

**South Bangla Agriculture and Commerce Bank Limited**

**Unaudited Financial Statements**

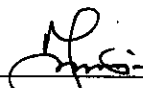
For the second quarter ended 30 June 2023

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

	Note	30 June 2023 Taka	31 December 2022 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
Cash in hand (Including foreign currencies)	3	925,391,636	987,504,162
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4	5,765,302,071	4,305,691,078
		<b>6,690,693,707</b>	<b>5,293,195,240</b>
<b>Balance with other banks and financial institutions</b>			
In Bangladesh	5	2,409,439,289	2,624,168,675
Outside Bangladesh		1,464,251,247	278,571,754
		<b>3,873,690,536</b>	<b>2,902,740,429</b>
<b>Money at call on short notice</b>			
	6	1,200,000,000	-
<b>Investments:</b>			
Government	7	14,481,769,553	14,959,513,358
Others		2,189,126,274	2,167,050,201
		<b>16,670,895,827</b>	<b>17,126,563,559</b>
<b>Loans, advances and lease / investments</b>			
Loans, cash credit, overdrafts etc. / investments	8	79,989,067,961	76,045,414,350
Bills purchased and discounted		2,244,314,812	1,781,844,637
		<b>82,233,382,773</b>	<b>77,827,258,987</b>
Fixed assets including premises, furniture and fixtures	9	1,623,764,562	1,743,266,973
Other assets	10	2,130,535,951	1,414,038,668
Non-banking assets		-	-
<b>TOTAL ASSETS</b>		<b>114,422,963,356</b>	<b>106,307,063,856</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	11	3,574,531,962	4,031,548,707
<b>Deposits and other accounts</b>			
Current / Al-wadeeah current deposits and other accounts	12	12,877,750,791	9,236,436,097
Special notice / mudaraba special notice deposits		4,740,768,119	4,370,193,970
Bills payable		5,497,306,363	3,197,410,868
Savings bank / mudaraba savings deposits		7,842,535,502	6,920,991,538
Fixed / mudaraba term deposits		46,085,285,732	45,698,467,000
Other deposits		14,242,999,838	14,786,087,582
		<b>91,286,646,345</b>	<b>84,209,587,055</b>
Subordinated bonds		-	-
Other liabilities	13	8,638,476,459	7,236,281,537
<b>TOTAL LIABILITIES</b>		<b>103,499,654,766</b>	<b>95,477,417,299</b>
<b>Capital/ Shareholders' equity</b>			
Paid up capital	14.3	8,241,916,500	8,160,313,370
Statutory reserve	15	2,204,928,598	2,204,928,598
General reserve		-	-
Non-controlling (Minority) interest	14.4	432,182	432,182
Other reserve (revaluation reserve on Govt. Securities)	16	26,133,757	65,228,536
Capital reserve	16.1	516,704	516,704
Foreign currency translation reserve	16.2	11,359,956	7,933,440
Surplus in profit and loss account	17	438,020,893	390,293,727
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>10,923,308,590</b>	<b>10,829,646,557</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>114,422,963,356</b>	<b>106,307,063,856</b>

	Note	30 June 2023 Taka	31 December 2022 Taka
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
18			
Acceptance and endorsements		5,195,468,058	4,948,539,066
Letters of guarantee		12,439,658,891	10,830,648,085
Irrevocable letters of credit		6,825,683,721	4,290,338,894
Bills for collection		3,241,824,821	1,712,915,295
Other contingent liabilities		-	-
<b>Total</b>		<b>27,702,635,491</b>	<b>21,782,441,340</b>
<b>Other commitments</b>			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claims against the Bank not acknowledged as debt		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>27,702,635,491</b>	<b>21,782,441,340</b>
<b>Net asset value per share (NAV)</b>	40	<b>13.25</b>	<b>13.27</b>


Accompanying notes form an integral part of these financial statements.

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Company Secretary (CC)

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Director

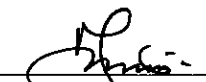
  
\_\_\_\_\_  
Managing Director & CEO

Dhaka, 25 July 2023


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

Note	01 Jan to 30 June 2023 Taka	01 Jan to 30 June 2022 Taka	01 April to June 2023 Taka	01 April to June 2022 Taka	
Interest income / profit on investments	21	3,278,979,431	2,855,665,041	1,726,647,462	1,455,290,090
Less: Interest / profit on deposits and borrowings etc.	22	2,616,080,034	2,211,696,931	1,368,450,796	1,152,605,042
<b>Net interest income</b>		<b>662,899,397</b>	<b>643,968,110</b>	<b>358,196,666</b>	<b>302,685,048</b>
Income from investments in shares and securities	23	872,636,085	735,195,862	422,988,481	355,482,148
Commission, exchange and brokerage	24	486,641,867	550,763,792	287,649,880	352,796,819
Other operating income	25	93,928,103	71,453,846	57,337,887	47,357,231
		<b>1,453,206,055</b>	<b>1,357,413,500</b>	<b>767,976,248</b>	<b>755,636,198</b>
<b>Total operating income</b>		<b>2,116,105,452</b>	<b>2,001,381,610</b>	<b>1,126,172,914</b>	<b>1,058,321,246</b>
Salary and allowances	26	849,487,427	700,458,612	458,660,172	385,841,362
Rent, taxes, insurance, electricity etc.	27	82,640,577	81,888,291	43,637,250	43,602,101
Legal and professional expenses	28	2,346,938	3,426,907	1,423,823	1,647,364
Postage, stamp, telecommunication etc.	29	3,647,894	8,402,677	2,030,177	3,362,506
Stationery, printing, advertisement etc.	30	27,559,090	24,641,721	13,351,317	10,836,966
Chief executive's salary and fees	31	5,880,000	6,020,000	2,700,000	3,900,000
Directors' fees	32	1,784,000	1,048,000	1,488,000	768,000
Auditors' fees	33	57,500	-	57,500	-
Charges on loan losses		-	-	-	-
Depreciation and repair of bank's assets	34	198,220,818	185,616,241	101,334,562	93,634,773
Other expenses	35	122,978,018	131,111,496	55,034,139	49,504,959
<b>Total operating expenses</b>		<b>1,294,602,262</b>	<b>1,142,613,945</b>	<b>679,716,940</b>	<b>593,098,031</b>
<b>Profit before provision</b>		<b>821,503,190</b>	<b>858,767,665</b>	<b>446,455,974</b>	<b>465,223,215</b>
<b>Provision for loan</b>					
Specific provision	13.3	80,596,214	250,353,444	39,353,002	200,485,703
Special general provision - COVID-19	13.4	(4,896,277)	(61,809,406)	(4,112,643)	(52,920,478)
General provision on loans and advances - main operation	13.3	15,194,033	48,795,427	586,106	14,428,740
General provision on loans and advances - OBU	13.3	(183,013)	(1,047,784)	(417,121)	(883,174)
General provision on off balance sheet items	13.5	36,411,028	67,652,613	15,422,499	35,266,384
		127,121,985	303,944,294	50,831,843	196,377,175
Provision for rebate to good borrowers		-	(19,000,000)	-	-
Provision for diminution in value of investments	13.7	1,738,247	54,905,158	1,738,247	47,848,915
Other provision		-	-	-	-
<b>Total provision</b>		<b>128,860,232</b>	<b>339,849,452</b>	<b>52,570,090</b>	<b>244,226,090</b>
<b>Total Profit before taxes</b>		<b>692,642,958</b>	<b>518,918,213</b>	<b>393,885,884</b>	<b>220,997,125</b>
Provision for taxation	36	356,448,714	258,015,339	198,238,724	142,831,581
<b>Net profit after taxation</b>		<b>336,194,244</b>	<b>260,902,874</b>	<b>195,647,160</b>	<b>78,165,544</b>
Earnings per share (EPS)	41	0.41	0.32	0.23	0.10

Accompanying notes form an integral part of these financial statements.

  
 Chief Financial Officer

  
 Company Secretary (cc)

  
 Chairman

  
 Director

  
 Managing Director & CEO


Dhaka, 25 July 2023

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

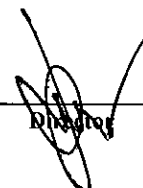
	Note	01 Jan 2023 to 30 June 2023	01 Jan 2022 to 30 June 2022
		Taka	Taka
<b>A) Cash flows from operating activities</b>			
Interest receipts in cash		3,196,583,332	2,925,834,971
Interest payments		(1,885,644,410)	(1,682,400,905)
Dividend receipts		22,465,625	11,622,034
Income from investments		715,308,721	764,396,078
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		442,374,294	47,951,639
Cash payments to employees		(849,487,427)	(707,526,612)
Cash payments to suppliers		(10,648,975)	(95,934,113)
Income taxes paid		(249,435,114)	(363,712,166)
Receipts from other operating activities		93,928,103	71,453,846
Payments for other operating activities		(133,246,779)	(131,111,496)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>1,342,197,370</b>	<b>840,573,276</b>
<b>Increase / decrease in operating assets and liabilities</b>			
Net proceeds from trading securities		(990,345,665)	(1,219,357,311)
Loans and advances to other banks		(1,200,000,000)	-
Loans and advances to customers		(3,943,653,611)	(4,995,853,494)
Increase / decrease of other assets	37.1	(716,497,283)	(833,569,293)
Deposits from other banks		1,552,662,358	558,087
Deposits from customers		5,170,688,863	5,248,479,397
Increase / decrease of other liabilities account of customers		-	-
Increase / decrease of trading liabilities		-	-
Increase / decrease of other liabilities	38.1	1,402,194,922	34,854,761
		<b>1,275,049,584</b>	<b>(1,764,887,853)</b>
<b>Net cash from operating activities</b>		<b>2,617,246,954</b>	<b>(924,318,577)</b>
<b>B) Cash flows from investing activities</b>			
Net proceeds from sale of Government securities		29,654,532,795	(628,328,567)
Payments for Purchase of Government securities		(29,418,736,184)	(139,834,604)
Purchase of property, plant and equipment		119,502,411	-
Sale proceeds of property, plant and equipment		-	-
<b>Net cash from investing activities</b>		<b>355,299,022</b>	<b>(768,163,171)</b>
<b>C) Cash flows from financing activities</b>			
Borrowing from other banks, financial institutions and agents		(397,233,454)	(2,457,680,182)
Dividends paid		(288,467,078)	(82,542,653)
Receipts from issue of ordinary share		81,603,130	-
<b>Net cash from financing activities</b>		<b>(604,097,402)</b>	<b>(2,540,222,835)</b>
<b>D) Net increase / (decrease) in cash (A+B+C)</b>		<b>2,368,448,574</b>	<b>(4,232,700,583)</b>
<b>E) Effects of exchange rate changes on cash and cash-equivalent</b>			<b>502,812,152</b>
<b>F) Cash and cash-equivalents at beginning period</b>		<b>8,195,935,669</b>	<b>11,463,415,793</b>
<b>G) Cash and cash-equivalents at end of period (D+E+F)</b>		<b>10,564,384,243</b>	<b>7,733,527,361</b>
<b>H) Cash and cash-equivalents at end of period</b>			
Cash in hand including foreign currencies	3	925,391,636	827,282,710
Balances with Bangladesh Bank and its agent bank(s)	4	5,765,302,071	3,348,832,590
Balances with other Banks and Financial institutions	5	3,873,690,536	3,557,412,061
		<b>10,564,384,243</b>	<b>7,733,527,361</b>

Accompanying notes form an integral part of these financial statements.

  
 Chief Financial Officer

  
 Company Secretary (cc)

  
 Chairman

  
 Director

  
 Managing Director & CEO

Dhaka, 25 July 2023

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

Particulars	Paid Up Capital Taka	Statutory Reserve Taka	Other Reserve Taka	Capital Reserve	F.C. Translation Reserve Taka	Retained Earnings Taka	Minority Interest Taka	Total Taka
Balance as on 01 January 2023	8,160,313,370	2,204,928,598	65,228,536	516,704	7,933,440	390,293,727	432,182	10,829,646,557
Net profit for the period	-	-	-	-	-	336,194,244	-	336,194,244
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Transfer to statup fund	-	-	-	-	-	-	-	-
Revaluation of Govt. treasury bills, bonds and other investments	-	-	(39,094,779)	-	-	-	-	(39,094,779)
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	-	3,426,516	-	-	3,426,516
Transfer to capital reserve	-	-	-	-	-	-	-	-
Non-controlling (Minority) interest	-	-	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	(288,467,078)	-	(288,467,078)
Stock dividend issued	81,603,130	-	-	-	-	-	-	81,603,130
<b>Balance as on 31 March 2023</b>	<b>8,241,916,500</b>	<b>2,204,928,598</b>	<b>26,133,757</b>	<b>516,704</b>	<b>11,359,956</b>	<b>438,020,893</b>	<b>432,182</b>	<b>10,923,308,590</b>


**For the quarter ended 30 June 2022**

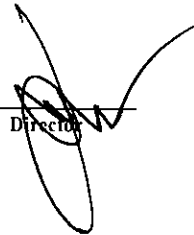
Particulars	Paid Up Capital Taka	Statutory Reserve Taka	Other Reserve Taka	Capital Reserve	F.C. Translation Reserve Taka	Retained Earnings Taka	Minority Interest Taka	Total Taka
Balance as on 01 January 2022	7,846,455,170	1,947,493,989	129,270,472	-	251,592	704,530,934	405,167	10,628,407,324
Net profit for the period	-	-	-	-	-	260,899,097	3,777	260,902,874
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Transfer to statup fund	-	-	-	-	-	-	-	-
Revaluation of Govt. treasury bills, bonds and other investments	-	-	(97,341,179)	-	-	-	116	(97,341,063)
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	-	2,007,868	-	-	2,007,868
Non-controlling (Minority) interest	-	-	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	(244,809,401)	-	(244,809,401)
Stock dividend issued	313,858,200	-	-	-	-	(313,858,200)	-	-
<b>Balance as on 30 June 2022</b>	<b>8,160,313,370</b>	<b>1,947,493,989</b>	<b>31,929,293</b>	<b>-</b>	<b>2,259,460</b>	<b>406,762,430</b>	<b>409,060</b>	<b>10,549,167,602</b>

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

  
 Chief Financial Officer

  
 Company Secretary (cc)

  
 Chairman

  
 Director

  
 Managing Director & CEO

Dhaka, 25 July 2023


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

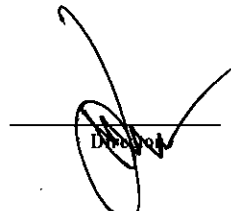
Particulars	Within one month Taka	Within one to three months Taka	Within three to twelve months Taka	Within one to five years Taka	More than five years Taka	Total Taka
<b>Assets:</b>						
Cash in hand (including foreign currencies)	925,391,636	-	-	-	-	925,391,636
Balance with Bangladesh Bank and its agent Banks	2,390,534,071	-	-	-	3,374,768,000	5,765,302,071
Balance with other banks & financial institutions	2,173,480,216	826,425,494	851,417,887	22,366,939	-	3,873,690,536
Money at call on short notice	1,200,000,000	-	-	-	-	1,200,000,000
Investments	486,317,880	969,268,786	494,873,077	1,553,707,857	13,166,728,227	16,670,895,827
Loans and advances	12,000,767,413	16,341,997,494	26,276,817,076	15,911,122,097	11,702,678,693	82,233,382,773
Fixed assets including premises, furniture and fixtures	26,646,203	53,292,405	239,815,822	1,221,963,739	82,046,393	1,623,764,562
Other assets	344,442,283	831,660,096	807,904,684	48,491,152	98,037,736	2,130,535,951
Non-Banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>19,547,579,702</b>	<b>19,022,644,275</b>	<b>28,670,828,546</b>	<b>18,757,651,784</b>	<b>28,424,259,049</b>	<b>114,422,963,356</b>
<b>Liabilities:</b>						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	816,443,165	1,237,892,025	1,074,527,427	122,193,178	323,476,167	3,574,531,962
Deposits and other accounts	13,078,639,734	16,226,281,628	25,803,824,528	14,196,535,807	21,981,364,648	91,286,646,345
Provisions and other liabilities	50,062,302	383,978,070	1,965,229,950	1,221,520,899	5,017,685,238	8,638,476,459
<b>Total Liabilities</b>	<b>13,945,145,201</b>	<b>17,848,151,723</b>	<b>28,843,581,905</b>	<b>15,540,249,884</b>	<b>27,322,526,053</b>	<b>103,499,654,766</b>
<b>Net liquidity surplus</b>	<b>5,602,434,501</b>	<b>1,174,492,552</b>	<b>(172,753,359)</b>	<b>3,217,401,900</b>	<b>1,101,732,996</b>	<b>10,923,308,590</b>
<b>Cumulative liquidity surplus</b>	<b>5,602,434,501</b>	<b>6,776,927,053</b>	<b>6,604,173,694</b>	<b>9,821,575,594</b>	<b>10,923,308,590</b>	

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

  
 Chief Financial Officer

  
 Company Secretary (cc)

  
 Chairman

  
 Director

  
 Managing Director & CEO

Dhaka, 25 July 2023

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

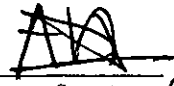
	Note	30 June 2023 Taka	31 December 2022 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
Cash in hand (Including foreign currencies)	3.1	925,384,090	987,490,568
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4.1	5,765,302,071	4,305,691,078
		<b>6,690,686,161</b>	<b>5,293,181,646</b>
<b>Balance with other banks and financial institutions</b>			
In Bangladesh	5.1	2,373,085,159	2,612,225,831
Outside Bangladesh		1,464,251,247	278,571,754
		<b>3,837,336,406</b>	<b>2,890,797,585</b>
<b>Money at call on short notice</b>	6	<b>1,200,000,000</b>	-
<b>Investments:</b>			
Government	7.1	14,481,769,553	14,959,513,358
Others		2,001,466,424	1,993,824,684
		<b>16,483,235,977</b>	<b>16,953,338,042</b>
<b>Loans, advances and lease / investments</b>			
Loans, cash credit, overdrafts etc. / investments	8.1	80,168,244,784	76,210,473,378
Bills purchased and discounted		2,244,314,812	1,781,844,637
		<b>82,412,559,596</b>	<b>77,992,318,015</b>
Fixed assets including premises, furniture and fixtures	9.1	1,605,360,846	1,724,623,028
Other assets	10.1	2,500,628,390	1,772,643,590
Non-banking assets		-	-
<b>TOTAL ASSETS</b>		<b>114,729,807,376</b>	<b>106,626,901,906</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	11.1	3,574,531,962	4,031,548,707
<b>Deposits and other accounts</b>			
Current / Al-wadeeah current deposits and other accounts	12.1	12,877,750,791	9,238,002,337
Special notice / mudaraba special notice deposits		4,750,585,979	4,382,625,127
Bills payable		5,497,306,363	3,197,410,868
Savings bank / mudaraba savings deposits		7,842,535,502	6,920,991,538
Fixed / mudaraba term deposits		46,470,210,569	46,074,316,715
Other deposits		14,242,999,838	14,786,087,582
		<b>91,681,389,042</b>	<b>84,599,434,167</b>
Subordinated bonds		-	-
Other liabilities	13.1	8,598,380,847	7,199,371,669
<b>TOTAL LIABILITIES</b>		<b>103,854,301,851</b>	<b>95,830,354,543</b>
<b>Capital/ Shareholders' equity</b>			
Paid up capital	14.3	8,241,916,500	8,160,313,370
Statutory reserve	15	2,204,928,598	2,204,928,598
General reserve		-	-
Other reserve (revaluation reserve on Govt. Securities)	16	26,133,757	65,228,536
Foreign currency translation reserve	16.2	11,359,956	7,933,440
Surplus in profit and loss account	17.1	391,166,714	358,143,419
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>10,875,505,525</b>	<b>10,796,547,363</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>114,729,807,376</b>	<b>106,626,901,906</b>



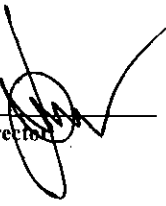
	Note	30 June 2023 Taka	31 December 2022 Taka
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
	18		
Acceptance and endorsements		5,195,468,058	4,948,539,066
Letters of guarantee		12,439,658,891	10,830,648,085
Irrevocable letters of credit		6,825,683,721	4,290,338,894
Bills for collection		3,241,824,821	1,712,915,295
Other contingent liabilities		-	-
<b>Total</b>		<b>27,702,635,491</b>	<b>21,782,441,340</b>
<b>Other commitments</b>			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>27,702,635,491</b>	<b>21,782,441,340</b>
<b>Net asset value per share (NAV)</b>	40.1	<b>13.20</b>	<b>13.23</b>

Accompanying notes form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary (cc)

  
Chairman

  
Director

  
Managing Director & CEO

Dhaka, 25 July 2023

**South Bangla Agriculture and Commerce Bank Limited**  
**Profit and Loss Account (Unaudited)**  
**For the second quarter ended 30 June 2023**

Note	01 Jan 2023 to 30 June 2023	01 Jan 2022 to 30 June 2022	01 April to June 2023	01 April to June 2022	
	Taka	Taka	Taka	Taka	
Interest income / profit on investments	21.1	3,206,675,710	2,855,639,536	1,656,443,219	1,455,264,585
Less: Interest / profit on deposits and borrowings etc.	22.1	2,558,856,367	2,219,931,573	1,307,154,873	1,156,163,168
<b>Net interest income</b>		<b>647,819,343</b>	<b>635,707,963</b>	<b>349,288,346</b>	<b>299,101,417</b>
Income from investments in shares and securities	23.1	866,877,158	734,871,684	421,017,831	355,157,970
Commission, exchange and brokerage	24.1	467,925,791	549,567,628	277,267,846	351,600,655
Other operating income	25.1	93,885,184	71,444,911	57,300,624	47,348,296
<b>Total operating income</b>		<b>1,428,688,133</b>	<b>1,355,884,223</b>	<b>755,586,301</b>	<b>754,106,921</b>
		<b>2,076,507,476</b>	<b>1,991,592,186</b>	<b>1,104,874,647</b>	<b>1,053,208,338</b>
Salary and allowances	26.1	836,637,589	697,480,537	451,369,279	383,580,787
Rent, taxes, insurance, electricity etc.	27.1	81,910,038	81,658,291	43,262,022	43,372,101
Legal and professional expenses	28.1	2,258,403	3,426,907	1,375,538	1,692,364
Postage, stamp, telecommunication etc.	29.1	3,647,894	8,402,677	2,037,647	3,368,506
Stationery, printing, advertisement etc.	30.1	27,457,211	24,616,466	13,304,537	10,811,711
Chief executive's salary and fees	31	5,880,000	6,020,000	2,700,000	3,900,000
Directors' fees	32.1	1,600,000	896,000	1,424,000	712,000
Auditors' fees	33.1	57,500	-	57,500	-
Charges on loan losses		-	-	-	-
Depreciation and repair of bank's assets	34.1	197,314,089	185,616,241	100,875,254	93,634,773
Other expenses	35.1	119,349,113	129,838,985	52,969,926	48,412,948
<b>Total operating expenses</b>		<b>1,276,111,837</b>	<b>1,137,956,104</b>	<b>669,375,703</b>	<b>589,485,190</b>
<b>Profit before provision</b>		<b>800,395,639</b>	<b>853,636,082</b>	<b>435,498,944</b>	<b>463,723,148</b>
<b>Provision for loan</b>					
Specific provision	13.3	80,596,214	250,353,444	39,353,002	200,485,703
Special general provision - COVID-19	13.4	(4,896,277)	(61,809,406)	(4,112,643)	(52,920,478)
General provision on loans and advances - main operation	13.3	15,194,033	48,795,427	586,106	14,428,740
General provision on loans and advances - OBU	13.4	(183,013)	(1,047,784)	(417,121)	(883,174)
General provision on off balance sheet items	13.5	36,411,028	67,652,613	15,422,499	35,266,384
		127,121,985	303,944,294	50,831,843	196,377,175
Provision for rebate to good borrowers		-	(19,000,000)	-	-
Provision for diminution in value of investments	13.7	1,738,247	54,905,158	-	61,961,401
Other provision		-	-	-	-
<b>Total provision</b>		<b>128,860,232</b>	<b>339,849,452</b>	<b>50,831,843</b>	<b>258,338,576</b>
<b>Total Profit before taxes</b>		<b>671,535,407</b>	<b>513,786,630</b>	<b>384,667,101</b>	<b>205,384,572</b>
Provision for taxation	36	350,045,034	256,660,841	194,949,690	142,838,901
<b>Net profit after taxation</b>		<b>321,490,373</b>	<b>257,125,789</b>	<b>189,717,411</b>	<b>62,545,671</b>
Earnings per share (EPS)	41.1	0.39	0.31	0.23	0.08

Accompanying notes form an integral part of these financial statements.

  
 Chief Financial Officer

  
 Company Secretary (cc)

  
 Chairman

  
 Director

  
 Managing Director & CEO

Dhaka, 25 July 2023


**South Bangla Agriculture and Commerce Bank Limited**


**Cash Flow Statement (Unaudited)  
For the second quarter ended 30 June 2023**

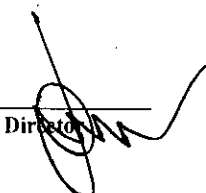
	Notes	01 Jan 2023 to 30 June 2023	01 Jan 2022 to 30 June 2022
		Taka	Taka
<b>A) Cash flows from operating activities</b>			
Interest receipts in cash		3,195,274,299	2,925,809,466
Interest payments		(1,905,830,945)	(1,690,635,547)
Dividend receipts		22,609,564	11,622,034
Income from investments		731,327,289	764,071,900
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		467,925,791	46,755,475
Cash payments to employees		(842,517,589)	(704,396,537)
Cash payments to suppliers		(8,991,119)	(95,678,858)
Income taxes paid	10.2	(227,864,492)	(362,547,520)
Receipts from other operating activities		93,928,103	71,444,911
Payments for other operating activities		(133,246,779)	(129,838,985)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>1,392,614,122</b>	<b>836,606,339</b>
<b>Increase / decrease in operating assets and liabilities</b>			
Sale / purchase of trading securities		(990,343,666)	(1,219,357,311)
Loans and advances to other banks		(1,200,000,000)	-
Loans and advances to customers		(4,406,123,786)	(5,071,140,406)
Increase / decrease of other assets	37	(727,984,800)	(844,868,545)
Deposits from other banks		1,553,142,358	558,087
Deposits from customers		5,528,812,517	5,256,555,370
Increase / decrease of other liabilities account of customers		-	-
Increase / decrease of trading liabilities		-	-
Increase / decrease of other liabilities	38	1,399,009,178	(12,328,743)
		<b>1,156,511,801</b>	<b>(1,890,581,548)</b>
<b>Net cash from operating activities</b>		<b>2,549,125,923</b>	<b>(1,053,975,209)</b>
<b>B) Cash flows from investing activities</b>			
Net Proceeds from sale of securities		29,597,268,795	(559,194,943)
Payments for Purchase of securities		(29,257,732,871)	(137,344,375)
Purchase of property, plant and equipment		119,262,182	-
Sale proceeds of property, plant and equipment		-	-
<b>Net cash from investing activities</b>		<b>458,798,106</b>	<b>(696,539,318)</b>
<b>C) Cash flows from financing activities</b>			
Borrowing from other banks, financial institutions and agents		(457,016,745)	(2,457,680,182)
Dividends paid		(288,467,078)	(82,542,653)
Receipts from issue of ordinary share		81,603,130	-
<b>Net cash from financing activities</b>		<b>(663,880,693)</b>	<b>(2,540,222,835)</b>
<b>D) Net increase / (decrease) in cash (A+B+C)</b>		<b>2,344,043,336</b>	<b>(4,290,737,362)</b>
E) Effects of exchange rate changes on cash and cash-equivalent		-	502,812,152
<b>F) Cash and cash-equivalents at beginning period</b>		<b>8,183,979,231</b>	<b>11,463,415,793</b>
<b>G) Cash and cash-equivalents at end of period (D+E+F)</b>		<b>10,528,022,567</b>	<b>7,675,490,583</b>
<b>H) Cash and cash-equivalents at end of period</b>			
Cash in hand including foreign currencies	3	925,384,090	827,232,710
Balances with Bangladesh Bank and its agent bank(s)	4	5,765,302,071	3,348,832,590
Balances with other Banks and Financial institutions	5	3,837,336,406	3,499,425,283
		<b>10,528,022,567</b>	<b>7,675,490,583</b>

Accompanying notes form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary (cc)

  
Chairman

  
Director

  
Managing Director & CEO

Dhaka, 25 July 2023

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


Particulars	Paid Up Capital	Statutory Reserve	Other Reserve	F.C. Translation Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as on 01 January 2023	8,160,313,370	2,204,928,598	65,228,536	7,933,440	358,143,419	10,796,547,363
Net profit for the period	-	-	-	-	321,490,373	321,490,373
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to startup fund	-	-	-	-	-	-
Revaluation of Govt. treasury bills, bonds and other investments	-	-	(39,094,779)	-	-	(39,094,779)
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	3,426,516	-	3,426,516
Stock dividend issued	81,603,130	-	-	-	-	81,603,130
Cash dividend paid	-	-	-	-	(288,467,078)	(288,467,078)
<b>Balance as on 30 June 2023</b>	<b>8,241,916,500</b>	<b>2,204,928,598</b>	<b>26,133,757</b>	<b>11,359,956</b>	<b>391,166,714</b>	<b>10,875,505,525</b>


**For the quarter ended 30 June 2022**

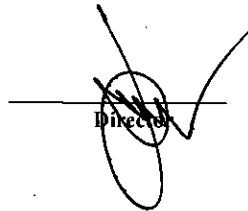
Particulars	Paid Up Capital	Statutory Reserve	Other Reserve	F.C. Translation Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as on 01 January 2022	7,846,455,170	1,947,493,989	129,270,472	251,592	699,369,062	10,622,840,285
Net profit for the period	-	-	-	-	257,125,789	257,125,789
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to startup fund	-	-	-	-	-	-
Revaluation of Govt. treasury bills, bonds and other investments	-	-	(97,457,228)	-	-	(97,457,228)
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	2,007,868	-	2,007,868
Stock dividend issued	313,858,200	-	-	-	(313,858,200)	-
Cash dividend paid	-	-	-	-	(244,809,401)	(244,809,401)
<b>Balance as on 30 June 2022</b>	<b>8,160,313,370</b>	<b>1,947,493,989</b>	<b>31,813,244</b>	<b>2,259,460</b>	<b>397,827,250</b>	<b>10,539,707,313</b>

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

  
 Chief Financial Officer

  
 Company Secretary (cc)

  
 Chairman

  
 Director

  
 Managing Director & CEO

Dhaka, 25 July 2023

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

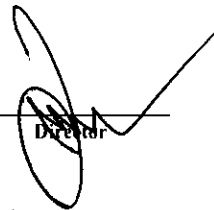
Particulars	Within one month Taka	Within one to three months Taka	Within three to twelve months Taka	Within one to five years Taka	More than five years Taka	Total Taka
<b>Assets:</b>						
Cash in hand (including foreign currencies)	925,384,090	-	-	-	-	925,384,090
Balance with Bangladesh Bank and its agent Banks	2,390,534,071	-	-	-	3,374,768,000	5,765,302,071
Balance with other banks & financial institutions	2,173,480,216	812,438,303	851,417,887	-	-	3,837,336,406
Money at call on short notice	1,200,000,000	-	-	-	-	1,200,000,000
Investments	486,317,880	969,268,786	494,873,077	1,367,417,997	13,165,358,237	16,483,235,977
Loans and advances	12,000,767,413	16,341,997,494	26,276,817,076	16,084,542,039	11,708,435,574	82,412,559,596
Fixed assets including premises, furniture and fixtures	26,486,606	42,973,211	238,379,456	1,187,699,952	109,821,621	1,605,360,846
Other assets	327,677,331	839,213,879	787,608,292	48,491,152	497,637,736	2,500,628,390
Non-Banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>19,530,647,607</b>	<b>19,005,891,673</b>	<b>28,649,095,788</b>	<b>18,688,151,140</b>	<b>28,856,021,168</b>	<b>114,729,807,376</b>
<b>Liabilities:</b>						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	816,443,165	1,237,892,025	1,074,527,427	122,193,178	323,476,167	3,574,531,962
Deposits and other accounts	13,078,639,734	16,226,281,628	26,198,567,225	14,196,535,807	21,981,364,648	91,681,389,042
Provisions and other liabilities	49,999,174	379,235,320	1,961,778,828	1,220,777,752	4,986,589,773	8,598,380,847
<b>Total Liabilities</b>	<b>13,945,082,073</b>	<b>17,843,408,973</b>	<b>29,234,873,480</b>	<b>15,539,506,737</b>	<b>27,291,430,588</b>	<b>103,854,301,851</b>
<b>Net liquidity surplus</b>	<b>5,585,565,534</b>	<b>1,162,482,700</b>	<b>(585,777,692)</b>	<b>3,148,644,403</b>	<b>1,564,590,580</b>	<b>10,875,505,525</b>
<b>Cumulative liquidity surplus</b>	<b>5,585,565,534</b>	<b>6,748,048,234</b>	<b>6,162,270,542</b>	<b>9,310,914,945</b>	<b>10,875,505,525</b>	


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

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Company Secretary (cc)

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Managing Director & CEO

Dhaka, 25 July 2023

**South Bangla Agriculture and Commerce Bank Limited**  
**Notes to the Financial Statements**  
**as at and for the first quarter ended 30 June 2023**

**1 General information**

**1.1 Status of the bank**

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

**1.2 Nature of business**

**Principal activities**

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

**Off-shore Banking Unit (OBU)**

The Off-shore Banking Unit (OBU) of the Bank is the separate business entity governed by the applicable rules & regulations and guidelines of Bangladesh Bank. The Bank obtained the permission for conducting the activities of OBU under reference letter no. BRPD (03)/744(127)/2020-5140 dated 15 July 2020 of Bangladesh Bank. The Bank started the operation of OBU on 22 October 2020. The number of OBU was one as at 31 March 2023, located at International Division, Head Office, SBAC Bank Ltd., Dhaka.

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

**Agent Banking Outlet**

The Bank has started agent banking operation in 2022 with a view to reach unbanked population particularly in the geographically dispersed areas and offer banking services to potential customers who are currently out of traditional banking periphery. The Bank has 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.

## 2 Basis of preparation of financial statements and significant accounting policies

### 2.1 Basis of preparation of financial statements

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

#### i) Presentation of Financial statements

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

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

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

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

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

#### iii) Revaluation gains/losses on Government securities

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

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

#### iv) Provision on loans and advances/investments

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

**Bangladesh Bank:** As per BRPD circular letter no. 53 (22 December 2022), BRPD circular letter no. 52 (20 October 2020), BRPD circular No. 16 (21 July 2020), BRPD circular no.24 (17 November 2019), BRPD circular no.6 (19 May 2019), BRPD circular no.4 (16 May 2019), BRPD circular no.3 (21 April 2019), BRPD circular no.15 (27 September 2017), BRPD circular no.16 (18 November 2014), BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013 & BRPD circular no. 16 dated 18 November 2014, a general provision at 0.25% to 2% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on time past due. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9. However, if there is any stay order issued by the 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 as per BRPD Circular No. 06, dated 25th April 2023 against off-balance sheet exposures (which includes undrawn loan commitments).

#### ix) Cash and cash equivalents

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

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

#### x) Repo and reverse repo transactions

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



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

**xi) Non-banking asset**

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

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

**xii) Cash flow statement**

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

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

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

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

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

**xiv) Presentation of intangible assets**

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

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

**xv) Off-balance sheet items**

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

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

**xvi) Loans and advances net of provision**

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

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

**xvii) Disclosure of appropriation of profit**

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

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

**2.2 Going concern basis of accounting**

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

**2.3 Basis of consolidation**

The consolidated financial statements include the financial statements of the Bank and its one subsidiary, SBAC Bank Investment Limited, made up to the end of the financial year as on 31 December 2022. The consolidated financial statements have been prepared in accordance with IFRS 10 "Consolidated Financial Statements" using purchase method. The consolidated financial statements have been prepared by using uniform accounting policies for like transactions and other events in similar circumstances.

**Subsidiary**

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

#### **Transactions eliminated on consolidation**

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

#### **2.4 Use of estimates and judgment**

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

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

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

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

#### **2.5 Consistency**

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

#### **2.6 Foreign currency transactions**

##### **a) Functional and presentation currency**

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

##### **b) Foreign currencies translation**

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

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

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

##### **c) Commitments**

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

##### **d) Transaction gains and losses**

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

#### **2.7 Cash flow statement**

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

#### **2.8 Statement of changes in equity**

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

#### **2.9 Statement of liquidity**

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

#### **2.10 Reporting period**

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

## 2.11 Investment in Govt. Securities

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

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

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

## 2.12 Investment in quoted / unquoted securities

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

## 2.13 Loans and advances

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

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

## 2.14 Provisions on loans and advances

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

The provisioning rates are as follows:

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

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

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

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

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

## 2.15 Property, plant and equipment

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

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

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

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

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

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

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

## 2.16 Intangible asset

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

## 2.17 Provisions for other assets

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

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

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

**2.18 Non banking assets**

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

**2.19 Securities purchased under re-sale agreement**

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

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

**2.20 Reconciliation of inter-bank and inter-branch account**

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

**2.21 Statutory reserve**

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

**2.22 Other reserve**

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

**2.23 Non-controlling (minority) interest in subsidiary**

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

**2.24 Deposits and other accounts**

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

**2.25 Borrowings from other banks, financial institutions and agents**

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

**2.26 Employees benefits**

**a. Short term benefits**

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

**b. Provident fund**

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

**c. Gratuity**

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

#### **d. Workers Profit Participation Fund and Welfare Fund**

SRO-336-AIN/2010 dated 5-10-2010 issued by the 'Ministry of Labour and Employment' declares the status of business of certain institutions and companies along with Bank & insurance companies as "Industrial Undertakings" for the purposes of Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) which deals with the workers' participation in company's profit by way of 'Workers Participation Fund' and 'Welfare Fund'. This Act requires the "Industrial Undertakings" to maintain provision for workers' profit participation fund @ 5% on net profit. Since this requirement contradicts with the 'Section 11' of the 'Bank Company Act 1991 (as amended up to 2018)', Banks in Bangladesh took up the issue collectively and sought opinion from 'Association of Bankers Bangladesh Limited (ABB)' on the same. ABB wrote a letter to the 'Ministry of Finance' of Government of People's Republic of Bangladesh on 09.03.2016 to draw attention of the 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 for Off Balance Sheet (OBS) has been maintained as per BRPD Circular No. 06, dated April 25, 2023.

#### **2.29 Provision for current taxation**

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

#### **2.30 Provision for deferred tax**

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

#### **2.31 Revenue recognition**

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

##### **2.31.1 Interest income (conventional banking)**

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

##### **2.31.2 Profit on investment (islamic banking)**

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

##### **2.31.3 Investment income**

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

##### **2.31.4 Fees and commission income**

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

**2.31.5 Dividend income on shares**

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

**2.31.6 Interest paid on borrowings and deposits (conventional banking)**

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

**2.31.7 Profit shared on deposits (islamic banking)**

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

**2.31.8 Management and other expenses**

Expenses incurred by the Bank are recognized on accrual basis.

**2.32 Earnings per share (EPS)**

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

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

**2.33 Off-setting financial assets and financial liabilities**

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

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

**2.34 Leases**

IFRS 16 Leases is effective for the annual reporting periods beginning on or after 1 January 2019. IFRS 16 defines that a contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Under IFRS 16, an entity shall be recognizing a right-of-use (ROU) asset (i.e. the right to use the office building, branches, service 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.

### 2.35 Dividend policy

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

### 2.36 Credit Rating of the Bank

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

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

### 2.37 Accounting standards adopted

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

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



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

\* Subject to departure disclosed in note no. 2.1.

#### 2.38 New accounting standards not yet adopted

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

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

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

##### (a) IFRS 17 Insurance contract

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

#### 2.39 Information about business segments

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

#### 2.40 Utilization of IPO fund

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

#### 2.41 Event after balance sheet date

##### A. 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.

##### B. Issue of Stock Dividend for the year 2021

The Bank issued 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.

#### 2.41 General

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

#### 2.42 Approval of the Financial Statements

The Board of Directors of the Bank, in its 167th meeting held on 25 July 2023, approved the financial statements of the Bank for the first quarter ended 30 June 2023 and signed these statements on the same day.

	30 June 2023 Taka	31 December 2022 Taka
<b>3. Cash in hand (including foreign currencies) - Consolidated</b>		
SBAC Bank Limited (note 3.1)	925,384,090	987,490,568
SBAC Bank Investment Limited	7,546	13,594
	<u>925,391,636</u>	<u>987,504,162</u>
<b>3.1 Cash in hand (including foreign currencies) of the Bank</b>		
Local currency	917,839,325	980,174,738
Foreign currencies	7,544,765	7,315,830
	<u>925,384,090</u>	<u>987,490,568</u>
<b>4. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) - Consolidated</b>		
SBAC Bank Limited (note 4.1)	5,765,302,071	4,305,691,078
SBAC Bank Investment Limited	-	-
	<u>5,765,302,071</u>	<u>4,305,691,078</u>
<b>4.1 Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) of the Bank</b>		
Bangladesh Bank		
In local currency	5,051,053,156	3,655,236,495
In foreign currencies	714,248,915	650,454,583
	<u>5,765,302,071</u>	<u>4,305,691,078</u>
Sonali Bank Limited (as Agent of Bangladesh Bank) - local currency	-	-
	<u>5,765,302,071</u>	<u>4,305,691,078</u>
<b>5. Balance with other banks and financial institutions - Consolidated</b>		
<b>In Bangladesh</b>		
SBAC Bank Limited (note 5.1)	2,373,085,159	2,612,225,831
SBAC Bank Investment Limited	46,171,990	24,374,001
	<u>2,419,257,149</u>	<u>2,636,599,832</u>
Less : Inter company transactions	9,817,860	12,431,157
	<u>2,409,439,289</u>	<u>2,624,168,675</u>
<b>Outside Bangladesh</b>		
SBAC Bank Limited (note 5.1)	1,464,251,247	278,571,754
SBAC Bank Investment Limited	-	-
	<u>1,464,251,247</u>	<u>278,571,754</u>
	<u>3,873,690,536</u>	<u>2,902,740,429</u>
<b>5.1 Balance with other banks and financial institutions of the Bank</b>		
<b>In Bangladesh</b>		
Main Operation (note 5.3)	2,576,138,686	2,825,250,163
Off-shore Banking Unit	66,082,395	54,987,907
Less: Inter bank transactions	(269,135,922)	(268,012,239)
	<u>2,373,085,159</u>	<u>2,612,225,831</u>
<b>Outside Bangladesh</b>		
Main Operation (note 5.4)	1,464,251,247	278,571,754
	<u>3,837,336,406</u>	<u>2,890,797,585</u>
<b>5.2 Balance with other banks and financial institutions - Main Operation</b>		
In Bangladesh (note 5.3)	2,576,138,686	2,825,250,163
Outside Bangladesh (note 5.4)	1,464,251,247	278,571,754
	<u>4,040,389,933</u>	<u>3,103,821,917</u>
<b>5.3 In Bangladesh</b>		
<b>Balance with other banks :</b>		
<b>In current deposit accounts with</b>		
Sonali Bank Limited	26,224,835	72,926,045
Dutch Bangla Bank Limited	337	1,027
Eastern Bank Limited	257,764	13,900,701
	<u>26,482,936</u>	<u>86,827,773</u>

	30 June 2023 Taka	31 December 2022 Taka
<b>In special notice deposit accounts with</b>		
Janata Bank Limited	257,360,857	148,019,161
Eastern Bank Limited	32,027,195	11,257,764
Sonali Bank Limited	8,845,408	-
Mercantile Bank Limited	216,102,955	406,754
Bank Asia Limited	26	26
Standard Bank Limited	89,865	89,323
Jamuna Bank Limited	16,840	16,840
Al-Arafa Islami Bank Limited	12,657	13,539
Trust Bank Limited	16,511,810	38,281,426
Union Bank Limited	4,318	4,844
IFIC Bank Limited	17,250	17,667
Rupali Bank Limited	281,125	434,215
	<b>531,270,306</b>	<b>198,541,559</b>
<b>In fixed deposit accounts with</b>		
NCC Bank Limited	-	500,000,000
	-	<b>500,000,000</b>
<b>Balance with financial institutions :</b>		
Phoenix Finance Limited	195,800,000	197,100,000
International Leasing & Financial Services Limited	578,500,000	578,500,000
Industrial & Infrastructure Development Finance Company Limited	18,900,000	23,300,000
Fareast Finance and Investment Limited	257,500,000	257,500,000
FAS Finance Limited	264,300,000	264,300,000
Premier Leasing and Finance Limited	130,800,000	130,900,000
Union Capital Limited	173,000,000	174,200,000
Bangladesh Finance and Investment Company Limited	200,000,000	200,000,000
	<b>1,818,800,000</b>	<b>1,825,800,000</b>
Placement of fund with SBAC Bank Off-shore Banking Unit	199,585,444	214,080,831
	<b>2,576,138,686</b>	<b>2,825,250,163</b>

#### 5.4 Outside Bangladesh

##### In demand deposit accounts (non-interest bearing) with

Particulars	Currency	30 June 2023			31 December 2022		
		Amount in foreign currency	Exchange rate for per unit	Amount in Taka	Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka
Mashreq Bank PSC, New York	USD	8,631,862	107.85	930,904,930	611,133	103.30	63,128,233
AB Bank, Mumbai	ACU	273,879	107.85	29,536,536	395,064	103.30	40,808,919
United Bank of India, Kolkata	ACU	41,769	107.85	4,504,585	34,717	103.30	3,586,144
National Bank of Pakistan,	JPY	1,240,571	0.75	933,033	1,793,571	0.77	1,384,637
Sonali Bank Ltd. Kolkata	ACU	256,419	107.85	27,653,532	276,462	103.30	28,557,657
Habib American Bank,	USD	3,247,492	107.85	350,226,452	210,587	103.30	21,752,992
Habib Metropolitan Bank Ltd., Karachi	ACU	7,924	107.85	854,520	7,924	103.30	818,482
AXIS Bank Ltd., Mumbai	ACU	173,010	107.85	18,658,296	569,300	103.30	58,807,023
Sonali Bank (UK) Ltd.	USD	11,746	107.85	1,266,710	43,233	103.30	4,465,851
Sonali Bank (UK) Ltd.	GBP	11,158	137.29	1,531,909	6,597	124.27	819,841
Sonali Bank (UK) Ltd.	EURO	20,032	137.29	2,750,189	33,922	109.71	3,721,680
Koomin Bank, Seoul	USD	25,409	107.85	2,740,285	55,240	103.30	5,706,109
Yes Bank Ltd.	ACU	37,360	107.85	4,029,107	32,970	103.30	3,405,702
Aktif Yatirim Bankasi A.S.	EURO	201,760	137.29	27,698,942	8,775	109.71	962,758
Banca UBAE SPA	EURO	555,184	137.29	76,219,507	370,478	109.71	40,645,726

1,464,251,247

278,571,754

In demand deposit accounts (interest bearing)

-

-

Total Outside Bangladesh

1,464,251,247

278,571,754

	30 June 2023 Taka	31 December 2022 Taka
<b>5.5 Maturity grouping of balance with other banks and financial institutions of the Bank</b>		
On demand	165,464,173	567,499,527
Within one month	808,016,043	798,541,559
Within one to three months	235,167,503	330,000,000
Within three to twelve months	851,417,887	1,194,756,499
Within one to five years	-	-
More than five years	-	-
	<u>2,060,065,606</u>	<u>2,890,797,585</u>
<b>6. Money at call on short notice</b>		
With banks	1,200,000,000	-
With non bank financial institutions	-	-
	<u>1,200,000,000</u>	<u>-</u>

	30 June 2023 Taka	31 December 2022 Taka
<b>7. Investments in shares &amp; securities - Consolidated</b>		
<b>Government :</b>		
SBAC Bank Limited	14,481,769,553	14,959,513,358
SBAC Bank Investment Limited	-	-
	<b>14,481,769,553</b>	<b>14,959,513,358</b>
<b>Other :</b>		
SBAC Bank Limited	2,001,466,424	1,993,824,684
SBAC Bank Investment Limited	187,659,850	173,225,517
	<b>2,189,126,274</b>	<b>2,167,050,201</b>
	<b>16,670,895,827</b>	<b>17,126,563,559</b>
<b>7.1 Investments in shares &amp; securities of the Bank</b>		
<b>Government securities</b>		
<b>Treasury bills</b>		
91-day treasury bills	-	-
182-day treasury bills	-	-
364-day treasury bills	-	-
30-day Bangladesh Bank bills	-	-
<b>Treasury bonds</b>		
2-Year treasury bonds	-	-
3-Year treasury bonds	-	-
5-Year treasury bonds	-	912,414,357
10-Year treasury bonds	333,002,240	2,550,177,567
15-Year treasury bonds	7,258,231,455	5,556,038,878
20-Year treasury bonds	6,616,205,858	5,664,821,056
Ijarah Sukuk Bond	274,330,000	274,330,000
	<b>14,481,769,553</b>	<b>14,957,781,858</b>
<b>Total treasury bills and bonds</b>	<b>14,481,769,553</b>	<b>14,957,781,858</b>
Prize bonds	1,524,300	1,731,500
<b>Total Government securities</b>	<b>14,483,293,853</b>	<b>14,959,513,358</b>
<b>Other investments (note 7.3)</b>	<b>2,001,466,424</b>	<b>1,993,824,684</b>
	<b>16,484,760,277</b>	<b>16,953,338,042</b>
<b>7.2 Classification of investments in shares &amp; securities of the Bank as per Bangladesh Bank Circular</b>		
Government treasury bills and bonds		
Held for Trading (HFT)	2,975,150,992	1,984,807,326
Held to Maturity (HTM)	8,768,235,961	10,233,273,242
Re-measured	1,411,984,132	1,417,373,474
Ijarah Sukuk Bond	274,330,000	274,330,000
Encumbered Govt. securities	1,050,544,168	1,047,997,816
<b>Total treasury bills and bonds</b>	<b>14,480,245,253</b>	<b>14,957,781,858</b>
Reverse-REPO with Bangladesh Bank	-	-
Prize bonds	1,524,300	1,731,500
<b>Total Government securities</b>	<b>14,481,769,553</b>	<b>14,959,513,358</b>
Other investments (note 7.3)	2,001,466,424	1,993,824,684
	<b>16,483,235,977</b>	<b>16,953,338,042</b>
<b>7.3 Other investments</b>		
In quoted shares	1,396,190,057	1,388,548,318
In quoted mutual funds	101,694,996	101,694,995
In unquoted shares	3,581,371	3,581,371
In preference shares	500,000,000	500,000,000
	<b>2,001,466,424</b>	<b>1,993,824,684</b>
<b>7.4 Maturity grouping of investments</b>		
On demand	1,683,487	1,731,500
Within one month	484,634,393	498,456,171
Within one to three months	969,268,786	996,912,342
Within three to twelve months	494,873,077	508,986,862
Within one to five years	1,367,417,997	1,406,416,773
More than five years	13,165,358,237	13,540,834,394
	<b>16,483,235,977</b>	<b>16,953,338,042</b>

	30 June 2023 Taka	31 December 2022 Taka
<b>8. Loans, advances and lease / investments - Consolidated</b>		
<b>Loans , cash credit, overdrafts etc. / investments :</b>		
SBAC Bank Limited (note 8.1)	80,168,244,784	76,210,473,378
SBAC Bank Investment Limited	389,285,498	343,620,002
	<b>80,557,530,282</b>	<b>76,554,093,380</b>
Less : Inter-company transaction	568,462,321	508,679,030
	<b>79,989,067,961</b>	<b>76,045,414,350</b>
<b>Bills purchased and discounted :</b>		
SBAC Bank Limited (note 8.1)	2,244,314,812	1,781,844,637
SBAC Bank Investment Limited	-	-
	<b>2,244,314,812</b>	<b>1,781,844,637</b>
	<b>82,233,382,773</b>	<b>77,827,258,987</b>
<b>8.1 Loans, advances, lease and investments of the Bank</b>		
<b>Loans , cash credit, overdrafts etc. / investments :</b>		
Main Operation	79,953,727,793	75,989,719,025
Off-shore banking unit	214,516,991	220,754,353
	<b>80,168,244,784</b>	<b>76,210,473,378</b>
<b>Bills purchased and discounted :</b>		
Main Operation	2,244,314,812	1,781,844,637
Off-shore banking unit	-	-
	<b>2,244,314,812</b>	<b>1,781,844,637</b>
	<b>82,412,559,596</b>	<b>77,992,318,015</b>
<b>8.2 Loans , cash credit, overdrafts etc. / investments of the Bank</b>		
<b>In Bangladesh:</b>		
Overdrafts / bai murabaha	22,216,148,747	21,280,851,367
<b>Cash credit / bai murabaha :</b>		
General cash credit / bai murabaha	5,387,419,161	5,411,595,647
Agriculture cash credit / bai murabaha	208,473,945	220,468,407
SME cash credit	9,002,753,068	9,090,869,778
General cash credit under stimulus finance	108,151,053	115,148,570
SME cash credit / bai murabaha under stimulus finance	50,839,211	106,877,819
	<b>14,757,636,438</b>	<b>14,944,960,221</b>
<b>Loans, lease and investments :</b>		
Loans against trust receipt / murabaha post import	1,208,694,855	1,114,598,227
Export packing credit	192,527,750	134,521,005
Payment against document	81,160,362	276,345,060
Time loans	4,744,178,399	4,263,994,759
EDF loans	1,557,112,186	2,183,323,819
Demand loans / murabaha	4,601,606,994	2,934,018,818
Lease finance	722,346,989	653,322,670
House building finance / HPSM real estate	1,273,139,917	1,118,007,079
General term loans / bai murabaha	21,355,260,257	20,147,847,937
SME term loans / bai murabaha	4,834,063,360	4,628,549,783
Agriculture term loans / bai murabaha	659,783,300	605,893,912
Short term micro credit	811,490,118	811,468,030
Personal loans / HPSM	82,965,949	81,030,555
Auto loans / HPSM vehicles	77,725,652	73,762,792
Credit Card	326,545,993	307,387,987
Block account for rescheduled loan	84,132,795	81,944,375
Staff loans / HPSM	581,724,723	568,644,982
	<b>43,194,459,599</b>	<b>39,984,661,790</b>
	<b>80,168,244,784</b>	<b>76,210,473,378</b>
<b>Outside Bangladesh</b>	-	-
	<b>80,168,244,784</b>	<b>76,210,473,378</b>
<b>8.3 Bills purchased and discounted of the Bank</b>		
<b>Inside Bangladesh</b>		
Inland bills purchased and discounted	2,123,032,134	1,732,956,132
<b>Outside Bangladesh</b>		
Foreign bills purchased and discounted	121,282,678	48,888,505
	<b>2,244,314,812</b>	<b>1,781,844,637</b>

	30 June 2023 Taka	31 December 2022 Taka
<b>8.4 Maturity grouping of loans, advances and lease / investments including bills purchased and discounted</b>		
On demand	5,921,402,833	5,603,805,235
Within one month	6,079,364,580	5,753,294,619
Within one to three months	16,341,997,494	15,465,485,744
Within three to twelve months	26,276,817,076	24,867,445,980
Within one to five years	16,084,542,039	15,221,839,050
More than five years	11,708,435,574	11,080,447,387
	<b>82,412,559,596</b>	<b>77,992,318,015</b>
<b>8.5 Loans, advances and lease / investments including bills purchased and discounted are classified into following broad categories</b>		
<b>(a) Loans, advances and lease / investments (note 8.2)</b>		
<b>In Bangladesh</b>		
Loans	43,194,459,599	39,984,661,790
Cash credit	14,757,636,438	14,944,960,221
Overdraft	22,216,148,747	21,280,851,367
	<b>80,168,244,784</b>	<b>76,210,473,378</b>
<b>Outside Bangladesh</b>	-	-
	<b>80,168,244,784</b>	<b>76,210,473,378</b>
<b>(b) Bills purchased and discounted (note 8.3)</b>		
In Bangladesh	2,123,032,134	1,732,956,132
Outside Bangladesh	121,282,678	48,888,505
	<b>2,244,314,812</b>	<b>1,781,844,637</b>
	<b>82,412,559,596</b>	<b>77,992,318,015</b>
<b>8.6 Loans, advances and lease / investments including bills purchased and discounted on the basis of significant concentration</b>		
i. Loans, advances and lease / investments to Directors of the bank	167,600,854	150,531,587
ii. Loans, advances and lease / investments to CEO and other senior executives	413,859,344	398,093,990
iii. Loans, advances and lease / investment to staffs other than in sl. no. ii	180,777,684	170,550,992
iv. Loans, advances and lease / investments to customers' group	78,440,828,621	77,273,141,446
	<b>79,203,066,503</b>	<b>77,992,318,015</b>
<b>iv. Disclosure on large loans</b>		
Disclosure on large loans i.e. loan sanctioned to any individual or enterprise or any organization of a group amounting to 10% or more of the Bank's total capital and classified amount therein and measures taken for recovery of such loan have been furnished as under. Mentionable that, total capital (Tier I + Tier II) of the Bank on solo basis was Taka 11,126,531,896 as at 31 December 2022.		
(a) Number of the clients to whom loans and advances sanctioned more than 10% of the Bank's total capital	17	17
(b) Amount of outstanding loans and advances to the clients mentioned in iv (a) above	16,519,623,894	16,519,623,894
(c) Amount of classified loans and advances out of the amount mentioned in iv (b) above	-	-
(d) Measures taken for recovery of the amount mentioned in iv (c) above	-	-
<b>8.7 Geographical location-wise loans, advances and lease / investments including bills purchased and discounted</b>		
<b>Urban</b>		
Dhaka Division	51,460,137,092	48,272,225,082
Chattogram Division	8,606,365,962	7,736,076,808
Khulna Division	5,217,703,519	5,177,938,084
Rajshahi Division	2,291,361,665	2,177,300,101
Barishal Division	1,203,399,289	1,153,067,672
Sylhet Division	378,463,372	397,392,906
Rangpur Division	1,648,964,710	1,620,699,644
Mymensingh	162,132,250	177,881,498
	<b>70,968,527,859</b>	<b>66,712,581,795</b>
<b>Rural</b>		
Dhaka Division	4,559,046,248	4,255,022,907
Chattogram Division	2,482,675,645	2,742,905,721
Khulna Division	3,359,788,375	3,264,513,032
Rajshahi Division	40,660,644	103,059,106
Barishal Division	691,417,910	519,297,593
Sylhet Division	210,864,531	290,946,475
Rangpur Division	99,578,384	103,991,386
	<b>11,444,031,737</b>	<b>11,279,736,220</b>
	<b>82,412,559,596</b>	<b>77,992,318,015</b>

	30 June 2023 Taka	31 December 2022 Taka
<b>8.8 Industry-wise loans, advances and lease / investments including bills purchased and discounted</b>		
Agriculture, fisheries and forestry	2,063,912,359	2,666,821,867
Agro base processing industries	6,086,800,220	6,001,587,338
Small & medium enterprise financing (SMEF)	29,227,306,510	28,371,555,881
RMG & textile industries	9,375,951,862	8,211,600,726
Hospitals, clinics & medical colleges	697,132,006	648,968,310
Trade & commerce	10,374,483,129	6,166,429,149
Transport and communications	982,235,486	566,058,218
Rubber & plastic industries	1,695,159,991	1,730,206,008
Iron, steel & aluminium industries	3,185,856,250	3,468,343,081
Printing & Packaging industries	126,663,987	191,577,128
Other manufacturing industries	6,241,122,358	7,165,073,470
Housing & construction industries	1,123,870,353	983,401,075
Consumer credit	472,694,451	1,030,987,576
Others	7,549,877,541	10,789,708,188
	<b>79,203,066,503</b>	<b>77,992,318,015</b>
<b>8.9 Broad economic sector-wise segregation of loans, advances and lease / investments including bills purchased and discounted</b>		
Government and autonomous bodies	-	-
Other public sector	-	-
Private sector	82,412,559,596	77,992,318,015
	<b>82,412,559,596</b>	<b>77,992,318,015</b>

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

Particulars	Amount of outstanding loans and advances as at 30th June 2023	Base for Provision	Rate	Amount of required provision as at 30th June 2023	Amount of required provision as at 31 December 2022
<b>I) General provision :</b>					
a) Consumer finance	456,818,064	456,818,064	2.00%	9,136,361	8,723,362
b) Staff loans	581,724,723	581,724,723	0.00%	-	-
c) Housing finance	1,263,480,710	1,263,480,710	1.00%	12,634,807	11,455,666
d) Loans to professional	-	-	2.00%	-	-
e) Small & medium enterprise	28,176,691,866	28,176,691,866	0.25%	70,441,730	66,425,783
f) Loans to BH, MB, SD, etc.	1,601,479,050	1,601,479,050	2.00%	16,014,791	33,275,918
g) Agricultural and micro credit	2,852,293,233	2,852,293,233	1.00%	28,522,932	26,668,219
h) Others	43,389,994,555	43,389,994,555	1.00%	433,899,946	382,478,358
i) Special general provision- COVID-19	-	-	1%, 1.5% & 2%	79,897,446	84,793,723
	<b>78,322,482,201</b>	<b>78,322,482,201</b>		<b>650,548,013</b>	<b>613,821,029</b>
<b>II) Specific provision :</b>					
a) Unclassified	-	1,210,216,987	100.00%	1,210,216,987	1,098,625,909
b) Unclassified	-	-	1.00%	-	-
c) Sub-standard (CMS)	15,612,142	5,941,079	5.00%	297,054	264,038
d) Sub-standard (other)	117,299,101	61,550,973	20.00%	12,310,195	12,939,249
e) Doubtful (CMS)	403,499,922	84,324,086	20.00%	16,864,817	24,710,600
f) Doubtful (other)	155,400,390	102,179,258	50.00%	51,089,629	59,323,890
g) Bad / loss	3,398,265,882	1,262,878,066	100.00%	1,262,878,066	1,303,909,089
	<b>4,090,077,437</b>	<b>2,727,090,449</b>		<b>2,553,656,748</b>	<b>2,499,772,775</b>
<b>Total provision required</b>	<b>82,412,559,638</b>	<b>81,049,572,650</b>		<b>3,204,204,761</b>	<b>3,113,593,804</b>
<b>Total provision maintained</b>				<b>2,834,304,761</b>	<b>2,743,593,804</b>
<b>Provision to be maintained*</b>				<b>369,900,000</b>	<b>370,000,000</b>
<b>Surplus / (deficit)</b>				<b>-</b>	<b>-</b>

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



	30 June 2023 Taka	31 December 2022 Taka
<b>8.11 Classification of loans, advances and lease / investments including bills purchased and discounted</b>		
<b>Unclassified loans and advances</b>		
<b>On-shore Banking Unit</b>		
i) Standard	77,140,378,521	72,581,570,838
ii) Special mention account (SMA)	967,586,648	1,158,772,857
	<b>78,107,965,169</b>	<b>73,740,343,695</b>
<b>Off-shore Banking Unit</b>		
i) Standard	214,517,032	220,754,353
ii) Special mention account (SMA)	-	-
	<b>214,517,032</b>	<b>220,754,353</b>
	<b>78,322,482,201</b>	<b>73,961,098,048</b>
<b>Classified loans and advances</b>		
<b>On-shore Banking Unit</b>		
Sub-standard	132,911,243	128,031,446
Doubtful	558,900,312	526,978,256
Bad / loss	3,398,265,882	3,376,210,265
	<b>4,090,077,437</b>	<b>4,031,219,967</b>
<b>Off-shore Banking Unit</b>		
Sub-standard	-	-
Doubtful	-	-
Bad / loss	-	-
	<b>4,090,077,437</b>	<b>4,031,219,967</b>
<b>Total</b>	<b>82,412,559,638</b>	<b>77,992,318,015</b>
<b>8.12 Particulars of loans, advances and lease / investments including bills purchased and discounted</b>		
i) Loans considered good in respect of which the banking company is fully secured	77,046,398,236	72,913,973,544
ii) Loans considered good for which the banking company holds no security other than the debtor's personal guarantee	1,061,761,232	1,004,813,102
iii) Loans considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	4,304,400,170	4,073,531,369
iv) Loans adversely classified; provision not maintained there against	-	-
	<b>82,412,559,638</b>	<b>77,992,318,015</b>
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other person	762,237,882	719,176,569
vi) Loan due from companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in case of private companies as members	167,600,854	150,531,587
vii) Maximum total amount of advances, including temporary advances made at any time during the period to directors or managers or officers of the banking companies or any of them either separately or jointly with any other persons	762,237,882	719,176,569
viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firm in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members	167,600,854	150,531,587
ix) Due from other banking companies	-	-
x) Classified loans and advances :		
(a) Amount of classified loan on which interest has not been charged	4,090,077,437	4,031,219,967

	30 June 2023 Taka	31 December 2022 Taka
(b) (Decrease)/increase in specific provision during the period	80,596,214	303,609,894
(c) Amount of loan written off during the period	-	-
(d) Amount realized against loan previously written off	-	-
(e) Amount of provision kept against loan classified as bad/loss as on the Balance Sheet date	1,262,878,066	1,303,909,089
(f) Interest creditable to the interest suspense accounts	1,760,808,973	1,514,315,563
xi) Cumulative amount of the written off loan	-	-
xii) Amount written off in the year	-	-
xiii) Amount of written off loan for which lawsuit has been filed for recovery	-	-
<b>8.13 Bills purchased and discounted</b>		
In Bangladesh	2,123,032,134	1,732,956,132
Outside Bangladesh	121,282,678	48,888,505
	<b>2,244,314,812</b>	<b>1,781,844,637</b>
<b>8.14 Bills purchased and discounted on the basis of the residual maturity grouping</b>		
Within one month	904,179,446	717,861,544
Within one to three months	596,324,516	473,444,115
Within three to six months	330,652,572	262,517,321
More than six months	413,158,278	328,021,657
	<b>2,244,314,812</b>	<b>1,781,844,637</b>

	30 June 2023	31 December 2022
	Taka	Taka
<b>9. Fixed Assets including premises, furniture and fixtures - Consolidated</b>		
SBAC Bank Limited (note 9.1)	1,605,360,846	1,724,623,028
SBAC Bank Investment Limited	18,403,716	18,643,945
	<u>1,623,764,562</u>	<u>1,743,266,973</u>
<b>9.1 Fixed Assets including premises, furniture and fixtures of the Bank</b>		
Motor vehicles	70,788,653	70,788,653
Machinery and equipments	349,168,551	341,998,488
Furniture and fixtures	115,740,799	111,216,490
Interior decoration	374,800,292	370,375,116
Computers and accessories	446,423,720	441,543,120
Softwares	214,587,651	212,787,651
Other tools	54,694,332	53,125,614
Right of use assets (Lease assets)	1,690,127,579	1,674,774,555
	<u>3,316,331,577</u>	<u>3,276,609,687</u>
Less : Accumulated depreciation	1,737,028,985	1,551,986,659
	<u>1,605,360,846</u>	<u>1,724,623,028</u>
<b>10. Other Assets - Consolidated</b>		
<b>Income generating other assets</b>		
SBAC Bank Limited	399,600,000	399,600,000
SBAC Bank Investment Limited	384,924,837	375,849,715
	<u>784,524,837</u>	<u>775,449,715</u>
<b>Non-income generating other assets</b>		
SBAC Bank Limited	2,101,028,390	1,373,043,590
SBAC Bank Investment Limited	52,414,321	44,035,912
	<u>2,153,442,711</u>	<u>1,417,079,502</u>
	<u>2,937,967,548</u>	<u>2,192,529,217</u>
Less : Inter-company transaction	807,431,597	778,490,549
<b>Total other assets</b>	<u>2,130,535,951</u>	<u>1,414,038,668</u>
<b>10.1 Other Assets of the Bank</b>		
Investment in shares of SBAC Bank Investment Limited	399,600,000	399,600,000
Advance income tax (note 10.2)	1,424,540,715	852,437,461
Stock of stationeries and stamps	13,984,952	18,370,244
Advance rent, advertisement, etc.	15,545,397	17,518,275
Accrued interest and commission receivable	381,042,283	324,123,140
Advance and security deposits	4,374,655	4,190,355
Protested bills	20,894,000	20,894,000
Central clearing, EFT, NPSB adjustment account	(6,994,106)	1,411
Deferred tax asset	22,474,959	22,474,959
Receivable from SBAC Investment Ltd	22,906,760	-
Suspense accounts (note 10.3)	202,258,775	113,033,745
	<u>2,500,628,390</u>	<u>1,772,643,590</u>
<b>10.2 Advance income tax</b>		
Opening balance	852,437,461	554,589,498
Add : Paid during the year		
Income tax deducted at source	344,238,762	98,369,414
Advance income tax paid	227,864,492	594,296,600
	<u>572,103,254</u>	<u>692,666,014</u>
	1,424,540,715	1,247,255,512
Less : Adjustment during the year	-	394,818,051
Closing balance	<u>1,424,540,715</u>	<u>852,437,461</u>
<b>10.3 Suspense accounts</b>		
Sundry debtors	25,542,662	46,295,774
Receivable from Stock Brokers	1,415,624	2,891,216
Advance for merchant payment	(1,859,745)	1,022,287
Receivable for payment against Sanchayapatra (interest & principal encashme	17,071,082	31,260,221
Receivable against cash incentive on remittance	26,177,221	19,726,272
Receivable from remittance houses	-	2,000,000
Advance against expenses	91,046,959	824,681
Advance against fixed assets	15,711,127	6,210,956
Other prepaid expenses	27,153,845	2,802,338
	<u>202,258,775</u>	<u>113,033,745</u>
<b>11. Borrowings from other banks, financial institutions and agents - Consolidated</b>		
SBAC Bank Limited (note 11.1)	3,574,531,962	4,031,548,707
SBAC Bank Investment Limited	568,462,321	508,679,030
	<u>4,142,994,283</u>	<u>4,540,227,737</u>
Less : Inter-company transaction	568,462,321	508,679,030
	<u>3,574,531,962</u>	<u>4,031,548,707</u>

	30 June 2023 Taka	31 December 2022 Taka
<b>11.1 Borrowings from other banks, financial institutions and agents of the Bank</b>		
Main Operation (note 11.2)	3,574,531,962	4,031,548,707
Off-shore Banking Unit	203,053,527	213,024,332
Less : Inter bank transactions	(203,053,527)	(213,024,332)
	<u>3,574,531,962</u>	<u>4,031,548,707</u>
<b>11.2 Borrowings from other banks, financial institutions and agents (Main Operation)</b>		
<b>a) In Bangladesh</b>		
<b>Secured</b>		
<b>Refinance from Bangladesh Bank</b>		
Agro based industries	18,825,279	31,431,510
Green industries	77,908,489	101,352,515
Small enterprise entrepreneurs	12,309,397	4,973,867
10 Taka account	17,058,466	21,210,636
Bangladesh Bank stimulus fund	135,396,486	783,777,065
Prefinance	668,104,122	-
Export Development Fund (EDF)	1,584,929,723	2,328,803,114
Borrowing from Bangladesh Bank - ALS	760,000,000	760,000,000
	<u>3,274,531,962</u>	<u>4,031,548,707</u>
<b>Unsecured</b>	300,000,000	-
	<u>3,574,531,962</u>	<u>4,031,548,707</u>
<b>b) Outside Bangladesh</b>	-	-
	<u>3,574,531,962</u>	<u>4,031,548,707</u>
As at the reporting date of these financial statements, the Bank had pledged Treasury Bonds amounting total Tk. 1,050,544,168 as security against borrowing from Bangladesh Bank - ALS and balance with Bangladesh Bank (local & foreign currency) against liability of refinance facility availed from Bangladesh Bank under the Agro based industries financing, Green industries financing, Small & Medium Enterprising Financing, 10 Taka Account Fund and Export Development Fund by the Bank. [Note 11.2]		
<b>11.3 Residual maturity grouping of borrowings from other banks, financial institutions and agents of the Bank</b>		
On demand	-	-
Within one month	816,443,165	920,828,355
Within one to three months	1,237,892,025	1,396,160,965
Within three to twelve months	1,074,527,427	1,211,909,616
Within one to five years	122,193,178	137,816,015
More than five years	323,476,167	364,833,756
	<u>3,574,531,962</u>	<u>4,031,548,707</u>
<b>12. Deposits and other accounts - Consolidated</b>		
<b>Current / Al-wadeeah current deposits and other accounts</b>		
SBAC Bank Ltd.	12,877,750,791	9,238,002,337
Less : Inter-company transactions	-	1,566,240
	<u>12,877,750,791</u>	<u>9,236,436,097</u>
<b>Special notice / mudaraba special notice deposits</b>		
SBAC Bank Ltd.	4,750,585,979	4,382,625,127
Less : Inter-company transactions	9,817,860	12,431,157
	<u>4,740,768,119</u>	<u>4,370,193,970</u>
<b>Bills payable</b>		
SBAC Bank Ltd.	5,497,306,363	3,197,410,868
	<u>5,497,306,363</u>	<u>3,197,410,868</u>
<b>Savings bank / mudaraba savings deposits</b>		
SBAC Bank Ltd.	7,842,535,502	6,920,991,538
	<u>7,842,535,502</u>	<u>6,920,991,538</u>
<b>Fixed / mudaraba term deposits</b>		
SBAC Bank Ltd.	46,470,210,569	46,074,316,715
Less : Inter-company transactions	384,924,837	375,849,715
	<u>46,085,285,732</u>	<u>45,698,467,000</u>
<b>Other deposits</b>		
SBAC Bank Ltd.	14,242,999,838	14,786,087,582
	<u>14,242,999,838</u>	<u>14,786,087,582</u>
	<u>91,286,646,345</u>	<u>84,209,587,055</u>
<b>12.1 Deposits and other accounts of the Bank</b>		
Current / Al-wadeeah current deposits and other accounts (note : 12.2)	12,877,750,791	9,238,002,337
Special notice / mudaraba special notice deposits	4,750,585,979	4,382,625,127
Bills payable	5,497,306,363	3,197,410,868
Savings bank / mudaraba savings deposits	7,842,535,502	6,920,991,538
Fixed / mudaraba term deposits	46,470,210,569	46,074,316,715
Other deposits (note : 12.3)	14,242,999,838	14,786,087,582
	<u>91,681,389,042</u>	<u>84,599,434,167</u>

	30 June 2023	31 December 2022
	Taka	Taka
<b>12.2 Current / Al-wadeeah current deposits and other accounts</b>		
Current / Al-wadeeah current deposits	4,586,776,080	3,422,801,798
Foreign currency deposits (net off inter bank transactions between on-shore banks)	63,267,098	83,936,113
Exporters' retention quota accounts	123,823,173	61,719,714
Foreign currency held against BTB L/Cs	860,549,417	1,319,062,532
Non resident Taka account	27,037,771	7,554,697
Non resident foreign currency account	7,873,842	6,619,050
Resident foreign currency account	12,551,326	12,893,842
Margin against L/Cs	3,997,298,088	1,860,645,163
Margin against L/Gs	1,227,535,948	1,057,975,227
Margin on Loans	151,665,753	108,046,243
Margin on LDBP	83,400	83,400
Security deposit	27,196,867	26,880,093
Sundry deposits - excise duty	4,790,050	135,981,520
Sundry deposits - local bills	47,121,246	1,045,772
Sundry deposits - Sanchayapatra	52,190,000	6,100,000
Sundry deposits - other	176,227,004	12,088,329
Sundry deposits - foreign correspondents charge	88,107,465	125,830,340
Sundry deposits - risk fund	33,415,089	20,928,822
Sundry deposits - advance installment on Lease	1,967,672	1,967,672
Sundry deposits - Tax Deducted at source	32,021,872	225,319,886
Sundry deposits - VAT collected at source	6,704,175	12,342,547
Sundry deposits - VAT deducted Service Bills	12,544,072	11,357,243
Sundry deposits - card settlement account	52,279,875	16,453,071
Sundry deposits - Mobile App	3,058,939	3,931,815
Interest payable on deposits	1,281,664,569	696,437,448
	<b>12,877,750,791</b>	<b>9,238,002,337</b>
<b>12.3 Other deposits</b>		
Monthly savings scheme / mudaraba monthly savings deposits	4,426,943,150	4,550,190,486
Monthly Benefit Scheme Deposits	3,641,584,153	3,995,464,024
Lakhpoti Savings Scheme Deposits	182,805,926	197,592,072
Surokkha Millionaire Scheme Deposits	1,423,336,796	1,415,131,893
Kotipoti Scheme Deposits	236,263,838	216,426,062
Double Benefit Scheme Deposits	3,657,196,420	3,734,319,255
Triple Benefit Scheme	671,960,300	674,765,568
Mudaraba Hajj deposits	2,909,255	2,198,222
	<b>14,242,999,838</b>	<b>14,786,087,582</b>
<b>12.4 Segregation of deposits and other accounts</b>		
Other than inter-bank deposits	87,525,779,411	81,996,966,894
Inter-bank deposits	4,155,609,631	2,602,467,273
	<b>91,681,389,042</b>	<b>84,599,434,167</b>
<b>12.5 Residual maturity grouping of deposits and other accounts</b>		
On demand	3,118,746,873	2,877,838,387
Within one month	9,959,892,861	9,190,538,115
Within one to three months	16,226,281,628	14,972,877,906
Within three to six months	15,053,229,760	13,890,438,762
Within six to twelve months	11,145,337,465	10,284,412,714
Within one to five years	14,196,535,807	13,099,920,376
More than five years	21,981,364,648	20,283,407,907
	<b>91,681,389,042</b>	<b>84,599,434,167</b>
<b>13. Other liabilities - Consolidated</b>		
SBAC Bank Limited (note 13.1)	8,598,380,847	7,199,371,669
SBAC Bank Investment Limited	63,002,372	38,384,462
	8,661,383,219	7,237,756,131
Less : Inter-company transactions	22,906,760	1,474,594
	<b>8,638,476,459</b>	<b>7,236,281,537</b>
<b>13.1 Other liabilities of the Bank</b>		
Sundry creditors	39,260,436	16,136,827
Pre-finance CMSME from Bangladesh Bank	-	-
Provision for expenses	82,318,176	36,451,919
Central clearing, EFT, NPSB adjustment account	626,097,323	4,296,917
Unearned profit (Markup)	8,554,375	5,561,100
Provision for taxation (note 13.2)	1,497,772,926	1,147,727,892
Provision on loans & advances (note 13.3)	2,754,407,315	2,658,800,081
Special general provision - COVID-19 (note 13.4)	79,897,446	84,793,723
General provision on Off Balance Sheet exposures (note 13.5)	237,106,289	200,695,261
Provision against other assets	20,894,000	20,894,000
Present value of lease liability	1,162,190,449	1,225,051,531
Interest suspense account (note 13.6)	1,760,808,973	1,514,315,563
Startup fund	20,487,780	20,487,780
Provision for diminution in value of investments (note 13.7)	125,173,119	123,434,872
Proposed dividend for 2021	-	81,603,130
Dividend payable (note 13.8)	183,412,240	59,121,073
	<b>8,598,380,847</b>	<b>7,199,371,669</b>

	30 June 2023 Taka	31 December 2022 Taka
<b>13.2 Provision for taxation</b>		
Opening balance	1,147,727,892	816,756,524
Add : Provision made for the period (Note 13.2.1)	350,045,034	725,789,419
	<u>1,497,772,926</u>	<u>1,542,545,943</u>
Less : Adjustment during the period	-	394,818,051
Closing balance	<u>1,497,772,926</u>	<u>1,147,727,892</u>

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

Particulars	2023 (Up to 30 June)		2022	
	%	Taka	%	Taka
<b>Profit before tax as per profit and loss account</b>		<b>800,395,639</b>		<b>1,754,547,475</b>
Corporate as per applicable tax rate	37.50%	300,148,365	37.50%	657,955,303
<b>Factors affecting the tax charge for current year</b>				
Non-deductible and inadmissible expenses	5.76%	46,118,716	9.82%	172,345,128
Admissible expenses	-2.91%	(23,319,156)	-3.66%	(64,142,368)
Tax savings from reduced tax rates	-1.34%	(10,718,719)	-2.30%	(40,368,644)
Effect of deferred tax	0.00%	-	-0.04%	(717,076)
<b>Effective tax rate</b>	<b>39.01%</b>	<b>312,229,206</b>	<b>41.33%</b>	<b>725,072,343</b>

**13.3 Provision for loans and advances (note 8.10)**

**A. General provision on loans and advances - Main Operation**

Opening balance	156,819,762	8,465,020
General provision for the year	15,194,033	148,354,742
<b>Provision held at the end of the period</b>	<b>172,013,795</b>	<b>156,819,762</b>

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

Opening balance	2,499,772,775	2,196,162,881
Less : Fully provided debt written-off (for final settlement)	-	-
Add : Recoveries of amounts previously written-off	-	-
Add : Specific provision for the period	80,596,214	862,318,813
Less : Specific provision no more required as loans	-	558,708,919
<b>Specific provision against loans and advances during the period</b>	<b>80,596,214</b>	<b>303,609,894</b>
Add : Net charge to profit and loss account	-	-
<b>Provision held at the end of the period</b>	<b>2,580,368,989</b>	<b>2,499,772,775</b>

**C. General provision on loans and advances - OBU**

Opening balance	2,207,544	5,632,109
General provision for the period	(183,013)	(3,424,565)
<b>Provision held at the end of the period</b>	<b>2,024,531</b>	<b>2,207,544</b>

**Total (A + B + C)**

<b>2,754,407,315</b>	<b>2,658,800,081</b>
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**13.4 Special general provision - COVID-19**

Opening balance	84,793,723	187,183,129
Add : Provision made for the period	-	-
Less : Provision no more required	(4,896,277)	(102,389,406)
<b>Provision held at the end of the period</b>	<b>79,897,446</b>	<b>84,793,723</b>

**13.5 Provision for off balance sheet exposures (note 18.4)**

Opening balance	200,695,261	168,396,382
Add : Provision made for the period	36,411,028	32,298,879
<b>Provision held at the end of the period</b>	<b>237,106,289</b>	<b>200,695,261</b>

**13.6 Interest suspense account**

Balance as on 1 January	1,514,315,563	1,000,624,647
Add : Amount transferred to "interest suspense" account during the period	246,493,410	687,141,829
Less : Amount recovered from "interest suspense" account during the period	-	173,450,913
Less : Amount written-off during the period	-	-
<b>Balance as on 31 December</b>	<b>1,760,808,973</b>	<b>1,514,315,563</b>

**13.7 Provision for diminution in value of investment**

**Consolidated**

Opening balance	127,476,353	36,403,988
Add : Provision made for the period	1,738,247	91,072,365
<b>Provision held at the end of the period</b>	<b>129,214,600</b>	<b>127,476,353</b>

**Bank**

Opening balance	123,434,872	36,403,988
Add : Provision made for the period	1,738,247	87,030,884
<b>Provision held at the end of the period</b>	<b>125,173,119</b>	<b>123,434,872</b>

**13.8 Dividend payable**

For 2020	32,484,275	32,421,603
For 2021	25,509,176	26,699,470
For 2022	125,418,789	-
<b>Provision held at the end of the period</b>	<b>183,412,240</b>	<b>59,121,073</b>

	30 June 2023 Taka	31 December 2022 Taka
<b>14. Share capital</b>		
<b>14.1 Authorized share capital</b>		
1,000,000,000 ordinary shares of Tk. 10/- each	10,000,000,000	10,000,000,000
<b>14.2 Issued, subscribed and paid up share capital</b>		
824,191,650 ordinary shares of Tk. 10/- each	8,241,916,500	8,160,313,370
<b>14.3 Paid up capital</b>		
<b>The paid up capital of the Bank was raised in the following manner :</b>		
<b>From the sponsor shareholders</b>		
By issuing 408,960,000 ordinary shares of Taka 10 each	4,089,600,000	4,089,600,000
<b>From Initial Public Offering</b>		
By issuing 100,000,000 ordinary shares of Taka 10 each	1,000,000,000	1,000,000,000
<b>Stock dividend</b>		
Stock dividend @ 0.06 against 1 existing share of Tk 10 each for the year 2015	245,376,000	245,376,000
Stock dividend @ 0.15 against 1 existing share of Tk 10 each for the year 2016	650,246,400	650,246,400
Stock dividend @ 0.135 against 1 existing share of Tk 10 each for the year 2017	673,005,020	673,005,020
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2018	565,822,740	565,822,740
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2019	622,405,010	622,405,010
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2020	313,858,200	313,858,200
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2021	81,603,130	-
	<b>8,241,916,500</b>	<b>8,160,313,370</b>
<b>14.4 Non-controlling (Minority) interest</b>		
Share capital	400,000	400,000
Retained earnings	32,182	32,182
	<b>432,182</b>	<b>432,182</b>
<b>15. Statutory reserve</b>		
As per Section 24(1) of the Bank Companies Act, 1991, an amount equivalent to 20% of profit before taxes for the year has been transferred to the statutory reserve fund.		
Opening balance	2,204,928,598	1,947,493,989
Add : Transferred from profit during the period	-	257,434,609
<b>Closing balance</b>	<b>2,204,928,598</b>	<b>2,204,928,598</b>
<b>16. Other reserve (revaluation reserve on Govt. Securities)</b>		
Opening balance	65,228,536	129,270,472
Add : Amortization / revaluation gain	817,186,888	3,037,186,788
	882,415,424	3,166,457,260
Less : Adjustment of amortization / revaluation gain against sale / maturity	856,281,667	3,101,228,724
<b>Closing balance</b>	<b>26,133,757</b>	<b>65,228,536</b>
<b>16.1 Capital reserve</b>		
Opening balance	516,704	-
Add : Addition during the period	-	516,704
<b>Closing balance</b>	<b>516,704</b>	<b>516,704</b>
<b>16.2 Foreign currency translation reserve</b>		
Opening balance	7,933,440	251,592
Add : Addition during the period	3,426,516	7,681,848
	11,359,956	7,933,440
Less : Adjustment during the period	-	-
<b>Closing balance</b>	<b>11,359,956</b>	<b>7,933,440</b>
<b>17. Surplus in profit and loss account - Consolidated</b>		
<b>Opening balance</b>	<b>390,293,727</b>	<b>704,530,934</b>
Less : Cash dividend paid	(288,467,078)	(244,809,401)
Less : Stock dividend issued	-	(313,858,200)
Less : Proposed dividend for 2021	-	(81,603,130)
	(288,467,078)	(640,270,731)
	<b>101,826,649</b>	<b>64,260,203</b>
Add : Net profit during the period	336,194,244	589,632,859
Less : Transferred to statutory reserve	-	(257,434,609)
Less : Transferred to capital reserve	-	(516,704)
Less: Transferred to start up fund	-	(5,621,007)
	<b>336,194,244</b>	<b>326,060,539</b>
	<b>438,020,893</b>	<b>390,320,742</b>
Less : Non-controlling (Minority) interest		(27,015)
<b>Closing balance</b>	<b>438,020,893</b>	<b>390,293,727</b>

	30 June 2023 Taka	31 December 2022 Taka		
<b>17.1 Surplus in profit and loss account of the Bank</b>				
Opening balance	358,143,419	699,369,062		
Less : Cash dividend paid	(288,467,078)	(244,809,401)		
Less : Stock dividend issued	-	(313,858,200)		
Less : Proposed dividend for 2021	-	(81,603,130)		
	(288,467,078)	(640,270,731)		
	<b>69,676,341</b>	<b>59,098,331</b>		
Net profit during the period	321,490,373	562,100,704		
Less : Transferred to statutory reserve	-	(257,434,609)		
Less: Transferred to start up fund	-	(5,621,007)		
	<b>321,490,373</b>	<b>299,045,088</b>		
<b>Closing balance</b>	<b>391,166,714</b>	<b>358,143,419</b>		
<b>18. Contingent liabilities - Consolidated SBAC Bank Limited</b>				
Acceptances and endorsements	5,195,468,058	4,948,539,066		
Letters of Guarantee (note 18.1)	12,439,658,891	10,830,648,085		
Irrevocable letters of credit (note 18.2)	6,825,683,721	4,290,338,894		
Bills for collection (note 18.3)	3,241,824,821	1,712,915,295		
Other contingent liabilities	-	-		
	<b>27,702,635,491</b>	<b>21,782,441,340</b>		
<b>SBAC Bank Investment Limited</b>	-	-		
	<b>27,702,635,491</b>	<b>21,782,441,340</b>		
<b>18.1 Letters of guarantee</b>				
Money for which the bank is contingently liable in respect of guarantees issued favoring:				
Directors	-	-		
Government	10,324,916,880	8,973,485,336		
Banks and other financial institutions	-	-		
Others	2,114,742,011	1,857,162,749		
	<b>12,439,658,891</b>	<b>10,830,648,085</b>		
<b>18.2 Irrevocable letters of credit</b>				
<b>Local</b>				
Irrevocable letters of credit (sight)	4,454,317,048	2,177,428,297		
Irrevocable letters of credit (usance)	45,857,479	20,463,162		
Irrevocable letters of credit - back to back	1,003,630,255	932,425,133		
	5,503,804,782	3,130,316,592		
<b>Foreign</b>				
Irrevocable letters of credit (sight)	-	-		
Irrevocable letters of credit (usance)	759,175,963	798,998,315		
Irrevocable letters of credit - back to back	562,702,976	361,023,987		
	1,321,878,939	1,160,022,302		
	<b>6,825,683,721</b>	<b>4,290,338,894</b>		
<b>18.3 Bills for collection</b>				
Outward local bills	18,630	18,630		
Local documentary bills for collection	2,063,267,720	1,058,725,789		
Foreign documentary bills for collection	1,178,538,471	654,170,876		
	<b>3,241,824,821</b>	<b>1,712,915,295</b>		
<b>18.3 Particulars of required provision on off-balance sheet exposures</b>				
			<b>Required provision</b>	
			<b>30 June 2023</b>	<b>31 December 2022</b>
			<b>Taka</b>	<b>Taka</b>
Acceptances and endorsements	5,195,468,058	1.00%	51,954,681	49,485,391
Letters of Guarantee (note 18.1)	12,439,658,891	1.00%	124,396,589	108,306,481
Irrevocable letters of credit (note 18.2)	6,825,683,721	1.00%	68,256,837	42,903,389
Bills for collection (note 18.3)	3,241,824,821	0.00%	-	-
Other contingent liabilities	-	1.00%	-	-
<b>Total Required Provision</b>	<b>27,702,635,491</b>		<b>244,608,107</b>	<b>200,695,261</b>
Total Provision Maintained			244,608,107	200,695,261
Excess / (short) provision maintained			-	-



	01 Jan 2023 to 30 June 2023	01 Jan 2022 to 30 June 2022
	Taka	Taka
<b>19. Particulars of profit and loss account of the bank</b>		
<b>Income</b>		
Interest, discount and similar income (note 21.1)	3,206,675,710	2,855,639,536
Dividend income (note 23.1)	33,594,099	37,391,236
Fees, commission and brokerage (note 24.1)	194,491,710	199,000,845
Gains less losses arising from dealing in securities (note 23.1)	-	-
Gains less losses arising from investment securities (note 23.1)	833,283,059	697,480,447
Gains less losses arising from dealing in foreign currencies (note 24.1)	273,434,081	350,566,782
Income from non-banking assets	-	-
Other operating income (note 25.1)	93,885,184	71,444,911
Profit less losses in interest rate changes	-	-
	<b>4,635,363,843</b>	<b>4,211,523,759</b>
<b>Expenses</b>		
Interest, fee and commission (note 22.1)	2,558,856,367	2,219,931,573
Losses on loans and advances	-	-
Administrative expenses (note 20)	971,720,398	830,878,420
Other operating expenses (note 35.1)	119,349,113	129,838,985
Depreciation on bank's assets (note 34.1)	185,042,326	177,238,699
	<b>3,834,968,204</b>	<b>3,357,887,678</b>
<b>Profit before provision</b>	<b>800,395,639</b>	<b>853,636,082</b>
<b>20. Administrative expenses of the bank</b>		
Salary and allowances (note 26.1)	836,637,589	697,480,537
Rent, taxes, insurance, electricity etc. (note 27.1)	81,910,038	81,658,291
Legal & professional expenses (note 28.1)	2,258,403	3,426,907
Postage, stamp, telecommunication etc. (note 29.1)	3,647,894	8,402,677
Stationery, printing, advertisement etc. (note 30.1)	27,457,211	24,616,466
Chief executive's salary and fees (note 31)	5,880,000	6,020,000
Directors' fees and other benefits (note 32.1)	1,600,000	896,000
Audit fees (note 33.1)	57,500	-
Repair of bank's assets (note 34.1)	12,271,763	8,377,542
	<b>971,720,398</b>	<b>830,878,420</b>
<b>21. Interest income / profit on investment - Consolidated</b>		
SBAC Bank Limited (note 21.1)	3,206,675,710	2,855,639,536
SBAC Bank Investment Limited	38,733,445	8,421,605
	3,245,409,155	2,864,061,141
Less : Inter company transactions	(33,570,276)	(8,396,100)
	<b>3,278,979,431</b>	<b>2,855,665,041</b>
<b>21.1 Interest income / profit on investments of the Bank</b>		
<b>Interest on loans and advances / profit on investments</b>		
Cash credit	584,175,894	655,462,290
Secured overdraft / bai murabaha	887,816,930	690,629,254
General overdraft	55,906,097	36,574,453
Local bills purchased	89,177,531	89,220,828
Foreign bills purchased	3,013,892	3,249,045
Import finance / murabaha	46,058,675	138,469,933
Export finance	6,806,391	1,841,862
Other demand loans / advances	374,919,103	341,742,791
Lease finance / HPSM	31,491,349	28,791,027
House building loans / HPSM	58,088,184	37,817,490
General term loans / bai murabaha	738,767,689	531,773,091
SME loans / bai murabaha	171,612,303	100,514,744
Consumer credit scheme / HPSM	4,873,758	2,734,248
Credit card	23,908,601	17,367,536
Agriculture & rural credit / bai murabaha	75,748,784	38,004,823
Staff loans / HPSM	13,283,116	10,965,426
	<b>3,165,648,297</b>	<b>2,725,158,842</b>
Interest on money at call and short notice	7,382,639	809,778
Interest on FDR with other banks	22,238,575	110,971,495
Interest on SND with other banks	4,784	3,688,172
	<b>3,195,274,295</b>	<b>2,840,628,287</b>
Interest Income - Off-shore Banking Unit	11,401,415	15,011,249
	<b>3,206,675,710</b>	<b>2,855,639,536</b>

	01 Jan 2023 to 30 June 2023 Taka	01 Jan 2022 to 30 June 2022 Taka
<b>22. Interest / profit on deposits, borrowings etc.</b>		
SBAC Bank Limited (note 22.1)	2,558,856,367	2,219,931,573
SBAC Bank Investment Limited	<u>23,653,391</u>	<u>161,458</u>
	2,582,509,758	2,220,093,031
Less : Inter company transactions	<u>(33,570,276)</u>	<u>(8,396,100)</u>
	<u>2,616,080,034</u>	<u>2,211,696,931</u>
<b>22.1 Interest / profit on deposits, borrowings etc. of the Bank</b>		
<b>Interest / profit on deposits</b>		
Savings bank / mudaraba savings deposits	130,970,910	107,258,021
Special notice / mudaraba special notice deposits	54,562,274	48,239,921
Monthly savings schemes / mudaraba monthly savings deposits	276,076,959	260,220,913
Monthly benefit schemes	149,374,185	201,157,987
Special deposit schemes	227,014,662	213,302,521
Fixed /mudaraba term deposits	<u>1,480,545,393</u>	<u>1,120,907,322</u>
	<b>2,318,544,383</b>	<b>1,951,086,686</b>
Interest on call borrowing	6,561,556	26,545,042
Interest on credit lines	4,633,124	60,015,192
Interest on Bangladesh Bank Re-financing facilities	8,777,263	19,282,047
Interest on borrowing under REPO	<u>220,340,041</u>	<u>163,002,607</u>
	<u>2,558,856,367</u>	<u>2,219,931,573</u>
<b>23. Income from investments in shares and securities - Consolidated</b>		
SBAC Bank Limited (note 23.1)	866,877,158	734,871,684
SBAC Investment Limited	<u>5,758,927</u>	<u>324,178</u>
	<b>872,636,085</b>	<b>735,195,862</b>
<b>23.1 Income from investments in shares and securities of the Bank</b>		
Dividend on shares	33,594,099	37,391,236
Income on treasury bills, bonds and debentures		
Interest / profit on treasury bonds	810,239,045	754,811,562
Interest / profit on treasury bills	129,848	2,242,027
Interest on reverse REPO	7,841,918	-
Profit on Ijarah Sukuk Bonds -HFT	-	1,808,986
Gains on trading of government securities	<u>(13,897,666)</u>	<u>(95,146,219)</u>
	<b>804,313,145</b>	<b>663,716,356</b>
Gains on Capital Market	<u>28,969,914</u>	<u>33,764,091</u>
	<u>866,877,158</u>	<u>734,871,684</u>
<b>24. Commission, exchange and brokerage - Consolidated</b>		
SBAC Bank Limited (note 24.1)	467,925,791	549,567,628
SBAC Investment Limited	<u>18,716,076</u>	<u>1,196,164</u>
	<b>486,641,867</b>	<b>550,763,792</b>
<b>24.1 Commission, exchange and brokerage of the Bank</b>		
<b>Fees, commission and brokerage</b>		
Commission on bills & remittance	3,347,454	4,858,772
Commission on letters of credit	73,328,018	103,342,192
Commission on letters of guarantee	82,242,107	88,804,453
Commission on acceptances	30,353,938	-
Commission on add confirmation	-	1,734,479
Commission on bank underwriting/Others	<u>5,220,193</u>	<u>260,950</u>
	194,491,710	199,000,845
Exchange earnings (net)	<u>273,434,081</u>	<u>350,566,782</u>
	<u>467,925,791</u>	<u>549,567,628</u>
<b>25. Other operating income - Consolidated</b>		
SBAC Bank Limited (note 25.1)	93,885,184	71,444,911
SBAC Investment Limited	<u>23,805</u>	<u>10,350</u>
	93,908,989	71,455,261
Less : Inter company transactions	<u>(19,114)</u>	<u>(1,415)</u>
	<u>93,928,103</u>	<u>71,453,846</u>
<b>25.1 Other operating income of the Bank</b>		
Banking service charge	76,897,399	58,124,383
Card operation charge	12,014,302	9,301,616
Locker rent	101,570	139,000
Miscellaneous income	<u>4,871,913</u>	<u>3,879,912</u>
Off-shore banking unit	<u>93,885,184</u>	<u>71,444,911</u>
	<u>93,885,184</u>	<u>71,444,911</u>
<b>26. Salaries and allowances - Consolidated</b>		
SBAC Bank Limited (note 26.1)	836,637,589	697,480,537
SBAC Investment Limited	<u>12,849,838</u>	<u>2,978,075</u>
	<b>849,487,427</b>	<b>700,458,612</b>

	01 Jan 2023 to 30 June 2023	01 Jan 2022 to 30 June 2022
	Taka	Taka
<b>26.1 Salaries and allowances of the Bank</b>		
Basic salary	281,687,297	245,510,766
House rent allowance	131,669,441	117,660,933
Conveyance allowance	23,710,342	18,934,606
Medical allowance	36,982,586	30,457,939
Other allowances	137,496,136	115,254,145
Festival bonus	51,377,443	25,039,613
Incentive bonus for previous year	-	-
Bank's contribution on provident fund	25,490,975	23,389,398
Gratuity	65,087,067	59,987,227
Casual labourer & wages	83,136,302	61,245,910
	<b>836,637,589</b>	<b>697,480,537</b>
<b>27. Rent, taxes, insurance, electricity etc. - Consolidated</b>		
SBAC Bank Limited (note 27.1)	81,910,038	81,658,291
SBAC Investment Limited	730,539	230,000
	<b>82,640,577</b>	<b>81,888,291</b>
<b>27.1 Rent, taxes, insurance, electricity etc. of the Bank</b>		
Rent - Office Premises, ATM Booths and other installations	5,017,530	9,088,106
Rates and taxes	21,042,253	19,861,405
Utilities	23,688,874	21,812,951
Insurance	32,161,381	30,895,828
	<b>81,910,038</b>	<b>81,658,291</b>
<b>28. Legal and professional expenses - Consolidated</b>		
SBAC Bank Limited (note 28.1)	2,258,403	3,426,907
SBAC Investment Limited	88,535	-
	<b>2,346,938</b>	<b>3,426,907</b>
<b>28.1 Legal and professional expenses of the Bank</b>		
Legal expenses	1,216,863	1,270,591
Professional fees	1,041,540	2,156,316
	<b>2,258,403</b>	<b>3,426,907</b>
<b>29. Postage, stamp, telecommunication etc. - Consolidated</b>		
SBAC Bank Limited (note 29.1)	3,647,894	8,402,677
SBAC Investment Limited	-	-
	<b>3,647,894</b>	<b>8,402,677</b>
<b>29.1 Postage, stamp, telecommunication etc. of the Bank</b>		
Postage	1,004,591	644,282
Telephone, fax etc.	2,789,241	3,285,116
Internet & SWIFT	(145,938)	4,473,279
	<b>3,647,894</b>	<b>8,402,677</b>
<b>30. Stationery, printing, advertisement etc. - Consolidated</b>		
SBAC Bank Limited (note 30.1)	27,457,211	24,616,466
SBAC Investment Limited	101,879	25,255
	<b>27,559,090</b>	<b>24,641,721</b>
<b>30.1 Stationery, printing, advertisement etc. of the Bank</b>		
Office stationery	6,316,276	2,694,305
Printing stationery	9,036,631	2,481,362
Petty stationery	2,604,626	7,283,144
Security stationery	2,949,859	2,555,221
Advertisement	6,549,819	249,826
Publicity- purchase of diary, calendar etc.	-	9,352,609
	<b>27,457,211</b>	<b>24,616,466</b>
<b>31. Chief executive's salary and fees of the Bank</b>		
Basic salary	3,600,000	3,000,000
House rent allowance	900,000	750,000
House maintenance / furnishing allowance	300,000	625,000
Bank's contribution on provident fund	-	300,000
Festival bonus	720,000	720,000
Other allowances	360,000	625,000
	<b>5,880,000</b>	<b>6,020,000</b>
<b>32. Directors' fees - Consolidated</b>		
SBAC Bank Limited (note 32.1)	1,600,000	896,000
SBAC Investment Limited	184,000	152,000
	<b>1,784,000</b>	<b>1,048,000</b>

	01 Jan 2023 to 30 June 2023 Taka	01 Jan 2022 to 30 June 2022 Taka
<b>32.1 Directors' fees of the Bank</b>		
Meeting attendance fees	1,600,000	896,000
Each director of the bank was paid Tk. 8,000/- per attendance in board meeting and committee meeting held.		
<b>33. Auditors' fees - Consolidated</b>		
SBAC Bank Limited (note 33.1)	57,500	-
SBAC Investment Limited	-	-
	<u>57,500</u>	<u>-</u>
<b>33.1 Auditors' fees of the Bank</b>		
Audit fees (annual audit)	-	-
Audit fees (interim audit)	-	-
Audit fees (provident fund & gratuity fund)	57,500	-
VAT on audit fees	-	-
	<u>57,500</u>	<u>-</u>
<b>34. Depreciation and repairs &amp; maintenance - Consolidated</b>		
SBAC Bank Limited (note 34.1)	197,314,089	185,616,241
SBAC Investment Limited	906,729	-
	<u>198,220,818</u>	<u>185,616,241</u>
<b>34.1 Depreciation and repairs &amp; maintenance of Bank's Assets</b>		
Depreciation / amortization		
Motor vehicles	3,314,165	3,439,434
Machinery and equipments	14,346,664	13,198,353
Furniture & fixtures	16,890,735	6,836,497
Interior decoration	7,946,913	14,540,803
Computer and peripherals	25,013,104	23,690,006
Software	5,061,807	7,000,226
Office tools and accessories	2,981,853	3,007,039
Depreciation on right of use assets (lease assets)	109,487,085	105,526,341
	185,042,326	177,238,699
Repairs & maintenance of bank's assets	12,271,763	8,377,542
	<u>197,314,089</u>	<u>185,616,241</u>
<b>35. Other expenses</b>		
SBAC Bank Limited (note 35.1)	119,349,113	129,838,985
SBAC Investment Limited	3,609,791	1,273,926
	122,958,904	131,112,911
Less : Inter company transactions	(19,114)	(1,415)
	<u>122,978,018</u>	<u>131,111,496</u>
<b>35.1 Other expenses of the Bank</b>		
Entertainment expenses	11,428,002	8,742,502
Training & workshop expenses	110,572	233,438
Travel and daily allowance	3,515,663	4,277,107
Fuel and lubricants expenses - bank's vehicles	1,284,000	439,311
Subscriptions to trade associations	6,546,073	12,786,605
Donations	25,000,000	40,147,000
Business promotion and development	6,501,197	5,064,058
Books, magazines & news papers etc.	378,081	272,462
Charges & duties to Government	-	-
Local conveyance	2,590,322	2,418,746
Cash carrying expenses	2,117,151	2,203,529
Cartage and freight	198,610	246,840
Washing and cleaning	1,599,990	1,539,685
Other bank charges paid	9,032,854	6,461,634
Expenses on AGM	31,500	-
Expenses on managers' conference	1,975,764	2,692,279
Antivirus and other software	7,553,482	5,385,370
Branch & head office inauguration expenses	581,113	534,907
Miscellaneous expenses	2,759,925	1,006,793
Interest on lease liability	36,144,814	35,386,721
	<u>119,349,113</u>	<u>129,838,985</u>

	01 Jan 2023 to 30 June 2023 Taka	01 Jan 2022 to 30 June 2022 Taka
<b>36. Provision for taxation</b>		
<b>Current tax</b>		
SBAC Bank Limited (note 13.2)	350,045,034	256,660,841
SBAC Investment Limited	6,403,680	1,354,498
	<u>356,448,714</u>	<u>258,015,339</u>
<b>Deferred tax</b>		
SBAC Bank Limited	-	-
SBAC Investment Limited	-	-
	<u>-</u>	<u>-</u>
	<u><b>356,448,714</b></u>	<u><b>258,015,339</b></u>
<b>37. Increase / decrease of other assets of the Bank</b>		
Closing -		
Stock of stationeries and stamps	13,984,952	10,999,991
Advance rent, advertisement, etc.	15,545,397	1,469,754
Advance & Security deposits	4,374,655	4,166,557
Central clearing, EFT, NPSB adjustment account	(6,994,106)	-
Suspense accounts	202,258,775	243,578,837
Protested bills	20,894,000	-
Investment in subsidiary	399,600,000	-
Receivable from SBAC Bank Investment Limited	-	-
	<u><b>649,663,673</b></u>	<u><b>260,215,139</b></u>
Opening -		
Stock of stationeries and stamps	18,370,244	12,346,104
Advance rent, advertisement, etc.	17,518,275	5,323,818
Advance & Security deposits	4,190,355	4,166,557
Suspense accounts	113,033,745	200,741,146
Central clearing, EFT, NPSB adjustment account	1,411	-
Protested bills	20,894,000	-
Investment in subsidiary	399,600,000	-
	<u><b>573,608,030</b></u>	<u><b>222,577,625</b></u>
	<u><b>76,055,643</b></u>	<u><b>37,637,514</b></u>
<b>37.1 Increase / decrease of other assets - Consolidated</b>		
Closing -		
Stock of stationeries and stamps	13,984,952	18,161,977
Advance rent, advertisement, etc.	15,545,397	39,331,603
Advance & Security deposits	441,713,813	45,069,624
Central clearing, EFT, NPSB adjustment account	(6,994,106)	8,486
Suspense accounts	202,258,775	166,399,055
Protested bills	20,894,000	-
	<u><b>687,402,831</b></u>	<u><b>268,970,746</b></u>
Opening -		
Stock of stationeries and stamps	18,370,244	14,021,623
Advance rent, advertisement, etc.	17,518,275	14,380,654
Advance & Security deposits	424,075,982	4,177,757
Suspense accounts	113,033,745	183,159,029
Central clearing, EFT, NPSB adjustment account	1,411	-
Protested bills	20,894,000	-
	<u><b>593,893,657</b></u>	<u><b>215,739,063</b></u>
	<u><b>93,509,174</b></u>	<u><b>53,231,683</b></u>
<b>38. Increase / decrease of other liabilities of the Bank</b>		
Closing -		
Sundry creditors	39,260,436	16,759,778
Pre-finance CMSME from Bangladesh Bank	-	-
Central clearing, EFT, NPSB adjustment account	626,097,323	59,151,158
Present value of lease liability	1,162,190,449	969,290,780
Dividend payable	183,412,240	-
	<u><b>2,010,960,448</b></u>	<u><b>1,045,201,716</b></u>
Opening -		
Sundry creditors	16,136,827	18,820,547
Central EFT adjustment account	4,296,917	4,006,504
Present value of lease liability	1,225,051,531	967,219,909
Dividend payable	59,121,073	-
	<u><b>1,304,606,348</b></u>	<u><b>990,046,960</b></u>
	<u><b>706,354,100</b></u>	<u><b>55,154,756</b></u>

	01 Jan 2023 to 30 June 2023	01 Jan 2022 to 30 June 2022
	Taka	Taka
<b>38.1 Increase / decrease of other liabilities - Consolidated</b>		
Closing -		
Sundry creditors	39,260,436	32,804,796
Pre-finance CMSME from Bangladesh Bank	-	-
Central clearing, EFT, NPSB adjustment account	626,097,323	9,278,239
Provision for gratuity	-	-
Present value of lease liability	1,162,190,449	1,141,974,355
Dividend payable	183,412,240	-
	<b>2,010,960,448</b>	<b>1,184,057,390</b>
Opening -		
Sundry creditors	16,136,827	10,437,261
Central EFT adjustment account	4,296,917	-
Provision for gratuity	-	-
Present value of lease liability	1,225,051,531	1,167,814,501
Dividend payable	59,121,073	-
	<b>1,304,606,348</b>	<b>1,178,251,762</b>
	<b>706,354,100</b>	<b>5,805,628</b>
<b>39. Reconciliation between Operating profit of the Bank and Cash flows from operating activities of the Bank</b>		
<b>Profit before provision</b>	<b>800,395,639</b>	<b>389,912,933</b>
Depreciation on fixed assets	185,042,326	87,801,018
(Increase) / decrease of interest receivable	269,464,833	31,367,434
Increase / (decrease) of interest payable	215,195,398	341,421,483
Increase / (decrease) of expenses payable	86,687,739	27,608,504
(Increase) / decrease of dividend receivable	-	(14,717,253)
Advance tax paid	(572,103,254)	(101,567,597)
Gain on Trading of Govt Securities	13,897,666	(314,269,836)
Gain from sale of shares	(28,969,914)	(28,679,096)
Loss on Government Securities	-	349,265,822
Effects of exchange rate changes on cash and cash-equivalent	-	(56,456,604)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>969,610,433</b>	<b>711,686,808</b>
<b>Increase / decrease in operating assets and liabilities</b>		
Sale / purchase of trading securities	(990,343,666)	(3,037,104,562)
Loans and advances to other banks	(1,200,000,000)	(493,100,000)
Loans and advances to customers	(4,406,123,786)	(3,680,762,941)
Increase / decrease of other assets	(727,984,800)	(412,648,830)
Deposits from other banks	1,553,142,358	618,819,046
Deposits from customers	5,528,812,517	(1,092,333,801)
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	1,399,009,178	5,805,628
	<b>1,156,511,801</b>	<b>(8,091,325,460)</b>
<b>Net cash from operating activities</b>	<b>2,126,122,234</b>	<b>(7,379,638,652)</b>
<b>39.1 Reconciliation between Operating profit of the Bank and Cash flows from operating activities - Consolidated</b>		
<b>Profit before provision</b>	<b>821,503,190</b>	<b>393,544,449</b>
Depreciation on fixed assets	185,042,326	87,801,018
(Increase) / decrease of interest receivable	270,748,361	31,367,434
Increase / (decrease) of interest payable	203,243,505	342,788,374
Increase / (decrease) of expenses payable	85,285,138	27,608,504
(Increase) / decrease of dividend receivable	-	(14,717,253)
Advance tax paid	(249,435,114)	(102,038,609)
Gain on Trading of Govt Securities	13,897,666	(314,269,836)
Gain from sale of shares	(28,969,914)	(28,679,096)
Loss on Government Securities	-	349,265,822
Effects of exchange rate changes on cash and cash-equivalent	-	(56,456,604)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>1,301,315,158</b>	<b>716,214,203</b>
<b>Increase / decrease in operating assets and liabilities</b>		
Sale / purchase of trading securities	(990,345,665)	(3,037,104,562)
Loans and advances to other banks	(1,200,000,000)	(493,100,000)
Loans and advances to customers	(3,943,653,611)	(3,680,762,941)
Increase / decrease of other assets	(716,497,283)	(412,648,830)
Deposits from other banks	1,552,662,358	618,819,046
Deposits from customers	5,170,688,863	(1,096,861,196)
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	1,402,194,922	5,805,628
	<b>1,275,049,584</b>	<b>(8,095,852,855)</b>
<b>Net cash from operating activities</b>	<b>2,576,364,742</b>	<b>(7,379,638,652)</b>

	01 Jan 2023 to 30 June 2023 Taka	01 Jan 2022 to 30 June 2022 Taka
<b>40. Net asset value (NAV) per share - Consolidated</b>		
a) Capital / shareholders' equity for the period	10,922,876,408	10,548,758,542
b) Number of outstanding shares	824,191,650	824,191,650
<b>Net asset value (NAV) per share ( a+b)</b>	<b>13.25</b>	<b>12.80</b>
<b>40.1 Net asset value (NAV) per share of the Bank</b>		
a) Capital / shareholders' equity for the period	10,875,505,525	10,539,707,313
b) Number of outstanding shares	824,191,650	824,191,650
<b>Net asset value (NAV) per share ( a +b)</b>	<b>13.20</b>	<b>12.79</b>
<b>41 Earning per share (EPS) - Consolidated</b>		
a) Net profit after tax	336,194,244	260,902,874
b) weighted average number of ordinary shares	824,191,650	824,191,650
<b>Earnings per share ( a + b)</b>	<b>0.41</b>	<b>0.32</b>
<b>41.1 Earning per share (EPS) of the Bank</b>		
a) Net profit after tax	321,490,373	257,125,789
b) weighted average number of ordinary shares	824,191,650	824,191,650
<b>Earnings per share ( a + b)</b>	<b>0.39</b>	<b>0.31</b>
<b>41.2</b> Earning Per Shares (EPS) have been increased by 25.80% compare to same period of previous year due to increase in net interest income, increase in salary and provision for taxation despite increase in income from investments.		
<b>41.3 Diluted earning per share</b>		
No diluted earning per share is required to be calculated for the year as there was no scope for dilution during these period.		
<b>42. Net operating cash flow per share (NOCFPS) per share - Consolidated</b>		
a) Operating cash flow for the period	2,617,246,954	(924,318,577)
b) Weighted average number of share	824,191,650	824,191,650
<b>Net operating cash flow per share ( a+b)</b>	<b>3.18</b>	<b>(1.12)</b>
<b>42.1 Net operating cash flow per share (NOCFPS) per share of the Bank</b>		
a) Operating cash flow for the period	2,549,125,923	(1,053,975,209)
b) Weighted average number of share	824,191,650	824,191,650
<b>Net operating cash flow per share ( a+b)</b>	<b>3.09</b>	<b>(1.28)</b>
<b>42.2</b> Net operating cash flows and net operating cash flows per share (NOCFPS) have been increased compare to same period of previous year cause to increase in net of loan & deposits and increase in net proceeds from trading securities.		

**South Bangla Agriculture and Commerce Bank Limited**  
**Related party Transactions**

## i) Loan to directors:

(Amount in Crore taka)

Name of the Borrower	Representing Director	Nature of Facilities	Outstanding as at 30 June 2023	Outstanding as at 31 Dec 2022
Anwar Hussain	Mr. Anwar Hussain	House Building Loan	0.56	0.80
			0.66	0.00
Mohammad Imran	Mr. Anwar Hussain Brother of Mr. Mohammad Imran	House Building Loan	0.56	0.80
			0.74	0.00
M.R. Trading Co.	Mr. Md. Mizanur Rahman	SOD (Gen)	12.90	0.15
SAFAH CNG REFUELING STATION LTD.	Mr. Anwar Hussain	BG(Payment Guarantee) Specific	0.53	0.53
AGI FLEX LIMITED	Mr. Anwar Hussain & Mohammad Imran	LC	5.00	3.40
FAMOUS IBERCHEM FLAVOURS & FRAGRANCES LTD	Mr. Mohammad Nawaz	LC(Foreign/Local-Sight/Deferred/UPAS)	5.00	0.77
		PIF	3	1.72

## ii) Credit Card issued to directors

Representing Director	Nature of interest in the Bank	Approved limit	Outstanding as at 30 June 2023 BDT	Outstanding as at 30 June 2023 USD
Mr. Abdul Kadir Molla	Chairman, Board of Directors	1,000,000	Card not issued	under TQ
Mr. Abu Zafar Mohammad Shofiuddin	Member, Board of Directors	1,000,000	No Due	2848.06
Engr. Md. Moklesur Rahman	Member, Board of Directors	1,000,000	Tk. 8,46,807.87	No Due
Al-Haj Mizanur Rahman	Member, Board of Directors	1,000,000	No Due	No Due
Mr. Anwar Hussain	Member, Board of Directors	1,000,000	No Due	19.28
Mr. Mushfiqur Rahman	Member, Board of Directors	1,000,000	No Due	No Due
Mrs. Afroza Sultana	Spouse of Director	1,000,000	No Due	1890.44
Mrs. Fadia Naz	Spouse of Director	1,000,000	No Due	306.57
Ms. Nahida Sultana	Daughter of Chairman, Board of	1,000,000	No Due	No Due
Ms. Nasrin Sultana	Daughter of Chairman, Board of	1,000,000	No Due	No Due
Mr. Mahbubur Rahman Molla	Son in law of Chairman, Board of	1,000,000	No Due	No Due
Mr. Mohammad Asaduzzaman	Son in law of Chairman, Board of	1,000,000	No Due	No Due
Mr. Mohammad Imran	Brother of Director	1,000,000	No Due	236.75
Ms. Munira Banu	Sister of Director	1,000,000	No Due	No Due
Ms. Mayesha Maliha	Daughter of Director	1,000,000	No Due	No Due
Mr. A K M Mizanur Rahman	Spon. Share Holder	1,000,000	Tk. 230/-	No Due

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

Lease agreement made with the directors / related concerns:

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

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

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

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

Nature of Transaction	Outstanding Amount
Special Notice Deposits	9,817,860
Fixed Deposits	384,924,837
Secured Overdraft - FDR	356,642,877
Secured Overdraft - General	211,819,444
Interest Paid on Deposits	9,916,885
Interest on Loans and Advances	23,653,391
Bank Charges	19,114
Receivable from Stock Broker	22,906,760



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

Annexure - B

	Notes	30 June 2023 Taka	31 December 2022 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash in hand</b>			
Cash in hand (including foreign currencies)	3	3,605,396	3,926,208
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4	20,000,000	20,000,000
		<b>23,605,396</b>	<b>23,926,208</b>
<b>Balance with other banks and financial institutions</b>			
In Bangladesh	5	-	-
Outside Bangladesh		-	-
<b>Placement with banks &amp; other financial institutions</b>			
	6	-	-
<b>Investments in shares &amp; securities</b>			
Government	7	30,000,000	30,000,000
Others		-	-
		<b>30,000,000</b>	<b>30,000,000</b>
<b>Investments</b>			
General investments etc.	8	294,910,959	295,113,533
Bills purchased and discounted		-	-
		<b>294,910,959</b>	<b>295,113,533</b>
<b>Fixed assets including premises, furniture and fixtures</b>			
	9	5,980,195	5,868,687
<b>Other assets</b>			
	10	127,391,338	16,796,304
<b>Non - banking assets</b>			
		-	-
<b>Total assets</b>		<b><u>481,887,888</u></b>	<b><u>371,704,732</u></b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Placements from other banks, financial institutions</b>			
	11	-	-
<b>Deposits and other accounts</b>			
	12		
Mudaraba savings deposits		24,844,323	35,322,970
Mudaraba term deposits		386,405,605	270,840,742
Al-wadeeah current deposits and other deposit accounts		26,049,335	17,724,561
Mudaraba special notice deposits		17,362,724	23,557,573
Bills payable		5,067,827	132,898
Other deposits		2,826,609	11,402,244
		<b>462,556,423</b>	<b>358,980,988</b>
Other liabilities	13	12,636,591	9,351,058
<b>Total liabilities</b>		<b><u>475,193,014</u></b>	<b><u>368,332,046</u></b>
<b>Capital / Shareholders' equity</b>			
Paid up capital		-	-
Statutory reserve		-	-
Revaluation gain / (loss) on investments		-	-
Revaluation reserve		-	-
Other reserve		-	-
Surplus in profit and loss account / Retained earnings	14	6,694,874	3,372,686
<b>Total Shareholders' equity</b>		<b><u>6,694,874</u></b>	<b><u>3,372,686</u></b>
<b>Total liabilities and Shareholders' equity</b>		<b><u>481,887,888</u></b>	<b><u>371,704,732</u></b>
<b>OFF- BALANCE SHEET EXPOSURE</b>			
<b>Contingent liabilities</b>			
	15		
Acceptances and endorsements		-	-
Letters of guarantee		2,795,000	10,683,000
Irrevocable letters of credit		1,692,411	-
Bills for collection		-	-
Other contingent liabilities		-	-
		<b>4,487,411</b>	<b>10,683,000</b>
<b>Other commitments</b>			
Documentary credits and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities , credit lines and other commitments		-	-
Other commitments		-	-
		-	-
<b>Total Off-Balance Sheet exposure including contingent liabilities</b>		<b><u>4,487,411</u></b>	<b><u>10,683,000</u></b>

**South Bangla Agriculture and Commerce Bank Limited**  
**Islamic Banking Windows**  
**Profit and Loss Account**  
**For the second quarter ended 30 June 2023**

	Notes	in 2023 to 30 June 2023	31 Jan 2022 to 30 Jun 2022
		Taka	Taka
Investment income	16	10,755,826	5,512,530
Profit paid on deposits	17	7,301,314	4,557,756
<b>Net investment income</b>		<b>3,454,512</b>	<b>954,774</b>
Income from investment in shares / securities	18	542,231	195,846
Commission, exchange and brokerage	19	183,076	95,005
Other operating income	20	74,536	36,194
<b>Total operating income (A)</b>		<b>4,254,355</b>	<b>1,281,819</b>
Salaries and allowances	21	97,442	97,442
Rent, taxes, insurance, electricity, etc.		-	-
Legal expenses		-	-
Postage, stamp, telecommunication, etc.		-	-
Stationery, printing, advertisements, etc.	22	-	-
Chief Executive's salary and fees		-	-
Directors' fees & expenses		-	-
Auditor's fees		-	-
Shariah supervisory committee's fees and expenses	23	-	-
Depreciation and repair of Bank's assets	24	748,574	329,521
Zakat expenses		-	-
Other expenses	25	9,229	-
<b>Total operating expenses (B)</b>		<b>855,245</b>	<b>426,963</b>
<b>Profit / (loss) before provision and tax (C=A-B)</b>		<b>3,399,110</b>	<b>854,856</b>
<b>Provision for investments</b>			
General provision	13.1	(6,504)	
Specific provision		-	
		<b>(6,504)</b>	
Provision for Off Balance sheet item	13.2	(70,418)	
Provision for diminution in value of investments		-	-
<b>Total provision (D)</b>		<b>(76,922)</b>	<b>-</b>
<b>Total profit before taxes (C-D)</b>	14	<b>3,322,188</b>	<b>854,856</b>

**South Bangla Agriculture and Commerce Bank Limited**  
**Islamic Banking Windows**  
**Cash Flow Statement**  
**For the second quarter ended 30 June 2023**

	01 Jan 2023 to 30 June 2023	01 Jan 2022 to 30 June 2022
	Taka	Taka
<b>A) Cash flows from operating activities</b>		
Investment income receipt in cash	10,315,770	5,475,542
Profit paid on deposits	(7,051,914)	(4,590,106)
Dividend receipts	-	-
Income from investments in shares and securities	439,803	(983,096)
Recoveries on investments previously written-off	-	-
Fees and commission receipts in cash	183,076	95,005
Cash payments to employees	(97,442)	(97,442)
Cash payments to suppliers	-	-
Income taxes paid	-	-
Receipts from other operating activities	74,536	36,194
Payments for other operating activities	(9,229)	(252)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>3,854,600</b>	<b>(64,155)</b>
<b>Increase / (decrease) in operating assets and liabilities</b>		
Net proceeds from trading securities	-	-
Investments to other banks	-	-
Investments to customers	3,195,849	(188,165,340)
Increase / decrease of other assets	(110,052,550)	135,523,046
Deposits from other banks	-	-
Deposits from customers	103,575,435	(21,452,071)
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	119,780	84,427,521
	(3,161,486)	10,333,156
<b>Net cash from operating activities</b>	<b>693,114</b>	<b>10,269,001</b>
<b>B) Cash flows from investing activities</b>		
Proceeds from sale of Government securities	-	-
Payments for Purchase of Government securities	-	-
Purchase of property, plant and equipment	(857,695)	-
Sale proceeds of property, plant and equipment	-	-
<b>Net cash used in investing activities</b>	<b>(857,695)</b>	<b>-</b>
<b>C) Cash flows from financing activities</b>		
Borrowing from other banks, financial institutions and agents	-	-
Dividends paid / Profit transferred	-	-
Receipts from issue of ordinary share	-	-
<b>Net Cash from financing activities</b>	<b>-</b>	<b>-</b>
<b>D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)</b>	<b>(164,581)</b>	<b>10,269,001</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>F) Cash and cash equivalents at beginning of the period</b>	<b>23,769,977</b>	<b>20,707,311</b>
<b>G) Cash and cash equivalents at end of the period (D+E+F)</b>	<b>23,605,396</b>	<b>30,976,312</b>
<b>Cash and cash equivalents at end of the period</b>		
Cash in hand (including foreign currencies)	3,605,396	10,976,312
Prize bond	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	20,000,000	20,000,000
	<b>23,605,396</b>	<b>30,976,312</b>

**South Bangla Agriculture and Commerce Bank Limited**

**Islami Banking Windows**

**Notes to the Financial Statements**

**as at and for the first quarter ended 30 June 2023**

**01 Islami Banking Wing and its activities**

**Status**

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

**Principal activities**

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

**02 Significant accounting policies**

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

**02.01 Going concern**

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

**02.02 Reporting period**

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

**02.03 Revenue**

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

**02.04 Investment Income**

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

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

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

**02.05 Sharing of investment income**

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

**02.06 Income on Investments in Securities**

Income on investments in securities is recognised on accrual basis.

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

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

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

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

**02.08 Profit shared on deposits**

Profit on deposits are recognized on accrual basis.

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

	30 June 2023	31 December 2022
	Taka	Taka
<b>3. Cash in hand</b>		
<b>In hand</b>		
In local currency	3,605,396	3,926,208
In foreign currency	-	-
	<b>3,605,396</b>	<b>3,926,208</b>
<b>4. Balance with Bangladesh Bank and its agents</b>		
Balance with Bangladesh Bank		
In local currency	20,000,000	20,000,000
In Foreign currency	-	-
	<b>20,000,000</b>	<b>20,000,000</b>
Balance with Sonali Bank (as agent of Bangladesh Bank)- local currency	-	-
	<b>20,000,000</b>	<b>20,000,000</b>
<b>5. Balance with other banks and financial institutions</b>		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
<b>6. Placement with banks &amp; other financial institutions</b>	-	-
<b>7. Investments in share &amp; securities</b>		
Government (note 7.1)	30,000,000	30,000,000
Others	-	-
	<b>30,000,000</b>	<b>30,000,000</b>
<b>7.1 Government</b>		
Ijarah Sukuk Bond	<b>30,000,000</b>	<b>30,000,000</b>
<b>8. Investments</b>		
General investment (note 8.1)	294,910,959	295,113,533
Bills purchased and negotiated (note 8.2)	-	-
	<b>294,910,959</b>	<b>295,113,533</b>
<b>8.1 General investment</b>		
<b>Inside Bangladesh</b>		
BAI Murabaha CSME under stimulus finance	-	-
BAI Murabaha - work order	15,763,773	30,971,941
BAI Murabaha - commercial	186,700,648	180,276,579
BAI Murabaha - agriculture	2,985,590	2,995,890
BAI Murabaha - SME	6,283,448	6,244,964
Murabaha post import finance	-	-
HPSM (Staff)	34,824,151	20,178,351
HPSM (car)	4,117,565	6,718,726
HPSM (real estate)	44,235,784	47,727,082
	<b>294,910,959</b>	<b>295,113,533</b>
<b>Outside Bangladesh</b>	-	-
	<b>294,910,959</b>	<b>295,113,533</b>
<b>8.2 Bills purchased and negotiated</b>		
Payable Inside Bangladesh	-	-
Payable Outside Bangladesh	-	-
	-	-
	<b>294,910,959</b>	<b>295,113,533.00</b>
<b>9. Fixed assets including premises, furniture and fixtures</b>		
<b>Property, Plant &amp; Equipment</b>		
Furniture & Fixtures	149,784	149,784
Machineries and Equipments	5,190	5,190
Computer and Peripherals	998,395	140,700
Software	6,250,000	6,250,000
<b>Total fixed assets at cost</b>	<b>7,403,369</b>	<b>6,545,674</b>
Less: Accumulated depreciation	1,423,174	676,987
<b>Net book value at the end of the year</b>	<b>5,980,195</b>	<b>5,868,687</b>
<b>10. Other assets</b>		
Stationeries	1,340,017	1,340,017
Stamps	5,290	7,920
Accrued profit	643,633	101,149
Advance Income Tax	117,250	117,250
Suspense	-	-
Receiveable from conventional banking	125,285,148	15,229,968
	<b>127,391,338</b>	<b>16,796,304</b>

	30 June 2023 Taka	31 December 2022 Taka
<b>11. Placements from other banks, financial institutions</b>		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
<b>12. Deposits and other accounts</b>		
Al wadeeah current deposits and other accounts	26,049,335	17,724,561
Mudaraba savings deposits	24,844,323	35,322,970
Mudaraba term deposits	386,405,605	270,840,742
Mudaraba special notice deposits	17,362,724	23,557,573
Others deposit	2,826,609	11,402,244
Bill Payable	5,067,827	132,898
	<b>462,556,423</b>	<b>358,980,988</b>
<b>13. Other liabilities</b>		
Profit payable on deposit	2,305,908	2,056,508
Unearned Profit	8,554,375	5,561,100
Provision against investments (note 13.1)	1,178,834	1,185,338
Provision against off balance sheet exposures (note 13.2)	36,412	106,830
Payable to Conventional Banking	-	-
Others	561,062	441,282
	<b>12,636,591</b>	<b>9,351,058</b>
<b>13.1 Provision against investments</b>		
<b>A. General provision against investments</b>		
Opening balance	1,185,338	453,825
General provision for the year	(6,504)	731,513
<b>Provision held at the end of the period</b>	<b>1,178,834</b>	<b>1,185,338</b>
<b>B. Specific provision against classified investments</b>		
Opening balance	-	-
Less : Fully provided debt written-off (for final settlement)	-	-
Add : Recoveries of amounts previously written-off	-	-
Add : Specific provision for the period	-	-
Less : Specific provision no more required as loans realized/regularized	-	-
Add : Net charge to profit and loss account	-	-
<b>Provision held at the end of the period</b>	<b>1,178,834</b>	<b>1,185,338</b>
<b>13.2 Provision against off balance sheet exposures</b>		
Opening balance	106,830	549,908
General provision for the year	(70,418)	(443,078)
<b>Provision held at the year end</b>	<b>36,412</b>	<b>106,830</b>
<b>14. Surplus in profit and loss account / Retained earnings</b>		
Opening balance	3,372,686	(968,325)
Add : Net profit during the period	3,322,188	4,376,419
Less : Transferred to Conventional Banking	-	(35,408)
<b>Closing balance</b>	<b>6,694,874</b>	<b>3,372,686</b>
<b>15. Contingent liabilities</b>		
Acceptances and endorsements	-	-
Letters of guarantee	2,795,000	10,683,000
Irrevocable Letters of Credit	1,692,411	-
Bills for collection	-	-
Others	-	-
	<b>4,487,411</b>	<b>10,683,000</b>
<b>16. Investment income</b>		
<b>Income from general investment</b>		
Bai-Murabaha	6,342,169	3,788,829
Bai-Muajjal (CC hypo)	-	-
Bai-Salam (packing credit)	-	-
Murabaha PIF	-	-
Hire purchase	4,413,657	1,723,701
Other investments	-	-
<b>Sub-total (i)</b>	<b>10,755,826</b>	<b>5,512,530</b>
<b>Profit on deposits with other Islamic banks</b>		

In Bangladesh	-	-
Out side Bangladesh	-	-
<b>Sub-total (ii)</b>	-	-
<b>Grand total (i+ii)</b>	<b>10,755,826</b>	<b>5,512,530</b>
<b>17. Profit paid on deposits</b>		
a) Profit paid on deposits:		
Mudaraba savings deposits	228,969	219,747
Mudaraba special notice deposits	156,363	177,268
Mudaraba term deposits	6,872,173	3,985,961
Others deposits	43,809	174,780
	<b>7,301,314</b>	<b>4,557,756</b>
	<b>01 Jan 2023 to 30 June 2023</b>	<b>01 Jan 2022 to 30 June 2022</b>
	<b>Taka</b>	<b>Taka</b>
<b>18. Income from investment in shares / securities</b>		
Profit earned from Sukuk bond	542,231	195,846
Others	-	-
	<b>542,231</b>	<b>195,846</b>
<b>19. Commission, exchange and brokerage</b>		
Commission on L/Cs-sight	36,845	30,075
Commission on L/Gs	35,140	20,000
Commission on acceptance	-	-
Exchange	97,091	41,400
Other commission	14,000	3,530
	<b>183,076</b>	<b>95,005</b>
<b>20. Other operating income</b>		
Service and other charges	60,013	25,591
RTGS charges	-	-
Miscellaneous earnings	14,523	10,603
	<b>74,536</b>	<b>36,194</b>
<b>21. Salaries and allowances</b>		
Basic salary	45,976	45,976
House rent allowance	22,988	22,988
Conveyance allowance	4,800	4,800
Medical allowance	5,400	5,400
Other allowances	13,680	13,680
Bank's contribution to provident fund	4,598	4,598
	<b>97,442</b>	<b>97,442</b>
<b>22. Stationery, printing and advertisements, etc.</b>		
Stationery	-	-
Publicity and advertisement	-	-
	<b>-</b>	<b>-</b>
<b>23. Shariah supervisory committee's fees and expenses</b>		
Meeting attendance fees	-	-
	<b>-</b>	<b>-</b>
<b>24. Depreciation and repair of Bank's assets</b>		
<b>Depreciation</b>		
Fixed assets	748,574	329,521
Leased assets	-	-
	<b>748,574</b>	<b>329,521</b>
<b>Repairs</b>		
Repair & Maintenance	-	-
	<b>-</b>	<b>-</b>
	<b>748,574</b>	<b>329,521</b>
<b>25. Other expenses</b>		
Entertainment	8,220	-
Cash carrying charges	-	-
Local Conveyance	-	-
Miscellaneous expenses	1,009	252
	<b>9,229</b>	<b>252</b>

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

	Notes	30 June 2023		31 December 2022	
		USD	Taka	USD	Taka
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>					
Cash in hand (Including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		-	-	-	-
<b>Balance with other banks and financial institutions</b>	3				
In Bangladesh		611,308	66,082,395	536,467	54,987,907
Outside Bangladesh		-	-	-	-
		<b>611,308</b>	<b>66,082,395</b>	<b>536,467</b>	<b>54,987,907</b>
<b>Money at call on short notice</b>					
<b>Investments:</b>					
Government		-	-	-	-
Others		-	-	-	-
<b>Loans and advances</b>					
Loans, cash credit, overdrafts etc.	4	1,984,431	214,516,991	2,153,701	220,754,353
Bills purchased and discounted		-	-	-	-
		<b>1,984,431</b>	<b>214,516,991</b>	<b>2,153,701</b>	<b>220,754,353</b>
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	5	-	-	-	-
Non-banking assets		-	-	-	-
<b>TOTAL ASSETS</b>		<b>2,595,739</b>	<b>280,599,386</b>	<b>2,690,168</b>	<b>275,742,260</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
Borrowings from other banks, financial institutions and agents	6	1,878,386	203,053,527	2,078,286	213,024,332
<b>Deposits and other accounts</b>					
Current accounts and other accounts		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		-	-	-	-
Subordinated bonds		-	-	-	-
Other liabilities	7	19,844	2,024,532	21,537	2,207,545
<b>TOTAL LIABILITIES</b>		<b>1,898,230</b>	<b>205,078,059</b>	<b>2,099,823</b>	<b>215,231,877</b>
<b>Capital/ Shareholders' equity</b>					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
General reserve		-	-	-	-
Foreign currency translation gain/(loss)	8	-	11,359,956	-	7,933,440
Profit and loss account - retained earnings	9	697,509	64,161,371	590,345	52,576,943
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>697,509</b>	<b>75,521,327</b>	<b>590,345</b>	<b>60,510,383</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>2,595,739</b>	<b>280,599,386</b>	<b>2,690,168</b>	<b>275,742,260</b>



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

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

	Notes	01 Jan 2023 to 30 June		01 Jan 2022 to 30 June	
		USD	Taka	USD	Taka
Interest income	10	105,471	11,401,415	161,411	15,011,223
Less: Interest paid on deposits and borrowings etc.		-	-	-	-
<b>Net interest income</b>		<b>105,471</b>	<b>11,401,415</b>	<b>161,411</b>	<b>15,011,223</b>
Investment income		-	-	-	-
Commission, exchange and brokerage		-	-	-	-
Other operating income		-	-	-	-
<b>Total operating income</b>		<b>105,471</b>	<b>11,401,415</b>	<b>161,411</b>	<b>15,011,223</b>
Salary and allowances		-	-	-	-
Rent, taxes, insurance, electricity etc.		-	-	-	-
Legal and professional expenses		-	-	-	-
Postage, stamp, telecommunication etc.		-	-	-	-
Stationery, printing, advertisement etc.		-	-	-	-
Chief executive's salary and fees		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fees		-	-	-	-
Charges on loan losses		-	-	-	-
Depreciation and repair of bank's assets		-	-	-	-
Other expenses		-	-	-	-
<b>Total operating expenses</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit before provision</b>		<b>105,471</b>	<b>11,401,415</b>	<b>161,411</b>	<b>15,011,223</b>
<b>Provision for loan</b>					
Specific provision		-	-	-	-
General provision (including off balance sheet items)	7.1	(1,693)	(183,013)	(1,921)	(164,610)
Other provisions		(1,693)	(183,013)	(1,921)	(164,610)
<b>Total provision</b>		<b>(1,693)</b>	<b>(183,013)</b>	<b>(1,921)</b>	<b>(164,610)</b>
<b>Total Profit before taxes</b>		<b>107,164</b>	<b>11,584,428</b>	<b>163,332</b>	<b>15,175,833</b>
<b>Provision for taxation</b>					
Current tax		-	-	-	-
Deferred tax		-	-	-	-
<b>Net profit after taxation</b>	9	<b>107,164</b>	<b>11,584,428</b>	<b>163,332</b>	<b>15,175,833</b>

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

Notes	01 Jan 2023 to 30 June 2023		01 Jan 2022 to 30 June 2022	
	USD	Taka	USD	Taka
<b>A) Cash flows from operating activities</b>				
Interest receipts in cash	105,471	11,401,415	161,411	15,011,223
Interest payments	-	-	-	-
Dividend receipts	-	-	-	-
Income from investments	-	-	-	-
Recoveries on loans and advances previously written-off	-	-	-	-
Fees and commission receipts in cash	-	-	-	-
Cash payments to employees	-	-	-	-
Cash payments to suppliers	-	-	-	-
Income taxes paid	-	-	-	-
Receipts from other operating activities	-	-	-	-
Payments for other operating activities	-	-	-	-
<b>Operating profit before changes in operating assets and liabilities</b>	<b>105,471</b>	<b>11,401,415</b>	<b>161,411</b>	<b>15,011,223</b>
<b>Increase / decrease in operating assets and liabilities</b>				
Statutory deposits	-	-	-	-
Sale of trading securities	-	-	-	-
Purchase of trading securities	-	-	-	-
Loans and advances to other banks	-	-	-	-
Loans and advances to customers	169,270	6,237,362	2,775,680	258,138,240
Increase / decrease of other assets	-	-	-	-
Deposits from other banks	-	-	-	-
Deposits from customers	-	-	-	-
Increase / decrease of other liabilities account of customers	-	-	-	-
Increase / decrease of trading liabilities	-	-	-	-
Increase / decrease of other liabilities	-	-	-	-
	<b>169,270</b>	<b>6,237,362</b>	<b>2,775,680</b>	<b>258,138,240</b>
<b>Net cash from operating activities</b>	<b>274,741</b>	<b>17,638,777</b>	<b>2,937,091</b>	<b>273,149,463</b>
<b>B) Cash flows from investing activities</b>				
Proceeds from sale of Government securities	-	-	-	-
Payments for Purchase of Government securities	-	-	-	-
Purchase of property, plant and equipment	-	-	-	-
Sale of property, plant and equipment	-	-	-	-
<b>Net cash from investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C) Cash flows from financing activities</b>				
Borrowing from other banks, financial institutions and agents	(199,900)	(9,970,805)	(2,696,835)	(250,805,655)
Dividends paid	-	-	-	-
<b>Net cash from financing activities</b>	<b>(199,900)</b>	<b>(9,970,805)</b>	<b>(2,696,835)</b>	<b>(250,805,655)</b>
<b>D) Net increase / (decrease) in cash (A+B+C)</b>	<b>74,841</b>	<b>7,667,972</b>	<b>240,256</b>	<b>22,343,808</b>
<b>E) Effects of exchange rate changes on cash and cash-equivalent</b>	-	3,426,516	15,887	1,477,491
<b>F) Cash and cash-equivalents at beginning period</b>	<b>536,467</b>	<b>54,987,907</b>	<b>280,324</b>	<b>26,070,132</b>
<b>G) Cash and cash-equivalents at end of period (D+E+F)</b>	<b>611,308</b>	<b>66,082,395</b>	<b>536,467</b>	<b>49,891,431</b>
<b>H) Cash and cash-equivalents at end of period</b>				
Cash in hand including foreign currencies	-	-	-	-
Balances with Bangladesh Bank and its agent bank(s) including foreign currencies	-	-	-	-
Balances with other Banks and Financial institutions	611,308	66,082,395	536,467	49,891,431
	<b>611,308</b>	<b>66,082,395</b>	<b>536,467</b>	<b>49,891,431</b>

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

**1. Status of the unit**

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

**1.2 Nature of business**

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

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

**2.1 Basis of accounting**

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

**2.2 Use of estimates and judgments**

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

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

**2.3 Functional and presentation currency**

The functional currency of OBU is US Dollar (USD). Transactions are recorded in the functional currency (USD). The financial statements are presented both in USD and equivalent Bangladesh Taka (BDT). For preparation of financial statements, all the balance sheet items are converted into equivalent BDT using the closing exchange rate (USD 1 = BDT 108.10), while the revenue items are converted into BDT at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month (USD 1 = BDT 104.94). Resulting exchange differences are recognized as a separate component of equity.

**2.4 Foreign currency transactions**

**a) Foreign currencies translation**

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

**b) Transaction gains and losses**

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

**2.5 Loans and advances**

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

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

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

**2.6 Provision for taxation**

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

**2.7 Revenue recognition**

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

**2.7.1 Interest income**

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

**2.7.2 Fees and commission income**

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

### 2.7.3 Interest paid on deposits and borrowings

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

### 2.8 Cash flow statement

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

### 2.9 Cash and cash equivalents

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

### 2.10 Reporting period

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

### 2.11 General

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

	30 June 2023		31 December 2022	
	USD	Taka	USD	Taka
<b>3. Balance with other banks and financial institutions</b>				
In Bangladesh (note 3.1)	611,308	66,082,395	536,467	54,987,907
Outside Bangladesh	-	-	-	-
	<b>611,308</b>	<b>66,082,395</b>	<b>536,467</b>	<b>54,987,907</b>
<b>3.1 Balance with other banks and financial institutions</b>				
SBAC Bank Limited (USD)	606,427	65,554,759.00	531,586	54,487,611
SBAC Bank Limited (EURO)	4,881	527,636.00	4,881	500,296
	<b>611,308</b>	<b>66,082,395</b>	<b>536,467</b>	<b>54,987,907</b>
<b>4. Loans and advances</b>				
Loans , cash credit, overdrafts etc.	1,984,431	214,516,991	2,153,701	220,754,353
Bills purchased and discounted	-	-	-	-
	<b>1,984,431</b>	<b>214,516,991</b>	<b>2,153,701</b>	<b>220,754,353</b>
<b>4.1 Residual maturity grouping of loans and advances including bills purchased and discounted</b>				
Payable				
On demand	-	-	-	-
Within one month	50,320	5,328,880	295,469	30,285,560
Within one to three months	1,229,112	130,162,921	1,696,449	173,886,000
Within three to twelve months	1,026,189	108,673,382	161,783	16,582,793
Within one to five years	-	-	-	-
More than five years	-	-	-	-
	<b>2,305,620</b>	<b>244,165,183</b>	<b>2,153,701</b>	<b>220,754,353</b>
<b>4.2 Classification status of loans and advances including bills purchased and discounted</b>				
<b>Unclassified loans and advances (including staff loans)</b>				
i) Standard	-	-	2,153,701	220,754,353
ii) Special mention account (SMA)	-	-	-	-
	-	-	2,153,701	220,754,353
<b>Classified loans and advances</b>				
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Bad / loss	-	-	-	-
	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,153,701</b>	<b>220,754,353</b>

