trends in weighted average lending and deposit rates show upward movement. The weighted average lending rate increased consistently and stood at 10.36 percent and the weighted average deposit rate reached to 5.17 percent at March 2024 having a spread of 5.19 percent in compare to 4.70 percent and 9.36 percent that of December 2023. Whereas, the bank rate is stable at 4.00 percent.

Our Banking industry has seen some upturns after frequent setbacks and turmoil in recent days mainly because of the government policy and the comprehensive plan of Bangladesh Bank to lower the non-performing loan (NPL). At the end of second quarter of fiscal year 2023-24, the NPL in the banking sector exhibited positive developments, with the gross NPL to total loans ratio declined to 9.00 percent from 9.93 percent. Moreover, the banking sector has witnessed a consistent upward trajectory in deposit growth over the past few quarters, primarily driven by the competitive deposit interest rates offered by commercial banks. Moreover, there was an improvement in the shortfall in provisions kept for bad loans, contributing to greater resilience against credit risks. Although there was a slight decrease in excess liquidity in the banking system, the industry's overall stability remains intact. It is expected that the recent upward trend in deposit growth would alleviate concerns about a persistent liquidity crisis. This trend in deposits may continue as a result of higher deposit rates offered by banks. Along with above, another significant development is that, in recent past the govt. and central bank have taken cautious stand to narrow down trade deficit, consequently the import growth has showed a negative trend. In addition, remittances increased inward remittances grew significantly by 22.3 percent during October-December, 2023.

In summary, the Global and Bangladesh economy has experienced significant challenges due to geopolitical tensions, supply chain disruptions, and lingering effects of the covid pandemic in 2023. However, Bangladesh showcased resilience and adaptability. Through proactive measures, including infrastructural investments, technological advancements, and sustainable development initiatives, we navigated through the turbulent economic landscape, demonstrating robust growth and resilience. Looking ahead, fostering continued collaboration, innovation, and inclusive policies will be imperative for both global and Bangladeshi economies to overcome challenges and achieve sustainable prosperity in the years ahead.

**My fellow shareholders,**

I am happy to share that our Bank has registered a consolidated operating profit of Tk. 2,248.99 million

(solo operating profit was Tk. 2,198.55 million) which was Tk. 1,796.56 million in 2022, showing the growth rate of 25.18 percent, and the consolidated net profit after tax has been Tk. 546.36 million & solo net profit after tax has been Tk. 536.61 million in 2023.

Bank's total deposit rose to Tk. 93,321.58 million (consolidated) & Tk. 93,731.23 million (solo) in 2023 from Tk. 84,209.59 million (consolidated) & Tk. 84,599.43 million (solo) of 2022, registering a growth of 10.82 percent on consolidated basis, Whereas the Total Loans, Advances and Lease/Investments stood at Tk. 86,644.19 (consolidated) & Tk. 86,841.61 million (solo) in compare to Tk. 77,827.26 million (consolidated) & Tk. 77,992.32 million (solo) in 2022, registering a growth of 11.33 on consolidated basis. The amount of classified loans and advances was Tk. 5,149.57 million at the end of 2023, and an amount of Tk. 3,171.66 million has been Provision kept against classified loans and advances. It is also mentionable that, the bank maintained an Advance-Deposit Ratio of 85.66 percent for traditional banking and 69.05 percent for Islamic banking window during the year in review.

The Earnings per Share (EPS) of the bank stood at Tk. 0.66 (consolidated) & Tk. 0.65 (Solo) in 2023 as against Tk. 0.72 (consolidated) & Tk. 0.68 (solo) of 2022. Our Net Asset Value (NAV) was Tk. 13.50 (consolidated) & Tk. 13.45 (solo) in 2023 as against Tk. 13.14 (consolidated) & Tk. 13.10 (solo) in 2022. In 2023 total shareholders' equity stood at Tk. 11,125.35 million (consolidated) & Tk. 11,082.53 million (solo) in compare to Tk. 10,829.65 million (consolidated) & Tk. 10,796.55 million (solo) of 2022. In 2023 the Return on Assets (ROA) of the bank was 0.49 percent (consolidated) & 0.48 percent (solo) in compare to 0.58 percent (consolidated) & 0.55 percent (solo) of 2022, whereas the Return on Equity (ROE) was 4.98 percent (consolidated) & 4.89 percent (solo) in 2023 as against 5.50 percent (consolidated) & 5.24 (solo) of 2022. At the end of 2023, Bank's Capital to Risk Weighted Assets Ratio (CRAR) was 13.82 percent (consolidated) & 13.71 percent (solo).

As one of the fastest growing fourth-generation banks, we have ensured our presence at a number of places including vital business locations. The bank has 89 branches, 31 sub-branches, and 31 agent banking outlets (active) across Bangladesh, and we also have 01 Off-shore banking unit at head office. The Bank has been operating the foreign trade business through 07 Authorized Dealer (AD) branches and a centralized Trade Processing Unit at Head Office to handle the trade transactions of Non-AD branches. We have been maintaining correspondent banking relationship with globally reputed banks to facilitate foreign trade and other international transactions. At the end of 2023, the number of foreign correspondent banks was 207 covering 44 countries across the globe, and

maintaining 16 Nostro Accounts in 06 major currencies with reputed international banks. The bank is also enjoying ample credit line with a number of widely recognized banks worldwide. In 2023 the total import business of the bank was Tk. 43,552.36 million as against Tk. 45,383.04 million in 2022. Our export business was Tk. 39,263.90 million in 2023 as against Tk. 33,877.54 million of the year 2022, with around 16 percent growth year-over-year. Moreover, the Bank has received Tk. 17,060.83 million as wage earners remittance in 2023 as against Tk. 9,524.78 million in 2022, with around 80 percent growth.

#### Honorable Members,

Our journey of service excellence through transforming to state of the art technologies is continuing. We are highly determined to deploy newer technologies and launch innovative digital products & services to optimize the banking experience of our customers. We have launched digital banking apps, mobile banking wallet, online banking, and White HR (Application for our internal human resources) as part of our service digitalization.

The bank nourishes the commitment of providing hassle-free, convenient & no-stop services through diversified and innovative card products to the clients using latest technological facilities. As on 29.05.2024, we have installed 73 Automated Teller Machines (ATMs), 02 Cash Deposit Machines (CDMs) in different branch locations and more ATMs & CRMs are underway to be set up. We already have introduced VISA Debit & Credit Cards with EMV technologies for our customers and have issued 82,200 debit cards & approximately 7,410 credit cards. Moreover, we have launched online banking (SBAC Click) to better serve our customers with further ease and convenience.

#### Distinguished Shareholders,

We always emphasize on best corporate governance and risk management practices following standard principles as per the guidelines, rules & regulations of various regulatory authorities such as Bangladesh Bank, BSEC, RJSC, DSE & CSE, and deploy our constant efforts for adhering to the relevant rules, regulations and guidelines. To protect the interest of the stakeholders, all the committees i.e., Executive Committee, Risk Management Committee, and Audit Committee remains functional round the year. We are committed to protect the interest of the society and contributing in a number of socially responsible activities. The bank being a socially responsible

corporate is engaged in various social activities like education, healthcare, culture and others those show its interest in wider social issues. Under the Corporate Social Responsibility (CSR) program, we have significant contribution towards Education, Preventive and Curative Healthcare, Emergency Disaster Relief, Financial Inclusion, Community Investments by way of donations etc. Under CSR Program we have donated Tk. 34.22 million among the areas mentioned above including Tk. 3.16 million in Education, Healthcare Tk. 0.95 million, and Tk. 30.11 million in others sector in 2023.

#### Dear Presence,

The Bank is committed towards attracting and retaining a talented and diverse workforce. Therefore, we emphasize on bring diversity in workforce in context of age, gender, ethnicity and locality. We recruit the Management Trainee Officer (MTO) and Probationary Officer (PO) to add extraordinary talents in our work force. We had established a well-equipped Training Institute since our inception to transform the human resources into human asset and prepare them fully for the challenges of banking and customer service. In 2023, our training institute arranged a number of training programs/workshops including foundation training where 2070 employees of different grades of the Bank participated to enrich our human resources professionally further and to develop their skills. In addition, Human Resources Division nominated employees for training courses, workshops and seminars on different topics in different organizations in 2023. A total of 29 employees of SBAC Bank participated in training in different resourceful professional institutes like BIBM, BAB, BBTA, Bangladesh Bank etc.

Finally, I would like to express my deepest gratitude to all the shareholders, clients, patrons, well-wishers, directors, and employees for their continuous support and trust which were the key driving forces behind all of our initiatives. My heartfelt thanks to the regulators specially Bangladesh Bank, Bangladesh Securities and Exchange Commission (RJSC), Registrar of Joint Stock Companies and Firms (RJSC), Dhaka Stock Exchange (DSE) PLC., Chittagong Stock Exchange (CSE) PLC., and external auditors for their prudent guidance and support.

Thank you all for being with the bank and keeping your trust on us. May the almighty shower his eternal blessings upon all.

On behalf of the Board of Directors,



**Abu Zafar Mohammad Shofiuddin MP**

Chairman



# Review of the Managing Director & CEO

**Habibur Rahman**  
Managing Director & CEO



## **Bismillahir Rahmanir Rahim**

At the very beginning, I would like to express my gratefulness to the almighty for his all blessings on us in our journey round the year as the bank has been able to record significant progress in almost all operational areas in 2023 despite challenges arising from the post-impact of COVID-19, Russia-Ukraine war, Israel's aggression in Palestine, supply chain disruption, dollar crisis etc. I am highly privileged and feeling honored to present the affairs of the Bank for the Year 2023 along with the global and local economic outlook and strategic priorities ahead.

As per IMF's World Economic Outlook (October, 2023), the Global growth is forecast to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024. However, According to the latest projection (World Economic Outlook, April, 2024), growth for 2024 and 2025 will hold steady around 3.2 percent. In emerging market and developing economies, the growth is expected to remain at 4.1 percent in 2024 and to rise to 4.2 percent in 2025 (World Economic Outlook, January, 2024). Whereas, the Global headline inflation is expected to fall from an annual average of 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies (World Economic Outlook, April, 2024). However, Bangladesh's economy anticipates support from resilient domestic demand, steady growth in Ready-Made Garments (RMG) exports, and consistent inflows of remittance from wage earners, bolstering its growth outlook. Projections suggest that the economy is poised to maintain a robust growth rate of around 6.5 percent in FY24.

I am glad to share that, despite all the difficulties disturbances during 2023, the bank earned Tk. 2,248.99 million (consolidated) operating profit which was Tk. 1,796.56 million in 2022 and the consolidated net profit after tax has been Tk.546.36 million. The Earning per Share (EPS) of the bank stood at Tk.0.66 (consolidated) in 2023 as against Tk.0.72 (consolidated) of 2022. Our Net Asset Value (NAV) was Tk.13.50 per share (consolidated) in 2023 as against Tk.13.14 per share (consolidated) in 2022. In 2023 total shareholders' equity stood at Tk.11,125.35 million (consolidated) in compare to Tk.10,829.65 million (consolidated) of 2022. In 2023, the Return on Assets (ROA) of the Bank was 0.49 percent (consolidated) in compare to 0.58 percent (consolidated) of 2022, whereas the Return on Equity was 4.98 percent (consolidated) in 2023 as against 5.50 percent (consolidated) of 2022. At the end of 2023, Bank's Capital to Risk Weighted Assets Ratio (CRAR) was 13.82 percent (consolidated).

Further to those, in 2023 the import business of SBAC Bank was Tk. 43,552.36 million which was Tk. 45,383.04 million in 2022. Our export business was Tk. 39,263.90 million in 2023 as against Tk. 33,877.54 million of the year 2022, with around 16 percent growth year-over-year. Moreover, the Bank has received Tk.17,060.83 as wage earners remittance in 2023 as against Tk. 9,524.77 million in 2022, with 79.12 percent growth.

Moreover, our prime focus is on prudent management of asset-liability of the Bank ensuring no more classification of loan. In 2023 our total deposit rose to Tk. 93,321.58 million (consolidated) from Tk. 84,209.59 million (consolidated) of 2022, registering a growth of 10.82 percent on consolidated basis, whereas the Total Loans, Advances and Lease/Investments stood at Tk. 86,644.19 (consolidated) in compare to Tk. 77,827.26 million (consolidated) registering a growth of 11.33 on consolidated basis. It is also mentionable that, we have maintained an Advance-Deposit Ratio of 85.66 percent for traditional banking and 69.05 percent for Islamic banking window during the year in review. Summary of our key operating performance comparing last 05 years key performance indicators has been presented on page no: 86-87 in the Directors' Report.

We reassure our commitment of providing convenient & tech-based services through diversified and innovative products. We have launched digital banking apps, mobile banking wallet, online banking, and White HR as part of our service digitalization. We have launched online banking (SBAC Click) to better serve our customers with further ease and convenience. As on 29.05.2024, we have installed 73 Automated Teller Machines (ATMs), 02 Cash Deposit

Machines (CDMs) in different branch locations and more ATMs & CRMs are underway to be set up. As one of the fast growing fourth-generation banks, we have ensured our presence at a number of places including vital business locations. The bank has 89 branches, 31 sub-branches, and 31 agent banking outlets (active) across Bangladesh.

In terms of resources management, we give our utmost importance on attracting, retaining, and nurturing a talented and diverse human resource. We have established a well-equipped Training Institute since our inception to transform the human resources into human asset and prepare them fully for the upcoming challenges of banking industry. Since our inception, we are working with a vision of transforming human resources into human capital through appropriate knowledge, skills, abilities and personal attribution. For this purpose the Bank established its own Training Institute equipped with modern infrastructure and amenities. The Training Institute has already successfully completed the Training of 42 Batches comprising 2070 officials of different levels up to December 31, 2023.

Compliance is our first priority. In our day to day operations we ensure best corporate governance and risk management practices following standard principles as per the guidelines, rules & regulations of various regulatory authorities to protect the interest of the stakeholders and achieve sustainable growth.

To comply with Corporate Social Responsibility (CSR), it's our priority to become a socially responsible corporate citizen. We are committed to work for the people and are actively engaged in social projects. Under the CSR program, the Bank has a notable contribution towards Education, Preventive and Curative Healthcare, Emergency Disaster Relief, Financial Inclusion, Community Investments by way of donations etc. Under CSR Program the Bank has spent Tk. 34.22 million among the areas mentioned above including Tk. 10.00 million for "Home Construction Fund by Private Finance" Ashrayan Project 2-PMO, Prime Minister's Education Assistance Trust, Blankets for the Cold affected people particularly in the northern districts of the country worth Tk. 4.71million and Child Day Care Centre for Private Banks were distributed. Moreover, we have contributed Tk. 1,098.91million as Tax, Tk. 650.16 million as advance income tax & Tk. 394.78 million as VAT and excise duty to national exchequer during the calendar year 2023.

In upcoming days our strategic priorities and action plan shall evolve around maintaining steady growth, high asset quality, and stable financial health of the Bank. We are giving huge importance on digitalization of services, expansion of coverage

where improvement of deposit mix through mobilizing low-cost and no-cost deposit, increasing non-funded business, maintaining of optimum level of liquidity, cautious asset-liability management, diversifying of products & services, improvement of internal governance through strengthening good corporate culture, motivation, training and supervision in all levels of management; strengthening of internal control and monitoring; upgrading of Human Resources Management are prioritized.

In conclusion, I convey my heartfelt gratitude to the honorable Chairman as well as the members of the Board of Directors, all the stakeholders of the bank for their support, guidance and co-operation. My sincere thanks to our regulatory bodies and external auditors for their prudent guidance and support. Finally, I appreciate the winning spirit of my team, their dedication, commitment towards their responsibility.

Thanking you all for being with us,



**Habibur Rahman**

Managing Director & CEO

# Chapter 05

## DIRECTORS' REPORT



## Directors' Statement of Responsibilities

Bismillahir Rahmanir Rahim  
Dear Fellow Shareholders,

The Directors are required to present the Annual Report together with Directors' Report and the Financial Statements in accordance with the Companies Act, 1994, Rules and Regulations of the Institute of Chartered Accountants of Bangladesh (ICAB), Rules and Regulations of Bangladesh Bank (BB), Bangladesh Securities and Exchange Commission (BSEC) Rules, 1987, the Dhaka Stock Exchange (Listing) Regulations, 2015, Chittagong Stock Exchange (Listing) Regulations, 2015 and BSEC's notification on Financial Reporting and Disclosures dated June 20, 2018.

The Financial Statements are required by law and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by ICAB to present fairly the financial position of the Company and the performance for the period. That is, the Directors are required to report that, the financial statements of the Bank prepared by the management, gives a true and fair view of:

- The state of affairs as at balance sheet date, i.e., December 31, 2023; and
- The profit and loss for the year ended on the balance sheet date.

Proper accounting records should be kept that discloses with reasonable accuracy the financial position of the Company and enables them to ensure that it's Financial Statements comply with the Companies Act, 1994 and the Bank Company (Amendment) Act, 2023. So, in preparing these financial statements, the Directors are required to ensure that:

- The state of affairs as at balance sheet date, i.e., December 31, 2023; and
- The profit and loss for the year ended on the balance sheet date.

Proper accounting records should be kept that discloses with reasonable accuracy the financial position of the Company and enables them to ensure that it's Financial Statements comply with the Companies Act, 1994 and the Bank Company (Amendment) Act, 2023. So, in preparing these financial statements, the Directors are required to ensure that: Industry outlook and possible future developments in the industry;

- The appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained.
- Estimates and judgments have been made, which are reasonable and prudent; and
- All applicable accounting standards, as relevant, have been followed.

The Directors are also required to declare the following matters in their report as per Bangladesh Securities & Exchange Commission (BSEC)'s notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 as applicable for Bank:

- Industry outlook and possible future developments in the industry;
- Segment-wise or product-wise performance with relevant risks;
- Extraordinary gain or loss;
- Related party transactions- a statement of all related party transactions;
- Utilization of proceeds from public issues, rights issues and/or through any other instruments;
- Significant variance between quarterly financial performance and annual financial statements;
- Remuneration to directors Including independent directors;

- Preparation of the financial statements and any departure thereof, has been adequately disclosed;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Bank's ability to continue as a going concern;
- Significant deviations from the last year's operating results;
- Key operating and financial data of at least preceding 05 (five) years;
- If no dividend (cash or stock) has been declared for the year, the reasons thereof shall be given;
- The number of Board meetings held during the year and attendance by each director;
- The pattern of shareholding structure; and
- In case of the appointment/reappointment of a director, the following information to be disclosed to the shareholders:
  - a) A brief resume of the director;
  - b) Nature of his/her expertise in specific functional areas;
  - c) Names of companies in which the person also holds the directorship and the membership of committees of the board

The Directors' report of SBAC Bank PLC. confirms that Directors' Report together with the Financial Statements in the Annual Report for the year 2023 have been prepared in compliance with laws, rules and regulatory guidelines as per the Companies Act, 1994; The Bank Company (Amendment) Act, 2023, guidelines issued by Bangladesh Bank and BSEC Corporate Governance Code No. BSEC/ CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 and BSEC/CMRRCD/2009 193/66/PRD/148 dated 16 October 2023.

Board through its Audit Committee installed appropriate and adequate Internal Control System in the Bank and acknowledges its responsibility for establishing Internal Control Systems' efficiency, effectiveness, reliability, timeliness, completeness and compliance with applicable laws and regulations.

Board of Directors of SBAC Bank holds it's meeting regularly. During 2023, twenty board meetings were held to consider Bank's policies, procedures, risk management, business and various strategic & tactical plans.

This report should be read simultaneously with Auditor's Report to the Shareholders of SBAC Bank PLC. Compliances of BSEC Corporate Governance Code, 2018 are given separately. Some of the information may contain projections or forward-looking statements based on our assumptions and expectations, which must not be interpreted as guarantee of future performance.

The Directors believe that they have performed their responsibilities as set out in the Companies Act-1994, the Bank Company (Amendment) Act, 2023, securities laws, listing regulations-2015, and other prevailing laws and regulations, as applicable for the Bank.

On behalf of the Board,



**Abu Zafar Mohammad Shofiuddin MP**  
Chairman

## Report of the Directors

(Under Section 184 of Companies Act 1994 and Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated: 03 June 2018 as well as Notification No. BSEC/CMRRCD/2009-193/66/PRD/148, dated 16 October 2023 of Bangladesh Securities and Exchange Commission).

The Board of Directors of SBAC Bank PLC. has the pleasure and feels honored in welcoming you all to the 11<sup>th</sup> Annual General Meeting (AGM) and presenting the Annual Report 2023 and Audited Financial Statements for the year 2023 along with the Report of the Auditors to the shareholders. A brief overview of the global trend and the performance of Bangladesh economy vis-à-vis our Bank and our strategic plan for 2024 have also been provided in this Report.

### An Overview on Global and Local economy

#### Global Economic Outlook:

In 2023, the global economic landscape was marked by a mixture of challenges and opportunities, shaped by various factors including geopolitical tensions, technological advancements, environmental concerns, and the ongoing effects of the COVID-19 pandemic. Global growth, estimated at 3.1 percent in 2023, is projected to remain at 3.1 percent in 2024 before rising modestly to 3.2 percent in 2025. Compared with that in the October 2023 World Economic Outlook (WEO), the forecast for 2024 is about 0.2 percentage point higher, reflecting upgrades for China, the United States, and large emerging market and developing economies. Despite all the setbacks, by 2023, many countries had made significant progress in recovering from the economic impacts of the COVID-19 pandemic. With widespread vaccination campaigns and easing of restrictions, economic activity began to rebound in many parts of the world. However, the pace and extent of recovery varied across regions, with some countries experiencing a faster recovery than others. In emerging market and developing economies, growth is expected to remain at 4.1 percent in 2024 and to rise to 4.2 percent in 2025. An upward revision of 0.1 percentage point for 2024 since October 2023 reflects upgrades for several regions.

One of the dominant themes of 2023 was the resurgence of inflationary pressures in various parts

of the world. Rising prices were driven by a combination of factors, including supply chain disruptions, increased demand as economies reopened, and fiscal stimulus measures implemented by governments. Central banks grappled with the challenge of balancing the need to support economic recovery while keeping inflation in check. As a result, headline inflation continues to decelerate, from 9.2 percent in 2022, on a year-over-year basis, to 5.9 percent this year and 4.8 percent in 2024. Core inflation, excluding food and energy prices, is also projected to decline, albeit more gradually than headline inflation, to 4.5 percent in 2024. To reduce inflation, major central banks raised policy interest rates to restrictive levels in 2023, resulting in high mortgage costs, challenges for firms refinancing their debt, tighter credit availability, and weaker business and residential investment.

Geopolitical tensions continued to pose risks to the global economy in 2023. Trade disputes, geopolitical rivalries, and regional conflicts created uncertainty for businesses and investors, impacting investment decisions and global supply chain. Heightened tensions between major powers, such as the United States, China, and Russia along with turmoil in the Middle East contributed to volatility in financial markets and raised concerns about the stability of the global economic order.

# World Economic Outlook

## Growth Projections

(Real GDP, annual percent change)	PROJECTIONS		
	2023	2024	2025
<b>World Output</b>	<b>3.1</b>	<b>3.1</b>	<b>3.2</b>
<b>Advanced Economies</b>	<b>1.6</b>	<b>1.5</b>	<b>1.8</b>
United States	2.5	2.1	1.7
Euro Area	0.5	0.9	1.7
Germany	-0.3	0.5	1.6
France	0.8	1.0	1.7
Italy	0.7	0.7	1.1
Spain	2.4	1.5	2.1
Japan	1.9	0.9	0.8
United Kingdom	0.5	0.6	1.6
Canada	1.1	1.4	2.3
Other Advanced Economies	1.7	2.1	2.5
<b>Emerging Market and Developing Economies</b>	<b>4.1</b>	<b>4.1</b>	<b>4.2</b>
<b>Emerging and Developing Asia</b>	<b>5.4</b>	<b>5.2</b>	<b>4.8</b>
China	5.2	4.6	4.1
India	6.7	6.5	6.5
<b>Emerging and Developing Europe</b>	<b>2.7</b>	<b>2.8</b>	<b>2.5</b>
Russia	3.0	2.6	1.1
<b>Latin America and the Caribbean</b>	<b>2.5</b>	<b>1.9</b>	<b>2.5</b>
Brazil	3.1	1.7	1.9
Mexico	3.4	2.7	1.5
<b>Middle East and Central Asia</b>	<b>2.0</b>	<b>2.9</b>	<b>4.2</b>
Saudi Arabia	-1.1	2.7	5.5
<b>Sub-Saharan Africa</b>	<b>3.3</b>	<b>3.8</b>	<b>4.1</b>
Nigeria	2.8	3.0	3.1
South Africa	0.6	1.0	1.3
<b>Memorandum</b>			
<b>Emerging Market and Middle-Income Economies</b>	<b>4.2</b>	<b>4.0</b>	<b>4.0</b>
<b>Low-Income Developing Countries</b>	<b>4.0</b>	<b>5.0</b>	<b>5.6</b>

Source: IMF, *World Economic Outlook Update*, January 2024

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2023/2024 (starting in April 2023) shown in the 2023 column. India's growth projections are 5.7 percent in 2024 and 6.8 percent in 2025 based on calendar year.

The year 2023 witnessed accelerated technological transformation across various industries. Advances in artificial intelligence, automation, and digitalization continued to reshape the way businesses operate, driving efficiency gains and innovation. Environmental sustainability emerged as a critical issue for the global economy in 2023. Heightened awareness of climate change and its potential economic consequences led to increased calls for action to address environmental degradation and transition to renewable energy sources. Despite the economic recovery, concerns persisted about high levels of public and private debt in many countries. Years of fiscal stimulus and low interest rates had led to a buildup of debt, raising questions about long-term sustainability and financial stability. Rising interest rates and debt servicing costs posed challenges for heavily indebted countries and corporations, increasing the risk of financial crises in some regions.

In summary, the global economic condition in 2023 was characterized by a complex mix of recovery from the COVID-19 pandemic, inflationary pressures, geopolitical uncertainty, technological transformation, environmental challenges, and debt-related risks. While the world economy showed signs of resilience and adaptability, significant challenges remained that required coordinated action by governments, businesses, and international institutions to address effectively.

### Local Economic Outlook

**Macroeconomic situation & growth:** Bangladesh's economy is showing again an upward trend after the shock it experienced from the covid-19 pandemic and Russia-Ukraine conflict, along with the rest of the world, although the recent slowdown in the global economy has adversely affected the country's economic growth. The economic growth in the pre-COVID-19 fiscal year (FY 2018-19) was 7.88 percent which declined drastically during the pandemic and gradually started to rise again. According to the provisional estimates of Bangladesh Bureau of Statistics (BBS), the GDP growth stood at 6.03 percent in FY 2022-23.

The turbulence in global economy and weakening of taka against US dollar have led to a decay in per capita national income. The per capita national income in dollar terms has declined slightly in FY 2022-23 mainly due to the appreciation of US dollar. However, the per capita national income in terms of Taka increased by about 30 thousand and stood at Tk. 2,70,414.

**Inflation:** As a result of supply chain disruption caused by covid-19 pandemic and conflicts around the world, since the beginning of 2021, an increase in the prices of all types of products, including energy have been observed in the world market. Like other countries of the world, the upward trend of the price level is being observed in Bangladesh. On a point-to-point basis,

inflation stood at 9.24 percent in April 2023, as against 6.29 percent in April 2022. However, in order to keep inflation at a tolerable level, the government has taken various measures under fiscal and monetary policy. Reduction of duty on import of essential goods and increase of central bank policy interest rate etc. are significant reforms adopted to curb the price hike.

To tame the demand-side pressures without bypassing the required flow of funds to the productive sectors easing supply-side conditions and supporting the country's long-term growth aspirations Bangladesh Bank has adopted a contractionary cautious monetary and credit programme for FY 2022-23 supporting the economic recovery process in the coming days as well as mitigating inflationary and exchange rate pressures.

The recent trends in weighted average lending and deposit rates show upward movement. The weighted average lending rate increased consistently and stood at 7.27 percent at the end of February 2023. At the same time, the weighted average deposit rate although declined a little and stood at 3.97 percent of end June 2022 from 4.02 percent of end February 2022, later it increased much and reached to 4.31 percent at end of February 2023. In enhancement of the market-based interest rate, increasing the policy rate several times by Bangladesh Bank and reduction of excess liquidity in the banking system have played significant role.

**Stock Market:** Both stock markets, Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange (CSE), noticed some volatility in FY 2022-23 though the market capitalization of all securities increased significantly in both the markets. Compared to June 30, 2022, the market capitalization of DSE and CSE increased by 47.36 percent and 67.15 percent respectively compared to the end of trading on February 28, 2023. During the same period, the DSE Broad Index (DSEX) and CSE Overall Price Index decreased slightly by 2.51 percent and 2.14 percent respectively.

**Foreign Exchange:** The import showed a negative growth especially caused by the govt. and central bank initiatives which has narrowed down the trade deficit. In addition, remittances increased by 4.79 percent during July-February, 2023. During the time, current account balance deficit decreased to US\$ 4,387 million due to decrease in trade deficit and expansion of remittances. At the same time, the capital and financial account experienced a deficit balance. Foreign exchange reserves stood at US\$ 31 billion as on 2 May 2023. As at the end of February 2023 compared to the end of June of FY 2021-22, the Taka has depreciated by 11.47 percent against the US dollar.

**Human Development & Environment:** Among all the sectors large and medium manufacturing industries increased significantly during last couple of years.

Government has made massive investment in power generation as it is one of the propelling factors of development of the economy which increased the power generation capacity of the country. Bangladesh is now focused to build a developed and integrated communication and transport infrastructure to assist the ongoing development process. The recently published Human Development Report, 2022/2023 by UNDP also shows some extent of progress where Bangladesh ranked 129<sup>th</sup> out of 191 countries. According to the latest HIES-2023 data, a decline in the poverty rate is observed to 18.7 percent in 2022. The extreme poverty rate decreased from 12.9 percent in 2016 to 5.6 percent in 2022. Various policies and initiatives are being implemented to encourage private sector expansion and investment in this sector including the establishment of Special Economic Zones, incentive packages for investors and creation of special authorities for investment facilitation. To tackle the climate adversities, the government has submitted the National Adaptation Plan of Bangladesh (NAP) 2023-2050 to the UNFCCC Secretariat on October 31, 2022, with the aim of implementing adaptation activities related to climate change under the UNFCCC with a vision to build a climate resilient nation.

**Banking Sector:** After frequent setbacks and turmoil in recent days the banking industry has seen some upturns, according to recent trends in banking data. Compared to first quarter of fiscal year 2023-24, the ratio of non-performing loans (NPLs) to total loans decreased in second quarter. At the end of second quarter of the same fiscal year, the non-performing loans (NPLs) in the banking sector exhibited positive developments, with the gross NPLs to total loans ratio declining to 9.00 percent from 9.93 percent at the end of first quarter of fiscal year 2023-24. The banking sector has witnessed a consistent upward trajectory in deposit growth over the past few

quarters, primarily driven by the competitive deposit interest rates offered by commercial banks. Moreover, there was an improvement in the shortfall in provisions kept for bad loans, contributing to greater resilience against credit risks. Although there was a slight decrease in excess liquidity in the banking system, the industry's overall stability remains intact. Aligning with government policy, the banking sector is implementing a comprehensive plan to lower the NPL ratio as per the directions by Bangladesh Bank. The amended Bank Company Act, 2023, and, in line with the act, a roadmap encompassing some critical action measures for ensuring discipline, governance, and credibility provide optimism towards resilience and stability in the banking industry. It is expected that the recent upward trend in deposit growth would alleviate concerns about a persistent liquidity crisis. This trend in deposits may continue as a result of higher deposit rates offered by banks. Recent signs of stability in the foreign exchange markets may bring some relief to domestic liquidity conditions.

In conclusion, the global and Bangladesh economies in 2023 experienced significant challenges and opportunities. While the global economy faced headwinds due to geopolitical tensions, supply chain disruptions, and lingering effects of the pandemic, Bangladesh showcased resilience and adaptability. Through proactive measures, including infrastructural investments, technological advancements, and sustainable development initiatives, Bangladesh navigated through the turbulent economic landscape, demonstrating robust growth and resilience. Looking ahead, fostering continued collaboration, innovation, and inclusive policies will be imperative for both global and Bangladeshi economies to overcome challenges and achieve sustainable prosperity in the years to come.

## Review of Performance of SBAC Bank PLC. in 2023

SBAC Bank has been able to record a delighting advancement in almost all the areas of operation in 2023 despite various challenges it faced. The bank earned Tk. 2,198.55 million (solo) & Tk. 2,248.99 (consolidated) operating profit, maintained adequate capital adequacy ratio, established new branches & sub-branches as well as agent banking network, and upheld its asset quality. The Financial performances of the Bank are as follow:

### Total Assets

Total assets of the bank stood at Tk. 117,521.67 (solo) & Tk. 117,264.13 million (consolidated) in 2023 as against Tk. 106,626.90 million (solo) & Tk. 106,307.06 million (consolidated) in 2022 registering a growth of 10.22 percent (solo) & 10.31 percent (consolidated). The increase in assets was mainly

driven by diversified investment. The economy witnessed a satisfactory growth scenario in credit and deposits mobilization.

### Cash and Balance with Bangladesh Bank & its Agent

The total position of Cash and Balance with Bangladesh Bank & its Agent (including foreign currencies) is Tk. 5,226.78 million (solo) & Tk. 5,226.79 million (consolidated) in 2023 as against Tk. 5,293.18 million & Tk. 5,293.20 million (consolidated) in 2022.

### Balance with other banks and financial institutions:

The position of balance with other banks and financial institutions is Tk. 2,952.13 million (solo) & Tk. 2,972.58 million (consolidated) in 2023 of which Tk. 2,471.27 million (solo) & Tk. 2,491.72 million

(consolidated) in Bangladesh and Tk. 480.86 million (solo & consolidated) outside Bangladesh as against Tk. 2,890.80 (solo) & Tk. 2,902.74 million (consolidated) in 2022 of which Tk. 2,612.23 million (solo) & Tk. 2,624.17 million (consolidated) in Bangladesh and Tk. 278.57 million (solo & consolidated) outside Bangladesh.

#### Investment in Shares & Securities:

The position of Investment of the Bank is Tk. 18,270.16 million (solo) & Tk. 18,507.64 million (consolidated) in 2023 as against Tk. 16,953.34 (solo) & Tk. 17,126.56 million (consolidated) in 2022.

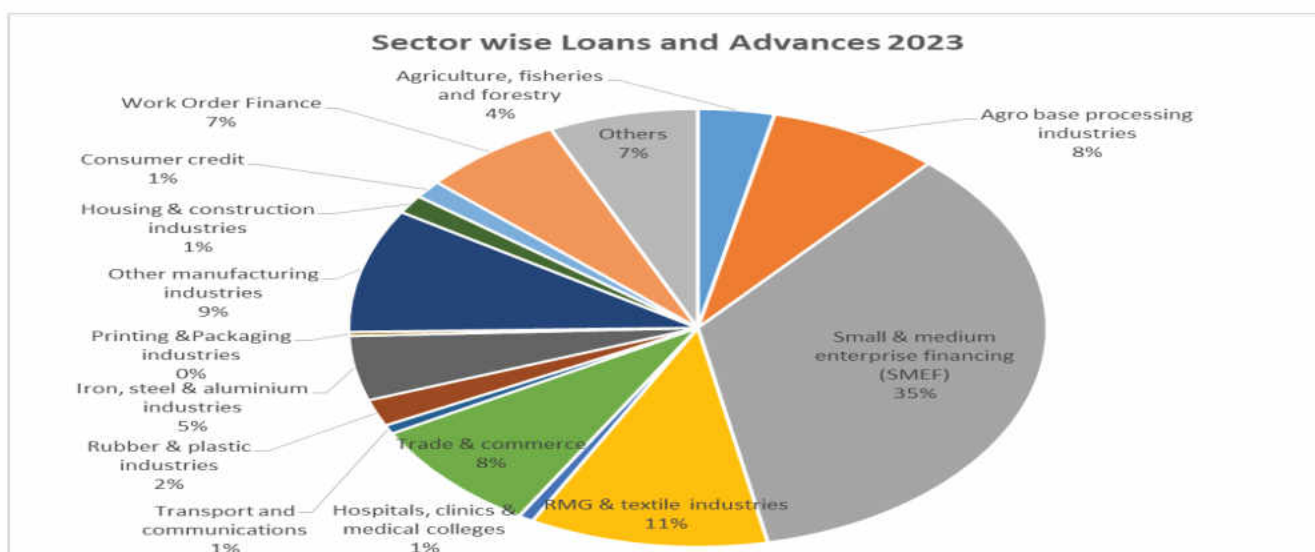
#### Loans, Advances and Lease/Investments:

The loans and advances stood at Tk. 86,841.61 million (solo) & Tk. 86,644.19 million (consolidated) in 2023 against Tk. 77,992.32 million (solo) & Tk. 77,827.26 million (consolidated) in 2022 registering growth of 11.35 percent (solo) & 11.33 percent (consolidated). This year yield on loans and advances/investments of the Bank increased to 8.90 Percent from the level of 8.08 Percent of previous year due to increase in lending rates.

To minimize risks, the loan and advances has been given to diversified sectors. The sector wise disbursed loan and advances are shown below:

(Fig. in million Taka)

Particular of Sectors	2023	2022	Growth (%)
Agriculture, fisheries and forestry	3,067.31	2,666.82	15.02
Agro base processing industries	6,907.81	6,001.59	15.10
Small & medium enterprise financing (SMEF)	30,654.68	28,371.56	8.05
RMG & textile industries	9,604.30	8,211.60	16.96
Hospitals, clinics & medical colleges	613.77	648.97	(5.42)
Trade & commerce	7,316.40	6,166.43	18.65
Transport and communications	579.69	566.06	2.41
Rubber & plastic industries	1,731.54	1,730.21	0.08
Iron, steel & aluminum industries	4,145.81	3,468.34	19.53
Printing & Packaging industries	254.32	191.58	32.75
Other manufacturing industries	7,960.02	7,165.07	11.09
Housing & construction industries	1,201.41	983.40	22.17
Consumer credit	1,151.67	1,030.99	11.71
Others	11,652.88	10,789.71	8.00
<b>Total</b>	<b>86,841.61</b>	<b>77,992.32</b>	<b>11.35</b>



#### Liabilities

The liabilities (excluding equity) of the Bank stood at Tk. 106,439.14 million (solo) & Tk. 106,138.78 million (consolidated) in 2023 of which Tk. 93,731.23 million (solo) & Tk. 93,321.58 million (consolidated) (87.92%) was deposit and rest Tk. 12,707.91 million (solo) & Tk. 12,817.20 million (consolidated) (12.08%) was borrowing & other liabilities as against Tk. 95,830.35 million (solo) & Tk. 95,477.42 million (consolidated) in 2022 of which Tk.

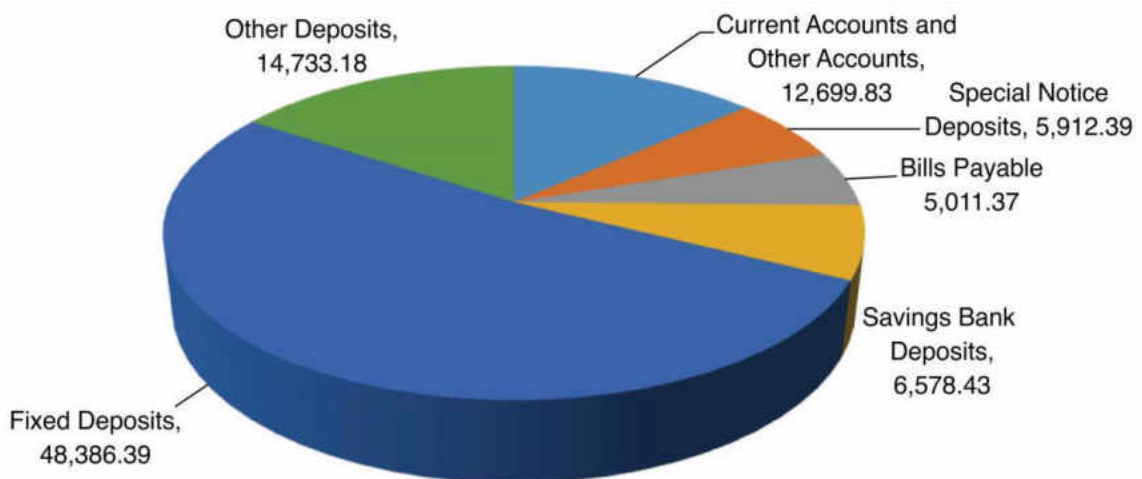
84,599.43 million (solo) & Tk. 84,209.59 million (consolidated) (88.20%) was deposit and rest Tk. 11,230.92 million (solo) & Tk. 11,267.83 million (consolidated) (11.80%) was borrowing & other liabilities. The borrowings from other banks, financial institutions and agents stood at Tk. 3,262.98 million (solo & consolidated) in 2023 as against Tk. 4,031.55 million (solo & consolidated) in 2022 which represents Bank's borrowing from Bangladesh Bank under various Refinance Scheme & EDF.

### Deposits:

The deposits of the Bank stood Tk. 93,731.23 million(solo) & Tk. 93,321.58 million (consolidated) in 2023 as against Tk. 84,599.43 million (solo) & Tk. 84,209.59 million (consolidated) in 2022. Fixed/Mudaraba Term deposits remained the main component of deposits contributing 51.85 percent (consolidated) of the total deposits. The clientele group of the Bank was individuals, corporation, NGO, NBFI, government bodies etc.

### The Growth and Deposit Mix (consolidated) are as follows:

Types of Deposit	Amount Taka in Million		Growth (%)	Deposit Mix (%)	
	2023	2022		2023	2022
Current/Al-wadeeah current deposits and other accounts	12,699.83	9,236.44	37.50	13.61	10.97
Special notice/ mudaraba special notice deposits	5,912.39	4,370.19	35.29	6.34	5.19
Bills Payable	5,011.37	3,197.41	56.73	5.37	3.80
Savings bank / mudaraba savings deposits	6,578.43	6,920.99	(4.95)	7.05	8.22
Fixed / mudaraba term deposits	48,386.39	45,698.47	5.88	51.85	54.27
Other Deposits	14,733.18	14,786.09	(0.36)	15.79	17.56
<b>Total</b>	<b>93,321.58</b>	<b>84,209.59</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>



### Shareholders' Equity

The shareholders' equity of the Bank stood Tk. 11,082.53 million (solo) & Tk. 11,125.35 million (consolidated) in 2023 as against Tk. 10,796.55 million (solo) & Tk. 10,829.65 million (consolidated) in 2022 registering growth of 2.65 percent (solo) & 2.73 percent (consolidated). The shareholders' equity of the Bank consists of Paid-up capital, Statutory Reserve, Revaluation Reserve on Govt. Securities and Retained Earning.

## TOTAL PROPERTY &amp; ASSETS &amp; TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY OF THE BANK

(Amount in million Taka)

Particulars	2023	2022	Growth (%)
Cash	5,226.79	5,293.20	(1.25)
Balance with other banks and FIs	2,972.58	2,902.74	2.41
Money at call and short notice	-	-	-
Investments in shares and securities	18,507.64	17,126.56	8.06
Loans, advances and lease / investments	86,644.19	77,827.26	11.33
Fixed & other assets	3,912.92	3,157.31	23.93
<b>TOTAL PROPERTY AND ASSETS</b>	<b>117,264.13</b>	<b>106,307.06</b>	<b>10.31</b>
Deposits	93,321.58	84,209.59	10.82
Borrowings	3,262.98	4,031.55	(19.06)
Other liabilities	9,554.22	7,236.28	32.03
Total Shareholders' equity	11,125.35	10,829.65	2.73
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>117,264.13</b>	<b>106,307.06</b>	<b>10.31</b>

## Interest Income

The interest income stood at Tk. 6,892.33 million (solo) & Tk. 6,900.07 million (Consolidated) in 2023 as against Tk. 5,883.30 million (solo) & Tk. 5,884.35 million (Consolidated) in 2022. Interest income consists of Interest earned from loans & advances/ profit on investments amounting Tk. 6,816.15 million and Interest received from Banks & Financial Institutions amounting Tk. 56.73 million, Interest Income from the Off-shore Banking Unit Tk. 19.45 million, and Income from SBAC Bank Investment Limited (Net) Tk. 7.75 million. Details of Interest Income are as follows:

Types of Interest Income	Amount (Taka in Million)		Growth (%)	Interest Income Mix (%)	
	2023	2022		2023	2022
Interest on loans and advances/profit on investments	6,896.14	5,730.70	19.68	99.94	97.39
Interest received from Banks & Financial Institutions	56.73	156.15	(63.67)	0.82	2.65
Interest Income (Off-shore Banking Unit)	19.45	31.64	(38.53)	0.28	0.54
Inter Company Transaction	(72.24)	(34.15)	111.56	(1.05)	(0.58)
<b>Total Interest Income</b>	<b>6,900.07</b>	<b>5,884.35</b>		<b>100.00</b>	<b>100.00</b>

## Interest Expense

The interest expense stood at Tk. 5,266.34 million (solo) & Tk. million 5,244.05 (consolidated) in 2023 as against Tk. 4,627.65 (Solo) & Tk. 4,606.95 million (Consolidated) in 2022. Interest cost of deposits was the main component of interest expenses whereas interest cost of borrowings also had impact in 2023. Details of Interest Expense (consolidated) are as follows:

Types of Interest Expense	Amount (Taka in Million)		Growth (%)	Interest Expense Mix (%)	
	2023	2022		2023	2022
Interest / Profits on Deposits	4,743.76	4,116.80	15.23	90.46	89.36
Interest on Borrowings	500.29	490.15	2.07	9.54	10.64
<b>Total Interest expense</b>	<b>5,244.05</b>	<b>4,606.95</b>		<b>100.00</b>	<b>100.00</b>

## Net Interest Income

The net interest income stood at Tk. 1,625.99 million (solo) & Tk. 1,656.02 million (Consolidated) in 2023 as against Tk. 1,255.65 (solo) & Tk. 1,277.40 million (Consolidated) in 2022. Net Interest Income increased due to increase in yield on loans and advances.

## Investment Income

The investment income of the bank consists of interest / discount earned on treasury bills / bonds, gain on government security trading, dividend received on shares and capital gain from sale of securities of listed companies. The investment income stood at Tk. 1,710.63 million (solo) & Tk. 1,733.70 million (consolidated) in 2023 as against Tk. 1,689.15 million (solo) & Tk. 1,705.31 (consolidated) million in 2022.

## Non-Interest Income

Non-interest income consists of Commission, Exchange earnings, Brokerage etc. and other operating income consists of appraisal fees, accounts maintenance charge, postage & SWIFT recovery charge etc. The Non-Interest Income stood at Tk. 3,343.50 million (consolidated) in 2023 of which 1,733.70 million was income from investment in shares/securities, Tk. 1,158.34 million was commission, exchange earnings & brokerage and Tk. 451.47 million was other operating income as against Tk. 2,968.78 million (consolidated) in 2022 of which Tk. 1,705.31 million was income from investment in shares/securities, Tk. 1,060.38 million was commission, exchange earnings & brokerage and Tk. 203.09 million was other operating income.

## Total Operating Income

The operating income stood at Tk. 4,909.60 million (solo) & Tk. 4,999.52 million (Consolidated) in 2023 as against Tk. 4,182.64 million (solo) & Tk. 4,246.18 million (Consolidated) in 2022. The operating income increased due to increase in net interest income as well as non-interest income & other operating income

## Total Operating Expense

Total operating expenses include salary and allowances, rent, taxes, insurance, electricity, legal expenses, postage, stamp, telecommunication, stationery, printing, advertisement, Managing Director's salary and allowances, Directors' fees, Auditors' fees, depreciation, amortization and repair of fixed assets etc. which stood at Tk. 2,711.05 million (solo) & Tk. 2,750.53 million (Consolidated) in 2023 as against Tk. 2,428.09 million (solo) & Tk. 2,449.61 million (Consolidated) in 2022. The item wise expenses including Directors fees are disclosed in the Financial Statements section of this Annual Report. The operating expenses increased during the year 2023 mainly due to increase in manpower expenses and other operating expenses. The bank has recruited efficient Officials to perform the banking activities. The total regular employees of the Bank stood at 1,165 (as on December 31, 2023) & the total number of manpower of the Bank was 1149 (as on December 31, 2022). The productivity of the employees is measured in the following ratio:

(Amount in Million Taka)

Particular	2023	2022	Growth (%)
Operating Income per employee	4.29	3.70	16.12
Operating Expense per employee	2.36	2.13	10.74
Profit before provision per employee	1.93	1.56	23.46
Profit before tax per employee	1.23	1.15	6.87
Assets per employee	100.66	92.52	8.79

## Provision against Loans and Advances

In 2023, the amount of Non-Performing Loan (NPL) was Tk. 5,149.57 million. Total required specific provision was Tk. 3,171.75 million out of which Tk. 1,855.39 million and Tk. 1,316.36 million were against classified and unclassified loans and advances respectively. On the other hand, total required provision was Tk. 3,820.02 million against which Tk. 3,464.38 million have been kept as general provision leaving a shortfall of Tk. 355.64 million. It is mentionable that the approval for deferral of provision has been taken from Bangladesh Bank in this regard.

## Net Profit before Tax

After making required provisions, net profit before tax of SBAC Bank PLC. stood at Tk. 1,410.07 million (solo) & Tk. 1,432.15 million (consolidated) in 2023 as against Tk. 1,287.17 million (solo) & Tk. 1,321.72 million (Consolidated) in 2022.

## Provision for Income Tax

Provision against income tax of SBAC Bank PLC. was Tk. 873.46 million (solo) & Tk. 885.78 million (consolidated) in 2023 as against Tk. 725.07 million (Solo) & Tk. 732.08 million (Consolidated) in 2022.

## Net Profit after Tax

Net profit after tax stood at Tk. 536.61 million (solo) & Tk. 546.36 million (consolidated) in 2023 as against Tk. 562.10 million (Solo) & Tk. 589.63 million (Consolidated) in 2022. In 2023, Earnings per Share (EPS) stood at Tk. 0.65 (Solo) & Tk. 0.66 (Consolidated), Return on Assets (ROA) stood at 0.48 percent (solo) & 0.49 percent (consolidated), and Return on Equity (ROE) stood at 4.89 percent (solo) & 4.98 percent (Consolidated) as against Tk. 0.68 (solo) & Tk. 0.72 (consolidated), 0.55 percent (solo) & 0.58 percent (consolidated) and 5.24 percent (solo) & 5.50 percent (consolidated) respectively in 2022.

## Statutory Reserve

As per Bank Company (Amendment) Act, 2023, 20 percent of profit before tax is required to be transferred to statutory reserve. As such an amount of Tk. 282.01 million has been transferred to statutory reserve in 2023 which was Tk. 257.43 million in 2022. Total statutory reserve stood at Tk. 2,486.94 million as on December 31, 2023 which was Tk. 2,204.93 million as on December 31, 2022.

## OPERATING PERFORMANCE OF THE BANK

(Amount in million Taka)

Particulars	2023	2022	2021	2020	2019	Growth (%) [2022 to 2023]
Interest Income / Profit on Investment	6,900.07	5,884.34	5,610.47	5,855.11	7,357.32	17.26
Less: Interest / Profit Paid on Deposit, borrowings etc.	5,244.05	4,606.95	3,955.95	4,750.69	4,847.32	13.83
Net Interest Income	1,656.02	1,277.39	1,654.52	1,104.42	2,510.00	29.64
Investment Income	1,733.70	1,705.31	3,064.16	1,909.92	1,217.52	1.66
Non-Interest Income & Other Operating Income	1,609.80	1,263.47	678.64	552.92	625.19	27.41
Total Operating Income	4,999.52	4,246.18	5,397.32	3,567.27	4,352.72	17.74
Less: Operating Expense	2,750.53	2,449.61	3,401.55	2,109.90	2,083.54	12.28
Profit before provision	2,248.99	1,796.57	1,995.77	1,457.67	2,269.18	25.18
Less: Provision	816.84	474.84	1,025.29	89.88	504.83	72.02
Net Profit before Tax	1,432.15	1,321.73	970.48	1,367.78	1,764.35	8.35
Provision for Income Tax	885.78	732.08	435.76	415.83	796.75	20.99
Net Profit after Tax	546.36	589.63	534.72	951.54	967.60	(7.34)
Less: Statutory Reserve & Start up Fund and Capital Reserve	290.13	263.65	208.96	273.62	352.87	10.04
Profit available to ordinary share holders	256.23	326.00	325.76	677.97	614.73	21.40
<b>Earnings Per Share (EPS)</b>	<b>Tk. 0.66</b>	Tk 0.72	Tk 0.74	Tk. 1.39	Tk. 1.55	(8.33)
<b>Return on Equity (ROE)</b>	<b>4.98%</b>	5.50%	5.36%	10.78%	12.55%	6.55
<b>Return on Assets (ROA)</b>	<b>0.49%</b>	0.58%	0.57%	1.10%	1.25%	0.00

We have a remarkable contribution to the Government Exchequer. We have contributed total Tk. 2,143.85 million in 2023 as Withholding Tax, AIT and VAT & Excise Duty as under:

Deposit to Govt. Exchequer				(Figures in Million Taka)
Year	Withholding Tax	Advance Income Tax	VAT & Excise Duty	Total
2013	16.82	21.08	10.19	48.09
2014	103.61	38.89	40.60	183.10
2015	254.11	146.16	67.14	467.41
2016	296.36	269.89	97.41	663.66
2017	347.20	613.06	155.98	1,116.24
2018	445.95	768.74	185.25	1,399.94
2019	584.99	787.99	198.38	1,571.36
2020	651.09	642.14	227.31	1,520.54
2021	602.75	554.59	270.88	1,428.22
2022	836.54	852.44	324.49	2,013.47
2023	1,098.91	650.16	394.78	2,143.85
<b>Total</b>	<b>5,238.33</b>	<b>5,345.14</b>	<b>1,972.41</b>	<b>12,555.88</b>

### SBAC Bank's Role in the Foreign Trade Business:

Banks act as a go-between in the flow of international trade. International Division, in SBAC Bank PLC., makes all necessary arrangements to facilitate its trade business. The Division is also responsible to supervise and guide bank's foreign exchange business. Correspondent Banking Relationships, Trade Settlement & Regulatory Reporting Unit, NRB/Remittance Unit and Off-shore Banking Unit (OBU) work under the umbrella of the Division. Bank's foreign trade transactions are being carried out by seven Authorized Dealer (AD) branches and Trade Processing Unit (TPU) at Head office. Trade Processing Unit, at Head Office, started its operation on July 1, 2014 to support Foreign Exchange businesses of our non-AD branches. All 89 branches & 31 Sub-Branchees of the bank are doing their Import and Export business for their clients like an AD Branch.

### Correspondent Banking:

Correspondent Banking relationship is initial and essential phase for conducting foreign trade business. SBAC Bank PLC. has been maintaining correspondent banking relationship with internationally reputed banks worldwide to ease cross border transactions including LC advising, adding confirmation, settlement of payment, discounting bills, international fund transfers, collection of bills, guarantee etc. At the end 2023, the number of foreign correspondent banks was 207 in 44 countries across the Globe. Bank maintains 16 Nostro Accounts in 6 major currencies with international banks located at the most important financial hub of the world. The

Bank is also enjoying ample credit line with a number of widely acceptable banks worldwide.

SBAC Bank PLC. adopted the most robust and effective Sanctions Screening system from SWIFT, Belgium for detection, prevention and disruption of financial crime and in particular, sanctions risk. The system screens sanction list of UN, EU, BFIU, OFAC and other significant lists. The Bank has also implemented automated sanction screening system in Core Banking Solution (CBS) level so as to keep the bank free from sanction risk. To Combat Trade Based Money Laundering in the form of Over invoicing/ Under invoicing, SBAC Bank has gone for business tie up with ZEN Innovations AG Switzerland for using their Global Trade Tracker (GTT) platform for checking justification of commodity price in trade transaction. Moreover, to Combat Trade Based Money Laundering in the form Ghost Shipment/ Phantom Shipment as well as for fulfilment of sanction compliance SBAC Bank has gone for business tie up with International Maritime Bureau (IMB) for checking shipment and/or container tracking.

### Foreign Trade Business:

Due to adverse impact arising from foreign currency crunch, Russia-Ukraine war and sluggish economic activities during the pandemic affected previous years our foreign trade business was hampered. Despite of all odds, SBAC bank has done satisfactory business in this arena. The span as well as the volume of our bank's foreign trade business is flourishing day by day.

SBAC Bank provides support to its clients to meet their need of foreign trade business. SBAC Bank was involved in financing import business in the area of capital machineries, industrial raw material, scrap vessels, medical equipment, electronic goods, food grains, motor vehicles, spare parts, garment fabrics and accessories, sports items, chemicals, baby food etc. In the year 2023 the total import business of SBAC Bank was BDT 43,552.36 million (equivalent USD 397.74 million) against BDT 45,383.04 million (equivalent USD 440 million) in 2022 (Figures may vary slightly due to exchange rate fluctuation of the foreign currencies).

In order to support the exporters as well as to contribute in Country's economy, while raising revenue from export financing activities, SBAC Bank adopted customer friendly financing strategy. Since Bangladesh RMG sector is one of the lifelines of country's economy and plays significant roles for socioeconomic development and poverty alleviation, SBAC Bank paid special attention to this sector. The bank has also emphasized on exporting diversified items such as agricultural products, ceramic, medicine, leather, frozen-foods, etc. In the year 2023 total export business of SBAC Bank was BDT 39,263.90 million (equivalent USD 358.57 million) against BDT 33,877.75 million (equivalent USD 329 million) of the year 2022, with 16% growth YoY (Figures may vary slightly due to exchange rate fluctuation of the foreign currencies).

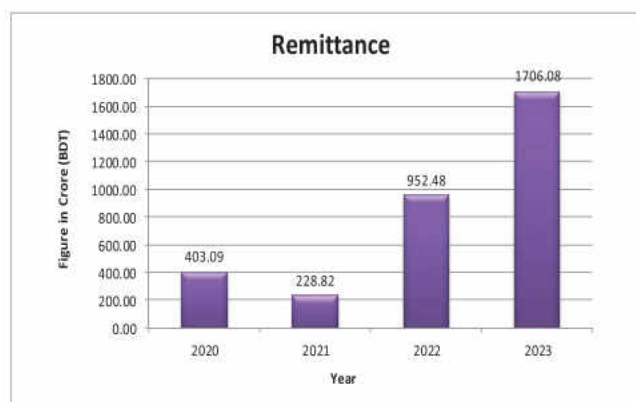


\*Figures may vary slightly due to exchange rate fluctuation of the foreign currencies.

### Remittance:

SBAC Bank PLC. continues its effort to encourage expatriate Bangladeshis living abroad for remitting hard earned money through banking channels. Remittance is one of the most important sources of foreign exchange earnings in Bangladesh. The Bank has set up arrangements with 14 reputed exchange houses/money transfer companies around the world in order to facilitate expatriate to remit wage earner

remittance to the country. For remittance through SBAC Bank, expatriate Bangladeshis can avail services of Xpress Money Services Limited; MoneyGram; Western Union Network; Aman Exchange Company WLL, Kuwait; NEC Money Transfer, UK; Wall Street Finance LLC, USA; Al-Ansari Exchange LLC, UAE; Worldwide West 2 East Services Ltd, UK; LCC Trans-sending Ltd, UK; Sunman Global Express Corp (USA); Transfast Remittance LLC; Placid NK Corporation, Ria Financial services and Turbo Cash. In the year 2023, SBAC Bank received BDT 17,060.83 million (equivalent USD 155.81 million) as wage earners remittance. Remittance figure was BDT 9,524.78 million (equivalent USD 92 million) in the year 2022 (Figures may vary slightly due to exchange rate fluctuation of the foreign currencies).



\*Figures may vary slightly due to exchange rate fluctuation of the foreign currencies.

### SBAC Bank Offshore Banking Unit (OBU)

SBAC Bank Off-shore Banking Unit has already earned confidence of the stakeholders, partners and customers due to its strong commitment and dedication and is ready to serve any eligible customers. Currently, the Unit has been providing off-shore banking services to our existing tested customers of our AD Branches by financing UPAS LCs and discounting of export bill.

SBAC Bank has been able to make its presence felt by attracting a good number of customers in a short period of time through effective marketing and competitive pricing of its offshore banking products and ensuring highest level of professionalism and excellent customer services backed by quality manpower and technological supports. OBU extended credit facilities of around USD 3.48 million to our bonafide customers during 2023.

## Treasury

The year 2023 presented a series of economic and financial challenges for the Treasury, amidst various ongoing crises. Due to the prolonged Russia-Ukraine war, the country's economic progress suffered a severe setback, especially hyperinflation, resulting in a surge of interest rates. As early as the year started, we anticipated the rise in interest rates and refrained from pursuing extended positions in fixed income securities. Instead, we focused on short-term investments to generate significant returns. We found a scarcity of foreign exchange liquidity in the market, and hence, employed various strategies to combat the situation and ensure the bank's stability.

In banking business, movement or transformation of the components in the balance sheet is an ongoing process which has a resultant effect on the profitability and overall strength of Bank. Treasury Division pays attention on minimizing risk, enabling timely liquidity generation both in local currency and foreign currency, ensuring stability in yields, while also facilitating compliance. SBAC Treasury runs with separate Trading and Risk Management units and also with the concept of centralized Foreign Exchange and Money Market activities for efficiency. Treasury Division manages the Bank's Balance Sheet and ensure regulatory compliance with all regulatory and risk ratios, manage the ALCO processes, ensure FX gains through the management of FX business, capital gains through the management of securities trading, drive interest income from investments in money market products and engage in forecasting and proper planning, thereby maximizing treasury gains, while minimizing exposure and market risks of the Bank. SBAC Bank's Treasury Division is constantly evolving to serve the dynamic needs of the organization.

Treasury functions of SBAC Bank are broadly categorized as follows:



## Money Markt Desk

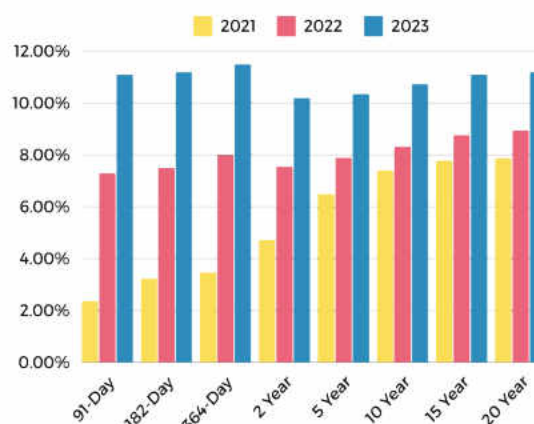
The primary activity of this desk is to manage the liquidity requirements of the Bank through money market products, including Call Money, Notice Money, Term Money, Repo/ Reverse Repo and FX Swaps. Our Treasury has been very active in interbank Money Market through superior forecasting of the market, managing liquidity gaps and thus contributes significantly to the bottom line of the Bank.



The money market was moderately tight throughout the year. In 2023, the MM Desk successfully ramped up trading position to take advantage of market movements. Alongside maintaining statutory reserve requirements, our dealers took advantage of promising trading opportunities, thus ensuring satisfactory interest income. In the beginning of 2023 average call money rate was around 6.00% and ended up in December 2023 with 9.00% mainly because of tight liquidity in the market.

## Fixed Income Investment Desk

SBAC Bank Fixed Income Desk deals with Treasury Bills, Bangladesh Bank Bill, Fixed Rate Treasury Bonds and Floating Rate Treasury Bonds. This Desk makes interest rate forecast and takes position on Government Securities. As a Primary Dealer (PD) Bank, SBAC Bank's Treasury is responsible to participate in primary auction of the government securities at least for the amount of own underwriting obligation. SBAC, Treasury has been playing a dynamic role in developing an active and vibrant secondary market of government securities. Fixed Income Investment Desk has been generating a healthy yield in the mode of interest income and capital gain from the holding of securities and trading.



## Yield of Govt. Securities

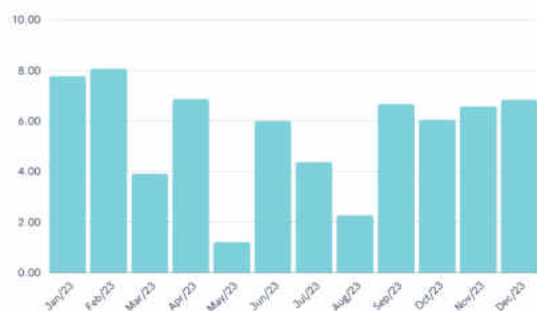
Compared to the previous year, the yield on government securities increased significantly. As an opportunity for investment improved alongside the credit growth, bank's demand for government securities decreased significantly and impacted the yield curve positively. However, in 2023, SBAC Treasury did exceptionally well in both investing and trading of government securities and was able to generate substantial income from Fixed Income Securities.

## Foreign Exchange Desk

The Foreign Exchange (FX) Desk manages the day-to-day FCY requirements and also the surplus/shortfall of the Bank's FCY holdings. This Desk continuously makes forecast on movement of future exchange rate and maintains its open position efficiently within the limit of USD 9.50 Million.

Even in the dire situations, SBAC treasury managed to keep a positive NOP (Net Open Position) at the end of the year. The significant volume of income contribution from treasury in the form of exchange earning this year was possible because of prudent management of NOP, efficient organization of liquidity flow arising from export-import business, and intelligent market forecasting. Moreover, Treasury Division provided appropriate fund support to OBU and utilized the surplus FC fund in interbank to earn interest income.

### NOP



\*Figures may vary slightly due to exchange rate fluctuation of the foreign currencies.

## Asset Liability Management (ALM) Desk

Asset Liability Committee (ALCO) is one of the core decisions making committees of the Bank and primarily focused on positioning the Bank's overall asset and liability. SBAC Bank has separate Asset Liability Management (ALM) Desk under Treasury, which analyses, evaluates and interprets the market scenario and provide valuable inputs in SBAC Asset Liability Management Committee (ALCO) on a regular

basis to ensure the right balance between product profile, cost and risk exposure. ALCO, which is comprised of senior management of SBAC, meets at least once in a month to discuss the current local and global market outlook, major issues that may shake the existing interest rate, liquidity and to decide on policy regarding interest rates and thrust sectors.

ALM Desk official prepare ALCO papers incorporating local and global economic updates, market liquidity forecasts, interest rate projections, balance sheet analysis and proposes it to ALCO. SBAC Treasury has done exceptionally well in this area by keeping

management well-informed of crucial changes in the market and pricing techniques of liabilities and assets. In 2023, effective and timely change in rates by ALCO played a vital role in the significant growth of NII (Net Interest Income). A new ALM policy has been formulated by ALM Desk keeping BASEL III liquidity ratios (LCR & NSFR) in mind and central bank's ALM guidelines into active consideration. Managing balance sheet composition is a vital part for the bank. SBAC Treasury is always learning from the market and getting updated time to time to manage balance sheet composition at optimum level.

## Credit Administration

Credit Administration refers to a work process that involves ensuring proper documentation prior to disbursement of any loan/advance as its core responsibility. Among other responsibilities, formulation of policies in line with regulatory requirements, monitoring and supervision of credit portfolios and ensuring compliances are also its prime responsibilities. To this aim, the prudent management of the bank established Credit Administration Division (CAD). From the emergence of the division, it has been serving its purpose painstakingly. The management also entrusted these responsibilities to the officials of this division.

A bank mobilizes funds from surplus unit and lends it to the deficit unit. So, lending money is one of the core functions of a bank and banks generate maximum revenue from its credit operations by charging a higher interest rate on loans than the interest they pay on customer deposits. Aiming to this, most of the banks focus on making loans rather than efficiently managing the loans. The function of selecting and vetting borrowers is the role of Credit Division of the bank. Where the functions of Credit Division end with the approval of proposal from the competent authorities there the function of Credit Administration starts. Credit Administration ensures that all security documents are obtained in compliance with the terms and conditions of approval and are legally enforceable.

The secured loans constitute a major portion of total loan disbursed, here the proper documentation against secured loan is associated profoundly. Residual risk arises due to improper documentation against the loans & advances as per second Pillar of BASEL-III. Banks collect and preserve documents against loans and advances to ensure legal protection in case of adverse events like default of loans. Lack of required and duly filled up documents and erroneous or fake or forged documents will lead to the amplification of overall risk aspects of loan portfolio and the reduction in the strength of legal shield that slacks the ownership of the bank on collateral and consequently hinders the recovery of loan. Therefore, proper documentation is imperative to safeguard the overall interest of the bank. In this case, it goes without saying that CAD has a significant role in proper documentation, smooth disbursement, timely monitoring and regular follow up.

On the other hand, non-performing loans have become a worrisome issue for Bangladesh. Due to ever-increasing volume of non-performing loans, our banking sector and the economy in general have taken a negative turn. If loanable funds are blocked as NPL, banks will not have enough reserve for sanctioning future loans, which will affect the economy in multiple ways. The rising trend of NPL will also have a negative impact on bank's profitability. Provisioning against defaulted loans will also jeopardize the financial health of many institutions. The provision amount is kept aside from the bank's profit. When provisioning amount becomes higher than the profit of a bank, it has to maintain provision amounts from its capital, which can result in capital shortfalls. By using the credit administration tools, we can reduce this kind of risk to a minimum level. Here the role of credit administration is vital to guide the bank's loan portfolio to desired level in protecting the bank's interest and hard-earned depositors' money.

The journey of our Credit Administration Division of this bank was not so smooth since its beginning. But with the passage of time, overcoming hundreds of obstacles, this division has reached what we are today. Now the essence of CAD is –well organized, running with efficient and knowledgeable work force having greater capacity, well-articulated policy, defined organogram with individual job responsibilities, greater extent of coordination and understanding with all divisions and branches, centralization of limit authorization, prompt decision-making ability etc.

Now to bring all the disbursement of the bank's loans portfolio under one umbrella, for ensuring proper documentation, monitoring of existing credits and maximizing the recovery, this division has been playing a crucial role. Now limit authorization is

centralized. All the branches' & sub-branches' disbursement and limit authorization of SBAC Bank PLC. under its actual control and monitoring. Now no branch can set up any limit or disburse any loan without the authorization of CAD. But this did not happen overnight. This has been possible for feeling the urgency to establish a centralized CAD for the safety & security of bank loan management and speedy & smooth disbursement. This was done phase by phase from the mid of June 2018 to December 2023. The remarkable achievements of CAD till date are as follows:

- Implementation of some checklists for various facilities in addition of existing one.
- Successful implementation of centralization of limit authorization. Now disbursement of all branches has come under one umbrella without giving any room to any branch/sub-branch to authorize limit by them.
- Our Bank's total loan portfolio has come under its centralized supervision and monitoring.
- Documentation error has significantly been decreased to a minimum level.
- It gives early alerts signals regarding non-performing loans for information of senior management and suggests necessary measures to keep the disbursed loans performing.
- CAD is discharging its all the defined responsibilities through an efficient team.
- All funded & non-funded facilities are processed through CAD.
- Numbers of accounts having unsatisfactory repayment is significantly lower than that of previous years.
- Number of accounts having excess over limit (EOL)/Overdue have been reduced to a great extent.
- CAD now allows disbursement only after proper documentation by the branches and necessary checking there against.
- CAD works hand to hand with other departments to achieve all credit objectives within a defined timeframe.

SBAC Bank PLC. is an emerging commercial bank in Bangladesh. Since the inception of centralizing limit authorization, Credit Administration Division is contributing a lot to the bank. Within a short period, SBAC Bank PLC. has managed to establish itself as a strong performer in the financial industry. It is rapidly expanding and enjoying a high growth rate. Its loan portfolio is increasing every year. For this reason, efficient management of credit risk is crucial for continuous success of SBAC Bank PLC. For maintaining this steady growth rate and securing our loans portfolio and achieving toward excellence, CAD has been performing under mentioned role & responsibilities:

## Major role & responsibilities of CAD:

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### Major role & responsibilities of CAD:

- It works for Limit Authorization in the Core Banking system and issues Disbursement Authority (DA) after ensuring full documentation and compliance of conditions precedent.
- Prepares documentation checklist as per Sanction Advice for ensuring disbursement as per sanction terms & conditions.
- Works for ensuring all loans' security documentation are perfectly done and enforceable as per credit sanction terms & prevailing Laws of the country.
- Works for monitoring Excess Over Limit (EOL), past due loans, overdue installments, etc. and inform the same to the Senior Management.
- Works for close monitoring of overdue/classified PIF and submit report to top management as per Bangladesh Bank Circular.
- Works for pursuing all avenues to maximize recovery of irregular loan accounts of branches.
- Performs jobs relating to redemption of mortgaged property (ies) after adjustment of all liabilities of the client.
- Withdrawal of lien mark upon adjustment of liability.
- Guides the branches for availing documents as per sanction terms and prevailing norms & laws of the country.
- Works for ensuring that insurance coverage is adequate, covers the risks and properly assigned to the bank.
- Performs jobs relating to Early Alerts signals on loan accounts and inform the same to the Senior Management.
- Works for taking timely corrective actions to address findings of any internal, external, regulatory inspection/ audit.
- Works for preparation / modification of CAD related policy and memorandum as per instruction of Board of Directors/Senior Management from time to time.
- Acts as coordinator for enlisting of surveyors of the Bank. It uses its enlisted panel lawyers for legal

vetting of land documents. These panel lawyers are also asked for drafting, providing legal opinion on various security documents/legal issues.

- Works for keeping historical data on all disbursed loans for any future need of review/decision.
- Works for issuance of circular from time to time for smooth credit operations.
- Informs the branches to fulfill the observations within stipulated time to keep the file regular and updated.
- Informs the senior Management, if any irregularities found in any account or in any document/paper etc.

However, no division is beyond limitation as such we are not exception to this. With the increasing loan portfolio day by day, unprecedented complexities due

to the advent of new technologies, ever increasing business competition in the industry, greater public demand, expeditious and real –time services, variant requirements of regulatory bodies, it is not easy to cope with these phenomena. So, there is still room for improvement in some areas and which can be attained by -

- Centralizing CAD.
- Using updated information technology for preserving & managing documentations and securities.
- Adapting Policy for management development for developing greater capacities in all aspects.
- Creating the second line of successors by periodic job rotation within the division.
- Providing required logistics support to carry out its day-to-day operations.
- Deploying required manpower for the smooth & speedy disbursement.
- Improving the record keeping system by implementation of e-doc management.

Being a vigilant guard, it safeguards bank's interest; minimizes the credit risk and ensures judicious management of bank loan portfolio. All the endeavors of CAD ultimately help the bank to remain in sound track as healthy & robust organization in the financial industry.

We have firm faith that Credit Administration Division will be adept to address all the upcoming challenges in the days to come.

## ATM, CARDS, Digital Wallet & SBAC Fast Account (e-KYC):

Stepping in to Digital Financial Services:

Digital Bangladesh was one of the nation's dreams, and so special emphasis had given on the application of digital technologies to realize Vision 2021. The government of Bangladesh implemented a large

number of projects relating to digital technologies and a number of these are already underway. The government wants to create remarkable innovations that can ease and improve the lives of citizens. As the flagship program of the Digital Bangladesh agenda, we hope to inspire developing and developed nations on public service innovation and transformation by sharing our groundbreaking insights supported by examples, lessons, and knowledge. Several projects of Government for digitalization have been completed and a big number of projects are under progress.

The ultimate objective of the government is to make more and more services available at the doorsteps of the people with increased digitalization where possible. A few examples of available digital services are registration for admission to academic institutions, publication of results of examinations, registration for jobs abroad, registration of pilgrimage, collection of official forms, online submission of tax returns, online tendering, SMS services for lodging complaints to police stations, opening instant bank account by using mobile app & e-KYC, online bill payments for utility services, surfing social media & streaming service etc.

So in line with the government initiatives, under the guidance and support by Bangladesh Bank & Ministry of Finance & ICT, Commercial Banks are focusing on Digital Financial Inclusion. "Digital financial inclusion" can be defined as digital access to and use of formal financial services by excluded and underserved populations. Digital financial services (DFS) has opened the delivery of basic financial services to the unbanked & under-banked population through innovative technologies like mobile-phone-enabled solutions, electronic money models and digital payment platforms.

SBAC Bank started Basic Digital Financial Services (DFS) from the inception of its Card Division. To achieve the vision and commitment & for providing the customer an uninterrupted round the clock digital transaction facilities, SBAC Bank launched ATM/CDM services along with Debit card operations on 9th March 2014. So far we have deployed 73 ATMs, 2 CDMs (as on 29.05.2024) in different branch locations of the country and more ATMs & CRMs are underway to be set up with new and existing branches & sub-branches soon. Though initially we have introduced Proprietorship Debit card but for wider acceptability and ensure more security, we have introduced VISA Debit & Credit Cards with EMV technologies for our customers. We have issued 81,000 Debit Cards & approximately 7200 credit cards as on December 31, 2023. As on May 21,

2024, the number of Debit and Credit cards stands on 82,200 and 7,410 respectively.

### Introducing Digital Wallet "BanglaPay"

82% of total population are using popular digital platform "Mobile Phone" in Bangladesh. So based on this technology we have introduced SBAC Digital Wallet "BanglaPay" on 16th December 2018 by offering digital financial services through mobile phones, QR based point-of-sale, and networks of small-scale agents. Recently we have interfaced with Bangla QR through SSL Wireless to acquire retail merchants all over the country. Our BanglaPay wallet users can purchase goods & services from more than 35,000 shops & service outlets by tapping finger through their mobile phone. BanglaPay has the potential to reach more people, at a lower cost, and with greater convenience than traditional banking services.

With the rapid global expansion of mobile technology, mobile banking and other digital financial services are helping vast numbers of excluded people to access formal financial services. Mobile network operators, governments, and financial institutions, ranging from large commercial banks to microfinance institutions, recognize and have begun to leverage the potential of DFS. As DFS models are being tested with varying degrees of success around the world, so we believe our existing and potential customer will enjoy the maximum banking facilities through their mobile phone across the country.

### Basic Features of BanglaPay:

1. Can Operate Bank Account
2. Fund Transfer
3. Utility or Bill Payment
4. Online purchase
5. Shopping/Purchase
6. Hotel Booking (Local)
7. Ticket Purchase
8. Card Bill Payment
9. Account to Account transfer
10. Transfer to Wallet
11. Cash out from Branch
12. Cash out from Agent.
13. School & Hospital Bill payment.
14. Cheque/Pay Order Request
15. Positive Pay
16. Card Block
17. Account/Card Balance Inquiry
18. Mobile Top up and many more.

### SBAC Fast Account by e-KYC:

According to the BFIU Circular no 25, dated January 08, 2020 and under the Guidelines on Electronic Know Your Customer (e-KYC) & to Establish good governance within the financial industry, Enhancing the growth of financial inclusion, Protect financial sector from abuse of criminal activities, Ensure integrity and stability of the financial sector, Manage ML/TF risks & Reduction of cost related to customer on boarding SBAC Bank introduces "instant Bank account" opening Application & web based solution called SBAC Fast Account.

This is a digital customer on-boarding process of the bank by which customer can open their account from their home even on-the-go by verifying customer's identity with the help of Election Commission's national data base. E-KYC is a combination of paperless customer onboarding, promptly identifying and verifying customer identity, maintaining KYC profile in a digital form and determining customer risk grading through digital means. It is a faster process of doing KYC of customer verifying his/her identity document or bio-metric data.

### There are some milestones of Card Division which we have achieved over the period:

**VISA Membership:** For issuing credit cards, it is a pre-requisite to have affiliation with international payment processing organization like VISA, MasterCard or Amex. This type of affiliation is not only helpful for payment processing but also improves the image, marketability and rating of the bank towards local and international financial institutions. As VISA is a well-accepted international payment brand and has a larger market share in local & international card market, so initially we have pursued with VISA worldwide for their affiliation and membership. On 1st March 2016 we have got Associate Membership from VISA Worldwide Pte. Ltd. After completing all sorts of formalities and system level parameter settings in Card Management system, we have started issuing VISA Debit & Credit Cards from 9th June 2016.

**Implementation of EMV Chip Card:** EMV is a global standard for credit and debit cards based on chip card technology. The standard covers the processing of credit and debit card payments using a card that contains a microprocessor chip. These transactions are often referred to as "Chip and PIN" because PIN entry is required to verify the customer is the genuine cardholder. Rather than physically signing a receipt for identification purposes, the user just enters a personal identification number (PIN). This number must correspond to the information stored on the

chip. Chip and PIN technology makes it much harder for fraudsters to replicate the card, so if someone steals a card, they can't make fraudulent purchases unless they know the four-digit PIN.

So to protect the cardholder's transactions from the fraudster and secure the card data, we have implemented the latest processor based card technology for our valued cardholders.

**Joining to National Payment switch (NPSB):** After having VISA membership licensing, we have introduced latest technology based EMV Debit & Credit Cards for our valued customers. We have implemented a full range of Credit products like 1) SBAC VISA Classic Credit Card 2) VISA Gold multi-currency Credit Card & 3) VISA Platinum Multi Currency Credit Cards.

We have also customized products for frequent travelers and Businessmen, like International Credit Card against RFCD account and ERQ account. However with complete range of Credit card products SBAC bank cardholders can enjoy seamless shopping, dining, health service and other services from different service outlets all over the country.

We have also introduced multifactor authentication & OTP (one time password) for online purchase, hotel booking, railway ticket purchase and e-commerce transactions to protect fraudulent transactions and unauthorized use of cards. Our Card also support dynamic currency transaction by which our international cardholder can by online game or software.

**Contact-less Card:** For faster processing of Card transaction and ensure more security, we are issuing NFC (Near Field Communication) / Contactless Card to our valued Cardholder.

**Card Loyalty Program:** Under corporate discount tie up program our valued cardholder can enjoy privileged services and attractive discounts while using their Debit & Credit cards in more than 100 merchant outlets including Hospitals, Hotels, Restaurants, Resort, Electronics, Jewelry, Air ticket, and shopping malls, SBAC Bank also providing BALAKA LOUNGE facilities for their platinum credit cardholders.

**0% EMI (SIP) Facility:** Customer can enjoy interest free EMI (Equal Monthly Installment) facility for purchasing goods or services from selective merchant outlets. Cardholder can also enjoy EMI facility of his/her card's un-used balance with an attractive & competitive interest rate.

**Other facilities:** We have fund transfer facility with reduced flat interest rate, customer can avail this facility by using their Card Cheque, SBAC Bank

account transfer, other bank account transfer through BEFTN.

**24 Hours Customer service:** To provide 24 hours seamless card services, we have introduced 24 hours customer service with intelligent monitoring tools (IVR). Our customer service are providing 24 hours support to the cardholder by answering their query and executing the requests. We have dedicated 24/7 Call Center, Hotline -16327. We are also going to introduce call center solution and interactive chatting apps for our customers soon applying artificial intelligence and historical data.

**E statement & SMS alert:** SBAC Bank provides E-statement and SMS alert for every transactions, statement notification, payment alert and greetings SMS to all Credit Cardholders. By SMS transaction notification a cardholder can secure his/her card from un-authorized or fraudulent use.

**Secure OTP for E-commerce Transaction:** To prevent fraudulent activities & secure every online & e-commerce transaction, we have OTP (one time password) or known as dynamic token technology for our Card Holders. Every time OTP is generated and sent to Card holder's authorized Mobile number or e-mail addresses while initiating any E-commerce transaction.

For ensuring more security and providing customized features to our card holders, SBAC Bank is working for implementation of own processing Card Centre with world class card management system with robust switch, ATM & POS controller. Transforming the conventional banking in digital banking & diversifying the present banking products, expansion of ATM & CRM network, installation of ATMs/CRMs to all branches and prime public places are under process.

#### **Inter Bank Internet Banking Fund Transfer (IBFT) Facilities:**

**National Payment Switch Bangladesh (NPSB)** is processing Inter-Bank Internet Banking Fund Transfer (IBFT) transactions facilities since 2019. It is an Online Fund transfer facilities (Receiving & Sending) from Qcash & NPSB member banks through Bangladesh Bank. An account/card holder of an IBFT member Banks can transfer funds (account to account/card to card, Apps to card/account, Card/Account to Apps) to other Banks through Internet Banking (IBFT), we are receiving funds through IBFT in SBAC Cards and sending of fund through IBFT. Real time fund transfer and receiving facilities from account to account, card to card, card to account, account to card.

#### **VMT/Direct Money Transfer, VISA OCT and AFT Facilities:**

Visa Money Transfer (VMT) is a convenient service offered which enables its customers to pay for a VISA Credit card bill, by using the Bank's VISA Card Pay service. Such service does not entail any branch queues, any waiting, and any issuing cheques. Visa Direct provides Originators (financial institutions and eligible third parties such as person-to-person payment service providers, merchants, corporations, and other payment service providers) with a way to connect to Visa, get access to information, and push payments directly onto Visa cards.

Money is pulled from the sender's account using an Account Funding Transaction (AFT), then pushed to the recipient's account using an Original Credit Transaction (OCT). On line credit transfer /OCT, AFT /Account Funding Transaction facilities already allowed in SBAC Debit & Credit Cards allow Card to Card, Account to Account, Account to Card, Mobile Apps, MFS through VISA VMT, OCT and AFT [Note: Completely restricted and disallowed for online Gambling (Domestic and Cross Boarder), and Domestic Non Money transfer, Lottery Original Credit transaction.]

An Account Funding Transaction (AFT) is a transaction in which funds are pulled from an account and used to fund a non-merchant account. For example, VISA AFT through SBAC Cards allow to top up a wallet, or fund a person-to-person (P2P) money transfer.

#### **Qpay Apps Facilities:**

**Qpay Apps Facilities:** Qpay Bangladesh application has many use cases such as mobile recharge, fund transfers, credit card bill payment, transfer money to MFS accounts, withdraw Cash from ATM Booths, pay utility (water, gas, electricity, Satellite TV) bills, make QR payments etc. Through Qpay apps, SBAC Cards are allowing the above services.

**E-alert:** SBAC Bank's credit card offers the convenient feature of E-alert notifications sent via email after every transaction. These E-alert notifications help cardholders protect their cards from unauthorized or fraudulent use.

**EMI Facilities:** SBAC Bank enables cardholders to enjoy the flexibility of converting their outstanding credit card balances into equated monthly installments (EMIs). The bank offers a maximum tenor of up to 36 months for this facility.

**Mobile Top-Up Facilities:** SBAC Bank provides the convenience of topping up mobile phones using their own bank's ATM terminals, using a Visa Debit Card. This service allows customers to recharge their mobile phones easily and securely.

We are excited to announce that we will be implementing several new features for our Debit & Credit Card holders. We will be introducing ATM Fund Transfer facilities, allowing cardholders easily transfer funds between accounts. Additionally, we will be introducing Bangla QR Code usage facilities (Bangla pay), making transactions even more convenient.

Furthermore, we will be introducing Green PIN usage facilities for added security when using cards. We are also introducing Dual Currency Visa Pre-Paid Card facilities, giving more flexibility with card usage. And finally, we are introducing Instant Visa Debit Cards for a quicker and more seamless account opening process. We are constantly striving to provide our cardholders with the best service possible, and we hope that these new features will enhance overall banking experience. SBAC Bank Cards can understand cardholders financial needs.

### Human Resources:

A talented and skilled workforce is the lifeblood of every organization. In support of that, SBAC Bank therefore aims to create a work environment that enables employees to realize their full capabilities and build for themselves a fulfilling career. Through the Human Resources Division, SBAC Bank PLC. is committed to providing human resource leadership and expertise that promotes excellence in Bank's Service built on the values of competence, impartiality, integrity, respect, and service.

Human Resources Division sets its goal to help SBAC Bank PLC. achieve its strategic mission, while ensuring employees are engaged and motivated to help the Bank succeed. HR has targeted its operational initiatives to align to the SBAC Strategic Plan by converting human resources into human capital through appropriate knowledge, skills, abilities and personal attribution.

The HR Division has a focus to establish SBAC Bank PLC as the best employer of choice in the banking sector by creating an attractive, inclusive and safe environment that recognizes the competencies and encourages employees to take ownership for their professional and personal growth. HR Division has been coming up with relentless recommendations and contributions in each stage of employee life cycle starting from hiring to separation. The Division has undertaken an initiative to align its core HR functions including but not limiting to attracting, developing, retaining talents with the strategy of the bank.

The following factors differentiate SBAC Bank PLC. as an excellent work place from generally good work places around the country.

### Compensation & Benefit policy

The Bank offers following financial and non-financial benefits for the employees of the bank to ensure a better lifestyle and better career growth.



### Diversity in workforce

Human Resource Division is committed to attracting and retaining a talented and diverse workforce. Therefore, the bank is trying to bring diversity in workforce in context of age, gender, ethnicity and locality. There is an increasing trend in workforce along with the business and span of service. With 89 branches and 26 sub-branches (as on 31.12.2023) & 31 sub-branches (as on 29.05.2024). The bank is a proud employer of a diversified pool of people.

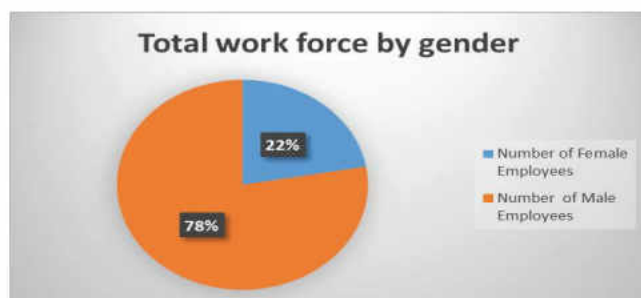
### Total Workforce by Age Group (as on 31.12.2023)

Age ranges	Age: Above 50 Years	Age: 30-50 Years	Age: Below 30 Years	Total
Number of employees	38	965	162	1165

### Total Workforce by Gender:



Number of Female Employees	259
Number of Male Employees	906
<b>Total</b>	<b>1165</b>



### Excellent Working environment

A healthy environment has been created where employees enjoy working with pride. Believing that human resources are main elements behind success and future sustainability of the bank, the bank is developing and motivating the workforce with contemporary HR policies and attractive benefits. The bank is not only offering a job but also creating opportunities for learning, challenging and rewarding career.

### Quality of working relations:

People treat each other as friends, colleagues and co-workers; support and help each other to get the job done. Employees can participate in decision making process which will build up their confidence and also help the Bank to get innovative ideas for developing new products and improvement of existing operations in an effective and efficient manner.

### Training, Learning and Development

To transform the human resources into human asset, SBAC Bank PLC. established its Training Institute at the beginning of 2014. Since inception, the Training Institute of the Bank took initiatives for arranging different training programs and workshops to turn the employees into useful and effective workforce. In 2023, the Institute arranged training programs/workshops including foundation training for the fresh employees where 2070 employees of different grades of the Bank participated. SBAC Bank Training Institute arranged training programs on a variety of topics through virtual platform and at its institute premises such as Foundation Training Course for the Officer (on probation) and newly joint Trainee Assistant Officer/Assistant Officer (Cash), Internal Control & Compliance, Cash Operation in Banks, Credit Appraisal & Financing, Gender Equality, Foreign Exchange & Foreign Trade, Treasury Challan Received Through Automated Challan System (ICCRS), Prevention of Frauds and Forgeries in Banks, Upcoming Agent Outlets, Reporting of Foreign Exchange Transactions of Freight Forwarders to Bangladesh Bank, Internal Control & Compliance, Implementation of Credit Information System (CIS) as Bangladesh Bank New Guidelines, Islamic Banking products and operations, NIKASH Operation, Credit Management, Prevention of Money Laundering and Combating Financing of Terrorism, Gender Equality, Banking Laws and Practice, Cyber Security & Awareness, Agent

Banking, Payment & settlement Systems in Bangladesh, Detection and Disposal of Forged and Mutilated Notes, CIB Batch Reporting in Banking, ISS (Integrated Supervision System) reporting, Sustainable Finance and Refinance scheme of Bangladesh Bank, Agent Banking Services.

In addition to Training Institute's trainings, Human Resources Division nominated employees for training courses, workshops and seminars on different topics in different organizations in 2023. A total of 29 employees of SBAC Bank participated in training in different resourceful professional institutes like BIBM, BAB, BBTA, Bangladesh Bank etc.

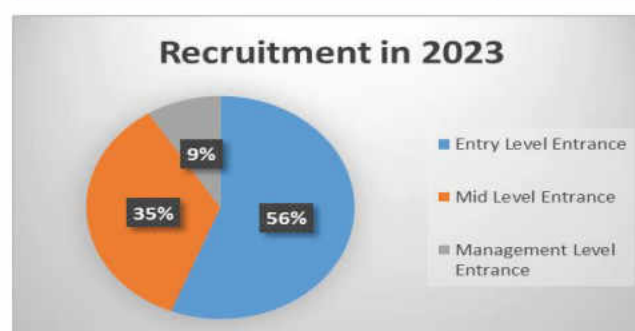
### Recruitment and Selection

The recruitment and selection unit of HR Division has carried out a massive talent acquisition during 2023. Along with developing an internal pool of competent workforce, HR Division also ensures that there is steady flow of skilled and experienced employees from the job market who can deal with the new challenges of time. HR also contributes in the management and leadership development in every area of the bank.

### Recruitment in 2023

Instead of simply filling up the employee gap in certain positions of the bank, the recruitment and selection team emphasized on the "Best Fit" philosophy that can assure placing right people in right place at the right time. For the expansion of Branch Network, the HR Division has facilitated the recruitment for a total of 102 employees including both fresh and lateral candidates in 2023.

Particular	2023
Entry Level Entrance	56%
Mid-Level Entrance	35%
Management Level Entrance	9%
<b>Total</b>	<b>100%</b>



### Internal Control & Compliance

Banking is a diversified and multifarious financial activity which involves different risks. So, the issues of an effective internal control system, good

governance, transparency of all financial activities, and accountability towards its stakeholders and regulators have become momentous to ensure smooth performance of the banking industry. An effective internal control and compliance system has become essential in order to underpin effective risk management practices and to ensure smooth performance of the banking industry. In general, internal control is identified with internal audit; but the scope of internal control is not limited to audit work. Internal control by its own merit identifies the risks associated with the process and adopts measures to mitigate or eliminate these risks. Internal Audit, on the other hand, reinforces the control system through regular review of the effectiveness of the controls.

### Internal Control

Internal control is a process, effected by a bank's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance.

Internal control is a process, rather than a structure. It is not a separate activity disconnected from the rest of business activities, rather is an integral part of those activities. It is a dynamic, continuing series of activities planned, implemented and monitored by the board of directors and management at all levels within an organization. Only part, not all, of internal control consists of policies and procedures. Policies are board or management statements about what should be done, and may even be unwritten and implied by management's actions. Procedures are the actions that implement a policy, or how it should be done. Internal control provides only reasonable assurance, not absolute assurance, with regard to achievement of the organization's objectives. External events can interfere with achievement of objectives, no matter how good is the system of internal control.

### Objectives of Internal Control

The primary objectives of internal control system in a bank are to help the bank perform better through the use of its resources, to communicate better internally and with external stakeholders, and to comply with applicable laws and regulations. The main objectives of internal control are as follows:

- **Operations Objectives:** achievement of a bank's basic mission and vision.
- **Reporting Objectives:** timely, accurate, and comprehensive reporting, financial and non-financial, internal and external.
- **Compliance Objectives:** conducting activities and taking specific actions in accordance with applicable laws and regulations.

The **compliance objectives** of internal control refer to ensure that the bank stays in compliance with all

applicable laws and regulations, not only those specifically pertaining to banks, but also those laws and regulations (such as labor laws and environmental protection laws) applying to corporations in general. Laws and regulations establish minimum standards of conduct expected by BB as the regulatory authority.

### Senior Management Team (SMT)

Responsibilities of the SMT is to monitor the adequacy and effectiveness of the Internal Control System based on the bank's established policy and procedure.

The SMT review on a yearly basis the overall effectiveness of the control system of the organization and provide a certification on a yearly basis to the Board of Directors on the effectiveness of Internal Control policy, practice and procedure.

The management enriches audit teams with adequate skilled manpower and proper IT support as per requisition of the Audit Committee of the Board (ACB) for purposeful and effective audit.

The management ensures compliance of all laws and regulations that are circulated by various regulatory authorities such as, Bangladesh Bank, Ministry of Finance, Bangladesh Securities and Exchange Commission, etc.

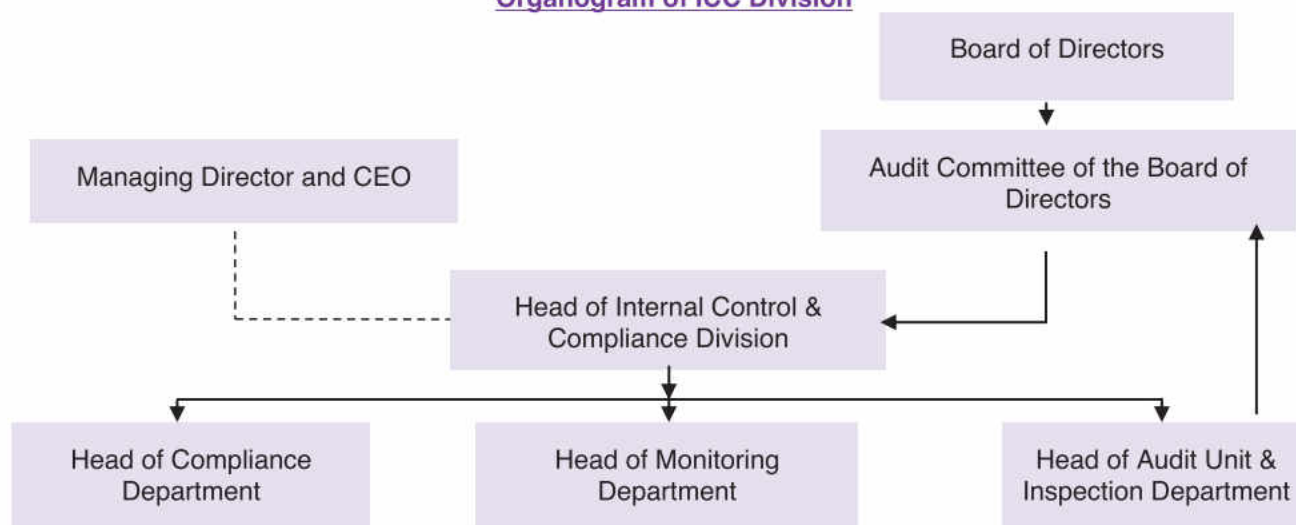
During the audit period, if the present audit team finds any lapse or irregularity which was not detected or identified by the previous auditor then that is also be reported to the Audit Committee.

The Bank has established adequate internal control system that provides reasonable assurance towards achieving the Bank's basic mission and vision, safeguards its assets and assures timely, accurate, and comprehensive financial and non-financial reporting framework and compliance of all applicable laws and regulations, policies & procedures of the Bank, Bangladesh Bank and other regulatory authorities. The Bank's internal control system -

- Ensures efficiency and effectiveness of all activities to improve overall performance;
- Identifies and mitigates various risks;
- Ensures all transaction are properly recorded and reported;
- Ensures proper information system and effective communication channel;
- Ensures compliance with applicable laws and regulations of the country;
- Provides guidelines for preparation of timely, reliable and relevant reports needed for decision-making;
- Provides guidelines for effective monitoring and correcting deficiencies.

SBAC Bank has formulated an Internal Control & Compliance Manual in line with the guidelines framed by Bangladesh Bank which has been updated from time to time. The Bank has also strengthened its Internal Control & Compliance Division (ICCD). The Head of ICCD and Head of Audit has full access to all accounts and documents and directly report to the Audit Committee of the Board of Directors. The head of ICCD has direct access to the Audit Committee of the Board without any management intervention. The internal audit department checks the compliance of the policies, procedures and effectiveness of the internal control system on regular basis and highlights significant findings in any non-compliance to the Audit Committee. The Audit Committee reviews the audit findings identified by the internal audit department.

#### Organogram of ICC Division



#### **Anti-Money Laundering & Combating Financing of Terrorism**

Money laundering is the process by which proceeds from criminal activities is disguised to conceal their illicit origins which has its tradition of eroding the stability of financial institutions and weakening the role of economic growth in financial sectors of a country. Prevention of Money Laundering (ML) and Terrorist Financing (TF) is one of the key challenges for banks, financial institutions and a country as well since it can potentially damage and pose serious threats to the integrity and stability of a financial system as well country's economy as a whole. Banking sector is one of the most vulnerable sectors for Money Laundering, Terrorist Financing and Proliferation Financing due to its nature of business, types of customers and product, delivery channels, external linkage, technology used and ownership. The process of Money Laundering and Terrorist Financing is ever evolving and new technologies have been used by Money Launderers & Terrorist Financers. SBAC Bank recognizes that prevention of Money Laundering (ML) and Combating Terrorist Financing (TF) is a team effort and to protect the banking industry from these threats, The Bank has been working in partnership with Bangladesh Financial Intelligence Unit (BFIU) to put in place an effective regime to fight against these crimes and protect itself from risks.

Hence, SBAC has its own Anti-Money Laundering (AML) & Combating Financing of Terrorism (CFT) Compliance Program. It has been designed considering the range of activities, complexity of operations and the nature & degree of Money Laundering & Terrorist Financing risks faced by the Bank. Certainly, it is designed as per the prevailing laws, Bangladesh Financial Intelligence Unit (BFIU) Guidelines, Circulars & Circular Letters and Instructions. SBAC applies risk sensitive Customer Due Diligence (CDD) measures, Monitors Business Relationships and Suspicious Transactions pursuant to the national regulations and international standards.

**SBAC, during the year 2023 has performed following activities for strict adherence of Anti Money Laundering & Combating Financing Terrorism program:**

- To facilitate the implementation of the Anti-Money Laundering & Combating Financing of Terrorism Compliance Culture in SBAC, AML & CFT Division of the Bank has updated the Bank's ML & TF Risk Management Guidelines keeping in consistency with BFIU Circulars & Circular Letters, ML & TF Risk Management Guidelines, Guidance Notes on PEPs, IPs, Beneficial Owner, STR, and Countering Terrorist & Proliferation Financing of BFIU.
- Displaying the Banner & festoons at a visible place of the Bank's Head office as well as all Branches Premises containing with different AML & CFT awareness related slogans to aware all officials of the Bank including the customers
- AML & CFT Division conducted inspection on AML & CFT compliance status of selective Branches and conducted Off-Site inspection on few Branches for checking the AML & CFT status of the Branches.
- AML & CFT Division of SBAC arranged 04 (Three) regional Training program on AML & CFT issue in Rajshahi, Rangpur, Cumilla & Narshingdi Region where 162 participants got the training.
- Monitor of customer transactions centrally along with Branches on a regular basis for identifying Suspicious Transaction. The complex transaction, transactions with deviation from normal transaction and the transactions that does not have reasonable purpose or the transaction with unusual pattern are to be more emphasized during our monitoring;
- AML & CFT Division submitted numbers of Suspicious Transaction Report (STR) and Suspicious Activity Report (SAR) to BFIU which is better than the previous year;
- AML & CFT Division communicated with Branches including all business units to improve their AML & CFT compliance culture, identifying needs and directing Branches as needed and responding to queries of branches;
- AML & CFT Division has extended its initiative to create awareness on AML & CFT among the customers by displaying awareness Banner on conspicuous place of the Branches and distributing awareness leaflets among the Customers.
- AML & CFT Division submitted numbers of Suspicious Transaction Report (STR) and Suspicious Activity Report (SAR) to BFIU which is better than the previous year;
- AML & CFT Division communicated with Branches including all business units to improve their AML & CFT compliance culture, identifying needs and directing Branches as needed and responding to queries of branches;
- AML & CFT Division has extended its initiative to create awareness on AML & CFT among the

customers by displaying awareness Banner on conspicuous place of the Branches and distributing awareness leaflets among the Customers.

**Main goals of AML & CFT Division for the year 2024 are to strengthen our compliance culture in all units of SBAC. Specific goals are as follows:**

- Continuing communication with Branches to improve their AML & CFT compliance culture, identifying needs and directing Branches as and when needed and responding to queries of Branches;
- AML & CFT Division will arrange a day long training program on Trade Based Money Laundering, Credit Backed Money Laundering & Fraud Forgery through Cards to aware all officials of the bank who are working mentioned sectors directly about their duties & responsibilities for the purpose of mitigating ML & TF risk within the Bank;
- AML & CFT Division will arrange regional day long training program on AML & CFT including Credit Backed Money Laundering to aware all officials of the Branches of the Bank and responsibilities for the purpose of mitigating ML & TF risk within the Bank;
- AML & CFT Division with the help of ICT Division of the Bank will develop a e-Learning Platform for assessing the Employees knowledge on AML & CFT issues;
- AML & CFT Division will arrange an awareness program for the senior management of the Bank on AML & CFT issues;
- AML Division has a plan to arrange a BAMLCO conference for all BAMLCO's of the Bank to keep them updated in relating to AML & CFT issues;
- Monitoring of branches shall be robust in 2024 which shall include conducting special inspections on the Branches as a part of its own monitoring program of Branches' AML & CFT compliance, apart from ICCD. We will focus the Branches located in the outside of Dhaka;
- Nominate a Compliance Officer for Trade Service to (1) Conduct Comprehensive Review & Examine the TBML Alerts; (2) Consult TTP if necessary; (3) File STR/SAR where required; (4) Document properly and (5) Disambiguate with proper rationale & Justification;
- take proper measure among the officials of the Bank to conduct Customer Due Diligence (CDD), Enhanced Due Diligence (EDD) and identify Beneficial Ownership of account;
- AML & CFT Division will conduct special inspection on AOF, TP & KYC, and Identification of Beneficial Owner, EDD process for High-Risk Customers, Transaction Monitoring Processing and Identification of STR/SAR.

## Annual General Meeting (AGM)

The Financial Statements were reviewed and adopted in the 180<sup>th</sup> Meeting of the Board of Directors of the Bank held on April 30, 2024 and recommended the same for final approval in the 11<sup>th</sup> AGM. The Board of Directors in the same meeting has recommended 2.00% Cash Dividend. The Record Date for entitlement of cash dividend and to attend & vote in the AGM is May 29, 2024. However, The Bank has provision deferral as of the Balance Sheet date which has been permitted by Bangladesh Bank through their letter No. DOS(CAMS)1157/41(dividend)/2024-1836 dated 30 April 2024.

Annual General Meeting will be held on June 22, 2024 through Hybrid System in combination of both online (virtual/digital platform Link: <https://sbacbank.bdvirtualagm.com>) and physical presence at Retired Armed Forces Officers' Welfare Association (RAOWA) Club, VIP Road, Mohakhali, Dhaka-1206 as per Directive No. BSEC/CMRRCD/2009 193/08 dated 10 March 2021 and No. BSEC/ICAD/SRIC/2024/318/09 dated 16 January 2024 of Bangladesh Securities and Exchange Commission.

**Election of Directors:** In compliance with the section 91(2) of the Companies Act 1994, regulation 79-82 of First Schedule of the Companies Act 1994 and Article 101(2) of Articles of Association of the Bank the following persons (one third of the Directors excluding Independent Directors) shall retire from the office of the Directors effective from the close of business of the 11<sup>th</sup> Annual General Meeting of the Bank to be held on June 22, 2024 but they will be eligible for re-election:

1. Mr. Anwar Hussain
2. Mr. Hafizur Rahman Babu
3. Mst. Nasima Begum  
Nominated by: Thermax Textile Mills Ltd.
4. Mr. Mohammed Ayub
5. Mr. Mohammad Nawaz
6. Mr. Shohel Ahmed  
Nominated by: Meter D Tech.

To conduct the election of Directors as per Provision of Laws, Mr. Md. Mokaddess Ali FCS was appointed as Chief Election Commissioner (CEC).

**Appointment/Re-appointment of Auditor(s):** Being eligible for reappointment, MABS & J Partners, Chartered Accountants and M/s G. Kibria & Co., Chartered Accountants were asked to submit their Express of Interest (EOI) to continue as the statutory auditors. But MABS & J Partners, Chartered

Accountants expressed their unwillingness to continue as statutory auditor. Subsequently, the Board of Directors in its 180<sup>th</sup> Meeting held on April 30, 2024, recommended to re-appoint G. Kibria & Co., Chartered Accountants, as statutory auditor at a remuneration of Tk. 6,00,000.00 (six lac only) until the completion of next Annual General Meeting (AGM) subject to approval of the shareholders in the 11<sup>th</sup> AGM.

## Appoint/Re-appoint Corporate Governance Auditor:

As per the provisions of the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission, M/S. Hoda Vasi Chowdhury and Company, Chartered Accountants, was appointed as Corporate Governance Auditor in 10<sup>th</sup> Annual General Meeting (AGM) for certification on compliance of the Corporate Governance Code of the Bank for a term until conclusion of the 11<sup>th</sup> AGM. Subsequently, the Board of Directors in its 180<sup>th</sup> Meeting held on April 30, 2024 appointed M/S. Hoda Vasi Chowdhury and Company as the Compliance Auditor of Corporate Governance for a term until conclusion of the next AGM at a remuneration of Tk. 40,000.00 (Forty Thousand) Only.

**Appointment of Independent Service Provider:** As per clause 7 of the Directive No. BSEC/CMRRCD/2009-193/08 dated: 10 March, 2021 of Bangladesh Securities and Exchange Commission, the Board of Directors in its 180<sup>th</sup> Meeting held on April 30, 2024 has appointed SATCOM IT Limited (SIL) as Independent Service Provider to establish a Hybrid/digital platform to ensure smooth observation of the 11<sup>th</sup> Annual General Meeting and online or e-voting platform or system.

**Appointment of Scrutinizer:** As per clause 7 of the above Directive, S. Abdur Rashid, FCS, Secretary in Practice, SA Rashid & Associates has been appointed at a fee of Tk. 40,000.00 (forty thousand only) as Independent Scrutinizer by the Board in its 180<sup>th</sup> Meeting held on April 30, 2024. The aforesaid firm has the experience and qualification of the Chartered Secretary to scrutinize the process of the 11<sup>th</sup> AGM of the Company.

The Notice of the AGM was issued by Mr. Md. Mokaddess Ali FCS, Company Secretary, as per the decision of the Board and published in this Annual Report on page no. 07 as well circulated as per provision of relevant laws & regulations.

## Disclosures under Notification No. BSEC/CMRRCD/2006-158/207/ Admin/ 80, dated: 03 June 2018 of BSEC

### (i) An industry outlook and possible future developments in the industry

#### Banking Sector Performance

Recent trends in banking data indicate improvements within the banking industry. In Q2FY24, there was a decrease in the ratio of non-performing loans (NPLs) to total loans compared to Q1FY24. Additionally, the banking sector witnessed higher growth rates in deposits and bank advances during the same period. Moreover, there was an enhancement in the shortfall in provisions set aside for bad loans, which contributed to greater resilience against credit risks. Although there was a slight decrease in excess liquidity in the banking system, the industry's overall stability remains intact.

By the end of Q2FY24, positive developments were observed in the non-performing loans (NPLs) within the banking sector. The gross NPLs to total loans ratio declined to 9.00 percent from 9.93 percent at the end of Q1FY24. This improvement was primarily driven by significant recoveries in state-owned commercial banks (SCBs) and private commercial banks (PCBs). Both SCBs and PCBs experienced reductions in their gross NPL ratios, with SCBs decreasing to 20.99 percent and PCBs to 5.93 percent at the end of Q2FY24, compared to 21.70 percent and 7.04 percent at the end of Q1FY24, respectively. This reduction indicates a narrowed provision shortfall compared to the previous quarter of Q1FY24.

#### Deposit and Advance

The banking sector has experienced consistent growth in deposit accumulation over recent quarters, primarily fueled by the competitive interest rates on deposits offered by commercial banks. By December 2023, bank deposits had surged to their highest level in recent memory, marking a growth rate of 10.44 percent, an increase from 9.12 percent recorded at the end of September 2023. Despite the presence of higher lending interest rates, the growth of bank advances saw a slight uptick, reaching 10.24 percent by the end of Q2FY24, as opposed to 9.76 percent at the close of Q1FY24. Consequently, the overall advance-deposit ratio (ADR) experienced an increase, climbing to 80.38 percent by December 2023 from 78.08 percent in September 2023, thus maintaining a stable trend.

Deposit and Advance Position of Scheduled Banks (In percent)

Bank groups	Year-on-year growth of deposit, % (excluding interbank) *		Year-on-year growth of advances, % (excluding interbank)		Advance Deposit Ratio (ADR)	
	Dec. 23	Sep. 23	Dec. 23	Sep. 23	Dec. 23	Sep. 23
SCBs	7.91	10.19	12.67	16.09	72.85	69.02
PCBs	11.02	7.92	9.57	7.87	85.73	84.21
FCBs	14.29	22.15	11.37	16.14	50.91	46.19
SBs	12.32	8.78	9.01	8.89	63.94	64.2
All	10.44	9.12	10.24	9.76	80.38	78.08

\* Source: Bangladesh Bank \*Adjusted deposits growth for calculating ADR.

#### Asset Quality of Banks:

In Q2FY24, there was a notable decrease in the ratio of non-performing loans (NPLs) to total loans compared to the previous quarter, indicating an improvement in loan quality. Concurrently, there were higher growth rates in deposits and bank advances, suggesting increased confidence in the banking sector. Moreover, enhancements in provisions for bad loans contributed to greater resilience against credit risks. Despite a slight decrease in excess liquidity, the industry's overall stability remained intact. By the end of Q2FY24, significant improvements were observed in the gross NPLs to total loans ratio, primarily driven by recoveries in both state-owned commercial banks (SCBs) and private commercial banks (PCBs). These developments signify a positive trail in the asset quality of the Bangladeshi banking industry, supported by effective risk management practices and regulatory measures.

#### Liquidity condition in the banking sector

During Q2FY24, the banking sector encountered tightened liquidity conditions, which were partly attributed to a contractionary monetary policy and ongoing interventions by the BB in the foreign exchange market. By the close of Q2FY24, excess liquidity decreased from BDT 1644.40 billion to BDT 1633.05 billion compared to the end of Q1FY24. This decline in excess liquidity, calculated as the surplus of the statutory liquidity ratio (SLR) as a percentage of total demand and time liabilities (TDTL), was modest, dropping to 8.9 percent at the end of Q2FY24 from 9.2 percent in Q1FY24.

**Liquidity Position of the Scheduled Banks (In billion BDT)**

Bank groups	CRR			SLR		
	Required Reserves	Balance with BB in local currency	Excess (+)/ shortfall (-) in reserve	Required Liquidity	SLR eligible liquid assets of banks**	Excess (+)/ shortfall (-) of SLR
1	2	3	4	5	6	7
<b>As of end December, 2023</b>						
SCBs	178.2	207.3	29.2	573.9	1094.2	520.2
SBs*	19.4	22.8	3.4	0.00	0.00	0.00
PCBs (other than Islamic)	316.8	387.8	71.6	10.38.9	1705.7	666.8
Private Banks (Islamic)	169.8	237.0	67.3	234.8	322.9	88.1
FCBs	37.7	65.6	28.2	128.9	486.9	358.0
<b>All</b>	<b>708.8</b>	<b>768.7</b>	<b>59.9</b>	<b>1976.5</b>	<b>3609.6</b>	<b>1633.1</b>
<b>As of end September, 2023</b>						
SCBs	175.2	184.7	9.5	564.3	1166.7	602.5
SBs*	18.8	18.8	0.0	0.0	0.0	0.0
PCBs (other than Islamic)	309.8	327.7	17.8	1017.3	1681.3	664.0
Private Banks (Islamic)	168.2	177.5	9.3	232.8	254.0	21.2
FCBs	36.8	60.1	23.3	127.4	484.1	356.7
<b>All</b>	<b>708.8</b>	<b>768.7</b>	<b>59.9</b>	<b>1941.8</b>	<b>3586.2</b>	<b>1644.4</b>

Source: **Bangladesh Bank**

\* SLR does not apply to specialized banks as exempted by the Government.

\*\*includes cash in tills, balance with BB in foreign currency, balance with Sonali Bank as an agent of BB, unencumbered approved securities and excess reserve (column 4)

Note: According to the circular No-MPD-02, 2013 with effect from February 01, 2014 SLR has been calculated separately (excluded CRR) as 13% for conventional banks and 5.5% for Islamic banks of the total demand and time liabilities.

According to circular No. MPD-03, April 09, 2020, CRR revised to 4.0 percent from 5.0 percent effective from April 15, 2020.

**Remittance**

Q2FY24, inward remittances exhibited significant growth, reaching USD 5.89 billion, up by 22.3 percent from USD 4.82 billion in Q2FY23. This growth marked a notable improvement compared to the negative growth of 13.5 percent witnessed in Q1FY24. The positive momentum in remittance inflows was observed across most countries, except Saudi Arabia, Qatar, and the USA. Approximately 47.4 percent of total remittances originated from the Gulf region, contributing to a 16.0 percent positive growth. Notably, the UAE played a substantial role, accounting for 41.2 percent within the Gulf region and experiencing an impressive 110 percent growth, significantly driving the overall increase in inward remittances. However, remittance inflows from Saudi Arabia and the USA declined by 32.9 percent and 36.5 percent, respectively, in Q2FY24. Despite these declines, these two countries still contributed 10.36 percent and 10.41 percent, respectively, to the overall share of total remittances.

**(ii) The segment-wise or product-wise performance**

Banking means the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdraw-able by cheque, draft, order or otherwise. Thus, the Banking products may be classified into two: Liability Products (Deposit Products) and Asset Products (lending products). In this context our bank has well-designed Liability and Asset Products. The segment-wise or product-wise performances are as under:

### Liability Products:

Deposit is the main source of finance. Our Bank has some lucrative deposit product offering attractive profit rate such as: Saving Account, Surokkha Sonchoyi Hisab, Short Notice Deposit Account, Student Savings Account, Tk. 10, 50 & 100 Privileged Account, Senior Citizen Account as Checking Accounts, SBAC Pay-roll Account, SBAC Probashi Account, SBAC Uchasha Savings Account, SBAC Fast Account (e-KYC based). There are several types of Term Deposit Products such as Fixed Deposit Accounts (01 month, 03 months, 6 months 12 months etc.), Monthly Benefit Scheme (Appropriate for those who want to get a specific monthly return for their deposited amount), Special Benefit Scheme (Deposited amount will be double/triple at maturity). Monthly Savings Scheme, Lakhopoti Savings Scheme, Surokkha Millionaire Scheme, Kotipati deposit Scheme. For Business transaction, CD Account (non-interest bearing) & CD Samridhi (lucrative interest bearing).

It is mentionable that Customers can deposit in any branches of SBAC Bank PLC. For the Account holder, there will be an Insurance Coverage up to Tk. 5,00,000.00 (five lac) in case of Accidental Death and Tk. 50,000.00 (fifty thousand) for normal death (in some cases). Annual Insurance Premium will be paid by the bank for each account holder.

### Performance of Deposits:

The deposits of the Bank stood at Tk. 93,731.23 million (solo) & Tk. 93,321.58 million (Consolidated) in 2023 as against Tk. 84,599.43 million (solo) & Tk. 84,209.59 million (Consolidated) in 2022. This growth was supported by branch network and high standard service provided to customers along with concerted and solid efforts of the employees of the Bank. Fixed deposits remained the main component of deposits contributing 51.85 percent of the total deposits. Cost of Fund (including operating cost) increased to 8.26 percent as against 8.10 percent of the previous year as a result of decrease in rates of high-cost term deposits contributed by the good deposit mix. The clientele group of the Bank was individuals, corporation, NGO, NBF, government bodies etc.

**Asset Product:** The Bank has the following asset products:

1. **Corporate Financing:** SBAC Bank PLC. is providing a wide range of financial services, offering specialist advice and loan products to corporate clients to meet diverse demands of changing market scenario. We have expertise to customize products & services to meet specific requirements of our clients. We are committed to serve our customers with extensive branch network all over the country to expedite our clients' business growth. We facilitate your business to face the challenges and realize the opportunities, now and in the future. Our main focus is at relationship-based banking and understanding corporate & institutional business environments.

Our experienced Branch Managers & their team can respond to and anticipate customer needs and give competitive business advantages to them. Products and services for commercial and business customers include: Working Capital Finance, Project Finance, Term Finance, Trade Finance, Lease Finance, Syndication Loan etc. Our Corporate Financing Category comprises:

- **Working Capital Finance:** Business Enterprises engaged in manufacturing/ trading/ service business are eligible to avail Working Capital Loan to meet day to day expenses for processing of manufacturing and selling product & services. Working capital products include both fund and non-fund-based products. Fund-based working capital products include secured over draft, cash credit, packing credit, short-term loans payable on demand. Non-funded products include bank guarantee, performance guarantees and bid bonds are also supporting the business of our customers.
- **Project Finance:** SBAC Bank PLC. Provides project loan to set up /BMRE of long-term infrastructure and industrial projects/ service unit on the basis of debt and equity rather than the balance sheets of project sponsors. Project financing have been recognized as an important and crucial mode of finance for a financial institution for substantial growth of its industrial credit vis-à-vis managing long term finance. Apart from trade and commercial finance; SBAC Bank PLC. from the very beginning has been an active partner of the private sector in developing large and medium scale industry of the country. The Bank has been financing Term Loan (Industrial) facility for establishing new project and/or BMRE of various projects in the sectors viz. textile, garments, power, steel, telecom, pharmaceuticals, packaging, consumer products, health, CNG refueling, Real estate.
- **Term Finance:** SBAC Bank PLC. is offering short-term & mid-term finance to the customers to meet emergency financial needs of their project/business.
- **Trade Finance:** In short, Trade Financing of the Bank can be categorized as below:

Import	Export
<ol style="list-style-type: none"> <li>1. Letter of Credit: Business Enterprises can avail non-funded facility for import / procurement of raw materials, machinery, equipment, merchandise item.</li> <li>2. Loan against Imported Merchandise (LIM) and Loan against Trust Receipt (LTR): Business Enterprises engaged in import merchandise can avail working capital for retirement of import documents.</li> </ol>	<ol style="list-style-type: none"> <li>1. Pre-shipment finance: Back-to-Back L/C, EDF, ECC, SOD (Working Capital Finance), Packing Credit.</li> <li>2. Post-shipment finance: Foreign Documentary Bills Purchase, Inward Documentary Bill Purchase.</li> </ol>

- **Lease Finance:** Lease financing became a thrust sector for individual and small enterprise besides medium and large enterprises. SBAC Bank PLC. has been providing lease finance facility to its customers for acquisition of manufacturing and service equipment for all major industrial sectors. The facility helps the customers to have better financial flexibility under budgetary constraints and to enjoy tax benefit. SBAC Bank PLC. offers financing vehicles/ CNG conversion/ refueling plant/ sea or river transport, capital machinery/ plant/ equipment/ lift /generator/ boiler, construction equipment/ computer for IT education center, medical equipment etc.
- **Syndication Loan:** SBAC Bank PLC. along with other commercial banks has been financing large scale projects under syndication arrangement to raise and meet huge credit need of a company. This arrangement allows the Banks to share expertise among them and diversify its credit risks. To cater the need of leading corporate house SBAC Bank PLC. has been raising fund from the banking sector on behalf of the customer through syndication arrangement.

- 2. Retail Credit:** Retail Credit is mass-credit services for individual customers to avail credit facilities directly from our wide branch network. With a view to provide faster and more convenient centralized online banking services, all of our branches have been brought under the real time online banking system.

SBAC Bank PLC. offers a wide variety of loan product & value added services to suit banking requirements of the individual clients. Products and services for individual customer include: Consumer Finance, Any Purpose Loan, Auto Loan, Professionals' Loan, Education Loan, Home Renovation Loan, Credit Card etc.

- Consumer Finance
- Credit Card- Local Card, International Card, Dual Currency Card.

- 3. SME Financing:** The growth of small and medium enterprises (SMEs) in terms of size and number has multiple effects on the national economy, specifically on employment generation, GDP growth, and poverty alleviation in Bangladesh. At present, Small & Medium Enterprise sector is playing a vital role in creation of new generation entrepreneurs and 'Entrepreneurs Culture' in the country. Experience shows that borrowers of small enterprise sector prefer collateral free loan since normally they cannot offer high value security to cover the exposure.

To facilitate SME sector of the country, SBAC Bank PLC. provides credit facilities to the small & medium entrepreneurs across the country whose access to traditional credit facilities are very limited. We are offering different products for selected target groups, such as- Transport Loan, House Building Loan, Work Order Loan, Bidder's Loan, Working Capital Loan, Project Loan, Trade Finance, Women Entrepreneur's Loan, Small Business Loan, Green Financing etc. SME Financing Portfolio of the Bank comprises the following categories mainly:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>▪ Working Capital Loan [CC(Hypo), CC(Pledge)]:</li> <li>▪ Trade Finance (L/C, LTR, IDBP)</li> <li>▪ Transport Loan</li> <li>▪ House Building Loan</li> <li>▪ Work Order Loan</li> </ul> | <ul style="list-style-type: none"> <li>▪ Bidder's Loan</li> <li>▪ Project Loan</li> <li>▪ Women Entrepreneur's Loan</li> <li>▪ Small Business Loan</li> <li>▪ Green Financing</li> </ul> |
|--|--|

- 4. Agriculture Credit:** In order to achieve desired growth in agriculture sector of the country, we are committed to increase our present loan portfolio in agricultural sector. SBAC Bank PLC. is offering

Agriculture Loan to the various Agricultural sectors like Fishery, Dairy, Beef Fattening, Poultry etc. for individuals & group at micro level. The Agriculture Credit of SBAC Bank can be categorized in below two main types:

- General Agricultural Credit
- 10.00 Taka Account Loan

#### **Performance of Loans and Advances:**

The loans and advances stood at Tk. 86841.61 million (solo) & Tk. 86644.19 million (consolidated) in 2023 as against Tk. 77,992.32 million (Solo) & Tk. 77,827.26 million (Consolidated) in 2022 registering growth 11.33 percent. The growth of deposits was used for funding growth in credit. Yield on loans and advances of the Bank increased by 17.26 percent from that of previous year due to increase in lending rates.

The detail features of the Advance and deposit are stated in the section 'Review of Performance of SBAC Bank PLC. in 2023'.

#### **(iii) Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any:**

In simple word, Banking means taking risk but risk should be measurable and manageable. Banking business is in fact a business of taking and administering risk. So, it is vital to manage all these risks efficiently. In today's challenging financial and economic environment, effective risk management is must for sustainable growth in shareholders' value. In banking arena, key risks include that of credit, market, operational, AML/CFT, liquidity, reputation, environment, ICT and other risks like strategic risk, concentration risk, compliance risk etc. The risk management strategy of SBAC Bank PLC. is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring.

We have taken sufficient measures to prevent money laundering and terrorist finance. Details of which is given in the "Anti-Money Laundering & Combating Financing of Terrorism" sub-section of this Annual Report in the page no. 75-76, and Details of risk management are given in "Report of the Risk Management Committee (RMC) of the board" in the page no. 183-186.

#### **(iv) A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin (where applicable):**

As a service-oriented banking company, discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin is not relevant. However, a discussion on Interest Income, Interest Expense, Operating Profit and Net Profit is stated below as per BRPD Circular No. 14 dated 25 June 2003.

For the year ended 2023, The Bank's Cost of Fund (including operating cost) was 8.26 percent, Interest earning assets was Tk. 100,289.96 million (solo) & Tk. 100,092.55 million (Consolidated). Interest Income/profit on investment was Tk. 6,892.33 million (solo) & Tk. 6,900.07 million (Consolidated); Interest expense was Tk. 5,266.34 million (solo) & Tk. 5,244.05 million (Consolidated), Operating profit was Tk. 2,198.55 million (solo) & Tk. 2,248.99 million (Consolidated), and Net profit after Tax was Tk. 536.61 million (solo) & Tk. 546.36 million (Consolidated).

#### **(v) A discussion on continuity of any extraordinary activities and their implications (gain or loss):**

There is no incident of any extraordinary activities, so there is no question of gain or loss from any extraordinary activities.

#### **(vi) A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions.**

Section 18(2) of the Bank Company (Amendment) Act, 2023 and Corporate Governance Guidelines issued by Bangladesh Securities and Exchange Commission (Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018) have provided the necessary provisions for related party transactions. As per general instruction in the First Schedule of the Bank Company (Amendment) Act, 2023 [general instruction Kha 11(ka)], A statement of all related party transactions has been disclosed in the Financial Statements as **Annexure-A**.

#### **(vii) A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments**

The proceeds of the Initial Public offering (IPO) had been utilized fully as per schedule as published in the prospectus.

#### **(viii) An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.:**

There is no deteriorating financial result still now after the IPO of the Bank.

(ix) **An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements:**

Earnings Per Share (EPS) decreased in the first and third quarter of 2023 compared to the same periods of previous year due to decrease in net interest income, increase in operating expenses which resulted in decrease in net profit. In the second quarter, EPS increased compared to that of June 30, 2022 due to decrease of provision requirement. EPS has decreased by 4.54% than that of last year due to the requirement of maintaining provision against loans and advances.

Net Asset Value (NAV) increased throughout the year due to increase in EPS in the second quarter and increase in paid up capital through allotment of stock dividend for the year 2021.

Gross revenue increased by about 17% compared to the previous year because of increase in interest income on loans and advances/profit on investments.

Net Profit (after tax) in 2023 decreased by about 7% compared to that of the previous year since a significantly increased amount of provision has been maintained cautiously considering the future challenges and uncertainties.

(x) **A statement of remuneration paid to the directors including independent directors:**

Directors are not eligible to any remuneration other than fees for attending meetings of the Board and its Committee. As per BRPD Circular letter No. 11 dated October 04, 2015 and Article 95 of Articles of Association of the Bank directors were eligible for the remuneration of BDT 8,000 only for each meeting attended by them in 2023. [The directors are now eligible for BDT 10,000 (ten thousand only) as meeting remuneration as per BRPD circular letter No. 02 dated February 11, 2024, and each Independent Director shall receive a fixed remuneration of Tk. 50,000.00 (fifty thousand only) per month (subject to deduction of applicable tax) in addition to the remuneration for attending meetings as per BRPD circular No. 03 dated 14 February 2024]. The following conditions are applicable as under:

- Meeting should be held in the same town or city where the Bank is head quartered. However, the meetings may be held other places subject to intimation to Bangladesh Bank in advance;
- Remuneration is applicable for 2 (two) meetings of Board of Directors, 4 (four) meetings of Executive Committee (EC) and 01 (one) meeting of Risk Management Committee (RMC) and Audit Committee (AC) in a month.
- Travel Bill and two days Hotel bill is payable for the directors traveling within the country and three days Hotel bill for directors (foreigners) coming from out of the country subject to submission of bills of actual expenditures to the bank for preserve.

As per BRPD Circular Letter No. 09 dated 23 March 2020, the meetings of the Board of Directors and its committees were held online through virtual platform.

Statement of Remuneration to Directors including Independent Directors with Details of Meetings attended by the Board Members during the year 2023:

Figure in Taka

Name	Remuneration	No. of Meeting Attended
Mr. Abu Zafar Mohammad Shofiuddin MP	2,16,000	20 (Board), 06 (EC) & 01 (AC)
Engr. Md. Moklesur Rahman	2,24,000	20 (Board) & 08 (EC)
Mr. Abdul Kadir Molla	1,44,000	18 (Board)
Mr. Mohammed Ayub	1,92,000	20 (Board) & 04 (RMC)
Mr. Mohammad Nawaz	1,92,000	19 (Board), 01 (EC) & 04 (AC)
Mr. Anwar Hussain	2,08,000	20 (Board) & 06 (EC)
Mr. Hafizur Rahman Babu	1,68,000	16 (Board) & 05 (EC)
Mst. Nasima Begum Nominated by: Thermax Textile Mills Ltd.	1,36,000	17 (Board)
Mr. Sk. Shyedujjaman Nominated by: Moonstar Ceramic Industries Ltd.	2,32,000	20 (Board), 08 (EC) & 01 (RMC)
Mr. Mohammad Helal Uddin Nominated by: TBO Trade Ltd.	2,64,000	20 (Board), 08 (EC), 04 (RMC) & 01 (NRC)
Mr. Mushfiqur Rahman Nominated by: M/S. Contech Construction Ltd.	1,92,000	20 (Board) & 04 (RMC)

Name	Remuneration	No. of Meeting Attended
Mr. Mohammad Nazmul Huq Nominated by: Techno Electricals Ltd.	1,92,000	20 (Board) & 04 (RMC)
Mr. Md. Sajidur Rahman	1,92,000	16 (Board), 06 (AC) & 02 (NRC)
Professor Mohammad Moqbul Hossain Bhuiyan	2,00,000	17 (Board), 06 (AC) & 02 (NRC)
Mr. Ziaur Rahman Zia FCA	1,84,000	17 (Board), 05 (AC) & 01 (NRC)
Mr. Mohammad Mahbubor Rahman Nominated by: Intec Solution	1,28,000	12 (Board), 03 (AC) & 01 (NRC)
Mr. Md. Emdadul Hoque Nominated by: T&A International Ltd.	1,28,000	13 (Board) & 03 (RMC)
Mr. Shohel Ahmed* Nominated by: Meter D Tech.	32,000	04 (Board)
Al-Haj Mizanur Rahman**	1,92,000	16 (Board) & 08 (EC)
<b>Total Remuneration</b>	<b>34,16,000</b>	

\*Mr. Shohel Ahmed was appointed as a Nominated Director of Meter D Tech Trade Ltd. at 171st meeting of the Board of Directors of the Bank held on September 25, 2023 and approved by Bangladesh Bank on November 02, 2023.

\*\* The directorship of Al-Haj Mizanur Rahman is vacated as per the latest court order dated 13/11/2023

(xi) **A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity:**

The financial statements prepared by the management have presented fairly its state of affairs, the result of its operations, cash flows and changes in equity. Balance Sheet, Income Statement, Cash flow Statement and Statement of Changes in Equity etc. are presented in Annual Report under respective heads.

The Board of Directors is responsible for the preparation and fair presentation of financial statements in accordance with applicable financial reporting framework, laws and regulations. The Financial Statements have been audited by the External Auditor(s) and reviewed by the Audit Committee of the Board of Directors of the Bank. The financial Statements have been recommended for final approval of the shareholders by the Board of Directors of the Bank.

Financial Statements for the year ended on 31 December, 2023 have been prepared in a very fair way with inclusion of all material aspects, its state of affairs, the results of its operations, cash flows and changes in equity. Fair Presentation of Financial Statements has been made in Annual Report 2023 and accordingly Opinions of the External Auditors, MABS & J Partners, Chartered Accountants and M/s G. Kibria & Co., Chartered Accountants have been incorporated in the report.

(xii) **A statement that proper books of account of the issuer company have been maintained:**

The bank is fully complied in keeping the proper books of accounts with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). Details are disclosed in the section 2.0 of notes of Financial Statements in the Auditors' Report. In this regards External Auditor MABS & J Partners, Chartered Accountants and G. KIBRIA & CO., Chartered Accountants have provided their positive opinion in their report in the "Opinion Paragraph".

(xiii) **A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment:**

Appropriate accounting policies have been consistently applied in preparation of the financial statements of the Bank and the accounting estimates are based on reasonable and prudent judgment. Estimates and underlying assumptions are reviewed on ongoing basis and any revisions to these are recognized in the period in which the estimate is revised and in any future period affected. The significant accounting policies applied and accounting estimates used for preparation of the financial statements of the Bank have been stated in details in notes of the Financial Statements 2023.

**(xiv) A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed:**

The financial statements of the bank as December 31, 2023 have been prepared on going concern basis under historical cost convention and in accordance with the “First Schedule” of the Bank Company (Amendment) Act, 2023 and BRPD Circular No. 14, dated 25 June 2003, other Circulars of Bangladesh Bank, International Financial Reporting Standards (IFRS), International Accounting Standards (IASs), the Companies Act 1994 (amended up to 2020), the Securities and Exchange Rules 1987, and other laws and rules applicable for Banks in Bangladesh. In case of any requirement of the Bank Company (Amendment) Act, 2023, and provisions and circulars issued by Bangladesh Bank differ with those of other regulatory authorities and IFRS, the requirements of the Bank Company (Amendment) Act, 2023, and provisions and circulars issued by Bangladesh Bank will prevail.

**(xv) A statement that the system of internal control is sound in design and has been effectively implemented and monitored:**

The bank has Board approved Internal Control and Compliance (ICC) Policy/Guidelines. The ICC Guidelines are being used to an effective internal control mechanism to safeguard shareholders’ investments, the depositors’ assets and other stakeholders’ interest as well. The Board retains the ultimate responsibility for its operations, though has delegated to the Audit Committee for the review of the adequacy and effectiveness of the system of internal controls. The Internal Control and Compliance practices of SBAC Bank PLC. include- control environment, risk assessment, control activities, segregation & rotation of duties, accounting information and reconciliation, IT security and self-assessment/monitoring.

Effective information system – the key component of an effective internal control mechanism is already in place, which is being periodically reviewed towards making it still effective. In addition, the Bank has established the following internal control measures:

- Strengthened the Internal Control and Compliance Department to ensure comprehensive audit of the branches and Corporate HQ at periodic intervals;
- Review of the Bank’s performance on a quarterly basis at Board level;
- Established authority limits for transactions and expenses;
- Review of Bangladesh Bank’s audit report and Management’s compliance thereof at regular intervals;
- Ensuring strict compliance to all regulatory requirements, both existing and new.

**(xvi) A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress**

There is a well-defined corporate governance practice prevailing in the Bank as per Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018 and No. BSEC/CMRRCD/2009-193/66/PRD/148, dated 16 October 2023). Therefore, minority shareholders have been protected from any sorts of abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress. Moreover, the Bank has been compliant with provision of laws of the country protecting the interest of minority shareholders.

**(xvii) A statement that there is no significant doubt upon the issuer company’s ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed:**

There are no significant doubts upon the Bank’s ability to continue as a going concern. The financial statements of the Bank have been prepared on the assumption that the entity (i.e., SBAC Bank PLC.) is a going concern and will continue its operation in the foreseeable future. Hence, it is assumed that SBAC Bank PLC. has neither intention nor the need to liquidate or curtail materially the scale of its operations. In this regard, a report on going concern assumption has been disclosed in page no. 110-113.

**(xviii) An explanation that significant deviations from the last year’s operating results of the issuer company shall be highlighted and the reasons thereof shall be explained:**

Earnings per share (EPS) have decreased by 4.54% compared to last year, due to the need for maintaining provisions against loans and advances. Gross revenue increased by approximately 17% year-over-year, driven by higher interest income on loans and advances, as well as profits from investments. However, net profit after tax in 2023 declined by 7% from the previous year, as a substantial increase in provisions was made to cautiously address future challenges and uncertainties.

(xix) **A statement where key operating and financial data of at least preceding 05 (five) years shall be summarized:**

Key operating and financial data of at least preceding 05 (five) years are as under (as on 31<sup>st</sup> December).

[Fig. in million Taka where applicable]

Particulars	Growth (%)	2023	2022	2021	2020	2019
Number of Branches	3.49	89	86	84	83	82
Number of Sub Branches	4.17	26	24	21	11	4
Number of ATM Booth	12.73	62	55	48	38	34
Paid-up capital	1.00	8,241.92	8,160.31	7,846.46	6,846.46	6,224.05
Total assets/Total Liabilities	10.31	117,264.13	106,307.06	97,813.75	88,403.45	84,564.01
Interest earning assets	9.65	100,092.55	91,279.89	85,097.31	75,928.42	73,970.20
Non interest earning assets	14.00	17,171.59	15,027.17	12,716.44	12,475.03	10,593.80
Total shareholders' Equity	2.73	11,125.35	10,829.65	10,628.41	9,306.66	8,362.96
Total capital (Tier I +II)	3.90	11,583.20	11,148.58	10,830.03	9,269.90	8,371.06
Surplus/(deficit) capital	6.31	1,102.98	1,037.52	1,097.48	657.41	1,266.76
Capital to Risk Weighted Asset Ratio (CRAR)	0.29	13.82%	13.78%	13.91%	13.45%	14.73%
Total deposits	10.82	93,321.58	84,209.59	72,694.33	71,451.46	71,540.16
Total Loans and Advances	11.33	86,644.19	77,827.26	65,955.68	57,408.83	56,000.74
Total contingent liabilities and commitments	34.78	29,358.94	21,782.44	18,539.78	14,160.08	15,335.40
Advance deposits ratio (%)	-1.31	85.66%	86.80%	83.69%	80.31%	78.21%
Total Interest Income	17.26	6,900.07	5,884.35	5,610.48	5,855.11	7,357.32
Total Non-Interest Income	27.41	1,609.81	1,263.47	678.64	552.92	625.19
Investment Income	1.66	1,733.70	1,705.31	1,847.00	1,909.92	1,217.52
Total Income	15.71	10,243.57	8,853.13	8,136.12	8,317.95	9,200.03
Total Interest Expenses	13.83	5,244.05	4,606.95	3,944.39	4,750.69	4,847.32
Total Administrative Expenses	14.86	1,831.46	1,594.57	1,339.25	1,156.27	1,123.10
Total Other Expenses	7.49	919.07	855.04	848.44	953.33	960.2
Total Expenses	13.29	7,994.59	7,056.56	6,132.08	6,860.29	6,930.86
Profit before tax and provision (Operating Profit)	25.18	2,248.99	1,796.56	2,004.04	1,457.66	2,269.17
Profit after tax and provision (Net Profit)	(7.34)	546.36	589.63	539.89	951.95	967.6
Total Export	15.97	39,263.90	33,877.75	16,465.10	15,469.72	17,060.41
Total Import	(0.39)	43,552.36	45,383.04	33,061.74	26,313.80	28,110.87
Total Remittance	79.12	17,060.83	9,524.77	2,288.21	4,030.92	4,563.65
Classified advance	27.74	5,149.57	4,031.22	3,860.90	3,567.96	3,408.95
Classified loans to advance ratio	14.67	5.94%	5.18%	5.85%	6.22%	6.09%
Total Provision kept against Unclassified Loans and Advances including Off Balance Sheet Exposures	19.68	532.00	444.52	369.68	9.51	521.52
Total Provision kept against Classified Loans and Advances	26.88	3,171.68	2,499.77	2,196.16	1,566.77	617.44
Yield on Advance (%)	10.15	8.90%	8.08%	8.31%	9.76%	12.88%
Cost of Deposits (%)	3.38	5.49%	5.32%	5.58%	6.95%	7.76%
Return on Assets (ROA) (%)	(15.52)	0.49%	0.58%	0.58%	1.10%	1.25%
Return on Equity (ROE) (%)	(9.45)	4.98%	5.50%	5.42%	10.78%	12.25%
Earnings per share (EPS)	(8.33)	0.66	0.72	0.66	1.39	1.55
Net Asset Value Per Share	2.74	13.50	13.14	13.02	13.59	13.44
Number of Employees	1.39	1165	1149	997	886	869

Particulars	Growth (%)	2023	2022	2021	2020	2019
Number of Profit Earning Branch	27.42	79	62	59	50	67
Number of Deposit Accounts	12.25	371,980	331,391	304,851	279,949	240,343
Number of Loan Accounts	38.89	18,831	13,558	11,316	10,730	9,253
Number of Debit Card	18.97	77,732	65,338	52,982	41,814	28,884
Number of Credit Card	35.27	6,808	5,033	3,639	2,856	2,416

**(xx) An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year:**

Not Applicable (The Board of Directors recommended 2.00% Cash Dividend for the year 2023 in its 180<sup>th</sup> meeting held on April 30, 2024. The recommended dividend shall be finally approved in the 11<sup>th</sup> Annual General Meeting to be held on June 22, 2024.)

**(xxi) Board's statement to the effect that no bonus shares or stock dividend has been or shall be declared as interim dividend:**

No bonus shares or stock dividend has been declared in 2023 as interim dividend or shall be declared as interim dividend for the 2024.

**(xxii) The total number of Board meetings held during the year and attendance by each director:**

**Meetings in 2023:**

During the year 2023, 20 Board Meetings, 08 Executive Committee Meetings, 06 Audit Committee Meetings, 04 Risk Management Committee Meeting, and 02 NRC Meeting were held. Details of the participants are as follows:

Sl. No.	Name of Directors	Meeting (2023)														
		Board			EC			AC			RMC			NRC		
		Held	Attended	Absent	Held	Attended	Absent	Held	Attended	Absent	Held	Attended	Absent	Held	Attended	Absent
1	Mr. Abu Zafar Mohammad Shofiuddin MP*	20	20	0	8	6	1	6	1	0	-	-	-	-	-	-
2	Engr. Md. Moklesur Rahman	20	20	0	8	8	0	-	-	-	-	-	-	-	-	-
3	Mr. Abdul Kadir Molla*	20	18	1	-	-	-	-	-	-	-	-	-	-	-	-
4	Mr. Mohammed Ayub	20	20	0	-	-	-	-	-	-	4	4	0	-	-	-
5	Mr. Mohammad Nawaz*	20	19	1	8	1	0	6	4	1	-	-	-	-	-	-
6	Mr. Anwar Hussain	20	20	0	8	6	2	-	-	-	-	-	-	-	-	-
7	Mr. Hafizur Rahman Babu	20	16	4	8	5	3	-	-	-	-	-	-	-	-	-
8	Mst. Nasima Begum Nominated by: Thermax Textile Mills Ltd.	20	17	3	-	-	-	-	-	-	-	-	-	-	-	-
9	Mr. Sk. Shyedujjaman* Nominated by: Moonstar Ceramic Industries Ltd.	20	20	0	8	8	0	-	-	-	4	1	0	2	0	1
10	Mr. Mohammad Helal Uddin Nominated by: TBO Trade Ltd.	20	20	0	8	8	0	-	-	-	4	4	0	2	1	0

Sl. No.	Name of Directors	Meeting (2023)														
		Board			EC			AC			RMC			NRC		
		Held	Attended	Absent	Held	Attended	Absent	Held	Attended	Absent	Held	Attended	Absent	Held	Attended	Absent
11	Mr. Mushfiquir Rahman Nominated by: M/S. Contech Construction Ltd.	20	20	0	-	-	-	-	-	-	4	4	0	-	-	-
12	Mr. Mohammad Nazmul Huq Nominated by: Techno Electricals Ltd.	20	20	0	-	-	-	-	-	-	4	4	0	-	-	-
13	Mr. Md. Sajidur Rahman	20	16	4	-	-	-	6	6	0	-	-	-	2	2	0
14	Professor Mohammad Moqbul Hossain Bhuiyan	20	17	3	-	-	-	6	6	0	-	-	-	2	2	0
15	Mr. Ziaur Rahman Zia FCA	20	17	3	-	-	-	6	5	1	-	-	-	2	1	1
16	Mr. Mohammad Mahbubor Rahman* Nominated by: Intec Solution	20	12	2	-	-	-	6	3	0	-	-	-	2	1	0
17	Mr. Md. Emdadul Hoque* Nominated by: T&A International Ltd.	20	13	1	-	-	-	-	-	-	4	3	0	-	-	-
18	Mr. Shohel Ahmed Nominated by: Meter D Tech.	20	4	0	-	-	-	-	-	-	-	-	-	-	-	-
19	Al-Haj Mizanur Rahman**	20	16	0	8	8	0	-	-	-	-	-	-	-	-	-

\* Not being a member of the Board of Directors/Committees, so the respective person did not attend few of the meetings.

\*\* The directorship of Al-Haj Mizanur Rahman is vacated as per the latest court order dated 13/11/2023.

**(xxiii) A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details stated below) held by:**

- (a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details):  
Shareholding pattern in the SBAC Bank Investment Limited (A subsidiary of the Bank) is as under:

Sl. No.	Name of the Shareholder	Number of Shareholding	Percentage of Shareholding
1	SBAC Bank PLC.	3,99,60,000	99.90%
2	South Bangla Agriculture and Commerce Bank Foundation	40,000	0.10%
<b>Total</b>		<b>4,00,00,000</b>	<b>100.00%</b>

- (b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children as on 31.12.2023 (name-wise details):

Sl. No.	Name	Status	No. of Shares	Spouse & Minor Children	No. of Shares
1	Mr. Abu Zafar Mohammad Shofiuddin MP	Chairman	35169778	Mrs. Afroza Sultana	Nil
2	Engr. Md. Moklesur Rahman	Vice-chairman	35169778	Mrs. Quamrun Nahar	Nil
3	Mr. Abdul Kadir Molla	Director	35169778	Mst. Nasima Begum	Nil
4	Mr. Mohammed Ayub	Director	29399511	Mrs. Shalina Islam Chowdhury	Nil
5	Mr. Mohammad Nawaz	Director	21528316	Ms. Sufia Begum	9421086

Sl. No.	Name	Status	No. of Shares	Spouse & Minor Children	No. of Shares
				Sanowara Saudah	Nil
				Sanowara Siddiqa	
				Mohammad Farook Nawaz	
6	Mr. Anwar Hussain	Director	16580861	Mrs. Fadia Naz	Nil
7	Mr. Hafizur Rahman Babu	Director	26377333	Mrs. Nasima Rahman Nipa	Nil
				Nusaiba Rahman Raita	
8	Mst. Nasima Begum Nominated by: Thermax Textile Mills Ltd.	Director	Nil	Mr. Abdul Kadir Molla	35169778
9	Mr. Sk. Shyedujaman Nominated by: Moonstar Ceramic Industries Ltd.	Director	2885133	Sadnam Sadiana	1442566
				Suhain Maisah Zaman	Nil
				Mashiyat Safeerah Shiza	
10	Mr. Mohammad Helal Uddin Nominated by: TBO Trade Ltd.	Director	Nil	Rafia Akhter	Nil
11	Mr. Mushfiqur Rahman Nominated by: M/S. Contech Construction Ltd.	Director	Nil	Yousuf	Nil
12	Mr. Mohammad Nazmul Huq Nominated by: Techno Electricals Ltd.	Director	Nil	Hafiza Huq	Nil
13	Mr. Md. Sajidur Rahman	Independent Director	Nil	Ms. Humaira Ayesha Khan	Nil
				Irvan Kaiser Rahman	Nil
14	Professor Mohammad Moqbul Hossain Bhuiyan	Independent Director	Nil	Ayesha Khatun	Nil
				Anupama Hossain	Nil
15	Mr. Ziaur Rahman Zia FCA	Independent Director	Nil	Nazma Khatun	Nil
				Aryan Rahman Ayan	Nil
16	Mr. Mohammad Mahbubor Rahman Nominated by: Intec Solution	Director	Nil	Nurun Nahar Sumi	Nil
17	Mr. Md. Emdadul Hoque Nominated by: T&A International Ltd.	Director	Nil	Ferdousi Haque Reba	Nil
18	Mr. Shohel Ahmed Nominated by: Meter D Tech.	Director	Nil	Mahbuba Begum	Nil
19	Mr. Habibur Rahman	Managing Director & CEO	Nil	Mrs. Tahmeda Akhtar	Nil
				Alayna Ayesha	Nil
				Sameer Sulayman	Nil
20	Mr. Md. Mokaddess Ali FCS	EVP & Company Secretary	Nil	Mrs. Hasna Hena	Nil
				Hasnine Farhad	Nil
21	Mr. AHM Masud Murshed	EVP & Head of ICCD	Nil	Rebeka Rahman	Nil
				Tahani Tabassum	
22	Mr. Mannan Bapari (FCMA)	SVP & CFO	Nil	Shamima Islam	Nil
				Tafida Tasnuva	
				Mahbeer Bin Mannan	

- (c) Executives [top five salaried employees other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit]

SL. No.	Name	Designation	No. of Shares
1	Mr. Md. Nurul Azim	Additional Managing Director	Nil
2	Mr. Md. Altaf Hossain Bhuyan	Deputy Managing Director	Nil
3	Mr. Moinul Islam	Senior Executive Vice President	Nil
4	Mr. Mohammad Asadul Haque	Senior Executive Vice President	Nil
5	Mr. Faisal Ahmed	Executive Vice President	Nil

**Explanation:** For the purpose of this clause, the expression “executive” means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.

- (d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details):

There is no Shareholders holding ten percent (10%) or more voting interest in the company.

**(xxiv) In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:**

- A brief resume of the director
- Nature of his or her expertise in specific functional areas
- Names of companies in which the person also holds the directorship and the membership of committees of the Board

A brief resume of the directors, Nature of his/her expertise in specific functional areas and names of companies in which the person also holds the directorship and the membership of committees of the board have been published in section ‘Profile of the Directors’. (Page No. 26-39)

**(xxv) A Management’s Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company’s position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:**

Management’s Discussion and Analysis as “Review of the Managing Director & CEO” signed by CEO or MD presenting detailed analysis of the company’s position and operations along with a brief discussion of changes in the financial statements, among others, focusing on the above issues has been published in the page no. 48-51 as Management’s Overview. The statement include inter alia (a) accounting policies and estimation for preparation of financial statements; (b) Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes; (c) Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; (d) Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; (e) Briefly explain the financial and economic scenario of the country and the globe; (f) Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and (g) Future plan or projection or forecast for company’s operation, performance and financial position, with justification thereof, i.e., actual position has been disclosed in page no. 48-96, those shall be explained to the shareholders.

**(xxvi) Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed (as per Annexure-A):**

Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) has been disclosed as per **Annexure-A** in page no. 223.

**(xxvii) The report as well as certificate regarding compliance of conditions of this Code (corporate governance code of BSEC) as required under condition No. 9 shall be disclosed (as per Annexure-B and Annexure-C):**

The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 has been disclosed as per **Annexure-B** and **Annexure-C** in the page no. 120 & 138-152.

## Information To The Stakeholders

### Distribution of Shareholdings in 2023

Shareholders' Group	No. of Shares Held	(%) of Shareholding	Value of Shares Held (BDT)
Sponsors/ Directors	63,99,58,247	77.64%	639,95,82,470
General Shareholders	12,38,48,786	15.03%	123,84,87,860
Financial Institutions	5,93,12,620	7.20%	59,31,26,200
Non-resident Bangladeshi	10,66,745	0.13%	1,06,67,450
Foreign Investors	5,252	0.00%	52,520
Government	Nil	Nil	Nil
<b>Total</b>	<b>82,41,91,650</b>	<b>100.00%</b>	<b>824,19,16,500</b>

### Information Sensitive to Share Price

Particulars	Disclosure
Adoption of Financial Statements-2023	Date of Adoption: 30/04/2024 at 180 <sup>th</sup> Board Meeting
Recommendation of Dividend	2.00% (Cash) [Recommended at 180 <sup>th</sup> Board Meeting]
Record Date	29/05/2024 (for Dividend entitlement & Vote in the AGM)
Date of Holding AGM	Date of AGM: 22/06/2024 at 11:00 AM.
Adoption of Quarterly Financial Statement (Q1) of the Bank as on 31/03/2024	Date of Adoption: 11/05/2024 at 181 <sup>st</sup> Meeting
Key Financial Disclosures	Net Asset Value (NAV): Tk. 1,140.28 Crore (Consolidated) & Tk. 1,135.46 Crore (Solo).
	NAV per share: Tk. 13.84 (Consolidated) & Tk. 13.78 (Solo).
	Earnings Per Share (EPS): Tk. 0.242 (Consolidated) & Tk. 0.235 (Solo).
	Net Operating Cash Flow per Share (NOCFPS): Tk. (1.72) (Consolidated), Tk. (1.68) (Solo).

## Dividend Distribution Policy

### Introduction:

This policy is drafted in compliance with the Directives No. BSEC/CMRRCD/2021-386/03 of Bangladesh Securities & Exchange Commission (BSEC) dated January 14, 2021.

### Purpose:

The purpose of the policy is to comply with the Directives of Bangladesh Securities & Exchange Commission (BSEC). The parameters set out in the policy are applicable for distribution of dividend.

### Process of Distribution of Dividend:

#### 1.1. Manner and procedures of Cash dividend payment:

- i) The Bank shall pay off cash dividend directly to the bank account of the entitled shareholders as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN);
- ii) Through bank transfer or any electronic payment system as recognized by the Bangladesh Bank (if not possible through BEFTN);
- iii) In case of margin loan and claim by loan provider, through the Consolidated Customer's Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN;
- iv) The Bank, in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant and shall send it by post to the shareholder;
- v) The Bank shall pay off cash dividend to non-resident sponsor, director, shareholder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;

#### 1.2. Manner and procedure of stock dividend distribution:

The Bank shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be subject to the clearance of the regulatory requirement [if any from Bangladesh Bank, exchange(s) and the Central Depository Bangladesh Limited (CDBL)]:

- i) To the BO account;
- ii) To the suspense BO Account for undistributed or unclaimed stock dividend/bonus shares;
- iii) The bonus dividend shall be transferred to the suspense BO account if BO account is not available or BO account is inactive;
- iv) The sale proceeds of fractional bonus dividend shall be paid off as per circular of BSEC or Bangladesh Bank or other regulatory authority from time to time.

#### 1.3. Issuance of Bonus Share:

To ensure rightful ownership of the bonus shares the bank shall follow the directives issued by BSEC from time to time.

#### 1.4. Time line for dividend pays off:

- i) The Bank shall pay off the annual or final dividend to the entitled shareholders, within 30 (thirty) days of approval.
- ii) Amount of declared cash dividend payable for the concerned year/period shall be kept in a separate bank account as per circular of BSEC or Bangladesh Bank or other regulatory authority from time to time.

#### 1.5. Unpaid or unclaimed of unsettled cash dividend:

Unpaid or unclaimed of unsettled cash dividends shall be settled as per instructions of BSEC or Bangladesh Bank or other regulatory authority from time to time.

#### 1.6. Unpaid or unclaimed of unsettled stock dividend:

Unpaid or unclaimed of unsettled stock dividends shall be settled as per instructions of BSEC or Bangladesh Bank or other regulatory authority from time to time.

#### 1.7. Tax matters:

Tax will be deducted at source as per applicable tax laws.

### 1.8. Amendments / Modifications:

To the extent any change/amendment is required in terms of any applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with the law of the land. Such amended policy shall be placed before the Board for approval.

### 1.9. Disclosure Policy:

The Dividend Distribution Policy shall be available on the Bank's website and shall also be disclosed in the Bank's Annual Report.

## Dividend & Stock Details

### DIVIDENDS-2022

Particulars		Date
10 <sup>th</sup> Annual General Meeting	Notice Date	May 25, 2023
	Record Date	May 21, 2023
Holding of 10 <sup>th</sup> Annual General Meeting	Held on	June 18, 2023
Cash Dividend (At 3.50%)	Date of Disbursement Notice Date	June 19, 2023 to July 12, 2023

### STOCK DETAILS

Particulars	Dhaka Stock Exchange (DSE)	Chittagong Stock Exchange (CSE)
Stock Symbol	SBACBANK	SBACBANK
Company Code	11151	22035
Year of Listing	2021	2021
Market Lot	1	1
Company Category	B (Banks)	B (Banks)
Electronic Share	YES	YES
Face Value	Tk. 10.00	Tk. 10.00
Market Value (As on 28.12.2023)	Tk. 10.50 (Per share)	Tk. 10.60 (Per share)

### SUMMARY OF UNCLAIMED DIVIDEND

As of 31.12.2023 there is an unclaimed/undistributed dividend of Tk. 8,60,96,763 (Eight crore sixty lac ninety six thousand seven hundred sixty three). A complete detail of unclaimed/undistributed dividend has been disclosed in our website at <https://www.sbacbank.com/investors-relations>

## FINANCIAL CALENDAR-2023

Quarterly Results	As of	Earnings Per Share (EPS)
Unaudited result for 1 <sup>st</sup> quarter	31.03.2023	Tk. 0.17 (conso) & Tk. 0.16 (solo)
Unaudited result for 2 <sup>nd</sup> quarter	30.06.2023	Tk. 0.41 (conso) & Tk. 0.39 (solo)
Unaudited result for 3 <sup>rd</sup> quarter	30.09.2023	Tk. 0.60 (conso) & Tk. 0.56 (solo)

## SWOT Analysis

SWOT analysis is a cumulative strategic technique used usually to help an organization in identifying strengths, weaknesses, opportunities, and threats related to the day to day operation of the organization. This technique has been developed to be used at the preliminary stages of decision-making processes as a tool of evaluating the strategic position of a business organization. In banking business, SWOT analysis examines the strengths of the bank that gives it an advantage over others; weaknesses of the bank at a disadvantage position relative to others; opportunities of it that could exploit to its advantage and threats that could create problem.



### Strengths:

- Good Asset quality and Strong Capital Base. The Bank started its journey with an Authorized Capital of Tk. 10,000.00 million that has been increased to Tk. 20,000.00 million recently. The paid-up capital of the bank has been reached at tk. 8,241.92 million (as on 31-12-2023) and the CRAR of 13.71 percent (solo) & 13.82 percent (consolidated) is maintained successfully.
- The fully professional Board of Directors consisting of the visionary Business individuals having long professional experiences, and pioneer of prominent corporate houses of the country.
- The highly experienced management team that consists of seasoned bankers who has served in diversified capacities in the recognized financial organizations so far.
- The competent, skilled, highly experienced workforce that is self-driven and fully dedicated to achieve service excellence.
- The remarkable Brand image of the Bank in the market created by competing its' contemporary Banks. Despite being a comparatively new Bank, it has earned a good trust among the People. SBAC Bank PLC. had been awarded "The Golden Globe Tigers Award 2018" for Excellence and Leadership in Branding and Marketing.
- Satisfactory & steady Credit Rating of 'A' for long term and 'ST-2' for short term.
- The steady Return on Asset (ROA) and Return on Equity (ROE) growth of the Bank, which are 0.48 percent (solo) & 0.49 percent (consolidated), and 4.89 percent (solo) & 4.98 percent (consolidated) respectively in 2023.
- Diversified credit portfolio of the Bank that prevents the loans & advances from being concentrated on a few sectors thus protects the Bank from the concentration risk as well.
- An extensive service coverage through 89 branches, 31 sub-branches, 73 ATMs & 31 (Active) agent banking outlets (as on 29.05.2024), and strong presence in international trade through foreign correspondent Banks.
- Diversification of service through opening of Islamic Banking windows to provide shariah-based banking services.
- Having an App-based mobile banking application naming 'BanglaPay' that has been rendering a wide range of services with great ease & promptness.
- Having a subsidiary company i.e. SBAC Bank Investment Limited enhances the revenue and diversifies the capital base further.
- Strictness in practicing good corporate governance and ensuring full regulatory compliance.

- Ample opportunity of Off-shore banking as the bank has a distinctive Trade Processing Unit (TPU) for off-shore banking related staffs.

### Weaknesses

- Lack of sufficiency in human resources in contrast to the necessity of branches.
- Prioritizing the industry culture to introduce new avenues of earning which requires undertaking extensive Research & Development programme.
- Management of Non-performing Assets needs more in-depth evaluation and further actions.
- Existing branch network is yet to be sufficient comparing the coverage needed to achieve the goal of financial inclusion.
- The portion of low cost-no cost deposit (e.g. Current account, Savings account) in the overall deposit mix is not at a desired level yet.
- The optimum diversification in credit portfolio is yet to be achieved as a significant portion of loans & advances of the Bank is concentrated in corporate segment.
- Digital Transformation that includes embracing digitalization and investing in innovative technologies can open up new channels for customer acquisition and improve operational efficiency.
- The country is on its recovery phase from a global economic setback which would require amplified economic participation. Banks can grab this opportunity.
- Remittance inflow in the country is almost steady, and because of the 2.50% incentive given by the government on using legal channel to send remittance, banks are being preferred now as a legal channel of remittance flow.

- Financial Inclusion through digitalized banking, agent banking along with extensive sub-branch network may be an effective remedy to cope up with fiercely competitive environment of reduced profit margin for banks.

- The adaptive and digitally synchronized products can meet up the unique needs of ever-changing customers and also widens the avenue of conglomeration with other corporate organizations and culture.

### Threats

- The players of the banking industry are offering diversified financial products and services which may create unhealthy competitions among the banks.
- Intense competition in lending is offering the borrowers an increased bargaining power unreasonably and creating an opportunity for the borrowers to abuse the bank and increase bad loans.
- Since Bangladesh Bank has increased the policy rate and withdrawn the single digit interest rate the banking industry is now facing crisis in meeting the liquidity requirements of the customers.
- An alarming amount of non-performing loan impacts the profitability negatively creating challenges of maintaining more provision.
- Digitalization of the banking and financial sector has been posing a higher risk for cyber-attack as most of the banks have no preparation to protect against such attack on their data security.
- To control the existing inflationary pressure Bangladesh has adopted some policy change which might create instability in the short run until full adjustment of the banking sector.

## Our Business Model

SBAC Bank PLC. with 11 years of promising banking services & progressive experience has designed its business model for meeting diversified customer needs and fulfilling their growth expectations on the basis of trust, respect and confidence. We are continuously adapting the business model to sustain competitive pressures and absorb shocks, whereas we are careful to ensure a balance between different stakeholder objectives to create maximum contributions across the value chain. With the advancement of technology and change in influential factors our management team is striving to make the best use of available resources according to the Business Model.

Key Partners	Value Proposition	Customer Segments
<ul style="list-style-type: none"> <li>Customers</li> <li>Shareholders</li> <li>Investors</li> <li>Employees</li> <li>Regulators</li> <li>Other Banks and NBFIs</li> <li>Surplus Economic Units</li> </ul>	<ul style="list-style-type: none"> <li>Complete Solution of Business Needs</li> <li>One Stop Service for Personal Banking</li> <li>Innovative Products &amp; Services</li> <li>Timely &amp; Superior Services</li> <li>Wide availability of Banking Services</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Clients</li> <li>Institutional Clients</li> <li>Small &amp; Medium Enterprises</li> <li>Individuals/Retail Clients</li> <li>Banks</li> <li>Non-Banking Financial Institutions</li> <li>Govt. &amp; Non-Govt. Organizations</li> </ul>

## BUSINESS MODEL

Key Resources	Key Activities	Delivery Channels
<ul style="list-style-type: none"> <li>Vastly Experienced &amp; Highly Professional Board</li> <li>Profoundly Skilled Workforce</li> <li>Devoted Service Attitude</li> <li>Wide Range of Products &amp; Services</li> <li>Strong Capital Base</li> <li>Wide Distribution Network</li> <li>Vast Correspondent Network</li> <li>Upgraded IT Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Deposit Management</li> <li>Lending Management</li> <li>Risk Management</li> <li>Compliance Management</li> <li>Fund Management</li> <li>Product &amp; Process Innovation</li> <li>Trade Services</li> <li>Remittance Service</li> <li>Treasury Solutions</li> <li>Islamic Banking Services</li> <li>Off-shore Banking</li> <li>Service Improvement</li> <li>Brand Building</li> </ul>	<ul style="list-style-type: none"> <li>Branches &amp; Sub-Branches</li> <li>Agent Banking</li> <li>Call Center</li> <li>Digital Platforms (BanglaPay)</li> <li>Internet Banking (SBAC Click)</li> <li>Automated Teller Machines</li> <li>Subsidiary Company</li> </ul>
Customer Relationships	Cost Structure	Revenue Streams
<ul style="list-style-type: none"> <li>Identify customer needs</li> <li>Individual Solutions</li> <li>Continuous customer Engagement</li> <li>Receiving Feedback</li> <li>Continual Review</li> <li>Research &amp; Development</li> <li>Special Campaign</li> <li>Loyalty Programs</li> <li>Advisory Roles</li> <li>Relationship Management based business model</li> </ul>	<ul style="list-style-type: none"> <li>Interest Expense</li> <li>Salary and Allowances</li> <li>Administrative Expense</li> <li>IT and Infrastructure Expense</li> <li>Capital Expenditure</li> <li>Other Operating Expenses</li> </ul>	<ul style="list-style-type: none"> <li>Interest Income</li> <li>Investment Income</li> <li>Income from commission, fees etc.</li> <li>Exchange and Brokerage gain</li> <li>Other Operating Income</li> </ul>

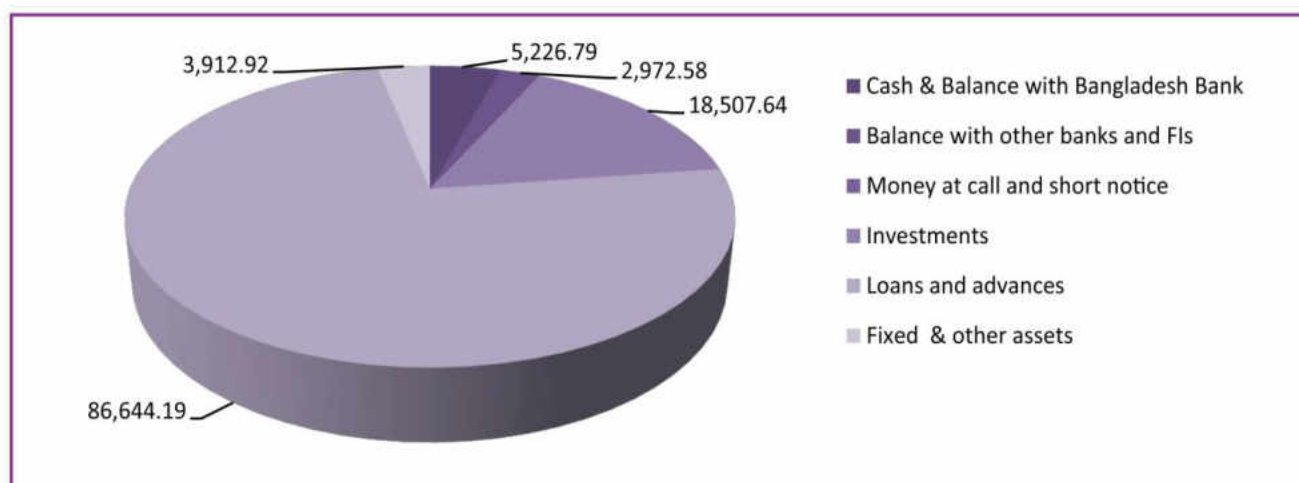
## Graphical Presentation of Financial Performance

### Total Assets

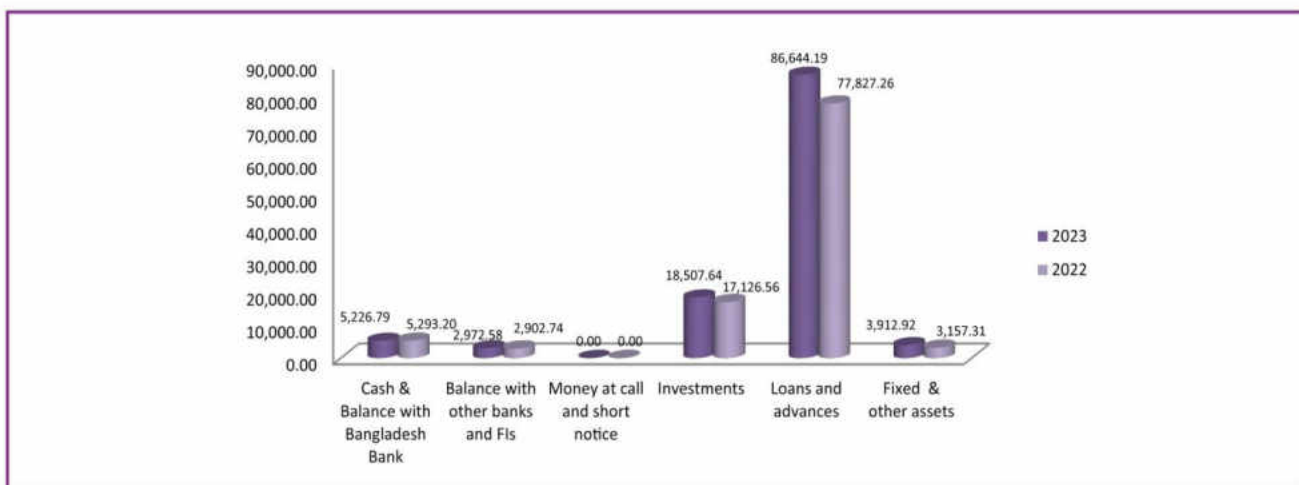
(Fig. Million Taka)

Particulars	2023	2022	Growth (%)
Cash & Balance with Bangladesh Bank	5,226.79	5,293.20	-1.25%
Balance with other banks and FIs	2,972.58	2,902.74	2.41%
Money at call and short notice	0.00	0.00	
Investments	18,507.64	17,126.56	8.06%
Loans and advances	86,644.19	77,827.26	11.33%
Fixed & other assets	3,912.92	3,157.31	23.93%
<b>Total Assets</b>	<b>117,264.13</b>	<b>106,307.06</b>	<b>10.31%</b>

### Total Assets as on 31.12.2023



### Comparison of Assets in 2023 & 2022



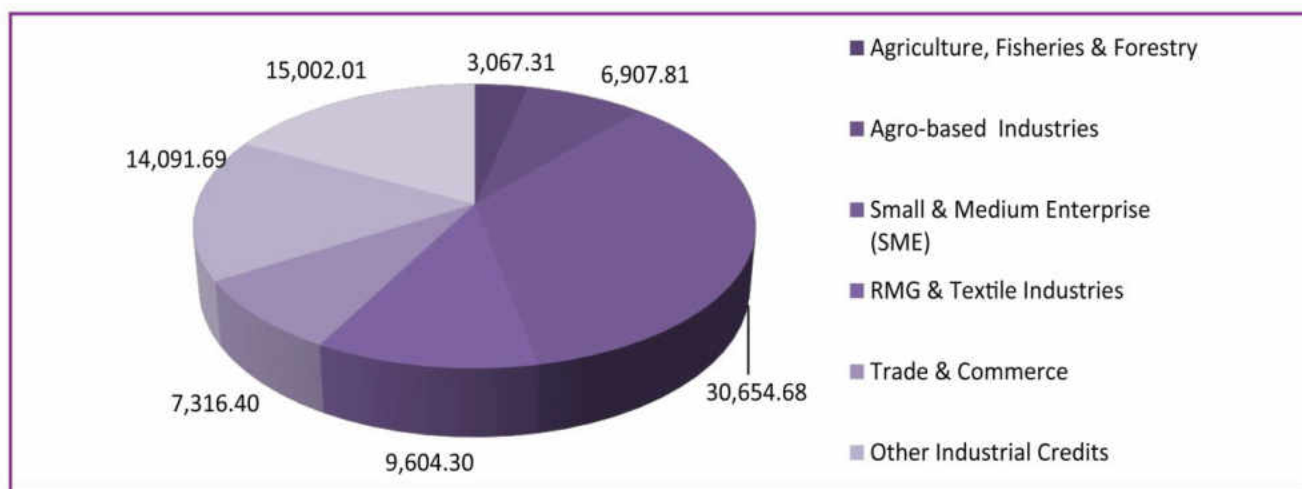
## Loans and Advances

### i) Sector wise Loans and Advances

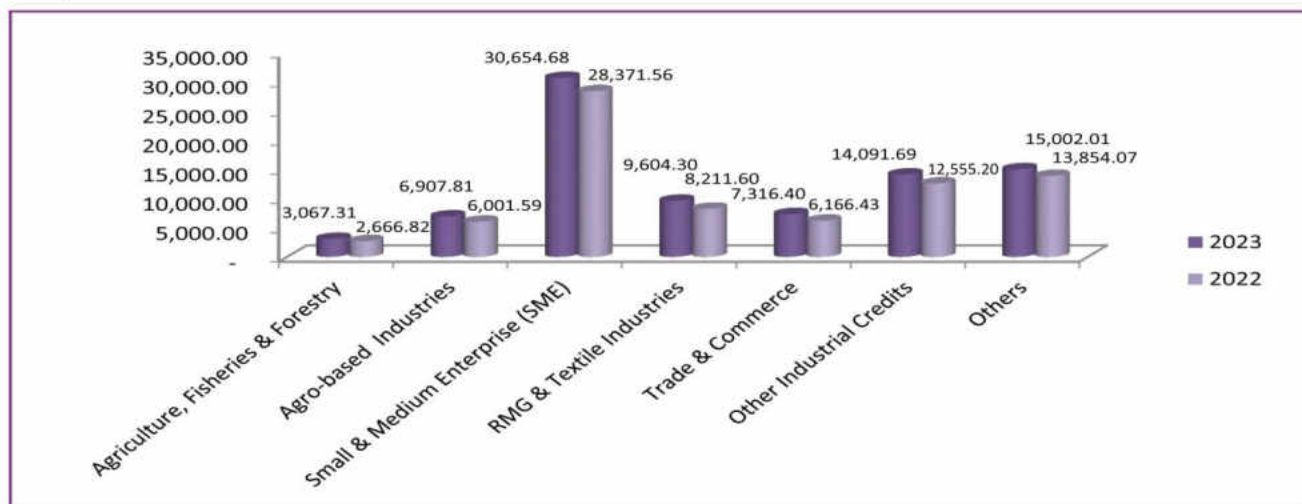
(Fig. Million Taka)

Particular of Sectors	2023	2022	Growth (%)
Agriculture, Fisheries & Forestry	3,067.31	2,666.82	15.02%
Agro-based Industries	6,907.81	6,001.59	15.10%
Small & Medium Enterprise (SME)	30,654.68	28,371.56	8.05%
RMG & Textile Industries	9,604.30	8,211.60	16.96%
Trade & Commerce	7,316.40	6,166.43	18.65%
Other Industrial Credits	14,091.69	12,555.20	12.24%
Others	15,002.01	13,854.07	8.29%
<b>Total</b>	<b>86,644.19</b>	<b>77,827.26</b>	<b>11.33%</b>

#### Sector wise Loans and Advances as on 31.12.2023



#### Comparison of Sector wise Loans and Advances in 2023 & 2022

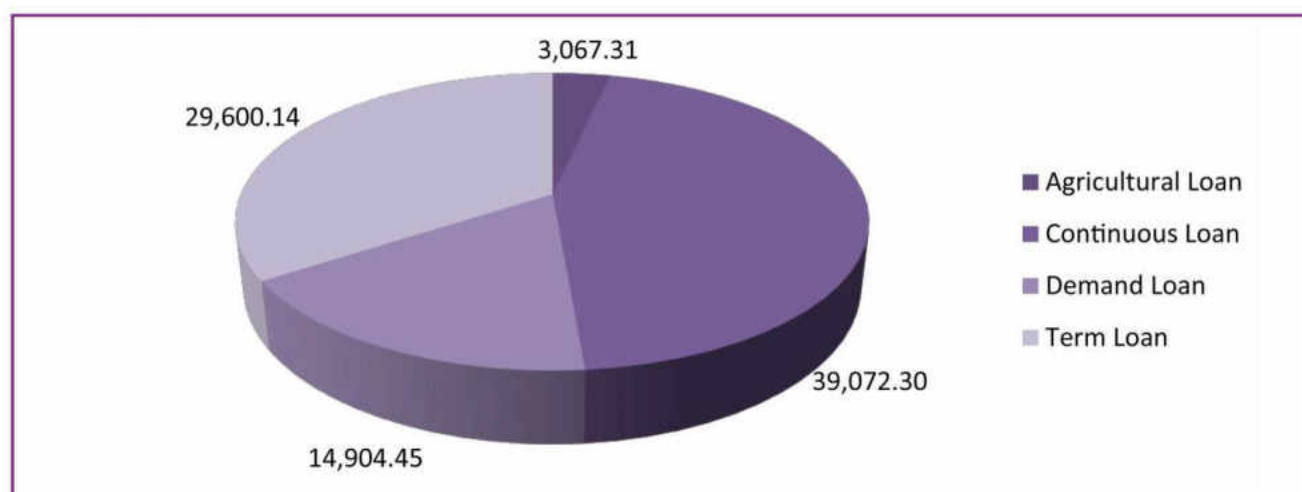


## ii) Category wise Loans and Advances

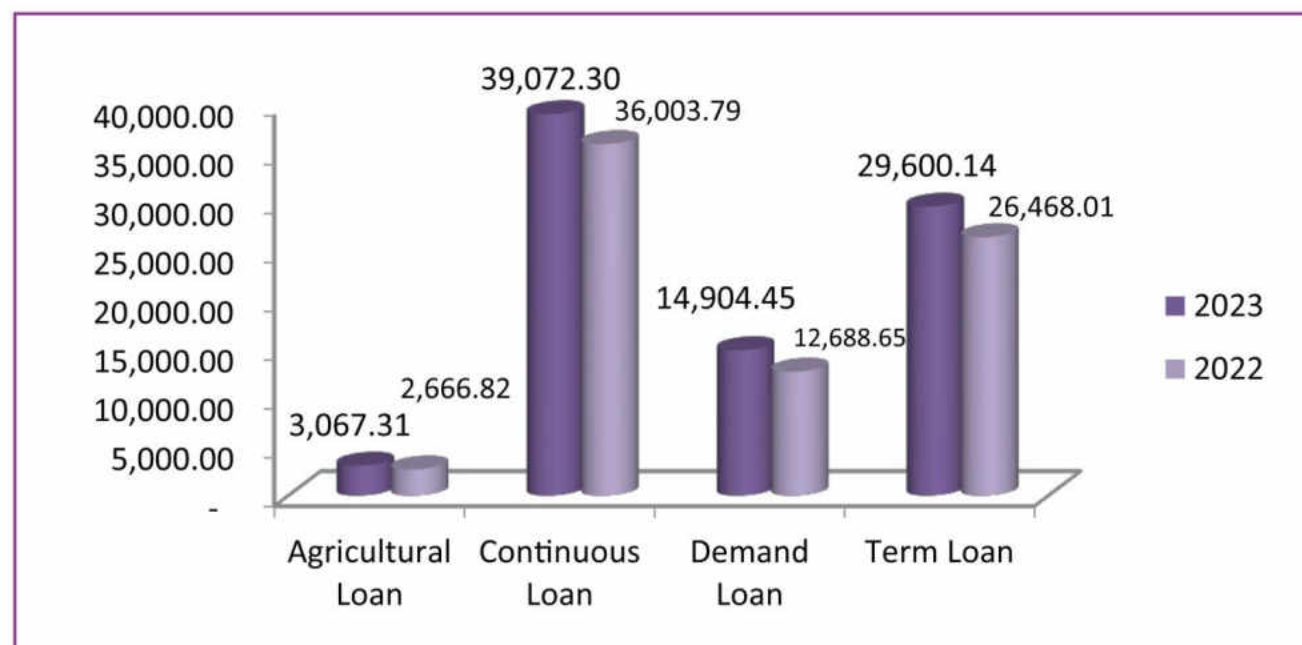
(Fig. Million Taka)

Category of Loans and Advances	2023	2022	Growth (%)
Agricultural Loan	3,067.31	2,666.82	15.02%
Continuous Loan	39,072.30	36,003.79	8.52%
Demand Loan	14,904.45	12,688.65	17.46%
Term Loan	29,600.14	26,468.01	11.83%
<b>Total</b>	<b>86,644.19</b>	<b>77,827.26</b>	<b>11.33%</b>

### Category wise Loans and Advances as on 31.12.2023



### Comparison of Category wise Loans and Advances in 2023 & 2022

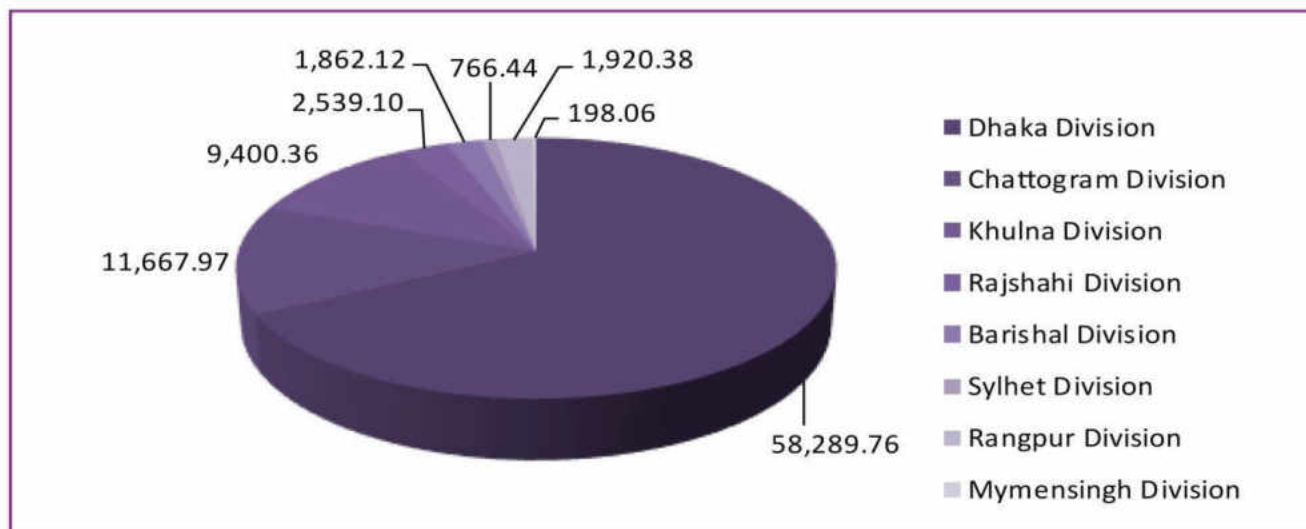


### iii) Division wise Loans and Advances

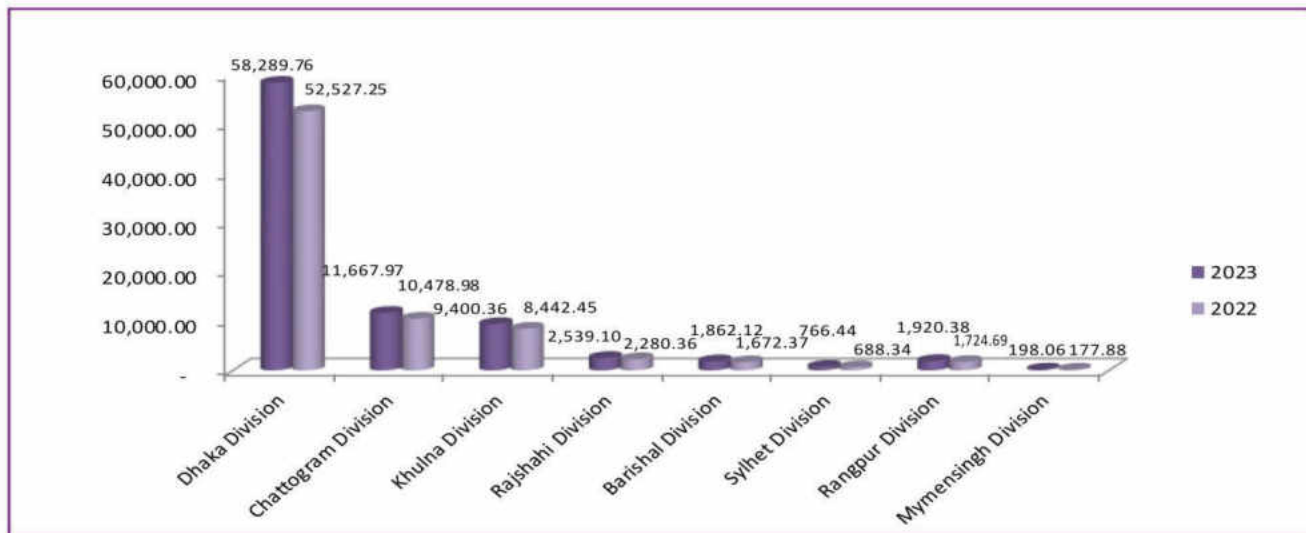
(Fig. Million Taka)

Name of Division	2023	2022	Growth (%)
Dhaka Division	58,289.76	52,527.25	11
Chattogram Division	11,667.97	10,478.98	11
Khulna Division	9,400.36	8,442.45	11
Rajshahi Division	2,539.10	2,280.36	11
Barishal Division	1,862.12	1,672.37	11
Sylhet Division	766.44	688.34	11
Rangpur Division	1,920.38	1,724.69	11
Mymensingh Division	198.06	177.88	11
<b>Total</b>	<b>86,644.19</b>	<b>77,827.26</b>	<b>11.33</b>

#### Division wise Loans and Advances as on 31.12.2023



#### Comparison of Division wise Loans and Advances in 2023 & 2022

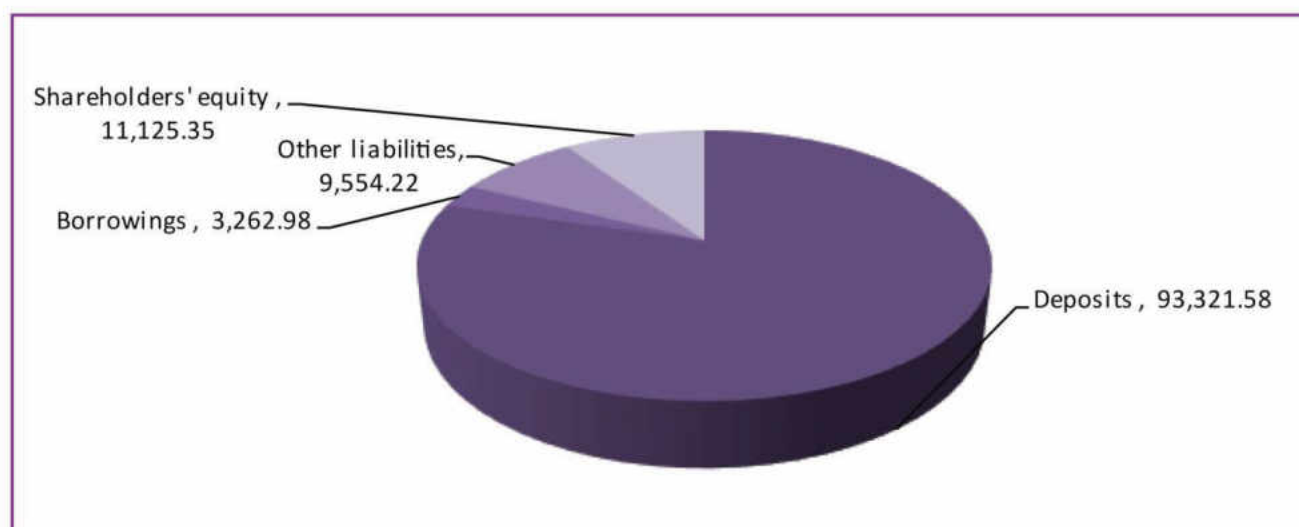


## Total Liabilities

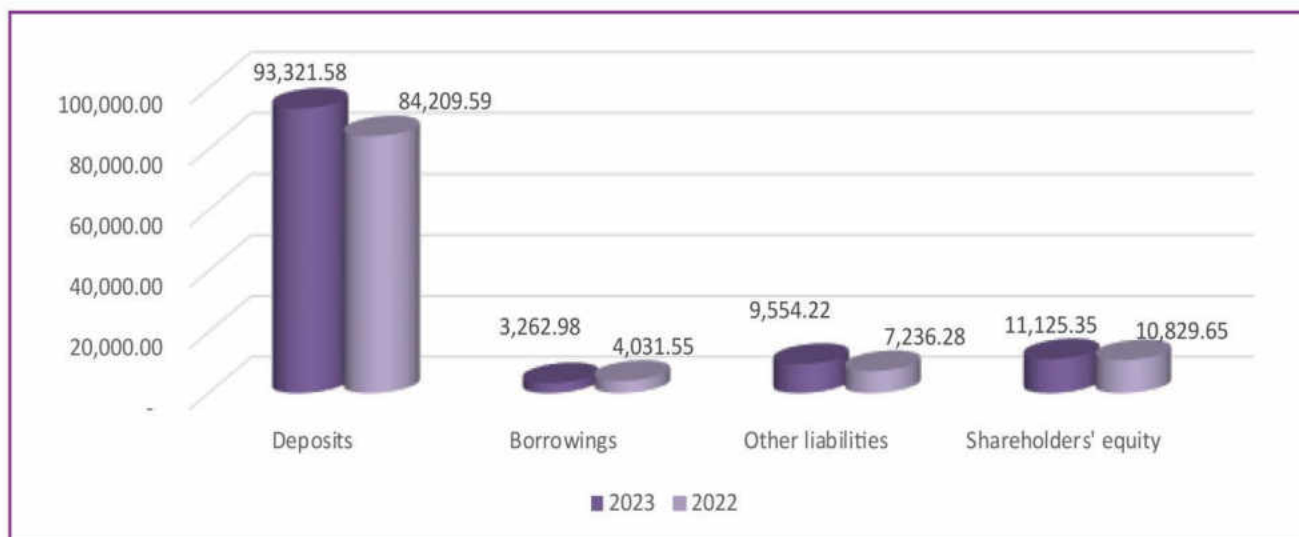
(Fig. Million Taka)

Particulars	2023	2022	Growth (%)
Deposits	93,321.58	84,209.59	10.82%
Borrowings	3,262.98	4,031.55	-19.06%
Other liabilities	9,554.22	7,236.28	32.03%
Shareholders' equity	11,125.35	10,829.65	2.73%
<b>Total liabilities</b>	<b>117,264.13</b>	<b>106,307.06</b>	<b>10.31%</b>

### Total Liabilities as on 31.12.2023



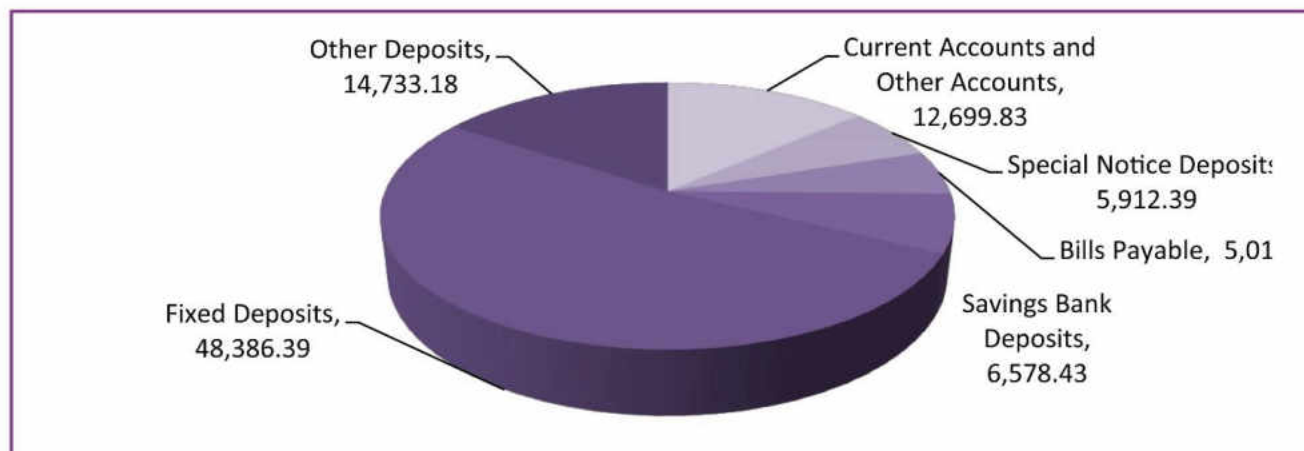
### Comparison of Liabilities in 2023 & 2022



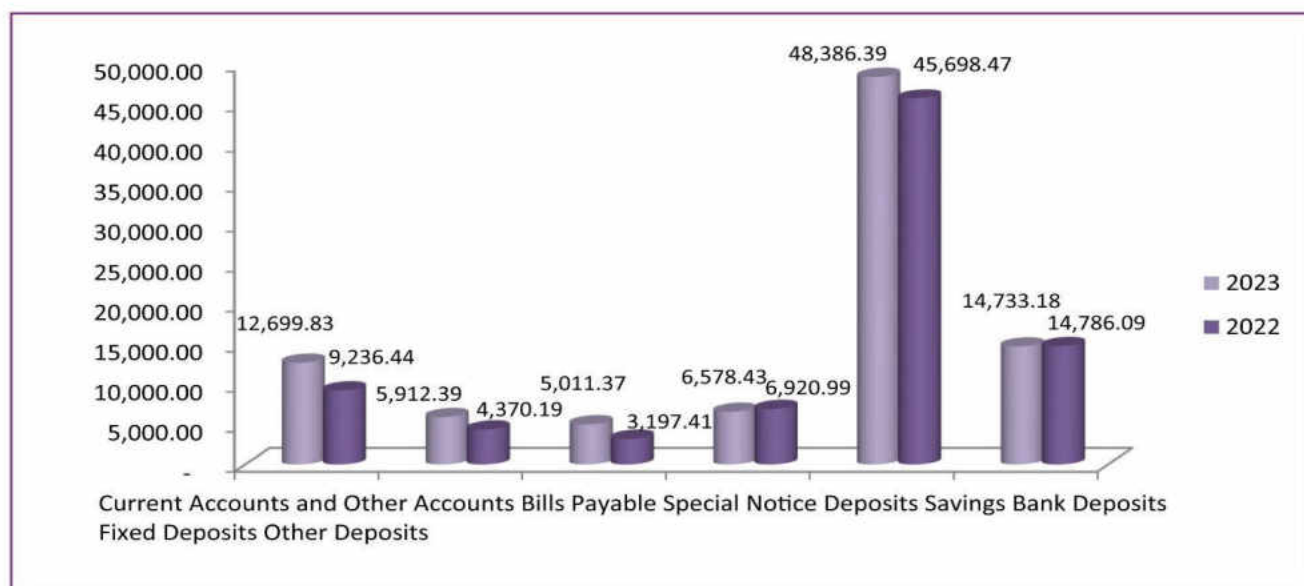
## Deposits

Types of Deposit	Outstanding Taka in Million		Growth (%)	Deposit Mix (%)	
	2023	2022		2023	2022
Current Accounts and Other Accounts	12,699.83	9,236.44	37.50%	13.61%	10.97%
Special Notice Deposits	5,912.39	4,370.19	35.29%	6.34%	5.19%
Bills Payable	5,011.37	3,197.41	56.73%	5.37%	3.80%
Savings Bank Deposits	6,578.43	6,920.99	-4.95%	7.05%	8.22%
Fixed Deposits	48,386.39	45,698.47	5.88%	51.85%	54.27%
Other Deposits	14,733.18	14,786.09	-0.36%	15.79%	17.56%
<b>Total</b>	<b>93,321.58</b>	<b>84,209.59</b>	<b>10.82%</b>	<b>100.00%</b>	<b>100.00%</b>

### Deposit Mix as on 31.12.2023



### Comparison of Deposit Mix in 2023 & 2022

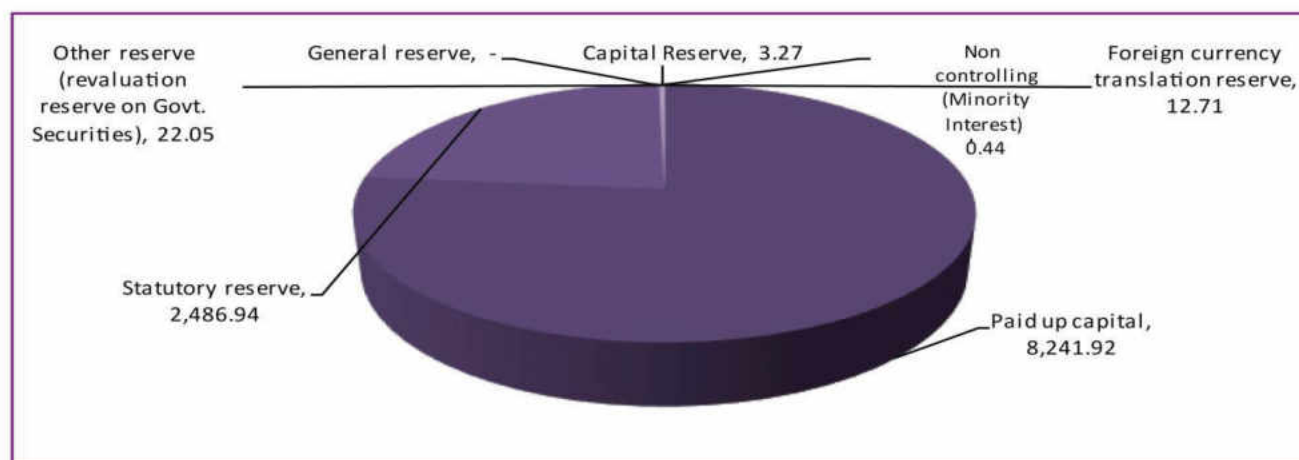


## Shareholders' Equity

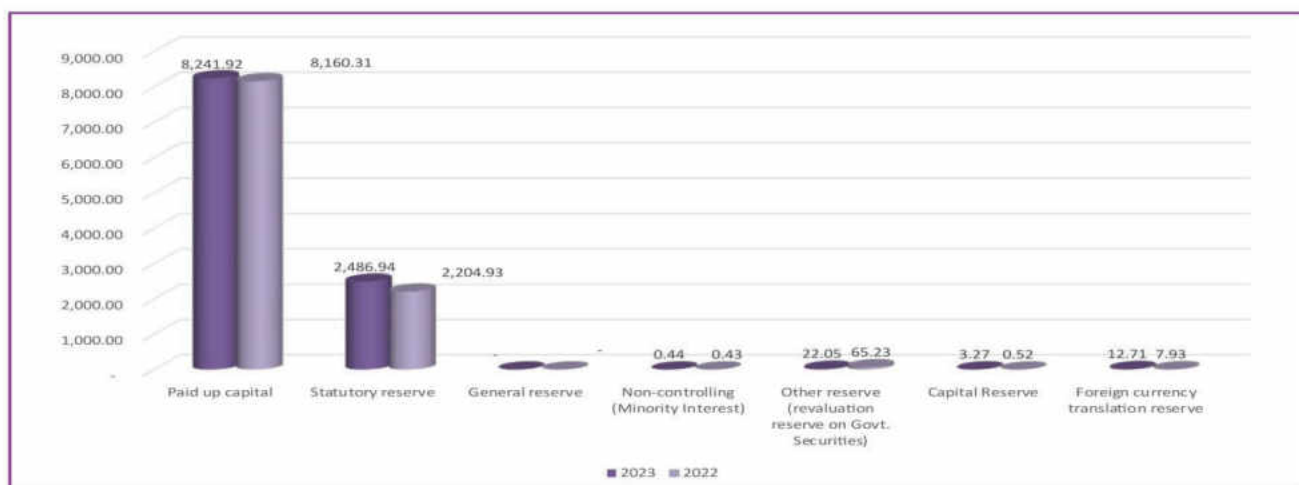
(Fig. Million Taka)

Particulars	2023	2022	Growth (%)
Paid up capital	8,241.92	8,160.31	1.00%
Statutory reserve	2,486.94	2,204.93	12.79%
General reserve	-	-	#DIV/0!
Non-controlling (Minority Interest)	0.44	0.43	0.68%
Other reserve (revaluation reserve on Govt. Securities)	22.05	65.23	-66.20%
Capital Reserve	3.27	0.52	532.84%
Foreign currency translation reserve	12.71	7.93	60.21%
Surplus in profit and loss account	358.03	390.29	-8.27%
<b>Total Shareholders' equity</b>	<b>11,125.35</b>	<b>10,829.65</b>	<b>2.73%</b>

### Shareholders' Equity as on 31.12.2023



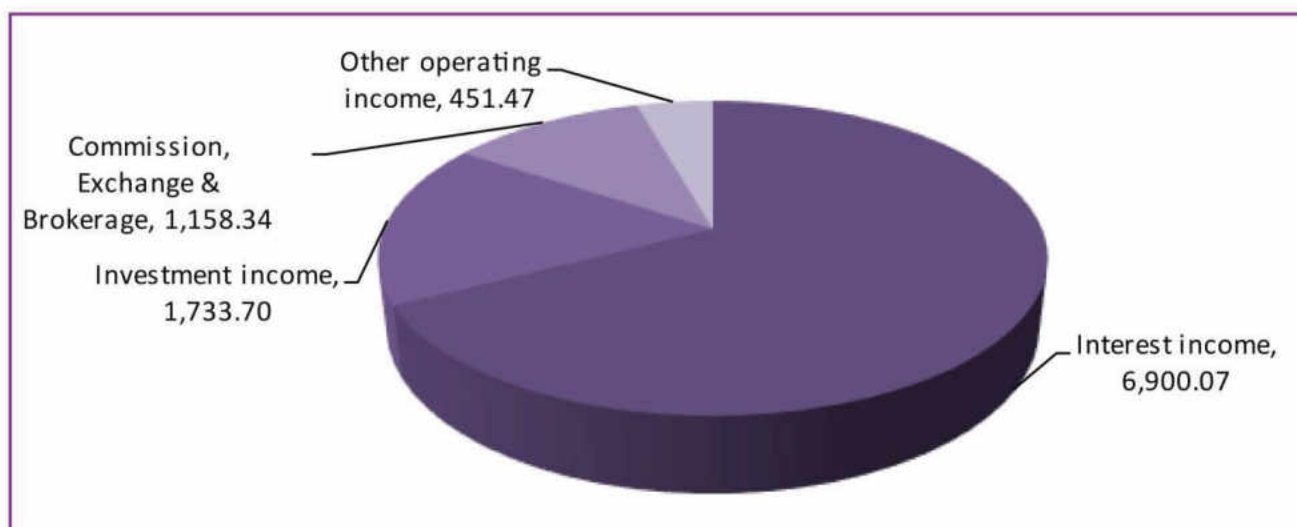
### Comparison of Shareholders' Equity in 2023 & 2022



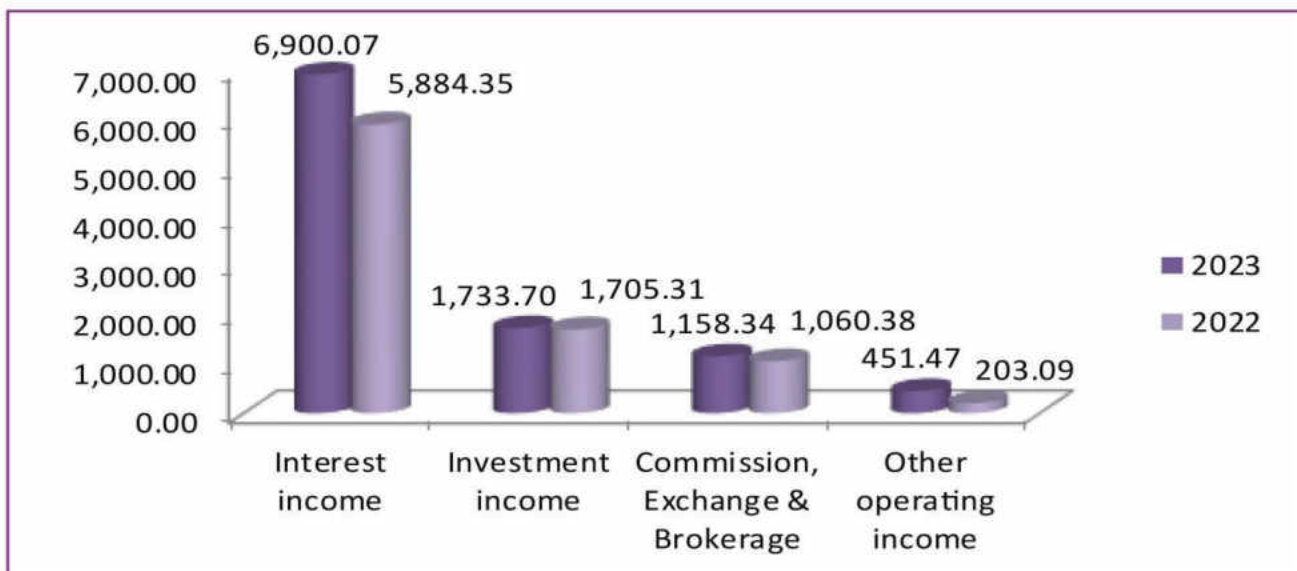
## Total Income:

Types of Income	Amount in Million Taka		Growth (%)	Income Mix (%)	
	2023	2022		2023	2022
Interest income	6,900.07	5,884.35	17.26%	67.36%	66.47%
Investment income	1,733.70	1,705.31	1.66%	16.92%	19.26%
Commission, Exchange & Brokerage	1,158.34	1,060.38	9.24%	11.31%	11.98%
Other operating income	451.47	203.09	122.30%	4.41%	2.29%
<b>Total income</b>	<b>10,243.57</b>	<b>8,853.13</b>	<b>15.71%</b>	<b>100.00%</b>	<b>100.00%</b>

## Total Income as on 31.12.2023



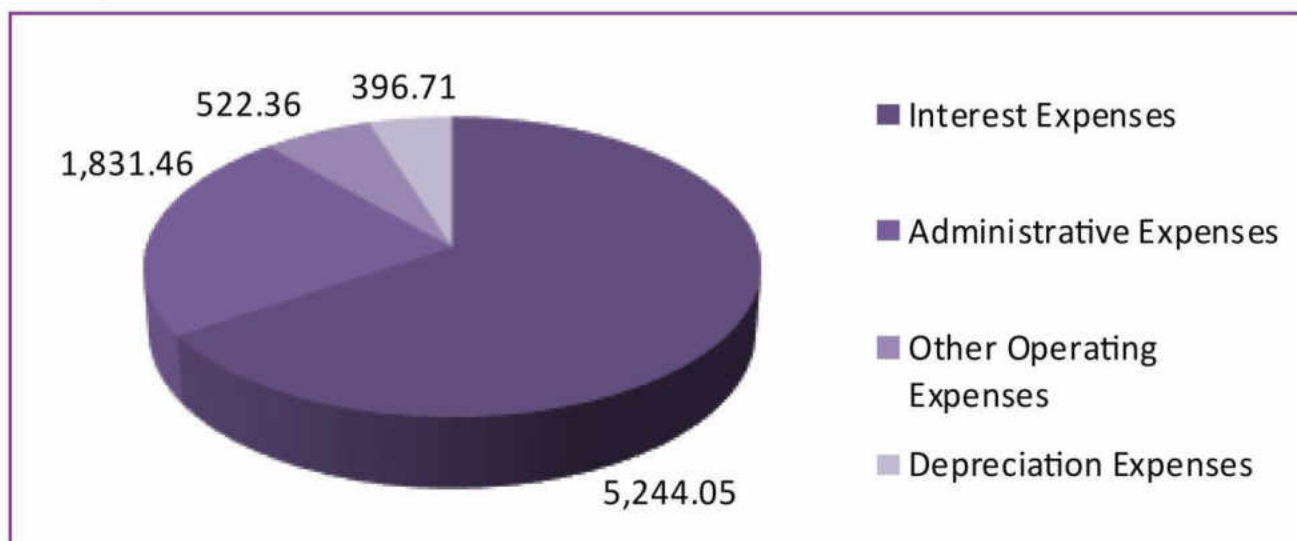
## Comparison of Total Income in 2023 & 2022



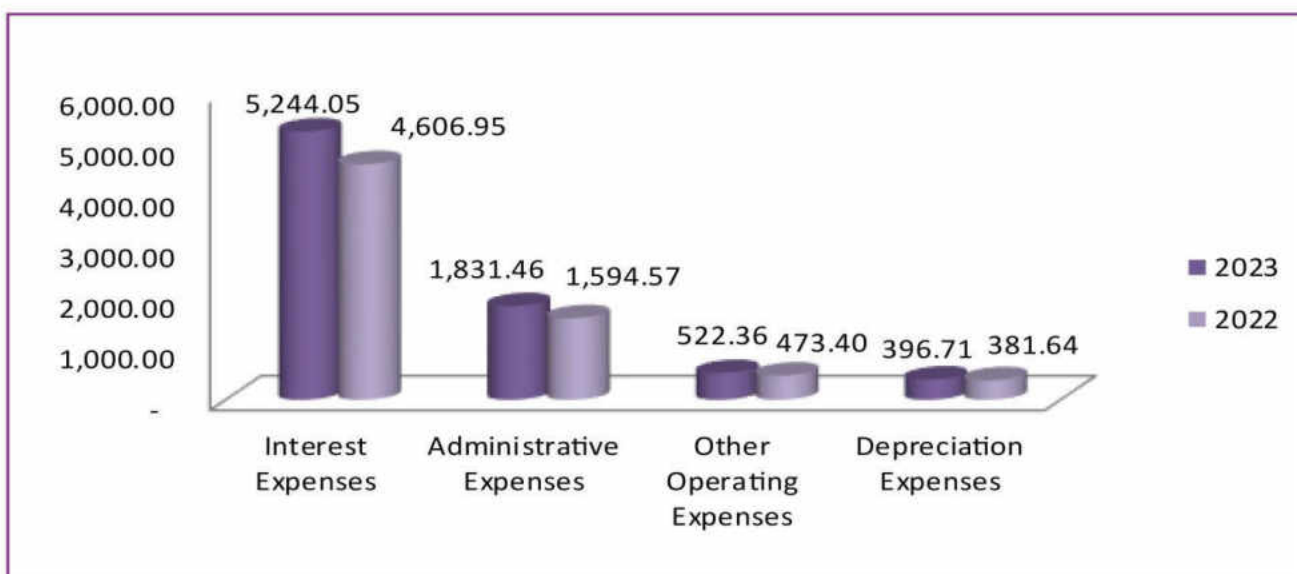
## Total Expenses:

Types of Expense	Amount in Million Taka		Growth (%)	Expense Mix (%)	
	2023	2022		2023	2022
Interest Expenses	5,244.05	4,606.95	13.83%	65.60%	65.29%
Administrative Expenses	1,831.46	1,594.57	14.86%	22.91%	22.60%
Other Operating Expenses	522.36	473.40	10.34%	6.53%	6.71%
Depreciation Expenses	396.71	381.64	3.95%	4.96%	5.41%
<b>Total Expenses</b>	<b>7,994.59</b>	<b>7,056.56</b>	<b>13.29%</b>	<b>100.00%</b>	<b>100.00%</b>

### Total Expenses as on 31.12.2023



### Comparison of Expenses in 2023 & 2022

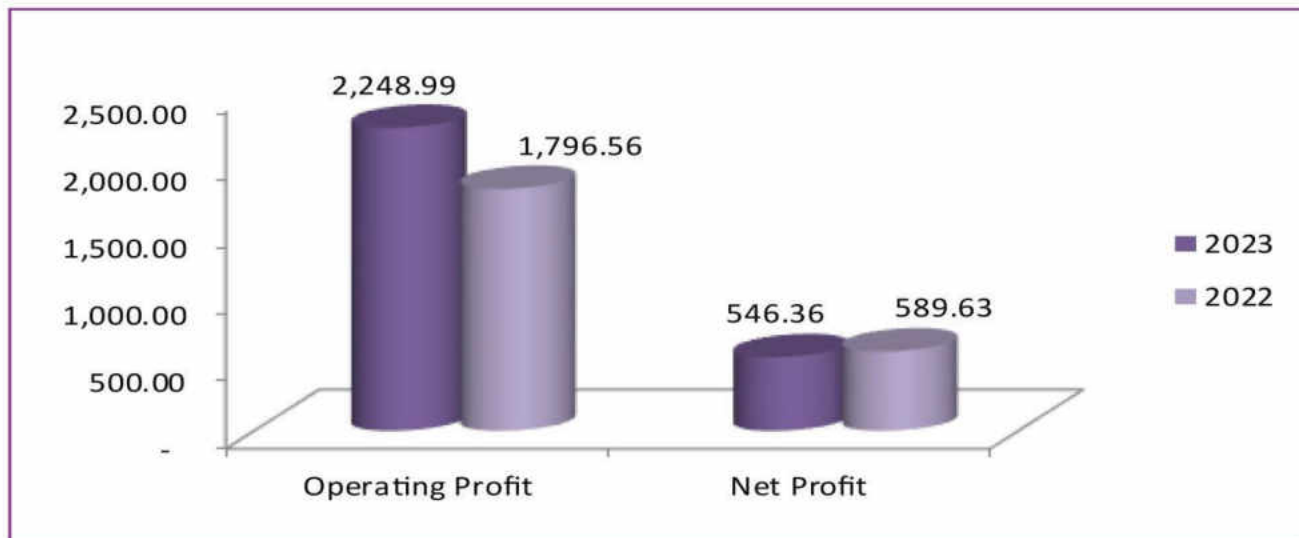


## Profitability:

(Fig. Million Taka)

Particulars	2023	2022	Growth (%)
Operating Profit	2,248.99	1,796.56	25.18%
Net Profit	546.36	589.63	-7.34%

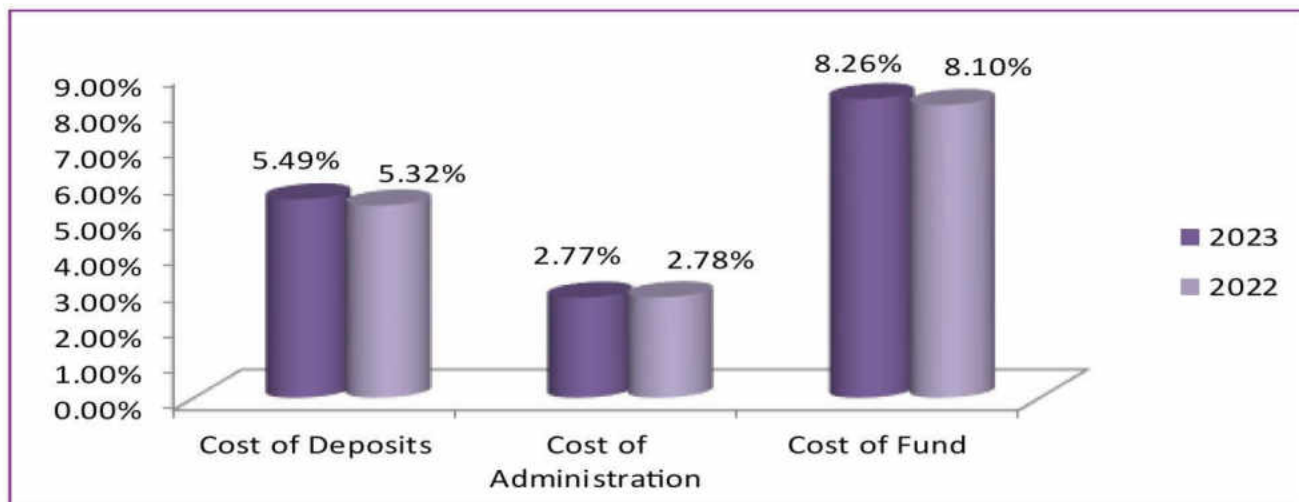
### Comparison of Profitability in 2023 & 2022



### Average Cost of Funds:

Particulars	2023	2022	Changes (%)
Cost of Deposits	5.49%	5.32%	0.17%
Cost of Administration	2.77%	2.78%	-0.01%
Cost of Fund	8.26%	8.10%	0.16%

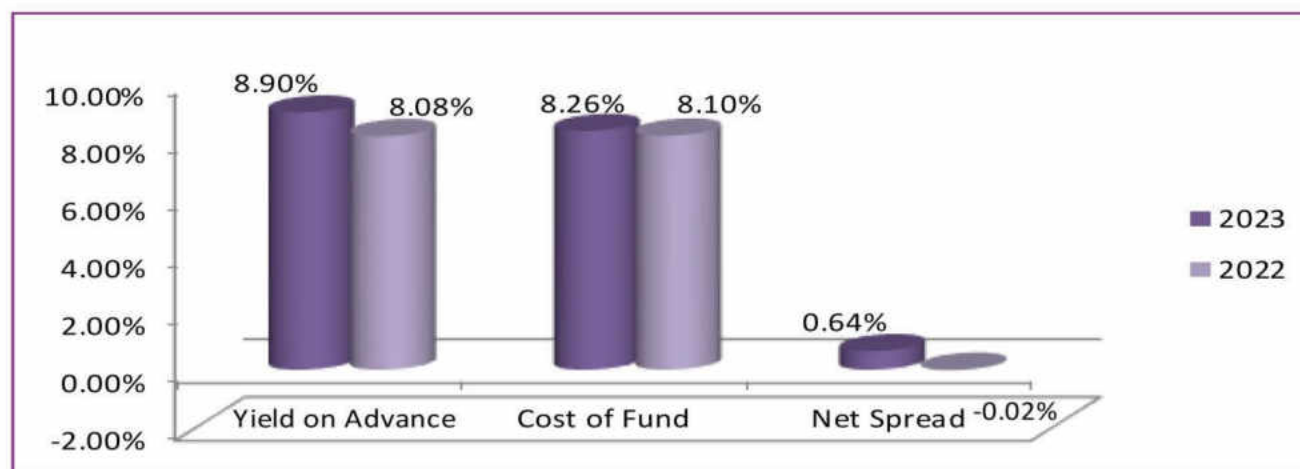
### Comparison of Cost of Deposits, Cost of Administration & Cost of Fund in 2023 & 2022



### Net Spread:

Particulars	2023	2022
Yield on Advance	8.90%	8.08%
Cost of Fund	8.26%	8.10%
Net Spread	0.64%	-0.02%

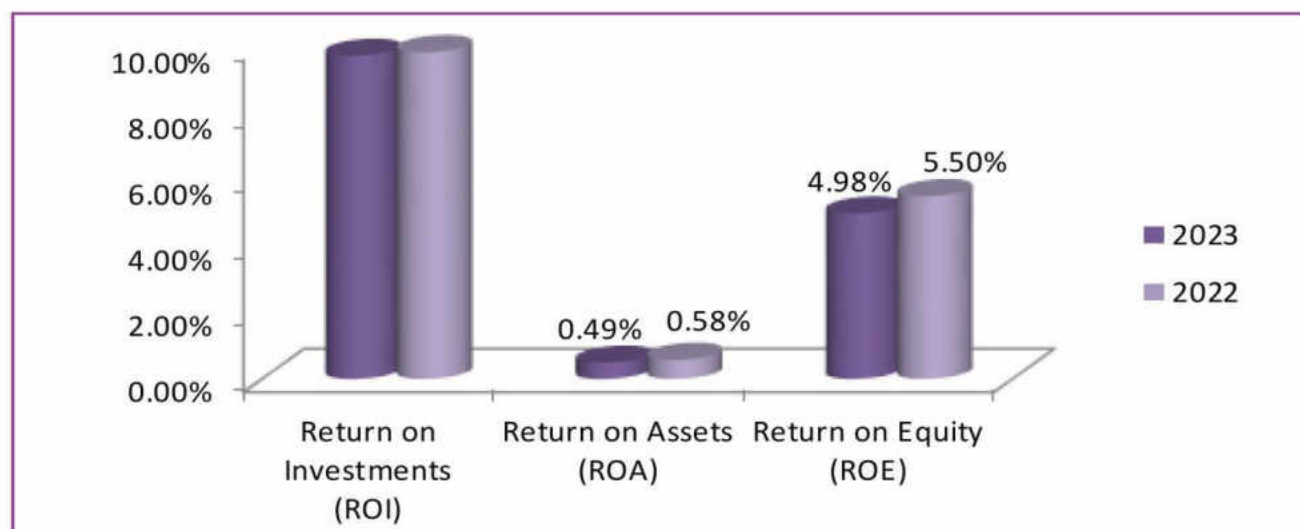
### Comparison of Yield on Advances, Cost of Funds & Net Spread in 2023 & 2022



### Rate of Returns:

Particulars	2023	2022
Return on Investments (ROI)	9.73%	9.84%
Return on Assets (ROA)	0.49%	0.58%
Return on Equity (ROE)	4.98%	5.50%

### Comparison of Returns in 2023 & 2022

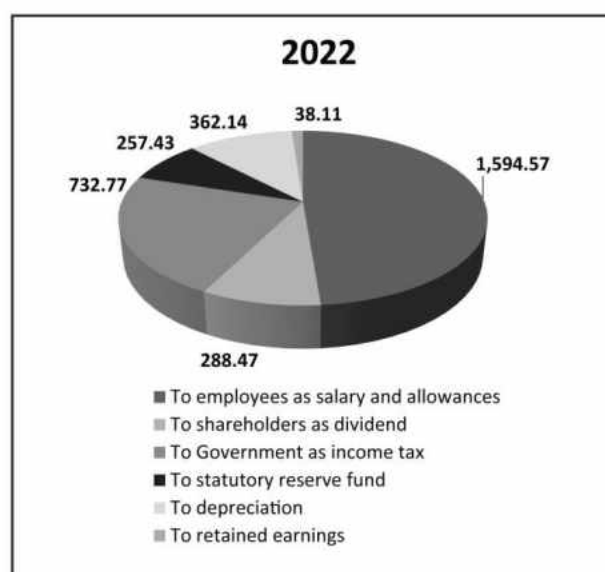
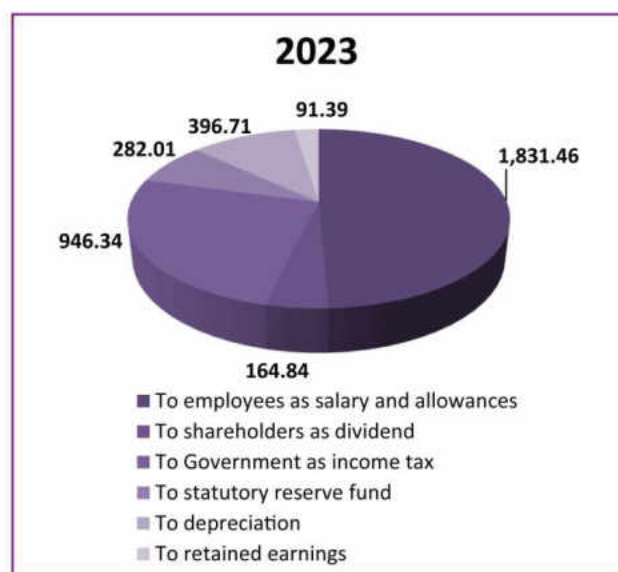


## Value Added Statement

Value added is the wealth accretion made by SBAC Bank PLC. through providing banking and other financial services. Value created from the income from banking services and other financial services is the excess of cost of service rendered. The value added statement shows the total wealth created, how it was distributed to meet certain obligations, reward to those who have created it and portion retained for continuing operation and expansion of the bank. The value added statement of the bank for the year ended 31 December 2023 is given below:

Fig. in million

	2023	%	2022	%
	Taka		Taka	
<b>Value Created</b>				
Income from Banking Services	10,243.57		8,853.13	
Less: Cost of services & Supplies	5,766.41		5,099.86	
Value added by banking service	4,477.16		3,753.27	
Provision for deferred tax	60.56		0.69	
Provision for loans & other assets	(824.97)		(480.47)	
	<b>3,712.75</b>		<b>3,273.49</b>	
<b>Value distributed</b>				
To employees as salaries & allowances	1,831.46	49.33%	1,594.57	48.71%
To shareholders as dividend (Proposed)	164.84	4.44%	288.47	8.81%
To Government as income tax	946.34	25.49%	732.77	22.39%
	<b>2,942.64</b>	<b>79.26%</b>	<b>2,615.81</b>	<b>79.91%</b>
<b>Value retained</b>				
(to maintain and continue operations)				
Statutory reserve	282.01	7.60%	257.43	7.86%
Depreciation	396.71	10.69%	362.14	11.06%
Retained earnings	91.39	2.46%	38.11	1.16%
	<b>770.11</b>	<b>20.74%</b>	<b>657.68</b>	<b>20.09%</b>
	<b>3,712.75</b>	<b>100.00%</b>	<b>3,273.49</b>	<b>100.00%</b>



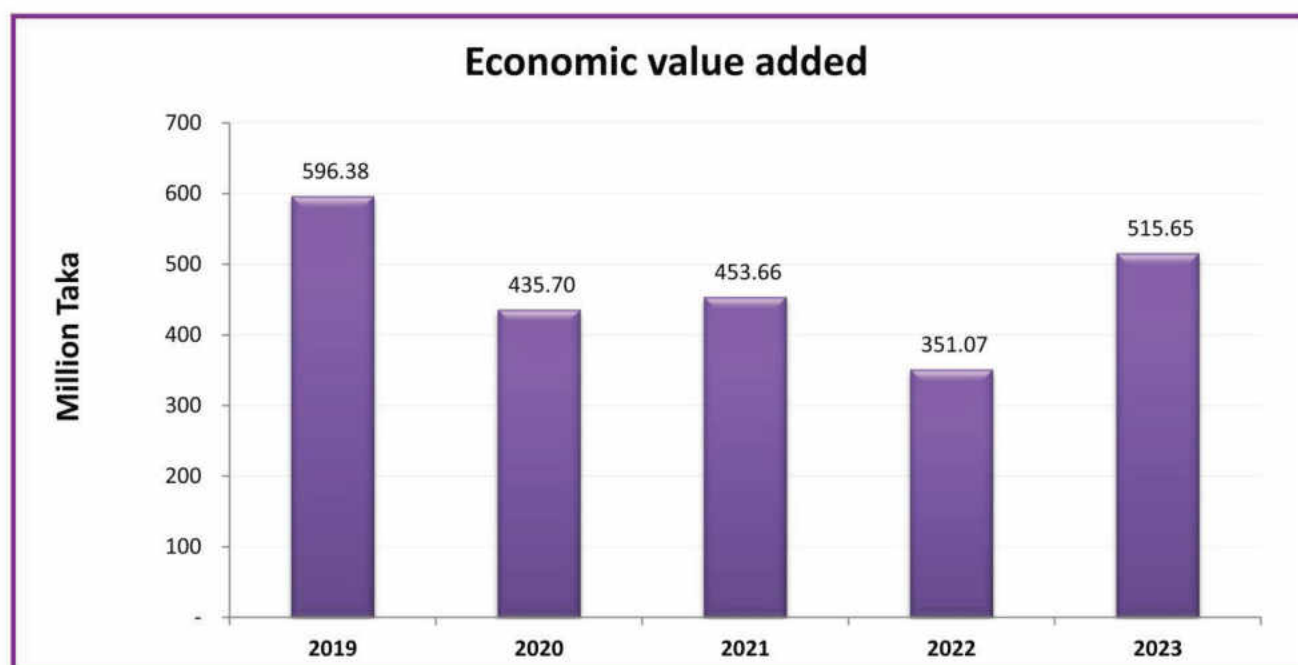
## Economic Value Added (EVA) Statement

Economic value added (EVA) is the measure of financial performance of an organization. It is based on the principle that since a company's management employs equity capital to earn profit, it must pay for the use of this equity capital. This management tool is useful to stakeholders to take decision for increasing wealth.

EVA is equal to Profit after Tax (PAT) plus the provision for loans & other assets less written off loans during the year minus cost of equity. The cost of equity is the opportunity cost that the shareholders forego. For 2023 this cost of equity is calculated on the basis of the return on 5 years Treasury Bonds.

Fig. in million

	2019	2020	2021	2022	2023
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Shareholders' equity	8,362.96	9,306.66	10,622.84	10,829.21	11,124.92
Add: Provision for loans & advances	517.58	9.51	359.49	478.82	535.71
Closing Shareholders' equity	<b>8,880.54</b>	<b>9,316.17</b>	<b>10,982.33</b>	<b>11,308.03</b>	<b>11,660.63</b>
Opening shareholders' equity	<b>7,054.71</b>	<b>8,880.54</b>	<b>9,316.17</b>	<b>10,982.33</b>	<b>11,308.03</b>
<b>Average shareholder's equity</b>	<b>7,967.62</b>	<b>9,098.36</b>	<b>10,149.25</b>	<b>11,145.18</b>	<b>11,484.33</b>
<b>Earnings</b>					
Profit after taxation	967.60	951.95	534.72	589.61	546.36
Add: Provision for loans & advances	502.83	87.88	629.39	596.24	762.85
	<b>1,470.43</b>	<b>1,039.83</b>	<b>1,164.11</b>	<b>1,185.84</b>	<b>1,309.21</b>
Average cost of equity	10.97%	6.64%	7.00%	7.49%	6.91%
Cost of average equity	874.05	604.13	710.45	834.77	793.57
<b>Economic value added</b>	<b>596.38</b>	<b>435.70</b>	<b>453.66</b>	<b>351.07</b>	<b>515.65</b>



## Market Value Added Statement

Market value added (MVA) is a measure of external performance that indicates how the market has evaluated the company's performance in terms of market value of quoted shares compared to book value of these shares. It is the difference between the current market value of the Bank and the capital contributed by investors. If MVA is positive, the Bank has added value. A high MVA denotes that the Bank has maximized the wealth for the shareholders. The calculation of market value added is tabled below:

Particulars	2023
(a) Face value per share (BDT)	10.00
(b) Market value per share (BDT)	10.50
(c) Number of shares outstanding	82,41,91,650
(d) Market capitalization (BDT in million) [(c) × (b)]	8,654.01
(e) Book value of paid-up capital (BDT in million) [(c) × (a)]	8,241.92
(f) <b>Market value added (BDT in million) [(d)-(e)]</b>	<b>412.09</b>

\* Closing Price of shares on 28.12.2023 at DSE has been taken as Market value per share & the Number of shares outstanding is based on 28.12.2023 also.

## Report on Going Concern

We have assessed the financial and operational strength of SBAC Bank PLC. to determine if there is any significant uncertainty that may cast doubt on its ability to continue operating as a going concern. After conducting appropriate investigations, analyses, reviews, and assessments, we have concluded that the bank can operate as a going concern for the foreseeable future. The bank has prepared its financial statements on this basis, and all key indicators of the bank are favorable. The bank's financial performance has been robust, with consistent growth over the years. Therefore, stakeholders can be reasonably assured that we (the Bank) can continue operating successfully.

- Positive key financial indicators
- Consistency in dividend Payment
- Better quality asset
- Proper liquidity planning & management
- Excellent regulatory compliance culture
- Practicing best Corporate Governance
- Effective Risk management system
- State-of-the-art Information & Technology
- Tailor-made diversified products and services for different class of people
- wide area of operational coverage
- Excellent working environment & Self-driven workforce
- Excellent Credit Rating

## Major Financial Indicators

Particulars	2023	2022	2021	2020	2019
Net Asset Value (NAV) Per Share	13.50 (Consolidated)	13.14 (Consolidated)	13.02	13.59	13.44
	13.45 (Solo)	13.10 (Solo)			
Net Operating Cash Flow Per Share	3.51 (Consolidated)	2.99 (Consolidated)	(4.38)	0.73	12.79
	3.45 (Solo)	2.95 (Solo)			
Return on Equity (ROE)	4.98% (Consolidated)	5.50% (Consolidated)	5.42%	10.78%	12.25 %
	4.89% (Solo)	5.24% (Solo)	5.36%		
Capital to Risk-weighted Assets Ratio (CRAR)	13.82% (Consolidated)	13.78% (Consolidated)	13.91%	13.45%	14.73 %
	13.71% (Solo)	13.72% (Solo)	13.94%		
NPL Ratio	5.94% (Consolidated)	5.18% (Consolidated)	5.85%	6.22%	6.09%
	5.93% (Solo)	5.17% (Solo)			
Earnings Per Share (EPS)	0.66 (Consolidated)	0.72 (Consolidated)	0.66	1.39	1.55
	0.65 (Solo)	0.68 (Solo)			

## Financial Indications

### Key financial ratios & Performance growth:

During the year 2023, SBAC Bank PLC. had considerable stability in its operating performance. Its total asset has increased from Tk. 106,307.06 million (Consolidated) of 2022 to Tk. 117,264.13 million (Consolidated) in 2023 indicating a growth of 10.31 percent. Besides, Advances and Lease/Investment has increased by 11.35 percent (solo) & 11.33 percent (Consolidated) i.e. Advances and Lease/Investment has increased to Tk. 86,841.61 million (Solo) and Tk. 86,644.19 million (Consolidated) in 2023. Shareholders' Equity has increased by 2.65 percent (solo), and 2.73 percent as consolidated basis. So, the bank has a stable financial condition, which is an indicator of Bank's continuation in foreseeable periods.

### Analysis of Cash Flow:

Cash flow analysis represents strength about its ability to repay its financial obligation, ability to adapt

in changing circumstances and generate sufficient cash and cash equivalent. Net cash from operating activities is Tk. 2,839.91 million (solo) and Tk. 2,893.21 million (consolidated) in 2023.

### Maintenance of sufficient Capital:

As on 31 December 2023, Bank's total equity stands at Tk. 11,082.53 million (Solo) as against Tk. 10,796.55 million (Solo) of 31 December 2022 (whereas it was Tk. 11,125.35 million in 2023 as against Tk. 10,829.65 million of 2023 on a consolidated basis). On the other hand, the paid-up capital of the Bank stands at Tk. 8,241.92 million in 2023. Moreover, as on 31 December 2023 Bank's CRAR is 13.82 percent (Consolidated) whereas the solo CRAR of the Bank was 13.71 percent; and maintained total regulatory capital of Tk. 11,583.20 million (Consolidated) & Tk. 11,546.96 million (Solo). The entire situation also indicates to its ability and intention to continue for the predictable future.

Particulars	2023	2022
Minimum Capital Requirement (including buffer)	Tk. 10,480.23 million	Tk. 10,111.06 million
Capital Maintained	Tk. 11,583.20 million	Tk. 11,148.58 million
Surplus	Tk. 1102.97 million	Tk. 1,037.52 million
CRAR	13.82%	13.78%

### Consistent payment of dividends:

Protecting interest of the shareholders is one of the top priorities of SBAC Bank PLC. We have

maintained consistency regarding dividend disbursement to our shareholders over the years, which reflects our commitment to the shareholders.

Particulars	2023	2022	2021	2020	2019	2018	2017	2016
<b>Dividend:</b>								
Stock	Nil	Nil	1%	4%	10%	10%	13.50%	15%
Cash	2% (Board Recommended)	3.50%	3%	4%	Nil	Nil	Nil	Nil

## Non-financial Indications

### Credibility in payment of obligations:

SBAC Bank has strong credibility in terms of payment of its commitments to the lenders. The Bank is very particular in fulfilling the terms of repayment agreement without any exception.

### Credit rating of the Bank:

SBAC Bank PLC. has been rated as 'A' as the long-term credit rating and 'ST-2' as the short-term. The

outlook on the rating is Stable. It is generally assumed that an institution with 'A' rating (Long Term) is adjusted to offer adequate safety for timely repayment of financial obligations and it has an adequate credit profile, whereas an institution rated 'ST-2' (Short Term) carries the lowest credit risk and it has a strong capability for timely payment of financial commitments.

	Rating
Long Term	A
Short Term	ST-2
Rated by	Credit Rating Information and Services Limited (CRISL)
Outlook	Stable
Date of Rating	25 June 2023
Validity of Rating	24 June 2024

### Customer service excellence

We prioritize innovation and customer satisfaction by implementing new strategies and launching innovative products regularly, as well as incorporating customer feedback to improve service quality.

### Brand image

We are committed to establishing trust with our stakeholders, consistently meeting their expectations through the combined efforts of our highly motivated employees, experienced Management and Board, and the loyal customer base, which has contributed to our recognition as a reputable financial services brand.

### Good governance

The Board of Directors, and experienced Management team prioritize good governance structures and practices to ensure regulatory compliance. Since its inception, the bank has adhered to all regulatory requirements.

### Expansion of Coverage

SBAC Bank has expanded quickly across the country, taking into account the financial considerations. As on 29.05.2024, we have 89 branches, 31 sub-branches and 31 agent banking outlets (active) at different locations. We have installed 68 ATM booths (73 ATMs) and 02 CDMs (as on 29.05.2024) at various places to enhance convenience through service digitization.

### Internal environment and employee satisfaction

We promote a positive and supportive workplace through prioritizing fairness, equal opportunities, and employee engagement. Our compensation packages and a range of benefits, such as provident fund, gratuity fund, health benefits, incentive bonuses, LFA, and regularly revised pay scales, contribute to employee confidence and satisfaction at SBAC Bank.

### Risk Absorption & Adoption to Changes

#### Profit Rate & Foreign Currency Risks:

Bank installs measures to mitigate negative consequences arising from money market volatility, increased investment demand, increased import &

decreased export, and slow remittance flow. We deploy strategies to revise profit rates for any unusual and abrupt change as and when required to manage profit rate risks. The demand of foreign currency payment is mostly backed by exports earnings and remittance. Treasury continuously monitors price movements of foreign exchange and uses various hedging techniques to manage its position in such a way that minimizes risk and maximizes return. These tactics strengthen our ability to operate as a going concern.

#### Non-Payment Risk:

SBAC Bank has a strong financial base with no history of non-payment, a solid ADR policy, and efficient liquidity management. There is no foreseeable risk of non-payment as we respond promptly to changes in global financial policies to safeguard the interests of our stakeholders.

#### Management Risk:

The bank has well-defined codes of conduct, vastly experienced management team, and highly qualified Board of Directors to minimize the risk of management-related issues affecting our ongoing operations.

#### Operational Risk:

The Board of Directors regularly reviews policies and procedures to ensure risk-free operations. The Internal Control and Compliance Division (ICCD) conducts regular and special audits on branches and departments, and the Audit Committee recommends necessary actions to the board. We have confidence on our operation as a going concern.

#### Business Risk:

We have a good track record of profitability, and our experienced management team is watchful of potential business risk i.e. the possibility of experiencing losses or uncertainty in profits due to unexpected events. We are expanding our services into new areas by offering Islamic Banking windows and agent banking services. SBAC Bank Investment Limited, Our subsidiary company offers a wide range of investment banking services. The risk management division works to identify and mitigate various types of risks, including business risk.

### Portfolio Management Risk:

The members of management team of our Bank carefully evaluate every project, identifies associated risk factors, and closely monitors performance with great accuracy using their vast experience, unparalleled skills and capabilities. Moreover, the continuous supervision and timely guidance of the Board ensure that the portfolio management risks are minimized to a significant extent.

### Credit/Investment Risk:

Our profitability shall decrease if the borrowers fail to meet their obligations. Considering the risk we have subdivided the credit division to better serve corporate, SME, and retail segments, analyze credit risk factors, and prioritize customer relationship management. Our asset liability management, credit administration, and legal & recovery division work together to minimize risk and maximize profitability by ensuring better investments and timely loan recovery.

### Existing and Potential Regulations

Banks in Bangladesh operate under regulations set by regulatory bodies such as the Bangladesh Bank, and Bangladesh Securities and Exchange Commission (BSEC). The Bank Company Act, Companies Act, Income Tax Ordinance, and other relevant regulations govern the activities banks. Changes in the related policies, regulations & laws may impact the banking industry as a whole. We

believe our operations and performance shall not be affected significantly unless there is a major regulatory change that affects the entire industry.

### Response to National/ Global Policy Changes

Government monetary and fiscal policy changes can affect our company's planning, strategies, and profitability. We closely monitor these policy changes both in national level & global scale and act promptly to adapt with them to safeguard the interests of the bank.

### History of non-operation (Not Applicable)

The Bank has no history of non-operation since it started its operation on February 20, 2013 as one of the fourth-generation banks and has completed 11 years of uninterrupted banking operations. A highly qualified & well-experienced Board of Directors along with an extraordinarily skilled management team performing their responsibilities to strengthen the financial base of the bank, and making it efficient and strong enough for commercial operations. So, the likelihood of becoming non-operative is minimal.

Based on the above discussion, it is believed that there is no significant doubt about the bank's ability to continue as a going concern. The bank's board of directors has decided to adopt going concern assumptions, and the financial statements have been prepared accordingly as the bank has no intention or need to liquidate or limit its operations.

## Management of Non-Performing Loan (NPL)

### 1. Introduction:

Bank collects fund from different sources and invests collected fund by extending credit/loan facilities in different forms mainly to business entities, such investment are Assets of the bank. We also know very well that extension of credit facilitates involved huge credit risk and also security risk. When loans are not performed properly i.e., due interest, installments and other payments are not paid by the borrower is called Non- Performing Loan (NPL). Bangladesh Bank has specific guidelines for classification of NPL into different categories based on overdue period.

The Banking Sector of Bangladesh has encountered numerous challenges over an extended period. High loan default rates threaten the health of the country's financial system. NPL has been a major crisis to the banks in Bangladesh over the years creating a shocking impact on profitability of a bank. So, management is very much concern on efficient management of NPL. SBAC Bank PLC., a fourth-generation bank, is no exception to this hazard. SBAC Bank is managing its NPL under Legal Affairs and Recovery Division (LARD).

### 2. Major causes of NPL:

- Inaccurate selection of good borrowers as well as actual requirements.
- Inaccurate assessment of creditworthiness of potential borrowers.
- Failure to identify capacity of the borrower to run the business successfully.
- Failure to assess inherent risks (Financial, business, management & security risk) in the business and its mitigating factors.
- Lack of proper utilization use of bank loan(s)/fund(s) for the stated purpose mentioned in the sanction letter.
- Diversion of fund.
- Lack of supervision, follow-up and monitoring process.
- Faulty security as well as imperfect charge documents.
- Political influence and pressures while sanctioning and rescheduling the loan.
- Time consuming legal system causing delay in recovery resulting bad borrowers taking the advantage.
- Directed/targeted lending towards priority and neglected areas.
- Purpose of loan not properly ascertained resulting bad borrower getting scope of diversion of funds.

- Project appraisal not properly evaluated in case of project financing.
- Successor not considered properly when loan extended.
- Willful defaulters and frauds.
- External cause like industrial recession/sickness, natural calamities, changes in government policies etc.
- Inadequate risk management practice.
- Moral degradation of borrowers.

### 3. Effective measures to manage NPL:

#### 3.1. Preventive measures:

- Proper selection of borrowers as well as actual requirements.
- Proper assessment on Creditworthiness of potential Borrowers.
- Properly identify the capacity of the borrower to run the business successfully.
- Proper working capital assessment.
- Properly assess inherent risks (Financial, business, management & security risk) in the business and its mitigating factors.
- Ensure proper utilization of fund as per stated purpose of the loan mentioned in the sanction letter.
- Protect diversion of fund.
- Close supervision, monitoring and follow up of business and borrowers.
- Proper Loan Documentations.
- Timely decision and actions against slow moving and non-performing borrowers.
- Careful evaluation of PEPs (Politically Exposed Persons) related proposals.
- Environmental hazard must be taken into consideration.
- Checking CIB reports and collects information.

#### 3.2. Corrective measures:

Interaction with defaulted borrowers, Alternative Dispute Resolution (ADR) approach, Negotiation with the borrowers, Compromise/ settlement, Deployment of recovery agencies, Circulation of defaulters, Rehabilitation of sick loans etc.

### 4. Rescheduling:

Here repayment of loans is reorganized based on multifarious judgment on case-to-case requirement basis within the guidelines of Bangladesh Bank.

### 5. Legal:

Refers to NI Act Suit filling under Section 138 of the NI Act 1881, Auction and finally filling suit under the Artha Rin Adalat Ain, 2003.

## 6. Write Off (WO):

Write Off is a process by which ledger outstanding of a classified liability is reduced or shown nil without absolving the borrower from paying off the entire bank's dues i.e., the Loan amount is removed from the asset portion of a balance sheet by debiting interest suspense against the loan, provision kept/ Current year's Income A/c. The claim of the Bank will remain in force after written off a loan and all legal proceeding will be continued to recover Written Off Loan.

## 7. Loan Classification as per Bangladesh Bank Guideline:

All credit that exists in the portfolio to be grouped in the class of Unclassified (UC), Special Mention Account (SMA), Sub-Standard (SS), Doubtful (DF) and Bad/Loss (BL) as per Bangladesh Bank Circulars.

## 8. Impact of NPL on Bank:

NPL affects the profitability, liquidity and the competitiveness of a bank. NPLs impose a double burden, firstly reducing profit because of maintaining provision and secondly reducing further lending capabilities resulting slowdown growth of the bank.

## 9. Functions of LARD:

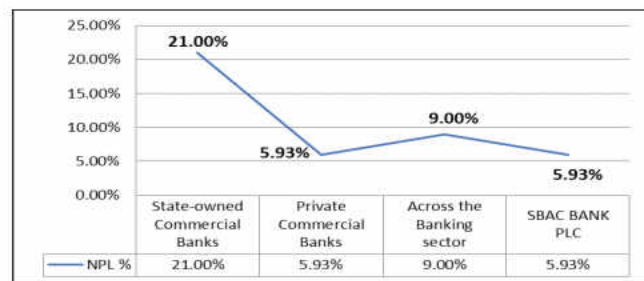
Legal Affairs and Recovery Division is a dedicated division in managing NPL's. LARD has reconstituted Task Force (TF) with senior management team. Legal Affairs and Recovery Division of SBAC Bank aims to ensure regulatory compliance with all laws and regulations related to the bank's business. With the support of a specialized team, the division intends to provide business support through effective case management of default clients and recovery, thus ensuring a reduced recovery period and enhanced profitability. Functions of LARD is as follows:

- In-depth analysis of all NPLs and pursue all options to maximize recovery.
- Ensure effective Communication, follow-up, monitoring of defaulter borrower(s)/ guarantor(s)/ mortgagors for recovering stuck-up loans.
- Interaction with defaulted borrowers, Negotiation with the borrowers to recovery of NPLs.

- Alternative Dispute Resolution (ADR) approach to recovery of NPLs
- Initiate legal actions against defaulted borrowers and provide support to the branches in this respect.
- Maintenance of database of defaulted and slow-moving accounts of the branches, and providing assistance to branches time to time for strengthening monitoring process to avoid classification.
- Providing report to higher authority of the bank and to Bangladesh Bank as per their requirement.
- Liaison with different departments (CAD, Legal Division, ICCD etc.).
- Ensure adequate and timely loan loss provisions are made based on actual and expected losses.

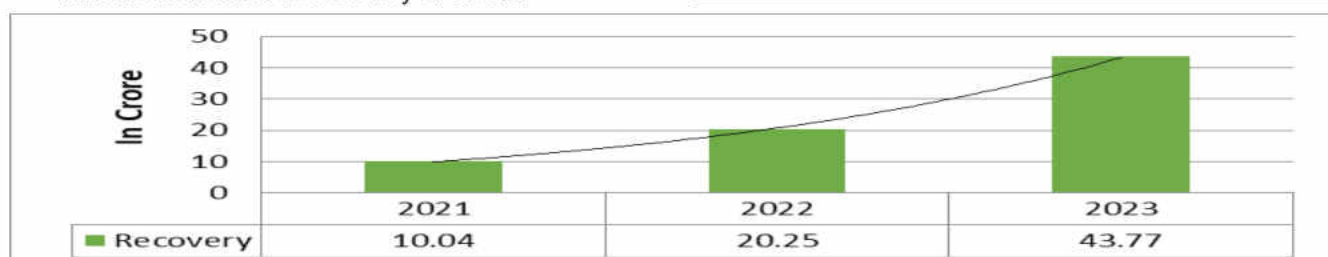
## 10. Comparative study of NPL scenario:

A comparative study of NPL scenario of overall banking sector with our SBAC Bank shows that our relentless efforts have brought fruitful results as we successfully maintained our NPL ratio below 6%, i.e. 5.93% of total outstanding loans as on 31-12-2023. Total loan as on 31-12-2023 is Tk. 8684.16 Cr. and Classified Loan is Tk.514.96 Cr., i.e. Classified Loan Rate is 5.93 % of Total Loan of SBAC Bank PLC. Here, SBAC team has done a tremendous job maintaining the numbers well below the industry average.



## 11. Recovery performances of Last three years:

Year	Recovery from CL	Recovery in %
2021	10.04 crore	2.81%
2022	20.25 crore	5.24%
2023	43.77 crore	10.86%



Here, due to relentless efforts of SBAC team, our recovery from NPL is increasing gradually.

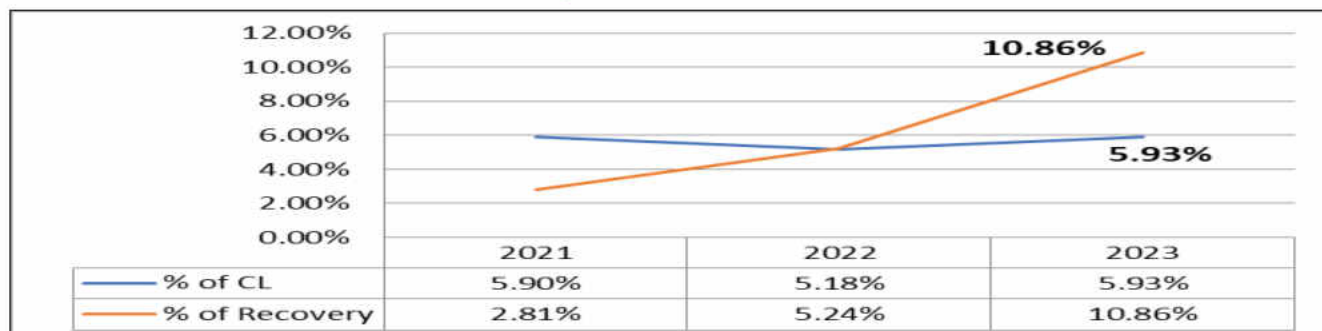
## 12. NPL position at SBAC Bank for last three years:

Year	Total CL Amount	CL %
2021	386.09 crore	5.90%
2022	403.12 crore	5.18%
2023	514.96 crore	5.93%

Gross NPL is Tk.514.96 crore as on 31.12.2023. Here, Net NPL as on 31.12.2023 is Tk.274.20 crore, in percentage 3.16%.

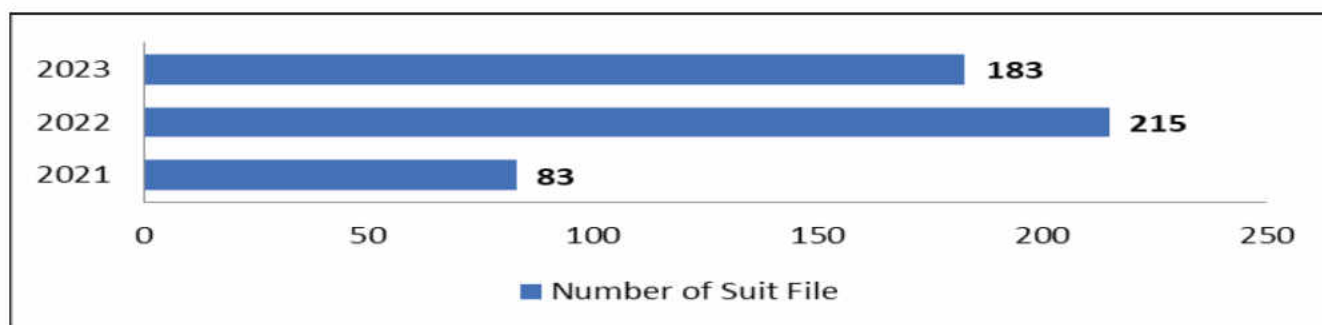
\* Net NPL = Total CL amount – Interest Suspense – Required Provision.

## 13. Year wise % of CL and % of CL Recovery:



## 14. Lawsuit information:

### 14.1. Year-wise Suit file:



### 14.2 Present Suit Position:

Particulars	Pending suit in 2022	Suit file in 2023	Disposal in 2022	Disposal in 2023	Recovery in 2022	Recovery in 2023
N.I. Act	380	100	15	19	29.61 Crore	43.79 Crore
Artha Rin & Artha Jari	69	49	-	2		
Against Bank	9	8	-	2		
H.C/Others	24	26	9	16		
Total=	482	183	24	39		
Total Suit: 665						

## Conclusion:

SBAC Bank is constantly trying to reduce its NPL in their portfolio. We continuously working on realistic approach and detailed plan for different strategies for different cases. We know prevention is better than corrective measures. So, now SBAC Bank is practicing all out preventive measures at the time of selection and assessment of borrower, sanctioning loans, close monitoring and follow up of business and borrowers. Hopefully, as an outcome of collective effort of branches and LARD, Legal steps and Negotiations, and with proper guidelines of Board and Top Management, NPL size of the bank will gradually be reduced. Team SBAC is always committed to protect the interest of our all Stakeholders specially Depositors and Shareholders. We are poised for sustainable growth and increased profitability, promising excellent returns for our valued shareholders and to keep our asset quality better.

## STRATEGIC PLAN FOR 2024

Economy of Bangladesh is passing through a challenging phase so is the Banking Sector of the country. A number of issues such as liquidity crisis, dollar shortage, financial scams, increased non-performing loan etc. have been negative catalysts for the lack of trust and confidence of the customers on Banks with their asset. Strengthening the financial base achieving sustainable growth through gaining deeper trust & confidence of the stakeholders, ensuring further corporate governance, and wide service-coverage with extensive service-digitalization is the utmost priority of the bank at present. Considering the current situation we have set our strategic priorities and action plan for 2024 as under:

- To maintain better asset quality through reduced loan concentration, enhanced portfolio diversification, prioritizing investment in Government securities/other High-Quality Liquid Investments.
- To initiate vigorous recovery drive through legal & non-legal measures under the Legal and Recover Division (LARD) for the recovery of problematic loans, and install continued administering and monitoring by the recovery team so that no more loans & advances turn into non-performing. Keeping up rigorous supervision on the recovery performance of branches and frequently reviewing their achievement by the Board has been prioritized.
- Utmost importance is given on installing effective risk management system at every level of operation and ensuring best corporate governance practices those confirm thorough compliance of each and every policy/procedure/rules/regulations/circular of regulatory authorities and confirm sustainable business growth.
- To achieve sustainable growth through dexterous asset-liability management, conservative advance-deposit ratio, proper fund management, efficient deposit management, enhanced operational efficiency, reduced operational cost, increased fee & commission-based income, and transforming all loss-incurring branches into profitable one.
- To upgrade customer service ensuring uniform, polite and caring responses from every employee specially the front-line officers arranging regular customer feedback programs for identification of action areas to monitor and improve service level.
- To earn customer delight & trust through delivery of greatly convenient, customized & reliable services by our highly professional human resources, installation of more innovative products & solutions, and utilizing alternative service delivery channels basing on upgraded digitalization.
- To prioritize further updating of policies & programs to upgrade the skill of our employees to meet the challenges of modern day banking and ever-changing customer demands and attitudes.
- To put highest, emphasize on mobilizing low-cost, no-cost fund through launching special campaigns for school banking account, CASA deposit such as senior citizen saving deposit, 10/50/100 privilege savings account, SBAC probashi account etc., collection of tuition fees, utility bill collection of TITAS, WASA, DESCO, BRTA, REB, etc., Corporate Salary Account, etc.
- To boost financial inclusion through Internet banking (i.e. SBAC Click), App-based banking (i.e. BanglaPay), upgraded technology-driven more branches, sub-branches and agent outlets.
- Expansion of foreign exchange business through increasing non-funded business mostly export LC, providing priority service to remittance clients by special remittance collection team.
- To become further conservative on loan appraisal, approval, disbursement and be extremely watchful in monitoring, administration and recovery effort.
- Minimization of Cost through reduction of cost of deposit maintaining a sustainable deposit mix, reduction of capital expenditure, Maximization of Profit through putting budgetary control at every level of operation is one of our prime focuses for 2024.
- To keep focusing on our effort of enhancement of the brand identity of the bank through material & virtual branding programmers such as digital branding, e-marketing, social media marketing, website, etc.

On behalf of the Board of Directors



**Abu Zafar Mohammad Shofiuddin MP**  
Chairman



এসবিএসি ব্যাংক এজেন্ট ব্যাংকিং এখন  
গ্রামে গঞ্জে সবখানে



# Chapter 06

## GOVERNANCE REPORTS



# Certification on Corporate Governance Code

## Hoda Vasi Chowdhury & Co Chartered Accountants

Annexure-B  
[Certificate as per condition No. I(5) (xxvii)]

### Report to the Shareholders of SBAC Bank PLC. on compliance with the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by SBAC Bank PLC. (the "Company") for the year ended on 31 December 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 and BSEC/CMRRCD/2009-193/66/PRD/148 dated 16 October 2023 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission as explained in Annexure-C;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the Company is satisfactory.



Shaikh Hasibur Rahman FCA  
Partner  
Hoda Vasi Chowdhury & Co  
Chartered Accountants  
ICAB Enrolment Number 1512

Place: Dhaka, Bangladesh  
Date: 21 May 2024

# Corporate Governance Report

## Corporate Governance Practices in SBAC Bank PLC.

### Conceptual Framework:

Corporate governance is the structure and process by which companies are directed and governed. It is the set of principles, policies, procedures and clearly defined responsibilities, accountabilities and structured administration to overcome the conflicts of interest inherent in the corporate bodies.

It makes companies more accountable and transparent to investors and gives them the tools to respond to stakeholders' concerns.

The objective of corporate governance is to eliminate or mitigate conflicts of interest particularly those between management and shareholders. From the view point of conflicts of interest, two relationships (between management and shareholders and directors and shareholders) are the primary focus of most of the systems of corporate governance.

Corporate governance helps companies to operate more efficiently, mitigate risks and safeguard against mismanagement. It contributes to increased access to capital, encourages new investments, boosts economic growth, and better employment opportunities creating healthy job environment.

### Guiding Philosophy of Corporate Governance Practices:

As our Bank is incorporated as a legal entity, it is guided in its corporate governance practices mainly by two regulatory bodies: Bangladesh Bank (The Central Bank of Bangladesh), and Bangladesh Securities and Exchange Commission (BSEC). However, the Bank's corporate governance philosophy encompasses not only regulatory and legal requirements but also various internal rules, policies, procedures and practices based on the best practices of local and global banks. At SBAC Bank PLC. we attach a simple meaning to 'Corporate Governance' which is 'Due Diligence' in observing responsibilities by the Board as well as by the Management to safeguard interests of key stakeholders i.e. depositors, shareholders, employees and the society at large. Two very important pillars of a good corporate governance structure are "Transparency" and "Accountability" backed by strong Internal Control and Compliance Structure and MIS capabilities.

### Board of Directors:

Board of Directors of SBAC Bank PLC. comprises competent and professionally skilled persons with a view to formulating policy-guidelines and supervising business activities of the bank efficiently as well as ensuring good governance in the bank.

Our Board of Directors is fully committed to maintain the highest standard in corporate governance,

professionalism and integrity while creating and delivering long-term sustainable value to the stakeholders, increasing investors' confidence, establishing customers' trust in building a competitive organization.

SBAC Bank PLC. has its own Articles of Association (AOA) by which Appointment of Directors is governed. Moreover, the Bank always complies with the prescriptions of the regulatory authorities regarding appointment of directors. In this connection Circulars of Bangladesh Bank (BB), notification of Bangladesh Securities and Exchange Commission (BSEC), provisions of the Bank Company (Amendment) Act, 2023 and Companies (2nd Amendment) Act, 2020 are strictly followed. As on 31.12.2023, the number of Board members of the Bank was 18 (excluding the managing director & CEO) which complies with the rules and regulations mentioned above.

The following articles are adopted for ensuring good governance regarding constitution of board of directors, their duties & responsibilities and other related activities:

### Formation of Board of Directors:

The newly amended Section 15 of the Bank Company (Amendment) Act, 2023, BRPD Circular No. 02 dated 11 February 2024, and BRPD Circular No. 03 dated 14 February 2024 include provisions for prior approval of Bangladesh Bank before the appointment of new Directors, as well as dismissal, termination or removal of any director from the post; Directors fit & proper criteria; maximum number of directors; appointment of Independent Directors; Appointment of a maximum number of 03 (Three) directors from a single family and a highest of 02 (Two) Representative Directors from organizations where the family has interest or control etc. The Board of Directors of our bank is formed as per provisions of laws.

### Composition:

All the Directors in the Board are non-executive directors. Complying with the section 15(9) of the Bank Company (Amendment) Act, 2023, BRPD Circular No. 02 dated 11 February 2024 & BRPD Circular No. 03 dated 14 February 2024, and BSEC's notification BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 & BSEC/CMRRCD/2009-193/66/PRD/148, dated 16 October 2023 on Corporate Governance Code we have co-opted 03 (Three) Independent Directors and the appointment of another Independent Director is pending before Bangladesh Bank. The

Chairman has been independent of the CEO, and has been in practice from the inception of SBAC Bank PLC.

#### Qualification and competency to be appointed as Director:

- The minimum age of the concerned person should be 30 (thirty) years with at least 10 (Ten) years of management or business or professional experience, whereas no work experience shall be considered or counted until the person attains the age of 18 (Eighteen) years.
- He has not been convicted of a criminal offense or has not been involved in or is not involved in any fraud-forgery, financial crime or other illegal activity. Moreover, there is no adverse observation or comment in the judgment of any court in any civil or criminal case against him.
- He has not been convicted of any violation of rules, regulations, and policies of any Regulator of Financial Sector.
- He was not associated with any company/ establishment whose registration/ license has been canceled or the establishment has been wound up.
- The concerned person is not in default for the loan taken from any bank or financial institution in his own name or in the name of an organization where he has interest.
- He is not employed as a director or advisor/ consultant or in any other gainful position in any other banking company, financial institution, insurance company or any subsidiary company of such companies.
- He is not employed as an external auditor, legal adviser, adviser, consultant or in any other gainful position with the same banking company.
- He was never declared as bankrupt by the court.
- He is not a tax defaulter either personally or for his sole proprietorship or partnership.
- If he was employed at any position in the concerned bank company and 05 (five) years have not passed after the end of employment, the concerned person is not eligible for appointment as director.
- If the concerned person is listed as a willful defaulter by any bank company or by any financial institution established under the Finance Company Act, 2023, he will not be eligible to be a director of any bank until 05 (five) years have elapsed after being released from the said listing.

#### Selection and Appointment of New Directors:

In context to the selection and appointment of new directors, the existing Board of Directors has the following obligations and duties:

- 1) Frequent assessment of the size and structure of the Board and the mix of knowledge, skills, experience and perceptions that may be necessary to aid the Board in performing its functions.
- 2) Recognize any capabilities not sufficiently represented and approve the procedure necessary to be certain that an applicant proposed by the shareholders with those capabilities is nominated.

The Directors are elected by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if any, are filled-up by the Board in accordance with the provision of Companies Act and Articles of Association (AOA) of the Bank.

As per section 15(4) of the Bank Company Act, 1991, and BRPD Circular No. 02 dated 11 February 2024 & BRPD Circular No. 03 dated 14 February 2024, prior approval is taken from Bangladesh Bank at the time of appointment of any director furnishing required documents & declarations.

#### Retirement and Re-election of Directors

As per section 91(2) of Companies Act, 1994, regulation 78-82 of First Schedule of the Companies Act 1994, and Article 101(2) of Articles of Association (AOA) of the Bank, each year one-third of the Directors retire from office and being eligible, may offer themselves for re-election by shareholders at the Annual General Meeting (AGM).

#### Vacation of office of Director:

- a. The office of a director shall be vacated as per provision specified in section 108 (1) of the Companies Act, 1994. Further, if a Director fails to repay the loan within two months of receiving notice through Bangladesh Bank for an advance or loan taken from a bank or financial institution, his or her directorship shall be vacated as per the provisions of Section 17 of the Bank Company Act, 1991. Moreover, if any false declaration/information is provided to Bangladesh Bank at the time of appointment as a Director or if his or her qualification is found deficient, his or her Directorship will be vacated/appointment will be rescinded;
- b. If the office of a Director is vacated as per section 17 of Bank Company Act, 1991, the person will not be eligible to become a Director of the Bank or any other Bank or any Financial Institution for one year from the date of repayment of the total amount due to the Bank/Financial Institution. The dues will be adjusted with the shares held by the concerned Director in that bank company and He can't transfer his or her shares until the repayment of all the liabilities with the Bank or Financial Institution, and If the Director on notice under section 17 of Bank Company Act resigns from his

office while the proceedings of the notice are in progress, such resignation shall not be effective;

- c. If any Director of a Bank Company is listed as a willful defaulter, Bangladesh Bank can declare his directorship as vacant subject to the provisions of Section 27(kha) of the Bank Company (Amendment) Act, 2023;

#### **Removal from the post of Director and appointment of Director for special needs:**

- a. In accordance with the provision of section 15(4) of the Bank Company (Amendment) Act, 2023, prior approval of Bangladesh Bank shall be obtained to remove any director of a Bank Company other than specialized bank from his or her post. For this purpose, the reasons & ground of the removal in detail and the copy of the decision taken by the Board with a list of the directors should be submitted to Bangladesh Bank. Such removal shall be effective from the date of approval by Bangladesh Bank;
- b. As per the provision of Section 46 and 47 of the Bank Company (Amendment) Act, 2023, Bangladesh Bank can remove any director or the chairman of a Bank company, and dissolve the Board for being engaged in activities contrary to the interest of depositors or for misappropriation of funds through related party transaction or money laundering or terrorist-financing or engaging in activities against public interest;
- c. Bangladesh Bank may remove any director of a Bank Company under provisions of section 45 of the Bank Company Act, 1991 mentioning specific reasons for such removal to prevent activities contrary to the interest of depositors or detrimental to the interests of the bank company or in the public interest;
- d. According to section 106 of Companies Act, 1994 with the prior approval of Bangladesh Bank, any of the directors of a Bank Company may be removed from his or her office for the reason specified in its Articles of Association (AOA). For this purpose, the reason and grounds of the dismissal/removal and copy of the decision and list of directors should be submitted to Bangladesh Bank. In this case, the removal will be effective from the date of Bangladesh Bank's approval. A director so removed shall not be re-appointed as a director by the Board of Directors; and
- e. Bangladesh Bank, under the power conferred by section 45 of the Bank Company Act, 1991, can appoint any person as a Director subject to the competence and fitness to be appointed or form a new Board of a Bank Company to protect the interest of that bank or the depositors or for specific/special needs or in the public interest.

#### **Independent Director and his Appointment:**

As per BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 & BSEC/CMRRCD/2009-193/66/PRD/148, dated 16 October 2023, at least 02 (Two) directors or 1/5th of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating the number of independent director. Whereas, as per section 15(9) of the Bank Company (Amendment) Act, 2023, BRPD Circular No. 02 dated 11 February 2024 & BRPD Circular No. 03 dated 14 February 2024, A Bank Company shall have a maximum of 20 (Twenty) directors including at least 03 (Three) independent directors, while the number of individual directors shall be at least 02 (Two) in case the total number of directors is less than 20 (Twenty).

#### **Appointment of Independent Director:**

As per the provisions of sub-section (4) and (5) of section 15 (of the Bank Company Act, 1991, prior approval of Bangladesh Bank shall be obtained for appointment or re-appointment of Independent Director. In order to receive such approval, the letter signed by the Managing Director/ Chief Executive Officer of the Bank shall be submitted to Bangladesh Bank along with the complete resume of the concerned person(s), relevant certificates, and the copy of approval of the Board. Moreover, the proposed Independent Director has to submit to Bangladesh Bank his duly made Declaration as per Appendix-Ka, Appendix-Kha, Appendix-Ga, Appendix-Gha, Enquiry Form 1 & 2, and Undertaking Form of the regulator.

#### **Experience and Eligibility to be appointed**

- The minimum age of the person nominated for the post of Independent Director shall be 45 (Forty-five) years and the maximum age shall be 75 (Seventy-five) years to perform as an Independent Director. The concerned person should have minimum 10 (Ten) years Managerial or Business or Professional experience. He should be a graduate/post-graduate in Economics, Banking, Finance, Business Administration, Law, Accounting or Cost Accounting from a recognized university.
- An experienced teacher of Faculty of Business Studies or Business Administration, Management, Law, and Information Technology of any Public or Private or Autonomous University, any person engaged in Legal Profession, a person with Professional Degree in Accounting and engaged in Accountancy Profession, experienced Banker, as well as an experienced officer of Ministry of Commerce, Financial Institutions Division & Finance Division of Ministry of Finance, Ministry of Industries, and Ministry of Law shall get preference for the appointment of an Independent Director.

- Any person with real interest or apparent interest in any Bank or Bank-related person in past, present and future cannot be an Independent Director of the Bank. Moreover, no member of the family of the person nominated for appointment as an Independent Director in a Bank Company shall hold any share of the concerned bank and shall be engaged in any profitable position of that Bank Company.
- Any person nominated for appointment as an Independent Director shall not be appointed as a Director of any other Bank Company, Financial institution established under the Finance Company Act, 2023, Insurance Company or on behalf any subsidiary company of such companies. Moreover, the person cannot act as a Director on behalf of any company or organization that has control, joint-control or significant influence over the concerned Bank Company, financial institution or insurance company.
- The person was not associated with the ownership of any company/ establishment whose registration/ license has been canceled or the establishment has been wound up.
- The person nominated as Independent Director has not been convicted of any criminal offense, violation of rules, regulations, and policies of any Regulator of Financial Sector, or he is not or was not involved in fraud-forgery, financial crime or any other illegal activities. The person has not been involved in any illegal activities in banking or in the performance of his professional duties. Moreover, there is no adverse observation or comment in the judgment of any court in any civil or criminal case against him.
- The person has not stopped payment of his dues to any creditor nor has he been exempted from repayment by way of negotiation with or concession from the creditor nor is he a defaulter of loan.
- The person nominated as Independent Director, if listed as a willful defaulter by any bank or by any financial institution established under the Finance Company Act, 2023, shall not be eligible to become a director of any bank until 05 (five) years have elapsed after being released from the said list.
- The person nominated as Independent Director has never been declared as bankrupt by the court. Moreover, shall not be a tax defaulter

#### **Responsibilities, Duties and Accountabilities of Independent Director**

- He shall ensure proper compliance of the Bank Company Act, and other relevant laws & regulations regarding the management of the Bank.
- He shall duly report to Bangladesh Bank regarding any contravention of the Bank Company Act or any other law/regulation by the Board of Directors.
- He shall participate in the Board meeting and give his deliberate opinion on all agenda raised in the meeting. Any memorandum raised by an

Independent Director shall be considered with due importance by the Board of Directors.

- If he is included in any committee of the Board of Directors as per BRPD Circular No. 02 dated 11th February 2024, he will faithfully carry out the duties & responsibilities with devotion, and comply with the instructions of the circular as a member of the respective committee.
- If the opinion of the Independent Director is not given due importance in the Board or in its committees or if any kind of inconsistency is observed in the management of the bank, he shall inform in writing to the Department of Off-site Supervision, and Banking Regulation & Policy Department of Bangladesh Bank.
- If any complaint is proved against the Independent Director or any adverse observation against him due to his negligence of duty is found in any inspection conducted by Bangladesh Bank, action will be taken against him as per the Bank Company Act.
- The Chairman of Audit Committee of the Bank should be elected from the Independent Directors. The tenure of the Chairman of Audit Committee shall be 03 (three) years i.e. One term, and no independent director shall serve as Chairman of the Committee for two consecutive terms.
- He shall always try to safeguard the interests of the depositors and general shareholders (other than directors).

#### **Tenure and Removal of Independent Director**

- Generally the Independent Director shall be appointed for one term of 03 (three) years, and at the end of the term he may be nominated for the re-appointment for another term subject to the provisions of Section 15 of the Bank Company Act.
- The Board of Directors may request the Bangladesh Bank to remove an Independent Director mentioning specific reasons.
- An Independent Director himself can resign from the Post of Independent Director by giving 07 (seven) days notice.
- Bangladesh Bank may remove any Independent Director mentioning specific reasons.

#### **Alternate Director and his Appointment**

Subject to compliance of section 101 of Companies Act, 1994, section 15(ka)(ka)(ka) of the Bank Company (Amendment) Act, 2023, and subsequent BRPD Circular No. 02 dated 11 February 2024, an alternate director may be appointed in the Board of a Bank Company to act on behalf of the original director due to his or her staying abroad for a period of at least 3 (three) months continuously. However, in this case, the Board of Directors of a Bank can appoint 01 (One) Alternate Director for a period of 03 (Three) consecutive months for once a year. In this context, the following instructions are followed:

- a. Documents/information to be submitted by the Bank to Bangladesh Bank in the prescribed forms within 07 (Seven) days of taking the decision of appoint of alternate director.
- b. The concerned Bank shall notify Bangladesh Bank immediately within 10 (Ten) working days of returning home of the original Director mentioning the date of return.
- c. The Bank Company must ensure collection and preservation of documentary evidences regarding the traveling abroad & return home of the original director.
- d. Any loan defaulter or any person if declared ineligible to be a Director of a Bank Company as per the Bank Company Act or the Companies Act or any other law or rules or order shall not be appointed as an alternate director.
- e. An Alternate Director cannot be appointed in any committee constituted with the Board of Directors of the bank as He is appointed for a temporary period.
- f. If a person takes any loan facility from any bank company, He will not be eligible to be appointed as an Alternate Director of that Bank.
- g. During the tenure of holding office of alternate director, no loan facility shall be provided in the name of the alternate director or in favor of the organization related to his or her interest and in case of previous loan facility, the extension of time or limit of the loan, the waiver of any interest or the exemption of interest charging therein cannot be allowed. Moreover, all the rules & regulations or prohibitions applicable to the Original Director imposed by the laws, rules or directives regarding loan facility shall also applicable to him during his or her tenure as alternate director.

#### Information regarding Directors

As per BRPD Circular No. 02 dated 11 February 2024 we ensure the compliance on following issues:

- a. Each Bank Company should properly maintain up-to-date list of its directors;
- b. A copy of the list of Directors shall be sent to Banking Regulation & Policy Department (Division-II) of Bangladesh Bank, and all Banks as well as Financial Institutions immediately after the appointment or release/removal of the director or at the end of his or her term;
- c. A list of Directors along with their photos should be displayed on the respective bank's website and shall be updated regularly;
- d. After the nomination/appointment or release/removal of the chairman of a Bank Company or at the end of his or her tenure, the updated information should be sent to the Banking Regulation & Policy Department (Division-II) of Bangladesh Bank; and

- e. The updated information of the directors of a Bank Company must be submitted to the Bangladesh Bank's EDW Portal through Rational Input Template (RIT) within 10 (Ten) days after the end of each quarter. Moreover, in case of appointment of any Director or any change in the Board of Directors, the respective Bank Company should submit the said information to Bangladesh Bank's EDW Portal through RIT.

#### Roles and Responsibilities of the Board

To ensure good governance in the bank management it is essential that the Board of Directors, and Management Authorities have specific demarcation of responsibilities and authorities over the affairs of the bank. So, the Section 15 (kha) & (ga) of Bank Company Act make the Board of Directors responsible for formulating and ensuring implementation of policies for the bank company, risk management, internal audit & control and ensuring their compliance.

The Board of SBAC Bank PLC. is responsible for the periodic review and approval of the overall strategies, business and significant policies of the Bank. It also sets the Bank's core values, adopts proper standards to ensure that the Bank operates with integrity and complies with the relevant rules and regulations.

#### Responsibilities and Authorities of the Board of Directors

##### a) Action Planning and Strategic Management

The Board of Directors shall determine the objectives and goals of the Bank and formulate strategies and action plans to achieve the goals on an annual basis. It shall specifically engage itself in the affairs of making strategies consistent with the determined goals and objectives and in the issues relating to structural change and reformation for improvement of institutional efficiency and other relevant policy matters. The Board will monitor the progress of implementation of the Action Plan on a quarterly basis. It shall include in the Annual Report an analytical review regarding the success/failure in achieving the business and other targets set out in the Annual Action Plan and shall apprise the shareholders of its opinions/recommendations on the future course of actions and strategies to be followed. It shall determine the Key Performance Indicators (KPIs) for the Chief Executive Officer (CEO) & officers immediate two tiers below the CEO, and shall evaluate the same from time to time.

##### b) Credit and Risk management

The policies, strategies, procedures etc. with respect to loan/investment proposal evaluation, loan/investment sanction and disbursement as well as recovery, loan rescheduling and write-off shall be formulated with the approval of the Board of Directors under the existing laws, rules and regulations. The

Board shall specifically allocate the power of sanctioning loans/investments; and such allocation should desirably be made among the CEO and his subordinate executives as much as possible. No director shall directly or indirectly influence or interfere with the bank officers/employees in approving loan proposals.

The Board of Directors shall formulate policies regarding risk management. It shall monitor on quarterly basis whether the said policy is being properly followed, review the concerned report of the Risk Management Committee and duly record the same in the minutes of the Board meeting. It will oversee whether the guidelines of Bangladesh Bank on key risk management are being properly followed or not.

#### **c) Internal control management**

The Board of Directors shall continuously supervise/monitor the internal control system of the bank to achieve/maintain satisfactory qualitative standard of its credit/investment portfolio. The Board of Directors shall ensure the establishment of such internal control system in the banking company so that the internal audit function is conducted independently of the management. It shall review on a quarterly basis the report submitted by the Audit Committee regarding the implementation of the recommendations of the inspection report of Internal Audit, External Auditor, and Bangladesh Bank.

#### **d) Human resources management and development**

Policies related to recruitment, promotion, transfer, administrative disciplinary and punitive measures, human resource development including motivation etc. and service rules shall be framed and approved by the Board of Directors. The Board chairman or the directors must not interfere in any way in all administrative affairs including recruitment, promotion, transfer, and disciplinary measures as executed under the approved service rules. No member of the Board of Directors shall be included in the recruitment and promotion committees for recruitment or promotion at different levels. Provided that the appointment, promotion, transfer and disciplinary action of immediate two tiers below the CEO shall be conferred on the Board. However, the service rules of the bank and the relevant policies approved by the board must be properly complied in the case of such recruitment, promotion and administrative disciplinary measures.

The Board of Directors shall lay special emphasis on training for skill development of the officers/employees of the Bank, and adoption of modern electronic & information technology, and appropriate management information system (MIS) and the same shall be included in the annual action plan.

The Board of Directors shall formulate Code of Conduct and Code of Ethics for all levels of officers and employees, which shall be followed properly by all. It will establish high ethical standards to build a culture of compliance in the Bank. In order to

encourage the officials/employees to follow the principles of integrity, the reward policy announced by Bangladesh Bank in this regard should be properly implemented.

#### **e) Financial management**

The annual budget and statutory financial statements of the Bank shall be prepared with the approval of the Board of Directors. The Board shall review/inspect on quarterly basis the Bank's income, expenditure, liquidity resources, overdue/non-performing loans, capital base & adequacy, maintenance of loan loss provision, and measures taken including legal proceedings for recovery of defaulted loans.

In order to conduct purchase and procurement activities properly following the prevailing laws and regulations, the related policies will be approved by the Board of Directors and the Board shall accordingly delegate the power of execution of such expenditures. The maximum possible execution power of various expenditures shall be vested to the Chief Executive Officer (CEO) and his subordinates subject to budget availability. However, decisions regarding purchase of land, buildings or structures for business purposes, construction and purchase of vehicles must be approved by the Board.

The Board of Directors shall review from time to time whether the Asset-Liability Committee (ALCO) has been formed and whether the committee is performing properly as per the guidelines of Bangladesh Bank.

#### **f) Appointment of Managing Director/Chief Executive Officer (CEO)**

One of the major responsibilities of the Board of Directors is to appoint an honest, efficient, experienced and competent Chief Executive Officer (CEO) or Managing Director in Bank Management in order to strengthen the financial base of the bank and attain the trust of the depositors. The Board of Directors shall appoint a suitable Managing Director/Chief Executive Officer (CEO) with the prior approval of Bangladesh Bank following the relevant policies issued by Bangladesh Bank from time to time regarding the appointment of Managing Director/Chief Executive Officer of the Bank.

#### **g) Further responsibilities and duties of the Board**

The Board of Directors should ensure proper following and compliance of any other responsibilities and duties imposed on the Board by Bangladesh Bank. Moreover, in SBAC Bank our Board of Directors undertakes following further responsibilities besides complying with the Articles of Association (AOA) of the Bank, circulars/guidelines of Bangladesh Bank, notifications of Bangladesh Securities & Exchange Commission (BSEC), provisions of the Bank Company Act and Companies Act regarding the responsibility and accountability of the Board, its Chairman and Managing Director:

- Analyzing and approving the strategies and business plans for the Bank.
- Approval of the Bank's annual budget and carrying out periodic review of the achievements by the various operating divisions against their respective business targets.
- Setting the minimum standards and establishing policies on the management of credit risks and other key areas of the Bank's operations.
- Ensuring that the operating infrastructure, system of control, system for risk identification and management, financial and operational controls are in place and properly implemented.
- Reviewing the adequacy and efficacy of the Bank's internal control systems.
- Overseeing the Bank's businesses vis-à-vis business plans.
- Succession planning including ensuring that all candidates appointed to senior management positions are capable and experienced and programs are in place to provide for the orderly succession of senior management.
- Reviewing succession planning and talent management plans for the Bank and approving the appointment and compensation of senior management staff.
- Approving changes in the corporate organization structure.
- Approving policies relating to corporate branding, public relations, investor relations and shareholder communication programs, and
- Reviewing the Bank's strategies on promotion of sustainability focusing on environmental, social and governance aspects.

### Meeting of Board

The Board of Directors meets as required to discuss business strategies, financial performance, matters pertaining to compliance and good governance as well as reports on matters deliberated by the respective committees. The Board reviews, amongst others, the financial performance of the Bank, risk management and compliance reports and approve the quarterly results of the Bank at its meeting. The meetings of the Board are scheduled in advance for the Directors to plan their schedules. In addition, Special Board meetings may be held when necessary, for decision on major transactions and ad-hoc matters that require the Board's urgent attention and decisions. In this connection, BRPD Circular No. 02 dated 11 February 2024 is strictly complied with as under-One of the members of the Board of Directors shall be elected as Chairman for a term of 02 (two) years. He shall be eligible for re-election to the post of

Chairman subject to the tenure of his or her directorship;

- The meeting of the Board of Directors of the Bank may normally be held once in a month or more than once if required.
- The quorum for a meeting of the Board of Directors should be determined according to the Articles of Association (AOA) or Memorandum of Association (MOA) of the bank company.
- The memorandum of any meeting should be distributed to the Board of Directors at least 02 (Two) days before the meeting for effective participation and contribution by the participants.
- No issue outside the agenda shall be considered in the meeting. Besides, under no circumstances an outsider can attend in the Board Meeting.
- Apart from the Directors, only the Managing Director and the Company Secretary of the Bank shall present in the meeting of the Board of Directors. In case of special need, any officer of the bank can present in a meeting being invited by the Board or any of its committees only when a matter related to him/her is being presented (not for the full time).
- If a note of dissent is conveyed on any matter, it should be recorded in the minutes.
- The meetings of the Board of Directors and its committees shall be held at the head office/the city where head office of the Bank is located. However, if there is a need to hold a meeting at any convenient place outside the city of head office or outside of Dhaka, an application must be made to Bangladesh Bank for taking prior approval before 07 (Seven) working days of the meeting regarding the number/list of persons likely to attend the meeting and the estimated cost. Any unnecessary expenses for holding such meeting should be avoided.

### Code of Conduct for the Board of Directors

The Board of Directors follows a Code of Conduct which adopted to provide guidance to directors to carry out their duties and responsibilities due-diligently and within the scope of their authority, as set forth in the laws of the country as well as in the Memorandum of Association (MOA) and Articles of Association (AOA) of the Bank.

The Code of Conduct states-

- The Members of Board of Directors shall act honestly in good faith and in the best interests of the shareholders and the company.
- The members shall not make improper use of information acquired as a director.
- The members shall not take improper advantage of the position as a director.

- iv. The members will be obligated to be independent in judgment and actions and take all reasonable steps to be satisfied as to the soundness of decision taken by the Board of Directors.
- v. Confidential information acquired by the members in the course of exercise of directorial duties shall be treated as the property of the company and it will be improper to disclose or allow it to be disclosed, unless that disclosure has been authorized by the company, or the person from whom the information has been received.
- vi. Members shall make every effort to attend all Board and Committee Meetings during their tenure. They will not absent themselves without good reasons or without confirming leave of absence.
- vii. To maximize effectiveness of the Board/Committee Meetings, contribution of individual director shall be monitored and appraised on an annual basis.
- viii. Board members having interest of any nature in the agenda of the meeting shall declare beforehand the nature of their interest and withdraw themselves from the room unless they have a dispensation to speak.
- ix. Training opportunities/orientation/workshops will be arranged for the members (especially for the newly inducted members) to make them acquainted with the international best practices, their fiduciary obligations, Code of Conduct etc.
- x. Members shall always maintain 'Fit and Proper Test Criteria', clean CIB status and other obligations declared by the Primary and other Regulators.
- xi. Members shall be judicious about their entitlement of benefits/privileges as per the Bank Company Act and all circulars/guidelines issued by Bangladesh Bank and shall be willing to produce supporting documents, if required.
- xii. Every Director will assure annually signing a confirmation that they have gone through, have complied with and will continue to comply with the set of codes approved by the Board of Directors.

#### **Rights and Responsibilities of the Chairman and other Directors**

The chairman and other Directors have following Rights and Responsibilities:

- One of the members of the Board of Directors shall be elected as Chairman for a term of 02 (two) years. He shall be eligible for re-election to the post of Chairman subject to the tenure of his or her directorship;
- The chairman of the Board of Directors or the chairman of any committee formed by the Board or any Director does not have individual authority to exercise any policy-making or executive power and therefore he/she cannot participate in or

interfere into the administrative or managerial and routine affairs of the bank;

- The chairman of the Board of Directors or the Chairman of any other committee formed by the Board of Directors can inspect any branch or financing activities of the Bank under the inspection responsibility of the Board;
- The chairman may call for any information relating to the management of the Bank or direct an inquiry into any matter and can present the obtained information or investigation report in the Board Meeting/Executive Committee Meeting and take necessary measures through the Chief Executive Officer (CEO) as per the decision of the Board, if necessary. However, if any complaint is raised about the CEO, it must be informed to Bangladesh Bank through the Board along with the statement of the CEO; and
- The Chairman of the Board of Directors may be provided with an office room, a personal secretary/assistant, a peon/MLSS, a telephone in the office, a mobile phone for using inside the country and a vehicle for the business interests of the Bank by decision of the Board. The vehicle of the chairman shall be provided following the policy issued by Bangladesh Bank from time to time.

Besides this, the Chairman shall assume any other responsibility if the Board assigns within the purview of the Rules, Regulations, Acts of regulatory authorities such as BB, BSEC etc. and Articles of the Bank.

#### **Duality of Chairman and Managing Director**

- The positions of the Chairman and the Managing Director (MD) of the company shall be filled by different individuals.
- The Managing Director (MD) of a listed company shall not hold the same position in another listed company.
- The Chairman of the Board shall be elected from among the non-executive directors of the company.
- The Board shall clearly define respective roles and responsibilities of the Chairman and the Managing Director and/or Chief Executive Officer.
- In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.

#### **Role of the Chairman and Managing Director (MD) as independent**

As the Chairman of the Board of Directors is not the Managing Director of the Company, so the role of Chairman and the Managing Director are independent and detached from each other.

### Responsibilities, Duties and Authorities of the Managing Director (MD) or Chief Executive Officer (CEO)

The Managing Director (MD) or Chief Executive Officer (CEO) of Bank Company shall perform the duties and responsibilities and exercise the Authorities as follows:

**(a) Performing Trust and Fiduciary Duty:** The Managing Director (MD) or Chief Executive Officer (CEO) must have proper knowledge and understanding of the following trust & fiduciary duty to protect the best interests of the depositors, and the banking company, namely-

- xiii. Duty of Care: He shall follow all the Acts, rules and regulations related to banking business. Furthermore, He shall act prudently, avoiding all forms of ignoring or negligence, so as not to cause any financial or other loss to the bank and depositors because of him;
- xiv. Duty of Loyalty: He shall perform his or her duties in good faith, being loyal to the Bank Company and avoiding conflict of interest so that the interests of the Bank and depositors are protected instead of his or her own or any other person's interest;
- xv. He shall exercise the Authorities conferred on him for the purposes for which he is authorized.

### (b) Financial, Business and Administrative Responsibilities, Duties and Authorities

- (i) The MD or CEO shall perform his or her duties and responsibilities in accordance with the financial, business and administrative powers assigned on him by the Board of Directors of the Bank.
- (ii) He shall be responsible for the implementation of business plan of the Bank and shall be accountable for achieving of business objectives through sound administrative and financial management.
- (iii) If any misinterpretation is made or incompatible instructions is given by the honorable Board members regarding the Bank Company Act and other related laws, regulations, and circulars & directives of Bangladesh Bank during the discussion of any matter raised by the Bank Management while presenting a memorandum in Board meeting or committee meeting, the MD or CEO shall inform the Board in writing of the specific Explanation of the relevant laws/regulations/circulars/directives.
- (iv) In case of violation of the Bank Company Act or any other law, rule, directive, custom & practice by the members or any member of the Board in the Board meeting or Committee meeting, the MD or CEO shall inform Bangladesh Bank such contravention in writing or orally, as the case may be.

- (v) The responsibility & authority of appointment & promotion of all other officers & employees except those of immediate two tiers below the MD or CEO shall be vested in the MD or CEO. He shall perform these responsibilities in all related cases as per the service-rule based on the Board approved policies. He cannot perform any action or take any decision on the basis of emotion or nepotism while performing his duties.
- (vi) The Authority of appointment, transfer, promotion of and disciplinary action against all other officers & employees except those of immediate two tiers below the MD or CEO shall be vested in the MD or CEO, which shall be exercised by him as per the service-rule approved by the Board of Directors of the Bank. Further, He may nominate any officer for training, seminar, workshop etc. under the HR policy approved by the Board. If there is any restriction imposed regarding the nomination of any of the officers or employees by the government for training outside Bangladesh or for any other reason, He is bound to comply with the said restriction.

Besides, the Managing Director (MD) or Chief Executive Officer (CEO) shall assume any other responsibility if the Board assigns within the purview of the Rules, Regulations, Acts and Articles of the Bank.

### Appointment of Chief Financial Officer (CFO), Head of Internal Audit And Company Secretary (CS)

As per BSEC notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June on Corporate Governance, the Bank appoints a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors clearly defines respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.

### Roles of the Company Secretary

Company Secretary is responsible for advising the Board on issues relating to corporate compliance with the relevant laws, rules, procedures and regulations affecting the Board and the Bank, as well as for ensuring best practices of governance. He is also responsible for advising the Directors of their obligations and duties to disclose their interest in securities, disclosure of any conflict of interest in a transaction involving the Bank, prohibition on dealing in securities and restrictions on disclosure of price-sensitive information.

### The responsibilities of the Company Secretary include

- (i) To act as the signatory of extracts of minutes of all meetings of the board of directors & its committees, management committee meetings

and all other meetings where he performs the responsibility as secretary.

- (ii) To act as a point of communication among the Management, Board of Directors, Company Shareholders.
- (iii) To ensure the Bank complies with its governing document, policies, company law and any other relevant legislation i.e. regulations of Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Registrar of Joint Stock Companies and Firms, Bourses etc. He will support and advise the Chair by ensuring smooth functioning of the Board. He will work in partnership with the Managing Director (MD) or Chief Executive Officer (CEO) and other Trustees to ensure proper discharge of activities & operations of the Bank.
- (iv) To support the Chairman in the smooth functioning of the Board. Receive agenda items from management and ensure consented agenda items are tabled at Board meetings. This is done in consultation with the MD or CEO and the Chair who are responsible for preparing Board meeting agenda.
- (v) In line with Bangladesh Bank's guidelines, the company secretary has to act as the Secretary to the sub-committees of the Board of Directors. In this area of risk mitigation, the Company Secretary has a pivotal role to play in support of the members of the Sub-committees, Board Audit Cell, Audit & Inspection Division, Risk Management Division and Internal Control & Compliance Division.
- (vi) Act as a custodian of Bank's governing documents and policies. Ensure the Bank pursues its objects as defined in its governing document. He should act as a custodian of the interests of the Bank. So, it is his prime duty to protect and safeguard such interests of the Bank at all levels: statutory, administrative, and arbitrational and in other policy matters. He should also ensure that Board meeting minutes are signed by the Chair once they have been confirmed and copies filed and kept at the Bank.
- (vii) Ensure the appointment of Board Members, that those appointed are not disqualified in law and are eligible to be members under the provisions of the governing documents and policies, and that the appointment procedure laid down in the governing document and policies are followed.
- (viii) Make sure that the Directors have information to enable them to comply with the decisions and fulfill their responsibilities. This includes organizing the induction of new Directors also.
- (ix) Ensure that Board meetings are held properly in compliance with Bank's governing documents and all arrangements for the meetings are made.
- (x) Confirms that Annual General Meetings (AGMs)

and Extraordinary General Meetings (EGMs) are conducted effectively and in accordance with the provisions of laws and Bank's governing document. This includes checking that a quorum is present, adequate notice is served, notice period is maintained etc. Also make sure that agenda and minutes of AGMs and EGMs are circulated among the members and submitted to the regulators in a timely manner.

- (xi) File the annual list of members and summary of share capital together with the authenticated Balance Sheet and the Profit and Loss account. Issue Dividend Warrants, bonus share certificates and make arrangement for disposal of fractional shares, if any.
- (xii) Maintain strict confidentiality of information, manage situations like conflict of interest, identify problems and implement or recommend solutions.
- (xiii) Maintain and liaise with various associated/regulatory bodies viz. BAB, ABB, Chambers/other bodies, BSEC, BB, RJSC and other regulators.

#### **Roles and Responsibilities of Chief Financial Officer (CFO)**

The Chief Financial Officer (CFO) is responsible for:

- i. Financial strategy, Financial Condition and Position of the Bank.
- ii. He will be responsible for successful implementation of financial system as per International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) as applicable, Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), Bangladesh Bank guidelines, the Companies Act, the Bank company Act, and Bangladesh Securities and Exchange Commission (BSEC) Regulations etc.
- iii. The CFO will work in close touch with the Managing Director & CEO and report to him.
- iv. The CFO will get full executive power and hold charge of Financial Administration Division.
- v. He is accountable for the financial, budgeting and Risk Management Operations including the development of financial and operational strategies and monitoring of control systems designed to preserve bank's assets and report accurate financial positions.

#### **Roles and responsibilities of the Head of Internal Control and Compliance Division**

- (i) Assess whether the controls are properly designed, implemented and working effectively, and make recommendations on how to improve internal control.

- (ii) Ensure the quality and adequacy of the organization's internal controls system and risk management process, and their effectiveness and outcomes.
- (iii) Overseeing whether the bank is complying with regulatory norms as well as internal policies, processes, procedures, strategies and directives in order to achieve the corporate objectives of the bank.
- (iv) Design and develop annual audit plan, getting it approved by the bank's competent authority and arrange regular as well as special audit/inspection of Branches and Divisions of the bank as per plan.
- (v) Develop job routine, constantly explore and assess the high-risk areas, conduct special audit and recommend strategies to mitigate risks.
- (vi) Communicate the irregularities identified to the Board and senior management regularly and propose and take corrective actions for control effectiveness.
- (vii) Maintain strong ties with central bank officials as an intermediary for the bank to resolve issues safeguarding bank's interest.
- (viii) Prepare, maintain and archive all documents relating to financial health and risk profiling of bank.
- (ix) Prepare capital-based risk audit framework that allowed streamlining the financial health assessment process.
- (x) Prepare the occasional and periodic risk reports that communicate the severity of the risk as well as mitigation tools.
- (xi) Lead the team with full satisfaction optimizing the utilization of resources.
- (xii) Establish and maintain guidelines for a system of internal control.

#### Formation of committees from the Board of Directors

As per BRPD Circular No. 02 dated 11 February 2024, and BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, the bank has an Executive Committee, an Audit Committee, a Risk Management Committee, and a Nomination and Remuneration Committee (NRC) and the Board hasn't formed any other permanent, temporary or sub-committee except the above-mentioned committees.

#### Executive committee

An Executive Committee of the Board shall be constituted for the purpose of continuing the urgent and day-to-day or routine activities between the meetings of the Board of Directors. The Executive Committee shall perform its duties according to the terms of reference determined by the Board of Directors.

#### Organizational structure:

- Members of the committee will be nominated by the Board of Directors from themselves.
- The Executive Committee (EC) will comprise of maximum 07 (seven) members.
- One of the members of the committee will be elected as the chairman for a period of 03 (Three) years.
- Members of the committee shall be appointed for every 03 (Three)-year as one term.
- Chairman of the Board of Directors can be the Chairman of Executive Committee.
- The executive committee shall not be included with more than one member of a particular family.
- Company secretary of the bank will be the secretary of the executive committee.

#### Qualifications of the Members:

- Integrity, dedication, and opportunity of the concerned director to devote sufficient time in the functions of the committee shall be considered while appointing a director to the committee.
- Directors who can contribute effectively and efficiently to the functions of the committee should be appointed as members of the committee.
- The committee members should have a sound understanding of the Bank Company Act, and different laws & regulations related to banking activities, banking business, bank management, various risk issues, and responsibilities & duties as a committee member.

#### Roles and Responsibilities of the Executive Committee:

- The Executive Committee shall perform duties and take decisions in all other matters as directed by the Board, except those areas which are specifically vested in the full Board as per the Bank Company Act or any other related laws and regulations.
- The Committee can take all necessary decisions or give approval within the authority delegated by the Board of Directors.
- All the decisions taken by the committee has to be ratified at the next Board Meeting.

### Meeting of the Executive committee (EC)

- The Committee can arrange its meeting at any time if required.
- The EC may invite Chief Executive Officer (CEO), Chief Risk Officer (CRO) or any other officer of the Bank to participate in the Committee meeting if required.
- The memorandum of any meeting should be distributed to the Committee Members at least 02 (Two) days before the meeting for effective participation and contribution by the participants.
- All the recommendations/observations of the Committee shall be recorded in the form of minutes.
- If a note of dissent is conveyed on any matter, it should be recorded in the minutes.

### Audit Committee

An audit committee will be formed for smooth carrying out of overall supervision duties of the Board of Directors as well as playing an effective role in the implementation of strategies and action plans formulated by the Board for the proper execution of functions of the bank company. The committee shall review the financial reporting process, internal control system, audit procedures, monitoring process and principles of conducting business to ensure that the activities of the organization are being conducted in accordance with the existing laws and regulations imposed by the regulatory authorities.

The Audit Committee of the Board is formed as per BRPD Circular No. 02 dated 11 February 2024, and BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018. The current Committee consists of 05 (five) members. The Committee has its own Terms of Reference (ToR) and is empowered to investigate/question any of the employees and retain external counsel as required. It is worth mentioning that, the Board will approve the objectives, strategies and overall business plans of the bank and the audit committee will assist the Board in fulfilling its oversight responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct. Moreover, the head of internal audit always has direct access to the audit committee and can express his issues in front of the committee.

### Organizational structure

- Members of the committee will be nominated by the Board of Directors from themselves.
- The Audit Committee shall consist of a maximum of 05 (five) members, including at least 02 (two) independent directors.

- The Chairman of the Audit Committee shall be elected amongst the independent directors.
- The tenure of the Chairman of Audit Committee shall be 03 (three) years i.e. One term, and no independent director shall serve as Chairman of the Committee for two consecutive terms.
- No member of the Executive Committee shall be included as a member of the Audit Committee.
- Members of the Committee can be appointed for every 03 (three) years.
- The company secretary of the bank will perform the duties of the secretary of the audit committee.

### Qualifications of the Member

- Integrity, dedication, and opportunity of the concerned director to devote sufficient time in the functions of the committee shall be considered while appointing a director to the committee.
- Directors who can contribute effectively and efficiently to the functions of the committee should be appointed as members of the committee.
- The committee members should have a sound understanding of the Bank Company Act, and different laws and regulations related to banking activities, auditing, banking business, bank management, various risk issues, and responsibilities & duties as a committee member.
- Preference should be given to the person with practical experience in banking activities, especially people with educational qualifications in accounting, cost accounting, finance, banking, management, and economics.

### Roles, Responsibilities and Terms of Reference (ToR) of the Audit Committee

#### Internal Control

- The committee will evaluate whether the management authority has been able to establish an appropriate compliance culture regarding the internal control system of the bank, and whether the officers/employees of the bank have been given clear directions about their responsibilities and duties and whether full supervision and control is maintained over their activities.
- The audit committee will review all the measures taken by the management authority and provide necessary instructions in developing an appropriate Management Information System (MIS) regarding the banking activities including building & using of the ICT platform of the bank.
- The Audit Committee shall review whether the management authority is properly following & implementing the recommendations made by the internal and external auditors of the Bank regarding the internal control strategy/structure

from time to time and shall give necessary directions in this regard.

- The Audit Committee shall regularly inform the Board about corrective measures taken in respect of any irregularities, fraud, internal control weaknesses or similar areas identified by the internal, external auditors and inspection team of the regulatory authority. Further, if any inconsistency is found by the audit committee in its review, the committee will give directions to the management authority in taking corrective measures and the same will be duly informed to the board.

#### Disclosure of Financial Statements

- The audit committee shall verify whether complete and proper information has been disclosed in the annual financial statements and whether the standards prescribed for the preparation of the financial statements have been complied with in accordance with the rules/conventions/provisions and accounting standards prevailing in the country as well as the accounting standards prescribed by Bangladesh Bank for this purpose.
- Before finalizing the financial statements, the Audit Committee will engage in a discussion on it with the inspection team of Bangladesh Bank, external auditors and management authority.

#### Internal Audit

- The Audit Committee will monitor whether the internal audit is functioning independently from the management or not and it shall ensure the independence of internal audit function from the management.
- The Audit Committee shall review the internal audit function and organizational structure. The committee shall also ensure that there is no unjustified impediment or restriction to obstruct the audit process.
- The Audit Committee shall examine the efficiency and effectiveness of internal audit and recommend necessary action accordingly.
- The Audit Committee shall give necessary instructions on the management of bank operations examining whether the management authority is properly considering the observations/recommendations made by the internal auditors regarding the management of banking activities & elimination of irregularities discovered.

#### External Audit

- The audit committee will review the auditing activities and audit reports done by the external auditors of the bank.
- The audit committee shall examine whether the management authority have properly considered

the observations/recommendations made by the external auditors regarding the management of the banking operations, and the fraud-forgery as well as regularization of the irregularities discovered by the them.

- The Committee shall make recommendations to the Board regarding the appointment of external auditors from the external auditors enlisted by Bangladesh Bank from time to time for conducting the auditing activities of the Bank.

#### Compliance with existing laws and regulations

The audit committee will review whether the banking laws and regulations, policies and guidelines made by the regulatory authorities (central bank and other bodies) and the internal policies approved by the board of the bank are being properly complied or not.

#### Other Responsibilities

- The Committee shall submit the compliance report to the Board of Directors on a quarterly basis regarding the regularization of irregularities, fraud-forgeries discovered by the internal auditor, the external auditor and the inspection team of Bangladesh Bank and instructions mentioned in any other observation.
- The internal and external auditors shall submit their assessment report on the relevant matters when sought by the Committee.
- Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis

#### Reporting of the Audit Committee

The Audit Committee of the Bank has the following reporting requirements:

##### (a) Reporting to the Board of Directors

- The Audit Committee shall report on its activities to the Board of Directors.
- It shall immediately report to the Board of Directors on the following findings, if any: -
  - Report on conflicts of interests.
  - Suspected or presumed fraud or irregularity or material defect in the internal control system.
  - Suspected infringement of laws, including securities related laws, rules and regulations.
  - Any other matter which shall be disclosed to the Board of Directors immediately.

#### Reporting to the Authorities

The Board of Directors will evaluate the findings and recommendation of the Audit Committee. If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the

management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such findings to the regulatory authorities, upon reporting of such matters to the Board of Directors for three times or completion of a period of 06 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.

### (c) Reporting to the Shareholders and General Investors

Report on activities carried out by the Audit Committee, including any report made to the Board of Directors shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the Bank.

### Meeting of the Audit Committee (AC)

- The Committee shall hold at least 4 (four) meetings in a year and any more meeting whenever required.
- The AC may invite the Chief Executive Officer (CEO), the officer responsible for Internal Audit or any other officer of the Bank to participate in the Committee meeting if required.
- The memorandum of any meeting should be distributed to the Committee Members at least 02 (Two) days before the meeting for effective participation and contribution by the participants.
- All the recommendations/observations of the Committee shall be recorded in the form of minutes.

### Risk Management Committee

A risk management committee will be formed to play an effective role in mitigating the existing & possible risks in the implementation of the strategy and action plan formulated by the Board of Directors of the bank company and to smoothly/properly carry out the duties and responsibilities of the Board in this regard. The committee will monitor whether the risk mitigation measures/approaches are being appropriately implemented or not by the management authority and required capital and provisions are being maintained or not against the risks and will provide necessary instructions to mitigate the risks after identifying and assessing credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, information and communication technology risk, operational risk, interest rate risk, liquidity risk and other risks.

### Organizational Structure

- Members of the committee will be nominated by the Board of Directors from themselves.
- The Risk Management Committee shall consist of a maximum of 05 (five) members.
- One of the members will be elected as the chairman of the committee for 03 years.

- Members of the Committee can be appointed for every 03 (three) years.
- The company secretary of the bank will perform the duties of the secretary of the audit committee.

### Qualifications of the Member:

- Integrity, dedication, and opportunity of the concerned director to devote sufficient time in the functions of the committee shall be considered while appointing a director to the committee.
- Directors who can contribute effectively and efficiently to the functions of the committee should be appointed as members of the committee.
- The committee members should have a sound understanding of the Bank Company Act, and different laws and regulations related to banking activities, banking business, bank management, various risk issues, and responsibilities & duties as a committee member.

### Roles, Responsibilities and Terms of Reference (ToR) of the Risk Management Committee

#### Risk Assessment and Control Strategy

It is the responsibility of the Risk Management Committee to formulate appropriate strategies and ensure its implementation for the assessment & control of risks in various operations of the Bank. The risk management committee will monitor the risk management policies and procedures of the bank and make amendment if necessary. It will review the existing risk management process to ensure effective control system and provide direction to the management authority to take necessary measures.

#### Construction of organizational structure

It is the responsibility of the Risk Management Committee to ensure appropriate organizational structure for controlling the risks of the bank. The committee will supervise whether the instructions given in the policies & guidelines on credit risk, foreign exchange risk, internal control & compliance risk, money laundering risk, information & communication technology risk as well as other risks are being complied or not and provide necessary guidance to management authorities where required.

#### Review and Approval of Risk Management Policy

The Committee shall review the Risk Management Policy & Guidelines of the Bank at least once per year, propose amendments as required and place to the Board of Directors for final approval. Moreover, it will review lending limit along with other limits at least once annually and take measures for amendment if required.

#### Storage of data & Reporting system

The risk management committee will examine and approve the data storage and reporting system prepared by the bank management authority. The

committee will ensure that the said process is being implemented properly or not. The Committee shall record the minutes of its meetings including proposals, recommendations and summaries in a prescribed manner and inform the Board of Directors.

### Monitoring the implementation of overall Risk Management Policy

The risk management committee will supervise whether the overall risk management policy of the bank is being properly implemented or not. The committee will oversee whether necessary steps have been taken to deal with credit risk, market risk, operational risk and other risks.

### Other responsibilities

- A summary of the committee's decisions and recommendations will be presented to the board of directors on a quarterly basis;
- The committee shall comply with the instructions issued by the regulatory authorities from time to time regarding various risks related to banking activities; and
- The Chief Risk Officer (CRO), Internal and External auditors will submit their assessment reports on the relevant matters whenever required by the Committee.

### Meeting of the Risk Management Committee (RMC)

- The Committee shall hold at least 4 (four) meetings in a year and any more meeting whenever required.
- The RMC may invite Chief Executive Officer (CEO), Chief Risk Officer (CRO) or any other officer of the Bank to participate in the Committee meeting if required.
- The memorandum of any meeting should be distributed to the Committee Members at least 02 (Two) days before the meeting for effective participation and contribution by the participants.
- All the recommendations/observations of the Committee shall be recorded in the form of minutes.

### Nomination and Remuneration Committee (NRC)

As per Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated: 03 June 2018 of Bangladesh Securities and Exchange Commission (BSEC), every listed company requires to form a Nomination and Remuneration Committee (NRC) as sub-committee of its board to assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives as well as a policy for formal process of considering remuneration of directors, top level executives.

The NRC of SBAC Bank PLC. comprises of 06 (Six) members from the Board of Directors, including 03 (Three) Independent Directors, having required qualifications as determined under the Corporate Governance Code 2018 of BSEC.

### Responsibility to the Board of Directors

- The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board.
- The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive.
- The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b) of Corporate Governance Code issued by Bangladesh Securities and Exchange Commission.

### Formation of the NRC

- The Committee shall comprise of at least three members including an independent director.
- All members of the Committee shall be non-executive directors.
- Members of the Committee shall be nominated and appointed by the Board.
- The Board shall have authority to remove and appoint any member of the Committee.
- In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee.
- The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee.
- The company secretary shall act as the secretary of the Committee.
- The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.
- No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Directors' fees or honorarium from the company.

### Chairperson of the NRC

- The Board shall select 01 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director.
- In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes.
- The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders:
- Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.

### Meeting of the NRC

- The NRC shall conduct at least one meeting in a financial year.
- The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC.
- The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must.
- The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.

### Role of the NRC

- a) NRC shall be independent and responsible or accountable to the Board and to the shareholders;
- b) NRC shall oversee, among others, the following matters and make report with recommendation to the Board:
- c) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
- d) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.
- e) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

- f) Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- g) Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
- h) Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board.
- i) Formulating the criteria for evaluation of performance of independent directors and the Board.
- j) Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.
- k) Developing, recommending and reviewing annually the company's human resources and training policies.
- l) The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.

### Directors' Remuneration and other financial benefits

As per BRPD Circular No. 02 dated 11 February 2024, and BRPD Circular No. 03 dated 14 February 2024 all the directors of a Bank Company are eligible to the Remuneration and financial benefits as under:

- The maximum remuneration payable to each director for attending a meeting of the Board of Directors or its Committees shall be Tk.10,000 (Ten thousand).
- The directors shall be entitled to the honorarium for attending a maximum of 02 (Two) meetings of the Board of directors, 04 (Four) meetings of the Executive Committee (EC), 01 (One) meeting of the Audit Committee (AC), and 01 (One) meeting of the Risk Management Committee (RMC) in a month regardless of the number of Board meetings and committees meetings held in that month.
- Each Independent Director shall receive a fixed remuneration of Tk. 50,000 (Fifty thousand) per month (subject to deduction of applicable tax) in addition to the above-mentioned remuneration for attending meetings.
- The Bank shall ensure compliance with the instructions of National Board of Revenue (NBR) regarding deduction of tax applicable on the remuneration of directors for attending the meetings.

- Directors shall be entitled to accommodation and travel expenses for a maximum of 02 (Two) days for traveling to the head office of the Bank from anywhere inside the country to attend the meeting of the Board of Directors or its Committees.
- In such case where foreign nationals perform the duties of directors (non-resident Bangladeshi or dual citizens), they will be entitled to a maximum of 03 (three) days accommodation bill and air fare.
- Non-Resident Bangladeshi Directors shall be entitled to a maximum of 03 (three) days accommodation bill and allowance for round air-trip for attending each meeting of a maximum of 04 (four) Board meetings in a year.
- All Directors shall submit receipts of actual expenses (e.g. Travel Ticket, Air Ticket, Accommodation Bill Payment Receipt/Voucher etc.) for payment of travel expenses and accommodation bills and the submitted proofs shall be preserved by the bank.
- Training for the Directors
- As the directors are required to be fully aware of the Banking laws and other relevant rules and regulations for performing duties properly, therefore the BRPD Circular No. 02 dated 11 February 2024 encourages trainings on Banking related Acts, relevant laws and regulations and amended Banking regulations/policies can be arranged inside the country for the directors. All the Directors participated in a training session organized by the Bank with the resource persons from Bangladesh Bank in the year 2014.

#### **Appraisal and evaluation of Board of Directors and Managing Director & CEO**

The performance of Managing Director and CEO is evaluated by the Board of Directors on a regular interval. There are a few schemes for annual appraisal of the Board's performance till date, but the company is abiding by the Code of Conduct which was formulated by the Board. There is strategic Priorities & Action Plan for the evaluation of the

CEO/Management on an annual basis and it is revised from time to time accordingly by the Board.

#### **Management Committee**

SBAC Bank PLC. has a Management Committee (MANCOM) to review, discuss and decide on important business issues. In addition to the regular roles and responsibilities, the Committee also governs all related policies and practices in pursuance of short and long-term objectives of the Bank. The Committee plays an independent role, operating as an overseer; and if required, makes recommendations to the Board of Directors for its consideration and final approval of any policy. The role of the Committee is to assist the Board of Directors to ensure that bank is run with good governance. The Committee performs all the functions necessary to fulfill its roles towards the organizational goals.

#### **Certification of Managing Director (MD) and Chief Financial Officer (CFO) Regarding Financial Statements**

- The Managing Director (MD) and Chief Financial Officer (CFO) shall certify to the Board that:
  - a. They have reviewed financial statements for the year.
  - b. To the best of their knowledge and belief these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - c. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
  - d. To the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members.
- The certification of the MD and CFO shall be disclosed in the Annual Report.

## Annexure-C

# Compliance Report on Corporate Governance Code of BSEC

[As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 and BSEC/CMRRCD/2009 193/66/PRD/148 dated 16 October 2023 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(R Report under Condition No. 9)

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put √ in the appropriate column)		
		Complied	Not Complied	
1(1)	<b>Size of the Board of Directors</b> The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)(a)	<b>Independent Directors</b> At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		The Bank has total 18 directors, out of which 4 are independent directors. The Bangladesh Bank did not approve one Directors' appointment and subsequently the Bank appointed Mr. Md. Maksudur Rahman Sarker ACMA as an independent director which is under process for regulatory approval.
1(2)(b)	Without contravention of any provision of any other laws, for the purpose of this clause, an "independent director" means a director—  (i) who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;  (ii) who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of i'ts associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put √ in the appropriate column)		
		Complied	Not Complied	
	<p>family members also shall not hold above mentioned shares in the company:</p> <p>Provided that Spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family member.</p> <p>(iii) Who has not been an executive of the company in immediately preceding 2 (two) financial years;</p> <p>(iv) Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;</p> <p>(v) Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;</p> <p>(vi) Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;</p> <p>(vii) Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;</p> <p>(viii) Who is not independent director in more than 05 (five) listed companies;</p> <p>(ix) Who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or advance or obligation to a bank or a financial institution; and</p> <p>(x) Who has not been convicted for a criminal offence involving moral turpitude.</p>			
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM): Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√		The Bank has total 18 directors, out of which 4 are independent directors. The Bangladesh Bank did not approve one Directors' appointment and subsequently the Bank appointed Mr. Md. Maksudur Rahman

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
				Sarker ACMA as an independent director which is under process for regulatory approval.
1(2)(e)	<p>The tenure of office of an independent director shall be for a period of 03 (Three) years, which may be extended for 01 (One) tenure only:</p> <p>Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]:</p> <p>Provided further that the independent director shall not be subject to retirement by rotation as per the কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮নং আইন) (Companies Act, 1994).</p> <p><b>Explanation:</b> For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.</p>	✓		
1(3)	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	✓		
1(3)(b)	<p>Independent director shall have following qualifications:</p> <p>(i) Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or</p> <p>(ii) Corporate Leader who is or was a top-level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or</p> <p><b>Explanation:</b> Top level executive includes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.</p> <p>(iii) Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the</p>	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	organization where he or she is in service; or (iv) University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or (v) Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			
1(3)(c)	The independent director shall have at least 10 (Ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	✓		Not Applicable
1(4)	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		Roles and responsibilities as per Bangladesh Bank guidelines and service rules of the Bank.
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
1(5)	<b>The Directors' Report to Shareholders</b>			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		
1.5(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		Not Applicable As a service-oriented banking company, discussion on Cost of Goods sold, Gross Profit Margin

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put √ in the appropriate column)		
		Complied	Not Complied	
				and Net Profit Margin is not relevant.
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		Not Applicable There is no incident of any extraordinary activities, so there is no question of gain or loss from any extraordinary activities.
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	√		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	√		Not Applicable. There is no deteriorating financial result till now after the IPO of the Bank.
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		Not applicable (No significant variance occurred)
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 05 (Five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		Not applicable
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:	✓		
	(a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
	(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
	(c) Executives; and	✓		
	(d) Shareholders holding Ten percent (10%) or more voting interest in the company (name-wise details); <b>Explanation:</b> For the purpose of this clause, the expression "Executive" means top 05 (Five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.	✓		Not applicable. There is no Shareholders holding ten percent (10%) or more voting interest in the company.
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: (a) A brief resume of the director; (b) Nature of his or her expertise in specific functional areas; and (c) Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on: (a) Accounting policies and estimation for preparation of financial statements;	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	(b) Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes; (c) Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; (d) Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; (e) Briefly explain the financial and economic scenario of the country and the globe; (f) Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and (g) Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;			
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	✓		
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	✓		
1(6)	<b>Meetings of the Board of Directors</b> The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2	<b>Governance of Board of Directors of Subsidiary Company</b>			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put √ in the appropriate column)		
		Complied	Not Complied	
2(b)	At least 01 (One) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	√		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		
3	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):</b>			
3(1)	<b>Appointment</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2)	<b>Requirement to attend Board of Directors' Meetings-</b> The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
3(3)	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):</b>			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	(ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;			
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	<b>Board of Directors' Committee</b> For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee	✓		
4(ii)	Nomination and Remuneration Committee	✓		
5	<b>Audit Committee</b>			
5(1)	<b>Responsibility to the Board of Directors:</b>			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	<b>Constitution of the Audit Committee:</b>			
5(2)(a)	The Audit Committee shall be composed of at least 03 (Three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 01 (One) independent director;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 01 (One) member shall have accounting or related financial management background and 10 (Ten) years of such experience; <b>Explanation:</b> The term "financially literate" means the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement and a person will be considered to have accounting or related financial management expertise if he or she possesses professional qualification or Accounting or Finance graduate with at least 10 (Ten) years of corporate management or professional experiences.	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than	✓		Not Applicable

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 01 (One) independent director	✓		
5(3)	Chairperson of the Audit Committee:			
5(3)(a)	The Board shall select 01 (One) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the Annual General Meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		
5(4)	Meeting of the Audit Committee:			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)	Role of Audit Committee The Audit Committee Shall: -			
5(5)(a)	Oversee the financial reporting process;	✓		The role of Audit Committee as per Bangladesh Bank Guidelines and services rules of the Bank
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;	✓		
5 (5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5) (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:  Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results:  Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	✓		
5(6)	Reporting of the Audit Committee			
5(6)(a)(i)	Reporting to the Board of Directors: The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any: a) Report on conflicts of interests; b) Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; c) Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and d) Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	✓		No such event has been identified
5(6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 06 (six) months from the date of first reporting to the Board, whichever is earlier.	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
5(7)	<b>Reporting to the Shareholders and General Investors:</b> Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		Not applicable
6	<b>Nomination and Remuneration Committee (NRC):</b>			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
6(2)	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	✓		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)	<b>Chairperson of the NRC</b>			
6(3)(a)	The Board shall select 01 (One) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders; Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		
6(4)	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6(5)	<b>Role of the NRC</b>			
6(5)(a)	(a) NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following: (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully; (b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (c) Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	promotion criteria;			
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: - (i) Appraisal or valuation services or fairness opinions; (ii) Financial information systems design and implementation; (iii) Book-keeping or other services related to the accounting records or financial statements; (iv) Broker-dealer services; (v) Actuarial services; (vi) Internal audit services or special audit services; (vii) Any service that the Audit Committee determines; (viii) Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and (ix) Any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	shareholders in the annual general meeting.			
9(3)	The directors of the company shall state, in accordance with the <b>Annexure-C</b> attached, in the directors’ report whether the company has complied with these conditions or not.	✓		

# Bangladesh Bank Checklist for Corporate Governance Compliance Report

To ensure good governance i.e. corporate governance in bank management, Bangladesh Bank (BB) issued three circulars in 2013 covering three broad areas as follows:

- (A) BRPD Circular No. 02 dated 11 February 2024: Formation and responsibilities of Board of Directors (BoD).
- (B) BRPD Circular No. 03 dated 14 February 2024: Appointment of Independent Directors of a Bank-Company and their Duties, Responsibilities and Honorarium.
- (C) BRPD Circular No. 05 dated 27 February 2024: Appointment & Responsibilities of Managing Director/Chief Executive Officer of a bank-company.

The summary of the Bangladesh Bank guidelines and our compliance thereto are presented below:

SL. No.	Particulars	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		complied	Not complied	
Formation and responsibilities of Board of Directors (BoD):				
1.	Formation of Board of Directors (BoD):			
	The Board of Directors of a Bank Company shall consist of shareholder directors, representative directors on behalf of shareholder institutions, and independent directors. An Alternate Director shall also be a member of the Board of Directors where and when applicable, i.e. in case of absence of any regular director.			
(a)	There shall be a maximum of 20 (Twenty) members in the Board of a Bank Company with at least 03 (Three) independent directors therein, whereas the number of independent directors must not be lesser than 02 (Two) in case the Board consists less than 20 (Twenty) directors.	✓		
(b)	There may be a maximum of 03 (Three) directors from a single family and a maximum of 02 (Two) representative directors from organizations where the family has interest or control.	✓		
(c)	No organization or company can nominate more than 01 director in the Board of a Bank.	✓		
(d)	No director shall hold the post of directorship for more than 12 (Twelve) consecutive years and will not be eligible for reappointment until the elapse of 03 years from such expiry of his or her directorship.	✓		
(e)	In any Annual General Meeting (AGM) except the 1 <sup>st</sup> AGM, one-third of the directors of a Bank company will retire as per seniority and will be eligible for reappointment through election in compliance with the article 80 of first schedule of the companies act, 1994.	✓		
1.1	Qualifications and competencies to be appointed as Director:			
(a)	The minimum age of the concerned person should be 30 (thirty) years with at least 10 (Ten) years of management or business or professional experience, whereas no work experience shall be considered or counted until the person attains the age of 18 (eighteen) years.	✓		
(b)	He or She has not been convicted of a criminal offense or has not been involved in or is not involved in any fraud-forgery, financial crime or other illegal activity. Moreover, there is no adverse observation or comment in the judgment of any court in any civil or criminal case against him/ her.	✓		

(c)	He or She has not been convicted of any violation of rules, regulations, and policies of any Regulator of Financial Sector.	√		
(d)	He or She was not associated with any company/ establishment whose registration/ license has been canceled or the establishment has been wound up.	√		
(e)	The concerned person is not in default for the loan taken from any bank or financial institution in his or her own name or in the name of an organization where he or she has interest.	√		
(f)	He or She is not employed as a director or advisor/ consultant or in any other gainful position in any other banking company, financial institution, insurance company or any subsidiary company of such companies.	√		
(g)	He or She is not employed as an external auditor, legal adviser, adviser, consultant or in any other gainful position with the same banking company.	√		
(h)	He or She was never declared as bankrupt by the court.	√		
(i)	He is not a tax defaulter either personally or for his sole proprietorship or partnership.	√		
(j)	If he or she was employed at any position in the concerned bank company and 05 (five) years have not passed after the end of employment, the concerned person is not eligible for appointment as director.	√		
(k)	If the concerned person is listed as a willful defaulter by any bank company or by any financial institution established under the Finance Company Act, 2023, he or she will not be eligible to be a director of any bank until 05 (five) years have elapsed after being released from the said listing.	√		
<b>1.2</b>	<b>Appointment of New Director(s):</b>			
	As per section 15(4) of the Bank Company (Amendment) Act, 2023, prior approval must be obtained from Bangladesh Bank for the appointment/re-appointment of Director/Directors nominated/appointed in the Board Meeting and elected/approved/re-elected in the Annual General Meeting (AGM) of any Bank Company other than a specialized bank. The appointment/re-appointment of Directors/Directors of the Bank Company shall be effective from the date of approval by Bangladesh Bank. For taking the said prior approval, the Bank should apply to Bangladesh Bank under the signature of the Chief Executive Officer/Managing Director within 07 (Seven) working days of the concerned Board Meeting/Annual General Meeting.	√		
<b>2.</b>	<b>Vacation of the Office of Director:</b>			
(a)	The office of a Director shall be vacated as per the provision of Section 108(1) of the Companies Act, 1994. Further, if a Director fails to repay the loan within two months of receiving notice through Bangladesh Bank for an advance or loan taken from a bank or financial institution, his or her directorship shall be vacated as per the provisions of Section 17 of the Bank Company Act, 1991. Moreover, if any false declaration/information is provided to Bangladesh Bank at the time of appointment as a Director or if his or her qualification is found deficient, his or her Directorship will be vacated/appointment will be rescinded.	√		Not applicable (No Such Case arose)
(b)	If the office of a Director is vacated as per section 17 of Bank Company Act, the person will not be eligible to become a Director of the Bank or any other Bank or any Financial Institution for one year from the date of	√		Not applicable

	repayment of the total amount due to the Bank/Financial Institution. The dues will be adjusted with the shares held by the concerned Director in that bank company and he or she can't transfer his or her shares until the repayment of all the liabilities with the Bank or Financial Institution, and If the Director on notice under section 17 of Bank Company Act resigns from his office while the proceedings of the notice are in progress, such resignation shall not be effective.			(No Such Case arose)
(c)	If any Director of a Bank Company is listed as a willful defaulter, Bangladesh Bank can declare his directorship as vacant subject to the provisions of Section 27(kha) of the Bank Company (Amendment) Act, 2023.	√		Not applicable (No Such Case arose)
<b>3 Removal from the post of director and appointment of director for special needs:</b>				
(a)	In accordance with the provision of section 15(4) of the Bank Company (Amendment) Act, 2023, prior approval of Bangladesh Bank shall be obtained to remove any director of a Bank Company other than specialized bank from his or her post. For this purpose, the reasons & ground of the removal in detail and the copy of the decision taken by the Board with a list of the directors should be submitted to Bangladesh Bank. Such removal shall be effective from the date of approval by Bangladesh Bank.	√		Not applicable (No Such Case arose)
(b)	As per the provision of Section 46 and 47 of the Bank Company (Amendment) Act, 2023, Bangladesh Bank can remove any director or the chairman of a Bank company, and dissolve the Board for being engaged in activities contrary to the interest of depositors or for misappropriation of funds through related party transaction or money laundering or terrorist-financing or engaging in activities against public interest.	√		Not applicable (No Such Case arose)
(c)	Bangladesh Bank may remove any director of a Bank Company under provisions of section 45 of the Bank Company Act, 1991 mentioning specific reasons for such removal to prevent activities contrary to the interest of depositors or detrimental to the interests of the bank company or in the public interest.	√		Not applicable (No Such Case arose)
(d)	Bangladesh Bank, under the power conferred by section 45 of the Bank Company Act, 1991, can appoint any person as a Director subject to the competence and fitness to be appointed or form a new Board of a Bank Company to protect the interest of that bank or the depositors or for specific/special needs or in the public interest.	√		Not applicable (No Such Case arose)
<b>4. Appointment of Alternate Director</b>				
A Director of a Bank Company may appoint an alternate director due to his or her staying abroad for a period of at least 3 (three) months continuously. However, in this case, the Board of Directors of a Bank can appoint 01 (One) Alternate Director for a period of 03 (Three) consecutive months for once a year, subject to compliance with the provisions of section 101 of the Companies Act, 1994.				
(a)	Documents/information to be submitted by the concerned Bank to Bangladesh Bank in the prescribed forms within 07 (Seven) days of taking the decision of appoint of alternate director.	√		
(b)	The concerned Bank shall notify Bangladesh Bank immediately within 10 (Ten) working days of returning home of the original Director mentioning the date of return.	√		
(c)	In the case of appointment of Alternate Director, the concerned Bank Company must ensure collection and preservation of documentary evidences regarding the traveling abroad & return home of the original	√		

	director. In case of any exception in this regard, the chief executive officer (CEO) of the bank must inform it to Bangladesh Bank immediately in writing.			
(d)	Any loan defaulter or any person if declared ineligible to be a Director of a Bank Company as per the Bank Company Act or the Companies Act or any other law or rules or order shall not be appointed as an alternate director.	√		
(e)	An Alternate Director cannot be appointed in any committee constituted with the Board of Directors of the bank as he or she is appointed for a temporary period.	√		
(f)	If a person takes any loan facility from any bank company, he or she will not be eligible to be appointed as an Alternate Director of that Bank.	√		
(g)	During the tenure of holding office of alternate director, no loan facility shall be provided in the name of the alternate director or in favor of the organization related to his or her interest and in case of previous loan facility, the extension of time or limit of the loan, the waiver of any interest or the exemption of interest charging therein cannot be allowed. Moreover, all the rules & regulations or prohibitions applicable to the Original Director imposed by the laws, rules or directives regarding loan facility shall also applicable to him during his or her tenure as alternate director.	√		
<b>5. Information regarding Directors</b>				
Banks are advised to take the following steps regarding directors information:				
(a)	Each Bank Company should properly maintain up-to-date list of its directors.	√		
(b)	A copy of the list of Directors shall be sent to Banking Regulation & Policy Department (Division-II) of Bangladesh Bank, and all Banks as well as Financial Institutions immediately after the appointment or release/removal of the director or at the end of his or her term.	√		
(c)	A list of Directors along with their photos should be displayed on the respective bank's website and shall be updated regularly.	√		
(d)	After the nomination/appointment or release/removal of the chairman of a Bank Company or at the end of his or her tenure, the updated information should be sent to the Banking Regulation & Policy Department (Division-II) of Bangladesh Bank	√		
(e)	The updated information of the directors of a Bank Company must be submitted to the Bangladesh Bank's EDW Portal through Rational Input Template (RIT) within 10 (Ten) days after the end of each quarter. Moreover, in case of appointment of any Director or any change in the Board of Directors, the respective Bank Company should submit the said information to Bangladesh Bank's EDW Portal through RIT.	√		
<b>6. Responsibilities and Duties of the Board of Directors:</b>				
To ensure good governance in the bank management it is essential that the Board of Directors, and Management Authorities have specific demarcation of responsibilities and authorities over the affairs of the bank. So, the Section 15 (kha) & (ga) of the Bank Company Act make the Board of Directors responsible for formulating and ensuring implementation of policies for the bank company, risk management, internal audit & control and ensuring their compliance.				
<b>6.1 Responsibilities and Authorities of the Board of Directors:</b>				
(a)	<b>Action Planning and Strategic Management:</b>			
	i. The Board of Directors shall determine the objectives and goals of the Bank and formulate strategies and action plans to achieve the goals on			

	an annual basis. It shall specifically engage itself in the affairs of making strategies consistent with the determined goals and objectives and in the issues relating to structural change and reformation for improvement of institutional efficiency and other relevant policy matters. The Board will monitor the progress of implementation of the Action Plan on a quarterly basis.	√		
	ii. The Board of Directors shall include in the Annual Report an analytical review regarding the success/failure in achieving the business and other targets set out in the Annual Action Plan and shall apprise the shareholders of its opinions/recommendations on the future course of actions and strategies to be followed. It shall determine the Key Performance Indicators (KPIs) for the Chief Executive Officer (CEO) & officers immediate two tiers below the CEO, and shall evaluate the same from time to time.	√		
(b)	<b>Credit and risk management:</b> (i) The policies, strategies, procedures etc. with respect to loan/investment proposal evaluation, loan/investment sanction and disbursement as well as recovery, loan rescheduling and write-off shall be formulated with the approval of the Board of Directors under the existing laws, rules and regulations. The Board shall specifically allocate the power of sanctioning loans/investments; and such allocation should desirably be made among the CEO and his subordinate executives as much as possible. No director shall directly or indirectly influence or interfere with the bank officers/employees in approving loan proposals.	√		
	(ii) The Board of Directors shall formulate policies regarding risk management. It shall monitor on quarterly basis whether the said policy is being properly followed, review the concerned report of the Risk Management Committee and duly record the same in the minutes of the Board meeting. The Board of Directors will oversee whether the guidelines of Bangladesh Bank on key risk management are being properly followed or not.	√		
(c)	<b>Internal control management:</b> The Board of Directors shall continuously supervise/monitor the internal control system of the bank to achieve/maintain satisfactory qualitative standard of its credit/investment portfolio. The Board of Directors shall ensure the establishment of such internal control system in the banking company so that the internal audit function is conducted independently of the management. It shall review on a quarterly basis the report submitted by the Audit Committee regarding the implementation of the recommendations of the inspection report of Internal Audit, External Auditor, and Bangladesh Bank.	√		
(d)	<b>Human resources management and development:</b> i. Policies related to recruitment, promotion, transfer, administrative disciplinary and punitive measures, human resource development including motivation etc. and service rules shall be framed and approved by the Board of Directors. The Board chairman or the directors must not interfere in any way in all administrative affairs including recruitment, promotion, transfer, and disciplinary measures as executed under the approved service rules. No member of the Board of Directors shall be included in the recruitment and promotion committees for recruitment or promotion at different levels. Provided that the appointment, promotion, transfer and disciplinary action of immediate two tiers below the CEO shall be conferred on the Board. However, the service rules of the bank and the relevant policies approved by the board must be properly complied in the case of such	√		

	recruitment, promotion and administrative disciplinary measures.			
	ii. The Board of Directors shall lay special emphasis on training for skill development of the officers/employees of the Bank, and adoption of modern electronic & information technology, and appropriate management information system (MIS) and the same shall be included in the annual action plan.	√		
	iii. The Board of Directors shall formulate Code of Conduct and Code of Ethics for all levels of officers and employees, which shall be followed properly by all. It will establish high ethical standards to build a culture of compliance in the Bank. In order to encourage the officials/employees to follow the principles of integrity, the reward policy announced by Bangladesh Bank in this regard should be properly implemented.	√		
(e)	<b>Financial management:</b>			
	i. The annual budget and statutory financial statements of the Bank shall be prepared with the approval of the Board of Directors. The Board shall review/inspect on quarterly basis the Bank's income, expenditure, liquidity resources, overdue/non-performing loans, capital base & adequacy, maintenance of loan loss provision, and measures taken including legal proceedings for recovery of defaulted loans.	√		
	ii. In order to conduct purchase and procurement activities properly following the prevailing laws and regulations, the related policies will be approved by the Board of Directors and the Board shall accordingly delegate the power of execution of such expenditures. The maximum possible execution power of various expenditures shall be vested to the Chief Executive Officer (CEO) and his subordinates subject to budget availability. However, decisions regarding purchase of land, buildings or structures for business purposes, construction and purchase of vehicles must be approved by the Board.	√		
	iii. The Board of Directors shall review from time to time whether the Asset-Liability Committee (ALCO) has been formed and whether the committee is performing properly as per the guidelines of Bangladesh Bank.	√		
(f)	<b>Appointment of Managing Director/Chief Executive Officer (CEO):</b> One of the major responsibilities of the Board of Directors is to appoint an honest, efficient, experienced and competent Chief Executive Officer (CEO) or Managing Director in Bank management in order to strengthen the financial base of the bank and attain the trust of the depositors. The Board of Directors shall appoint a suitable Managing Director/Chief Executive Officer (CEO) with the prior approval of Bangladesh Bank following the relevant policies issued by Bangladesh Bank from time to time regarding the appointment of Managing Director/Chief Executive Officer of the Bank.	√		
(g)	<b>Further responsibilities and duties of the Board:</b> The Board of Directors should ensure proper following and compliance of any other responsibilities and duties imposed on the Board by Bangladesh Bank.	√		
6.2	<b>Rights and Responsibilities of the Chairman and other Directors:</b> The chairman and other Directors have following Rights and Responsibilities:			
(a)	One of the members of the Board of Directors shall be elected as Chairman for a term of 02 (two) years. He shall be eligible for re-election	√		

	to the post of Chairman subject to the tenure of his or her directorship.			
(b)	The chairman of the Board of Directors or the chairman of any committee formed by the Board or any Director does not have individual authority to exercise any policy-making or executive power and therefore he/she cannot participate in or interfere into the administrative or managerial and routine affairs of the bank.	√		
(c)	The chairman of the Board of Directors or the Chairman of any other committee formed by the Board of Directors can inspect any branch or financing activities of the Bank under the inspection responsibility of the Board.	√		
(d)	The chairman may call for any information relating to the management of the Bank or direct an inquiry into any matter and can present the obtained information or investigation report in the Board Meeting/Executive Committee Meeting and take necessary measures through the Chief Executive Officer (CEO) as per the decision of the Board, if necessary. However, if any complaint is raised about the CEO, it must be informed to Bangladesh Bank through the Board along with the statement of the CEO.	√		
(e)	The Chairman of the Board of Directors may be provided with an office room, a personal secretary/assistant, a peon/MLSS, a telephone in the office, a mobile phone for using inside the country and a vehicle for the business interests of the Bank by decision of the Board. The vehicle of the chairman shall be provided following the policy issued by Bangladesh Bank from time to time.	√		
<b>7.</b>	<b>Formation of committees from the Board of Directors:</b> The Board of Directors of every banking company shall form an Executive Committee (EC), an Audit Committee (AC) and a Risk Management Committee (RMC) consisting members from the Directors. Apart from the three mentioned committees, no other permanent or temporary committee or sub-committee can be formed by the Board.	√		Complied as per the circular of Bangladesh Bank, and the Corporate Governance (CG) Code issued by BSEC
<b>7.1</b>	<b>Executive committee:</b> An Executive Committee of the Board shall be constituted for the purpose of continuing the urgent and day-to-day or routine activities between the meetings of the Board of Directors. The Executive Committee shall perform its duties according to the terms of reference determined by the Board of Directors.			
(a)	<b>Organizational structure:</b>			
	(i) Members of the committee will be nominated by the Board of Directors from themselves.	√		
	(ii) The Executive Committee (EC) will comprise of maximum 07 (seven) members.	√		
	(iii) One of the members of the committee will be elected as the chairman for a period of 03 (Three) years.	√		
	(iv) Members of the committee shall be appointed for every 03 (Three)-year as one term.	√		
	(v) Chairman of the Board of Directors can be the Chairman of Executive Committee.	√		
	(vi) The executive committee shall not be included with more than one	√		

	member of a particular family.			
	(vii) Company secretary of the bank will be the secretary of the executive committee.	√		
(b)	<b>Qualifications of the Members:</b>			
	(i) Integrity, dedication, and opportunity of the concerned director to devote sufficient time in the functions of the committee shall be considered while appointing a director to the committee.	√		
	(ii) Directors who can contribute effectively and efficiently to the functions of the committee should be appointed as members of the committee.	√		
	(iii) The committee members should have a sound understanding of the Bank Company Act, and different laws & regulations related to banking activities, banking business, bank management, various risk issues, and responsibilities & duties as a committee member.	√		
(c)	<b>Roles and Responsibilities of the Executive Committee:</b>			
	(i) The Executive Committee shall perform duties and take decisions in all other matters as directed by the Board, except those areas which are specifically vested in the full Board as per the Bank Company Act or any other related laws and regulations.	√		
	(ii) The Committee can take all necessary decisions or give approval within the authority delegated by the Board of Directors.	√		
	(iii) All the decisions taken by the committee has to be ratified at the next Board Meeting.	√		
7.2	<b>Audit Committee:</b> An audit committee will be formed for smooth carrying out of overall supervision duties of the Board of Directors as well as playing an effective role in the implementation of strategies and action plans formulated by the Board for the proper execution of functions of the bank company. The committee shall review the financial reporting process, internal control system, audit procedures, monitoring process and principles of conducting business to ensure that the activities of the organization are being conducted in accordance with the existing laws and regulations imposed by the regulatory authorities.			
(a)	<b>Organizational structure:</b>			
	(i) Members of the committee will be nominated by the Board of Directors from themselves.	√		
	(ii) The Audit Committee shall consist of a maximum of 05 (five) members, including at least 02 (two) independent directors.	√		
	(iii) The Chairman of the Audit Committee shall be elected amongst the independent directors.	√		
	(iv) The tenure of the Chairman of Audit Committee shall be 03 (three) years i.e. One term, and no independent director shall serve as Chairman of the Committee for two consecutive terms.	√		
	(v) No member of the Executive Committee shall be included as a member of the Audit Committee	√		
	(vi) Members of the Committee can be appointed for every 03 (three) years.	√		
	(vi) The company secretary of the bank will perform the duties of the secretary of the audit committee.	√		

(b)	<b>Qualifications of the Member:</b>			
	(i) Integrity, dedication, and opportunity of the concerned director to devote sufficient time in the functions of the committee shall be considered while appointing a director to the committee.	√		
	(ii) Directors who can contribute effectively and efficiently to the functions of the committee should be appointed as members of the committee.	√		
	(iii) The committee members should have a sound understanding of the Bank Company Act, and different laws and regulations related to banking activities, auditing, banking business, bank management, various risk issues, and responsibilities & duties as a committee member.	√		
	(vi) Preference should be given to the person with practical experience in banking activities, especially people with educational qualifications in accounting, cost accounting, finance, banking, management, and economics.	√		
(c)	<b>Roles and Responsibilities of the Audit Committee:</b>			
	<b>(i) Internal Control:</b>			
	1. The committee will evaluate whether the management authority has been able to establish an appropriate compliance culture regarding the internal control system of the bank, and whether the officers/employees of the bank have been given clear directions about their responsibilities and duties and whether full supervision and control is maintained over their activities.	√		
	2. The audit committee will review all the measures taken by the management authority and provide necessary instructions in developing an appropriate Management Information System (MIS) regarding the banking activities including building & using of the ICT platform of the bank.	√		
	3. The Audit Committee shall review whether the management authority is properly following & implementing the recommendations made by the internal and external auditors of the Bank regarding the internal control strategy/structure from time to time and shall give necessary directions in this regard.	√		
	4. The Audit Committee shall regularly inform the Board about corrective measures taken in respect of any irregularities, fraud, internal control weaknesses or similar areas identified by the internal, external auditors and inspection team of the regulatory authority. Further, if any inconsistency is found by the audit committee in its review, the committee will give directions to the management authority in taking corrective measures and the same will be duly informed to the board.	√		
	<b>(ii) Disclosure of Financial Statements:</b>			
	1. The audit committee shall verify whether complete and proper information has been disclosed in the annual financial statements and whether the standards prescribed for the preparation of the financial statements have been complied with in accordance with the rules/conventions/provisions and accounting standards prevailing in the country as well as the accounting standards prescribed by Bangladesh Bank for this purpose.	√		
	2. Before finalizing the financial statements, the Audit Committee will engage in a discussion on it with the inspection team of Bangladesh Bank, external auditors and management authority.	√		

	<b>(iii) Internal Audit:</b>			
	1. The Audit Committee will monitor whether the internal audit is functioning independently from the management or not and it shall ensure the independence of internal audit function from the management;	√		
	2. The Audit Committee shall review the internal audit function and organizational structure. The committee shall also ensure that there is no unjustified impediment or restriction to obstruct the audit process.	√		
	3. The Audit Committee shall examine the efficiency and effectiveness of internal audit and recommend necessary action accordingly.	√		
	4. The Audit Committee shall give necessary instructions on the management of bank operations examining whether the management authority is properly considering the observations/recommendations made by the internal auditors regarding the management of banking activities & elimination of irregularities discovered.	√		
	<b>(iv) External Audit</b>			
	1. The audit committee will review the auditing activities and audit reports done by the external auditors of the bank.	√		
	2. The audit committee shall examine whether the management authority have properly considered the observations/recommendations made by the external auditors regarding the management of the banking operations, and the fraud-forgery as well as regularization of the irregularities discovered by the them.	√		
	3. The Committee shall make recommendations to the Board regarding the appointment of external auditors from the external auditors enlisted by Bangladesh Bank from time to time for conducting the auditing activities of the Bank.	√		
	<b>(v) Compliance with existing laws and regulations:</b>			
	The audit committee will review whether the banking laws and regulations, policies and guidelines made by the regulatory authorities (central bank and other bodies) and the internal policies approved by the board of the bank are being properly complied or not.	√		
	<b>(vi) Other Responsibilities:</b>			
	1. The Committee shall submit the compliance report to the Board of Directors on a quarterly basis regarding the regularization of irregularities, fraud-forgeries discovered by the internal auditor, the external auditor and the inspection team of Bangladesh Bank and instructions mentioned in any other observation.	√		
	2. The internal and external auditors shall submit their assessment report on the relevant matters when sought by the Committee.	√		
	3. Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.	√		
<b>7.3</b>	<b>Risk Management Committee:</b>			
	A risk management committee will be formed to play an effective role in mitigating the existing & possible risks in the implementation of the strategy and action plan formulated by the Board of Directors of the bank company and to smoothly/properly carry out the duties and responsibilities of the Board in this regard. The committee will monitor whether the risk mitigation measures/approaches are being appropriately implemented or not by the management authority and required capital and provisions are being maintained or not against the risks and will provide necessary instructions to mitigate the risks after identifying and assessing credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, information and communication technology risk, operational risk, interest rate			

	risk, liquidity risk and other risks.			
(a)	<b>Organizational Structure:</b>			
	(i) Members of the committee will be nominated by the Board of Directors from themselves.	√		
	(ii) The Risk Management Committee shall consist of a maximum of 05 (five) members.	√		
	(iii) One of the members will be elected as the chairman of the committee for 03 years.	√		
	(iv) Members of the Committee can be appointed for every 03 (three) years.	√		
	(v) The company secretary of the bank will perform the duties of the secretary of the audit committee.	√		
(b)	<b>Qualifications of the Member:</b>			
	(i) Integrity, dedication, and opportunity of the concerned director to devote sufficient time in the functions of the committee shall be considered while appointing a director to the committee.	√		
	(ii) Directors who can contribute effectively and efficiently to the functions of the committee should be appointed as members of the committee.	√		
	(iii) The committee members should have a sound understanding of the Bank Company Act, and different laws and regulations related to banking activities, banking business, bank management, various risk issues, and responsibilities & duties as a committee member.	√		
(c)	<b>Roles and Responsibilities of the Risk Management Committee:</b>			
	<b>i) Risk Assessment and Control Strategy:</b> It is the responsibility of the Risk Management Committee to formulate appropriate strategies and ensure its implementation for the assessment & control of risks in various operations of the Bank. The risk management committee will monitor the risk management policies and procedures of the bank and make amendment if necessary. It will review the existing risk management process to ensure effective control system and provide direction to the management authority to take necessary measures.	√		
	<b>ii) Construction of organizational structure:</b> It is the responsibility of the Risk Management Committee to ensure appropriate organizational structure for controlling the risks of the bank. The committee will supervise whether the instructions given in the policies & guidelines on credit risk, foreign exchange risk, internal control & compliance risk, money laundering risk, information & communication technology risk as well as other risks are being complied or not and provide necessary guidance to management authorities where required.	√		
	<b>iii) Review and Approval of Risk Management Policy:</b> The Committee shall review the Risk Management Policy & Guidelines of the Bank at least once per year, propose amendments as required and place to the Board of Directors for final approval. Moreover, it will review lending limit along with other limits at least once annually and take measures for amendment if required.	√		

	<b>iv) Storage of data &amp; Reporting system:</b> The risk management committee will examine and approve the data storage and reporting system prepared by the bank management authority. The committee will ensure that the said process is being implemented properly or not. The Committee shall record the minutes of its meetings including proposals, recommendations and summaries in a prescribed manner and inform the Board of Directors.	√		
	<b>v) Monitoring the implementation of overall Risk Management Policy:</b> The risk management committee will supervise whether the overall risk management policy of the bank is being properly implemented or not. The committee will oversee whether necessary steps have been taken to deal with credit risk, market risk, operational risk and other risks.	√		
	<b>vi) Other responsibilities:</b> 1. A summary of the committee's decisions and recommendations will be presented to the board of directors on a quarterly basis; 2. The committee shall comply with the instructions issued by the regulatory authorities from time to time regarding various risks related to banking activities; and 3. The Chief Risk Officer (CRO), Internal and External auditors will submit their assessment reports on the relevant matters whenever required by the Committee.	√		
<b>8. Roles and Responsibilities of the Risk Management Committee:</b>				
(a)	The memorandum of any meeting should be distributed to the Board of Directors or the Committee Members at least 02 (Two) days before the meeting for effective participation and contribution by the participants.	√		
(b)	No issue outside the agenda shall be considered in the meeting.	√		
(c)	Under no circumstances an outsider can attend in the Board Meeting and the Meeting of the committees of the Board.	√		
(d)	If a note of dissent is conveyed on any matter, it should be recorded in the minutes.	√		
(e)	The meetings of the Board of Directors and its committees shall be held at the head office/the city where head office of the Bank is located. However, if there is a need to hold a meeting at any convenient place outside the city of head office or outside of Dhaka, an application must be made to Bangladesh Bank for taking prior approval before 07 (seven) working days of the meeting regarding the number/list of persons likely to attend the meeting and the estimated cost. Any unnecessary expenses for holding such meeting should be avoided.	√		
<b>8.1 Board of Directors Meeting:</b>				
(a)	The meeting of the Board of Directors of the Bank may normally be held once in a month or more than once if required.	√		
(b)	The quorum for a meeting of the Board of Directors should be determined according to the Articles of Association (AOA) or Memorandum of Association (MOA) of the bank company.	√		
(c)	Apart from the Directors, only the Managing Director and the Company Secretary of the Bank shall present in the meeting of the Board of Directors. In case of special need, any officer of the bank can present in a meeting being invited by the Board or any of its committees only when a matter related to him/her is being presented (not for the full time).	√		

<b>8.2</b>	<b>Committees Meeting:</b>			
(a)	The Executive committee (EC) can arrange its meeting at any time if required.	√		
(b)	The EC may invite Chief Executive Officer (CEO), Chief Risk Officer (CRO) or any other officer of the Bank to participate in the Committee meeting if required.	√		
(c)	The Audit Committee (AC) shall hold at least 4 (four) meetings in a year and any more meeting whenever required.	√		
(d)	The AC may invite the Chief Executive Officer (CEO), the officer responsible for Internal Audit or any other officer of the Bank to participate in the Committee meeting if required.	√		
(e)	The Risk Management Committee (RMC) shall hold at least 4 (four) meetings in a year and any more meeting whenever required.	√		
(f)	The RMC may invite Chief Executive Officer (CEO), Chief Risk Officer (CRO) or any other officer of the Bank to participate in the Committee meeting if required.	√		
(g)	All the recommendations/observations of the Committee shall be recorded in the form of minutes.	√		
<b>9.</b>	<b>Remuneration and other financial benefits payable to Directors:</b>			
(a)	The maximum remuneration payable to each director for attending a meeting of the Board of Directors or its Committees shall be Tk.10,000 (Ten thousand).	√		The Directors have been being paid the revised remuneration as BRPD circular no. 02 dated: 11 February, 2024. Previously Remuneration was paid as per BRPD circular no. 11 dated: 04 October, 2015.
(b)	The directors shall be entitled to the honorarium for attending a maximum of 02 (Two) meetings of the Board of directors, 04 (Four) meetings of the Executive Committee (EC), 01 (One) meeting of the Audit Committee (AC), and 01 (One) meeting of the Risk Management Committee (RMC) in a month regardless of the number of Board meetings and committees meetings held in that month.	√		
(c)	Each Independent Director shall receive a fixed remuneration of Tk. 50,000 (Fifty thousand) per month (subject to deduction of applicable tax) in addition to the above-mentioned remuneration for attending meetings.	√		
(d)	The Bank shall ensure compliance with the instructions of National Board of Revenue (NBR) regarding deduction of tax applicable on the remuneration of directors for attending the meetings.	√		
(e)	Directors shall be entitled to accommodation and travel expenses for a maximum of 02 (Two) days for traveling to the head office of the Bank from anywhere inside the country to attend the meeting of the Board of Directors or its Committees.	√		
(f)	In such case where foreign nationals perform the duties of directors	√		

	(non-resident Bangladeshi or dual citizens), they will be entitled to a maximum of 03 (three) days accommodation bill and air fare.			
(g)	Non-Resident Bangladeshi Directors shall be entitled to a maximum of 03 (three) days accommodation bill and allowance for round air-trip for attending each meeting of a maximum of 04 (four) Board meetings in a year.	√		
(h)	All Directors shall submit receipts of actual expenses (e.g. Travel Ticket, Air Ticket, Accommodation Bill Payment Receipt/Voucher etc.) for payment of travel expenses and accommodation bills and the submitted proofs shall be preserved by the bank.	√		
<b>10.</b>	<b>Training of the Directors:</b>			
	Training on Banking related Acts, relevant laws and regulations and amended Banking regulations/policies can be arranged inside the country for the directors.	√		

### Appointment of Independent Director and His Duties & Responsibilities

Independent Director of Bank Company is a person who is independent of the management & shareholders of a Bank Company having no real or apparent interest with the Bank or with any Bank- related person and gives his opinion only in the interest of that Bank.

<b>10.</b>	<b>Training of the Directors:</b>			
	A Bank Company shall have a maximum of 20 (Twenty) directors including at least 03 (Three) independent directors, while the number of individual directors shall be at least 02 (Two) in case the total number of directors is less than 20 (Twenty).	√		
<b>10.</b>	<b>Experience and Eligibility:</b>			
	The person nominated as Independent Director of a Bank Company requires to have following Experience and Eligibility along with the qualifications & competencies needed to be a Director-			
(a)	The minimum age of the concerned person shall be 45 (forty five) years and the maximum age shall be 75 (seventy five) years to perform as an independent director.	√		
(b)	He should be a graduate/post-graduate in Economics, Banking, Finance, Business Administration, Law, Accounting or Cost Accounting from a recognized university.	√		
(c)	An experienced teacher of Faculty of Business Studies or Business Administration, Management, Law, and Information Technology of any Public or Private or Autonomous University, any person engaged in Legal Profession, a person with Professional Degree in Accounting and engaged in Accountancy Profession, experienced Banker, as well as an experienced officer of Ministry of Commerce, Financial Institutions Division & Finance Division of Ministry of Finance, Ministry of Industries, and Ministry of Law shall get preference for the appointment of an Independent Director.	√		
(d)	Any person with real interest or apparent interest in any Bank or Bank-related person in past, present and future cannot be an Independent Director of the Bank.	√		
(e)	No member of the family of the person nominated for appointment as an Independent Director in a Bank Company shall hold any share of the concerned bank and shall be engaged in any profitable position of that Bank Company.	√		
(f)	Any person nominated for appointment as an Independent Director shall not be appointed as a Director of any other Bank Company, Financial			

	institution established under the Finance Company Act, 2023, Insurance Company or on behalf any subsidiary company of such companies. Moreover, the person cannot act as a Director on behalf of any company or organization that has control, joint-control or significant influence over the concerned Bank Company, financial institution or insurance company.	√		
(g)	The person nominated as Independent Director has not been involved in any illegal activities in banking or in the performance of his professional duties.	√		
(h)	The person has not stopped payment of his dues to any creditor nor has he been exempted from repayment by way of negotiation with or concession from the creditor nor is he a defaulter of loan.	√		
(i)	The person was not associated with the ownership of any company/ establishment whose registration/ license has been canceled or the establishment has been wound up.	√		
<b>3. Responsibilities, Duties and Accountabilities of Independent Director</b>				
(a)	He shall ensure proper compliance of the Bank Company Act, and other relevant laws & regulations regarding the management of the Bank.	√		
(b)	He shall duly report to Bangladesh Bank regarding any contravention of the Bank Company Act or any other law/regulation by the Board of Directors.	√		
(c)	He shall participate in the Board meeting and give his deliberate opinion on all agenda raised in the meeting. Any memorandum raised by an Independent Director shall be considered with due importance by the Board of Directors.	√		
(d)	If he is included in any committee of the Board of Directors as per BRPD Circular No. 02 dated 11 <sup>th</sup> February 2024, he will faithfully carry out the duties & responsibilities with devotion, and comply with the instructions of the circular as a member of the respective committee.	√		
(e)	If the opinion of the Independent Director is not given due importance in the Board or in its committees or if any kind of inconsistency is observed in the management of the bank, he shall inform in writing to the Department of Off-site Supervision, and Banking Regulation & Policy Department of Bangladesh Bank.	√		
(f)	If any complaint is proved against the Independent Director or any adverse observation against him due to his negligence of duty is found in any inspection conducted by Bangladesh Bank, action will be taken against him as per the Bank Company Act.	√		
(g)	The Chairman of Audit Committee of the Bank should be elected from the Independent Directors. The tenure of the Chairman of Audit Committee shall be 03 (three) years i.e. One term, and no independent director shall serve as Chairman of the Committee for two consecutive terms.	√		
(h)	He shall always try to safeguard the interests of the depositors and general shareholders (other than directors).	√		
<b>4. Tenure and Removal of Independent Director</b>				
(a)	Generally the Independent Director shall be appointed for one term of 03 (three) years, and at the end of the term he may be nominated for the re-appointment for another term subject to the provisions of Section 15 of the Bank Company Act.	√		

(b)	The Board of Directors may request the Bangladesh Bank to remove an Independent Director mentioning specific reasons.	√		Not applicable (No Such Case arose)
(c)	An Independent Director himself can resign from the Post of Independent Director by giving 07 (seven) days notice.	√		Not applicable (No Such Case arose)
(d)	Bangladesh Bank may remove any Independent Director mentioning specific reasons.	√		Not applicable (No Such Case arose)

### Appointment & Responsibilities of Managing Director (MD)/Chief Executive Officer (CEO)

<b>1.</b>	<b>Qualification and suitability for appointment or re-appointment of Managing Director (MD) or Chief Executive Officer (CEO):</b> To be appointment or re-appointment to the post of Managing Director or CEO one shall have the following qualifications and suitability as per BRPD Circular No. 05 dated 27 February 2024 along with the qualifications & competencies needed for a Director and Independent Director as per BRPD Circular No. 02 & 03 dated 11 & 14 February 2024 respectively, those are applicable to him-			
<b>1.1</b>	<b>Character and moral purity:</b>			
(a)	He was not associated as an official of any company or financial institution whose registration/license has been canceled due to his direct or indirect offense.	√		
(b)	He has not been removed/dismissed/downgraded or released from his post due to misappropriation of money, corruption, fraud-forgery and moral turpitude while he was chairman or director or official or employee of any company or organization.	√		
(c)	He has not been removed/dismissed/downgraded or released from his post while holding the position of chief executive or chairman or director or official or employee of any Bank-Company or any other financial institution.	√		
(d)	There is no adverse observation against him in off-site or on-site inspection of Bangladesh Bank.	√		
(e)	He possesses such qualifications & competencies required for a Director and Independent Director as per BRPD Circular No. 02 & 03 dated 11 & 14 February 2024 respectively, those are applicable to him.	√		
<b>1.2</b>	<b>Financial Transparency/Integrity:</b>			
(a)	He has not stopped payment of his dues to any creditor nor has he been exempted from repayment by way of negotiation with or concession from the creditor nor is he a defaulter of loan.	√		
(b)	He has never been declared as bankrupt by the court and he is not a tax defaulter also.	√		

(c)	He has not been involved in any illegal activities while performing his professional duties in a Bank-Company or Financial Institute.	√		
<b>1.3</b>	<b>Educational Qualification, Suitability, and Experience:</b>			
(a)	He should be a holder of minimum post-graduate degree from a recognized university. Higher academic or professional education in economics, accounting, finance, banking, management or business administration will be considered as additional qualification of the concerned person.	√		
(b)	He shall not have third division or class at any stage of his educational career. In case of result published in Grading system, If GPA is less than 3.00 in case of SSC or equivalent and HSC or equivalent examination, and if CGPA is less than 2.50 in 4.00 point scale and less than 3.00 in 5.00 point scale in case of CGPA given by any authorized university, that will not be acceptable. The result (Class/Division/GPA) in case of degree obtained from abroad must be approved and equated by the appropriate authority.	√		
(c)	He should have proven performance and reputation in the immediate preceding posts.	√		
(d)	He should have leadership qualities.	√		
(e)	He cannot be a Director of any Bank- Company or Financial Institution or Insurance Company established under the Finance Company Act, 2023 or any institution controlled by such companies or cannot be employed in any profitable position in the said institutions.	√		
(f)	He cannot be engaged in any other Business or profession.	√		
(g)	He shall not have any Business Interest in the concerned Bank.	√		
(h)	He shall not have any engagement with any organization owned or controlled by any director of the bank or where the director has interest.	√		
(i)	No member of his family shall be included in the Board of Directors of the concerned bank.	√		
(j)	The concerned person should have at least 02 (Two) years experience as a diligent official in the immediate below position of MD or CEO of the Bank with at least 20 (Twenty) years of experience in the Banking profession.	√		
<b>1.4</b>	<b>Age Limit:</b>			
	The minimum age of the concerned person shall be 45 (Forty five) years and any person above the age of 65 (Sixty five) years shall not hold the post of Managing Director or CEO of any Banking-Company.	√		
<b>1.5</b>	<b>Tenure of appointment:</b>			
	The term of appointment of the Managing Director (MD) or Chief Executive Officer (CEO) shall normally be 03 (Three) years, but he shall be eligible for re-appointment. In case of re-appointment, if less than 03 (Three) years left to exceed the maximum age limit of 65 years, then he can be appointed for that remaining period only. However, recommendation of Bangladesh Bank regarding his tenure after interviewing the candidate must be considered as final and be followed.	√		
<b>1.6</b>	<b>Performance Indicators on Appointment or Re-appointment:</b>			
	Specific target for the reduction of non-performing loan and the recovery			

	of written-off loan should be assigned, and time to time progress therein should be monitored while appointing or re-appointing the Managing Director or CEO of a Bank-Company. Besides, performance indicators for financial and managerial progression i.e. Other performance indicators to be included for his performance at the said post. Furthermore, any special responsibilities or targets assigned by Bangladesh Bank on him from time to time in the interest of the depositors or in the interest of the Bank or the public will also be included as performance indicators in the case of his appointment/re-appointment.	√		
<b>1.7</b>	<b>Evaluation Report:</b> In case of re-appointment of the Managing Director or Chief Executive Officer (CEO), an evaluation report shall be submitted to Bangladesh Bank by the Chairman with the approval of the Board of Directors of the Bank. In this case the following issues should be taken into consideration-			
(a)	Achievement of pre-assigned target of recovery of default loan.	√		
(b)	The extent to which the predetermined target of recovery of written-off loan has been achieved.	√		
(c)	Progress report on fulfillment of responsibilities/ achievement of targets as assigned by Bangladesh Bank from time to time during the period of appointment.	√		
(d)	Details of achievement of target regarding improvement of specific financial, business, and managerial performance.	√		
(e)	Details of the improvement in key financial indicators such as CAMELS of the bank.	√		
<b>1.8</b>	<b>Interviewing and prior approval of Bangladesh Bank to appoint the Managing Director or CEO:</b>			
(a)	According to the provisions of sub-sections (4) and (5) of section 15 of the Bank Company Act, prior written approval of Bangladesh Bank must be obtained before the appointment or re-appointment of the Managing Director or Chief Executive Officer (CEO) of the bank company.	√		
(b)	Required documents and information (as per BRPD Circular No. 05, dated 27 February 2024) must be submitted to Bangladesh Bank before 02 (Two) months of appointment or re-appointment of the Managing Director or CEO.	√		
(c)	The Bank-Company shall appoint/re-appoint someone as its Managing Director or CEO based on the recommendation made through interviewing by the committee formed by Bangladesh Bank and chaired by its Deputy Governor assigned for the purpose.	√		
<b>2.</b>	<b>Fixation of Salary, Allowances, and Determination of other Benefits:</b>			
	In case of fixation of salary, allowances and determination of other benefits of the Managing Director or Chief Executive Officer and submission of proposal to Bangladesh Bank in this regard, the instructions of BRPD Circular No. 05 dated 27 February 2024 regarding Appointment & Responsibilities of Managing Director/Chief Executive Officer of a bank-company shall be followed.	√		
<b>3.</b>	<b>Incentive Bonus:</b>			
	The Managing Director or CEO of the Bank shall be entitled to Incentive Bonus subject to the payment of Incentive Bonus in favor of Officers/Employees of the Bank. However, such Incentive Bonus payable in favor of him shall not exceed Tk. 15 (Fifteen) lakhs per year. Provided further that, no other official of the Bank shall be entitled to	√		

	Incentive Bonus in excess of the limit prescribed for the Managing Director or CEO.			
<b>4.</b>	<b>Honorarium for attending the Board Meeting:</b>			
	The Managing Director or Chief Executive Officer CEO is a salaried official of the Bank and shall not be entitled to any honorarium for attending the meeting of the Board or any committee of the Board.	√		
<b>5.</b>	<b>Traveling outside Bangladesh</b> The Managing Director or Chief Executive Officer of a Bank-Company shall avoid so far possible being outside Bangladesh for a long period of time. If travel outside Bangladesh is indispensable, following information and documents (attested by the Company Secretary) should be submitted along with the proposal sent by the Bank for pre-approval for travel outside Bangladesh-			
(a)	<b>Application for Pre-approval of Bangladesh Bank:</b> The application must be made to Bangladesh Bank before 10 (Ten) working days of his traveling for pre-approval.	√		
(b)	<b>Information and Documents to be Submitted:</b> (i) Attested copy of the decision of the Board of Directors; (ii) Proposed travel Schedule (including transit time); (iii) Purpose of travel and address of staying abroad (if more than one country, name of each country, duration of possible stay and address); (iv) The number of visit and purpose of travelling abroad during the relevant calendar year and the date and country of last visit; and (v) Source of travelling expenses.	√		
(c)	<b>Intimation regarding Managing Director or CEO (In-charge):</b> If the application for travelling abroad of regular Managing Director or CEO is approved by Bangladesh Bank then the name, designation, official phone number, cell phone number and e-mail address of the official who shall perform as Managing Director or CEO (In-charge) during the absence must be intimated in writing to the Banking Regulation and Policy Department (Division-II) before the regular Managing Director (MD) or Chief Executive Officer (CEO) leaves his office.	√		
<b>6.</b>	<b>Responsibilities, Duties and Authorities of the Managing Director (MD) or Chief Executive Officer (CEO):</b> The Managing Director (MD) or Chief Executive Officer (CEO) of Bank Company shall perform the duties and responsibilities and exercise the Authorities as follows:			
(a)	<b>Performing Trust and Fiduciary Duty</b> The Managing Director (MD) or Chief Executive Officer (CEO) must have proper knowledge and understanding of the following trust & fiduciary duty to protect the best interests of the depositors, and the banking company, namely-			
	(i) Duty of Care: He shall follow all the Acts, rules and regulations related to banking business. Furthermore, He shall act prudently, avoiding all forms of ignoring or negligence, so as not to cause any financial or other loss to the bank and depositors because of him.	√		
	(ii) Duty of Loyalty: He shall perform his or her duties in good faith, being loyal to the Bank Company and avoiding conflict of interest so that the interests of the Bank and depositors are protected instead of his or her own or any other person's interest.	√		
	(iii) He shall exercise the Authorities conferred on him for the purposes for which he is authorized.	√		

(b)	<b>Financial, Business and Administrative Responsibilities, Duties and Authorities:</b>		
	(i) The MD or CEO shall perform his or her duties and responsibilities in accordance with the financial, business and administrative powers assigned on him by the Board of Directors of the Bank.	√	
	(ii) He shall be responsible for the implementation of business plan of the Bank and shall be accountable for achieving of business objectives through sound administrative and financial management.	√	
	(iii) If any misinterpretation is made or incompatible instructions is given by the honorable Board members regarding the Bank Company Act and other related laws, regulations, and circulars & directives of Bangladesh Bank during the discussion of any matter raised by the Bank Management while presenting a memorandum in Board meeting or committee meeting, the MD or CEO shall inform the Board in writing of the specific Explanation of the relevant laws/regulations/circulars/directives.	√	
	(iv) In case of violation of the Bank Company Act or any other law, rule, directive, custom & practice by the members or any member of the Board in the Board meeting or Committee meeting, the MD or CEO shall inform Bangladesh Bank such contravention in writing or orally, as the case may be.	√	
	(v) The responsibility & authority of appointment & promotion of all other officers & employees except those of immediate two tiers below the MD or CEO shall be vested in the MD or CEO. He shall perform these responsibilities in all related cases as per the service-rule based on the Board approved policies. He cannot perform any action or take any decision on the basis of emotion or nepotism while performing his duties.	√	
	(vi) The Authority of appointment, transfer, promotion of and disciplinary action against all other officers & employees except those of immediate two tiers below the MD or CEO shall be vested in the MD or CEO, which shall be exercised by him as per the service-rule approved by the Board of Directors of the Bank. Further, he may nominate any officer for training, seminar, workshop etc. under the HR policy approved by the Board. If there is any restriction imposed regarding the nomination of any of the officers or employees by the government for training outside Bangladesh or for any other reason, he is bound to comply with the said restriction.	√	
	(vii) The Managing Director (MD) or Chief Executive Officer (CEO) shall assume any other responsibility if the Board assigns within the purview of the Rules, Regulations, Acts and Articles of the Bank.	√	
7.	<b>Releasing, Dismissal or Removal of Managing Director (MD) or Chief Executive Officer (CEO), and Filling of Vacancy:</b>		
(a)	The Managing Director (MD) or Chief Executive Officer (CEO) shall not be removed or the contract shall not be terminated before it expires if he has not involved himself with any act considered as Gross Aberration.	√	Not applicable (No Such Case arose)
(b)	If the Board of Directors of the bank wants to terminate the contract of the CEO or remove him before the expiry of the contract, such a proposal must be sent to Bangladesh Bank for approval, stating the specific reasons. If Bangladesh Bank approves such a proposal after considering all the issues, it will come into effect one month after the approval. But if such proposal is rejected by Bangladesh Bank, the CEO	√	Not applicable (No Such Case arose)

	concerned shall remain in the office for the remaining period of his contract.			
(c)	If the CEO requests to resign for personal or any other reason before the expiry of the contract, such request should be sent to Bangladesh Bank with the recommendation of the Board of Directors. The decision of the Bangladesh Bank in this regard will be deemed as final considering the recommendation of the committee of Bangladesh Bank made after taking the personal hearing/interviewing of the said CEO.	√		
(d)	In pursuance of the provisions of Section 45 or 46 of the Bank Company Act, Bangladesh Bank may release/dismiss/remove the MD or CEO of any Bank-Company at any time for mentioning specific reason.	√		Not applicable (No Such Case arose)
(e)	In case the position becomes vacant due to voluntary resignation or expiry of the term of the MD or CEO or for any other reason, as per the provisions of Section 15Ka(1) of the Bank Company Act, the Bank shall immediately fill the vacancy by a competent official from the immediate below position of MD or CEO should be appointed as acting Managing Director or Chief Executive Officer (if there are more than one eligible officials in the same position, in that case the most senior officer) for a maximum period of 03 (Three) months according to the decision of the Board of Directors, and Bangladesh Bank must be communicated about the said appointment in writing along with the resume and other details of the acting MD or CEO. The acting MD or CEO so appointed shall perform the overall duties of the Managing Director or Chief Executive Officer of the Bank.	√		Not applicable (No Such Case arose)
(f)	The post of MD or CEO of a Bank-Company shall not be kept vacant for more than 03 (Three) consecutive months, and if the vacancy is not filled within the said period, Bangladesh Bank may appoint an administrator in that bank as per the provisions of Section 15Ka (3) of the Bank Company Act.	√		Not applicable (No Such Case arose)

## Statement of Appointment, Re-appointment, Employment, & Other Engagements of the Directors

This Disclosure has been given as per the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMMCD/2009-193/09/Admin/117, dated- As on December 31, 2023.

SL. No.	Name of the Director	First Appointment Date	Last Re-appointment Date	The Primary Employment and Other Engagement including Directorship
1	Mr. Abu Zafar Mohammod Shofiuddin MP	20/02/2013	18/06/2023	SQ Wire & Cable Co. Ltd. SQ Trading & Engineering SQ Light Ltd. SQ Wood Preservatives SQ Energy Ltd. SQ Power Solutions SQ Properties Ltd. SRN Power SQ Electricals Ltd. Power-Add Techno Electricals Ltd. TSCO Power Ltd. TS Transformers Ltd Building Dreams Ltd. SQ Distribution Ltd. Microgenix BD Ltd. Papiro Ltd. Arrow Technology Ltd. SQ Denims Ltd. SQ Accessories Ltd. Petroken Ltd. Alliance Infrastructure SQ Agriculture Ltd. SQ Metallurgical Products SQ Metal Industry Ltd. SQ Resources Ltd.
2	Engr. Md. Moklesur Rahman	20/02/2013	18/06/2023	Contech Construction Ltd. Pre Stressed Pole Ltd. B&T Cables Ltd. B&T Cold Storage Ltd. B&T Development Ltd. B&T Meter Ltd. Tushar Ceramics Ltd. B&T Transformers Ltd. Nexus Securities Ltd. BD Game Studio Ltd Smart Meter

SL. No.	Name of the Director	First Appointment Date	Last Re-appointment Date	The Primary Employment and Other Engagement including Directorship
3	Mr. Abdul Kadir Molla	20/02/2013	18/06/2023	Thermax Textile Mills Ltd.
				Thermax Knit Yarn Ltd.
				Thermax Spinning Ltd.
				Thermax Blended Yarn Ltd.
				Indigo Spinning Ltd.
				Thermax Melange Spinning Mills Ltd.
				Thermax Yarn Dyeing Ltd.
				Adury Knit Composite Ltd.
				Adury Apparels Ltd.
				Thermax Woven Dyeing Ltd.
				Thermax Yarn Dyed Fabrics Ltd.
				Sister Denim Composite Ltd.
				Thermax Check Fabrics Ltd.
				Thermax Colour Cotton Ltd.
				Sister Garments Ltd.
				Sultana Filling Point Ltd.
				Adury Fashion & Print Ltd.
				Adury Ring Denim Spun Ltd.
				Kadir Molla Medical College & Hospital Ltd.
				Sultana Enterprise
				Sister Denim Composite (Unit-2) Ltd.
4	Mr. Hafizur Rahman Babu	20/02/2013	21/10/2021	Joytun Securities International Ltd.
				Joytun Developers Ltd.
				S.B. Agro Fertilizer Industries Ltd.
				Sheikh Cement Mills Ltd.
				Gold Hill Properties Ltd.
				Sheikh Jute Mills Ltd.
				M/S. Sheikh Brothers
				M/S. Hafizur Rahman Babu
				Sheikh Shipping Lines Ltd.
				Sheikh Agro Food Industries
				Arising Trade International Ltd.
5	Mr. Anwar Hussain	20/02/2013	21/10/2021	SAFAH CNG Refuelling Station Ltd.
				HAR Industries Ltd.
				Abdul Gaffar & Co. (Pvt.) Ltd.
				Asuka CNG Filling Station Ltd.
				AGI Corporation
				AGI Flex Ltd.
6	Mr. Sk. Shyedujaman, Nominated by Moonstar Ceramic Industries Ltd.	30/12/2015	23/06/2022	Mashiyat Fish Firm
				South East Union Ceramic Industries Ltd.
				AB Siddique & Co.
7	Mr. Mohammad Nawaz	30/12/2015	23/06/2022	Famous Printing & Packaging Ltd.
				Famous Iberchem Flavours & Fragrances Ltd.
				Famous General Agencies Ltd.

SL. No.	Name of the Director	First Appointment Date	Last Re-appointment Date	The Primary Employment and Other Engagement including Directorship
				Matcon limited F.S. Printing & Packaging Ltd. Green Soap & Chemical Co. Ltd. Famous Flavours & Fragrances Ltd. Eden Multicare Hospital NY Trading
8	Mr. Mohammed Ayub	30/12/2015	23/06/2022	Ayub & Co. Ltd. Pioneer Enterprise United Enterprise Pacific Enterprise M/S. Ishmam Enterprise
9	Mst. Nasima Begum, Nominated by Textile Mills Ltd. Thermax	16/07/2016	18/08/2020	Thermax Textile Mills Ltd. Thermax Knit Yarn Ltd. Thermax Spinning Ltd. Thermax Blended Yarn Ltd. Indigo Spinning Ltd. Thermax Melange Spinning Mills Ltd. Thermax Yarn Dyeing Ltd. Adury Knit Composite Ltd. Adury Apparels Ltd. Thermax Woven Dyeing Ltd. Thermax Yarn Dyed Fabrics Ltd. Sister Denim Composite Ltd. Thermax Check Fabrics Ltd. Thermax Colour Cotton Ltd. Sultana Filling Point Ltd. Adury Fashion & Print Ltd. Adury Ring Denim Spun Ltd. Kadir Molla Medical College & Hospital Ltd. Sister Garments Ltd. Sister Denim Composite (Unit-2) Ltd.
10	Mr. Md. Sajidur Rahman	06/05/2019	06/05/2022	Indo-Bangla Trading US-DK Green Energy (BD) Ltd. Lenden Ltd.
11	Professor Mohammad Moqbul Hossain Bhuiyan	22/06/2021	-	Professor, Department of Management Information System (MIS), University of Dhaka.
12	Mr. Mohammad Helal Uddin, Nominated by: TBO Trade Ltd.	11/01/2023	-	N/A
13	Mr. Mushfiqur Rahman, Nominated by M/S. Contech Construction Ltd.	12/01/2022	23/06/2022	Contech Construction Ltd. Pre-stressed Pole Ltd. B & T Poles Ltd. B & T Cables Ltd. B & T Cold Storage Ltd.

SL. No.	Name of the Director	First Appointment Date	Last Re-appointment Date	The Primary Employment and Other Engagement including Directorship
				B & T Development Ltd. B & T Meter Ltd. Tushar Ceramics Ltd. B & T Transformers Ltd. Nexus Securities Ltd. BD Game Studio Ltd. BD Game Studio
14	Mr. Mohammad Nazmul Huq, Nominated by Techno Electricals Ltd.	07/02/2022	23/06/2022	Vicar International Vicar Concrete Products Ltd. Vicar Electricals Ltd. Arrow Technology
15	Mr. Ziaur Rahman Zia FCA	16/11/2021	-	Partner, A. Qasem & Co., Chartered Accountants
16	Mr. Mohmmad Mahbubor Rahman, Nominated by Intec Solution	13/04/2023	18/06/2023	Imperial Resources Ltd.
17	Mr. Md. Emdadul Hoque, Nominated by T & A International	13/04/2023	18/06/2023	N/A
18	Mr. Shohel Ahmed, Nominated by Meter D Tech.	25/09/2023	-	Techno Electricals Ltd. SQ Wire & Cable Co. Ltd SQ Trading & Engineering SQ Properties Ltd. SQ Light Ltd. Building Dreams Ltd. SQ Wood Preservatives Power-Add Vicar Electricals Ltd. Vicar Concrete Products SQ Distribution Ltd. SQ Electrical Ltd. SQ Resources Ltd. Papiro Ltd. SQ Agriculture Ltd. SQ Nafis Crop Care Ltd. SQ Metal Industry Ltd.

# Report of the Nomination and Remuneration Committee (NRC) of the Board

## Nomination and Remuneration Committee (NRC)

Bank as a legal entity, is guided in its corporate governance practices mainly by two regulatory bodies: The Bangladesh Bank (The Central Bank of Bangladesh) and The Bangladesh Securities and Exchange Commission (BSEC).

As per Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated: 03 June 2018 of the Bangladesh Securities and Exchange Commission (BSEC), every company requires to form a Nomination and Remuneration Committee (NRC) as sub-committee of the Board.

According to the requirements and in accordance of the aforesaid notification of the commission, the Board of Directors of SBAC Bank PLC. formed the Nomination and Remuneration Committee (NRC) in its 110<sup>th</sup> meeting held on 30<sup>th</sup> November, 2020 and reformed at 175<sup>th</sup> meeting on 14<sup>th</sup> December, 2023.

## Major Purpose of the Nomination and Remuneration Committee (NRC)

The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives as well as a policy for formal process of considering remuneration of directors and top level executives.

## Roles of the Nomination and Remuneration Committee (NRC)

- (a) To be independent and responsible or accountable to the Board and to the shareholders;
- (b) NRC shall oversee, among others, the following matters and make report with recommendation to the Board:
  - (i) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
    - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
    - (b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    - (c) Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
  - (ii) Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
  - (iii) Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
  - (iv) Formulating the criteria for evaluation of performance of independent directors and the Board;
  - (v) Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
  - (vi) Developing, recommending and reviewing annually the company's human resources and training policies;
- (c) To disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in the annual report.

## Composition of the Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) of SBAC Bank PLC. comprises of 06 (Six) members from the Board of Directors, having required qualifications as determined under the Corporate Governance Code of BSEC. During the period from 01-01-2023 to 31-12-2023 the Committee has the following members:

Sl. No.	Name	Status with the Bank	Status with the Committee	Educational Qualification
01.	Mr. Md. Sajidur Rahman	Independent director	Chairman	M.Com. (Marketing)
02.	Professor Mohammad Moqbul Hossain Bhuiyan	Independent director	Member	MBA
03.	Mr. Ziaur Rahman Zia FCA	Independent director	Member	M.Com. (Accounting)
04.	Mr. Sk. Shyedujjaman	Director	Member	MBA (Marketing)
05.	Mr. Mohammad Helal Uddin	Director	Member	M. Sc. (Chemistry)
06.	Mr. Mohammad Mahbubor Rahman	Director	Member	M.Com. (Accounting)

### Meeting of the Nomination and Remuneration Committee (NRC)

During the year 2023, 02 (Two) Meetings of the Nomination and Remuneration Committee (NRC) was held. The particulars of attendance of the members of the NRC are given below:

Sl. No.	Name	Meeting Held	Meeting Held Attended	Remarks
01.	Mr. Md. Sajidur Rahman	02	02	
02.	Professor Mohammad Moqbul Hossain Bhuiyan	02	02	
03.	Mr. Ziaur Rahman Zia FCA	02	01	
04.	Mr. Sk. Shyedujjaman	02	-	Co-opted on 14.12.2023
05.	Mr. Mohammad Helal Uddin	02	-	Co-opted on 14.12.2023
06.	Mr. Mohammad Mahbubor Rahman	02	-	Co-opted on 14.12.2023

The Minutes of the meetings, containing various suggestions and recommendations to the management and the Board, was placed subsequently to the Board Meeting complying with the regulatory directives.

### Performance of the NRC During 2023

The Nomination and Remuneration Committee (NRC) took following decisions in its meetings held in 2023:

- In its 6th Meeting held in 02.03.2023, the members of the Nomination and Remuneration Committee (NRC) reviewed its performance as per the roles & responsibilities prescribed in the Terms of Reference (ToR) of the NRC. In the same meeting, the committee also scrutinized few resumes to form a pool to recruit Chief Financial Officer (CFO).

- The Committee in its 7th meeting held on 19.12.2023 evaluated the service profile and performance of the Deputy Managing Directors of the Bank to rank them according to their performance. Moreover, the Key Performance Indicator (KPI) for the top executives was also reviewed in the meeting.

### Acknowledgement

The Nomination and Remuneration Committee (NRC) conveyed its heartfelt thanks to the members of the Board of SBAC Bank PLC. for its excellent co-operation in the course of carrying out the duties & responsibilities of the committee. The NRC also expresses satisfaction for the support extended by the management in performing the roles assigned on the committee.

On Behalf of the Nomination and Remuneration Committee (NRC) of the Board,



**Md. Sajidur Rahman**  
Chairman, NRC of the Board.

## Report of the Audit Committee of the Board

The Audit Committee has the pleasure of presenting to the Shareholders / Members the report for the year ended December 31, 2023, prepared in Compliance with paragraph 5(7) of Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 titled as Corporate Governance Code.

The Audit Committee (AC) is acting as a bridge among the Board of Directors to protect the interest of the stakeholders. The AC undertakes its responsibilities to engage in systematic and continuous review, monitoring and assessment of organizational performance against evolving regulatory requirements. Its roles and responsibilities were defined in line with the Corporate Governance Circulars of Bangladesh Bank and the Notifications of Bangladesh Securities and Exchange Commission (BSEC).

### Main Objectives of Audit Committee:

- To assist the Board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plans set by the Board.
- To review the financial reporting process and effectiveness of the internal control process.
- To assess the effectiveness of overall processes and procedures for monitoring compliance with laws and regulations, code of business conduct and to check the compliance status of the inspection report of Bangladesh Bank.

### Constitution of Audit Committee:

As per BRPD Circular No.11 dated October 27, 2013 and Corporate Governance Code of BSEC the composition of the Audit Committee of a bank shall comply with the followings:

- Members of the committee shall be selected from among the directors of the board.

- Audit Committee of the board shall comprise maximum 05 (five) members including at least 2 (two) members from independent directors;
- Audit Committee shall be constituted with those members of the Board, who are not Executive Committee Members.
- Members may be elected for a term of 03 (three) years.
- Company Secretary of the Bank shall be the secretary of the Committee.

The present Audit Committee (AC) of the Board was duly reconstituted by the Board of Directors of the Bank in its 164<sup>th</sup> meeting held on May 14, 2023 in compliance with BRPD Circular no. 11 dated October 27, 2013 and Corporate Governance Codes issued by Bangladesh Securities and Exchange Commission (BSEC). The previous Audit Committee was reconstituted by the Board of Directors in its 159<sup>th</sup> and 138<sup>th</sup> meeting held on February 28, 2023 and March 08, 2022 respectively.

### The Audit Committee of the Bank reconstituted on May 14, 2023

SL.	Name	Status with the Bank	Status with the committee	Educational Qualification	No. of meetings held in 2023	No. of meetings attended in 2023
1	Mr. Md. Sajidur Rahman	Independent Director	Chairman	M. Com (Marketing)	6	6
2	Mr. Mohammad Nawaz *	Director	Member	B.Sc.	6	4
3	Professor Mohammad Moqbul Hossain Bhuiyan	Independent Director	Member	M. Com (Management), MBA	6	6
4	Mr. Mohammad Mahbubor Rahman **	Director	Member	M. Com (Accounting)	6	3
5	Mr. Ziaur Rahman Zia FCA	Independent Director	Member	M. Com (Accounting)	6	5

\* Appointed as member on February 28, 2023

\*\*Appointed as member on May 14, 2023

## Roles and responsibilities of Audit Committee:

The roles and responsibilities of AC have been defined in line with the relevant provisions of Corporate Governance Guidelines / Notification issued by Bangladesh Bank and Bangladesh Securities and Exchange Commission and other best practices of governance. Some important roles and responsibilities are highlighted below:

### Internal Control:

- Evaluate whether the bank management is adhering to appropriate risk management, compliance, governance practices and have a clear understanding of their respective roles and responsibilities;
- Review whether arrangements made by the management for developing and maintaining a suitable Management Information System (MIS);
- Monitor whether suitable suggestions made by internal and external auditors to improve internal control practices have been duly implemented by the management.
- Review the existing risk management policy and procedures to improve the health and efficiency of the investment portfolio;
- Review the corrective measures taken by the management relating to fraud-forgery, deficiency in internal control or other similar issues detected by internal and external auditors and Bangladesh Bank and inform the Board regularly.

### Financial reporting:

- Review, before submission to the Board for approval, periodic financial statements to determine whether they are complete and consistent with applicable accounting and reporting standards set by respective governing bodies and regulatory authorities.
- Consult with management and external / statutory auditors to review annual financial statements or any other ad-hoc financial reports before their finalization.

### Internal Audit

- Evaluate whether internal audit functions are truly independent.
- Review the activities, structure, and style of internal audit functions to ensure that no unjustified restrictions or limitations are imposed.
- Review and assess the annual internal audit plan.
- Review the efficiency and effectiveness of the internal audit function.
- Review and ensure those appropriate recommendations made by internal auditors to remove irregularities, if any, are duly acted upon by concerned personnel in running the affairs of the Bank.

### External Audit:

- Make recommendations to the Board, to be put to shareholders for approval in the AGM, concerning the appointment, re-appointment and removal of the Bank's external auditors. The committee shall oversee the selection process of new auditors and shall investigate any issue that might have led auditors to resign.
- Oversee the relationship with the external auditors including:
  - Recommendation of remuneration, i.e., fees for audit or non-audit services.
  - Annually assessing their independence and objectivity, taking into account relevant professional and regulatory requirements.
  - Ensuring that there are no relationships such as family, employment, investment, financial or business between the auditor and the bank with exception to circumstances under the ordinary course of business.
- The Committee meets the external auditor at least once a year, without management being present; to discuss their remit and any issues arising from the audit.
- Review the findings and recommendations made by the external auditors regarding irregularities, if any, detected are duly acted upon by the management.

### Compliance with existing laws and regulations

Review whether the laws and regulations framed by the regulatory authorities (Central Bank, BSEC, and other bodies) and internal circular/instructions/policy/regulations approved by the Board and management have been duly complied with.

### Miscellaneous

The Audit Committee submits a 'Compliance Report' on quarterly basis to the Board mentioning any errors and irregularities, fraud and forgery, and other anomalies pointed by internal and external auditors of the Bank.

**Meeting of the committee:**

The Committee held 6 (Six) meetings in 2023 against minimum requirement of 4 (four) meetings in a year. The committee, from time to time invited the Managing Director, the Head of Internal Control & Compliance Department discussed and reviewed the findings and suggestions on various issues by the auditors and advised the management to take necessary measures. All recommendations/ observations of the committee were recorded in minutes. The meetings held in 2023 were as under:

Sl. No.	Meetings	Date of Meeting
1.	50 <sup>th</sup> Audit Committee Meeting	02 March 2023
2.	51 <sup>st</sup> Audit Committee Meeting	25 April 2023
3.	52 <sup>nd</sup> Audit Committee Meeting	11 May 2023
4.	53 <sup>rd</sup> Audit Committee Meeting	22 May 2023
5.	54 <sup>th</sup> Audit Committee Meeting	25 July 2023
6.	55 <sup>th</sup> Audit Committee Meeting	18 October 2023

**Major Activities of Audit Committee in 2023:** The major areas focused by the Audit Committee of the Board during 2023 are outlined below:

- Reviewed the annual financial statements of the Bank as on / for the year ended 31 December 2022 as certified by the External Auditor before submission to the Board for consideration.
- MABS & J Partners and G. Kibria & Co., Chartered Accountants re-appointed as external auditors of the Bank for the year 2023.
- Reviewed the unaudited quarterly (Q1, Q2 and Q3) financial statements of the Bank for the year 2023 before submission to the Board for consideration.
- Reviewed the compliance status of Self-Assessment of Anti-Fraud Internal Controls under DOS Circular Letter No. 10 dated 09 May 2017 of Bangladesh Bank.
- Reviewed and approved the 'Annual Audit Plan' for the year 2023.
- Reviewed the overall effectiveness of the control system of SBAC Bank PLC.
- Reviewed the Comprehensive Inspection Report, Special Inspection Report, Inspection Reports of SBAC Bank's Branches issued by Bangladesh Bank and subsequent compliance by management thereof.
- Reviewed the compliance status of core risks of the Bank and related risk level of its branches, departments of the Bank.

The Minutes of the Audit Committee meetings containing various suggestions and recommendations to the management are duly placed to the Board for ratification on regular basis.

The Audit Committee expresses its sincere gratitude to the Members of the Board of Directors of the Bank, Management and the Auditors for their cooperation while performing the duties and responsibilities of the Committee.

On behalf of the Audit Committee,

Md. Sajidur Rahman



Chairman  
Audit Committee of the Board

## Report of the Risk Management Committee (RMC) of the Board

Effective risk management is paramount for the sustainable operation and growth of a bank. In today's dynamic financial landscape, banks face various risks, including credit risk, market risk, operational risk, liquidity risk, and regulatory risk. To mitigate these risks and ensure financial stability, banks employ comprehensive risk management frameworks and strategies. This involves robust risk identification, assessment, monitoring, and mitigation processes tailored to the bank's specific risk appetite and tolerance levels. By implementing stringent risk management practices, including prudent lending policies, diversified investment portfolios, rigorous internal controls, and regular stress testing, banks can safeguard their assets, maintain depositor confidence, and uphold regulatory compliance. Furthermore, fostering a strong risk culture across all levels of the organization, coupled with continuous training and awareness programs, is crucial for promoting risk awareness, accountability, and resilience within the bank. Overall, effective risk management enables banks to navigate uncertainties, capitalize on opportunities, and achieve long-term success in today's competitive banking industry.

In line with the national regulatory framework, Bangladesh Bank has issued comprehensive guidelines aimed at ensuring the robustness, efficiency, and effectiveness of risk management systems for the banking sector. These include the Core Risks Management Guidelines, Risk-Based Capital Adequacy Guidelines, and Stress Testing Guidelines. Moreover, a revised Risk Management Guidelines for Banks was issued on October 08, 2018, promoting an



integrated, bank-wide approach to risk management.

SBAC Bank PLC. is committed to implementing these guidelines meticulously. The bank has adopted the Core Risk Management policy issued by Bangladesh Bank and regularly reviews the Risk Management Guidelines. These guidelines serve as the foundation for risk identification, measurement, assessment, and mitigation strategies within the bank.

To ensure effective risk management, SBAC Bank PLC. has established a dedicated Risk Management Division (RMD), led by a Chief Risk Officer. The RMD is responsible for monitoring and reporting various types of risks, developing an appropriate risk culture, and implementing risk management frameworks within the bank.

### Board Risk Management Committee:

As per directives of Bangladesh Bank circular no. 11 dated November 27, 2013, SBAC Bank formed a Risk Management Committee consisting of 5 (five) members of the Board of Directors. The members of the committee are given below:

Sl. No.	Name of Directors	Position of the Committee
1	Mr. Mohammad Nazmul Huq	Chairman
2	Mr. Mohammed Ayub	Member
3	Mr. Mohammad Helal Uddin	Member
4	Mr. Mushfiqur Rahman	Member
5	Mr. Md. Emdadul Hoque	Member

### Risk Management Division:

In compliance with Bangladesh Bank letter no. DOS (RMMS) 1154/1/SBAC/2013-397 dated December 02, 2013, SBAC Bank formed a separate 'Risk Management Department' under Chief Risk Officer (CRO) to ensure following activities in Bank:

- Establishment of risk management policies and procedures and review it annually to sound practice of the Bank;
- Preparation of SRP Policy of the Bank to maintain sufficient capital;
- Arrangement of meeting of Executive Risk Management Committee, preparation of minutes of the meetings & distribution of the same to the members;
- Preparation of the monthly Risk Management Report of the Bank on monthly basis and submit the same before management and Bangladesh Bank within the prescribed time;
- Preparation of the Comprehensive Risk Management Report of the Bank on half yearly basis and submit the same before management and Bangladesh Bank within the next month of each half year;
- Preparation of the stress testing report of the Bank on quarterly basis and submit the same before management and Bangladesh Bank (on quarterly basis) within the following month after the end of quarter;
- Preparation of ICAAP report and submit it to the Bangladesh Bank within May 31 of each year;
- Preparation of the Risk Appetite Statement of the Bank for sound risk management practice, place it before the Board of Directors of the Bank for approval and submit it to the Bangladesh Bank within February of each year;
- Preparation of the Board/ Audit Committee of the Board/ Risk Management Committee of the Board memo related to Risk Management issues;
- Look after the portfolio of loans and advances of the bank and analyze the risk related to credit concentration;
- Revision of the overall risk policy, including a consideration of whether any revisions are required;
- Preparation of risk management disclosure in the annual report;

### Capital Assessment under Basel-III:

Capital Assessment of the Bank is based on the objective of maintaining an adequate capital base to support the projected business and regulatory requirement. This is done by drawing an annual planned business growth vis-à-vis capital requirement.

### Capital Position of SBAC Bank PLC:

As per directives of the Bangladesh Bank, every bank is required to maintain capital at 12.50% including buffer capital of its risk-weighted assets under Basel-III or Tk.400.00 crore whichever is higher for the year 2023. The Common Equity Tier-1 (CET-1) capital should be minimum 4.50 percent of total capital. SBAC Bank maintained total eligible capital Tk. 1,158.32 crore as on 31.12.2023 which was 1,114.86 crore as on 31.12.2022. The Capital to Risk Weighted Asset Ratio of the Bank was 13.82% as on 31.12.2023 of which CET-1 was 13.18%. As on 31.12.2022, CRAR of the Bank was 13.78%. So, SBAC Bank maintains adequate capital as per requirement of Bangladesh Bank and the bank stands on strong capital base.

### Capital to Risk Weighted Assets Ratio (CRAR):

As per guidelines of Risk Based Capital Adequacy (RBCA) of Bangladesh Bank, every scheduled bank should maintain Capital to Risk Weighted Assets Ratio including buffer capital of 12.50% of Risk Weighted Assets (RWA). Under this requirement, Capital to Risk Weighted Asset Ratio of the Bank stood at 13.82% of RWA as on 31.12.2023. While calculating Risk Weighted Assets, Credit Risk, Market Risk and Operational Risk are taken into consideration.

### Stress Testing:

Stress Testing is a risk management technique used to evaluate the potential effects of Bank's financial condition of a specific event and/or movement in a set of financial variables. It is also an integral part of the Capital Adequacy Framework. The traditional focus of stress testing relates to exceptional but plausible events. SBAC Bank performs quarterly basis stress testing within the scope of Bangladesh Bank FSD circular no. 01 dated September 24, 2012.

## Comprehensive Risk Management Report:

In compliance with Bangladesh Bank, Risk Management Division prepares Risk Management Report (RMR) & Comprehensive Risk Management Report and presents it before Executive Risk Management Committee on monthly basis & half yearly basis respectively for taking necessary steps to mitigate various risks which are being submitted to Bangladesh Bank in time.

## Internal Capital Adequacy Assessment Process (ICAAP) Report:

Internal Capital Adequacy Assessment Process (ICAAP), including an evaluation of the bank's preferred risk profile, the actual risks identified, the means by which they will be mitigated, and what risks will be covered by capital. The ICAAP reporting must be approved by the Board of Directors of the banks before submitting to Bangladesh Bank. The information provided in the ICAAP reporting will be verified by Inspection Departments of Bangladesh Bank. In the year 2023 SBAC Bank sent the ICAAP Report and Supplementary Documents to the Bangladesh Bank based on December 31, 2022 after approval of the Board of Directors. Besides the ICAAP Report based on December 2023 will be submitted in time.

## Key Risk Indicator (KRI)/ Risk Register:

The KRI is one of the effective tools for comprehensive risk management that shall be maintained by the bank to identify the key business and financial risks, to define and implement respective controls/mitigating factors to reduce the risks faced by the bank. We are in the process of implementing Risk Register for ensuring better management of the risk indicators. The Risk Management Division of the Bank has suggested for rating of each risk element by-

- the chance of the risk happening – '**likelihood**'
- the amount of loss or damage if the risk happened – '**impact**' (consequence)

A risk matrix has been developed combining likelihood and impact in order to obtain a risk score. How the risk score is derived can be seen from the following risk matrix:

<b>LIKELIHOOD</b>	Frequent (5)	Low	Medium	High	Extreme	Extreme
	Very Likely (4)	Low	Medium	High	High	Extreme
	Likely (3)	Low	Medium	Medium	High	High
	Unlikely (2)	Low	Low	Medium	Medium	Medium
	Very Unlikely (1)	Low	Low	Low	Low	Low
	<b>What is the Chance it will Happen?</b>	Negligible (1)	Minor (2)	Moderate (3)	Considerable (4)	Major (5)
<b>IMPACT</b>						
<b>How Serious is the Risk?</b>						

## Preparedness in Implementation of Basel-III:

Basel III reforms are the response of Basel Committee on Banking Supervision (BCBS) to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spillover from the financial sector to the real economy. These new global regulatory and supervisory standards mainly address the following areas:

- Raise the quality and level of capital to ensure banks are better able to absorb losses on both a going concern and a gone concern basis;
- Increase the risk coverage of the capital framework;
- Introduce leverage ratio to serve as a backstop to the risk-based capital measure;
- Raise the standards for the supervisory review process (Pillar 2); and
- Public disclosures (Pillar 3) etc.

Bangladesh Bank vide BRPD Circular No. 18 dated December 21, 2014 issued Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel-III). The Bank's implementation status of Basel-III guidelines is as under:

Particulars	Basel-III required for 2023	Bank Position	Remarks
Minimum Common Equity Tire-1 (CET-1) Capital Ratio	4.50%	13.18%	Excess 8.68%
Minimum Capital plus Capital Conservation Buffer (Buffer 2.50%)	7.00%	13.18%	Excess 6.18%
Minimum T-1 Capital Ratio	6.00%	13.18%	Excess 7.18%
Minimum Total Capital Ratio	10.00%	13.82%	Excess 3.82%
Minimum Total Capital plus Capital Conservation Buffer	12.50%	13.82%	Excess 1.32%
Leverage Ratio	3.25%	8.57%	Excess 5.32%
Liquidity Coverage Ratio	≥ 100%	100.71%	Excess 0.71%
Net Stable Funding Ratio	> 100%	163.07%	Excess 63.07%

SBAC Bank PLC. remains steadfast in its commitment to sound risk management practices and regulatory compliance. By adhering to regulatory guidelines and adopting robust risk management frameworks, the bank strives to safeguard the interests of its stakeholders and achieve sustainable business growth.

On behalf of the Risk Management Committee,



**Mohammad Nazmul Huq**

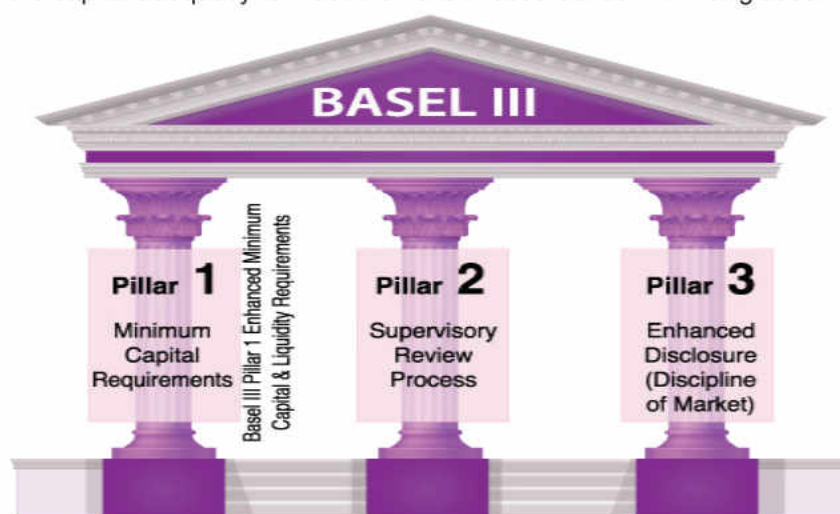
Chairman

Risk Management Committee (RMC) of the Board

# Disclosure on Risk Based Capital under Basel-III

As on 31 December 2023

The purpose of Market Discipline in Basel III is to complement the minimum capital requirements and the supervisory review process. The aim of introducing Market Discipline is to establish a more transparent and more disciplined financial market so that stakeholders can assess the position of a Bank regarding the holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets. For the said purpose, SBAC BANK PLC. has developed a set of disclosures called “Disclosures on Risk Based Capital (Basel III)” which contains a key piece of information on the assets, risk exposures, risk assessment process, and hence the capital adequacy to meet the risks in accordance with Bangladesh Bank guidelines.



## 01. Scope of Application:

Qualitative Disclosure		
a)	The name of the top corporate entity in the group to which this guideline applies;	<b>SBAC Bank PLC.</b>
b)	An outline of differences in the basis of consolidation for accounting & regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated, (b) that are given a deduction treatment, and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted);	<p>The disclosure made in the following sections has addressed SBAC Bank PLC. as a single entity (Solo Basis) as well as a consolidated entity (Consolidated Basis), the scope of which is as under:</p> <ul style="list-style-type: none"> <li>• 'Solo Basis' refers to all positions of the Bank including the Offshore Banking Unit.</li> <li>• 'Consolidated Basis' refers to all positions of the Bank and its Subsidiaries.</li> </ul> <p><b>The Consolidated Financial Statements of SBAC Bank PLC. include the Financial Statements of:</b></p> <ul style="list-style-type: none"> <li>• SBAC Bank PLC.</li> <li>• SBAC Bank Investment LTD.</li> </ul> <p>A brief description of the Bank and its subsidiaries is given below:</p> <ul style="list-style-type: none"> <li>• SBAC Bank PLC.</li> </ul>

		<p><b>SBAC Bank PLC.</b> was formed as a public PLC. banking company incorporated in Bangladesh with the primary objective to carry on all kinds of banking business in and outside Bangladesh.</p> <p>SBAC Bank PLC. (the Bank) is a scheduled commercial bank. Incorporated as a public PLC. company under the Companies Act 1994, the Bank obtained a license from Bangladesh Bank on 25<sup>th</sup> March 2013 and started its banking business on 28<sup>th</sup> April 2013. The number of branches was 89 (eighty-nine) and sub-branches were 27 (Twenty-seven) as on 31 December 2023 all over Bangladesh. The principal activities of the Bank are to carry on all kinds of commercial banking business in Bangladesh.</p> <p><b>Offshore Banking Unit</b></p> <p>The Off-shore Banking Unit (OBU) of the Bank is a separate business entity governed by the applicable rules &amp; regulations and guidelines of Bangladesh Bank. The Bank obtained 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 on 31 December 2023, located at International Division, Head Office, and Dhaka.</p> <p>The principal activities of the OBUs are to provide commercial banking services through its Unit within the rules &amp; regulations and guidelines of Bangladesh Bank applicable for the Off-shore Banking Units.</p> <p><b>Subsidiaries of SBAC Bank PLC.:</b></p> <p>The Bank has 01 (One) Subsidiary company as on 31 December 2023 – 1) SBAC Bank Investment LTD. (SBACBIL).</p> <p><b>SBAC Bank Investment LTD. (SBACBIL).</b></p> <p>SBAC Bank Investment Ltd. is a Subsidiary Company of SBAC Bank PLC. incorporated as a Private PLC. Company by 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. The main objective of the company is to act as a full-fledged Stock Broker &amp; Stock Dealer to execute buy and sell orders and to maintain its own portfolio as well as customers' portfolios under the discretion of customers. Registered office of SBACBIL is located at BSC Tower, 2-3 Rajuk Avenue, Motijheel, C/A, Dhaka - 1000, Bangladesh.</p>
c)	Any restrictions, or other major impediments, on the transfer of funds or regulatory capital within the group;	Not applicable.
<b>Quantitative Disclosure</b>		
d)	The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) is included in the capital of the consolidated group;	Not applicable.

## 2.00 Capital Structure:

Qualitative Disclosure	
Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1, or Tier 2;	<p>In accordance with the Risk Based Capital Adequacy Guidelines issued by Bangladesh Bank in December 2014, the Capital Structure of the Bank is categorized into two Tiers – 1) Tier I and 2) Tier II. The components of the total regulatory capital are enumerated as under:</p> <ol style="list-style-type: none"> <li>1. Tier 1 Capital (going-concern capital) <ol style="list-style-type: none"> <li>a. Common Equity Tier 1</li> <li>b. Additional Tier 1</li> </ol> </li> <li>2. Tier 2 Capital (gone-concern capital)</li> </ol> <p><b>Tier 1 Capital: (Going-concern capital)</b></p> <p>Going-concern capital is the capital which can absorb losses without triggering the bankruptcy of the Bank. As such, from a regulatory capital perspective, Tier 1 capital is the core measure of a Bank's financial strength.</p> <p><b>As per the guidelines of Bangladesh Bank, CET-1 Capital is comprised the following:</b></p> <ol style="list-style-type: none"> <li>a) Paid up capital</li> <li>b) Non-repayable share premium account</li> <li>c) Statutory reserve</li> <li>d) General reserve</li> <li>e) Retained earnings</li> <li>f) Dividend equalization reserve</li> <li>g) Minority interest in subsidiaries, i.e. common shares issued by consolidated subsidiaries of the Bank and held by third parties.</li> </ol> <p><b>Additional Tier 1 (AT 1) Capital consists of the following items:</b></p> <ol style="list-style-type: none"> <li>a) Non-cumulative irredeemable preference shares</li> <li>b) Instruments issued by the Bank that meet the qualifying criteria for AT 1 (The instrument is perpetual i.e. there is no maturity date)</li> <li>c) Minority Interest, i.e., AT 1 issued by consolidated subsidiaries to third parties.</li> </ol> <p><b>Tier 2 Capital: (Gone-concern capital)</b></p> <p>Gone-concern capital is the capital which will absorb losses only in a situation of liquidation of the Bank. Gone-concern capital is also called Tier 2 capital. Gone-concern capital represents other elements which fall short of some of the characteristics of the core capital but contribute to the overall strength of a bank.</p> <p><b>Tier 2 Capital consists of the following items:</b></p> <ol style="list-style-type: none"> <li>a) General provisions; (maximum 1.25 % of risk weighted assets)</li> <li>b) All other preference shares</li> <li>c) Subordinated debt/instruments issued by the Bank that meet the qualifying criteria for Tier 2 capital; (Minimum original maturity of at least five years)</li> <li>d) Minority interest i.e. Tier 2 issued by consolidated subsidiaries to third parties;</li> </ol> <p>As per the guidelines of Bangladesh Bank, Tier-1 capital of SBAC Bank PLC. consists of (i) Fully paid-up capital, (ii) Statutory reserve, (iii) General reserve, (iv) Retained earnings and (v) Minority interest in subsidiaries.</p>

## Quantitative Disclosure

The amount of regulatory capital of the Bank as on 31 December 2023 is stated below:

BDT in Crore (where applicable)

Sl.	Particulars	Solo	Consolidated
<b>1</b>	<b>Tier 1 (Going-concern capital)</b>		
<b>1.1</b>	<b>Common Equity Tier 1 (CET 1)</b>		
1.1.1	Paid-up capital	824.19	824.19
1.1.2	Non-repayable share premium account	-	-
1.1.3	Statutory reserve	248.69	248.69
1.1.4	General reserve	-	-
1.1.5	Retained earnings	31.89	35.80
1.1.6	Dividend equalization reserve	-	-
1.1.7	Minority interest in subsidiaries	-	0.04
1.1.8	<b>Sub-total (1.1.1 to 1.1.7):</b>	<b>1,104.78</b>	<b>1,108.73</b>
1.2	Less: Regulatory Adjustment		
1.2.1	Goodwill and all other intangible assets	1.48	2.56
1.2.2	Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	1.05	1.05
1.2.3	<b>Sub-total (1.2.1 to 1.2.2):</b>	<b>2.53</b>	<b>3.62</b>
	Total Common Equity Tier (CET) -1 Capital (1.1.8-1.2.3)	1,102.24	1,105.12
<b>1.3</b>	<b>Additional Tier 1 (AT 1)</b>		
1.3.1	Non-cumulative irredeemable preference shares	-	-
1.3.2	Instruments (perpetual in nature)	-	-
1.3.3	Minority interest; i.e. AT1 issued by consolidated subsidiaries	-	-
	<b>Sub-total (1.3.1 to 1.3.3):</b>	<b>-</b>	<b>-</b>
	Total Tier 1 Capital (CET 1 + AT 1)	1,102.24	1,105.12
<b>2</b>	<b>Tier 2 (Gone-concern capital)</b>		
2.1.1	General provision	53.20	53.20
2.1.2	Subordinated debt	-	-
2.1.3	Revaluation reserve	-	-
2.1.4	<b>Sub-total (2.1.1 to 2.1.3)</b>	<b>53.20</b>	<b>53.20</b>
2.2	Less: Regulatory Adjustment		
2.2.1	Subordinated Bond – cross holding	-	-
2.2.2	Revaluation Reserve	-	-
2.2.3	<b>Sub-total (2.2.1 to 2.2.2)</b>	<b>-</b>	<b>-</b>
	Total Tier 2 Capital (2.1.4-2.2.2)	53.20	53.20
	<b>Total Eligible Capital (Tier 1 + Tier 2)</b>	<b>1,155.45</b>	<b>1,158.32</b>

### 3.00 Capital Adequacy:

Qualitative Disclosure		
a)	A summary discussion of the Bank's approach for assessing the adequacy of its capital to support current and future activities;	<p><b>Methodology of Capital Adequacy Determination:</b></p> <p>The Bank has computed the Capital to Risk Weighted Ratio (CRAR) adopting the following approaches:</p> <ol style="list-style-type: none"> <li>Standardized Approach for Credit Risk to Compute Capital to Risk Weighted Ratio under Basel III, using national discretion for: <ul style="list-style-type: none"> <li>Accepting the credit rating agencies as External Credit Assessment Institutions (ECAI) for claims on corporate and eligible SME customers.</li> <li>Accepting Credit Risk Mitigation (CRM) against the financial securities.</li> </ul> </li> <li>Standardized (rule based) Approach for Market Risk and</li> <li>Basic Indicator Approach for Operational Risk.</li> </ol> <p><b>Assessment of the Adequacy of Capital:</b></p> <p>For assessing Capital Adequacy, the Bank has adopted a Standardized Approach for Credit Risk measurement, a Standardized (Rule Based) Approach for Market Risk measurement, and Basic Indicator Approach for Operational Risk measurement.</p> <p>The Bank focuses on strengthening risk management and control environment rather than increasing capital to cover up weak risk management and control practices. SBAC Bank PLC. has been generating most of its incremental capital from retained profit (stock dividend and statutory reserve transfer etc.) to support incremental growth of Risk Weighted Assets (RWA). Besides meeting regulatory capital requirements, the Bank maintains adequate capital to absorb material risk foreseen. Therefore, the Bank's Capital to Risk Weighted Assets Ratio (CRAR) remains consistently within the comfort zone. During the year 2023 the CRAR ranges from 13.03 % to 13.94% on a consolidated basis and from 13.17% to 14.09% on a solo basis against a minimum requirement of 10% (12.50% including Capital conservation buffer) of Risk Weighted Assets (RWA). Basel unit is taking active measures to identify, quantify, manage and monitor all risks to which the Bank's is exposed to.</p>

### Quantitative Disclosure

The Capital Requirement and Capital to Risk Weighted Asset Ratio (CRAR) of the Bank as on 31 December 2023 are as under:

Particulars	BDT in Crore (where applicable)			
	Solo		Consolidated	
	Requirement	Maintained	Requirement	Maintained
Capital Maintained against requirement for credit risk	715.77	981.13	705.70	974.95
Capital Maintained against requirement for market risk	31.25	42.84	35.99	49.72
Capital Maintained against requirement for operational risk	95.92	131.48	96.74	133.65
<b>Total capital requirement under Pillar-I</b>	<b>842.94</b>	<b>1,155.45</b>	<b>838.44</b>	<b>1,158.32</b>
<b>Total capital Maintained against requirement under Pillar-I considering conservation buffer</b>	<b>842.94</b>	<b>1,155.45</b>	<b>838.44</b>	<b>1,158.32</b>
<b>Capital to risk weighted assets ratio (CRAR)</b>	<b>10.00%</b>	<b>13.71%</b>	<b>10.00%</b>	<b>13.82%</b>
Common equity Tier-1 capital to risk weighted assets ratio	4.50%	13.18%	4.50%	13.18%
Tier 1 capital to risk weighted assets ratio	6.00%	13.18%	6.00%	13.18%
Tier 2 capital to risk weighted assets ratio	-	0.63%	-	0.63%
Capital conservation buffer	2.50%	3.71%	2.50%	3.82%
Available capital for Pillar 2	-	53.20	-	53.20

## 4.00 Credit Risk:

### Qualitative Disclosure

The general qualitative disclosure requirement with respect to credit risk, includes:

- a) Definitions of past due and impaired (for accounting purposes);
- As per relevant guidelines of Bangladesh Bank, the impaired loans and advances are defined on the basis of (i) Objective / Quantitative criteria and (ii) Qualitative judgment. For this purpose, all loans and advances are grouped into four (4) categories namely- (a) Continuous Loan (b) Demand Loan (c) Fixed Term Loan, and (d) Short-term Agricultural & Micro Credit.

#### Definition of past due/overdue:

To define past due and impairment through classification and provisioning, the bank follows Bangladesh Bank Circulars and Guidelines. Accordingly, any Continuous Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date. Any Demand Loan if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date. Whereas in case of any instalment (s) or part of instalment (s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid instalments (s) will be treated as past due/overdue after six months of the expiry date. The summary of objective criteria for loan classification and provisioning requirements is as below:

A summary of some objective criteria for loan classification is stated below:

Type of Facility	Overdue period for loan classification		
	Sub Standard	Doubtful	Bad & Loss
Continuous & Demand Loan (except CMSME)	3 months or more but less than 9 months.	9 months or more but less than 12 months.	12 months or more.
Continuous & Demand Loan (BRPD circular no.16 under CMSME)	6 months or more but less than 18 months.	18 months or more but less than 30 months.	30 months or more.
Fixed Term Loan (except CMSME)	3 months or more but less than 15 months.	15 months or more but less than 18 months	18 months or more
Fixed Term Loan (BRPD circular no.16 under CMSME)	12 months or more but less than 36 months.	24 months or more but less than 36 months	36 months or more
Short Term Agricultural & Micro Credit	12 months or more but less than 36 months	36 months or more but less than 60 months	60 months or more
Reschedule accounts	Reschedule accounts will be marked as per BRPD Circular No.16 dated July 18, 2022 & BRPD Circular Letter No. 33 dated August 03, 2022		

b)	Approaches followed for specific and general allowances and statistical methods;	<p>Specific provisions for classified loans and general provisions for unclassified loans and advances and contingent assets are measured as per Bangladesh Bank's prescribed provisioning rates, as mentioned below:</p> <table><tr><th>The provisioning rates are as follows:</th><th>Rates of provision</th></tr><tr><td><b>General provision on:</b></td><td><b>2023</b></td></tr><tr><td>Unclassified (including SMA) small and medium enterprise</td><td>0.25%</td></tr><tr><td>Unclassified (including SMA) Loans to BHs/MBs/SDs against shares etc.</td><td>2%</td></tr><tr><td>Unclassified (including SMA) loans for housing finance</td><td>1%</td></tr><tr><td>Unclassified consumer financing including credit card (other than housing finance)</td><td>2%</td></tr><tr><td>Unclassified (including SMA) other loans and advances</td><td>1%</td></tr><tr><td>Short term agri credit and micro credit</td><td>1%</td></tr><tr><td>Special General Provision: Covid-19</td><td>1%-2%</td></tr><tr><td>Off-balance sheet exposures (excluding Bills for collection)</td><td>0%-1%</td></tr><tr><td><b>Specific provision on:</b></td><td></td></tr><tr><td>Substandard loans other than short term agri credit, micro credit and CMSME</td><td>20%</td></tr><tr><td>Doubtful loans other than short term agri credit, micro credit and CMSME</td><td>50%</td></tr><tr><td>Substandard &amp; doubtful loans short term agri credit and micro credit</td><td>5%</td></tr><tr><td>Substandard loans CMSME</td><td>5%</td></tr><tr><td>Doubtful cottage, micro and small credits under CMSME under BRPD circularno.16, dated 21 July 2020</td><td>20%</td></tr><tr><td>Bad/Loss loans and advances</td><td>100%</td></tr></table>	The provisioning rates are as follows:	Rates of provision	<b>General provision on:</b>	<b>2023</b>	Unclassified (including SMA) small and medium enterprise	0.25%	Unclassified (including SMA) Loans to BHs/MBs/SDs against shares etc.	2%	Unclassified (including SMA) loans for housing finance	1%	Unclassified consumer financing including credit card (other than housing finance)	2%	Unclassified (including SMA) other loans and advances	1%	Short term agri credit and micro credit	1%	Special General Provision: Covid-19	1%-2%	Off-balance sheet exposures (excluding Bills for collection)	0%-1%	<b>Specific provision on:</b>		Substandard loans other than short term agri credit, micro credit and CMSME	20%	Doubtful loans other than short term agri credit, micro credit and CMSME	50%	Substandard & doubtful loans short term agri credit and micro credit	5%	Substandard loans CMSME	5%	Doubtful cottage, micro and small credits under CMSME under BRPD circularno.16, dated 21 July 2020	20%	Bad/Loss loans and advances	100%
The provisioning rates are as follows:	Rates of provision																																			
<b>General provision on:</b>	<b>2023</b>																																			
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Unclassified (including SMA) Loans to BHs/MBs/SDs against shares etc.	2%																																			
Unclassified (including SMA) loans for housing finance	1%																																			
Unclassified consumer financing including credit card (other than housing finance)	2%																																			
Unclassified (including SMA) other loans and advances	1%																																			
Short term agri credit and micro credit	1%																																			
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Doubtful cottage, micro and small credits under CMSME under BRPD circularno.16, dated 21 July 2020	20%																																			
Bad/Loss loans and advances	100%																																			
c)	Discussion of the bank's credit risk management policy;	<p>Credit risk arises while the borrowers or counterparty to a financial transaction fails to discharge an obligation as per agreed covenants, resulting in financial loss to the Bank. Credit exposures may arise from both the banking and trading books as well as Off-Balance sheet exposures. Credit risk is managed in the SBAC Bank PLC. through a framework that spells out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the businesses and approvers in the risk function. All credit exposure limits are approved within a defined credit approval authority framework. Credit policies and standards are considered and approved by the Board of Directors.</p> <p><b>4.1 Credit Risk Identification</b></p> <p>Risk measurement plays a central role, along with judgment and experience, in informing risk taking and portfolio management decisions. The Guidelines issued by Bangladesh Bank on Internal Credit Risk Rating (ICRR) System have been followed</p>																																		

	<p>meticulously. The ICRR is used to assess the client along with a range of quantitative and qualitative factors. Our credit grades against Corporate &amp; Medium clients are supported by external credit grades and ratings assigned by external Rating Agencies.</p> <p><b>4.2 Credit Approval</b></p> <p>Major credit exposures to individual borrowers, groups of connected counterparties, and portfolios of retail exposures are reviewed and recommended for approval by the competent authority of the risk review units. All credit approval authorities are delegated by the Board of Directors to executives based on their capability, experience &amp; business acumen. Credit origination and approval roles are segregated in all cases. The ICRR is an integral part of the credit approval process.</p> <p><b>4.3 Credit Monitoring</b></p> <p>We regularly monitor credit exposures, portfolio performance, and external trends through the relationship and credit administration team at the Branch and Head Office. Internal risk management reports containing information on key environmental, political, and economic trends across major portfolios, portfolio delinquency &amp; loan impairment performance; as well as credit grade migration are presented to the Credit Risk Management (CRM) Monitoring Cell. The CRM Monitoring Cell meets regularly to assess the impact of external events and trends on the credit risk portfolio and to define and implement our response in terms of appropriate changes to portfolio shape, underwriting standards, risk policy, and procedures. Accounts or Portfolios are placed on Early Alert (EA) when they display signs of weakness or financial deterioration. Account plans are re-evaluated and remedial actions are agreed upon and monitored. In Retail Banking, portfolio delinquency trends are monitored continuously at a detailed level. Individual customer behavior is also tracked and informed in lending decisions. Accounts which are past due are subject to a collections process, monitored in collaboration with the relationship manager by the risk function. Charged-off accounts of the Bank are managed by specialist recovery teams of the Recovery Division.</p> <p><b>4.4 Concentration Risk</b></p> <p>Credit concentration risk is managed within concentration caps set for the counterparty or groups of the connected counterparty, for the industry sector; and for the product. Additional targets are set and monitored for concentration by the credit committee. Credit concentrations are monitored by the responsible risk committees in each of the businesses and concentration limits that are material to the Bank are reviewed and approved at least annually by the Board of Directors.</p> <p><b>4.5 Credit Risk Mitigation</b></p> <p>Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting agreements, insurance, and other guarantees. The reliance that can be placed on these mitigates is carefully assessed in light of issues such as legal certainty and enforceability, market valuation correlation, and counterparty risk of the guarantor. Risk mitigation policies determine the eligibility of collateral types. Collateral types which are eligible for risk mitigation include; cash, residential, commercial, and industrial property; fixed assets such as motor vehicles, plant and machinery, marketable securities, commodities, bank guarantees, and letters of credit. Collateral is valued in accordance with our Methodology for Valuation of Security/Collateral Assets, which prescribes the frequency of valuation for different collateral types, based on the level of price volatility of each type of collateral. Collateral held against impaired loans is maintained at fair value.</p>
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## Quantitative Disclosure

### Geographical Distribution of Credit Exposure:

#### Urban

Division	BDT in Crore	%
Dhaka Division	5,374.94	72.36%
Chittagong Division	861.38	11.60%
Khulna Division	576.54	7.76%
Rajshahi Division	242.43	3.26%
Sylhet Division	128.39	1.73%
Barisal Division	44.25	0.60%
Rangpur Division	180.46	2.43%
Mymensingh	19.81	0.27%
<b>Total</b>	<b>7,428.20</b>	<b>100.00%</b>

#### Rural

Division	BDT in Crore	%
Dhaka Division	473.78	37.72%
Chittagong Division	305.41	24.32%
Khulna Division	363.49	28.94%
Rajshahi Division	11.48	0.91%
Sylhet Division	57.82	4.60%
Barisal Division	32.40	2.58%
Rangpur Division	11.58	0.92%
Mymensingh	-	0.00%
<b>Total</b>	<b>1,255.96</b>	<b>100.00%</b>
<b>Grand Total</b>	<b>8,684.16</b>	<b>100.00%</b>

### Industry Type Distribution of Exposure:

Types of Credit Exposure	BDT in Crore	%
Agriculture, fisheries and forestry	306.73	3.53%
Agro base processing industries	690.78	7.95%
Small & medium enterprise financing (SMEF)	3,065.47	35.30%
RMG & textile industries	960.43	11.06%
Hospitals, clinics & medical colleges	61.38	0.71%
Trade & commerce	731.64	8.42%
Transport and communications	57.97	0.67%
Rubber & plastic industries	173.15	1.99%
Iron, steel & aluminium industries	414.58	4.77%
Printing & Packaging industries	25.43	0.29%
Other manufacturing industries	796.00	9.17%
Housing & construction industries	120.14	1.38%
Consumer credit	115.17	1.33%
Others	1,165.29	13.42%
<b>Total</b>	<b>8,684.16</b>	<b>100.00%</b>

**Residual Contractual Maturity Wise Distribution of Exposure:**

Particulars	BDT in Crore
On demand	622.38
Within one month	643.25
Within one to three months	1,733.84
Within three to twelve months	2,763.46
Within one to five years	1,690.59
More than five years	1,230.64
<b>Total</b>	<b>8,684.16</b>

**Loans & Advances and Provision:**

BDT in Crore

Particulars	Loans & Advances	Provision Against Loans & Advances
<b>Total loans and advances</b>	<b>8,684.16</b>	<b>382.00</b>
Un-classified loans & advances (including special general provision COVID-19)	8,169.20	64.83
Classified loans and advances	<b>514.96</b>	<b>317.18</b>
Un-classified (UC)	-	131.64
Sub-standard (SS)	17.82	1.14
Doubtful (DF)	37.04	8.59
Bad & loss (BL)	460.10	175.81
Off-balance sheet Items	<b>2,935.89</b>	<b>23.93</b>
Total provision required		<b>382.00</b>
Total provision maintained		<b>346.44</b>
Surplus / (deficit)		<b>(35.56)</b>

\* As per Bangladesh Bank letter reference no. DBI-3/132/2024-640 dated 29 April 2024, the Bank's total provision requirement against loans and advances is Tk 382.00 crore. The Department of Off-site Supervision of Bangladesh Bank through letter reference no. DOS (CAMS)1157/41(dividend)/2024 dated 30 April, 2024, approval deferral against the deficit of Tk. 35.56 crore provision up to the finalization of Financial Statements for the year ended 31 December 2024.

**Gross Non-Performing Assets (NPAs):**

Particulars	BDT in Crore
Gross non-performing assets (NPAs)	514.96
Total loans and advances	8,684.16
NPAs to outstanding loans & advances (%)	5.93%

**Movement of Non-Performing Assets (NPAs):**

Particulars	BDT in Crore
Opening balance	403.12
Additions	203.27
Reductions	91.43
<b>Closing balance</b>	<b>514.96</b>

**Movement of Specific Provisions for NPLs:**

Particulars	BDT in Crore
Opening balance	249.98
Less: Adjustment due to write-off	-
Less: Waiver during the year	-
Add: Recoveries of amount previously written off	-
Provisions made during the period	67.20
<b>Closing Balance</b>	<b>317.18</b>

**5.00 Equities: Disclosures for Banking Book Positions:****Qualitative Disclosures**

The general qualitative disclosure with respect to equity risk, including:

a)	Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and	The main purpose of holding of equity exposure is for capital gain. The Bank holds equity exposure within set rules of Bangladesh Bank. The quoted shares are valued at market price and the unquoted shares are valued at their cost price.
b)	Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	

**Quantitative Disclosure**

Particulars	BDT in Crore	
	Cost Price	Market Price
Investment In quoted share	151.62	119.91
Realized gains		3.65
Unrealized gains		0.02
Unrealized losses		(31.72)
Net unrealized gains/(loss)		(31.70)
Capital requirement for equity risk (specific & general)		23.98

**\*\*No provision required** as per DOS Circular No. 01 dated 10 February 2020 for Investment in Capital Market (shares) under special fund.

Capital Requirement as per Grouping of Equity:				BDT in Crore	
Sector		Capital Charge			
	Cost Price	Market Price	Specific Risk	General Market Risk	Total
Banks	11.71	10.44	1.04	1.04	2.09
Financial Institution	16.10	12.41	1.24	1.24	2.48
Insurance	20.29	13.36	1.34	1.34	2.67
Fuel & Fower	8.75	7.28	0.73	0.73	1.46
Mutual Funds	10.17	7.57	0.76	0.76	1.51
Engineering	19.09	16.09	1.61	1.61	3.22
Textile	8.03	7.17	0.72	0.72	1.43
Chemical & Pharmaceuticals	14.45	12.97	1.30	1.30	2.59
Telecommunication	5.83	4.51	0.45	0.45	0.90
IT	12.55	9.28	0.93	0.93	1.86
Miscellaneous	24.65	18.83	1.88	1.88	3.77
Total	151.62	119.91	11.99	11.99	23.98

## 6.00 Interest Rate Risk in the Banking Book (IRRBB):

Qualitative Disclosures		
a)	<p>The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan repayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.</p>	<p>The interest rate in the Banking Book reflects the shocks to the financial position of the bank including potential loss that the Bank may face in the event of an adverse change in market interest rate. This has an impact on the earnings of the bank through Net Interest Earnings as well as on the Market Value of Equity or net worth. Thus this risk would have an impact on both earning potential and economic value of the Bank.</p> <p>The Bank uses Duration Gap Analysis (DGA) for the deriving value of capital requirement for interest rate risk.</p> <p>The Bank ensures that interest rate risk is not included within the market risk. The Bank has calculated the rate sensitive assets and liabilities with a maturity of up to 12 months bucket and applied the sensitivity analysis to measure the level of interest rate shock on its capital adequacy.</p> <p>***In the ALCO meeting, the committee always discusses about the negative bucket (Up to 3 monthly basis) and advised reducing the negative bucket chronologically.</p>

Quantitative Disclosure				
a)	<p>The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).</p>	BDT in Crore		
		Particulars	Up to 3 months	3-6 months
				6-12 months
		Rate sensitive assets (RSA)	1,955.51	2,737.19
		Rate sensitive liabilities (RSL)	1,899.11	1,488.62
		Gap (RSA-RSL)	56.40	1,248.57
		Interest Rate Shock on Capital		BDT in Crore
		Total regulatory capital		1,158.32

	Total risk weighted assets (RWA)			8,384.36
	Capital to risk weighted asset ratio (CRAR)			13.82%
	<b>BDT in Crore (where applicable)</b>			
	<b>Assumed decrease in interest Rate</b>	1%	2%	3%
	Change in market value of equity	(34.70)	(69.40)	(104.10)
	Capital after shock	1,141.46	1,124.60	1,107.73
	CRAR after shock	13.62%	13.42%	13.22%
	Decrease in CRAR	0.20%	0.40%	0.60%

## 7.00 Market Risk:

### Qualitative Disclosures

Market risk is a trading book concept. It may be defined as the risk of losses in on and off-balance sheet positions arising from movements in market prices. The market risk positions are subject to the risks pertaining to interest rate related instruments & equities in the trading book and foreign exchange risk & commodities risk throughout the Bank. This signifies the risk of loss due to a decrease in market portfolio arising out of market risk factors. It may be mentioned that the Bank considers Interest Rate Risk on Banking Book separately.

a)	Views of Board of Directors on trading/ investment activities;	The Board approves all policies related to market risk, sets limits, and reviews compliance on a regular basis. The objective is to provide cost effective funding last year to finance asset growth and trade related transactions.
b)	Methods used to measure Market Risk;	Standardized (rule based) approach is used to measure the market risk of the Bank whereas for interest rate risk and equity risk both General and specific risk factors are applied for calculating capital charge and for foreign exchange and commodities only general risk factors is applied.
c)	Market Risk Management system;	The duties of managing the market risk including liquidity, interest rate, and foreign exchange risk lies with the Treasury Division under the supervision of ALCO. The ALCO is comprised of senior executives of the Bank, who meets at least once a month. The committee evaluates the current position of the bank and gives direction to mitigate the market risk exposure to a minimum level.
d)	Policies and processes for mitigating market risk;	There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risk. The exchange rate committee of the Bank meets on a daily basis to review the prevailing market condition, exchange rate, forex position, and transactions to mitigate foreign exchange risks.

### Quantitative Disclosure

Capital Charges for Market Risk	BDT in Crore	
	Solo	Consolidated
Interest Rate Related instruments	0.36	0.36
Equities	23.98	28.72
Foreign Exchange Position	6.91	6.91
Commodities	-	-
<b>Total</b>	<b>31.25</b>	<b>35.99</b>

## 8.00 Operational Risk:

### Qualitative Disclosures

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. Recognizing the importance of information technology in the banking business, the Bank has considered information technology risk as an independent risk.

a)	Views of Board of Directors on the system to reduce Operational Risk;	The policy for operational risks including internal control and compliance risk is approved by the Board in line with the relevant guidelines of Bangladesh Bank. The Audit Committee of the Board directly oversees the activities of the Internal Control and Compliance Division to protect against all operational risks.  As a part of continuous surveillance, the Senior Management Team (SMT), Risk Management Division regularly reviews different aspects of operational risk. The analytical assessment was reported to the Board/ Risk Management Committee/Audit Committee of the Bank for review and formulating appropriate policies, tools & techniques for mitigating operational risk.
b)	Performance gap of executives and staff;	The Bank identifies the loop holes among the effectiveness of the employees and executives, these loop holes are removed by arranging appropriate training programs, offering competitive packages and providing the best working environment. In this process, the Bank kept the performance gap of executives and staff to a minimum level.
c)	Potential external event;	No potential external event is expected to expose the Bank to significant operational risk. The Bank has a separate Operational Risk Policy addressing specific issues involving Operational Risk.
d)	Policies and processes for mitigating operational risk;	Operational Risk is inherent in every business organization and covers a wide spectrum of issues. In order to mitigate this, internal control and internal audit systems are used as the primary means. SBAC Bank PLC. manages this risk through a control-based environment in which processes are documented, authorization is independent and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the bank stays in line with industry best practices and takes account of lessons learned from publicized operational failures within the financial services industry. SBAC Bank PLC. has an operational risk management process which explains how the bank manages its operational risk by identifying, assessing, monitoring, controlling, and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with Bangladesh Bank's requirements. Operational risk management responsibility is assigned to different level of management within the business operation. Information systems are used to record the identification and assessment of operational risks and to generate appropriate regular management reporting. Risk assessment incorporates a regular review of identified risks to monitor significant changes.
e)	Approach for calculating capital charge for operational risk;	Basic Indicator Approach is used to measure Operational Risk where capital charge is 15% on last three years average positive gross income of the Bank.

### Quantitative Disclosure

#### Capital Charges for Operational Risk

		BDT in crore			
Basis	Operational Risk	2020	2021	2022	Capital Charge
Solo	Gross Income	639.79	569.70	708.84	95.92
Consolidated	Gross Income	640.95	576.05	717.83	96.74

## 9.00 Leverage Ratio:

Qualitative Disclosures		
a)	Views of Board of Directors on system to reduce Liquidity Risk;	<p>The Leverage Ratio is a non-risk based measure introduced to monitor and build-up of leverage on credit institutions balance sheets aiming at containing the cyclical of lending. It is calibrated to act as a credible supplementary measure to the risk based capital requirements. The leverage ratio is calculated by dividing Tier 1 capital by assets (both on and off-balance sheet items).</p> <p>The policy for Leverage Ratio including off and on balance sheet exposure and capital related policy. The Bank has a well-structured delegation and sub-delegation of credit approval authority for ensuring good governance and better control in credit approval system. The Board of Directors and its Executive Committee hold the supreme authority for any credit approval in line with the credit committee consisting of the senior management of the bank.</p>
b)	Policies and processes for managing excessive on and off-balance sheet leverage;	SBAC Bank PLC. has policies and processes in place for the identification, management and monitoring of the risk of excessive leverage. SBAC Bank PLC. maintains the leverage ratio above the regulatory limit as a part of the Bank's risk appetite framework.
c)	Approach for calculating exposure;	<p>In order to measure the exposure consistently with financial accounts, the following approaches are applied by the bank:</p> <ol style="list-style-type: none"> <li>On-balance sheet, non-derivative exposures are net of specific provisions and valuation adjustments (e.g. surplus/deficit on Available for Sale (AFS)/ Held-for-trading (HFT) positions).</li> <li>Physical or financial collateral, guarantee or credit risk mitigation purchased is not allowed to reduce on-balance sheet exposure.</li> <li>Netting of loans and deposits is not allowed</li> </ol> <p>A minimum Tier-1 leverage ratio of 3% is being prescribed by Bangladesh Bank both at solo and consolidated basis. The Bank maintains leverage ratio on quarterly basis. The status of leverage ratio at the end of each calendar quarter is submitted to Bangladesh Bank showing the average of the month based on capital and total exposure. The formula of Leverage Ratio is as under:</p> $\text{Leverage Ratio} = \frac{\text{Tier - 1 Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$

## Quantitative Disclosure

BDT in Crore		
Particulars	Solo	Consolidated
<b>Tier 1 Capital*</b>	<b>1,102.24</b>	<b>1,105.12</b>
On Balance Sheet Exposure	11,435.00	11,396.90
Off-Balance Sheet Exposure	1,455.84	1,455.84
Total Deductions from On and Off-Balance Sheet Exposure/ Regulatory adjustments made to Tier 1 capital	2.53	3.62
<b>Total Exposure</b>	<b>12,888.31</b>	<b>12,849.13</b>
Leverage Ratio	8.55%	8.60%
*Considering all regulatory adjustments		

## 10.00 Liquidity Ratio:

Qualitative Disclosures		
a)	Views of BOD on system to reduce liquidity Risk;	<p>As per the BRPD Circular no. 18 dated 21 December 2014, Bangladesh Bank has strengthened the liquidity framework by developing two minimum standards for funding liquidity. These standards have been developed to achieve two separate but complementary objectives.</p> <p>The first objective is to promote short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficient high quality liquid resources to survive an acute stress</p>

		<p>scenario lasting for one month. Liquidity Coverage Ratio (LCR) addresses this Objective.</p> <p>The second objective is to promote resilience over a longer time horizon by creating additional incentives for a bank to fund its activities with more stable sources of funding on an ongoing structural basis. The Net Stable Funding Ratio (NSFR) has a time horizon of one year and has been developed to provide a sustainable maturity structure of assets and liabilities.</p>
b)	Methods used to measure Liquidity Risk;	<p>Liquidity measurement involves assessing all of a bank's cash inflows against its outflows to identify the potential for any net shortfalls including funding requirements for off-balance sheet commitments.</p> <p>An important aspect of measuring liquidity is making assumptions about future funding needs, both in the very short-term and for long time periods. Another important factor is the ability to access funds readily and at reasonable terms. Several key liquidity risk indicators monitored on a regular basis to ensure healthy liquidity position are as follows:</p> <ul style="list-style-type: none"> <li>▪ Cash Reserve Ratio (CRR)</li> <li>▪ Statutory Liquidity Requirement (SLR)</li> <li>▪ Credit Deposit Ratio (CDR)</li> <li>▪ Liquidity Coverage Ratio (LCR)</li> <li>▪ Net Stable Funding Ratio (NSFR)</li> <li>▪ Structural Liquidity Profile (SLP)</li> <li>▪ Maximum Cumulative Outflow (MCO)</li> <li>▪ Medium Term Funding Ratio (MTFR)</li> <li>▪ Liquid Asset to Total Deposit Ratio (LATDR)</li> <li>▪ Liquid Asset to Short Term Liabilities (LASTL) etc.</li> </ul>
c)	Liquidity Risk management system;	<p>SBAC Bank PLC. maintains diversified and stable funding base comprising of core retail, corporate and institutional deposits to manage liquidity risk. The prime responsibility of the liquidity risk management of the Bank lies with Treasury Division under the supervision of ALCO, which maintains liquidity based on current liquidity position, anticipated future funding requirement, sources of fund, options for reducing funding needs, present and anticipated asset quality, present and future earning capacity, present and planned capital position etc.</p> <p>The intensity and sophistication of liquidity risk management process depend on the nature, size and complexity of a bank's activities. Sound liquidity risk management employed in measuring, monitoring and controlling liquidity risk is critical to the viability of the bank.</p> <p>The ALCO, which meets at least once in a month, is responsible for managing and controlling liquidity of the Bank. Treasury front office closely monitors and controls liquidity requirements on daily basis by appropriate coordination of funding activities and they are primarily responsible for management of liquidity in the Bank. A monthly projection of fund flows is reviewed in ALCO meeting regularly.</p>
d)	Policies and processes for mitigating Liquidity Risk;	<p>In order to develop a comprehensive liquidity risk management framework, the Bank has a Board approved Contingency Funding Plan (CFP). A set of policies and procedures that serves as a blueprint for the Bank to meet its funding needs in a timely manner and at a reasonable cost. In this sense, a Contingency Funding Plan (CFP) is an extension of ongoing liquidity management and formalizes the objectives of liquidity management by ensuring:</p> <ul style="list-style-type: none"> <li>A. Maintenance of a reasonable amount of liquid assets;</li> <li>B. Measurement and projection of funding requirements and</li> <li>C. Management of access to funding sources.</li> </ul> <p>CFP also provides directions for plausible actions in distress and emergency situations. In case of a sudden liquidity stress, it is important for the Bank to be seemed organized and efficient to meet its obligations to the stakeholders.</p> <p>Maturity ladder of cash inflows and outflows are effective tool to determine a bank's cash position. A maturity ladder estimates a banks cash inflows and outflows and thus net deficit or surplus (GAP) on a day to day basis and different buckets (e.g. 2-7 days, 1 month, 1-3 months, 3-12 months, 1-5 years and over 5 years).</p>

## Quantitative Disclosure

a)	Liquidity Coverage Ratio (LCR) liquid	<p>Liquidity Coverage Ratio (LCR) is a new liquidity standard built on the methodologies of traditional liquidity coverage ratio used by banks to assess exposure to contingent liquidity events. LCR aims to ensure that a bank maintains an adequate level of unencumbered, high-quality liquid assets that can be converted into cash to meet its liquidity needs for 30 calendar days.</p> $\text{LCR} = \frac{\text{Stock of high quality liquid assets}}{\text{Total net cash outflows over the next 30 calendar days}}$ <p>The minimum standard for LCR is greater than or equal to 100. However, the bank's status as on 31 December 2023 in this ratio is as under:</p> <table border="1" data-bbox="487 682 1448 892"> <thead> <tr> <th colspan="3">BDT in crore</th></tr> <tr> <th>Particulars</th><th>Regulatory Standard</th><th>31-Dec-23</th></tr> </thead> <tbody> <tr> <td>Total stock of high quality liquid assets</td><td></td><td>2,025.59</td></tr> <tr> <td>Total net cash outflows over the next 30 calendar days</td><td>Greater than or equal to 100%</td><td>2,011.31</td></tr> <tr> <td>Liquidity Coverage Ratio (LCR)</td><td></td><td>100.71%</td></tr> </tbody> </table>	BDT in crore			Particulars	Regulatory Standard	31-Dec-23	Total stock of high quality liquid assets		2,025.59	Total net cash outflows over the next 30 calendar days	Greater than or equal to 100%	2,011.31	Liquidity Coverage Ratio (LCR)		100.71%
BDT in crore																	
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Total net cash outflows over the next 30 calendar days	Greater than or equal to 100%	2,011.31															
Liquidity Coverage Ratio (LCR)		100.71%															
b)	Net Stable Funding Ratio (NSFR)	<p>Net Stable Funding Ratio (NSFR) is another new liquidity standard introduced by the Basel Committee. The NSFR aims to limit over-reliance on short-term wholesale funding during times of abundant market liquidity and encourage better assessment of liquidity risk across all on and off-balance sheet items.</p> <p>The minimum acceptable value of this ratio is 100 percent, indicating that Available Stable Funding (ASF) should be at least equal to Required Stable Funding (RSF). ASF consists of various kinds of liabilities and capital with percentage weights attached given their perceived stability. RSF consists of assets and off-balance sheet items, also with percentage weights attached given the degree to which they are illiquid or long-term and therefore require stable funding. The time horizon of the NSFR is one year, like the LCA, the NSFR calculations assume a stressed environment. The status of Net Stable Funding Ratio (NSFR) as on 31 December 2023 is as under:</p> <table border="1" data-bbox="487 1270 1448 1520"> <thead> <tr> <th colspan="3">BDT in crore</th></tr> <tr> <th>Particulars</th><th>Regulatory Standard</th><th>31-Dec-22</th></tr> </thead> <tbody> <tr> <td>Available amount of stable funding (ASF)</td><td></td><td>10,219.64</td></tr> <tr> <td>Required amount of stable funding (RSF)</td><td>Greater than 100%</td><td>6,266.88</td></tr> <tr> <td>Net Stable Funding Ratio (NSFR)</td><td></td><td>163.07%</td></tr> </tbody> </table>	BDT in crore			Particulars	Regulatory Standard	31-Dec-22	Available amount of stable funding (ASF)		10,219.64	Required amount of stable funding (RSF)	Greater than 100%	6,266.88	Net Stable Funding Ratio (NSFR)		163.07%
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Net Stable Funding Ratio (NSFR)		163.07%															

### 11.00 Remuneration:

Qualitative Disclosures		
a)	Information relating to the bodies that oversee remuneration;	<p>Managing Director, Senior Management Team (SMT) &amp; Head of Human Resources Division govern the remuneration related policies and practices in alignment of the Bank's short &amp; long term objectives. They play an independent role, operating as an overseer; and if required, makes recommendation to the Board of Directors of the Bank for its consideration and final approval for any remuneration related policy. The main work includes presenting recommendations to the Board regarding remuneration, compensation packages of senior management, incentive schemes and retirement benefits. They also assist the Board of Directors to ensure that all employees are remunerated fairly and get performance based compensation by ensuring effective remuneration policy, procedures and practices aligned with the Banks' strategy and applied consistency for all employee levels.</p>

b)	Information relating to the design and structure of remuneration processes;	<p>SBAC Bank PLC. has a flexible compensation and benefits system that helps to ensure pay equity is linked with performance that is understood by employees, and keeps in touch with employee desires and what's converted in the market, while maintaining a balance with the business affordability. The compensation and benefits are regularly reviewed through market and peer group study. The well-crafted total rewards help the Bank to attract, motivate and retain talent that produces desired business results. The structure and level of remuneration are reviewed time to time based on Bank's business performance and affordability. Other than the regular monthly payments and a good number of allowances, SBAC Bank PLC. has variety of market-competitive benefits schemes. The various cash and non-cash benefits include; Bank provided chauffeured car facility for top level executives, car maintenance allowance, leave fare assistance, employee car loan facility, house building loan facility, festival bonus etc. SBAC Bank PLC. also provides long term as well as retirement benefits to employees, like leave encashment, provident fund, benefit under gratuity &amp; superannuation fund etc.</p> <p>The overall objective of the Bank's remuneration policy is to establish a framework for attracting, retaining and motivating employees, and creating incentives for delivering long-term performance within established risk limits.</p>
c)	Description of the ways in which current and future risks are taken into account in the remuneration processes;	<p>The business risk including credit/default risk, compliance &amp; reputational risk is mostly considered when implementing the remuneration measures for each employee/group of employee. Financial and liquidity risks are also considered. Different set of measures are in practice based on the nature &amp; type of business lines/segments etc. These measures are primarily focused on the business target/goals set for each area of operation, branch vis-à-vis the actual results achieved as of the reporting date. The most vital tools &amp; indicators used for measuring the risks are the asset quality (NPL ratio), Net Interest Margin (NIM), provision coverage ratio, credit deposit ratio, cost-income ratio, growth of net profit, as well the non-financial indicators, namely, the compliance status with the regulatory norms, instructions have been brought to all concerned of the Bank from time to time.</p> <p>While evaluating the performance of each employee annually, all the financial and non-financial indicators as per pre-determined set criteria are considered; and accordingly, the result of the performance varies from one to another and thus affects the remuneration as well.</p> <p>No material change has been made during the year 2023 that could affect the remuneration.</p>
d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration;	<p>The Board sets the Key Performance Indicators (KPIs) for the senior management while approving the business target/budget for each year for the Bank and business lines/segments. The management sets the appropriate tools, techniques, and strategic planning (with due concurrence/approval of the Board) towards achieving those targets. The most common KPIs are the achievement of loan, deposit, and profit target with the threshold of NPL ratio, cost-income ratio, cost of fund, the yield on loans, provision coverage ratio, capital to risk weighted asset ratio (CRAR), ROE, ROA, liquidity position (maintenance of CRR and SLR) etc.</p>
e)	Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance;	<p>The Bank pays variable remuneration i.e. annual increment based on the yearly performance rating on a cash basis with the monthly pay. While the value of longer-term variable part of remuneration i.e. the amount of Provident Fund, Gratuity Fund, Superannuation Fund are made provision on aggregate /individual employee basis; actual payment is made upon retirement, resignation, etc. as the case may be, as per rule.</p>
f)	Description of the different forms of variable remuneration that the bank utilizes	<p><b>A summary of Short-term and Long-term compensation plan are as follows:</b></p> <p>Total Compensation = Fixed Pay (Salary) + Variable Pay (Bonus) + Variable Pay (Long term incentive).</p> <p><b>Form of variable remuneration offered by SBAC Bank:</b></p>

and the rationale for using these different forms;	<p><b>Cash Form:</b></p> <p><b>Short-Term Incentive/Rewards</b></p> <ol style="list-style-type: none"> <li>1. Yearly fixed and incentive bonus;</li> <li>2. Yearly increment;</li> <li>3. Business accomplishment financial award;</li> <li>4. Car fuel and car maintenance allowance for executives;</li> <li>5. Cash risk allowance for cashier;</li> <li>6. Charge allowance for branch manager.</li> </ol> <p><b>Long-Term Incentive/Rewards</b></p> <ol style="list-style-type: none"> <li>1. Provident fund;</li> <li>2. Gratuity;</li> <li>3. Employee house building loan with minimum interest rate;</li> <li>4. Employee house building loan safety scheme.</li> </ol> <p><b>Non-Cash Form:</b></p> <p><b>1) Short-Term Incentives/Rewards:</b> Accelerate promotion for top talents;</p> <p><b>2) Long-Term Incentives/Rewards:</b> Foreign training award;</p>
--	--

### Quantitative Disclosure

g)	Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member;	Meeting regarding overseeing the remuneration was held on need basis. No additional remuneration was paid for such meeting.								
h)	i) Number of employees having received a variable remuneration award during the financial year;	Nil								
	ii) Number and total amount of guaranteed bonuses awarded during the financial year;	<table><tr><th>Particulars</th><th>BDT in crore</th></tr><tr><td>Festival bonus</td><td>15.75</td></tr><tr><td>Incentive bonus</td><td>5.58</td></tr><tr><td><b>Total</b></td><td><b>21.33</b></td></tr></table>	Particulars	BDT in crore	Festival bonus	15.75	Incentive bonus	5.58	<b>Total</b>	<b>21.33</b>
	Particulars	BDT in crore								
	Festival bonus	15.75								
	Incentive bonus	5.58								
<b>Total</b>	<b>21.33</b>									
iii) Number and total amount of sign-on awards made during the financial year;	Nil									
iv) Number and total amount of severance payments made during the financial year;	Nil									
i)	i) Total amount of outstanding deferred									

	remuneration, split into cash, shares and share- linked instruments and other forms	Nil																		
	ii) Total amount of deferred remuneration paid out in the financial year;	Nil																		
j)	Breakdown of amount of remuneration awards for the financial year to show:	<div><b>Fixed and variable remuneration paid in 2023 are as follows:</b><table><tr><th>Particulars</th><th>BDT in crore</th></tr><tr><td>Basic salary</td><td>56.49</td></tr><tr><td>House rent allowance</td><td>27.11</td></tr><tr><td>Other allowances</td><td>43.89</td></tr><tr><td>Festival bonus</td><td>15.75</td></tr><tr><td>Gratuity</td><td>13.00</td></tr><tr><td>Bank's contribution on provident fund</td><td>5.26</td></tr><tr><td>Incentive bonus</td><td>5.58</td></tr><tr><td><b>Total</b></td><td><b>167.08</b></td></tr></table></div> <div><b>Deferred and non-deferred:</b> Non-deferred paid during the year 2023: Nil <b>Different forms used (cash, shares and share linked instruments, other forms):</b> All the remunerations have provided in the form of cash.</div>	Particulars	BDT in crore	Basic salary	56.49	House rent allowance	27.11	Other allowances	43.89	Festival bonus	15.75	Gratuity	13.00	Bank's contribution on provident fund	5.26	Incentive bonus	5.58	<b>Total</b>	<b>167.08</b>
Particulars	BDT in crore																			
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Other allowances	43.89																			
Festival bonus	15.75																			
Gratuity	13.00																			
Bank's contribution on provident fund	5.26																			
Incentive bonus	5.58																			
<b>Total</b>	<b>167.08</b>																			
k)	Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration																			
	i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments;	Nil																		
	ii) Total amount of reductions during the financial year due to ex post explicit adjustments;	Nil																		
	iii) Total amount of reductions during the financial year due to ex post implicit adjustments;	Nil																		

# Report of the Shari'ah Supervisory Committee of SBAC Bank PLC. for the year ended on 31<sup>st</sup> December, 2023

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the Name of Allah, the Beneficent, the Merciful. All praise is due to Almighty Allah, the Lord of the Universe and peace and blessing of Allah be upon the Prophet Muhammad (May Allah bless him and grant him peace) and upon his all other descendants and companions.



## To the Shareholders of the SBAC Bank PLC.,

Assalamu Alaikum Wa-Rahmatullahi Wa-Barakatuh.

In compliance with the terms of reference of the Bye Laws of the Shari'ah Supervisory Committee, we submit the following Report on the Islamic Banking operations of the SBAC Bank PLC. for year ended on 31st December, 2023.

During the year 2023, the Shari'ah Supervisory Committee of the SBAC Bank PLC., met in several Sessions and gave opinion on various Shari'ah related issues placed before it by the Management. The SBAC Bank PLC. is responsible for ensuring that they conduct its Islamic Banking business in accordance with the Shari'ah rules and principles. It is our responsibility to form an independent opinion, based on our review of the Islamic Banking operations and to report to you.

We have reviewed the principles and the contracts relating to the transactions and applications introduced by the SBAC Bank PLC. in its Islamic Banking operations during the period from 1<sup>st</sup> January, 2023 to 31<sup>st</sup> December, 2023.

We have conducted our review on the basis of Shari'ah audit and inspection reports of the Muraqib (Shari'ah Auditor) to form our opinion as to whether the SBAC Bank PLC., in its Islamic Banking operations, has complied with Shari'ah rules and principles and also with the specific fatwas, rulings and guidelines issued by us. In addition to our fatwas, the Muraqib also followed the Internal Control & Compliance guidelines on Islamic Banking issued by the Bangladesh Bank. Shari'ah non-compliance risk rating of concerned Windows was 'Low' during the year under report. The Shari'ah Supervisory Committee reviewed the Shari'ah Audit Reports and provided guidelines it deemed necessary for proper Shari'ah compliance.

We also conducted our review which included, on a test basis of each type of transaction, the relevant documentation and procedures adopted by the Islamic Banking of the SBAC Bank PLC. We planned and performed the review so as to obtain the information and explanation which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that SBAC Bank's Islamic Banking has not violated Shari'ah rules and principles.

## In our opinion:

- The contracts, transactions and dealings entered into by the SBAC Bank's Islamic Banking during the year ended on 31st December, 2023 that we have reviewed are in compliance with the Shari'ah rules and principles;

- Distribution of profit to the Mudaraba Depositors conforms to the basis that had been approved by us in accordance with the Shari'ah rules and principles;
- Earnings which are prohibited by Shari'ah rules and principles have not been included in the income;
- Transactions with the conventional part of the Bank have been made complying Shari'ah principles.
- Zakat is not applicable for Window based Islamic Banking of the SBAC Bank PLC.

During the year under report, the Shari'ah Supervisory Committee has advised the Bank on the following Issues:

- To take effective steps aiming at creating awareness among the employees and the customers about Shari'ah compliance;
- To continue to arrange regular training & workshop on Islamic Banking for the officials of the Bank and for their Customer Service Officers to increase professional skills for better Shari'ah compliance;
- To appoint an expert and senior banker as a head of Islamic Banking Division
- To take effective steps for implementation of the recommendations given by the Shari'ah Supervisory Committee.
- To take necessary steps for network expansion for Islamic Banking services nationwide.

The Shari'ah Supervisory Committee expresses appreciation to the Board of Directors of the Bank and to the Managing Director & CEO and his team for their spontaneous cooperation and support during the year 2023.

May Allah Subhanahu Wata'la give us strength to achieve His satisfaction through implementation of Shari'ah principles in every sphere of our life!

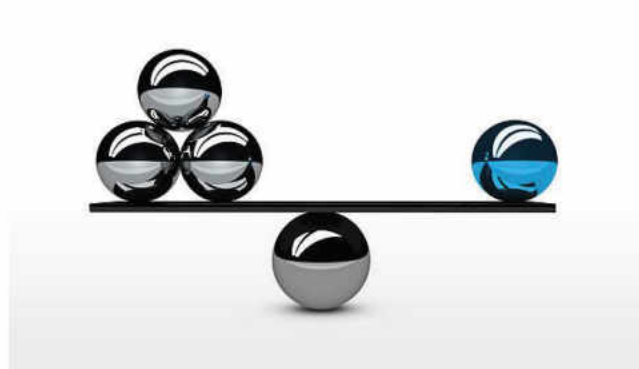


**Maulana Md. Abdur Razzak**  
Chairman  
Shariah Supervisory Committee

## Report of the Asset Liability Committee

Asset/liability management is the process of managing the use of assets and cash flows to reduce the firm's risk of loss from not paying a liability on time. Asset and Liability Management (ALM) strategies employ a combination of risk management and financial planning and are often used by organizations to manage long-term risks that can arise due to changing circumstances. ALM is practiced by financial institutions to mitigate financial risks resulting from a mismatch of assets and liabilities. By strategically matching of assets and liabilities, financial institutions can achieve greater efficiency and profitability while also reducing risk. It is the ongoing process of formulating, implementing, monitoring, and revising strategies related to assets and liabilities to achieve the Bank's financial objectives, given its risk

tolerances and other constraints. ALM risk is broadly associated with liquidity management and interest rate movement. Liquidity is an institution's ability to meet its liabilities either by borrowing or converting its assets.



### Asset Liability Management Committee (ALCO)

SBAC Asset-liability Committee (ALCO) comprising of designated Senior Officials of the Bank to make important decisions regarding issues related to Asset-Liability Management. The committee, typically known as ALCO, meets at least once in every month to analyze, review and formulate strategy to manage the balance sheet. The committee regularly convenes to review and formulate strategies for managing different risks associated with the balance sheet. ALCO is a decision-making unit responsible for Balance Sheet planning from the risk return perspective, including the strategic management of Interest Rate, Equity Price Risk, Foreign Exchange Risk and Liquidity Risks.

**Some of the major responsibilities of ALCO are as follows:**

- Monitor the structure and composition of Bank's Assets and Liabilities and identify balance sheet management issues that are leading to underperformance.
- Review maturity profile and mix of Assets and Liabilities.
- Articulate interest rate view of the Bank and decide on balance sheet strategy.
- Approve and periodically review the transfer pricing policy of the Bank.
- Review deposit-pricing strategy.
- Review contingency funding plan for the Bank.
- Review equity price risk & foreign exchange risk

### ALM (Asset-Liability Management) Desk

ALM desk prepares the ALCO paper, ALCO meeting minutes, and circulate the approved minutes. Under the treasury department of SBAC, the ALM desk is responsible for managing the inherent risk in the Bank's Assets and Liabilities. This desk keeps a vigilant eye on the balance sheet components and analyzes the movement to minimize potential losses and accelerate profitability. The key roles of the Bank's ALM desk are as follows:

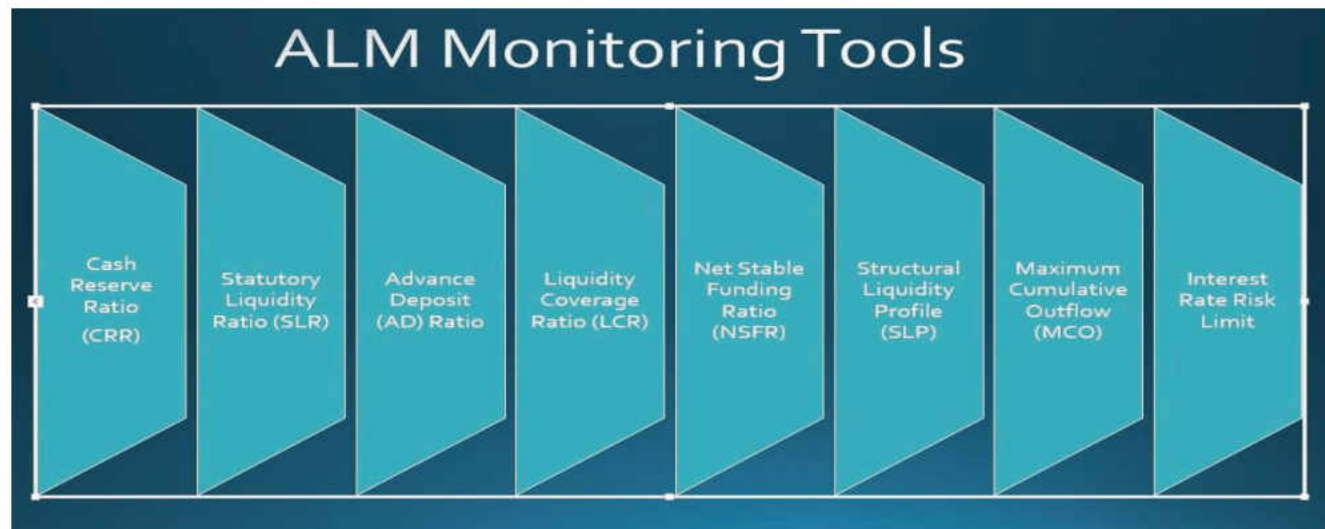
- To analyze the balance sheet of the Bank and identify different risk factors
- To assume overall responsibilities of money market activities.
- To manage liquidity and market risk of the Bank.
- To comply with the Central Bank regulations in respect to ALM
- To understand the market dynamics i.e., competition, potential target markets etc.

### Meetings of the ALCO

ALCO meeting, generally, takes place in every month but if required, ALCO Chairman may call unscheduled emergency meetings. We have 12 ALCOs in 2023. ALCO's responsibility is defined in the ALM policy of the Bank.

## Key Monitoring Tools for ALM

Treasury Division regularly monitors the following indicators for ensuring the ALM functions:



## Major areas focused by ALCO in 2023

- Investment in High Quality Liquid Asset (HQLA)
- Balance sheet management
- Prudently managing bank's interest rate risk
- Fx. Market
- Taking advantage from money market Liquidity
- Enrichment of existing portfolio.

On-behalf of the Asset-Liability Committee,



**Habibur Rahman**

Managing Director & CEO



মেয়াদপূর্তিতে **সুরক্ষা**  
মিলিওনিয়ার **স্কিম**  
লাখ টাকার মালিক

বিস্তারিত জানতে QRটি স্ক্যান করুন



**ব্যাংকেই  
বীমা সুবিধা**

দুর্ঘটনাজনিত মৃত্যুতে ৫ লাখ টাকা এবং  
স্বাভাবিক মৃত্যুতে ৫০ হাজার টাকার ইনস্যুরেন্স কাভারেজ

**৩ বছর মেয়াদে**  
মাসিক জমার পরিমাণ  
ট ২৩,৭০৭.০০

**৫ বছর মেয়াদে**  
মাসিক জমার পরিমাণ  
ট ১২,৭৮৮.০০

**৭ বছর মেয়াদে**  
মাসিক জমার পরিমাণ  
ট ৮,৯৮৫.০০

**১০ বছর মেয়াদে**  
মাসিক জমার পরিমাণ  
ট ৪,৮৩৯.০০

**মুনাফার হার**  
১০.৬০%



**16327**

**এসবিএসি ব্যাংক পিএলসি.**

www.sbacbank.com

\* সরকারি বিধি মোতাবেক কর কর্তনযোগ্য  
\* মুনাফার হার বা মেয়াদ পরিবর্তিত হতে পারে।

# Chapter 07

## SUSTAINABILITY ANALYSIS



## Message from the Managing Director & CEO on Sustainability

Banking has experienced significant changes and reached to a new strategic dimension called Sustainable Banking from its traditional form of operation. It means the integration of environmental, social and corporate governance issues into the business or investment decisions for continuing benefits of all the stakeholders.

At SBAC Bank PLC., sustainability means having a positive and long lasting impact on the community and to all the stakeholders rather than operating with mere responsibility or just complying with regulatory requirements.

### Corporate Social Responsibility

SBAC Bank believes in making a self-motivated drive towards betterment of all, therefore it has established the South Bangla Agriculture and Commerce Bank Foundation to carry out Corporate Social Responsibility (CSR) activities. The Foundation works towards improvement in socio- economic & cultural development and has been supporting education, health, charities, treatment of poor people, donations, sponsoring sports and natural disaster efforts to promote sustainable communities and environment in Bangladesh.

### Green Banking

Green banking, that is eco-friendly financing is essential to get a sustainable positive impact from business. We always believe in growing responsibly by maintaining an eco-friendly environment across the organization. For that purpose, the Bank formulated the Green Banking Policy Guideline, Green Office Guide as well as Environmental & Social Risk Management (ESRM) Guideline to raise awareness regarding conservation of energy, water and saving paper etc. Besides, SBAC Bank successfully implemented environmental risk rating and social risk rating introduced by Bangladesh Bank during appraising investment proposals. Our major initiatives for paperless banking are internet banking, digital wallet and e-KYC etc.

### Sustainable Development

Green finance, sustainable agro-finance, sustainable SME Finance, cottage industry finance and socially responsible finance altogether is considered sustainable finance. The Sustainable Finance Department of Bangladesh Bank is playing a remarkable role in promoting Sustainable Finance through issuing a number of related circulars & guidelines and supervising their compliance. We are committed to comply with the Sustainable Banking

circulars & guidelines of Bangladesh Bank to deploy our utmost effort to support sustainable development.

### Customer Relationship Management

Now-a-days banks are facing intense challenges in building long-term customer relationship and retaining clients. So we are determined to maintain good relationships with customers while improving the quality of its products and services. SBAC Bank is committed to provide service excellence, act responsibly, and treat customers fairly observing industry standards. We constantly improve our service delivery systems to ensure that they are fast and convenient to meet expectations and seek to enhance the quality of our service continually and encourage our customers to share their experience with us.

### Human Resource

Human is the most valuable resource for any organization. We create best values for our employees and always appreciate their contributions by rewarding them properly to attract and retain a diverse, engaged, and skilled workforce. Building an inclusive and sustainable workplace ensuring a safe and healthy working environment and putting a significant emphasize in learning and development programs through conducting regular trainings and workshops is our commitment. Furthermore, the bank has a lucrative remuneration and compensation policy for the satisfaction, safety and wellbeing of the employees.

In conclusion, as every business should have a social purpose along with a commercial objective, so I emphasize on our preference of going beyond profitability. We deploy our best efforts to achieve sustainable development for the community through promoting ethical operations for serving the people and the society as whole. Our commitment to provide resilient and sustainable financial solutions also guide our initiatives to support our clients during the financial hardship and uncertainty. We commit to transform our businesses towards a more sustainable future also. Finally, I would like to express my heartfelt thanks to all the stakeholders for keeping their trust & confidence on us, and supporting us on our path to sustainability.



**Habibur Rahman**  
Managing Director & CEO

# Sustainability Report of SBAC Bank PLC.

Sustainable development represents a pathway toward building resilient societies, alleviating poverty, and safeguarding the natural environment. SBAC Bank recognizes the increasing demand for greater social and environmental responsibility alongside emerging business opportunities. Consequently, the bank

integrates sustainability commitments into its core operations and activities, aiming for long-term positive impacts on both financial organizations and communities.

**Sustainability Policy:** SBAC Bank's sustainable banking policy is guided by principles focused on creating lasting value. Emphasizing long-term investment over short-term profit, the bank prioritizes financial inclusion, digital advancement, and service excellence. Quality is favored over quantity, ensuring a robust portfolio for sustainable growth. Additionally, the inclusion of risk analysis, including environmental and social factors, underscores the bank's commitment to sustainability.

**Guidance and Approach:** The bank is guided by sustainability policies and strategies formulated by management, overseen by a board-supervised corporate social responsibility policy. Anchored in a corporate culture of service excellence, commitment, trust, integrity, and responsible citizenship, SBAC Bank adheres to regulatory directives, such as Bangladesh Bank's Green Banking Circular No. 05, dated September 11, 2013.

**Sustainability Strategy:** SBAC Bank's sustainability strategy revolves around integrating sustainability

principles into core business operations. This approach encompasses economic, environmental, and social considerations to positively impact stakeholders and address future challenges. The bank focuses on:



## Economic sustainability

- Employee remuneration
- Shareholders Dividend
- Loans Disbursed to MSME
- Contribution to national exchequer



## Environmental Sustainability

- Resources consumption management
- Protection of Environment
- Mitigation of climate change & Reduction of carbon footprint

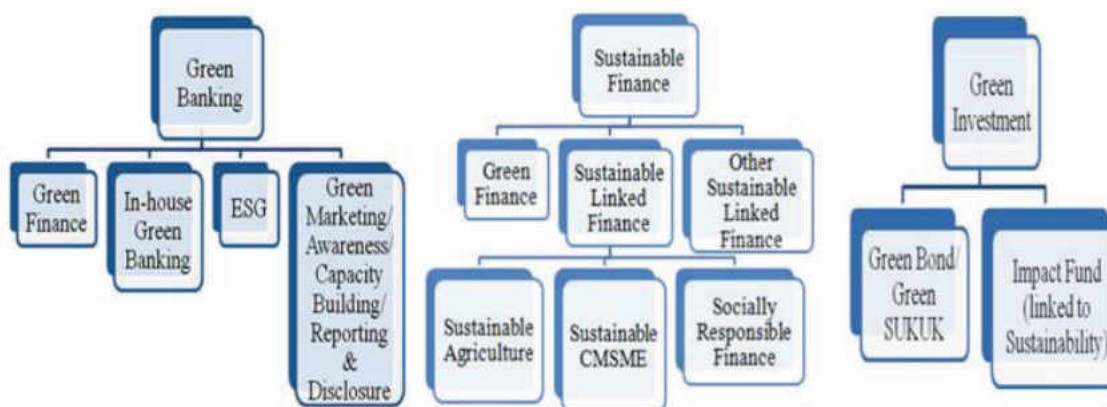


## Social Sustainability

- Community investment & Corporate Social Responsibility (CSR)
- Inclusive Banking
- Convenience through Digitalized services

- **Involvement with Stakeholders:** Regular engagement ensures alignment with stakeholders' expectations, informing strategic decisions.
- **Policy Formulation and Governance:** Investment proposals are reviewed to align with sustainable financing policies.
- **Responsible Banking Practices:** The bank protects stakeholders' interests, fosters a healthy work environment, and contributes to community welfare through the SBAC Bank Foundation.
- **Creation of Social Impact:** The foundation prioritizes ethical conduct and supports underprivileged communities in education, health, environmental management, and disaster relief.

## Forms of Sustainable Finance



**Initiatives Towards Sustainable Banking:** SBAC Bank implements various initiatives to promote sustainable banking practices:

- **Green Initiatives:** Adoption of eco-friendly practices such as reusable printing, electronic statements, and energy-efficient equipment.
- **Green Governance:** Establishment of a Green Banking Policy Implementation Unit to administer green banking issues.
- **Environmental Risk Management:** Integration of environmental risk assessments into credit risk management processes.
- **Electronic Payment Systems:** Provision of electronic banking services to promote digital transactions and reduce paper usage.
- **In-house Environment Management:** Measures to minimize resource consumption and utilize renewable energy sources.
- **Green Finance:** Allocation of funds for financing environmental-friendly projects and products.
- **Employee Training:** Continuous education and awareness programs on green banking and sustainable finance.

❖ **Outstanding against Green Finance of the Bank at the end of December 2023 stands to Tk. 361.44 million;**

❖ As on 31.12.2023, BDT 5970.50 million was the outstanding amount of total disbursement against sustainable Finance;

❖ Out of 89 Branches, no. of rural Branches is 44 and total 62 Branches are powered by solar panel.

SBAC Bank's sustainability efforts underscore its commitment to responsible banking practices, environmental stewardship, and social development. Through strategic initiatives and adherence to sustainability principles, the bank aims to create long-term value for stakeholders while addressing the challenges of tomorrow.

## South Bangla Agriculture and Commerce Bank Foundation

As a socially responsible corporate citizen, SBAC Bank PLC. is committed to work for the people and actively engaged in number of social projects. The Board of the Bank has approved a policy for Corporate Social Responsibility (CSR) in line with the CSR Guidelines of Bangladesh Bank. In 2017, we have formed South Bangla Agriculture and Commerce Bank Foundation for better carrying out of CSR activities with a number of benevolent objectives to undertake and carry on welfare activities strictly on non-profit basis for humanitarian and charitable purposes including Education, Preventive and Curative healthcare, emergency disaster relief, promoting human welfare, community investments by way of donations. It has also a view to carry out and implement promotion of art, science, literature after obtaining necessary permission from the government/Concerned Authority/Competent Authority.

South Bangla Agriculture and Commerce Bank Foundation works with local charities and voluntary groups to help children from disadvantaged backgrounds in accessing education. It focuses on the welfare of the society at large and can also serve the objectives of the Shariah. It is believed that for a company to establish itself as socially responsible, it cannot do anything that is harmful to the society, and its active participation to work for the betterment and welfare of the society is necessary.

The Foundation is a non-political, non-profit, voluntary and non-government charitable organization.

Donation of SBAC Bank PLC. is the main source of fund of the foundation. The income of the foundation whatsoever derived is applied solely towards the promotion of the objectives of the foundation enumerated above and no portion thereof is paid or distributed as dividend, bonus, profit or otherwise to the Members.

Our strategies are based on the fundamental conviction of sustainable business that integrates good governance and social priorities with a view to enhancing community empowerment in a sustainable manner. As a responsible corporate citizen, we realize the need to invest in the society and we work for bringing about changes that impact lives in positive ways. We will act as promoter of positive changes through our actions in educational development, healthcare, entrepreneurship, women empowerment and so on. We are accountable for monitoring of proper utilization of the CSR fund for the intended purposes. The foundation shall also collect and file reports/documents sufficient to ascertain proper end-use, withholding the assistance in unsatisfactory cases. The Board is also accountable to review reports of CSR allocation, end-use monitoring annually before approving fresh allocations for subsequent years, and to ensure the preservation of end-use records for inspection by internal and external audit and for supervision of regulators. Our ultimate commitment is towards our society and we put our best efforts accordingly.

The amount of money donated as Corporate Social Responsibility (CSR) during the year 2023 is given below in a nutshell:

### Summary of CSR Expenses in 2023 (As on 31.12.2023)

South Bangla Agriculture and Commerce Bank Foundation's AC Summary:			Amount in BDT		
Sl. No.	Particulars	Amount in BDT	Sector and Organization-wise CSR in 2023 (As on 31.12.2023)		
			Sector	SBAC Bank Foundation	SBAC Bank PLC.
1	Opening Balance as on 01.01.2023	5,91,74,020.00	Education	31,60,504.00	-
2	Received from the Bank/Subscription	5,16,53,071.00	Healthcare	9,50,000.00	-
<b>A</b>	<b>Available Balance</b>	<b>11,08,27,091.00</b>	Others	2,54,00,000.00	47,07,000.00
1	Donation to various Entities	2,95,10,504.00	<b>Total</b>	<b>2,95,10,504.00</b>	<b>47,07,000.00</b>
2	A/C maintenance Fees, and Excise Duty	85,650.00	<b>Grand Total</b>	<b>3,42,17,504.00</b>	
<b>B</b>	<b>Total Expenditure (Amount Paid)</b>	<b>2,95,96,154.00</b>			
<b>C(A-B)</b>	<b>Balance in SBAC Bank Foundation (31.12.2023) A/C</b>	<b>8,12,30,937.00</b>			

## Financial Inclusion

According to United Nations (2006), Financial Inclusion (FI) is the access to the range of financial services at a reasonable cost for the bankable people and farms. Financial inclusion is a method of offering banking and financial services to individuals. It aims to include everybody in society by giving them basic financial services regardless of their income or savings. It focuses on providing financial solutions to the economically under privileged. In addition, it is an important enabler of sustainable development and economic growth. Access to financial services can help eradicate poverty, improve individual well-being and household welfare, and spur entrepreneurship and small enterprise activity.

Financial inclusion is measured in three dimensions: (i) access to financial services; (ii) usage of financial services; and (iii) the quality of the products and the service delivery.

Currently, the banking sector is facing various challenges like the need to improve financial literacy, lack of formal identification documents, consumer protection, the rural poor and gender inequality, promoting the use of the transaction account.

Bangladesh Government and Bangladesh Bank have taken an intensive approach towards inclusive financing alongside conventional banking. Low-income group of the society has been brought under the financial services and the development programs

for small, medium and women entrepreneurs have been undertaken. Various initiatives have been taken towards mobile banking, school banking, and agent banking which have been lauded globally. According to Bangladesh Bank instructions and circular SBAC Bank has taken various steps like arrangement of different financial literacy & awareness program and initiation of different lucrative deposit products as:

**Student saving deposit account:** Total 12655 numbers of accounts were opened by various students of the country and they deposited all together Tk. 356.65 Lac.

**Senior citizen saving deposit:** Total 329 numbers of account & Tk. 258.71 Lac was deposited by different senior citizen of the Country.

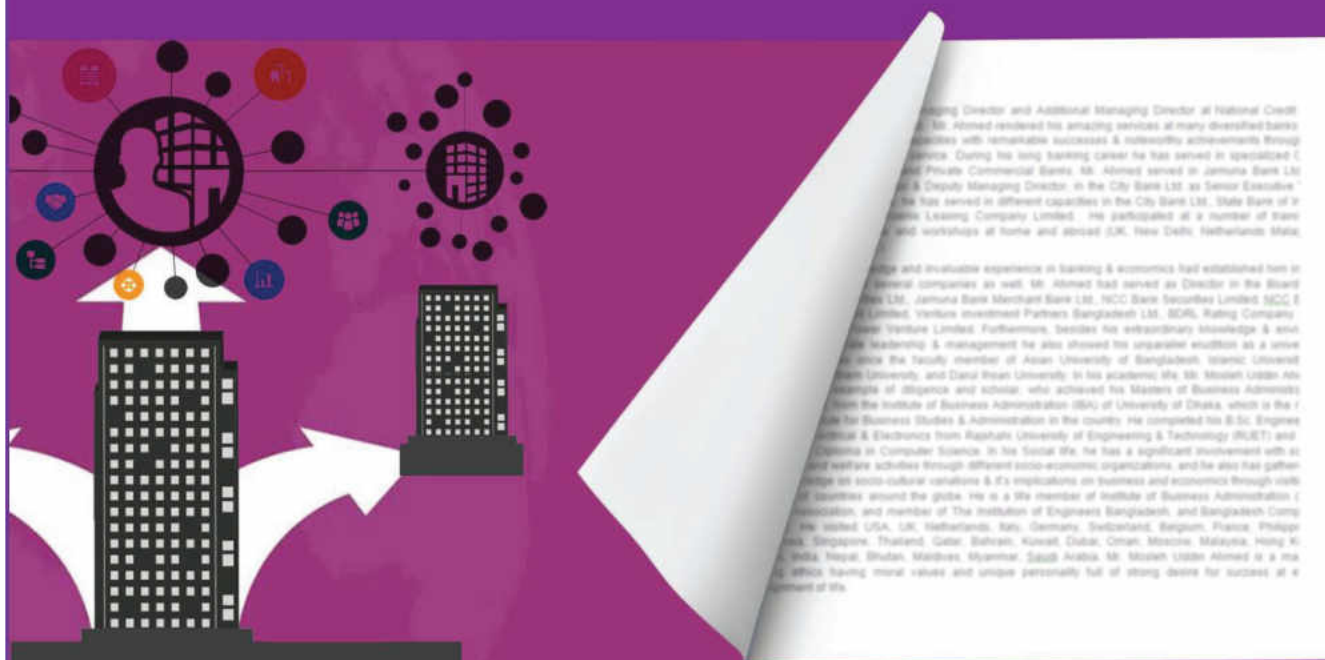
**10/50/100 Privilege Savings Account:** In order to help the marginalized people of the society. 9072 number of accounts were opened and Tk.246.25 Lac was deposited so far.

**SBAC Probashi Account:** Total 25 numbers of account & Tk.137.00 Lac was deposited by expatriate wage earners and their family members.

**SBAC Pay-roll Account:** In order to include all types of salaried persons in financial cycle, total 2816 number of Accounts were opened with a total deposit of Tk.71.25 Lac

# Chapter 08

## SUBSIDIARY OVERVIEW



## SBAC Bank Investment Limited

SBAC Bank Investment Limited, a private limited company licensed from Registrar of Joint Stock Companies and Firms (RJSC) under the Companies Act 1994, is the subsidiary of SBAC Bank PLC. It provides all types of services relating to capital market operation. The Company has a

Board of Directors consisting of 08 (Eight) members. The Board comprises highly experienced professionals who hold long successful track records in relevant area of operations. Our expertise is rooted in the extensive industry knowledge and broad corporate finance and

capital market experience of our professionals. Today, we are aiming to offer state-of-the-art investment solutions to cater the need of a diversified group of investors.

SBAC Bank Investment Limited is committed to offer a broad range of investment banking including general broking, wholesale broking, margin, portfolio management, investment advisory services as well as diverse financial services and solutions to both institutional and individual clients fitted with their customized unique requirements.

The company strongly believes to extend its co-operation and value added services to the clients. We also believe that SBAC Bank Investment Limited will play a vital role in the capital market in its development and future growth.

### The major objectives of SBAC Bank Investment Limited:

- To Carry on the business either in own portfolio or for clients, broking or dealing in stocks, shares, bonds, debenture, commercial papers or any instrument floated in the stock market in the country.
- To act as TREC holder of Stock Exchange and to carry on the business of brokers, jobber's or dealers in Stocks, Shares, Securities, Commodities, Commercial papers, Bonds, Obligations, debentures, debenture stocks, Treasury Bills either as a Joint venture in collaboration with foreign company shareholders or exclusively with local participants.
- To buy, sell, hold or otherwise acquire or invest in securities, bonds, commercial papers, debentures, debenture stocks, obligations or securities issued or guaranteed by any company incorporated or registered in Bangladesh or, in any foreign country and also to invest in security or securities for short term or long term gains and to realize such gains.
- To provide margin facilities to investors as per provision of laws.
- To acquire new customer and educate them the opportunities hidden in the capital market and relevant laws and regulations.

### SBAC Investment Limited has the following unique advantages to carry out its operation:

- Strong Capital base of an authorized share capital of Tk. 50,00,00,000.00 (Fifty Crore) and Paid-up capital of Tk. 40,00,00,000.00 (Forty Crore).
- Highly experienced and professional board members who hold long successful records in money market, capital market, financial planning, and trade & commerce based operations.
- A wonderful Co-operative working environment.
- Adequate experts and professionals with skilled human resources.
- Sufficient infrastructure and logistic support with up to date technology based facilities.

### Mission:

The company has its mission in the following broad categories:

- To exceed clients expectations through rendering the most caring and friendly and standard services.
- To be the leading source of capital market research.
- Be the most ethical and compliant capital market player.
- To participate actively in the development of capital market of Bangladesh.
- To be the best in product development and innovation and market making.
- Operate state of the art technologies for efficient operations and superior customer service.
- To contribute economic development of the country.

## Vision

To be the most innovative leading capital market solution provider in terms of efficiency, excellence,

transparency, and professionalism having a most significant market shares.

## Our Values

**Quality:** What we do, we ensure quality in services by using state-of-the-art technologies, ensuring efficiency, excellence, transparency, and professionalism when delivering services.

**Integrity** Integrity is the foundation on which we build strong relationships with clients. It distinguishes us from others in the industry. From integrity it comes trust, and trust allows clients to work effectively with their merchant bank.

**Stability:** The diversity of our business, approaches to our differentiated service, and focus on our strengths create stability for our clients. This means a high-quality and consistent commitment to our professionals, markets and businesses.

**Trust:** We build trust among our clients through our every action, co-operation, skills & expertise and professionalism when serving them using modernized technology based facilities.

**Accountability:** Ensuring responsibility to our customers and compliance with all related rules & regulations that will ensure accountability to all the stakeholders.

**Respect:** we treat everyone with respect and courtesy in our day to day operations and emphasize on building along term relationship with all the concerned parties by this way.

**A Relationship-Based Approach:** We value most on establishing a meaningful, long-term relationship

with clients— where we truly understand and facilitate them grow their businesses or meet their investment objectives. Our success is dependent largely on whether we can sustain a relationship with our clients over times.

**Focused Expertise:** We prioritize on focused expertise and set our sights on being the most knowledgeable one in our service areas. We are aiming to build a business by providing in-depth experience in the products and services, sectors and markets where we excel and can provide greater value to our clients.

**Customer Focus:** Customer is the key to our success. So we always focus on the preferences of our customers when designing our products & services. Our Customer Focus attitude helps as in bringing newer dimensions to our offerings.

**Service Excellence:** Customer delight is our passion. We use customer satisfaction to accelerate our growth. We value on giving customized as well as personalized services to our clients for ensuring service excellence.

**Responsible Corporate Citizen:** We are tax-abiding citizen. We conform to all laws, rules, norms, sentiments and values of the land.

## Core Products of SBAC Bank Investment Limited

The Company has following core products mainly:

- General Brokerage
- Wholesale Brokerage
- Dealing
- Margin
- DP services
- Research service
- Value Added Service

## SBAC Bank Investment Limited at a glance

### Board of Directors

SL. No.	Name	Designation
01	Mr. Anwar Hussain, Nominated by: SBAC Bank PLC.	Chairman
02	Mr. Sk. Shyedujjaman, Nominated by: SBAC Bank PLC.	Vice-chairman
03	Mr. Md. Badruddouza Chowdhury, Nominated by: SBAC Bank PLC.	Director
04	Mr. Ziaur Rahman Zia FCA, Nominated by: SBAC Bank PLC.	Independent Director
05	Mr. Habibur Rahman, Nominated by: SBAC Bank PLC.	Director
06	Mr. Mohammad Asadul Haque, Nominated by: SBAC Bank Foundation	Director
07	Mr. Md. Mokaddess Ali FCS, Nominated by: SBAC Bank PLC.	Director
08	Mr. Manzurul Karim, Nominated by: SBAC Bank PLC.	Director

## Corporate Information

Name of the Company	SBAC Bank Investment Limited
Legal Form	A private limited company registered in Registrar of Joint Stock Companies and Firms (RJSC) under the Companies Act 1994.
Date of Incorporation	21-03-2021
Nature of Business	Stock Brokerage
Stock Summary	
Authorized Capital	Tk. 50,00,00,000.00 (Fifty Crore)
Paid-up Capital	Tk. 40,00,00,000.00 (Forty Crore)
Face Value per Share	Tk. 10.00
Contact Information	
Registered Office	Head Office, BSC Tower, 2-3 Rajuk Avenue, Motijheel C/A, Dhaka-1000.
E-mail	sbacinvestment@sbacbank.com

## Product Types of SBAC Bank Investment Limited

SBAC Bank Investment Limited aims to offer below types of products for its clients and its own Dealer Account:

### 1. Individual Trading Account

SBAC Bank Investment Ltd. will serve all types of investors in respective branches diligently. It will grow significantly over the years and serves a huge client base with a team of experienced employees. The core focus of SBAC Bank Investment Ltd. is to serve the general investors with the objective of providing best quality of customer service and generate revenues to ensure sustainable growth for future.

#### Features:

- Experienced team of Executives and Traders.
- Competitive commission fees and interest rates on margin loans.
- Timely execution of buy & sell orders.
- Superior customer service.
- Reputation for compliance in trading.

### 2. Institutional and Corporate Account

SBAC Bank Investment Ltd. will serve successful entrepreneurs, business tycoons and top-notch

professionals of the corporate world and deal with mostly local and foreign financial institutions that cover Merchant Banks, Asset Management Companies (AMC), NBFIs, and local corporate houses. Serving such a sophisticated client base requires knowledge beyond the market parameters. Our sales team ensures that

objective with a team of high caliber relationship managers and traders who have excelled in efficient trading and portfolio management. Our Research Department to generate actionable Investment Ideas for its client.

#### Features

- Specialized trading for Merchant Banks, AMC, NBFIs, Corporate and Institutional clients at preferential commission fees.
- Execution of trading services timely and efficiently to satisfy the top tier client base.
- Optimal use of available resources to achieve trading objectives of the clients.
- Consultation with panel broker and High Net worth Institutional (HNI) clients and receiving opinions on the presented services and taken it into consideration to reach the premium services.
- Adopt and implement best industry practices to ensure distinctive standards in serving corporate and HNI clients.
- Initiate and follow up new business opportunities with institutions.
- Provide trading services and facilitate post-trade settlement for all clients.
- Provide market color and pitch research backed stock picks.

- Ensure documentations related to trading agreements and trade executions.
- Maintain trade confidentiality for clients as top priority.

### 3. Premium Account

Premium Brokerage Account is a personalized service which gives special attention from our experienced team. You will have direct access to our expertise team & dedicated specialists, who are available to assist you with all your trading needs. They will also ensure state of the art solution with the latest investment ideas and opportunities. Our risk managers will help to secure a sustainable growth on your investment.

#### Features

- All wealth management services under one roof.
- Dedicated Relationship Manager & Trading Officer.

- Preferential access to new investment opportunities.
- Special commission fee on trade.

### 4. Dealer Account

SBAC Bank Investment Ltd. will operate a dealer account. When the Board of Directors invests more funds in this account, we have scope to realize capital gain by selling shares from our Dealer Investment Account.

#### Features

- All wealth management services under one roof.
- Dedicated Team of Dealer Account.
- Preferential access to new investment opportunities.

# Chapter 9

## FINANCIAL INFORMATION



# Statement on the Integrity of Financial Statements

(As Per 'Annexure-A' of Corporate Governance Code of BSEC)

এসবিএসি ব্যাংক পিএলসি.



[As per condition no. 1(5) (xxvi)]

## Declaration by the Managing Director & CEO and Chief Financial Officer (CFO)

30 April 2024

The Board of Directors

SBAC Bank PLC.

Head Office, 2-3 Rajuk Avenue, Motijheel, Dhaka –1000.

Dear Sir,

### Subject: Declaration on Financial Statements for the year ended on 31 December 2023.

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of South Bangla Agriculture and Commerce Bank Limited for the year ended on 31 December 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31 December 2023 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

  
**Mannan Bapari FCMA**  
 Chief Financial Officer

  
**Habibur Rahman**  
 Managing Director & CEO

SBAC Bank PLC.

Head Office: BSC Tower, 05<sup>th</sup>-16<sup>th</sup> Floor, 2-3 Rajuk Avenue, Motijheel C/A, Dhaka-1000, Bangladesh, Phone: +88 02 41052811-14, Fax: +88 02 41052815, SWIFT: SBACBDDH

www.sbacbank.com

# 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, which 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 date, the bank had a provision shortfall which has been deferred until the financial statement for the year 2024 are finalized with 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
<b>Measurement of provision for loans and advances</b> <p>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 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>	
See note nos. 8, 13.4 and 13.5 to the financial statements	
<b>Recognition of interest income on loans and advances</b> <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>	
See note no. 21 to the financial statements	
<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Credit appraisal, loan disbursement procedures, monitoring and provisioning process;</li> <li>• Identification of loss events, including early warning and default warning indicators;</li> <li>• Reviewed the quarterly Classification of Loans (CL)</li> <li>• Reviewed the appropriateness of the approvals for the transfer of interests to the Income account in accordance with the Bangladesh Bank's guidelines.</li> <li>• 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;</li> <li>• Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>• Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines;</li> <li>• Finally, compared the amount of provision requirement as determined by the Bangladesh Bank inspection team to the actual amount of provision maintained.</li> </ul>	<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> <p>We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p>

### Valuation of treasury bill and treasury bond

The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.

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.

We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.

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.

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.

Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

See note nos. 7 to the financial statements

### Measurement of Deferred Tax

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.

The Bank disclosed deferred tax assets and deferred tax liabilities of BDT 1,056.86 million (2022: BDT 1,230.57 million) and BDT 1,107.33 million (2022: BDT 1,225.05 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.

Our procedures in relation to management's assessment about the measurement of deferred tax assets/liabilities included:

- 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

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.

Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment.

We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.

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.

These are key to ensuring IT dependent and application-based controls are operating effectively.

We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.

We considered the control environment relating to various interfaces, configurations and other application layer controls identified as key to our audit.

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.

### Legal and regulatory matters

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.

These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established as other contingent liabilities.

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.

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.

We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.

We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.

We assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information.

We also assessed the Bank's provisions and contingent liabilities disclosure.

### 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 skepticism 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
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
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
		<b>5,226,793,253</b>	<b>5,293,195,240</b>
<b>Balance with other banks and financial institutions</b>			
In Bangladesh	5	2,491,722,217	2,624,168,675
Outside Bangladesh		480,862,223	278,571,754
		<b>2,972,584,440</b>	<b>2,902,740,429</b>
<b>Money at call on short notice</b>			
	6	-	-
<b>Investments in shares &amp; securities:</b>			
Government	7	16,290,335,637	14,959,513,358
Others		2,217,305,796	2,167,050,201
		<b>18,507,641,433</b>	<b>17,126,563,559</b>
<b>Loans, advances and lease / investments</b>			
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
		<b>86,644,194,803</b>	<b>77,827,258,987</b>
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		-	-
<b>TOTAL ASSETS</b>		<b>117,264,133,166</b>	<b>106,307,063,856</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	11	3,262,983,361	4,031,548,707
<b>Deposits and other accounts</b>			
Current / Al-wadeeah 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
		<b>93,321,581,232</b>	<b>84,209,587,055</b>
Subordinated bonds		-	-
Other liabilities	13	9,554,218,317	7,236,281,537
<b>TOTAL LIABILITIES</b>		<b>106,138,782,910</b>	<b>95,477,417,299</b>
<b>Capital/ Shareholders' equity</b>			
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
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>11,125,350,257</b>	<b>10,829,646,557</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>117,264,133,166</b>	<b>106,307,063,856</b>

	Note	2023 Taka	2022 Taka
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>	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		-	-
<b>Total</b>		<b>29,358,940,670</b>	<b>21,782,441,340</b>
<b>Other commitments</b>			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claims against the Bank not acknowledged as debt		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>29,358,940,670</b>	<b>21,782,441,340</b>
<b>Net asset value per share (NAV)</b>	41.2	<b>13.50</b>	<b>13.14</b>

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  
DVC No: 2404300672AS296377  
Dhaka, 30 April 2024



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

## 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
<b>Net interest income</b>		<b>1,656,019,119</b>	<b>1,277,399,726</b>
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
		<b>3,343,501,487</b>	<b>2,968,778,151</b>
<b>Total operating income</b>		<b>4,999,520,606</b>	<b>4,246,177,877</b>
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
<b>Total operating expenses</b>		<b>2,750,533,378</b>	<b>2,449,613,983</b>
<b>Profit before provision</b>		<b>2,248,987,228</b>	<b>1,796,563,894</b>
<b>Provision for loans and advances / investments</b>			
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
<b>Total provision</b>		<b>816,841,624</b>	<b>474,846,705</b>
<b>Total Profit before taxes</b>		<b>1,432,145,604</b>	<b>1,321,717,189</b>
<b>Provision for taxation</b>	36		
Current tax		946,339,730	732,773,385
Deferred tax		(60,557,383)	(689,055)
		<b>885,782,347</b>	<b>732,084,330</b>
<b>Net profit after taxation</b>		<b>546,363,258</b>	<b>589,632,859</b>
<b>Appropriations</b>			
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
		<b>546,363,258</b>	<b>589,632,859</b>
<b>Earnings per share (EPS)</b>	40.2	<b>0.66</b>	<b>0.72</b>

Accompanying notes form an integral part of these financial statements.



Director



Director



Director



Managing Director &amp; CEO

Signed in terms of our report of even date.



Md Shahadat Hossain, FCA

Engagement Partner, Enrolment No.: 0672  
MABS & J Partners, Chartered Accountants  
DVC No: 2404300672AS296377  
Dhaka, 30 April 2024



A. K. Gulam Kibria, FCA

Engagement Partner, Enrolment No.: 0392  
G. KIBRIA & Co., Chartered Accountants  
DVC No: 2404300392AS522128

**SBAC Bank PLC.**

# Consolidated Cash Flow Statement

For the year ended 31 December 2023

	Note	2023 Taka	2022 Taka
<b>A) Cash flows from operating activities</b>			
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)
<b>Operating cash flow before changes in operating assets and liabilities</b>		<b>615,693,906</b>	<b>726,834,636</b>
<b>Increase / decrease in operating assets and liabilities</b>			
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
		<b>2,277,512,058</b>	<b>1,736,512,804</b>
<b>Net cash flow from operating activities</b>		<b>2,893,205,964</b>	<b>2,463,347,440</b>
<b>B) Cash flows from investing activities</b>			
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		-	-
<b>Net cash flow from investing activities</b>		<b>(2,783,867,250)</b>	<b>(1,688,816,182)</b>
<b>C) Cash flows from financing activities</b>			
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		-	-
<b>Net cash flow from financing activities</b>		<b>(1,030,056,734)</b>	<b>(4,969,076,348)</b>
<b>D) Net increase / (decrease) in cash (A+B+C)</b>		<b>(920,718,020)</b>	<b>(4,194,545,090)</b>
<b>E) Effects of exchange rate changes on cash and cash-equivalent</b>		<b>924,160,044</b>	<b>927,064,966</b>
<b>F) Cash and cash-equivalents at beginning period</b>		<b>8,195,935,669</b>	<b>11,463,415,793</b>
<b>G) Cash and cash-equivalents at end of period (D+E+F)</b>		<b>8,199,377,693</b>	<b>8,195,935,669</b>
<b>H) Cash and cash-equivalents at end of period</b>			
Cash in hand including foreign currencies	3	986,784,658	987,504,162
Balances with Bangladesh Bank and its agent bank(s) including foreign currencies	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
		<b>8,199,377,693</b>	<b>8,195,935,669</b>
<b>Net operating cash flow per share (NOCFPS)</b>	42.2	<b>3.51</b>	<b>2.99</b>

Accompanying notes form an integral part of these financial statements.



Director



Director



Director



Managing Director &amp; CEO

## SBAC Bank PLC.

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

Particulars	Paid Up Capital		Statutory Reserve		Other Reserve		Capital reserve		F.C. Translation Reserve		Retained Earnings		Non-controlling interest		Total	
	Taka		Taka		Taka		Taka		Taka		Taka		Taka		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 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	
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)	
<b>Balance as on 31 December 2023</b>	<b>8,241,916,500</b>		<b>2,486,942,756</b>		<b>22,049,131</b>		<b>3,269,920</b>		<b>12,710,366</b>		<b>358,026,473</b>		<b>435,111</b>		<b>11,125,350,257</b>	
<b>Balance as on 31 December 2022</b>	<b>8,160,313,370</b>		<b>2,204,928,598</b>		<b>65,228,536</b>		<b>516,704</b>		<b>7,933,440</b>		<b>390,293,727</b>		<b>432,182</b>		<b>10,829,646,557</b>	

Accompanying notes form an integral part of these financial statements.



Director



Director



Director



Managing Director &amp; CEO

**SBAC Bank PLC.**

# Consolidated Liquidity Statement (asset and liabilities maturity analysis)

As at 31 December 2023

Particulars	Within one month	Within three months	Within three to twelve months	Within one to five years	More than five years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
<b>Assets:</b>						
Cash in hand (including foreign currencies)	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	-	-	-	-	-	-
<b>Total Assets</b>	<b>16,124,717,797</b>	<b>19,106,543,072</b>	<b>30,712,158,445</b>	<b>20,402,538,665</b>	<b>30,918,175,187</b>	<b>117,264,133,167</b>
<b>Liabilities:</b>						
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
<b>Total Liabilities</b>	<b>14,160,363,749</b>	<b>18,054,547,005</b>	<b>29,058,505,185</b>	<b>15,746,184,108</b>	<b>29,119,223,760</b>	<b>106,138,823,808</b>
<b>Net liquidity surplus</b>	<b>1,964,354,048</b>	<b>1,051,996,067</b>	<b>1,653,653,260</b>	<b>4,656,354,557</b>	<b>1,798,951,427</b>	<b>11,125,309,359</b>
<b>Cumulative liquidity surplus</b>	<b>1,964,354,048</b>	<b>3,016,350,114</b>	<b>4,670,003,375</b>	<b>9,326,357,931</b>	<b>11,125,309,358</b>	

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



Director



Director



Director



Managing Director &amp; CEO

## SBAC Bank PLC.

## Balance Sheet

As at 31 December 2023

	Note	2023 Taka	2022 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
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
		<b>5,226,776,927</b>	<b>5,293,181,646</b>
<b>Balance with other banks and financial institutions</b>			
In Bangladesh	5.1	2,471,272,225	2,612,225,831
Outside Bangladesh		480,862,223	278,571,754
		<b>2,952,134,448</b>	<b>2,890,797,585</b>
<b>Money at call on short notice</b>			
	6	-	-
<b>Investments in shares &amp; securities:</b>			
	7.1		
Government		16,290,335,637	14,959,513,358
Others		1,979,822,848	1,993,824,684
		<b>18,270,158,485</b>	<b>16,953,338,042</b>
<b>Loans, advances and lease / investments</b>			
	8.1		
Loans, cash credit, overdrafts etc. / investments		85,543,225,936	76,210,473,378
Bills purchased and discounted		1,298,382,733	1,781,844,637
		<b>86,841,608,669</b>	<b>77,992,318,015</b>
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		-	-
<b>TOTAL ASSETS</b>		<b>117,521,666,880</b>	<b>106,626,901,906</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	11.1	3,262,983,361	4,031,548,707
<b>Deposits and other accounts</b>			
	12.1		
Current / Al-wadeeah current deposits and other accounts		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
		<b>93,731,234,679</b>	<b>84,599,434,167</b>
Subordinated bonds		-	-
Other liabilities	13.1	9,444,922,435	7,199,371,669
<b>TOTAL LIABILITIES</b>		<b>106,439,140,475</b>	<b>95,830,354,543</b>
<b>Capital/ Shareholders' equity</b>			
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
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>11,082,526,405</b>	<b>10,796,547,363</b>

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		117,521,666,880	106,626,901,906
	Note	2023 Taka	2022 Taka
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>	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		-	-
<b>Total</b>		<b>29,358,940,670</b>	<b>21,782,441,340</b>
<b>Other commitments</b>			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>29,358,940,670</b>	<b>21,782,441,340</b>
<b>Net asset value per share (NAV)</b>	41.4	<b>13.45</b>	<b>13.10</b>

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  
DVC No: 2404300672AS296377  
Dhaka, 30 April 2024



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

## 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
<b>Net interest income</b>		<b>1,625,985,655</b>	<b>1,255,646,463</b>
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
		<b>3,283,612,736</b>	<b>2,926,994,100</b>
<b>Total operating income</b>		<b>4,909,598,391</b>	<b>4,182,640,563</b>
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
<b>Total operating expenses</b>		<b>2,711,052,254</b>	<b>2,428,093,088</b>
<b>Profit before provision</b>		<b>2,198,546,137</b>	<b>1,754,547,475</b>
<b>Provision for loans and advances / investments</b>			
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
		<b>759,418,434</b>	<b>378,449,544</b>
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
<b>Total provision</b>		<b>788,475,347</b>	<b>467,374,428</b>
<b>Total Profit before taxes</b>		<b>1,410,070,790</b>	<b>1,287,173,047</b>
<b>Provision for taxation</b>	36		
Current tax		934,064,714	725,789,419
Deferred tax		(60,605,508)	(717,076)
		<b>873,459,206</b>	<b>725,072,343</b>
<b>Net profit after taxation</b>		<b>536,611,585</b>	<b>562,100,704</b>
<b>Appropriations</b>			
Statutory reserve	15	282,014,158	257,434,609
General reserve		-	-
Startup fund	13.10	282,014,158	257,434,609
<b>Retained surplus</b>	17	<b>249,231,311</b>	<b>299,045,088</b>
		<b>536,611,585</b>	<b>562,100,704</b>
<b>Earnings per share (EPS)</b>	40.4	<b>0.65</b>	<b>0.68</b>

Accompanying notes form an integral part of these financial statements.



Director



Director



Director



Managing Director &amp; CEO

Signed in terms of our report of even date.



**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

Dhaka, 30 April 2024

**SBAC Bank PLC.**

# Cash Flow Statement

For the year ended 31 December 2023

	Note	2023 Taka	2022 Taka
<b>A) Cash flows from operating activities</b>			
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		(852,475,888)	(692,666,014)
Receipts from other operating activities	10.2	451,361,848	203,019,563
Payments for other operating activities		(257,708,295)	(227,976,077)
<b>Operating cash flow before changes in operating assets and liabilities</b>		<b>564,013,195</b>	<b>692,841,302</b>
<b>Increase / decrease in operating assets and liabilities</b>			
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
		<b>2,275,900,570</b>	<b>1,739,089,413</b>
<b>Net cash flow from operating activities</b>		<b>2,839,913,765</b>	<b>2,431,930,715</b>
<b>B) Cash flows from investing activities</b>			
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		-	-
<b>Net cash flow from investing activities</b>		<b>(2,739,084,931)</b>	<b>(1,669,355,895)</b>
<b>C) Cash flows from financing activities</b>			
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		-	-
<b>Net cash flow from financing activities</b>		<b>(1,030,056,734)</b>	<b>(4,969,076,348)</b>
<b>D) Net increase / (decrease) in cash (A+B+C)</b>		<b>(929,227,900)</b>	<b>(4,206,501,528)</b>
<b>E) Effects of exchange rate changes on cash and cash-equivalent</b>		<b>924,160,044</b>	<b>927,064,966</b>
<b>F) Cash and cash-equivalents at beginning period</b>		<b>8,183,979,231</b>	<b>11,463,415,793</b>
<b>G) Cash and cash-equivalents at end of period (D+E+F)</b>		<b>8,178,911,375</b>	<b>8,183,979,231</b>
<b>H) Cash and cash-equivalents at end of period</b>			
Cash in hand including foreign currencies	3.1	986,768,332	987,490,568
Balances with Bangladesh Bank and its agent bank(s) including foreign currencies	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
		<b>8,178,911,375</b>	<b>8,183,979,231</b>
<b>Net operating cash flow per share (NOCFPS)</b>	42.4	<b>3.45</b>	<b>2.95</b>

Accompanying notes form an integral part of these financial statements.



Director



Director



Director



Managing Director &amp; CEO

## SBAC Bank PLC.

# Statement of Changes in Equity

For the year ended 31 December 2023

Particulars	Paid Up Capital	Statutory Reserve	Other Reserve	F.C. Translation Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as on 01 January 2023	8,160,313,370	2,204,928,598	65,228,536	7,933,440	358,143,419	10,796,547,363
Net profit for the period	-	-	-	-	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)
<b>Balance as on 31 December 2023</b>	<b>8,241,916,500</b>	<b>2,486,942,756</b>	<b>22,049,131</b>	<b>12,710,366</b>	<b>318,907,652</b>	<b>11,082,526,405</b>
<b>Balance as on 31 December 2022</b>	<b>8,160,313,370</b>	<b>2,204,928,598</b>	<b>65,228,536</b>	<b>7,933,440</b>	<b>358,143,419</b>	<b>10,796,547,363</b>

Accompanying notes form an integral part of these financial statements.



Director



Director



Director



Managing Director &amp; CEO

## SBAC Bank PLC.

# Liquidity Statement (asset and liabilities maturity analysis)

As at 31 December 2023

Particulars	Within one month	Within one to three months	Within three to twelve months	Within one to five years	More than five years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
<b>Assets:</b>						
Cash in hand (including foreign currencies)	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	-	-	-	-	-	-
<b>Total Assets</b>	<b>16,107,035,859</b>	<b>19,106,231,850</b>	<b>30,655,403,726</b>	<b>20,317,710,258</b>	<b>31,335,285,187</b>	<b>117,521,666,880</b>
<b>Liabilities:</b>						
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
<b>Total Liabilities</b>	<b>14,160,363,749</b>	<b>18,056,005,338</b>	<b>29,466,700,299</b>	<b>15,746,184,108</b>	<b>29,009,927,878</b>	<b>106,439,181,373</b>
<b>Net liquidity surplus</b>	<b>1,946,672,110</b>	<b>1,050,226,511</b>	<b>1,188,703,427</b>	<b>4,571,526,149</b>	<b>2,325,357,308</b>	<b>11,082,485,507</b>
<b>Cumulative liquidity surplus</b>	<b>1,946,672,110</b>	<b>2,996,898,622</b>	<b>4,185,602,049</b>	<b>8,757,128,198</b>	<b>11,082,485,506</b>	

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



Director



Director



Director



Managing Director &amp; 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-nine (89) branches; twenty-six (26) 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 Sariah 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 recognized 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 recognized through the profit and loss account. Securities designated as amortized cost are measured at effective interest rate method and interest income is recognized 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 recognize 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 amortized cost as per IFRS 9 and interest income is recognized 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 amortized 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 recognized 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 categories, recognize, 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 recognized 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 recognized less, income recognized 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 recognized at amortized 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 derecognized in the seller's book and recognized 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 materiality 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 2022. 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 recognized 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 recognized in the financial statements are described below:

- |                                     |  |
|-------------------------------------|--|
| a. Provisions on loans and advances | d. Useful life of fixed assets and right of use assets |
| b. Income tax provision             | e. Defined benefit obligation-gratuity                 |
| c. Deferred Tax                     | 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 amortized at the year end and gains or losses on amortization are recognized in other reserve as a part of equity. Coupon interest on HTM securities is recognized 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 recognized in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortization of discount are recognized in the profit and loss account.

## 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 amortized 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
<b>General provision on:</b>		
Unclassified general loans and advances/investments	1.00%	1.00%
Unclassified small and medium enterprise financing	0.25%	0.25%
Unclassified loans/investment for housing finance	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%
<b>Specific provision on:</b>		
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%
<b>Special general provision for COVID 19</b>		
Loans and advances on cottage, micro & small enterprise finance	1.00%	1.50%
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 recognized 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 categorized 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.

- 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.
- 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 & equipment	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

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

## 2.16 Intangible asset

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

## 2.17 Provisions for other assets

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

Particulars	Outstanding Period	Rate
Advance for revenue expenses	more than 6 months but less than 12 months	50%
	more than 12 months	100%
Advance for capital expenses	more than 12 months	100%
Legal expenses realizable from customers	from transaction date	50%
	more than 12 months	100%
Protested Bills	from transaction date	100%
Unadjusted debit entries in inter-branch transaction	more than 1 year but less than 2 years	50%
	more than 2 years	100%
Unadjusted debit entries in nostro account	more than 6 months but less than 12 months	50%
	more than 12 months	100%
Accrued Interest on loans and advances, investments and other 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 26<sup>th</sup> May 2008, revaluation gain arising from revaluation of government securities under HFT category is kept directly in equity under revaluation gain account which is disclosed with other reserve while preparing the financial statements.

## 2.23 Non-controlling (minority) interest in subsidiary

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

## 2.24 Deposits and other accounts

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

## 2.25 Borrowings from other banks, financial institutions and agents

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

## 2.26 Employees benefits

### a. Short term benefits

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

### b. Provident fund

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

### c. Gratuity

As per the Employees Service Rules of the Bank, gratuity shall be admissible to all regular employees who have completed continuous service for a period of 7 (seven) years in the Bank but in case of experienced banker

recruited through head hunting the admissible period is 5 (five) years. The amount of gratuity shall be calculated at the rate of 2 (two) months' last drawn basic pay for each completed years of service. The Bank is developing the fund to meet up its future obligation. National Board of Revenue recognized the gratuity fund on 10 April 2016.

**d. Workers Profit Participation Fund and Welfare Fund**

SRO-336-AIN/2010 dated 5-10-2010 issued by the 'Ministry of Labour and Employment' declares the status of business of certain institutions and companies along with Bank & insurance companies as "Industrial Undertakings" for the purposes of Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) which deals with the workers' participation in company's profit by way of 'Workers Participation Fund' and 'Welfare Fund'. This Act requires the "Industrial Undertakings" to maintain provision for workers' profit participation fund @ 5% on net profit. Since this requirement contradicts with the 'Section 11' of the 'Bank Company Act 1991 (as amended up to 2018)', Banks in Bangladesh took up the issue collectively and sought opinion from 'Association of Bankers Bangladesh Limited (ABB)' on the same. ABB wrote a letter to the 'Ministry of Finance' of Government of People's Republic of Bangladesh on 09.03.2016 to draw attention of the 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 Act, 2023 and relevant Statutory Regulatory Orders (SRO) and any adjustment to tax payable in respect of previous years. As per the Finance Act, 2023 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 recognized by the Bank under the following ways:

**2.31.1 Interest income (conventional banking)**

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

**2.31.2 Profit on investment (Islamic banking)**

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

### 2.31.3 Investment income

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

### 2.31.4 Fees and commission income

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

### 2.31.5 Dividend income on shares

Dividend income from an investment is recognized 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 is 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. SBAC Bank PLC. 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 equipment;
- 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 SBAC Bank PLC. 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 SBAC Bank PLC.

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 represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighted factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year.

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

#### 2.34 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 recognized 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 have 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 recognizes 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 Economics	IAS	29	Not Applicable
Financial Instruments: Presentation	IAS	32	*Complied
Name of IASs / IFRSs	IASs / IFRSs	No.	Status
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 180<sup>th</sup> meeting held on 30 April 2024, approved the financial statements of the Bank for the year ended 31 December 2023 and signed these statements on same date.

	2023 Taka	2022 Taka
<b>3. Cash in hand (including foreign currencies) - Consolidated</b>		
SBAC Bank PLC. (note 3.1)	986,768,332	987,490,568
SBAC Bank Investment Limited	16,326	13,594
	<b>986,784,658</b>	<b>987,504,162</b>
<b>3.1 Cash in hand (including foreign currencies) of the Bank</b>		
Local currency	978,940,764	980,174,738
Foreign currencies	7,827,568	7,315,830
	<b>986,768,332</b>	<b>987,490,568</b>
<b>4. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) - Consolidated</b>		
SBAC Bank PLC. (note 4.1)	4,240,008,595	4,305,691,078
SBAC Bank Investment Limited	-	-
	<b>4,240,008,595</b>	<b>4,305,691,078</b>
<b>4.1 Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) of the Bank</b>		
Bangladesh Bank		
In local currency	3,653,881,902	3,655,236,495
In foreign currencies	586,126,693	650,454,583
	4,240,008,595	4,305,691,078
Sonali Bank Limited (as Agent of Bangladesh Bank) - local currency	-	-
	<b>4,240,008,595</b>	<b>4,305,691,078</b>
<b>4.2 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)</b>		
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.		
<b>4.2.1 Total average demand and time liabilities</b>		
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	-	-
	<b>90,337,729,000</b>	<b>84,532,611,000</b>
<b>4.2.2 Cash Reserve Requirement (CRR) and maintained</b>		
<b>Required reserve</b>		
Conventional banking	3,595,999,000	3,369,992,000
Islamic banking	17,510,000	11,313,000
Off-shore banking unit	-	-
<b>Total required reserve</b>	<b>3,613,509,000</b>	<b>3,381,305,000</b>
<b>Actual reserve maintained</b>		
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
	<b>3,751,311,469</b>	<b>3,624,277,020</b>
<b>Surplus / (deficit) (conventional banking and OBU)</b>	<b>130,312,469</b>	<b>234,285,020</b>
<b>Surplus / (deficit) (Islamic banking)</b>	<b>7,490,000</b>	<b>8,687,000</b>
<b>Maintained ratio (conventional banking and OBU)</b>	<b>4.14%</b>	<b>4.28%</b>
<b>Maintained ratio (Islamic banking)</b>	<b>5.71%</b>	<b>7.07%</b>

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

	2023 Taka	2022 Taka
<b>4.2.3 Statutory Liquidity Ratio (SLR) requirement and maintained (conventional banking and off-shore banking unit)</b>		
<b>Required reserve</b>		
Conventional banking	11,686,997,075	10,952,473,000
Off-shore banking unit	-	-
<b>Total required reserve</b>	<b>11,686,997,075</b>	<b>10,952,473,000</b>
<b>Available for maintenance:</b>		
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
	17,370,737,512	15,004,466,422
<b>Surplus / (deficit)</b>	<b>5,683,740,437</b>	<b>4,051,993,422</b>
<b>Maintained Ratio</b>	<b>19.32%</b>	<b>17.81%</b>
<b>4.2.4 Statutory Liquidity Ratio (SLR) requirement and maintained (islamic banking)</b>		
<b>Required reserve</b>	<b>24,076,000</b>	<b>15,555,000</b>
<b>Available for maintenance:</b>		
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
	42,066,626	42,613,208
<b>Surplus / (deficit)</b>	<b>17,990,626</b>	<b>27,058,208</b>
<b>Maintained Ratio</b>	<b>9.61%</b>	<b>15.07%</b>
<b>5. Balance with other banks and financial institutions - Consolidated</b>		
<b>In Bangladesh</b>		
SBAC Bank PLC. (note 5.1)	2,471,272,225	2,612,225,831
SBAC Bank Investment Limited	78,695,106	24,374,001
	2,549,967,331	2,636,599,832
Less: Inter company transactions	58,245,114	12,431,157
	2,491,722,217	2,624,168,675
<b>Outside Bangladesh</b>		
SBAC Bank PLC. (note 5.1)	480,862,223	278,571,754
SBAC Bank Investment Limited	-	-
	480,862,223	278,571,754
	<b>2,972,584,440</b>	<b>2,902,740,429</b>
<b>5.1 Balance with other banks and financial institutions of the Bank</b>		
<b>In Bangladesh</b>		
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)
	2,471,272,225	2,612,225,831
<b>Outside Bangladesh</b>		
Main Operation (note 5.2)	480,862,223	278,571,754
	<b>2,952,134,448</b>	<b>2,890,797,585</b>
<b>5.2 Balance with other banks and financial institutions - on-shore banking unit</b>		
In Bangladesh (note 5.3)	2,604,736,456	2,825,250,163
Outside Bangladesh (note 5.4)	480,862,223	278,571,754
	<b>3,085,598,679</b>	<b>3,103,821,917</b>
<b>5.3 In Bangladesh</b>		
<b>Balance with other banks:</b>		
<b>In current deposit accounts with</b>		
Sonali Bank Limited	86,817,940	72,926,045
Dutch Bangla Bank Limited	-	1,027
Eastern Bank Limited	-	13,900,701
	<b>86,817,940</b>	<b>86,827,773</b>

	2023 Taka	2022 Taka
<b>In special notice deposit accounts with</b>		
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
	<b>91,182,804</b>	<b>198,541,559</b>
<b>In fixed deposit accounts with</b>		
CITIZEN Bank PLC	400,000,000	-
NCC Bank Ltd.	-	500,000,000
	<b>400,000,000</b>	<b>500,000,000</b>
<b>Balance with financial institutions:</b>		
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
	<b>1,816,400,000</b>	<b>1,825,800,000</b>
Placement of fund with SBAC Bank Off-shore Banking Unit	210,335,712	214,080,831
	<b>2,604,736,456</b>	<b>2,825,250,163</b>

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 currency	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 HUIZHOU Co Ltd. China	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
				<b>480,862,223</b>			<b>278,571,754</b>
<b>In demand deposit accounts (interest bearing)</b>				-			-
<b>Total Outside Bangladesh</b>				<b>480,862,223</b>			<b>278,571,754</b>

	2023 Taka	2022 Taka
<b>5.5 Maturity grouping of balance with other banks and financial institutions of the Bank</b>		
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	-	-
	<b>2,952,134,448</b>	<b>2,890,797,585</b>
<b>6. Money at call on short notice</b>		
With banks	-	-
With non bank financial institutions	-	-
	<b>-</b>	<b>-</b>
<b>7. Investments in shares &amp; securities - Consolidated</b>		
<b>Government:</b>		
SBAC Bank PLC.	16,290,335,637	14,959,513,358
SBAC Bank Investment Limited	-	-
	<b>16,290,335,637</b>	<b>14,959,513,358</b>
<b>Other:</b>		
SBAC Bank PLC.	1,979,822,848	1,993,824,684
SBAC Bank Investment Limited	237,482,948	173,225,517
	<b>2,217,305,796</b>	<b>2,167,050,201</b>
	<b>18,507,641,433</b>	<b>17,126,563,559</b>
<b>7.1 Investments in shares &amp; securities of the Bank</b>		
<b>Government securities</b>		
<b>Treasury bills</b>		
91-day treasury bills	-	-
182-day treasury bills	-	-
364-day treasury bills	-	-
30-day Bangladesh Bank bills	-	-
	<b>-</b>	<b>-</b>
<b>Treasury bonds</b>		
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 Bond	274,330,000	274,330,000
	<b>16,288,233,337</b>	<b>14,957,781,858</b>
<b>Total treasury bills and bonds</b>	<b>16,288,233,337</b>	<b>14,957,781,858</b>
Prize bonds	2,102,300	1,731,500
<b>Total Government securities</b>	<b>16,290,335,637</b>	<b>14,959,513,358</b>
<b>Other investments (note 7.4)</b>	<b>1,979,822,848</b>	<b>1,993,824,684</b>
	<b>18,270,158,485</b>	<b>16,953,338,042</b>
<b>7.2 Classification of investments in shares &amp; securities of the Bank as per Bangladesh Bank Circular</b>		
<b>Government treasury bills and bonds</b>		
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 Bond	274,330,000	274,330,000
	<b>16,288,233,337</b>	<b>14,957,781,858</b>
<b>Total treasury bills and bonds</b>	<b>16,288,233,337</b>	<b>14,957,781,858</b>
Prize bonds	2,102,300	1,731,500
<b>Total Government securities</b>	<b>16,290,335,637</b>	<b>14,959,513,358</b>
<b>Other investments (note 7.4)</b>	<b>1,979,822,848</b>	<b>1,993,824,684</b>
	<b>18,270,158,485</b>	<b>16,953,338,042</b>
<b>7.3 Maturity grouping of investments in shares &amp; securities of the Bank</b>		
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
	<b>18,270,158,485</b>	<b>16,953,338,042</b>

	2023 Taka	2022 Taka
<b>7.4 Other investments (Annexure - C)</b>		
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
	<b>1,979,822,848</b>	<b>1,993,824,684</b>

**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 (1 <sup>st</sup> 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 (1 <sup>st</sup> 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
<b>Securities sold under repo:</b>			
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
<b>Securities purchased under reverse repo:</b>			
i) with Bangladesh Bank	-	-	-
ii) with other banks & FIs	200,005,339	1,106,609,058	29,732,024

	2023 Taka	2022 Taka
<b>8. Loans, advances and lease / investments - Consolidated</b>		
<b>Loans, cash credit, overdrafts etc. / investments:</b>		
SBAC Bank PLC. (note 8.1)	85,543,225,936	76,210,473,378
SBAC Bank Investment Limited	366,451,452	343,620,002
	<b>85,909,677,388</b>	<b>76,554,093,380</b>
Less: Inter-company transaction	563,865,318	508,679,030
	<b>85,345,812,070</b>	<b>76,045,414,350</b>
<b>Bills purchased and discounted:</b>		
SBAC Bank PLC. (note 8.1)	1,298,382,733	1,781,844,637
SBAC Bank Investment Limited	-	-
	<b>1,298,382,733</b>	<b>1,781,844,637</b>
	<b>86,644,194,803</b>	<b>77,827,258,987</b>
<b>8.1 Loans, advances, lease and investments of the Bank</b>		
<b>Loans, cash credit, overdrafts etc. / investments (note 8.2):</b>		
On-shore banking unit	85,322,817,536	75,989,719,025
Off-shore banking unit	220,408,400	220,754,353
	<b>85,543,225,936</b>	<b>76,210,473,378</b>
<b>Bills purchased and discounted (note 8.3):</b>		
On-shore banking unit	1,298,382,733	1,781,844,637
Off-shore banking unit	-	-
	<b>1,298,382,733</b>	<b>1,781,844,637</b>
	<b>86,841,608,669</b>	<b>77,992,318,015</b>
<b>8.2 Loans, cash credit, overdrafts etc. / investments of the Bank</b>		
<b>In Bangladesh:</b>		
<b>Overdrafts / bai murabaha</b>	<b>24,602,963,320</b>	<b>21,280,851,367</b>
<b>Cash credit / bai murabaha:</b>		
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
	<b>14,606,371,642</b>	<b>14,944,960,221</b>
<b>Loans, lease and investments:</b>		
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
	<b>46,333,890,974</b>	<b>39,984,661,790</b>
	<b>85,543,225,936</b>	<b>76,210,473,378</b>
<b>Outside Bangladesh</b>	-	-
	<b>85,543,225,936</b>	<b>76,210,473,378</b>
<b>8.3 Bills purchased and discounted of the Bank</b>		
<b>Inside Bangladesh</b>		
Inland bills purchased and discounted	1,165,843,434	1,732,956,132
<b>Outside Bangladesh</b>		
Foreign bills purchased and discounted	132,539,299	48,888,505
	<b>1,298,382,733</b>	<b>1,781,844,637</b>

	2023 Taka	2022 Taka
<b>8.4 Maturity grouping of loans, advances and lease / investments including bills purchased and discounted</b>		
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
	<b>86,841,608,669</b>	<b>77,992,318,015</b>
<b>8.5 Loans, advances and lease / investments including bills purchased and discounted are classified into following broad categories</b>		
<b>(a) Loans, advances and lease / investments (note 8.2)</b>		
<b>In Bangladesh</b>		
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
	<b>85,543,225,936</b>	<b>76,210,473,378</b>
<b>Outside Bangladesh</b>	-	-
	<b>85,543,225,936</b>	<b>76,210,473,378</b>
<b>(b) Bills purchased and discounted (note 8.3)</b>		
In Bangladesh	1,165,843,434	1,732,956,132
Outside Bangladesh	132,539,299	48,888,505
	<b>1,298,382,733</b>	<b>1,781,844,637</b>
	<b>86,841,608,669</b>	<b>77,992,318,015</b>
<b>8.6 Loans, advances and lease / investments including bills purchased and discounted on the basis of significant concentration</b>		
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
	<b>86,841,608,669</b>	<b>77,992,318,015</b>
<b>iv. Disclosure on large loans</b>		
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 11,546,963,532 as at 31 December 2023 and Taka 11,126,531,896 as at 31 December 2022.		
<b>(a) Number of the clients to whom loans and advances sanctioned more than 10% of the Bank's total capital</b>	17	17
<b>(b) Amount of outstanding loans and advances to the clients mentioned in iv (a) above</b>	18,292,932,942	16,519,623,894
<b>(c) Amount of classified loans and advances out of the amount mentioned in iv (b) above</b>	-	-
<b>(d) Measures taken for recovery of the amount mentioned in iv (c) above</b>	-	-
<b>8.7 Geographical location-wise loans, advances and lease / investments including bills purchased and discounted</b>		
<b>Urban</b>		
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
	<b>74,282,032,760</b>	<b>66,712,581,795</b>
<b>Rural</b>		
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
	<b>12,559,575,909</b>	<b>11,279,736,220</b>
	<b>86,841,608,669</b>	<b>77,992,318,015</b>

	2023 Taka	2022 Taka
<b>8.8 Industry-wise loans, advances and lease / investments including bills purchased and discounted</b>		
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 & aluminum 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
	<b>86,841,608,669</b>	<b>77,992,318,015</b>
<b>8.9 Broad economic sector-wise segregation of loans, advances and lease / investments including bills purchased and discounted</b>		
Government and autonomous bodies	-	-
Other public sector	-	-
Private sector	86,841,608,669	77,992,318,015
	<b>86,841,608,669</b>	<b>77,992,318,015</b>
<b>8.10 Required provision for loans, advances and lease / investments including bills purchased and discounted</b>		

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
<b>I) General provision:</b>					
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 finance	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
	<b>81,692,042,702</b>	<b>78,551,634,298</b>		<b>648,265,433</b>	<b>613,821,029</b>

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
<b>II) Specific provision:</b>					
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	-
c) Sub-standard (CMS)	68,082,774	19,968,814	5.00%	998,441	264,038.35
d) Sub-standard (other)	110,105,329	52,016,627	20.00%	10,403,325	12,939,248
e) Doubtful (CMS)	357,359,041	72,361,650	20.00%	14,472,330	24,710,600
f) Doubtful (other)	12,998,188	142,917,762	50.00%	71,458,881	59,323,890
g) Bad / loss	4,601,020,635	1,758,065,742	100.00%	1,758,065,742	1,303,909,089
	<b>5,149,565,968</b>	<b>3,361,685,445</b>		<b>3,171,753,570</b>	<b>2,499,772,775</b>
<b>Total provision required</b>	<b>86,841,608,669</b>	<b>81,913,319,743</b>		<b>3,820,019,003</b>	<b>3,113,593,804</b>
<b>Total provision maintained</b>				<b>3,464,377,692</b>	<b>2,743,593,804</b>
<b>Provision to be maintained*</b>				<b>355,641,311</b>	<b>370,000,000</b>
<b>Surplus / (deficit)</b>				<b>-</b>	<b>-</b>

\*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. 382.00 crore against which Bank maintains provision of TK. 346.44 crore and The Department of Off-site Supervision of Bangladesh Bank through letter reference no. DOS (CAMS)1157/41(dividend)/2024-1836 dated 30 April 2024, allowed deferral provision of Tk. 35.56 crore upto finalization of Financial Statements for the year 2024.

	2023 Taka	2022 Taka
<b>8.11 Classification of loans, advances and lease / investments including bills purchased and discounted</b>		
<b>Unclassified loans and advances</b>		
<b>Main Operation</b>		
i) Standard	80,715,187,671	72,581,570,838
ii) Special mention account (SMA)	756,446,646	1,158,772,857
	<b>81,471,634,317</b>	<b>73,740,343,695</b>
<b>Off-shore Banking Unit</b>		
i) Standard	220,408,384	220,754,353
ii) Special mention account (SMA)	-	-
	<b>220,408,384</b>	<b>220,754,353</b>
	<b>81,692,042,701</b>	<b>73,961,098,048</b>
<b>Classified loans and advances</b>		
<b>Main Operation</b>		
Sub-standard	178,188,103	128,031,446
Doubtful	370,357,229	526,978,256
Bad / loss	4,601,020,635	3,376,210,265
	<b>5,149,565,968</b>	<b>4,031,219,967</b>
<b>Off-shore Banking Unit</b>		
Sub-standard	-	-
Doubtful	-	-
Bad / loss	-	-
	<b>5,149,565,968</b>	<b>4,031,219,967</b>
<b>Total</b>	<b>86,841,608,669</b>	<b>77,992,318,015</b>

	2023 Taka	2022 Taka
<b>8.12 Particulars of loans, advances and lease / investments including bills purchased and discounted</b>		
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	-	-
	<b>86,841,608,669</b>	<b>77,992,318,015</b>
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
(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	-	-
<b>8.13 Bills purchased and discounted</b>		
In Bangladesh	1,165,843,434	1,732,956,132
Outside Bangladesh	132,539,299	48,888,505
	<b>1,298,382,733</b>	<b>1,781,844,637</b>
<b>8.14 Bills purchased and discounted on the basis of the residual maturity grouping</b>		
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
	<b>1,298,382,733</b>	<b>1,781,844,637</b>

### 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
<b>9. Fixed Assets including premises, furniture and fixtures - Consolidated</b>		
SBAC Bank PLC. (note 9.1)	1,475,738,963	1,724,623,028
SBAC Bank Investment Limited	18,673,346	18,643,945
	<b>1,494,412,309</b>	<b>1,743,266,973</b>
<b>9.1 Fixed Assets including premises, furniture and fixtures of the Bank (Annexure - B)</b>		
Motor vehicles	74,793,653	70,788,653
Machinery and equipment	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
Software	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
	<b>3,394,277,193</b>	<b>3,276,609,687</b>
Less: Accumulated depreciation	1,918,538,230	1,551,986,659
<b>Net book value</b>	<b>1,475,738,963</b>	<b>1,724,623,028</b>
<b>10. Other Assets - Consolidated</b>		
<b>Income generating other assets</b>		
SBAC Bank PLC.	399,600,000	399,600,000
SBAC Bank Investment Limited	349,950,000	375,849,715
	<b>749,550,000</b>	<b>775,449,715</b>
<b>Non-income generating other assets</b>		
SBAC Bank PLC.	2,355,649,387	1,373,043,590
SBAC Bank Investment Limited	79,902,894	44,035,912
	<b>2,435,552,281</b>	<b>1,417,079,502</b>
	<b>3,185,102,281</b>	<b>2,192,529,217</b>
Less: Inter-company transaction	766,595,354	778,490,549
<b>Total other assets</b>	<b>2,418,506,928</b>	<b>1,414,038,668</b>
<b>10.1 Other Assets of the Bank</b>		
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
	<b>2,755,249,387</b>	<b>1,772,643,590</b>

	2023 Taka	2022 Taka
<b>10.2 Advance income tax</b>		
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
	852,475,888	692,666,014
	1,704,913,349	1,247,255,512
Less: Adjustment during the year		394,818,051
Closing balance	<b>1,704,913,349</b>	<b>852,437,461</b>
<b>10.2.1 Assessment year wise break up of advance income tax</b>		
2022 - 2023	584,303,857	584,303,857
2023 - 2024	565,981,567	268,133,604
2024 - 2025	554,627,925	-
	<b>1,704,913,349</b>	<b>852,437,461</b>
<b>10.3 Stock of stationeries and stamps</b>		
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
	<b>18,877,997</b>	<b>18,370,244</b>
<b>10.4 Advance rent, advertisement, etc.</b>		
Advance rent	17,791,377	17,518,275
Prepaid advertisement	-	-
	<b>17,791,377</b>	<b>17,518,275</b>
<b>10.5 Deferred tax asset / (liability)</b>		
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
	<b>83,080,467</b>	<b>22,474,959</b>
<b>10.5.1 Detailed calculation of deferred tax assets / (liability)</b>		
In terms of instructions contained in BRPD Circular No. 11 dated 12 December 2011 and provision of IAS 12 - Taxation, the detail calculation of deferred tax (assets) / liability of the Bank is furnished as under:		
i) Temporary timing difference in written down value (WDV) of fixed assets:		
Written down value of fixed assets- 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
	171,086,001	65,452,011
ii) Temporary timing difference for right of use assets (tax base nil)	1,056,864,660	1,230,570,317
	(885,778,659)	(1,165,118,306)
iii) Temporary timing difference for PV of lease liability (tax base nil)	1,107,326,570	1,225,051,531
<b>Total amount of temporary timing difference in asset /(liability)</b>	<b>221,547,911</b>	<b>59,933,225</b>
Effective tax rate	37.50%	37.50%
<b>Net Deferred tax assets /(liability) at year end</b>	<b>83,080,467</b>	<b>22,474,959</b>
Net Deferred tax assets /(liability) at opening	22,474,959	21,757,883
<b>Deferred tax income /(expenses) for the year</b>	<b>60,605,508</b>	<b>717,076</b>
<b>10.6 Suspense accounts</b>		
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
	<b>213,029,639</b>	<b>113,033,745</b>

	2023 Taka	2022 Taka
<b>10.6.1 Advance against fixed assets</b>		
Advance against fixed assets has been made for which final bill has not being received:		
Interior Decoration and Furniture		3,107,588
Software	-	-
Machineries, equipment and computer accessories	5,473,238	3,103,368
	<b>5,473,238</b>	<b>6,210,956</b>
<b>11. Borrowings from other banks, financial institutions and agents - Consolidated</b>		
SBAC Bank PLC. (note 11.1)	3,262,983,361	4,031,548,707
SBAC Bank Investment Limited	563,865,318	508,679,030
	<b>3,826,848,679</b>	<b>4,540,227,737</b>
Less: Inter-company transaction	563,865,318	508,679,030
	<b>3,262,983,361</b>	<b>4,031,548,707</b>
<b>11.1 Borrowings from other banks, financial institutions and agents of the Bank</b>		
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)
	<b>3,262,983,361</b>	<b>4,031,548,707</b>
<b>11.2 Borrowings from other banks, financial institutions and agents (on-shore banking unit)</b>		
<b>a) In Bangladesh</b>		
<b>Secured</b>		
<b>Refinance from Bangladesh Bank</b>		
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
<b>Pre-Finance</b>	1,276,394,293	-
Borrowing from Bangladesh Bank - ALS	750,000,000	760,000,000
	3,092,983,361	4,031,548,707
<b>Unsecured</b>	170,000,000	-
	<b>3,262,983,361</b>	<b>4,031,548,707</b>
<b>b) Outside Bangladesh</b>	-	-
	<b>3,262,983,361</b>	<b>4,031,548,707</b>
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]		
<b>11.2 Residual maturity grouping of borrowings from other banks, financial institutions and agents</b>		
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
	<b>3,262,983,361</b>	<b>4,031,548,707</b>
<b>12. Deposits and other accounts - Consolidated</b>		
<b>Current / Al-wadeeah current deposits and other accounts</b>		
SBAC Bank PLC.	12,701,291,707	9,238,002,337
Less: Inter-company transactions	1,458,333	1,566,240
	<b>12,699,833,374</b>	<b>9,236,436,097</b>
<b>Special notice / mudaraba special notice deposits</b>		
SBAC Bank PLC.	5,970,630,318	4,382,625,127
Less: Inter-company transactions	58,245,114	12,431,157
	<b>5,912,385,204</b>	<b>4,370,193,970</b>
<b>Bills payable</b>		
SBAC Bank PLC.	5,011,369,023	3,197,410,868
	<b>5,011,369,023</b>	<b>3,197,410,868</b>

	2023 Taka	2022 Taka
<b>Savings bank / mudaraba savings deposits</b>		
SBAC Bank PLC.	6,578,429,379	6,920,991,538
	<b>6,578,429,379</b>	<b>6,920,991,538</b>
<b>Fixed / mudaraba term deposits</b>		
SBAC Bank PLC.	48,736,337,676	46,074,316,715
Less: Inter-company transactions	349,950,000	375,849,715
	<b>48,386,387,676</b>	<b>45,698,467,000</b>
SBAC Bank PLC.	14,733,176,576	14,786,087,582
SBAC Bank Investment Ltd.	-	-
	<b>14,733,176,576</b>	<b>14,786,087,582</b>
	<b>93,321,581,232</b>	<b>84,209,587,055</b>
<b>12.1 Deposits and other accounts of the Bank</b>		
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
	<b>93,731,234,679</b>	<b>84,599,434,167</b>
<b>12.2 Current / Al-wadeeah current deposits and other accounts</b>		
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/Cs	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 - foreign correspondents charge	20,695,952	20,928,822
Sundry deposits - risk fund	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
	<b>12,701,291,707</b>	<b>9,238,002,337</b>
<b>12.3 Other deposits</b>		
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
Lakhpoti Savings Scheme Deposits	183,156,939	197,592,072
Surokhha 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
	<b>14,733,176,576</b>	<b>14,786,087,582</b>
<b>12.4 Segregation of deposits and other accounts</b>		
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
	<b>93,731,234,679</b>	<b>84,599,434,167</b>

	2023 Taka	2022 Taka
<b>12.5 Details of inter-bank deposits</b>		
<b>In Current Deposit Account</b>		
Mercantile Bank Limited	2,642,519	2,138,596
Southeast Bank Ltd	1,050	-
Trust Bank Limited	418,250	418,250
	<b>3,061,819</b>	<b>2,556,846</b>
<b>In Short Notice Deposit Account</b>		
Modhumoti Bank Ltd	81,990,537	-
Janata Bank Limited	161,376	160,427
	<b>82,151,913</b>	<b>160,427</b>
<b>In Fixed Deposit Account</b>		
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	-
	<b>1,499,550,000</b>	<b>2,599,750,000</b>
	<b>1,584,763,732</b>	<b>2,602,467,273</b>
<b>12.6 Residual maturity grouping of deposits and other accounts</b>		
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
	<b>93,731,234,679</b>	<b>84,599,434,167</b>
<b>12.7 Unclaimed deposits for ten years and more held by the bank</b>	-	-
<b>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.</b>		
<b>12.9 Payable on demand and time deposits</b>		
<b>a) Demand deposits</b>		
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
	<b>18,278,943,262</b>	<b>13,050,747,746</b>
<b>b) Time deposits</b>		
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
Nonresident Taka deposits	25,776,112	7,554,697
	<b>75,452,291,417</b>	<b>71,548,686,421</b>
	<b>93,731,234,679</b>	<b>84,599,434,167</b>

	2023 Taka	2022 Taka
<b>12.10 Sector-wise break-up of deposits and other accounts</b>		
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
	<b>93,731,234,679</b>	<b>84,599,434,167</b>
<b>13. Other liabilities - Consolidated</b>		
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
	<b>9,554,218,317</b>	<b>7,236,281,537</b>
<b>13.1 Other liabilities of the Bank</b>		
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
	<b>9,444,922,435</b>	<b>7,199,371,669</b>
<b>13.2 Provision for gratuity</b>		
Opening balance	-	-
Add: Provision made for the period	129,998,012	125,482,240
	129,998,012	125,482,240
Less: transferred to gratuity fund during the period	129,998,012	125,482,240
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>13.3 Provision for taxation</b>		
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
	2,081,792,606	1,542,545,943
Less: Adjustment during the year	-	394,818,051
<b>Closing balance</b>	<b>2,081,792,606</b>	<b>1,147,727,892</b>

**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

	2023 Taka	2022 Taka
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### 13.3.2 Tax reconciliation or relationship between tax expense and tax on accounting profit

Particulars	2023		2022	
	%	Taka	%	Taka
<b>Profit before tax as per profit and loss account</b>		<b>2,198,546,137</b>		<b>1,754,547,475</b>
Corporate as per applicable tax rate	37.50%	824,454,801	37.50%	657,955,303
<b>Factors affecting the tax charge for current year:</b>				
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 provision shortfall as per assessment order	8.41%	185,003,815	0.00%	-
<b>Effective tax rate</b>	<b>42.49%</b>	<b>934,064,714</b>	<b>41.33%</b>	<b>725,072,343</b>

### 13.4 Provision for loans and advances

#### A. General provision on loans and advances - Main Operation

Opening balance

General provision for the year

**Provision held at the year end**

#### Specific provision against loans and advances - Main

#### B Operation

Opening balance

Less: Fully provided debt written-off (for final settlement)

Add: Recoveries of amounts previously written-off

Add: Specific provision for the year

realized/regularized

**Specific provision against loans and advances for during the year**

Add: Net charge to profit and loss account

**Provision held at the end of the year**

#### C. General provision on loans and advances - OBU

Opening balance

General provision for the year

Less: Provision no more required

**Provision held at the year end**

**Total (A + B + C)**

**General provision (including off balance sheet exposures) for the year**

Main operation

Off shore banking unit

Off balance sheet exposures

SBAC Bank Investment Ltd.

156,819,762	8,465,020
59,805,634	148,354,742
<b>216,625,396</b>	<b>156,819,762</b>
<b>2,499,772,775</b>	<b>2,196,162,881</b>
-	-
-	-
684,343,891	862,318,813
12,457,977	558,708,919
<b>671,885,914</b>	<b>303,609,894</b>
-	-
<b>3,171,658,689</b>	<b>2,499,772,775</b>
2,207,544	5,632,109
(1,180,185)	(3,424,565)
<b>1,027,359</b>	<b>2,207,544</b>
<b>3,389,311,444</b>	<b>2,658,800,081</b>
177,229,056	148,354,742
(1,180,185)	(3,424,565)
62,100,751	32,298,879
<b>238,149,622</b>	<b>177,229,056</b>
3,663,302	3,430,796
<b>241,812,924</b>	<b>180,659,852</b>

### 13.5 Special general provision - COVID-19 (note 8.10)

Opening balance

Add: Provision made for the year

Less: Provision no more required

84,793,723	187,183,129
-	-
(9,727,475)	(102,389,406)
<b>75,066,248</b>	<b>84,793,723</b>

### 13.6 Provision for off balance sheet exposures (note 18.4)

Opening balance

Add: Provision made for the year

200,695,261	168,396,382
38,634,546	32,298,879
<b>239,329,807</b>	<b>200,695,261</b>

	2023 Taka	2022 Taka
<b>13.7 Provision for rebate to good borrowers</b>		
Opening balance	-	19,000,000
Add: Provision made for the year	-	-
	-	<b>19,000,000</b>
Less: Transferred to profit as no more required	-	19,000,000
<b>Closing balance</b>	<b>-</b>	<b>-</b>
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 PLC. reversed all the excess provision made earlier as the Bank has no further obligation to pay good borrower incentives.		
<b>13.8 Present value of lease liability</b>		
The bank recognized 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 have been discounted @ 6.00%.		
<b>13.9 Interest suspense account</b>		
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	-	-
<b>Balance as on 31 December</b>	<b>2,178,771,361</b>	<b>1,514,315,563</b>
<b>13.10 Startup fund</b>		
Opening balance	20,487,780	14,866,773
Add: Transferred during the year	5,366,116	5,621,007
	<b>25,853,896</b>	<b>20,487,780</b>
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.		
<b>13.11 Provision for diminution in value of investments</b>		
<b>Consolidated</b>		
Opening balance	127,476,353	36,403,988
Add: Provision made for the year	36,242,912	91,072,365
	<b>163,719,265</b>	<b>127,476,353</b>
<b>Bank (solo)</b>		
Opening balance	123,434,872	36,403,988
Add: Provision made for the year	21,456,913	87,030,884
	<b>144,891,785</b>	<b>123,434,872</b>
<b>13.12 Dividend payable</b>		
For 2020	31,676,235	32,421,603
For 2021	24,889,314	26,699,470
For 2022	29,531,214	-
	<b>86,096,763</b>	<b>59,121,073</b>
<b>14. Share capital</b>		
<b>14.1 Authorized share capital</b>		
1,000,000,000 ordinary shares of Tk. 10/- each	10,000,000,000	10,000,000,000
<b>14.2 Issued, subscribed and paid up share capital</b>		
824,191,650 ordinary shares of Tk. 10/- each	8,241,916,500	8,160,313,370
<b>14.3 Paid up capital</b>		
The paid up capital of the Bank was raised in the following manner:		
<b>From the sponsor shareholders</b>		
By issuing 408,960,000 ordinary shares of Taka 10 each	4,089,600,000	4,089,600,000
<b>From Initial Public Offering</b>		
By issuing 100,000,000 ordinary shares of Taka 10 each	1,000,000,000	1,000,000,000
<b>Stock dividend</b>		
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

	2023 Taka	2022 Taka
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	-
	<b>8,241,916,500</b>	<b>8,160,313,370</b>

#### 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
<b>Total</b>	<b>824,191,650</b>	<b>100.00%</b>	<b>8,241,916,500</b>	<b>816,031,337</b>	<b>100.00%</b>	<b>8,160,313,370</b>

#### 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
<b>Total</b>	<b>81,902</b>	<b>100.00%</b>	<b>824,191,650</b>	<b>8,241,916,500</b>

#### 14.6 Capital to Risk Weighted Assets Ratio

As per Section 13(2) of the Bank Companies Act, 1991 (Amended up to 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 2023 stood at Taka 11,583,204,473 (Tier-I Capital Taka 11,051,155,663 and Tier-II Capital Taka 532,048,810) against the risk based capital requirement of Taka 10,480,229,201. As a result, there was a capital surplus (consolidated) of Taka 1,102,975,272 in risk based capital adequacy as on 31 December 2023.

#### 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
	<b>11,087,320,840</b>	<b>10,755,967,877</b>
Less: Regulatory Adjustments	36,165,177	51,908,363
	<b>11,051,155,663</b>	<b>10,704,059,514</b>

	2023 Taka	2022 Taka
<b>B. Additional Tier - I capital</b>	-	-
<b>C. Total Tier - I Capital (A + B)</b>	<b>11,051,155,663</b>	<b>10,704,059,514</b>
<b>D. Tier - II capital</b>		
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
<b>Less: Regulatory Adjustments:</b>		
Revaluation reserve for HFT securities	22,014,417	22,014,417
	<b>532,048,810</b>	<b>444,516,290</b>
<b>E. Total capital (C + D)</b>	<b>11,583,204,473</b>	<b>11,148,575,804</b>
<b>F. Total risk weighted assets (RWA)</b>	<b>83,841,833,609</b>	<b>80,888,444,375</b>
<b>Minimum capital requirement (MCR) with Capital Conservation Buffer (CCB)</b>		
[12.50% of risk weighted assets]	10,480,229,201	10,111,055,547
<b>H. Surplus/(shortfall) of capital (E - G)</b>	<b>1,102,975,272</b>	<b>1,037,520,257</b>
<b>I. Total Exposure</b>	<b>128,952,823,801</b>	<b>116,460,400,970</b>
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%
<b>14.8 Total risk weighted assets (RWA) - Consolidated</b>		
<b>A. Credit risk weighted assets</b>		
On-Balance Sheet	59,552,728,668	60,261,423,958
Off-Balance Sheet	11,015,934,521	8,648,023,162
	<b>70,568,663,189</b>	<b>68,909,447,120</b>
<b>B. Market risk weighted assets</b>	3,599,024,254	3,801,743,842
<b>C. Operational risk weighted assets</b>	9,674,146,166	8,177,253,413
<b>Total risk weighted assets (RWA)</b>	<b>83,841,833,609</b>	<b>80,888,444,375</b>
<b>14.9 Details of capital adequacy ratio are furnished below - Solo:</b>		
<b>A. Total common equity Tier - I capital</b>		
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
	<b>11,047,766,908</b>	<b>10,723,385,387</b>
Less: Regulatory Adjustments	32,852,186	41,369,781
	<b>11,014,914,722</b>	<b>10,682,015,606</b>
<b>B. Additional Tier - I capital</b>	-	-
<b>C. Total Tier - I Capital (A + B)</b>	<b>11,014,914,722</b>	<b>10,682,015,606</b>
<b>D. Tier - II capital</b>		
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
<b>Less: Regulatory Adjustments:</b>		
Revaluation reserve for HFT securities	22,014,417	22,014,417
	<b>532,048,810</b>	<b>444,516,290</b>
<b>E. Total capital (C + D)</b>	<b>11,546,963,532</b>	<b>11,126,531,896</b>
<b>F. Total risk weighted assets (RWA)</b>	<b>84,222,662,387</b>	<b>81,107,973,897</b>
<b>G. Minimum capital requirement (MCR) with Capital Conservation Buffer (CCB)</b>		
[12.50% of risk weighted assets]	10,527,832,798	10,138,496,737
<b>H. Surplus/(shortfall) of capital (E - G)</b>	<b>1,019,130,733</b>	<b>988,035,159</b>
<b>I. Total Exposure</b>	<b>128,520,370,042</b>	<b>115,491,176,865</b>

	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%
<b>14.10 Total risk weighted assets (RWA) - Solo</b>		
<b>A. Credit risk weighted assets</b>		
On-Balance Sheet	60,489,674,088	60,824,539,340
Off-Balance Sheet	11,015,934,521	8,648,023,162
	<b>71,505,608,609</b>	<b>69,472,562,502</b>
<b>B. Market risk weighted assets</b>	3,125,418,357	3,495,707,620
<b>C. Operational risk weighted assets</b>	9,591,635,421	8,139,703,775
<b>Total risk weighted assets (RWA)</b>	<b>84,222,662,387</b>	<b>81,107,973,897</b>
<b>14.11 Non-controlling (Minority) interest</b>		
Share capital	400,000	400,000
Retained earnings	35,111	32,182
	<b>435,111</b>	<b>432,182</b>
<b>15. Statutory reserve</b>		
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
<b>Closing balance</b>	<b>2,486,942,756</b>	<b>2,204,928,598</b>
<b>16. Other reserve (revaluation reserve on Govt. Securities)</b>		
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
<b>Closing balance</b>	<b>22,049,131</b>	<b>65,228,536</b>
<b>16.1 Capital reserve</b>		
Opening balance	516,704	-
Add: Addition during year	2,753,216	516,704
<b>Closing balance</b>	<b>3,269,920</b>	<b>516,704</b>
<b>16.2 Foreign currency translation reserve</b>		
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	-	-
<b>Closing balance</b>	<b>12,710,366</b>	<b>7,933,440</b>
<b>17. Surplus in profit and loss account - Consolidated</b>		
<b>Opening balance</b>	<b>390,293,727</b>	<b>704,530,934</b>
Less: Cash dividend paid	(288,467,078)	(244,809,401)
Less: Stock dividend issued	-	(313,858,200)
Less: Proposed dividend 2021	-	(81,603,130)
	<b>101,826,649</b>	<b>64,260,203</b>
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)
	<b>256,229,768</b>	<b>326,060,539</b>
	<b>358,056,417</b>	<b>390,320,742</b>
Less: Non-controlling (Minority) interest	29,944	27,015
<b>Closing balance</b>	<b>358,026,473</b>	<b>390,293,727</b>

	2023 Taka	2022 Taka
<b>17.1 Surplus in profit and loss account of the Bank</b>		
<b>Opening balance</b>	<b>358,143,419</b>	<b>699,369,062</b>
Less: Cash dividend paid	(288,467,078)	(244,809,401)
Less: Stock dividend issued	-	(313,858,200)
Less: Proposed dividend 2021	-	(81,603,130)
	<b>69,676,341</b>	<b>59,098,331</b>
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)
	<b>249,231,311</b>	<b>299,045,088</b>
<b>Closing balance</b>	<b>318,907,652</b>	<b>358,143,419</b>
<b>18. Contingent liabilities - Consolidated SBAC Bank PLC.</b>		
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	-	-
	<b>29,358,940,670</b>	<b>21,782,441,340</b>
<b>SBAC Bank Investment Limited</b>	<b>-</b>	<b>-</b>
	<b>29,358,940,670</b>	<b>21,782,441,340</b>
<b>18.1 Letters of guarantee</b>		
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
	<b>14,011,516,153</b>	<b>10,830,648,085</b>
<b>18.2 Irrevocable letters of credit</b>		
<b>Local</b>		
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
	<b>5,456,639,050</b>	<b>3,130,316,592</b>
<b>Foreign</b>		
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
	<b>690,142,345</b>	<b>1,160,022,302</b>
	<b>6,146,781,395</b>	<b>4,290,338,894</b>
<b>18.3 Bills for collection</b>		
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
	<b>4,518,447,260</b>	<b>1,712,915,295</b>

**18.4 Particulars of required provision on off-balance sheet exposures**

Particulars	Base for Provision	Rate (%)	Required provision	
			2023 Taka	2022 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%	-	-
<b>Total</b>	<b>29,358,940,670</b>		<b>239,329,807</b>	<b>200,695,261</b>
Total Provision Maintained			239,329,807	200,695,261
<b>Excess / (Short) provision maintained</b>			<b>-</b>	<b>-</b>

	2023 Taka	2022 Taka
<b>19. Particulars of profit and loss account of the Bank</b>		
<b>Income</b>		
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 less losses arising from dealing in securities (note 23.1)	1,636,368,110	1,609,876,302
Gains less losses arising from investment securities (note 23.1)	692,439,302	670,363,560
Gains less losses arising from dealing in foreign currencies (note 24.1)	-	-
Income from non-banking assets	451,361,848	203,019,563
Other operating income (note 25.1)	-	-
Profit less losses in interest rate changes	6,892,330,558	5,883,296,742
	<b>10,175,943,294</b>	<b>8,810,290,842</b>
<b>Expenses</b>		
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
	<b>7,977,397,157</b>	<b>7,055,743,367</b>
<b>Profit before provision</b>	<b>2,198,546,137</b>	<b>1,754,547,475</b>
<b>20. Administrative expenses</b>		
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
	<b>2,086,792,387</b>	<b>1,838,841,328</b>
<b>21. Interest income / profit on investment - Consolidated</b>		
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
	<b>6,900,072,745</b>	<b>5,884,348,080</b>
<b>21.1 Interest income / profit on investments of the Bank</b>		
<b>Interest on loans and advances / profit on investments</b>		
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
	<b>6,816,154,479</b>	<b>5,695,506,510</b>
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
	<b>6,872,881,243</b>	<b>5,851,657,968</b>
Interest Income - Off-shore Banking Unit	19,449,315	31,638,774
	<b>6,892,330,558</b>	<b>5,883,296,742</b>

	2023 Taka	2022 Taka
<b>22. Interest / profit paid on deposits, borrowings etc.</b>		
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
	<b>5,244,053,626</b>	<b>4,606,948,354</b>
<b>22.1 Interest / profit paid on deposits, borrowings etc. of the Bank</b>		
<b>Interest / profit paid on deposits</b>		
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
	<b>4,743,761,959</b>	<b>4,116,803,420</b>
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
	<b>5,266,344,903</b>	<b>4,627,650,279</b>
<b>23. Income from investment in shares / securities - Consolidated</b>		
SBAC Bank PLC. (note 23.1)	1,710,628,705	1,689,149,588
SBAC Investment Limited	23,067,738	16,162,507
	<b>1,733,696,443</b>	<b>1,705,312,095</b>
<b>23.1 Income from investment in shares / securities of the Bank</b>		
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)
	<b>1,599,835,976</b>	<b>1,513,527,868</b>
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	<b>1,710,628,705</b>	<b>1,689,149,588</b>
<b>24. Commission, exchange and brokerage - Consolidated</b>		
SBAC Bank PLC. (note 24.1)	1,121,622,183	1,034,824,949
SBAC Investment Limited	36,716,408	25,551,497
	<b>1,158,338,591</b>	<b>1,060,376,446</b>
<b>24.1 Commission, exchange and brokerage of the Bank</b>		
<b>Fees, commission and brokerage</b>		
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
	<b>1,121,622,183</b>	<b>1,034,824,949</b>
<b>25. Other operating income - Consolidated</b>		
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
	<b>451,466,453</b>	<b>203,089,610</b>
<b>25.1 Other operating income of the Bank</b>		
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
	<b>451,361,848</b>	<b>203,019,563</b>

	2023 Taka	2022 Taka
<b>26. Salaries and allowances - Consolidated</b>		
SBAC Bank PLC. (note 26.1)	1,791,985,540	1,570,379,086
SBAC Investment Limited	26,234,223	12,406,365
	<b>1,818,219,763</b>	<b>1,582,785,451</b>
<b>26.1 Salaries and allowances of the Bank</b>		
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
COVID-19 Incentive	52,584,106	49,010,343
Bank's contribution on provident fund	129,998,012	125,482,240
Gratuity	142,316,607	74,556,414
Casual laborer & wages (gross)	18,989,362	59,527,125
Salary to casual laborer & wages	15,676,512	6,122,204
Commission to security service provider	564,918,715	531,207,337
	<b>1,791,985,540</b>	<b>1,570,379,086</b>
<b>27. Rent, taxes, insurance, electricity etc. - Consolidated</b>		
SBAC Bank PLC. (note 27.1)	180,505,179	165,778,075
SBAC Investment Limited	1,492,239	1,623,250
	<b>181,997,418</b>	<b>167,401,325</b>
<b>27.1 Rent, taxes, insurance, electricity etc. of the Bank</b>		
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
	<b>180,505,179</b>	<b>165,778,075</b>
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.		
<b>28. Legal and professional expenses - Consolidated</b>		
SBAC Bank PLC. (note 28.1)	4,980,422	9,286,850
SBAC Investment Limited	191,700	105,108
	<b>5,172,122</b>	<b>9,391,958</b>
<b>28.1 Legal and professional expenses of the Bank</b>		
Legal expenses	1,807,773	5,791,912
Professional fees	3,172,649	3,494,938
	<b>4,980,422</b>	<b>9,286,850</b>
<b>29. Postage, stamp, telecommunication etc. - Consolidated</b>		
SBAC Bank PLC. (note 29.1)	7,223,831	15,034,133
SBAC Investment Limited	-	-
	<b>7,223,831</b>	<b>15,034,133</b>
<b>29.1 Postage, stamp, telecommunication etc. of the Bank</b>		
Postage	1,963,513	1,812,607
Telephone, fax etc.	5,002,670	6,831,405
Internet & SWIFT	257,648	6,390,121
	<b>7,223,831</b>	<b>15,034,133</b>
<b>30. Stationery, printing, advertisement etc. - Consolidated</b>		
SBAC Bank PLC. (note 30.1)	56,192,852	43,110,139
SBAC Investment Limited	185,770	303,325
	<b>56,378,622</b>	<b>43,413,464</b>
<b>30.1 Stationery, printing, advertisement etc. of the Bank</b>		
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.		
	<b>56,192,852</b>	<b>43,110,139</b>

	2023 Taka	2022 Taka
<b>31. Chief executive's salary and fees of the Bank</b>		
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
Medical allowance	-	570,800
Bank's contribution on provident fund	1,200,000	1,380,000
Festival bonus	1,000,000	-
Incentive bonus for previous year	1,440,000	1,161,774
Other allowances	7,200,000	6,075,742
	<b>13,240,000</b>	<b>11,785,897</b>
<b>32. Directors' fees - Consolidated</b>		
SBAC Bank PLC. (note 32.1)	3,392,000	3,040,000
SBAC Investment Limited	312,000	256,000
	<b>3,704,000</b>	<b>3,296,000</b>
<b>32.1 Directors' fees of the Bank</b>		
Meeting attendance fees	<b>3,392,000</b>	<b>3,040,000</b>
<b>33. Auditors' fees - Consolidated</b>		
SBAC Bank PLC. (note 33.1)	977,500	920,000
SBAC Investment Limited	74,750	57,500
	<b>1,052,250</b>	<b>977,500</b>
<b>33.1 Auditors' fees of the Bank</b>		
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
	<b>977,500</b>	<b>920,000</b>
<b>34. Depreciation and repairs &amp; maintenance - Consolidated</b>		
SBAC Bank PLC. (note 34.1)	394,846,635	380,782,831
SBAC Investment Limited	1,863,652	862,011
	<b>396,710,287</b>	<b>381,644,842</b>
<b>34.1 Depreciation and repairs &amp; maintenance of Bank's Assets</b>		
Depreciation / amortization		
Motor vehicles	6,628,329	7,123,260
Machinery and equipment	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
	<b>394,846,635</b>	<b>380,782,831</b>
<b>35. Other expenses</b>		
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
	<b>266,835,085</b>	<b>233,883,413</b>
<b>35.1 Other expenses of the Bank</b>		
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 & newspapers etc.	753,183	564,497

	2023 Taka	2022 Taka
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
	<b>257,708,295</b>	<b>227,976,077</b>
<b>36. Provision for taxation</b>		
<b>Current tax</b>		
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
<b>Deferred tax</b>		
SBAC Bank PLC. (note 10.5.1)	(60,605,508)	(717,076)
SBAC Investment Limited	48,125	28,021
	(60,557,383)	(689,055)
	<b>885,782,347</b>	<b>732,084,330</b>
<b>37. Increase / (decrease) of other assets of the Bank</b>		
<b>Closing -</b>		
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
	<b>682,165,079</b>	<b>573,608,030</b>
<b>Opening -</b>		
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
	<b>552,714,030</b>	<b>615,347,549</b>
	<b>129,451,049</b>	<b>(41,739,519)</b>
<b>37.1 Increase / (decrease) of other assets - Consolidated</b>		
<b>Closing -</b>		
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
	<b>701,566,446</b>	<b>583,042,130</b>
<b>Opening -</b>		
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
	<b>562,148,130</b>	<b>614,619,637</b>
	<b>139,418,316</b>	<b>(31,577,507)</b>

	2023 Taka	2022 Taka
<b>38. Increase / (decrease) of other liabilities of the Bank</b>		
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
	<b>1,135,118,177</b>	<b>1,245,485,275</b>
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
	<b>1,245,485,275</b>	<b>1,178,251,762</b>
	<b>(110,367,098)</b>	<b>67,233,513</b>
<b>38.1 Increase / (decrease) of other liabilities - Consolidated</b>		
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
	<b>1,156,182,557</b>	<b>1,266,549,655</b>
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
	<b>1,265,953,168</b>	<b>1,178,251,762</b>
	<b>(109,770,611)</b>	<b>88,297,893</b>
<b>Reconciliation between Operating profit of the Bank and Cash flows from operating activities of the Bank</b>		
<b>39. Profit before provision</b>	<b>2,198,546,137</b>	<b>1,754,547,475</b>
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)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>564,013,195</b>	<b>692,841,302</b>
<b>Increase / decrease in operating assets and liabilities</b>		
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
	<b>2,275,900,570</b>	<b>1,739,089,413</b>
<b>Net cash from operating activities</b>	<b>2,839,913,765</b>	<b>2,431,930,715</b>

	2023 Taka	2022 Taka
<b>39.2 Reconciliation between Operating profit of the Bank and Cash flows from operating activities – Consolidated</b>		
<b>Profit before provision</b>	<b>2,248,987,228</b>	<b>1,796,563,894</b>
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)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>615,693,906</b>	<b>726,834,636</b>
<b>Increase / decrease in operating assets and liabilities</b>		
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
	<b>2,277,512,058</b>	<b>1,736,512,804</b>
<b>Net cash from operating activities</b>	<b>2,893,205,964</b>	<b>2,463,347,440</b>
<b>40.1 Basic Earning per share (EPS) - Consolidated</b>		
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
<b>Earnings per share (a ÷ b)</b>	<b>0.66</b>	<b>0.72</b>
<b>40.2 Restated Earning per share (EPS) - Consolidated</b>		
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
<b>Earnings per share (a ÷ b)</b>	<b>0.66</b>	<b>0.72</b>
<b>40.3 Basic Earning per share (EPS) of the Bank</b>		
a) Net profit after tax	536,611,585	562,100,704
b) weighted average number of ordinary shares	824,191,650	824,191,650
<b>Earnings per share (a ÷ b)</b>	<b>0.65</b>	<b>0.68</b>
<b>40.4 Restated Earning per share (EPS) of the Bank</b>		
a) Net profit after tax	536,611,585	562,100,704
b) weighted average number of ordinary shares	824,191,650	824,191,650
<b>Earnings per share (a ÷ b)</b>	<b>0.65</b>	<b>0.68</b>
<b>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:</b>		
The requirement for maintaining provision against loans and advances and other assets have been higher than that of previous year.		
<b>40.6 Diluted earnings per share</b>		
No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during these period.		
<b>41.1 Net asset value (NAV) per share - Consolidated</b>		
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
<b>Net asset value (NAV) per share (a÷b)</b>	<b>13.50</b>	<b>13.14</b>
<b>41.2 Restated net asset value (NAV) per share - Consolidated</b>		
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
<b>Net asset value (NAV) per share (a÷b)</b>	<b>13.50</b>	<b>13.14</b>

	2023 Taka	2022 Taka
<b>41.3 Net asset value (NAV) per share of the Bank</b>		
a) Net asset value	11,082,526,405	10,796,547,363
b) Number of outstanding shares	824,191,650	824,191,650
<b>Net asset value (NAV) per share (a÷b)</b>	<b>13.45</b>	<b>13.10</b>
<b>41.4 Restated net asset value (NAV) per share of the Bank</b>		
a) Net asset value	11,082,526,405	10,796,547,363
b) Number of outstanding shares	824,191,650	824,191,650
<b>Net asset value (NAV) per share (a÷b)</b>	<b>13.45</b>	<b>13.10</b>
<b>42.1 Net operating cash flow per share (NOCFPS) - Consolidated</b>		
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
<b>Net operating cash flow per share (a÷b)</b>	<b>3.51</b>	<b>2.99</b>
<b>42.2 Restated net operating cash flow per share (NOCFPS) - Consolidated</b>		
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
<b>Net operating cash flow per share (a÷b)</b>	<b>3.51</b>	<b>2.99</b>
<b>42.3 Net operating cash flow per share (NOCFPS) of the Bank</b>		
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
<b>Net operating cash flow per share (a÷b)</b>	<b>3.45</b>	<b>2.95</b>
<b>42.4 Restated net operating cash flow per share (NOCFPS) of the Bank</b>		
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
<b>Net operating cash flow per share (a÷b)</b>	<b>3.45</b>	<b>2.95</b>
<b>42.5 The net operating cash flow has been increased due to substantial deposits by other banks and financial institutions and by customers.</b>		
<b>43. Events after the balance sheet date</b>		
<b>A. Dividend</b>		
The Board of Directors in its 180 <sup>th</sup> meeting held on 30 April 2024 recommended cash dividend @ 2.00% (two 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.		
<b>44. Risk Factors and Risk Management</b>		
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.		
<b>45. Disclosure on audit committee of the Board</b>		
The Audit Committee of the Board was duly reconstituted by the Board of Directors of the Bank in its 164 <sup>th</sup> 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. Mohamamd Mahbubor Rahman	Director	Member	M. Com
Prof. Mohammad Moqbul Hossain Bhuiyan	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:

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

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

Accompanying notes form an integral part of these financial statements.



Director



Director



Director



Managing Director & CEO

## Annexure - A

**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 they are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) holding in the company	Remarks
1	Mr. Abu Zafar Mohammad Shofiuddin MP	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%	
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%	

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

SL No.	Name of the Director	Status with the Bank	No. of shares and percentage (%) share holding in the Bank	Name of the firms/companies/others (Trade Commerce, Financial, Agriculture & others) in which they are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) holding in the company	Remarks
						Solution Share held by the company
14	Mr. Md. Emdadul Hoque	Director	35,169,778 & 4.27%		N/A	Nominated by: T & A International Ltd. Share held by the company
15	Mr. Shohel Ahmed	Director	17,584,888 & 2.13%	1. Techno Electricals Ltd. 2. SQ Wire & Cable Co. Ltd 3. SQ Trading & Engineering 4. SQ Properties Ltd. 5. SQ Light Ltd. 6. Building Dreams Ltd. 7. SQ Wood Preservatives 8. Power-Add 9. Vicar Electricals Ltd. 10. Vicar Concrete Products 11. SQ Distribution Ltd. 12. SQ Electricals Ltd. 13. SQ Resources Ltd. 14. Papiro Ltd. 15. SQ Agriculture Ltd. 16. SQ Nafis Crop Care Ltd. 17. SQ Metal Industry Ltd.	16.89% 29.63% 35.00% 30.00% 35.00% 10.00% 10.00% 10.00% 85.00% 80.00% 40.00% 10.00% 33.33% 20.00% 30.00% 30.00% 15.00%	Nominated by : Meter D Tech. Share held by the company
15	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 2. US-DK Green Energy (BD) Ltd. 4. Lenden Ltd.	40.00% 5.00% 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. Sakhawat Hussain	10.91	10.47
		2.07	2.59
M.R. Trading Co.	Mr. 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.		-	-
MODERN DIAGNOSTIC CENTRE LTD.	Mr. Anwer Hossain Khan, Husband of Mrs. Tahmina Afroz, Managing Director of Modern Diagnostic Centre Ltd.	24.63	22.39
		3.27	2.97
FAMOUS IBERCHEM FLAVOURS & FRAGRANCES LTD.	Mr. Mohammad Nawaz	0.04	0.75
		3.62	-
BMIT SOLUTIONS LTD	Mr. Abu Jafar Mohammad Shafiuddin	2.04	-
TECHNO ELECTRICALS LTD.		15.87	-
S.Q. WIRE AND CABLE CO. LTD		-	-
S Q TRADING n ENGINEERING		-	-
INTEC SOLUTION	Mr. Mohammad Mahbubur Rahman (Representative)	8.31	-
<b>Total</b>		<b>91.56</b>	<b>56.36</b>

#### B. Credit Card issued to directors

Representing Director	Nature of interest in the Bank	Outstanding as at 31 Dec 2023 BDT	Outstanding as at 31 Dec 2023 BDT
Mr. Abu Zafar Mohammod Shofiuddin MP	Chairman, Board of Directors	1,813 Cr	8.25 Cr
Mr. Abdul Kadir Molla	Member, Board of Directors	Nil	0
Engr. Md. Moklesur Rahman	Member, Board of Directors	829,221 Dr	0
Al-Haj Mizanur Rahman	Ex-Member, Board of Directors	Nil	0
Mr. Anwar Hussain	Member, Board of Directors	565 Cr	3.09 Cr
Mr. Hafizur Rahman Babu	Member, Board of Directors	Nil	Nil
Mst. Nasima Begum	Member, Board of Directors	Nil	Nil
Mr. Sk. Shyedujaman	Member, Board of Directors	Nil	Nil
Mr. Mushfiquur Rahman	Member, Board of Directors	6,376 Cr	31.41 Cr
Mrs. Afroza Sultana	Spouse of Director	8,469 Dr	3.28 Cr
Mrs. Fadia Naz	Spouse of Director	500 Dr	1,208.86 Dr
Mr. Md. Emdadul Hoque	Member, Board of Directors	62,668.46 Dr	489.79 Dr

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

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

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

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

Nature of contract	Branch Name	Name of the Director and related by	Remarks
Lease agreement	Head Office, Level # 10, Sun Moon Star Tower	Mr. Al-Haj Mizanur Rahman, Ex-Member, Board of Directors, SBAC Bank PLC. and owner of the premises.	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	Ms. Kamrun Naher, owner of the premises is spouse of Engr. Md. Moklesur Rahman, Member, Board of Directors, SBAC Bank PLC.	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 2022	Additions during the period	Disposals during the period	Balance at 31 December 2023	Balance as at 01 January 2023	Charge for the period	On disposal during the period	Balance as at 31 December 2023
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
<b>Tangible Assets:</b>								
Motor vehicles	70,788,653	4,005,000	-	74,793,653	43,378,808	6,628,329	-	50,007,137
Machinery and equipment	341,998,488	22,140,338	-	364,138,826	271,519,295	28,455,397	-	299,974,692
Furniture and fixtures	111,216,490	13,757,431	-	124,973,921	64,178,181	15,743,976	-	79,922,157
Interior decoration	370,375,116	15,667,186	-	386,042,302	190,982,893	34,609,753	-	225,592,646
Computers and accessories	441,543,120	11,413,862	-	452,956,982	311,236,291	48,539,038	-	359,775,329
Other tools	53,125,614	6,323,344	-	59,448,958	37,004,261	5,991,479	-	42,995,740
<b>Intangible Assets:</b>								
Software	212,787,651	134,145	-	212,921,796	189,482,694	8,651,740	-	198,134,434
<b>Right of use assets (Lease assets)</b>								
	1,674,774,555	44,226,200	-	1,719,000,755	444,204,236	217,931,859	-	662,136,095
<b>At 31 December 2023</b>	<b>3,276,609,687</b>	<b>117,667,506</b>	<b>-</b>	<b>3,394,277,193</b>	<b>1,551,986,659</b>	<b>366,551,571</b>	<b>-</b>	<b>1,918,538,230</b>
<b>At 31 December 2022</b>	<b>2,878,793,973</b>	<b>491,885,286</b>	<b>94,069,572</b>	<b>3,276,609,687</b>	<b>1,252,151,561</b>	<b>361,275,683</b>	<b>61,440,585</b>	<b>1,551,986,659</b>
<b>At 31 December 2021</b>	<b>2,445,118,111</b>	<b>445,118,111</b>	<b>94,069,572</b>	<b>2,984,295,794</b>	<b>1,017,118,111</b>	<b>361,275,683</b>	<b>61,440,585</b>	<b>1,551,986,659</b>

### 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 equipment	20%
Furniture and fixtures	10%
Interior decoration	10%
Computers and accessories	20%
Other tools	20%
Software	20% or remaining usable periods
Right of use assets (Lease Assets)	Remaining lease period

## Annexure - C

## 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
<b>Quoted Shares</b>							
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	Lafarge Holcim 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

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
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
45	Square Textiles PLC.	10.00	500	35,202	70.40	67.50	33,750
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
<b>Sub-total</b>				<b>614,735,635</b>			<b>495,867,891</b>
<b>Quoted Shares (Special Fund)</b>							
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-rrref (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	Nahee 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

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
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
<b>Sub-total</b>				<b>799,811,012</b>			<b>627,544,109</b>
<b>Total Quoted Shares</b>				<b>1,414,546,647</b>			<b>1,123,412,000</b>
<b>Unquoted Shares</b>							
1	SWIFT		6	3,581,371		-	3,581,371
<b>Total unquoted shares</b>				<b>3,581,371</b>			<b>3,581,371</b>

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
<b>Preference Shares</b>							
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
<b>Total preference shares</b>				<b>460,000,000</b>			<b>460,000,000</b>

#### 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
<b>Total Mutual Fund</b>				<b>101,694,830</b>			<b>75,670,954</b>	<b>26,023,877</b>
<b>Total Investments in Shares</b>				<b>1,979,822,848</b>			<b>1,662,664,324</b>	

**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	-	
	<b>Total</b>	<b>1,979,822,848</b>		<b>144,891,785</b>	

## 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

## 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)
<b>Net interest income</b>	<b>1,616,991,446</b>	<b>7,604,894</b>	<b>19,449,315</b>	-	<b>1,625,985,655</b>	<b>30,033,464</b>	-	<b>1,656,019,119</b>
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
<b>Total operating income</b>	<b>4,888,122,241</b>	<b>20,086,835</b>	<b>19,449,315</b>	-	<b>4,909,598,391</b>	<b>89,922,215</b>	-	<b>4,999,520,606</b>
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)
<b>Total operating expenses</b>	<b>(2,706,000,651)</b>	<b>(5,107,603)</b>	-	-	<b>(2,711,052,254)</b>	<b>(39,481,124)</b>	-	<b>(2,750,533,378)</b>
<b>Profit before provision</b>	<b>2,182,121,590</b>	<b>14,979,232</b>	<b>19,449,315</b>	-	<b>2,198,546,137</b>	<b>50,441,091</b>	-	<b>2,248,987,228</b>
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)
<b>Total provision</b>	<b>(666,494,156)</b>	<b>(1,082,340)</b>	<b>(1,180,185)</b>	-	<b>(788,475,347)</b>	<b>(232,506)</b>	-	<b>(788,707,853)</b>
<b>Total Profit before taxes</b>	<b>1,515,627,434</b>	<b>13,896,892</b>	<b>18,269,130</b>	-	<b>1,410,070,790</b>	<b>50,208,585</b>	-	<b>1,460,279,375</b>
<b>Provision for taxation</b>	<b>(880,700,318)</b>	-	-	-	<b>(873,459,206)</b>	<b>(12,323,141)</b>	-	<b>(885,782,347)</b>
<b>Net profit after taxation</b>	<b>634,927,116</b>	<b>13,896,892</b>	<b>18,269,130</b>	-	<b>536,611,585</b>	<b>37,885,444</b>	-	<b>574,497,029</b>

## 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			
<b>Assets</b>								
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	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>116,972,954,793</b>	<b>461,711,917</b>	<b>298,966,133</b>	<b>(212,021,964)</b>	<b>117,521,666,880</b>	<b>1,131,172,072</b>	<b>1,388,705,786</b>	<b>117,264,133,166</b>
<b>Liabilities</b>								
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
<b>TOTAL LIABILITIES</b>	<b>105,864,438,598</b>	<b>444,442,339</b>	<b>213,049,323</b>	<b>(212,021,964)</b>	<b>106,439,140,476</b>	<b>692,790,790</b>	<b>989,105,786</b>	<b>106,142,825,480</b>
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
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>116,972,954,793</b>	<b>461,711,917</b>	<b>298,966,133</b>	<b>(212,021,964)</b>	<b>117,521,666,880</b>	<b>1,131,172,072</b>	<b>1,388,705,786</b>	<b>117,264,133,166</b>

## Annexure - F

**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.

## Annexure - H

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

	Note	2023 Taka	2022 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash in hand</b>			
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
		<b>29,576,626</b>	<b>23,926,208</b>
<b>Balance with other banks and financial institutions</b>	5		
In Bangladesh		-	-
Outside Bangladesh		-	-
		-	-
<b>Placement with banks &amp; other financial institutions</b>	6	-	-
<b>Investments in shares &amp; securities</b>	7		
Government		30,000,000	50,000,000
Others		-	-
		<b>30,000,000</b>	<b>50,000,000</b>
<b>Investments</b>	8		
General investments etc.		294,691,370	295,113,533
Bills purchased and discounted		-	-
		<b>294,691,370</b>	<b>295,113,533</b>
<b>Fixed assets including premises, furniture and fixtures</b>	9	4,687,659	5,868,687
<b>Other assets</b>	10	102,756,262	16,796,304
<b>Non - banking assets</b>		-	-
<b>Total assets</b>		<b>461,711,917</b>	<b>371,704,732</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Placements from other banks, financial institutions</b>	11	-	-
<b>Deposits and other accounts</b>	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
		<b>426,805,085</b>	<b>358,980,988</b>
Other liabilities	13	17,637,254	9,351,058
<b>Total liabilities</b>		<b>444,442,339</b>	<b>368,332,046</b>
<b>Capital / Shareholders' equity</b>			
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
<b>Total Shareholders' equity</b>		<b>17,269,578</b>	<b>3,372,686</b>
<b>Total liabilities and Shareholders' equity</b>		<b>461,711,917</b>	<b>371,704,732</b>

	Note	2023 Taka	2022 Taka
<b>OFF- BALANCE SHEET EXPOSURE</b>			
<b>Contingent liabilities</b>	15		
Acceptances and endorsements		-	-
Letters of guarantee		2,000,000	10,683,000
Irrevocable letters of credit		6,552,338	-
Bills for collection		-	-
Other contingent liabilities		-	-
		<b>8,552,338</b>	<b>10,683,000</b>
<b>Other commitments</b>			
Documentary credits and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Other commitments		-	-
		-	-
<b>Total Off-Balance Sheet exposure including contingent liabilities</b>		<b>8,552,338</b>	<b>10,683,000</b>

**SBAC Bank PLC.**  
**Islamic Banking Windows**

## Profit and Loss Account

**For the period ended 31 December 2023**

	Note	2023 Taka	2022 Taka
Investment income	16	25,366,462	21,022,267
Profit paid on deposits	17	17,761,568	17,221,138
<b>Net investment income</b>		<b>7,604,894</b>	<b>3,801,129</b>
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
<b>Total operating income (A)</b>		<b>20,086,835</b>	<b>6,713,293</b>
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
<b>Total operating expenses (B)</b>		<b>5,107,603</b>	<b>2,048,439</b>
<b>Profit / (loss) before provision and tax (C=A-B)</b>		<b>14,979,232</b>	<b>4,664,854</b>
<b>Provision for investments</b>			
General provision	13.1	1,082,340	731,513
Specific provision		-	-
		<b>1,082,340</b>	<b>731,513</b>
Provision for Off Balance sheet item	13.2	-	(443,078)
Provision for diminution in value of investments		-	-
<b>Total provision (D)</b>		<b>1,082,340</b>	<b>288,435</b>
<b>Total profit before taxes (C-D)</b>	14	<b>13,896,892</b>	<b>4,376,419</b>

**SBAC Bank PLC.**  
**Islamic Banking Windows**

# Cash Flow Statement

**For the period ended 31 December 2023**

	2023 Taka	2022 Taka
<b>A) Cash flows from operating activities</b>		
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)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>16,228,191</b>	<b>7,047,886</b>
<b>Increase / (decrease) in operating assets and liabilities</b>		
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)
<b>Net cash flow from operating activities</b>	<b>5,764,918</b>	<b>(56,810,875)</b>
<b>B) Cash flows from investing activities</b>		
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	-	-
<b>Net cash flow from investing activities</b>	<b>(114,500)</b>	<b>13,750,000</b>
<b>C) Cash flows from financing activities</b>		
Borrowing from other banks, financial institutions and agents	-	-
Dividends paid / Profit transferred	-	(35,408)
Receipts from issue of ordinary share	-	-
<b>Net Cash flow from financing activities</b>	<b>-</b>	<b>(35,408)</b>
<b>D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)</b>	<b>5,650,418</b>	<b>(43,096,283)</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>		
<b>F) Cash and cash equivalents at beginning of the year</b>	<b>23,926,208</b>	<b>67,022,491</b>
<b>G) Cash and cash equivalents at end of the year (D+E+F)</b>	<b>29,576,626</b>	<b>23,926,208</b>
<b>Cash and cash equivalents at end of the year</b>		
Cash in hand (including foreign currencies)		
Prize bond	4,576,626	3,926,208
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	25,000,000	20,000,000
	<b>29,576,626</b>	<b>23,926,208</b>

**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
<b>Balance as at 01 January 2023</b>	-	-	-	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	-	-	-	-	-
<b>Balance as at 31 December 2023</b>	-	-	-	<b>17,269,578</b>	<b>17,269,578</b>
<b>Balance as at 31 December 2022</b>	-	-	-	<b>3,408,094</b>	<b>3,408,094</b>

## SBAC Bank PLC.

### Islamic Banking Windows

### Notes to the Financial Statements

### For the period ended 31 December 2023

#### 01 Islami Banking Wing and its activities

##### Status

The Islamic Banking Wing (IBW) of SBAC Bank PLC. (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 recognized 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 recognized 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 is 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
<b>3. Cash in hand</b>		
<b>In hand</b>		
In foreign currency	4,576,626	3,926,208
	-	-
	<b>4,576,626</b>	<b>3,926,208</b>
<b>4. Balance with Bangladesh Bank and its agents</b>		
<b>Balance with Bangladesh Bank</b>	25,000,000	20,000,000
In local currency	-	-
In Foreign currency	<b>25,000,000</b>	<b>20,000,000</b>
Balance with Sonali Bank (as agent of Bangladesh Bank)- local currency	-	-
	<b>25,000,000</b>	<b>20,000,000</b>
<b>4.1.1 Cash Reserve Requirement (CRR): 4.00% of average demand and time liabilities</b>		
<b>Required reserve</b>	<b>17,510,000</b>	<b>11,313,000</b>
Actual reserve maintained	-	-
Balance with Bangladesh Bank - local currency	<b>25,000,000</b>	<b>20,000,000</b>
<b>Surplus / (deficit)</b>	<b>7,490,000</b>	<b>8,687,000</b>
<b>Maintained ratio</b>	<b>5.71%</b>	<b>7.07%</b>
<b>4.1.2 Statutory Liquidity Ratio (SLR): 5.50% of average demand and time liabilities</b>		
<b>Required reserve</b>	<b>24,076,000</b>	<b>15,555,000</b>
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)	7,490,000	-
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
	<b>42,066,626</b>	<b>42,613,208</b>
<b>Surplus / (deficit)</b>	<b>17,990,626</b>	<b>27,058,208</b>
<b>Maintained Ratio</b>	<b>9.61%</b>	<b>15.07%</b>
<b>Total average time and demand liabilities</b>	<b>437,751,000</b>	<b>282,815,000</b>
<b>5. Balance with other banks and financial institutions</b>		
<b>In Bangladesh</b>	-	-
Outside Bangladesh	-	-
<b>6. Placement with banks &amp; other financial institutions</b>		
<b>7. Investments in share &amp; securities</b>		
<b>Government (note 7.1)</b>	30,000,000	30,000,000
Others	-	-
	<b>30,000,000</b>	<b>30,000,000</b>
<b>7.1 Government</b>	<b>30,000,000</b>	<b>30,000,000</b>
Ijarah Sukuk		
<b>8. Investments</b>		
<b>General investment (note 8.1)</b>	294,691,370	295,113,533
Bills purchased and negotiated (note 8.2)	-	-
	<b>294,691,370</b>	<b>295,113,533</b>
<b>8.1 General investment</b>		
<b>Inside Bangladesh</b>		
BAI Murabaha CSME under stimulus finance		-

	2023 Taka	2022 Taka
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
	<b>294,691,370</b>	<b>295,113,533</b>
<b>Outside Bangladesh</b>	-	-
	<b>294,691,370</b>	<b>295,113,533</b>
<b>8.2 Bills purchased and negotiated</b>	-	-
<b>Payable Inside Bangladesh</b>	-	-
Payable Outside Bangladesh	-	-
	<b>294,691,370</b>	<b>295,113,533</b>
<b>9. Fixed assets including premises, furniture and fixtures</b>		
<b>Property, Plant &amp; Equipment</b>		
Furniture & Fixtures	149,784	149,784
Machineries and Equipment	5,190	5,190
Computer and Peripherals	247,100	140,700
Software	6,250,000	6,250,000
Total fixed assets at cost	<b>6,652,074</b>	<b>6,545,674</b>
Less: Accumulated depreciation	1,964,415	676,987
<b>Net book value at the end of the year</b>	<b>4,687,659</b>	<b>5,868,687</b>
<b>10. Other assets</b>		
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	-	-
Receivable from conventional banking	100,476,045	15,229,968
	<b>102,756,262</b>	<b>16,796,304</b>
<b>11. Placements from other banks, financial institutions</b>		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
<b>12. Deposits and other accounts</b>		
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
	<b>426,805,085</b>	<b>358,980,988</b>
<b>13. Other liabilities</b>		
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
	<b>17,637,254</b>	<b>9,351,058</b>

	2023 Taka	2022 Taka
<b>13.1 Provision against investments</b>		
<b>A. General provision against investments</b>		
Opening balance	1,185,338	453,825
General provision for the year	1,082,340	731,513
<b>Provision held at the year end</b>	<b>2,267,678</b>	<b>1,185,338</b>
<b>B. Specific provision against classified investments</b>		
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	-	-
<b>Provision held at the end of the year</b>	<b>-</b>	<b>-</b>
	<b>2,267,678</b>	<b>1,185,338</b>
<b>13.2 Provision against off balance sheet exposures</b>		
Opening balance	106,830	549,908
General provision for the year		(443,078)
<b>Provision held at the year end</b>	<b>106,830</b>	<b>106,830</b>
<b>14. Surplus in profit and loss account / Retained earnings</b>		
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)
<b>Closing balance</b>	<b>17,269,578</b>	<b>3,372,686</b>
<b>15. Contingent liabilities</b>		
Acceptances and endorsements	-	-
Letters of guarantee	2,000,000	10,683,000
Irrevocable Letters of Credit	6,552,338	-
Bills for collection	-	-
Others	-	-
	<b>8,552,338</b>	<b>10,683,000</b>
<b>16. Investment income</b>		
<b>Income from general investment</b>		
Bai-Murabaha	17,732,738	16,067,113
Bai-Muajjal (CC hypo)	-	-
Bai-Salam (packing credit)	-	-
Murabaha PIF	514,054	225,148
Hire purchase	7,119,670	4,730,006
Other investments		
<b>Sub-total (i)</b>	<b>25,366,462</b>	<b>21,022,267</b>
<b>Profit on deposits with other Islamic banks</b>		
In Bangladesh	-	-
Outside Bangladesh	-	-
<b>Sub-total (ii)</b>	<b>-</b>	<b>-</b>
<b>Grand total (i+ii)</b>	<b>25,366,462</b>	<b>21,022,267</b>
<b>17. Profit paid on deposits</b>		
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
	<b>17,761,568</b>	<b>17,221,138</b>

	2023 Taka	2022 Taka
<b>18. Income from investment in shares / securities</b>		
Profit earned from Sukuk bond	1,399,269	2,158,694
Others	-	-
	<b>1,399,269</b>	<b>2,158,694</b>
<b>19. Commission, exchange and brokerage</b>		
Commission on L/Cs-sight	35,140	125,627
Commission on L/Cs	81,150	125,010
Commission on acceptance	-	-
Exchange	409,905	85,109
Other commission	214,586	87,700
	<b>740,781</b>	<b>423,446</b>
<b>20. Other operating income</b>		
Service and other charges	118,565	289,893
Commission Received from Cross GL	8,422,373	
Miscellaneous earnings	1,800,953	40,131
	<b>10,341,891</b>	<b>330,024</b>
<b>21. Salaries and allowances</b>		
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
	<b>97,442</b>	<b>1,082,205</b>
<b>22. Stationery, printing and advertisements, etc.</b>		
Stationery	5,654	229,489
Publicity and advertisement	-	-
	<b>5,654</b>	<b>229,489</b>
<b>23. Shariah supervisory committee's fees and expenses</b>		
Meeting attendance fees	56,000	56,000
<b>24. Depreciation and repair of Bank's assets</b>		
<b>Depreciation</b>		
Fixed assets	1,295,528	667,673
Leased assets	-	-
	<b>1,295,528</b>	<b>667,673</b>
<b>Repairs</b>		
Repair & Maintenance	-	-
	-	-
	<b>1,295,528</b>	<b>667,673</b>
<b>25. Other expenses</b>		
Entertainment	8,220	11,872
Cash carrying charges	3,642,369	-
Local Conveyance	-	1,200
Miscellaneous expenses	2,390	-
	<b>3,652,979</b>	<b>13,072</b>

## Annexure - I

**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		-	-	-	-
		2,724,065	298,966,133	2,690,168	275,742,260
TOTAL ASSETS					
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
		1,942,647	213,049,323	2,099,823	215,231,876
TOTAL LIABILITIES					
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
		781,418	85,916,809	590,345	60,510,383
TOTAL SHAREHOLDERS' EQUITY					
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		2,724,065	298,966,133	2,690,168	275,742,260

Notes	2023		2022	
	USD	Taka	USD	Taka
<b>OFF-BALANCE SHEET ITEMS</b>				
<b>Contingent liabilities</b>				
Acceptance and endorsements	-	-	-	-
Letters of guarantee	-	-	-	-
Irrevocable letters of credit	-	-	-	-
Bills for collection	-	-	-	-
Other contingent liabilities	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Other commitments</b>				
Documentary credits and short-term trade-related transactions	-	-	-	-
Forward assets purchased and forward deposits placed	-	-	-	-
Undrawn note issuance and revolving underwriting facilities	-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-	-
	-	-	-	-
Claims against the Bank not acknowledged as debt	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Total off-balance sheet items including contingent liabilities</b>	-	-	-	-

**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.		-	-	-	-
<b>Net interest income</b>		<b>180,320</b>	<b>19,449,315</b>	<b>338,709</b>	<b>31,638,774</b>
Investment income		-	-	-	-
Commission, exchange and brokerage		-	-	-	-
Other operating income		-	-	-	-
		-	-	-	-
<b>Total operating income</b>		<b>180,320</b>	<b>19,449,315</b>	<b>338,709</b>	<b>31,638,774</b>
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		-	-	-	-
<b>Total operating expenses</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit before provision</b>		<b>180,320</b>	<b>19,449,315</b>	<b>338,709</b>	<b>31,638,774</b>
<b>Provision for loan</b>					
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		-	-	-	-
<b>Total provision</b>		<b>(10,753)</b>	<b>(1,180,185)</b>	<b>(44,220)</b>	<b>(3,424,565)</b>
<b>Total Profit before taxes</b>		<b>191,073</b>	<b>20,629,500</b>	<b>382,929</b>	<b>35,063,339</b>
<b>Provision for taxation</b>					
Current tax		-	-	-	-
Deferred tax		-	-	-	-
		-	-	-	-
<b>Net profit after taxation</b>	9	<b>191,073</b>	<b>20,629,500</b>	<b>382,929</b>	<b>35,063,339</b>

## SBAC Bank PLC.

## Cash Flow Statement (Off-shore Banking Unit)

For the year ended 31 December 2023

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

**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 recognized 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 month's 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**

- Loans and advances are started at gross amount. While the provision and interest suspense against loans and advances are shown separately as other liabilities.
- 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.
- 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
<b>3. Balance with other banks and financial institutions</b>				
In Bangladesh (note 3.1)	715,788	78,557,733	536,467	54,987,907
Outside Bangladesh	-	-	-	-
	<b>715,788</b>	<b>78,557,733</b>	<b>536,467</b>	<b>54,987,907</b>
<b>3.1 Balance with other banks and financial institutions</b>				
SBAC Bank PLC.	<b>715,788</b>	<b>78,557,733</b>	<b>536,467</b>	<b>54,987,907</b>
<b>4. Loans and advances</b>				
Loans, cash credit, overdrafts etc.	2,008,277	220,408,400	2,153,701	220,754,353
Bills purchased and discounted	-	-	-	-
	<b>2,008,277</b>	<b>220,408,400</b>	<b>2,153,701</b>	<b>220,754,353</b>
<b>4.1 Net loans and advances including bills purchased and discounted</b>				
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	-	-	-	-
	<b>2,008,277</b>	<b>220,408,400</b>	<b>2,153,701</b>	<b>220,754,353</b>
<b>4.2 Residual maturity grouping of loans and advances including bills purchased and discounted</b>				
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	-	-	-	-
	<b>2,008,277</b>	<b>220,408,400</b>	<b>2,153,701</b>	<b>220,754,353</b>

	2023		2022	
	USD	Taka	USD	Taka
<b>4.3 Classification status of loans and advances including bills purchased and discounted</b>				
<b>Unclassified loans and advances (including staff loans)</b>				
i) Standard	2,008,277	220,408,400	2,153,701	220,754,353
ii) Special mention account (SMA)	-	-	-	-
	2,008,277	220,408,400	2,153,701	220,754,353
<b>Classified loans and advances</b>				
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Bad / loss	-	-	-	-
	-	-	-	-
<b>Total</b>	<b>2,008,277</b>	<b>220,408,400</b>	<b>2,153,701</b>	<b>220,754,353</b>

#### 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%	-	-
<b>Total unclassified loans and advances</b>	<b>2,008,277</b>	<b>220,408,400</b>	<b>220,408,400</b>		<b>20,083</b>	<b>2,204,084</b>
Classified loans and advances						
Sub-standard	-	-	-	20.00%	-	-
Doubtful	-	-	-	50.00%	-	-
Bad / loss	-	-	-	100.00%	-	-
<b>Total classified loans and advances</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>
<b>Total</b>	<b>2,008,277</b>	<b>220,408,400</b>	<b>220,408,400</b>		<b>20,083</b>	<b>2,204,084</b>
<b>Total provision maintained</b>					<b>20,083</b>	<b>2,204,084</b>
<b>Total provision surplus / (deficit)</b>					<b>-</b>	<b>-</b>

	2023		2022	
	USD	Taka	USD	Taka
<b>4.5 Geographical location-wise loans and advances including bills purchased and discounted</b>				
Dhaka Division	2,008,277	220,408,400	2,153,701	220,754,353
Chattogram Division	-	-	-	-
	<b>2,008,277</b>	<b>220,408,400</b>	<b>2,153,701</b>	<b>220,754,353</b>
<b>5. Other assets</b>				
Interest accrued on loans and advances but not collected	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowings from other banks, financial institutions and agents</b>				
<b>6. a) In Bangladesh</b>				
Borrowings from SBAC Bank, Head Office	1,931,863	212,021,964	2,078,286	213,024,332
<b>b) Outside Bangladesh</b>	-	-	-	-
	<b>1,931,863</b>	<b>212,021,964</b>	<b>2,078,286</b>	<b>213,024,332</b>
<b>7. Other liabilities</b>				
Accumulated provision on loans and advances (note 7.1)	10,784	1,027,359	21,537	2,207,544
	<b>10,784</b>	<b>1,027,359</b>	<b>21,537</b>	<b>2,207,544</b>
<b>7.1 Accumulated provision on loans and advances</b>				
<b>General provision on loans and advances</b>				
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	<b>10,784</b>	<b>1,027,359</b>	<b>21,537</b>	<b>2,207,544</b>
<b>8. Foreign currency translation gain/(loss)</b>				
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	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>12,710,366</b>	<b>-</b>	<b>7,933,440</b>
<b>9. Profit and loss account - retained earnings</b>				
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	<b>781,418</b>	<b>73,206,443</b>	<b>590,345</b>	<b>52,576,943</b>
<b>10. Interest income</b>				
Interest on loans and advances	180,320	19,449,315	338,709	31,638,774
	<b>180,320</b>	<b>19,449,315</b>	<b>338,709</b>	<b>31,638,774</b>

# 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:

- (i) 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;
- (ii) in our opinion, proper books of accounts as required by law have been kept by the

Company so far as it appeared from our examination of those books; and

- (iii) 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: 2404221512AS977513



**Shaikh Hasibur Rahman FCA**  
Enrolment 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
<b>ASSETS</b>			
<b>Non - current assets</b>			
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
		<b>48,673,346</b>	<b>48,643,945</b>
<b>Current assets</b>			
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
		<b>1,082,498,726</b>	<b>931,118,741</b>
<b>Total assets</b>		<b>1,131,172,072</b>	<b>979,762,686</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>			
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
		<b>438,381,282</b>	<b>432,699,194</b>
<b>Non current liabilities</b>			
Long term loan	15.00	1,125,120	596,487
		<b>1,125,120</b>	<b>596,487</b>
<b>Current liabilities</b>			
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
		<b>691,665,670</b>	<b>546,467,004</b>
<b>Total shareholders' equity and liabilities</b>		<b>1,131,172,072</b>	<b>979,762,686</b>
<b>Net asset value per share</b>		<b>10.96</b>	<b>10.82</b>

The annexed notes form an integral part of these financial statements



Chairman



Director



Director



Chief Executive Officer

See the annexed report of even date

Dhaka, 03 April 2024

DVC: 2404221512AS977513


**Shaikh Hasibur Rahman FCA**

Enrolment no 1512  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

## 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	
		01 January 2022 to 31 December 2023	21 March 2021 to 31 December 2022
<b>Operating income</b>	<b>21.00</b>	66,175,808	42,361,054
Less: Operating expenses	<b>22.00</b>	(5,122,514)	(3,274,591)
<b>Gross Profit</b>		<b>61,053,294</b>	<b>39,086,462</b>
Less: Administrative expenses	<b>23.00</b>	(34,358,610)	(18,264,728)
<b>Net operating income</b>		<b>26,694,684</b>	<b>20,821,734</b>
Add: Other income	<b>24.00</b>	23,746,407	21,194,686
<b>Net Profit/(Loss) before provision &amp; tax</b>		<b>50,441,090</b>	<b>42,016,420</b>
Less: Provision for diminution in value of investments		(32,201,430)	(4,041,481)
Less: General provision		(232,506)	(3,430,796)
<b>Net Profit/(Loss) before tax</b>		<b>18,007,154</b>	<b>34,544,142</b>
<b>Provision for income tax</b>			
Income tax expenses	<b>25.00</b>	(12,276,941)	(6,983,966)
Deferred tax expenses	<b>18.00</b>	(48,125)	(28,021)
<b>Net Profit/(Loss) after tax</b>		<b>5,682,088</b>	<b>27,532,155</b>
Other Comprehensive Income/(Loss)		-	-
<b>Total comprehensive income for the year</b>		<b>5,682,088</b>	<b>27,532,155</b>
<b>Appropriations</b>			
Capital reserve		2,753,215.53	-
Retained surplus		2,928,872	27,532,155
		<b>5,682,088</b>	<b>27,532,155</b>
<b>Total number of shares outstanding</b>		<b>40,000,000</b>	<b>40,000,000</b>
<b>Earnings Per Share (EPS)</b>		<b>0.14</b>	<b>0.69</b>

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



Chairman



Director



Director



Chief Executive Officer

See the annexed report of even date



Shaikh Hasibur Rahman FCA

 Enrolment no 1512  
 Hoda Vasi Chowdhury & Co  
 Chartered Accountants

Dhaka, 03 April 2024

DVC: 2404221512AS977513

**SBAC Bank Investment Limited**

# Statement of Changes in Equity

For the year ended 31 December 2023

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

The annexed notes form an integral part of these financial statements



Chairman



Director



Director



Chief Executive Officer

## SBAC Bank Investment Limited

## Statement of Cash Flows

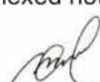
For the year ended 31 December 2023

Particulars	Amount in Taka		01 January 2021 to 31 December 2021
	31 December 2023	31 December 2022	
<b>A. Cash flows from operating activities</b>			
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)	
<b>Net cash Used in operating activities</b>	<b>62,209,868</b>	<b>51,916,997</b>	
<b>B. Cash flows from investing activities</b>			
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)	
<b>Net cash used in investing activities</b>	<b>(63,072,319)</b>	<b>(543,327,101)</b>	
<b>C. Cash flows from financing activities</b>			
Issue of share capital	-	-	
Long term loan	-	-	
Short term loan	55,186,288	508,679,030	
Dividend	-	-	
<b>Net cash flow from financing activities</b>	<b>55,186,288</b>	<b>508,679,030</b>	
<b>D. Net cash inflow from total activities (A+B+C)</b>	<b>54,323,837</b>	<b>17,268,926</b>	
<b>E. Add: Opening cash and cash equivalents</b>	<b>24,387,595</b>	<b>7,118,668</b>	
<b>Cash and cash equivalents (D+E)</b>	<b>78,711,432</b>	<b>24,387,595</b>	

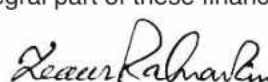
The annexed notes form an integral part of these financial statements



Chairman



Director



Director



Chief Executive Officer

**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 SBAC Bank PLC., 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 (IASs) 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 form 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 providing 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 recognized 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 recognized 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 recognized 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 capitalized 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 amortized 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 CSE 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 Act, 2023. 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:

<b>Regular business tax rate</b>	<b>Rates</b>
Brokerage House	27.50%
<b>Other business tax rate:</b>	<b>Rates</b>
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 recognized 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 recognized 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 monthly accrual basis and charged to clients' balance on quarterly basis. Interest income on FDR is recognized 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 recognized 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 unrealized gain is recognized 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 recognized 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 recognized. 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 principally 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:

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

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

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

Notes	Particulars	Amount in Taka		
		31 December 2023	31 December 2022	
10.01	Advance income tax			
	Opening balance	7,810,693	1,025,462	
	Add: Addition during the year 10.02	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 BDSSL turnover	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 11.01	16,326	13,594	
	Cash at bank 11.02	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 PLC. -Customer A/c 0067130000159	43,526,770	11,941,031	
	SBAC Bank PLC.-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 PLC.	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 period	-	-	
		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 Taka															
		31 December 2023	31 December 2022														
14.00	<b>Retained earnings</b>																
	<b>Opening balance</b>	32,182,490	5,167,039														
	Add: Profit/(loss) during the year	5,682,088	27,532,155														
		<b>37,864,578</b>	<b>32,699,194</b>														
	Less: Transferred to capital reserve	2,753,216	516,704														
		<b>35,111,363</b>	<b>32,182,490</b>														
	Less: Dividend during the year	-	-														
	<b>Closing Balance</b>	<b>35,111,363</b>	<b>32,182,490</b>														
15.00	<b>Retirement benefit obligations</b>																
	<b>Opening balance</b>	596,487	-														
	Add: Profit/(loss) during the year	1,125,120	596,487														
		<b>1,721,607</b>	<b>596,487</b>														
	Less: Transferred to capital reserve	(596,487)	-														
	<b>Closing Balance</b>	<b>1,125,120</b>	<b>596,487</b>														
16.00	<b>Short-term loan</b>																
	SBAC Bank PLC. (SOD-FDR)	357,638,783	355,403,050														
	SBAC Bank PLC. (SOD-GEN)	206,226,535	153,275,980														
		<b>563,865,318</b>	<b>508,679,030</b>														
	<b>SBAC Bank PLC.</b>																
	<table><tr><th>Nature of facility</th><th>Limit(lac)</th><th>Expiray</th><th>pricing</th><th>purpose</th></tr><tr><td>SOD (FDR)</td><td>3500</td><td>13.09.2024</td><td>(FDR rate + 2.00%)</td><td rowspan="2">To provide credit margin to the client of the company for trading securities as per margin rules by BSEC as well as dealer investment.</td></tr><tr><td>OD(General)</td><td>2500</td><td>13.09.2024</td><td>(SMART+3.50% p.a)</td></tr></table>	Nature of facility	Limit(lac)	Expiray	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)		
Nature of facility	Limit(lac)	Expiray	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	<b>Account payables</b>																
	Clients account		67,923,431	21,900,806													
	Dhaka Stock Exchange (DSE)																
	Broker	5,093,653															
	Dealer	-	5,093,653	6,680													
	Suspense A/c		35,000	35,000													
	Dhaka Stock Exchange (IPO application)		240,000														
	CCA interest payable to customer		1,313,609	-													
			<b>74,605,693</b>	<b>21,942,487</b>													
18.00	<b>Deferred tax liability:</b>																
	Carring value (WDV as per accounts)		8,673,346	8,643,945													
	Tax base value		8,396,452	8,542,052													
	Income tax liabilities		<b>276,894</b>	<b>101,894</b>													
	Tax rate		<b>27.50%</b>	<b>27.50%</b>													
	Closing differed tax liability (Assets)		<b>76,146</b>	<b>28,021</b>													
	Opening differed tax liability		<b>28,021</b>	-													
	Deffered tax expenses/(Income)		<b>48,125</b>	<b>28,021</b>													
19.00	<b>Liabilities for expenses</b>																
	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													
			<b>937,283</b>	<b>534,496</b>													
20.00	<b>Provision &amp; accruals</b>																
	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													
			<b>52,181,230</b>	<b>15,282,971</b>													

Notes	Particulars	Amount in Taka	
		31 December 2023	31 December 2022
<b>20.01</b>	<b>Provision for unrealized loss (dealer's portfolio)</b>		
	<b>Opening Balance</b>	4,041,481	-
	Add: Provision made during the year	32,201,430	4,041,481
		<b>36,242,912</b>	<b>4,041,481</b>
	Less: Adjustment during the year	-	-
	<b>Closing balance</b>	<b>36,242,912</b>	<b>4,041,481</b>
	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)		
<b>21.02</b>	<b>General provision</b>		
	<b>Opening balance</b>	3,430,796	-
	Add: Provision made during the year	232,506	3,430,796
		<b>3,663,302</b>	<b>3,430,796</b>
	Less: Adjustment during the year	-	-
	<b>Closing Balance</b>	<b>3,663,302</b>	<b>3,430,796</b>
	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.		
<b>21.03</b>	<b>Provision for tax</b>		
	<b>Opening balance</b>	7,810,693	3,100,224
	Add: Provision during the year	12,275,016	6,983,966
		<b>20,085,710</b>	<b>10,084,190</b>
	Less: Paid during the year	(7,810,693)	(2,273,497)
	<b>Closing Balance</b>	<b>12,275,016</b>	<b>7,810,693</b>
<b>21.00</b>	<b>Operating income</b>		
	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
		<b>66,175,808</b>	<b>42,361,054</b>
<b>21.01</b>	<b>Brokerage commission</b>		
	Brokerage commission income	45,253,282	27,188,146
	Less: Brokerage commission expenses	(8,536,874)	(1,636,649)
		<b>36,716,408</b>	<b>25,551,497</b>
<b>21.02</b>	<b>Interest income</b>		
	Interest income from margin loan	56,247,433	14,012,988
	less: Interest expenses of OD credit facility	(49,953,351)	(13,447,409)
		<b>6,294,083</b>	<b>565,579</b>
<b>21.03</b>	<b>Investment (Dealer) income</b>		
	Gain from sale of shares	20,267,748	16,018,568
	Dividend income	2,799,990	143,939
		<b>23,067,738</b>	<b>16,162,507</b>
<b>21.04</b>	<b>Other operating income</b>		
	BO account opening & maintenance fees	97,300	80,950
	IPO fees/commission	280	520
		<b>97,580</b>	<b>81,470</b>

Notes	Particulars	Amount in Taka	
		31 December 2023	31 December 2022
22.00	<b>Operating expenses</b>		
	Howla charge	-	1,200
	Laga charge	3,422,741	2,161,660
	CDBL settlement, transfer & other charges	1,699,773	1,111,731
		<b>5,122,514</b>	<b>3,274,591</b>
23.00	<b>Administrative expenses</b>		
	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
	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
	Crockeries	-	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
		<b>34,358,610</b>	<b>18,264,728</b>
24.00	<b>Other income/(loss)</b>		
	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
		<b>23,746,407</b>	<b>21,194,686</b>

Notes	Particulars	Amount in Taka	
		31 December 2023	31 December 2022
<b>25.00</b>	<b>Income tax expenses</b>		
	<b>A. Regular Tax</b>		
	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
		<b>10,013,338</b>	<b>6,685,594</b>
	<b>B. Minimum Tax @.60% on gross receipt</b>	<b>539,533</b>	<b>381,334</b>
	On gross receipt on business income	397,055	254,166
	On other income	142,478	127,168
	<b>C. Tax deducted at sources</b>	<b>12,275,016</b>	<b>7,810,693</b>
	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)	<b>12,275,016</b>	<b>7,810,693</b>
	Current income tax	<b>12,275,016</b>	<b>7,810,693</b>
	Tax paid with return in this year	<b>1,925</b>	<b>-</b>
	<b>Total income tax for the year</b>	<b>12,276,941</b>	<b>7,810,693</b>

**26.00 Related parties**

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

**27.00 Related party transactions**

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



Chairman



Director



Director



Chief Executive Officer

## Annexure - A

## SBAC Bank Investment Limited

## Schedule of Property, Plant and Equipments (Tangible assets)

As at December 31, 2023

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 1 January 2023	Charged for the year	Adjustment for disposals	
Furniture & Fixtures	453,390	-	-	10%	22,670	45,339	-	385,382
Electrical Equipment	1,716,897	412,027	-	20%	171,690	384,582	-	1,572,652
Office Decoration & Renovation	3,907,304	968,095	-	10%	195,365	439,135	-	4,240,898
IT Equipment	247,1374	85,280	-	30%	370,706	754,204	-	1,431,744
Network & Accessories	372,741	-	-	30%	55,911	111,822	-	205,008
<b>Total</b>	<b>8,921,706</b>	<b>1,465,402</b>	<b>-</b>		<b>816,342</b>	<b>1,735,083</b>	<b>-</b>	<b>7,835,683</b>

## 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 1 January 2023	Amortized during the Period	Adjustment during the year against Disposal	
Acquisition Cost of DSE TREC	10,000,000	-	-		-	-	-	10,000,000
Software License	582,250	417,750	-	15%	43,669	118,669	-	837,663
<b>Total</b>	<b>10,582,250</b>	<b>417,750</b>	<b>-</b>		<b>43,669</b>	<b>118,669</b>	<b>-</b>	<b>10,837,663</b>

\*Depreciation has been charged for addition of fixed asset on an average 6 (six) months for the acquiring year but no depreciation has been charged in this period because it's acquired at the end of the period.

\*Intangible assets have 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.

## Annexure-B

## SBAC Bank Investment Limited

## Schedule of investment in FDR

As at December 31, 2023

Date of opening	Account number	Account Types	Bank	Principal amount with interest (Tk.)
6/7/2021	0067242003542	FDR	SBAC Bank PLC.	349,950,000
Total				349,950,000

## Annexure-C

## SBAC Bank Investment Limited

## Schedule of Investment in Shares

As at 31 December 2023

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)
BXPBARMA	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)
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)
<b>Total</b>				<b>236,802,948</b>		<b>200,560,037</b>	<b>(36,242,912)</b>

## Annexure-D

## SBAC Bank Investment Limited

# Statement showing computation of capital adequacy

As at December 31, 2023

A. Total Capital Computation				2023
Components	Amount	Haircut %	Haircut 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
<b>Sum of core capital</b>				<b>438,381,282</b>
General provision	3,663,302	20%	732,660	2,930,642
<b>Specific provision</b>				
Margin loan	-	30%	-	-
Investment in marketable securities	36,242,912	20%	7,248,582	28,994,329
<b>Sum of supplementary capital</b>				<b>31,924,971</b>
<b>Total capital</b>				<b>470,306,253</b>

B. Total risk requirement computation				
Particulars	Amount	Risk Factor	Applicable Amount	Applicable Amount
<b>Operational Risk Requirement (ORR):</b>				
Based on Average annual gross income (See clause b) of sub-rule (7.1) of rule 7)	33,574,924	5%	1,678,746	
<b>Position Risk Requirement (PRR)</b>			-	
<b>i. Proprietary positions in Equity securities</b>			-	
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	
<b>ii. Proprietary positions in strategic investment</b>			-	
Value of "A" category securities		10%	-	
Value of "B/G/N/." category securities		12%	-	
Value of "Z" category instruments		15%	-	
<b>ii. Proprietary positions in MFs &amp; CISs:</b>			-	
Value of listed funds	10,581,509	10%	1,058,151	
<b>Counterparty Risk Requirement</b>			-	
i. Exposure of credit facilities to Clients	366,330,201	8%	29,306,416	
<b>Total risk requirement</b>			<b>56,401,081</b>	-
Total Capital (TC)				
<b>C. Capital Adequacy Ratio (CAR)= ----- X 100</b>			<b>833.86</b>	-
Total Risk Requirement (TRR)			i.e. 8.34 times	

# Chapter 10

## PRODUCTS, SERVICES & DISTRIBUTION NETWORK



## Conventional Banking Products & Services

### Wholesale Banking

Term Finance	Working Capital
Term Loan	Secured Over Draft (SOD)- General
Project Finance	Secured Over Draft (SOD)
Lease Finance	Short Term Loan
Home Loan	Time Loan
Term Loan to MFI	Corporate Express Loan
Corporate Express Loan	Cash Credit (Hypo.)

### SME Banking

Loan Products		
SME-Term Loan	SBAC Agri. Revolving Loan	Medical and Health Loan
Letter of Credit (Sight/deferred/UPAS)	Personal Loan Scheme	Bank Guarantee
SME- CC(Hypo.)	CMSME Stimulus Loan	Performance Guarantee
SME-SOD (General)	Lease Finance –Commercial Lease	FDBP (EPZ)
SME-SOD(Export)	Lease Finance –for Machineries & Equipment	FDBP
SME-Export Packing Credit (EPC)	Lease Finance for Auto Mobiles	Bid Bond Guarantee
SME-SOD (PO)	PAD	SOD (Work Order)
SBAC Vehicle Financing	Loan against TR	IDBP
SBAC Home Loan	Loan to 10 TK A/C Holders	Furniture and Home Renovation Loan
SBAC CCS-Car Loan	SBAC CCS-Home Appliance	Cash Credit (Hypo.)- Agriculture
H.B.L. -Residential	SOD (Other Bank FO)	Agriculture Term Loan
H.B.L. -Commercial	SOD (FO)	SBAC Commercial Vehicle Financing
Export EDF Loan	SOD(FDR)	SOD (Scheme)

## Retail Banking

Deposit Products		
<b>Current Account-</b> (A basic Account which facilitates carrying out day-to day business transactions)	<b>Special Notice Deposit (SND)-</b> (A basic CASA Account and falls under which facilitates carrying out business transactions of large amount)	<b>Savings Account-</b> (A basic Account under retail liability product segment which facilitates customers to set aside a portion of their liquid funds while earning a monetary return)
<b>Surokkha Sonchoyi Hisab (SSH)-</b> (A special savings account with higher benefits and with insurance coverage)	<b>Student Savings Account-</b> (A special savings accounts for students below 18 years)	<b>SBAC Senior Citizen Savings A/C-</b> (A special savings account with higher benefits for 55 years age customer)
<b>10/50/100 Privilege Savings Account-</b> (A special savings account with higher benefits to selected customer as per Bangladesh Bank Policy)	<b>SBAC Payroll -</b> (A special type of deposit account designed for employees of corporate bodies with attractive facilities)	<b>SBAC Probashi-</b> (A special type of deposit account designed for wage earners and their family members with attractive interest rate and other facilities)
<b>SBAC Fast Account-</b> (e-KYC based savings Bank account)	<b>FC Account –USD-</b> (A non-interest-bearing account in foreign currency)	<b>R.F.C.D A/C-USD-</b> (Persons ordinarily resident in Bangladesh may open and maintain RFCD accounts with foreign exchange brought in at the time of their return from abroad)
<b>NRT Account-BDT.</b>	<b>NRFCA –USD</b>	<b>Export Retention Quota (ERQ)</b>
<b>FCY Held against BTB-</b>	<b>SBAC Fixed Deposit-</b> (A special savings scheme which makes deposit grows over a certain period of time.)	<b>Double Benefit Scheme (DBS)-</b> (Double Benefit Scheme is a time specified deposit scheme for clients where the deposited money will be double at maturity)
<b>Triple Benefit Scheme (TBS)-</b> (Triple Benefit Scheme is a time specified deposit scheme for clients where the deposited money will be double at maturity)	<b>Monthly Benefit Scheme (MBS)-</b> (A special deposit scheme which allows interest income on monthly basis and refund the MBS Principal Amount at maturity)	<b>Monthly Savings Scheme-</b> (Savings Schemes are monthly installment-based deposit schemes for savings purpose and to build up a sizable fund after the contracted period.)
<b>Lakhopoti Savings Scheme-</b> (Savings Schemes are monthly installment-based deposit schemes for savings purpose and to build up a sizable fund after the contracted period.)	<b>Surokkha Millionaire Scheme-</b> (Savings Schemes are monthly installment-based deposit schemes for savings purpose and to build up a sizable fund after the contracted period with insurance coverage)	<b>Kotipoti Scheme Deposit-</b> (Savings Schemes are monthly installment-based deposit schemes for savings purpose and to build up a sizable fund after the contracted period.)

## Off-Shore Banking Unit (OBU)

<b>Term Loan</b>
Working Capital
Trade Finance (Local Bill Discounting, Foreign Bill Discounting, UPAS)

## Trade Finance

Export Finance	Non-Funded Trade Finance	Import Finance
Back to Back L/C	L/C Opening (Sight/Deferred/UPAS)	Loan against Trust Receipt (LTR)
Export Bill Discounting (FDBP & IDBP)	L/C Advising	EDF Loan
SOD-Export	L/C Transfer	Performance Guarantee
Export Packing Credit	Foreign Bank Guarantee	Bid Bond Guarantee
SOD-General	Shipping Guarantee	Payment Guarantee

## SBAC Services

### Utility Bills Collection Service:

- Dhaka Water Supply and Sewerage Authority (WASA)
- Titas Gas Transmission and Distribution Company Limited
- Bakhrabad Gas Distribution Company Limited
- Dhaka Power Distribution Company Ltd. (DPDC)
- Dhaka Electric Supply Company Limited (DESCO)
- Bangladesh power development board (PalliBidyut)
- Northern Electricity Supply Company Limited (NESCO)
- Power Development Board (PDB)

BRTA Fees Collection

Govt. Challan Receive by Automated Challan System

e-GP Services

Student File Services

Hajj Pre-Registration Fees Collection

## SBAC Alternative Delivery Channel (ADC)

SMS Banking	Internet Banking-SBAC Click	Mobile Banking-BanglaPay	SBAC 24/7 ATM
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## Islamic Banking Products & Services

SBAC Bank PLC. has started its Islamic Banking operation on 05 July, 2021 through opening 10 (ten) Islamic Banking Windows across the country which covers major regions such as Dhaka, Chattogram, Sylhet, Rajshahi, Khulna and Barishal. The Bank is enthusiastic to expand Islamic Banking business by opening some full-fledged Islamic Banking branches and more Windows all over the country which is already under process.

SBAC Islamic Banking Operation is totally different from Conventional Banking Operation. Islamic Banking is operated through a separate Core Banking Software (CBS), Flora Bank Insaf. The Bank is committed strongly to the principles of Islamic Shariah that refrains from usurious transactions in any of its Islamic Banking operations.

### 1. Deposit Collection and IISR for profit distribution therein:

SBAC Islamic Banking follows Al-Wadiah and Mudaraba principles in mobilization of funds from the depositors. Under Al-Wadiah principle, Current Accounts are opened which share no profit. As per this principle, deposits are collected in the respective accounts for safe keeping and refundable on demand. They bear no risk of any loss incurred in the investment process. Whereas under the Mudaraba principle, all types of savings accounts such as MSD, SND, MTD, Recurring Deposits accounts etc. are opened. Mudaraba is a partnership contract where depositors are treated as Rabbul Maal and the Bank as Mudarib. The earned profit from Mudaraba Venture is distributed among the parties as per agreed IISR. Investment Income Sharing Ratio (IISR) determines the portion of investment income for each type of depositor and the bank. For example, IISR 80:20 represents that 80% of the distributable investment income shall be distributed among depositors and remaining 20% to be shared by the Bank.

### 2. Investment Operation:

There are generally three types of investment mechanisms in Islamic banking. One is the Bai (buying-selling) mechanism, the second is Ijarah (lease) mechanism and the third is Sharika (partnership) mechanism. The major Bai mechanism is Bai-Murabaha, Bai-Muajjal, Bai-Salam & Bai-Istisna and Ijarah mechanism is Leasing, Hire-purchase and Hire Purchase under Shirkatul Meelk and Sharika mechanism is Mudaraba and Musharaka. All of these products excluding Mudaraba are in place but SBAC Islamic Banking investment portfolio has currently been expanded followed by Bai-Murabaha and HPSM products.

### 3. Income or Revenue Calculation Principle:

The Bank earns income or revenue from various sources such as investment income, commission, fees etc. To recognize all sorts of income, the Bank follows strictly the rules and principles of Islamic Shariah, specially in recognizing the various commissions and fees. The commissions and fees are recognized on actual basis. In

case of income from investment, Bank follows Markup basis profit calculation principle in Bai products and rental or outstanding basis profit accrual mechanism in HPSM products. If the HPSM product has a provision of gestation period for doing the asset usable, no rental is charged during this period. In this case, the income earning begins after gestation period.

### 4. Shariah Supervisory Committee:

The SBAC Bank has a strong and independent Shariah Supervisory Committee comprised of renowned Fuqaha, legendary Islamic banking personality, famous economist and academician etc. Every product Islamic Banking offers is reviewed, approved and overseen by this highly respected and independent Shariah Supervisory Committee.

### 5. Islamic Banking Windows:

SBAC Bank PLC. has started its Islamic Banking business through launching of Islamic Banking Windows in its 10 branches on June 30, 2021 and started providing Islamic banking services to its customers from July 05, 2021. The 10 Branches providing Islamic Banking Services through Islamic Banking Windows are as follows:

SL. No.	Name of Branch	District	Division
01.	Principal Branch	Dhaka	Dhaka
02.	Banani Branch	Dhaka	Dhaka
03.	Imamgonj Branch	Dhaka	Dhaka
04.	Agrabad Branch	Chattogram	Chattogram
05.	Khulna Branch	Khulna	Khulna
06.	Katakhali Branch	Bagerhat	Khulna
07.	Bhomra Branch	Satkhira	Khulna
08.	Barishal Branch	Barishal	Barishal
09.	Islampur Branch	Sylhet	Sylhet
10.	Rajshahi Branch	Rajshahi	Rajshahi

## Distribution Network

### Branch

#### 01 Principal Branch

Zaman Chamber, 47 Dilkusha C/A, Dhaka- 1000.  
Phone: (02)-223357376, (02)-223357347,  
(02)-223357348  
Routing No: 270275357

#### 02 Hemayetpur Branch

Ashraf Shopping Complex, Jadurchar,  
Hemayetpur Bazar, Savar, Dhaka.  
Phone: (02) 7724939,  
Routing No: 270262052

#### 03 Agrabad Branch

96, Agrabad Ba/A, Agrabad, Chattogram.  
Phone: (031) 2516183-85  
Routing No: 270150135

#### 04 Bhatiary Branch

Sahab Mia Tower, (Ground Floor) Bhatiary,  
Sitakund, Chattogram.  
Phone: (037) 2781271,  
Routing No: 270151213

#### 05 Khulna Branch

Chamber Building Complex, 05, KDA Avenue,  
Khan a Sobur Road, Khulna.  
Phone: (041)-733464,733426  
Routing No: 270471548

#### 06 Katakhal Branch

Katakhal More, Khulna Mongla Road,  
Fakirhat, Bagerhat.  
Phone: (046) 6356117  
Routing No: 270010059

#### 07 Keranigonj Branch

Aktar Tower, Bridge Road, South Kadam-  
toli Aganagar, South Keranigonj, Dhaka.  
Phone: (02) 7764456-57  
Routing No: 270273641

#### 08 Uttara Branch

Plot-71, Sector-07, Cosmo Shopping Centre,  
Azampur, Uttara, Dhaka.  
Phone: (02)7911951,7911863, 7911471  
Routing No: 270264634

#### 09 Gulshan Branch

Casablanca 114, Gulshan Avenue,  
Dhaka-1212.  
Phone: (02) 9853091  
Routing No: 270261729

#### 10 Velanagar Branch

Mahbub Molla Concord Tower, Jailkhana More,  
DC Road, Narshingdi Sadar, Narshingdi.  
Phone: (02) 9452487-88  
Routing No: 270681396

#### 11 Imamgonj Branch

Crown Bhaban 59, Midford Road,  
Imamgonj, Dhaka.  
Phone: (02) 7342223  
Routing No: 270272800

#### 12 Ashulia Branch

Raj Residency Tower, Bogabari Bazar Bus Stand,  
Bogabari, Ashulia, Savar, Dhaka.  
Phone: (02) 7789414-15  
Routing No: 270260225

#### 13 Dhanmondi Branch

House Number: 55/A, Road Number: 4/A,  
(1st Floor), Dhanmondi, Dhaka-1209.  
Phone: (02) 9665267 & 9665264  
Routing No: 270261187

#### 14 Sylhet Branch

11, Naya Shorok, Sylmart Complex,  
East Zinda Bazar, Sylhet.  
Phone: (0821)-726297-98  
Routing No: 270913556

#### 15 Jubilee Road Branch

Ali Building (2nd Floor), 837, Jubilee Road,  
Chattogram.  
Phone: (031) 2856695-96  
Routing No: 270153640

#### 16 Bogura Branch

Talukdar Ratul Plaza, (2nd and 3rd Floor),  
398, Rangpur Road, Borogola, Ward No: 5,  
Bogra Sadar, Bogra. Phone: (051) 69727,  
62412,62108, Routing No: 270100372

#### 17 Mawna Branch

Hazi Abdul Khaleque Master Super Market,  
Mulaid, Telihati, Sreepur, Gazipur.  
Phone: (0447) 8984788  
Routing No: 270331004

#### 18 Islampur Branch

Siddiquey Mansion, 1st Floor, Majortila,  
Islampur Bazar, Islampur, Sylhet.  
Phone: (0821)-762168  
Routing No: 270911787

#### 19 Modunaghat Branch

South Madarsha, Rashid Bari, Hathazari,  
Chattogram.  
Phone: (031) 671552, 671542  
Routing No: 270154757

#### 20 Shyamnagar Branch

469, Moti Morol Super Market Badghata,  
Shyamnagar, Satkhira.  
Phone: (04726)-44182, 44063  
Routing No: 270871214

#### 21 Gazipur Branch

Tajpur Tower (2nd Floor), Bhaoal College Road,  
Chandona Chowrasta, Gazipur.  
Phone: (02) 9294506-07  
Routing No: 270330526

#### 22 Moynamoti Branch

Mostafa Palace and Hazi Faruk Plaza,  
Nischintapur, Moynamoti Cantonment, Cumilla.  
Phone: (081) 73740  
Routing No: 270192827

#### 23 Bangla Bazar Branch

Patowari Plaza (1st Floor), Nadna, Bangla Bazar,  
Sonaimuri, Noakhali.  
Phone: 01787-693618  
Routing No: 270750193

#### 24 Banani Branch

Suvastu Suraiya Trade Center, (1st & 2nd Floor),  
57 Kemal Ataturk Avenue, Block: B, Banani, Dhaka.  
Phone: (02) 9822365-68  
Routing No: 270260438

### 25 Chuknagar Branch

Holding # 240 (1st Floor), Chuknagar, Dumuria, Khulna.  
Phone: 01787-693625  
Routing No: 270470552

### 26 Satkhira Branch

Holding # 44/46 (Gr. Floor), Sultanpur, Satkhira Sadar, Satkhira.  
Phone: (0471)-63806, 63804, 63810  
Routing No: 270871098

### 27 Barishal Branch

BS Tower (1st Floor), 461 Bir Shreshtha Captain Mohiuddin Jahangir Sarak, Barishal-8200.  
Phone: (0431)2177718, 2177714  
Routing No: 270060283

### 28 Sarbolokkhona Branch

Holding #26 (1st Floor), Bagher Bitar Bazar, Sarbolokkhona, Manohardi, Narsingdi.  
Phone: 01787-693621  
Routing No: 270680155

### 29 Rajshahi Branch

ARC Bijoy Tower, 30 (New), Rani Bazar, Boalia, Rajshahi.  
Phone: (0721)-773375, 773653, 773395, 773693  
Routing No: 270811937

### 30 Nababpur Branch

Holding:219/220 (Old), 42 (New), Nababpur Road, Sutrapur, Dhaka.  
Phone: (02) 9512007, 9512016, 9512047, 9512059  
Routing No: 270274729

### 31 Mirpur Branch

Galaxy Hospital Bhaban, Holding:29 & 30, Section: 6, Main Road:1, Mirpur, Dhaka.  
Phone: (02) 48040408-10  
Routing No: 270262986

### 32 Shibu Market Branch

Kutub Ail, Khijirpur, Fatullah, Narayanganj.  
Phone: 7635122, 7635123  
Routing No: 270671551

### 33 Ghonapara Branch

Ghonapara, Vate Dour, Gopalgonj.  
Phone: 01714-747065  
Routing No: 270350098

### 34 Digraj Branch

Shaheen Market, Digraj, Biddar Baon, 2 Burir Danga- Union, Mongla, Bagerhat.  
Phone: (0466) 275208, 275209  
Routing No: 270010404

### 35 Baburhat Branch

1st Lane, Manchester City(1st Floor), Shakerchar, Baburhat, Narsingdi.  
Phone: 02-9446060  
Routing No: 270680100

### 36 Narayanganj Branch

Building:71, 99 Bangabandu Road, Ukil Para, Narayanganj.  
Phone: 02-7647593  
Routing No: 270671180

### 37 Bijoy Nagar Branch

Sky Lark Point (1st Floor), 24/A. Shaheed Nazrul Islam Sarani, Dhaka-1000, Bangladesh.  
Phone: 02-8392638-39, 01787693620, 1787693862  
Routing No: 270274240

### 38 Rangpur Branch

Paper Palace Tower(1st Floor), Paira Chattar, Rangpur.  
Phone: (0521) 56481-3  
Routing No: 270851450

### 39 Jashore Branch

36 (Old), 84 (New), Rabindranath Road (1st Floor), Jashore.  
Phone: 042172124  
Routing No: 270410941

### 40 Takerhat Branch

Takerhat Mor, Takerhat, Madaripur.  
Phone: 02-478812091  
Routing No: 270540761

### 41 Fatikchhari Branch

S A Centre (1st Floor), College Road, Bibirhat, Fatikchhari, Chattogram.  
Phone: (030) 2256345  
Routing No: 270152746

### 42 Nasirabad Branch

Yakub Trade Centre, 89/304 East Nasirabad, Chattogram.  
Phone: (031) 2550321  
Routing No: 270155530

### 43 Bhomra Branch

C&F Association Bhaban, (1st Floor), Bhomra, Satkhira.  
Phone: 047181133-35  
Routing No: 270871364

### 44 Morrelganj Branch

Morrelganj Bazar Main Road, Morrelganj Bagerhat.  
Phone: 0465-656418  
Routing No: 270011032

### 45 Hasnabad Branch

Shamsu Rani Vila, Hasnabad, Ekuria, South Keranigonj, Dhaka.  
Phone: 01787 693 620  
Routing No: 270272563

### 46 Kharabad Baintola Branch

Kharabad Baintola, Amirpur, Botiaghata, Khulna.  
Phone: 01711 398 751  
Routing No: 270470060

### 47 Chalakchor Branch

Chalakchor Bazar, Near Chalakchor Bus Stand, Monohordi, Narshingdi.  
Phone: 01787693787  
Routing No: 270680313

### 48 Panthapath Branch

Selim Center, 19/2 West Panthapath, Dhaka.  
Phone: 01787693600  
Routing No: 270263619

### 49 Mouchak Branch

Mouchak, Kaliakair, Gazipur  
Phone: 01787 693 645  
Routing No:270330126

### 50 Maligram Branch

Maligram Bazar, Vanga, Faridpur.  
Phone: 01714 084 822  
Routing No:270291128

### 51 Chattogram EPZ Branch

Amin Tower, Bondortila, EPZ, Chattogram.  
Phone: 01787 693 604  
Routing No:270156797

## 52 Dinajpur Branch

Moniza Khatun Complex, Buti Babur More,  
South Munchipara, Dinajpur  
Phone: 01787 693 643  
Routing No: 270280676

## 53 KDA C/A Branch

A 51, Mojid Avenue, Shib Bari, Khulna.  
Phone: 0412830918 & 0412830917  
Routing No: 270470086

## 54 Natore Branch

House: 555 (1st floor), Nahar Market,  
Kanaikhal, Natore.  
Phone: 0771-67010  
Routing No: 270691094

## 55 Feni Branch

House:371(1st floor), Opposite to  
Feni Tower, SSK Road, Feni.  
Phone: 0331-73144  
Routing No: 270300527

## 56 Kushtia Branch

Nurul Islam Tower, 262/2 (1st floor),  
NS Road, Kushtia.  
Phone: 071-71920  
Routing No: 270500943

## 57 Labonchora Branch

Madina Tower, Banda Bazar,Labonchora,  
Main Road, Khulna.  
Phone: 01673-825757  
Routing No: 270471814

## 58 Pragati Sarani Branch

G-99/3/A&B, Manama M.S.Toren,  
Pragati Sarani, Middle Badda,Dhaka.  
Phone: 02-222298248  
Routing No: 270263701

## 59 Khatungonj Branch

Achiya Manson, 282 Khatungonj,  
Kotowali, Chattogram.  
Phone: 01787693608  
Routing No: 270154278

## 60 Amin Bazar Branch

Haji Shafiullah Community Center  
2nd Floor, Amin Bazar, Savar, Dhaka.  
Phone: 01787693713  
Routing No: 270260133

## 61 Banari Para Branch

261, Shanto Shisto Complex, Banari Para, Barishal.  
Phone: 01730704645  
Routing No: 270060254

## 62 Faltita Branch

Battola Bazar, Faltita, Fakirhat, Bagerhat.  
Phone: 01711507244  
Routing No: 270010091

## 63 Addabazar Branch

Adda bazar, union: Adda, Barura, Comilla.  
Phone: 01787693714, 01787693715  
Routing No: 270190074

## 64 Jibonnagar Branch

Torofder new market, Jibannagar Bazar,  
Chuadanga.  
Phone: 01787693716  
Routing No: 270180589

## 65 SBAC Corporate Branch

BSC Tower, (2nd - 3rd Floor), 2-3 Rajuk  
Avenue, Motijheel, Dhaka-1000  
Phone: 01787693652  
Routing No: 270270628

## 66 Abdullahpur Branch

Anwar Hossain Plaza, (Ground floor), Abdullahpur,  
Bus Stand, South Keraniganj, Dhaka.  
Phone: 01787693793  
Routing No: 270270123

## 67 Bhulta Branch

Rabet Al Hasan Shopping Center,  
(2nd floor), Bhulta Bus Stand, Bhulta.  
Phone: 01755619943  
Routing No: 270670228

## 68 Nazipur Branch

Dhamurhat Road, Potnitola, Naogaon.  
Phone: 01712436955  
Routing No: 270641244

## 69 Birganj Branch

Datta Plaza, Sujalpur, Birganj, Dinajpur.  
Phone: 01787693674  
Routing No: 270280371

## 70 Mehendigonj Branch

Amin Bhabhan (1st Floor), Uttar Bazar, Sarnakar  
Potti,Patarhat Bandar, Mehendigonj, Barishal.  
Phone: 01711993144  
Routing No: 270061361

## 71 Mymensingh Branch

Akil & Brothers, 19, Borobazar, Mymensingh.  
Phone: 01717463869  
Routing No: 270611753

## 72 Cumilla Branch

Ever Green, Khadi Museum (1st floor),  
Manoharpur, Cumilla.  
Phone: 01787693679  
Routing No: 270191152

## 73 Bhola Branch

Bangla School Moor, (Opposite of Brac Bank),  
Sadar Road, Bhola.  
Phone: 01770526555  
Routing No: 270090103

## 74 Bashundhara Mohila Branch

Badar Heights (2nd Floor), Plot# 262 & 263,  
Block#B, Road#1, Sobhan Sarak, Bashundhara R/A, Dhaka.  
Phone: 02-8415451-52  
Routing No: 270261132

## 75 Babubazar Branch

A.K. Adil Femus Tower, 2,2/A, KP Gosh  
Street, Armanitola, Dhaka.  
Phone: 01787693998  
Routing No: 270270552

## 76 Ramganj Branch

Anowar Khan Tower (1st & 2nd Floor), Holding No: 283,  
Hajigonj-Ramganj Road, Ramganj Municipality,Lakshmipur.  
Phone: 01711116916  
Routing No: 270511037

## 77 Kaliganj Branch

Rahmania Supar Market, Kaliganj  
Municipality, Kaliganj Upazila, Jhenaidah.  
Phone: 01787693614  
Routing No: 270440795

## 78 Palashbari Branch

Zannat Lodge, Kalibari Bazar Road  
Palashbari, Gaibandha.  
Phone: 01737273633  
Routing No: 270321098

**79 Mohakhali Branch**

4 Bir Uttam AK Khondokar Road, (Ground Floor) Mohakhali C/A, Amtoli Dhaka-1212.  
Phone: 02-48811526  
Routing No: 270263198

**80 Bhandaria Branch**

N Haque and Sons Market, Shahid Minar Road, (Reserve Pukur Par), Bhandaria, Pirojpur.  
Phone: 01712739996  
Routing No: 270790137

**81 Lohagara Branch**

Ice Park (1st Floor), Lohagara, Chattogram.  
Phone: 01816554957  
Routing No: 270150685

**82 Benapole Branch**

Rahman Chember, Jessore Benapole highway Road, Word No. 7, Sharsha, Jessore.  
Phone: 01912634814  
Routing No: 270410288

**83 Khan Jahan Ali Mazar Branch**

1st Floor, Khan Jahan Ali Mazar Mor, Village: Ron-Bijoypur, Shaat Gambuj, Bagerhat.  
Phone: 01787693661  
Routing No: 270010141

**84 Tejgaon Link Road Branch**

Shanta Western Tower, 351, Bir Uttam Mir Shawkat Sarak (Gulshan Avenue) Dhaka - 1208  
Phone: 01787693869  
Routing No: 270264526

**85 Narsingdi Branch**

Idrish Mansion (2<sup>nd</sup> & 3<sup>rd</sup> Floor)  
155, Suta Potty Road, Narsingdi Sadar  
Phone: 01787693787  
Routing No: 270680850

**86 Darus Salam Road Branch**

5/H, Sanghita Bhaban  
Darus Salam Road, Mirpur-1  
Phone: 01787693628  
Routing No: 270263619

**87 Bhirob Branch**

Nath Tower, 116/2 Hospital Road, Press Club Lane, Word No. 1  
Bhairab, Kishoreganj  
Phone: 01787693757, Routing No: 270480197

**88 Cox's Bazar Branch**

Coral Reef Plaza, Holding 940, Word No. 10, Main Road, Coxbazar Sadar, Coxbazar Purosova, Coxbazar  
Phone: 01787693826, Routing No: 270220252

**89 Hossainpur Branch**

Mach Mohol Road, Hossainpur Pourosova, Kisorganj  
Phone: 01725631767,  
Routing No: 270480405

## Sub-Branch

**01 Gopalganj Sub-Branch**

Munchi Super Market, Jutta Potti Road, Word No. 4, Gopalganj Sadar, Gopalganj.  
Phone: 01714747065

**02 Jatrabari Sub-Branch**

99, Shahid Faruk Road, Jatrabari, Dhaka.  
Phone: 02-7543452, 02-7543457  
Routing No: 270274729

**03 Rayenda Bazar Sub-Branch**

Kapuri Garments Potti, Rayenda Bazar, Sarankhola, Bagerhat.  
Phone: 0465-656418  
Routing No: 270011032

**04 Rupatoli Sub-Branch**

Sikdar Tower, Rupatoli Sarak, Barisal City Corporation, Barishal.  
Phone: (0431)2177718, 2177714  
Routing No: 270060283

**05 Panchar Sub-Branch**

Babor Ali Sarker Building, Panchar Girls High School Road, Panchar Bazar, Madbererchar, Shibchar, Madaripur.  
Phone: 01717428436, Routing No: 270291128

**06 Muladi Sub-Branch**

Al Amin Tower, Holding no: 2391, Sadar Road, Muladi Pourashava, Muladi, Barishal.  
Phone: 01735954471  
Routing No: 270060283

**07 Hatirpul Sub-Branch**

Taher Plaza (1st Floor), 158, C- R Dutta Road, Dhaka.  
Phone: 01763200100  
Routing No: 270263619

**08 Yusuf Market Sub-Branch**

Sarker Shooing Complex, Yusuf Ali Market (1st Floor), Dhanik, Ashulia, Dhaka.  
Phone: 01722801705  
Routing No: 270260225

**09 Laxmipur Sub-Branch**

Holding #188; Word # 06; Grater Road; Laxmipur; Rajpara, Rajshahi.  
Phone: 01741778042  
Routing No: 270811937

**10 Dhupchanchia Sub-Branch**

Dhupchanchia CO Office Road, Walton Plaza (1st Floor), Dhupchanchia, Bogura.  
Phone: 01711344240  
Routing No: 270100372

**11 Gopalpur Sub-Branch**

Niketon, Holding: 145, Gopalpur Bazar Road, (Beside Railway Station), Gopalpur, Lalpur, Natore.  
Phone: 01717854356  
Routing No: 270691094

**12 Thermax Shilpo Sub-Branch**

Thermax Yarn Dyed Fabrics Ltd. Compound, Karardi, Putia, Shibpur, Narsingdi.  
Phone: 01913335253  
Routing No: 270681396

### 13 Pirganj Sub-Branch

Hazi Tower (1st Floor), Holding: 912-16, Shahid Ziaur Rahman Sarak, Word No: 7, Pirganj Pourasova, Pirganj, Thakurgaon.  
Phone: 01554528036, Routing No: 270280371

### 14 Trunk Road Sub-Branch

Shiraji Bhaban Holding: 356, Trunk Road, Word No: 10, Feni Pourosova, Feni.  
Phone: 01814814076  
Routing No: 270300527

### 15 Borura Sub-Branch

Kazi Tower, 502 Borura Uttar Bazar, Barura, Cumilla.  
Phone: 01715040018  
Routing No: 270190074

### 16 Madhabdi Sub-Branch

Holding No. 209, Bank Road, Madhabdi, Narsingdi.  
Phone: 01758282073  
Routing No: 270680100

### 17 Bagerhat Sub-Branch

Mitha Pukur Par, Standard Bank Building (1st floor), Bagerhat Sadar, Bagerhat.  
Phone: 01916747174  
Routing No: 270010141

### 18 Dania Sub-Branch

Sarif Tower, 430, Bornomala Adarsha School Road, Kodomtoli Tithana, Dhaka.  
Phone: 01818687977  
Routing No: 270272563

### 19 Reazuddin Bazar Sub-Branch

Abdullah Tower (1st and 2nd Floor), Abdullah Siddiqui Road, Kotowali Chattagram.  
Phone: 01787693608  
Routing No: 270153640

### 20 Kalaroa Sub-Branch

Ali Super Market, Shahid Muktijoddha Sarak, Ward no: 02, Pouroshava: Kalaroa, Kalaroa, Satkhira.  
Phone: 01711309159  
Routing No: 270871098

### 21 Mongla Sub-Branch

Pouro Market, Sheikh Abdul Hai Shorok, Ward no: 05, Mongla, Bagerhat.  
Phone: 01727245155  
Routing No: 270010404

### 22 Indira Road Sub-Branch

Rahaman Plaza, 21 Indira Road, Farmgate Dhaka  
Phone: 01755619943  
Routing No: 270263619

### 23 Fokirhat Sub-Branch

Khan Zahid Hasan Supar Market Fakirhat Bazer, Fakirhat, Bagerhat  
Phone: 01777636336  
Routing No: 270010091

### 24 Tanbazar Sub-Branch

Easteem Bhaban, 38 S.M. Maleh Road, Tanbazar, Dhaka.  
Phone: 01913691726  
Routing No: 270671180

### 25 Pirojpur Sub-Branch

71/1, Jahanara Manson, Hospital road Pirojpur.  
Phone: 01818386233  
Routing No: 270790137

### 26 Shahi Eidgah Sub-Branch

RTM Al Kabir Technical University, RTM Point, TB Gate, East Shahi Eidgah, Sylhet.  
Phone: 01711667511  
Routing No: 270913556

### 27 Charfesson Sub-Branch

Haji Mozibol Haque Supar Market, sadar Road, Sharif Para, Charfesson Pourosova, Bhola.  
Phone: 01912202727  
Routing No: 270090103

### 28 Sherpur Sub-Branch

Mohammad Ali Complex, Dhaka - Bogura Highway, Sherpur, Bogura.  
Phone: 01798111583  
Routing No: 270100372

### 29 Shahi Eidgah Sub-Branch

Hasin Complex, Boteswor, Khadimpara Union, Sylhet.  
Phone: 01711300556  
Routing No: 270911787

### 30 Aftabganj Sub-Branch

Aftabganj, 9 no kushdaha Union, Nababganj Dinajpur.  
Phone: 01787693935  
Routing No: 270280676

### 31 Paduar Bazar Bishwa Road Sub-Branch

Noman Complex, H#640, Laksam Road, Comilla  
Phone: 01924816292  
Routing No: 270191152

## ATM Booth

### 01 Principal ATM

Zaman chamber, 47 Dilkusha C/A, Dhaka-1000.

### 02 Velanagor ATM

Thermex Factory Complex, Karardi, Shibpur, Narshingdi Sadar, Narshingdi.

### 03 Katakhalī ATM

Katakhalī More, Khulna Mongla Road, Fakirhat, Bagerhat.

### 04 Gazipur ATM

Ground Floor, Tajpur Tower, Tangail Road, Gazipur City Corporation, Gazipur.

### 05 Mirpur ATM

Galaxy Hospital Pvt. Ltd. (1st floor), Plot # 29-30, Block # KHA, Section # 06, Mirpur-10.

### 06 Rajshahi ATM

ARC Bijoy Tower, Holding:3415 (Old), 30 (New), Rani Bazar, Boalia, Rajshahi.

### 07 Khulna ATM

Chamber Building, Complex 05, KDA Avenue, Khan a Sobur Road, Khulna.

### 08 Moynamoti ATM

Mostafa Palace, and Hazi Faruk Plaza Nischintopur, Moynamoti Cantonment, Cumilla.

### 09 Gulshan ATM

Casablanca, 114, Gulshan Avenue Dhaka-1212.

### 10 Islampur ATM

Siddik Mansion, Islampur Bazar Thana-Shahporan, Sylhet.

### 11 Sarbolokkhona ATM

Holding # 26, (1st Floor), Bagher Bitā Bazar Sarbolokkhona, Manohardi, Narsingdi.

### 12 Bhomra ATM

C&F Association, Bhaban (1st Floor) Bhomra. Satkhira.

### 13 Satkhira ATM

Holding # 44/46, (Gr. Floor), Sultanpur Satkhira Sadar Satkhira

### 14 Dinajpur ATM

Monija Khatun, Complex (Gr. Floor) North Munshi Para, Buti Babur Moor Dinajpur.

### 15 KDA ATM

Holding # A/51, Ward # 17 Sonadanga Thana, Shib Bari More (in front of Hotel city inn), Khulna.

### 16 Lobonchora ATM

Modina Tower, Lobonchora bandh bazaar Main Road, Lobonchora Khulna City Corporation.

### 17 Feni ATM

House: 371(1<sup>st</sup> floor), Opposite to Feni Tower SSK Road, Feni.

### 18 Khatungonj ATM

Achiya Manson, 282 Khatungonj, Kotowali, Chattogram.

### 19 Pragati Sarani ATM

G - 99/3/A&B, Manama M.S.Toren, Pragati Sarani, Middle Badda, Dhaka.

### 20 Mymensingh ATM

Akil & Brothers, 19, Borobazar Mymensingh.

### 21 Mahendiganj ATM

Amin Bhabhan, (1st Floor) Nearest North Bazar Mosque, Sornokar Porti, Patarhat Bandar, Mahendiganj, Barishal.

### 22 Hasnabad ATM

Shamsu Rani Vila, Hasnabad, Ekuria, South Keraniganj, Dhaka.

### 23 Abdullahpur ATM

Anwar Hossain Plaza (Ground floor), Abdullahpur Bus Stand, South Keraniganj, Dhaka.

### 24 Maligram ATM

Maligram Bazar Bhanga, Faridpur.

### 25 Ramgonj ATM

Anowar Khan Tower, (1st & 2nd Floor) Holding No: 283, Hajigonj-Ramgonj Road Ramgonj Municipality, Lakshimpur

### 26 Rupertoli ATM

Sikdar Tower, Rupertoli Sarak Barisal City Corporation, Barisal.

### 27 Bhandaria ATM

N Haque and Sons Market, Shahid Minar Road, (Reserve Pukur Par), Bhandaria, Pirojpur

### 28 Masihata ATM

Masihata Sweaters Ltd,  
Masihata Group, South Panishail,  
Kashimpur, Gazipur.

### 29 Panchor ATM

Babor Ali Sarker Building,  
Panchar Girls High School Road,  
Panchar Bazar, Madbererchar,  
Shibchar, Madaripur.

### 30 Laxmipur ATM

Holding #188, Word # 06, Grater Road,  
Laxmipur, Rajpara, Rajshahi.

### 31 Yusuf Market ATM

Sarker Shooing Complex,  
Yusuf Market (1<sup>st</sup> Floor), Dhanik, Ashulia, Dhaka.

### 32 Bhatiary Branch ATM

Sahab Mia Tower, Bhatiary, Sitakund  
Chattogram.

### 33 Khan Jahan Ali Mazar ATM

1st Floor, Khan Jahan Ali Mazar Mor,  
Village: Ron-Bijoypur,  
Union: Shaat Gambuj, Bagerhat.

### 34 Gopalpur ATM

Niketon (Ground Floor), Holding: 145,  
Gopalpur Bazar Road, (Beside Railway  
Station), Gopalpur, Lalpur, Natore.

### 35 Corporate ATM

BSC Tower, (2nd - 3rd Floor)  
2-3 Rajuk Avenue, Motijheel  
Dhaka-1000.

### 36 Nazipur Branch ATM

Dhamurhat Road, Potnitola  
Naogaon.

### 37 Barisal Branch ATM

BS Tower (1st Floor),  
461 Bir Shreshtha Captain  
Mohiuddin Jahangir Sarak, Barishal.

### 38 Thermax Shilpa ATM

Thermax Yarn Dyed Fabrics Ltd. Compound,  
Karardi, Putia, Shibpur, Narsingdi.

### 39 Barura ATM

Kazi Tower, Barura  
Uttar Bazar, Barura, Cumilla.

### 40 Madhabdi ATM

Holding 209, Bank Road, Madhabdi  
Pourashava, Madhabdi, Narsingdi City,  
Narsingdi

### 41 Bagerhat ATM

Haider Plaza H # 119/2, K Ali Road,  
Word No. # 5, Pourashava # Bagerhat,  
Police Station, Bagerhat Sadar, Bagerhat

### 42 Palashbari Branch ATM

Zannat Lodge, Kalibari Bazar Road  
Palashbari, Gaibandha.

### 43 Benapole Branch ATM

Rahman Chember, Jessore Benapole highway  
Road, Word No. 7, Sharsha, Jessore.

### 44 Bogura Branch ATM

Talukdar Ratul Plaza, 398, Rangpur Road,  
Borogola, Ward No: 5, Bogra Sadar, Bogra.

### 45 Hemayetpur Branch ATM

Ashraf Shopping Complex, Jadurchar,  
Hemayetpur Bazar, Savar, Dhaka.

### 46 Adda Bazar Branch ATM

Adda bazar, union: Adda, Barura, Comilla.

### 47 Pirganj Sub Branch ATM

Hazi Tower (1st Floor), Holding: 912-16,  
Shahid Ziaur Rahman Sarak, Word No: 7,  
Pirganj Pourasova, Pirganj, Thakurgaon.

### 48 Fakirhat ATM Branch

Fakirhat Sub Branch Khan Zahid  
Hasan Market, Fakirhat, Bagerhat

### 49 Mouchak ATM

44, Scout Gate-1, Mouchak Bazar,  
Kaliakoir, Gazipur

### 50 Chalakchar ATM

Chalakchar Bus Stand, Chalakchar,  
Monohordi, Narsingdi

### 51 Tanbazar ATM

Easteem Bhaban, 38 S.M. Maleh Road,  
Tanbazar, Dhaka

### 52 Ashulia ATM

Raj Residence Tower (1<sup>st</sup> Floor), Bogabari  
Bazar Bus Stand, Ashulia, Baipail,  
Savar

### 53 Sultana Filling Point ATM

Sultana Filling Point Ltd, karardi, Shibpur  
, Narsingdi, Narsingdi

### 54 Bhairab ATM

Nath Tower, Holding 116/2, Hospital Road,  
Press Club Lane, Word No. 1, Bhairab,  
Kishoreganj

### 55 Rangpur ATM

Paper Palace Tower, 1st Floor, Payra  
Chattar, Central Road, Sadar, Rangpur

### 56 Bangla Bazar ATM

Patway Plaza, Bangla Bazar, Sonaimuri,  
Noakhali

### 57 Pirojpur ATM

71/1, Jahanara Manson, Hospital road,  
Pirojpur

### 58 Mongla ATM

Pouro Market, Sheikh Abdul Hai Shorok, Ward no: 05, Mongla

### 59 Bhola ATM

Moyful Garden, Bangla Schoola More, Sadar Road, Bhola Sadar, Bhola

### 60 Ghonapara ATM

Advance Zaman Center, Ghonapara Mor, Gopalganj Sadar, Gopalganj

### 61 Thermax Adury Apparels ATM

Thermax Adury Apparels Ltd, Karardi, Shibpur, Narsingdi

### 62 Nasirabad ATM

89/304, Yakub Trade Centre (1<sup>st</sup> Floor), East Nasirabad, Chattogram,

### 63 Shahi Eidgha Sub-Branch NCR ATM

RTM AI Kabir Technical University, RTM Point, TB Gate, East Shahi Eidgha, Sylhet

### 64 Charfesson Sub-Branch NCR ATM

Haji Mozibol Haque Supar Market, Sadar road, Sharif Para, Charfesson Pourosova, Bhola

### 65 Sherpur Sub-Branch ATM

Mohammad Ali Complex, Dhaka - Bogura Highway, Sherpur, Bogura

### 66 Bateshwar Sub-Branch ATM

Hasin Complex, Boteswor, Khadimpura Union, Sylhet

### 67 Poduar Bazar Sub-Branch NCR ATM

Noman Complex, H#640, Laksam Road, Cumilla

### 68 Aftabganj Sub-Branch ATM

Aftabganj, 9 no kushdaha Union, Nababganj, Dinajpur

## Agent Banking

### 1 Philipnagar Enterprise Agent

Philipnagar Bazar, Daulatpur Kushtia

### 2 MA Enterprise Agent

Hospital Road, Bheramara Kushtia

### 3 M/S. Sorna Enterprise Agent

Hospital Road, Bheramara Kushtia

### 4 M/S. Mostakim Enterprise Agent

Panchbibi Road, Kamdia Bazar Gobindaganj, Gaibandha

### 5 M/S. Shahida Traders Agent

Madhukhali Bazar Faridpur

### 6 One To Ninety Nine Plus Agent

Khutakhali Bazar, Bajua, Dakop Khulna

### 7 S N Telecom Agent

Poranpur Bazar, Kaikhali, Shyamnagar Satkhira

### 8 M/S. Al-Amin Trade Link Agent

Adorshobag, Para Dogar, Demra Dhaka

### 9 M/S. JF Trading And Construction Agent

Banker Hat Bazar, Vheduria Bhola Sadar, Bhola

### 10 M/S. Rahmat Khan Trading Agent

Sawdagor Tower, Sawdagorpotti Feni

### 11 Modhumoti Enterprise Agent

Mollahat Bazar, Mollarhat Bagerhat

### 12 M/S. Bhai Bhai Enterprise Agent

South Chhatra, Buriganj Shibganj, Bogura

### 13 Mathbaria IT Training Center Agent

Auto stand, Mirukhali Road, Mathbaria Pirojpur

### 14 Kallani Traders Agent

Bohera Bazar, Debhata Satkhira

### 15 S R & N Trading Corporation Agent

Ashwadiya Bazar, Adda Bazar, Barura Cumilla

**16 Nishat Graphics Point Agent**

Manda 1st lane, Mugda, Manda, Sobujbag  
Dhaka

**17 M/S Chowdhury Enterprise Agent**

Bazar Mor, Thana Road, Pirganj  
Rangpur

**18 M/S R.K Traders Agent**

Bottoli Bazar, Poyalgacha, Barura  
Cumilla

**19 M/S Kabir Enterprise Agent**

Nayanpur Bangla Bazar, Icchapur Union,  
Ramganj, Lakshmipur

**20 R. S. International Agent**

Sarafoti Bazar Barura  
Cumilla

**21 M/S Zibran Enterprise Agent**

Bangabondhu Bazar, khuruskul  
Coxs Bazar

**22 Sabuj Enterprise Agent**

Dhaneshwar, Barura  
Cumilla

**23 M/S Islam Enterprise Agent**

Jholam Bazar, Barura  
Cumilla

**24 Ledars Agent**

Dhankhali, North Kadamtali, Munshiganj,  
Shyamnagar, Satkhira

**25 Mariyom Enterprise Agent**

Kancchonpur Chowdhury Bazar, Ramganj  
Lakshmipur

**26 Full Time Limit Agent**

Taragunia Bazar, Daulatpur  
Kushtia

**27 Sajan Traders Agent**

Sonapur Bazar, Ramganj  
Lakshmipur

**28 M/S Rafiq Firoza Enterprise Agent**

Bataichhori Notun Bazar, Barura  
Cumilla

**29 Janapriyo Enterprise Agent**

Agaro Sarani, Middle Badda Bazar Road,  
Badda, Dhaka

**30 Tarek Enterprise Agent**

Chok Bazar, Cumilla Sadar,  
Cumilla

**31 BD Business Communications (BBC) Agent**

114, Grand Plaza Shopping Mall, 227  
Outer Circular Road, Boro Magbazar,  
Dhaka

আজকের শিশু  
আগামীদিনের ভবিষ্যৎ।

আমাদের আগামীর প্রজন্মকে  
সঞ্চয়ে উদ্বুদ্ধ করতে



এসবিএসি স্কুল ব্যাংকিং!



এসবিএসি ব্যাংক পিএলসি.



# Chapter 11

## MISCELLANEOUS



## Glimpses of Our Major Events



**Donation of Blanket to the Honorable Prime Minister's Relief Fund.**

**The Chairman of the Board of Directors of SBAC Bank along with other BAB members meet the Honorable Prime Minister**



**The Chairman of the Board of Directors of SBAC Bank visited Bangabandhu's Mausoleum at Tungipara**

**Paying Homage to the Father of the Nation Bangabandhu Sheikh Mujibur Rahman on National Mourning Day**





**Business Conference 2024 of the Bank**

**Branch Leaders with Board of Directors  
at Bizcon 2024 of the Bank**



**Unveiling Internet Banking  
“SBAC Click”**

**Opening Ceremony of Paduar Bazar  
Sub-Branch of the Bank**





**Agreement Signing Ceremony on  
Start-up Financing**

**Business Review Meeting to evaluate  
Business Performance of Branches**



**Celebration of International  
Women's Day  
March 08, 2024  
Organized by the Bank**

**Training Program Organized By SBAC  
Bank Training Institute**



## Proxy Form & Attendance Slip

### SBAC Bank PLC.

**Head Office:** BSC Tower, 05<sup>th</sup>-16<sup>th</sup> Floor, 2-3 Rajuk Avenue, Motijheel C/A, Dhaka-1000, Bangladesh.

#### PROXY FORM

I/We.....Of (Address).....being a Member(s) of SBAC Bank PLC. and entitled to participate & vote at the AGM, hereby appoint Mr./Mrs./Ms/Miss.....Of (Address).....as my/our Proxy to participate and vote on my/our behalf at the 11<sup>th</sup> AGM of the Company to be held through Hybrid System in combination of both online (virtual/digital platform Link: <https://sbacbank.bdvirtualagm.com>) and physical presence at Retired Armed Forces Officers' Welfare Association (RAOWA) Club, VIP Road, Mohakhali, Dhaka-1206 at 11:00 AM (BST) on Saturday, June 22, 2024 or at any adjournment thereof.

Signed this .....day of ....., 2024.

Signature of Proxy .....

Signature of Member .....

Folio No./ BO ID No. ....

No. of Shares held .....

Stamp (s) of  
Tk. 100/-

N.B: This Proxy Form, duly completed (as recorded with the Bank) and signed (in accordance with the specimen signature recorded with Bank), must be sent through email at [cs@sbacbank.com](mailto:cs@sbacbank.com) / deposited at the Registered Office of the Company no later than 72 (seventy two) hours before commencement of the AGM. Proxy is invalid if not signed and stamped as explained above.

#### ATTENDANCE SLIP

I hereby record my participation at the 11<sup>th</sup> AGM of the Company being held through Hybrid System in combination of both online (virtual/digital platform Link: <https://sbacbank.bdvirtualagm.com>) and physical presence at Retired Armed Forces Officers' Welfare Association (RAOWA) Club, VIP Road, Mohakhali, Dhaka-1206 at 11:00 AM (BST) on Saturday, June 22, 2024 or at any adjournment thereof.

Name of Member/Proxy (In Block Letters) : .....

Folio No./ BO ID No. : .....

No. of Shares held : .....

Signature of the Member/Proxy : .....

Date : .....



## SBAC Bank PLC.

Head Office:

BSC Tower, 5<sup>th</sup>-16<sup>th</sup> Floor, 2-3 Rajuk Avenue, Motijheel C/A, Dhaka 1000, Bangladesh.

Phone: +88(02) 41052811-814, 09611-016327 (From Overseas), 16327 (24/7 Hotline)

Web: [sbacbank.com](http://sbacbank.com), SWIFT: SBACBDDH