

South Bangla Agriculture and Commerce Bank Limited

Audited Financial Statements

For the year ended 31 December 2022

Independent Auditors' Report

To the Shareholders of South Bangla Agriculture and Commerce Bank Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of South Bangla Agriculture and Commerce Bank Limited and its subsidiary (the "Group") as well as the separate financial statements of South Bangla Agriculture and Commerce Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at December 31, 2022 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 significant 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, 2022 and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) 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 2023 are finalized with permission from Bangladesh Bank (through letter no: DOS (CAMS)1157/41(dividend)/2023-2113 dated 25 April 2023). Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans and advances	
The process for estimating the provision for customer loans associated with credit risk is significant and complex. For the individual analysis for large exposure, provisions calculation consider the estimates of future business performance and the market value	We tested the design and operating effectiveness of key controls focusing on the following: <ul style="list-style-type: none">• Loan appraisal, disbursement and monitoring procedures, and provisioning process;• Identification of loss events, including early warning and default warning indicators;



<p>of collateral provided for availing investment facilities.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>At year end the Bank and the Group reported total gross loan of BDT 77,992.32 million (2021: BDT 65,955.68 million) and BDT 77,827.25 million (2021: BDT 65,955.68 million) respectively and the Bank reported provision for loans and advances of BDT 2,743.59 million (2021: BDT 2,397.44 million).</p>	<ul style="list-style-type: none"> Reviewed quarterly Classification of loans and advances (loans-CL) submitted to Bangladesh Bank; <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines and; Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. Finally, compared the amount of provision requirement as determined by Bangladesh Bank Department of Banking Inspection (DBI) team to the actual amount of provision maintained with the deferral permission.
<p>See note no 8 and 13.4 & 13.4 to the financial statements</p>	

<p>Valuation of treasury bill and treasury bond</p>	
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds issued by Bangladesh Bank is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p>See note no 7 to the financial statements</p>	

<p>Recognition of interest income</p>	
<p>Recognition and measurement of interest income involve a complex IT environment as well as require critical estimates and judgment. Since interest income from loans and advances is one of the key performance indicators of the Bank there is an inherent risk of fraud and error in the recognition of interest income.</p> <p>Moreover, as per Bangladesh Bank BRPD circular no. 53 dated 30 December 2021, considering future risk banks were allowed to recognize outstanding/ arrear interest income on loans where deferral facilities were given upon receiving at least 15% of the total receivable amount. Accordingly this has been considered a key audit matter</p>	<p>We tested the design and operating effectiveness of key controls over the recognition and measurement of interest on loans and advances focusing on the following:</p> <ul style="list-style-type: none"> Reviewing transfer of interests to the income account in line with the Bangladesh Bank's guideline; Reviewed the grounds for approval for the transfer of interest to the income account. <p>Additionally, for selected customers and loan files on sample basis we have also performed substantive test of details including recalculation and cut off testing to check accuracy of interest income.</p>
<p>See note no 21 to the financial statements</p>	



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. These are key to ensuring IT dependent and application based controls are operating effectively

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.

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, configuration and other application layer controls identified as key to our audit.

Measurement of Taxation

At year end of 2022 the Bank reported totaling deferred tax assets of BDT 22,474,959 (2021: assets BDT 21,757,883) and deferred tax income of BDT 717,076 (2021: Income BDT 28,435,622).

Significant judgment is required in relation to deferred tax liabilities as their recoverability is dependent on forecasts of future profitability over a number of years. Current income tax is calculated on the estimated income.

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of deferred tax liabilities and income tax provisions and the assumptions used in estimating the Bank's future tax expense.

We also assessed the completeness and accuracy of the data used for the estimations of future taxable expenses and obligations. The Bank has sufficient taxable profit to recover the deferred tax liabilities and current tax liabilities in foreseeable future.

We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax liabilities and income tax provision.

Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.

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 and 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 position.

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.



Other Matter

The financial statements of the group for the year ended December 31, 2021 were audited by Hoda Vasi Chowdhury & Co., Chartered Accountants, who expressed an unmodified opinion on those financial statements on April 27, 2022.

Reporting on other information

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

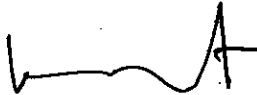
Report on other Legal and Regulatory Requirements

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

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities {other than matters disclosed in these financial statements};



- (iii) consolidated financial statements of the Bank include one subsidiary, namely SBAC Bank Investment Limited, reflecting total assets of BDT 979,762,686 as at December 31, 2022 and total revenue of Tk. 42,361,054 for the year ended December 31, 2022 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: 2304270672A 5735090



A. K. Gulam Kibria, FCA
 Engagement Partner
 Enrolment No.: 0392
 G. KIBRIA & Co.
 Chartered Accountants
 DVC No: 2304270392AS 774707

Date : 27-09-23
 Place : Dhaka



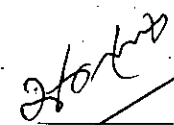
South Bangla Agriculture and Commerce Bank Limited
Consolidated Balance Sheet
As at 31 December 2022

	Note	2022 Taka	2021 Taka
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including foreign currencies)	3	987,504,162	855,111,180
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4	4,305,691,078	3,236,004,834
		5,293,195,240	4,091,116,014
Balance with other banks and financial institutions			
In Bangladesh	5	2,624,168,675	7,080,594,333
Outside Bangladesh		278,571,754	291,705,446
		2,902,740,429	7,372,299,779
Money at call on short notice			
Investments in shares & securities:			
Government	6	14,959,513,358	15,971,113,935
Others	7	2,167,050,201	1,567,081,922
		17,126,563,559	17,538,195,857
Loans, advances and lease / investments			
Loans, cash credit, overdrafts etc. / investments	8	76,045,414,350	63,711,064,030
Bills purchased and discounted		1,781,844,637	2,244,617,036
		77,827,258,987	65,955,681,066
Fixed assets including premises, furniture and fixtures	9	1,743,266,973	1,626,642,412
Other assets	10	1,414,038,668	1,229,812,586
Non-banking assets			
TOTAL ASSETS		106,307,063,856	97,813,747,714
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	4,031,548,707	8,763,684,070
Deposits and other accounts			
Current / Al-wadeeah current deposits and other accounts	12	9,236,436,097	7,253,494,772
Special notice / mudaraba special notice deposits		4,370,193,970	4,487,513,486
Bills payable		3,197,410,868	2,414,977,923
Savings bank / mudaraba savings deposits		6,920,991,538	5,943,300,533
Fixed / mudaraba term deposits		45,698,467,000	38,132,477,553
Other deposits		14,786,087,582	14,462,568,622
		84,209,587,055	72,694,332,889
Subordinated bonds			
Other liabilities	13	7,236,281,537	5,727,323,431
TOTAL LIABILITIES		95,477,417,299	87,185,340,390
Capital/ Shareholders' equity			
Paid up capital	14.3	8,160,313,370	7,846,455,170
Statutory reserve	15	2,204,928,598	1,947,493,989
General reserve			
Non-controlling (Minority) interest	14.11	432,182	405,167
Other reserve (revaluation reserve on Govt. Securities)	16	65,228,536	129,270,472
Capital reserve	16.1	516,704	
Foreign currency translation reserve	16.2	7,933,440	251,592
Surplus in profit and loss account	17	390,293,727	704,530,934
TOTAL SHAREHOLDERS' EQUITY		10,829,646,557	10,628,407,324
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		106,307,063,856	97,813,747,714




	Note	2022 Taka	2021 Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptance and endorsements	18	4,948,539,066	3,444,598,165
Letters of guarantee		10,830,648,085	9,111,716,091
Irrevocable letters of credit		4,290,338,894	4,283,323,907
Bills for collection		1,712,915,295	1,700,140,692
Other contingent liabilities		-	-
Total		21,782,441,340	18,539,778,855
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claims against the Bank not acknowledged as debt		-	-
Total		-	-
Total off-balance sheet items including contingent liabilities		21,782,441,340	18,539,778,855
Net asset value per share (NAV)	41.2	13.27	13.02

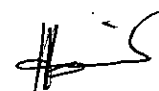
Accompanying notes form an integral part of these financial statements.



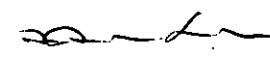
 Chairman



 Director

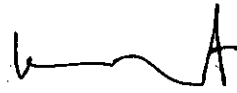


 Director

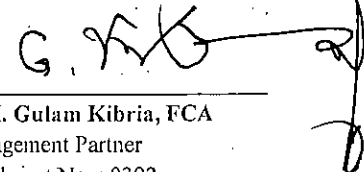


 Managing Director & CEO

Signed in terms of our report of even date.



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



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

DVC No. : 2304270672AS735090

DVC No. : 2304270392AS77470E

Dhaka, 26 April 2023



South Bangla Agriculture and Commerce Bank Limited
Consolidated Profit and Loss Account
For the year ended 31 December 2022

	Note	2022 Taka	2021 Taka
Interest income / profit on investment	21	5,884,348,080	5,610,478,463
Less: Interest / profit paid on deposits, borrowings etc.	22	4,606,948,354	3,944,391,732
Net interest income		1,277,399,726	1,666,086,731
Income from investment in shares / securities	23	1,705,312,095	1,847,000,294
Commission, exchange and brokerage	24	1,060,376,446	521,144,889
Other operating income	25	203,089,610	157,492,948
		2,968,778,151	2,525,638,131
Total operating income		4,246,177,877	4,191,724,862
Salary and allowances	26	1,582,785,451	1,326,068,623
Rent, taxes, insurance, electricity etc.	27	167,401,325	146,445,663
Legal and professional expenses	28	9,391,958	5,158,649
Postage, stamp, telecommunication etc.	29	15,034,133	13,099,216
Stationery, printing, advertisement etc.	30	43,413,464	37,898,568
Chief executive's salary and fees	31	11,785,897	13,186,335
Directors' fees	32	3,296,000	3,952,000
Auditors' fees	33	977,500	701,500
Charges on loan losses		-	-
Depreciation and repair of bank's assets	34	381,644,842	352,951,173
Other expenses	35	233,883,413	288,228,241
Total operating expenses		2,449,613,983	2,187,689,968
Profit before provision		1,796,563,894	2,004,034,894
Provision for loans and advances / investments			
Specific provision	13.4	303,609,894	629,395,545
Special general provision - COVID-19	13.5	(102,389,406)	177,669,663
General provision (including off balance sheet items)	13.4 & 13.6	180,659,852	181,816,203
		381,880,340	988,881,411
Provision for rebate to good borrowers	13.7	(19,000,000)	-
Provision for diminution in value of investments in shares	13.11	91,072,365	36,403,988
Other provision		20,894,000	-
Total provision		474,846,705	1,025,285,399
Total Profit before taxes		1,321,717,189	978,749,495
Provision for taxation	36		
Current tax		732,773,385	467,295,307
Deferred tax		(689,055)	(28,435,622)
		732,084,330	438,859,685
Net profit after taxation		589,632,859	539,889,810
Appropriations			
Statutory reserve	15	257,434,609	194,096,446
General reserve		-	-
Capital reserve	16.1	516,704	-
Startup fund	13.10	5,621,007	14,866,773
Retained surplus	17	326,060,539	330,926,591
		589,632,859	539,889,810
Earnings per share (EPS)	40.2	0.72	0.66

Accompanying notes form an integral part of these financial statements.

Chairman

Director

Director

Managing Director & CEO

Signed in terms of our report of even date.

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

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

DVC No. : 2304270672AS735090
Dhaka, 26 April 2023

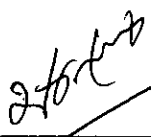
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South Bangla Agriculture and Commerce Bank Limited
Consolidated Cash Flow Statement
For the year ended 31 December 2022

	Note	2022 Taka	2021 Taka
A) Cash flows from operating activities			
Interest / profit receipts in cash		6,044,448,738	5,995,989,786
Interest / profit payments		(4,530,118,116)	(4,037,818,356)
Dividend receipts		72,448,165	18,027,141
Income from investments		1,583,759,920	1,369,657,601
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		140,993,328	421,836,709
Cash payments to employees		(1,597,867,348)	(1,343,206,958)
Cash payments to suppliers		(254,311,506)	(230,745,012)
Income taxes paid		(701,724,742)	(442,575,515)
Receipts from other operating activities		203,089,610	157,492,948
Payments for other operating activities		(233,883,413)	(288,228,241)
Operating cash flow before changes in operating assets and liabilities		726,834,636	1,620,430,103
Increase / decrease in operating assets and liabilities			
Net proceeds from trading securities		1,519,520,059	1,457,949,506
Loans and advances to other banks		-	-
Loans and advances to customers		(11,355,066,435)	(8,161,086,974)
(Increase) / decrease of other assets	37.1	31,577,507	(392,042,012)
Deposits from other banks		2,600,148,611	(5,577,582,926)
Deposits from customers		8,852,035,169	7,290,305,962
Increase / (decrease) of other liabilities account of customers		-	-
Increase / (decrease) of trading liabilities		-	-
Increase / (decrease) of other liabilities	38.1	88,297,893	188,204,802
		1,736,512,804	(5,194,251,642)
Net cash flow from operating activities		2,463,347,440	(3,573,821,539)
B) Cash flows from investing activities			
Proceeds from sale of Government securities		85,475,632,225	150,546,202,920
Payments for Purchase of Government securities		(86,685,731,821)	(156,087,386,686)
Purchase of property, plant and equipment		(478,716,586)	(434,497,708)
Sale proceeds of property, plant and equipment		-	-
Net cash flow from investing activities		(1,688,816,182)	(5,975,681,474)
C) Cash flows from financing activities			
Borrowing from other banks, financial institutions and agents		(4,732,135,363)	6,372,241,807
Dividends paid		(236,940,985)	(262,605,550)
Receipts from issue of ordinary share		-	1,000,400,000
Net cash flow from financing activities		(4,969,076,348)	7,110,036,257
D) Net increase / (decrease) in cash (A+B+C)		(4,194,545,090)	(2,439,466,756)
E) Effects of exchange rate changes on cash and cash-equivalent		927,064,966	99,559,772
F) Cash and cash-equivalents at beginning period		11,463,415,793	13,803,322,777
G) Cash and cash-equivalents at end of period (D+E+F)		8,195,935,669	11,463,415,793
H) Cash and cash-equivalents at end of period			
Cash in hand including foreign currencies	3	987,504,162	855,111,180
Balances with Bangladesh Bank and its agent bank(s)	4	4,305,691,078	3,236,004,834
Balances with other Banks and Financial institutions	5	2,902,740,429	7,372,299,779
		8,195,935,669	11,463,415,793
Net operating cash flow per share (NOCFPS)	42.2	3.02	(4.38)

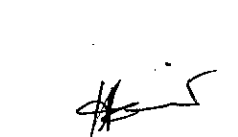
Accompanying notes form an integral part of these financial statements.



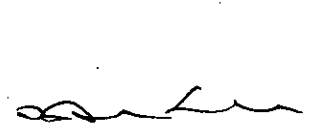
 Chairman



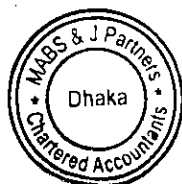
 Director



 Director



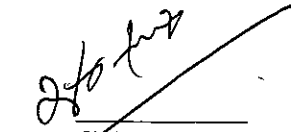
 Managing Director & CEO



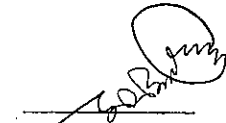
South Bangla Agriculture and Commerce Bank Limited
Consolidated Statement of Changes in Equity
For the year ended 31 December 2022

Particulars	Paid Up Capital Taka	Statutory Reserve Taka	Other Reserve Taka	Capital reserve Taka	F.C. Translation Reserve Taka	Retained Earnings Taka	Non- controlling interest Taka	Total Taka
Balance as on 01 January 2022	7,846,455,170	1,947,493,989	129,270,472	-	251,592	704,530,934	405,167	10,628,407,324
Net profit for the period	-	-	-	-	-	589,632,859	-	589,632,859
Transfer to statutory reserve	-	257,434,609	-	-	-	(257,434,609)	-	-
Transfer to statup fund	-	-	-	-	-	(5,621,007)	-	(5,621,007)
Revaluation of Govt. treasury bills, bonds and other investments	-	-	(64,041,936)	-	-	-	-	(64,041,936)
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	-	7,681,848	-	-	7,681,848
Transferred to capital reserve	-	-	-	516,704	-	(516,704)	-	-
Non-controlling (Minority) interest	-	-	-	-	-	(27,015)	27,015	-
Proposed dividend	-	-	-	-	-	(81,603,130)	-	(81,603,130)
Stock dividend issued	313,858,200	-	-	-	-	(313,858,200)	-	-
Cash dividend paid	-	-	-	-	-	(244,809,401)	-	(244,809,401)
Balance as on 31 December 2022	8,160,313,370	2,204,928,598	65,228,536	516,704	7,933,440	390,293,727	432,182	10,829,646,557
Balance as on 31 December 2021	7,846,455,170	1,947,493,989	129,270,472	-	251,592	704,530,934	405,167	10,628,407,324

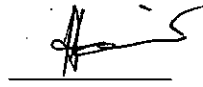
These financial statements should be read in conjunction with the annexed notes.



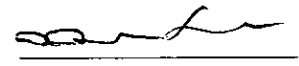
 Chairman



 Director



 Director



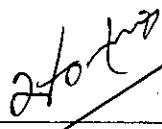
 Managing Director & CEO



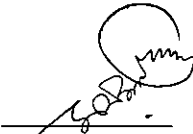
South Bangla Agriculture and Commerce Bank Limited
Consolidated Liquidity Statement (asset and liabilities maturity analysis)
As at 31 December 2022

Particulars	Within one month Taka	Within one to three months Taka	Within three to twelve months Taka	Within one to five years Taka	More than five years Taka	Total Taka
Assets:						
Cash in hand (including foreign currencies)	987,504,162	-	-	-	-	987,504,162
Balance with Bangladesh Bank and its agent Banks	935,699,078	-	-	-	3,369,992,000	4,305,691,078
Balance with other banks & financial institutions	1,366,041,086	330,000,000	1,206,699,343	-	-	2,902,740,429
Money at call on short notice	-	-	-	-	-	-
Investments in shares & securities	500,187,671	996,912,342	682,212,379	1,406,416,773	13,540,834,394	17,126,563,559
Loans, advances and lease / investments	11,357,099,854	15,465,485,744	24,702,386,952	15,221,839,050	11,080,447,387	77,827,258,987
Fixed assets including premises, furniture and fixtures	27,460,447	54,920,894	247,144,022	1,300,526,344	113,215,266	1,743,266,973
Other assets	263,122,855	438,538,092	632,444,549	79,933,172	-	1,414,038,668
Non-Banking assets	-	-	-	-	-	-
Total Assets	15,437,115,153	17,285,857,072	27,470,887,245	18,008,715,338	28,104,489,047	106,307,063,856
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	920,828,355	1,396,160,965	1,211,909,616	137,816,015	364,833,756	4,031,548,707
Deposits and other accounts	12,068,376,502	14,971,311,666	23,786,570,604	13,099,920,376	20,283,407,907	84,209,587,055
Provisions and other liabilities	43,225,445	409,248,321	1,614,818,312	1,054,701,491	4,114,287,968	7,236,281,537
Total Liabilities	13,032,430,302	16,776,720,952	26,613,298,532	14,292,437,882	24,762,529,631	95,477,417,299
Net liquidity surplus	2,404,684,851	509,136,120	857,588,713	3,716,277,456	3,341,959,416	10,829,646,557
Cumulative liquidity surplus	2,404,684,851	2,913,820,971	3,771,409,684	7,487,687,140	10,829,646,557	


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



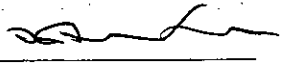
 Chairman



 Director



 Director



 Managing Director & CEO




South Bangla Agriculture and Commerce Bank Limited
Balance Sheet
As at 31 December 2022

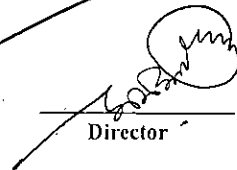
	Note	2022 Taka	2021 Taka
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including foreign currencies)	3.1	987,490,568	855,111,180
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4.1	4,305,691,078	3,236,004,834
		5,293,181,646	4,091,116,014
Balance with other banks and financial institutions	5.1		
In Bangladesh		2,612,225,831	7,080,594,333
Outside Bangladesh		278,571,754	291,705,446
		2,890,797,585	7,372,299,779
Money at call on short notice	6	-	-
Investments in shares & securities:			
Government	7.1	14,959,513,358	15,971,113,935
Others		1,993,824,684	1,567,081,922
		16,953,338,042	17,538,195,857
Loans, advances and lease / investments			
Loans, cash credit, overdrafts etc. / investments	8.1	76,210,473,378	63,711,064,030
Bills purchased and discounted		1,781,844,637	2,244,617,036
		77,992,318,015	65,955,681,066
Fixed assets including premises, furniture and fixtures	9.1	1,724,623,028	1,626,642,412
Other assets	10.1	1,772,643,590	1,588,387,124
Non-banking assets		-	-
TOTAL ASSETS		106,626,901,906	98,172,322,252
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11.1	4,031,548,707	8,763,684,070
Deposits and other accounts			
Current / AJ-wadeeah current deposits and other accounts	12.1	9,238,002,337	7,254,803,317
Special notice / mudaraba special notice deposits		4,382,625,127	4,494,632,154
Bills payable		3,197,410,868	2,414,977,923
Savings bank / mudaraba savings deposits		6,920,991,538	5,943,300,533
Fixed / mudaraba term deposits		46,074,316,715	38,491,349,641
Other deposits		14,786,087,582	14,462,568,622
		84,599,434,167	73,061,632,190
Subordinated bonds		-	-
Other liabilities	13.1	7,199,371,669	5,724,165,707
TOTAL LIABILITIES		95,830,354,543	87,549,481,967
Capital/ Shareholders' equity			
Paid up capital	14.3	8,160,313,370	7,846,455,170
Statutory reserve	15	2,204,928,598	1,947,493,989
General reserve		-	-
Other reserve (revaluation reserve on Govt. Securities)	16	65,228,536	129,270,472
Foreign currency translation reserve	16.2	7,933,440	251,592
Surplus in profit and loss account	17.1	358,143,419	699,369,062
TOTAL SHAREHOLDERS' EQUITY		10,796,547,363	10,622,840,285
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		106,626,901,906	98,172,322,252

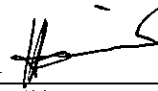



	Note	2022 Taka	2021 Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
	18		
Acceptance and endorsements		4,948,539,066	3,444,598,165
Letters of guarantee		10,830,648,085	9,111,716,091
Irrevocable letters of credit		4,290,338,894	4,283,323,907
Bills for collection		1,712,915,295	1,700,140,692
Other contingent liabilities		-	-
Total		21,782,441,340	18,539,778,855
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other		-	-
Total		-	-
Total off-balance sheet items including contingent liabilities		21,782,441,340	18,539,778,855
Net asset value per share (NAV)	41.4	13.23	13.02

Accompanying notes form an integral part of these financial statements.

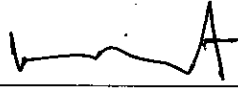

 Chairman


 Director


 Director

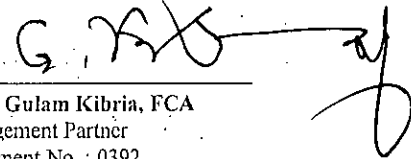

 Managing Director & CEO

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. : 2304270672AS735090

Dhaka, 26 April 2023


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

DVC No. : 2304270392AS777707



South Bangla Agriculture and Commerce Bank Limited

Profit and Loss Account

For the year ended 31 December 2022

	Note	2022 Taka	2021 Taka
Interest income / profit on investment	21.1	5,883,296,742	5,610,478,463
Less: Interest / profit paid on deposits, borrowings etc.	22.1	4,627,650,279	3,955,954,894
Net interest income		1,255,646,463	1,654,523,569
Income from investment in shares / securities	23.1	1,689,149,588	1,847,000,294
Commission, exchange and brokerage	24.1	1,034,824,949	521,144,889
Other operating income	25.1	203,019,563	157,494,148
		2,926,994,100	2,525,639,331
Total operating income		4,182,640,563	4,180,162,900
Salary and allowances	26.1	1,570,379,086	1,326,068,623
Rent, taxes, insurance, electricity etc.	27.1	165,778,075	146,445,663
Legal and professional expenses	28.1	9,286,850	5,137,563
Postage, stamp, telecommunication etc.	29.1	15,034,133	13,099,216
Stationery, printing, advertisement etc.	30.1	43,110,139	37,892,768
Chief executive's salary and fees	31	11,785,897	13,186,335
Directors' fees	32.1	3,040,000	3,760,000
Auditors' fees	33.1	920,000	575,000
Charges on loan losses		-	-
Depreciation and repair of bank's assets	34.1	380,782,831	352,951,173
Other expenses	35.1	227,976,077	285,278,928
Total operating expenses		2,428,093,088	2,184,395,269
Profit before provision		1,754,547,475	1,995,767,631
Provision for loans and advances / investments			
Specific provision	13.4	303,609,894	629,395,545
Special general provision - COVID-19	13.5	(102,389,406)	177,669,663
General provision (including off balance sheet items)	13.4 & 13.6	177,229,056	181,816,203
		378,449,544	988,881,411
Provision for rebate to good borrowers	13.7	(19,000,000)	-
Provision for diminution in value of investments in shares	13.11	87,030,884	36,403,988
Other provision		20,894,000	-
Total provision		467,374,428	1,025,285,399
Total Profit before taxes		1,287,173,047	970,482,232
Provision for taxation	36		
Current tax		725,789,419	464,195,083
Deferred tax		(717,076)	(28,435,622)
		725,072,343	435,759,461
Net profit after taxation		562,100,704	534,722,771
Appropriations			
Statutory reserve	15	257,434,609	194,096,446
General reserve		-	-
Startup fund	13.10	5,621,007	14,866,773
Retained surplus	17	299,045,088	325,759,552
		562,100,704	534,722,771
Earnings per share (EPS)	40.4	0.69	0.66

Accompanying notes form an integral part of these financial statements.

Chairman

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. : 2304270672A5735090

Dhaka, 26 April 2023



A. K. Gulam Kibria, FCA

Engagement Partner

Enrolment No. : 0392

G. Kibria & Co.

Chartered Accountants


DVC No. : 23040392A9774707



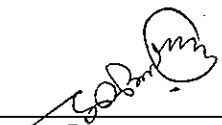
South Bangla Agriculture and Commerce Bank Limited
Cash Flow Statement
For the year ended 31 December 2022

	Notes	2022 Taka	2021 Taka
A) Cash flows from operating activities			
Interest receipts in cash		6,043,139,705	5,994,681,241
Interest payments		(4,550,304,651)	(4,046,764,428)
Dividend receipts		72,304,226	18,027,141
Income from investments		1,567,741,352	1,369,657,601
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		115,441,831	421,836,709
Cash payments to employees		(1,585,204,983)	(1,343,014,958)
Cash payments to suppliers		(252,653,650)	(230,649,126)
Income taxes paid	10.2	(692,666,014)	(441,550,053)
Receipts from other operating activities		203,019,563	157,494,148
Payments for other operating activities		(227,976,077)	(285,278,928)
Operating cash flow before changes in operating assets and liabilities		692,841,302	1,614,439,347
Increase / decrease in operating assets and liabilities			
Sale / purchase of trading securities		1,692,745,576	1,457,949,506
Loans and advances to other banks		-	-
Loans and advances to customers		(11,520,125,463)	(8,161,086,974)
(Increase) / decrease of other assets	37	41,739,519	(392,769,924)
Deposits from other banks		2,600,148,611	(5,577,582,926)
Deposits from customers		8,857,347,657	7,297,424,630
Increase / (decrease) of other liabilities account of customers		-	-
Increase / (decrease) of trading liabilities		-	-
Increase / (decrease) of other liabilities	38	67,233,513	188,204,802
		1,739,089,413	(5,187,860,886)
Net cash flow from operating activities		2,431,930,715	(3,573,421,539)
B) Cash flows from investing activities			
Proceeds from sale of securities		85,475,632,225	150,546,202,920
Payments for Purchase of securities		(86,685,731,821)	(156,087,386,686)
Purchase of property, plant and equipment		(459,256,299)	(434,497,708)
Sale proceeds of property, plant and equipment		-	-
Net cash flow from investing activities		(1,669,355,895)	(5,975,681,474)
C) Cash flows from financing activities			
Borrowing from other banks, financial institutions and agents		(4,732,135,363)	6,372,241,807
Dividends paid		(236,940,985)	(262,605,550)
Receipts from issue of ordinary share		-	1,000,000,000
Net cash flow from financing activities		(4,969,076,348)	7,109,636,257
D) Net increase / (decrease) in cash (A+B+C)		(4,206,501,528)	(2,439,466,756)
E) Effects of exchange rate changes on cash and cash-equivalent		927,064,966	99,559,772
F) Cash and cash-equivalents at beginning period		11,463,415,793	13,803,322,777
G) Cash and cash-equivalents at end of period (D+E+F)		8,183,979,231	11,463,415,793
H) Cash and cash-equivalents at end of period			
Cash in hand including foreign currencies	3.1	987,490,568	855,111,180
Balances with Bangladesh Bank and its agent bank(s) including	4.1	4,305,691,078	3,236,004,834
Balances with other Banks and Financial institutions	5.1	2,890,797,585	7,372,299,779
		8,183,979,231	11,463,415,793
Net operating cash flow per share (NOCFPS)	42.4	2.98	(4.38)

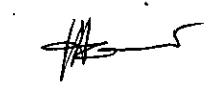
Accompanying notes form an integral part of these financial statements.




 Chairman



 Director



 Director



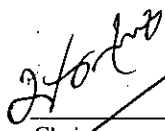
 Managing Director & CEO




South Bangla Agriculture and Commerce Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2022

Particulars	Paid Up Capital	Statutory Reserve	Other Reserve	F.C. Translation Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as on 01 January 2022	7,846,455,170	1,947,493,989	129,270,472	251,592	699,369,062	10,622,840,285
Net profit for the period	-	-	-	-	562,100,704	562,100,704
Transfer to statutory reserve	-	257,434,609	-	-	(257,434,609)	-
Transfer to startup fund	-	-	-	-	(5,621,007)	(5,621,007)
Revaluation of Govt. treasury bills, bonds and other investments	-	-	(64,041,936)	-	-	(64,041,936)
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	7,681,848	-	7,681,848
Proposed dividend	-	-	-	-	(81,603,130)	(81,603,130)
Stock dividend issued	313,858,200	-	-	-	(313,858,200)	-
Cash dividend paid	-	-	-	-	(244,809,401)	(244,809,401)
Balance as on 31 December 2022	8,160,313,370	2,204,928,598	65,228,536	7,933,440	358,143,419	10,796,547,363
Balance as on 31 December 2021	7,846,455,170	1,947,493,989	129,270,472	251,592	699,369,062	10,622,840,285

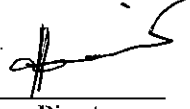
These financial statements should be read in conjunction with the annexed notes.



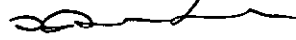
 Chairman



 Director



 Director



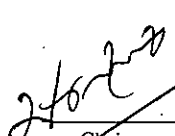
 Managing Director & CEO




South Bangla Agriculture and Commerce Bank Limited
Liquidity Statement (asset and liabilities maturity analysis)
As at 31 December 2022

Particulars	Within one month Taka	Within one to three months Taka	Within three to twelve months Taka	Within one to five years Taka	More than five years Taka	Total Taka
Assets:						
Cash in hand (including foreign currencies)	987,490,568	-	-	-	-	987,490,568
Balance with Bangladesh Bank and its agent Banks	924,386,078	-	-	-	3,381,305,000	4,305,691,078
Balance with other banks & financial institutions	1,366,041,086	330,000,000	1,194,756,499	-	-	2,890,797,585
Money at call on short notice	-	-	-	-	-	-
Investments in shares & securities	500,187,671	996,912,342	508,986,862	1,406,416,773	13,540,834,394	16,953,338,042
Loans, advances and lease / investments	11,357,099,854	15,465,485,744	24,867,445,980	15,221,839,050	11,080,447,387	77,992,318,015
Fixed assets including premises, furniture and fixtures	27,305,081	54,610,161	245,745,727	1,283,746,793	113,215,266	1,724,623,028
Other assets	263,122,855	438,538,092	632,444,550	38,938,093	399,600,000	1,772,643,590
Non-Banking assets	-	-	-	-	-	-
Total Assets	15,425,633,193	17,285,546,339	27,449,379,618	17,950,940,709	28,515,402,047	106,626,901,906
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	920,828,355	1,396,160,965	1,211,909,616	137,816,015	364,833,756	4,031,548,707
Deposits and other accounts	12,068,376,502	14,972,877,906	24,174,851,476	13,099,920,376	20,283,407,907	84,599,434,167
Provisions and other liabilities	43,197,424	327,645,187	1,694,903,814	1,054,706,490	4,078,918,754	7,199,371,669
Total Liabilities	13,032,402,281	16,696,684,058	27,081,664,906	14,292,442,881	24,727,160,417	95,830,354,543
Net liquidity surplus	2,393,230,912	588,862,281	367,714,712	3,658,497,828	3,788,241,630	10,796,547,363
Cumulative liquidity surplus	2,393,230,912	2,982,093,193	3,349,807,905	7,008,305,733	10,796,547,363	


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



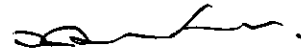
 Chairman



 Director



 Director



 Managing Director & CEO



South Bangla Agriculture and Commerce Bank Limited
Notes to the Financial Statements
as at and for the year ended 31 December 2022

1 General information

1.1 Status of the bank

South Bangla Agriculture and Commerce Bank Limited (the "Bank") was incorporated in Bangladesh as a public limited company with limited liability by shares as on February 20, 2013 under the Companies Act 1994 to carry out banking business. The registered office of the Bank is BSC Tower, 2-3 Rajuk Avenue, Motijheel, Dhaka-1000, Bangladesh. It obtained license from Bangladesh Bank for carrying out banking business on March 25, 2013 under the Bank Companies Act 1991. The Bank has been carrying out its business in Bangladesh through its eighty six (86) branches; twenty four (24) sub-branches all over Bangladesh and one (01) Off-shore banking unit in head office. The Bank went for initial public offering in 2021 and its share is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited from 11 August 2021 as a publicly traded company.

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 2022, located at International Division, Head Office, SBAC Bank Ltd., Dhaka.

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

Agent Banking Outlet

The Bank has started agent banking operation in 2022 with a view to reach unbanked population particularly in the geographically dispersed areas and offer banking services to potential customers who are currently out of traditional banking periphery. The Bank has 15 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 2022 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 2022 have been prepared on going concern basis under historical cost convention and in accordance with the "First Schedule" of the Bank Companies Act, 1991 as amended by BRPD Circular No. 14 dated 25th June 2003, other Circulars of Bangladesh Bank, International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987, and other laws and rules applicable for Banks in Bangladesh. The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed and it is yet to issue financial reporting standards for public interest entities such as banks. The Bank Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. As per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as approved by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. In case of any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of other regulatory authorities and IFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank prevailed. Material departures from the requirements of IFRS are as follows:

i) Presentation of Financial statements

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

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

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

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

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

iii) Revaluation gains/losses on Government securities

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

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



iv) Provision on loans and advances/investments

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

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

v) Recognition of interest in suspense

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

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

vi) Other comprehensive income and appropriation of profit

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

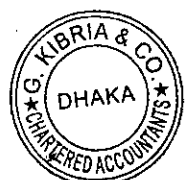
Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included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

vii) Financial instruments – presentation and disclosure

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

viii) Financial guarantees

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



Bangladesh Bank: As per BRPD Circular No. 14 dated 25th June 2003, financial guarantees such as letters of credit, letters of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin. As per BRPD Circular No.01 dated 03 January 2018 and BRPD Circular No.14 dated 23 September 2012, the Bank is required to maintain provision at 1% against gross off-balance sheet exposures (which includes undrawn loan commitments).

ix) Cash and cash equivalents

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

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

x) Repo and reverse repo transactions

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

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

xi) Non-banking asset

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

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

xii) Cash flow statement

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

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

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

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

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

xiv) Presentation of intangible assets

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

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

xv) Off-balance sheet items

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

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

xvi) Loans and advances net of provision

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

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



xvii) Disclosure of appropriation of profit

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

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

2.2 Going concern basis of accounting

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

2.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Bank and its one subsidiary, SBAC Bank Investment Limited, made up to the end of the financial year as on 31 December 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 recognised in the periods in which the estimate is revised and in any future periods affected.

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

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

2.5 Consistency

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

2.6 Foreign currency transactions

a) Functional and presentation currency

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



b) Foreign currencies translation

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

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

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

c) Commitments

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

d) Transaction gains and losses

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

2.7 Cash flow statement

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

2.8 Statement of changes in equity

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

2.9 Statement of liquidity

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

2.10 Reporting period

These financial statements of the Bank cover period from 1 January to 31 December 2022.

2.11 Investment in Govt. Securities

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

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

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

2.12 Investment in quoted / unquoted securities

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



2.13 Loans and advances

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

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

2.14 Provisions on loans and advances

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

The provisioning rates are as follows:

	2022	2021
General provision on:		
Unclassified general loans and advances/investments	1.00%	1.00%
Unclassified small and medium enterprise financing	0.25%	0.25%
Unclassified loans/investment for housing finance	1.00%	1.00%
Unclassified loans/investment for loans to professionals	2.00%	2.00%
Unclassified consumer financing other than housing finance and loans for professionals	2.00%	5.00%
Unclassified agricultural loans	1.00%	1.00%
Specific provision on:		
Unclassified loans/advances rescheduled under BRPD 05/2019	100.00%	100.00%
Substandard loans and advances/investments other than agricultural loans and cottage, micro & small enterprise finance	20.00%	20.00%
Substandard loans and advances on cottage, micro & small enterprise finance	5.00%	5.00%
Doubtful loans and advances/investment other than agricultural loans and cottage, micro & small enterprise finance	50.00%	50.00%
Doubtful loans and advances on cottage, micro & small enterprise finance	20.00%	50.00%
Substandard and doubtful on agricultural loans	5.00%	5.00%
Bad/loss advances/investments	100.00%	100.00%
Special general provision for COVID 19		
Loans and advances on cottage, micro & small enterprise finance	1.00%	1.50%
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 recognised in liabilities under "Provision for loans and advances" with any movement in the provision charged/released in the profit and loss account. Classified loans are categorised into sub-standard, doubtful and bad/loss based on the criteria stipulated by Bangladesh Bank guideline.

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

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

2.15 Property, plant and equipment

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

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

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

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

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

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

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

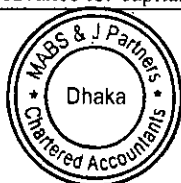
2.16 Intangible asset

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

2.17 Provisions for other assets

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

Particulars	Outstanding Period	Rate
Advance for revenue expenses	more than 6 months but less than 12 months	50%
	more than 12 months	100%
Advance for capital expenses	more than 12 months	100%



Legal expenses realizable from customers	from transaction date	50%
	more than 12 months	100%
Protested Bills	from transaction date	100%
Unadjusted debit entries in inter-branch transaction	more than 1 year but less than 2 years	50%
	more than 2 years	100%
Unadjusted debit entries in nostro account	more than 6 months but less than 12 months	50%
	more than 12 months	100%
Accrued Interest on loans and advances, investments and other accrued income	more than 6 months but less than 12 months	50%
	more than 12 months	100%
Security Deposits (not collected from expiry date)	more than 1 year but less than 2 years	50%
	more than 2 years	100%
Unadjusted sanchayapatra, wage earners' bond, army pension fund, civil pension fund etc.	more than 1 year but less than 2 years	50%
	more than 2 years	100%
Other Assets	more than 6 months but less than 12 months	50%
	more than 12 months	100%

2.18 Non banking assets

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

2.19 Securities purchased under re-sale agreement

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

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

2.20 Reconciliation of inter-bank and inter-branch account

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

2.21 Statutory reserve

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

2.22 Other reserve

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

2.23 Non-controlling (minority) interest in subsidiary

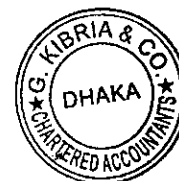
Non-controlling (minority) interest in subsidiary is an accounting concept that refers to the portion of a subsidiary corporation's stock that is not owned by the parent corporation. The magnitude of the non-controlling (minority) interest in the subsidiary company is always less than 50% of outstanding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

2.24 Deposits and other accounts

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

2.25 Borrowings from other banks, financial institutions and agents

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



2.26 Employees benefits

a. Short term benefits

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

b. Provident fund

The benefits of provident fund are given to the employees of the Bank in accordance with the Provident Fund Rules as per section 2(52) of Income Tax 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 Bangladeshi 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, 2022.

e. Other benefits

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

2.27 Provision for liabilities

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

2.28 Provision for Off-balance sheet items:

Off-balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines. Provision @1% against off-balance sheet exposures (L/Cs and Guarantees etc) in addition to the existing provisioning arrangement is made as per BRPD Circular No. 14 dated 23rd September, 2012 and BRPD Circular No. 07 dated 21 June 2018.

2.29 Provision for current taxation

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



2.30 Provision for deferred tax

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

2.31 Revenue recognition

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

2.31.8 Management and other expenses

Expenses incurred by the Bank are recognized on accrual basis.

2.32 Risk management

2.32.1 Internal Control and Compliance Management

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

2.32.2 Foreign Exchange Risk Management

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



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

2.32.3 Credit Risk Management

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

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

2.32.4 Asset Liability Management

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

2.32.5 Money Laundering Risk Management

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

2.32.6 Information and Communication Technology Security Risk Management

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

2.32.7 Internal Audit Management

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

2.32.8 Fraud and Forgeries Management

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



2.32.9 Operational Risk

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

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

South Bangla Agriculture and Commerce Bank Limited manages operational risks in the following manner:

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

2.32.10 Legal risk

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

2.32.11 Business risk

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

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

2.32.12 Reputational Risk

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

The branches and operational divisions are directly responsible for reputational risks arising from their business operations. Reputational risks may also arise from a deficiency in managing other risks. All risk must therefore be managed effectively in order to uphold the Bank's reputation. The management ensures that South Bangla Agriculture and Commerce Bank Limited is aware of any changes in market perceptions as soon as possible. Accordingly, all business policies and transactions are subjected to careful consideration. South Bangla Agriculture and Commerce Bank Limited 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. South Bangla Agriculture and Commerce Bank Limited 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 2022. This represent the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighted factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year.

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

2.34 Off-setting financial assets and financial liabilities

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

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

2.35 Leases

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

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

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

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

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



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

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

2.36 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 2021.

Particulars	Date of Rating	Long term	Short term	Rating Valid
Credit Rating Information and Services Limited (CRISL)	27 June 2022	A	ST-2	26 June 2023

2.38 Accounting standards adopted

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

Name of IASs / IFRSs	IASs / IFRSs	No.	Status
Presentation of Financial Statements	IAS	1	*Complied
Inventories	IAS	2	Not Applicable
Statement of Cash Flows	IAS	7	*Complied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS	8	Complied
Events after the Reporting Period	IAS	10	Complied
Income Taxes	IAS	12	Complied
Property, Plant and Equipment	IAS	16	Complied
Employee Benefits	IAS	19	Complied
Accounting for Government Grants and Disclosures of Government Assistance	IAS	20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS	21	Complied
Borrowing Costs	IAS	23	Not Applicable
Related Party Disclosures	IAS	24	Complied
Accounting and Reporting by Retirement Benefit Plans	IAS	26	Not Applicable
Separate Financial Statements	IAS	27	Complied
Investments in Associates and Joint Ventures	IAS	28	Not Applicable
Financial Reporting in Hyperinflationary Economies	IAS	29	Not Applicable
Financial Instruments : Presentation	IAS	32	*Complied
Earnings Per Share	IAS	33	Complied
Interim Financial Reporting	IAS	34	Complied
Impairment of Assets	IAS	36	Complied
Provisions, Contingent Liabilities and Contingent Assets	IAS	37	*Complied
Intangible Assets	IAS	38	Complied
Financial Instruments : Recognition and Measurement	IAS	39	*Complied
Investment Property	IAS	40	Not Applicable



Agriculture	IAS	41	Not Applicable
First-time Adoption of International Financial Reporting Standards	IFRS	1	Complied
Share-based Payment	IFRS	2	Not Applicable
Business Combinations	IFRS	3	Complied
Non-current Assets Held for Sale and Discontinued Operations	IFRS	5	*Complied
Exploration for and Evaluation of Mineral Resources	IFRS	6	Not Applicable
Financial Instruments : Disclosures	IFRS	7	*Complied
Operating Segments	IFRS	8	Complied
Financial Instruments	IFRS	9	*Complied
Consolidated Financial Statements	IFRS	10	Complied
Joint Arrangements	IFRS	11	Not Applicable
Disclosure of Interests in Other Entities	IFRS	12	Complied
Fair Value Measurement	IFRS	13	*Complied
Regulatory Deferral Accounts	IFRS	14	Not Applicable
Revenue from Contracts with Customers	IFRS	15	Complied
Leases	IFRS	16	Complied
Insurance Contracts	IFRS	17	Not Applicable

* Subject to departure disclosed in note no. 2.1.

2.39 New accounting standards not yet adopted

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

(a) IFRS 17 Insurance contract

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

2.40 Information about business segments

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

Inter segment transactions, generally based on inter branch fund transfer measurements as determined by the management. Income, expenses, assets liabilities are specifically identified with individual segments. Based on such allocation segment balance sheet as at 31 December 2022 and segment profit and loss account for the year ended 31 December 2022 have been prepared.

2.41 Utilization of IPO fund

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

2.42 Approval of the Financial Statements

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



	2022 Taka	2021 Taka
3. Cash in hand (including foreign currencies) - Consolidated		
SBAC Bank Limited (note 3.1)	987,490,568	855,111,180
SBAC Bank Investment Limited	13,594	-
	<u>987,504,162</u>	<u>855,111,180</u>
3.1 Cash in hand (including foreign currencies) of the Bank		
Local currency	980,174,738	853,240,625
Foreign currencies	7,315,830	1,870,555
	<u>987,490,568</u>	<u>855,111,180</u>
4. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) - Consolidated		
SBAC Bank Limited (note 4.1)	4,305,691,078	3,236,004,834
SBAC Bank Investment Limited	-	-
	<u>4,305,691,078</u>	<u>3,236,004,834</u>
4.1 Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) of the Bank		
Bangladesh Bank		
In local currency	3,655,236,495	3,064,258,047
In foreign currencies	650,454,583	171,746,787
	<u>4,305,691,078</u>	<u>3,236,004,834</u>
Sonali Bank Limited (as Agent of Bangladesh Bank) - local currency	-	-
	<u>4,305,691,078</u>	<u>3,236,004,834</u>
4.2 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)		
Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of the Bank Company Act, 1991 (amended up to 2018) and of instructions contained in DOS Circular No. 01 dated 19 January, 2014 and MPD Circular No. 03 dated 09 April, 2020 for conventional and islamic banking and BRPD Circular No. 31 dated 18 June 2020 for off-shore banking unit.		
The Cash Reserve Requirement, calculated at the rate of 3.50% for conventional and islamic banking and 1.50% for off-shore banking unit on daily basis and 4.00% for conventional and islamic banking and 2.00% for off-shore banking unit on bi-weekly basis, based on the Bank's average time and demand liabilities of two months earlier of the reporting month (i.e. for December based on October), has been maintained with Bangladesh Bank in current account. The Statutory Liquidity Ratio, calculated at the rate of 13% for conventional banking and off-shore banking unit and 5.50% for islamic banking based on the Bank's average time and demand liabilities of two months earlier of the reporting month (i.e. for December based on October), have been maintained in the form of unencumbered treasury bills and bonds, cash in hand and daily excess of Cash Reserve.		
4.2.1 Total average demand and time liabilities		
Total average demand and time liabilities of October		
Conventional banking	84,249,796,000	70,599,843,000
Islamic banking	282,815,000	206,374,000
Off-shore banking unit	-	-
	<u>84,532,611,000</u>	<u>70,806,217,000</u>
4.2.2 Cash Reserve Requirement (CRR) and maintained		
Required reserve		
Conventional banking	3,369,992,000	2,823,994,000
Islamic banking	11,313,000	8,255,000
Off-shore banking unit	-	-
Total required reserve	<u>3,381,305,000</u>	<u>2,832,249,000</u>
Actual reserve maintained		
Balance with Bangladesh Bank - local currency:		
For conventional banking and OBU	3,604,277,020	2,917,148,863
For islamic banking	20,000,000	50,000,000
	<u>3,624,277,020</u>	<u>2,967,148,863</u>
Surplus / (deficit) (conventional banking and OBU)	<u>234,285,020</u>	<u>93,154,863</u>
Surplus / (deficit) (islamic banking)	<u>8,687,000</u>	<u>41,745,000</u>
Maintained ratio (conventional banking and OBU)	<u>4.28%</u>	<u>4.13%</u>
Maintained ratio (islamic banking)	<u>7.07%</u>	<u>24.23%</u>

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



	2022 Taka	2021 Taka
4.2.3 Statutory Liquidity Ratio (SLR) requirement and maintained (conventional banking and off-shore banking unit)		
Required reserve		
Conventional banking	10,952,473,000	9,177,980,000
Off-shore banking unit	-	-
Total required reserve	<u>10,952,473,000</u>	<u>9,177,980,000</u>
Available for maintenance :		
Cash in hand (including foreign currencies)	890,397,360	839,202,564
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	-	-
Excess of CRR requirement	234,285,020	93,154,863
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	13,879,784,042	15,918,541,635
	<u>15,004,466,422</u>	<u>16,850,899,062</u>
Surplus / (deficit)	<u>4,051,993,422</u>	<u>7,672,919,062</u>
Maintained Ratio	<u>17.81%</u>	<u>23.87%</u>

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

Required reserve	15,555,000	11,351,000
Available for maintenance :		
Cash in hand (including foreign currencies)	3,926,208	15,908,616
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	-	-
Excess of CRR requirement	8,687,000	41,745,000
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	30,000,000	50,000,000
	<u>42,613,208</u>	<u>107,653,616</u>
Surplus / (deficit)	<u>27,058,208</u>	<u>96,302,616</u>
Maintained Ratio	<u>15.07%</u>	<u>52.16%</u>



	2022 Taka	2021 Taka
5. Balance with other banks and financial institutions - Consolidated		
In Bangladesh		
SBAC Bank Limited (note 5.1)	2,612,225,831	7,080,594,333
SBAC Bank Investment Limited	24,374,001	7,118,668
	<u>2,636,599,832</u>	<u>7,087,713,001</u>
Less : Inter company transactions	12,431,157	7,118,668
	<u>2,624,168,675</u>	<u>7,080,594,333</u>
Outside Bangladesh		
SBAC Bank Limited (note 5.1)	278,571,754	291,705,446
SBAC Bank Investment Limited	-	-
	<u>278,571,754</u>	<u>291,705,446</u>
	<u>2,902,740,429</u>	<u>7,372,299,779</u>
5.1 Balance with other banks and financial institutions of the Bank		
In Bangladesh		
Main Operation (note 5.2)	2,825,250,163	7,638,008,901
Off-shore Banking Unit	54,987,907	17,600,989
Less: Inter bank transactions between on-shore banking unit and OBU	(268,012,239)	(575,015,557)
	<u>2,612,225,831</u>	<u>7,080,594,333</u>
Outside Bangladesh		
Main Operation (note 5.2)	278,571,754	291,705,446
	<u>2,890,797,585</u>	<u>7,372,299,779</u>
5.2 Balance with other banks and financial institutions - on-shore banking unit		
In Bangladesh (note 5.3)	2,825,250,163	7,638,008,901
Outside Bangladesh (note 5.4)	278,571,754	291,705,446
	<u>3,103,821,917</u>	<u>7,929,714,347</u>
5.3 In Bangladesh		
Balance with other banks :		
In current deposit accounts with		
Sonali Bank Limited	72,926,045	39,797,215
Dutch Bangla Bank Limited	1,027	1,372
Eastern Bank Limited	13,900,701	8,540,574
	<u>86,827,773</u>	<u>48,339,161</u>
In special notice deposit accounts with		
Janata Bank Limited	148,019,161	109,409,377
Eastern Bank Limited	11,257,764	15,754,105
Sonali Bank Limited	-	84,553,801
Mercantile Bank Limited	406,754	440,230
Bank Asia Limited	26	26
Standard Bank Limited	89,323	89,323
Jamuna Bank Limited	16,840	17,832
Al-Arafah Islami Bank Limited	13,539	14,547
Trust Bank Limited	38,281,426	17,355,415
Union Bank Limited	4,844	7,541
IFIC Bank Limited	17,667	20,083
Rupali Bank Limited	434,215	3,035,218
	<u>198,541,559</u>	<u>230,697,498</u>
In fixed deposit accounts with		
Mutual Trust Bank Limited	-	1,000,000,000
NCC Bank Ltd.	500,000,000	-
Janata Bank Limited	-	1,821,060,000
Sonali Bank Limited	-	2,014,062,500
	<u>500,000,000</u>	<u>4,835,122,500</u>
Balance with financial institutions :		
Phoenix Finance Limited	197,100,000	213,500,000
International Leasing & Financial Services Limited	578,500,000	578,500,000
Industrial & Infrastructure Development Finance Company Limited	23,300,000	78,000,000
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	130,900,000	131,400,000
Union Capital Limited	174,200,000	178,900,000
Bangladesh Finance and Investment Company Limited	200,000,000	213,500,000
Bay Leasing & Investment Limited	-	50,000,000
	<u>1,825,800,000</u>	<u>1,965,600,000</u>
Placement of fund with SBAC Bank Off-shore Banking Unit	214,080,831	558,249,742
	<u>2,825,250,163</u>	<u>7,638,008,901</u>

Management conducted an impairment assessment as on 31st December 2022 and satisfied that no impairment provision is required against any FDR. As per BRPD Circular Letter no. BRPD(P-1)/661/13/2021-12262 dated 27 December 2021, 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	2022			2021		
		Amount in foreign currency	Exchange rate for per unit	Amount in Taka	Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka
Mashreq Bank PSC, New York	USD	611,133	103.30	63,128,233	1,129,302	85.80	96,894,070
AB Bank, Mumbai	ACU	395,064	103.30	40,808,919	755,797	85.80	64,847,347
United Bank of India, Kolkata	ACU	34,717	103.30	3,586,144	6,507	85.80	558,339
National Bank of Pakistan, Tokyo	JPY	1,793,571	0.7720	1,384,637	3,686,947	0.7463	2,751,568
Sonali Bank Ltd. Kolkata	ACU	276,462	103.30	28,557,657	430,144	85.80	36,906,372
Habib American Bank, NY	USD	210,587	103.30	21,752,992	241,363	85.80	20,708,938
Habib Metropolitan Bank Ltd., Karachi	ACU	7,924	103.30	818,482	178,679	85.80	15,330,622
AXIS Bank Ltd., Mumbai	ACU	569,300	103.30	58,807,023	470,956	85.80	40,408,058
Sonali Bank (UK) Ltd.	USD	43,233	103.30	4,465,851	43,233	85.80	3,709,401
Sonali Bank (UK) Ltd.	GBP	6,597	124.27	819,841	16,720	115.71	1,934,679
Sonali Bank (UK) Ltd.	EURO	33,922	109.71	3,721,680	9,846	97.37	958,653
Koomin Bank, Seoul	USD	55,240	103.30	5,706,109	78,058	85.80	6,697,399
Yes Bank Ltd.	ACU	32,970	103.30	3,405,702	-	85.80	-
Aktif Yatirim Bankasi A.S.	EURO	8,775	109.71	962,758	-	97.37	-
Banca UBAE SPA	EURO	370,478	109.71	40,645,726	-	97.37	-
				278,571,754			291,705,446
In demand deposit accounts (interest bearing)				-			-
Total Outside Bangladesh				<u>278,571,754</u>			<u>291,705,446</u>

	2022 Taka	2021 Taka
5.5 Maturity grouping of balance with other banks and financial institutions of the Bank		
On demand	567,499,527	457,511,264
Within one month	798,541,559	3,277,600,000
Within one to three months	330,000,000	1,636,466,015
Within three to twelve months	1,194,756,499	1,965,600,000
Within one to five years	-	-
More than five years	-	-
	<u>2,890,797,585</u>	<u>7,337,177,279</u>
6. Money at call on short notice		
With banks	-	-
With non bank financial institutions	-	-
	<u>-</u>	<u>-</u>



	2022 Taka	2021 Taka
7. Investments in shares & securities - Consolidated		
Government :		
SBAC Bank Limited	14,959,513,358	15,971,113,935
SBAC Bank Investment Limited	-	-
	14,959,513,358	15,971,113,935
Other :		
SBAC Bank Limited	1,993,824,684	1,567,081,922
SBAC Bank Investment Limited	173,225,517	-
	2,167,050,201	1,567,081,922
	17,126,563,559	17,538,195,857
7.1 Investments in shares & securities of the Bank		
Government securities		
Treasury bills		
91-day treasury bills	-	-
182-day treasury bills	-	-
364-day treasury bills	-	123,625,231
30-day Bangladesh Bank bills	-	-
	-	123,625,231
Treasury bonds		
2-Year treasury bonds	-	-
3-Year treasury bonds	-	120,000,000
5-Year treasury bonds	912,414,357	1,096,189,956
10-Year treasury bonds	2,550,177,567	3,046,537,015
15-Year treasury bonds	5,556,038,878	6,589,005,404
20-Year treasury bonds	5,664,821,056	4,718,854,029
Ijarah Sukuk Bond	274,330,000	274,330,000
	14,957,781,858	15,844,916,404
Total treasury bills and bonds	14,957,781,858	15,968,541,635
Prize bonds	1,731,500	2,572,300
Total Government securities	14,959,513,358	15,971,113,935
Other investments (note 7.4)	1,993,824,684	1,567,081,922
	16,953,338,042	17,538,195,857
7.2 Classification of investments in shares & securities of the Bank as per Bangladesh Bank Circular		
Government treasury bills and bonds		
Held for Trading (HFT)	1,984,807,326	4,007,106,430
Held to Maturity (HTM)	11,281,271,058	11,687,105,205
Re-measured	1,417,373,474	-
Ijarah Sukuk Bond	274,330,000	274,330,000
Total treasury bills and bonds	14,957,781,858	15,968,541,635
Prize bonds	1,731,500	2,572,300
Total Government securities	14,959,513,358	15,971,113,935
Other investments (note 7.4)	1,993,824,684	1,567,081,922
	16,953,338,042	17,538,195,857
7.3 Maturity grouping of investments in shares & securities of the Bank		
On demand	1,731,500	2,572,300
Within one month	498,456,171	1,383,500,551
Within one to three months	996,912,342	315,133,461
Within three to twelve months	508,986,862	123,625,231
Within one to five years	1,406,416,773	1,848,323,349
More than five years	13,540,834,394	13,865,040,965
	16,953,338,042	17,538,195,857
7.4 Other investments (Annexure - C)		
In quoted shares	1,388,548,318	1,161,805,141
In quoted mutual funds	101,694,995	101,695,410
In unquoted shares	3,581,371	3,581,371
In preference shares	500,000,000	300,000,000
	1,993,824,684	1,567,081,922



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 2022

Sl. No.	Name of the counterparty	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
1	Bangladesh Bank	26 December 2022	26 March 2023	760,000,000
2	Bangladesh Bank	26 December 2022	02 January 2023	1,718,364,871
3	Bangladesh Bank	27 December 2022	03 January 2023	1,379,776,595
4	Bangladesh Bank	28 December 2022	04 January 2023	2,119,864,368
5	Modhumoti Bank Ltd.	29 December 2022	01 January 2023	246,057,000
6	Commercial Bank of Ceylon	29 December 2022	01 January 2023	506,035,608

7.5.2 Disclosure regarding outstanding Reverse REPO as on 31 December 2022

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

7.5.3 Disclosure regarding overall transactions of REPO and Reverse REPO for the year ended 31 December 2022

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
	Taka	Taka	Taka
Securities sold under repo :			
i) with Bangladesh Bank	360,143,253	2,439,093,672	100,289,335
ii) with other banks & FIs	150,122,313	5,662,320,011	980,974,381
Securities purchased under reverse repo			
i) with Bangladesh Bank	-	-	-
ii) with other banks & FIs	205,680,633	1,444,492,485	71,338,881



	2022 Taka	2021 Taka
8. Loans, advances and lease / investments - Consolidated		
Loans , cash credit, overdrafts etc. / investments :		
SBAC Bank Limited (note 8.1)	76,210,473,378	63,711,064,030
SBAC Bank Investment Limited	343,620,002	-
	76,554,093,380	63,711,064,030
Less : Inter-company transaction	508,679,030	-
	76,045,414,350	63,711,064,030
Bills purchased and discounted :		
SBAC Bank Limited (note 8.1)	1,781,844,637	2,244,617,036
SBAC Bank Investment Limited	-	-
	1,781,844,637	2,244,617,036
	77,827,258,987	65,955,681,066
8.1 Loans, advances, lease and investments of the Bank		
Loans , cash credit, overdrafts etc. / investments (note 8.2) :		
On-shore banking unit	75,989,719,025	63,711,064,030
Off-shore banking unit	220,754,353	-
	76,210,473,378	63,711,064,030
Bills purchased and discounted (note 8.3) :		
On-shore banking unit	1,781,844,637	1,681,406,152
Off-shore banking unit	-	563,210,884
	1,781,844,637	2,244,617,036
	77,992,318,015	65,955,681,066
8.2 Loans , cash credit, overdrafts etc. / investments of the Bank		
In Bangladesh:		
Overdrafts / bai murabaha	21,280,851,367	15,385,656,494
Cash credit / bai murabaha :		
General cash credit / bai murabaha	5,411,595,647	5,190,441,496
Agriculture cash credit / bai murabaha	220,468,407	211,385,828
SME cash credit	9,090,869,778	9,466,854,248
General cash credit under stimulus finance	115,148,570	357,870,952
SME cash credit / bai murabaha under stimulus finance	106,877,819	684,588,011
	14,944,960,221	15,911,140,535
Loans, lease and investments :		
Loans against trust receipt / murabaha post import	1,114,598,227	2,427,975,398
Export packing credit	134,521,005	11,866,506
Payment against document	276,345,060	503,747,883
Time loans	4,263,994,759	3,809,113,593
EDF loans	2,183,323,819	1,795,260,933
Demand loans / murabaha	2,934,018,818	2,381,972,789
Lease finance	653,322,670	642,356,337
House building finance / HPSM real estate	1,118,007,079	853,482,702
General term loans	20,147,847,937	15,341,038,404
SME term loans	4,628,549,783	3,171,782,827
Agriculture term loans	605,893,912	297,398,942
Short term micro credit	811,468,030	236,235,039
Personal loans	81,030,555	84,428,258
Auto loans / HPSM vehicles	73,762,792	44,198,548
Credit Card	307,387,987	245,951,018
Block account for rescheduled loan	81,944,375	39,838,382
Staff loans / HPSM	568,644,982	527,619,442
	39,984,661,790	32,414,267,001
	76,210,473,378	63,711,064,030
Outside Bangladesh		
	76,210,473,378	63,711,064,030
8.3 Bills purchased and discounted of the Bank		
Inside Bangladesh		
Inland bills purchased and discounted	1,732,956,132	1,620,206,771
Outside Bangladesh		
Foreign bills purchased and discounted	48,888,505	624,410,265
	1,781,844,637	2,244,617,036



	2022 Taka	2021 Taka
8.4 Maturity grouping of loans, advances and lease / investments including bills purchased and discounted		
On demand	5,603,805,235	6,690,125,931
Within one month	5,753,294,619	4,932,710,203
Within one to three months	15,465,485,744	16,410,434,970
Within three to twelve months	24,867,445,980	24,108,876,332
Within one to five years	15,221,839,050	11,233,029,134
More than five years	11,080,447,387	2,580,504,496
	77,992,318,015	65,955,681,066
8.5 Loans, advances and lease / investments including bills purchased and discounted are classified into following broad categories		
(a) Loans, advances and lease / investments (note 8.2)		
In Bangladesh		
Loans	39,984,661,790	32,414,267,001
Cash credit	14,944,960,221	15,911,140,535
Overdraft	21,280,851,367	15,385,656,494
	76,210,473,378	63,711,064,030
Outside Bangladesh		
	76,210,473,378	63,711,064,030
(b) Bills purchased and discounted (note 8.3)		
In Bangladesh	1,732,956,132	1,620,206,771
Outside Bangladesh	48,888,505	624,410,265
	1,781,844,637	2,244,617,036
	77,992,318,015	65,955,681,066
8.6 Loans, advances and lease / investments including bills purchased and discounted on the basis of significant concentration		
i. Loans, advances and lease / investments to Directors of the bank	150,531,587	678,198,906
ii. Loans, advances and lease / investments to CEO and other senior executives	398,093,990	314,511,318
iii. Loans, advances and lease / investment to staffs other than in sl. no. ii	170,550,992	213,108,124
iv. Loans, advances and lease / investments to customers' group	77,273,141,446	64,749,862,718
	77,992,318,015	65,955,681,066
iv. Disclosure on large loans		
Disclosure on large loans i.e. loan sanctioned to any individual or enterprise or any organization of a group amounting to 10% or more of the Bank's total capital and classified amount therein and measures taken for recovery of such loan have been furnished as under. Mentionable that, total capital (Tier I + Tier II) of the Bank solo basis was Taka 11,126,531,896 as at 31 December 2022 and Taka 10,834,467,349 as at 31 December 2021.		
(a) Number of the clients to whom loans and advances sanctioned more than 10% of the Bank's total capital	17	17
(b) Amount of outstanding loans and advances to the clients mentioned in iv (a) above	16,519,623,894	12,658,578,591
(c) Amount of classified loans and advances out of the amount mentioned in iv (b) above	-	-
(d) Measures taken for recovery of the amount mentioned in iv (c) above	-	-
8.7 Geographical location-wise loans, advances and lease / investments including bills purchased and discounted		
Urban		
Dhaka Division	48,272,225,082	40,323,404,022
Chattogram Division	7,736,076,808	6,889,061,919
Khulna Division	5,177,938,084	5,028,118,473
Rajshahi Division	2,177,300,101	1,694,899,997
Barishal Division	1,153,067,672	1,168,100,039
Sylhet Division	397,392,906	215,923,179
Rangpur Division	1,620,699,644	1,481,964,938
Mymensingh	177,881,498	29,604,588
	66,712,581,795	56,831,077,155



	2022 Taka	2021 Taka
Rural		
Dhaka Division	4,255,022,907	3,671,380,836
Chattogram Division	2,742,905,721	1,805,450,042
Khulna Division	3,264,513,032	2,962,109,654
Rajshahi Division	103,059,106	30,141,748
Barishal Division	519,297,593	431,506,866
Sylhet Division	290,946,475	139,275,142
Rangpur Division	103,991,386	84,739,623
	11,279,736,220	9,124,603,911
	77,992,318,015	65,955,681,066

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

Agriculture, fisheries and forestry	2,666,821,867	185,607,327
Agro base processing industries	6,001,587,338	5,739,412,839
Small & medium enterprise financing (SMEF)	28,371,555,881	24,415,884,495
RMG & textile industries	8,211,600,726	6,920,200,276
Hospitals, clinics & medical colleges	648,968,310	536,043,894
Trade & commerce	6,166,429,149	5,516,421,904
Transport and communications	566,058,218	326,913,079
Rubber & plastic industries	1,730,206,008	1,022,787,032
Iron, steel & aluminium industries	3,468,343,081	2,963,615,350
Printing & Packaging industries	191,577,128	92,437,523
Other manufacturing industries	7,165,073,470	5,975,787,524
Housing & construction industries	983,401,075	870,941,258
Consumer credit	1,030,987,576	901,086,302
Others	10,789,708,188	10,488,542,263
	77,992,318,015	65,955,681,066

8.9 Broad economic sector-wise segregation of loans, advances and lease / investments including bills purchased and discounted

Government and autonomous bodies	-	-
Other public sector	-	-
Private sector	77,992,318,015	65,955,681,066
	77,992,318,015	65,955,681,066

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

Particulars	Amount of outstanding loans and advances as at 31 December 2022	Base for Provision	Rate	Amount of required provision as at 31 December 2022	Amount of required provision as at 31 December 2021
I) General provision :					
a) Consumer finance	436,168,120	436,168,120	2.00%	8,723,362	7,444,556
b) Staff loans	568,644,982	568,644,982	0.00%	-	-
c) Housing finance	1,145,566,608	1,145,566,608	1.00%	11,455,666	8,703,613
d) Loans to professional	-	-	2.00%	-	-
e) Small & medium enterprise	26,570,313,138	26,570,313,138	0.25%	66,425,783	56,296,574
f) Loans to BH, MB, SD, etc.	1,663,795,890	1,663,795,890	2.00%	33,275,918	20,573,823
g) Agricultural and micro credit	2,666,821,867	2,666,821,867	1.00%	26,668,219	18,560,733
h) Others	40,909,787,443	38,247,835,800	1.00%	382,478,358	349,211,774
i) Special general provision- COVID-19	-	-	1%, 1.5% & 2%	84,793,723	187,183,129
	73,961,098,048	71,299,146,405		613,821,029	647,974,201
II) Specific provision :					
a) Unclassified	-	1,098,625,909	100.00%	1,098,625,909	1,026,375,489
b) Sub-standard (CMS)	19,123,018	5,280,767	5.00%	264,038	167,213.30
c) Sub-standard (other)	108,908,428	64,696,242	20.00%	12,939,248	46,695,590
d) Doubtful (CMS)	475,735,309	123,553,002	20.00%	24,710,600	32,678,953
e) Doubtful (other)	51,242,947	118,647,780	50.00%	59,323,890	71,013,921
f) Bad / loss	3,376,210,265	1,303,909,089	100.00%	1,303,909,089	1,019,231,715
	4,031,219,967	2,714,712,789		2,499,772,775	2,196,162,881
Total provision required	77,992,318,015	74,013,859,194		3,113,593,804	2,844,137,082
Total provision maintained				2,743,593,804	2,397,443,139
Provision to be maintained*				370,000,000	446,693,943
Surplus / (deficit)					



2022
Taka

2021
Taka

* As per Bangladesh Bank letter reference no. DBI-3/132/2022-724 dated 17 April 2023 and external auditors, the Bank's total provision requirement against loans and advances is Tk 311.36 crore. The Department of Off-site Supervision of Bangladesh Bank through letter reference no. DOS (CAMS)1157/41(dividend)/2023-2113 dated 25 April 2023, approved deferral against the deficit provision upto the finalization of financial statements for the year ended 31 December 2023.

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

Unclassified loans and advances

Main Operation

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

72,581,570,838	60,610,640,257
1,158,772,857	920,928,748
73,740,343,695	61,531,569,005

Off-shore Banking Unit

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

220,754,353	563,210,884
-	-
220,754,353	563,210,884
73,961,098,048	62,094,779,889

Classified loans and advances

Main Operation

- Sub-standard
Doubtful
Bad / loss

128,031,446	259,425,115
526,978,256	890,176,693
3,376,210,265	2,711,299,369
4,031,219,967	3,860,901,177

Off-shore Banking Unit

- Sub-standard
Doubtful
Bad / loss

-	-
-	-
-	-

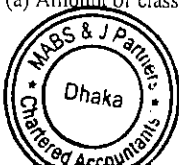
4,031,219,967 **3,860,901,177**

Total

77,992,318,015 **65,955,681,066**

8.12 Particulars of loans, advances and lease / investments including bills purchased and discounted

i) Loans considered good in respect of which the banking company is fully secured	72,913,973,544	57,329,803,104
ii) Loans considered good for which the banking company holds no security other than the debtor's personal guarantee	1,004,813,102	7,631,129,723
iii) Loans considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	4,073,531,369	994,748,239
iv) Loans adversely classified; provision not maintained there against	-	-
	77,992,318,015	65,955,681,066
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other person	719,176,569	1,205,818,348
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	150,531,587	678,198,906
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	719,176,569	1,205,818,348
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	150,531,587	678,198,906
ix) Due from other banking companies	-	-
x) Classified loans and advances :		
(a) Amount of classified loan on which interest/profit not credited to income	4,031,219,967	3,860,901,177



	2022 Taka	2021 Taka
(b) (Decrease)/increase in specific provision during the year	303,609,894	629,395,545
(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	1,303,909,089	1,019,231,715
(f) Amount of interest credited to the interest suspense accounts	1,514,315,563	1,000,624,647
xi) Cumulative amount of the written off loan	-	-
xii) Amount written off in the year	-	-
xiii) Amount of written off loan for which lawsuit has been filed for recovery	-	-

8.13 Bills purchased and discounted

In Bangladesh	1,732,956,132	1,620,206,771
Outside Bangladesh	48,888,505	624,410,265
	<u>1,781,844,637</u>	<u>2,244,617,036</u>

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

Within one month	717,861,544	17,549,366
Within one to three months	473,444,115	1,342,597,889
Within three to six months	262,517,321	874,356,292
More than six months	328,021,657	10,113,489
	<u>1,781,844,637</u>	<u>2,244,617,036</u>

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	168	82%	141	84%
Total Files	205	100%	168	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.



	2022 Taka	2021 Taka
9. Fixed Assets including premises, furniture and fixtures - Consolidated		
SBAC Bank Limited (note 9.1)	1,724,623,028	1,626,642,412
SBAC Bank Investment Limited	18,643,945	-
	<u>1,743,266,973</u>	<u>1,626,642,412</u>
9.1 Fixed Assets including premises, furniture and fixtures of the Bank (Annexure - B)		
Motor vehicles	70,788,653	51,888,653
Machinery and equipments	341,998,488	298,436,443
Furniture and fixtures	111,216,490	98,700,745
Interior decoration	370,375,116	327,597,917
Computers and accessories	441,543,120	404,687,414
Softwares	212,787,651	193,446,651
Other tools	53,125,614	44,642,330
Right of use assets (Lease assets)	1,674,774,555	1,459,393,820
	<u>3,276,609,687</u>	<u>2,878,793,973</u>
Less : Accumulated depreciation	1,551,986,659	1,252,151,561
Net book value	<u>1,724,623,028</u>	<u>1,626,642,412</u>
10. Other Assets - Consolidated		
Income generating other assets		
SBAC Bank Limited	399,600,000	399,600,000
SBAC Bank Investment Limited	375,849,715	358,872,088
	<u>775,449,715</u>	<u>758,472,088</u>
Non-income generating other assets		
SBAC Bank Limited	1,373,043,590	1,188,787,124
SBAC Bank Investment Limited	44,035,912	42,334,007
	<u>1,417,079,502</u>	<u>1,231,121,131</u>
	<u>2,192,529,217</u>	<u>1,989,593,219</u>
Less : Inter-company transaction	778,490,549	759,780,633
Total other assets	<u>1,414,038,668</u>	<u>1,229,812,586</u>
10.1 Other Assets of the Bank		
Investment in shares of SBAC Bank Investment Limited	399,600,000	399,600,000
Advance income tax (note 10.2)	852,437,461	554,589,498
Stock of stationeries and stamps (note 10.3)	18,370,244	14,021,623
Advance rent, advertisement, etc. (note 10.4)	17,518,275	14,380,654
Accrued interest, commission and dividend receivable	324,123,140	396,692,194
Advance and security deposits	4,190,355	4,177,757
Protested bills	20,894,000	-
Central clearing, EFT, NPSB adjustment account	1,411	8,486
Deferred tax asset (note 10.5)	22,474,959	21,757,883
Suspense accounts (note 10.6)	113,033,745	183,159,029
	<u>1,772,643,590</u>	<u>1,588,387,124</u>
10.2 Advance income tax		
Opening balance	554,589,498	1,777,716,153
Add : Paid during the year		
Income tax deducted at source	98,369,414	112,030,725
Advance income tax paid	594,296,600	329,519,328
	<u>692,666,014</u>	<u>441,550,053</u>
	<u>1,247,255,512</u>	<u>2,219,266,206</u>
Less : Adjustment during the year	394,818,051	1,664,676,708
Closing balance	<u>852,437,461</u>	<u>554,589,498</u>
10.2.1 Assessment year wise break up of advance income tax		
2021 - 2022	-	382,844,196
2022 - 2023	584,303,857	171,745,302
2023 - 2024	268,133,604	-
	<u>852,437,461</u>	<u>554,589,498</u>
10.3 Stock of stationeries and stamps		
Stock of printing stationeries	4,847,643	3,643,481
Stock of security stationeries	10,490,344	7,681,525
Stock of stamps	3,032,257	2,696,617
	<u>18,370,244</u>	<u>14,021,623</u>



	2022 Taka	2021 Taka
10.4 Advance rent, advertisement, etc.		
Advance rent	17,518,275	14,380,654
Prepaid advertisement	-	-
	<u>17,518,275</u>	<u>14,380,654</u>
10.5 Deferred tax asset / (liability)		
Opening balance	21,757,883.00	(6,677,739)
Add : Deferred tax income / (expenses) for the year (note 10.5.1)	717,076	28,435,622
	<u>22,474,959</u>	<u>21,757,883</u>
10.5.1 Detailed calculation of deferred tax assets / (liability)		
In terms of instructions contained in BRPD Circular No. 11 dated 12 December 2011 and provision of IAS 12 - Taxation, the detail calculation of deferred tax (assets) / liability of the Bank is furnished as under :		
i) Temporary timing difference in written down value (WDV) of Written down value of fixed assets- Property, plant and equipment as per Tax (Tax Base) as on the balance sheet date	559,504,721	516,779,115
Written down value (carrying amount) of fixed assets -Property, plant and equipment	494,052,710	458,123,452
	<u>65,452,011</u>	<u>58,655,663</u>
ii) Temporary timing difference for right of use assets (tax base nil)	1,230,570,317	1,168,518,962
	<u>(1,165,118,306)</u>	<u>(1,109,863,299)</u>
ii) Temporary timing difference for PV of lease liability (tax base nil)	1,225,051,531	1,167,884,321
Total amount of temporary timing difference in asset /(liability)	<u>59,933,225</u>	<u>58,021,022</u>
Effective tax rate	37.50%	37.50%
Net Deferred tax assets /(liability) at year end	<u>22,474,959</u>	<u>21,757,883</u>
Net Deferred tax assets /(liability) at opening	21,757,883	(6,677,739)
Deferred tax income /(expenses) for the year	<u>717,076</u>	<u>28,435,622</u>
10.6 Suspense accounts		
Sundry debtors	46,295,774	12,066,370
Receivable from Stock Brokers	2,891,216	61,213,629
Application for primary shares	-	23,586,500
Advance for bKash merchant payment	1,022,287	480,663
Advance for SSL merchant payment	-	2,882,621
Receivable for payment against Sanchayapatra (interest & principal encashment)	31,260,221	42,853,074
Receivable against cash incentive on remittance	19,726,272	-
Receivable from remittance houses	2,000,000	-
Advance against expenses	824,681	2,640,242
Advance against fixed assets (note 10.6.1)	6,210,956	31,115,405
Other prepaid expenses	2,802,338	6,320,525
	<u>113,033,745</u>	<u>183,159,029</u>
10.6.1 Advance against fixed assets		
Advance against fixed assets has been made for which final bill has not being received :		
Interior Decoration and Furniture	3,107,588	8,825,370
Software	-	19,740,000
Machineries, equipments and computer accessories	3,103,368	2,550,035
	<u>6,210,956</u>	<u>31,115,405</u>
Above amount represents advance to acquire fixed assets against total commitment of Taka 7,622,017.		
11. Borrowings from other banks, financial institutions and agents - Consolidated		
SBAC Bank Limited (note 11.1)	4,031,548,707	8,763,684,070
SBAC Bank Investment Limited	508,679,030	-
	<u>4,540,227,737</u>	<u>8,763,684,070</u>
Less : Inter-company transaction	508,679,030	-
	<u>4,031,548,707</u>	<u>8,763,684,070</u>
11.1 Borrowings from other banks, financial institutions and agents of the Bank		
On-shore banking unit (note 11.2)	4,031,548,707	8,763,684,070
Off-shore banking unit	213,024,332	557,414,568
Less : Inter bank transactions between on-shore banking unit and OBU	(213,024,332)	(557,414,568)
	<u>4,031,548,707</u>	<u>8,763,684,070</u>



	2022 Taka	2021 Taka
11.2 Borrowings from other banks, financial institutions and agents (on-shore banking unit)		
a) In Bangladesh		
Secured		
Refinance from Bangladesh Bank		
Agro based industries	31,431,510	31,257,683
Green industries	101,352,515	109,890,085
Small enterprise entrepreneurs	4,973,867	370,564
10 Taka account	21,210,636	15,594
Bangladesh Bank stimulus fund	783,777,065	954,364,567
Export Development Fund (EDF)	2,328,803,114	1,794,435,577
Borrowing from Bangladesh Bank - ALS	760,000,000	-
	<u>4,031,548,707</u>	<u>2,890,334,070</u>
Unsecured	-	5,873,350,000
	<u>4,031,548,707</u>	<u>8,763,684,070</u>
b) Outside Bangladesh	-	-
	<u>4,031,548,707</u>	<u>8,763,684,070</u>

As at the reporting date of these financial statements, the Bank had pledged Treasury Bonds amounting total Tk. 1,047,997,816 as security against borrowing from Bangladesh Bank - ALS and balance with Bangladesh Bank (local & foreign currency) against liability of refinance facility availed from Bangladesh Bank under the Agro based industries financing, Green industries financing, Small & Medium Enterprising Financing, 10 Taka Account Fund and Export Development Fund by the Bank. [Note 11.2]

11.2 Residual maturity grouping of borrowings from other banks, financial institutions and agents		
On demand		3,890,000,000
Within one month	920,828,355	2,354,373,109
Within one to three months	1,396,160,965	686,819,167
Within three to twelve months	1,211,909,616	1,633,523,886
Within one to five years	137,816,015	60,196,357
More than five years	364,833,756	138,771,551
	<u>4,031,548,707</u>	<u>8,763,684,070</u>

12. Deposits and other accounts - Consolidated
Current / Al-wadeeah current deposits and other accounts

SBAC Bank Ltd.	9,238,002,337	7,254,803,317
Less : Inter-company transactions	1,566,240	1,308,545
	<u>9,236,436,097</u>	<u>7,253,494,772</u>

Special notice / mudaraba special notice deposits

SBAC Bank Ltd.	4,382,625,127	4,494,632,154
Less : Inter-company transactions	12,431,157	7,118,668
	<u>4,370,193,970</u>	<u>4,487,513,486</u>

Bills payable

SBAC Bank Ltd.	3,197,410,868	2,414,977,923
	<u>3,197,410,868</u>	<u>2,414,977,923</u>

Savings bank / mudaraba savings deposits

SBAC Bank Ltd.	6,920,991,538	5,943,300,533
	<u>6,920,991,538</u>	<u>5,943,300,533</u>

Fixed / mudaraba term deposits

SBAC Bank Ltd.	46,074,316,715	38,491,349,641
Less : Inter-company transactions	375,849,715	358,872,088
	<u>45,698,467,000</u>	<u>38,132,477,553</u>

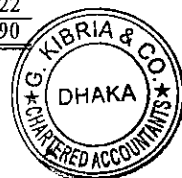
Other deposits

SBAC Bank Ltd.	14,786,087,582	14,462,568,622
SBAC Bank Investment Ltd.	-	-
	<u>14,786,087,582</u>	<u>14,462,568,622</u>

<u>84,209,587,055</u>	<u>72,694,332,889</u>
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12.1 Deposits and other accounts of the Bank

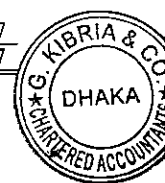
Current / Al-wadeeah current deposits and other accounts (note : 12.2)	9,238,002,337	7,254,803,317
Special notice / mudaraba special notice deposits	4,382,625,127	4,494,632,154
Bills payable	3,197,410,868	2,414,977,923
Savings bank / mudaraba savings deposits	6,920,991,538	5,943,300,533
Fixed / mudaraba term deposits	46,074,316,715	38,491,349,641
Other deposits (note : 12.3)	14,786,087,582	14,462,568,622
	<u>84,599,434,167</u>	<u>73,061,632,190</u>



	2022 Taka	2021 Taka
12.2 Current / Al-wadeeah current deposits and other accounts		
Current / Al-wadeeah current deposits	3,422,801,798	3,035,603,446
Foreign currency deposits (net off inter bank transactions between on-shore banking unit and OBU)	83,936,113	11,142,296
Exporters' retention quota accounts	61,719,714	17,111,860
Foreign currency held against BTB L/Cs	1,319,062,532	870,954,651
Non resident Taka account	7,554,697	8,092,418
Non resident foreign currency account	6,619,050	3,874,395
Resident foreign currency account	12,893,842	3,380,827
Margin against L/Cs	1,860,645,163	1,308,039,729
Margin against L/Gs	1,057,975,227	889,387,836
Margin on Loans	108,046,243	104,490,006
Margin on LDBP	83,400	83,400
Security deposit	26,880,093	25,477,192
Sundry deposits - excise duty	135,981,520	110,431,800
Sundry deposits - local bills	1,045,772	17,411,770
Sundry deposits - Sanchayapatra	6,100,000	2,600,000
Sundry deposits - other	12,088,329	28,655,670
Sundry deposits - foreign correspondents charge	125,830,340	22,689,238
Sundry deposits - risk fund	20,928,822	4,451,495
Sundry deposits - advance installment on Lease	1,967,672	1,967,672
Sundry deposits - Tax Deducted at source	225,319,886	123,170,762
Sundry deposits - VAT collected at source	12,342,547	6,341,906
Sundry deposits - VAT deducted Service Bills	11,357,243	8,803,101
Sundry deposits - card settlement account	16,453,071	30,779,470
Sundry deposits - Mobile App	3,931,815	3,730,638
Interest payable on deposits	696,437,448	616,131,739
	<u>9,238,002,337</u>	<u>7,254,803,317</u>
12.3 Other deposits		
Monthly savings scheme / mudaraba monthly savings deposits	4,550,190,486	3,991,921,493
Monthly Benefit Scheme Deposits	3,995,464,024	4,651,488,561
Lakhpoti Savings Scheme Deposits	197,592,072	206,888,792
Surokha Millionaire Scheme Deposits	1,415,131,893	1,225,079,779
Kotipoti Scheme Deposits	216,426,062	171,635,383
Double Benefit Scheme Deposits	3,734,319,255	3,586,418,322
Triple Benefit Scheme	674,765,568	628,494,085
Mudaraba Hajj deposits	2,198,222	642,207
	<u>14,786,087,582</u>	<u>14,462,568,622</u>
12.4 Segregation of deposits and other accounts		
Other than inter-bank deposits	81,996,966,894	73,059,313,528
Inter-bank deposits (Note 12.5)	2,602,467,273	2,318,662
	<u>84,599,434,167</u>	<u>73,061,632,190</u>
12.5 Details of inter-bank deposits		
In Current Deposit Account		
Mercantile Bank Limited	2,138,596	1,741,319
Trust Bank Limited	418,250	418,250
	<u>2,556,846</u>	<u>2,159,569</u>
In Short Notice Deposit Account		
Janata Bank Limited	160,427	159,093
In Fixed Deposit Account		
NCC Bank Limited	499,950,000	-
One Bank Limited	449,950,000	-
Modhumoti Bank Limited	899,950,000	-
Bengal Commercial Bank Limited	599,950,000	-
Commercial Bank of Cylon	149,950,000	-
	<u>2,599,750,000</u>	<u>-</u>
	<u>2,602,467,273</u>	<u>2,318,662</u>



	2022 Taka	2021 Taka
12.6 Residual maturity grouping of deposits and other accounts		
On demand	2,877,838,387	2,054,729,275
Within one month	9,190,538,115	9,669,928,112
Within one to three months	14,972,877,906	15,098,601,294
Within three to six months	13,890,438,762	13,731,189,593
Within six to twelve months	10,284,412,714	10,183,104,925
Within one to five years	13,099,920,376	10,455,740,287
More than five years	20,283,407,907	11,910,469,562
	<u>84,599,434,167</u>	<u>73,103,763,048</u>
12.7 Unclaimed deposits for ten years and more held by the bank	-	-
12.8 As on the reporting date of these financial statements, there were no valuable items unclaimed for ten years or more held by the bank.		
12.9 Payable on demand and time deposits		
a) Demand deposits		
Current deposits	3,422,801,798	3,035,603,446
Savings deposits (9%)	622,889,238	534,897,048
Foreign currency deposits (non interest bearing)	1,484,231,251	906,464,029
Security deposits	26,880,093	25,477,192
Sundry deposits	4,296,534,498	3,279,166,232
Bills Payable	3,197,410,868	2,414,977,923
	<u>13,050,747,746</u>	<u>10,196,585,870</u>
b) Time deposits		
Savings deposits (91%)	6,298,102,300	5,408,403,485
Fixed deposits	46,074,316,715	38,491,349,641
Special notice deposits	4,382,625,127	4,494,632,154
Deposits under schemes	14,786,087,582	14,462,568,622
Non resident Taka deposits	7,554,697	8,092,418
	<u>71,548,686,421</u>	<u>62,865,046,320</u>
	<u>84,599,434,167</u>	<u>73,061,632,190</u>
12.10 Sector-wise break-up of deposits and other accounts		
Government	2,722,792,710	2,081,908,540
Deposit money banks	2,602,467,273	2,318,662
Other public	10,167,326,304	9,374,105,693
Foreign currency	1,484,231,251	906,464,029
Private	67,622,616,629	60,696,835,266
	<u>84,599,434,167</u>	<u>73,061,632,190</u>
13. Other liabilities - Consolidated		
SBAC Bank Limited (note 13.1)	7,199,371,669	5,724,165,707
SBAC Bank Investment Limited	38,384,462	3,157,724
	<u>7,237,756,131</u>	<u>5,727,323,431</u>
Less : Inter-company transactions	1,474,594	-
	<u>7,236,281,537</u>	<u>5,727,323,431</u>
13.1 Other liabilities of the Bank		
Sundry creditors	16,136,827	10,437,261
Provision for expenses	36,451,919	38,429,305
Central clearing, EFT, NPSB adjustment account	4,296,917	-
Unearned profit (Markup)	5,561,100	2,740,530
Provision for gratuity (note 13.2)	-	-
Provision for taxation (note 13.3)	1,147,727,892	816,756,524
Provision on loans & advances (note 13.4)	2,658,800,081	2,210,260,010
Special general provision - COVID-19 (noter 13.5)	84,793,723	187,183,129
General provision on Off Balance Sheet exposures (note 13.6)	200,695,261	168,396,382
Provision against other assets	20,894,000	-
Provision for rebate to good borrowers (note 13.7)	-	19,000,000
Present value of lease liability (note 13.8)	1,225,051,531	1,167,814,501
Interest suspense account (note 13.9)	1,514,315,563	1,000,624,647
Startup fund (note 13.10)	20,487,780	14,866,773
Provision for diminution in value of investments (note 13.11)	123,434,872	36,403,988
Proposed dividend for 2021	81,603,130	-
Dividend payable	59,121,073	51,252,657
	<u>7,199,371,669</u>	<u>5,724,165,707</u>



	2022 Taka	2021 Taka
13.2 Provision for gratuity		
Opening balance	-	-
Add : Provision made for the period	125,482,240	104,500,000
	<u>125,482,240</u>	<u>104,500,000</u>
Less : transferred to gratuity fund during the period	125,482,240	104,500,000
Closing balance	<u>-</u>	<u>-</u>
13.3 Provision for taxation		
Opening balance	816,756,524	2,017,238,149
Add : Provision made for the year (Note 13.3.2)	725,789,419	464,195,083
	<u>1,542,545,943</u>	<u>2,481,433,232</u>
Less : Adjustment during the year	394,818,051	1,664,676,708
Closing balance	<u>1,147,727,892</u>	<u>816,756,524</u>

13.3.1 Status of income tax assessment

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

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

Particulars	2022		2021	
	%	Taka	%	Taka
Profit before tax as per profit and loss account		1,754,547,475		1,995,767,631
Corporate as per applicable tax rate	37.50%	657,955,303	37.50%	748,412,862
Factors affecting the tax charge for current year :				
Non-deductible and inadmissible expenses	9.82%	172,345,128	19.23%	383,697,356
Admissible expenses	-3.66%	(64,142,368)	-6.20%	(123,724,772)
Tax savings from reduced tax rates	-2.30%	(40,368,644)	-29.52%	(589,087,403)
Effect of deferred tax	-0.04%	(717,076)	-1.42%	(28,435,622)
Prior year provision shortfall as per	0.00%	-	2.25%	44,897,041
Effective tax rate	41.33%	725,072,343	21.83%	435,759,462

13.4 Provision for loans and advances

A. General provision on loans and advances - Main Operation

Opening balance	8,465,020	-
General provision for the year	148,354,742	8,465,020
Provision held at the year end	<u>156,819,762</u>	<u>8,465,020</u>

B. Specific provision against loans and advances - Main Operation

Opening balance	2,196,162,881	1,566,767,336
Less : Fully provided debt written-off (for final settlement)	-	-
Add : Recoveries of amounts previously written-off	-	-
Add : Specific provision for the year	862,318,813	866,353,374
Less : Specific provision no more required as loans	558,708,919	236,957,829
Specific provision against loans and advances for during the year	<u>303,609,894</u>	<u>629,395,545</u>
Add : Net charge to profit and loss account	-	-
Provision held at the end of the year	<u>2,499,772,775</u>	<u>2,196,162,881</u>

C. General provision on loans and advances - OBU

Opening balance	5,632,109	677,308
General provision for the year	(3,424,565)	4,954,801
Provision held at the year end	<u>2,207,544</u>	<u>5,632,109</u>

Total (A + B + C)

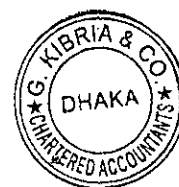
<u>2,658,800,081</u>	<u>2,210,260,010</u>
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General provision (including off balance sheet exposures) for the year

Main operation	148,354,742	8,465,020
Off shore banking unit	(3,424,565)	4,954,801
Off balance sheet exposures	32,298,879	168,396,382
	<u>177,229,056</u>	<u>181,816,203</u>
SBAC Bank Investment Ltd.	3,430,796	-
	<u>180,659,852</u>	<u>181,816,203</u>



	2022 Taka	2021 Taka
13.5 Special general provision - COVID-19 (note 8.10)		
Opening balance	187,183,129	9,513,466
Add : Provision made for the year	-	177,669,663
Less : Provision no more required	(102,389,406)	-
	<u>84,793,723</u>	<u>187,183,129</u>
13.6 Provision for off balance sheet exposures (note 18.4)		
Opening balance	168,396,382	-
Add : Provision made for the year	32,298,879	168,396,382
	<u>200,695,261</u>	<u>168,396,382</u>
13.7 Provision for rebate to good borrowers		
Opening balance	19,000,000	19,000,000
Add : Provision made for the year	-	-
	<u>19,000,000</u>	<u>19,000,000</u>
Less: Transferred to profit as no more required	19,000,000	-
Closing balance	<u>-</u>	<u>19,000,000</u>
<p>Vide BRPD circular letter no.14 dated 18 June 2020, Bangladesh Bank withdrew the provision of mandatory payment of good borrowers' incentive after 30 September 2019. Accordingly, SBAC Bank Ltd reversed all the excess provision made earlier as the Bank has no further obligation to pay good borrower incentives.</p>		
13.8 Present value of lease liability		
<p>The bank recognised lease liability which is present value of lease payments to be made over the lease terms from the date of commencement or 01 January 2020 (initial recognition). The lease payments has been discounted @ 6.00%.</p>		
13.9 Interest suspense account		
Balance as on 1 January	1,000,624,647	617,600,554
Add : Amount transferred to "interest suspense" account during the year	687,141,829	451,285,411
Less : Amount recovered from "interest suspense" account during the year	173,450,913	68,261,318
Less : Amount written-off during the year	-	-
Balance as on 31 December	<u>1,514,315,563</u>	<u>1,000,624,647</u>
13.10 Startup fund		
Opening balance	14,866,773	-
Add : Transferred during the year	5,621,007	14,866,773
	<u>20,487,780</u>	<u>14,866,773</u>
<p>As per SMESPD Circular no. 4 dated 29 March 2021 and SMESPD Circular no. 5 dated 26 April 2021, 1% of net profit after tax has been transferred to the fund.</p>		
13.11 Provision for diminution in value of investments		
Consolidated		
Opening balance	36,403,988	-
Add : Provision made for the year	91,072,365	36,403,988
	<u>127,476,353</u>	<u>36,403,988</u>
Bank (solo)		
Opening balance	36,403,988	-
Add : Provision made for the year	87,030,884	36,403,988
	<u>123,434,872</u>	<u>36,403,988</u>
13.12 Dividend payable		
For 2020	32,421,603	51,252,657
For 2021	26,699,470	-
	<u>59,121,073</u>	<u>51,252,657</u>



	2022 Taka	2021 Taka
14. Share capital		
14.1 Authorized share capital		
1,000,000,000 ordinary shares of Tk. 10/- each	10,000,000,000	10,000,000,000
14.2 Issued, subscribed and paid up share capital		
816,031,337 ordinary shares of Tk. 10/- each	8,160,313,370	7,846,455,170
14.3 Paid up capital		
The paid up capital of the Bank was raised in the following manner :		
From the sponsor shareholders		
By issuing 408,960,000 ordinary shares of Taka 10 each	4,089,600,000	4,089,600,000
From Initial Public Offering		
By issuing 100,000,000 ordinary shares of Taka 10 each	1,000,000,000	1,000,000,000
Stock dividend		
Stock dividend @ 0.06 against 1 existing share of Tk 10 each for the year 2015	245,376,000	245,376,000
Stock dividend @ 0.15 against 1-existing share of Tk 10 each for the year 2016	650,246,400	650,246,400
Stock dividend @ 0.135 against 1 existing share of Tk 10 each for the year 2018	673,005,020	673,005,020
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2018	565,822,740	565,822,740
Stock dividend @ 0.10 against 1-existing share of Tk 10 each for the year 2019	622,405,010	622,405,010
Stock dividend @ 0.04 against 1 existing share of Tk 10 each for the year 2020	313,858,200	-
	8,160,313,370	7,846,455,170

Stock dividend @ 0.01 against 1 existing share of Tk 10 each for the year 2021 i.e. 8,160,313 nos of shares @ Tk 10 each yet to issue.

14.4 Group-wise shareholding position

Particulars	2022			2021		
	No. of shares	Percentage (%) of holding	Taka	No. of shares	Percentage (%) of holding	Taka
Sponsor directors	361,866,272	44.34%	3,618,662,720	393,696,435	50.18%	3,936,964,350
Sponsor shareholders	216,443,628	26.52%	2,164,436,280	182,831,294	23.30%	1,828,312,940
Financial Institutions	120,564,695	14.77%	1,205,646,950	91,337,949	11.64%	913,379,490
Foreign Investors	-	0.00%	-	-	0.00%	-
Non-resident Bangladeshi	1,094,374	0.13%	10,943,740	1,156,537	0.15%	11,565,370
General Shareholders	116,062,368	14.22%	1,160,623,680	115,623,302	14.74%	1,156,233,020
Total	816,031,337	100.00%	8,160,313,370	784,645,517	100.00%	7,846,455,170

14.5 Range-wise shareholdings as on 31 December 2022

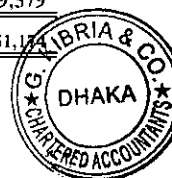
Range of holding of shares	No of share holders	Percentage % of share holding	No of shares	Taka
Less than 500	67,787	1.19%	9,695,225	96,952,250
500 - 5,000	11,363	2.39%	19,499,742	194,997,420
5,001 - 10,000	1,309	1.11%	9,060,074	90,600,740
10,001 - 20,000	823	1.37%	11,162,316	111,623,160
20,001 - 30,000	258	0.77%	6,267,839	62,678,390
30,001 - 40,000	137	0.58%	4,749,656	47,496,560
40,001 - 50,000	85	0.48%	3,911,640	39,116,400
50,001 - 100,000	195	1.58%	12,926,107	129,261,070
100,001 - 1,000,000	115	2.74%	22,319,456	223,194,560
1,000,001 and above	60	87.80%	716,439,282	7,164,392,820
Total	82,132	100.00%	816,031,337	8,160,313,370

14.6 Capital to Risk Weighted Assets Ratio

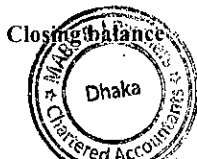
As per Section 13(2) of the Bank Companies Act, 1991 (Amended upto 2018) and instructions contained in BRPD Circular Letter No. 11 dated 14 August 2008, BRPD Circular No. 10 dated 10 March 2010, BRPD Circular No. 35 dated 29 December 2010, BRPD Circular No. 07 dated 31 March 2014, BRPD Circular No. 18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



	2022 Taka	2021 Taka
14.7 Details of capital adequacy ratio are furnished below - Consolidated :		
A. Total common equity Tier - I capital		
Paid up capital	8,160,313,370	7,846,455,170
Statutory reserve	2,204,928,598	1,947,493,989
Retained earnings	390,293,727	704,530,934
Non-controlling (minority) interest	432,182	405,167
	<u>10,755,967,877</u>	<u>10,498,885,260</u>
Less : Regulatory Adjustments	51,908,363	38,527,513
	<u>10,704,059,514</u>	<u>10,460,357,747</u>
B. Additional Tier - I capital		
C. Total Tier - I Capital (A + B)	<u>10,704,059,514</u>	<u>10,460,357,747</u>
D. Tier - II capital		
General provision on unclassified loans and off-balance sheet exposures	444,516,290	369,676,640
50% of Revaluation reserve as on 31 December 2014	22,014,417	22,014,417
	<u>466,530,707</u>	<u>391,691,057</u>
Less : Regulatory Adjustments:		
Revaluation reserve for HFT securities	22,014,417	22,014,417
	<u>444,516,290</u>	<u>369,676,640</u>
E. Total capital (C + D)	<u>11,148,575,804</u>	<u>10,830,034,387</u>
F. Total risk weighted assets (RWA)	<u>80,888,444,375</u>	<u>77,860,410,286</u>
G. Minimum capital requirement (MCR) with Capital Conservation Buffer (CCB) [12.50% of risk weighted assets]	<u>10,111,055,547</u>	<u>9,732,551,286</u>
H. Surplus/(shortfall) of capital (E - G)	<u>1,037,520,257</u>	<u>1,097,483,101</u>
I. Total Exposure	<u>116,460,400,970</u>	<u>103,736,551,174</u>
Capital to risk weighted assets ratio (CRAR) (E/F X 100)	13.78%	13.91%
Common equity Tier-I to risk weighted assets ratio (A/F X 100)	13.23%	13.43%
Tier-I capital to risk weighted assets ratio (C/F X 100)	13.23%	13.43%
Tier-II capital to risk weighted assets ratio (D/F X 100)	0.55%	0.47%
Leverage ratio (C/I X 100)	9.19%	10.08%
14.8 Total risk weighted assets (RWA) - Consolidated		
A. Credit risk weighted assets		
On-Balance Sheet	60,261,423,958	56,778,488,059
Off-Balance Sheet	8,648,023,162	8,495,646,182
	<u>68,909,447,120</u>	<u>65,274,134,241</u>
B. Market risk weighted assets	3,801,743,842	4,924,742,294
C. Operational risk weighted assets	8,177,253,413	7,661,533,751
Total risk weighted assets (RWA)	<u>80,888,444,375</u>	<u>77,860,410,286</u>
14.9 Details of capital adequacy ratio are furnished below - Solo :		
A. Total common equity Tier - I capital		
Paid up capital	8,160,313,370	7,846,455,170
Statutory reserve	2,204,928,598	1,947,493,989
Retained earnings	358,143,419	699,369,062
	<u>10,723,385,387</u>	<u>10,493,318,221</u>
Less : Regulatory Adjustments	41,369,781	28,527,513
	<u>10,682,015,606</u>	<u>10,464,790,708</u>
B. Additional Tier - I capital		
C. Total Tier - I Capital (A + B)	<u>10,682,015,606</u>	<u>10,464,790,708</u>
D. Tier - II capital		
General provision on unclassified loans and off-balance sheet exposures	444,516,290	369,676,640
50% of Revaluation reserve as on 31 December 2014	22,014,417	22,014,417
	<u>466,530,707</u>	<u>391,691,057</u>
Less : Regulatory Adjustments:		
Revaluation reserve for HFT securities	22,014,417	22,014,417
	<u>444,516,290</u>	<u>369,676,640</u>
E. Total capital (C + D)	<u>11,126,531,896</u>	<u>10,834,467,348</u>
F. Total risk weighted assets (RWA)	<u>81,107,973,897</u>	<u>77,701,662,149</u>
G. Minimum capital requirement (MCR) with Capital Conservation Buffer (CCB) [12.50% of risk weighted assets]	<u>10,138,496,737</u>	<u>9,712,707,769</u>
H. Surplus/(shortfall) of capital (E - G)	<u>988,035,159</u>	<u>1,121,759,579</u>
I. Total Exposure	<u>115,491,176,865</u>	<u>103,736,551,174</u>



	2022 Taka	2021 Taka
Capital to risk weighted assets ratio (CRAR) (E/F X 100)	13.72%	13.94%
Common equity Tier-I to risk weighted assets ratio (A/F X 100)	13.17%	13.47%
Tier-I capital to risk weighted assets ratio (C/F X 100)	13.17%	13.47%
Tier-II capital to risk weighted assets ratio (D/F X 100)	0.55%	0.48%
Leverage ratio (C/I X 100)	9.25%	10.09%
14.10 Total risk weighted assets (RWA) - Solo		
A. Credit risk weighted assets		
On-Balance Sheet	60,824,539,340	56,625,520,903
Off-Balance Sheet	8,648,023,162	8,495,646,182
	69,472,562,502	65,121,167,085
B. Market risk weighted assets	3,495,707,620	4,924,742,294
C. Operational risk weighted assets	8,139,703,775	7,655,752,770
Total risk weighted assets (RWA)	81,107,973,897	77,701,662,149
14.11 Non-controlling (Minority) interest		
Share capital	400,000	400,000
Retained earnings	32,182	5,167
	432,182	405,167
15. Statutory reserve		
As per Section 24(1) of the Bank Companies Act, 1991, an amount equivalent to 20% of profit before taxes for the year has been transferred to the statutory reserve fund.		
Opening balance	1,947,493,989	1,753,397,543
Add : Transferred from profit during the year	257,434,609	194,096,446
Closing balance	2,204,928,598	1,947,493,989
16. Other reserve (revaluation reserve on Govt. Securities)		
Opening balance	129,270,472	19,337,962
Add : Amortization / revaluation gain	3,037,186,788	945,699,914
	3,166,457,260	965,037,876
Less : Adjustment of amortization / revaluation gain against sale / maturity	3,101,228,724	835,767,404
Closing balance	65,228,536	129,270,472
16.1 Capital reserve		
Opening balance	-	-
Add : Addition during year	516,704	-
Closing balance	516,704	-
16.2 Foreign currency translation reserve		
Opening balance	251,592	-
Add : Addition during year	7,681,848	251,592
	7,933,440	251,592
Less : Adjustment during the year	-	-
Closing balance	7,933,440	251,592
17. Surplus in profit and loss account - Consolidated		
Opening balance	704,530,934	687,467,724
Less : Cash dividend paid	(244,809,401)	(313,858,214)
Less : Stock dividend issued	(313,858,200)	-
Less : Proposed dividend for 2021	(81,603,130)	-
	64,260,203	373,609,510
Net profit during the year	589,632,859	539,889,810
Less : Transferred to statutory reserve	(257,434,609)	(194,096,446)
Less: Transferred to capital reserve	(516,704)	-
Less: Transferred to start up fund	(5,621,007)	(14,866,773)
	326,060,539	330,926,591
	390,320,742	704,536,101
Less : Non-controlling (Minority) interest	27,015	5,167
Closing balance	390,293,727	704,530,934
17.1 Surplus in profit and loss account of the Bank		
Opening balance	699,369,062	687,467,724
Less : Cash dividend paid	(244,809,401)	(313,858,214)
Less : Stock dividend issued	(313,858,200)	-
Less : Proposed dividend for 2021	(81,603,130)	-
	59,098,331	373,609,510
Net profit during the year	562,100,704	534,722,771
Less : Transferred to statutory reserve	(257,434,609)	(194,096,446)
Less: Transferred to start up fund	(5,621,007)	(14,866,773)
	299,045,088	325,759,552
Closing balance	358,143,419	699,369,062



	2022 Taka	2021 Taka
18. Contingent liabilities - Consolidated SBAC Bank Limited		
Acceptances and endorsements	4,948,539,066	3,444,598,165
Letters of Guarantee (note 18.1)	10,830,648,085	9,111,716,091
Irrevocable letters of credit (note 18.2)	4,290,338,894	4,283,323,907
Bills for collection (note 18.3)	1,712,915,295	1,700,140,692
Other contingent liabilities	-	-
	21,782,441,340	18,539,778,855
SBAC Bank Investment Limited	-	-
	21,782,441,340	18,539,778,855
18.1 Letters of guarantee		
Money for which the bank is contingently liable in respect of guarantees issued favoring:		
Directors	-	-
Government	8,973,485,336	2,485,826,430
Banks and other financial institutions	-	-
Others	1,857,162,749	6,625,889,661
	10,830,648,085	9,111,716,091
18.2 Irrevocable letters of credit		
Local		
Irrevocable letters of credit (sight)	2,177,428,297	1,658,411,965
Irrevocable letters of credit (usance)	20,463,162	39,908,544
Irrevocable letters of credit - back to back	932,425,133	749,648,704
	3,130,316,592	2,447,969,213
Foreign		
Irrevocable letters of credit (sight)	-	-
Irrevocable letters of credit (usance)	798,998,315	1,493,018,210
Irrevocable letters of credit - back to back	361,023,987	342,336,484
	1,160,022,302	1,835,354,694
	4,290,338,894	4,283,323,907
18.3 Bills for collection		
Outward local bills	18,630	8,893,630
Local documentary bills for collection	1,058,725,789	1,057,282,256
Foreign documentary bills for collection	654,170,876	633,964,806
	1,712,915,295	1,700,140,692

18.4 Particulars of required provision on off-balance sheet exposures

Particulars	Base for Provision	Rate (%)	Required provision	
			2022 Taka	2021 Taka
Acceptances and endorsements	4,948,539,066	1.00%	49,485,391	34,445,982
Letters of Guarantee (note 18.1)	10,830,648,085	1.00%	108,306,481	91,117,161
Irrevocable letters of credit (note 18.2)	4,290,338,894	1.00%	42,903,389	42,833,239
Bills for collection (note 18.3)	1,712,915,295	0.00%	-	-
Other contingent liabilities	-	1.00%	-	-
Total	21,782,441,340		200,695,261	168,396,382
Total Provision Maintained			200,695,261	168,396,382
Exces / (Short) provision maintained			-	-



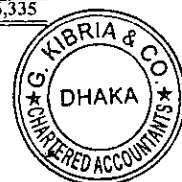
	2022 Taka	2021 Taka
19. Particulars of profit and loss account of the Bank		
Income		
Interest, discount and similar income (note 21.1)	5,883,296,742	5,610,478,463
Dividend income (note 23.1)	79,273,286	39,733,293
Fees, commission and brokerage (note 24.1)	364,461,389	316,602,244
Gains less losses arising from dealing in securities (note 23.1)	-	-
Gains less losses arising from investment securities (note 23.1)	1,609,876,302	1,807,267,001
Gains less losses arising from dealing in foreign currencies (note 24.1)	670,363,560	204,542,645
Income from non-banking assets	-	-
Other operating income (note 25.1)	203,019,563	157,494,148
Profit less losses in interest rate changes	-	-
	8,810,290,842	8,136,117,794
Expenses		
Interest, fee and commission (note 22.1)	4,627,650,279	3,955,954,894
Losses on loans and advances	-	-
Administrative expenses (note 20)	1,838,841,328	1,566,869,171
Other operating expenses (note 35.1)	227,976,077	285,278,928
Depreciation on bank's assets (note 34.1)	361,275,683	332,247,170
	7,055,743,367	6,140,350,163
Profit before provision	1,754,547,475	1,995,767,631
20. Administrative expenses		
Salary and allowances (note 26.1)	1,570,379,086	1,326,068,623
Rent, taxes, insurance, electricity etc. (note 27.1)	165,778,075	146,445,663
Legal & professional expenses (note 28.1)	9,286,850	5,137,563
Postage, stamp, telecommunication etc. (note 29.1)	15,034,133	13,099,216
Stationery, printing, advertisement etc. (note 30.1)	43,110,139	37,892,768
Chief executive's salary and fees (note 31)	11,785,897	13,186,335
Directors' fees and other benefits (note 32.1)	3,040,000	3,760,000
Audit fees (note 33.1)	920,000	575,000
Repair of bank's assets (note 34.1)	19,507,148	20,704,003
	1,838,841,328	1,566,869,171
21. Interest income / profit on investment - Consolidated		
SBAC Bank Limited (note 21.1)	5,883,296,742	5,610,478,463
SBAC Bank Investment Limited	35,200,672	11,563,162
	5,918,497,414	5,622,041,625
Less : Inter company transactions	34,149,334	11,563,162
	5,884,348,080	5,610,478,463
21.1 Interest income / profit on investments of the Bank		
Interest on loans and advances / profit on investments		
Cash credit	1,304,315,440	1,371,217,015
Secured overdraft / bai murabaha	1,476,096,735	1,266,751,913
General overdraft	90,969,008	89,085,011
Local bills purchased	179,455,310	93,277,963
Foreign bills purchased	6,250,758	14,625,571
Import finance / murabaha	255,249,766	316,545,202
Export finance	6,191,789	2,406,376
Other demand loans	697,729,339	526,475,374
Lease finance / HPSM	59,581,648	57,756,687
House building loans / HPSM	83,045,777	55,817,114
General term loans / bai murabaha	1,209,507,565	819,598,335
SME loans / bai murabaha	160,264,959	222,932,246
Consumer credit scheme	6,638,861	4,907,525
Credit card	36,660,209	34,946,983
Agriculture & rural credit / bai murabaha	101,555,025	57,500,875
Staff loans / HPSM	21,994,321	23,305,231
	5,695,506,510	4,957,149,421
Interest on money at call and short notice	2,451,167	723,042
Interest on FDR with other banks and financial institutions	137,884,115	517,929,901
Interest on SND with other banks	15,816,176	111,904,140
	5,851,657,968	5,587,706,504
Interest Income - Off-shore Banking Unit	31,638,774	22,771,959
	5,883,296,742	5,610,478,463
22. Interest / profit paid on deposits, borrowings etc.		
SBAC Bank Limited (note 22.1)	4,627,650,279	3,955,954,894
SBAC Bank investment Limited	13,447,409	-
	4,641,097,688	3,955,954,894
Less : Inter company transactions	34,149,334	11,563,162
	4,606,948,354	3,944,391,732



	2022 Taka	2021 Taka
22.1 Interest / profit paid on deposits, borrowings etc. of the Bank		
Interest / profit paid on deposits		
Savings bank / mudaraba savings deposits	231,261,866	216,054,317
Special notice / mudaraba special notice deposits	122,042,097	102,837,749
Monthly savings schemes / mudaraba monthly savings deposits	520,219,260	445,875,098
Monthly benefit schemes	377,478,626	423,718,820
Special deposit schemes	424,545,885	412,749,486
Fixed /mudaraba term deposits	2,441,255,686	2,093,864,587
	<u>4,116,803,420</u>	<u>3,695,100,057</u>
Interest on call borrowing	35,714,417	62,776,581
Interest on credit lines	76,919,582	40,426,066
Interest on Bangladesh Bank Re-financing facilities	37,842,183	38,676,877
Interest on borrowing under REPO	360,370,677	118,975,313
	<u>4,627,650,279</u>	<u>3,955,954,894</u>
23. Income from investment in shares / securities - Consolidated		
SBAC Bank Limited (note 23.1)	1,689,149,588	1,847,000,294
SBAC Investment Limited	16,162,507	-
	<u>1,705,312,095</u>	<u>1,847,000,294</u>
23.1 Income from investment in shares / securities of the Bank		
Dividend on shares	79,273,286	39,733,293
Income on treasury bills, bonds and debentures		
Interest / profit on treasury bonds	1,613,342,414	1,434,543,319
Interest / profit on treasury bills	23,951,801	736,290
Interest on reverse REPO	10,751,986	3,843,850
Net gains / (loss) on trading of government securities	(134,518,333)	244,605,715
	<u>1,513,527,868</u>	<u>1,683,729,174</u>
Net gains / (loss) on sale of shares	96,348,434	123,537,827
	<u>1,689,149,588</u>	<u>1,847,000,294</u>
24. Commission, exchange and brokerage - Consolidated		
SBAC Bank Limited (note 24.1)	1,034,824,949	521,144,889
SBAC Investment Limited	25,551,497	-
	<u>1,060,376,446</u>	<u>521,144,889</u>
24.1 Commission, exchange and brokerage of the Bank		
Fees, commission and brokerage		
Commission on bills & remittance	5,394,958	5,092,299
Commission on letters of credit	139,918,535	120,765,596
Commission on letters of guarantee	163,174,459	143,757,378
Commission on acceptances	47,806,668	42,003,920
Other commission	8,166,769	4,983,051
	<u>364,461,389</u>	<u>316,602,244</u>
Exchange earnings (net)	670,363,560	204,542,645
	<u>1,034,824,949</u>	<u>521,144,889</u>
25. Other operating income- Consolidated		
SBAC Bank Limited (note 25.1)	203,019,563	157,494,148
SBAC Investment Limited	88,471	-
	<u>203,108,034</u>	<u>157,494,148</u>
Less : Inter company transactions	18,424	1,200
	<u>203,089,610</u>	<u>157,492,948</u>
25.1 Other operating income of the Bank		
Banking service charge	171,984,488	132,563,523
Card operation charge	20,074,167	14,123,431
Locker rent	149,700	93,850
Miscellaneous income	10,811,208	10,713,344
	<u>203,019,563</u>	<u>157,494,148</u>
26. Salaries and allowances - Consolidated		
SBAC Bank Limited (note 26.1)	1,570,379,086	1,326,068,623
SBAC Investment Limited	12,406,365	-
	<u>1,582,785,451</u>	<u>1,326,068,623</u>



	2022 Taka	2021 Taka
26.1 Salaries and allowances of the Bank		
Basic salary	531,207,337	431,227,081
House rent allowance	250,223,368	205,810,069
Conveyance allowance	39,052,901	36,068,176
Medical allowance	63,829,268	55,318,560
Other allowances	244,256,052	205,247,210
Festival bonus	92,072,367	74,518,218
Incentive bonus for previous year	35,039,467	61,370,391
COVID-19 Incentive	-	-
Bank's contribution on provident fund	49,010,343	41,699,989
Gratuity	125,482,240	104,500,000
Casual labourer & wages (gross)	74,556,414	110,308,929
Salary to casual labourer & wages	59,527,125	-
Commission to security service provider	6,122,204	-
	<u>1,570,379,086</u>	<u>1,326,068,623</u>
27. Rent, taxes, insurance, electricity etc. - Consolidated		
SBAC Bank Limited (note 27.1)	165,778,075	146,445,663
SBAC Investment Limited	1,623,250	-
	<u>167,401,325</u>	<u>146,445,663</u>
27.1 Rent, taxes, insurance, electricity etc. of the Bank		
Rent - Office Premises, ATM Booths and other installations	7,540,652	14,484,111
Rates and taxes	41,949,247	33,777,702
Utilities	49,015,186	40,320,963
Insurance	67,272,990	57,862,887
	<u>165,778,075</u>	<u>146,445,663</u>
As per IFRS 16, an entity shall recognize its right-of-use (ROU) asset (i.e. the right to use the office building, branches, service centers, etc.) and a corresponding lease liability. The depreciation of the lease asset (ROU) and the interest on the lease liability is recognized in the profit or loss account over the lease term replacing the previous heading 'lease rent expenses'. Actual rent paid during the year was Taka 250,220,177.		
28. Legal and professional expenses - Consolidated		
SBAC Bank Limited (note 28.1)	9,286,850	5,137,563
SBAC Investment Limited	105,108	21,086
	<u>9,391,958</u>	<u>5,158,649</u>
28.1 Legal and professional expenses of the Bank		
Legal expenses	5,791,912	1,599,492
Professional fees	3,494,938	3,538,071
	<u>9,286,850</u>	<u>5,137,563</u>
29. Postage, stamp, telecommunication etc. - Consolidated		
SBAC Bank Limited (note 29.1)	15,034,133	13,099,216
SBAC Investment Limited	-	-
	<u>15,034,133</u>	<u>13,099,216</u>
29.1 Postage, stamp, telecommunication etc. of the Bank		
Postage	1,812,607	990,837
Telephone, fax etc.	6,831,405	5,963,358
Internet & SWIFT	6,390,121	6,145,021
	<u>15,034,133</u>	<u>13,099,216</u>
30. Stationery, printing, advertisement etc. - Consolidated		
SBAC Bank Limited (note 30.1)	43,110,139	37,892,768
SBAC Investment Limited	303,325	5,800
	<u>43,413,464</u>	<u>37,898,568</u>
30.1 Stationery, printing, advertisement etc. of the Bank		
Office stationery	11,866,603	9,409,954
Printing stationery	13,224,476	11,467,170
Petty stationery	4,784,012	5,197,129
Security stationery	474,429	1,520,067
Advertisement	12,760,619	10,298,448
Publicity- purchase of diary, calendar etc.	-	-
	<u>43,110,139</u>	<u>37,892,768</u>
31. Chief executive's salary and fees of the Bank		
Basic salary	6,075,742	6,000,000
House rent allowance	1,441,936	1,680,000
House maintenance / furnishing allowance	1,155,645	1,200,000
Medical allowance	-	666,335
Bank's contribution on provident fund	570,800	480,000
Festival bonus	1,380,000	960,000
Incentive bonus for previous year	-	1,000,000
Other allowances	1,161,774	1,200,000
	<u>11,785,897</u>	<u>13,186,335</u>



	2022 Taka	2021 Taka
32. Directors' fees - Consolidated		
SBAC Bank Limited (note 32.1)	3,040,000	3,760,000
SBAC Investment Limited	256,000	192,000
	<u>3,296,000</u>	<u>3,952,000</u>
32.1 Directors' fees of the Bank		
Meeting attendance fees	<u>3,040,000</u>	<u>3,760,000</u>
Each director of the bank was paid Tk. 8,000/- per attendance in board meeting and committee meeting held.		
33. Auditors' fees - Consolidated		
SBAC Bank Limited (note 33.1)	920,000	575,000
SBAC Investment Limited	57,500	126,500
	<u>977,500</u>	<u>701,500</u>
33.1 Auditors' fees of the Bank		
Audit fees (annual audit)	800,000	400,000
Audit fees (interim audit)	-	-
Audit fees (provident fund & gratuity fund)	-	100,000
VAT on audit fees	120,000	75,000
	<u>920,000</u>	<u>575,000</u>
34. Depreciation and repairs & maintenance - Consolidated		
SBAC Bank Limited (note 34.1)	380,782,831	352,951,173
SBAC Investment Limited	862,011	-
	<u>381,644,842</u>	<u>352,951,173</u>
34.1 Depreciation and repairs & maintenance of Bank's Assets		
Depreciation / amortization		
Motor vehicles	7,123,260	5,339,019
Machinery and equipments	27,999,500	26,607,101
Furniture & fixtures	10,248,754	8,840,553
Interior decoration	34,230,792	31,688,963
Computer and peripherals	48,476,055	46,050,848
Software	11,982,656	21,246,222
Office tools and accessories	6,444,703	5,431,736
Depreciation on right of use assets (lease assets)	214,769,963	187,042,728
	361,275,683	332,247,170
Repairs & maintenance of bank's assets	19,507,148	20,704,003
	<u>380,782,831</u>	<u>352,951,173</u>
35. Other expenses		
SBAC Bank Limited (note 35.1)	227,976,077	285,278,928
SBAC Investment Limited	5,925,760	2,950,513
	233,901,837	288,229,441
Less : Inter company transactions	18,424	1,200
	<u>233,883,413</u>	<u>288,228,241</u>
35.1 Other expenses of the Bank		
Entertainment expenses	18,012,874	13,480,970
Training & workshop expenses	2,041,418	1,504,660
Travel and daily allowance	7,153,521	3,032,702
Fuel and lubricants expenses - bank's vehicles	2,246,309	1,522,182
Subscriptions to trade associations	14,327,245	5,701,027
Donations	53,510,000	104,500,000
Business promotion and development	9,999,408	5,324,514
Books, magazines & news papers etc.	564,497	459,709
Local conveyance	4,943,792	6,745,121
Cash carrying expenses	4,655,107	3,504,240
Cartage and freight	519,116	326,155
Washing and cleaning	3,098,138	3,202,359
Other bank charges paid	13,476,924	9,347,951
Expenses on AGM	146,268	52,350
Expenses on managers' conference	3,494,674	723,560
Antivirus and other software	12,273,070	23,971,122
Branch & head office inauguration expenses	1,096,162	791,373
Miscellaneous expenses	2,920,427	2,457,112
Expenses on initial public offering	-	37,249,401
Interest on lease liability	73,497,127	61,382,420
	<u>227,976,077</u>	<u>285,278,928</u>



	2022 Taka	2021 Taka
36. Provision for taxation		
Current tax		
SBAC Bank Limited (note 13.3)	725,789,419	464,195,083
SBAC Investment Limited	6,983,966	3,100,224
	<u>732,773,385</u>	<u>467,295,307</u>
Deferred tax		
SBAC Bank Limited (note 10.5.1)	(717,076)	(28,435,622)
SBAC Investment Limited	28,021	-
	<u>(689,055)</u>	<u>(28,435,622)</u>
	<u>732,084,330</u>	<u>438,859,685</u>
37. Increase / (decrease) of other assets of the Bank		
Closing -		
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
Protested bills	20,894,000	-
Investment in subsidiary	399,600,000	399,600,000
	<u>573,608,030</u>	<u>615,347,549</u>
Opening -		
Stock of stationeries and stamps	14,021,623	12,346,104
Advance rent, advertisement, etc.	14,380,654	5,323,818
Advance & Security deposits	4,177,757	4,166,557
Central clearing, EFT, NPSB adjustment account	8,486	-
Suspense accounts	183,159,029	200,741,146
Investment in subsidiary	399,600,000	-
	<u>615,347,549</u>	<u>222,577,625</u>
	<u>(41,739,519)</u>	<u>392,769,924</u>
37.1 Increase / (decrease) of other assets - Consolidated		
Closing -		
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
Protested bills	20,894,000	-
	<u>583,042,130</u>	<u>614,619,637</u>
Opening -		
Stock of stationeries and stamps	14,021,623	12,346,104
Advance rent, advertisement, etc.	14,380,654	5,323,818
Advance & Security deposits	403,049,845	4,166,557
Central clearing, EFT, NPSB adjustment account	8,486	-
Suspense accounts	183,159,029	200,741,146
	<u>614,619,637</u>	<u>222,577,625</u>
	<u>(31,577,507)</u>	<u>392,042,012</u>
38. Increase / (decrease) of other liabilities of the Bank		
Closing -		
Sundry creditors	16,136,827	10,437,261
Central clearing, EFT, NPSB adjustment account	4,296,917	-
Present value of lease liability	1,225,051,531	1,167,814,501
	<u>1,245,485,275</u>	<u>1,178,251,762</u>
Opening -		
Sundry creditors	10,437,261	18,820,547
Central EFT adjustment account	-	4,006,504
Present value of lease liability	1,167,814,501	967,219,909
	<u>1,178,251,762</u>	<u>990,046,960</u>
	<u>67,233,513</u>	<u>188,204,802</u>
38.1 Increase / (decrease) of other liabilities - Consolidated		
Closing -		
Sundry creditors	36,604,720	10,437,261
Central clearing, EFT, NPSB adjustment account	4,296,917	-
Provision for gratuity	596,487	-
Present value of lease liability	1,225,051,531	1,167,814,501
	<u>1,266,549,655</u>	<u>1,178,251,762</u>
Opening -		
Sundry creditors	10,437,261	18,820,547
Central EFT adjustment account	-	4,006,504
Present value of lease liability	1,167,814,501	967,219,909
	<u>1,178,251,762</u>	<u>990,046,960</u>
	<u>88,297,893</u>	<u>188,204,802</u>



	2022 Taka	2021 Taka
39. Reconciliation between Operating profit of the Bank and Cash flows from operating activities of the Bank		
Profit before provision	1,754,547,475	1,995,767,631
Depreciation on fixed assets	361,275,683	332,247,170
(Gain) / loss on sale of fixed assets	-	-
(Increase) / decrease of interest receivable	79,538,114	314,736,920
Increase / (decrease) of interest payable	77,345,628	(90,809,534)
Increase / (decrease) of expenses payable	982,695	(6,794,913)
(Increase) / decrease of dividend receivable	(6,969,060)	(21,706,152)
Advance tax paid	(692,666,014)	(441,550,053)
Gain on Trading of Govt Securities	134,518,333	(244,605,715)
Gain from sale of shares	(96,348,434)	(123,537,827)
Effects of exchange rate changes on cash and cash-equivalent	(919,383,118)	(99,308,180)
Operating profit before changes in operating assets and liabilities	692,841,302	1,614,439,347
Increase / decrease in operating assets and liabilities		
Sale / purchase of trading securities	1,692,745,576	1,457,949,506
Loans and advances to other banks	-	-
Loans and advances to customers	(11,520,125,463)	(8,161,086,974)
Increase / decrease of other assets	41,739,519	(392,769,924)
Deposits from other banks	2,600,148,611	(5,577,582,926)
Deposits from customers	8,857,347,657	7,297,424,630
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	67,233,513	188,204,802
	<u>1,739,089,413</u>	<u>(5,187,860,886)</u>
Net cash from operating activities	2,431,930,715	(3,573,421,539)
39.2 Reconciliation between Operating profit of the Bank and Cash flows from operating activities - Consolidated		
Profit before provision	1,796,563,894	2,004,034,894
Depreciation on fixed assets	362,092,025	332,247,170
(Gain) / loss on sale of fixed assets	-	-
(Increase) / decrease of interest receivable	79,795,809	316,045,465
Increase / (decrease) of interest payable	76,830,238	(93,426,624)
Increase / (decrease) of expenses payable	1,459,691	(6,737,413)
(Increase) / decrease of dividend receivable	(6,969,060)	(21,706,152)
Advance tax paid	(701,724,742)	(442,575,515)
Gain on Trading of Govt Securities	134,518,333	(244,605,715)
Gain from sale of shares	(96,348,434)	(123,537,827)
Effects of exchange rate changes on cash and cash-equivalent	(919,383,118)	(99,308,180)
Operating profit before changes in operating assets and liabilities	726,834,636	1,620,430,103
Increase / decrease in operating assets and liabilities		
Sale / purchase of trading securities	1,519,520,059	1,457,949,506
Loans and advances to other banks	-	-
Loans and advances to customers	(11,355,066,435)	(8,161,086,974)
Increase / decrease of other assets	31,577,507	(392,042,012)
Deposits from other banks	2,600,148,611	(5,577,582,926)
Deposits from customers	8,852,035,169	7,290,305,962
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	88,297,893	188,204,802
	<u>1,736,512,804</u>	<u>(5,194,251,642)</u>
Net cash from operating activities	2,463,347,440	(3,573,821,539)
40.1 Basic Earning per share (EPS) - Consolidated		
a) Net-profit after tax attributable to the shareholders of parent company	589,605,844	539,884,643
b) weighted average number of ordinary shares	816,031,337	727,111,270
Earnings per share (a ÷ b)	<u>0.72</u>	<u>0.74</u>
40.2 Restated Earning per share (EPS) - Consolidated		
a) Net profit after tax attributable to the shareholders of parent company	589,605,844	539,884,643
b) weighted average number of ordinary shares	816,031,337	816,031,337
Earnings per share (a ÷ b)	<u>0.72</u>	<u>0.66</u>
40.3 Basic Earning per share (EPS) of the Bank		
a) Net profit after tax	562,100,704	534,722,771
b) weighted average number of ordinary shares	816,031,337	727,111,270
Earnings per share (a ÷ b)	<u>0.69</u>	<u>0.74</u>
40.4 Restated Earning per share (EPS) of the Bank		
a) Net profit after tax	562,100,704	534,722,771
b) weighted average number of ordinary shares	816,031,337	816,031,337
Earnings per share (a ÷ b)	<u>0.69</u>	<u>0.66</u>





	2022 Taka	2021 Taka
40.5 Current year's financial results i.e. Earning Per Shares (EPS) has been increased by 5.12% over last year. Reasons of such increase in EPS were as follows :		
i) Higher level of fee based income during the year.		
iii) The requirement for maintaining provision against loans and advances and other assets have been lower than that of previous year.		
40.6 Diluted earning per share		
No diluted earning per share is required to be calculated for the year as there was no scope for dilution during these period.		
41.1 Net asset value (NAV) per share - Consolidated		
a) Net asset value attributable to the shareholder of parent company	10,829,214,375	10,628,002,157
b) Number of outstanding shares	816,031,337	727,111,270
Net asset value (NAV) per share (a÷b)	<u>13.27</u>	<u>14.62</u>
41.2 Restated net asset value (NAV) per share - Consolidated		
a) Net asset value attributable to the shareholder of parent company	10,829,214,375	10,628,002,157
b) Number of outstanding shares	816,031,337	816,031,337
Net asset value (NAV) per share (a÷b)	<u>13.27</u>	<u>13.02</u>
41.3 Net asset value (NAV) per share of the Bank		
a) Net asset value	10,796,547,363	10,622,840,285
b) Number of outstanding shares	816,031,337	727,111,270
Net asset value (NAV) per share (a÷b)	<u>13.23</u>	<u>14.61</u>
41.4 Restated net asset value (NAV) per share of the Bank		
a) Net asset value	10,796,547,363	10,622,840,285
b) Number of outstanding shares	816,031,337	816,031,337
Net asset value (NAV) per share (a÷b)	<u>13.23</u>	<u>13.02</u>
42.1 Net operating cash flow per share (NOCFPS) - Consolidated		
a) Net cash flow from operating activities	2,463,347,440	(3,573,821,539)
b) Weighted average number of share	816,031,337	727,111,270
Net operating cash flow per share (a÷b)	<u>3.02</u>	<u>(4.92)</u>
42.2 Restated net operating cash flow per share (NOCFPS) - Consolidated		
a) Net cash flow from operating activities	2,463,347,440	(3,573,821,539)
b) Weighted average number of share	816,031,337	816,031,337
Net operating cash flow per share (a÷b)	<u>3.02</u>	<u>(4.38)</u>
42.3 Net operating cash flow per share (NOCFPS) of the Bank		
a) Net cash flow from operating activities	2,431,930,715	(3,573,421,539)
b) Weighted average number of share	816,031,337	727,111,270
Net operating cash flow per share (a÷b)	<u>2.98</u>	<u>(4.91)</u>
42.4 Restated net operating cash flow per share (NOCFPS) of the Bank		
a) Net cash flow from operating activities	2,431,930,715	(3,573,421,539)
b) Weighted average number of share	816,031,337	816,031,337
Net operating cash flow per share (a÷b)	<u>2.98</u>	<u>(4.38)</u>
42.5 The net operating cash flow has been increased due to substantial deposits by other banks and financial institutions and by customers.		
43. Events after the balance sheet date		
A. Change of name		
The Board of Directors in its 159th meeting held on 28 February 2023 approved to modify the name of the Bank as "SBAC Bank PLC" from "South Bangla Agriculture and Commerce Bank Limited" subject to approval in the General Meeting and competent authorities.		
B. Increase of Authorized Capital		
The Board of Directors in its 159th meeting held on 28 February 2023 approved to increase its authorized capital to Tk. 20,000,000,000 (Taka two thousand crore) divided into 2,000,000,000 (two hundred crore) number of shares subject to approval in the General Meeting and competent authorities.		
C. Issue of stock dividend for the year 2021		
Bangladesh Securities and Exchange Commission through letter ref. no. BSEC/CI/CPLC(Public)-1033/2022-1219 dated 29 March 2023 has given their consent to issue of stock dividend for the year 2021 @ 0.01 against 1 existing share of Tk 10 each i.e. 8,160,313 nos of shares @ Tk 10 each.		
D. Dividend		
The Board of Directors in its 163rd meeting held on 26 April 2023 recommended cash dividend @ 3.50% (three and half percent) for the year 2022. The total amount of dividend is Tk 288,467,078 (Taka twenty eight crore eighty four lac sixty seven thousand seventy eight) only.		



44. Risk Factors and Risk Management

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

45. Disclosure on audit committee of the Board

The Audit Committee of the Board was duly reconstituted by the Board of Directors of the Bank in its 129th meeting held on 31 October 2021 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 2022 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. Abu Zafar Mohammad Shofiuddin	Director	Member	M. Com
Prof. Mohammad Moqbul Hossain	Independent Director	Member	M. Com
Mr. Ziaur Rahman Zia FCA	Independent Director	Member	M. Com

The Audit Committee of the Board convened 05 (five) meetings during the period further in which, among others, the following salient issues were discussed :

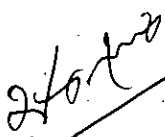
- The Committee reviewed the inspection reports of different branches including divisions of Head Office of the Bank conducted and submitted by the Bank's Internal Control & Compliance Division and Bangladesh Bank and gave necessary instructions to the management for proper and prompt rectification /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


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 1,149 as at 31 December 2022 compared to 997 as at 31 December 2021.

47. General

- Figures appearing in these financial statements have been rounded off to the nearest Taka.
- Figures of 2021 have been rearranged as per current year's presentation.


Chairman


Director


Director


Managing Director & CEO



South Bangla Agriculture and Commerce Bank Limited

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. Abdul Kadir Molla	Chairman	34,821,563 & 4.27%	1. Thermax Textile Mills Ltd.	29.98%	
				2. Thermax Knit Yarn Ltd.	20.00%	
				3. Thermax Spinning Ltd.	60.00%	
				4. Thermax Blended Yarn Ltd.	20.00%	
				5. Indigo Spinning Ltd.	55.00%	
				6. Thermax Melange Spinning Mills Ltd.	60.00%	
				7. Thermax Yarn Dyeing Ltd.	50.00%	
				8. Adury Knit Composite Ltd.	50.00%	
				9. Adury Apparels Ltd.	20.00%	
				10. Thermax Woven Dyeing Ltd.	60.00%	
				11. Thermax Yarn Dyed Fabrics Ltd.	20.00%	
				12. Sister Denim Composite Ltd.	19.00%	
				13. Thermax Check Fabrics Ltd.	60.00%	
				14. Thermax Colour Cotton Ltd.	20.00%	
				15. Sister Garments Ltd.	50.00%	
				16. Sultana Filling Point Ltd.	55.00%	
				17. Adury Fashion & Print Ltd.	60.00%	
				18. Adury Ring Denim Spun Ltd.	20.00%	
				19. Kadir Molla Medical College & Hospital Ltd.	30.00%	
				20. Sultana Enterprise	100.00%	
21. Sister Denim Composite (Unit-2) Ltd.	20.00%					
2	Mr. Mohammed Ayub	Vice Chairman	29,108,427 & 3.57%	1. Ayub & Co. Ltd.	80.00%	
				2. Pioneer Enterprise	100.00%	
				3. United Enterprise	100.00%	
				4. Pacific Enterprise	70.00%	
				5. M/S Ishman Enterprise	20.00%	
3	Mr. Abu Zafar Mohammad Shofiuddin	Director	34,821,563 & 4.27%	1. SQ Wire & Cable Co. Ltd	32.24%	
				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 Engineering Pvt. Ltd.	5.00%	





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	Engr. Md. Moklesur Rahman	Director	34,821,563 & 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%	
				12. PMJ Asset Management	5.00%	
5	Al-Haj Mizanur Rahman	Director	25,168,000 & 3.08%	1. M R Trading Co.	100.00%	
				2. Moon Bangladesh Ltd.	90.00%	
6	Mr. Mohammad Nawaz	Director	21,315,165 & 2.61%	1. Famous Printing & Packaging Ltd.	29.15%	
				2. Famous Iberchem Flavours & Fragnances Ltd.	29.16%	
				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%	
7	Mr. Anwar Hussain	Director	16,416,695 & 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. Astuka CNG Filling Station Ltd.	25.00%	
				5. AGI Corporation	100.00%	
				6. AGI Flex Ltd.	50.00%	
8	Mr. Hafizur Rahman Babu	Director	26,116,172 & 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	80.00%	
9	Ms. Mst. Nasima Begun, Nominated by Thermax Textile Mills Ltd.	Director	0	1. Thermax Textile Mills Ltd.	25.00%	Number of Shares of Thermax Textile Mills Ltd. 34,821,563 & 4.27%
				2. Thermax Knit Yarn Ltd.	20.00%	
				3. Thermax Spinning Ltd.	40.00%	
				4. Thermax Blended Yarn Ltd.	20.00%	
				5. Indigo Spinning Ltd.	45.00%	
				6. Thermax Melange Spinning Mills Ltd.	40.00%	
				7. Thermax Yarn Dyeing Ltd.	50.00%	
				8. Adury Knit Composite Ltd.	50.00%	
				9. Adury Apparels Ltd.	20.00%	
				10. Thermax Woven Dyeing Ltd.	40.00%	
				11. Thermax Yarn Dyed Fabrics Ltd.	20.00%	
				12. Sister Denim Composite Ltd.	19.00%	
				13. Thermax Check Fabrics Ltd.	40.00%	
				14. Thermax Colour Cotton Ltd.	20.00%	
				15. Sultana Filling Point Ltd.	45.00%	
				16. Adury Fashion & Print Ltd.	40.00%	
				17. Adury Ring Denim Spun Ltd.	20.00%	
				18. Kadir Molla Medical College & Hospital Ltd.	25.00%	
				19. Sister Garments Ltd.	50.00%	
				20. Sister Dggin Composite (Unit-2) Ltd.	20.00%	



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
10	Mr. Sk. Shyed-uj-Jaman Nominated by Moonstar Ceramic Industries Ltd.	Director	2,856,568 & 0.35%	1. Mashiyat Fish Firm	100.00%	Number of Shares of Moonstar Ceramic Industries Ltd. 35,600,848 & 4.36%
				2. South East Union Ceramic Industries Ltd.	5.00%	
				3. AB Siddique & Co.	100.00%	
11	Mr. Mohammad Nazmul Huq Nominated by : Techno Electricals Ltd.	Director	0	1. Vicar International	80.00%	Number of Shares of Techno Electricals Ltd. 34,033,150 & 4.17%
				2. Vicar Electricals Ltd.	15.00%	
				3. Vicar Concrete Products	10.00%	
				4. Arrow Tecnology	15.00%	
12	Mr. Mushfiqur Rahman Nominated by : M/S. Contech Construction Ltd.	Director	0	1. Contech Construction Ltd.	27.50%	Number of Shares M/S. Contech Construction Ltd. 34,821,563 & 4.27%
				2. Pre Stressed Pole Ltd.	10.00%	
				3. B&T Cables Ltd.	10.00%	
				4. B&T Cold Storage Ltd.	2.22%	
				5. B&T Development Ltd.	25.00%	
				6. B&T Meter Ltd.	15.00%	
				7. B&T Poles Ltd.	50.00%	
				8. Tushar Ceramics Ltd.	50.00%	
				9. B&T Transformers Ltd.	33.33%	
				10. Nexus Securities Ltd.	40.00%	
				11. BD Game Studio Ltd.	80.00%	
				12. PMJ Asset Management	15.00%	
				13. BD Game Studio	100.00%	
13	Mr. Ziaur Rahman Zia FCA	Independent Director	N/A	A. Qasem & Co., Chartered Accountants	10.00%	
14	Mr. Md. Sajidur Rahman	Independent Director	N/A	1. Indo-Bangla Trading	40.00%	
				2. US-DK Green Energy (BD) Ltd.	5.00%	
				4. Lenden Ltd.	5.00%	
15	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	Nature of Facilities	Outstanding as at 31 Dec 2022	Outstanding as at 31 Dec 2021
Anwar Hussain	Mr. Anwar Hussain	House Building Loan	0.60	0.80
			0.69	-
Mohammad Imran	Brother of Mr. Anwar Hussain	House Building Loan	0.60	0.80
			0.77	-
M.R. Trading Co.	Mr. Md. Mizanur Rahman	SOD (Gen)	12.39	0.15



B. Credit Card issued to directors

Representing Director	Nature of interest in the Bank	Approved limit	Outstanding as at 31 Dec 2022 BDT	Outstanding as at 31 Dec 2022 USD
Mr. Abdul Kadir Molla	Chairman, Board of Directors	1,000,000	Nil	Nil
Mr. Abu Zafar Mohammad Shofiuddin	Member, Board of Directors	1,000,000	1,813 Cr	13 Cr
Engr. Md. Moklesur Rahman	Member, Board of Directors	1,000,000	829,221 Dr	Nil
Al-Haj Mizanur Rahman	Member, Board of Directors	1,000,000	Nil	Nil
Mr. Anwar Hussain	Member, Board of Directors	1,000,000	565 Cr	Nil
Mr. Hafizur Rahman Babu	Member, Board of Directors	1,000,000	Nil	Nil
Ms. Mst. Nasima Begum	Member, Board of Directors	1,000,000	Nil	Nil
Mr. Sk. Shyed-uj-Jaman	Member, Board of Directors	500,000	Nil	Nil
Mr. Mushfiqur Rahman	Member, Board of Directors	1,000,000	6,376 Cr	31 Cr
Mrs. Afroza Sultana	Spouse of Director	1,000,000	8469 Dr	359 Dr
Mrs. Fadia Naz	Spouse of Director	1,000,000	500 Dr	Nil.

v) Lending policies to related parties:

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

vi)

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

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

Nature of contract	Branch Name	Name of the Director and related by	Remarks
Lease agreement	Head Office, Level # 10, Sun Moon Star Tower	Mr. Al-Haj Mizanur Rahman, Member, Board of Directors, SBAC Bank Ltd. and owner of the premises.	Lease period : 12 Years starting from 05 October 2021 Rental space 31,154 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 Ltd.	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.



South Bangla Agriculture and Commerce Bank Limited
Schedule of Fixed Assets
as at 31 December 2022

Particulars	Cost			Accumulated Depreciation			Net book value as at 31 December 2022 Taka
	Balance as at 01 January 2022 Taka	Additions during the period Taka	Disposals during the period Taka	Balance at 31 December 2022 Taka	Charge for the period Taka	On disposal during the period Taka	
Tangible Assets :							
Motor vehicles	51,888,653	18,900,000	-	70,788,653	7,123,260	-	43,378,808
Machinery and equipments	298,436,443	43,562,045	-	341,998,488	27,999,500	-	271,519,295
Furniture and fixtures	98,700,745	12,515,745	-	111,216,490	10,248,754	-	64,178,181
Interior decoration	327,597,917	42,777,199	-	370,375,116	34,230,792	-	190,982,893
Computers and accessories	404,687,414	36,855,706	-	441,543,120	48,476,055	-	311,236,291
Other tools	44,642,330	8,483,284	-	53,125,614	6,444,703	-	37,004,261
Intangible Assets :							
Softwares	193,446,651	19,341,000	-	212,787,651	11,982,656	-	189,482,694
Right of use assets (Lease assets)	1,459,393,820	309,450,307	94,069,572	1,674,774,555	214,769,963	61,440,585	444,204,236
At 31 December 2022	2,878,793,973	491,885,286	94,069,572	3,276,609,687	361,275,683	61,440,585	1,551,986,659
At 31 December 2021	2,511,266,408	458,788,887	91,261,322	2,878,793,973	332,247,170	66,970,143	1,252,151,561

Rate of Depreciation

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

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



South Bangla Agriculture and Commerce Bank Limited
Investment in Shares
As at 31 December 2022

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 2022	Total Market Value
Quoted Shares							
1	ACI Limited	10.00	32,025	9,279,201	289.75	260.20	8,332,905
2	ADN Telecom Limited	10.00	280,000	34,330,276	122.61	114.10	31,948,000
3	Alif Industries Limited	10.00	204,678	11,294,091	55.18	53.40	10,929,805
4	Agni Systems Ltd.	10.00	50,000	1,388,045	27.76	23.00	1,150,000
5	Apex Tannery Limited	10.00	17	2,459	144.62	123.90	2,106
6	British American Tobacco Bangladesh Company Limited	10.00	34,000	19,618,945	577.03	518.70	17,635,800
7	Bangladesh Export Import Company Ltd.	10.00	184,205	27,722,300	150.50	115.60	21,294,098
8	Bangladesh General Insurance Company Ltd.	10.00	46,312	2,863,188	61.82	62.40	2,889,869
9	Beximco Pharmaceuticals Ltd.	10.00	91,838	16,561,642	180.34	146.20	13,426,716
10	The Dacca Dyeing & Manufacturing Co.Ltd.	10.00	24,000	519,302	21.64	17.40	417,600
11	DBH Finance PLC.	10.00	129,203	8,165,604	63.20	57.80	7,467,933
12	Delta Life Insurance Company Ltd.	10.00	416,188	77,220,376	185.54	136.50	56,809,662
13	Dragon Sweater and Spinning Limited	10.00	100,000	1,955,660	19.56	17.00	1,700,000
14	Eastern Insurance Company Ltd.	10.00	144,151	17,645,798	122.41	49.10	7,077,814
15	Grameenphone Ltd.	10.00	14,777	4,999,069	338.30	286.60	4,235,088
16	GPH Ispat Ltd.	10.00	1,031,174	57,140,873	55.41	44.80	46,196,595
17	Genex Infosys Limited	10.00	78,059	11,155,977	142.92	81.00	6,322,779
18	Investment Corporation Of Bangladesh	10.00	3,938	593,962	150.83	87.60	344,969
19	Islami Commercial Insurance Company Limited	10.00	8,798	87,980	10.00	28.10	247,224
20	IDLC Finance Ltd.	10.00	30,000	1,589,598	52.99	46.50	1,395,000
21	IFAD Autos Limited	10.00	151,578	7,447,042	49.13	44.10	6,684,590
22	LafargeHolcim Bangladesh Limited	10.00	326,205	28,743,358	88.11	64.80	21,138,084
23	Linde Bangladesh Limited	10.00	13,000	23,981,173	1,844.71	1,397.70	18,170,100
24	Maksons Spinning Mills Limited	10.00	500,347	16,505,847	32.99	22.30	11,157,738
25	Mozaffar Hossain Spinning Mills Ltd.	10.00	279,718	8,388,407	29.99	26.50	7,412,527
26	Meghna Petroleum Limited	10.00	124,468	27,318,286	219.48	198.60	24,719,345
27	Nahee Aluminum Composite Panel Ltd.	10.00	193,678	14,859,300	76.72	65.30	12,647,173
28	National Credit and Commerce Bank Ltd.	10.00	1,744,301	25,489,471	14.61	13.80	24,071,354
29	Popular Life Insurance Co. Ltd.	10.00	217,866	18,819,069	86.38	65.00	14,161,290
30	Rahima Food Corporation Limited	10.00	51,623	17,832,061	345.43	237.70	12,270,787
31	Robi Axiata Limited	10.00	702,975	30,375,831	43.21	30.00	21,089,250
32	Rangpur Dairy & Food Products Ltd.	10.00	20,000	898,598	44.93	36.20	724,000
33	Sonali Life Insurance Company Limited	10.00	12,626	808,549	64.04	59.60	752,510
34	Sonar Bangla Insurance Ltd.	10.00	517	25,821	49.94	47.60	24,609
35	Simtex Industries Limited	10.00	820,000	20,090,000	24.50	16.80	13,776,000
36	Saiham Cotton Mills Limited	10.00	406,492	6,822,562	16.78	16.40	6,666,469
37	S. Alam Cold Rolled Steels Ltd.	10.00	57,400	2,158,536	37.61	33.30	1,911,420
38	Square Pharmaceuticals Ltd.	10.00	98,893	21,002,450	212.38	209.80	20,747,751
39	Square Textiles Ltd.	10.00	500	35,202	70.40	67.50	33,750
40	Unilever Consumer Care Limited	10.00	3,859	11,381,026	2,949.22	2,849.00	10,994,291
41	National Credit and Commerce Bank Ltd (SEC)	10.00	69,772	1,019,585	14.61	13.80	962,854



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 2022	Total Market Value
42	The City Bank Ltd (ICB Capital)	10.00	25,000	659,093	26.36	21.80	545,000
43	National Credit and Commerce Bank Ltd (ICB Capital)	10.00	91,329	1,371,313	15.02	13.80	1,260,340
Sub-total				590,166,925			471,745,195
Quoted Shares (Special Fund)							
1	aamra technologies limited	10.00	307,065	16,242,111	52.89	40.00	12,282,600
2	The ACME Laboratories Limited	10.00	128,000	11,253,140	87.92	85.00	10,880,000
3	ADN Telecom Limited	10.00	72,897	8,618,850	118.23	114.10	8,317,548
4	Asia Pacific General Insurance Co. Ltd.	10.00	200,000	15,096,000	75.48	41.60	8,320,000
5	Apex Tannery Limited	10.00	42,452	6,208,932	146.26	123.90	5,259,803
6	Aman Feed Limited	10.00	260,051	10,168,462	39.10	33.50	8,711,709
7	ACI Formulations Limited	10.00	50,000	9,244,715	184.89	155.00	7,750,000
8	Bangladesh General Insurance Company Ltd.	10.00	1,036,879	63,291,094	61.04	62.40	64,701,250
9	Beximco Pharmaceuticals Ltd.	10.00	60,000	14,250,558	237.51	146.20	8,772,000
10	Central Insurance Company Ltd.	10.00	292,168	18,275,108	62.55	35.70	10,430,398
11	The City Bank Ltd.	10.00	200,000	5,272,000	26.36	21.80	4,360,000
12	City General Insurance Co. Ltd.	10.00	549,970	27,003,527	49.10	25.90	14,244,223
13	Eastland Insurance Company Ltd.	10.00	200,000	8,958,000	44.79	24.40	4,880,000
14	Grameenphone Ltd.	10.00	50,000	17,618,500	352.37	286.60	14,330,000
15	IDLC Finance Ltd.	10.00	1,082,023	67,485,775	62.37	46.50	50,314,070
16	IFAD Autos Limited	10.00	611,228	29,943,424	48.99	44.10	26,955,155
17	IPDC Finance Limited	10.00	500,000	31,089,900	62.18	57.60	28,800,000
18	Lub-rref (Bangladesh) Limited	10.00	181,170	9,075,705	50.09	36.10	6,540,237
19	LankaBangla Finance Ltd.	10.00	300,000	13,221,000	44.07	26.00	7,800,000
20	Linde Bangladesh Limited	10.00	17,025	30,358,129	1,783.15	1,397.70	23,795,843
21	Mercantile Bank Ltd.	10.00	1,890,000	30,561,300	16.17	13.60	25,704,000
22	Matin Spinning Mills Ltd.	10.00	70,723	5,647,903	79.86	77.60	5,488,105
23	Nahec Aluminum Composite Panel Ltd.	10.00	417,927	32,382,176	77.48	65.30	27,290,633
24	National Credit and Commerce Bank Ltd.	10.00	2,580,245	38,486,418	14.92	13.80	35,607,381
25	National Housing Fin. and Inv. Ltd.	10.00	475,000	29,939,961	63.03	41.80	19,855,000
26	Premier Cement Mills PLC	10.00	70,000	6,349,000	90.70	44.50	3,115,000
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	58.40	5,517,690
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	Sonar Bangla Insurance Ltd.	10.00	13,445	711,219	52.90	47.60	639,982
33	Square Textiles Ltd.	10.00	150,000	10,636,740	70.91	67.50	10,125,000
34	Square Pharmaceuticals Ltd.	10.00	302,049	67,592,525	223.78	209.80	63,369,880
35	Standard Insurance Limited	10.00	375,044	34,564,055	92.16	48.00	18,002,112
36	Summit Power Limited	10.00	944,907	41,585,357	44.01	34.00	32,126,838
37	United Finance Limited	10.00	250,000	4,477,950	17.91	15.80	3,950,000
38	United Commercial Bank Ltd.	10.00	595,123	9,075,626	15.25	13.00	7,736,599
Sub-total				798,381,393			639,490,012
Total Quoted Shares				1,388,548,318			1,111,235,207
Unquoted Shares							
1	SWIFT		6	3,581,371		-	3,581,371
Total unquoted shares				3,581,371			3,581,371



Sl. No.	Name of Company	Face Value	No. Of Share	Total Book Value	Average cost per share	Market value per share as on 31 December 2022	Total Market Value
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 2022	Total Market Value
Preference Shares							
1	Impress-Newtux Composite Textile Limited	10.00	30,000,000	300,000,000		10.00	300,000,000
2	Color City Limited	10.00	20,000,000	200,000,000		10.00	200,000,000
Total preference shares				500,000,000			500,000,000

Mutual Fund (Quoted)

Sl. No.	Name of Company	Face Value	No. of Share	Total Book Value	Average cost per share	Market value per share as on 31 December 2022	Total Market Value	85% of Net Asset Value
1	EBL First Mutual Fund	10.00	4,725,555	45,721,162	9.68	7.40	34,969,107	44,384,775
2	First Janata Bank Mutual Fund	10.00	4,400,000	40,994,360	9.32	6.10	26,840,000	41,252,200
3	Reliance One the first scheme of Reliance Insurance Mutual Fund	10.00	1,205,378	14,979,473	12.43	10.30	12,415,393	11,044,879
Total Mutual Fund				101,694,995			74,224,500	96,681,854
Total Investments in Shares				1,993,824,684			1,689,041,078	

Calculation of required provision against investment in shares :

Sl. No.	Particulars	Cost Value	Value Considered for Maintaining Provision	Required Provision	Remarks
1	Quoted shares	590,166,925	471,745,195	118,421,729.80	
2	Quoted shares (Special Fund)	798,381,393	639,490,012	-	No provision required as per DOS Circular No. 01 dated 10 February 2020.
3	Mutual fund	101,694,995	96,681,854	5,013,141.52	Considered 85% of net assets value as per DOS Circular No. 03 dated 12 March 2015 & DOS Circular no. 10 dated 28 June 2015.
4	Unquoted shares	3,581,371	3,581,371	-	
5	Preference shares	500,000,000	500,000,000	-	
Total		1,993,824,684		123,434,871	



Annexure - D

South Bangla Agriculture and Commerce Bank Limited
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 2022		Total
		Funded	Non Funded	
1	Mahabub Brothers (Pvt.) Ltd.	171.36	36.75	208.11
2	Alpha Accessories & Agro Export Ltd.	171.92	1.06	172.98
3	Ahsan Group	172.17	-	172.17
4	Nassa Group	83.27	9.74	93.01
5	Noman Group	76.67	-	76.67
6	Masihata Sweaters Limited	78.25	120.02	198.27
7	M/S Majumder Traders	13.39	11.93	25.32
8	CSS Corporation (BD) Limited	92.96	-	92.96
9	M/S Al-Amin Poultry Feed, M/S NR Trading and M/S Al-Amin Agrovate	117.15	9.42	126.57
10	Sears Limited	115.99	3.22	119.21
11	Nitol Niloy Group	50.02	-	50.02
12	ARC Construction Company	127.52	42.64	170.16
13	T.K. Group	4.36	22.20	26.56
14	Provita Feed Ltd.	100.42	25.67	126.09
15	Habib Group	125.39	-	125.39
16	Aman Group	120.75	-	120.75
17	GPH Ispat Ltd.	30.38	2.09	32.47
	Total	1651.97	284.74	1936.71



Annexure - E

South Bangla Agriculture and Commerce Bank Limited
Financial Reporting by Segments
For the year ended on 31 December 2022

j) 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	5,830,635,701	21,022,267	31,638,774	-	5,883,296,742	35,200,672	34,149,334	5,884,348,080	
Interest / profit paid on deposits, borrowings etc.	(4,610,429,141)	(17,221,138)	-	-	(4,627,650,279)	(13,447,409)	(34,149,334)	(4,606,948,354)	
Net interest income	1,220,206,560	3,801,129	31,638,774	-	1,255,646,463	21,753,263	-	1,277,399,726	
Income from investment in shares / securities	1,686,990,894	2,158,694	-	-	1,689,149,588	16,162,507	-	1,705,312,095	
Commission, exchange and brokerage	1,034,401,503	423,446	-	-	1,034,824,949	25,551,497	-	1,060,376,446	
Other operating income	202,689,539	330,024	-	-	203,019,563	88,471	18,424	203,089,610	
Total operating income	4,144,288,496	6,713,293	31,638,774	-	4,182,640,563	63,555,738	18,424	4,246,177,877	
Salary and allowances	(1,569,296,881)	(1,082,205)	-	-	(1,570,379,086)	(12,406,365)	-	(1,582,785,451)	
Rent, taxes, insurance, electricity etc.	(165,778,075)	-	-	-	(165,778,075)	(1,623,250)	-	(167,401,325)	
Legal and professional expenses	(9,286,850)	-	-	-	(9,286,850)	(105,108)	-	(9,391,958)	
Postage, stamp, telecommunication etc.	(15,034,133)	-	-	-	(15,034,133)	-	-	(15,034,133)	
Stationery, printing, advertisement etc.	(42,880,650)	(229,489)	-	-	(43,110,139)	(303,325)	-	(43,413,464)	
Chief executive's salary and fees	(11,785,897)	-	-	-	(11,785,897)	-	-	(11,785,897)	
Directors' / Shariah supervisory committee's fees	(2,984,000)	(56,000)	-	-	(3,040,000)	(256,000)	-	(3,296,000)	
Auditors' fees	(920,000)	-	-	-	(920,000)	(57,500)	-	(977,500)	
Charges on loan losses	-	-	-	-	-	-	-	-	
Depreciation and repair of bank's assets	(380,115,158)	(667,673)	-	-	(380,782,831)	(862,011)	-	(381,644,842)	
Other expenses	(227,976,077)	-	-	-	(227,976,077)	(5,925,760)	(18,424)	(233,883,413)	
Total operating expenses	(2,426,057,721)	(2,035,367)	-	-	(2,428,093,088)	(21,539,319)	(18,424)	(2,449,613,983)	
Profit before provision	1,718,230,775	4,677,926	31,638,774	-	1,754,547,475	42,016,419	-	1,796,563,894	
Provision for loans and advances / investments	(357,887,568)	(288,435)	(3,424,565)	-	(378,449,544)	(3,430,796)	-	(381,880,340)	
Other provision	(88,924,884)	-	-	-	(88,924,884)	(4,041,481)	-	(92,966,365)	
Total provision	(446,812,452)	(288,435)	(3,424,565)	-	(467,374,428)	(7,472,277)	-	(474,846,705)	
Total Profit before taxes	1,271,418,323	4,389,491	28,214,209	-	1,287,173,047	34,544,142	-	1,321,717,189	
Provision for taxation	(725,222,343)	-	-	-	(725,072,343)	(7,011,987)	-	(732,084,330)	
Net profit after taxation	546,195,980	4,389,491	28,214,209	-	562,100,704	27,532,155	-	589,632,859	



ii) Business segment balance sheet

Particulars	Bank (Solo)						SBAC Bank Investment Ltd.	Inter company transaction	Consolidated
	On-shore Banking (Conventional)	Islamic Banking Window	Off-shore Banking Unit	Inter transaction between units	Total				
Assets									
Cash in hand (Including foreign currencies)	983,564,360	3,926,208	-	-	987,490,568	13,594	-	987,504,162	
Balance with Bangladesh Bank and its agent bank(s)	4,285,691,078	20,000,000	-	-	4,305,691,078	-	-	4,305,691,078	
Balance with other banks and financial institutions	3,103,821,917	-	54,987,907	(268,012,239)	2,890,797,585	24,374,001	12,431,157	2,902,740,429	
Money at call on short notice	-	-	-	-	-	-	-	-	
Investments in shares & securities	16,923,338,042	30,000,000	-	-	16,953,338,042	173,225,517	-	17,126,563,559	
Loans, advances and lease / investments	77,476,450,130	295,113,533	220,754,353	-	77,992,318,015	343,620,002	508,679,030	77,827,258,987	
Fixed assets	1,718,754,341	5,868,687	-	-	1,724,623,028	18,643,945	-	1,743,266,973	
Other assets	1,755,847,286	16,796,304	-	-	1,772,643,590	419,885,627	778,490,549	1,414,038,668	
Non-banking assets	-	-	-	-	-	-	-	-	
TOTAL ASSETS	106,247,467,153	371,704,732	275,742,260	(268,012,239)	106,626,901,906	979,762,686	1,299,600,736	106,307,063,856	
Liabilities									
Borrowings from other banks, FIs and agents	4,031,548,707	-	213,024,332	(213,024,332)	4,031,548,707	508,679,030	508,679,030	4,031,548,707	
Deposits and other accounts	84,295,441,086	358,980,988	-	(54,987,907)	84,599,434,167	-	389,847,112	84,209,587,055	
Subordinated bonds	-	-	-	-	-	-	-	-	
Other liabilities	7,107,723,085	9,351,058	2,207,544	-	7,199,371,669	38,384,462	1,474,594	7,236,281,537	
TOTAL LIABILITIES	95,434,712,877	368,332,046	215,231,876	(268,012,239)	95,830,354,543	547,063,492	900,000,736	95,477,417,299	
Total shareholders' equity	10,812,754,276	3,372,686	60,510,383	-	10,796,547,363	432,699,194	399,600,000	10,829,646,557	
TOTAL LIABILITIES & EQUITY	106,247,467,154	371,704,732	275,742,260	(268,012,239)	106,626,901,906	979,762,686	1,299,600,736	106,307,063,856	



South Bangla Agriculture and Commerce Bank Limited
Consolidated Financial Highlights on the overall activities of the bank
For the year ended 31 December 2022

(Amount in Tk.)

Sl. No.	Particulars	2022	2021
01	Paid up capital	8,160,313,370	7,846,455,170
02	Total regulatory capital (Tier I +II)	11,148,575,804	10,830,034,387
03	Capital surplus/(deficit)	1,037,520,257	1,097,483,101
04	Total assets	106,307,063,856	97,813,747,714
05	Total deposits	84,209,587,055	72,694,332,889
06	Total loans and advances	77,827,258,987	65,955,681,066
07	Total contingent liabilities and commitments	21,782,441,340	18,539,778,855
08	Advance deposits ratio (%) - Traditional Banking*	86.80%	83.69%
09	Advance deposits ratio (%) - Islamic Banking*	81.70%	23.88%
10	Classified loans to advance ratio (%)	5.18%	5.85%
11	Profit after tax and provision	589,632,859	539,889,810
12	Classified loans and advances at the end of the year	4,031,219,967	3,860,901,177
13	Provision kept against classified loans and advances	2,499,772,775	2,196,162,881
14	Surplus/(deficit) provision against loans and advances	(370,000,000)	(446,693,943)
15	Cost of fund including operating cost (%)	8.10%	8.41%
16	Interest earning assets	91,279,893,937	85,097,313,822
17	Non interest earning assets	15,027,169,919	12,716,433,892
18	Return on investments (ROI) [Income from Investment/ Average Investments]	9.84%	12.11%
19	Return on Assets (ROA) [PAT/Average assets]	0.58%	0.58%
20	Return on Equity (ROE) [PAT/Average shareholders equity]	5.50%	5.42%
21	Net Asset Value per Share (NAV) [Shareholders equity/No. of Ordinary Share]	13.27	13.02
22	Income from investments	1,705,312,095	1,847,000,294
23	Earnings per share	0.72	0.66
24	Net income per share	0.72	0.66
25	Price - earnings ratio (times)	14.67	22.97

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



South Bangla Agriculture and Commerce Bank Limited
Highlights on the overall activities of the bank
For the year ended 31 December 2022

(Amount in Tk.)

Sl. No.	Particulars	31 December 2022	31 December 2021
01	Paid up capital	8,160,313,370	7,846,455,170
02	Total capital (Tier I +II)	11,126,531,896	10,834,467,348
03	Capital surplus/(deficit)	988,035,159	1,121,759,579
04	Total assets	106,626,901,906	98,172,322,252
05	Total deposits	84,599,434,167	73,061,632,190
06	Total loans and advances	77,992,318,015	65,955,681,066
07	Total contingent liabilities and commitments	21,782,441,340	18,539,778,855
08	Advance deposits ratio (%) - Traditional Banking*	86.80%	83.69%
09	Advance deposits ratio (%) - Islamic Banking*	81.70%	23.88%
10	Classified loans to advance ratio (%)	5.17%	5.85%
11	Profit after tax and provision	562,100,704	534,722,771
12	Classified loans and advances at the end of the year	4,031,219,967	3,860,901,177
13	Provision kept against classified loans and advances	2,499,772,775	2,196,162,881
14	Surplus/(deficit) provision against loans and advances	(370,000,000)	(446,693,943)
15	Cost of fund including operating cost (%)	8.10%	8.41%
16	Interest earning assets	91,444,952,965	85,097,313,822
17	Non interest earning assets	15,181,948,941	13,075,008,430
18	Return on investments (ROI) [Income from Investment/ Average Investments]	9.79%	12.11%
19	Return on Assets (ROA) [PAT/Average assets]	0.55%	0.57%
20	Return on Equity (ROE) [PAT/Average shareholders equity]	5.24%	5.36%
21	Net Asset Value per Share (NAV) [Shareholders equity/No. of Ordinary Share]	13.23	13.02
22	Income from investments	1,689,149,588	1,847,000,294
23	Earnings per share	0.69	0.66
24	Net income per share	0.69	0.66
25	Price - earnings ratio (times)	15.39	23.20

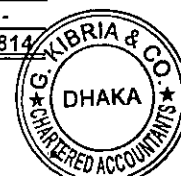
* Advance deposit ratio calculation is made as per Bangladesh Bank guidelines.



South Bangla Agriculture and Commerce Bank Limited
Islamic Banking Windows
Balance Sheet
As at 31 December 2022

	Notes	2022 Taka	2021 Taka
PROPERTY AND ASSETS			
Cash in hand			
Cash in hand (including foreign currencies)	3	3,926,208	15,908,616
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4	20,000,000	51,113,875
		23,926,208	67,022,491
Balance with other banks and financial institutions			
In Bangladesh	5	-	-
Outside Bangladesh		-	-
Placement with banks & other financial institutions			
Investments in shares & securities	6	-	-
Government	7	30,000,000	50,000,000
Others		-	-
		30,000,000	50,000,000
Investments			
General investments etc.	8	295,113,533	78,794,284
Bills purchased and discounted		-	-
		295,113,533	78,794,284
Fixed assets including premises, furniture and fixtures	9	5,868,687	286,360
Other assets	10	16,796,304	136,440,740
Non - banking assets		-	-
Total assets		371,704,732	332,543,875
LIABILITIES AND CAPITAL			
Liabilities			
Placements from other banks, financial institutions			
Deposits and other accounts	11	-	-
Mudaraba savings deposits	12	35,322,970	31,865,267
Mudaraba term deposits		270,840,742	258,234,125
Al-wadeeah current deposits and other deposit accounts		17,724,561	27,304,079
Mudaraba special notice deposits		23,557,573	11,140,342
Bills payable		132,898	333,616
Other deposits		11,402,244	642,207
		358,980,988	329,519,636
Other liabilities	13	9,351,058	3,992,564
Total liabilities		368,332,046	333,512,200
Capital / Shareholders' equity			
Paid up capital		-	-
Statutory reserve		-	-
Revaluation gain / (loss) on investments		-	-
Revaluation reserve		-	-
Other reserve		-	-
Surplus in profit and loss account / Retained earnings	14	3,372,686	(968,325)
Total Shareholders' equity		3,372,686	(968,325)
Total liabilities and Shareholders' equity		371,704,732	332,543,875
OFF- BALANCE SHEET EXPOSURE			
Contingent liabilities			
Acceptances and endorsements	15	-	-
Letters of guarantee		10,683,000	27,995,612
Irrevocable letters of credit		-	26,995,202
Bills for collection		-	-
Other contingent liabilities		-	-
		10,683,000	54,990,814
Other commitments			
Documentary credits and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities , credit lines and other commitments		-	-
Other commitments		-	-
Total Off-Balance Sheet exposure including contingent liabilities		10,683,000	54,990,814

Total Off-Balance Sheet exposure including contingent liabilities



South Bangla Agriculture and Commerce Bank Limited
Islamic Banking Windows
Profit and Loss Account
For the period ended 31 December 2022

	Notes	2022 Taka	2021 Taka
Investment income	16	21,022,267	1,150,327
Profit paid on deposits	17	17,221,138	1,303,569
Net investment income		3,801,129	(153,242)
Income from investment in shares / securities	18	2,158,694	697,111
Commission, exchange and brokerage	19	423,446	794,388
Other operating income	20	330,024	138,419
Total operating income (A)		6,713,293	1,476,676
Salaries and allowances	21	1,082,205.0	368,760
Rent, taxes, insurance, electricity, etc.		-	-
Legal expenses		-	-
Postage, stamp, telecommunication, etc.		-	-
Stationery, printing, advertisements, etc.	22	229,489.0	862,739
Chief Executive's salary and fees		-	-
Directors' fees & expenses		-	-
Auditor's fees		-	-
Shariah supervisory committee's fees and expenses	23	56,000.0	112,000
Depreciation and repair of Bank's assets	24	667,673.0	21,036
Zakat expenses		-	-
Other expenses	25	13,072.0	76,733
Total operating expenses (B)		2,048,439	1,441,268
Profit / (loss) before provision and tax (C=A-B)		4,664,854	35,408
Provision for investments			
General provision	13.1	731,513	453,825
Specific provision		-	-
Provision for Off Balance sheet item	13.2	731,513	453,825
Provision for diminution in value of investments		(443,078)	549,908
Total provision (D)		288,435	1,003,733
Total profit before taxes (C-D)	14	4,376,419	(968,325)



South Bangla Agriculture and Commerce Bank Limited
Islamic Banking Windows
Cash Flow Statement
For the period ended 31 December 2022

	2022 Taka	2021 Taka
A) Cash flows from operating activities		
Investment income receipt in cash	21,022,267	1,150,327
Profit paid on deposits	(15,358,890)	(1,109,309)
Dividend receipts	-	-
Income from investments in shares and securities	2,070,430	684,226
Recoveries on investments previously written-off	-	-
Fees and commission receipts in cash	423,446	794,388
Cash payments to employees	(1,138,205)	(480,760)
Cash payments to suppliers	(229,489)	(874,461)
Income taxes paid	(58,625)	(58,625)
Receipts from other operating activities	330,024	138,419
Payments for other operating activities	(13,072)	(76,733)
Cash generated from operating activities before changes in operating assets and liabilities	7,047,886	167,472
Increase / (decrease) in operating assets and liabilities		
Net proceeds from trading securities	-	-
Investments to other banks	-	-
Investments to customers	(213,498,679)	(76,053,754)
Increase / decrease of other assets	119,791,325	(136,369,230)
Deposits from other banks	-	-
Deposits from customers	29,461,352	329,519,636
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	387,241	54,041
	(63,858,761)	117,150,693
Net cash flow from operating activities	(56,810,875)	117,318,165
B) Cash flows from investing activities		
Proceeds from sale of Government securities	80,000,000	-
Payments for Purchase of Government securities	(60,000,000)	(50,000,000)
Purchase of property, plant and equipment	(6,250,000)	(295,674)
Sale proceeds of property, plant and equipment	-	-
Net cash flow from investing activities	13,750,000	(50,295,674)
C) Cash flows from financing activities		
Borrowing from other banks, financial institutions and agents	-	-
Dividends paid / Profit transferred	(35,408)	-
Receipts from issue of ordinary share	-	-
Net Cash flow from financing activities	(35,408)	-
D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)	(43,096,283)	67,022,491
E) Effects of exchange rate changes on cash and cash equivalents		-
F) Cash and cash equivalents at beginning of the year	67,022,491	-
G) Cash and cash equivalents at end of the year (D+E+F)	23,926,208	67,022,491
Cash and cash equivalents at end of the year		
Cash in hand (including foreign currencies)	3,926,208	15,908,616
Prize bond	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	20,000,000	51,113,875
	23,926,208	67,022,491



South Bangla Agriculture and Commerce Bank Limited
Islamic Banking Windows
Statement of Changes in Equity
For the period ended 31 December 2022

Particulars	Amount in Taka				
	Paid-up Capital	Statutory reserve	Revaluation reserve	Retained earnings	Total
Balance as at 01 January 2022	-	-	-	(968,325)	(968,325)
Prior period adjustment	-	-	-	-	-
Net profit for the year	-	-	-	4,376,419	4,376,419
Transfer to statutory reserve	-	-	-	-	-
Revaluation of Govt. treasury bills, bonds and other investments	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Balance as at 31 December 2022	-	-	-	3,408,094	3,408,094
Balance as at 31 December 2021	-	-	-	(968,325)	(968,325.00)



South Bangla Agriculture and Commerce Bank Limited
Islami Banking Windows
Notes to the Financial Statements
as at and 31 December 2022

01 Islami Banking Wing and its activities

Status

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

Principal activities

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

02 Significant accounting policies

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

02.01 Going concern

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

02.02 Reporting period

As per IFRS and Bangladesh Bank guidelines the financial statements of the IBW cover one calendar year from 01 January to 31 December. However, the comparative position of these financial statements cover the period from 05 July 2021 to 31 December 2021.

02.03 Revenue

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

02.04 Investment Income

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

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

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

02.05 Sharing of investment income

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

02.06 Income on Investments in Securities

Income on investments in securities is recognised on accrual basis.

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

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

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

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

02.08 Profit shared on deposits

Profit on deposits are recognized on accrual basis.

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



	2022 Taka	2021 Taka
3. Cash in hand		
In hand		
In local currency	3,926,208	15,908,616
In foreign currency	-	-
	<u>3,926,208</u>	<u>15,908,616</u>
4. Balance with Bangladesh Bank and its agents		
Balance with Bangladesh Bank		
In local currency	20,000,000	51,113,875
In Foreign currency	-	-
	<u>20,000,000</u>	<u>51,113,875</u>
Balance with Sonali Bank (as agent of Bangladesh Bank)- local currency	-	-
	<u>20,000,000</u>	<u>51,113,875</u>
4.1.1 Cash Reserve Requirement (CRR) : 4.00% of average demand and time liabilities		
Required reserve	11,313,000	8,255,000
Actual reserve maintained		
Balance with Bangladesh Bank - local currency	20,000,000	50,000,000
Surplus / (deficit)	<u>8,687,000</u>	<u>41,745,000</u>
Maintained ratio	<u>7.07%</u>	<u>24.23%</u>
4.1.2 Statutory Liquidity Ratio (SLR) : 5.50% of average demand and time liabilities		
Required reserve	15,555,000	11,351,000
Available for maintenance :		
Cash in hand (including foreign currencies)	3,926,208	15,908,616
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	-	-
Excess of CRR requirement	8,687,000	41,745,000
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	30,000,000	50,000,000
	<u>42,613,208</u>	<u>107,653,616</u>
Surplus / (deficit)	<u>27,058,208</u>	<u>96,302,616</u>
Maintained Ratio	<u>15.07%</u>	<u>52.16%</u>
Total average time and demand liabilities	<u>282,815,000</u>	<u>206,374,000</u>
5. Balance with other banks and financial institutions		
In Bangladesh	-	-
Outside Bangladesh	-	-
	<u>-</u>	<u>-</u>
6. Placement with banks & other financial institutions	-	-
7. Investments in share & securities		
Government (note 7.1)	30,000,000	50,000,000
Others	-	-
	<u>30,000,000</u>	<u>50,000,000</u>
7.1 Government		
Ijarah Sukuk Bond	30,000,000	50,000,000
	<u>30,000,000</u>	<u>50,000,000</u>
8. Investments		
General investment (note 8.1)	295,113,533	78,794,284
Bills purchaseed and negotiated (note 8.2)	-	-
	<u>295,113,533</u>	<u>78,794,284</u>
8.1 General investment		
Inside Bangladesh		
BAI Murabaha CSME under stimulus finance	-	3,267,755
BAI Murabaha - work order	30,971,941	11,968,838
BAI Murabaha - commercial	180,276,579	12,994,719
BAI Murabaha - agriculture	2,995,890	2,705,778
BAI Murabaha - SME	6,244,964	-
Murabaha post import finance	-	7,650,806
HPSM (Staff)	20,178,351	9,162,255
HPSM (car)	6,718,726	2,662,082
HPSM (real estate)	47,727,082	28,382,051
	<u>295,113,533</u>	<u>78,794,284</u>
Outside Bangladesh	-	-
	<u>295,113,533</u>	<u>78,794,284</u>
8.2 Bills purchaseed and negotiated		
Payable Inside Bangladesh	-	-
Payable Outside Bangladesh	-	-
	<u>295,113,533</u>	<u>78,794,284</u>



	2022 Taka	2021 Taka
9. Fixed assets including premises, furniture and fixtures		
Property, Plant & Equipment		
Furniture & Fixtures	149,784	149,784
Machineries and Equipments	5,190	5,190
Computer and Peripherals	140,700	140,700
Software	6,250,000	-
Total fixed assets at cost	6,545,674	295,674
Less: Accumulated depreciation	676,987	9,314
Net book value at the end of the year	5,868,687	286,360
10. Other assets		
Stationeries	1,340,017	700,183
Stamps	7,920	10,520
Accrued profit	101,149	12,885
Advance Income Tax	117,250	58,625
Suspense	-	350
Receiveable from conventional banking	15,229,968	135,658,177
	16,796,304	136,440,740
11. Placements from other banks, financial institutions		
In Bangladesh	-	-
Outside Bangladesh	-	-
12. Deposits and other accounts		
Al wadeeah current deposits and other accounts	17,724,561	27,304,079
Mudaraba savings deposits	35,322,970	31,865,267
Mudaraba term deposits	270,840,742	258,234,125
Mudaraba special notice deposits	23,557,573	11,140,342
Others deposit	11,402,244	642,207
Bill Payable	132,898	333,616
	358,980,988	329,519,636
13. Other liabilities		
Profit payable on deposit	2,056,508	194,260
Unearned Profit	5,561,100	2,740,530
Provision against investments (note 13.1)	1,185,338	453,825
Provision against off balance sheet exposures (note 13.2)	106,830	549,908
Others	441,282	54,041
	9,351,058	3,992,564
13.1 Provision against investments		
A. General provision against investments		
Opening balance	453,825	-
General provision for the year	731,513	453,825
Provision held at the year end	1,185,338	453,825
B. Specific provision against classified investments		
Opening balance	-	-
Less : Fully provided debt written-off (for final settlement)	-	-
Add : Recoveries of amounts previously written-off	-	-
Add : Specific provision for the year	-	-
Less : Specific provision no more required as loans realized/regularized	-	-
Add : Net charge to profit and loss account	-	-
Provision held at the end of the year	1,185,338	453,825
13.2 Provision against off balance sheet exposures		
Opening balance	549,908	-
General provision for the year	(443,078)	549,908
Provision held at the year end	106,830	549,908
14. Surplus in profit and loss account / Retained earnings		
Opening balance	(968,325)	-
Add : Net profit during the year	4,376,419	(968,325)
Less : Transferred to Conventional Banking	(35,408)	-
Closing balance	3,372,686	(968,325)
15. Contingent liabilities		
Acceptances and endorsements	-	-
Letters of guarantee	10,683,000	27,995,612
Irrevocable Letters of Credit	-	26,995,202
Bills for collection	-	-
Others	-	-
	10,683,000	54,990,814



	2022 Taka	2021 Taka
16. Investment income		
Income from general investment		
Bai-Murabaha	16,067,113	480,407
Bai-Muajjal (CC hypo)	-	-
Bai-Salam (packing credit)	-	-
Murabaha PIF	225,148	-
Hire purchase	4,730,006	669,920
Other investments	-	-
Sub-total (i)	21,022,267	1,150,327
Profit on deposits with other Islamic banks		
In Bangladesh	-	-
Out side Bangladesh	-	-
Sub-total (ii)	-	-
Grand total (i+ii)	21,022,267	1,150,327
17. Profit paid on deposits		
a) Profit paid on deposits:		
Mudaraba savings deposits	1,163,216	93,149
Mudaraba special notice deposits	365,538	13,314
Mudaraba term deposits	15,253,934	716,946
Others deposits	438,450	480,160
	17,221,138	1,303,569
18. Income from investment in shares / securities		
Profit earned from Sukuk bond	2,158,694	697,111
Others	-	-
	2,158,694	697,111
19. Commission, exchange and brokerage		
Commission on L/Cs-sight	125,627	221,831
Commission on L/Gs	125,010	486,988
Commission on acceptance	-	-
Exchange	85,109	77,579
Other commission	87,700	7,990
	423,446	794,388
20. Other operating income		
Service and other charges	289,893	126,571
Miscellaneous earnings	40,131	11,848
	330,024	138,419
21. Salaries and allowances		
Basic salary	505,077	165,600
House rent allowance	252,538	82,800
Conveyance allowance	57,600	24,000
Medical allowance	62,400	24,000
Other allowances	154,080	55,800
Bank's contribution to provident fund	50,510	16,560
	1,082,205	368,760
22. Stationery, printing and advertisements, etc.		
Stationery	229,489	147,623
Publicity and advertisement	-	715,116
	229,489	862,739
23. Shariah supervisory committee's fees and expenses		
Meeting attendance fees	56,000	112,000
	56,000	112,000
24. Depreciation and repair of Bank's assets		
Depreciation		
Fixed assets	667,673	9,314
Leased assets	-	-
	667,673	9,314
Repairs		
Repair & Maintenance	-	11,722
	-	11,722
	667,673	21,036
25. Other expenses		
Entertainment	11,872	47,763
Cash carrying charges	-	1,500
Local Conveyance	1,200	1,520
Miscellaneous expenses	-	25,950
	13,072	76,733



South Bangla Agriculture and Commerce Bank Limited
Balance Sheet (Off-Shore Banking Unit)
As at 31 December 2022

	Notes	2022		2021	
		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					
In Bangladesh	3	536,467	54,987,907	205,499	17,600,989
Outside Bangladesh		-	-	-	-
		536,467	54,987,907	205,499	17,600,989
Money at call on short notice					
Investments:					
Government		-	-	-	-
Others		-	-	-	-
Loans and advances					
Loans, cash credit, overdrafts etc.	4	2,153,701	220,754,353	-	-
Bills purchased and discounted		-	-	6,575,725	563,210,884
		2,153,701	220,754,353	6,575,725	563,210,884
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	5	-	-	-	-
Non-banking assets		-	-	-	-
TOTAL ASSETS		2,690,168	275,742,260	6,781,224	580,811,873
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	6	2,078,286	213,024,332	6,508,051	557,414,568
Deposits and other accounts					
Current accounts and other accounts		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		-	-	-	-
Subordinated bonds		-	-	-	-
Other liabilities	7	21,537	2,207,544	65,757	5,632,109
TOTAL LIABILITIES		2,099,823	215,231,876	6,573,808	563,046,677
Capital/ Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
General reserve		-	-	-	-
Foreign currency translation gain/(loss)	8	-	7,933,440	-	251,592
Profit and loss account - retained earnings	9	590,345	52,576,943	207,416	17,513,604
TOTAL SHAREHOLDERS' EQUITY		590,345	60,510,383	207,416	17,765,196
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,690,168	275,742,260	6,781,224	580,811,873



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



South Bangla Agriculture and Commerce Bank Limited
Profit and Loss Account (Off-shore Banking Unit)
For the year ended 31 December 2022

	Notes	2022		2021	
		USD	Taka	USD	Taka
Interest income	10	338,709	31,638,774	268,722	22,771,959
Less: Interest paid on deposits and borrowings etc.		-	-	-	-
Net interest income		338,709	31,638,774	268,722	22,771,959
Investment income		-	-	-	-
Commission, exchange and brokerage		-	-	-	-
Other operating income		-	-	122	10,338
		-	-	122	10,338
Total operating income		338,709	31,638,774	268,844	22,782,297
Salary and allowances		-	-	-	-
Rent, taxes, insurance, electricity etc.		-	-	-	-
Legal and professional expenses		-	-	-	-
Postage, stamp, telecommunication etc.		-	-	-	-
Stationery, printing, advertisement etc.		-	-	-	-
Chief executive's salary and fees		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fees		-	-	-	-
Charges on loan losses		-	-	-	-
Depreciation and repair of bank's assets		-	-	-	-
Other expenses		-	-	-	-
Total operating expenses		-	-	-	-
Profit before provision		338,709	31,638,774	268,844	22,782,297
Provision for loan					
Specific provision		-	-	-	-
General provision (including off balance sheet items)	4.4	(44,220)	(3,424,565)	57,689	4,954,801
		(44,220)	(3,424,565)	57,689	4,954,801
Other provisions		-	-	-	-
Total provision		(44,220)	(3,424,565)	57,689	4,954,801
Total Profit before taxes		382,929	35,063,339	211,155	17,827,496
Provision for taxation					
Current tax		-	-	-	-
Deferred tax		-	-	-	-
		-	-	-	-
Net profit after taxation	9	382,929	35,063,339	211,155	17,827,496



South Bangla Agriculture and Commerce Bank Limited
Cash Flow Statement (Off-shore Banking Unit)
For the year ended 31 December 2022

Notes	2022		2021	
	USD	Taka	USD	Taka
A) Cash flows from operating activities				
Interest receipts in cash	338,709	31,638,774	273,051	23,135,375
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	-	-	122	10,338
Payments for other operating activities	-	-	-	-
Operating cash flow before changes in operating assets and liabilities	338,709	31,638,774	273,173	23,145,713
Increase / decrease in operating assets and liabilities				
Statutory deposits	-	-	-	-
Sale of trading securities	-	-	-	-
Purchase of trading securities	-	-	-	-
Loans and advances to other banks	-	-	-	-
Loans and advances to customers	4,422,024	342,456,532	(5,768,926)	(495,480,110)
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	-	-	-	-
	4,422,024	342,456,532	(5,768,926)	(495,480,110)
Net cash flow from operating activities	4,760,733	374,095,306	(5,495,753)	(472,334,397)
B) Cash flows from investing activities				
Proceeds from sale of Government securities	-	-	-	-
Payments for Purchase of Government securities	-	-	-	-
Purchase of property, plant and equipment	-	-	-	-
Sale of property, plant and equipment	-	-	-	-
Net cash flow from investing activities	-	-	-	-
C) Cash flows from financing activities				
Borrowing from other banks, financial institutions and agents	(4,429,765)	(344,390,236)	5,701,252	489,683,794
Dividends paid	-	-	-	-
Net cash flow from financing activities	(4,429,765)	(344,390,236)	5,701,252	489,683,794
D) Net increase / (decrease) in cash (A+B+C)	330,968	29,705,070	205,499	17,349,397
E) Effects of exchange rate changes on cash and cash-equivalent	-	7,681,848	-	251,592
F) Cash and cash-equivalents at beginning period	205,499	17,600,989	-	-
G) Cash and cash-equivalents at end of period (D+E+F)	536,467	54,987,907	205,499	17,600,989
H) Cash and cash-equivalents at end of period				
Cash in hand including foreign currencies	-	-	-	-
Balances with Bangladesh Bank and its agent bank(s) including foreign currencies	-	-	-	-
Balances with other Banks and Financial institutions	536,467	54,987,907	205,499	17,600,989
	536,467	54,987,907	205,499	17,600,989



South Bangla Agriculture and Commerce Bank Limited
Notes to the Financial Statements (Off-shore Banking Unit)
As at and for the year ended 2022

1. Status of the unit

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

1.2 Nature of business

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

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

2.1 Basis of accounting

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

2.2 Use of estimates and judgments

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

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

2.3 Functional and presentation currency

The functional currency of OBU is US Dollar (USD). Transactions are recorded in the functional currency (USD). The financial statements are presented both in USD and equivalent Bangladesh Taka (BDT). For preparation of financial statements, all the balance sheet items are converted into equivalent BDT using the closing mid rate of exchange of the Bank i.e. USD 1 = BDT 102.50 (2021 : USD 1 = BDT 85.65), 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 93.41 (2021 : USD 1 = BDT 84.74). Resulting exchange differences are recognized as foreign currency translation gain / (loss).

2.4 Foreign currency transactions

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

2.5 Loans and advances

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

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

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

2.6 Provision for taxation

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

2.7 Revenue recognition

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

2.7.1 Interest income

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

2.7.2 Fees and commission income

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

2.7.3 Interest paid on deposits and borrowings

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

2.8 Cash flow statement

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



2.9 Cash and cash equivalents

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

2.10 Reporting period

These financial statements of the OBU cover period from 1 January to 31 December 2022.

2.11 General

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

	2022		2021	
	USD	Taka	USD	Taka
3. Balance with other banks and financial institutions				
In Bangladesh (note 3.1)	536,467	54,987,907	205,499	17,600,989
Outside Bangladesh	-	-	-	-
	<u>536,467</u>	<u>54,987,907</u>	<u>205,499</u>	<u>17,600,989</u>
3.1 Balance with other banks and financial institutions				
SBAC Bank Limited	<u>536,467</u>	<u>54,987,907</u>	<u>205,499</u>	<u>17,600,989</u>
4. Loans and advances				
Loans, cash credit, overdrafts etc.	2,153,701	220,754,353	-	-
Bills purchased and discounted	-	-	6,575,725	563,210,884
	<u>2,153,701</u>	<u>220,754,353</u>	<u>6,575,725</u>	<u>563,210,884</u>
4.1 Net loans and advances including bills purchased and discounted				
Total loans and advances including bills purchased and discounted	2,153,701	220,754,353	6,575,725	563,210,884
Less: Provision against loans and advances (specific and general)	-	-	-	-
Less: Cumulative balance of interest suspense account	-	-	-	-
	<u>2,153,701</u>	<u>220,754,353</u>	<u>6,575,725</u>	<u>563,210,884</u>
4.2 Residual maturity grouping of loans and advances including bills purchased and discounted				
Payable				
On demand	-	-	-	-
Within one month	295,469	30,285,560	-	-
Within one to three months	1,696,449	173,886,000	993,406	85,085,204
Within three to twelve months	161,783	16,582,793	5,582,319	478,125,680
Within one to five years	-	-	-	-
More than five years	-	-	-	-
	<u>2,153,701</u>	<u>220,754,353</u>	<u>6,575,725</u>	<u>563,210,884</u>
4.3 Classification status of loans and advances including bills purchased and discounted				
Unclassified loans and advances (including staff loans)				
i) Standard	2,153,701	220,754,353	6,575,725	563,210,884
ii) Special mention account (SMA)	-	-	-	-
	<u>2,153,701</u>	<u>220,754,353</u>	<u>6,575,725</u>	<u>563,210,884</u>
Classified loans and advances				
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Bad / loss	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>2,153,701</u>	<u>220,754,353</u>	<u>6,575,725</u>	<u>563,210,884</u>
4.4 Classification and provisioning of loans and advances including bills purchased and discounted				

Classification / Status of loans and advances	Amount of outstanding loans and advances as at 31 December 2022		Base for Provision (Taka)	Percentage (%) of provision required as per Bangladesh Bank	Amount of provision required as at 31 December 2022 (USD)	Amount of provision required as at 31 December 2022 (Taka)
	USD	Taka				
Unclassified loans and advances						
Small & medium enterprise financing	-	-	-	0.25%	-	-
Other than small medium enterprise financing	2,153,701	220,754,353	220,754,353	1.00%	21,537	2,207,544
Special mention account	-	-	-	1.00%	-	-
Total unclassified loans and advances	2,153,701	220,754,353	220,754,353		21,537	2,207,544
Classified loans and advances						
Sub-standard	-	-	-	20.00%	-	-
Doubtful	-	-	-	50.00%	-	-
Bad / loss	-	-	-	100.00%	-	-
Total classified loans and advances	-	-	-		-	-
Total	2,153,701	220,754,353	220,754,353		21,537	2,207,544
Total provision maintained					21,537	2,207,544
Total provision surplus / (deficit)					-	-



	2022		2021	
	USD	Taka	USD	Taka
4.5 Geographical location-wise loans and advances including bills purchased and discounted				
Dhaka Division	2,153,701	220,754,353	2,260,926	193,648,359
Chattoogram Division			4,314,799	369,562,525
	<u>2,153,701</u>	<u>220,754,353</u>	<u>6,575,725</u>	<u>563,210,884</u>
5. Other assets				
Interest accrued on loans and advances but not collected	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6. Borrowings from other banks, financial institutions and agents				
a) In Bangladesh				
Borrowings from SBAC Bank, Head Office	2,078,286	213,024,332	6,508,051	557,414,568
b) Outside Bangladesh	-	-	-	-
	<u>2,078,286</u>	<u>213,024,332</u>	<u>6,508,051</u>	<u>557,414,568</u>
7. Other liabilities				
Accumulated provision on loans and advances (note 7.1)	21,537	2,207,544	65,757	5,632,109
	<u>21,537</u>	<u>2,207,544</u>	<u>65,757</u>	<u>5,632,109</u>
7.1 Accumulated provision on loans and advances				
General provision on loans and advances				
Opening balance	65,757	5,632,109	8,068	677,308
Add : Provision made during the year	(44,220)	(3,424,565)	57,689	4,954,801
Closing balance	<u>21,537</u>	<u>2,207,544</u>	<u>65,757</u>	<u>5,632,109</u>
8. Foreign currency translation gain/(loss)				
Opening balance	-	251,592	-	-
Add : Addition during year	-	7,681,848	-	251,592
	-	7,933,440	-	251,592
Less : Adjustment during the year	-	-	-	-
Closing balance	<u>-</u>	<u>7,933,440</u>	<u>-</u>	<u>251,592</u>
9. Profit and loss account - retained earnings				
Opening balance	207,416	17,513,604	(3,739)	(313,892)
Net profit / (loss) during the year	382,929	35,063,339	211,155	17,827,496
Closing balance	<u>590,345</u>	<u>52,576,943</u>	<u>207,416</u>	<u>17,513,604</u>
10. Interest income				
Interest on loans and advances	338,709	31,638,774.06	268,722	22,771,959
	<u>338,709</u>	<u>31,638,774</u>	<u>268,722</u>	<u>22,771,959</u>



Annexure - J

Hoda Vasi
Chowdhury & Co

Audited Financial Statements
of
SBAC Bank Investment Limited
For the year ended 31 December 2022



Hoda Vasi Chowdhury & Co

Chartered Accountants

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SBAC Bank Investment Limited (the "Company") which comprise the statement of financial position as at 31 December 2022 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 respect, the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and 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.

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

Management is responsible for the preparation and fair presentation of financial statements of the Company in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

HVC



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on other Legal and Regulatory Requirements

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

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

Dhaka, 22 March 2023

DVC: 2303301512A3796291



Shaikh Hasibur Rahman FCA
Enrolment no 1512

Hoda Vasi Chowdhury & Co
Chartered Accountants



Hoda Vasi Chowdhury & Co

SBAC Bank Investment Limited Statement of Financial Position As at 31 December 2022


Particulars	Notes	Amount in Taka	
		31 December 2022	31 December 2021
ASSETS			
Non - current assets			
Property, plant and equipment	4.00	8,105,364	-
Intangible asset	5.00	10,538,581	10,000,000
Security deposit with exchange	6.00	30,000,000	30,000,000
		<u>48,643,945</u>	<u>40,000,000</u>
Current assets			
Short-term investment	7.00	549,075,232	358,872,088
Receivable from margin loan	8.00	343,620,002	-
Accounts receivables	9.00	4,965,219	1,308,545
Advances, deposits and prepayments	10.00	9,070,693	1,025,462
Cash and cash equivalents	11.00	24,387,595	7,118,668
		<u>931,118,741</u>	<u>368,324,763</u>
Total assets		<u>979,762,686</u>	<u>408,324,763</u>
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	12.00	400,000,000	400,000,000
Capital reserve	13.00	516,704	-
Retained earnings	14.00	32,182,490	5,167,039
		<u>432,699,194</u>	<u>405,167,039</u>
Non current liabilities			
Long term loan	15.00	-	-
Retirement benefit obligations	16.00	596,487	-
		<u>596,487</u>	<u>-</u>
Current liabilities			
Short-term loan	17.00	508,679,030	-
Account payables	18.00	21,942,487	-
Deferred tax liability	19.00	28,021	-
Liabilities for expenses	20.00	534,496	57,500
Provision & accruals	21.00	15,282,971	3,100,224
		<u>546,467,004</u>	<u>3,157,724</u>
Total shareholders' equity and liabilities		<u>979,762,686</u>	<u>408,324,763</u>
Net asset value per share		<u>10.82</u>	<u>10.13</u>

The annexed notes form an integral part of these financial statements



Chairman


Director


Director


Managing Director & CEO

See the annexed report of even date



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

Dhaka, 22 March 2023
DVC No: 2303301512A5796291




Hoda Vasi Chowdhury & Co

SBAC Bank Investment Limited Statement of Profit or Loss and Other Comprehensive Income For the year ended 31 December 2022

Particulars	Notes	Amount in Taka	
		01 January 2022 to 31 December 2022	21 March 2021 to 31 December 2021
Operating income	22.00	42,361,054	-
Less: Operating expenses	23.00	(3,274,591)	-
Gross Profit		39,086,462	-
Less: Administrative expenses	24.00	(18,264,728)	(3,295,899)
Net operating income		20,821,734	(3,295,899)
Add: Other income	25.00	21,194,686	11,563,162
Net Profit/(Loss) before provision & tax		42,016,420	8,267,263
Less: Provision for diminution in value of investments		(4,041,481)	-
Less: General provision		(3,430,796)	-
Net Profit/(Loss) before tax		34,544,142	8,267,263
Provision for income tax			
Income tax expenses	21.03	(6,983,966)	(3,100,224)
Deferred tax expenses	19.00	(28,021)	-
Net Profit/(Loss) after tax		27,532,155	5,167,039
Other Comprehensive Income/(Loss)		-	-
Total comprehensive income for the year		27,532,155	5,167,039
Appropriations			
Capital reserve		516,704	-
Retained surplus		27,015,451	5,167,039
		27,532,155	5,167,039
Total number of shares outstanding		40,000,000	40,000,000
Earnings Per Share (EPS)		0.69	0.13

The annexed notes form an integral part of these financial statements



Chairman


Director


Director


Managing Director & CEO

Dhaka, 22 March 2023
DVC No: 2303301512A3796291

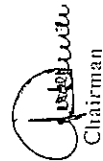

Shaikh Hasibur Rahman FCA
Enrolment No: 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants



SBAC Bank Investment Limited
Statement of Changes in Equity
For the year ended 31 December 2022


Particulars	Share Capital	Capital Reserve	Retained Earnings	Total
Balance as on January 01, 2022	400,000,000	-	5,167,039	405,167,039
Other comprehensive income	-	-	-	-
Profit/(Loss) during the year	-	-	27,532,155	27,532,155
Transferred to capital reserve	-	516,704	(516,704)	-
Dividend during the year	-	-	-	-
Total shareholders' equity as at 31 December 2022	400,000,000	516,704	32,182,490	432,699,194
Balance as on 21 March, 2021	-	-	-	-
Issue of share during the period	400,000,000	-	-	400,000,000
Profit/(Loss) during the period	-	-	5,167,039	5,167,039
Dividend during the period	-	-	-	-
Total shareholders' equity as at 31 December 2021	400,000,000	-	5,167,039	405,167,039

The annexed notes form an integral part of these financial statements


Chairman


Director


Director


Managing Director & CEO



**Hoda Vasi
Chowdhury & Co**

SIBAC Bank Investment Limited
Statement of Cash Flows
For the year ended 31 December 2022

Particulars	Amount in Taka	
	01 January 2022 to 31 December 2022	21 March 2021 to 31 December 2021
A. Cash flows from operating activities		
Net profit before taxation, and extra ordinary item	63,298,044	10,254,617
Adjustment for:		
Employees' benefit paid	(12,406,365)	
Operating & administrative expenses paid	(8,272,944)	(3,238,399)
Liabilities for expenses(net)	1,073,483	
Changes in accounts receivable	(3,398,979)	
Changes in accounts payable	21,942,487	
Advance rent & security deposit(CDBL)	(1,260,000)	
Income tax paid	(9,058,728)	(1,025,462)
Net cash Used in operating activities	51,916,997	5,990,756
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(8,921,706)	-
Addition of intangible asset	(582,250)	
Security deposit with exchange	-	(30,000,000)
Acquisition cost of DSE TREC	-	(10,000,000)
Investments in listed shares	(173,225,517)	
Investments in FDR	(16,977,627)	(358,872,088)
Margin loan & others	(343,620,002)	
Net cash used in investing activities	(543,327,101)	(398,872,088)
C. Cash flows from financing activities		
Issue of share capital	-	400,000,000
Long term loan	-	
Short term loan	508,679,030	
Dividend	-	
Net cash flow from financing activities	508,679,030	400,000,000
D. Net cash inflow from total activities (A+B+C)	17,268,926	7,118,668
E. Add: Opening cash and cash equivalents	7,118,668	-
Cash and cash equivalents (D+E)	24,387,595	7,118,668

The annexed notes form an integral part of these financial statements


Chairman


Director


Director


Managing Director & CEO



SBAC Bank Investment Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2022

1.00 Company and its activities

1.01 Legal status and nature of the Company

SBAC Bank Investment Limited (herein after referred to as "the company") is one of the brokerage firms domiciled in Bangladesh which has been constituted as a private limited company incorporated under the Companies Act 1994 incorporation no. C-169950/2021 dated 21 March 2021. SBAC Bank Investment Limited is the TREC holder (Trading Right Entitlement Certificate) of Dhaka Stock Exchange (DSE) bearing TREC No- 267 dated 01 September 2021. The registered office of the company is BSC Tower, 2-3 Rajuk Avenue, Motijheel, Dhaka-1000, Bangladesh. The company is a subsidiary of South Bangla Agriculture & Commerce Bank Limited, a Banking Institution incorporated in Bangladesh under the Bangladesh Bank.

1.02 Principal activities and nature of operation

The principal activities of the Company are to act as a TREC holder of Dhaka Stock Exchange Limited and to carry on the business of broker, jobbers or dealers in stocks, shares, securities, bonds, debentures. The Company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of company in shares, stocks and fixed income securities, etc.

2.00 Basis of preparation and significant accounting policies

2.01 Statement of compliance

The financial statements of SBAC Bank Investment Limited have been prepared in accordance with the International Accounting Standards (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 2022;
- b) Statement of Profit or Loss and other Comprehensive Income for the year ended December 31, 2022
- c) Statement of Changes in Equity for the year ended December 31, 2022;
- d) Statement of Cash Flows for the year ended December 31, 2022; and
- e) Notes to the Financial Statements.

2.04 Functional and presentational currency

The financial statements are presented in Bangladesh Taka (BDT/Taka/Tk.) currency, which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest Taka.



2.05 Use of estimates and judgments

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

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

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

2.06 Consistency

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

2.07 Going concern

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

2.08 Date of authorization

These financial statements have been authorized for issue by the Board of Directors on 22 March 2023.

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 cover the year from 01 January 2022 to 31 December 2022.

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

The Company incorporated on 21 March 2021 hence comparative information has been presented from 21 March 2021 to 31 December 2021.



2.12 Investment in stock exchanges for TREC Holder Certificate

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

3.00 Significant accounting policies:

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

3.01 Property, plant and equipment

3.1.1 Recognition and measurement

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

3.1.2 Subsequent costs

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

3.1.3 Depreciation & amortization

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

3.1.4 Disposal of fixed assets

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

3.2 Intangible assets

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

3.2.1 Recognition and measurement

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

3.2.2 Subsequent expenditure

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

3.2.3 Amortization

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

3.3 Impairment

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

3.4 Cash and cash equivalents:

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

3.5 Accounts receivable

Accounts receivables are stated at nominal values as reduced by the appropriate allowances for estimated doubtful amounts. No such receivables are accounted for if the loans are classified as bad and loss. Receivable include the amount receivable both from DSE and 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 Ordinance, 1984. It is measured using tax rates enacted or substantively enacted at the reporting date. Applicable tax rate for the Company for the year 2022 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 2022 as well, which are mentioned below:

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



Deferred tax

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

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

3.7 Revenue recognition

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

3.8 Interest income

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

3.9 Events after the balance sheet date

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

3.10 Investment in Shares

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

3.11 Related party disclosure

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



3.12 Lease

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

3.13 Employees benefits

Gratuity

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

3.14 General:

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



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Notes	Particulars	Amount in Tk.	
		31 December 2022	31 December 2021
4.00	Property, plant and equipment		
	Opening value	-	-
	Add: Addition during the year	8,921,706	-
	Less: Disposal during the year	-	-
		8,921,706	-
	Less: Accumulated depreciation (Annexure-A)	(816,342)	-
	Closing value	8,105,364	-
5.00	Intangible asset		
	Opening balance	10,000,000	-
	Add: Addition during the year	582,250	10,000,000
	Less: Accumulated amortization (Annexure-A)	(43,669)	-
	Closing value	10,538,581	10,000,000
	Acquisition cost of DSE TREC Tk. 10,000,000/- (One Crore) only includes in intangible asset.		
6.00	Security deposit with exchange		
	Security deposit with DSE	30,000,000	30,000,000
		30,000,000	30,000,000
7.00	Short-term investment		
	Investment in shares (Annexure-D)	173,225,517	-
	Investment in FDR(Annexure-)	375,849,715	358,872,088
		549,075,232	358,872,088
	Mentioning that, Principal amount of FDR Tk. 35,00,00,000/- which is lien against Short term overdraft (SOD-FDR).		
	Investment in securities at cost	173,225,517	-
	Investment in securities at market value	153,018,111	-
	Unrealized gain/(loss)	(20,207,407)	-
8.00	Receivable from margin loan		
	Clients account	343,620,002	-
		343,620,002	-
8.01	Margin loan	343,079,607	-
	Due to CDBL Charge/ BO renewal fees & others	540,395	-
		343,620,002	-
9.00	Accounts receivables		
	Dhaka Stock Exchange (DSE)		
	Broker	2,738,285	-
	Dealer	660,694	-
		3,398,979	-
	Interest receivable	1,566,240	1,308,545
		4,965,219	1,308,545
10.00	Advances, deposits and prepayments		
	CDBL security deposit	200,000	-
	Advance income tax	7,810,693	1,025,462
	Advance against office rent	1,060,000	-
	Advance against commercial space	-	-
		9,070,693	1,025,462

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Notes	Particulars	Amount in Tk.	
		31 December 2022	31 December 2021
	The existing rent agreement has been terminated by new agreement which will be executed from 01 January 2023.		
10.01	Advance income tax		
	Opening balance	1,025,462	-
	Add: Addition during the year	7,810,693	1,025,462
		8,836,155	1,025,462
	Less: Adjustment during the year	(1,025,462)	-
	Final settlement	-	-
	Closing Balance	7,810,693	1,025,462
10.02	Addition during the year		
	For BDSSL turnover	4,533,872	-
	For dividend income	28,788	-
	For interest income from bank deposit	175,697	35,230
	For FDR interest	3,072,336	990,232
		7,810,693	1,025,462
11.00	Cash and cash equivalents		
	Cash in hand	13,594	-
	Cash at bank	24,374,001	7,118,668
		24,387,595	7,118,668
11.01	Cash in hand		
	Cash in hand -clients	-	-
	Petty cash-head office	859	-
	Petty cash-banani branch	12,735	-
		13,594	-
11.02	Cash at bank		
	Pubali Bank Limited-Customer A/c 2905102001673	10,347,253	-
	Pubali Bank Limited -Dealer A/c 2905102001681	1,595,590	-
	SBAC Bank Ltd. -Customer A/c 0067130000159	11,941,031	-
	SBAC Bank Ltd.-Operational A/c 0067130000088	490,126	7,118,668
		24,374,001	7,118,668
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, 2022

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



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Notes	Particulars	Amount in Tk.	
		31 December 2022	31 December 2021
13.00	Capital reserve		
	Opening capital reserve	-	-
	Add: Addition during the year	516,704	-
		<u>516,704</u>	-
	Less: Adjustment during the period	-	-
		<u>516,704</u>	-
	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. 516,704.00 to the Capital Reserve against last year(2021) profit after tax was Tk. 5,167,039.00.		
14.00	Retained earnings		
	Opening balance	5,167,039	-
	Add: Profit/(loss) during the year	27,532,155	5,167,039
		<u>32,699,194</u>	<u>5,167,039</u>
	Less: Transferred to capital reserve	516,704	-
		<u>32,182,490</u>	<u>5,167,039</u>
	Less: Dividend during the year	-	-
	Closing Balance	<u>32,182,490</u>	<u>5,167,039</u>
15.00	Long term loan	-	-
16.00	Retirement benefit obligations		
	Opening balance	-	-
	Add: Addition during the year	596,487	-
		<u>596,487</u>	-
17.00	Short-term loan		
	SBAC Bank Limited (SOD-FDR)	355,403,050	-
	SBAC Bank Limited (SOD-GEN)	153,275,980	-
		<u>508,679,030</u>	-
18.00	Account payables		
	Clients account	21,900,806	-
	Dhaka Stock Exchange (DSE)		
	Broker	5,049	-
	Dealer	1,632	-
	Suspense A/c	6,680	-
		<u>35,000</u>	-
		<u>21,942,487</u>	-
19.00	Deferred tax liability:		
	Carrying value (WDV as per accounts)	8,643,945	-
	Tax base value	8,542,052	-
	Income tax liabilities	101,894	-
	Tax rate	27.50%	-
	Closing differed tax liability (Assets)	28,021	-
	Opening differed tax liability	-	-
	Deferred tax expenses/(Income)	<u>28,021</u>	-



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Notes	Particulars	Amount in Tk.	
		31 December 2022	31 December 2021
20.00	Liabilities for expenses		
	CDBL charge	82,020	-
	Business associates incentives	229,070	-
	Car maintenance (Registration & Insurance- MD's Car)	165,906	-
	Audit Fees	57,500	57,500
		534,496	57,500
21.00	Provision & accruals		
	Provision for unrealized loss (dealer's portfolio)	4,041,481	-
	General provision	3,430,796	-
	Provision for tax	7,810,693	3,100,224
		15,282,971	3,100,224
21.01	Provision for unrealized loss (dealer's portfolio)		
	Opening Balance	-	-
	Add: Provision made during the year	4,041,481	-
		4,041,481	-
	Less: Adjustment during the year	-	-
	Closing balance	4,041,481	-
	<p>As Per Bangladesh Securities and Exchange Commission's Directive No. BSEC/SRI/NE/2020/605 dated 28-12-2022, the company may keep 20% provision for unrealized loss against company's own investment portfolio account. Total unrealized loss in company's own investment portfolio account stood at Tk. 20,207,407.00 as on 31 December 2022. Since, the company has started trading activities in dealer account for the first time in 2022 ; no provision has maintained earlier. As per latest BSEC circular, 20% provision(Tk. 4,041,481.00) has been made in this year against required provision of Tk. 20,207,407.00. The company will have to keep rest 80% provision against unrealized loss within 31 December 2023.</p>		
21.02	General provision		
	Opening balance	-	-
	Add: Provision made during the year	3,430,796	-
		3,430,796	-
	Less: Adjustment during the year	-	-
	Closing Balance	3,430,796	-
	<p>According to Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules. 2019, each registered entity those are providing margin financing shall maintain a mandatory provision @ 1% of all outstanding margin exposures. Here margin general provision has been made Tk. 3,430,796.00 on total outstanding margin-exposure Tk. 343,079,607.00</p>		
21.03	Provision for tax		
	Opening balance	3,100,224	-
	Add: Provision during the year	6,983,966	3,100,224
		10,084,190	3,100,224
	Less: Paid during the year	(2,273,497)	-
	Closing Balance	7,810,693	3,100,224



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Notes	Particulars	Amount in Tk.	
		31 December 2022	31 December 2021
22.00	Operating income		
	Brokerage commission	22.01	25,551,497
	Interest income	22.02	565,579
	Investment(Dealer) income	22.03	16,162,507
	Other operating income	22.04	81,470
			42,361,054
22.01	Brokerage commission		
	Brokerage commission income		27,188,146
	Less: Brokerage commission expenses		(1,636,649)
			25,551,497
22.02	Interest income		
	Interest income from margin loan		14,012,988
	less: Interest expenses of OD credit facility		(13,447,409)
			565,579
22.03	Investment(Dealer) income		
	Gain from sale of shares		16,018,568
	Dividend income		143,939
			16,162,507
22.04	Other operating income		
	BO account opening & maintenance fees		80,950
	IPO fees/commission		520
			81,470
23.00	Operating expenses		
	Howla charge		1,200
	Laga charge		2,161,660
	CDBL settlement, transfer & other charges		1,111,731
			3,274,591
24.00	Administrative expenses		
	Salary & allowances		9,591,578
	Festival bonus		551,560
	Employer's contribution to provident fund		230,799
	Retirement benefit obligation		596,487
	Salary to support staff(office)		151,500
	Car maintenance allowances		1,007,684
	Leave fare assistance(LFA)		276,757
	Office rent		1,610,000
	Electricity bill		13,250
	Audit fees		57,500
	Printing & stationery		303,325
	Repairs & maintenance		2,000
	Excise duty		315,000
	Documents processing fee-broker, dealer & DIP		-
	RJSC expenses		186,451
	Subscription fee-DSE & CSE		-
			115,000
			5,800
			2,187,500
			481,633
			200,000



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Notes	Particulars	Amount in Tk.	
		31 December 2022	31 December 2021
	TWS charge-DSE	450,000	-
	Misc. expenses	40,009	-
	Security service charge	50,084	-
	Cleaning expenses	2,959	-
	General expenses	78,510	-
	Web hosting expenses	76,100	-
	Entertainment	248,061	-
	Investor protection fund	105,478	-
	Conveyance expense	17,570	-
	Crockeries	14,600	-
	Commission charge on bank guarantee	216,250	-
	Director's remuneration	256,000	192,000
	Documentation charge	2,500	-
	Bandwidth charge(internet & connectivity)	80,450	-
	Legal & professional expense	28,058	32,586
	Registration and renewal	736,745	-
	Professional fee	77,050	-
	Bank charge and others	19,404	81,380
	IPO bidding fee	11,000	-
	Depreciation	816,342	-
	Amortization	43,669	-
		18,264,728	3,295,899

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

25.00	Other income/(loss)		
	Interest received-FDR[SBAC 0067242003542]	20,357,657	11,563,162
	Bank interest income [SBAC 0067130000159]	245,431	-
	Bank interest income [PBL 2905102001673]	435,180	-
	Bank interest income [SBAC 0067130000088]	98,837	-
	Bank interest income[PBL 2905102001681]	50,578	-
	Cheque clearing fee income	4,000	-
	Other income	3,001	-
		21,194,686	11,563,162
26.00	Income tax expenses		
	A. Regular Tax		
	On regular income(Other than capital gain & Dividend) 27.50%	5,054,950	3,100,224
	On capital gain(10%)	1,601,857	-
	On Dividend income(20%)	28,788	-
		6,685,594	3,100,224
	B. Minimum Tax @.60% on gross receipt	381,334	-
	On gross receipt on business income	254,166	-
	On other income	127,168	-



Hoda Vasi
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Notes	Particulars	Amount in Tk.	
		31 December 2022	31 December 2021
	C. Tax deducted at sources	7,810,693	-
	Tax paid(Through DSE)	4,533,872	-
	On interest income from bank deposit	175,697	-
	On Dividend income	28,788	-
	Tax on FDR interest	3,072,336	-
	Current income tax (Higher of A, B & C)	7,810,693	3,100,224
	Total income tax for the year	7,810,693	3,100,224

27.00 Related parties

Parent company

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


28.00 Related party transactions

Name of the party	Nature of Transaction	Relationship	Amount
SBAC Bank Limited	Issue of share capital	Parent	399,600,000
SBAC Bank Limited	FDR with interest	Parent	375,849,715
SBAC Bank Limited	Deposit in 2(two) SND Account.	Parent	12,431,157
SBAC Bank Limited	Interest received from FDR and SND account	Parent	20,701,926
SBAC Bank Limited	Salary and allowances of Employees of SBAC Bank Investment	Parent	6,176,718
SBAC Bank Limited	Acquiring Fixed Assets for SBAC Bank Investment Limited	Parent	4,175,926
SBAC Bank Limited	SOD-FDR & SOD Gen	Parent	508,679,030
SBAC Bank Limited	Client's Payable	Parent	1,474,594
SBAC Bank Limited	Bank charges	Parent	18,424
SBAC Bank Limited	Interest on OD Facility	Parent	13,447,409


Chairman


Director


Director


Managing Director & CEO





SBAC Bank Investment Limited
Schedule of Property, Plant and Equipments
(Tangible assets)

As at December 31, 2022

Particulars	COST				Rate	Depreciation			Written down value at 31 December 2022
	Balance at 1 January 2022	Addition during the year	Disposals during the year	Balance at 31 December 2022		Charged for the year	Adjustment for disposals	Balance at 31 December 2022	
Furniture & Fixtures		453,390	-	453,390	10%	22,670	-	22,670	430,721
Electrical Equipment		1,715,897	-	1,716,897	20%	171,690	-	171,690	1,545,207
Office Decoration & Renovation		3,907,304	-	3,907,304	10%	195,365	-	195,365	3,711,939
IT Equipment		2,471,374	-	2,471,374	30%	370,706	-	370,706	2,100,668
Network & Accessories		372,741	-	372,741	30%	55,911	-	55,911	316,830
Total		8,921,706		8,921,706		816,342		816,342	8,105,364

Schedule of Intangible assets

As at December 31, 2022

Particulars	COST			Rate	Amortization			Written down value at 31 December 2022
	Balance at 1 January 2022	Addition during the Period	Disposal during the Period		Balance at 1 January 2022	Amortized during the Period	Adjustment during the year against Disposal	
Acquisition Cost of DSE TREC	10,000,000	-	-	10,000,000	-	-	-	10,000,000
Software License	10,000,000	582,250	-	582,250	15%	43,669	-	538,581
Total		582,250		10,582,250		43,669		10,538,581

* 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 acquire at the end of the period.

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

* WDV stands for Written Down Value.

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Annexure-B

SBAC Bank Investment Limited

Schedule of investment in FDR

As at December 31, 2022

Date of opening	Account number	Account Types	Bank	Principal amount with interest(Tk.)
6/7/2021	0067242003542	FDR	SBAC Bank Ltd.	375,849,715
Total				375,849,715



SBAC Bank Investment Limited
Schedule of Investment in Shares
As at 31 December 2022

Name of the Company	Total Quantity as on December 31, 2022	Free Share	Avg. Cost	Total Cost	Market Rate	Market Value	Annexure-C Unrealized Gain/Loss
AAMRATECH	39,394	37,900	44.81	1,765,249	40.00	1,575,760	(189,489)
ADNTEL	7,000	7,000	113.88	797,155	114.10	798,700	1,545
APEXTANRY	72,492	72,492	145.00	10,511,144	123.90	8,981,759	(1,529,385)
DELTALIFE	39,128	39,128	154.57	6,047,855	136.50	5,340,972	(706,883)
FUWANGCER	121,405	121,405	19.00	2,306,294	17.40	2,112,447	(193,847)
FUWANGFOOD	475,803	475,803	24.82	11,808,431	23.50	11,181,371	(627,061)
IBBLPBOND	6,000	6,000	1,078.39	6,471,515	1,053.00	6,318,000	(153,515)
ICICL	8,799	8,799	10.00	87,990	28.10	247,252	159,262
ORYZAAGRO	2,180	2,180	14.05	30,625	16.30	35,334	4,909
SALAMCRST	66,575	66,575	38.28	2,548,191	33.30	2,216,948	(331,244)
AAMRANET	15,000	0	50.60	759,015	51.40	771,000	11,985
ACIFORMULA	34,000	34,000	187.95	6,390,246	155.00	5,270,000	(1,120,246)
ADVENT	50,000	50,000	30.19	1,509,265	25.40	1,270,000	(239,265)
AIL	200,282	200,282	56.13	11,241,268	53.40	10,695,059	(546,209)
AMANFEED	44,352	44,352	37.86	1,678,949	33.50	1,485,792	(193,157)
APEXFOOT	9,870	9,870	276.49	2,728,976	262.10	2,586,927	(142,049)
BDCOM	19,191	19,191	43.29	830,819	37.60	721,582	(109,237)
BEXIMCO	49,464	49,464	135.04	6,679,544	115.60	5,718,038	(961,506)
BSC	61,000	61,000	154.95	9,451,767	115.30	7,033,500	(2,418,467)
BXPHARMA	18,045	18,045	171.91	3,102,177	146.20	2,638,179	(463,998)
DACCADYE	60,000	60,000	22.28	1,336,668	17.40	1,044,000	(292,668)
DOREENPWR	43,909	39,205	2,897.972	126,000,000	61.00	2,678,449	(219,523)
IDLC	62,000	62,000	53.18	3,296,980	46.30	2,883,000	(413,980)
IFADAUTOS	375,508	357,627	49.80	18,599,077	44.10	16,559,903	(2,039,174)
IRBDL	35,000	35,000	44.42	1,554,831	36.10	1,263,500	(291,331)
MATINSPINN	5,000	5,000	80.23	401,134	77.60	388,000	(13,134)
MHISML	220,385	220,385	32.13	7,086,470	26.50	5,845,503	(1,240,967)
NAHERACP	259,546	259,546	77.63	20,147,310	65.50	16,948,354	(3,198,956)
PHOENIXFIN	600,000	600,000	16.45	9,868,920	16.30	9,780,000	(88,920)
RUNNERAUTO	117,221	112,221	51.63	5,794,520	48.40	5,431,496	(363,024)
SONARBAINS	65,630	65,630	50.86	3,338,126	47.60	3,123,988	(214,138)
SPLCL	38,592	36,339	89.48	5,242,672	65.50	3,837,776	(1,404,896)
SQUARETEXT	64,267	64,267	72.44	4,655,315	67.50	4,338,023	(317,293)
UNITEDFIN	120,095	120,095	17.98	2,159,008	15.80	1,897,501	(261,507)
Total				173,225,517		153,018,111	(20,207,407)

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SBAC Bank Investment Limited
Statement showing computation of capital adequacy
As at December 31, 2022

A. Total Capital Computation				2022	2021
Components	Amount	Haircut %	Haircut Amount	Eligible Amount	Eligible Amount
Paid-up-Capital	400,000,000	0%	-	400,000,000	-
Capital reserve	516,704	0%	-	516,704	-
Retained earnings	32,182,490	0%	-	32,182,490	-
Sum of core capital				432,699,194	-
General provision	3,430,796	20%	686,159	2,744,637	-
Specific provision					-
Margin loan	-	30%	-	-	-
Investment in marketable securities	4,041,481	20%	808,296	3,233,185	-
Sum of supplementary capital				5,977,822	-
Total capital				438,677,016	-

B. Total risk requirement computation

Particulars	Amount	Risk Factor	Applicable Amount	Applicable Amount
Operational Risk Requirement(ORR):				
Based on Average annual gross income(See clause b) of sub-rule(7.1) of rule 7)	16,349,597	5%	817,480	
Position Risk Requirement(PRR)				
i. Proprietary positions in Equity securities				
Value of "A" category securities	142,588,260	10%	14,258,826	
Value of "B/G/N/" category securities	24,165,743	12%	2,899,889	
Value of "Z" category instruments		15%	-	
ii. Proprietary positions in strategic investment				
Value of "A" category securities		10%	-	
Value of "B/G/N/" category securities		12%	-	
Value of "Z" category instruments		15%	-	
ii. Proprietary positions in MFs & CISs:				
Value of listed funds	6,471,515	10%	647,151	
Counterparty Risk Requirement				
i. Exposure of credit facilities to Clients	343,079,607	8%	27,446,369	
Total risk requirement			46,069,715	-

$$C. \text{ Capital Adequacy Ratio (CAR)} = \frac{\text{Total Capital (TC)}}{\text{Total Risk Requirement (TRR)}} \times 100 = \frac{952.20}{i.e. 9.53 \text{ times}}$$

