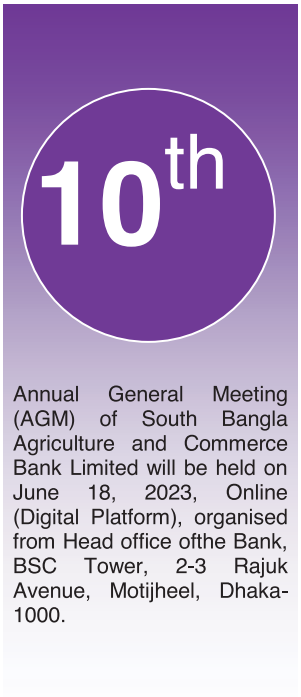
SBAC BANK



ANNUAL REPORT 2022

সাউথ বাংলা এগ্রিকালচার এন্ড কমার্স ব্যাংক লিঃ



Customer confidence and convenience is our prime focus now. We, as a financial institute, are doing our best to ensure the highest level of service experience for our clients through highly convenient products and services with mostly secured ICT infrastructure. There must not have any doubt regarding our financial strength as a going concern, we definitely have a rock-solid capital foundation till the Bank starts its journey in 2013 with a vision to be the most customer-friendly and trustworthy one. The journey with a uniquely qualified leadership and a firm capital base of BDT 4,089.6 million along with timeless service excellence elevated us to a capital position of BDT 8,160.31 million (As on 31.12.2022) & BDT 8,241.92 million (As on 08.05.2023) after allotment of the 1.00% Bonus Share (Stock Dividend) for the year 2021. To boost up our financial strength further, we have been listed at Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE). Financial inclusion is another priority of our Banking service. We have started the agent banking operation recently and appointed 18 agents so far (As on 21.05.2023) at different locations to reach the remote corner with our services. As part of our service diversification efforts, we have opened 10 nos. of islamic banking windows at selective branches alongside our conventional banking to exploit the opportunity offered by the enormous popularity of shariah-based banking around the country. To run with the pace of financial digitalization we have already launched our apps-based digital wallet “Banglapay” with some unique features. Business diversification is a key to overcome the challenges and making a profit when facing an enormous competition. So, the bank has established a subsidiary naming ‘SBAC Bank Investment Limited’ as a capital market intermediary to harvest the opportunity from booming capital market. We, together with our vastly experienced leaders are firmly committed to uphold the interest of all our stakeholders. Our highly talented workforce has enabled us to offer our customers a wide array of differentiated financial solutions and achieve an extraordinary business growth. Our unparalleled leadership, remarkable client-base and hardworking workforce have led us to achieve a robust business growth with a balance sheet size of BDT 1,06,307.06 million (Consolidated) & BDT 1,06,626.90 million (Solo) with operating profit of BDT 1,796.56 million (consolidated) & BDT 1,754.55 million (Solo) (As on 31.12.2022) as well as extensive branch network of 88 branches & 25 Sub-branches (As on 21.05.2023). Furthermore, the bank has been running its off-shore banking operations through a well-functioning off-shore banking unit (OBU) at the Head office. As one of the country's new generation and fastest growing banks, we offer our customers innovative financial solutions, modern technology based products and services as well as reliability and convenience. We are striving to keep our customers' stake protected by leading-edge security protocols and practices. All our efforts to ensure a continuous and steady growth has borne a series of successes which include deploying a world class Core Banking System and implementing all Central Bank initiated projects (BACPS, BEFTN, Online CIB, go AML etc.) within the shortest time. We are here to deliver the latest and fittest as well as well diversified financial services at the doorstep of the customers of various social classes.

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بسم الله الرحمن الرحيم
SBAC Islamic Banking
SBAC BANK
এসবিএসি ইসলামিক ব্যাংকিং
সেবায় আপনাকে স্বাগতম
সাউথ বাংলা এগ্রিকালচার এন্ড কমার্স (এসবিএসি) ব্যাংক লিমিটেড-এর
নিম্নোক্ত শাখাসমূহের উইন্ডোতে
ইসলামী শরিয়াহভিত্তিক ব্যাংকিং সেবা প্রদান করা হয়:
প্রিন্সিপাল শাখা
জামান চেম্বার, ৪৭ দিলকুশা,
মতিঝিল বা/এ, ঢাকা-১০০০
ফোন: (০২) ৯৫৮৭৩৪৬-৪৮
বনানী শাখা
সুভাষ্ত সুরাইয়া ট্রেড সেন্টার (দ্বিতীয় ও তৃতীয় তলা)
৫৭ কামাল আতাতুর্ক এভিনিউ, ব্লক-বি, বনানী, ঢাকা।
ফোন: (০২) ৯৮২২৩৬৫-৬৮
ইমামগঞ্জ শাখা
ক্রাউন ভবন, ৫৯, মিটফোর্ড রোড
ইমামগঞ্জ, ঢাকা। ফোন: (০২) ৭৩৪২২২৩
রাজশাহী শাখা
এআরসি বিজয় টাওয়ার
৩০ (নতুন), রানীবাজার, বোয়ালিয়া, রাজশাহী।
ফোন (০৭২১)-৭৭৩৩৭৫,৭৭৩৬৫৩,৭৭৩৩৯৫,৭৭৩৬৯৩
ইসলামপুর শাখা, সিলেট
সিদ্দিকী ম্যানশন (দ্বিতীয় তলা), মেজরটিলা
ইসলামপুর বাজার, ইসলামপুর, সিলেট।
ফোন: (০৮২১)-৭৬২১৬৮
খুলনা শাখা
চেম্বার বিল্ডিং কমপ্লেক্স, ৫ কেডিএ এভিনিউ
খান-এ-সবুর রোড, খুলনা।
ফোন: (০৪১)-৭৩৩৪৬৪,৭৩৩৪২৬
আগ্রাবাদ শাখা
৯৬, আগ্রাবাদ বা/এ, আগ্রাবাদ, চট্টগ্রাম।
ফোন: (০৩১) ২৫১৬১৮৩-৮৫
কাটাখালী শাখা, বাগেরহাট
কাটাখালী মোড়, খুলনা-মংলা মহাসড়ক
ফকিরহাট, বাগেরহাট। ফোন: (০৪৬) ৬৩৫৬১১৭
বরিশাল শাখা
বিএস টাওয়ার (দ্বিতীয় তলা)
৪৬১ বীরশ্রেষ্ঠ ক্যাপ্টেন মহীউদ্দিন জাহাঙ্গীর সড়ক, বরিশাল।
ফোন: (০৪৩১) ২১৭৭৭১৮, ২১৭৭৭১৪
ভোমরা শাখা, সাতক্ষীরা
সিঅ্যান্ডএফ অ্যাসোসিয়েশন ভবন (দ্বিতীয় তলা)
ভোমরা, সাতক্ষীরা। ফোন: ০৪৭১৮১১৩৩-৩৫
রংপুর
Rangpur
রাজশাহী
Rajshahi
ময়মনসিংহ
সিলেট
ঢাকা
খুলনা
Khulna
চট্টগ্রাম
বরিশাল
ইসলামিক ব্যাংকিং ডিভিশন
সাউথ বাংলা এগ্রিকালচার এন্ড কমার্স ব্যাংক লিঃ
বিএসসি টাওয়ার, ২-৩ রাজউক এভিনিউ, মতিঝিল বা/এ, ঢাকা-১০০০

Chapter 01

PRELIMINARY



Letter of Transmittal

All Shareholders of South Bangla Agriculture & Commerce Bank Ltd.
Registrar of Joint Stock Companies & Firms
Bangladesh Bank
Bangladesh Securities & Exchange Commission (BSEC)
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Subject: Annual Report 2022 of South Bangla Agriculture & Commerce Bank Ltd.

Dear Sir/Madam (s),

Reference to the above, we enclose herewith copy of Annual Report 2022 of South Bangla Agriculture & Commerce Bank Limited along with the Audited Financial Statements as on 31st December 2022. This report includes Balance Sheet, Income Statement, Cash Flow Statement, Liquidity Statement, Statement of Changes in Equity and Notes to the Financial Statements thereon and other disclosures of South Bangla Agriculture & Commerce Bank Limited as per provision of laws of the country.

This is for your kind information and ready reference.



Md. Mokaddess Ali FCS
EVP & Company Secretary

Notice of the 10th Annual General Meeting

Notice is hereby given to all Members of South Bangla Agriculture and Commerce Bank Limited ("the Company") that the 10th Annual General Meeting (AGM) of the Company will be held Online/virtually using Digital Platform through the Link: https://sbacbank.bdvirtualagm.com on Sunday, June 18, 2023 at 11:30 AM, to transact the following business:

AGENDA:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2022 along with Auditors' Report thereon and the Directors' Report.
2. To declare dividend out of the Profits for the year ended December 31, 2022.
3. To elect/re-elect Directors in place of those who shall retire in accordance with the provisions of the laws and the Articles of Association of the company.
4. To appoint/re-appoint Auditors of the Company for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.
5. To appoint/re-appoint Corporate Governance Auditor for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.
6. To approve the appointment/re-appointment of Independent Director(s).
7. To intimate expenditure regarding vehicles of Bank's pool.

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

Dhaka
Date: 25.05.2023

By order of the Board



Md. Mokaddess Ali FCS
EVP & Company Secretary

NOTES:

- The **'Record Date'** in lieu of Book Closure was **May 21, 2023**. The Shareholders whose names appeared in the Members Register of the Company under Central Depository System (CDS) on the Record Date will be eligible to participate at the 10th AGM and vote thereat, and would be qualified to receive Cash Dividend (if any);
- A Shareholder/Member entitled to participate and vote at the AGM may appoint a proxy to participate at the meeting and take part in the proceedings thereof on his/her/its behalf. Scanned Copy of "Proxy Form" duly signed and affixed with Stamp(s) of BDT 100 must be sent through email to Bank's Board Division at cs@sbacbank.com or Hard Copy thereof must be deposited at the Registered Office of the Bank not less than 72 hours before commencement of the AGM.
- For joining through digital platform, and/or for voting on the proposed resolutions, a Shareholder/Member entitled to participate and vote at the AGM shall have to login into the system by putting 16-digit Beneficial Owner (BO) Number and other credentials as a proof of identity. The Process/Procedure for logging into and Participation/Voting through the Digital Platform will be notified by email and SMS will also be made available at the Bank's Website: http://www.sbacbank.com. Members whose contact details have been updated/changed in the meantime are requested to email us at cs@sbacbank.com mentioning their full name, BO ID, email address and mobile number.

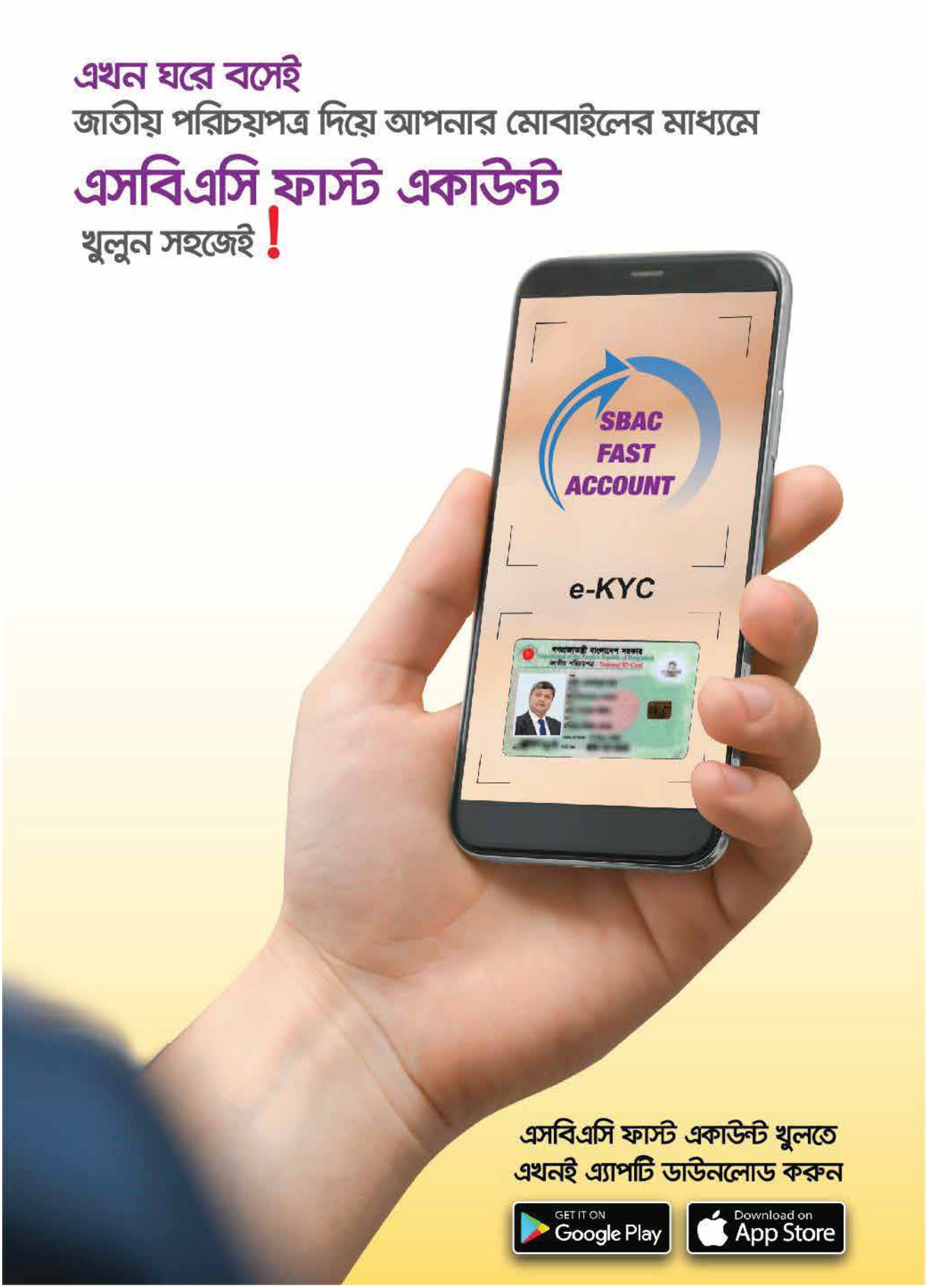
- The Virtual/Digital Platform [Link: https://sbacbank.bdvirtualagm.com] shall be opened 25 hours before commencement of the AGM and shall remain open until the closing of the meeting. Through the link questions/comments may be submitted electronically during this period and voting may be done until closing of voting facility for counting and declaration of the voting result.
- Link for downloading the Annual Report 2022 containing Notice of the 10th AGM and Proxy Form shall be sent in soft form to the email addresses of the Members available in their BO Accounts maintained with the Depository and also be made available at the Bank's Website: http://www.sbacbank.com. Any Member may collect printed copy of the Annual Report 2022 from the registered office of the Bank.
- Depository Participants (DP)/Merchant Banks concerned are requested to provide us with a list of the holders of margin loan holding shares of the Bank as on record date with details of Shareholders' name, BO ID, shareholding position, cash dividend receivable (if any), tax rate etc. (in MS Excel format), within June 06, 2023, along with the name of the contact person addressing to the Share Department of the Bank and also to email soft copy of the same to cs@sbacbank.com for facilitating payment of Cash Dividend, if any. They are requested also to provide us with their Bank Account Details for receiving the dividends against margin loan holders.

Highlights of previous Annual General Meetings



9th Annual General Meeting		8th Annual General Meeting		7th Annual General Meeting	
Time	3:00 PM	**Time**	3:30 PM	**Time**	11:00 AM
Date	23-06-2022	**Date**	21-10-2021	**Date**	18-08-2020
Place	Online (virtual platform), organized from Head office, SBAC Bank Ltd.	**Place**	Online (virtual platform), organized from Head office, SBAC Bank Ltd.	**Place**	Online (virtual platform), organized from Head office, SBAC Bank Ltd.
Participants	199	**Participants**	401	**Participants**	38
Agenda Type	Ordinary	**Agenda Type**	Ordinary	**Agenda Type**	Ordinary

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


এখন ঘরে বসেই
জাতীয় পরিচয়পত্র দিয়ে আপনার মোবাইলের মাধ্যমে
এসবিএসি ফাস্ট একাউন্ট
খুলুন সহজেই!
SBAC
FAST
ACCOUNT
e-KYC
এসবিএসি ফাস্ট একাউন্ট খুলতে
এখনই এ্যাপটি ডাউনলোড করুন
GET IT ON Google Play
Download on App Store

Chapter 02

ABOUT US

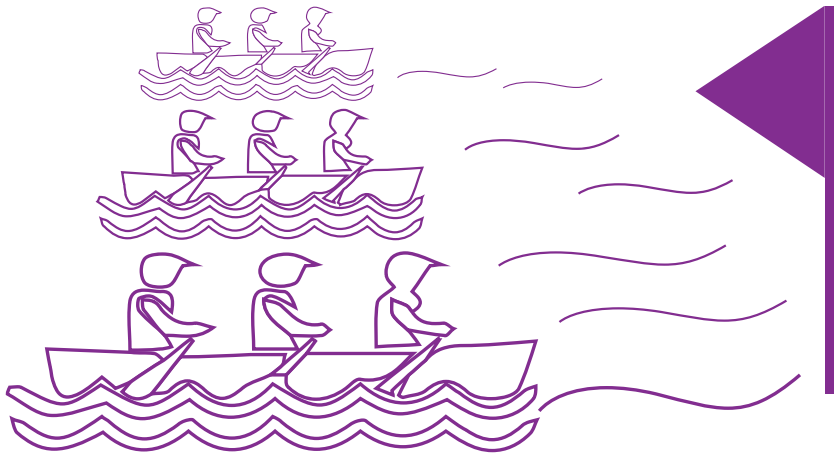


Corporate Information

Name of the Company	South Bangla Agriculture and Commerce Bank Limited.
Legal Form	A public limited (Publicly Listed) company incorporated in Bangladesh on 20th February 2013 under the Companies Act 1994.
Date of incorporation	20th February 2013
Date of Commencement of Business	20th February 2013
Nature of Business	Banking, a scheduled Private Commercial Bank licensed under the Bank Company Act 1991(amended up to 2018).
Head Office (Registered)	BSC Tower, 2-3 Rajuk Avenue, Motijheel, Dhaka-1000.
Phone	+88(02) 41052811-814 09611-016327 (From Overseas) 16327 (24/7 Hotline)
Routing No (Head Office)	270272684
Fax No.	+88(02) 41052815
SWIFT	SBACBDDH
Email	info@sbacbank.com
Website	www.sbacbank.com
Chairman	Mr. Abdul Kadir Molla
Managing Director & CEO	Mr. Habibur Rahman
Company Secretary	Mr. Md. Mokaddess Ali FCS
Auditors	MABS & J Partners, Chartered Accountants G. KIBRIA & CO., Chartered Accountants
Tax Consultants	M/S. Snehasish Mahmud & Co., Chartered Accountants
Legal Consultant	Bhuiyan Islam and Zaidi
No. of Branches	88 (as on 21-05-2023)
No. of Sub Branches	25 (as on 21-05-2023)
No. of Islamic Banking Windows	10
No. of Agent Outlets	18 (as on 21-05-2023)
No. of Authorised Dealer	08 (as on 21-05-2023)
No. of Offshore Bank	01
No. of ATM Booth	62 (as on 21-05-2023)
No. of Employees	1175 (as on 21-05-2023)
Stock Summary	
Authorized Capital	Tk. 10,000 million (as on 31-12-2022)
Paid up Capital	Tk. 8,160.31 million (as on 31-12-2022) Tk. 8,241.92 million (as on 08-05-2023)
Face Value per Share	Tk. 10

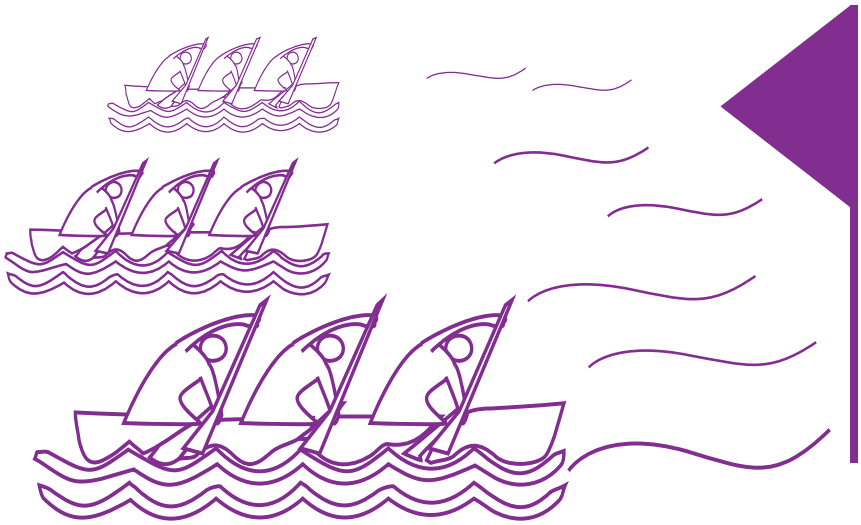
Our Vision & Mission

Our Vision



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

Our Mission



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

Commitments



Compliance Culture:

Good governance is the backbone of any organization. Compliance is the prerequisite to establish good governance. In South Bangla Agriculture and Commerce Bank Limited, we believe in compliance Culture. 'Compliance first; profit is it's logical consequence' with this motto the Bank is moving forward to accomplish the organizational goal.



Client Focus:

Bank is mainly a service oriented organization. To meet the need of customer with satisfactory service, we adopted modern technology based Core Banking Solution. Our clients are at the center of our activities and their satisfaction is our ultimate objective. Our success is dependent on our ability to provide the best products and services to our clients; we are committed to help our clients achieve their goals.



Hard Work:

Discipline and perseverance govern our actions so as to achieve outstanding results for our clients and outstanding returns for our stakeholders. Service excellence guides our commitment to our clients. We work with our clients to reach their current goals while anticipating and planning for their future objectives.



Transparency:

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



Integrity:

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



Innovation:

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



Teamwork:

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



Respect to the Individual:

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

Management Philosophy



Growing Together with Our Customers:

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



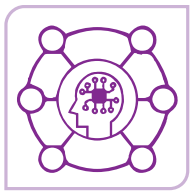
Contribute to the national and global community through our business:

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



Develop human resources for creative and challenging activities:

Rather than being contented with the present situation, we are constantly in search of new and better ideas to put into action in order to improve and enhance our business activities. This is the basic philosophy of human resources development of the bank and we believe that the Bank's unique corporate culture will be further developed by the continuation of practicing this philosophy.



Maintain sound Corporate Culture based on high ethics and fairness:

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



Take good care of people and the planet:

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

Milestones

2022

34 — 25/05/2022 — Starting of Agent Banking Operation

33 — 05/07/2021 — Inception of operation of Islamic Banking window

32 — 11/08/2021 — Listing of SBAC Bank Ltd. in the Stock market

31 — 12/07/2021 — The Closing of subscription of our IPO

30 — 05/07/2021 — The Opening of subscription of our IPO

29 — 30/05/2021 — Approval of the Application for obtaining a new Trading Right Entitlement Certificate (TREC) of Dhaka Stock Exchange

28 — 01/06/2021 — Obtained Letter of Consent from the BSEC to go public through Initial Public Offering (IPO)

27 — 26/07/2020 — Obtained License from Bangladesh Bank for Opening the Islamic Banking window of SBAC Bank Limited

26 — 22/10/2020 — Commencement of operation of the Off-Shore Banking Units (OBU)

25 — 15/07/2020 — Obtained License of Off-shore banking Unit (OBU) from Bangladesh Bank

24 — 16/12/2018 — Inauguration of App-based Banking 'Banglapay'

23 — 14/02/2018 — Signing Agreement with JICA for "Two Step Fund of Foreign Direct Investment Promotion Project (FDIPP) BD-P86"

22 — 26/11/2017 — Establishment of South Bangla Agriculture and Commerce Bank Foundation

21 — 30/06/2017 — The Bank has achieved "Grade A" for Successful implementation of NationalIntegrity Strategy Action plan for the Quarter April-June, 2017

20 — 09/02/2017 — Agreement on Green Transformation Fund for Export oriented Textile & Textile Products, Leather manufacturing industries and Jute products

19 — 23/09/2016 — Obtained Patel Award of Sardar Patel Trust, Gujrat India

18 — 4/12/2016 — Obtained Letter of Appreciation, awarded by Bangladesh Bank

17 — 20/07/2014 — Commencement of wage earners' Foreign Remittance Services

16 — 01/10/2014 — Joining the National Payment Switch Bangladesh (NPSB)

15 — 01/07/2014 — Establishment of Trade Processing Unit

14 — 31/03/2014 — 1st AGM held on

13 — 09/03/2014 — Live ATM and Card Operation

12 — 22/05/2013 — Opening of First Nostro Account

11 — 20/11/2013 — Inauguration of BACPS & BEFTN Operation

10 — 04/08/2013 — Inauguration of SWIFT Operation

9 — 13/05/2013 — Obtaining Foreign Currency Transactions License (Head Office & Principal Branch)

8 — 28/04/2013 — Inauguration of Principal Branch

7 — 03/04/2013 — Inauguration of Head Office

6 — 01/04/2013 — Enlistment as Scheduled Bank

5 — 31/03/2013 — Inclusion of SBAC Bank in Bangladesh Gazette

4 — 25/03/2013 — License Issued by Bangladesh Bank favoring South Bangla Agriculture & Commerce Bank Ltd.

3 — 20/02/2013 — Certificate for Commencement of Business

2 — 20/02/2013 — Certificate of Incorporation

1 — 17/04/2012 — Letter of Intent

2012

Unique Achievements

1. The Bank has started it's Agent Banking Operation on May 25, 2022.
2. Presently the bank is a publicly listed company having listed in Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. since August 11, 2021.
3. The Bank has started shariah-based banking operations through opening 10 nos. of Islami banking Windows at selective branches.
4. We have established a subsidiary naming 'SBAC Bank Investment Limited' as a market intermediary to harvest the opportunity from booming capital market.
5. The Bank has commenced it's off-shore banking operations through an well-functioning off-shore banking unit (OBU) at head office.
6. South Bangla Agriculture & Commerce Bank Limited and Bangladesh Bank signed an agreement on Automated Challan System (ACS), under which all the branches and sub-branches of SBAC Bank will collect Passport Fees, VAT, Tax and other Govt. Fees.
7. The Bank was assigned a credit rating of 'A' (long term), and ST-2 (short term).
8. SBAC Bank achieved "The Golden Globe Tigers Award 2018" (for Excellence and Leadership in Branding and Marketing) in the individual and Organization Category of Service Excellence as a recognition of our good governance and brand image.
9. Already the bank has opened 113 Branches & Sub-branches (as on May 21, 2023) so far during a short span of time.
10. At the end of December 2022, Balance Sheet size of the bank reached to Tk. 106,626.90 million (solo) & 106,307.06 million (consolidated).
11. The Bank earns a net profit of Tk. 562.10 million (solo) & 589.63 million (consolidated) in 2022, which is a sign of steady growth taking into account the overall situation of business & economy.
12. Among the new banks, SBAC Bank Ltd. was first to go on live with SWIFT and open USD Nostro Account with Correspondent Banks in the USA, gets Credit Line Arrangement with foreign bank for LC confirmation and discounting thereof to facilitate foreign trade business.
13. The Bank has made Drawing Arrangements with Wall Street Finance LLC, USA and Aman Exchange Company WLL, Kuwait. Remittance through Instant Cash and Account Credit has also been started with Transfast Remittance LLC, Placid NK Corporation, Xpress Money Services Ltd., Western Union Network, Ria Financial services and Turbo Cash under arrangement of Sub-agency/associate member.
14. In order to support the Non-AD (Non-Authorized Dealer) branches, the bank established Central Trade Processing Unit (TPU) at Head Office.
15. To transform the human resources into human asset, the bank established it's Training institute at the beginning of 2014.
16. The Bank launched Online Banking Service from the 1st day of it's operation.
17. Among the new generation banks, our Bank was the first to commence BACPS Operation, Inaugurate EFTN/ RTGS Operation and State of the Art Data Centre.
18. To foster inclusive growth, the bank has introduced Tk. 10 privileged savings account, senior citizen savings account and students savings account. We have started the agent banking operation to expand our service coverage.
19. The Bank got "Letter of Appreciation" for achieving agriculture finance target in 2016.
20. As an international recognition, the Bank achieved "Sardar Patel Award 2016" for the contribution in socio-economic development of our country.
21. Agreement on Foreign currency loan from 'Long Term Financing Facility' under their financing agreement with International Development Association (IDA) of World Bank (WB)' On August 04, 2016.
22. Agreement on 'Green Transformation Fund for Export oriented Textile & Textile Products, Leather manufacturing industries and Jute products' On 09 February, 2017.
23. The Bank has achieved "Grade A" for Successful implementation of National integrity strategy Action plan for the Quarter April-June, 2017.
24. Agreement with JICA on 'Two Step Fund of Foreign Direct Investment Promotion Project (FDIPP) BDP86' On 14 February 2018.
25. We have introduced SBAC Digital Wallet "Banglapay" on 16th December 2018 to offer digital financial services through mobile phones, QR based point-of-sale and networks of small-scale agents.
26. Agreement with Bangladesh Bank on "Automated Challan System" to collect passport and other government fees alongside VAT and Tax through our Branches & Sub-branches.

Credit Rating Report of the Bank



Base Year	Long Term Rating	Short Term Rating	Date of Rating	Valid Till	Rating Company
2021	A	ST-2	27 June 2022	26 June 2023	CRISL
2020	A	ST-2	30 June 2021	29 June 2022	CRISL
2019	A_3	ST-2	27 September 2020	30 June 2021	CRAB
2018	A_3	ST-2	27 June 2019	30 September 2020	CRAB
2017	A_3	ST-2	27 June 2018	30 June 2019	CRAB

Long Term :

A Bank rated in this category is adjusted to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.

A3 Commercial Banks rated 'A_3' have strong capacity to meet their financial commitments & Judged to be of high quality with low credit risk.

Short Term :

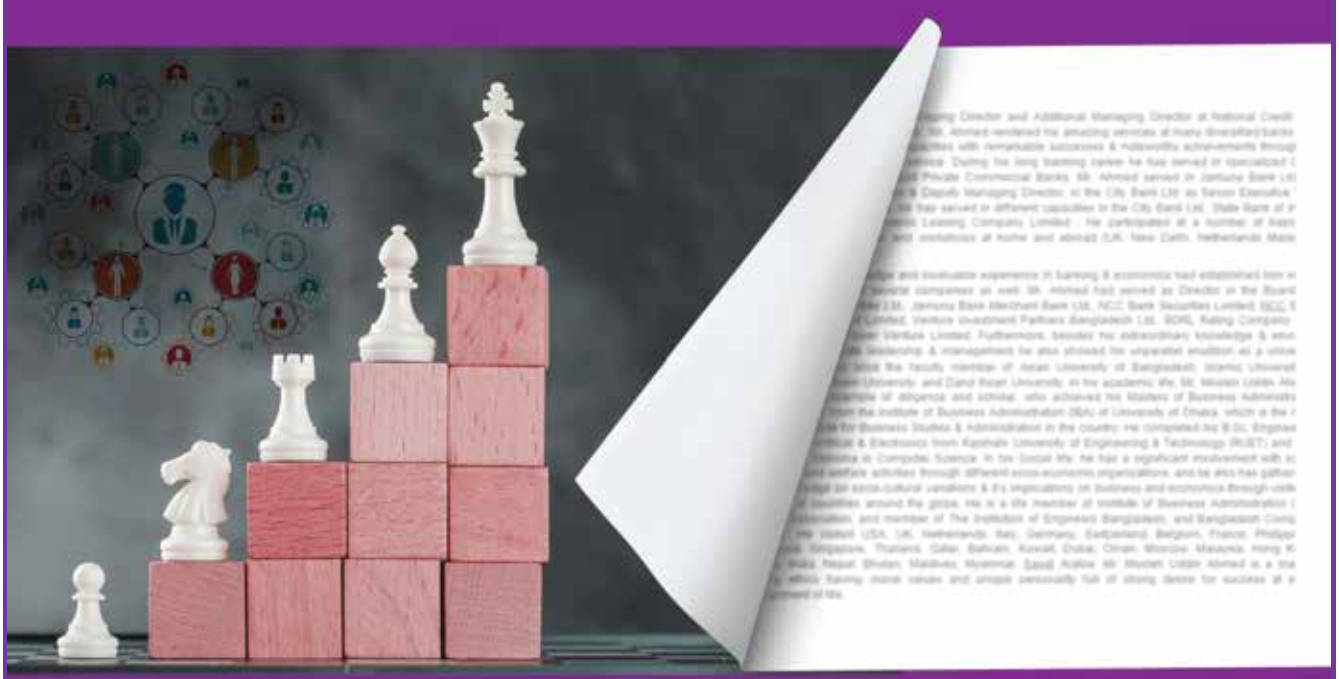
ST-2 High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

Outlook : Stable

The rating for 2021 has been done by Credit Rating Information & Services Ltd. (CRISL) analyzing the operational and financial performance of the bank up to December 31, 2021 and March 31, 2022 along with all its relevant quantitative and qualitative factors up to the date of rating.

Chapter 03

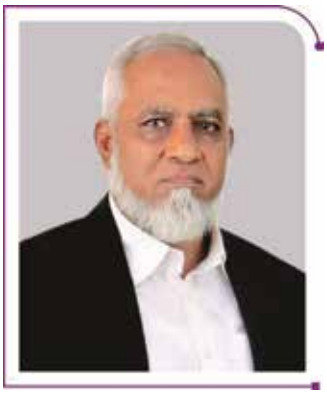
ORGANIZATION AND LEADERSHIP



Board of Directors of SBAC Bank Ltd.



Mr. Abdul Kadir Molla
Chairman



Mr. Mohammed Ayub
Vice-Chairman



Mr. Abu Zafar Mohammod Shofiuddin,
Director



Engr. Md. Moklesur Rahman
Director



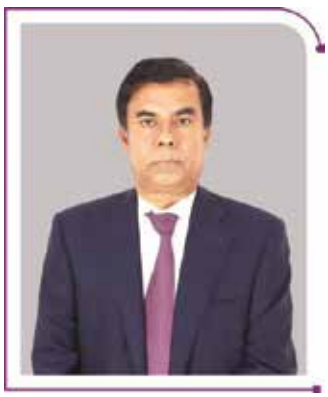
Al-Haj Mizanur Rahman
Director



Mr. Mohammad Nawaz
Director



Mr. Anwar Hussain
Director



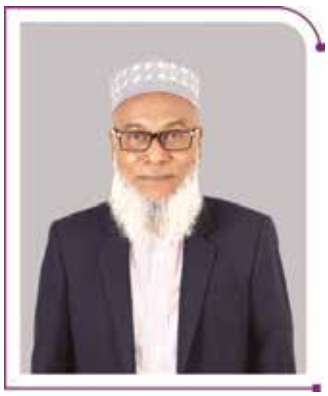
Mr. Hafizur Rahman Babu
Director



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



Mr. Sk. Shyedujjaman
Director
Nominated by:
Moonstar ceramic industries Ltd.



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



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



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



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



Mr. Mohammad Mahbubor Rahman
Director
Nominated by:
Intec Solution



Mr. Md. Sajidur Rahman
Independent Director



Professor Mohammad Moqbul Hossain Bhuiyan
Independent Director



Mr. Ziaur Rahman Zia FCA
Independent Director



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

Committees (as on 21-05-2023)

Executive Committee

Chairman	Mr. Mohammad Helal Uddin
Member	Engr. Md. Moklesur Rahman
	Mr. Abu Zafar Mohammod Shofiuddin
	Al-Haj Mizanur Rahman
	Mr. Hafizur Rahman Babu
	Mr. Anwar Hussain
	Mr. Sk. Shyedujjaman
Member Secretary	Mr. Md. Mokaddess Ali FCS

Audit Committee

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

Risk Management Committee

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

Nomination & Remuneration Committee

Chairman	Mr. Md. Sajidur Rahman
Member	Mr. Sk. Shyedujjaman
	Mr. Ziaur Rahman Zia FCA
	Professor Mohammad Moqbul Hossain Bhuiyan
Member Secretary	Mr. Md. Mokaddess Ali FCS

Shariah Supervisory Committee

Chairman	Moulana Md. Abdur Razzaque
Member	Mr. Md. Fariduddin Ahmed
	Dr. Zubair Mohammad Ehsanul Hoque
	Professor Dr. Md. Abdul Kadir
	Dr. Muhammad Zahirul Islam
	Dr. M. Mahabbat Hossain
	Dr. Md. Ruhul Amin Rabbani
Ex-officio Member	Mr. Abdul Kadir Molla
	Mr. Habibur Rahman
Member Secretary	Mr. Md. Mokaddess Ali FCS

List of Honorable Shareholders

Sponsor Shareholders


Mr. S.M. Amzad Hossain


Begum Sufia Amjad


Captain M. Moazzam Hossain


Mr. Maksudur Rahman


Mrs. Kamrun Nahar


Mr. Motiur Rahman


Ms. Tajori


Ms. Mysha Khabir


Mr. Iqbal Haider Chowdhury


Mr. Mohammed Nazrul Islam


Mr. A.K. Mizanur Rahman FCA


Mr. Mainul Huq Khan
Representing Padma Lamitube Ltd


Mr. Mozaharul Haque Shahid


Mr. Md. Emdadul Haque


Mr. Md. Eathashamul Haque


Mr. Kafil Uddin Bhuiyan



Mr. Shahab Uddin Khan



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



Mr. Mohammad Imran



Mrs. Shamima Hossain



Ms. Sadnam Sadiana



Mr. Md. Mizanur Rahman



Mrs. Shamsun Nahar Rahman



Mr. Mohammed Ilias



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



Mr. Ayaz Waris Khan Warisi



Late Mohammad Abdul Hye



Ms. Halima Khatun

Pre IPO Shareholders (Other than Sponsor)



Mr. Mohammed Hasan



Mr. Md. Yakub



Mr. Md. Toyamur Islam Rasel



Barrister Ehsan-E-Moazzam
Representing Agrovita Ltd.



Mr. Md. Mahin.



Mr. Tabassum Arifin Rahman



Mr. Eshmam Arifin Rahman.



Ms. Mahia Binte Mizan



Mr. Mohammed Belal



Mrs. Shirin Akter
Representing
Techno Electricals Ltd.



Mr. Khan Habibur Rahman
Representing
Moonstar Ceramic Industries Ltd.



Mr. Goutam Kumar Kundu
Representing
Southern Foods ltd



Mr. A B M Ruhul Amin
Howlader



Mr. Abdullah Jamil Matin



Mrs. Sufia Begum

Profile of The Directors



Mr. Abdul Kadir Molla

Chairman

Mr. Abdul Kadir Molla, the Chairman of the Board of Directors of South Bangla Agriculture and Commerce Bank Limited, is a renowned business person of the country. He obtained his MBA degree from American World University. Mr. Molla is one of the most successful businessmen in the country having huge conglomerates in the spinning, dyeing and knitting industries. He started his business in 1997 and established Thermax Group Ltd. Currently, he is the Chairman & Managing Director of Thermax Textile Mills Ltd., Thermax Melange Spinning Mills Ltd., Thermax Knit Yarn Ltd., Thermax Spinning Ltd., Thermax Blended Yarn Ltd., Thermax Yarn Dyeing Ltd., Thermax Woven Dyeing Ltd., Thermax Yarn Dyed Fabrics Ltd., Thermax Check Fabrics Ltd., Sister Denim Composite Ltd., Indigo Spinning Ltd., Thermax Colour Cotton Ltd., Sister Garments Ltd., Adury Knit Composite Ltd., Adury Apparels Ltd., Adury Fashion & Print Ltd., Adury Ring Denim Spun Ltd., Kadir Molla Medical College & Hospital Ltd., Sultana Enterprise, Sultana Filling Point Ltd., and Sister Denim Composite (Unit-2) Ltd. Mr. Molla is one of the most prominent philanthropists of this time. He deems the importance of education very high in the way of nation building. He is the founder of Panch Kandi Degree College, Monohardi, Narsingdi. He has founded numerous educational institutions such as Abdul Kadir Molla City College, N.K.M. High School & Homes, Abdul Kadir Molla International School etc. The reputation of Abdul Kadir Molla City College proliferated nationwide as it secured the second-best result in Dhaka Board for last few years. Mr. Molla visited most of the countries in the world. He has become an icon in overseas business and a role model for young business leaders. All the industries and institutes of Thermax Group Ltd. are in "State of the Art" under the dynamic leadership of Mr. Abdul Kadir Molla. He was honored as Commercially Important Person (CIP) in 2012 and as the highest individual tax payer for AY2012-13 for the country and the highest tax payer in Dhaka City Corporation for AY2013-14.



Mr. Mohammed Ayub

Vice-Chairman

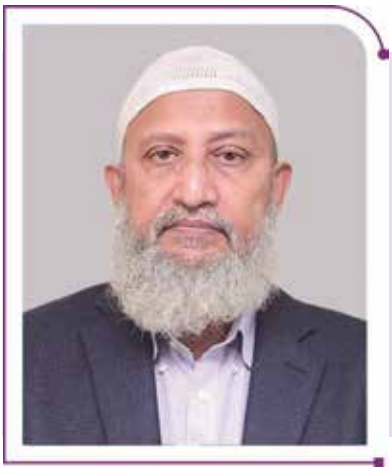
Mr. Mohammed Ayub is one of the Sponsor Directors of South Bangla Agriculture and Commerce Bank Limited and present vice-chairman of the Board. He was born in 1962 in a respectable Muslim family in Chittagong. He obtained his B.Com. degree from Chittagong University in 1981. He is a distinguished and promising businessman of Garments Accessories Manufacturing & Export and Packaging Industries in the country, particularly in the port city Chattogram. He is the Managing Director of Ayub & Co Ltd., Proprietor of Pioneer Enterprise, M/S. Ishmam Enterprise and United Enterprise. Furthermore, he is a Managing Partner of Pacific Enterprise.



Mr. Abu Zafar Mohammod Shofiuddin

Director

Mr. Abu Zafar Mohammod Shofiuddin is one of the Sponsor Directors of South Bangla Agriculture and Commerce Bank Limited. He is a prominent business personality in the country. He obtained his B. Com (Hons.) and M. Com (Marketing) degree from University of Dhaka in 1991 & 1992 respectively. He has started his career in business in 1992 and founded SQ Group of Companies. He is the Chairman of SQ Group of Companies which is comprising sister concerns: SQ Wire & Cable Co. Ltd, SQ Trading & Engineering, SQ Light Ltd., SQ Wood Preservatives, SQ Power Solutions, SQ Energy Ltd., SQ Properties Ltd., Techno Electricals Ltd., TS Transformers Ltd., TSCO Power Ltd., SQ Electricals Ltd., SQ Distribution Ltd., Microgenix BD Ltd., Papiro Ltd., Arrow Technology Ltd., SQ Denims Ltd., SQ Accessories Ltd., Petroken Ltd., Alliance infrastructure Engineering Pvt. Ltd., SRN Power and Power-Add. Mr. Shofiuddin is also associated with Building Dreams Ltd. His social involvement and philanthropic contribution are inspirational to so many young business leaders.



Engr. Md. Moklesur Rahman

Director

Engineer Mohammad Moklesur Rahman, one of the Sponsor Directors of South Bangla Agriculture and Commerce Bank Limited, is a visionary industrialist in Bangladesh. He obtained his B.Sc. degree in Civil Engineering from Chittagong University of Engineering and Technology (former Chittagong Engineering College), one of the most prestigious engineering universities in Bangladesh. He has always been a dreamer and wanted to run his own business since the early age. To materialize his dreams, he started gaining experience through working in Gemcon Group. On 29 May 2001, he started Contech Construction Ltd., one of the leading SPC Piles & Poles suppliers in Bangladesh. He did not inherit his business from anyone but founded Contech Construction Ltd by his own. His amazing run never stopped. Later, on 09 February 2004 he founded Pre-Stressed Poles Ltd., to meet the demand for SPC Poles. He has always been forward thinking and wanted to diversify his business into other sectors. His largest start up till date has been B&T Cables Ltd. established on 11 January, 2005 to supply electrical wires and is the largest income generator of B&T Group. Mr. Rahman is a hardworking person and still very motivated for running new businesses and helping the economy of Bangladesh to grow. He has also founded B&T Cold Storage Ltd. that provides affordable storage facilities to the mass farmers of Bangladesh. He has always been a civil engineer by heart and founded B&T Development Ltd., building apartments in prestigious locations in Dhaka such as Lalmatia, Banani, Gulshan & Khilgaon as well as providing affordable housing solutions all over Bangladesh. Presently, Engr. Md. Moklesur Rahman is involved with B&T Meter Ltd., Nexus Securities Ltd., Pre-Stressed Pole Ltd., Tushar Ceramics Ltd., B&T Transformers Ltd., BD Game Studio Ltd., PMJ Asset Management Ltd. and Smart Meter also. From his humble beginnings, he has come a long way to be one of the founding sponsor directors of South Bangla Agriculture and Commerce Bank Ltd. Mr. Moklesur Rahman is focused on serving the community of Bangladesh, the very same people who helped him reach where he is now from the beginning. He has donated generously to a number of educational and religious institutions, provided with basic amenities such as foods, clothing and shelter to the underprivileged people of his area.



Al-Haj Mizanur Rahman

Director

Al-haj Mizanur Rahman is one of the Sponsor Directors of South Bangla Agriculture and Commerce Bank Limited. Mr. Rahman is a prominent business personage having huge conglomerates in the Real estate, Construction, Housing and Print media sector. Al-haj Mizanur Rahman founded Moon Group of Industries Limited in 1989 by dint of his dynamic leadership. Today, Moon Group of Industries Ltd, most commonly known as Moon Group, is one of the most familiar business conglomerates of Bangladesh. Presently, Mr. Al-Haj Mizanur Rahman has a major involvement with M R Trading Co., and Moon Bangladesh Ltd. Despite being a businessperson Mr. Rahman has a great reputation for his benevolence & philanthropic nature. He is remarkably involved in various social welfare activities.



Mr. Mohammad Nawaz

Director

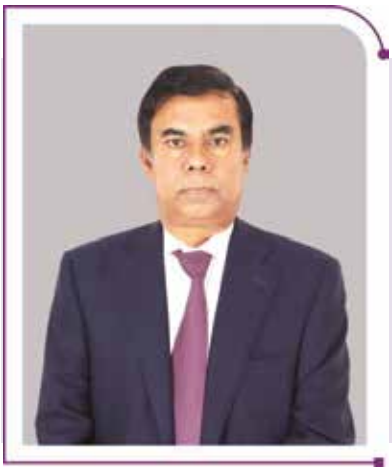
Mr.Mohammad Nawaz is one of the directors of South Bangla Agriculture and Commerce Bank Limited. He is a renowned and successful industrialist of the country having diversified business portfolio. He obtained his B.Sc. and Masters (Marketing & Management) Degree from University of Plymouth. In 2003, He did a Ph.D. in Chemistry as well. After returning Bangladesh in 2004, he started Famous Printing & Packaging Limited (famouspack), one of the leading flexible packaging industry supplying laminates to multinational companies such as Unilever, Pepsi, Coca Cola, Reckit Benkiser, Bayer, Syngenta etc. Famouspack also supply laminates to local corporate organizations, namely Square, Pran, Cocola, ACI, Ispahani etc. In 2005, He started Famous Iberchem Flavour & Fragrance Limited (joint venture with Iberchem Spain), the only manufacturer of Fragrance and Flavours in Bangladesh. Their client list includes- Square, ACI, Keya Cosmetics, Kohinoor, Cocola, Olympic, Nabisco, Olympic etc. Mr. Nawaz is also a Director of Eden Multicare Hospital in Dhanmondi. He is a member of Board of Trustee in South East University, one of the leading private universities of Bangladesh. He is also the Director of Famous Group of Companies Limited, Famous Printing & Packaging Ltd., Famous Iberchem Flavours & Fragrances Ltd., Famous General Agencies Ltd., Matcon limited, F.S. Printing & Packaging Ltd., Green Soap & Chemical Co. Ltd., Famous Flavours & Fragrances Ltd., NY Trading and Eden Multicare Hospital. Mr. Nawaz was born in a respectable Muslim Family in Dhaka on July 25, 1975..



Mr. Anwar Hussain

Director

Mr. Anwar Hussain is one of the Sponsor Directors of the Bank. He is a young and promising businessman, with a great reputation and admiration. He has obtained Bachelor Degree in Business Administration. He is a Proprietor of Anwar Corporation, Managing Director of HAR Industries Ltd., Director of Abdul Gaffar & Co. (Pvt) Ltd., Asuka CNG Filling Station Ltd., SAFAH CNG Refueling Station Ltd., AGI Flex Ltd. and AGI Corporation. His goal is to bring in new innovation and dynamism in his company.



Mr. Hafizur Rahman Babu

Director

Mr. Hafizur Rahman Babu is one of the prominent business persons and renowned entrepreneurs of the country. He is a sponsor director of South Bangla Agriculture and Commerce Bank Ltd. and the Chairman of S.B. Group, a leading group of companies in Bangladesh which was established in the year 1990. The S.B. Group of companies is running with a number of subsidiaries i.e., S.B. Agro Fertilizer Industries Limited, Sheikh Jute Mills Limited, Sheikh Cement Mills Limited, Joytun Securities International Limited, Joytun Developers Limited, Gold Hill Properties Limited, Sheikh Agro Food Industries, Sheikh Shipping Lines Ltd., M/S. Sheikh Brothers, M/S. Hafizur Rahman Babu and Arising Trade International. He is also the member of Dhaka Stock Exchange Limited representing Joytun Securities International Limited. He participated in various professional workshops and seminars at home and abroad and is also associated with many social, cultural and charitable organizations.



Mst. Nasima Begum

Director

Nominated by: Thermax Textile Mills Ltd.

Mst. Nasima Begum is one of the Directors of South Bangla Agriculture and Commerce Bank Limited nominated by Thermax Textile Mills Ltd. She is an eminent business person in the country particularly in the Garments sector. She is a director of Thermax Textile Mills Ltd., Thermax Knit Yarn Ltd., Thermax Blended Yarn Ltd., Thermax Spinning Ltd., Thermax Melange Spinning Mills Ltd., Adury Knit Composite Ltd., Adury Apparels Ltd., Thermax Yarn Dyeing Ltd., Thermax Woven Dyeing Ltd., Thermax Yarn Dyed Fabrics Ltd., Indigo Spinning Ltd., Sister Denim Composite Ltd., Thermax Check Fabrics Ltd, Sister Garments Ltd, Adury Ring Denim Spun Ltd, Kadir Molla Medical College & Hospital, Thermax Colour Cotton Ltd., Sultana Filling Point Ltd., Sister Denim Composite (Unit-2) Ltd. and Adury Fashion and Print Ltd. In addition to her praiseworthy contribution to the economy, she plays a remarkable role in social development through her involvement with numerous Social Organizations and Educational institutions. Mst. Nasima Begum is the founder of N.K.M. High School & Homes. She is one of the members of governing body of Abdul Kadir Molla City College and also a member of Mazid Molla Foundation.

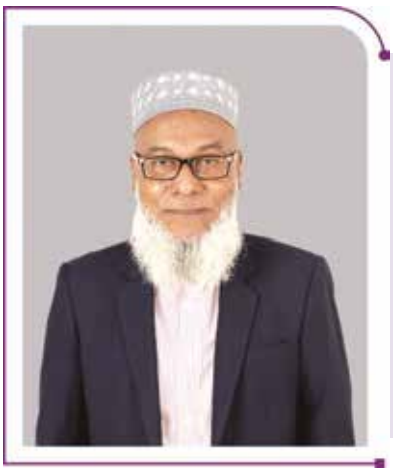


Mr. Sk. Shyedujjaman

Director

Nominated by: Moonstar Ceramic Industries Ltd

Mr. Sk. Shyedujjaman is one of the directors of South Bangla Agriculture and Commerce Bank Limited, nominated by Moonstar Ceramic Industries Ltd. He obtained his BBA and MBA (Marketing) degree from AMC College, Bangalore in 2001 & 2003 respectively. He is a successful businessman in the frozen food industry. Mr. Sk. Shyedujjaman is associated with South East Union Ceramic Industries Ltd. He is the Proprietor of Mashiyat Fish Farm and AB Siddique & Co. He is a man of strong moral values and believes in ethical investment.



Mr. Mohammad Helal Uddin

Director, Nominated by: TBO Trade Ltd.
Chairman, Executive Committee (EC)

Mr. Mohammad Helal Uddin is one of the directors of South Bangla Agriculture and Commerce Bank Limited, nominated by TBO Trade Limited. Presently, he is the Chairman of Executive Committee (EC) of the Board. His expertise and experience in the banking industry especially in the areas of Banking & Financial Management, International Banking & Management, Credit Management, Treasury management, Anti-Money Laundering & Combating the Financing of Terrorism, and Foreign Trade are renowned all over the country and appreciated both in home and abroad. Mr. Helal with his extraordinary skill in Project Management, HR Management & Manpower Planning, Credit Management, Strategic and Operational Plan development, and Organizational Development & Reforms had exalted himself at the most prestigious position of Managing Director of Bangladesh Krishi Bank Ltd. in January, 2018. Prior to that, he served as the Deputy Managing Director at Janata Bank Ltd. in 2016 where he started his Banking career as a Senior Officer in 1985. Moreover, after completing his outstanding professional career of 33 years as a banker, Mr. Helal has rendered his exceptional support as Director in Board of Janata Bank Ltd. from 10th March 2020 to 15th August 2021. His academic history was also as bright as his professional life. He completed his B.Sc (Hons) & M.Sc. in Chemistry with brilliant result from the University of Dhaka. Mr. Helal has participated in a number of seminars & symposium on banking & finance. He is a Diplomaed Associate of Institute of Bankers Bangladesh (DAIBB). He is highly enthusiastic, Self-motivated & hard working. His willingness to accept any responsibility & uncompromised performance as well as his periphery of knowledge in Banking rules and regulations, procurement policy, automation, restructuring and modernization of Bank, MIS, and Research & Planning are axiomatic in the contemporary banking industry.



Mr. Mushfiqur Rahman

Director
Nominated by: M/S. Contech Construction Ltd.

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

Ceramics and IT sector spanning both home and abroad. He has equity interest in Contech Construction Ltd., Pre-stressed Pole Ltd., B&T Cables Ltd., B&T Meter Ltd., B&T Poles Ltd, B&T Transformer Ltd, B&T Development Ltd, B&T Cold Storage Ltd, Nexus Securities Ltd, Tushar Ceramics Ltd, PMJ Asset Management Ltd. and BDGame Studio Ltd.



Mr. Mohammad Nazmul Huq

Director, Nominated by: Techno Electricals Ltd.
Chairman, Risk Management Committee (RMC)

Md. Nazmul Huq is one of the directors of South Bangla Agriculture and Commerce Bank Limited, nominated by Techno Electricals Ltd. Presently Mr. Huq is the chairman of Risk Management Committee (RMC) of the Board. He is a successful entrepreneur who had started his entrepreneurial journey in 1994 as a Managing Partner of Vicar International, a trading concern & importer as well as supplier of electronic goods. In 2016, Mr. Huq gave concentration on further diversification of his business portfolio by starting two new ventures naming Vicar Electricals Ltd., an electric transformer manufacturer, as the managing director of the concern; and Vicar Concrete Products Ltd., the spc pole manufacturer where he rendered all his experiences & knowledge as the managing partner. As an extraordinary leader with marvellous vision Mr. Md. Nazmul Huq is keeping up his journey for searching the newer avenues & excellences in his career path. In the year 2021, the visionary entrepreneur Mr. Huq initiated his newest venture Arrow Technology Ltd. holding the post of managing director with a view to manufacturing & introducing new-design & supreme-quality Bi-cycle in the market. In addition to his increasing recognition and reputation as an entrepreneur, Mr. Md. Nazmul Huq is equally famous for his socio-cultural involvement in his area.



Mr. Md. Emdadul Hoque

Director

Nominated by: T & A International Ltd.

Mr. Md. Emdadul Hoque is a distinguished professional with a brilliant academic background. He holds a Master of Social Science (MSS) degree in Economics from Dhaka University and has recently been appointed as a Director of SBAC Bank Limited nominated by T & A International Ltd.

Mr. Hoque was a Director in the Boards of Janata Bank Ltd., Bangladesh Commerce Bank Ltd., and Probashi Kallayan Bank Ltd before starting his journey at SBAC Bank Ltd. and made remarkable contributions in strategy and policy formulations, as well as tactical decision making, during his tenure. He also held directorial positions in various prominent organizations such as Petro Bangla, Boro Pukuria Coal Mining Co. Ltd., Gas Transmission Company Ltd., Bakhrabad Gas Transmission & Distribution Co. Ltd., Eastern Refinery Ltd., Ashugonj Power Company Ltd., and HYSWA Board.

Mr. Hoque is a former Additional Secretary of Bangladesh Secretariat. Before his retirement as an Additional Secretary from the Finance Division of Ministry of Finance, Mr. Hoque served in a wide range of capacities as a government official throughout his professional life. Additionally, he served as a Joint Secretary in the Internal Resources Division and the Energy & Mineral Resources Division, and as a Joint Secretary and Secretary in the Board of Investment. He also contributed as a Senior Assistant Secretary in the Banking Division of the Ministry of Finance, the Ministry of Civil Aviation & Tourism, the Ministry of Labour & Manpower and the Ministry of Home Affairs. Earlier in his career, he served as an Additional Deputy Commissioner of Jashore and as an Upazila Nirbahi Officer of Dacope Upazila of Khulna District. Recognized for his significant contributions and extensive experience, Mr. Md. Emdadul Hoque held the prestigious positions of Chairman at Poschimanchol Gas Company Ltd., Standard Asiatic Oil Company Ltd., and LPG Ltd. He was also an eminent member of the National Pay & Services Commission 2013, University Grants Commission, Legend Board, University of Science & Technology, Patuakhali, and Islami Bank Foundation.

Over the course of his long professional career, Mr. Hoque actively participated in numerous training programs and seminars, which further enhanced his expertise. Some of these programs include the Course on Personnel Management in the UK (1989), the Course on Training Management in Belgium (1993), Training on External Sector Policies at the IMF in Washington DC (1997), the Trade and Investment Seminar in Beijing, China (2005), the Seminar on Roundtable Energy System in Madrid, Spain (2006), the SAARC Energy Ministers Conference in New Delhi (2007), and seminars on environmental and safety issues in Canada (2007), among others. During his long professional career, he has also visited several countries and gained invaluable international exposure and a broader perspective on global socio-economic issues.

In addition to his academic achievements and professional endeavors, Mr. Md. Emdadul Hoque has also demonstrated a strong commitment to his roots and the welfare of his community. Deeply connected to his hometown, Mr. Hoque has undertaken philanthropic initiatives in his village of Nazirpur, located at Muladi in Barisal that includes establishing a library and social welfare center called “Onneshon Gono Pathagar O Shomaj Unnoyon Kendro”. This library serves as a valuable resource for the local community, providing access to books and educational materials as well as organizing various cultural and humanitarian programs. He continues to be actively involved in various charitable activities in Nazirpur, striving to uplift the living standards and well-being of the locals.

Overall, Mr. Md. Emdadul Hoque is a seasoned professional with a wealth of experience, knowledge, and expertise, particularly in the fields of economics, finance, and public administration. His extensive contributions and international exposures have shaped him into a distinguished professional with a comprehensive understanding of global socio-economic matters.



Mr. Mohammad Mahbubor Rahman

Director

Nominated by: Intec Solution.

Mr. Mohammad Mahbubor Rahman is one of the directors of South Bangla Agriculture and Commerce Bank Limited, nominated by Intec Solution. He has over 25 years of experience as a Professional accountant who has held various leadership positions across Asia Pacific, and has worked in 6 different countries – Bangladesh, Malaysia, Vietnam, South Korea, Thailand and Cambodia in different capacities with remarkable achievements, i.e., Best Finance Director for Asia Pacific Division, Global Award for Best Business Partners, Division Award for Improving Gross Operating Profit and winner of numerous leadership awards. Mr. Rahman started his professional journey as a Finance Manager of Young One Corporation in 1992 and holding the position of Director of Finance of the SQ Group of Companies & Chief Executive Officer (CEO) of Intec Solution at present. Prior to his ascending the current positions, Mr. Mohammad Mahbubor Rahman rendered his noteworthy service as General Manager of Le Meridien Angkor, SiemReap, Cambodia, Cluster Director of Finance of Plaza Athenee, A Royal Meridien Hotel, Le Meridien Bangkok, and Vana Belle, A Luxury Collection Resorts Sheraton Koh Samui, Thailand, as Complex Director of Finance of Plaza Athenee, A Royal Meridien Hotel, Le Meridien Bangkok, as Director of Finance, Sheraton Hanoi Hotel, Vietnam, and Four Points by Sheraton Seoul, South Korea, as Financial Controller of Sheraton Penang Hotel, Malaysia, and Assistant Finance Director of Dhaka Sheraton Hotel, Bangladesh as well. Mr. Rahman, being a phenomenal corporate leader with outstanding vision, beholds extensive dexterity and expertise in finance and change management, hotel management, brand building, marketing, sales and business development with a proven track record in turning around non-performing assets, who also has great reputation for using astute business acumen to lead change and decision-making based on sound economic assessment, asset evaluation, financial modelling, infrastructure and strategic planning, to achieve profit and performance objectives. He is a real 'people person', entrepreneurial, focused, accountable, articulate and a real head-on senior executive. His excellent ability in developing and executing operational as well as internal control policies and procedures is also accredited and exemplary. In his academic life, Mr. Mohammad Mahbubor Rahman showed his extraordinary brilliance too just like his professional career. He completed his Masters of Accounting (M. Com) degree in Accounting from the University of Dhaka. Besides, Mr. Rahman has few prestigious international degrees and diplomas. Moreover, He is a fellow member of Institute of Cost and Management Accountants of Bangladesh (ICMAB), and a Fellow of Cost and Management Accountant (FCMA) also.



Mr. Md. Sajidur Rahman

Independent Director
Chairman, Audit Committee (AC)
Chariman, Nomination & Remuneration Committee (NRC)

Mr. Md. Sajidur Rahman is one of the independent directors of SBAC Bank Ltd. He is the Chairman of Audit Committee (AC), and Nomination and Remuneration Committee (NRC) of the Board. He is a Strong Corporate leader in a multicultural and complex environment and impressive communicator with a passion for strategy, numbers, a keen eye for detail, and the ability to build and coach high performance teams. Mr. Md. Sajidur Rahman was the CEO of Telenor Health. He is at the advisory board of a number of companies in financial services, energy and technology such as Oddup (from Hong Kong), Xendit (from Indonesia) and Coders Trust (from Denmark). He is also a director of US-DK Green energy (building the largest wind power plant in Bangladesh), Founder Institute and SD Asia & has an involvement with Indo-Bangla Trading and Lenden Ltd. Prior to his present position, Mr. Rahman was the Managing Director (Consumer Banking) of Standard Chartered Bank in Indonesia, Nigeria and Bangladesh. He was also a board member of Standard Chartered Gambia. It is also notable that, Mr. Rahman had exhibited his brilliance during the academic life. He completed his Master of Commerce (Marketing) & Bachelor of Commerce degree as First Class First from University of Dhaka. He also studied at London Business School and Oxford University. He is a regular speaker on topics of banking, financial services, health services and different technology trends. He is regularly invited to speak at different prominent forums including Financial Times of London, Bloomberg, Mobile World Congress, World IOT conference, Royal School of Medicine etc. His writings have been published in different journals including Tech In Asia.



Professor Mohammad Moqbul Hossain Bhuiyan

Independent Director

Professor Mohammad Moqbul Hossain Bhuiyan is one of the independent directors of South Bangla Agriculture and Commerce Bank Limited. He is a Professor of Department of Management Information Systems (MIS) of University of Dhaka. He also served as a visiting Professor at number of renowned public and private universities of the country. Mr. Bhuiyan as a university intellect has acquired broad spectrum of expertise in the field of Strategic Management,

Management Information Systems (MIS), Total Quality Management, Organizational Behavior, and Business Communication. He has an unparallel fame & recognition at home and abroad as a researcher in related fields. A good number of his articles have been published in different national and international journals. Mr. Mohammad Moqbul Hossain Bhuiyan is definitely one of the successful administrators in the faculty of business studies. he has showed his administrative charisma as the Chairman of Management Information Systems (MIS) Department, Director of MBA (Evening) Program of the same Department, Provost of Masterda Surjasen Hall, and Assistant House Tutor & House Tutor in Masterda Surjasen Hall and Sergeant Zohurul Hoque Hall. Mr. Bhuiyan has demonstrated his exemplary brilliance in his Academic life also. He has completed his M.Com. & B.Com. (Hons.) Degree from the Department of Management of Dhaka University with the first Class first Position in both, and MBA Degree from Otaru University of Commerce, Hokkaido, Japan under 'Monbusho Scholarship' of Japan Government with an outstanding CGPA of 4.0 Out of 4.00 scale. He also has a Diploma in Japanese Language and Culture from Mara Foundation College, Malaysia. It is worth mentioning here that, Professor Mr. Mohammad Moqbul Hossain Bhuiyan has a strong affiliation with numerous publications of the university. He served as the Chief Editor of the Editorial Board of Bangladesh Journal of MIS, a member of the Editorial Board of the Dhaka University Journal of Business Studies, and an Associate Editor of Bangladesh Journal of MIS. He has a strong socio-organizational engagement as former general secretary of Dhaka University Teachers' Club, Secretary of Dhaka University Teachers' Cooperative Society, member of Japanese University Alumni Association, and a life time member of Registered Graduate, Dhaka University. Mr. Bhuiyan comes from a respected Muslim family of Laxmipur.



Mr. Ziaur Rahman Zia FCA

Independent Director

Mr. Ziaur Rahman Zia is an independent director of South Bangla Agriculture and Commerce Bank Limited. He is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). Prior to that he obtained his M.Com degree in Accounting. He has about 18 years of experience in auditing, inspection and investigation while working with A. Qasem & Co., a renowned Chartered Accounting firm. Currently he's working as a Partner of the same firm which is one of the oldest and most reputed professional accounting firms in the country founded in 1953. He was an elected Member of the Dhaka Regional Committee of Institute of Chartered Accountants of Bangladesh and the Chairman of DRC ICAB for the year 2020. He is also past/current member of various standing and non-standing committees of ICAB. He is an Ex-Member of the Executive Committee of the "Professional Club Limited" and a Member of the Executive Committee of "Dristy Unnayan Sanghstha, Dhaka-DUS Dhaka" (a social organization which organizes Free Eye Camp, School Eye Health Check Up and Free Friday Clinic etc.). He specializes in the financial sector and has extensive expertise and experience in conducting forensic review, special review, procurement review and fiduciary review of government projects funded by international development partners like World Bank and Asian Development Bank etc. He attended many trainings and workshops on banking regulations, public procurement, public financial management, e-Gp, Public-Private Partnership (PPP) and various other leadership trainings in home and abroad.



Mr. Habibur Rahman

Managing Director & CEO

Mr. Habibur Rahman having 27 years of experience in Corporate Banking and Credit Risk Management joined South Bangla Agriculture & Commerce Bank Ltd. as Additional Managing Director on June 26, 2022 and has been appointed as the Managing Director & CEO of the Bank presently. Prior to assuming his current position, he was Deputy Managing Director in United Commercial Bank Ltd., where was responsible to supervise the Corporate and Investment Banking. He started his Banking career in ANZ Grindlays (later merged with Standard Chartered Bank), Dhaka, Bangladesh in 1996 and served there for 07 years as Relationship Manager in Corporate & Institutions Department. Later he moved to Toronto, Canada and started his career as Deal Administration Manager in TD Securities Division at Toronto Dominion Bank. In 2007, Mr. Rahman joined HSBC Bank, Bangladesh and served there up to September 2009 as a Vice President as Senior Relationship Manager in Corporate Banking Division. Then, in search of better excellence and bigger challenges, he joined in The City Bank Ltd. in September 2009 and served there at Credit Risk Management Division as Senior Vice President and rendered his invaluable service for next 05 years at different capacities.

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

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

Management Committee (ManCom)



Mr. Habibur Rahman
Managing Director & CEO



Mr. Md. Nurul Azim
Deputy Managing Director



Mr. Md. Altaf Hossain Bhuyan
Deputy Managing Director



Mr. Md. Abdul Matin
Deputy Managing Director



Mr. A. K. M. Rashedul Hoque Chowdhury
Deputy Managing Director
(Procurement).



Mr. Md. Masoodur Rahman FCA
SEVP & Head of FAD



Mr. Md. Mokaddess Ali FCS
EVP & Company Secretary



Mr. Md. Abdul Mannan
EVP & Head of Credit



Mr. Faisal Ahmed
EVP & Head of HRD



Mr. Moinul Islam
EVP & Head of LARD



Mr. Abid Hossen
SVP & Head of ICT

List of Executives of the Bank

MD & CEO	
1	Mr. Habibur Rahman

DMD	
2	Mr. Md. Nurul Azim
3	Mr. Md. Altaf Hossain Bhuyan
4	Mr. A. K. M. Rashedul Hoque Chowdhury
5	Mr. Md. Abdul Matin

Principal, Training Institute	
6	Mr. A.K.M. Fazlur Rahman

SEVP	
7	Mr. Md. Masoodur Rahman FCA
8	Mr. Mohammad Asadul Haque
9	Mr. Manzurul Karim

EVP	
10	Mr. Md. Mokaddess Ali FCS
11	Mr. Md. Abdul Mannan
12	Mr. Faisal Ahmed
13	Mr. Md. Masudur Rahman
14	Mr. Kishaloy Sen
15	Mr. Md. Sharif Al Kashem
16	Mr. Moinul Islam

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

VP	
30	Mr. Md. Fakhrul Islam
31	Mr. Md. Mazharul Hasan
32	Mr. Dewan Arifur Rahman
33	Mr. Abu Salem Mohammad Hojaiffa Noman
34	Mr. Md. Delowar Hossain Mondol
35	Mr. Md. Ziaul Latif
36	Mr. Syed Hafij Ahmed
37	Mr. Md. Zakir Hossain
38	Mr. Md. Raisul Alam
39	Mr. Syed Habibur Rahman

FVP	
40	Mr. Md. Shakibul Alam
41	Mr. Imtiaz Rahman
42	Mr. A. N. M. Mejbahul Hasan
43	Mr. Razwanul Huq
44	Mr. Md. Sayeed Bin Islam
45	Mr. Zia Uddin Rony
46	Mr. A. K. M. Asaduzzaman Talukder
47	Mr. Muhammad Akhteruzzaman
48	Mr. Syed Shahjahan Sagar
49	Mr. Md. Kamruzzaman
50	Mr. Mohammed Rofiqul Islam
51	Mr. Md. Islamul Haque
52	Mr. Mohammad Yousuf Chowdhury
53	Mr. Mohammed Gias Uddin
54	Mr. Muhammad Ali Yousuf
55	Mr. Md. Shahidur Rahman
56	Mr. Bidhan Kumar Saha
57	Mr. Md. Manirul Islam
58	Mr. Md. Khalequzzaman
59	Mr. Md. Yasin Huda
60	Mr. Zabed Emdad Chowdhury

61	Mr. Md. Mahbubur Rahman
62	Mr. A. T. M. Noor Nabi Sarker
63	Mr. Md. Kamal Hosen
64	Mr. Md. Mahasin Sarder
65	Mr. A B M Muhibbur Rahman
66	Mr. Mohammad Mahbubul Alam Biswas
67	Mr. Md. Delower Hossain
68	Mr. Syed Anisuzzaman
69	Mr. Md. Mushfiq Us Saleheen
70	Mr. Mohammad Mahfuzur Rahman

AVP	
71	Mr. Mohammad Jasim Uddin
72	Mr. Md. Saifur Rahman
73	Mr. Mohammad Shah Kamal Sarkar
74	Mr. Mohammad Ashrafur Rahman
75	Mr. Md. Rabiul Karim
76	Mr. Ahmed Ismail
77	Mr. Syed Hasib Uddin Ansar
78	Mr. Md. Rajib Ahmed
79	Mr. Md. Masud Kabir
80	Mr. A. B. M. Shohel Pervez
81	Mr. Mamonur Rashid
82	Mr. Mohammed Ikram Pasha
83	Mr. Md. Feroj Kabir
84	Mr. Abdul Kadir
85	Mr. Md. Ismail Hossen
86	Mr. Khondokar Noory Imam
87	Mr. Mohammed Rafiqul Hasan
88	Mr. K. M. Shamsul Bari
89	Ms. Tahera Khatun
90	Mr. Md. Farid Khan
91	Mr. Kawsar Alam
92	Mr. Md. Shoeb
93	Mr. Mir Abdul Hye Siddique
94	Mr. Md. Shamim Hossain
95	Mr. Khaled Mosharaf
96	Mr. Md. Abdur Rashid
97	Mr. Sankar Kumar Ghosh
98	Ms. Shamima Akther
99	Mr. Biddut Kumar Sarkar
100	Mr. Mohd Monjurul Alam
101	Mr. Shovan Barai
102	Mr. Anuj Das
103	Mr. Abul Hasan Khan
104	Mr. Abdul Alim
105	Mr. Md. Abu Zafar
106	Mr. Kazi Masuduzzaman
107	Mr. Kaji Jasim Uddin
108	Mr. Mohammad Abdul Basit
109	Mr. Md. Abu Naser Chowdhury
110	Mr. Md. Bellal Hossain
111	Mr. Mohammad Monwar Hossain
112	Mr. Mohammad Abdul Hafiz
113	Mr. Md. Abdul Aziz
114	Mr. Md. Abul Kalam Azad
115	Mr. Mohammad Khabirul Islam
116	Mr. Md. Nurul Absar
117	Mr. Syed Fahim Ali
118	Mr. Md Abdullah Al Mamun Chowdhury
119	Mr. Md. Habibur Rahman
120	Mr. Md. Nahiduzzaman Khan
121	Mr. Rabiul Hossain Majumder
122	Mr. Md. Qumrur Roshid
123	Mr. Md. Akbar Hossen
124	Mr. Md. Surwar Rashed
125	Mr. Md. Tanvir Ahmed
126	Mr. Md. Abdullah Al Khayem

SBAC BANK

এসবিএসি ব্যাংক এর ডিজিটাল সেবায় রয়েছে

ডেবিট, ক্রেডিট কার্ড এবং বাংলাপে মোবাইল এ্যাপ যেখানে রয়েছে
নিম্নোক্ত সুবিধা সমূহ-

- SBAC VISA ক্রেডিট কার্ডের মাধ্যমে উপভোগ করুন আকর্ষণীয় ডিসকাউন্ট সহ কিস্তিতে কেনাকাটার সুবিধা;
- সর্বনিম্ন খরচে অব্যবহৃত ব্যালেন্স থেকে ফান্ড ট্রান্সফার ও EMI সুবিধা;
- ডুয়াল কারেন্সি কার্ড দিয়ে দেশে/বিদেশে কেনাকাটা ও অনলাইনে লেনদেন করুন নিরাপদ ও সহজে;
- SBAC VISA ডেবিট কার্ড দিয়ে দেশের যে কোন এটিএম বুথ থেকে টাকা উত্তোলন করুন দিন-রাত ২৪ ঘন্টা;
- SBAC VISA ডেবিট কার্ড দিয়ে সারাদেশের ৪৫ হাজারের বেশি দোকান থেকে কেনাকাটা ও সেবা নিতে পারেন সহজেই।



VISA

BanglaPay

নিজের অথবা অন্যের যে কোন ব্যাংক একাউন্টে টাকা পাঠানোর সুবিধা

যে কোনো ব্যাংকের ক্রেডিট কার্ডের বিল পেমেন্ট

যে কোন বিকাশ বা নগদে টাকা পাঠানোর সুবিধা

QR এর মাধ্যমে যে কোনো শাখা থেকে ক্যাশ আউট

QR এর মাধ্যমে কেনাকাটা ও রেস্টুরেন্টের বিল প্রদান

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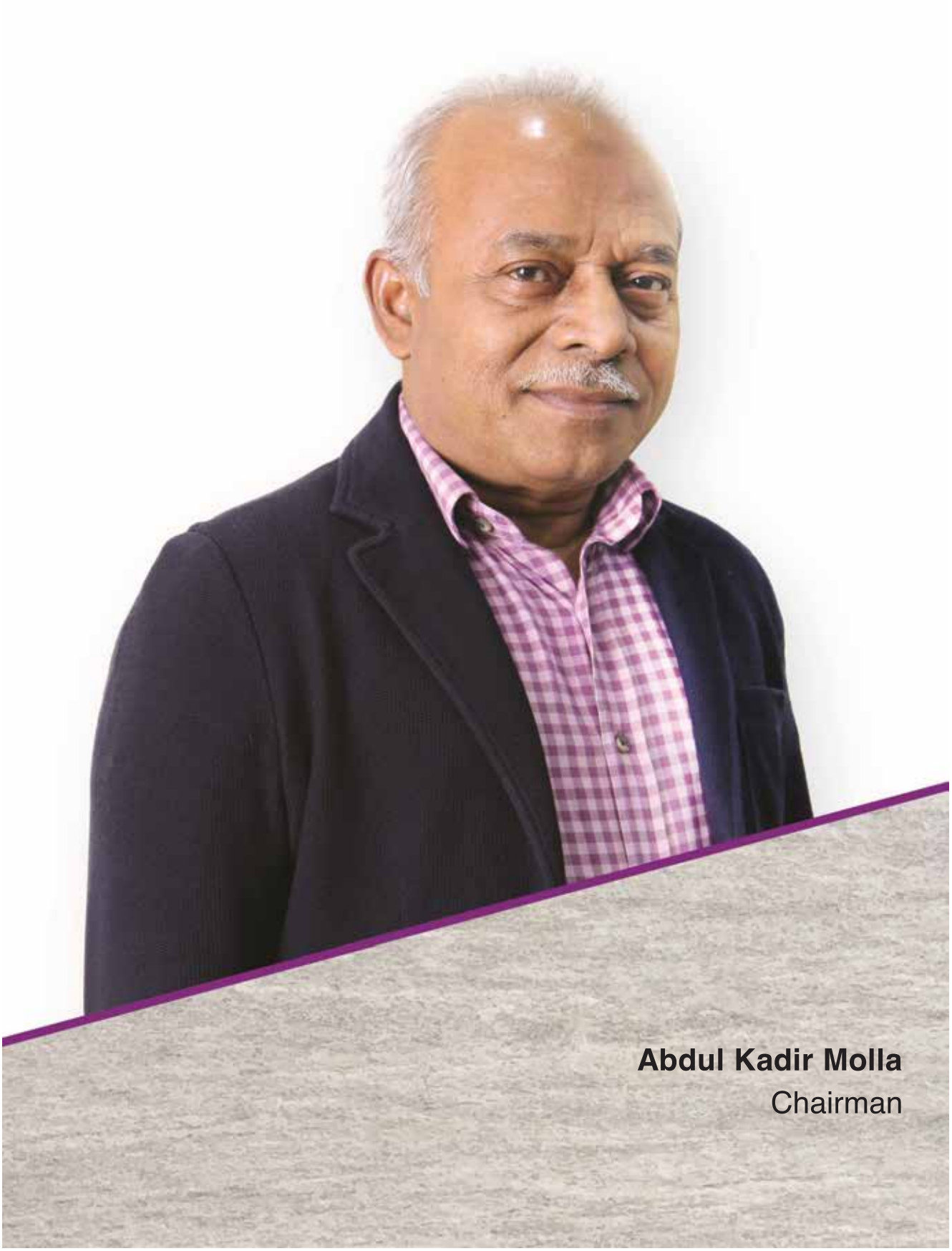
Chapter 04

MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR & CEO



Message from the office of the Chairman



Abdul Kadir Molla
Chairman

"It has been a challenging yet successful year for our bank as we continued to navigate through a dynamic and evolving banking landscape. Despite the unprecedented global challenges, our bank has demonstrated resilience, adaptability, and commitment to our strategic priorities, which has resulted in commendable achievements. Our bank has reported a steady growth in its total assets, deposits, and loans portfolio. The bank's net profit has also shown a positive trend, reflecting our focus on prudent risk management, operational efficiency, and customer-centric approach. As a forward-looking bank, we have continued to invest in our digital transformation journey, leveraging technology to enhance our operational capabilities, customer experience, and product offerings. Our digital initiatives have gained significant momentum in 2022, with the introduction of innovative digital products and services, which have contributed to improved customer engagement and satisfaction. Our customers are at the heart of everything we do, and we remain committed to delivering superior customer service and building long-term relationships. Our bank has made significant efforts to understand and meet the evolving needs of our customers through tailored solutions, personalized services, and efficient complaint handling mechanisms. Looking ahead, we remain cautiously optimistic about the future prospects of SBAC Bank Ltd. Despite the uncertainties and challenges in the banking industry, we are well-positioned to capitalize on emerging opportunities, supported by our strong financial position, digital capabilities, risk management practices, and customer-oriented approach. We will continue to focus on driving sustainable growth, maintaining sound corporate governance, and delivering value to our stakeholders."

Bismillahir Rahmanir Rahim

Assalamualaikum

It is with a sense of privilege and honor that I extend a warm welcome to all of you at the 10th Annual General Meeting (AGM) of South Bangla Agriculture and Commerce Bank Limited. I would like to express my deepest gratitude and heartfelt thanks for the trust, confidence, support, and continued cooperation that you have bestowed upon us, which has contributed to the successful completion of the year 2022. I am highly delighted to present here the Annual Report 2022 of the Bank on behalf of the Board of Directors, with the aim of providing an overview of the overall performance of our Bank as well as our strategic priorities in a prevailing economic situation.

I am delighted to inform you that we have successfully embarked on our 11th year of striving for excellence in banking services. Our unwavering commitment to advancing performance in all facets of banking is evident through our utilization of cutting-edge technologies, expansion of branch and sub-branch network, introduction of Islamic banking windows, initiation of agent banking operations, and launching of innovative products and services.

Dear shareholders,

Covid-19 pandemic caused a real havoc in world economy. Countries all over the world went into lock down resulting the global economy falling into a standstill. Major economies like the USA, EU countries and China suffered the most. Bangladesh like many other developing countries faced severe difficulties as they have close business & commercial ties with China and other covid stricken western economies. The economic turbulence intensified from the Russia-Ukraine war that started from the early 2022. Since these two countries are among the highest suppliers of foods. The supply of fuel and capital equipments were also disrupted notably. Therefore, the fuel price increased significantly all over the world causing severe price hike. Inflation surged beyond the govt. estimation reducing the purchasing power of the people. The world economy fell into stagflation and was at risk of falling into economic depression.

Bangladesh, like many other countries around the world, is grappling with the detrimental impacts of global inflation, including rising food prices, energy scarcity, disruptions in commodity supply chains, and declining foreign currency reserves. However, compared to other South Asian nations, Bangladesh's economy remains relatively stable. Despite facing economic challenges, Bangladesh has demonstrated resilience in the face of economic adversity in the South Asian region. However, the prolonged global inflation, particularly the rise in food prices and the potential for stagflation, could negatively impact the people and economy of Bangladesh. Therefore, it is imperative for us to take appropriate and proactive measures to address inflation and disparities in resource distribution. We have to ensure strict surveillance on the market, careful monitoring of local and global economic situations, diversification of import sources, and exploring new markets for exports.

Honourable stakeholders,

I am pleased to present herewith that SBAC Bank Ltd. has achieved a robust financial performance in 2022. Our bank has reported a steady growth in its total assets, deposits, and loans portfolio. The bank's net profit has also shown a positive trend, reflecting our focus on prudent risk management, operational efficiency, and customer-centric approach. This is my utmost pleasure to share that our Bank registered an operating profit of Tk. 1,796.56 million (Consolidated)

& Tk. 1,754.55 million (Solo), and the net profit after tax was Tk. 562.10 million (Solo) & Tk. 589.63 million (Consolidated) in 2022. Bank's total deposit rose to Tk. 84,209.59 million (Consolidated) & Tk. 84,599.43 million (Solo) in 2022 from the deposit of Tk. 72,694.33 million (Consolidated) & Tk. 73,061.63 million (Solo) of 2021. Loans and Advances of the bank registered a growth of about 18.00 percent by reaching at Tk. 77,827.26 million (Consolidated) in the year under review. Thus, the bank maintained an advance-deposit ratio of 86.80 percent during the year. It is mentionable here that, the amount of Non-Performing Loan (NPL) was Tk. 4,031.22 million in 2022. Whereas, our strengthened and well-targeted recovery efforts have started to produce a significant result and we have been successful in recovering an amount of Tk. 202.50 million (approx.) from the classified loans & Tk. 1,316.20 million (approx.) from the distressed loans, i.e. a total of Tk. 1,518.70 million (approx.) in 2022. Moreover, a number of legal actions & suits under of the NI act and Artha Rin Adalat (ARA) are in progress those hopefully will bring positive results within a short span of time.

In 2022, the Earnings per Share (EPS) stood at Tk. 0.72 (Consolidated) & Tk. 0.69 (Solo), and the Net Asset Value (NAV) of the Bank was Tk. 13.27 (Consolidated) & Tk. 13.23 (Solo). Total Shareholders' Equity stood at Tk. 10,829.65 million (Consolidated) & Tk. 10,796.55 million (Solo) in 2022 in compare to Tk. 10,628.41 million (Consolidated) & Tk. 10,622.84 million (Solo) of 2021. Besides, Return on Assets (ROA) was 0.58 percent (Consolidated) & 0.55 percent (Solo), and Return on Equity (ROE) was 5.50 percent (Consolidated) & 5.24 percent (Solo) as on December 31, 2022. At the end of 2022, Bank's capital to Risk Weighted Assets Ratio (CRAR) was 13.78 percent (Consolidated) & 13.72 percent (Solo).

As a fourth-generation bank, we already have ensured our presence in 113 different locations of the country i.e., the Bank now has 88 branches, 25 sub-branches across Bangladesh (as on May 21, 2023); whereas, on December 31, 2022 we had 86 branches & 24 sub-branches, and we also have 01 Off-shore banking unit at head office. The Bank has been operating the foreign trade business through 07 Authorized Dealer (AD) branches located at important commercial hubs of the country with a centralized Trade Processing Unit at Head Office to handle the trade transactions of non-AD branches. We have been maintaining a fervent correspondent banking relationship with internationally reputed banks to facilitate foreign trade and other international transactions. As on 31st December 2022, the number of foreign correspondents Bank was 208 covering 47 countries across the globe and maintaining 14 Nostro Accounts in 5 major currencies with reputed international banks. The bank is also enjoying credit lines of a good number of well reputed banks worldwide. In the year in review, the total import business of SBAC Bank Ltd. was BDT 43,383.07 million against BDT 33,061.74 million in 2021, with 31.22 percent growth year-over-year, and in 2022, our total export business of SBAC Bank was BDT 33,857.74 million against BDT 16,465.15 million of the year 2021, with 105.63 percent growth year-on-year. Moreover, the Bank has received Tk. 9,524.77 million as wage earners remittance in 2022.

Honorable Members,

We are a bank that looks ahead and keeps investing in our digital transformation journey. We use technology to boost our operational capabilities, customer experience, and product offerings. The bank already has launched digital banking apps, mobile banking wallet, online banking, and White HR (Application for our internal human resources) as part of our automation of technology, which will enable us to be agiler, more FinTech-like and faster in delivering cutting-edge solutions.

We nourish the commitment of service excellence, providing diversified and innovative Card products to its clienteles through latest technological facilities. We have established 67 Automated Teller Machines (ATMs) & 2 Cash Deposit Machines (CDMs) (As on May 21, 2023), while we had 55 ATMs & 02 CDMS (as on December 31, 2022) in different branch locations of the country and more ATMs & CRMs are underway to be set up. We already have issued 66,700 Debit Cards & approximately 5,500 credit cards. To ensure ease and convenience further, we have decided on setting-up Cash Recycling Machines (CRMs) at important business hubs, and implementation of the decision is on process.Moreover, we have started our agent banking operations already, and presently the bank has 18 agent outlets as on May 21, 2023 (the number was 15 on December 31, 2022).

Distinguished Shareholders,

Our bank prioritizes risk management and has taken proactive steps to strengthen risk management framework of the Bank. Through robust risk mitigation strategies, we have maintained healthy asset quality and effectively managed credit, operational, and other risks. We adhere to standard principles and regulatory guidelines from various authorities such as Bangladesh Bank, BSEC, RJSC, DSE & CSE to confirm an exemplary corporate governance practice. Furthermore, all our committees remain functional all the year-round to safeguard the interests of stakeholders. SBAC Bank is committed to contributing to the socio-economic development of the communities we serve, and in 2022, we undertook various CSR initiatives in education, health, environmental sustainability, and community welfare. Our CSR Program included a donation of Tk. 28.80

million towards these areas, with Tk. 3.07 million allocated for education, Tk. 0.26 million for healthcare, and Tk. 25.47 million for other initiatives, reflecting our commitment to create a positive impact on society.

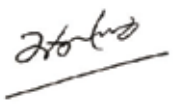
Dear Colleagues,

The Bank prefers attracting and retaining a talented and diverse workforce, striving to promote diversity in age, gender, ethnicity, and location. In 2022, we have recruited the Management Trainee Officer (MTO) 2nd batch and Probationary Officers through a rigorous selection process to ensure quality, diversity and versatility in our workforce. Besides, we have arranged 42 training programs/workshops including foundation training during the period at our well-equipped Training Institute to transform our human resources into human capital through enhancing their skills and knowledge, where 1991 participants from different grades participated.

Finally, I would like to express my sincere appreciation to our esteemed shareholders, valued customers, dedicated employees, and my humble gratitude to the regulatory authorities for their continued support and cooperation. Again, I wholeheartedly acknowledge the vigorous efforts of the Board and the Management in the way to our achievements.

In conclusion, I would like to thank everyone for their unwavering support and trust on us, and I look forward to another successful year of growth and progress for SBAC Bank Ltd.

On behalf of the Board of Directors.



Abdul Kadir Molla
Chairman

Review of the Managing Director & CEO



Habibur Rahman
Managing Director & CEO

At first, I am expressing my deepest gratitude to the almighty for keeping us secured from all the uncertainties and adversities so far. By the grace of him, we have been able to march on successfully through the economic hurdles resulting from the Russia-Ukraine war after surviving the exterminations of COVID-19 pandemic.

It's my great pleasure and absolute honor to present the Annual Report and Audited Financial Statements at the 10th Annual General Meeting (AGM) of our South Bangla Agriculture and Commerce (SBAC) Bank Ltd. I pay my gratitude having immense pleasure to celebrate the journey of glorious 10 years with my beloved colleagues and staffs leaving a significant footstep in the country's financial arena.

SBAC Bank Ltd. has marched through a tremendous journey of a decade with numerous achievements and success enduring a number of hurdles and upheavals of both in the national and geographical arena. Throughout the year, the world economy had experienced an extremely adverse situation due to Russia-Ukraine war, supply chain disruption, slow global growth, and prolonged recession in almost all economies around the world. The global growth is forecasted to be slowed down to 1.7 percent in 2023. As per the projection of International Monetary Fund (IMF), one-third of the world economy will face economic recession in 2023. Moreover, the bitter consequence of high inflation has compelled the economists and central banks of several countries to trigger unexpectedly rapid and synchronous monetary policy tightening measures.

It would be no exaggeration if said that the most talked topic around the globe in 2022 was the Russia-Ukraine war and the rise in fuel prices as a consequence. With high interest rates, skyrocketing inflation and the ongoing Russia-Ukraine war, the economic landscape of 2023 will be much more challenging. Due to the increase in the price of fuel, inflation has increased alarmingly all over the world. The World Bank predicts that, prolonged war could cause significantly larger economic and environmental damage and greater potential for impairment of international trade and investment progress. Inflation caused a crisis in the consumer market as well as import and export business. Commodity prices throughout the world have increased, at the same time investment growth has weakened. The US Federal Reserve raised interest rates six times this year to deal with inflation. While the US growth rate was 5.9 percent in 2021, it has decreased to 1.8 percent this year. In 2023 this growth rate will be only 0.5 percent and in 2024 it will increase to only 1 percent. Similarly, the 19 European countries that trade in the euro will experience major energy crises. In 2023, like the United States, the growth of these European countries will be 0.5 percent. Although the situation in Europe and America is bad, the economy of Asia is in a very favorable place. The Economic Cooperation and Development (OECD) says, three-quarters of next year's economy will depend on Asia. The economic growth of India and China, the two powerhouses of Asia, will surpass that of the United States and Europe. According to their research paper, the economic growth of India will stand at 5.7 percent, whereas China's economic growth is 3.3 percent in 2022, but it will increase to 4.6 percent in 2023. In Bangladesh, import costs rose in the second half of 2022 because of global inflation, widening of the trade deficit and hiking of domestic commodity prices. Furthermore, foreign exchange reserve of the country had fallen to USD 33.83 million at the end of December 2022 and strict measures has been put in place to reduce imports as a consequence. Since the turmoil of Russia-Ukraine war prevailed over the last few months of 2022, our banking industry as the most important financial intermediary was not immune from the instability. The banking sector stifled due to the dollar crisis.

However, if the economy of Germany, Italy, United Kingdom and the United States stays in a prolonged recession, the over-all export business of the country will suffer severely. Europe and the United States are the major markets of Bangladesh's garment sector. Bangladesh is the second RMG products exporter in the world and it is now more connected with the world economy than that of before. As a result, there will be some negative impact on the export sector. On the other hand, there remains less skepticism about the Middle East as too much adverse effect on the remittance flow cannot be occurred and expatriate income may not decrease in 2023. Again there is a hope as the World Bank predicts that there will be a surplus in foreign trade in Bangladesh in the medium term. The World Bank and IMF have predicted that growth of Bangladesh will remain above 6 percent though the government hopes it may be more than that percent.

The year 2022 imposed a lot of challenges in our economy and in the banking industry. Despite various challenges, because of planned growth in business and operations the bank has achieved a reasonably steady performance in a tough economic environment with a gross profit of Tk. 1,796.56 million (Consolidated) & Tk. 1,754.55 million (Solo), whereas the Net profit after Tax stands at Tk. 589.63 million (Consolidated) & Tk. 562.10 million (Solo) registering a growth of 9.21 percent (Consolidated) & 5.12 (Solo) in compare to the Net profit after Tax of the previous year. Our total deposit increased to Tk. 84,209.59 million (Consolidated) & Tk. 84,599.43 million (Solo) from Tk. 72,694.33 million (Consolidated) & Tk. 73,061.63 million (Solo) indicating a growth of 15.84 percent (Consolidated) & 15.79 percent (Solo). Besides, total loans and advances of the Bank have stood at Tk. 77,827.26 million (Consolidated) & Tk. 77,992.32 million (Solo) with a growth of 18.00 percent (Consolidated) & 18.25 (Solo) from the total loans and advances of the year 2021. Our performance in terms of international trade and foreign remittance was also citable during the year. In 2022, we have achieved 105.63 percent growth in export business which is Tk. 33,857.74 million against Tk. 16,465.15 million of the previous year & 31.22 percent growth in import business which stands at Tk. 43,383.07 million against Tk. 33,061.74 million of the year 2021, whereas we have achieved 316.25 percent growth in remittance business which is Tk. 9,524.77 million in 2022 against

Tk. 2,288.21 million of 2021. As of December 31, 2022 the total assets of the Bank stood at Tk. 106,307.06 million (Consolidated) & Tk. 106,626.90 million (Solo), which is 8.68 percent (Consolidated) & 8.61 percent (Solo) increase than that of December 31, 2021. The Capital to Risk-weighted Asset Ratio (CRAR) of the Bank has stood at 13.78 percent (Consolidated) & 13.72 percent (Solo). Our Earnings per Share (EPS) is Tk. 0.72 (Consolidated) and Tk. 0.69 (Solo) at the end of 2022. Return on Assets (ROA) and Return on Equity (ROE) were 0.58 percent (Consolidated) & 0.55 percent (Solo), and 5.50 percent (Consolidated) & 5.24 percent (Solo) respectively. We have concentrated on expansion of geographical coverage & service diversification too. Some new products have been launched for increasing CMSME and Retail Portfolio of the bank. We have so far 88 nos. of branches & 25 sub-branches with 18 agent banking outlets (as on 21.05.2023) at different business hub & important locations to ensure the availability of our financial services to the doorsteps of the people; whereas, on 31st December 2022, we had 86 branches & 24 sub-branches, and 15 agent banking outlets as well. Our attempts for service digitization is continuing, we have installed 62 Automated Teller Machine (ATM) booths (67 ATMs) & 02 Cash Deposit Machines at different locations (CDMs) as on 21.05.2023 (the number of ATM was 51 & CDM was 02 on 31.12.2022). The recovery efforts of existing problematic loans have been speeded-up as per the priority set & a substantial amount has been recovered. Our efforts & measures for reducing the cost of fund have started to yield their results also, at the end of the year the cost of fund including operating cost stands at 8.10 percent, which was 8.41 percent in 2021.

From the inception, we never have neglected any of our responsibilities to the stakeholders. As a responsible corporate citizen, SBAC Bank has always rendered its support & assistance for community development. We have donated an amount of Tk. 28.80 million (as per payment) as part of CSR activities in the last year.

As the economy is facing a protracted predicament, we are following the 'Go Slow' policy regarding Business decisions ahead. We have several priorities for the upcoming days as we do acknowledge that 2023 will be another crucial and challenging year for the industry.

To face the extremely challenging and highly competitive journey ahead, we are focusing on the upgradation of overall customer service and the initiation of a number of priority services for the high-value customers arranging prompt & regular customer feedback management system. Maintaining better asset quality is another challenge. So, a robust recovery drive is must to ensure a more sustainable business growth. A rigorous recovery and monitoring system is already in place to realize the loans & advances in timely manner where effective risk management system will play a pivotal role. Deposit Mobilization is another priority of us for the coming days. We have plans to mobilize deposit through launching Special Products for remittance senders, freelancers & low income community, and special campaign for School Banking & CASA Deposit. Financial inclusion is always a priority for us and we are planning to engage more Agent outlets and establish more technology-driven sub-branches to expand our service coverage at remote areas. Capitalization of opportunities is significant for accelerating business growth, so to exploit the huge prospect of Shariah-based Banking we will open Islamic Banking Windows at more branches. We have been focusing on strengthen our service digitalization efforts to ensure quick & smooth service through introducing IT based innovative products as promptness of service with hassle-free experience is must to be successful in the service industry and to attain the service digitalization objective. In order to keep us abreast with the journey of 'Cashless Bangladesh' we have already launched app based banking namely 'BanglaPay'. Finally, we are prioritizing on Brand Building efforts through the enhancement of Brand Identity, Brand Recognition, and Brand Positioning activities of the bank.

In conclusion, I extend my heart-felt gratitude to the Bangladesh Bank, Board of Directors of the Bank for their cordial support and guidance over the decade. I am grateful to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., and all the regulatory bodies also for their precious support to us around the year. I'm also thankful to all the shareholders who have their trust on us always, my colleagues for their very hard work & devotion towards the goal.



Habibur Rahman
Managing Director & CEO

Chapter 05

DIRECTORS' REPORT



Directors' Statement of Responsibilities

Bismillahir Rahmanir Rahim

Dear Fellow Shareholders,

The Directors are required to present the Annual Report together with Directors' Report and the Financial Statements in accordance with the Companies Act, 1994 (amended up to 2020), Rules and Regulations of the Institute of Chartered Accountants of Bangladesh (ICAB), Rules and Regulations of Bangladesh Bank (BB), Bangladesh Securities and Exchange Commission (BSEC) Rules, 1987, the Dhaka Stock Exchange (Listing) Regulations, 2015, Chittagong Stock Exchange (Listing) Regulations, 2015 and BSEC's notification on Financial Reporting and Disclosures dated June 20, 2018.

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

- The state of affairs as at balance sheet date, i.e., December 31, 2022; and
- The profit and loss for the year ended on the balance sheet date.

Proper accounting records should be kept that discloses with reasonable accuracy the financial position of the Company and enables them to ensure that it's Financial Statements comply with the Companies Act, 1994 (amended up to 2020) and the Bank Company Act, 1991 (amendment up to 2018). So, in preparing these financial statements, the Directors are required to ensure that:

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

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

- Industry outlook and possible future developments in the industry;
- Segment-wise or product-wise performance with relevant risks;
- Extraordinary gain or loss;
- Related party transactions- a statement of all related party transactions;
- Utilization of proceeds from public issues, rights issues and/or through any other instruments;
- Significant variance between quarterly financial performance and annual financial statements;
- Remuneration to directors Including independent directors;
- Preparation of the financial statements and any departure thereof, has been adequately disclosed;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Bank's ability to continue as a going concern;
- Significant deviations from the last year's operating results;
- Key operating and financial data of at least preceding 05 (five) years;
- If no dividend (cash or stock) has been declared for the year, the reasons thereof shall be given;
- The number of Board meetings held during The year and attendance by each director;
- The pattern of shareholding structure; and
- In case of the appointment/reappointment of a director, the following information to be disclosed to the shareholders:
  a) A brief resume of the director;
  b) Nature of his/her expertise in specific functional areas;
  c) Names of companies in which the person also holds the directorship and the membership of committees of the board.

The Directors' report of South Bangla Agriculture and Commerce Bank Limited confirms that Directors' Report together with the Financial Statements in the Annual Report for the year 2022 have been prepared in compliance with laws, rules and regulatory guidelines as per the Companies Act, 1994 (amended up to 2020); The Bank Company Act, 1991 (amendment up to 2018), guidelines issued by Bangladesh Bank and BSEC Corporate Governance Code No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.

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

Board of Directors of SBAC Bank holds it's meeting regularly. During 2022, 22 (twenty-two) board meetings were held to consider Bank's policies, procedures, risk management, business and various strategic & tactical plans.

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

The Directors believe that they have performed their responsibilities as set out in the Companies Act-1994 (amended up to 2020), the Bank Company Act-1991 (amended up 2018), securities laws, listing regulations-2015, and other prevailing laws and regulations, as applicable for the Bank.

On behalf of the Board

Abdul Kadir Molla
Chairman

Report of the Directors

(Under Section 184 of Companies Act, 1994 (amended up to 2020) and Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated: 03 June 2018 of Bangladesh Securities and Exchange Commission)

The Board of Directors of South Bangla Agriculture & Commerce (SBAC) Bank Limited has the pleasure and feels honored in welcoming you all to the Annual General Meeting (AGM) and presenting the Annual Report 2022 and Audited Financial Statements for the year 2022 along with the Report of the Auditors to the shareholders. A brief overview of the global trend and the performance of Bangladesh economy vis-à-vis our Bank and our strategic plan for 2023 have also been provided in this Report.

An Overview on Global and Local economy

Global Economic Outlook:

Due to the global covid-19 pandemic and the conflicts and tensions between nations specially the Russia-Ukrain war that disrupted the supply chain and caused economic slowdown and high commodity prices worldwide, Bangladesh faced the challenges of being an emerging market and developing economy also. The Russia-Ukraine conflict has been showing significant negative impact on world trade. As a result, food supply chains have been disrupted and Western sanctions on Russia have led to global trade instability. At the same time, the prices of petroleum along with commodity prices are rising, which is also creating inflationary pressures on the economies.

The global economy rebounded in 2021 with a 5.5 percent growth rate, the highest since 1976, after shrinking 3.4 percent in 2020. The UN expected the global economy to grow by 4.0 percent in 2022 and 3.5 percent in 2023. The World Bank estimated a 5.5 percent growth in 2021 and projected a 4.1 and 3.2 percent growth in 2022 and 2023 respectively in its Global Economic Prospect, January 2022. The IMF forecasted a 3.6 percent growth for both 2022 and 2023, which was lower than its previous update in January 2022 by 0.8 and 0.2 percentage points. The global growth was expected to slow down from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023, which was the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. This reflected significant slowdowns for the largest economies of the world.

Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Normalization of expansionary monetary and fiscal policies that delivered unprecedented support during the pandemic is cooling demand as policymakers aim to lower inflation back to target. But a growing share of economies are in a growth slowdown or outright contraction. The global economy's future health rests critically on the successful calibration of monetary policy, the course of the war in Ukraine, and the possibility of further pandemic-related supply-side disruptions, for example, in China. More energy and food price shocks might cause inflation to persist for longer. Global tightening in financing conditions could trigger widespread emerging market debt distress.

A worsening of China's property sector crisis could spill over to the domestic banking sector and weigh heavily on the country's growth, with negative cross-border effects. With tightening financial conditions, macroprudential policies should remain on guard against systemic risks. Intensifying structural reforms to improve productivity and economic capacity would ease supply constraints and in doing so support monetary policy in fighting inflation. Policies to fast-track the green energy transition will yield long-term payoffs for energy security and the costs of ongoing climate change. Phasing in the right measures over the coming eight years will keep the macroeconomic costs manageable. And last, successful multilateral cooperation will prevent fragmentation that could reverse the gains in economic well-being from 30 years of economic integration.

The global economy at a glance in 2022

Post Covid Renovation Just had Started	▪ World GDP growth rate will reduced to 1.1% in 2023 against 2.4% in 2022 (IMF) ▪ Businesses lost 25% of their revenue and 11% of workforce ▪ Bangladesh GDP also reduced to 3.45% in FY20 and 6.94% in FY21 against 7.88% in FY19
Russia-Ukraine War since February 24, 2022	▪ One-third of world economy will face economic recession in 2023 (IMF) ▪ Bangladesh GDP growth rate may be reduced to 6.5% from earlier forecasted 7.25% in 2023. (World Bank forecasted 5.2% GDP growth rate of BD in 2023).
Inflation	▪ Inflation rate of USA was 9.1% in June 2022, which was a 40 year high. ▪ Inflation rate of UK was 10.1% in July 2022, which was also a 40 year high. ▪ Inflation rate of Bangladesh reached to 9.52% in August 2022, though it was reduced to 8.7% in December 2022.
Forex Reserve	▪ UK foreign exchange reserve equaled 1.8 months of import in September 2022 ▪ Forex Reserve of Germany, France, UK and Italy stood at 277,458 million, 238,277 million, 182,790 million and 211,308 million USD respectively at the end of 2022. ▪ Bangladesh Fex reserve declined to $33.8b in Dec. 22, though it was exceeded $48b in August 2021.

GDP Growth Rate: World Economic Outlook (Update April 2023)

Latest World Economic Outlook Growth Projections

(Real GDP, annual percent change)	2022	PROJECTIONS 2023	2024
World Output	**3.4**	**2.8**	**3.0**
Advanced Economies	**2.7**	**1.3**	**1.4**
United States	2.1	1.6	1.1
Euro Area	3.5	0.8	1.4
Germany	1.8	-0.1	1.1
France	2.6	0.7	1.3
Italy	3.7	0.7	0.8
Spain	5.5	1.5	2.0
Japan	1.1	1.3	1.0
United Kingdom	4.0	-0.3	1.0
Canada	3.4	1.5	1.5
Other Advanced Economies	2.6	1.8	2.2
Emerging Market and Developing Economies	**4.0**	**3.9**	**4.2**
Emerging and Developing Asia	4.4	5.3	5.1
China	3.0	5.2	4.5
India	6.8	5.9	6.3
Emerging and Developing Europe	0.8	1.2	2.5
Russia	-2.1	0.7	1.3
Latin America and the Caribbean	4.0	1.6	2.2
Brazil	2.9	0.9	1.5
Mexico	3.1	1.8	1.6
Middle East and Central Asia	5.3	2.9	3.5
Saudi Arabia	8.7	3.1	3.1
Sub-Saharan Africa	3.9	3.6	4.2
Nigeria	3.3	3.2	3.0
South Africa	2.0	0.1	1.8
Memorandum			
Emerging Market and Middle-Income Economies	3.9	3.9	4.0
Low-Income Developing Countries	5.0	4.7	5.4

Source: IMF, World Economic Outlook Update, April 2023

Local Economic Outlook

Bangladesh undoubtedly has accomplished an extraordinary and substantial advancement in poverty mitigation amid last decade, consequence of the devoted endeavors of the government and the appropriate and successful execution of numerous public and private development activities. Government along with non-government institutions, autonomous bodies carried out various activities involving introducing microcredit in order to expedite the government's efforts of poverty reduction. Special fund for export-oriented industries, working capital for the affected industries and service sector institutions, working capital to SMEs, credit guarantee schemes for SMEs are mentionable programs of the government. Parallel to the roads, development projects like Padma Bridge, Metrorail, BRT, Dhaka Elevated Express way, Karnaphuli tunnel and some other mega-projects are being implemented which are contributing to GDP growth of the country. Consequently our economy was growing consistently high over a decade crossing 7.0 percent milestone in FY 2015-16 and 8.0 percent milestone in FY 2018-19. However, the COVID-19 pandemic reduced the growth rate to 3.45 percent in FY 2019-20. The economy grew by 6.94 percent in FY 2020-21.

The pervasive COVID-19 pandemic had detrimental consequences on economic activities in Bangladesh to some extent while the country was in a position to achieve commendable progress on various economic and social indicators. According to provisional estimate of Bangladesh Bureau of Statistics (BBS), per capita GDP and per capita national income stood respectively at US$ 2,723 and US$ 2,824 in FY 2021-22 compared to US$ 2,462 and US$ 2,591 respectively in FY 2020-21. Medium-term forecasts for GDP growth rates are 7.5 percent in FY 2022-23, 7.8 percent in FY 2023-24 and 8.0 percent in FY 2024-25. Whereas the point-to-point inflation in March 2022, stood at 6.22 percent.

On the other side, Russia-Ukraine war brought about significant negative impact on world trade. As a result, food supply chains have been disrupted and Western sanctions on Russia have led to global trade instability. At the same time, the prices of petroleum along with commodity prices are rising, which is also creating inflationary pressures on the economies. All these undesirable issues have become a catalyst to the depletion of our foreign exchange reserve. Due to the deficit of the overall balance, the foreign exchange reserve decreased also. The foreign exchange reserve reduced to USD 33.75 billion at the end of December 2022.

Economy & Growth: In the midst of challenges to the post-pandemic recovery and global uncertainties stemming from the Russia-Ukraine war, the real GDP growth of FY22 experienced a slight decrease to 7.10 percent from the previously estimated 7.25 percent. However, the overall fiscal stance remained stable with higher revenue mobilization and lower government expenditure.

Despite the ongoing macroeconomic challenges, the non-performing loan (NPL) in the banking sector decreased in Q2FY23 mainly because of relaxed policy initiatives of Bangladesh Bank in the loan repayment process. However, both banks' advances and deposit growth decreased, leading to a rise in the overall advance-deposit (ADR) ratio in Q2FY23.

The growth momentum is expected to strengthen in the remaining period of the current fiscal year, driven by growth supportive fiscal and monetary policies, strong domestic and external demand, improving external situations, and rising business confidence. Although the inflationary situation is expected to soften due to the improved inflation scenario of major trading partner economies, there are still considerable uncertainties that could arise from unfavorable global developments, such as the Russia-Ukraine war and tight global financial conditions.

Inflation: Gradually increasing import costs, which were partially impacted by the significant depreciation of BDT against USD, led to a rise in non-food inflation. Despite the point-to-point headline inflation decreasing to 8.71 percent in December 2022 after reaching a ten-year high of 9.52 percent in August 2022. In Q2FY23, food inflation declined by 1.17 percentage points from 9.08 percent in the previous quarter, primarily due to a decrease in prices of vegetables, fish, fruits, spices, and edible oils and fats. However, non-food inflation continued to rise in Q2FY23, reaching 9.98 percent in November 2022 before marginally decreasing to 9.96 percent in December 2022. This increase in non-food inflation was mostly due to the price hike in household furniture, operations and repairs, medical care and health expenses, recreation and educational expenses, and miscellaneous goods and services.

In the coming months, inflationary pressure is expected to ease due to the deceleration in global commodity prices, as well as a better-than-targeted harvest of aman and boro paddies. Furthermore, the exchange rate pressure is predicted to ease, leading to a favorable impact on imported commodity prices and domestic inflation. However, the inflation outlook remains uncertain due to persistent supply disruptions and global commodity prices, as well as geopolitical tension stemming from the Russia-Ukraine war. Additionally, higher inflation in most trading countries and potential supply bottlenecks in China pose additional risks to the domestic inflation outlook. Nevertheless, BB's monetary policy is cautiously restrictive to address the inflation issues and curb unanchored inflation expectations. Additionally, the government's open market operations and other

supply-side interventions would help alleviate the high inflation toll on low-income groups.

Money & Credit Market: There was a reduction in liquidity in the money market due to several factors, including a large net sell of foreign currency by Bangladesh Bank, an increase in currency holding by the public, and a low growth of bank deposits. To address this issue, Bangladesh Bank took supportive measures for conventional and Islami banks, including raising its repo rate by 25 basis points to 5.75 percent in response to rising inflationary pressure. Despite a slight increase in net domestic assets, broad money growth continued to fall due to a considerable decline in net foreign assets. As a result of the liquidity contraction, interest rates in the interbank market rose sharply, while interest rates in the retail market increased slightly.

Scheduled banks' total liquid assets declined by 5.33 percent in Q2FY23 compared to Q1FY23, with Bangladesh Bank's recent interventions in the foreign exchange market contributing to a 4.86 percent drop in total liquid assets in excess of maintained SLR in December 2022 compared to the previous month. However, to stabilize the money market, Bangladesh Bank provided increased liquidity support and injected BDT 1,679.70 billion through repo operations during Q2FY23. This represented a staggering 1,780.22 percent growth of repo in volume during Q2FY23 compared to Q1FY23. The ongoing liquidity stress resulted in an upward movement of interest rates in retail money markets, with the weighted-average interest rate on lending rising to 7.22 percent in December 2022 from 7.12 percent in September 2022.

The government's restrictive import policy, combined with global war-related supply disruptions, led to a decrease in total government expenditure by 1.4 percent to BDT 1,043.7 billion in Q2FY23. Despite maintaining satisfactory macroeconomic performance amid the global COVID-19 pandemic and Russia-Ukraine war-related supply bottlenecks, global turmoil remains a risk to Bangladesh's fiscal stance through the foreign exchange and trade path.

Capital Market: The recent adverse macroeconomic situation in the domestic and global economies partly led to the volatile performances of the capital market during the couple of quarters. The capital market showed a weak performance during Q2FY23 compared to Q1FY23, as reflected in movements in price indices, market capitalization, price-earnings ratio and turnover.

The Bangladesh Bank (BB) and Bangladesh Securities and Exchange Commission (BSEC) took several steps to restore investor confidence in Bangladesh's capital market. To diversify investors' portfolios through risk-free investment in government securities, the BSEC started trial trading on 10 October 2022 in both stock exchanges. Moreover, to increase the attainment of international investors, the memorandum of understanding (MoU) was signed between the BSEC and the Securities and Commodities Authority (SCA) of the United Arab Emirates to explore opportunities for dual listing, bond issue, joint subscription, and commodities exchange in both countries. Also, BB provided additional time to banks to adjust their investment from the capital market exposure limit.

External Sector: In the first half of FY23, the overall balance experienced a deficit of USD 7.17 billion. To prevent excessive fluctuations in exchange rates, Bangladesh Bank injected a net total of USD 4.24 billion into the foreign exchange market during Q2FY23. Despite concerns over global economic uncertainty caused by the Ukraine conflict and high global inflation rates, export growth moderated to 10.33 percent in Q2FY23 (y/y) from 11.89 percent in Q1FY23. Import payments decreased by 13.24 percent (y/y) in Q2FY23, compared to a positive growth of 11.7 percent in Q1FY23. This reduction in import payments was mainly due to a decrease in the import of intermediate goods, capital machinery, and capital goods, while imports of food items and consumer goods continued to grow during this period. Inward remittances declined by 0.22 percent to USD 4.8 billion in Q2FY23, after recording 4.9 percent positive growth in Q1FY23.

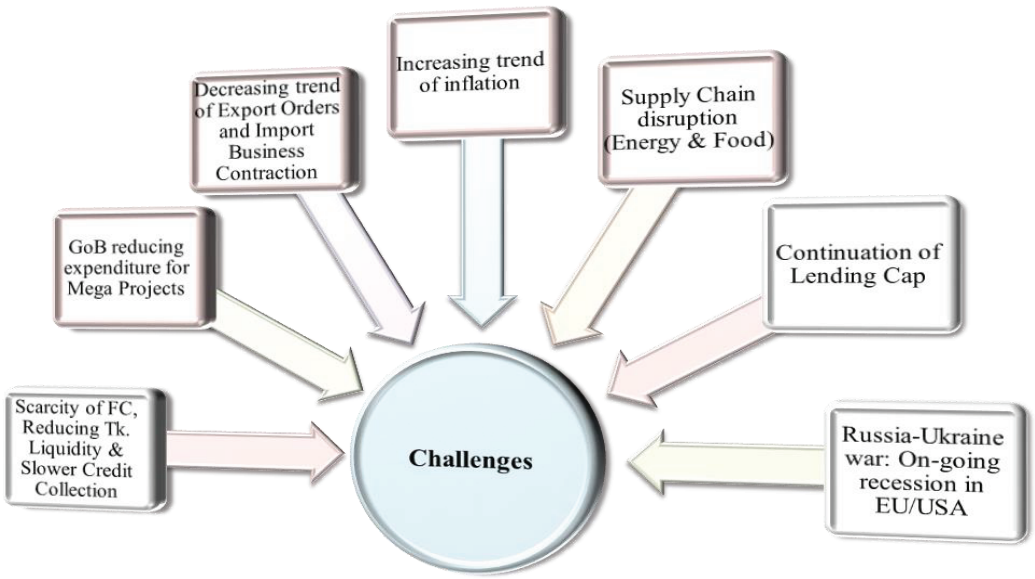
Banking Sector: The performance of the banking sector in Q2FY23 was mixed, with some positive and negative indicators. The ratio of non-performing loans (NPLs) to total loans decreased, mainly due to State-owned Commercial Banks (SCBs) and Private Commercial Banks (PCBs). However, liquidity conditions deteriorated due to factors such as continuous dollar sales by Bangladesh Bank, declining remittance trends, and inflationary pressures. The banking sector also faced challenges due to the hike in Bangladesh Bank's policy rates to curb inflation.

The overall gross NPL ratio in the banking sector improved, with a decline from 9.36 percent in Q1FY23 to 8.16 percent in Q2FY23. The SCBs and PCBs showed the greatest improvement, with their gross NPL ratios declining to 20.28 percent and 5.13 percent, respectively, at the end of Q2FY23. Meanwhile, the ratios for Foreign Commercial Banks (FCBs) and Specialized Banks (SBs) slightly increased to 4.91 percent and 12.80 percent, respectively. The net NPL ratio also decreased to 0.08 percent in Q2FY23 from 0.90 percent in Q1FY23.

Despite the improvement in the NPL ratio, excess liquidity in the banking sector narrowed, which may continue to be a concern in the coming quarters. However, the refinance schemes for the agricultural sector and funding opportunities for the CMSMEs could maintain adequate liquidity in the banking

sector. The positive outlook on external developments, such as declining import payments and falling commodity prices, may also improve the liquidity situation in the future. Nonetheless, good governance in the banking sector, an enhanced loan recovery process, and constant monitoring will be critical to maintaining stability in the banking industry.

Major Challenges the Bangladesh Economy may face in 2023



Review of Performance of SBAC Bank Ltd. in 2022

South Bangla Agriculture and Commerce Bank Limited started its journey in 2013 as one of the 4th generation banks of the country. The Bank has been able to record a notable progress in almost all the areas of operation in 2022 despite various challenges it faced. The bank earned Tk. 1,754.55 million (Solo) & Tk. 1,796.56 million (Consolidated) operating profit, maintained adequate capital adequacy ratio, established new branch & sub-branch as well as agent banking network, and upheld asset qualities. The Financial performances of the Bank are as follow:

Total Assets

Total assets of the bank stood at Tk. 106,626.90 million (Solo) & Tk. 106,307.06 million (Consolidated) in 2022 as against Tk. 98,172.32 million (Solo) & 97,813.75 million (Consolidated) in 2021 registering a growth of 8.61 percent (Solo) & 8.68 percent (Consolidated). The increase in assets was mainly driven by diversified investment. The economy witnessed a satisfactory growth scenario in credit and deposits mobilization.

Cash and Balance with Bangladesh Bank & its Agent:

The position of Cash and Balance with Bangladesh Bank & its Agent of the bank is Tk. 5,293.20 million (Consolidated) in 2022 of which Tk. 987.50 million (Consolidated) in the form of cash and rest of Tk. 4, 305.69 million (Consolidated) held with Bangladesh Bank & its Agent as against Tk. 4,091.12 million (Consolidated) in 2021 of which Tk. 855.11 million (Consolidated) in the form of cash and rest of Tk. 3,236.01 million (Consolidated) held with Bangladesh Bank & its Agent.

Balance with other banks and financial institutions:

The position of balance with other banks and financial institutions is Tk. 2,902.74 million (Consolidated) in 2022 of which Tk. 2,624.17 million (Consolidated) in Bangladesh and Tk. 278,57 million (Consolidated) outside Bangladesh as against Tk. 7,372.30 million (Consolidated) in 2020 of which Tk. 7,080.59 million (Consolidated) in Bangladesh and Tk. 291.71 million (Consolidated) outside Bangladesh.

Investment in Shares & Securities:

The position of Investment of the Bank is Tk. 17,126.56 million (Consolidated) in 2022 as against Tk. 17,538.20 million (Consolidated) in 2021. The investment decreased during the year 2022 by Tk. 411.63 million (Consolidated).

Loans, Advances and Lease/Investments:

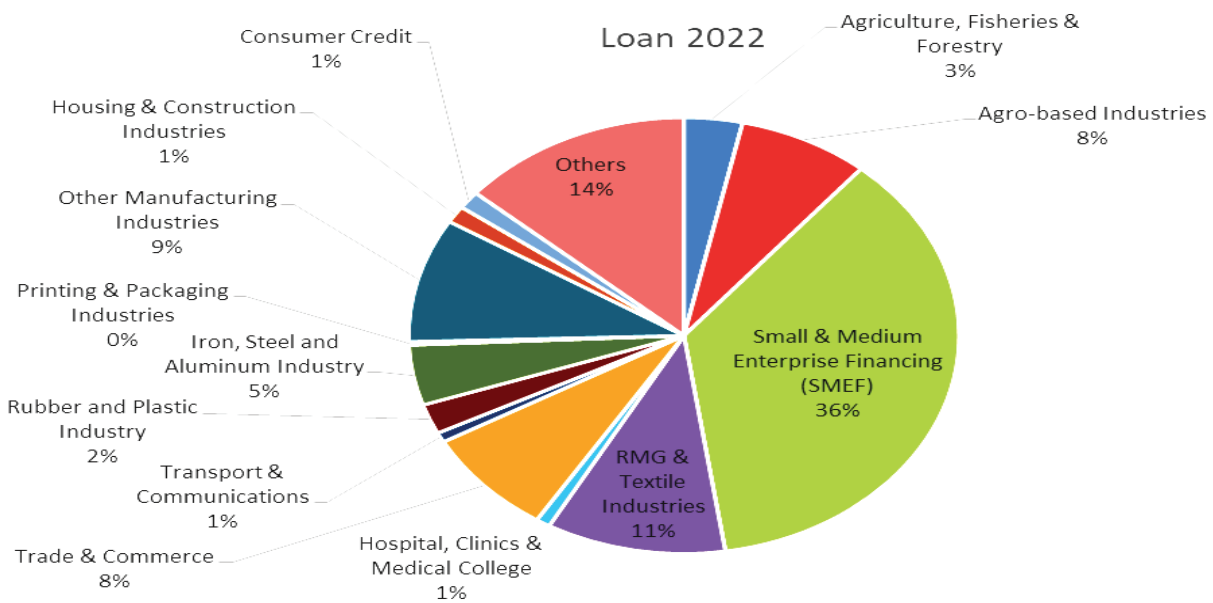
The SBAC Bank Limited since its inauguration has been deploying all out efforts to invest on good borrowers/projects by offering its better customer services as well as diversified products and services. The loans and advances/investments stood at Tk. 77,827.26 million (Consolidated) & Tk. 77,992.32 million (Solo) in 2022 against Tk. 65,955.68 million (Consolidated & Solo) in 2021 registering growth of 18.25 percent (Solo) & 18.00 percent (Consolidated).

Yield on loans and advances/ investments of the Bank decreased to 8.08 Percent from the level of 8.31 Percent of previous year due to decrease of lending rates.

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

(Fig. in million Taka)

Particular of Sectors	2022	2021	Growth (%)
Agriculture, Fisheries & Forestry	2,666.82	185.61	1,336.81%
Agro-based Industries	6,001.59	5,739.41	4.57%
Small & Medium Enterprise Financing (SMEF)	28,371.56	24,415.88	16.20%
RMG & Textile Industries	8,211.60	6,920.20	18.66%
Hospital, Clinics & Medical College	648.97	536.04	21.07%
Trade & Commerce	6,166.43	5,516.42	11.78%
Transport & Communications	566.06	326.91	73.15%
Rubber and Plastic Industry	1,730.21	1,022.79	69.17%
Iron, Steel and Aluminum Industry	3,468.34	2,963.62	17.03%
Printing & Packaging Industries	191.58	92.44	107.25%
Other Manufacturing Industries	7,165.08	5,975.79	19.90%
Housing & Construction Industries	983.40	870.94	12.91%
Consumer Credit	1,030.99	901.09	14.42%
Others	10,624.63	10,488.54	1.30%
Total	**77,827.26**	**65,955.68**	**18.00%**



Liabilities

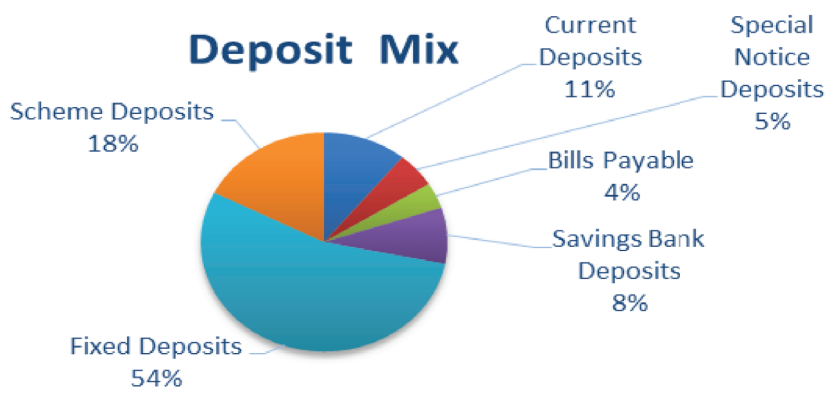
The liabilities (excluding equity) of the Bank stood at Tk. 95,477.42 million (Consolidated) in 2022 of which Tk. 84,209.59 million (Consolidated) (88.20%) was deposit and rest Tk. 11,267.83 million (Consolidated) (11.80%) was borrowing & other liabilities as against Tk. 87,185.34 million (Consolidated) in 2021 of which Tk. 72,694.33 million (Consolidated) (83.38%) was deposit and rest Tk. 14,491.01 million (Consolidated) (16.62%) was borrowing & other liabilities. The borrowings from other banks, financial institutions and agents stood at Tk. 4,031.55 million (Consolidated) in 2022 which represents Bank's borrowing from Bangladesh Bank under various Refinance Scheme & EDF.

Deposits:

The deposits of the Bank stood Tk. 84,209.58 million (Consolidated) & Tk. 84,599.43 million (Solo) in 2022 as against Tk. 72,694.33 million (Consolidated) & Tk. 73,061.63 million (Solo) in 2021. Fixed deposits remained the main component of deposits contributing 54.27 percent of the total deposits. The clientele group of the Bank was individuals, corporation, NGO, NBFI, government bodies etc.

The Growth and Deposit Mix of the Bank is as follows:

Types of Deposit	Amount Taka in Million		Growth (%)	Deposit Mix (%)	
	2022	2021		2022	2021
Current Deposits	9,236.44	7,253.49	27.34%	10.97%	9.98%
Special Notice Deposits	4,370.19	4,487.51	-2.61%	5.19%	6.17%
Bills Payable	3,197.41	2,414.98	32.40%	3.80%	3.32%
Savings Bank Deposits	6,920.99	5,943.30	16.45%	8.22%	8.18%
Fixed Deposits	45,698.47	38,132.48	19.84%	54.27%	52.46%
Scheme Deposits	14,786.09	14,462.57	2.24%	17.56%	19.90%
Total	**84,209.59**	**72,694.33**	**15.84%**	**100.00%**	**100.00%**



Shareholders' Equity

The shareholders' equity of the Bank stood at Tk. 10,796.55 million (Solo) & Tk. 10,829.65 million (Consolidated) in 2022 as against Tk. 10,622.84 million (Solo) & Tk. 10,628.41 million (Consolidated) in 2021 registering growth of 1.64 percent (Solo) & 1.89 percent (Consolidated). The shareholders' equity of the Bank consists of Paid-up capital, Statutory Reserve, Revaluation Reserve on Govt. Securities and Retained Earning.

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

(Amount in million Taka)

Particulars	2022	2021	Growth (%)
Cash and Balance with Bangladesh Bank	5,293.20	4,091.12	29.38%
Balance with other banks and FIs	2,902.74	7,372.30	-60.63%
Money at call and short notice	-	-	-
Investments in Shares and Securities	17,126.56	17,538.20	-2.35%
Loans, Advances and Lease/Investments	77,827.26	65,955.68	18.00%
Fixed & other assets	3,157.30	2,856.45	10.53%
TOTAL PROPERTY AND ASSETS	106,307.06	97,813.75	8.68%
Deposits	84,209.59	72,694.33	15.84%
Borrowings	4,031.54	8,763.68	-54.00%
Other liabilities	7,236.28	5,727.33	26.35%
Total Shareholders' equity	10,829.65	10,628.41	1.89%
TOTAL LIABILITIES AND CAPITAL	106,307.06	97,813.75	8.68%

Interest Income/Profit on Investment

The interest income/profit on investment stood at Tk. 5,884.35 million (Consolidated) in 2022 as against Tk. 5,610.48 million (Consolidated) in 2021. Interest income consists of Interest/profit on investment earned from loans & advances/ profit on investments amounting Tk. 5,695.51 million (Consolidated), and Interest received on FDR & SND account kept with other banks and financial institutions amounting Tk. 156.15 million, Interest Income from the Off-shore Banking Unit Tk. 31.64 million, and Income from SBAC Bank Investment Limited Tk. 34.15 million (inter company). Details of Interest Income are as follows:

Types of Interest Income	Amount (Taka in Million)	
	2022	2021
Interest on loans and advances/profit on investments	5,730.70	4,968.72
Interest received from Banks & Financial Institutions	156.16	630.55
Interest Income (Off-shore Banking Unit)	31.64	22.77
Inter Company	(34.15)	(11.56)
Total Interest Income	**5,884.35**	**5,610.84**

Interest Expense/Profit on Deposits

The interest expense/profit on deposits stood at Tk. 4,606.95 million (Consolidated) & Tk. 4,627.65 million (Solo) in 2022 as against Tk. 3,944.39 million (Consolidated) & Tk. 3955.95 (Solo) in 2021. Interest cost of deposits was the main component of interest expenses whereas interest cost of borrowings also had impact in 2022. Details of Interest Expense/profit on deposits are as follows:

Types of Interest Expense	Amount (Taka in Million)	
	2022	2021
Interest/profit on Deposits	4,150.95	3,706.66
Interest on Borrowings	510.85	260.85
Inter Company	(34.15)	(11.56)
Total Interest expense/Profit on Deposits	**4,627.65**	**3,955.95**

Net Interest Income

The net interest income stood at Tk. 1,255.65 million (Solo) & Tk. 1,277.40 million (Consolidated) in 2022 as against Tk. 1,654.52 million (Solo) & Tk. 1,666.09 million (Consolidated) in 2021. Net Interest Income decreased due to increase of cost of deposits and decrease in yield on loans and advances.

Investment Income

The investment income of the bank consists of interest / discount earned on treasury bills / bonds, gain on government security trading, dividend received on shares and capital gain from sale of securities of listed companies. The investment income stood at Tk. 1,689.15 million (Solo) & Tk. 1,705.31 million (Consolidated) in 2022 as against Tk. 1,847.00 million (Solo & Consolidated) in 2021.

Non-Interest Income

Non-interest income consists of Commission, Exchange earnings, Brokerage etc. and other operating income consists of appraisal fees, accounts maintenance charge, postage & SWIFT recovery charge etc. The Non-Interest Income stood at Tk. 1,263.47 million (Consolidated) in 2022 of which Tk. 1,060.38 million (Consolidated) was commission, exchange earnings & brokerage and Tk. 203.09 million (Consolidated) was other operating income as against Tk. 678.64 million (Consolidated) in 2021 of which commission, exchange earnings & brokerage income was Tk. 521.14 million (Consolidated) and other operating income was Tk. 157.49 million (Consolidated).

Total Operating Income

The operating income stood at Tk. 4,182.64 million (Solo) & Tk. 4,246.18 million (Consolidated) in 2022 as against Tk. 4,180.16 million (Solo) & Tk. 4,191.72 million (Consolidated) in 2021. The operating income increased due to non-interest income & other operating income.

Total Operating Expense

Total operating expenses include salary and allowances, rent, taxes, insurance, electricity, legal expenses, postage, stamp, telecommunication, stationery, printing, advertisement, Managing Director's salary and allowances, Directors' fees, Auditors' fees, depreciation, amortization and repair of fixed assets etc. which stood at Tk. 2,449.61 million (Consolidated) & Tk. 2,428.09 million (Solo) in 2022 as against Tk. 2,187.69 million (Consolidated) & Tk. 2,184.40 million (Solo) in 2021. The item wise expenses including Directors fees are disclosed in the Financial Statements section of this Annual Report. The operating expenses increased during the year 2022 mainly due to increase in manpower expenses and other operating expenses. The bank has recruited efficient Officials to perform the banking activities. The total regular employees of the Bank stood at 1,149 (as on December 31, 2022) & the total number of manpower of the Bank was 997 (as on December 31, 2021). The productivity of the employees is measured in the following ratio:

(Amount in Million Taka)

Particular	2022	2021	Growth (%)
Operating Income per employee	3.70	4.20	-12.10%
Operating Expense per employee	2.13	2.19	-2.84%
Profit before provision per employee	1.56	2.01	-22.21%
Profit before tax per employee	0.41	1.03	-59.81%
Assets per employee	92.52	98.11	-5.69%

Provision against Loans and Advances

In 2022, the amount of Non-Performing Loan (NPL) was Tk. 4,031.22 million. Total required provision was Tk. 3,113.59 million out of which Tk. 2,499.77 million and Tk. 613.82 million were against specific and general provision on loans and advances respectively. On the other hand total provision Tk. 2,743.59 million have been kept leaving a shortfall of Tk. 370.00 million in general provision. It is mentionable that the approval for deferral of provision shortfall has been taken from Bangladesh Bank in this regard.

Net Profit before Tax

After making required provisions, net profit before tax of SBAC Bank Limited stood at Tk. 1,287.17 million (Solo) & Tk. 1,321.72 million (Consolidated) in 2022 as against Tk. 970.48 million (Solo) & Tk. 978.75 million (Consolidated) in 2021.

Provision for Income Tax

Provision against income tax of SBAC Bank Limited was Tk. 732.08 million (Consolidated) & Tk. 725.07 million (Solo) in 2022 as against Tk. 438.86 million (Consolidated) & Tk. 435.76 million (Solo) in 2021.

Net Profit after Tax

Net profit after tax stood at Tk. 589.63 Million (Consolidated) & Tk. 562.10 million (Solo) in 2022 as against Tk. 539.89 million (Consolidated) & Tk. 534.72 million (Solo) in 2021. In 2022, Earnings per Share (EPS) stood at Tk. 0.72 (Consolidated) & Tk. 0.69 (Solo), Return on Assets (ROA) stood at 0.58 percent (Consolidated) & 0.55 percent (Solo), and Return on Equity (ROE) stood at 5.50 percent (Consolidated) & 5.24 percent (Solo) as against Tk. 0.66 (Consolidated & Solo), 0.58 percent (Consolidated) & 0.57 percent (Solo), and 5.42 percent (Consolidated) & 5.36 percent (Solo) respectively in 2021.

Statutory Reserve

As per Bank Company Act 1991 (amended up to 2018), 20 percent of profit before tax is required to be transferred to statutory reserve. As such an amount of Tk. 257.43 million has been transferred to statutory reserve in 2022 which was Tk. 194.10 million in 2021. Total statutory reserve stood at Tk. 2,204.93 million as on December 31, 2022 which was Tk. 1,947.49 million as on December 31, 2021.

OPERATING PERFORMANCE OF THE BANK

(Amount in million Taka)

Particulars	2022	2021	2020	2019	2018	Growth (%) [2021 to 2022]
Interest Income	5,884.34	5,610.47	5,855.11	7,357.32	6,420.41	4.88%
Less: Interest Expense	4,606.95	3,944.39	4,750.69	4,847.32	3,869.22	16.46%
Net Interest Income	1,277.39	1,666.08	1,104.42	2,510.00	2,551.19	-22.79%
Investment Income	1,705.31	1,847.00	1,909.92	1,217.52	917.54	-44.35%
Non-Interest Income & Other Operating Income	1,263.48	678.64	552.92	625.19	535.20	86.18%
Total Operating Income	4,246.18	4,191.72	3,567.27	4,352.72	4,003.93	-21.33%
Less: Operating Expense	2,449.61	2,187.69	2,109.90	2,083.54	1,970.10	-27.99%
Profit before provision	1,796.57	2,004.03	1,457.67	2,269.18	2,033.84	-9.98%
Less: Provision	474.84	1,025.29	89.88	504.83	392.62	-53.69%
Net Profit before Tax	1,321.73	978.74	1,367.78	1,764.35	1,641.22	36.19%
Provision for Income Tax	732.08	438.86	415.83	796.75	761.64	68.00%
Net Profit after Tax	589.65	539.88	951.54	967.60	879.59	10.27%
Less: Statutory Reserve + Start up Fund and C apital reserve	263.65	208.96	273.62	352.87	328.24	26.17%
Profit available to ordinary share holders	326.00	3.30.93	677.97	614.73	551.34	0.07%
Earnings Per Share (EPS)	Tk 0.72	Tk 0.66	Tk. 1.39	Tk. 1.55	Tk. 1.55	-2.70%
Return on Equity (ROE)	5.50%	5.42%	10.78%	12.55%	12.40%	2.61%
Return on Assets (ROA)	0.58%	0.58%	1.10%	1.25%	1.36%	1.75%

We have a remarkable contribution to the Government Exchequer. We have contributed total Tk. 2,013.47 million in 2022 as Withholding Tax, AIT and VAT & Excise Duty as under:

Particulars	Withholding Tax	Advance Income Tax	VAT and Excise Duty	Total
2022	836.54	852.44	324.49	2,013.47
2021	602.75	554.59	270.88	1,428.22
2020	651.09	642.14	227.31	1,527.55
2019	584.99	787.99	198.38	1,571.36
2018	445.95	768.74	185.25	1,399.94
2017	347.20	613.06	155.98	1,010.37
2016	296.36	269.89	97.41	663.66
2015	254.11	146.16	67.14	467.41
2014	103.61	38.89	40.60	183.10
2013	16.82	21.08	10.19	48.09

SBAC Bank's Role in the Foreign Trade Business:

Banks act as a go-between in the flow of international trade. International Division, in SBAC Bank, makes all necessary arrangements to facilitate its trade business. The Division is also responsible to supervise and guide bank's foreign exchange business. Correspondent Banking Relationships, Trade Settlement & Regulatory Reporting Unit, NRB/Remittance Unit and Off-shore Banking Unit (OBU) work under the umbrella of the Division. Bank's foreign trade transactions are being carried out by 07 (seven) Authorized Dealer (AD) branches and Trade Processing Unit (TPU) at Head office. Trade Processing Unit, at Head Office, started its operation on July 1, 2014 to support Foreign Exchange businesses of our non-AD branches. All 86 branches and 24 Sub-Branches (88 branches and 25 sub-branches as on 21.05.2023) of the bank are

doing their Import and Export business for their clients like an AD Branch.

Correspondent Banking:

Correspondent Banking relationship is initial and essential phase for conducting foreign trade business. SBAC Bank Ltd. has been maintaining correspondent banking relationship with internationally reputed banks worldwide to ease cross border transactions including LC advising, adding confirmation, settlement of payment, discounting bills, international fund transfers, collection of bills, guarantee etc. At the end 2022, the number of foreign correspondent banks was 208 in 47 countries across the Globe. Bank maintains 14 Nostro Accounts in 5 major currencies with international banks located at the most important financial hub of the world. The Bank is also enjoying ample credit line with a number of widely acceptable banks worldwide.

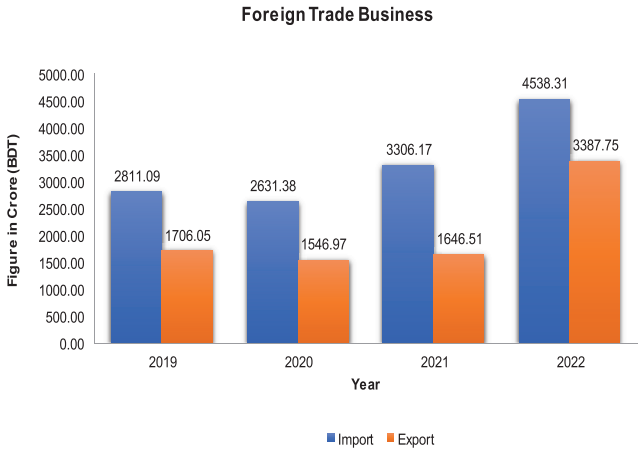
SBAC Bank Ltd. adopted the most robust and effective Sanctions Screening system from SWIFT, Belgium for detection, prevention and disruption of financial crime and, in particular, sanctions risk. The system screens sanction list of the UN, EU, BFIU, OFAC and other significant lists. The Bank has also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

Foreign Trade Business:

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

SBAC Bank provides support to its clients to meet their need of foreign trade business. SBAC Bank was involved in financing import business in the area of capital machineries, industrial raw material, scrap vessels, medical equipment, electronic goods, food grains, motor vehicles, spare parts, garment fabrics and accessories, sports items, chemicals, baby food etc. In the year 2022 the total import business of SBAC Bank was Tk. 43,383.07 million against Tk. 33,061.74 million in 2021, with about 37% growth year-over-year. Import volume in the year 2019 and 2020 was Tk. 28,110.90 million and Tk. 26,313.80 million respectively.

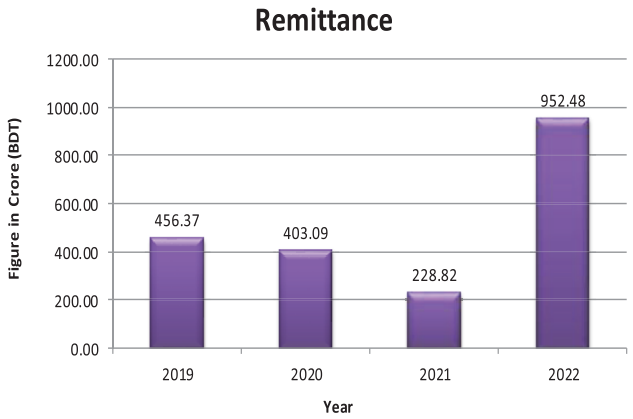
In order to support the exporters as well as to contribute in Country's economy, while raising revenue from export financing activities, SBAC Bank adopted customer friendly financing strategy. Since Bangladesh RMG sector is one of the lifelines of country's economy and plays significant roles for socioeconomic development and poverty alleviation, SBAC Bank paid special attention to this sector. The bank has also emphasized on exporting diversified items such as agricultural products, ceramic, medicine, leather, frozen-foods, etc. In the year 2022 total export business of SBAC Bank was Tk. 33,857.74 million against Tk. 16,465.15 million of the year 2021, with almost 106% growth YoY. Export volume in the year 2019 and 2020 was Tk. 17,060.50 million and Tk. 15,469.70 million



Remittance:

SBAC Bank Ltd. continues its effort to encourage expatriate Bangladeshis living abroad for remitting hard earned money through banking channels. Remittance is one of the most important sources of foreign exchange earnings in Bangladesh. The Bank has set up arrangements with 14 reputed exchange houses/money transfer companies around the world in order to facilitate expatriate to remit wage earner remittance to the country. For remittance through SBAC Bank, expatriate Bangladeshis can avail services of Xpress Money Services Limited; MoneyGram; Western Union Network; Aman Exchange Company WLL, Kuwait; NEC Money Transfer, UK; Wall Street Finance LLC, USA; Al-Ansari Exchange LLC, UAE; Worldwide West 2 East Services Ltd, UK; LCC Trans-sending Ltd, UK; Sunman Global Express Corp (USA); Transfast Remittance LLC; Placid NK Corporation, Ria Financial services and Turbo Cash. In the year 2022, SBAC Bank received Tk. 9,524.77 million as wage earners remittance. Remittance figure was Tk. 2,288.21 million in the year 2021, Tk. 4,030.90 million

in the year 2020 and Tk. 4,563.70 million in the year 2019.



SBAC Bank Offshore Banking Unit (OBU)

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

SBAC Bank has been able to make its presence felt by attracting a good number of customers in a short period of time through effective marketing and competitive pricing of its offshore banking products and ensuring highest level of professionalism and excellent customer services backed by quality manpower and technological supports. OBU extended credit facilities of around USD 2.08 million to our bonafide customers during 2022.

Treasury

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

Treasury functions of SBAC Bank are broadly categorized as follows:

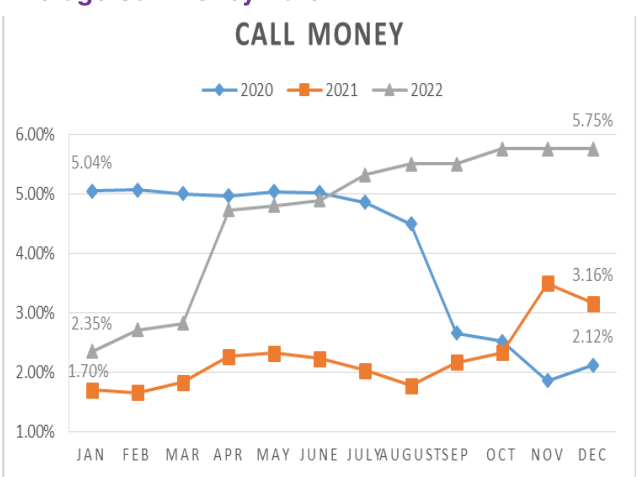


Money Markt Desk

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

Except for the first quarter of 2022, the money market was moderately tight throughout the year. In 2022, the MM Desk successfully ramped up trading position to take advantage of market movements. Alongside maintaining statutory reserve requirements, our dealers took advantage of promising trading opportunities, thus ensuring satisfactory interest income. In the beginning of 2022 average call money rate was 2.35% and ended up in December 2022 with 5.75% mainly because of tight liquidity in the market.

Average Call Money Rate

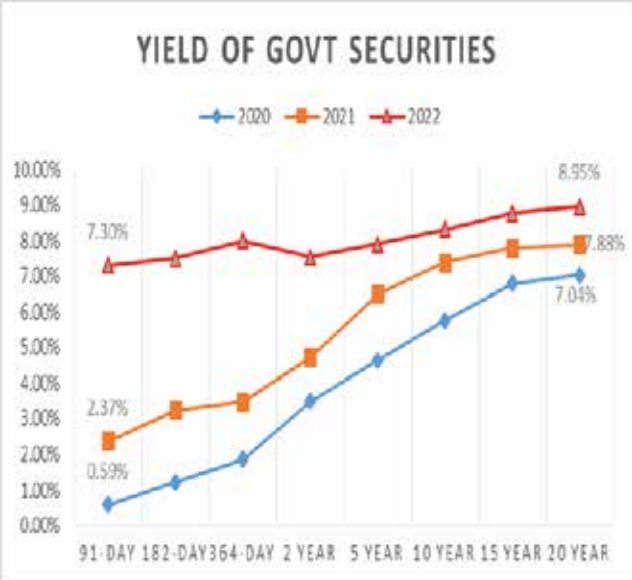


Fixed Income Investment Desk

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

healthy yield in the mode of interest income and capital gain from the holding of securities and trading.

Yield of Govt. Securities

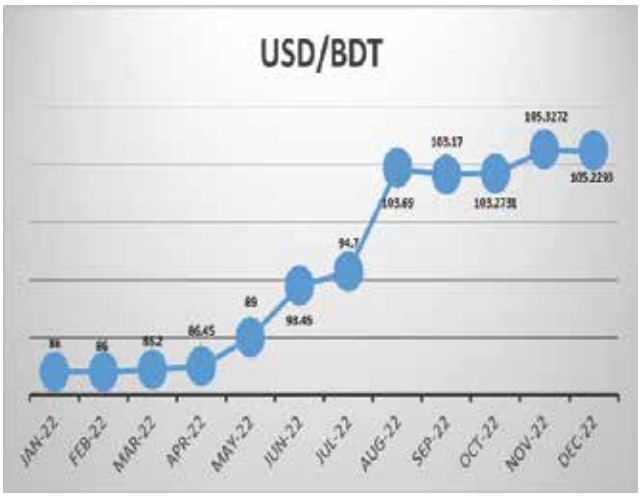


Compare to the previous year, the yield on government securities increased significantly. As an opportunity for investment improved alongside the credit growth, bank's demand for government securities decreased significantly and impacted the yield curve positively. However, in 2022, SBAC Treasury did exceptionally well in both investing and trading of government securities and able to generate substantial income from Fixed Income Securities.

Foreign Exchange Desk

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

After the Russian invasion of Ukraine, global economy saw an unprecedented inflation and every import cost had risen to abnormal level and we the Bangladeshi people had to watch our foreign reserve depleting very fast. All the banks of the county had to slow down their LC openings at some point in 2022. Even in the dire situations like these SBAC treasury managed to keep a positive NOP (Net Open Position) at the end of the year. The significant volume of income contribution from treasury in the form of exchange earning this year was possible because of prudent management of NOP, efficient organization of liquidity flow arising from export-import business, and intelligent market forecasting. Moreover, Treasury Division provided appropriate fund support to OBU and utilized the surplus FC fund in interbank to earn interest income.



Asset Liability Management (ALM) Desk

Asset Liability Committee (ALCO) is one of the core decisions making committees of the Bank and primarily focused on positioning the Bank's overall asset and liability. SBAC Bank has separate Asset Liability Management (ALM) Desk under Treasury, which analyses, evaluates and interprets the market scenario and provide valuable inputs in SBAC Asset Liability Management Committee (ALCO) on a regular basis to ensure the right balance between product profile, cost and risk exposure. ALCO, which is comprised of senior management of SBAC, meets at least once in a month to discuss the current local and global market outlook, major issues that may shake the existing interest rate, liquidity and to decide on policy regarding interest rates and thrust sectors.

ALM Desk official prepare ALCO papers incorporating local and global economic updates, market liquidity forecasts, interest rate projections, balance sheet analysis and proposes it to ALCO. SBAC Treasury has done exceptionally well in this area by keeping management well-informed of crucial changes in the market and pricing techniques of liabilities and assets. In 2022, effective and timely change in rates by ALCO played a vital role in the significant growth of NII. A new ALM policy has been formulated by ALM Desk keeping BASEL III liquidity ratios (LCR & NSFR) in mind and central bank's ALM guidelines into active consideration. Managing balance sheet composition is a vital part for the bank. SBAC Treasury is always learning from the market and getting updated time to time to manage balance sheet composition at optimum level.

Credit Administration

Credit Administration refers to a work process that involves ensuring proper documentation prior to disbursement of any loan/advance as its core responsibility. Among other responsibilities, formulation of policies in line with regulatory requirements, monitoring and supervision of credit portfolios and ensuring compliances are also its prime responsibilities. To this aim, the prudent management

of the bank established Credit Administration Division (CAD). From the emergence of the division, it has been serving its purpose painstakingly. The management also entrusted these responsibilities to the officials of this division.

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

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

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

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

Now to bring all the disbursement of the bank's loans portfolio under one umbrella, for ensuring proper documentation, monitoring of existing credits and maximizing the recovery, this division has been playing a crucial role. Now limit authorization is centralized. All the branches' & sub-branches' disbursement and limit authorization of SBAC Bank Limited under its actual control and monitoring. Now no branch can set up any limit or disburse any loan without the authorization of CAD. But this did not happen overnight. This has been possible for feeling the urgency to establish a centralized CAD for the safety & security of bank loan management and speedy & smooth disbursement. This was done phase by phase from the mid of June 2018 to December 2022. The remarkable achievements of CAD till date are as follows:

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

- CAD works hand to hand with other departments to achieve all credit objectives within a defined timeframe.

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

Major role & responsibilities of CAD:

- It works for Limit Authorization in the Core Banking system and issues Disbursement Authority (DA) after ensuring full documentation and compliance of conditions precedent.
- Prepares documentation checklist as per Sanction Advice for ensuring disbursement as per sanction terms & conditions.
- Works for ensuring all loans' security documentation are perfectly done and enforceable as per credit sanction terms & prevailing Laws of the country.
- Works for monitoring Excess Over Limit (EOL), past due loans, overdue installments, expired limit, insurance policy etc. and inform the same to the Senior Management.
- Works for close monitoring of overdue/classified PIF and submit report to top management as per Bangladesh Bank Circular.
- Works for pursuing all avenues to maximize recovery of irregular loan accounts of branches.
- Performs jobs relating to redemption of mortgaged property(ies) after adjustment of all liabilities of the client.
- Withdrawal of lien mark upon adjustment of liability.
- Guides the branches for availing documents as per sanction terms and prevailing norms & laws of the country.
- Works for ensuring that insurance coverage is adequate, covers the risks and properly assigned to the bank.
- Performs jobs relating to Early Alerts signals on loan accounts and inform the same to the Senior Management.
- Works for taking timely corrective actions to address findings of any internal, external, regulatory inspection/ audit.
- Works for preparation / modification of CAD related policy and memorandum as per instruction of Board of Directors/Senior Management from time to time.
- Acts as coordinator for enlisting of surveyors of the Bank. It uses its enlisted panel lawyers for legal vetting of land documents. These panel lawyers are also asked for drafting, providing legal opinion on various security documents/legal issues.
- Works for keeping historical data on all disbursed loans for any future need of review/decision.
- Works for issuance of circular from time to time for smooth credit operations.
- Informs the branches to fulfill the observations within stipulated time to keep the file regular and updated.
- Informs the senior Management, if any irregularities found in any account or in any document/paper etc.

However, no division is beyond limitation as such we are not exception to this. With the increasing loan portfolio day by day, unprecedented complexities due to the advent of new technologies, ever increasing business competition in the industry, greater public demand, expeditious and real –time services, variant requirements of regulatory bodies, it is not easy to cope with these phenomena. So, there is still room for improvement in some areas and which can be attained by -

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

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

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

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

Stepping in to Digital Financial Services:

Digital Bangladesh was one of the nation's dreams, and so special emphasis had given on the application of digital technologies to realize Vision 2021. The government of Bangladesh implemented a large number of projects relating to digital technologies and a number of these are already underway. The government wants to create remarkable innovations that can ease and improve the lives of citizens. As the flagship program of the Digital Bangladesh agenda, we hope to inspire developing and developed nations on public service innovation and transformation by sharing our groundbreaking insights supported by examples, lessons, and knowledge. Several projects of Government for digitalization have been completed and a big number of projects are under progress.

In December 2021 there were over 18.10 crore mobile subscribers and 12.30 crore Internet subscribers in Bangladesh are enjoying the fruits of digitization in numerous areas of activities. The ultimate objective is to make more and more services available at the doorsteps of the people with increased digitalization where possible. A few examples of available digital services are registration for admission to academic institutions, publication of results of examinations, registration for jobs abroad, registration of pilgrimage, collection of official forms, online submission of tax returns, online tendering, SMS services for lodging complaints to police stations, opening instant bank account by using mobile app & e-KYC, online bill payments for utility services, surfing social media & streaming service etc.

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

SBAC Bank started Basic Digital Financial Services (DFS) from the inception of its Card Division. To achieve the vision and commitment & for providing the customer an uninterruptable round the clock digital transaction facilities, SBAC Bank launched ATM/CDM services along with Debit card operations on 9th March 2014. We have deployed 55 Automated Teller Machines (ATMs), 2 CDMs (67 ATMs as on 21.05.2023) in different branch locations of the country and more ATMs & CRMs are underway to be set up with new and existing branches & sub-branches soon. Though initially we have introduced Proprietorship Debit card but for wider acceptability and ensure more security, we have introduced VISA Debit & Credit Cards with EMV technologies for our customers. Till the date we have issued 66,700 Debit Cards & approximately 5,500 credit cards.

Introducing Digital Wallet "Banglapay"

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

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

Basic Features of Banglapay:

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

SBAC Fast Account by e-KYC:

According to the BFIU Circular no 25, dated January 08, 2020 and under the Guidelines on Electronic Know Your Customer (e-KYC) & to Establish good

governance within the financial industry, Enhancing the growth of financial inclusion, Protect financial sector from abuse of criminal activities, Ensure integrity and stability of the financial sector, Manage ML/TF risks & Reduction of cost related to customer on boarding SBAC Bank introduces “instant Bank account” opening Application & web based solution called SBAC Fast Account.

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

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

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

Implementation of EMV Chip Card: EMV is a global standard for credit and debit cards based on chip card technology. The standard covers the processing of credit and debit card payments using a card that contains a microprocessor chip. These transactions are often referred to as "*Chip* and *PIN*" because *PIN* entry is required to verify the customer is the genuine cardholder. Rather than physically signing a receipt for identification purposes, the user just enters a personal identification number (PIN). This number must correspond to the information stored on the chip. Chip and PIN technology makes it much harder for fraudsters to replicate the card, so if someone steals a card, they can't make fraudulent purchases unless they know the four-digit PIN.

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

Joining to National Payment switch (NPSB): To comply & accommodate with the great initiative of Bangladesh Bank, we have joined National Payment Switch Bangladesh (NPSB) In October 2014. As a result our Cardholder can withdraw cash from any Bank ATM countrywide, at the same way other Bank Cardholder can withdraw money from SBAC Bank ATMs. Now SBAC Bank Cardholder can get access to more than 11,000 ATMs countrywide for using their Debit cards.

Introducing VISA Debit & Credit Cards: After having VISA membership licensing we have introduced latest technology based EMV Debit & Credit Cards for our valued customers. We have implemented a full range of Credit products like 1) SBAC VISA Classic Credit Card 2) VISA Gold multi currency Credit Card & 3) VISA Platinum Multi Currency Credit Cards.

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

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

Contact-less Card: For faster processing of Card transaction and ensure more security, recently VISA worldwide pte. Ltd announced to introduce contactless Card to all its member banks. Meanwhile we have completed necessary certification and testing and we are going to issue Contactless Card to our valued Cardholder soon.

Card Loyalty Program: Under corporate discount tie up program our valued cardholder can enjoy privileged services and attractive discounts while using their Debit & Credit cards in more than 100 merchant outlets including Hospitals, Hotels, Restaurants, Resort, Electronics, Jewelry, Air ticket, and Shopping malls.

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

Other facilities: We have fund transfer facility with reduced flat interest rate, customer can avail this facility by using their Card Cheque, SBAC Bank account transfer, other bank account transfer through BEFTN.

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

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

E-alert/e-mail notification system:

SBAC Bank is one of the leading banks in Bangladesh that provides a wide range of banking services. One of its popular services is the Visa card that allows customers to make transactions both locally and internationally. To ensure customers/ SBAC Bank's card holder have a safe and secure experience, in recent days, the bank has implemented an e-alert / e-mail notification system that provides real-time notifications for all transactions made using their cards. The e-alert / e-mail notification system helps customers to keep track of their card transactions in real-time, the e-alert service is available 24/7, which means that customers can receive notifications at any time of the day or night, Moreover, it also helps the bank to quickly detect fraudulent transactions and take prompt actions to prevent further damage. Overall, this system provides for a secure and reliable Visa card experience for SBAC Bank's customers.

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

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

Inter Bank Internet Banking Fund Transfer (IBFT) Facilities:

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

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

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

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

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

Qpay Apps Facilities:

Qpay Bangladesh application has many use cases such as mobile recharge, fund transfers, credit card bill payment, transfer money to MFS accounts, withdraw Cash from ATM Booths, pay utility (water, gas, electricity, Satellite TV) bills, make QR payments etc.

Through Qpay apps, SBAC Cards are allowing the above services.

Human Resources:

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

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

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

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

Compensation & Benefit policy

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



Diversity in workforce

Human Resource Division is committed to attracting and retaining a talented and diverse workforce. Therefore, the bank is trying to bring diversity in workforce in context of age, gender, ethnicity and locality. There is an increasing trend in workforce along with the business and span of service. With 86 branches and 24 sub-branches (88 branches and 25 sub-branches as on 21.05.2023), the bank is a proud employer of a diversified pull of people. At present, we have a total number of 1175 employees (as on 21.05.2023)

Total Workforce by Age Group (as on 31.12.2022)

Age ranges	Age: Above 50 Years	Age: 30-50 Years	Age: Below 30 Years	Total
Number of employees	43	909	197	**1149**



Total Workforce by Gender (as on 31.12.2022):

Number of Female Employees	**248**
Number of Male Employees	901
Total	**1149**

Excellent Working environment

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

Quality of working relations:

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

Training, Learning and Development

To transform the human resources into human asset, South Bangla Agriculture & Commerce Bank Limited established its Training Institute at the beginning of 2014. Since inception, the Training Institute of the Bank took initiatives for arranging different training programs and workshops to turn the employees into

useful and effective workforce. In 2022, the Institute arranged training programs/workshops including foundation training for the fresh employees where 1991 participants of different grades of the Bank participated. SBAC Bank Training Institute arranged training programs on a variety of topics through virtual platform and at its institute premises such as Internal Control & Compliance, Foreign Exchange & Foreign Trade, Treasury Challan Received Through Automated Challan System (ICCRS), e-GP Finance, operation of e-KYC Software & its Account Opening Procedure, Credit Management, Prevention of Money Laundering and Combating Financing of Terrorism, Gender Equality, Awareness of Digital Transformation & Cyber Security, Agent Banking Flora Systems, Manners Etiquettes & Ethics in Banking: Services, Detection and Disposal of Forged and Mutilated Notes, Islamic Banking Products and Operations, RTGS Foreign Payment, Customer Service Development, CIB Batch Reporting in Banking, Awareness of Digital Transformation & Cyber Security, ISS (Integrated Supervision System) reporting, Risk Management in Bank Internal Capital Adequacy Assessment Process (ICAAP) *Comprehensive Risk Management Report* CRMR/Stress Testing, Documentation, Refinance scheme of Bangladesh Bank ADB & JICA, Agent Banking Services.

In addition to Training Institute's trainings, Human Resources Division nominated employees for training courses, workshops and seminars on different topics in different organizations in 2022. A total of 42 employees of SBAC Bank participated in training in different resourceful places like BIBM, ICC Bangladesh, BAB, BBTA, Bangladesh Bank etc. Besides, BIBM conducted a 30-day long foundation training for 37 newly joined MTOs of SBAC Bank Ltd.

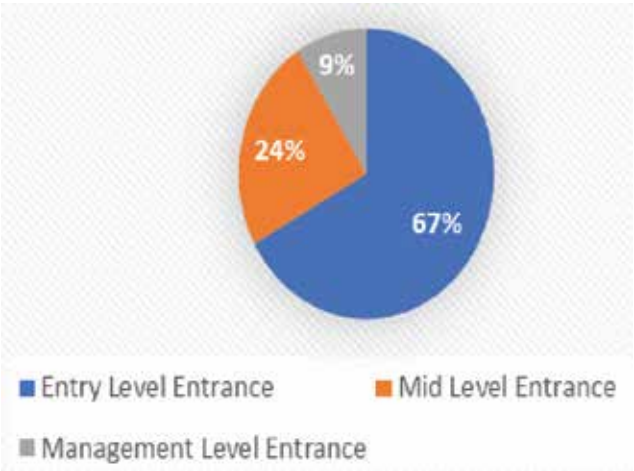
Recruitment and Selection

The recruitment and selection unit of HR Division has carried out a massive talent acquisition during 2022. Along with developing an internal pool of competent workforce, HR Division also ensures that there is steady flow of skilled and experienced employees from the job market who can deal with the new challenges of time. HR also contributes in the management and leadership development in every area of the bank.

Recruitment in 2022

Instead of simply filling up the employee gap in certain positions of the bank, the recruitment and selection team emphasized on the "Best Fit" philosophy that can assure placing right people in right place at the right time. For the expansion of Branch Network, the HR Division has facilitated the recruitment for a total of 239 employees including both fresh and lateral candidates in 2022.

Particular	2022
Entry Level Entrance	67%
Mid Level Entrance	24%
Management Level Entrance	9%
Total	100



Internal Control & Compliance

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

Internal Control

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

Internal control is a process, rather than a structure. It is not a separate activity disconnected from the rest of business activities, rather is an integral part of those activities. It is a dynamic, continuing series of

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

Objectives of Internal Control

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

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

The ***compliance objectives*** of internal control refer to ensure that the bank stays in compliance with all applicable laws and regulations, not only those specifically pertaining to banks, but also those laws and regulations (such as labor laws and environmental protection laws) applying to corporations in general. Laws and Regulations establish minimum standards of conduct expected by BB as the regulatory authority.

Senior Management Team (SMT)

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

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

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

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

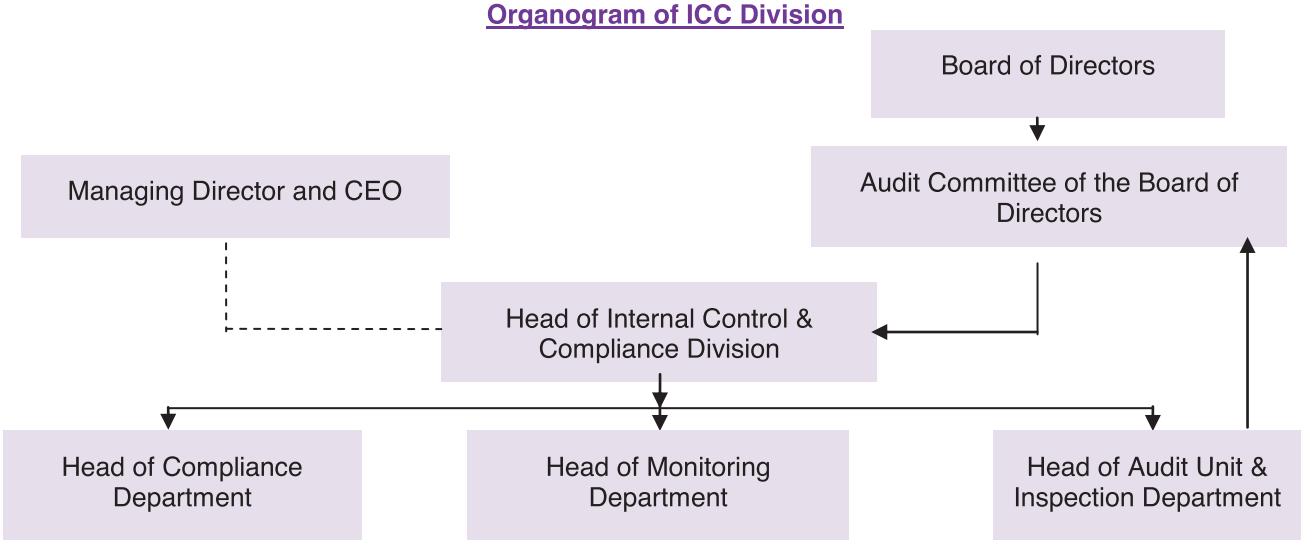
During the audit period, if the present audit team finds any lapse or irregularity which was not detected or identified by the previous auditor then that is also be reported to the Audit Committee.

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

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

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

Organogram of ICC Division



Anti-Money Laundering & Combating Financing of Terrorism

Money Laundering (ML), Terrorist Financing (TF) & Proliferation of Financing (PF) weapons of mass destruction have become very important issue in almost every part of the world in recent times that may cause significant level of risk for economic & social security. Besides, Money Laundering & Terrorist Financing risk has been intensified recently due to integration of sophisticated technology in global financial sector. SBAC Bank Ltd, as a financial institution is not excluded from this risk. Keeping in the view of this perspective, our Bank from the very beginning has been considering ML, TF & PF risk with much importance and determined not to let Money Launderers & Terrorists or Perpetrators to use the Bank as a channel to Launder Money or Finance Terrorism in any possible way and accordingly necessary rules & policy guidelines have already been formulated for mitigating this risk with due care.

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

SBAC, during the year 2022 has performed following activities for strict adherence of Ant Money Laundering & Combating Financing Terrorism program:

- To facilitate the implementation of the Anti-Money Laundering & Combating Financing of Terrorism Compliance Culture in SBAC, AML & CFT Division of the Bank issued several Circulars, Circular Letters & Valuable Instructions for Branches and all Business Units during 2022 so far keeping in consistency with BFIU Circulars & Circular Letters and ML & TF Risk Management Guidelines as well as Bank's ML & TF Risk Management Policy Guidelines.
- Displaying the Banner & festoons at a visible place of the Bank's Head office as well as all Branches Premises containing with different AML & CFT awareness related slogans to aware all officials of the Bank including the customers
- Bangladesh Financial Intelligence Unit (BFIU) has celebrated 20th Anniversary on 18th June, 2022 as a central agency to fight against Money Laundering (ML), Terrorist Financing (TF) and Financing of Proliferation (PF) of Weapons of Mass Destruction (WMD). On the occasion, the Bank displayed the Banner & festoons at a visible place of the Bank's Head office as well as all Branches Premises containing with different AML & CFT awareness related slogans to aware all officials of the Bank including the customers
- AML & CFT Division conducted inspection on AML & CFT compliance status of 04 (Four) Branches and conducted Off-Site inspection on 08 (Eight) Branches.
- AML & CFT Division of SBAC arranged 03 (Three) regional Training program on AML & CFT issue in Khulna, Barishal & Chattogram Region where 161 participants got the training.
- AML & CFT Division made a "Question & Answer Based Guide Book" containing numerous information and question with answer regarding AML & CFT issues for all employees to enhance their knowledge & perception on AML & CFT issues.
- AML & CFT Division has developed a separated AML Corner under the Dashboard of HR Book with the help of our Information Technology Division for uploading the Circulars & Circular Letters (of BFIU & SBAC), Acts, Guide Books, Guidance Notes, Policies and Forms in respect of Anti Money Laundering &

Terrorist Financing issues where anyone can easily view and download the mentioned Circulars & Circular Letters.

- Monitor of customer transactions Branch as well as centrally on a regular basis for identifying Suspicious Transaction. The complex transaction, transactions with deviation from normal transaction and the transactions that does not have reasonable purpose or the transaction with unusual pattern are to be more emphasized during our monitoring;
- AML & CFT Division submitted numbers of Suspicious Transaction Report (STR) and Suspicious Activity Report (SAR) to BFIU which is better than the previous year;
- AML & CFT Division communicated with Branches including all business units to improve their AML & CFT compliance culture, identifying needs and directing Branches as needed and responding to queries of branches;
- AML & CFT Division has extended its initiative to create awareness on AML & CFT among the customers by displaying awareness Banner on conspicuous place of the Branches and distributing awareness leaflets among the Customers.
- Main goals of AML & CFT Division for the year 2023 are to strengthen our compliance culture in all units of SBAC. Specific goals are as follows:
- AML & CFT Division will update ML & TF Risk Management Policy Guidelines within the year 2023 in line with the compliance BFIU Circulars/Circular Letters, Guidelines & Money Laundering prevention Rules;
- Continuing communication with Branches to improve their AML & CFT compliance culture, identifying needs and directing Branches as and when needed and responding to queries of Branches;
- AML & CFT Division will arrange a day long training program on AML & CFT including Trade Based Money Laundering to aware all officials of the bank about their duties & responsibilities for the purpose of mitigating ML & TF risk within the Bank;
- AML & CFT Division will arrange an awareness program for the senior management of the Bank on AML & CFT issues.
- AML Division has a plan to arrange a BAMLCO conference for all BAMLCO's of the Bank to keep them updated in relating to AML & CFT issues.
- Monitoring of branches shall be robust in 2023 which shall include conducting special inspections on the Branches as a part of its own monitoring program of Branches' AML & CFT compliance, apart from ICCD;
- AML & CFT Division will take proper measure among the officials of the Bank to conduct Customer Due Diligence (CDD), Enhanced Due Diligence (EDD) and identify Beneficial Ownership of account;
- AML & CFT Division will Implement Risk Based approach for AML/CFT Supervision/inspections on Branches as a part of its own monitoring program of Branches' AML & CFT compliance, apart from ICCD.

Annual General Meeting (AGM)

Annual General Meeting will be held Online/virtually using Digital Platform through the Link: https://sbacbank.bdvirtualagm.com on June 18, 2023. The Financial Statements were reviewed and adopted in the 163rd Meeting of Board of Directors of the Bank held on April 26, 2023 and recommended the same for final approval in the 10th AGM. The Board of Directors in the same meeting has recommended 3.50% Cash Dividend. The record date for cash dividend and to attend and vote in the AGM is 21-05-2023.

Appointment of Independent Service Provider: As per clause 7 of the Directive No. BSEC/CMRRCD/2009-193/08 dated: 10 March, 2021 of Bangladesh Securities and Exchange Commission, the Board of Directors in its 163rd Meeting held on April 26, 2023 has appointed Satcom IT Limited as Independent Service Provider to establish a digital platform to ensure smooth observation of the 10th Annual General Meeting and online or e-voting platform or system.

Appointment of Scrutinizer: As per clause 7 of the above Directive S. Abdur Rashid FCS has been appointed as Independent Scrutinizer by the Board in its 163rd Meeting held on 26/04/2023. Mr. Rashid has the experience and qualification of the Chartered Secretary to scrutinize the process of the 10th AGM of the Company as far the above circular.

Appointment/Re-appointment of Auditor(s): MABS & J Partners, Chartered Accountants, and G. Kibria & Co., Chartered Accountants were appointed as statutory auditors of the bank for the year 2022 in the 9th AGM and they are eligible to be re-appointed as statutory auditors for the 2023 until the completion of next AGM. Therefore, the Board of Directors in its 163rd Meeting recommended to re-appoint both the firms as statutory auditors subject to approval of the shareholders in the 10th Annual General Meeting and regulatory authorities.

Appoint/Re-appoint Corporate Governance Auditor: As per the provisions of the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission, M/s Islam & Co., Chartered Accountants, was appointed as Corporate Governance Auditor in the Annual General Meeting (AGM) for certification on compliance of the Corporate Governance Code of the Bank for a term until conclusion of the 10th AGM, but the firm (i.e. M/s Islam & Co.) through an e-mail dated March 04, 2023 & a subsequent official letter on March 21, 2023 informed its inability on performing the compliance audit. Consequently, the Board of Directors in its 160th Meeting dated 22-03-2023 appointed M/S. M/s Hoda Vasi Chowdhury and Company as the Compliance Auditor of Corporate Governance for a

term until conclusion of the 10th AGM at a remuneration of Tk. 30,000.00 (Thirty Thousand) Only.

Election of Directors: In compliance with the section 91(2) of the Companies Act 1994, regulation 79-82 of First Schedule of the Companies Act 1994 and Article 101(2) of Articles of Association of the Bank the following persons (one third of the Directors excluding Independent Directors) shall retire from the office of the Directors effective from the close of business of the 10th Annual General Meeting of the Bank to be held on 18/06/2023 but they will be eligible for re-election:

1. Mr. Abdul Kadir Molla
2. Mr. Abu Zafar Mohammod Shofiuddin
3. Engr. Md. Moklesur Rahman
4. Mr. Mohammad Mahbubor Rahman
5. Mr. Md. Emdadul Hoque

Accordingly, the board has elected Mr. Mokaddess Ali FCS, the Company Secretery of the Bank as Chief Election Commissioner (CEC) to conduct the Election as per Election rule of the Bank.

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

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

Banking Sector Performance

The overall banking sector showed a mixed performance in 2022, as evidenced by a reduction of the ratio of non-performing loans (NPLs) to total loans, a declining trend in the growth of both bank advances and deposits, a deterioration in maintaining provision, and a deceleration of excess liquidity in the banking system. The ratio of gross non-performing loans to total loans declined in Q2FY23 compared to Q1FY23, owing mostly to State-owned Commercial Banks (SCBs) and Private Commercial Banks (PCBs). Liquidity condition in banking sector kept worsening because of a host of reasons such as continuous dollar sales by the Bangladesh Bank, declining remittance trend, growing inflationary pressure. In addition, hike in BB's policy rates to curb inflationary pressure also has impact on liquidity in banking sector. The banking sector's profitability witnessed an improvement in the last half of 2022. Moreover, the net profit of the banking industry increased to BDT 92.91 billion In Q1FY23 from BDT 72.29 billion in Q1FY22.

Deposit and Advance

The gap of growths between bank's deposits and bank's advances widened significantly at the end of Q2FY23. Although, bank's advances maintained a moderate growth of 14.1 percent at the end of Q2FY23, bank's deposit growth further deteriorated. The bank's deposit growth fell to 5.6 percent at the end of Q2FY23 from 7.8 percent at the end of Q1FY23, reflecting weaker saving owing from high inflationary pressure. Consequently, the overall advance-deposit ratio (ADR) rose to 79.00 percent in end-December 2022 from 76.23 percent in end-September 2022 and remained broadly stable.

Deposit and Advance Position of Scheduled Banks (In percent)

Bank groups	Year-on-year growth of deposit, % (excluding interbank)*		Year-on-year growth of advances, % (excluding interbank)		Advance Deposit Ratio (ADR)	
	Dec. 22	Sep. 22	Dec. 22	Sep. 22	Dec. 22	Sep. 22
SCBs	0.5	0.3	18.8	17.7	69.00	64.81
PCBs	6.9	10.5	13.2	14.6	84.64	82.18
FCBs	15.5	11.4	7.8	0.4	50.90	48.3
SBs	6.4	9.6	11.2	10.0	75.76	73.43
All	5.6	7.8	14.1	14.6	79.00	76.23

*Adjusted deposits growth for ADR

Source: Bangladesh Bank Quarterly Report, Oct-Dec, 2022

Asset Quality of Banks:

The Non-Performing Loan (NPL) in the banking sector observed an improvement in Q2FY23, mostly due to favorable loan repayment policies confronting the ongoing macroeconomic stress. The ratio of gross NPLs to total loans declined and reached 8.16 percent at the end of Q2FY23 from 9.36 percent at the end of Q1FY23. The ratio of net NPLs to total loans also declined to 0.08 percent at the end of Q2FY23 from 0.90 percent at the end of Q1FY23, reflecting narrowed provision shortfall compare to previous quarter of Q1FY23.

Liquidity condition in the banking sector

The surplus liquidity in the banking sector has further declined to BDT 1457.28 at the end of Q2FY23 from that of BDT 1703.2 billion at the end of Q1FY23, partly due to BB's intervention to the foreign exchange market by selling USD emanating from the Russia-Ukraine war and higher demand for credit.

The excess liquidity- the excess of CRR and SLR as a percent of total demand and time liabilities (TDTL) has declined to 8.6 percent at the end of Q2FY23 from 10.2 percent at the end of Q1FY23.

Liquidity Position of the Scheduled Banks (In billion BDT)

	CRR			SLR		
Bank groups	**Required Reserves**	**Balance with BB in local currency**	**Excess(+)/ shortfall (-) in reserve**	**Required Liquidity**	**SLR eligible liquid assets of banks****	**Excess(+)/ shortfall (-) of SLR**
1	2	3	4	5	6	7
As of end December, 2022						
SCBs	160.50	186.30	25.80	516.90	1013.27	496.37
SBs*	17.56	17.83	0.27	0.00	0.00	0.00
PCBs (other than Islamic)	290.13	333.97	43.83	956.31	1501.51	545.19
Private Banks (Islamic)	162.91	253.42	90.51	225.89	325.67	99.77
FCBs	33.02	78.01	44.99	118.76	434.71	315.94
All	**664.12**	**869.53**	**205.40**	**1817.87**	**3275.15**	**1457.28**
As of end September, 2022						
SCBs	161.4	169.7	8.3	520.2	1143.5	623.3
SBs*	17.5	19.1	1.6	0.0	0.0	0.0
PCBs (other than Islamic)	285.7	301.2	15.5	940.9	1575.6	634.7
Private Banks (Islamic)	160.2	218.5	58.4	222.0	358.3	136.3
FCBs	31.6	68.3	36.8	115.5	424.4	308.9
All	**656.3**	**776.8**	**120.5**	**1798.6**	**3501.8**	**1703.2**

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

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

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

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

Source: Bangladesh Bank Quarterly Report, Oct-Dec, 2022.

Remittance

The inward remittances declined by 0.22 percent to USD 4.8 billion in Q2FY23 after recording 4.9 percent positive growth in Q1FY23. A-half of the total remittances came from gulf region with 5.40 percent negative growth, of which 37.8 percent from Saudi Arabia with 20.0 percent decline, led to turn down total remittance inflows. However, the remittance inflows from UAE, USA, and Euro region grew by 48.8 percent, 15.9 percent, and 10.6 percent respectively. Moreover, BB has taken some policy measures to uphill the inward remittance growth. It is expected that BB's supportive policies for remittance inflow and high growth of overseas employment amid improved economic and working condition in the source countries would have a positive effect on inward remittances in the upcoming days.

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

Banking means the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise. Thus, the Banking products may be classified into two: Liability Products (Deposit Products) and Asset Products

(lending products). In this context our bank has well-designed Liability and Asset Products. The segment-wise or product-wise performances are as under:

Liability Products:

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

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

Performance of Deposits:

The deposits of the Bank stood Tk. 84,209.59 million (Consolidated) & Tk. 84,599.43 million (Solo) in 2022 as against Tk. 72,694.33 million (Consolidated) & Tk. 73,061.63 million (Solo) in 2021. This growth was supported by branch network and high standard service provided to customers along with concerted and solid efforts of the employees of the Bank**.** Fixed deposits remained the main component of deposits contributing 54.27 percent of the total deposits. Cost of Fund (including operating cost) decreased to 8.10 percent as against 8.41 percent of the previous year as a result of decrease in rates of high-cost term deposits contributed by the good deposit mix. The clientele group of the Bank was individuals, corporation, NGO, NBFI, government bodies etc.

Asset Product: The Bank has the following asset products:

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

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

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

Import	Export
1. Letter of Credit: Business Enterprises can avail Non-funded facility for import / procurement of raw materials, machinery, equipment, merchandise item.	1. Pre-shipment finance: Back-to-Back L/C, EDF, ECC, SOD (Working Capital Finance), Packing Credit.
2. Loan against Imported Merchandize (LIM) and Loan against Trust Receipt (LTR): Business Enterprises engaged in import merchandise can avail working capital for retirement of import documents.	2. Post-shipment finance: Foreign Documentary Bills Purchase, Inward Documentary Bill Purchase.

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

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

   SBAC Bank Ltd. offers a wide variety of loan product & value added services to suit banking requirements of the individual clients. Products and services for individual customer include: Consumer Finance, Any Purpose Loan, Auto Loan, Professionals' Loan, Education Loan, Surokkha millionaire Scheme, Ashroy HBL, Home Renovation Loan, Credit Card etc.
   - Consumer Finance
   - Credit Card- Local Card, International Card, Dual Currency Card.

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

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

4. **Agriculture Credit:** In order to achieve desired growth in agriculture sector of the country, we are committed to increase our present loan portfolio in agricultural sector. SBAC Bank Ltd. is offering Agriculture Loan to the various Agricultural sectors like Fishery, Dairy, Beef Fattening, Poultry etc. for individuals & group at micro level. The Agriculture Credit of SBAC Bank can be categorized in below two main types:
   - General Agricultural Credit
   - 10.00 Taka Account Loan

Performance of *Loans and Advances:*

The loans and advances stood at Tk. 77,827.26 million (Consolidated) & Tk. 77,992.32 million (Solo) in 2022 as against Tk. 65,955.68 million (Consolidated & Solo) in 2021 registering growth 18.00 percent. The growth of deposits was used for funding growth in credit. Yield on loans and advances of the Bank decreased to 8.08 percent from the level of 8.31 percent of previous year due to decrease of lending rates.

The detail features of the Advance and deposit are stated in the section 'Review of Performance of SBAC Bank Ltd. in 2022'.

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

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

We have taken sufficient measures to prevent money laundering and terrorist finance. Details of which is given in the "Anti-Money Laundering & Combating Financing of Terrorism" sub-section of this Annual Report in the page no. 74-75, and Details of risk management are given in "the report of the risk management committee (RMC) of the board" in the page no. 169-172.

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

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

For the year ended 2022, The Bank's Cost of Fund (including operating cost) was 8.10 percent, Interest earning assets was Tk. 91,279.89 million (Consolidated) & Tk. 91,444.95 million (Solo). Interest Income was Tk. 5,884.35 million (Consolidated) & Tk. 5,883.30 million (Solo); Interest expense was Tk. 4,606.95 million (Consolidated) Tk. 4,627.65 million (Solo), Operating profit was Tk. 1,796.56 million (Consolidated) & Tk. 1,754.55 million (Solo), and Net profit after Tax was & Tk. 589.63 million (Consolidated) & Tk. 562.10 million (Solo).

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

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

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

Section 18(2) of the Bank Company Act 1991 (amended up to 2018) and Corporate Governance Guidelines issue by Bangladesh Securities and Exchange Commission (Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018) have provided the necessary provisions for related party transactions. As per general instruction in the First Schedule of the Bank Company Act 1991 (amended up to 2018) {general instruction Kha 11(ka)}, A statement of all related party transactions has been disclosed in the Financial Statements as **Annexure-A**.

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

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

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

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

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

Though there is a chronic downturn & stalemate in the economy around the world caused by Russia-Ukrain war, and a serious instability in the financial sector following the unprecedented covid-19 pandemic, but comparatively the Bank has faced a very insignificant amount of variances those occurred between Quarterly financial performances and annual financial statements.

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

Directors are not eligible to any remuneration other than fees for attending meetings of the Board and its Committee. As per BRPD Circular letter No. 11 dated October 04, 2015 and Article 95 of Articles of Association of the Bank directors are eligible to the remuneration of BDT 8,000 only for each meeting attended by them. The following conditions are applicable as under:

- Meeting should be held in the same town or city where the Bank is head quartered. However, the meetings may be held other places subject to intimation to Bangladesh Bank in advance;
- Remuneration is applicable for 2 (two) meetings of Board of Directors, 4 (four) meetings of Executive Committee (EC) and 1 (one) meeting for Risk Management Committee (RMC) and Audit Committee (AC) monthly.
- Travel Bill and two days Hotel bill is payable for the directors traveling within the country and three days Hotel bill for directors (foreigners) coming from out of the country subject to submission of bills of actual expenditures to the bank for preserve.

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

  Statement of Remuneration to Directors including Independent Directors with Details of Meetings attended by the Board Members during the year 2022:

Name	Remuneration	No. of Meeting Attended
Mr. Abdul Kadir Molla	168000	21 (Board)
Mr. Mohammed Ayub	192000	20 (Board), 03 (EC) & 01 (RMC)
Mr. Abu Zafar Mohammod Shofiuddin	208000	21 (Board), 05 (AC)
Engr. Md. Moklesur Rahman	192000	21 (Board) & 03 (EC)
Al-Haj Mizanur Rahman	168000	19 (Board), 02 (EC)
Mr. Mohammad Nawaz	208000	20 (Board), 03 (EC) & 03 (RMC)
Mr. Anwar Hussain	184000	20 (Board) & 03 (EC)
Mr. Hafizur Rahman Babu	168000	19 (Board) & 02 (EC)
Mst. Nasima Begum Nominated by: Thermax Textile Mills Ltd.	168000	21 (Board)
Mr. Sk. Shyedujjaman Nominated by: Moonstar Ceramic Industries Ltd.	232000	20 (Board), 05 (AC) & 04 (RMC)
Mr. Mohammad Helal Uddin* Nominated by: TBO Trade Ltd.	160000	18 (Board), & 02 (RMC)
Mr. Mushfiqur Rahman Nominated by: M/S. Contech Construction Ltd.	176000	20 (Board) & 02 (RMC)
Mr. Mohammad Nazmul Huq Nominated by: Techno Electricals Ltd.	144000	16 (Board) & 02 (RMC)
Mr. Md. Sajidur Rahman	120000	10 (Board), 05 (AC) & 01 (NRC)
Professor Mohammad Moqbul Hossain Bhuiyan	200000	19 (Board), 05 (AC), 01 (RMC) & 01 (NRC)
Mr. Ziaur Rahman Zia FCA	176000	18 (Board), 04 (AC) & 01 (NRC)
Mrs. Tahmina Afroz**	104000	12 (Board) & 01 (EC)
Total Remuneration	**29,68,000.00**	

* Mr. Mohammad Helal Uddin was appointed as a nominated director of TBO Trade Ltd. at 155th Board Meeting of the Bank held on 15.12.2022, whose approval was pending at Bangladesh Bank till December 31, 2022. Previously He was appointed as a director, nominated by Hazi Shakhawat Anwara Eye Hospital Ltd.

** Mrs. Tahmina Afroz tendered her resignation from the Post of Director on 06.11.2022, and the resignation was accepted & approved by the Board of Directors in its 153rd meeting held on 16.11.2022.

NOTE: No remuneration was paid for 139th Board Meeting as it was the 3rd Meeting of that particular Month.

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

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

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

Financial Statements for the year ended on 31 December, 2022 have been prepared in a very fair way with inclusion of all material aspects, its state of affairs, the results of its operations, cash flows and changes in equity. Fair Presentation of Financial Statements has been made in Annual Report 2022 and accordingly Opinions of the External Auditors, MABS & J Partners, and G. KIBRIA & CO. have been incorporated in the report.

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

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

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

Appropriate accounting policies have been consistently applied in preparation of the financial statements of the Bank and the accounting estimates are based on reasonable and prudent judgment. Estimates and underlying assumptions are reviewed on ongoing basis and any revisions to these are recognized in the period in which the estimate is revised and in any future period affected. The significant accounting policies applied and accounting estimates used for preparation of the financial statements of the Bank have been stated in details in notes of the Financial Statements 2022.

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

The financial statements of the bank as at 31st December, 2022 have been prepared on going concern basis under historical cost convention and in accordance with the "First Schedule" of the Bank Company Act, 1991 (amended up to 2018) and BRPD Circular No. 14, dated: 25th June, 2003, other Circulars of Bangladesh Bank, International Financial Reporting Standards (IFRS), International Accounting Standards (IASs), the Companies Act 1994 (amended up to 2020), the Securities and Exchange Rules 1987, and other laws and rules applicable for Banks in Bangladesh. In case of any requirement of the Bank Company Act 1991(amended up to 2018), and provisions and circulars issued by Bangladesh Bank differ with those of other regulatory authorities and IFRS, the requirements of the Bank Company Act 1991(amended up to 2018), and provisions and circulars issued by Bangladesh Bank will prevail.

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

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

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

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

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

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

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

There are no significant doubts upon the Bank's ability to continue as a going concern. The financial statements of the Bank have been prepared on the assumption that the entity (i.e., SBAC Bank Limited) is a going concern and will continue its operation in the foreseeable future. Hence, it is assumed that SBAC Bank Limited has neither intention nor the need to liquidate or curtail materially the scale of its operations. In this regard, a report on going concern assumption has been disclosed in page no. 111-114.

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

There are no significant deviations occurred from the last year's operating results of our Bank.

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

Key operating and financial data of at least preceding 05 (five) years are as under:

[Fig. in million Taka where applicable]

Particulars	Growth (%)	2022	2021	2020	2019	2018
Number of Branches	2.38%	86	84	83	82	74
Number of Sub Branches	14.29%	24	21	11	4	-
Number of ATMs	14.58%	55	48	38	34	25
Paid-up capital	4.00%	8,160.31	7,846.46	6,846.46	6,224.05	5,658.23
Total assets/Total Liabilities	8.68%	106,307.06	97,813.75	88,403.45	84,564.01	70,661.31
Interest earning assets	7.27%	91,279.89	85,097.31	75,928.42	73,970.20	63,003.66
Non interest earning assets	18.17%	15,027.17	12,716.44	12,475.03	10,593.80	7,657.65
Total shareholders' Equity	1.89%	10,829.65	10,628.41	9,306.66	8,362.96	7,429.71
Total capital (Tier I +II)	2.94%	11,148.58	10,830.03	9,269.90	8,371.06	7,827.83
Surplus/(deficit) capital	(5.46%)	1,037.52	1,097.48	657.41	1,266.76	1,963.89
Capital to Risk Weighted Asset Ratio (CRAR)	(0.93%)	13.78%	13.91%	13.45%	14.73%	15.85%
Total deposits	15.84%	84,209.59	72,694.33	71,451.46	71,540.16	59,304.33
Total Loans and Advances	18.00%	77,827.26	65,955.68	57,408.83	56,000.74	50,254.94
Total contingent liabilities and commitments	17.49%	21,782.44	18,539.78	14,160.08	15,335.40	12,004.77
Advance deposits ratio (%)	3.72%	86.80%	83.69%	80.31%	78.21%	82.50%
Total Interest Income	4.88%	5,884.35	5,610.48	5,855.11	7,357.32	6,420.41
Total Non-Interest Income	86.18%	1,263.47	678.64	552.92	625.19	535.20
Investment Income	(7.67%)	1,705.31	1,847.00	1,909.92	1,217.52	917.54
Total Income	8.81%	8,853.13	8,136.12	8,317.95	9,200.03	7,873.15

Particulars	Growth (%)	2022	2021	2020	2019	2018
Total Interest Expenses	16.80%	4,606.95	3,944.39	4,750.69	4,847.32	3,869.22
Total Administrative Expenses	19.06%	1,594.57	1,339.25	1,156.27	1,123.10	959.07
Total Other Expenses	0.78%	855.04	848.44	953.33	960.20	1,011.02
Total Expenses	15.08%	7,056.56	6,132.08	6,860.29	6,930.86	5,839.31
Profit before tax and provision (Operating Profit)	(10.35%)	1,796.56	2,004.04	1,457.66	2,269.17	2,033.84
Profit after tax and provision (Net Profit)	9.21%	589.63	539.89	951.95	967.60	879.59
Total Export	105.63%	33,857.74	16,465.15	15,469.72	17,060.41	16,399.66
Total Import	31.22%	43,383.07	33,061.74	26,313.80	28,110.87	27,352.96
Total Remittance	316.25%	9,524.77	2,288.21	4,030.92	4,563.65	4,319.98
Classified advance	4.41%	4,031.22	3,860.90	3,567.96	3,408.95	991.66
Classified loans to advance ratio	(11.45%)	5.18%	5.85%	6.22%	6.09%	1.97%
Total Provision kept against Unclassified Loans and Advances including Off Balance Sheet Exposures	20.24%	444.52	369.68	9.51	521.52	469.67
Total Provision kept against Classified Loans and Advances	13.82%	2499.77	2196.16	1566.77	617.44	516.58
Yield on Advance (%)	(2.77%)	8.08%	8.31%	9.76%	12.88%	12.99%
Cost of Deposits (%)	(4.66%)	5.32%	5.58%	6.95%	7.76%	7.43%
Return on Assets (ROA) (%)	(5.17%)	0.58%	0.58%	1.10%	1.25%	1.36%
Return on Equity (ROE) (%)	(3.32%)	5.50%	5.42%	10.78%	12.25%	12.40%
Earnings per share (EPS)	4.55%	0.72	0.66	1.39	1.55	1.55
Net Asset Value Per Share	1.92%	13.27	13.02	13.59	13.44	13.13
Number of Employees	15.25%	1149	997	886	869	801
Number of Profit Earning Branch	5.08%	62	59	50	67	61
Number of Deposit Accounts	8.71%	331,391	304,851	279,949	240,343	187,990
Number of Loan Accounts	19.81%	13,558	11,316	10,730	9,253	7,826
Number of Debit Card	23.32%	65,338	52,982	41,814	28,884	15,514
Number of Credit Card	38.31%	5,033	3,639	2,856	2,416	1,490

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

The Board of Directors recommended 3.50% Cash Dividend for the year 2022 in its 163rd meeting held on April 26, 2023. The recommended dividend shall be finally approved in the 10th Annual General Meeting to be held on June 18, 2023.

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

No bonus share or stock dividend has been declared in 2022 as interim dividend or shall be declared as interim dividend for the 2023.

It is mentionable here that, the shareholders of SBAC Bank Ltd. approved 3% Cash Dividend and 1% Stock Dividend (subject to approval of BSEC) for the year ended December 31, 2021 in the 9th AGM dated 23 June 2022. Subsequently, the 1% stock dividend was approved by the Bangladesh Securities and Exchange Commission (BSEC) on March 29, 2023 as per provision of relevant rules & regulations. Consequently the Board of Directors in its 162nd meeting held on 05.04.2023 fixed 11.04.2023 as the record date for the aforesaid stock dividend as per the letter no. BSEC/CI/CPLC (Public)-1033/2022-1219 dated March 29, 2023. The Date of Allotment of the Bonus Share (Stock Dividend) was 08.05.2023. Therefore, the Paid-up capital of the Bank stands at Tk. 824,19,16,500.00 after the allotment.

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

Meetings in 2022:

During the year 2022, 22 Board Meetings, 03 Executive Committee Meetings, 05 Audit Committee Meetings, 04 Risk Management Committee Meeting, and 01 NRC Meeting were held. Details of the participants are as follows:

Sl. No.	Name of Directors	Meeting (2022)															Remarks
		Board			EC			AC			RMC			NRC			
		Held	Attended	Absent	Held	Attended	Absent	Held	Attended	Absent	Held	Attended	Absent	Held	Attended	Absent	
1	Mr. Abdul Kadir Molla	22	22	0	-	-	-	-	-	-	-	-	-	-	-	-	
2	Mr. Mohammed Ayub	22	21	1	3	3	0	-	-	-	4	1	3	-	-	-	Appointed at RMC on 27.10.2022
3	Mr. Abu Zafar Mohammod Shofiuddin	22	22	0	-	-	-	5	5	0	-	-	-	-	-	-	
4	Engr. Md. Moklesur Rahman	22	22	0	3	3	0	-	-	-	-	-	-	-	-	-	
5	Al-Haj Mizanur Rahman	22	20	2	3	2	1	-	-	-	-	-	-	-	-	-	
6	Mr. Mohammad Nawaz	22	21	1	3	3	0	-	-	-	4	3	1	-	-	-	
7	Mr. Anwar Hussain	22	21	1	3	3	0	-	-	-	-	-	-	-	-	-	
8	Mr. Hafizur Rahman Babu	22	19	3	3	2	1	-	-	-	-	-	-	-	-	-	
9	Mst. Nasima Begum Nominated by: Thermax Textile Mills Ltd.	22	22	0	-	-	-	-	-	-	-	-	-	-	-	-	
10	Mr. Sk. Shyedujjaman Nominated by: Moonstar Ceramic Industries Ltd.	22	21	1	-	-	-	5	5	0	4	4	0	-	-	-	
11	Mr. Mohammad Helal Uddin Nominated by: TBO Trade Ltd.	22	19	3	-	-	-	-	-	-	4	2	2	-	-	-	
12	Mr. Mushfiqur Rahman Nominated by: M/S. Contech Construction Ltd.	22	21	1	-	-	-	-	-	-	4	2	2	-	-	-	
13	Mr. Mohammad Nazmul Huq Nominated by: Techno Electricals Ltd.	22	17	5	-	-	-	-	-	-	4	2	2	-	-	-	
14	Mr. Md. Sajidur Rahman	22	11	11	-	-	-	5	5	0	-	-	-	1	1	0	
15	Professor Mohammad Moqbul Hossain Bhuiyan	22	20	2	-	-	-	5	5	0	4	1	3	1	1	0	Member of RMC till 07.03.2022
16	Mr. Ziaur Rahman Zia FCA	22	19	3	-	-	-	5	4	1	-	-	-	1	1	0	
17	Mrs. Tahmina Afroz	22	13	9	3	1	2	-	-	-	-	-	-	-	-	-	Resigned from the Board on 06.11.2022& her resignation was accepted in the 153rd Board meeting held on 16.11.2022

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

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

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

(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children as on 31.12.2022 (name-wise details):

Sl. No.	Name	Status	No. of Shares	Spouse & Minor Children	No. of Shares
1	Mr. Abdul Kadir Molla	Chairman	34821563	Mrs. Nasima Begum	Nil
2	Mr. Mohammed Ayub	Vice-chairman	29108427	Mrs. Shalina Islam Chowdhury	Nil
3	Mr. Abu Zafar Mohammod Shofiuddin	Director	34821563	Mrs. Afroza Sultana	Nil
				A Z M Sahib Quader	
4	Engr. Md. Moklesur Rahman	Director	34821563	Mrs. Quamrun Nahar	Nil
5	Al-Haj Mizanur Rahman	Director	25168000	Mrs. Ruhani Akter	Nil
				Mehreen Rahman Mubashirah	
6	Mr. Hafizur Rahman Babu	Director	26116172	Mrs. Nasima Rahman Nipa	Nil
				Nusaiba Rahman Raita	
7	Mr. Anwar Hussain	Director	16416695	Mrs. Fadia Naz	Nil
8	Mr. Mohammad Nawaz	Director	21315165	Ms. Sufia Begum	9327808
				Mohammad Nuh Yaseen	Nil
				Sanowara Siddiqa	
				Mohammad Farook Nawaz	
9	Mst. Nasima Begum Nominated by: Thermax Textile Mills Ltd.	Director	Nil	Mr. Abdul Kadir Molla	34821563
10	Mr. Sk. Shyedujjaman Nominated by: Moonstar Ceramic Industries Ltd.	Director	2856568	Sadnam Sadiana	1428284
				Suhain Maisah Zaman	Nil
				Mashiyat Safeerah Shiza	Nil
11	Mr. Mohammad Helal Uddin* Nominated by: TBO Trade Ltd.	Director	Nil	Rafia Akhter	Nil
12	Mr. Mohammad Nazmul Huq Nominated by: Techno Electricals Ltd.	Director	Nil	Hafiza Huq	Nil
13	Mr. Mushfiqur Rahman Nominated by: M/S. Contech Construction Ltd.	Director	Nil	Yousuf	Nil
14	Mr. Md. Sajidur Rahman	Independent Director	Nil	Ms. Humaira Ayesha Khan	Nil
				Irvan Kaiser Rahman	Nil
15	Mr. Mohammad Moqbul Hossain Bhuiyan	Independent Director	Nil	Ayesha Khatun	Nil
				Anupama Hossain	Nil
16	Ziaur Rahman Zia FCA	Independent Director	Nil	Nazma Khatun	Nil
17	Mr. Habibur Rahman	Managing	Nil	Mrs. Tahmeda Akhtar	Nil

Sl. No.	Name	Status	No. of Shares	Spouse & Minor Children	No. of Shares
		Director & CEO		Alayna Ayesha	Nil
				Sameer Sulayman	Nil
18	Mr. Md. Masoodur Rahman FCA	SEVP & CFO	Nil	Mrs. Sumson Naher	Nil
				Nuraz Mustaneer Rahman	
				Abraz Mustahsan Rahman	
19	Mr. Md. Mokaddess Ali FCS	EVP & Company Secretary	Nil	Mrs. Hasna Hena	Nil
				Hasnine Farhad	
20	Mr. Md. Abdul Mannan	EVP & Head of ICCD	Nil	Ms. Habsa Begum	Nil
				Mashia Ahlam	
				Naifa Ahlam	

* Mr. Mohammad Helal Uddin, one of the directors of the Board, who was once nominated by Hazi Shakhawat Anwara Eye Hospital Limited previously, was appointed as a nominated director of TBO Trade Ltd. at 155th Board Meeting of the Bank held on 15.12.2022, as Hazi Shakhawat Anwara Eye Hospital Ltd. withdrawn the nomination of Mr. Mohammad Helal Uddin through their latter dated 15.11.2022 and the Board of Directors of the Bank accepted & approved the withdrawal in its 153rd Meeting Dated 16.11.2022. Subsequently the approval of Mr. Uddin as a director (nominated by TBO Trade Ltd.) was pending at Bangladesh Bank till December 31, 2022.

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

SL. No.	Name	Designation	No. of Shares
1	Mr. Md. Nurul Azim	DMD	Nill
2	Mr. Md. Abdul Matin	DMD	Nill
3	Mr. Md. Altaf Hossain Bhuyan	DMD	Nil
4	Mr. Faisal Ahmed	EVP	Nil
5	Mr. Asif Khan	EVP	Nil

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

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

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

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

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

A brief resume of the directors, Nature of his/her expertise in specific functional areas and names of companies in which the person also holds the directorship and the membership of committees of the board have been published in section 'Directors Profile', page no. 26-38

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

Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on the above issues has been published in the page no. 48-50 as 'Review of the Managing Director & CEO'. The statement include inter alia (a) accounting policies and estimation for

preparation of financial statements; (b) Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes; (c) Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; (d) Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; (e) Briefly explain the financial and economic scenario of the country and the globe; (f) Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and (g) Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position has been disclosed, those shall be explained to the shareholders in the next AGM.

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

Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) has been disclosed as per **Annexure-A** in page no. 212.

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

The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 has been disclosed as per **Annexure-B** and **Annexure-C** in the page no. 120 & 134-146.

Information To The Stakeholders

Distribution of Shareholdings in 2022

Shareholders' Group	No. of Shares Held	(%) of Shareholding	Value of Shares Held (BDT)
Sponsor Directors	36,18,66,272	44.34%	3,61,86,62,720
Sponsor Shareholders	21,64,43,628	26.52%	2,16,44,36,280
General Shareholders	11,60,62,368	14.22%	1,16,06,23,680
Financial Institutions	12,05,64,695	14.77%	1,20,56,46,950
Non-resident Bangladeshi	10,94,374	0.13%	1,09,43,740
Government	Nil	Nil	Nil
Foreign Investors	Nil	Nil	Nil
Total	**81,60,31,337**	**100.00%**	**8,16,03,13,370**

Information Sensitive to Share Price

Particulars	Disclosure
Adoption of Financial Statements-2022, Recommendation of Dividend, Record Date for Cash Dividend entitlement & Vote in the AGM, Date of Holding AGM.	Date of AGM: 18/06/2022 at 11:30 AM. Record Date: 21/05/2023 (for Cash Dividend entitlement & Vote in the AGM). Recommended Dividend: 3.50% (Cash)
Adoption of Quarterly Financial Statement (Q1) of the Bank as on 31/03/2023 and related corporate disclosure.	Date of Adoption: 14/05/2023 at 164th Meeting. Net Asset Value (NAV): Tk. 1,103.77 Crore (Consolidated), Tk. 1,099.80 Crore (Solo). NAV per share: Tk. 13.53 (Consolidated), Tk. 13.48 (Solo). Earnings Per Share (EPS): Tk. 0.17. Net Operating Cash Flow per Share (NOCFPS): Tk. (0.43)

Dividend Distribution Policy

Introduction:

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

Purpose:

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

Process of Distribution of Dividend:

Manner and procedures of Cash dividend payment:

i) The Bank shall pay off cash dividend directly to the bank account of the entitled shareholders as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN);

ii) Through bank transfer or any electronic payment system as recognized by the Bangladesh Bank (if not possible through BEFTIN);

iii) In case of margin loan and claim by loan provider, through the Consolidated Customer's Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN;

iv) The Bank, in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant and shall send it by post to the shareholder;

v) The Bank shall pay off cash dividend to non-resident sponsor, director, shareholder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;

Manner and procedure of stock dividend distribution:

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

i) To the BO account;

ii) To the suspense BO Account for undistributed or unclaimed stock dividend/bonus shares;

iii) The bonus dividend shall be transferred to the suspense BO account if BO account is not available or BO account is inactive;

iv) The sale proceeds of fractional bonus dividend shall be paid off as per circular of BSEC or Bangladesh Bank or other regulatory authority from time to time.

Issuance of Bonus Share:

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

Time line for dividend pays off:

i) The Bank shall pay off the annual or final dividend to the entitled shareholders, within 30 (thirty) days of approval.

ii) Amount of declared cash dividend payable for the concerned year/period shall be kept in a separate bank account as per circular of BSEC or Bangladesh Bank or other regulatory authority from time to time.

Unpaid or unclaimed of unsettled cash dividend:

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

Unpaid or unclaimed of unsettled stock dividend:

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

Tax matters:

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

Amendments / Modifications:

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

Disclosure Policy:

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

Dividend & Stock Details

DIVIDENDS-2021

Particulars		Date
9th Annual General Meeting	Notice Date	01st June, 2022
	Record/Book Closure Date	Cash Dividend: 29 May, 2022 Stock Dividend: 11 April, 2023
Holding of 9thAnnual General Meeting	Held on	23rdJune, 2022
Cash Dividend (At 3.00%)	Date of Disbursement	June 27, 2022 to July 22, 2022
Stock Dividend (At 1.00%)		08 May, 2023

STOCK DETAILS

Particulars	Dhaka Stock Exchange (DSE)	Chittagong Stock Exchange (CSE)
Stock Symbol	SBACBANK	SBACBANK
Company Code	11151	22035
Year of Listing	2021	2021
Market Lot	1	1
Company Category	B (Banks)	B (Banks)
Electronic Share	YES	YES
Face Value	Tk. 10.00	Tk. 10.00
Market Value (As on 29.12.2022)	10.60 (Per share)	10.70 (Per share)

SUMMARY OF UNCLAIMED DIVIDEND

As of 31.12.2022 there is an unclaimed/undistributed dividend of Tk. 5,91,21,073 (Five crore ninety one lac twenty one thousand seventy three). A complete detail of unclaimed/undistributed dividend has been disclosed in our website at https://www.sbacbank.com/investors-relations

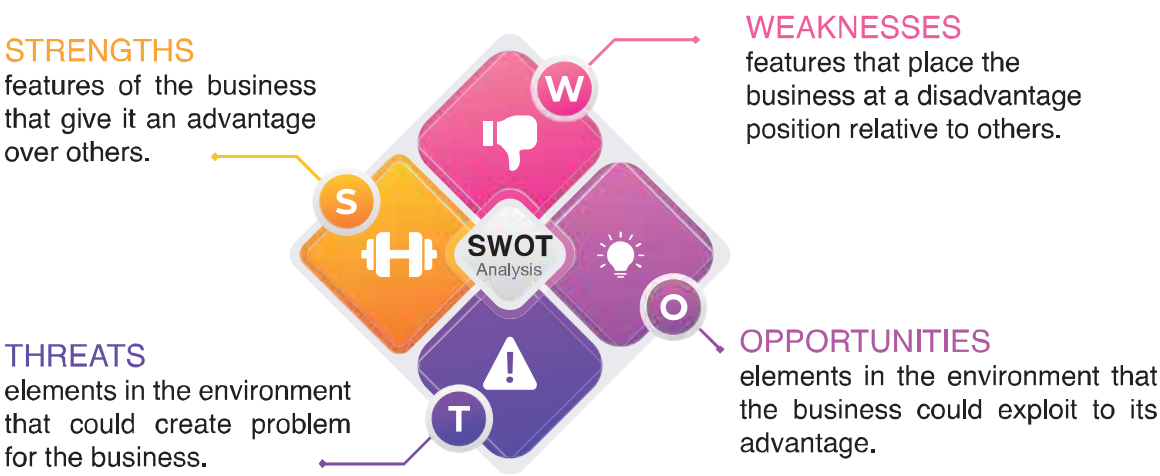
FINANCIAL CALENDAR-2022

Quarterly Results	As of	Earnings Per Share (EPS)
Unaudited result for 1st quarter	31.03.2022	0.22
Unaudited result for 2nd quarter	30.06.2022	0.32
Unaudited result for 3rd quarter	30.09.2022	0.72

SWOT Analysis

SWOT analysis is a cumulative strategic technique used usually to help an organization in identifying strengths, weaknesses, opportunities, and threats related to the day to day operation of the organization. This technique has been developed to be used at the preliminary stages of decision-making processes as a tool of evaluating the strategic position of a business organization. The technique has also been in practice to define the objectives of a business organization having a significant role of diagnosing both the internal and the external factors for achieving the objectives of a business firm.

SWOT assumes that strengths and weaknesses are frequently internal, while opportunities and threats are more commonly external. The name is an acronym for the four parameters the technique examines:



Strengths:

- Good Asset quality and Strong Capital Base. The Bank started its journey with an Authorized Capital of Tk. 10,000.00 million, and its paid-up capital has stood at Tk. 8,160.31 million (as on 31.12.2022) & Tk. 8,241.92 million (as on 08.05.2023 after allotment of 1% bonus share for the year 2021) already. It has been successful in maintaining the CRAR of 13.78 percent (Consolidated) & 13.72 percent (Solo).
- The fully professional Board of Directors consisting of the visionary Business individuals having long professional experiences, and pioneer of prominent corporate houses of the country.
- The highly experienced management team that consists of seasoned bankers who has served in diversified capacities in the recognized financial organizations so far.
- The competent, skilled, highly experienced workforce that is self-driven and fully dedicated to achieve service excellence.
- The remarkable Brand image of the Bank in the market created by competing its' contemporary Banks. Despite being a comparatively new Bank, it has earned a good trust among the People. SBAC Bank had been awarded "The Golden Globe Tigers Award 2018" for Excellence and Leadership in Branding and Marketing.
- State of the Art Banking technology that facilitates innovation and digitalization in new product development & promptness of services.
- Satisfactory & steady Credit Rating of 'A' for long term and 'ST-2' for short term.
- The steady Return on Asset (ROA) and Return on Equity (ROE) growth of the Bank, which are 0.58 percent (Consolidated) & 0.55 percent (Solo), and 5.50 percent (Consolidated) & 5.24 percent (Solo) respectively in 2022.
- Diversified credit portfolio of the Bank that prevents the loans & advances from being concentrated on a fewer sectors thus protects the Bank from the concentration risk as well.
- An extensive service coverage through 86 branches, 24 sub-branches, 55 ATMs & 15 agent banking outlets (88 branches, 25 sub-branches, 67 ATMs & 18 agent banking outlets as on 21.05.2023), and strong presence in international trade through foreign correspondent Banks.
- Diversification of service through opening of Islamic Banking windows to provide shariah-based banking services and establishment of subsidiary companies naming SBAC Bank Investment Limited to offer a broad range of investment banking services as well as dealing in stocks, shares,

bonds, debentures, commercial papers or any instrument floated in the stock markets.

- Having an App-based mobile banking application naming 'BanglaPay' that has been rendering a wide range of services with great ease & promptness.
- Having a subsidiary company i.e. SBAC Bank Investment Limited enhances the revenue and diversifies the capital base further.
- Strictness in practicing good corporate governance and ensuring full regulatory compliance.
- A culture of fast adaptability to changes.
- Ample opportunity of Off-shore banking as the bank has a distinctive Trade Processing Unit (TPU) for off-shore banking related staffs.
- Presence of diversified banking products offering the most valued banking amenities to the customers. Recently, the bank has introduced 02 Nos. of Special Saving Deposit Accounts, i.e. SBAC Probashi for the Expatriates, and SBAC Payroll for the salaried persons.

Weaknesses

- Lack of sufficiency in skilled human resources in the industry.
- Prioritizing the industry culture to introduce new avenues of earning which requires undertaking extensive Research & Development programme.
- Management of Non-performing Assets needs more depth-evaluation and further actions.
- The portion of low cost-no cost deposit (e.g. Current account, Savings account) in the overall deposit mix is not at a desired level yet.
- Management's delegation in approval of loan is still limited comparing those of the competitors, therefore more time is required in loan approval process compared to the competitive banks.
- Number of loss-bearing branches should have been reduced further with more intensive care & concentration on them.

Opportunity

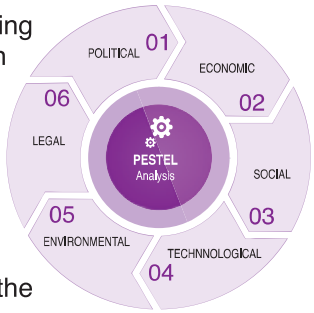
- Continuous GDP growth of the country and rising of Income level of the people indicate that demand for financial services would increase in the near future among all classes in the society.
- Remittance inflow in the country is almost steady, and because of the 2.50% incentive given by the government on using legal channel to send remittance, banks are being preferred now as a legal channel of remittance flow.
- Increase in ADR and IDR to release funds to invest more by the banks that will give some positive energy to the economy in facing challenges.
- The banking industry has got a unique opportunity to be further digitalized since the social distance of COVID-19.
- Financial Inclusion through digitalized banking, agent banking along with extensive sub-branch network may be an effective remedy to cope up with fiercely competitive environment of reduced profit margin for banks.
- The adaptive and digitally synchronized products can meet up the unique needs of ever-changing customers and also widens the avenue of conglomeration with other corporate organizations and culture.

Threats

- Banking industry with a number of new banks and NBFIs offering further diversified financial products and services may experience unhealthy competitions among the competitors of the financial sector.
- Probable political instability may be a major challenge for the banks and financial institutions.
- Intense competition in lending is offering the borrowers an increased bargaining power unreasonably and creating an opportunity for the borrowers with ill-motif to abuse the bank loan thus endangering a bank to face the consequences of more default loan.
- The loanable fund may shrink in future as a consequence of implementation of single digit interest rate as the depositors may choose government savings tools because of their higher yield, that in turn will reduce the profitability of the bank.
- An alarming amount of non-performing loan impacts the profitability negatively creating challenges of maintaining more provision.
- Digitalization of the banking and financial sector has been posing a higher risk for cyber-attack as most of the banks have no preparation to protest against such attack on their data security.
- Inflationary pressure may increase further because of expansionary monetary policy, which may raise a serious risk to the microeconomic stability of Bangladesh.

PESTEL Analysis

PESTEL analysis is a strategic framework that assists in the assessment and monitoring of macro-environmental factors that can have a considerable influence on an organization's performance. By examining Political, Economic, Social, Technological, Environmental, and Legal factors, the framework allows businesses to analyze the external environment, identify potential opportunities and risks, and make informed decisions.



Political Factors:

These factors are all about how and to what extent a government intervenes in the economy or a certain industry. These include the following:

- Government policy
- Tax Policy
- Trade restrictions
- Bureaucracy
- Political stability or instability
- Foreign trade policy
- Tariffs

Economic Factors:

Economic factors are determinants of an economy's performance. These factors may have a direct or indirect long-term impact on a company, since it affects the purchasing power of the people. These include the following:

- Economic Growth Rates
- Exchange Rates
- Disposable income
- Interest Rates
- Inflation rates
- Unemployment Rates

Social Factors:

This represents the demographic characteristics, norms, customs and values of the population within which the organization operates. Factors to be considered are the following:

- Cultural Aspects & Perceptions
- Population Growth Rate
- Income Distribution
- Lifestyle Attitudes
- Health Consciousness
- Age Distribution
- Career Attitudes
- Safety Emphasis

Technological Factors:

These factors are related to innovations in technology that may affect the operations of the industry and the market favorably or unfavorably. Technological factors affect in three distinct ways those are: new ways of producing goods & services, new ways of distributing goods &services, and new ways of communicating with target markets. Technological factors include the following:

- Research and Development (R&D) activity
- Technological Incentives
- Level of Innovation
- Automation
- The Rate of change in technology
- Amount of Technological Awareness

Environmental Factors:

These factors include ecological and environmental aspects such as weather, climate, environmental offsets and climate change which may the operation of a business. Furthermore, growing awareness of the potential impacts of climate change is affecting how companies operate and the products they offer. This has led to many companies getting more and more involved in practices such as corporate social responsibility (CSR) and sustainability. Key environmental factors include the following:

- Weather Conditions
- Climate Change
- Natural disasters (tsunami, tornadoes, etc.)
- Temperature
- Pollution

Legal Factors

Legal factors pertain to any legal forces that define what a business can or cannot do. Companies need to know what is and what is not legal in order to trade successfully and ethically. Legal factors include the following:

- Industry Regulations
- Employment Laws
- Acts & Laws related to Intellectual Property
- Health and Safety Laws.
- Licenses & Permits
- Labor Laws
- Consumer Protection Laws

Analysis of Impact on the Industry & Response from our End

Macroeconomic Factors	Impact on Industry	Our Response
Political Factors: In recent years, Bangladesh has achieved a noteworthy level of political stability, and there are currently no signs of any imminent instability. This is due to the implementation of several measures aimed at preventing politically motivated violence and terrorism, which are being strictly enforced with zero tolerance. Additionally, the government has implemented a range of business-friendly policies that lead to significant strides in expanding its export markets and has attracted substantial FDI in recent years.	While recovering from the Covid-19 induced stagnation keeping pace with the entire world, the Russia-Ukraine war added some severe impact upon the recovery process. The demand for all goods and services skyrocketed in one hand leading to significant increase in demand of loans and advances putting pressure on liquidity and reserves. Accomplishment of mega projects has also intensified the pressure. Despite the situation, a number of non-residents and foreign investors have a keen interest for investing here which is a good sign for the economy.	The Board of Directors and the Management have been continuously evaluating political factors to adjust their business strategies accordingly. Our top priority is to manage non-performing loans while also ensuring expected growth. To promote good governance at all levels, we will deploy even more rigorous due diligence measures.
Economic Factors: Bangladesh economy was growing consistently high over a decade crossing 7.0 percent milestone in FY 2015-16 and 8.0 percent milestone in FY 2018-19. However, the COVID-19 pandemic reduced the growth rate to 3.45 percent in FY 2019-20. The economy grew by 6.94 percent in FY 2020-21. Medium-term forecasts for GDP growth rates are 7.5 percent in FY 2022-23, 7.8 percent in FY 2023-24 and 8.0 percent in FY 2024-25. The point-to-point inflation in March 2022, stood at 6.22 percent, compared to the inflation rate 5.47 percent in March 2021. The Russia-Ukraine conflict has been showing significant negative impact on world trade. As a result, food supply chains have been disrupted and Western sanctions on Russia have led to global trade instability. At the same time, the prices of petroleum along with commodity prices are rising, which is also creating inflationary pressures on the economies. According to provisional estimate of BBS, per capita GDP and per capita national income stood respectively at US$ 2,723 and US$ 2,824 in FY 2021-22 compared to US$ 2,462 and US$ 2,591 respectively in FY 2020-21.	Though there is a fall in the private investment in recent years, it is expected that private sector credit growth will regain its previous pace once the aftershock of pandemic is over and Russia-Ukraine conflict comes to an end leading an end to global supply chain disruptions. Rising trend of disposable income will definitely increase the demand of consumer goods & service products. Given the circumstances, banks need to be ready for meeting up the demand of enhanced consumer loans when the pandemic is ended.	The Bank is concentrating on achieving a favorable CASA ratio through mobilizing low-cost or no-cost fund. Management will continue it's drive to diversify the loan and advance portfolio through disbursing a significant portion to SME and Retail & consumer sectors. Moreover, the effort for attracting good corporate borrowers is continuing simultaneously.
Social Factors: The per capita income of our citizens has been steadily increasing though income inequality among different social classes is a worrisome issue. The literacy rate has also been rising. Nowadays, customers are more inclined towards technology-based	As citizens' income levels continue to rise, the utilization of financial services is progressively growing. However, the ongoing income disparity and unequal distribution of wealth highlight the significance of promoting 'inclusive banking' and 'financial inclusion' in the near	SBAC Bank is making a strong push towards expanding its physical network by establishing more branch and sub-branch operations in order to reach the unbanked population of the country. The bank is committed to enhancing the quality of customer service by

services and products that offer convenience and automation. Young individuals are showing a keen interest in launching start-ups and entrepreneurial ventures. Health has become an increasingly important concern. Population growth rate has dropped significantly, indicating progress for the country's overall development.	future. The increasing popularity of Mobile Financial Services attests to customers' demand for effortless banking experiences.	introducing advanced technology to improve the customer experience. The management has devised a strategy to introduce technology-based products that cater to the preferences of the younger generation who demand convenient services with greater automation and added value.
Technological Factors: The continuous advancements in technology and increasing awareness among people have resulted in customers becoming more discerning and raising their expectations. Besides, the government's substantial investments towards establishing a world-class IT infrastructure in the country have significantly accelerated the rate of technological change, facilitated further innovation, and elevated the level of automation to new heights.	In today's business and commerce landscape, technological progress has become a crucial determinant of success. Adopting superior technology enables organizations to gain a competitive edge over their rivals. However, the increasing reliance on information technology in the banking sector has also led to a significant cybersecurity and data security risk, which is becoming a major concern for the industry.	SBAC Bank's core banking software is regularly updated to facilitate seamless day-to-day operations. The Bank is dedicated to providing up-to-date services, such as internet banking, SMS banking, BACH (Bangladesh Automated Clearing House), Electronic Fund Transfer (EFT) and RTGS (Real Time Gross Settlement) and a unique app-based initiative called Banglapay to ensure customer satisfaction. The IT team is always vigilant and proactive in addressing cybersecurity concerns.
Environmental Factors: The global focus on environmental conservation through anti-pollution measures is on the rise. There is a growing emphasis on sustainable finance, including green financing, in both financial markets and the international political arena.	Bangladesh Bank has established a separate department namely Sustainable Finance Department with a view to developing sustainable banking (i.e., Green Banking and CSR) framework and to integrate it into core business operation of banks and FIs through efficient and effective implementation of Green Banking and corporate social responsibility (CSR). The department is engaging and encouraging all banks and FIs to step-up their green banking initiatives and standards as well as ensuring proper implementation of CSR fund.	South Bangla Agriculture and Commerce Bank Limited is always committed to the sustainable development through the creation of long-term value with respect to the environment, stakeholders and the community. The Bank always complies with the green finance, environmental risk management, in-house environmental management, climate risk management, green marketing, online banking, green branch, green product innovation, green strategic planning and CSR Policies of the central bank strictly. We firmly committed to invest in CSR activities and social initiatives those ensures long term sustainability of environment and society.
Legal Factors: In the banking industry, compliance with regulations is of utmost importance and the sector is likely the most heavily regulated in the country. Currently, the industry is confronted with increasingly strict rules and regulations that are more standardized and rigorous than in the past.	The banking industry is regulated under the Bank Company Act 1991 (amended up to 2018), guided by the circulars and guidelines of Bangladesh Bank, the listing regulations, and securities laws of BSEC. The compliance of the Companies Act-1994 (amended up to 2020), Income Tax Ordinance and Rules 1984, Value Added Tax (VAT) Act and Rules etc. is also mandatory for a Bank.	Ever since its establishment, SBAC Bank has fostered a culture that prioritizes full compliance with regulations. The bank has earned a positive reputation among all its stakeholders by adhering to all relevant rules and regulations. It places great importance on compliance and conducts its business operations accordingly, with a view towards achieving sustainable growth in terms of assets and profitability.

Our Business Model

South Bangla Agriculture and Commerce Bank Limited with 10 years of promising banking services & progressive experience has designed it's business model for meeting diversified customer needs and fulfilling their growth expectations on the basis of trust, respect and confidence. We are continuously adapting the business model to sustain competitive pressures and absorb shocks, whereas we are careful to ensure a balance between different stakeholder objectives to create maximum contributions across the value chain. With the advancement of technology and change in influential factors our management team is striving to make the best use of available resources according to the Business Model.

Key Partners	Value Proposition	Customer Segments
▪ Customers ▪ Shareholders ▪ Investors ▪ Employees ▪ Regulators ▪ Other Banks and NBFIs ▪ Surplus Economic Units	▪ Complete Solution of Business Needs ▪ One Stop Service for Personal Banking ▪ Innovative Products & Services ▪ Timely & Superior Services ▪ Wide availability of Banking Services	▪ Corporate Clients ▪ Institutional Clients ▪ Small & Medium Enterprises ▪ Individuals/Retail Clients ▪ Banks ▪ Non-Banking Financial Institutions ▪ Govt. & Non-Govt. Organizations

BUSINESS MODEL

Key Resources	Key Activities	Delivery Channels
▪ Vastly Experienced & Highly Professional Board ▪ Profoundly Skilled Workforce ▪ Devoted Service Attitude ▪ Wide Range of Products & Services ▪ Strong Capital Base ▪ Wide Distribution Network ▪ Vast Correspondent Network ▪ Upgraded IT Infrastructure	▪ Deposit Management ▪ Lending Management ▪ Risk Management ▪ Compliance Management ▪ Fund Management ▪ Product & Process Innovation ▪ Trade Services ▪ Remittance Service ▪ Treasury Solutions ▪ Islamic Banking Services ▪ Off-shore Banking ▪ Service Improvement ▪ Brand Building	▪ Branches & Sub-Branches ▪ Agent Banking ▪ Call Center ▪ Digital Platforms (Banglapay) ▪ Automated Teller Machines ▪ Subsidiary Company

Customer Relationships	Cost Structure	Revenue Streams
▪ Identify customer needs ▪ Individual Solutions ▪ Continuous customer Engagement ▪ Receiving Feedback ▪ Continual Review ▪ Research & Development ▪ Special Campaign ▪ Loyalty Programs ▪ Advisory Roles ▪ Relationship Management based business model	▪ Interest Expense ▪ Salary and Allowances ▪ Administrative Expense ▪ IT and Infrastructure Expense ▪ Capital Expenditure ▪ Other Operating Expenses	▪ Interest Income ▪ Investment Income ▪ Income from commission, fees etc. ▪ Exchange and Brokerage gain ▪ Other Operating Income

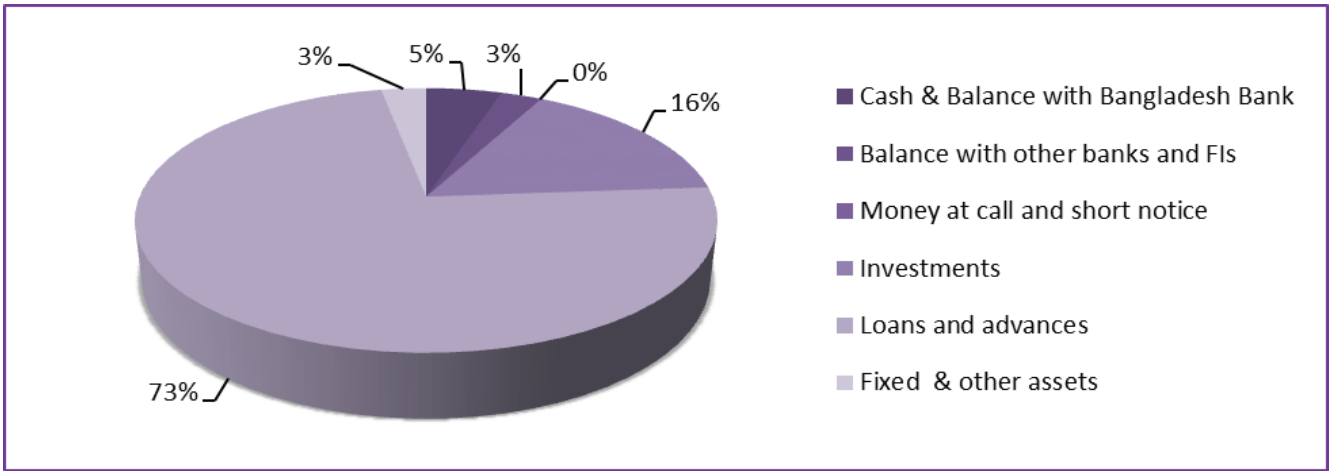
Graphical Presentation of Financial Performance

Total Assets

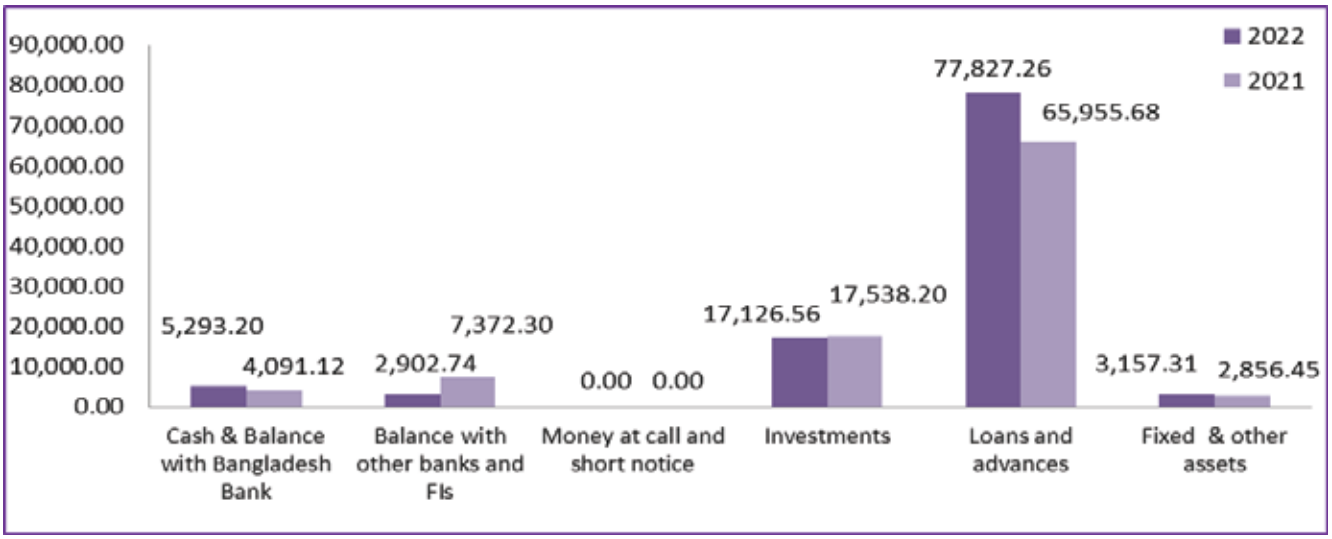
(Fig. Million Taka)

Particulars	2022	2021	Growth (%)
Cash & Balance with Bangladesh Bank	5,293.20	4,091.12	29.38%
Balance with other banks and FIs	2,902.74	7,372.30	-60.63%
Money at call and short notice	0.00	0.00	
Investments	17,126.56	17,538.20	-2.35%
Loans and advances	77,827.26	65,955.68	18.00%
Fixed & other assets	3,157.31	2,856.45	10.53%
Total Assets	**106,307.06**	**97,813.75**	**8.68%**

Total Assets as on 31.12.2022



Comparison of Assets in 2022 & 2021



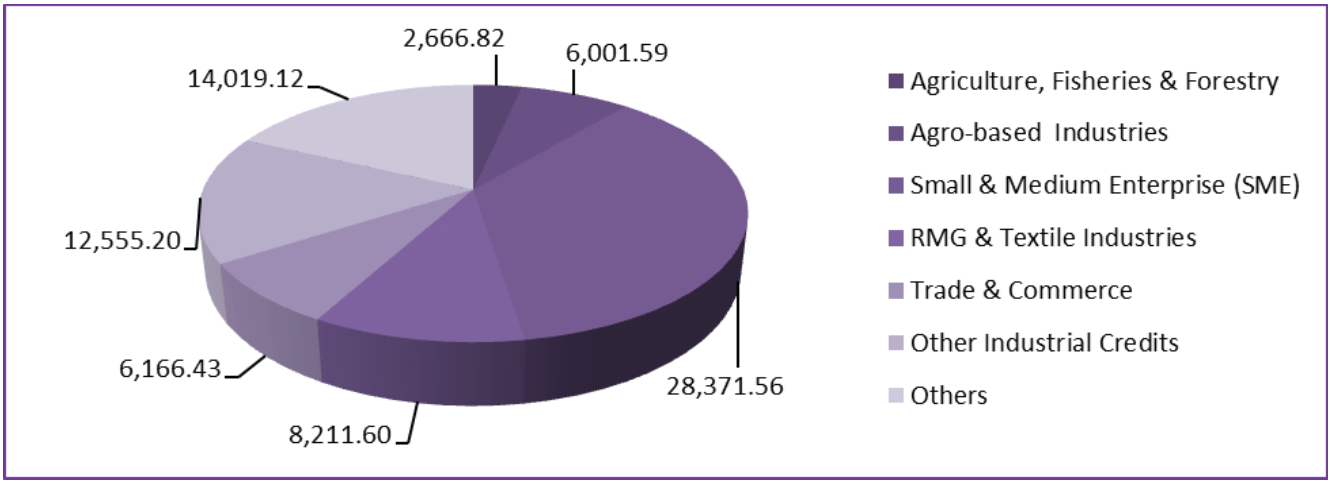
Loans and Advances

i) Sector wise Loans and Advances

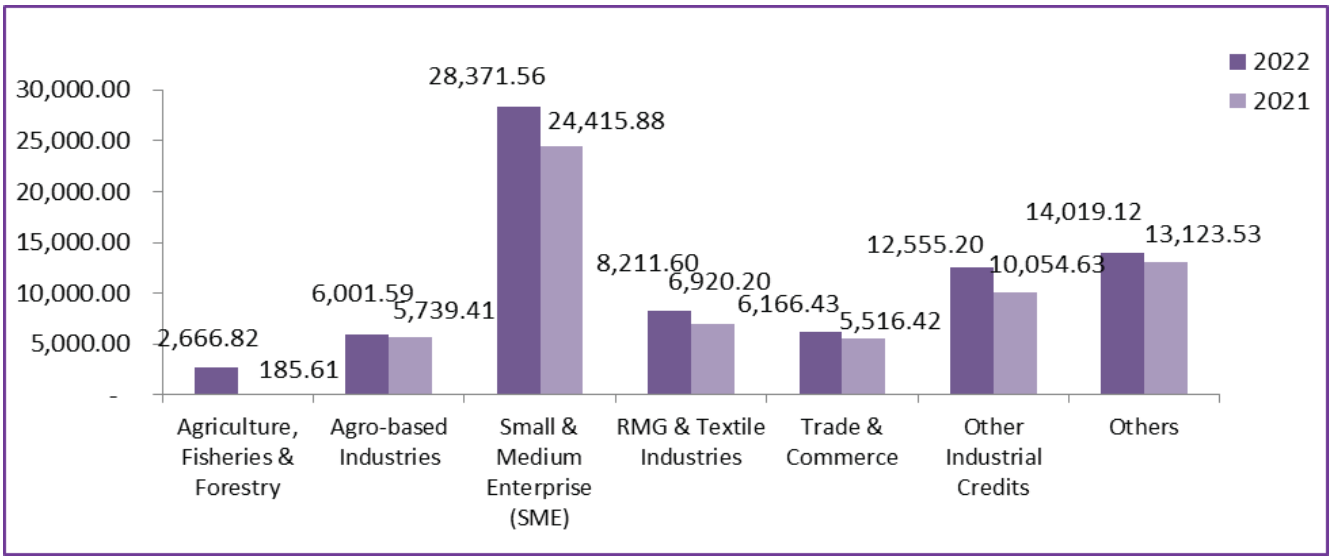
(Fig. Million Taka)

Particular of Sectors	2022	2021	Growth (%)
Agriculture, Fisheries & Forestry	2,666.82	185.61	1336.81%
Agro-based Industries	6,001.59	5,739.41	4.57%
Small & Medium Enterprise (SME)	28,371.56	24,415.88	16.20%
RMG & Textile Industries	8,211.60	6,920.20	18.66%
Trade & Commerce	6,166.43	5,516.42	11.78%
Other Industrial Credits	12,555.20	10,054.63	24.87%
Others	14,019.12	13,123.53	6.82%
Total	**77,992.32**	**65,955.68**	**18.25%**

Sector wise Loans and Advances as on 31.02.2022



Comparison of Sector wise Loans and Advances in 2022 & 2021

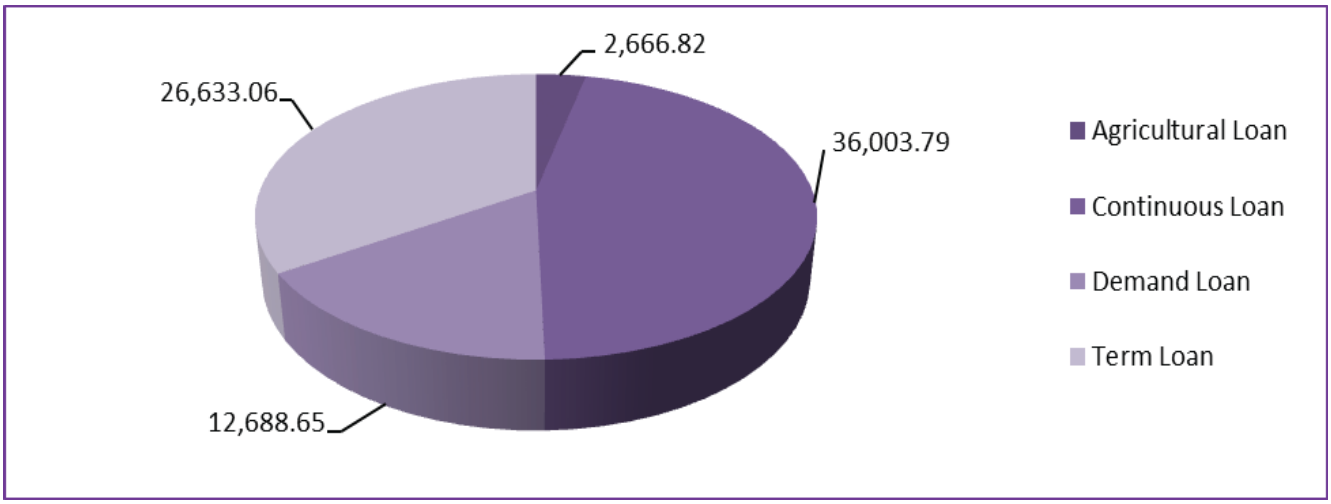


ii) Category wise Loans and Advances

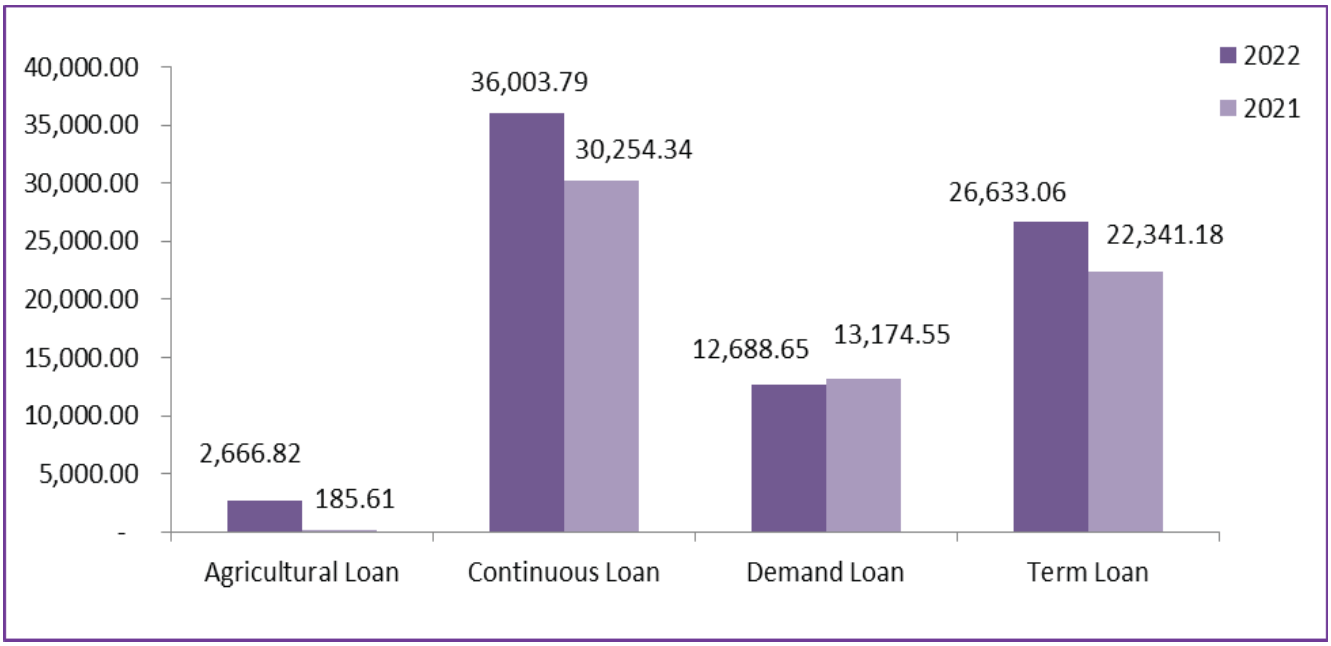
(Fig. Million Taka)

Category of Loans and Advances	2022	2021	Growth (%)
Agricultural Loan	2,666.82	185.61	1336.81%
Continuous Loan	36,003.79	30,254.34	19.00%
Demand Loan	12,688.65	13,174.55	-3.69%
Term Loan	26,633.06	22,341.18	19.21%
Total	**77,992.32**	**65,955.68**	**18.25%**

Category wise Loans and Advances as on 31.12.2022



Comparison of Category wise Loans and Advances in 2022 & 2021

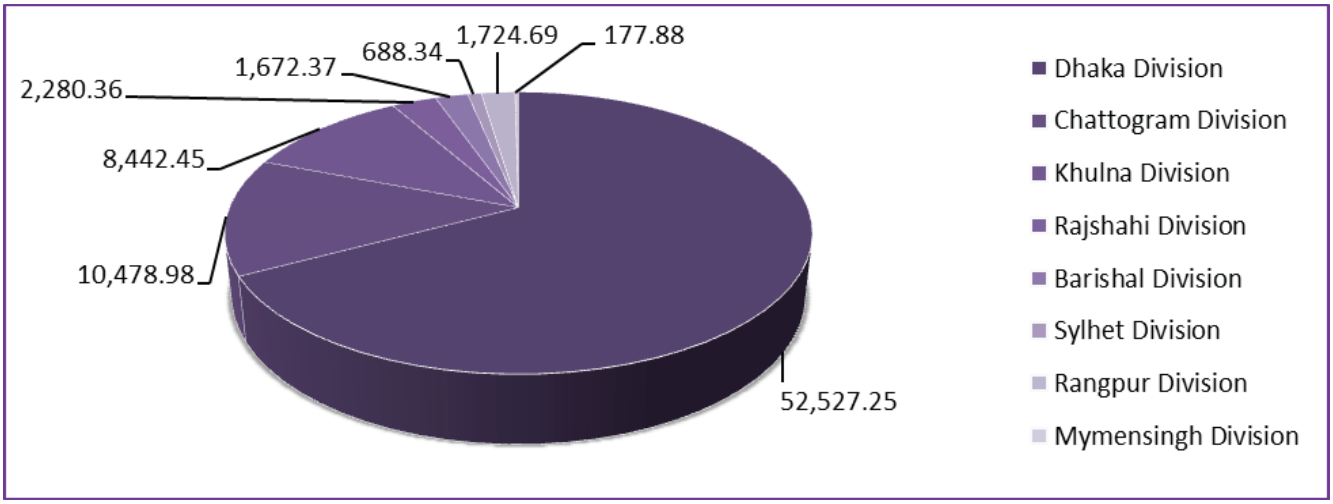


iii) Division wise Loans and Advances

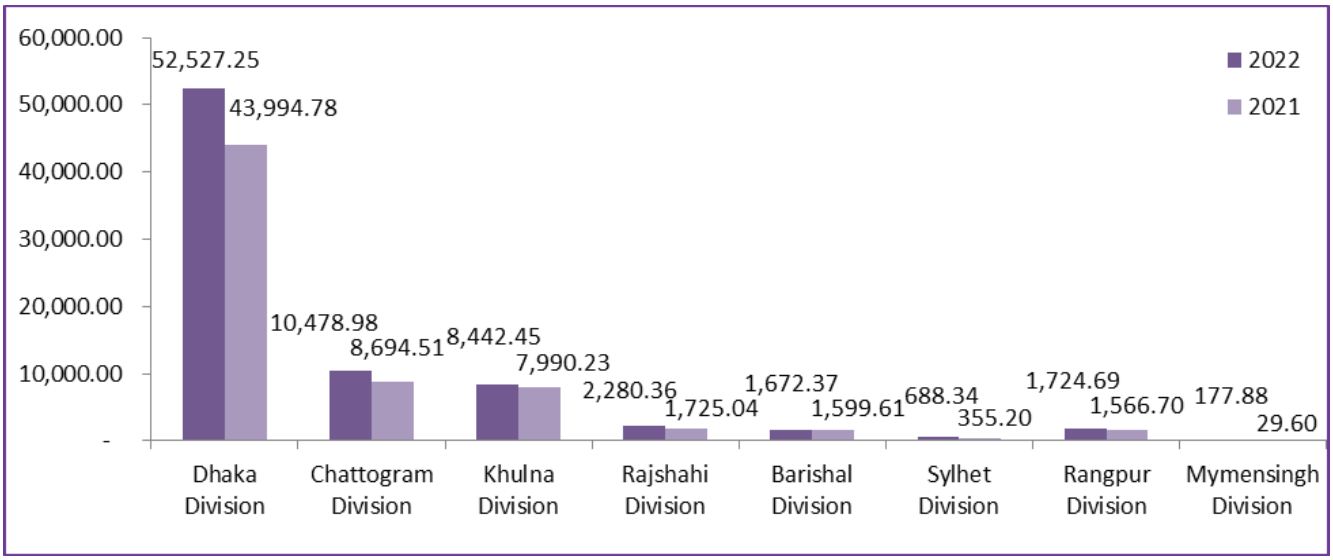
(Fig. Million Taka)

Name of Division	2022	2021	Growth (%)
Dhaka Division	52,527.25	43,994.78	19.39%
Chattogram Division	10,478.98	8,694.51	20.52%
Khulna Division	8,442.45	7,990.23	5.66%
Rajshahi Division	2,280.36	1,725.04	32.19%
Barishal Division	1,672.37	1,599.61	4.55%
Sylhet Division	688.34	355.20	93.79%
Rangpur Division	1,724.69	1,566.70	10.08%
Mymensingh Division	177.88	29.60	500.86%
Total	**77,992.32**	**65,955.68**	**18.25%**

Division wise Loans and Advances as on 31.12.2022



Comparison of Division wise Loans and Advances in 2022 & 2021

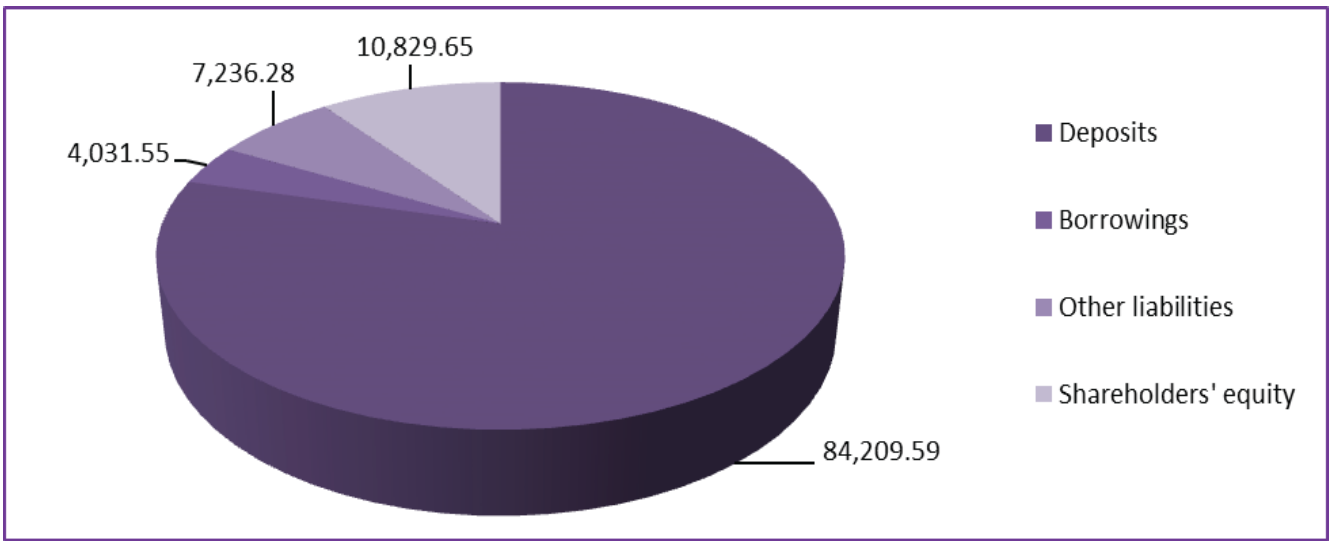


Total Liabilities

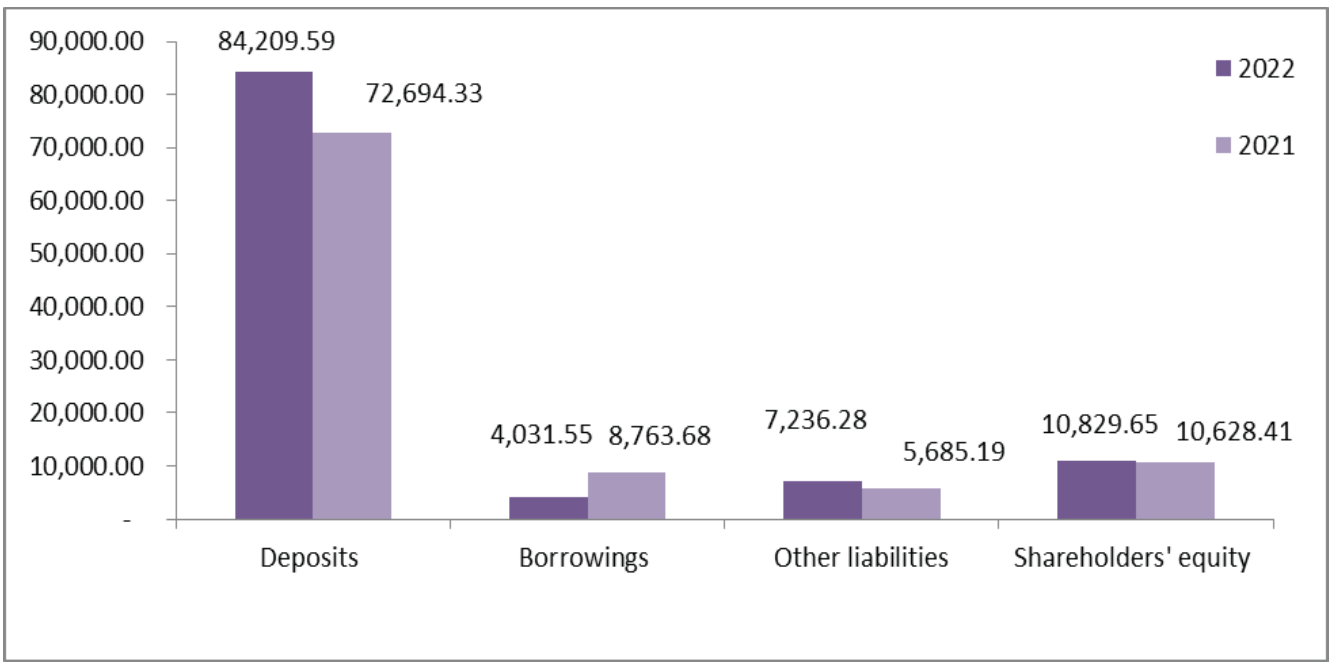
(Fig. Million Taka)

Particulars	2022	2021	Growth (%)
Deposits	84,209.59	72,694.33	15.84%
Borrowings	4,031.55	8,763.68	-54.00%
Other liabilities	7,236.28	5,685.19	27.28%
Shareholders' equity	10,829.65	10,628.41	1.89%
Total liabilities	**106,307.06**	**97,771.62**	**8.73%**

Total Liabilities as on 31.12.2022



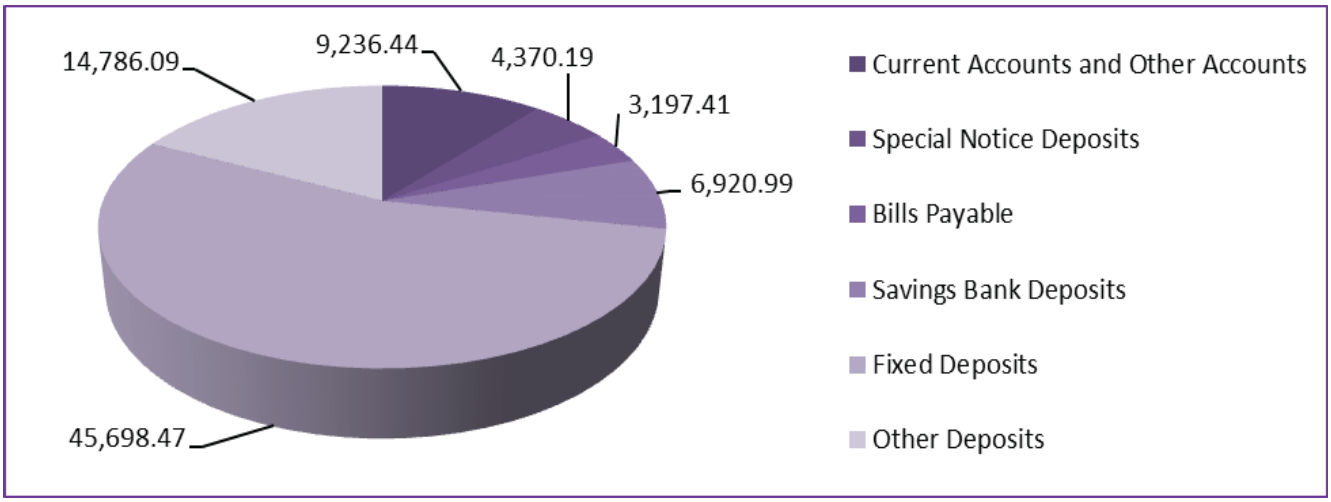
Comparison of Liabilities in 2022 & 2021



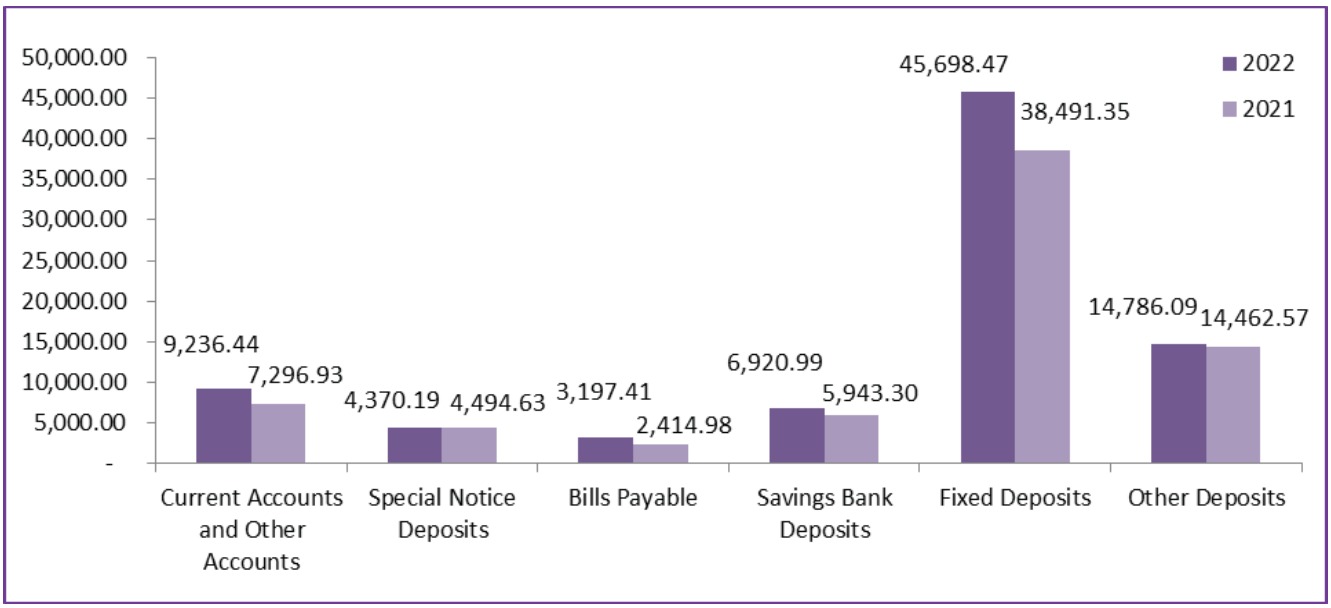
Deposits

Types of Deposit	Outstanding Taka in Million		Growth (%)	Deposit Mix (%)	
	2022	2021		2022	2021
Current Accounts and Other Accounts	9,236.44	7,253.49	27.34%	10.97%	9.98%
Special Notice Deposits	4,370.19	4,487.51	-2.61%	5.19%	6.17%
Bills Payable	3,197.41	2,414.98	32.40%	3.80%	3.32%
Savings Bank Deposits	6,920.99	5,943.30	16.45%	8.22%	8.18%
Fixed Deposits	45,698.47	38,132.48	19.84%	54.27%	52.46%
Other Deposits	14,786.09	14,462.57	2.24%	17.56%	19.90%
Total	**84,209.59**	**72,694.33**	**15.84%**	**100.00%**	**100.00%**

Deposit Mix as on 31.12.2022



Comparison of Deposit Mix in 2022 & 2021

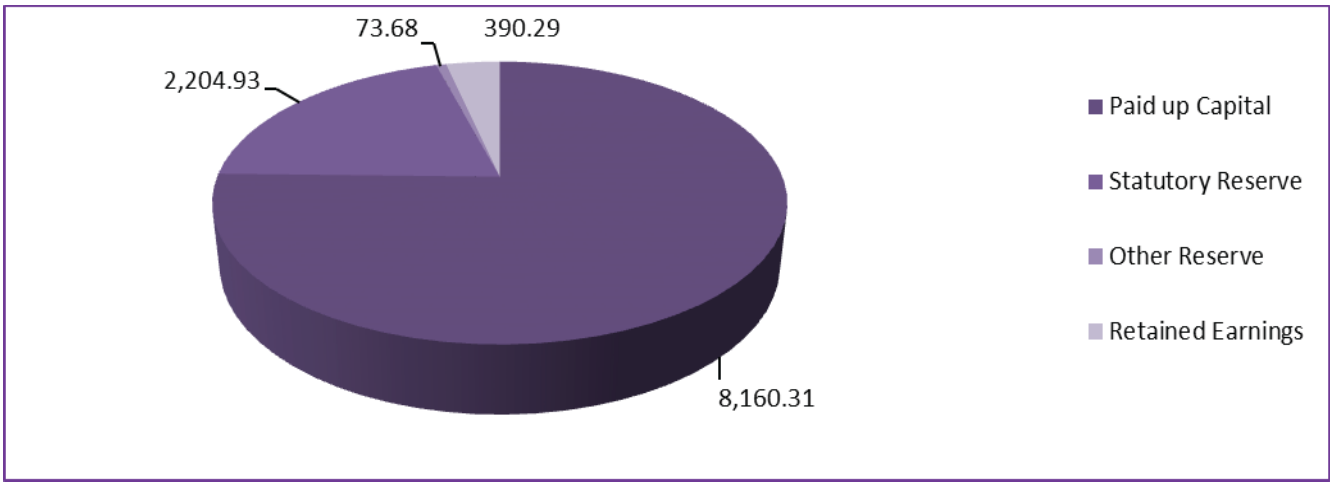


Shareholders' Equity

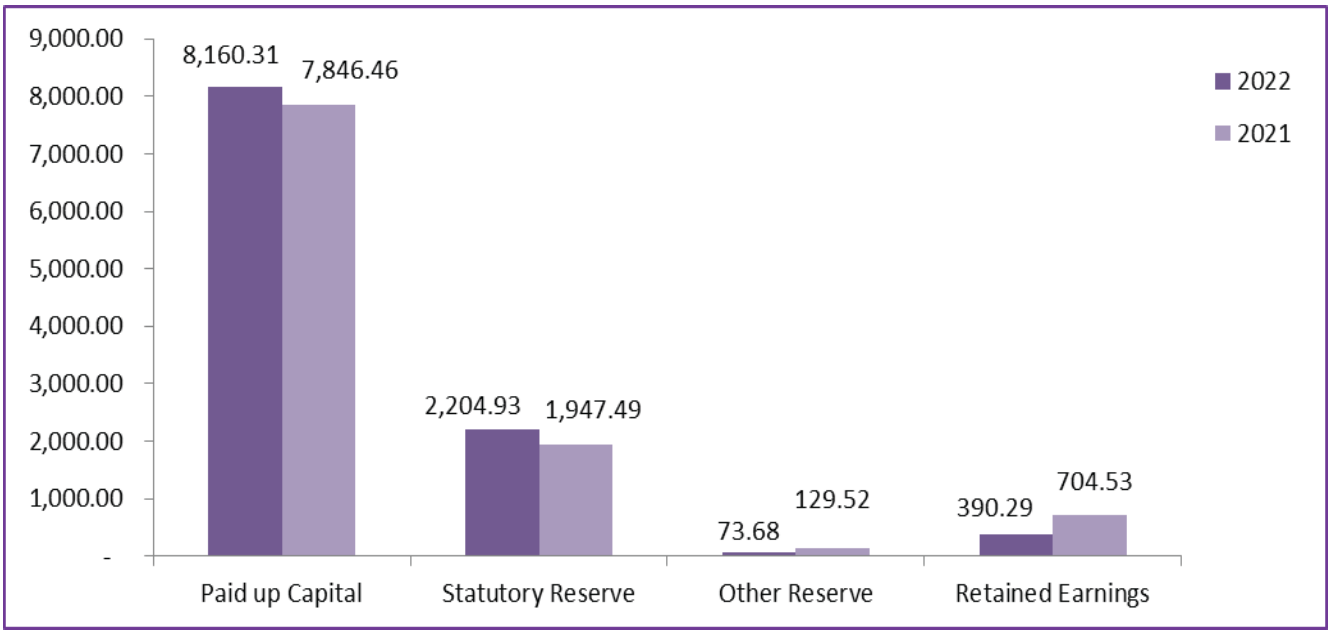
(Fig. Million Taka)

Particulars	2022	2021	Growth (%)
Paid up Capital	8,160.31	7,846.46	4.00%
Statutory Reserve	2,204.93	1,947.49	13.22%
Other Reserve	73.68	129.52	-43.11%
Retained Earnings	390.29	704.53	-44.60%
Total Shareholders' equity	**10,829.21**	**10,628.00**	**1.89%**

Shareholders' Equity as on 31.12.2022



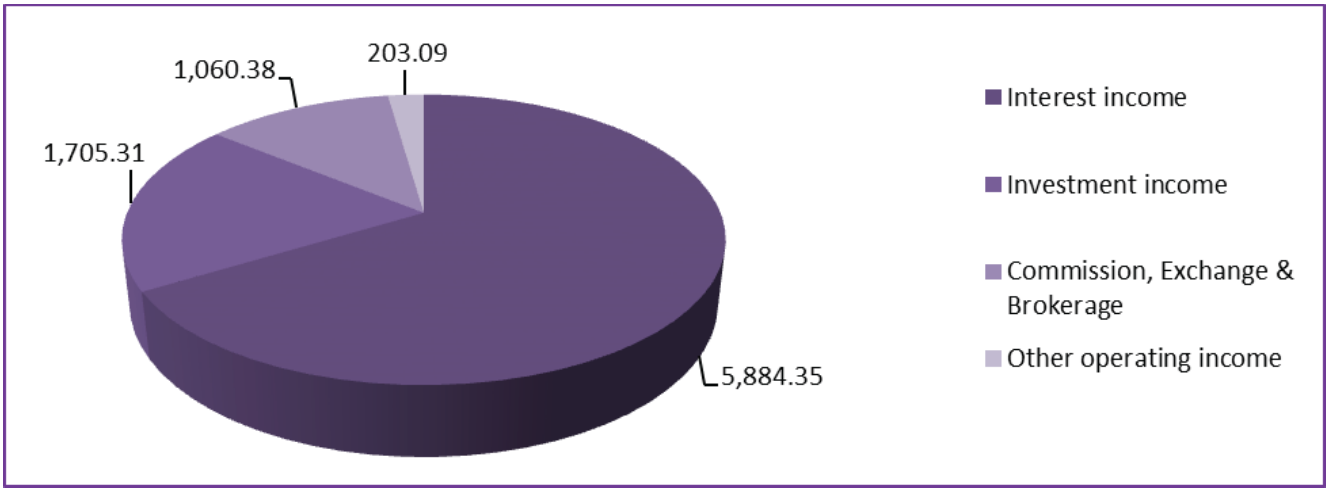
Comparison of Shareholders' Equity in 2022 & 2021



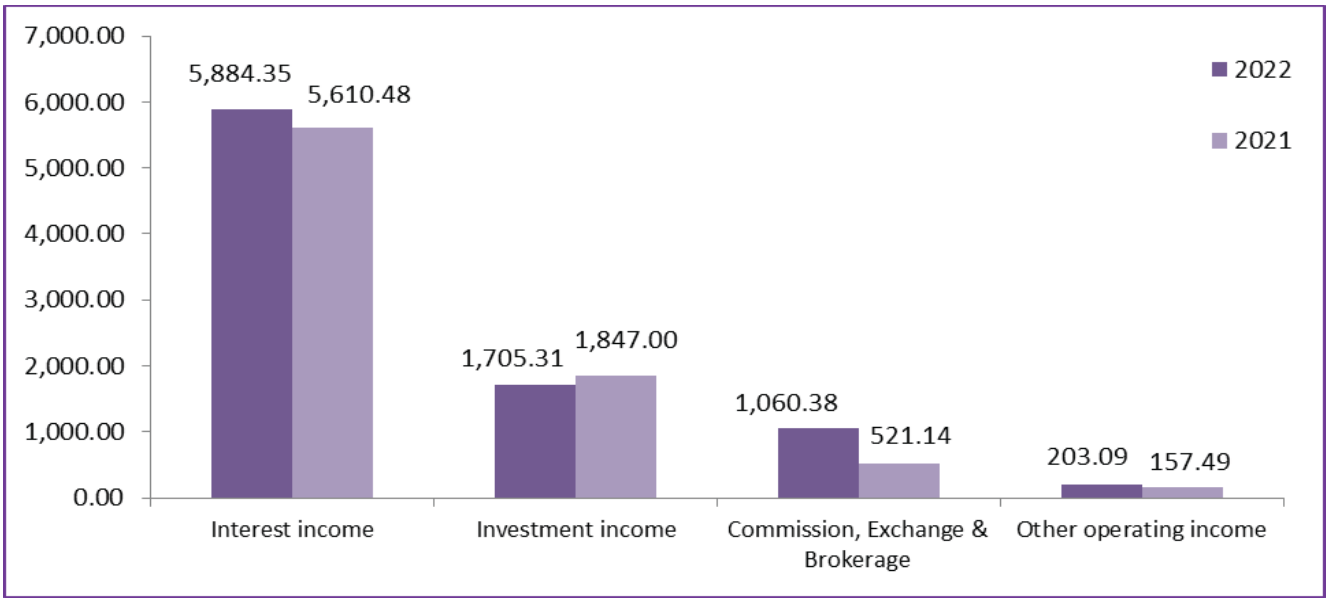
Total Income:

Types of Income	Amount in Million Taka		Growth (%)	Income Mix (%)	
	2022	2021		2022	2021
Interest income	5,884.35	5,610.48	4.88%	66.47%	68.96%
Investment income	1,705.31	1,847.00	-7.67%	19.26%	22.70%
Commission, Exchange & Brokerage	1,060.38	521.14	103.47%	11.98%	6.41%
Other operating income	203.09	157.49	28.95%	2.29%	1.94%
Total income	**8,853.13**	**8,136.12**	**8.81%**	**100.00%**	**100.00%**

Total Income as on 31.12.2022



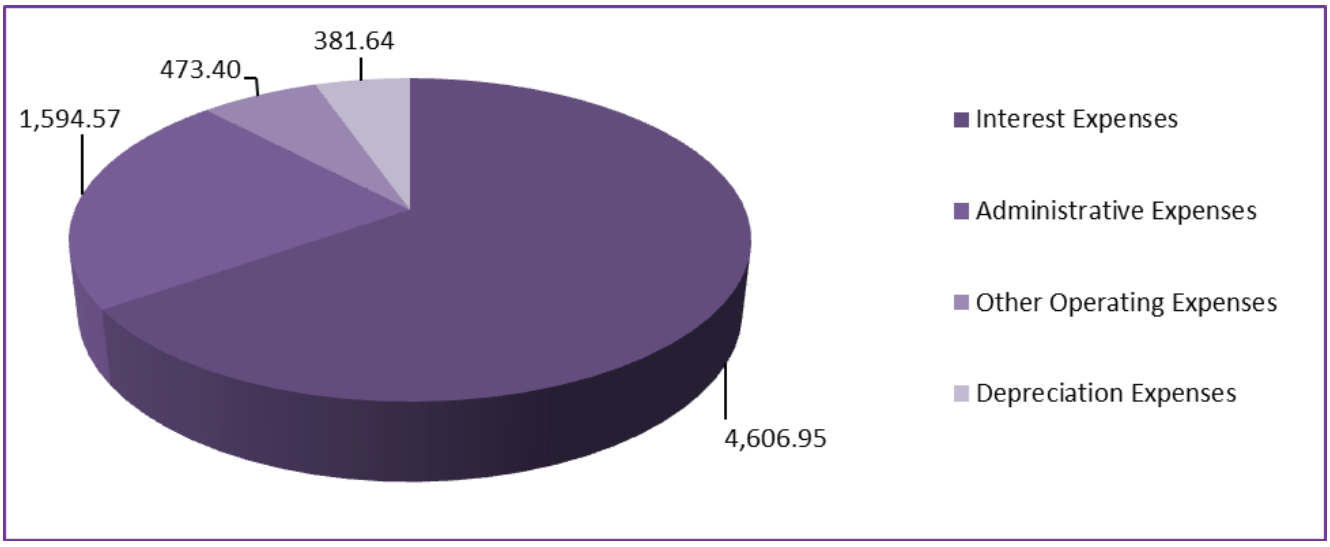
Comparison of Total Income in 2022 & 2021



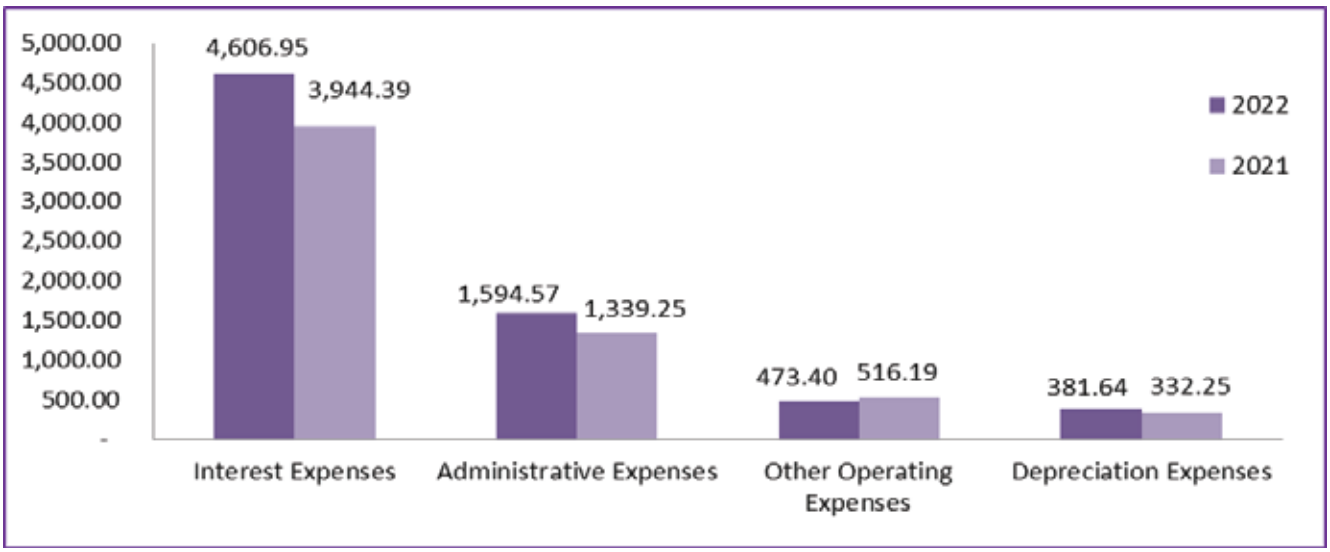
Total Expenses:

Types of Expense	Amount in Million Taka		Growth (%)	Expense Mix (%)	
	2022	2021		2022	2021
Interest Expenses	4,606.95	3,944.39	16.80%	65.29%	64.32%
Administrative Expenses	1,594.57	1,339.25	19.06%	22.60%	21.84%
Other Operating Expenses	473.40	516.19	-8.29%	6.71%	8.42%
Depreciation Expenses	381.64	332.25	14.87%	5.41%	5.42%
Total Expenses	**7,056.56**	**6,132.08**	**15.08%**	**100.00%**	**100.00%**

Total Expenses as on 31.12.2022



Comparison of Expenses in 2022 & 2021

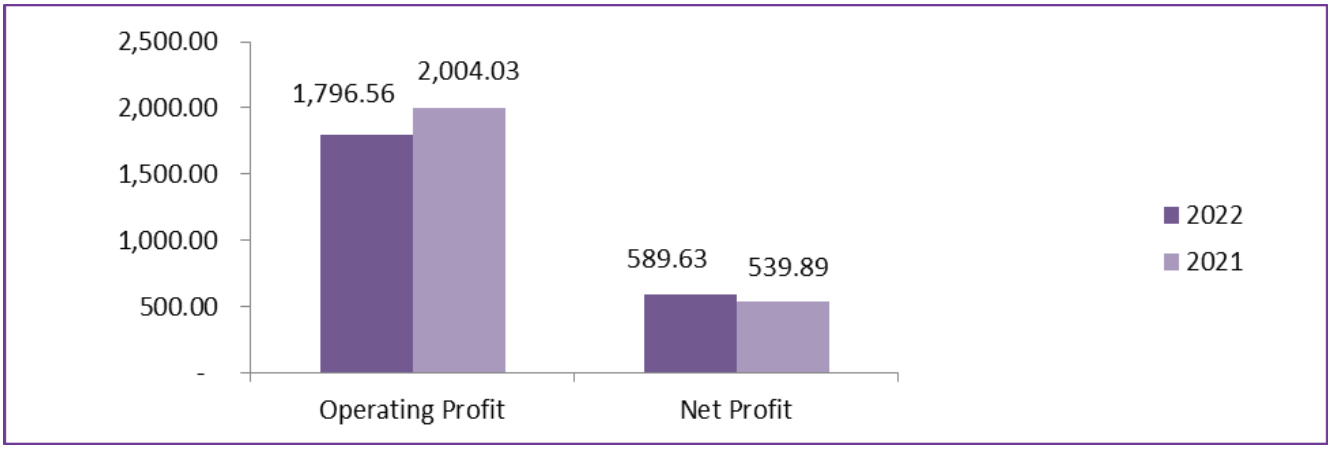


Profitability:

(Fig. Million Taka)

Particulars	2022	2021	Growth (%)
Operating Profit	1,796.56	2,004.03	-10.35%
Net Profit	589.63	539.89	9.21%

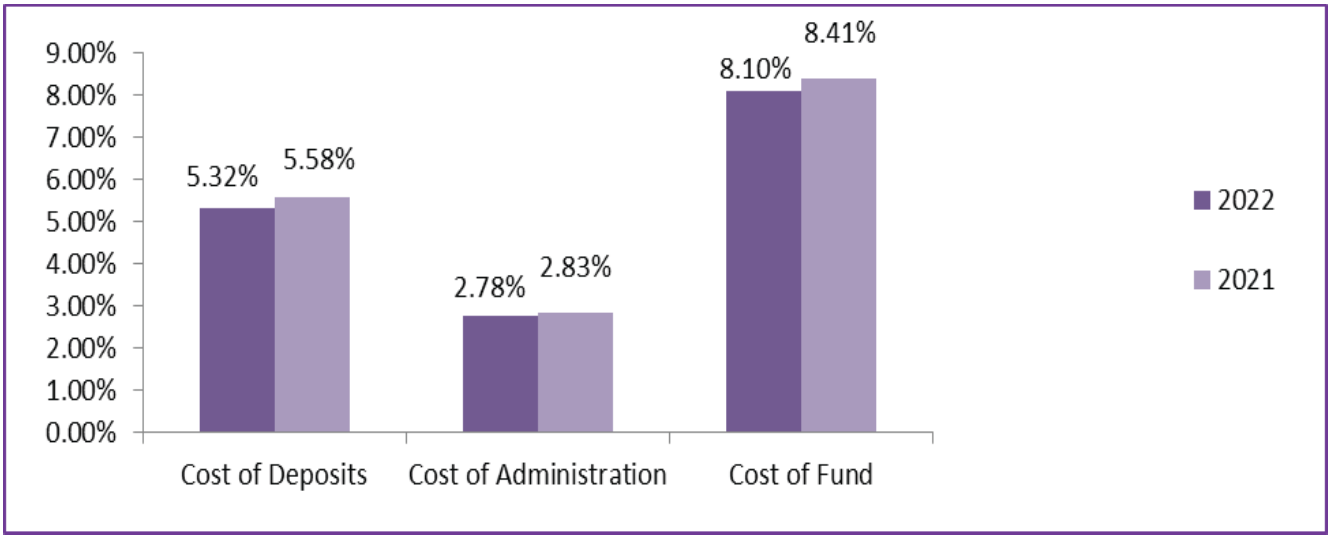
Comparison of Profitability in 2022 & 2021



Average Cost of Funds:

Particulars	2022	2021	Changes (%)
Cost of Deposits	5.32%	5.58%	-0.26%
Cost of Administration	2.78%	2.83%	-0.05%
Cost of Fund	8.10%	8.41%	-0.31%

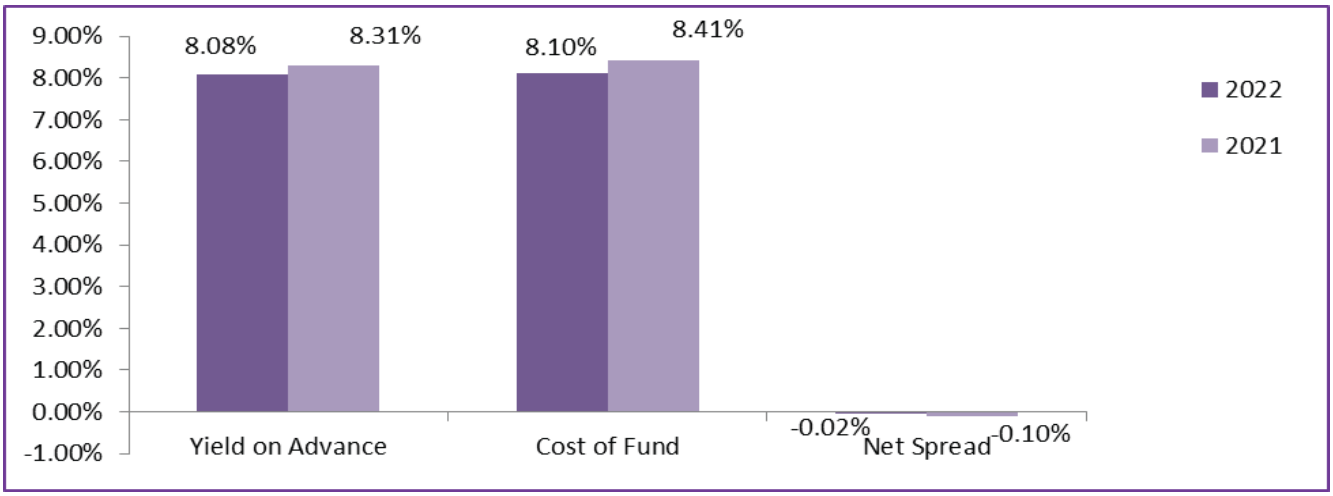
Comparison of Cost of Deposits, Cost of Administration & Cost of Fund in 2022 & 2021



Net Spread:

Particulars	2022	2021
Yield on Advance	8.08%	8.31%
Cost of Fund	8.10%	8.41%
Net Spread	-0.02%	-0.10%

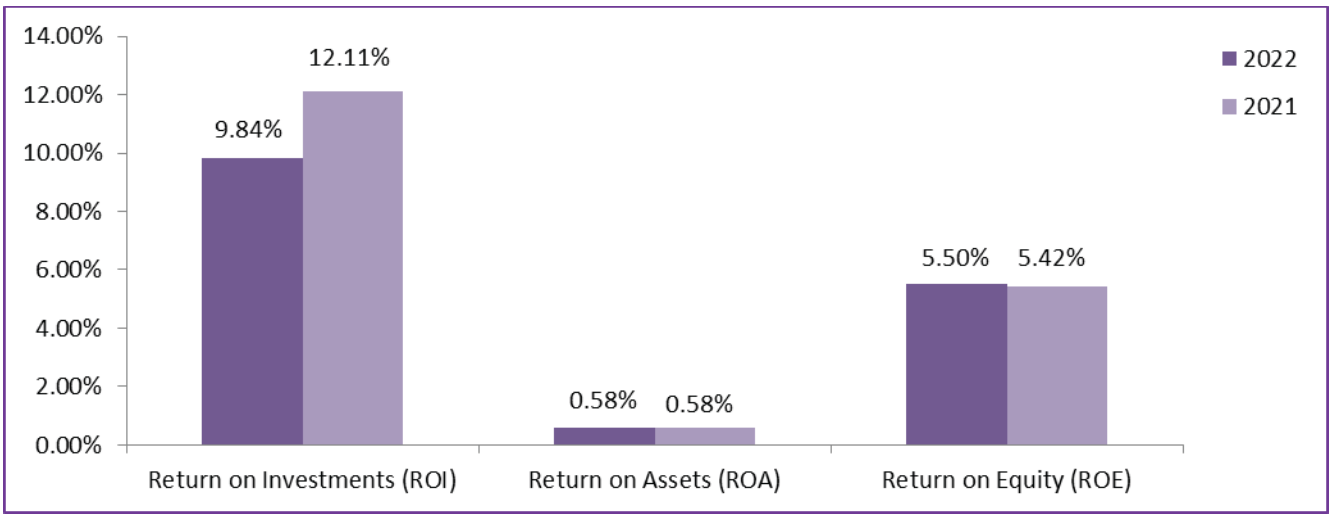
Comparison of Yield on Advances, Cost of Funds & Net Spread in 2022 & 2021



Rate of Returns :

Particulars	2022	2021
Return on Investments (ROI)	9.84%	12.11%
Return on Assets (ROA)	0.58%	0.58%
Return on Equity (ROE)	5.50%	5.42%

Comparision of Returns in 2022 & 2021

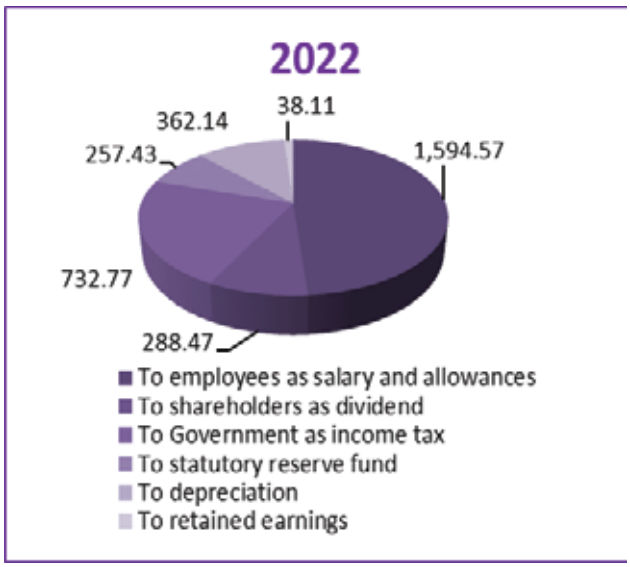


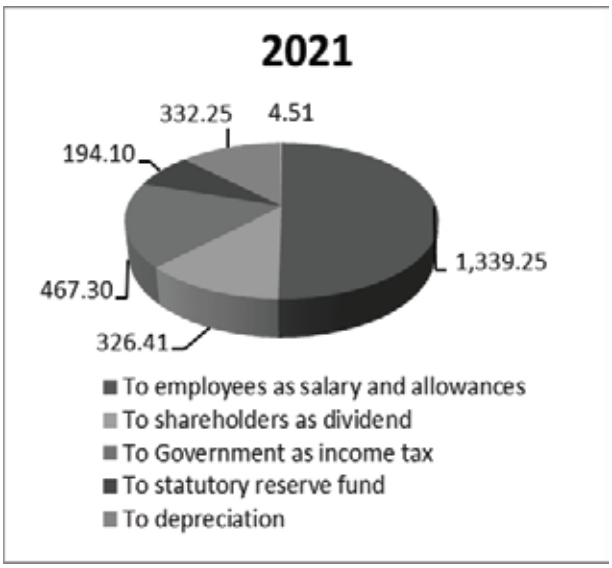
Value Added Statement

Value added is the wealth accretion made by South Bangla Agriculture & Commerce Bank Limited through providing banking and other financial services. Value created from the income from banking services and other financial services is the excess of cost of service rendered. The value added statement shows the total wealth created, how it was distributed to meet certain obligations, reward to those who have created it and portion retained for continuing operation and expansion of the bank. The value added statement of the bank for the year ended 31 December 2022 is given below:

Fig. in million

	2022	%	2021	%
	Taka		Taka	
Value Created				
Income from Banking Services	8,853.13		8,136.12	
Less: Cost of services & Supplies	5,099.86		4,460.58	
Value added by banking service	3,753.27		3,675.54	
Provision for deferred tax	0.69		28.44	
Provision for loans & other assets	(480.47)		(1,040.15)	
	3,273.49		**2,663.82**	
Value distributed				
To employees as salaries & allowances	1,594.57	48.71%	1,339.25	50.28%
To shareholders as dividend (Proposed)	288.47	8.81%	326.41	12.25%
To Government as income tax	732.77	22.39%	467.30	17.54%
	2,615.81	79.91%	**2,132.96**	80.07%
Value retained				
(to maintain and continue operations)				
Statutory reserve	257.43	7.86%	194.10	7.29%
Depreciation	362.14	11.06%	332.25	12.47%
Retained earnings	38.11	1.16%	4.51	0.17%
	657.68	20.09%	530.86	19.93%
	3,273.49	100.00%	**2,663.82**	100.00%



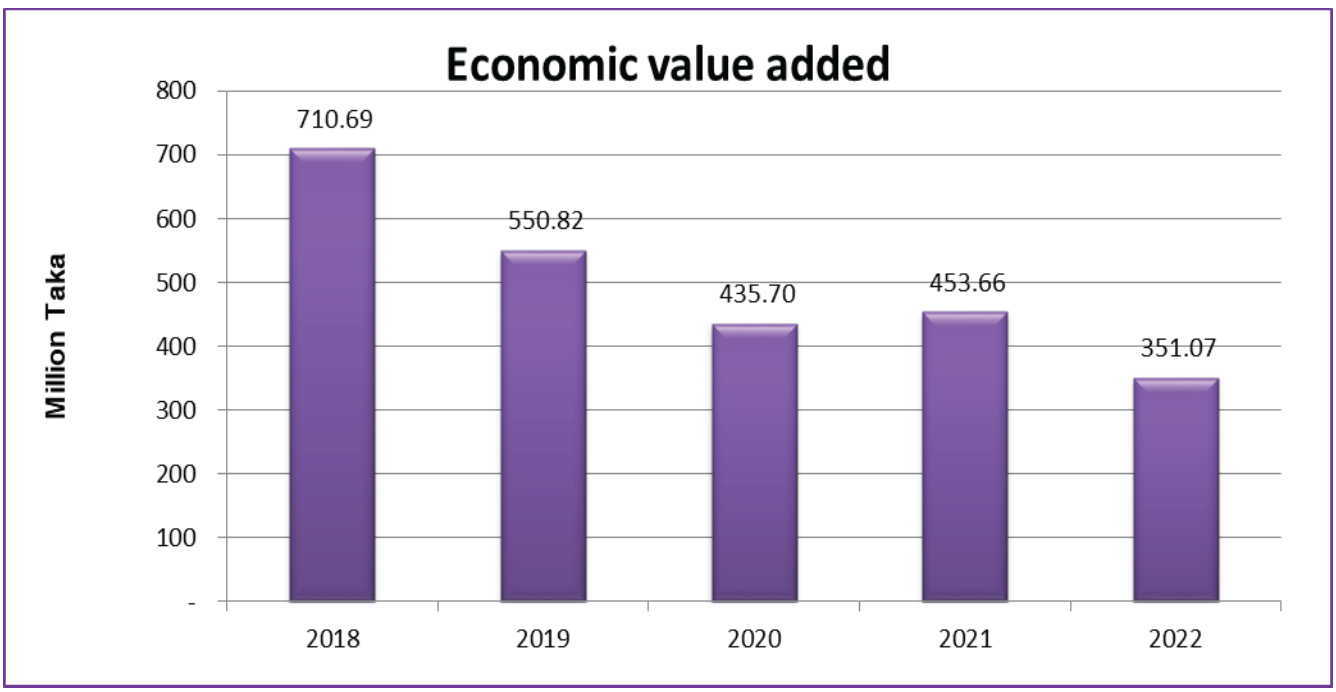


Economic Value Added (EVA) Statement

Economic value added (EVA) is the measure of financial performance of an organization. It is based on the principle that since a company's management employs equity capital to earn profit, it must pay for the use of this equity capital. This management tool is useful to stakeholders to take decision for increasing wealth.
EVA is equal to Profit after Tax (PAT) plus the provision for loans & other assets less written off loans during the year minus cost of equity. The cost of equity is the opportunity cost that the shareholders forego. For 2022 this cost of equity is calculated on the basis of the return on 5 years Treasury Bonds.

Fig. in million

	2018	2019	2020	2021	2022
	Taka	Taka	Taka	Taka	Taka
Shareholders' equity	7,429.71	8,362.96	9,306.66	10,622.84	10,829.21
Add: Provision for loans & advances	455.66	517.58	9.51	359.49	478.82
Closing Shareholders' equity	**7,885.37**	**8,880.54**	**9,316.17**	**10,982.33**	**11,308.04**
Opening shareholders' equity	**7,054.71**	**7,885.37**	**8,880.54**	**9,316.17**	**10,982.33**
Average shareholders's equity	**7,470.04**	**8,382.96**	**9,098.36**	**10,149.25**	**11,145.18**
Earnings					
Profit after taxation	879.59	967.60	951.95	534.72	589.61
Add: Provision for loans & advances	387.62	502.83	87.88	629.39	596.24
	1,267.21	**1,470.43**	**1,039.83**	**1,164.11**	**1,185.84**
Average cost of equity	7.45%	10.97%	6.64%	7.00%	7.49%
Cost of average equity	556.52	919.61	604.13	710.45	834.77
Economic value added	**710.69**	**550.82**	**435.70**	**453.66**	**351.07**



Market Value Added Statement

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

Particulars	2022
(a) Face value per share (BDT)	10.00
(b) Market value per share (BDT)	10.60
(c) Number of shares outstanding	81,60,31,337
(d) Market capitalization (BDT in million) [(c) × (b)]	8,649.93
(e) Book value of paid up capital (BDT in million) [(c) × (a)]	8,160.31
(f) **Market value added (BDT in million)** [(d)-(e)]	**489.62**

* Closing Price of share on 29.12.2022 at DSE has been taken as Market value per share & the Number of shares outstanding is based on 29.12.2022 also.

Report on Going Concern

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

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

Major Financial Indicators

Particulars	2022	2021	2020	2019	2018
Net Asset Value (NAV) Per Share	13.27 (Consolidated) 13.23 (Solo)	13.02 (Both Solo & Consolidate)	13.59	13.44	13.13
Net Operating Cash Flow Per Share	3.02 (Consolidated) 2.98 (Solo)	(4.38) (Both Solo & Consolidate)	0.73	12.79	6.85
Return on Equity (ROE)	5.50% (Consolidated) 5.24% (Solo)	5.42% (Consolidated) 5.36% (solo)	10.78%	12.25%	12.40%
Capital to Risk-weighted Assets Ratio (CRAR)	13.78% (Consolidated) 13.72% (Solo)	13.91% (Consolidated) 13.94% (Solo)	13.45%	14.73%	15.85%
NPL Ratio	5.18% (Consolidated) 5.17% (Solo)	5.85% (Both Solo & Consolidate)	6.22%	6.09%	1.97%
Earnings Per Share (EPS)	0.72 (Consolidated) 0.69 (Solo)	0.66 (Both Solo & Consolidate)	1.39	1.55	1.55

Financial Indications

Key financial ratios & Performance growth:

During the year 2022, SBAC Bank Ltd. had a praiseworthy growth in its operating performance. Its total asset has increased from Tk. 98,172.32 million (Solo) of 2021 to Tk. 106,626.90 million (Solo) in 2022 indicating a growth of 8.61% percent, whereas the consolidated total asset was Tk. 106,307.06 million in 2022. Besides, Advances and Lease/Investment has increased by 18.25 percent (solo) & 18.00 percent (Consolidated) i.e. the Advances and Lease/Investment has increased to Tk. 77,992.32 million (Solo) and Tk. 77,827.26 million (Consolidated). Shareholders' Equity has increased by 1.64 percent (solo), and 1.89 percent as consolidated basis. So, the bank has a stable financial condition, which is an indicator of Bank's continuation in foreseeable periods.

Analysis of Cash Flow:

Cash flow analysis represents strength about its ability to repay its financial obligation, ability to adapt in changing circumstances and generate sufficient cash and cash equivalent. Net cash from operating activities is Tk. 2,431.93 million (solo) and Tk. 2,463.35 million (consolidated) in 2022.

Maintenance of sufficient Capital:

As on 31 December 2022, the Bank's total equity stands at Tk. 10,796.55 million (Solo) as against Tk. 10,622.84 million (Solo) of 31 December 2021, whereas it was Tk. 10,829.65 million in 2022 as against Tk. 10,628.41 million of 2021 on a consolidated basis. On the other hand, the paid-up capital of the Bank stands at Tk. 8,160.31 million in 2022. Moreover, as on 31 December 2022 Bank's CRAR is 13.78 percent (Consolidated) whereas the solo CRAR of the bank was 13.72 percent; and maintained total regulatory capital of Tk. 11,148.58 million (Consolidated) & Tk. 11,126.53 million ((Solo). The entire situation also indicates to its ability and intention to continue for the predictable future.

Particulars	2022	2021
Minimum Capital Requirement	10,111.05 million	9,732.55 million
Capital Maintained	11,148.58 million	10,830.03 million
Surplus	1,037.52 million	1,097.48 million
CRAR	13.78%	13.91%

Consistent payment of dividends:

Protecting interest of the shareholders is one of the top priorities of SBAC Bank Ltd. The Bank has a remarkable consistency regarding dividend disbursement to its shareholders over the years, which reflects company's firm commitment to its shareholders.

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

Non-financial Indications

Credibility in payment of obligations:

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

Credit rating of the Bank:

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

	Rating
Long Term	A
Short Term	ST-2
Rated by	Credit Rating Information and Services Limited (CRISL)
Outlook	Stable
Date of Rating	27 June 2022
Validity of Rating	26 June 2023

Customer service excellence

The Bank prioritizes innovation and customer satisfaction by regularly implementing new strategies and products, as well as incorporating customer feedback to improve service quality.

Brand image

Our bank is committed to establishing trust with our stakeholders, consistently meeting their expectations through the combined efforts of our highly qualified employees, experienced management and board, and loyal customer base, which has contributed to our recognition as a reputable financial services brand.

Good governance

SBAC Bank's Board of Directors and experienced management team prioritize good governance structures and practices to ensure regulatory compliance. Since its inception, the bank has adhered to all regulatory requirements.

Expansion of Coverage

SBAC Bank Limited has rapidly expanded its presence across the country, taking into account the financial considerations. The bank had established 110 branches & sub-branches as on 31.12.2022 (113 branches & sub-branches as on 21.05.2023) at various locations of the country, and as part of our goal to digitize services and enhance convenience we have installed 51 ATM booths (62 ATM booths as on 21.05.2023) and 02 CDMs at different places. Recently, we have also initiated Agent Banking operations to extend our services to remote areas though 15 Agent Banking Outlets as on 31.12.2022 (18 agent outlets as on 21.05.2023).

Internal environment and employee satisfaction

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

Risk Absorption & Adoption to Changes

Profit Rate & Foreign Currency Risks:

SBAC Bank Ltd. employs measures to mitigate negative consequences arising from money market volatility, increase in investment demand, increase of import & decrease of export, and slow remittance flow. It adjusts profit rates and monitors foreign exchange price movements to manage its open position and employs hedging techniques. These tactics strengthen its ability to operate as a going concern. We deploy strategies to revise profit rates for any unusual and abrupt change as and when required to manage profit rate risks. The demand of foreign currency payment is mostly backed by exports earnings and remittance. Treasury continuously monitors price movements of foreign exchange and uses various hedging techniques to manage its position in such a way that minimizes risk and maximizes return.

Non-Payment Risk:

SBAC Bank has a strong financial background with no history of non-payment, a solid ADR policy, and efficient liquidity management. The management responds promptly to changes in global financial policies to safeguard the bank's interests. There is no foreseeable risk of non-payment.

Management Risk:

We have a vastly experienced management team, and highly qualified Board of Directors who fulfill their duties through regular meetings. The bank has well-defined codes of conduct, minimizing the risk of management-related issues affecting ongoing operations.

Operational Risk:

The Board of Directors ensures risk-free operations by reviewing policies and procedures. The Internal Control and Compliance Division conducts regular and special audits of branches and departments, and the Audit Committee recommends necessary actions to the board. We have confidence in the bank's continued operation as a going concern.

Business Risk:

Business risk refers to the possibility of experiencing losses or uncertainty in profits due to unexpected events. Our bank has a solid track record of

profitability, and our experienced management team is mindful of potential risks. We are expanding into new areas by offering Islamic Banking windows and agent banking services. Our subsidiary, SBAC Bank Investment Limited, offers a wide range of investment banking services. Our risk management team works to identify and mitigate various types of risks, including business risk.

Portfolio Management Risk:

With their vast experience, unparalleled skills and capabilities, our management team carefully evaluates every project, identifies associated risk factors, and closely monitors performance with great accuracy. They work under the continuous supervision and timely guidance of the Board to ensure that portfolio management risks are minimized to a significant extent.

Credit/Investment Risk:

If a bank's clients fail to meet their obligations, the bank's profitability can decrease. Our management team has subdivided the credit division to better serve corporate, SME, and retail segments, analyze credit risk factors, and prioritize customer relationship management. Our Asset Liability Management, Credit Administration, and Legal & Recovery teams work together to minimize risk and maximize profitability by ensuring better investments and timely loan recovery.

Existing and Potential Regulations

Banks in Bangladesh operate under regulations set by regulatory bodies such as the Bangladesh Bank, and Bangladesh Securities and Exchange Commission (BSEC). The Bank Company Act, 1991 (amended up to 2018), Companies Act 1994 (amended up to 2020), Income Tax Ordinance 1984, and other relevant regulations govern the activities banks. Changes to the related policies, regulations by the regulatory authorities may impact the banking industry as a whole, but our operations and performance are not expected to be significantly affected unless there is a regulatory change that affects the entire industry.

Response to National/ Global Policy Changes

Government monetary and fiscal policy changes can affect our company's planning, strategies, and profitability. We monitor these changes closely and act promptly to safeguard our interests as they can have both positive and negative impacts on our bank.

History of non-operation

SBAC Bank Ltd. is a fourth-generation bank that started operations on February 20, 2013, and has completed ten years of uninterrupted banking operations. The bank has an experienced board of directors and a skilled management team, making it efficient and strong for commercial operations. Its financial strength is satisfactory, and the likelihood of it becoming non-operative is minimal.

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

Management of Non-Performing Asset (NPA)

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

NPA has been a severe crisis to the banks in Bangladesh over the years creating a shocking impact on profitability of a bank. So, management is very much concern on efficient management of NPA. South Bangla Agriculture and Commerce (**SBAC)** Bank Ltd, a fourth-generation bank, is no exception to this hazard. SBAC Bank is managing its NPA under Legal Affairs and Recovery Division (LARD).

Cause of Concern

There are practices of following "***ever greening***" the bad loan by making fresh advances to defaulting borrows. This is an unethical practice which prolonging the bad loans resulting true position are not reflected in the Balance Sheet. SBAC Bank Ltd. never doing such unethical practice rather we are very much transparent.

Major causes of NPA's

- Inaccurate selection of good borrowers as well as actual requirements.
- Inaccurate assessment of creditworthiness of potential borrowers.
- Failure to identify capacity of the borrower to run the business successfully.
- Failure to assess inherent risks (Financial, business, management & security risk) in the business and its mitigating factors.
- Lack of proper utilization of fund.
- Diversion of fund.
- Lack of supervision, follow-up and monitoring process.
- Faulty security as well as imperfect charge documents.
- Political influence and pressures while sanctioning and rescheduling the loan.
- Time consuming legal system causing delay in recovery resulting bad borrowers taking the advantage.
- Directed/targeted lending towards priority and neglected areas.
- Purpose of loan not properly ascertained resulting bad borrower getting scope of diversion of funds.
- Project appraisal not properly evaluated in case of project financing.
- Successor not considered properly when loan extended.
- Willful defaulters and frauds.
- External cause like industrial recession/sickness, natural calamities, changes in government policies etc.
- Inadequate risk management practice.
- Moral degradation of borrowers.

Effective measures to manage NPA

Preventive measures:

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

Corrective measures:

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

Rescheduling:

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

Legal:

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

Write off (WO):

When the Bank considers an account to be no longer collectable, it will "**Write off**" the account i.e., the amount is removed from the asset portion of a balance sheet and recorded as an expense item on the income statement or adjusted against provision. Legal action will continue though loan is classified. Finally, when WO loan is realized, the realized amount (if any) will be treated as income of the bank.

NPA Classification as per Bangladesh Bank Guide Line

All credit that exists in the port-folio to be grouped in the class of unclassified (UC), Special Mention Account (SMA), Sub-Standard (SS), Doubtful (DF)and Bad/Loss (BL) according to their overdue nature.

Treatment of Interest under classification

Interest on loans and advances classified as SS and DF to be charged as usual and the unpaid accrued interest amount to be transferred to **"Interest Suspense account"** instead of income account. On the other hand, interest realized out of Interest suspense to be taken as income. The charging of interest will be suspended whenever a loan will be classified as Bad/Loss (BL).

Provisioning for NPA

Bangladesh Bank (BB) has specific guide lines to maintain provisions at different rates for different categories of classification against operating profit. BB guidelines are as follows:

SI	NPA status	Required rate of Provision**
01	UC	0.25% to 2%
02	SS	5% to 20%
03	DF	20% to 50%
04	B&L	100%

** **Note:** • Base for Provision = Balance Outstanding-Interest Suspense- Eligible Security.

• Required Provision for Substandard (SS) Cottage Micro Small (CMS) Loan is 5% and other than CMS Loan is 20%. Whereas required provision for Doubtful CMS Loan is 20% and other than CMS Loan is 50%

Impact of NPA on Bank:

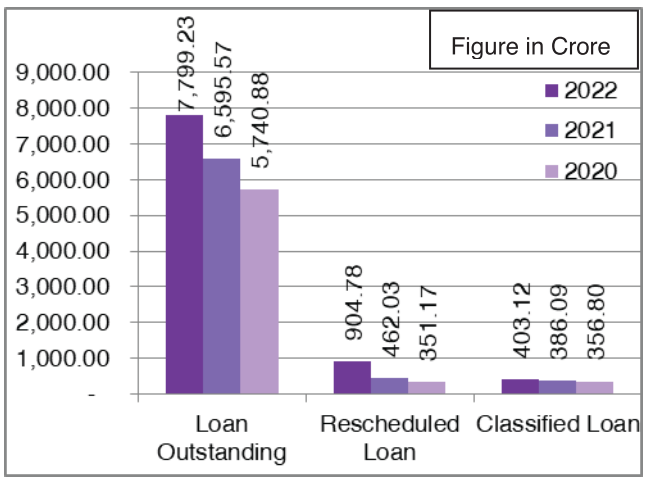
NPA affects the profitability, liquidity and the competitiveness of a bank. NPAs impose a double burden, firstly reducing profit because of maintaining provision and secondly reducing further landing capabilities resulting slowdown growth of the bank.

Functions of LARD

LARD is a dedicated division in managing NPA's. LARD has reconstituted Task Force (TF) with senior management team. Functions of LARD is as follows:

- Regular review of non-performing or worse loan accounts to determine Account Action Plan/Recovery strategy to realize said loan.
- Pursue all options to maximize recovery.
- Ensure adequate and timely loan loss provisions are made based on actual and expected losses.
- Initiate legal actions against defaulted borrowers and all out support to the branches in this respect.
- Maintenance of database of defaulted and slow-moving accounts of the branches, and providing advices branches time to time for strengthening monitoring process to avoid classification.
- Providing report to higher authority of the bank and to Bangladesh Bank as per their requirement.

NPL comparing to loans and advances at SBAC Bank for last three years:



SBAC Bank is constantly trying to reduce its NPA burden in their portfolio. We need to come out with realistic approach and detailed plan for different strategies for different cases. We know prevention is better than corrective measures. So, SBAC Bank now is practicing all out preventive measures at the time of selection and assessment of borrower, sanctioning loans, close monitoring and follow up of business and borrowers. Hopefully, as an outcome of collective effort of branches and LARD, Legal steps and Negotiations, and proper guideline of Board and Top Management, NPA size of the bank will be gradually decreasing to a desired level.

STRATEGIC PLAN FOR 2023

Banking sector in Bangladesh is passing a delicate time with customers and clients having lesser trust and lack of confidence with their asset. Regaining their trust through systematic approaches and actions will be the utmost priority for the bank. Considering the present situation we have set our strategic priorities and action plan of the bank for 2023 as under:

- Improvement of customer service further through putting the whole entity under surveillance, ensuring uniform, courteous and helpful response from the front line staff, developing ability of officers/staff to identify special customer segments and handle them separately, arranging regular customer feedback programs for identification of action areas to monitor and improve service levels.
- To install meritocracy & accountability based human resources is the core focus in 2023 for us. Right people must be placed in the right place. Extensive Human Resource Evaluation & Performance based & Accountable HR will be implemented. As per categorization of branch and its organogram effective manpower will be deployed for the maximum benefits.
- To update strategies and programs to upgrade our human resources & their professional skills to meet the challenges of ever-changing customer demands and attitudes.
- Streamlining Credit Approval Process by ensuring proper credit risk analysis so that NPA can be kept at minimum level.
- Maintaining a better asset quality of the bank is a huge challenge now-a-days. So, a robust recovery plan has been formulated for the recovery of problematic loans, regular administering and effective monitoring have been installed to ensure that no more fresh loans and advances shall turn into non-performing asset, as well as efficient & effective risk management system has been introduced to confirm for sustainable business growth.
- To initiate robust recovery drive through restructuring of recovery and legal team at head office, imposing recovery target on respective branches and quarterly review of their achievement, introducing reward program for the officials against recovery performance of classified loan, and arranging exit plan for the unsatisfactory customers.
- To achieve sustainable investment & funding target through formation of MIS unit for tracking and faster delivery of business proposals, revision of credit policy, formulation/ revision of PPG of new loan products, maximum utilization of re-finance scheme of Bangladesh Bank, focusing on RMG, other export, backward linkage (deemed export), and reviewing of loan & advance portfolio on quarterly basis.
- To achieve sustainable business growth through maintaining stable, well-assorted deposit management, adroit management of asset & liability portfolio, conservative advance-deposit ratio, increasing operational efficiency & security, enhancing fee & commission-based income, reducing operational cost, upgrading customer service, ensuring merit-based human resource, installing innovative solutions, and utilizing alternative delivery channels etc.
- To mobilize deposit through launching special products for remittance senders and freelancers & special campaign for school banking account, forming dedicated deposit marketing team at head office for CASA Deposit & introduction of premium accounts etc., cash management team for Corporate Deposit, and facilitating expansion of Digital Banking Products, i.e. Bangla Pay, Mobile Apps based Account Opening etc. & expansion of islamic banking wing, agent outlets as well, and collection of tuition fees, Utility collection i.e. TITAS, WASA, DESCO, BRTA, REB, etc., Corporate Salary Account, etc.
- Expansion of foreign currency business by setting export target achievement policy such as imposition of significant growth target to top 10 big branches, hunting some big export clients within short time, and enhancement of LDBP Business, whereas remittance target must be achieved through more agreements with exchange houses, priority service to remittance clients, forming special remittance collection unit/ team. To identify opportunity in the thrust sectors like pharmaceuticals and IT Company.
- Minimization of Cost & Maximization of Profit through putting budgetary control at every level of operation is one of our major focus for 2023 considering the recent world economic scenario.
- In order to boost financial inclusion and accelerate the economic activities in distant and rural regions the bank will establish more technology-driven sub-branches. We focus on engaging more alternative delivery channels like agent banking outlets in 2023 to accelerate our drive for financial inclusion by widening the coverage of banking services.
- To strengthen the digital financial services and ensure diversification of products by introducing IT based innovative products and engaging alternative delivery channels. To attain this objective further emphasize on card and other forms of digital business will be ensured, more near field communication (NFC) card will be purchased, instant debit card will be Introduced and ultimately our card systems will be upgraded further.
- To be more cautious regarding combating AML & CFT issues. All types of regulatory requirements will have to be followed meticulously.
- Focusing on enhancement of brand identity of the bank through material & virtual branding programmes such as digital branding, e-marketing, social media-facebook, website, etc.

On behalf of the Board of Directors



Abdul Kadir Molla
Chairman


এজেন্ট ব্যাংকিং
SBAC BANK
গ্রামে গঞ্জে সবখানে..
এসবিএসি ব্যাংক এজেন্ট ব্যাংকিং এখন
গ্রামে গঞ্জে সবখানে
24/7
বিস্তারিত জানতে কল করুন 16327

Chapter 06

GOVERNANCE REPORTS



Certification on Corporate Governance Code

Hoda Vasi Chowdhury & Co
Chartered Accountants

Annexure-B
[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of South Bangla Agriculture and Commerce Bank Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by South Bangla Agriculture and Commerce Bank Limited (the "Bank") for the year ended on 31 December 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

(a) The Bank has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission as explained in Annexure-C;

(b) The Bank has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the Bank as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The Governance of the Bank is satisfactory.

For Hoda Vasi Chowdhury & Co
Chartered Accountants

Shaikh Hasibur Rahman FCA
Partner
ICAB Enrolment Number 1512

Place: Dhaka
Dated: 17 May 2023

National Office : BTMC Bhaban (6th & 7th Floor), 7-9 Karwan Bazar Commercial Area, Dhaka- 1215, Bangladesh
Chattogram Office : Delwar Bhaban (4th Floor), 104 Agrabad Commercial Area, Chattogram-4100, Bangladesh

Corporate Governance Report

Corporate Governance Practices in South Bangla Agriculture and Commerce Bank Limited

Conceptual Framework:

Corporate governance is the structure and process by which companies are directed and governed. It makes companies more accountable and transparent to investors and gives them the tools to respond to stakeholders' concerns. Corporate governance also contributes to development, increased access to capital, encourages new investments, boosts economic growth, and provides employment opportunities.

It is the set of principles, policies, procedures and clearly defined responsibilities, accountabilities and structured administration to overcome the conflicts of interest inherent in the corporate bodies. Corporate in today's business world is subject to a variety of conflicts of interest due to its inherent complexities in forms and structures. Good corporate governance helps companies operate more efficiently, improve access to capital, mitigate risks and safeguard against mismanagement. The objectives of corporate governance is to eliminate or mitigate conflicts of interest particularly those between management and shareholders. From the view point of conflicts of interest, two relationships (between management and shareholders and directors and shareholders) are the primary focus of most of the systems of corporate governance. Board members owe a duty to make decisions based on what ultimately is the best for the long-term interests of the shareholders. In order to do this effectively, Board members need a combination of three things: independence, experience and resources.

Guiding Philosophy of Corporate Governance Practices:

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

Board of Directors:

Board of Directors of South Bangla Agriculture and Commerce Bank Limited comprises competent and professionally skilled persons with a view to formulating policy-guidelines and supervising business activities of the bank efficiently as well as ensuring good governance in the bank. The responsibilities of the Board of directors of the Bank are more important than those of other companies; because in case of a bank-company it is essential to earn and maintain confidence of the depositors as its business is mainly run with the depositors' money.

Our Board of Directors is fully committed to maintaining the highest standard in corporate governance, professionalism and integrity in driving South Bangla Agriculture & Commerce Bank Ltd. to create and deliver long-term sustainable value. In line with the Bank's mission and vision, the Board has continued to ensure that the highest standards in corporate governance are upheld, with a view to enhancing stakeholders' value, increasing investors' confidence, establishing customers' trust in building a competitive organization.

SBAC Bank Ltd. has its own Articles of Association by which Appointment of Directors is governed. Moreover the Bank always complies with the prescriptions of the regulatory authorities regarding appointment of directors. In this connection Circulars of Bangladesh Bank (BB), notification of Bangladesh Securities and Exchange Commission (BSEC), provisions of the Bank Company Act, 1991 (amended up to 2018) and Companies Act 1994 (amended up to 2020) are strictly followed. As on 31.12.2022, the number of the Board members of the Bank was 15 (excluding the managing director & CEO) which complies with the rules and regulations mentioned above.
The following articles are adopted for ensuring good governance regarding constitution of board of directors, their duties & responsibilities and other related activities:

Formation of Board of Directors:

The newly amended Section 15 of the Bank Company Act, 1991 (amended up to 2018) includes provisions for prior approval of Bangladesh Bank before the

appointment of new directors, as well as dismissal, termination or removal of any director from the post; director's fit & proper criteria; maximum number of directors; appointment of independent directors; appointment of maximum number of 04 (four) directors from a family etc. The Board of Directors of our bank is formed as per provisions of laws.

Composition:

All directors of the Board are non-executive directors. As per section 15(9) of the Bank Company Act 1991 (amended up to 2018) and BSEC's notification BSEC/CMRRCD/2006-158/207/Admin/80, dated: 3 June 2018 on Corporate Governance Code we have co-opted 03 (Three) Independent Directors and the approval of another Independent Director is pending before Bangladesh Bank. The Chairman has been independent of the CEO, and has been in practice from the inception of SBAC Bank Limited.

Selection and Appointment of New Directors:

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

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

The directors are selected by the shareholders in the Annual General Meeting. Casual vacancies, if any, are filled up by the Board in accordance with the provision of the Companies Act 1994 (amended up to 2013) and Articles of Association of the Bank.

Under section 15(4) of the Bank Company Act, 1991 (amended up to 2018), prior approval is taken at the time of appointment of directors from Bangladesh Bank and along with the application following documents are submitted:

a) Personal information of the nominated person (Appendix-ka);
b) Nominated person's declaration (Appendix-kha);
c) Declaration of confidentiality by the nominated person (Appendix-ga);
d) In case of Independent director, the approval letter from Bangladesh Securities and Exchange commission;
e) In case of Independent director, a declaration of the director concerned as per Appendix-gha (he will also submit declaration under Appendix-ka, kha & ga);
f) CIB report of the nominated person;
g) Updated list of the directors.

Retirement and Re-election of Directors:

As per section 91(2) of the Companies Act 1994 (amended up to 2013), regulation 78-82 of First Schedule of the Companies Act 1994 and Article 101(2) of Articles of Association of the Bank, each year one-third of the Directors retire from office and being eligible, may offer themselves for re-election by shareholders at the Annual General Meeting (AGM).

Independent Director:

As per BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, 1/5th of total number of Directors should be Independent Directors. But as per section 15(9) of the Bank Company Act 1991 (amended up to 2018) Independent Directors shall be maximum 03 (three).

Vacation of office of Director:

a) The office of a director shall be vacated as per provision specified in section 108 (1) of the Companies Act, 1994 (amended up to 2013). Besides if any director becomes defaulter and does not repay the loan within two months after getting a notice under section 17 of the Bank Company Act, 1991 (amended up to 2018), provides false statement at the time of appointment or fails to fulfill the minimum eligibility criteria, the office of the director will be vacated;
b) If the office of a director is vacated by a notice under section 17 of the Bank Company Act 1991(amended up to 2018), the person will not be eligible to become a director of the bank for one year from the date of repayment of the total amount due to the bank. It is mentionable here that the dues can be adjusted with the shares held by the director in the respective bank. When a director receives a notice under section 17 of the Bank Company Act, 1991 (amended up to 2018), he/she cannot transfer his/her shares of that bank until he/she repays all the liabilities of the notifying bank or financial institution;
c) Besides, Bangladesh Bank can remove a director or chairman of the Bank for conducting any kind of activities that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can suspend the Board of a Banking Company under Section 47 of the Bank Company Act, 1991(amended up to 2018).

Removal of Directors from office:

According to section 106 of the Companies Act, 1994 (amended up to 2013), with the prior approval of Bangladesh Bank, directors may be removed from his office for the reason specified in its Articles of Association. For this purpose, the reason and grounds of the dismissal/removal and copy of the decision of the shareholders and list of directors should be

submitted to Bangladesh Bank. In this case, the removal will be effective from the date of Bangladesh Bank's approval. A director so removed shall not be re-appointed as a director by the Board of Directors.

Appointment of Alternate Director:

Subject to compliance of section 101 of the Companies Act, 1994 (amended up to 2013), the Board of Directors may appoint alternate directors to act for a director during his absence for a continuous period of not less than three months from Bangladesh. In this context, the following instructions are followed:

a) Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original director. If there is any exception, the chief executive officer should immediately inform it to Bangladesh Bank.

b) The copy of the decision of the Board regarding appointment of alternate director, with original director's probable date of returning from abroad, is sent to Bangladesh Bank within 07 days of taking the decision and the director's arrival date is intimated to Bangladesh Bank immediately after his/her return.

c) Any loan defaulter or any person who is not eligible to become a director as per any rules & regulation shall not be appointed as an Alternate Director.

d) As appointment of alternate director is a temporary measure, therefore, he/she is not included in any kind of committee constituted by the Board.

e) While in the office, an alternate director or his/her affiliated organization will not get any kind of loan facilities from his bank. In case of previous loan, enhancement of limit or extension of time period or any kind of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to directors according to rules & regulations will also be applicable to the alternate director.

Information regarding Directors:

As per BRPD Circular No. 11 dated October 27, 2013 our Bank ensures the following regarding directors' information:

a) The Bank keeps an updated list of banks' directors,

b) Bank sends a list of directors' to other banks or financial institutions immediately after the appointment or release of director.

c) The Bank displays a list of directors in the website and updates it on a regular basis.

Role and Responsibilities of the Board:

To ensure good governance in the bank there is a specific demarcation of responsibilities and authorities among controlling bodies over bank's affairs in compliance with provisions of the Bank Company Act, 1991 (amended up to 2018). The newly included Section 15(kha) & (ga) give responsibility to the Board of directors for establishing relevant policies such as policy for investments, procurement of assets, recruitment, risk management, internal controls, internal audit and compliance and for ensuring their implementation.

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

Authority of the Board of Directors:

a) Work-planning and strategic management:

The Board determines the objectives and goals and to this end chalks out strategies and work-plans on annual basis. It specially engages itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural changes and reformation for enhancement of institutional efficiency and other relevant policy matters. It analyzes/monitors, at quarterly rests, the development of implementation of the work-plans.

The Board has its analytical review incorporated in the Annual Report as regards the success/failure in achieving the business and other targets set out in its annual work-plan and apprises the shareholders of its opinions/ recommendations on future plans and strategies. It sets the Key Performance Indicators (KPIs) for the CEO & officers immediate two tiers below the CEO and has it evaluated from time to time.

b) Credit and Risk management:

The policies, strategies, procedures etc. in respect of appraisal of loans/investments proposals, sanction, disbursement, recovery, reschedule and write-off thereof are made with the Board's approval under the purview of the existing laws, rules and regulations. The Board specifically delegates the authority of sanction of loan/investment and such delegations are desirably made among the CEO and other higher executives as much as possible. No directors, however, interfere, direct or indirect, into the process of loan approval.

The Board frames policies for risk management and get them complied with and monitors the compliance at quarterly rests and review the concerned report of the risk management team and incorporates in the minutes of the Board meeting. The Board monitors the compliance of the guidelines of Bangladesh Bank regarding core risks management.

c) Internal control management:

The Board is vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The Board establishes such an internal control system

so that the internal audit process can be conducted independently from the management. It reviews the reports submitted by its audit committee at quarterly rests regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.

d) Human resources management and development:

Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules are framed and approved by the Board. The chairman or the directors in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the Board of directors is included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer & punishment of the officers immediate two tiers below the CEO shall, however, rest upon the Board. Such recruitment and promotion are carried out complying with the service rules.

The Board focuses its special attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loans and investment proposals and to the adoption of latest electronic and information technologies and the introduction of effective Management Information System (MIS). The Board gets these programmes incorporated in its annual work plan.

The Board composes Code of Ethics for every tier and they follow it properly. It promotes healthy code of conducts for developing a compliant culture.

e) Financial management:

The annual budget and the statutory financial statements are finalized with the approval of the Board of Directors. The Board reviews and monitors the positions in respect of bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures on a quarterly basis.

The Board frames the policies and procedures for bank's purchase and procurement activities and accordingly approves the delegation of authority for such expenditures. The maximum possible delegation of such power of expenditure rests on the CEO and higher executives. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be taken with the approval of the Board.

The Board reviews whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.

f) Appointment of Chief Executive Officer (CEO):

Corporate Governance requires segregation of Management from ownership. In order to accomplish the organizational goal, one of the major responsibilities of the Board of Directors is to put in place efficient Management headed by the Managing Director and Chief Executive Officer (CEO). The Board clearly defines the roles, duties and responsibilities of CEO and other top executives appointed by them. While the Board will appoint a CEO, they must make a fit and proper test i.e. regarding the honesty, integrity, efficiency, experience and other attributes of the incumbent. They will also ensure the compliance with provisions of laws in respect of appointment of CEO.

g) Other responsibilities of the Board:

The Board is entrusted with the responsibilities assigned by Bangladesh Bank.

The Board's responsibilities include but not limited to:

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

The Board duly complies with the circulars/guidelines issued by Bangladesh Bank, notifications issued by Bangladesh Securities and Exchange Commission, provisions of the Bank Company Act 1991 (amended up to 2018) and the Companies Act 1994 regarding the responsibility and accountability of the Board, its Chairman and Managing Director.

Code of Conduct for the Board of Directors:

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

The Code of Conduct states:

1. The Members of Board of Directors shall act honestly in good faith and in the best interests of the shareholders and the company.
2. The members shall not make improper use of information acquired as a director.
3. The members shall not take improper advantage of the position as a director.
4. The members will be obligated to be independent in judgment and actions and take all reasonable steps to be satisfied as to the soundness of decision taken by the Board of Directors.
5. Confidential information acquired by the members in the course of exercise of directorial duties shall be treated as the property of the company and it will be improper to disclose or allow it to be disclosed, unless that disclosure has been authorized by the company, or the person from whom the information has been received.
6. Members shall make every effort to attend all Board and Committee Meetings during their tenure. They will not absent themselves without good reasons or without confirming leave of absence.
7. To maximize effectiveness of the Board/Committee Meetings, contribution of individual director shall be monitored and appraised on an annual basis.
8. Board members having interest of any nature in the agenda of the meeting shall declare beforehand the nature of their interest and withdraw themselves from the room unless they have a dispensation to speak.
9. Training opportunities/orientation/workshops will be arranged for the members (especially for the newly inducted members) to make them acquainted with the international best practices, their fiduciary obligations, Code of Conduct etc.
10. Members shall always maintain 'Fit and Proper Test Criteria', clean CIB status and other obligations declared by the Primary and other Regulators.
11. Members shall be judicious about their entitlement of benefits/privileges as per the Bank Company Act 1991 (amended up to 2018) and all circulars issued by Bangladesh Bank and shall be willing to produce supporting documents, if required.
12. Every Director will assure annually signing a confirmation that they have gone through, have complied with and will continue to comply with the set of codes approved by the Board of Directors.

Directors' Remuneration:

Directors are not eligible to any remuneration other than fees for attending meetings of the Board and its Committee. As per BRPD Circular letter No. 11 dated October 04, 2015 and Article 95 of Articles of Association of the Bank, directors are eligible to the remuneration of BDT 8,000 only for each meeting attended by them. The following conditions are applicable as under:

- Meeting should be held in the same town or city where the Bank is head quartered. However, the meetings may be held other places subject to intimation to Bangladesh Bank in advance;
- Remuneration is applicable for 02 (two) meetings of Board of Directors, 04 (four) meetings of Executive Committee (EC) and 01 (one) meeting of Risk Management Committee (RMC), Audit Committee (AC) and NRC Committee Remuneration (NRC) monthly.
- Travel Bill and two days Hotel bill is payable for the directors traveling within the country and three days Hotel bill for directors (foreigners) coming from out of the country subject to submission of bills of actual expenditures to the bank for preserve;

Meeting of Board:

The Board meets as required to discuss business strategies, financial performance, matters pertaining to compliance and good governance as well as reports on matters deliberated by the respective committees. The Board reviews, amongst others, the financial performance of the Bank, risk management and compliance reports and approve the quarterly results of the Bank at its meeting. The meetings of the Board are scheduled in advance for the Directors to plan their schedules. In addition, Special Board meetings may be held when necessary, for decision on major transactions and ad-hoc matters that require the Board's urgent attention and decisions. A Board meeting is held at the beginning of the year to discuss the Bank's Business plan and Budget.

Meeting papers on the proposals and reports are delivered to the Directors prior to the meetings, giving them sufficient time to evaluate the proposals and if necessary, request additional information. This enables the Board to function and discharge their responsibilities effectively. The minimum information required for the Board to make an informed and effective decision includes background, objective, key issues, rationale, financial and non-financial impact of the proposal. Directors who are unable to attend a meeting due to unavoidable circumstances are

encouraged to provide feedback to the Chairman on matters to be deliberated for their views to be given due consideration at the meetings.

Board of directors may meet once or more than once in a month if necessary. But Board of directors meets at least once in every three months. As per provisions of laws notice of the meeting is duly served and quorum is ensured before the meeting in progress. Only the Directors attend the Board Meeting. Other than directors only Managing Director & CEO and the Company secretary attend the Meetings. In this connection BRPD Circular Letter No. 23 dated December 26, 2013 is strictly complied with.

Formation of committees from the Board of Directors:

As per BRPD Circular No. 11 dated: 27 October 2013, and BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 the bank has formed an Executive Committee, an Audit Committee, a Risk Management Committee, and a Nomination and Remuneration Committee. The Board cannot form any other permanent, temporary or sub-committee except the above mentioned committees.

Executive committee (EC):

Executive committee should be formed with the members of the Board to continue the urgent and routine works between the intervals of two board meetings. Executive committee will perform according to their terms of reference determined by the Board of Directors.

Organizational structure:

i) Members of the committee will be nominated by the Board of Directors from themselves;

ii) The Executive Committee will consists of maximum 07 (seven) members;

iii) Members may be appointed for a 03 (three)-year term of office;

iv) Chairman of the Board of Directors may be the chairman of the executive committee;

v) Company secretary of the bank will be the secretary of the executive committee.

Qualifications of the Members:

i) Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director Executive Committee;

ii) Each member should be capable of making valuable and effective contributions in the functioning of the committee;

iii) To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.

Roles and Responsibilities of the Executive Committee:

i) The executive committee can decide or can act in those areas as approved by the Board of Directors and those not specifically assigned on full board through the Bank Company Act, 1991 (amended up to 2018) and other laws and regulations.

ii) The executive committee can take all necessary decisions or can approve cases within power delegated by the Board of directors.

iii) All decisions taken in the executive committee should be placed for ratification in the next board meeting.

Meetings:

i) The executive committee can sit any time as it may deem fit.

ii) The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;

iii) To ensure active participation and contribution by the members, a detailed memorandum should be distributed to the committee members well in advance before each meeting;

iv) All decisions/observations of the committee should be noted in minutes.

Audit Committee:

As per BSEC Notification BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 on Corporate Governance Code and BRPD Circular No. 11 dated October 27, 2013 the Audit Committee of the Board is formed. The current Audit Committee consists of 05 (five) members. The head of internal audit always has direct access to the audit committee and can express his issues in front of the committee. The Audit Committee has a terms of reference and is empowered to investigate/question employees and retain external counsel as required.

The Board will approve the objectives, strategies and overall business plans of the bank and the audit committee will assist the Board in fulfilling its oversight responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

Organizational structure:

i) Members of the committee will be nominated by the Board of directors from the directors;

ii) The audit committee will comprise of maximum 05 (five) members, with minimum 02 (two) independent director;

iii) Audit committee will consist of the directors who are not executive committee members;

iv) Members may be appointed for a 03 (three) year term of office;

v) Company secretary of the bank will be the secretary of the audit committee.

Qualifications of the Member:

i) Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee.

ii) Each member should be capable of making valuable and effective contributions in the functioning of the committee.

iii) To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.

iv) Professionally experienced persons in banking/financial institutions specially having educational qualification in Finance, Banking, Management, Economics, Accounting will get preference in forming the committee.

Roles, Responsibilities and Terms of Reference of the Audit Committee:

Internal Control:

i) Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities.

ii) Review management's actions in computerization of the banking activities.

iii) Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management.

iv) Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authorities and place it before the Board after reviewing whether necessary corrective measures have been taken by the management.

Financial Reporting:

1. Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements arc prepared according to existing rules & regulations, accounting principles and standards enforced in the country such as Bangladesh Accounting Standards, International Accounting Standards, Bangladesh Financial Reporting Standards, International Financial Reporting Standards and as per relevant prescribed accounting standards set by Bangladesh Bank.
2. Discuss with management and the external auditors to review the financial statements before its finalization.

Internal Audit:

i) Audit committee will monitor whether internal audit functions are carried out independently from the management.

ii) Review the activities of the internal audit and the organizational structure and ensure that no unjustified restrictions or limitations hinder the internal audit process.

iii) Examine the efficiency and effectiveness of internal audit functions.

iv) Examine whether the findings and recommendations made by the internal auditors arc duly considered by the management.

External Audit:

i) Review the performance of the external auditors and their audit reports.

ii) Examine whether the findings and recommendations made by the external auditors arc duly considered by the management.

iii) Make recommendations to the Board regarding the appointment of the external auditors.

Compliance with existing laws and regulations:

The Committee shall review whether the laws and regulations framed by the regulatory authorities (Bangladesh Bank, Bangladesh Securities and exchange Commission, Registrar of Joint Stock Companies and Firms and other bodies) and internal regulations approved by the Board are being complied with.

Other Responsibilities:

i) Submission of compliance report to the Board on quarterly basis on regularization of the omissions, frauds and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities.

ii) External and internal auditors will submit item audit report, if the committee solicits.

iii) Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.

Meetings:

i) The audit committee should hold at least 04 meetings in a year and it can sit any time as it may deem fit.

ii) The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary.

iii) To ensure active participation and contribution by the members, a detailed memorandum should be distributed to the committee members well in advance before each meeting.

iv) All decisions/observations of the committee should be noted in minutes.

v) Company secretary of the bank will be the secretary of the audit committee.

Reporting of the Audit Committee:

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

Reporting to the Board of Directors:

The Audit Committee shall report on its activities to the Board of Directors. It shall immediately report to the Board of Directors on the following findings, if any:-

a) Report on conflicts of interests.

b) Suspected or presumed fraud or irregularity or material defect in the internal control system.

c) Suspected infringement of laws, including securities related laws, rules and regulations.

d) Any other matter which shall be disclosed to the Board of Directors immediately.

Reporting to the Authorities:

The Board of Directors will evaluate the findings and recommendation ofthe Audit Committee. If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such findings to the regulatory authorities, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.

Reporting to the Shareholders and General Investors:

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

Risk Management Committee:

To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a risk management committee is formed by the Board of Directors. The present committee comprises 05 (five) members. After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks etc.; the risk management committee shall scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.

Organizational Structure:

i) Members of the committee will be nominated by the Board of directors from themselves;

ii) The Risk Management Committee will comprise maximum 05 (five) members;

iii) Members may be appointed for a 03 (three) year term of office;

iv) Company secretary of the bank will be the secretary of the Risk Management Committee.

Qualifications of the Member:

i) Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;

ii) Each member should be capable of making valuable and effective contributions in the functioning of the committee;

iii) To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.

Roles, Responsibilities and Terms of Reference of the Risk Management Committee:

Risk identification & control policy:

Formulation and implementation of appropriate strategies for risk assessment and its control is the responsibility of Risk Management Committee. Risk Management Committee will monitor risk management policies & methods and amend it if necessary. The committee will review the risk management process to ensure effective prevention and control measures.

Construction of organizational management structure:

The responsibility of Risk Management Committee is to ensure an adequate organizational structure for managing risks within the bank. The Risk Management Committee will supervise formation of separate Risk Management Department and monitor their activities for the compliance with instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication risk including other risks related guidelines.

Analysis and approval of Risk Management policy:

Risk management policies & guidelines of the bank should be reviewed annually by the committee. The committee will propose amendments if necessary and send it to the Boardof Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary.

Storage of data & Reporting system:

Adequate record keeping & reporting system developed by the bank management will be approved by the risk management committee. The committee will ensure proper use of the system. The committee will minute its proposal, suggestions & summary in a specific format & inform the Board of Directors.

Monitoring the implementation of overall Risk Management Policy:

Risk Management Committee will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.

Other responsibilities:

i) Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form;

ii) Comply instructions issued from time to time by the controlling body;

iii) Internal & external auditor will submit respective evaluation report whenever required by the committee.

Meetings:

a) The risk management committee should hold at least 04 meetings in a year and it can sit any time as it may deem fit;

b) The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary;

c) To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;

d) All decisions/observations of the committee should be noted in minutes.

e) Company secretary of the bank will be the secretary of the Risk Management Committee.

Nomination and Remuneration Committee (NRC):

Bank as a legal entity, is guided in its corporate governance practices mainly by two regulatory bodies: The Bangladesh Bank (The Central Bank of Bangladesh) and The Bangladesh Securities and Exchange Commission (BSEC).

As per Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated: 03 June 2018 of Bangladesh Securities and Exchange Commission (BSEC), every company requires to form a Nomination and Remuneration Committee (NRC) as sub-committee of it's board to assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive.

The present Nomination and Remuneration Committee of SBAC Bank Ltd. comprises of 04 (Four) members from the Board of Directors, including 03 (Three) Independent Directors (as on 31.12.2022 the committee had 03 members all of whom were independent members), having required qualifications as determined under the Corporate Governance Code 2018 of BSEC.

Responsibility to the Board of Directors:

a) The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;

b) The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;

c) The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b) of Corporate Governance Code issued by Bangladesh Securities and Exchange Commission.

Formation of he NRC:

a) The Committee shall comprise of at least three members including an independent director;

b) All members of the Committee shall be non-executive directors;

c) Members of the Committee shall be nominated and appointed by the Board;

d) The Board shall have authority to remove and appoint any member of the Committee;

e) In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;

f) The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;

g) The company secretary shall act as the secretary of the Committee;

h) The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;

i) No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Directors' fees or honorarium from the company.

Chairperson of the NRC:

a) The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;

b) In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;

c) The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.

Meeting of the NRC

a) The NRC shall conduct at least one meeting in a financial year;

b) The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;

c) The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);

d) The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.

Role of the NRC:

A. NRC shall be independent and responsible or accountable to the Board and to the shareholders;

B. NRC shall oversee, among others, the following matters and make report with recommendation to the Board:

i) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:

(a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

(b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

ii) Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;

iii) Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;

iv) Formulating the criteria for evaluation of performance of independent directors and the Board;

v) Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and

vi) Developing, recommending and reviewing annually the company's human resources and training policies;

C. The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.

Training for the Directors:

The directors shall make themselves fully aware of the banking laws and other related rules and regulations for performing duties properly. Training is also encouraged for directors by the Board, especially on Corporate Governance. Training is encouraged both at home and abroad. All the Directors participated in a training session organized by the Bank with the resource persons from Bangladesh Bank in the year 2014.

Chairman of the Board of Directors:

The Chairman of the Board is elected to the office of Chairman by the directors. The Board considers that the Chairman is independent.

The Role and Responsibilities of the Chairman:

a) The Chairman of the Board of directors does not personally possess the jurisdiction to apply policy making or executive authority. He/she does not

participate or interfere in the administrative or operational and routine affairs of the bank.

b) The chairman conducts on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the Board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the Board or the executive committee and if deemed necessary, with the approval of the Board, he shall initiate necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the Board along with the statement of the CEO.

c) The chairman may be offered an office-room, a personal secretary/assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business-interest of the bank subject to the approval of the Board.

Besides this, the Chairman may/shall assume any other responsibility if the Board assigns within the purview of the Rules, Regulations, Acts and Articles of the Bank. The Chairman's responsibilities are defined by the Board as directed by BSEC's notification on Corporate Governance Guidelines.

Role of the Chairman and CEO as independent;

The Chairman of the Board is not the Managing Director of the Company. The role of Chairman and the Managing Director are independent and detached from each other.

Role and Responsibilities of the Managing Director (MD) & CEO:

The responsibilities and authorities of the Managing Director are as follows:

i) In terms of the financial, business and administrative authorities vested upon him by the Board, the MD&CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plans, efficient implementation thereof and prudent administrative and financial management.

ii) The CEO shall ensure compliance of the Bank Company Act, 1991 (amended up to 2018) and/or other relevant laws and regulations in discharging routine functions of the bank.

iii) The CEO shall include information on violation of any law, rules, regulation including the Bank Company Act, 1991 (amended up to 2018) while presenting memos before the Board or the committee formed by the Board.

iv) CEO will provide all sorts of information to Bangladesh Bank about the violation of Banking Companies Act, 1991 and/ or any violation of Laws, rules and regulations.

v) The recruitment and promotion of all staff of the bank except those in the two tiers below him shall rest on the CEO. He shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and sanctioned strength of employees as approved by the Board. The Board or the chairman of any committee of the Board or any director shall not get involved or interfere in such affairs. The authority relating to transfer of and disciplinary measures against the staff, except those at two tier below the CEO, shall rest on him, which he shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the Board, he shall nominate officers for training.

Besides, the Managing Director shall assume any other responsibility if the Board assigns within the purview of the Rules, Regulations, Acts and Articles of the Bank.

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

As per BSEC notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969)on Corporate Governance, the Bank appoints a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors clearly defines respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.

Role of the Company Secretary:

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

The responsibilities of the Company Secretary include:

i) To act as the signatory of extracts of minutes of all meetings of the board of directors & it's committees, management committee meetings and all other meetings where he performs the responsibility as secretary.

ii) To act as a point of communication among the management, board of directors, company shareholders.

iii) To ensure the Bank complies with its governing document, policies, company law and any other relevant legislation i.e. regulations of Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Registrar of Joint Stock Companies and Firms, Bourses etc. He will support and advise the Chair by ensuring smooth functioning of the Board. He will work in partnership with the Chief Executive Officer and other Trustees to ensure proper discharge of activities & operations of the Bank.

iv) To support the Chairman in the smooth functioning of the Board. Receive agenda items from management and ensure consented agenda items are tabled at Board meetings. This is done in consultation with the Chief Executive Officer and the Chair who are responsible for preparing Board meeting agenda.

v) In line with Bangladesh Bank guidelines the company secretary has to act as the Secretary to the sub committees of the Board of Directors. In this area of risk mitigation, the Company Secretary has a pivotal role to play in support of the members of the Sub Committees, Board Audit Cell, Audit & Inspection Division, Risk Management Division and Internal Control & Compliance Division.

vi) Act as a custodian of Bank's governing documents and policies. Ensure the Bank pursues its objects as defined in its governing document. He should act as a custodian of the interests of the Bank. So, it is his prime duty to protect and safeguard such interests of the Bank at all levels: statutory, administrative, and arbitrational and in other policy matters. He should also ensure that Board meeting minutes are signed by the Chair once they have been confirmed and copies filed and kept at the Bank.

vii) Ensure the appointment of Bank's board members, that those appointed are not disqualified in law and are eligible to be members under the provisions of the governing documents and policies, and that the appointment procedure laid down in the governing document and policies are followed.

viii) Make sure that the Directors have information to enable them to comply with the decisions and fulfill their responsibilities. This includes organizing the induction of new Directors also.

ix) Ensure that Board meetings are held in compliance with Bank's governing documents and arrangements for the meetings are made.

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

xi) File the annual list of members and summary of share capital together with the authenticated Balance Sheet and the Profit and Loss account. Issue Dividend Warrants, bonus share certificates and make arrangement for disposal of fractional shares, if any.

xii) Maintain strict confidentially of information, manage situations like conflict of interest, identify problems and implement or recommend solutions.

xiii) Maintain and liaise with various associated/regulatory bodies viz. BAB, ABB, Chambers/other bodies, BSEC, BB, RJSC and other regulators.

Roles and Responsibilities of Chief Financial Officer (CFO):

The Chief Financial Officer (CFO) is responsible for:

i) Financial strategy, financial condition and position of the bank.

ii) He will be responsible for successful implementation of financial system as per International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) as applicable, Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), Bangladesh Bank guidelines, the Companies Act 1994 (amended up to 2013), the Bank company Act 1991 (amended up to 2018) and Bangladesh Securities and Exchange Commission (BSEC) Regulations etc.

iii) The CFO will work in close touch with the Managing Director & CEO and report to him.

iv) The CFO will get full executive power and hold charge of Financial Administration Division.

v) He is accountable for the financial, budgeting and Risk Management Operations including the development of financial and operational strategies and monitoring of control systems designed to preserve bank's assets and report accurate financial positions.

Role and responsibilities of ICCD Head:

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

ii) Ensure the quality and adequacy of the organization's internal controls system and risk

management process, and their effectiveness and outcomes.

iii) Overseeing whether the bank is complying with regulatory norms as well as internal policies, processes, procedures, strategies and directives in order to achieve the corporate objectives of the bank.

iv) Design and develop annual audit plan, getting it approved by the bank's competent authority and arrange regular as well as special audit/inspection of Branches and Divisions of the bank as per plan.

v) Develop job routine, constantly explore and assess the high risk areas, conduct special audit and recommend strategies to mitigate risks.

vi) Communicate the irregularities identified to the Board and senior management regularly and propose and take corrective actions for control effectiveness.

vii) Maintain strong ties with central bank officials as an intermediary for the bank to resolve issues safeguarding bank's interest.

viii) Prepare, maintain and archive all documents relating to financial health and risk profiling of bank.

ix) Prepare capital based risk audit framework that allowed streamlining the financial health assessment process.

x) Prepare the occasional and periodic risk reports that communicate the severity of the risk as well as mitigation tools.

xi) Lead the team with full satisfaction optimizing the utilization of resources.

xii) Establish and maintain guidelines for a system of internal control.

Appraisal and evaluation of Board of Directors and Managing Director & CEO:

The performance of Managing Director and CEO has been evaluated by the Board of Directors on a regular interval. There is a few schemes for annual appraisal of the Board's performance till date, but the company is abiding by the Code of Conduct which was formulated by the Board. There is a three year strategic Priorities & Action Plan for the evaluation of the CEO/Management on an annual basis and it is revised from time to time accordingly by the Board.

Management Committee (ManCom):

SBAC Bank Ltd. has a Management Committee (ManCom) to review, discuss and decide on important business issues. In addition to the regular roles and responsibilities, the Committee also governs all related policies and practices in pursuance of the Bank's short and long-term objectives.

The Committee plays an independent role, operating as an overseer; and if required, makes recommendations to the Board of Directors of the Bank for its consideration and final approval for any policy. The role of the Committee is to assist the Board of Directors to ensure that bank is run with good governance. The Committee performs all the functions necessary to fulfill its roles towards the organizational goals.

Certification of CEO and CFO Regarding Financial Statements:

The CEO and CFO shall certify to the Board of Directors that:

a. They have reviewed financial statements for the year.

b. To the best of their knowledge these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

c. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.

d. There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Annexure-C

Compliance Report on Corporate Governance Code of BSEC

[As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1 (1) Size of the Board of Directors	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2) Independent Directors	(a) At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s)	√		The Bank had 15 Directors including 3 Independent Directors. Subsequently the Bank appointed Mr. Mohammad Helal Uddin as a director and Mr. Mosharraf Hossain Chowdhury as Independent Director. The approval is pending with Bangladesh Bank.
	(b) For the purpose of this clause "independent director" means a director-			
	(i) who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	√		
	(ii) who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company	√		
	(iii) who has not been an executive of the company in immediately preceding 2 (two) financial years	√		
	(iv) who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	(v) who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	√		
	(vi) who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
	(vii) who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
	(viii) who is not independent director in more than 5 (five) listed companies	√		
	(ix) who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	√		
	(x) who has not been convicted for a criminal offence involving moral turpitude;	√		
	(c) The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
	(d) The post of independent director(s) cannot remain vacant for more than 90 (ninety) days			No vacancy occurred
	(e) The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only	√		
1(3) Qualification of Independent Director)	(a) Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	√		
	(b) Independent director shall have following qualifications:			
	(i) Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		
	(ii) Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	√		
	(iii) Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or			Not applicable

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	(iv) University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	√		
	(v) Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	√		
	(c) The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
	(d) In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission			Not applicable
1(4) Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive officer	(a) The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	√		
	(b) The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
	(c) The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
	(d) The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		Roles and responsibilities are as per Bangladesh Bank guidelines and service rules of the Bank
	(e) In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1(5) The Directors' Report to Shareholders				
(i)	An industry outlook and possible future developments in the industry	√		
(ii)	The segment-wise or product-wise performance	√		
(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;			Not applicable
(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			Not applicable
(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			Not applicable
(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		Though there is a chronic downturn & stalemate in the economy around the world caused by Russia-Ukrain war, and a serious instability in the financial sector following the unprecedented covid- 19 pandemic, but comparatively the bank has faced a very insignificant amount of variances those occured between Quartely financial performances and annual financial statements.
(x)	A statement of remuneration paid to the directors including independent directors;	√		
(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			Not applicable
(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			Not applicable
(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
	(a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
	(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details;	√		
	(c) Executives;	√		
	(d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
	(a) a brief resume of the director;	√		
	(b) nature of his / her expertise in specific functional areas;	√		
	(c) names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief			
	discussion of changes in the financial statements, among others, focusing on:			
	(a) accounting policies and estimation for preparation of financial statements;	√		
	(b) changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
	(c) comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
	(d) compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;			Financial performance of peer bank are not available
	(e) briefly explain the financial and economic scenario of the country and the globe;	√		
	(f) risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	(g) future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per **Annexure-A**; and	√		
(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per **Annexure-B** and **Annexure-C**	√		
1(6) Meetings of the Board of Directors	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7) Code of Conduct for the Chairperson, other Board members and Chief Executive officer	(a) The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
	(b) The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
2. Governance of Board of Directors of Subsidiary Company				
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	√		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company	√		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
3. Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)				
3(1) Appointment	(a) The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	√		
	(b) The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals			
	(c) The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		
	(d) The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		
	(e) The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	√		
3(2) Requirement to attend Board of Directors' Meetings	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters	√		
3(3) Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)	(a) The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
	(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
	(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		
	(b) The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
	(c) The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		
4. Board of Directors' Committee				
	For ensuring good governance in the company, the Board shall have at least following subcommittees:			
	(i) Audit Committee; and	√		
	(ii) Nomination and Remuneration Committee	√		
5. Audit Committee				
5(1) Responsibility to the Board of Directors				
(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	√		
5(2) Constitution of the Audit Committee				
(a)	The Audit Committee shall be composed of at least 3 (three) members	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
(b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director	√		
(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			Not applicable
(e)	The company secretary shall act as the secretary of the Committee	√		
(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		
5(3) Chairperson of the Audit Committee				
(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	√		
(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes			Not applicable
(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		Shall be invited to remain present
5(4) Meeting of the Audit Committee				
(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee	√		
(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5) Role of Audit Committee				
(a)	Oversee the financial reporting process	√		Role of Audit Committee as per Bangladesh Bank guidelines and services rules of the Bank
(b)	Monitor choice of accounting policies and principles	√		
(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
(d)	Oversee hiring and performance of external auditors	√		
(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
(f)	Review along with the management, the annual financial statements before submission to the Board for approval	√		
(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		
(h)	Review the adequacy of internal audit function	√		
(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√		
(j)	Review statement of all related party transactions submitted by the management	√		
(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	√		
	Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results:			
	Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			
5(6) Reporting of the Audit Committee				
(a) Reporting to the Board of Directors	(i) The Audit Committee shall report on its activities to the Board.	√		
	(ii) The Audit Committee shall immediately report to the Board on the following findings, if any:-			
	(a) report on conflicts of interests;			No such event has been identified
	(b) suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			
	(c) suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	(d) any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			
(b) Reporting to the Authorities	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier			
5 (7) Reporting to the Shareholders and General Investors				
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company			Not applicable
6. Nomination and Remuneration Committee (NRC)				
6(1) Responsibility to the Board of Directors	(a) The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board	√		In addition to the requirement of the bangladesh Bank guideline, NRC has been formed to comply with the Bangladesh Securities and Exchange Commission.
	(b) The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
	(c) The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
6(2) Constitution of the NRC	(a) The Committee shall comprise of at least three members including an independent director;	√		
	(b) All members of the Committee shall be non-executive directors;	√		
	(c) Members of the Committee shall be nominated and appointed by the Board;	√		
	(d) The Board shall have authority to remove and appoint any member of the Committee;	√		
	(e) In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
	(f) The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	√		
	(g) The company secretary shall act as the secretary of the Committee;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	(h) The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
	(i) No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company	√		
6(3) Chairperson of the NRC	(a) The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
	(b) In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
	(c) The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	√		
6(4) Meeting of the NRC	(a) The NRC shall conduct at least one meeting in a financial year;	√		
	(b) The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
	(c) The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
	(d) The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6(5) Role of the NRC	(a) NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
	(b) NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	√		
	(i) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	√		
	(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
	(b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
	(c) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
	(ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	(iii) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
	(iv) formulating the criteria for evaluation of performance of independent directors and the Board;	√		
	(v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
	(vi) developing, recommending and reviewing annually the company's human resources and training policies;	√		
	(c) The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7. External / Statutory Auditors				
The issuer company should not engage its external / statutory auditors to perform the following services of the company; namely:-				
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
	(i) appraisal or valuation services or fairness opinions;	√		
	(ii) financial information systems design and implementation;	√		
	(iii) book-keeping or other services related to the accounting records or financial statements;	√		
	(iv) broker-dealer services;	√		
	(v) actuarial services;	√		
	(vi) internal audit services or special audit services;	√		
	(vii) any service that the Audit Committee determines;	√		
	(viii) audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
	(ix) any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		Shall be invited to remain present
8. Maintaining a website by the Company				
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9. Reporting and Compliance of Corporate Governance				
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the **Annexure-C** attached, in the directors' report whether the company has complied with these conditions or not.	√		

Bangladesh Bank Checklist for Corporate Governance Compliance Report

To ensure good governance i.e. corporate governance in bank management, Bangladesh Bank (BB) issued three circulars in 2013 covering three broad areas as follows:

(A) BRPD Circular No. 11 dated 27 October 2013: Formation and responsibilities of Board of Directors (BoD).

(B) BRPD Circular No. 18 dated 27 October 2013: Appointment and responsibilities of Chief Executive Officer (CEO).

(C) BRPD Circular No. 19 dated 27 October 2013: Contractual appointment of Advisor and Consultant.

The Summary of the BB guidelines and SBACBL Compliance thereto are presented below :

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
(A) BRPD Circular on Formation and responsibilities of Board of Directors (BoD)				
1.	**Formation of Board of Directors (BoD)**			
	Prior approval from Bangladesh Bank to be taken before the appointment of new bank directors, as well as dismissal, termination or removal of any director from the post. Qualification and competency of directors, maximum number of directors of the board, appointment of independent Directors, appointment of maximum 04 (four) members from a family as director.	√		
1.1	**Appointment of New Directors:** Under section 15(4) of the Bank Company Act, 1991 (amended upto 2018), every bank company, other than specialized banks, at the time of taking prior approval from BB while appointing directors should furnish the following information along with the application:			
(a)	Personal information of the nominated person	√		
(b)	Nominated person's declaration	√		
(c)	Declaration for confidentiality by the nominated person	√		
(d)	In case of independent director, the approval letter from Bangladesh Securities & Exchange Commission (BSEC)	√		
(e)	In case of Independent director, a declaration of the directors concern as Appendix-gha (he will also submit declaration under Appendix-ka, kha & ga)	√		
(f)	CIB report of the nominated person	√		
(g)	Updated list of directors	√		
1.2	**Vacation of office of Director:**			
(a)	The office of a director shall be vacated as per the provision of Section 108(1) of the Companies Act, 1994 (Amended up to 2020). Besides, provision of section 17 of Bank Company Act 1991 (Amended up to 2018), providing false declaration at the time of appointment or observing shortfall of qualification as a director.	√		
(b)	If the office of a director is vacated as per section 17 of Bank Company Act 1991 (Amended up to 2018), the person will not be eligible to become a director of the bank or any other bank or any financial institution for one year from the date of repayment of the total amount due to the bank. The dues can be adjusted with the shares held by the director in that bank company and he/she can't transfer his/her shares of that bank until he/she repays all the liabilities of the bank or financial institution.	√		

(c)	Bangladesh Bank can remove a director or chairman of a bank, except state owned banks, for conducting any kind of activities that is detrimental to the interest of the banks depositors or against the public interest under section 46 and can supersede the board of a banking company under section 47 of Bank Company Act 1991 (Amended up to 2018).	√		Not applicable (No Such Case arose)
1.3	**Removal of Directors from office:** With the prior approval of Bangladesh Bank, a bank director other than specialized banks can be removed from his office for the reason specified in its Articles of Association. The reason and grounds of the dismissal/removal and copy of the decision of the board and list of directors should be submitted to Bangladesh Bank. In this case, the removal will be effective from the date of Bangladesh Bank's approval.	√		Not applicable (No Such Case arose)
1.4	**Appointment of Alternate Director:** An alternate director can be appointed to act for a director during his absence for a continuous period of not less than three months from Bangladesh. by fulfilling following instructions:			
(a)	Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original director. If there is any exception, the chief executive officer should immediately inform it to Bangladesh Bank.	√		
(b)	The copy of the decision of the board regarding appointment of alternate director, with original director's probable returning date from abroad should be sent to Bangladesh Bank within 7 days of taking the decision and the director's arrival date must be intimated to Bangladesh Bank immediately after his return.	√		
(c)	Any loan defaulter or any person who is not eligible to become a director as per any rules & regulation will not be appointed as an alternate director.	√		
(d)	As appointment of alternate director is a temporary measure; therefore, he/she will not be included in any kind of committee constituted by the board.	√		
(e)	While in the office, an alternate director or his/her affiliated organization will not get any kind of loan facilities from his bank. In case of previous loan, enhancement of limit or extension of time period or any kind of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to directors according to rules & regulations will also be applicable to the alternate director.	√		
2.	**Information regarding Directors:** Banks are advised to take the following steps regarding directors information:			
(a)	Every bank should keep an updated list of bank directors, after the appointment or release of director.	√		
(b)	Banks should send a directors' list to other banks or financial institutions immediately.	√		
(c)	Banks should display a list of directors in the website and update it on a regular basis.	√		
3.	**Responsibilities of the Board of Directors:** To ensure good governance in the bank management it is essential to have specific demarcation of responsibilities and authorities among controlling bodies over bank affairs. In the Bank Company Act, 1991 (amended upto 2018) the Section 15 (kha) & (ga) give responsibility to the board of directors for establishing policies for the bank company, for risk management, internal controls, internal audit and compliance and for ensuring their implementation.			

3.1	**Responsibilities and Authorities of the Board of Directors**			
(a)	**Work-planning and strategic management:** i. The board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reformation for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor, at quarterly rests, the development of implementation of the work-plans.	√		
	ii. The board shall have its analytical review incorporated in the Annual Report as regards to the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO & officers immediate two tiers below the CEO, and have it evaluated from time to time.	√		
(b)	**Credit and risk management:** i. The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof shall be made with the board's approval under the purview of the existing laws, rules and regulations. The board shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No director, however, shall interfere, direct or indirect, into the process of loan approval.	√		
	ii. The board shall frame policies for risk management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the board meeting. The board shall monitor the compliance of the guidelines of Bangladesh Bank regarding key risk management.	√		
(c)	**Internal control management:** The board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The board will establish such an internal control system so that the internal audit process can be conducted independently from the management. It shall review the reports submitted by its audit committee at quarterly rests regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.	√		
(d)	**Human resources management and development:** i. Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the board. The chairman or the directors shall in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the board of directors shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer & punishment of the officers immediate two tiers below the CEO shall, however, rest upon the board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion.	√		

	ii. The board shall focus its special attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The board shall get these programmes incorporated in its annual work plan.	√		
	iii. The board will compose Code of Ethics for every tier and they will follow it properly. The board will promote healthy code of conducts for developing a compliance culture.	√		
(e)	**Financial management:** i. The annual budget and the statutory financial statements shall be finalized with the approval of the board. It shall at quarterly rests review/monitor the positions in respect of bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.	√		
	ii. The board shall frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power of expenditures shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be adopted with the approval of the board.	√		
	iii. The board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.	√		
(f)	**Appointment of Chief Executive Officer (CEO):** In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the board of directors is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The Board of directors will appoint a suitable CEO with the approval of the Bangladesh Bank.	√		
(g)	**Other responsibilities of the Board:** The board should follow and comply with the responsibilities assigned by Bangladesh Bank.	√		
3.2	**Meeting of Board:** Board of directors may meet once or more than once in a month if necessary. But Board of directors shall meet at least once in every three months. Excessive meetings are discouraged.	√		
3.3	**Responsibilities of the Chairman of the Board of Directors**			
(a)	As the chairman of the board of directors or chairman of any committee formed by the board or any director does not personally possess the jurisdiction to apply policy making or executive authority, he/she shall not participate in or interfere into the administrative or operational and routine affairs of the bank.	√		
(b)	The chairman may conduct on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the board or the executive committee and if deemed necessary, with the approval of the board, he shall effect necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the board along with the statement of the CEO.	√		

(c)	The chairman may be offered an office-room, a personal secretary/assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business-interest of the bank subject to the approval of the board.	√		
4.	**Formation of committees from the Board of Directors:** Each bank company can form 01(One) executive committee, 01(One) audit committee and 01(One) risk management committee with the directors. Board can't form any other permanent, temporary or sub-committee except the above mentioned three committees.	√		Complied as per the circular of Bangladesh Bank, and the Corporate Governance (CG) Code issued by Bangladesh Securities and Exchange Commission (BSEC)
4.1.	**Executive committee:** Executive committee should be formed with the members of the board to continue the urgent and daily or routine works between the intervals of two board meetings. Executive committee will perform according to their terms of reference determined by the board of directors.	√		
(a)	**Organizational structure:** i. Members of the committee will be nominated by the board of directors from themselves;	√		
	ii. The executive committee will comprise of maximum 07 (seven) members;	√		
	iii. Members may be appointed for a 03 (three)-year term of office;	√		
	iv. Chairman of the Board of Directors can be the chairman of executive committee;	√		
	v. Company secretary of the bank will be the secretary of the executive committee.	√		
(b)	**Qualifications of the Members:** i. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;	√		
	ii. Each member should be capable of making valuable and effective contributions in the functioning of the committee;	√		
	iii. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	√		
(c)	**Roles and Responsibilities of the Executive Committee:** i. The executive committee can decide or can act in those cases as instructed by the Board of directors that are not specifically assigned on full board through the Bank Company Act, 1991 (Amended up to 2018) and other laws and regulations.	√		
	ii. The executive committee can take all necessary decision or can approve cases within power delegated by the board of directors.	√		
	iii. All decisions taken in the executive committee should be ratified in the next board meeting.	√		
(d)	**Meetings:** i. The executive committee can sit any time as it may deem fit.	√		
	ii. The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;	√		

	iii. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;	√		
	iv. All decisions/observations of the committee should be noted in minutes.	√		
4.2	**Audit Committee:** The board will approve the objectives, strategies and overall business plans of the bank and the audit committee will assist the board in fulfilling its oversight responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.	√		
(a)	**Organizational structure:** i. Members of the committee will be nominated by the board of directors from the directors;	√		
	ii. The audit committee will comprise of maximum 05 (five) members, with minimum 2 (two) independent directors;	√		
	iii. Audit committee will comprise with directors who are not executive committee members;	√		
	iv. Members may be appointed for a 03 (three) year term of office;	√		
	v. Company secretary of the bank will be the secretary of the audit committee.	√		
(b)	**Qualifications of the Member:** i. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;	√		
	ii. Each member should be capable of making valuable and effective contributions in the functioning of the committee;	√		
	iii. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	√		
	iv. Professionally Experienced persons in banking/financial institutions specially having educational qualification in Finance, Banking, Management, Economics, Accounting will get preference in forming the committee.	√		
(c)	**Roles and Responsibilities of the Audit Committee** **(i) Internal Control:** 1. Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;	√		
	2. Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS);	√		
	3. Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;	√		
	4. Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management.	√		

	(ii) Financial Reporting: 1. Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank;	√		
	2. Discuss with management and the external auditors to review the financial statements before its finalization.	√		
	(iii) Internal Audit: 1. Audit committee will monitor whether internal audit working independently from the management.	√		
	2. Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process;	√		
	3. Examine the efficiency and effectiveness of internal audit function;	√		
	4. Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.	√		
	(iv) External Audit: 1. Review the performance of the external auditors and their audit reports;	√		
	2. Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not.	√		
	3. Make recommendations to the board regarding the appointment of the external auditors.	√		
	(v) Compliance with existing laws and Regulations: Review whether the laws and regulations framed by the regulatory authorities (central bank and other bodies) and internal regulations approved by the board are being complied with.	√		
	(vi) Other Responsibilities: 1. Submit compliance report to the board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities;	√		
	2. External and internal auditors will submit their related assessment report, if the committee solicit;	√		
	3. Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.	√		
(d)	**Meetings:** 1. The audit committee should hold at least 4 meetings in a year and it can sit any time as it may deem fit;	√		
	2. The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;	√		
	3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;	√		
	4. All decisions/observations of the committee should be noted in minutes.	√		

4.3	**Risk Management Committee:** To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a risk management committee will be formed. After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks etc.; the risk management committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.	√		
(a)	**Organizational Structure:** 1. Members of the committee will be nominated by the board of directors from themselves;	√		
	2. The Risk Management Committee will comprise of maximum 05 (five) members;	√		
	3. Members may be appointed for a 03 (three) year term of office;	√		
	4. Company secretary of the bank will be the secretary of the Risk Management Committee.	√		
(b)	**Qualifications of the Member:** 1. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;	√		
	2. Each member should be capable of making valuable and effective contributions in the functioning of the committee;	√		
	3. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	√		
(c)	**Roles and Responsibilities of the Risk Management Committee:** **i) Risk identification & control policy:** Formulation and implementation of appropriate strategies for risk assessment and its control is the responsibility of Risk Management Committee. Risk Management Committee will monitor risk management policies & methods and amend it if necessary. The committee will review the risk management process to ensure effective prevention and control measures.	√		
	ii) Construction of organizational structure: The responsibility of Risk Management Committee is to ensure an adequate organizational structure for managing risk within the bank. The Risk Management Committee will supervise formation of separate management level committees and monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication risk including other risk related guidelines.	√		
	iii) Analysis and approval of Risk Management policy: Risk management policies & guidelines of the bank should be reviewed annually by the committee. The committee will propose amendments if necessary and send it to the Board of Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary.	√		

	iv) Storage of data & Reporting system: Adequate record keeping & reporting system developed by the bank management will be approved by the risk management committee. The committee will ensure proper use of the system. The committee will minute its proposal, suggestions & summary in a specific format & inform the Board of Directors.	√		
	v) Monitoring the implementation of overall Risk Management Policy: Risk Management Committee will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.	√		
	vi) Other responsibilities: 1. Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form; 2. Comply instructions issued time to time by the controlling body; 3. Internal & external auditor will submit respective evaluation report whenever required by the committee.	√		
(d)	**Meetings:** 1. The risk management committee should hold at least 4 meetings in a year and it can sit any time as it may deem fit;	√		
	2. The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary;	√		
	3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;	√		
	4. All decisions/observations of the committee should be noted in minutes.	√		
5.	**Training for the Directors:** The directors shall make themselves fully aware of the banking laws and other related rules and regulations for performing his duties properly.	√		
(B) BRPD Circular on Appointment and responsibilities for appointment of the CEO				
A.	**Rules and regulations for appointing CEO**			
1.	**Moral Integrity:** In case of appointment to the post of Chief Executive, satisfaction in respect of the concerned person should be ensured to the effects that- a) He has not been convicted by any Criminal Court of Law;	√		
	b) He has not been punished for violating any rules, regulations or procedures/norms set by any Controlling Authority;	√		
	c) He was not associated with any such company/organization, registration or licence of which has been cancelled.	√		
2.	**Experience and Suitability:** a) For appointment as chief executive, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years experience in a post immediate below the chief executive of a bank;	√		
	b) He must at least have a Masters degree from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person;	√		

	c) In respect of service, the concerned person should have excellent record of performance;	√		
	d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company;	√		
	e) Any director of any bank or financial institution or any person who has business interest in the bank concerned will not be eligible for appointment to the post of chief executive.	√		
3.	**Transparency and Financial Integrity:** Before appointment as chief executive, satisfaction should be ensured to the effects that: a) The concerned person was not involved in any illegal activity while performing duties in his own or banking profession;	√		
	b) He has not suspended payment to creditors or has not compromised with his creditors to be relieved from debt or he is not a loan defaulter;	√		
	c) He is not a tax defaulter;	√		
	d) He has never been adjudicated as insolvent.	√		
4.	**Age limit:** No person crossing the age of 65 years shall hold the post of CEO of a bank.	√		
5.	**Tenure:** The tenure of the chief executive shall be for atleast 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for that period.	√		
6.	**Guidelines in fixing the salary and allowances:** Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposal to Bangladesh Bank:- a) In fixing the salary and allowances of the chief executive, financial condition, scope of operation, business-volume and earning capacity of the bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration.	√		
	b) Total salary shall be comprised of direct salary covering 'Basic Pay' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc.), as far as possible, shall have to be monetized and thus determining monthly total salary, it shall have to be mentioned in the proposal to be submitted to Bangladesh Bank. In the proposal, Basic Pay, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount.	√		
	c) Without improving the bank's major economic indicator like- CAMELS annual salary increment will not be payable.	√		
	d) Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the job performance of the incumbent chief executive.	√		
	e) The Chief Executive so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expense, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above.	√		
	f) The bank shall not pay any income tax for the chief executive, i.e., the chief executive so appointed shall have to pay it.	√		

7.	**Incentive Bonus:** Subject to the payment of incentive bonuses to all stuffs/employees, the CEO will be eligible to get such bonus. However, the amount of CEO's incentive bonus will not cross Taka 10.00 (ten) lacs per year.	√		
8.	**Honorarium for Board Meeting:** As CEO is a salaried official of the bank, he will not get any honorarium for attending the Board meeting or the meeting of any Committee formed by the Board.	√		
9.	**Evaluation Report:** While reappointing CEO, an evaluation report approved by the board of directors should be submitted to Bangladesh Bank by the chairman of the Board.	√		
10.	**Prior approval from Bangladesh Bank:** Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of the Bank Company Act 1991 (Amended upto 2018). For processing such approval, along with the proposal signed by the chairman of the board, the selected person's complete resume, offer letter (mentioning the direct & indirect remuneration and facilities) and copy of board's approval must be submitted to Bangladesh Bank. The selected person must also submit declarations as per Annexure-ka & Annexure-kha to Bangladesh Bank.	√		
11.	Decision of Bangladesh Bank regarding appointment of CEO will be treated as final and such appointed CEO cannot be dismissed, released and removed from his office without prior approval from Bangladesh Bank.	√		
B.	**Duties and Responsibilities of CEO:** The CEO of the bank, whatever name called, shall discharge the responsibilities and affect the authorities as follows:			
1.	In terms of the financial, business and administrative authorities vested upon him by the board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.	√		
2.	The CEO shall ensure compliance of the Bank Company Act, 1991 (Amended upto 2018) and other relevant laws and regulations in discharging routine functions of the bank.	√		
3.	At the time of presenting any memorandum in the Board Meeting or Board Committee Meeting, the CEO must point out if there is any deviation from the Bank Company Act, 1991 (Amended upto 2018) and other relevant laws and regulations.	√		
4.	The CEO shall report to Bangladesh Bank any violation of the Bank Company Act, 1991 (Amended upto 2018) or of other laws/regulations.	√		
5.	The recruitment and promotion of all staff of the bank except those in the two tiers below him shall rest on the CEO. He shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and sanctioned strength of employees as approved by the board.	√		
6.	The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him, which he shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the board, he shall nominate officers for training etc.	√		

(C) BRPD Circular on Contractual appointment of Advisor and Consultant (Not Applicable)				
A.	**Rules and regulations for Appointment of Advisor**			
1.	**Experience and Suitability:** For appointment as advisor, the concerned person will have to fulfill the following requirements with regard to experience and qualifications:	√		
	a) Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities;	√		
	b) Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person;	√		
	c) Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/Director/Official of any company;	√		
	d) A person who is working in any bank or financial institution or who has business interest in that bank will not be considered eligible for appointment to the post of advisor;	√		
	e) Satisfaction should be ensured that the concerned person is not a loan defaulter or tax defaulter and has never been adjudicated an insolvent by the court.	√		
2.	**Responsibilities:** The responsibilities or terms of reference of advisor should be specified. The Advisor can advise the Board of Directors or the Chief Executive only on those matters that are specified in the appointment letter. Routine works or general works will not be included in his term of reference. He can't exercise any kind of power or can't participate in the decision making process of financial, administrative, operational or any other activities of the bank.	√		
3.	**Prior approval from Bangladesh Bank:** Prior approval from Bangladesh Bank is mandatory before appointing advisor. For such appointment, the justifications of the post of advisor, responsibilities or terms of reference, complete resume of the concerned person, terms of appointment (mentioning remuneration and facilities) and copy of board's approval must be submitted to Bangladesh Bank. The nominated person has to make a declaration as per Annexure-ka. This declaration must be also submitted to Bangladesh Bank.	√		
4.	**Remuneration and other facilities:** The post of advisor is not a fixed or substantive post in the bank's organisation structure. Advisor will not be entitled to salaries and allowances as regular employee except gross amount of remuneration, transport and telephone facilities. Remunerations inconsistent with terms of reference of the advisor will not be considered as acceptable by Bangladesh Bank.	√		
5.	**Tenure:** The tenure of the advisor shall be maximum 01 (One) year, which is renewable. An evaluation report (by the chairman that is approved by the board of directors) of previous tenure should be submitted to Bangladesh Bank along with the re-appointment proposal.	√		
6.	**Appointment of Ex-officials:** For good governance any former director, chief executive or any official will not be eligible to become an advisor in the same bank immediately after his/her retirement or resignation. But, after 1 year from such retirement or resignation he/she will be eligible for appointment as advisor.	√		

B.	Rules and regulations for Appointment of Consultant			
1.	**Terms of Reference:** Consultant can be appointed for specialised tasks like tax, law & legal procedures, engineering & technical works, information technology, etc. Consultants' appointment should be avoided as much as possible for those works that could be done by regular employees of the bank.	√		
2.	**Responsibilities:** The responsibilities or term of reference of consultant should be specified. He/she shouldn't be involved beyond his/her terms of references and he/she can not exercise any kind of power in bank operation or can not participate in the decision making process.	√		
3.	**Appointment:** Consultant can be appointed with the approval of Board of Directors. After such appointment the bank shall send the consultant's complete resume, terms of reference and details of remuneration to Bangladesh Bank immediately.	√		
4.	**Tenure:** The tenure of consultant should be consistent with the terms of reference, but would not exceed 02 (Two) years. Generally, consultant's appointment will not be renewable, but to complete unfinished tasks, the contract can be extended up to maximum 01 (One) year with the approval of Bangladesh Bank. An evaluation report (by the chairman that is approved by the board of directors) of previous period should be submitted to Bangladesh Bank.	√		
5.	**Remuneration/honorarium:** The consultant's remuneration should be in the form of monthly or single lump-sum payment, he is not entitled to any other facilities.	√		
6.	**Appointment of Ex-officials:** For ensuring good governance any former director, chief executive or any official will not be eligible to become a consultant in the same bank immediately after his/her retirement or resignation. But, after 1 year from such retirement or resignation he/she will be eligible for appointment as consultant.	√		

Statement of Appointment, Re-appointment, Employment, & Other Engagements of the Directors

This Disclosure has been given as per the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMMCD/2009-193/09/Admin/117, dated- 22 March 2021.

SL. No.	Name of the Director	First Appointment Date	Last Re-appointment Date	The Primary Employment and Other Engagement including Directorship
1	Mr. Abdul Kadir Molla	20/02/2013	29/09/2020	Thermax Textile Mills Ltd.
				Thermax Knit Yarn Ltd.
				Thermax Spinning Ltd.
				Thermax Blended Yarn Ltd.
				Indigo Spinning Ltd.
				Thermax Melange Spinning Mills Ltd.
				Thermax Yarn Dyeing Ltd.
				Adury Knit Composite Ltd.
				Adury Apparels Ltd.
				Thermax Woven Dyeing Ltd.
				Thermax Yarn Dyed Fabrics Ltd.
				Sister Denim Composite Ltd.
				Thermax Check Fabrics Ltd.
				Thermax Colour Cotton Ltd.
				Sister Garments Ltd.
				Sultana Filling Point Ltd.
				Adury Fashion & Print Ltd.
				Adury Ring Denim Spun Ltd.
				Kadir Molla Medical College & Hospital Ltd.
				Sultana Enterprise
				Sister Denim Composite (Unit-2) Ltd.
2	Al-Haj Mizanur Rahman	20/02/2013	10/05/2017	M R Trading Co.
				Moon Bangladesh Ltd.
3	Mr. Abu Zafar Mohammod Shofiuddin	20/02/2013	29/09/2020	SQ Wire & Cable Co. Ltd.
				SQ Trading & Engineering
				SQ Light Ltd.
				SQ Wood Preservatives
				SQ Energy Ltd.
				SQ Power Solutions
				SQ Properties Ltd.
				SRN Power
				SQ Electricals Ltd.
				Power-Add
				Techno Electricals Ltd.
				TSCO Power Ltd.
				TS Transformers Ltd

SL. No.	Name of the Director	First Appointment Date	Last Re-appointment Date	The Primary Employment and Other Engagement including Directorship
				Building Dreams Ltd.
				SQ Distribution Ltd.
				Microgenix BD Ltd.
				Papiro Ltd.
				Arrow Technology Ltd.
				SQ Denims Ltd.
				SQ Accessories Ltd.
				Petroken Ltd.
				Alliance infrastructure Engineering Pvt. Ltd.
4	Engr. Md. Moklesur Rahman	20/02/2013	29/09/2020	Contech Construction Ltd.
				Pre Stressed Pole Ltd.
				B&T Cables Ltd.
				B&T Cold Storage Ltd.
				B&T Development Ltd.
				B&T Meter Ltd.
				Tushar Ceramics Ltd.
				B&T Transformers Ltd.
				Nexus Securities Ltd.
				BD Game Studio Ltd
				PMJ Asset Management Ltd.
				Smart Meter
5	Mr. Hafizur Rahman Babu	20/02/2013	29/11/2021	Joytun Securities International Ltd.
				Joytun Developers Ltd.
				S.B. Agro Fertilizer Industries Ltd.
				Sheikh Cement Mills Ltd.
				Gold Hill Properties Ltd.
				Sheikh Jute Mills Ltd.
				M/S. Sheikh Brothers
				M/S. Hafizur Rahman Babu
				Sheikh Shipping Lines Ltd.
				Sheikh Agro Food Industries
				Arising Trade International Ltd.
6	Mr. Anwar Hussain	20/02/2013	29/11/2021	SAFAH CNG Refuelling Station Ltd.
				HAR Industries Ltd.
				Abdul Gaffar & Co. (Pvt.) Ltd.
				Asuka CNG Filling Station Ltd.
				AGI Corporation
				AGI Flex Ltd.
7	Mr. Sk. Shyedujjaman, Nominated by Moonstar Ceramic Industries Ltd.	30/12/2015	30/06/2022	Mashiyat Fish Firm
				South East Union Ceramic Industries Ltd.
				AB Siddique & Co.
8	Mr. Mohammad Nawaz	30/12/2015	30/06/2022	Famous Printing & Packaging Ltd.
				Famous Iberchem Flavours & Fragnances Ltd.

SL. No.	Name of the Director	First Appointment Date	Last Re-appointment Date	The Primary Employment and Other Engagement including Directorship
				Famous General Agencies Ltd.
				Matcon limited
				F.S. Printing & Packaging Ltd.
				Green Soap & Chemical Co. Ltd.
				Famous Flavours & Fragnances Ltd.
				Eden Multicare Hospital
				NY Trading
9	Mr. Mohammed Ayub	30/12/2015	30/06/2022	Ayub & Co. Ltd.
				Pioneer Enterprise
				United Enterprise
				Pacific Enterprise
				M/S. Ishmam Enterprise
10	Mst. Nasima Begum, Nominated by Thermax Textile Mills Ltd.	16/07/2016	29/09/2020	Thermax Textile Mills Ltd.
				Thermax Knit Yarn Ltd.
				Thermax Spinning Ltd.
				Thermax Blended Yarn Ltd.
				Indigo Spinning Ltd.
				Thermax Melange Spinning Mills Ltd.
				Thermax Yarn Dyeing Ltd.
				Adury Knit Composite Ltd.
				Adury Apparels Ltd.
				Thermax Woven Dyeing Ltd.
				Thermax Yarn Dyed Fabrics Ltd.
				Sister Denim Composite Ltd.
				Thermax Check Fabrics Ltd.
				Thermax Colour Cotton Ltd.
				Sultana Filling Point Ltd.
				Adury Fashion & Print Ltd.
				Adury Ring Denim Spun Ltd.
				Kadir Molla Medical College & Hospital Ltd.
				Sister Garments Ltd.
				Sister Denim Composite (Unit-2) Ltd.
11	Mr. Md. Sajidur Rahman	06/05/2019	24/07/2022	Indo-Bangla Trading
				US-DK Green Energy (BD) Ltd.
				Lenden Ltd.
12	Professor Mohammad Moqbul Hossain Bhuiyan	22/06/2021	-	Professor, Department of Management Information System (MIS), University of Dhaka.
13	Mr. Mohammad Helal Uddin, * Nominated by: TBO Trade Ltd.	19/12/2021	30/06/2022	N/A
14	Mr. Mushfiqur Rahman, Nominated by M/S. Contech Construction Ltd.	20/02/2013	30/06/2022	Contech Construction Ltd.
				Pre-stressed Pole Ltd.
				B & T Poles Ltd.

SL. No.	Name of the Director	First Appointment Date	Last Re-appointment Date	The Primary Employment and Other Engagement including Directorship
				B & T Cables Ltd.
				B & T Cold Storage Ltd.
				B & T Development Ltd.
				B & T Meter Ltd.
				Tushar Ceramics Ltd.
				B & T Tranformers Ltd.
				Nexus Securities Ltd.
				BD Game Studio Ltd.
				PMJ Asset Management Ltd.
				BD Game Studio
15	Mr. Mohammad Nazmul Huq, Nominated by Techno Electricals Ltd.	07/02/2022	30/06/2022	Vicar International
				Vicar Concrete Products Ltd.
				Vicar Electricals Ltd.
				Arrow Technology
16	Mr. Ziaur Rahman Zia FCA	16/11/2021	-	Partner, A. Qasem & Co., Chartered Accountants
17	Mr. Mohmmad Mahbubor Rahman, Nominated by Intec Solution	13/04/2023	-	CEO, Intec Solution
18	Mr. Md. Emdadul Hoque, Nominated by T & A International	13/04/2023	-	N/A

* Mr. Mohammad Helal Uddin, one of the directors of the Board, was nominated by Hazi Shakhawat Anwara Eye Hospital Ltd. and appointed as nominated director for the first time being approved by the Bangladesh Bank on 19-12-2021. Thereafter, as Hazi Shakhawat Anwara Eye Hospital Ltd. withdrawn its nomination from the Board of the Bank, then the Board of Directors approved the nomination of Mr. Mohammad Helal Uddin by TBO Trade Ltd. as a nominated director. Thus Mr. Uddin has been appointed as director (nominated by TBO Trade Ltd.) for the last time on 30-06-2022 being approved by the Bangladesh Bank.

Report of the Nomination and Remuneration Committee (NRC) of the Board

Bank as a legal entity, is guided in its corporate governance practices mainly by two regulatory bodies: The Bangladesh Bank (The Central Bank of Bangladesh) and The Bangladesh Securities and Exchange Commission (BSEC).

As per Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated: 03 June 2018 of Bangladesh Securities and Exchange Commission (BSEC), every company requires to form a Nomination and Remuneration Committee (NRC) as sub-committee of it's board to assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive.

According to the requirements & in accordance of the aforesaid notification of the commission, the Board of Directors of South Bangla Agriculture and Commerce Bank formed the Nomination and Remuneration Committee (NRC) in it's 110th meeting held on 30th November, 2020.

Major Purpose of the Nomination and Remuneration Committee (NRC)

The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positiveattributes, experiences an independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive.

Roles and Responsibilities of the Nomination and Remuneration Committee (NRC)

(a) To be independent and responsible or accountable to the Board and to the shareholders;

(b) NRC shall oversee, among others, the following matters and make report with recommendation to the Board:

(i) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:

(a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

(b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

(ii) Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;

(iii) Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;

(iv) Formulating the criteria for evaluation of performance of independent directors and the Board;

(v) Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and

(vi) Developing, recommending and reviewing annually the company's human resources and training policies;

(c) To disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.

Composition of the Nomination and Remuneration Committee(NRC)

The Nomination and Remuneration Committee of SBAC Bank Ltd. comprises of 03 (Three) members from the Board of Directors all of those are Independent Directors, having required qualifications as determined under the Corporate Governance Code 2018 of BSEC. During the period from 01-01-2022 to 31-12-2022 the Committee has the following members:

Sl. No.	Name	Status with the Bank	Status with the Committee	Educational Qualification
01.	Mr. Md. Sajidur Rahman	Independent director	Chairman	M.Com. (Marketing)
02.	Professor Mohammad Moqbul Hossain Bhuiyan	Independent director	Member	MBA
03.	Ziaur Rahman Zia FCA	Independent director	Member	

Meeting of the Nomination and Remuneration Committee (NRC)

During the year 2022, 01 (One) Meeting of the Nomination and Remuneration Committee was held where the Terms of Reference (ToR) for the NRC was reviewed & elaborately discussed by the Committee. The particulars of attendance of the members of the Nomination and Remuneration Committee are given below:

Sl. No.	Name	Status with the Committee	Meeting Held during 2022	Meeting Attended
01.	Mr. Md. Sajidur Rahman	Chairman	01	01
02.	Professor Mohammad Moqbul Hossain Bhuiyan	Member	01	01
03.	Ziaur Rahman Zia FCA	Member	01	01

The Minutes of the meeting, containing various suggestions and recommendations to the management and the Board, was placed subsequently to the Board Meeting complying with the regulatory directives.

Performance of the NRC During 2022

The Nomination and Remuneration Committee (NRC) took following decisions in it's only meeting held in 2022:

- In it's 5th Meeting held in 27.12.2022, the members of the Nomination and Remuneration Committee (NRC) reviewed the Terms of Reference (ToR) for the Committee to assess whether the committee has performed it`s responsibility properly and if it has fulfilled it`s role as prescribed in the ToR. The committee evaluated the performance of the directors and top level executives if their performance is matching with the appropriate performance benchmarks and their remuneration is fair enough to bring out the efforts from them.
- In the same meeting, the Committee recommended the board for appointing investor director in the NRC for more effective & further dynamic performance of the committee.

Acknowledgement

The Nomination and Remuneration Committee (NRC) expresses it's heartfelt thanks to the members of the Board of South Bangla Agriculture and Commerce Bank Limited for it's excellent co-operation in the course of carrying out the duties & responsibilities of the committee. The NRC also expresses satisfaction for the support extended by the management in performing the roles assigned on the committee.

On Behalf of the Nomination and Remuneration Committee (NRC) of the Board.



Md. Sajidur Rahman

Chairman, NRC of the Board.

Report of the Audit Committee (AC) of the Board

The Audit Committee has the pleasure of presenting to the Shareholders / Members the report for the year ended December 31, 2022, prepared in Compliance with paragraph 5(7) of Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 titled as Corporate Governance Code.

The Audit Committee (AC) is acting as a bridge among the Board of Directors to protect the interest of the stakeholders. The AC undertakes its responsibilities to engage in systematic and continuous review, monitoring and assessment of organizational performance against evolving regulatory requirements. Its roles and responsibilities were defined in line with the Corporate Governance Circulars of Bangladesh Bank and the Notifications of Bangladesh Securities and Exchange Commission (BSEC).

Main Objectives of Audit Committee:

- To assist the Board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plans set by the Board.
- To review the financial reporting process and effectiveness of the internal control process.
- To assess the effectiveness of overall processes and procedures for monitoring compliance with laws and regulations, code of business conduct and to check the compliance status of the inspection report of Bangladesh Bank.

Constitution of Audit Committee:

As per BRPD Circular No.11 dated October 27, 2013 and Corporate Governance Code of BSEC the composition of the Audit Committee of a bank shall comply with the followings:

- Members of the committee shall be selected from among the directors of the board.
- Audit Committee of the board shall comprise maximum 05 (five) members including at least 2 (two) members from independent directors;
- Audit Committee shall be constituted with those members of the Board, who are not Executive Committee Members.
- Members may be elected for a term of 03 (three) years.
- Company Secretary of the Bank shall be the secretary of the Committee.

The present Audit Committee (AC) of the Board was duly reconstituted by the Board of Directors of the Bank in its 138th meeting held on March 08, 2022 in compliance with BRPD Circular no. 11 dated October 27, 2013 and Corporate Governance Codes issued by Bangladesh Securities and Exchange Commission (BSEC). The previous Audit Committee was reconstituted by the Board of Directors in its 129th and 99th meeting held on October 31, 2021 and December 30, 2019 respectively.

The Audit Committee of the Bank reconstituted on March 08, 2022

SL.	Name	Status with the Bank	Status with the committee	Educational Qualification	No. of meetings held in 2022	No. of meetings attended in 2022
1	Mr. Md. Sajidur Rahman	Independent Director	Chairman	M.Com (Marketing)	5	5
2	Mr. Abu Zafar Mohammod Shofiuddin	Director	Member	M.com (Marketing)	5	5
3	Mr. Sk. Shyedujjaman *	Director	Member	MBA	5	5
4	Professor Mohammad Moqbul Hossain Bhuiyan *	Independent Director	Member	M.Com (Management), MBA	5	5
5	Mr. Ziaur Rahman Zia FCA **	Independent Director	Member	M.Com (Accounting)	5	4

* Appointed as member on October 31, 2021

**Appointed as member on March 08, 2022

Roles and responsibilities of Audit Committee:

The roles and responsibilities of AC have been defined in line with the relevant provisions of Corporate Governance Guidelines / Notification issued by Bangladesh Bank and Bangladesh Securities and Exchange Commission and other best practices of governance. Some important roles and responsibilities are highlighted below:

Internal Control:

- Evaluate whether the bank management is adhering to appropriate risk management, compliance, governance practices and have a clear understanding of their respective roles and responsibilities;
- Review whether arrangements made by the management for developing and maintaining a suitable Management Information System (MIS);
- Monitor whether suitable suggestions made by internal and external auditors to improve internal control practices have been duly implemented by the management.
- Review the existing risk management policy and procedures to improve the health and efficiency of the investment portfolio;
- Review the corrective measures taken by the management relating to fraud-forgery, deficiency in internal control or other similar issues detected by internal and external auditors and Bangladesh Bank and inform the Board regularly.

Financial reporting:

Review, before submission to the Board for approval, periodic financial statements to determine whether they are complete and consistent with applicable accounting and reporting standards set by respective governing bodies and regulatory authorities.

- Consult with management and external / statutory auditors to review annual financial statements or any other ad-hoc financial reports before their finalization.

Internal Audit:

- Evaluate whether internal audit functions are truly independent.
- Review the activities, structure, and style of internal audit functions to ensure that no unjustified restrictions or limitations are imposed.
- Review and assess the annual internal audit plan.
- Review the efficiency and effectiveness of the internal audit function.
- Review and ensure those appropriate recommendations made by internal auditors to remove irregularities, if any, are duly acted upon by concerned personnel in running the affairs of the Bank.

External Audit:

- Make recommendations to the Board, to be put to shareholders for approval in the AGM, concerning the appointment, re-appointment and removal of the Bank's external auditors. The committee shall oversee the selection process of new auditors and shall investigate any issue that might have led auditors to resign.
- Oversee the relationship with the external auditors including:
  - Recommendation of remuneration, i.e., fees for audit or non-audit services.
  - Annually assessing their independence and objectivity, taking into account relevant professional and regulatory requirements.
  - Ensuring that there are no relationships such as family, employment, investment, financial or business between the auditor and the bank with exception to circumstances under the ordinary course of business.
- The Committee meets the external auditor at least once a year, without management being present; to discuss their remit and any issues arising from the audit.
- Review the findings and recommendations made by the external auditors regarding irregularities, if any, detected are duly acted upon by the management.

Compliance with existing laws and regulations:

Review whether the laws and regulations framed by the regulatory authorities (Central Bank, BSEC, and other bodies) and internal circular/instructions/policy/regulations approved by the Board and management have been duly complied with.

Miscellaneous:

The Audit Committee submits a 'Compliance Report' on quarterly basis to the Board mentioning any errors and irregularities, fraud and forgery, and other anomalies pointed by internal and external auditors of the Bank.

Meeting of the committee:

The Committee held 5 (five) meetings in 2022 against minimum requirement of 4 (four) meetings in a year. The committee, from time to time invited the Managing Director, the Head of Internal Control & Compliance Department discussed and reviewed the findings and suggestions on various issues by the auditors and advised the management to take necessary measures. All recommendations/ observations of the committee

were recorded in minutes. The meetings held in 2022 were as under:

Sl. No.	Meetings	Date of Meeting
1.	45th Audit Committee Meeting	12 January 2022
2.	46th Audit Committee Meeting	21 April 2022
3.	47th Audit Committee Meeting	27 July 2022
4.	48th Audit Committee Meeting	26 September 2022
5.	49th Audit Committee Meeting	25 October 2022

Major Activities of Audit Committee in 2022:

The major areas focused by the Audit Committee of the Board during 2022 are outlined below:

- Reviewed the annual financial statements of the Bank as on / for the year ended 31 December 2021 as certified by the External Auditor before submission to the Board for consideration.
- Reviewed the Management Report on the Bank for the year ended 31 December 2021 submitted by the External Auditors, Hoda Vasi Chowdhury & Co., Chartered Accountants and its subsequent compliance thereof.
- Reviewed the unaudited quarterly (Q1, Q2 and Q3) financial statements of the Bank for the year 2022 before submission to the Board for consideration.
- Reviewed the compliance status of Self Assessment of Anti-Fraud Internal Controls under DOS Circular Letter No. 10 dated 09 May 2017 of Bangladesh Bank.
- Reviewed the Annual Health Report for the year 2021 of the Bank.
- Reviewed the status of classified loans and overdue loans of the Bank.
- Reviewed and approved the 'Annual Audit Plan' for the year 2022.
- Reviewed the Initial Public Offering (IPO) Proceeds Utilization Report as on 31 December 2021.
- Reviewed the Audited Financial Statement of SBAC Investment Ltd., as on 31 December 2021.
- Reviewed the short list of External Auditors.
- Reviewed the Delegations of Financial Power of SBAC Bank Ltd.
- Reviewed the Business Delegation Power of Managing Director & CEO.
- Reviewed the overall effectiveness of the control system of SBAC Bank Ltd.
- Reviewed the Comprehensive Inspection Report, Special Inspection Report, Inspection Reports of SBAC Bank's Branches issued by Bangladesh Bank and subsequent compliance by management thereof.
- Reviewed the compliance status of core risks of the Bank and related risk level of its branches, departments of the Bank.

The Minutes of the Audit Committee meetings containing various suggestions and recommendations to the management are duly placed to the Board for ratification on regular basis.

The Audit Committee expresses its sincere gratitude to the Members of the Board of Directors of the Bank, Management and the Auditors for their cooperation while performing the duties and responsibilities of the Committee.

On behalf of the Audit Committee,

Md. Sajidur Rahman
Chairman
Audit Committee of the Board

Report of the Risk Management Committee (RMC) of the Board

Taking risk is an integral part of financial intermediation and banking business. Therefore, there is no alternative but to ensure sound risk management practices for surviving in the competitive environment. Considering the issue South Bangla Agriculture and Commerce Bank Limited is trying to develop an integrated and institution-wide risk culture, based on a full understanding of the risks it faces and how they are managed, considering risk tolerance and appetite and in line with bank's risk policies and procedures.



A sound risk culture encourages effective risk management, promotes sound risk-taking and ensures that risk-taking activities beyond the institution's risk appetite are recognized, assessed, reported, and addressed in a timely manner. Weaknesses in risk culture are often the root cause for occurrence of significant risk events, financial institution failures, and financial crisis. In this context Bangladesh Bank has issued six core risks management guidelines, risk based capital adequacy guideline and stress testing guideline to ensure robustness, efficiency and effectiveness of risk management systems for the Banking sector. Besides, Bangladesh Bank has issued revised Risk Management Guidelines for Banks on October 08, 2018. This guideline promotes an integrated, bank-wide approach to risk management which will facilitate banks in adopting contemporary methods to identify measure, monitor and control risks throughout their institutions.

South Bangla Agriculture & Commerce Bank (SBAC) is committed to its stakeholders to attain a sustainable business growth commensurate with its strategies and policies. To this end, the Bank has adopted Core Risk Management policy issued by Bangladesh Bank and is implementing those meticulously. In this context, SBAC Bank has prepared Risk Management Guidelines of the Bank which was approved by the Board of Directors of the Bank in its 134th meeting held on December 27, 2021 and Bank follows the guidelines for risk identification, measurement, assessment and to minimize the risk of the Bank.

SBAC Bank is increasingly focusing on development of appropriate risk management framework for managing risks of the bank. Risk Management Division (RMD) has been set up in the Bank headed by Chief Risk Officer. This department monitors and reports various types of risks and develops appropriate risk culture in the Bank. Major activities of RMD include preparing half yearly Comprehensive Risk Management Report which indentifies and measures potential risks in Bank's activities and portfolios, monthly Risk Management Report, performing Stress Testing, processing of manuals, developing various risk models, acting as operational layer for Internal Capital Adequacy Assessment Process, arranging meeting of Board Risk Management Committee and apprise the Board/ Risk Management Committee of the Board about the identified risks and management's recommendations to address the risks. Besides as per instruction of Bangladesh Bank DOS Circular Letter No.04 dated October 08, 2018 and subsequent DOS Circular Letter no. 03 dated January 24, 2023, Risk Management Division prepares Risk Appetite of the Bank considering the key risk areas which is approved by the Board of Directors of the Bank in its 159th meeting held on 28 February, 2023.

Board Risk Management Committee:

As per directives of Bangladesh Bank circular no. 11 dated November 27, 2013, SBAC Bank formed a Risk Management Committee consisting of 5 (five) members of the Board of Directors. The members of the committee are given below:

Sl. No.	Name of Directors	Position of the Committee
1	Mr. Mohammad Nazmul Huq	Chairman
2	Mr. Mohammed Ayub	Member
3	Mr. Mohammad Helal Uddin	Member
4	Mr. S.K. Shyedujjaman	Member
5	Mr. Mushfiqur Rahman	Member

Chief Risk Officer (CRO) and Executive Risk Management Committee (ERMC) of the Bank:

Mr. Md. Abdul Matin, Deputy Managing Director of the Bank, is serving as the Chief Risk Officer (CRO) of the Bank as per the instruction given by Bangladesh

Bank through DOS Circular no. 04 dated October 08, 2018. The Bank has also formed an Executive Risk Management Committee headed by Mr. Matin, Deputy Managing Director & CRO of the Bank along with other related divisional heads as the member of the committee.

Risk Management Division:

In compliance with Bangladesh Bank letter no. DOS (RMMS) 1154/1/SBAC/2013-397 dated December 02, 2013, SBAC formed a separate 'Risk Management Department' under Chief Risk Officer to ensure following activities in Bank:

- Establishment of risk management policies and procedures and review it annually to sound practice of the Bank;
- Preparation of SRP Policy of the Bank to maintain sufficient capital;
- Arrangement of meeting of Executive Risk Management Committee, preparation of minutes of the meetings & distribution of the same to the members;
- Preparation of the monthly Risk Management Report of the Bank on monthly basis and submit the same before management and Bangladesh Bank within the prescribed time;
- Preparation of the Comprehensive Risk Management Report of the Bank on half yearly basis and submit the same before management and Bangladesh Bank within the next month of each half year;
- Preparation of the stress testing report of the Bank on quarterly basis and submit the same before management and Bangladesh Bank (on quarterly basis) within the following month after the end of quarter;
- Preparation of ICAAP report and submit it to the Bangladesh Bank within May 31 of each year;
- Preparation of the Risk Appetite Statement of the Bank for sound risk management practice, place it before the Board of Directors of the Bank for approval and submit it to the Bangladesh Bank within February of each year;
- Preparation of the Board/ Audit Committee of the Board/ Risk Management Committee of the Board memo related to Risk Management issues;
- Look after the portfolio of loans and advances of the bank and analyze the risk related to credit concentration;
- Revision of the overall risk policy, including a consideration of whether any revisions are required;
- Preparation of risk management disclosure in the annual report;

Capital Assessment under Basel-III:

Capital Assessment of the Bank is based on the objective of maintaining an adequate capital base to support the projected business and regulatory requirement. This is done by drawing an annual planned business growth vis-à-vis capital requirement.

Capital Position of SBAC Bank Limited:

As per directives of the Bangladesh Bank, every bank is required to maintain capital at 12.50% including buffer capital of its risk-weighted assets under Basel-III or Tk.400.00 crore whichever is higher for the year 2022. The Common Equity Tier-1 (CET-1) capital should be minimum 4.50 percent of total capital. SBAC Bank maintained total eligible capital Tk. 1,114.86 crore as on 31.12.2022 which was 1,083.00 crore as on 31.12.2021. The Capital to Risk Weighted Asset Ratio of the Bank was 13.78% as on 31.12.2022 of which CET-1 was 13.23%. As on 31.12.2021, CRAR of the Bank was 13.91%. So, SBAC Bank maintains excess capital as per requirement of Bangladesh Bank and the bank stands on strong capital base.

Capital to Risk Weighted Assets Ratio (CRAR):

As per guidelines of Risk Based Capital Adequacy (RBCA) of Bangladesh Bank, every scheduled bank should maintain Capital to Risk Weighted Assets Ratio including buffer capital of 12.50% of Risk Weighted Assets (RWA). Under this requirement, Capital to Risk Weighted Asset Ratio of the Bank stood at 13.78% of RWA as on 31.12.2022. While calculating Risk Weighted Assets, Credit Risk, Market Risk and Operational Risk are taken into consideration.

Stress Testing:

Stress Testing is a risk management technique used to evaluate the potential effects of Bank's financial condition of a specific event and/or movement in a set of financial variables. It is also an integral part of the Capital Adequacy Framework. The traditional focus of stress testing relates to exceptional but plausible events. SBAC Bank performs quarterly basis stress testing within the scope of Bangladesh Bank FSD circular no. 01 dated September 24, 2012.

Comprehensive Risk Management Report:

In compliance with Bangladesh Bank, Risk Management Division prepares Risk Management Report (RMR) & Comprehensive Risk Management Report and presents it before Executive Risk Management Committee on monthly basis & half yearly basis respectively for taking necessary steps to

mitigate various risks which are being submitted to Bangladesh Bank in time.

Internal Capital Adequacy Assessment Process (ICAAP) Report:

Internal Capital Adequacy Assessment Process (ICAAP), including an evaluation of the bank's preferred risk profile, the actual risks identified, the means by which they will be mitigated, and what risks will be covered by capital. The ICAAP reporting must be approved by the Board of Directors of the banks before submitting to Bangladesh Bank. The information provided in the ICAAP reporting will be verified by Inspection Departments of Bangladesh Bank. In the year 2022 SBAC Bank sent the ICAAP Report and Supplementary Documents to the Bangladesh Bank based on December 31,2021 after approval of the Board of Directors. Besides the ICAAP Report based on December 2022 will be submitted in time.

Key Risk Indicator (KRI)/ Risk Register:

The KRI is one of the effective tools for comprehensive risk management that shall be maintained by the bank to identify the key business and financial risks, to define and implement respective controls/mitigating factors to reduce the risks faced by the bank. We are in the process of implementing Risk Register for ensuring better management of the risk indicators. The Risk Management Division of the Bank has suggested for rating of each risk element by-

- the chance of the risk happening – **'likelihood'**
- the amount of loss or damage if the risk happened – **'impact' (consequence)**

A risk matrix has been developed combining likelihood and impact in order to obtain a risk score. How the risk score is derived can be seen from the following risk matrix:

LIKELIHOOD						
	Frequent (5)	Low	Medium	High	Extreme	Extreme
	Very Likely (4)	Low	Medium	High	High	Extreme
	Likely (3)	Low	Medium	Medium	High	High
	Unlikely (2)	Low	Low	Medium	Medium	Medium
	Very Unlikely (1)	Low	Low	Low	Low	Low
	What is the Chance it will Happen?	Negligible (1)	Minor (2)	Moderate (3)	Considerable (4)	Major (5)
		IMPACT				
		How Serious is the Risk?				

Preparedness in Implementation of Basel-III:

Basel III reforms are the response of Basel Committee on Banking Supervision (BCBS) to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spillover from the financial sector to the real economy. These new global regulatory and supervisory standards mainly address the following areas:

- Raise the quality and level of capital to ensure banks are better able to absorb losses on both a going concern and a gone concern basis;
- Increase the risk coverage of the capital framework;
- Introduce leverage ratio to serve as a backstop to the risk-based capital measure;
- Raise the standards for the supervisory review process (Pillar 2); and

Public disclosures (Pillar 3) etc.

Bangladesh Bank vide BRPD Circular No. 18 dated December 21, 2014 issued Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel-III). The Bank's implementation status of Basel-III guidelines is as under:

Particulars	Basel-III required for 2022	Bank Position	Remarks
Minimum Common Equity Tier-1 (CET-1) Capital Ratio	4.50%	13.23%	Excess 8.73%
Minimum CET-1 plus Capital Conservation Buffer (Buffer 2.50%)	7.00%	13.23%	Excess 6.23%
Minimum Tier-1 Capital Ratio	6.00%	13.23%	Excess 7.23%
Minimum Total Capital Ratio	10.00%	13.78%	Excess 3.78%
Minimum Total Capital plus Capital Conservation Buffer	12.50%	13.78%	Excess 1.28%
Phase – in of deduction from Tier-1: Excess Investment over 10% of a bank's equity in the equity of Bank	100.00%	Nil	-
Phase – in of deduction from Tier-2 Revaluation Reserve (RR): RR for Fixed Assets, Securities and Equity	100.00%	Nil	-
Leverage Ratio	3.00%	9.19%	Excess 6.19%
Liquidity Coverage Ratio	≥ 100%	101.26%	Excess 1.26%
Net Stable Funding Ratio	> 100%	182.63%	Excess 82.63%

From the above it appears that SBAC Bank is trying to manage all risks relating to its activities and services efficiently and effectively as well as improving the risk management rating of the Bank. Risk Management Rating will have a significant effect on its CAMELS rating. Besides, this rating plays an important role in getting branch license, AD license and permission for dividend declaration etc. for banks. In this context, the meetings of Risk Management Committee of the Board, Executive Risk Management Committee and SRP Team of the Bank were held as per regular basis and risk management division discharged their responsibilities as per instructions/ guidelines of the meetings of the Risk Management Committees of the Bank.

On behalf of the Risk Management Committee,

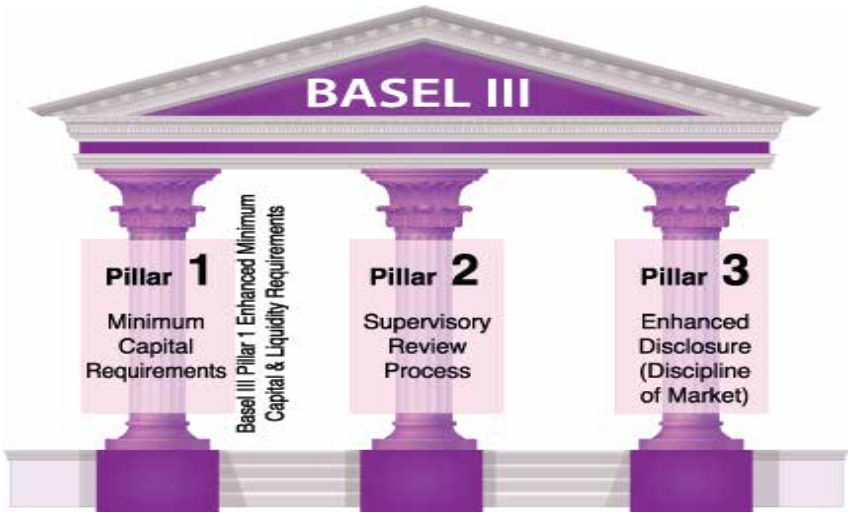


Mohammad Nazmul Huq
Chairman
Risk Management Committee (RMC) of the Board

Disclosure on Risk Based Capital under Basel-III

As on 31 December 2022

The purpose of Market Discipline in Basel III is to complement the minimum capital requirements and the supervisory review process. The aim of introducing Market Discipline is to establish a more transparent and more disciplined financial market so that stakeholders can assess the position of a Bank regarding the holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets. For the said purpose, South Bangla Agriculture & Commerce Bank Limited (SBACBL) has developed a set of disclosures called "Disclosures on Risk Based Capital (Basel III)" which contains a key piece of information on the assets, risk exposures, risk assessment process, and hence the capital adequacy to meet the risks in accordance with Bangladesh Bank guidelines.



01. Scope of Application:

Qualitative Disclosure		
a)	The name of the top corporate entity in the group to which this guideline applies;	**South Bangla Agriculture & Commerce Bank Limited (SBACBL)**
b)	An outline of differences in the basis of consolidation for accounting & regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated, (b) that are given a deduction treatment, and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted);	The disclosure made in the following sections has addressed SBACBL as a single entity (Solo Basis) as well as a consolidated entity (Consolidated Basis), the scope of which is as under: • 'Solo Basis' refers to all positions of the Bank including the Offshore Banking Unit. • 'Consolidated Basis' refers to all positions of the Bank and its Subsidiaries. **The Consolidated Financial Statements of SBACBL include the Financial Statements of:** • South Bangla Agriculture & Commerce Bank Limited • SBAC Bank Investment Limited A brief description of the Bank and its subsidiaries is given below:

		South Bangla Agriculture & Commerce Bank Limited (SBACBL) **SBACBL** was formed as a public limited banking company incorporated in Bangladesh with the primary objective to carry on all kinds of banking business in and outside Bangladesh. South Bangla Agriculture and Commerce Bank Limited (the Bank) is a scheduled commercial bank. Incorporated as a public limited company under the Companies Act 1994, the Bank obtained a license from Bangladesh Bank on 25th March 2013 and started its banking business on 28th April 2013. The number of branches was 86 (eighty six) and sub-branches were 24 (Twenty four) as on 31 December 2022 all over Bangladesh. The principal activities of the Bank are to carry on all kinds of commercial banking business in Bangladesh. **Offshore Banking Unit** The Off-shore Banking Unit (OBU) of the Bank is a separate business entity governed by the applicable rules & regulations and guidelines of Bangladesh Bank. The Bank obtained permission for conducting the activities of OBU under reference letter no. BRPD (03)/744(127)/2020-5140 dated 15 July 2020 of Bangladesh Bank. The Bank started the operation of OBU on 22 October 2020. The number of OBU was one as on 31 December 2022, located at International Division, Head Office, and 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. **Subsidiaries of South Bangla Agriculture & Commerce Bank Limited:** The Bank has 01 (One) Subsidiary company as on 31 December 2022 – 1) SBAC Bank Investment Limited (SBACBIL). SBAC Bank Investment Limited (SBACBIL). SBAC Bank Investment Limited is a Subsidiary Company of SBAC Bank Limited incorporated as a Private Limited Company by the Registrar of Joint Stock Companies and Firms vide certificate of incorporation no.C-169950/2021 dated 21 March 2021 under the Companies Act-1994. The main objective of the company is to act as a full-fledged Stock Broker & Stock Dealer to execute buy and sell orders and to maintain its own portfolio as well as customers' portfolios under the discretion of customers. Registered office of SBACBIL is located at BSC Tower, 2-3 Rajuk Avenue, Motijheel, C/A, Dhaka - 1000, Bangladesh.
c)	Any restrictions, or other major impediments, on the transfer of funds or regulatory capital within the group;	Not applicable.
Quantitative Disclosure		
d)	The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) is included in the capital of the consolidated group;	Not applicable.

2.00 Capital Structure:

Qualitative Disclosure		
	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1, or Tier 2;	In accordance with the Risk Based Capital Adequacy Guidelines issued by Bangladesh Bank in December 2014, the Capital Structure of the Bank is categorized into two Tiers – 1) Tier I and 2) Tier II. The components of the total regulatory capital are enumerated as under: 1. Tier 1 Capital (going-concern capital) a. Common Equity Tier 1 b. Additional Tier 1 2. Tier 2 Capital (gone-concern capital) **Tier 1 Capital: (Going-concern capital)** Going-concern capital is the capital which can absorb losses without triggering the bankruptcy of the Bank. As such, from a regulatory capital perspective, Tier 1 capital is the core measure of a Bank's financial strength. **As per the guidelines of Bangladesh Bank, CET-1 Capital is comprised the following:** a) Paid up capital b) Non-repayable share premium account c) Statutory reserve d) General reserve e) Retained earnings f) Dividend equalization reserve g) Minority interest in subsidiaries, i.e. common shares issued by consolidated subsidiaries of the Bank and held by third parties. **Additional Tier 1 (AT 1) Capital consists of the following items:** a) Non-cumulative irredeemable preference shares b) Instruments issued by the Bank that meet the qualifying criteria for AT 1 (The instrument is perpetual i.e. there is no maturity date) c) Minority Interest, i.e., AT 1 issued by consolidated subsidiaries to third parties. **Tier 2 Capital: (Gone-concern capital)** Gone-concern capital is the capital which will absorb losses only in a situation of liquidation of the Bank. Gone-concern capital is also called Tier 2 capital. Gone-concern capital represents other elements which fall short of some of the characteristics of the core capital but contribute to the overall strength of a bank. **Tier 2 Capital consists of the following items:** a) General provisions; (maximum 1.25 % of risk weighted assets) b) All other preference shares c) Subordinated debt/instruments issued by the Bank that meet the qualifying criteria for Tier 2 capital; (Minimum original maturity of at least five years) d) Minority interest i.e. Tier 2 issued by consolidated subsidiaries to third parties; As per the guidelines of Bangladesh Bank, Tier-1 capital of SBACBL consists of (i) Fully paid-up capital, (ii) Statutory reserve, (iii) General reserve, (iv) Retained earnings and (v) Minority interest in subsidiaries.

Quantitative Disclosure

The amount of regulatory capital of the Bank as on 31 December 2022 is stated below:

BDT in Crore (where applicable)

Sl.	Particulars	Solo	Consolidated
1	Tier 1 (Going-concern capital)		
1.1	**Common Equity Tier 1 (CET 1)**		
1.1.1	Paid-up capital	816.03	816.03
1.1.2	**Non-repayable share premium account**	**-**	**-**
1.1.3	Statutory reserve	220.49	220.49
1.1.4	**General reserve**	**-**	**-**
1.1.5	Retained earnings	35.81	39.03
1.1.6	**Dividend equalization reserve**	**-**	**-**
1.1.7	Minority interest in subsidiaries	-	0.04
1.1.8	**Sub-total (1.1.1 to 1.1.7):**	**1,072.34**	**1,075.60**
1.2	Less: Regulatory Adjustment		
1.2.1	**Goodwill and all other intangible assets**	**2.33**	**3.38**
1.2.2	Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	1.81	1.81
1.2.3	**Sub-total (1.2.1 to 1.2.2):**	**4.14**	**5.19**
	Total Common Equity Tier (CET) -1 Capital (1.1.8-1.2.3)	1,068.20	1,070.41
1.3	**Additional Tier 1 (AT 1)**		
1.3.1	Non cumulative irredeemable preference shares	-	-
1.3.2	**Instruments (perpetual in nature)**	**-**	**-**
1.3.3	Minority interest; i.e. AT1 issued by consolidated subsidiaries	-	-
	Sub-total (1.3.1 to 1.3.3):	**-**	**-**
	Total Tier 1 Capital (CET 1 + AT 1)	1,068.20	1,070.41
2	**Tier 2 (Gone-concern capital)**		
2.1.1	General provision	44.45	44.45
2.1.2	**Subordinated debt**	**-**	**-**
2.1.3	Revaluation reserve	-	-
2.1.4	**Sub-total (2.1.1 to 2.1.3)**	**44.45**	**44.45**
2.2	Less: Regulatory Adjustment		
2.2.1	**Subordinated Bond – cross holding**	**-**	**-**
2.2.2	Revaluation Reserve	-	-
2.2.3	**Sub-total (2.2.1 to 2.2.2)**	**-**	**-**
	Total Tier 2 Capital (2.1.4-2.2.2)	44.45	44.45
	Total Eligible Capital (Tier 1 + Tier 2)	**1,112.65**	**1,114.86**

3.00 Capital Adequacy:

Qualitative Disclosure		
a)	A summary discussion of the Bank's approach for assessing the adequacy of its capital to support current and future activities;	**Methodology of Capital Adequacy Determination:** The Bank has computed the Capital to Risk Weighted Ratio (CRAR) adopting the following approaches: a. Standardized Approach for Credit Risk to Compute Capital to Risk Weighted Ratio under Basel III, using national discretion for: • Accepting the credit rating agencies as External Credit Assessment Institutions (ECAI) for claims on corporate and eligible SME customers. • Accepting Credit Risk Mitigation (CRM) against the financial securities. b. Standardized (rule based) Approach for Market Risk and c. Basic Indicator Approach for Operational Risk. **Assessment of the Adequacy of Capital:** For assessing Capital Adequacy, the Bank has adopted a Standardized Approach for Credit Risk measurement, a Standardized (Rule Based) Approach for Market Risk measurement, and Basic Indicator Approach for Operational Risk measurement. The Bank focuses on strengthening risk management and control environment rather than increasing capital to cover up weak risk management and control practices. SBACBL has been generating most of its incremental capital from retained profit (stock dividend and statutory reserve transfer etc.) to support incremental growth of Risk Weighted Assets (RWA). Besides meeting regulatory capital requirements, the Bank maintains adequate capital to absorb material risk foreseen. Therefore, the Bank's Capital to Risk Weighted Assets Ratio (CRAR) remains consistently within the comfort zone. During the year 2022 the CRAR ranges from 13.17 % to 13.72% on a consolidated basis and from 13.23% to 13.78% on a solo basis against a minimum requirement of 10% (12.50% including Capital conservation buffer) of Risk Weighted Assets (RWA). Basel unit is taking active measures to identify, quantify, manage and monitor all risks to which the Bank's is exposed to.

Quantitative Disclosure

The Capital Requirement and Capital to Risk Weighted Asset Ratio (CRAR) of the Bank as on 31 December 2022 are as under:

BDT in Crore (where applicable)

Particulars	Solo		Consolidated	
	Requirement	Maintained	Requirement	Maintained
Capital Maintained against requirement for credit risk	694.73	914.96	689.09	911.89
Capital Maintained against requirement for market risk	34.96	46.04	38.02	50.31
Capital Maintained against requirement for operational risk	81.39	107.20	81.77	108.21
Total capital requirement under Pillar-I	**811.08**	**1,068.20**	**808.88**	**1,070.41**
Total capital Maintained against requirement under Pillar-I considering conservation buffer	**811.08**	**1,112.65**	**808.88**	**1,114.86**
Capital to risk weighted assets ratio (CRAR)	**10.00%**	**13.72%**	**10.00%**	**13.78%**
Common equity Tier-1 capital to risk weighted assets ratio	**4.50%**	**13.17%**	**4.50%**	**13.23%**
Tier 1 capital to risk weighted assets ratio	**6.00%**	**13.17%**	**6.00%**	**13.23%**
Tier 2 capital to risk weighted assets ratio	**-**	**0.55%**	**-**	**0.55%**
Capital conservation buffer	**2.50%**	**3.72%**	**2.50%**	**3.78%**
Available capital for Pillar 2	**-**	**44.45**	**-**	**44.45**

4.00 Credit Risk:

Qualitative Disclosure

The general qualitative disclosure requirement with respect to credit risk, includes:

a) Definitions of past due and impaired (for accounting purposes);

As per relevant guidelines of Bangladesh Bank, the impaired loans and advances are defined on the basis of (i) Objective / Quantitative criteria and (ii) Qualitative judgment. For this purpose, all loans and advances are grouped into four (4) categories namely- (a) Continuous Loan (b) Demand Loan (c) Fixed Term Loan, and (d) Short-term Agricultural & Micro Credit.

Definition of past due/overdue:

To define past due and impairment through classification and provisioning, the bank follows Bangladesh Bank Circulars and Guidelines. Accordingly, any **Continuous Loan** if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date. Any **Demand Loan** if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date. Whereas in case of any instalment (s) or part of instalment (s) of a **Fixed Term Loan** is not repaid within the fixed expiry date, the amount of unpaid instalments (s) will be treated as past due/overdue after six months of the expiry date. The summary of objective criteria for loan classification and provisioning requirements is as below:

Definition of impaired/classified / non-performing loans and advances are as follows:

	Loans Classification		
Type of Facility	**Sub Standard (Overdue Period)**	**Doubtful (Overdue Period)**	**Bad & Loss (Overdue Period)**
Continuous Loan & Demand Loan	**Other than CMS *:** 3 months or more but less than 9 months.	**Other than CMS:** 9 months or more but less than 12 months.	**Other than CMS:** 12 months or more.
	CMS: 6 months or more but less than 18 months.	**CMS:** 18 months or more but less than 30 months.	**CMS:** 30 months or more.
Fixed Term Loan [1]	**Other than CMS:** 3 months or more but less than 9 months.	**Other than CMS:** 9 months or more but less than 12 months.	**Other than CMS:** 12 months or more
	CMS: 6 months or more but less than 18 months.	**CMS:** 18 months or more but less than 30	**CMS:** 30 months or more.
Short Term Agricultural & Micro Credit	12 months or more but less than 36 months	36 months or more but less than 60 months	60 months or more

***CMS means Cottage, Micro and Small credits defined in SMESPD Circular No. 02 dated 05, September 2019.**

b) Approaches followed for specific and general allowances and statistical methods;

As per the guideline of Bangladesh Bank regarding the provisioning of loans & advances, the Bank has followed the following approaches in calculating the specific & general provisions:

		The provisioning rates are as follows:

General provision on:	**2022**	**2021**
Unclassified general loans and advances/investments	1.00%	1.00%
Unclassified small and medium enterprise financing	0.25%	0.25%
Unclassified loans/investment for housing finance	1.00%	1.00%
Unclassified loans/investment for loans to professionals	2.00%	2.00%
Unclassified consumer financing other than housing finance and loans for professionals	2.00%	5.00%
Unclassified agricultural loans	1.00%	1.00%
Specific provision on:		
Unclassified loans/advances rescheduled under BRPD 05/2019	100.00%	100.00%
Substandard loans and advances/investments other than agricultural loans and cottage, micro & small enterprise finance	20.00%	20.00%
Substandard loans and advances on cottage, micro & small enterprise finance	5.00%	5.00%
Doubtful loans and advances/investment other than agricultural loans and cottage, micro & small enterprise finance	50.00%	50.00%
Doubtful loans and advances on cottage, micro & small enterprise finance	20.00%	50.00%
Substandard and doubtful on agricultural loans	5.00%	5.00%
Bad/loss advances/investments	100.00%	100.00%
Special general provision for COVID 19		
Loans and advances on cottage, micro & small enterprise finance	1.00%	1.50%
Other than SME loans and advances	2.00%	2.00%

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

c)	Discussion of the bank's credit risk management policy;	Credit risk arises while the borrowers or counterparty to a financial transaction fails to discharge an obligation as per agreed covenants, resulting in financial loss to the Bank. Credit exposures may arise from both the banking and trading books as well as Off-Balance sheet exposures. Credit risk is managed in the SBACBL through a framework that spells out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the businesses and approvers in the risk function. All credit exposure limits are approved within a defined credit approval authority framework. Credit policies and standards are considered and approved by the Board of Directors. **4.1 Credit Risk Identification** Risk measurement plays a central role, along with judgment and experience, in informing risk taking and portfolio management decisions. The Guidelines issued by Bangladesh Bank on Internal Credit Risk Rating (ICRR) System have been followed meticulously. The ICRR is used to assess the client along with a range

of quantitative and qualitative factors. Our credit grades against Corporate & Medium clients are supported by external credit grades and ratings assigned by external Rating Agencies.

4.2 Credit Approval

Major credit exposures to individual borrowers, groups of connected counterparties, and portfolios of retail exposures are reviewed and recommended for approval by the competent authority of the risk review units. All credit approval authorities are delegated by the Board of Directors to executives based on their capability, experience & business acumen. Credit origination and approval roles are segregated in all cases. The ICRR is an integral part of the credit approval process.

4.3 Credit Monitoring

We regularly monitor credit exposures, portfolio performance, and external trends through the relationship and credit administration team at the Branch and Head Office. Internal risk management reports containing information on key environmental, political, and economic trends across major portfolios, portfolio delinquency & loan impairment performance; as well as credit grade migration are presented to the Credit Risk Management (CRM) Monitoring Cell. The CRM Monitoring Cell meets regularly to assess the impact of external events and trends on the credit risk portfolio and to define and implement our response in terms of appropriate changes to portfolio shape, underwriting standards, risk policy, and procedures. Accounts or Portfolios are placed on Early Alert (EA) when they display signs of weakness or financial deterioration. Account plans are re-evaluated and remedial actions are agreed upon and monitored. In Retail Banking, portfolio delinquency trends are monitored continuously at a detailed level. Individual customer behavior is also tracked and informed in lending decisions. Accounts which are past due are subject to a collections process, monitored in collaboration with the relationship manager by the risk function. Charged-off accounts of the Bank are managed by specialist recovery teams of the Recovery Division.

4.4 Concentration Risk

Credit concentration risk is managed within concentration caps set for the counterparty or groups of the connected counterparty, for the industry sector; and for the product. Additional targets are set and monitored for concentration by the credit committee. Credit concentrations are monitored by the responsible risk committees in each of the businesses and concentration limits that are material to the Bank are reviewed and approved at least annually by the Board of Directors.

4.5 Credit Risk Mitigation

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting agreements, insurance, and other guarantees. The reliance that can be placed on these mitigates is carefully assessed in light of issues such as legal certainty and enforceability, market valuation correlation, and counterparty risk of the guarantor. Risk mitigation policies determine the eligibility of collateral types. Collateral types which are eligible for risk mitigation include; cash, residential, commercial, and industrial property; fixed assets such as motor vehicles, plant and machinery, marketable securities, commodities, bank guarantees, and letters of credit. Collateral is valued in accordance with our Methodology for Valuation of Security/Collateral Assets, which prescribes the frequency of valuation for different collateral types, based on the level of price volatility of each type of collateral. Collateral held against impaired loans is maintained at fair value.

Quantitative Disclosure

Geographical Distribution of Credit Exposure:

Urban

Division	BDT in Crore	%
Dhaka Division	4,827.22	72.36%
Chittagong Division	773.61	11.60%
Khulna Division	517.79	7.76%
Rajshahi Division	217.73	3.26%
Sylhet Division	115.31	1.73%
Barisal Division	39.74	0.60%
Rangpur Division	162.07	2.43%
Mymensingh	17.79	0.27%
Total	**6,671.26**	100.00%

Rural

Division	BDT in Crore	%
Dhaka Division	425.50	37.72%
Chittagong Division	274.29	24.32%
Khulna Division	326.45	28.94%
Rajshahi Division	10.31	0.91%
Sylhet Division	51.93	4.60%
Barisal Division	29.09	2.58%
Rangpur Division	10.40	0.92%
Mymensingh	-	0.00%
Total	**1,127.97**	100.00%
Grand Total	**7,799.23**	100.00%

Industry Type Distribution of Exposure:

Types of Credit Exposure	BDT in Crore	%
Agriculture, fisheries and forestry	266.68	3.42%
Agro base processing industries	600.16	7.70%
Small & medium enterprise financing (SMEF)	2,837.16	36.38%
RMG & textile industries	821.16	10.53%
Hospitals, clinics & medical colleges	64.90	0.83%
Trade & commerce	616.64	7.91%
Transport and communications	56.61	0.73%
Rubber & plastic industries	173.02	2.22%
Iron, steel & aluminium industries	346.83	4.45%
Printing &Packaging industries	19.16	0.25%
Other manufacturing industries	716.51	9.19%
Housing & construction industries	98.34	1.26%
Consumer credit	103.10	1.32%
Others	1,078.97	13.83%
Total	7,799.23	100.00%

Residual Contractual Maturity wise Distribution of Exposure:

Particulars	BDT in Crore
On demand	560.38
Within one month	575.33
Within one to three months	1,546.55
Within three to twelve months	2,486.74
Within one to five years	1,522.18
More than five years	1,108.04
Total	**7,799.23**

Loans & Advances and Provision:

BDT in Crore

Particulars	Loans & Advances	Provision Against Loans & Advances
Total loans and advances	**7,799.23**	**274.36**
Un-classified loans & advances (including special general provision COVID-19	7,396.11	61.38
Classified loans and advances	**403.12**	**249.98**
Un-classified (UC)	-	109.86
Sub-standard (SS)	12.80	1.32
Doubtful (DF)	52.70	8.40
Bad & loss (BL)	337.62	130.39
Off-balance sheet Items	**2,178.24**	**20.07**
Total provision required		**311.36**
Total provision maintained		**274.36**
Surplus / (deficit)		**(37.00)**

* As per Bangladesh Bank letter reference no. DBI-3/132/2023-728 dated 17 April 2023, the Bank's total provision requirement against loans and advances is Tk 311.36 crore. The Department of Off-site Supervision of Bangladesh Bank through letter reference no. DOS (CAMS)1157/41(dividend)/2023 dated 25 April, 2023, approval deferral against the deficit of **Tk. 37.00 crore provision** upto the finalization of Financial Statements has to be maintained for the year ended 31 December 2023.

Gross Non Performing Assets (NPAs):

Particulars	BDT in Crore
Gross non-performing assets (NPAs)	403.12
Total loans and advances	7,799.23
NPAs to outstanding loans & advances (%)	5.17%

Movement of Non-Performing Assets (NPAs):

Particulars	BDT in Crore
Opening balance	386.09
Additions	112.89
Reductions	95.86
Closing balance	**403.12**

Movement of Specific Provisions for NPLs:

Particulars	BDT in Crore
Opening balance	219.62
Less: Adjustment due to write-off	-
Less: Waiver during the year	-
Add: Recoveries of amount previously written off	-
Provisions made during the period	30.36
Closing Balance	**249.98**

5.00 Equities: Disclosures for Banking Book Positions:

Qualitative Disclosures		
The general qualitative disclosure with respect to equity risk, including:		
a)	Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and	The main purpose of holding of equity exposure is for capital gain. The Bank holds equity exposure within set rules of Bangladesh Bank. The quoted shares are valued at market price and the unquoted shares are valued at their cost price.
b)	Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	

Quantitative Disclosure

		BDT in Crore
Particulars	**Cost Price**	**Market Price**
Investment In quoted share	149.02	120.93
Realized gains		9.63
Unrealized gains		0.19
Unrealized losses		(28.28)
Net unrealized gains/(loss)		(28.10)
Capital requirement for equity risk (specific & general)		24.19

****No provision required** as per DOS Circular No. 01 dated 10 February 2020 for Investment in Capital Market (shares) under special fund.

Capital Requirement as per Grouping of Equity:				BDT in Crore	
Sector		Capital Charge			
	Cost Price	Market Price	Specific Risk	General Market Risk	Total
Banks	11.19	10.02	1.00	1.00	**2.00**
Financial Institution	15.66	11.99	1.20	1.20	**2.40**
Insurance	29.51	20.87	2.09	2.09	**4.17**
Fuel & Fower	9.66	7.93	0.79	0.79	**1.59**
Mutual Funds	10.17	9.81	0.98	0.98	**1.96**
Engineering	18.92	15.93	1.59	1.59	**3.19**
Textile	9.21	7.64	0.76	0.76	**1.53**
Chemical & Pharmaceuticals	20.35	17.52	1.75	1.75	**3.50**
Telecommunication	12.47	9.97	1.00	1.00	**1.99**
Miscellaneous	11.88	9.24	0.92	0.92	**1.85**
Total	**149.02**	**120.93**	**12.09**	**12.09**	**24.19**

6.00 Interest Rate Risk in the Banking Book (IRRBB):

Qualitative Disclosures		
a)	The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan repayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.	The interest rate in the Banking Book reflects the shocks to the financial position of the bank including potential loss that the Bank may face in the event of an adverse change in market interest rate. This has an impact on the earnings of the bank through Net Interest Earnings as well as on the Market Value of Equity or net worth. Thus this risk would have an impact on both earning potential and economic value of the Bank. The Bank uses Duration Gap Analysis (DGA) for the deriving value of capital requirement for interest rate risk. The Bank ensures that interest rate risk is not included within the market risk. The Bank has calculated the rate sensitive assets and liabilities with a maturity of up to 12 months bucket and applied the sensitivity analysis to measure the level of interest rate shock on its capital adequacy. ***In the ALCO meeting, the committee always discusses about the negative bucket (Up to 3 monthly basis) and advised reducing the negative bucket chronologically.

Quantitative Disclosure

b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).

			BDT in Crore
Particulars	**Up to 3 months**	**3-6 months**	**6-12 months**
Rate sensitive assets (RSA)	1,581.12	2,493.45	2,020.00
Rate sensitive liabilities (RSL)	1,542.42	1,244.94	1374.81
Gap (RSA-RSL)	38.70	1,248.51	645.19
Interest Rate Shock on Capital			**BDT in Crore**
Total regulatory capital			1,114.86
Total risk weighted assets (RWA)			8,088.84
Capital to risk weighted asset ratio (CRAR)			13.78%

			BDT in Crore (where applicable)		
		Assumed decrease in interest Rate	1%	2%	3%
		Change in market value of equity	(81.56)	(163.13)	(244.69)
		Capital after shock	1,033.30	951.73	8,085.17
		CRAR after shock	12.78%	11.77%	10.76%
		Decrease in CRAR	1.00%	2.01%	3.02%

7.00 Market Risk:

Qualitative Disclosures		
Market risk is a trading book concept. It may be defined as the risk of losses in on and off-balance sheet positions arising from movements in market prices. The market risk positions are subject to the risks pertaining to interest rate related instruments & equities in the trading book and foreign exchange risk & commodities risk throughout the Bank. This signifies the risk of loss due to a decrease in market portfolio arising out of market risk factors. It may be mentioned that the Bank considers Interest Rate Risk on Banking Book separately.		
a)	Views of Board of Directors on trading/ investment activities;	The Board approves all policies related to market risk, sets limits, and reviews compliance on a regular basis. The objective is to provide cost effective funding last year to finance asset growth and trade related transactions.
b)	Methods used to measure Market Risk;	Standardized (rule based) approach is used to measure the market risk of the Bank whereas for interest rate risk and equity risk both General and specific risk factors are applied for calculating capital charge and for foreign exchange and commodities only general risk factors is applied.
c)	Market Risk Management system;	The duties of managing the market risk including liquidity, interest rate, and foreign exchange risk lies with the Treasury Division under the supervision of ALCO. The ALCO is comprised of senior executives of the Bank, who meets at least once a month. The committee evaluates the current position of the bank and gives direction to mitigate the market risk exposure to a minimum level.
d)	Policies and processes for mitigating market risk;	There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risk. The exchange rate committee of the Bank meets on a daily basis to review the prevailing market condition, exchange rate, forex position, and transactions to mitigate foreign exchange risks.

Quantitative Disclosure

Capital Charges for Market Risk	BDT in Crore	
	Solo	Consolidated
Interest Rate Related instruments	5.84	5.84
Equities	24.19	27.25
Foreign Exchange Position	4.93	4.93
Commodities	-	-
Total	**34.96**	**38.02**

8.00 Operational Risk:

Qualitative Disclosures		
Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. Recognizing the importance of information technology in the banking business, the Bank has considered information technology risk as an independent risk.		
a)	Views of Board of Directors on the system to reduce Operational Risk;	The policy for operational risks including internal control and compliance risk is approved by the Board in line with the relevant guidelines of Bangladesh Bank. The Audit Committee of the Board directly oversees the activities of the Internal Control and Compliance Division to protect against all operational risks. As a part of continuous surveillance, the Senior Management Team (SMT), Risk Management Division regularly reviews different aspects of operational risk. The analytical assessment was reported to the Board/ Risk Management Committee/Audit Committee of the Bank for review and formulating appropriate policies, tools & techniques for mitigating operational risk.
b)	Performance gap of executives and staff;	The Bank identifies the loop holes among the effectiveness of the employees and executives, these loop holes are removed by arranging appropriate training programs, offering competitive packages and providing the best working environment. In this process, the Bank kept the performance gap of executives and staff to a minimuel.
c)	Potential external event;	No potential external event is expected to expose the Bank to significant operational risk. The Bank has a separate Operational Risk Policy addressing specific issues involving Operational Risk.
d)	Policies and processes for mitigating operational risk;	Operational Risk is inherent in every business organization and covers a wide spectrum of issues. In order to mitigate this, internal control and internal audit systems are used as the primary means. SBAC Bank Limited manages this risk through a control based environment in which processes are documented, authorization is independent and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the bank stays in line with industry best practices and takes account of lessons learned from publicized operational failures within the financial services industry. SBAC Bank Limited has an operational risk management process which explains how the bank manages its operational risk by identifying, assessing, monitoring, controlling, and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with Bangladesh Bank's requirements. Operational risk management responsibility is assigned to different level of management within the business operation. Information systems are used to record the identification and assessment of operational risks and to generate appropriate regular management reporting. Risk assessment incorporates a regular review of identified risks to monitor significant changes.
e)	Approach for calculating capital charge for operational risk;	Basic Indicator Approach is used to measure Operational Risk where capital charge is 15% on last three years average positive gross income of the Bank.

Quantitative Disclosure

Capital Charges for Operational Risk

BDT in crore

Basis	Operational Risk	2020	2021	2022	Capital Charge
Solo	Gross Income	418.45	639.79	569.70	**81.40**
Consolidated	Gross Income	418.45	640.95	576.05	**81.77**

9.00 Leverage Ratio:

Qualitative Disclosures		
a)	Views of Board of Directors on system to reduce Liquidity Risk;	The Leverage Ratio is a non-risk based measure introduced to monitor and build-up of leverage on credit institutions balance sheets aiming at containing the cyclicality of lending. It is calibrated to act as a credible supplementary measure to the risk based capital requirements. The leverage ratio is calculated by dividing Tier 1 capital by assets (both on and off-balance sheet items). The policy for Leverage Ratio including off and on balance sheet exposure and capital related policy. The Bank has a well-structured delegation and sub-delegation of credit approval authority for ensuring good governance and better control in credit approval system. The Board of Directors and its Executive Committee hold the supreme authority for any credit approval in line with the credit committee consisting of the senior management of the bank.
b)	Policies and processes for managing excessive on and off-balance sheet leverage;	SBAC Bank Limited has policies and processes in place for the identification, management and monitoring of the risk of excessive leverage. SBACBL maintains the leverage ratio above the regulatory limit as a part of the Bank's risk appetite framework.
c)	Approach for calculating exposure;	In order to measure the exposure consistently with financial accounts, the following approaches are applied by the bank: I. On-balance sheet, non-derivative exposures are net of specific provisions and valuation adjustments (e.g. surplus/deficit on Available for Sale (AFS)/ Held-for-trading (HFT) positions). II. Physical or financial collateral, guarantee or credit risk mitigation purchased is not allowed to reduce on-balance sheet exposure. III. Netting of loans and deposits is not allowed A minimum Tier-1 leverage ratio of 3% is being prescribed by Bangladesh Bank both at solo and consolidated basis. The Bank maintains leverage ratio on quarterly basis. The status of leverage ratio at the end of each calendar quarter is submitted to Bangladesh Bank showing the average of the month based on capital and total exposure. The formula of Leverage Ratio is as under: $\text{Leverage Ratio} = \frac{\text{Tire} - 1 \text{ Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$

Quantitative Disclosure

BDT in Crore

Particulars	Solo	Consolidated
Tier 1 Capital*	**1,068.20**	**1,070.41**
On Balance Sheet Exposure	10,412.69	10,510.67
Off-Balance Sheet Exposure	1,140.56	1,140.56
Total Deductions from On and Off-Balance Sheet Exposure/ Regulatory adjustments made to Tier 1 capital	4.14	5.19
Total Exposure	**11,549.12**	**11,646.04**
Leverage Ratio	9.25%	9.19%
*Considering all regulatory adjustments		

10.00 Liquidity Ratio:

Qualitative Disclosures		
a)	Views of BOD on system to reduce liquidity Risk;	As per the BRPD Circular no. 18 dated 21 December 2014, Bangladesh Bank has strengthened the liquidity framework by developing two minimum standards for funding liquidity. These standards have been developed to achieve two separate but complementary objectives. The first objective is to promote short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficient high quality liquid resources to survive an acute stress scenario lasting for one month. Liquidity Coverage Ratio (LCR) addresses this Objective. The second objective is to promote resilience over a longer time horizon by creating additional incentives for a bank to fund its activities with more stable sources of funding on an ongoing structural basis. The Net Stable Funding Ratio (NSFR) has a time horizon of one year and has been developed to provide a sustainable maturity structure of assets and liabilities.
b)	Methods used to measure Liquidity Risk;	Liquidity measurement involves assessing all of a bank's cash inflows against its outflows to identify the potential for any net shortfalls including funding requirements for off-balance sheet commitments. An important aspect of measuring liquidity is making assumptions about future funding needs, both in the very short-term and for long time periods. Another important factor is the ability to access funds readily and at reasonable terms. Several key liquidity risk indicators monitored on a regular basis to ensure healthy liquidity position are as follows: ▪ Cash Reserve Ratio (CRR) ▪ Statutory Liquidity Requirement (SLR) ▪ Credit Deposit Ratio (CDR) ▪ Liquidity Coverage Ratio (LCR) ▪ Net Stable Funding Ratio (NSFR) ▪ Structural Liquidity Profile (SLP) ▪ Maximum Cumulative Outflow (MCO) ▪ Medium Term Funding Ratio (MTFR) ▪ Liquid Asset to Total Deposit Ratio (LATDR) ▪ Liquid Asset to Short Term Liabilities (LASTL) etc.
c)	Liquidity Risk management system;	SBACBL maintains diversified and stable funding base comprising of core retail, corporate and institutional deposits to manage liquidity risk. The prime responsibility of the liquidity risk management of the Bank lies with Treasury Division under the supervision of ALCO, which maintains liquidity based on current liquidity position, anticipated future funding requirement, sources of fund, options for reducing funding needs, present and anticipated asset quality, present and future earning capacity, present and planned capital position etc. The intensity and sophistication of liquidity risk management process depend on the nature, size and complexity of a bank's activities. Sound liquidity risk management employed in measuring, monitoring and controlling liquidity risk is critical to the viability of the bank. The ALCO, which meets at least once in a month, is responsible for managing and controlling liquidity of the Bank. Treasury front office closely monitors and controls liquidity requirements on daily basis by appropriate coordination of funding activities and they are primarily responsible for management of liquidity in the Bank. A monthly projection of fund flows is reviewed in ALCO meeting regularly.
d)	Policies and processes for mitigating Liquidity Risk;	In order to develop a comprehensive liquidity risk management framework, the Bank has a Board approved Contingency Funding Plan (CFP). A set of policies and procedures that serves as a blueprint for the Bank to meet its funding needs in a timely manner and at a reasonable cost. In this sense, a Contingency Funding Plan (CFP) is an extension of ongoing liquidity management and formalizes the

		objectives of liquidity management by ensuring: A. Maintenance of a reasonable amount of liquid assets; B. Measurement and projection of funding requirements and C. Management of access to funding sources. CFP also provides directions for plausible actions in distress and emergency situations. In case of a sudden liquidity stress, it is important for the Bank to be seemed organized and efficient to meet its obligations to the stakeholders. Maturity ladder of cash inflows and outflows are effective tool to determine a bank's cash position. A maturity ladder estimates a banks cash inflows and outflows and thus net deficit or surplus (GAP) on a day to day basis and different buckets (e.g. 2-7 days, 1 month, 1-3 months, 3-12 months, 1-5 years and over 5 years).

Quantitative Disclosure

a) Liquidity Coverage Ratio (LCR) liquid

Liquidity Coverage Ratio (LCR) is a new liquidity standard built on the methodologies of traditional liquidity coverage ratio used by banks to assess exposure to contingent liquidity events. LCR aims to ensure that a bank maintains an adequate level of unencumbered, high-quality liquid assets that can be converted into cash to meet its liquidity needs for 30 calendar days.

$$LCR = \frac{\text{Stock of high quality liquid assets}}{\text{Total net cash outflows over the next 30 calendar days}}$$

The minimum standard for LCR is greater than or equal to 100. However, the bank's status as on 31 December 2022 in this ratio is as f

BDT in crore

Particulars	Regulatory Standard	31-Dec-22
Total stock of high quality liquid assets	Greater than or equal to 100%	1,920.30
Total net cash outflows over the next 30 calendar days		1,896.40
Liquidity Coverage Ratio (LCR)		101.26%

b) Net Stable Funding Ratio (NSFR)

Net Stable Funding Ratio (NSFR) is another new liquidity standard introduced by the Basel Committee. The NSFR aims to limit over-reliance on short-term wholesale funding during times of abundant market liquidity and encourage better assessment of liquidity risk across all on and off-balance sheet items.

The minimum acceptable value of this ratio is 100 percent, indicating that Available Stable Funding (ASF) should be at least equal to Required Stable Funding (RSF). ASF consists of various kinds of liabilities and capital with percentage weights attached given their perceived stability. RSF consists of assets and off-balance sheet items, also with percentage weights attached given the degree to which they are illiquid or long-term and therefore require stable funding. The time horizon of the NSFR is one year, like the LCA, the NSFR calculations assume a stressed environment. The status of Net Stable Funding Ratio (NSFR) as on 31 December 2022 is as under:

BDT in crore

Particulars	Regulatory Standard	31-Dec-22
Available amount of stable funding (ASF)	Greater than 100%	9,423.38
Required amount of stable funding (RSF)		5,202.21
Net Stable Funding Ratio (NSFR)		182.11%

11.00 Remuneration:

Qualitative Disclosures		
a)	Information relating to the bodies that oversee remuneration;	Managing Director, Senior Management Team (SMT) & Head of Human Resources Division govern the remuneration related policies and practices in alignment of the Bank's short & long term objectives. They plays an independent role, operating as an overseer; and if required, makes recommendation to the Board of Directors of the Bank for its consideration and final approval for any remuneration related policy. The main work includes presenting recommendations to the Board regarding remuneration, compensation packages of senior management, incentive schemes and retirement benefits. They also assist the Board of Directors to ensure that all employees are remunerated fairly and get performance based compensation by ensuring effective remuneration policy, procedures and practices aligned with the Banks' strategy and applied consistency for all employee levels.
b)	Information relating to the design and structure of remuneration processes;	SBACBL has a flexible compensation and benefits system that helps to ensure pay equity is linked with performance that is understood by employees, and keeps in touch with employee desires and what's converted in the market, while maintaining a balance with the business affordability. The compensation and benefits are regularly reviewed through market and peer group study. The well-crafted total rewards help the Bank to attract, motivate and retain talent that produces desired business results. The structure and level of remuneration are reviewed time to time based on Bank's business performance and affordability. Other than the regular monthly payments and a good number of allowances, SBACBL has variety of market-competitive benefits schemes. The various cash and non-cash benefits include; Bank provided chauffeured car facility for top level executives, car maintenance allowance, leave fare assistance, employee car loan facility, house building loan facility, festival bonus etc. SBACBL also provides long term as well as retirement benefits to employees, like leave encashment, provident fund, benefit under gratuity & superannuation fund etc. The overall objective of the Bank's remuneration policy is to establish a framework for attracting, retaining and motivating employees, and creating incentives for delivering long-term performance within established risk limits.
c)	Description of the ways in which current and future risks are taken into account in the remuneration processes;	The business risk including credit/default risk, compliance & reputational risk is mostly considered when implementing the remuneration measures for each employee/group of employee. Financial and liquidity risks are also considered. Different set of measures are in practice based on the nature & type of business lines/segments etc. These measures are primarily focused on the business target/goals set for each area of operation, branch vis-à-vis the actual results achieved as of the reporting date. The most vital tools & indicators used for measuring the risks are the asset quality (NPL ratio), Net Interest Margin (NIM), provision coverage ratio, credit deposit ratio, cost-income ratio, growth of net profit, as well the non-financial indicators, namely, the compliance status with the regulatory norms, instructions have been brought to all concerned of the Bank from time to time. While evaluating the performance of each employee annually, all the financial and non-financial indicators as per pre-determined set criteria are considered; and accordingly, the result of the performance varies from one to another and thus affects the remuneration as well. No material change has been made during the year 2022 that could affect the remuneration.
d)	Description of the ways in which the bank seeks to link performance during a performance	The Board sets the Key Performance Indicators (KPIs) for the senior management while approving the business target/budget for each year for the Bank and business lines/segments. The management sets the appropriate tools, techniques, and strategic planning (with due concurrence/approval of the Board) towards achieving those targets. The most common KPIs are the achievement of loan,

	measurement period with levels of remuneration;	deposit, and profit target with the threshold of NPL ratio, cost-income ratio, cost of fund, the yield on loans, provision coverage ratio, capital to risk weighted asset ratio (CRAR), ROE, ROA, liquidity position (maintenance of CRR and SLR) etc.
e)	Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance;	The Bank pays variable remuneration i.e. annual increment based on the yearly performance rating on a cash basis with the monthly pay. While the value of longer term variable part of remuneration i.e. the amount of Provident Fund, Gratuity Fund, Superannuation Fund are made provision on aggregate /individual employee basis; actual payment is made upon retirement, resignation, etc. as the case may be, as per rule.
f)	Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms;	**A summary of Short-term and Long-term compensation plan are as follows:** Total Compensation = Fixed Pay (Salary) + Variable Pay (Bonus) + Variable Pay (Long term incentive). **Form of variable remuneration offered by SBAC Bank:** **Cash Form:** **Short-Term Incentive/Rewards** 1. Yearly fixed and incentive bonus; 2. Yearly increment; 3. Business accomplishment financial award; 4. Car fuel and car maintenance allowance for executives; 5. Cash risk allowance for cashier; 6. Charge allowance for branch manager. **Long-Term Incentive/Rewards** 1. Provident fund; 2. Gratuity; 3. Employee house building loan with minimum interest rate; **Non-Cash Form:** **1) Short-Term Incentives/Rewards:** Accelerate promotion for top talents; **2) Long-Term Incentives/Rewards:** Foreign training award;

Quantitative Disclosure

g)	Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member;	Meeting regarding overseeing the remuneration was held on need basis. No additional remuneration was paid for such meeting.
h)	i) Number of employees having received a variable remuneration award during the financial year;	Nil
	ii) Number and total amount of guaranteed bonuses awarded during the financial year;	**Particulars** / **BDT in crore** Festival bonus / 9.21 Incentive bonus / 3.50 **Total** / **12.71**
	iii) Number and total amount of sign-on awards made during the financial year;	Nil

<table>
<tr><td></td><td>iv) Number and total amount of severance payments made during the financial year;</td><td>Nil</td></tr>
<tr><td rowspan="2">i)</td><td>i) Total amount of outstanding deferred remuneration, split into cash, shares and share- linked instruments and other forms</td><td>Nil</td></tr>
<tr><td>ii) Total amount of deferred remuneration paid out in the financial year;</td><td>Nil</td></tr>
<tr><td>j)</td><td>Breakdown of amount of remuneration awards for the financial year to show:</td><td>Fixed and variable remuneration paid in 2022 are as follows:
<table>
<tr><th>Particulars</th><th>BDT in crore</th></tr>
<tr><td>Basic salary</td><td>53.12</td></tr>
<tr><td>House rent allowance</td><td>25.02</td></tr>
<tr><td>Other allowances</td><td>34.71</td></tr>
<tr><td>Festival bonus</td><td>9.21</td></tr>
<tr><td>Gratuity</td><td>12.55</td></tr>
<tr><td>Bank's contribution on provident fund</td><td>4.90</td></tr>
<tr><td>Incentive bonus</td><td>3.50</td></tr>
<tr><td>Total</td><td>143.02</td></tr>
</table>
Deferred and non-deferred:
Non-deferred paid during the year 2022: Nil
Different forms used (cash, shares and share linked instruments, other forms): All the remunerations have provided in the form of cash.</td></tr>
<tr><td rowspan="4">k)</td><td colspan="2">Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration</td></tr>
<tr><td>Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments;</td><td>Nil</td></tr>
<tr><td>ii) Total amount of reductions during the financial year due to ex post explicit adjustments;</td><td>Nil</td></tr>
<tr><td>iii)Total amount of reductions during the financial year due to ex post implicit adjustments;</td><td>Nil</td></tr>
</table>

Report of the Shari'ah Supervisory Committee of SBAC Bank for the year ended on 31st December, 2022

بِسْمِ اللَّهِ الرَّحْمَٰنِ الرَّحِيمِ

In the Name of Allah, the Beneficent, the Merciful. All praise is due to Almighty Allah, the Lord of the Universe and peace and blessing of Allah be upon the Prophet Muhammad (May Allah bless him and grant him peace) and upon his all other descendants and companions.

To the Shareholders of South Bangla Agriculture & Commerce Bank Limited,

Assalamu Alaikum Wa-Rahmatullahi Wa-Barakatuh.

In compliance with the terms of reference of the Bye Laws of the Shari'ah Supervisory Committee, we submit the following Report on the Islamic Banking operations of the South Bangla Agriculture & Commerce Bank Limited (SBAC Bank) for the year ended on 31st December, 2022.

During the year 2022, the Shari'ah Supervisory Committee of the South Bangla Agriculture & Commerce Bank met in several Sessions and gave opinion on various Shari'ah related issues placed before it by the Management. The SBAC Bank is responsible for ensuring that they conduct its Islamic Banking business in accordance with the Shari'ah rules and principles. It is our responsibility to form an independent opinion, based on our review of the Islamic Banking operations and to report to you.

We have reviewed the principles and the contracts relating to the transactions and applications introduced by the South Bangla Agriculture & Commerce Bank in its Islamic Banking operations during the period from 1st January, 2022 to 31st December, 2022.

We have conducted our review on the basis of Shari'ah audit and inspection reports of the Muraqib (Shari'ah Auditor) to form our opinion as to whether the SBAC Bank, in its Islamic Banking operations, has complied with Shari'ah rules and principles and also with the specific fatwas, rulings and guidelines issued by us. In addition to our fatwas, the Muraqib also followed the Internal Control & Compliance guidelines on Islamic Banking issued by the Bangladesh Bank. Shari'ah non-compliance risk rating of concerned Windows was 'Low' during the year under report. The Shari'ah Supervisory Committee reviewed the Shari'ah Audit Reports and provided guidelines it deemed necessary for proper Shari'ah compliance.

We also conducted our review which included, on a test basis of each type of transaction, the relevant documentation and procedures adopted by the Islamic Banking of the SBAC Bank. We planned and performed the review so as to obtain the information and explanation which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that SBAC Bank's Islamic Banking has not violated Shari'ah rules and principles.

In our opinion:

a. The contracts, transactions and dealings entered into by the SBAC Bank's Islamic Banking during the year ended on 31st December, 2022 that we have reviewed are in compliance with the Shari'ah rules and principles;

b. Distribution of profit to the Mudaraba Depositors conforms to the basis that had been approved by us in accordance with the Shari'ah rules and principles;

c. Earnings which are prohibited by Shair'ah rules and principles have not been included in the income;

d. Transactions with the conventional part of the Bank have been made complying Shari'ah principles. &

Zakah is not applicable for Window based Islamic Banking of the SBAC Bank.

During the year under report, the Shari'ah Supervisory Committee has advised the Bank on the following Issues:

a. To take effective steps aiming at creating awareness among the employees and the customers about Shari'ah compliance;

b. To continue to arrange regular training & workshop on Islamic Banking for the officials of the Bank and for their Customer Service Officers to increase professional skills for better Shari'ah compliance;

c. To take effective steps for implementation of the recommendations given by the Shari'ah Supervisory Committee. &

d. To establish Islamic Banking Service Desk at all Branches of the SBAC Bank.

The Shari'ah Supervisory Committee expresses appreciation to the Board of Directors of the Bank and to the Managing Director & CEO and his team for their spontaneous cooperation and support during the year 2022.

May Allah Subhanahu Wata'la give us strength to achieve His satisfaction through implementation of Shari'ah principles in every sphere of our life!

Maulana Md. Abdur Razzak
Chairman
Shariah Supervisory Committee

Report of the Asset Liability Committee

Asset/liability management is the process of managing the use of assets and cash flows to reduce the firm's risk of loss from not paying a liability on time. Asset and Liability Management (ALM) strategies employ a combination of risk management and financial planning and are often used by organizations to manage long-term risks that can arise due to changing circumstances. ALM is practiced by financial institutions to mitigate financial risks resulting from a mismatch of assets and liabilities. By strategically matching of assets and liabilities, financial institutions can achieve greater efficiency and profitability while also reducing risk. It is the ongoing process of formulating, implementing, monitoring, and revising strategies related to assets and liabilities to achieve the Bank's financial objectives, given its risk tolerances and other constraints. ALM risk is broadly associated with liquidity management and interest rate movement. Liquidity is an institution's ability to meet its liabilities either by borrowing or converting its assets.



Asset Liability Management Committee (ALCO)

SBAC Asset-liability Committee (ALCO) comprising of designated Senior Officials of the Bank to make important decisions regarding issues related to Asset-Liability Management. The committee, typically known as ALCO, meets at least once in every month to analyze, review and formulate strategy to manage the balance sheet.

The committee regularly convenes to review and formulate strategies for managing different risks associated with the balance sheet. ALCO is a decision-making unit responsible for Balance Sheet planning from the risk return perspective, including the strategic management of Interest Rate, Equity Price Risk, Foreign Exchange Risk and Liquidity Risks.

Some of the major responsibilities of ALCO are as follows:

- Monitor the structure and composition of Bank's Assets and Liabilities and identify balance sheet management issues that are leading to underperformance.
- Review maturity profile and mix of Assets and Liabilities.
- Articulate interest rate view of the Bank and decide on balance sheet strategy.
- Approve and periodically review the transfer pricing policy of the Bank.
- Review deposit-pricing strategy.
- Review contingency funding plan for the Bank.
- Review equity price risk & foreign exchange risk

ALM (Asset-Liability Management) Desk

ALM desk prepares the ALCO paper, ALCO meeting minutes, and circulate the approved minutes. Under the treasury department of SBAC, the ALM desk is responsible for managing the inherent risk in the Bank's Assets and Liabilities. This desk keeps a vigilant eye on the balance sheet components and analyzes the movement to minimize potential losses and accelerate profitability. The key roles of the Bank's ALM desk are as follows:

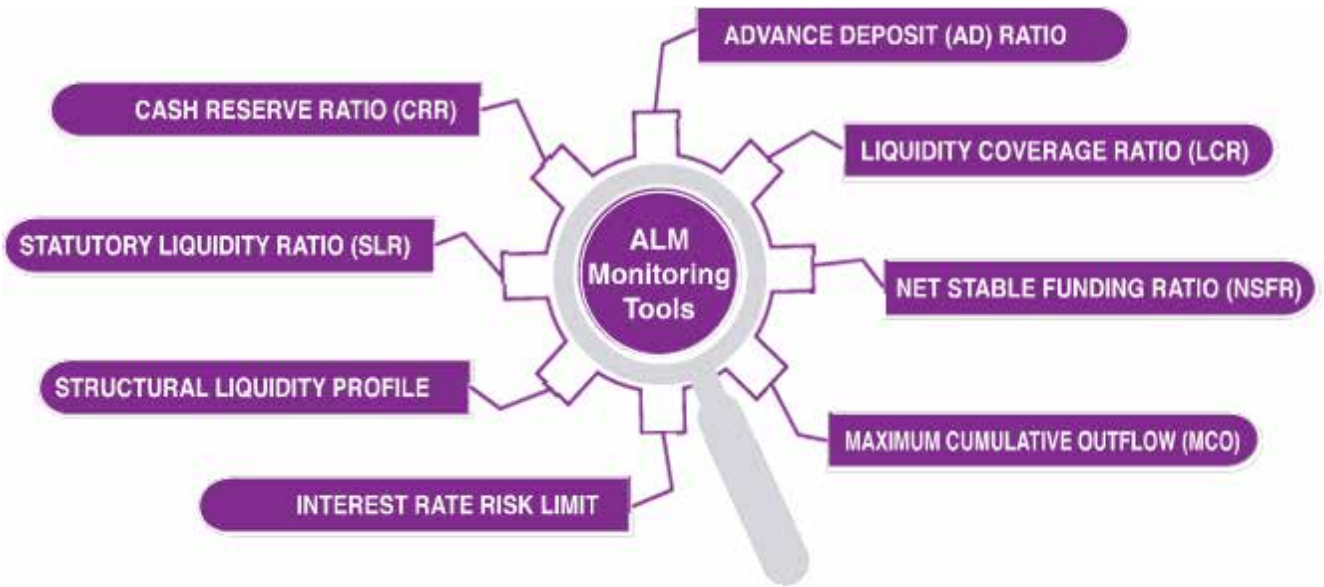
- To analyze the balance sheet of the Bank and identify different risk factors
- To assume overall responsibilities of money market activities.
- To manage liquidity and market risk of the Bank.
- To comply with the Central Bank regulations in respect to ALM
- To understand the market dynamics i.e., competition, potential target markets etc.

Meetings of the ALCO

ALCO meeting, generally, takes place in every month but if required, ALCO Chairman may call unscheduled emergency meetings. We have 12 ALCOs in 2022. ALCO's responsibility is defined in the ALM policy of the Bank.

Key Monitoring Tools for ALM

Treasury Division regularly monitors the following indicators for ensuring the ALM functions:



Major areas focused by ALCO in 2022

- Investment in High Quality Liquid Asset (HQLA)
- Balance sheet management
- Prudently managing bank's interest rate risk
- Fx. Market
- Taking advantage from money market Liquidity

On-behalf of the Asset-Liability Committee,

Habibur Rahman
Managing Director & CEO


সুরক্ষা সঞ্চয়ী হিসাব
মাসিক আকর্ষণীয় আয়ের সুযোগ।
জীবন বীমার আওতায় বিশেষ সুরক্ষা।
SBACBANK
সাউথ বাংলা এগ্রিকালচার এন্ড কমার্স ব্যাংক লিমিটেড

Chapter 07

SUSTAINABILITY ANALYSIS



Message from the Managing Director & CEO on Sustainability

Banking has experienced significant changes and reached to a new strategic dimension called Sustainable Banking from its traditional form of operation. It means the integration of environmental, social and governance issues into the business or investment decisions for continuing benefits of all the stakeholders.

At South Bangla Agriculture and Commerce Bank Limited, sustainability means having a positive and long lasting impact on the community and to all the stakeholders rather than operating with mere responsibility or just complying with regulatory requirements.

Corporate Social Responsibility

SBAC Bank believes in making a self-motivated drive towards betterment of all, therefore it has established the South Bangla Agriculture and Commerce Bank Foundation to carry out Corporate Social Responsibility (CSR) activities. The Foundation works towards improvement in socio- economic & cultural development and has been supporting education, health, charities, treatment of poor people, donations, sponsoring sports and natural disaster efforts to promote sustainable communities and environment in Bangladesh.

Green Banking

Green banking, that is eco-friendly financing is essential to get a sustainable positive impact from business. We always believe in growing responsibly by maintaining an eco-friendly environment across the organization. For that purpose, the Bank formulated the Green Banking Policy Guideline, Green Office Guide as well as Environmental & Social Risk Management (ESRM) Guideline to raise awareness regarding conservation of energy, water and saving paper, etc. Besides, SBAC Bank successfully implemented environmental risk rating and social risk rating introduced by Bangladesh Bank during appraising investment proposals. Our major initiatives for paperless banking are internet banking, digital wallet and e-KYC etc.

Sustainable Development

The circular issued by the Sustainable Finance Department of Bangladesh Bank was a regulatory paradigm shift from Green Product Financing into Sustainable Financing. As per the circular, green finance, sustainable agro-finance, sustainable SME Finance, cottage industry finance and socially responsible finance altogether will be considered sustainable finance. The Bank is committed to comply with the Sustainable Banking Guidelines of Bangladesh Bank.

Customer Relationship Management

Now-a-days banks are facing intense challenges in building long-term customer relationship and retaining clients. So we are determined to maintain good relationships with customers while improving the quality of its products and services. SBAC Bank is committed to provide service excellence, act responsibly, and treat customers fairly observing industry standards. We constantly improve our service delivery systems to ensure that they are fast and convenient to meet expectations and seek to enhance the quality of our service continually and encourage our customers to share their experience with us.

Human Resource

Employees are most valuable resource for any organization. We work to attract and retain a diverse, engaged, and skilled workforce through creating values for our employees and rewarding their contributions. We are committed to create an inclusive and sustainable workplace ensuring a safe and healthy work environment as well as putting a significant emphasize in learning and development programs through conducting regular trainings and workshops. Furthermore, the bank has a lucrative remuneration and compensation policy for the satisfaction, safety and wellbeing of the employees.

In conclusion, I want to reassure that our aim is to go beyond profitability. We believe every business must have a social purpose along with a commercial objective. We desire to promote ethical operations to help people and the society as well as accomplish sustainable development of the country. Our commitment to provide resilient and sustainable financial solutions for our customers and society also guide our initiatives to support our clients during the financial hardship and uncertainty. We commit to transform our businesses towards a more sustainable future also. Finally, I would like to extend my heartfelt gratitude to all the stakeholders for the trust & confidence, support & co-operations given to us on our path to sustainability.



Habibur Rahman
Managing Director & CEO

Sustainability Report of SBAC Bank Ltd.

Sustainable development is a potential pathway to build resilient societies, reduce poverty and safeguard the natural environment. This represents a demand for greater social and environmental responsibility as well as a new landscape of business opportunity. Therefore, the Bank brings sustainability commitment to life through its operations & activities.



Sustainable Banking indicates providing socially and environmentally responsible products and services that will have long term positive impact to financial organizations and community as a whole. Our sustainable banking policy is basing on our general sustainable banking principles as well as voluntary commitments to stakeholders through focusing on creation of lasting value. We have a very simple and straight forward Motto with regard to Sustainability. That is:

Long Term Investment: Rather than targeting short term profit we focus on long term investment for sustainable growth of the bank and it's all stakeholders. That includes financial inclusion, digital advancement and service excellence.

Quality over Quantity: As sustainable development is a projection into the future, so SBAC Bank prioritizes on quality of services & operations over quantity so that it can increase the value of good portfolio in future.

Inclusion of risk analysis: Inclusion of environmental and social risk analysis may lead to increase costs in short term but in the long run will bring sustainability.

Sustainability: Sustainability is a process that SBAC Bank is following from it's inception. It is committed towards the economy, environment and society to reduce economic hurdles, safeguard the surrounding and build resilient societies

Guidance to our Sustainability efforts

SBAC Bank is committed to be one of the pioneers in the banking sector to adopt best practices in corporate social responsibility and good governance. Our target is to achieve a remarkable position in sustainable finance. In our efforts to achieve sustainability goals we are guided by the followings:

- Sustainability policies and strategies formulated by the management.
- The Board supervised corporate social responsibility policy.
- Our corporate culture including values such as Service Excellence, Commitment, Trust, Integrity, and Responsible corporate citizen.
- GBCSRD Circular No. 05, dated: September 11, 2013 of Bangladesh Bank that instructed all 4th Generation Banks to adopt a comprehensive Green Banking Policy in a formal and structured manner in line with global norms so as to protect environmental degradation and ensure sustainable banking practices.

Our Approach to Sustainability

We believe that any growth should meet the requirement of today, without hampering the tomorrow. So we take a long-term perspective in conducting our business by incorporating economic, environmental and social considerations so that we can impact people's lives meaningfully. Our approach to sustainability is based on the followings:

- **Involvement with our Stakeholders:**
  We are committed to engage with our stakeholders regularly as a way to understand their needs and desires those are core to our sustainability objectives. This enables us to respond to their expectations and priorities and use it as a basis of our strategy.
- **Policy Formulation and Governance:**
  The Board of Directors & its Committees along with the Management authority review and ensure that investment proposals are well complied with the regularly reviewed and updated sustainable financing policy of the Bank.

- **Responsible Banking & Business Practices:** We are Responsible to protect all our stakeholders interest in a rational and responsible manner. We are committed for providing an environment-friendly, healthy and sound work environment where every employee can develop professionally and personally. Moreover, our contribution to the SBAC Bank Foundation for the well-being of the society and to make economic contributions to the communities in which we operate is also significant.

- **Creation of Social Impact** SBAC Bank Foundation, a philanthropic organization of SBAC Bank Limited always tries to attach it's highest priority to ethical conduct and integrity. It has a strong commitment to improve lives of the underprivileged poor and destitute. It also provides support in the education, health and well-being, environmental management besides patronizing sports, art & culture, disaster management etc.

Sustainability Strategy of SBAC Bank Ltd.

Our sustainability strategy revolves around integrating sustainability concept into our core business operations. This sustainability strategy helps us to adopt effective actions for contributing positively to the community and create value for our stakeholders and to address the growing socio-economic and environmental challenges of tomorrow.





Economic Sustainability
- Employee remuneration
- Shareholders Dividend
- Loans Disbursed to CMSME
- Contribution to national exchequer



Environmental Sustainability
- Resources consumption management
- Protection of Environment
- Mitigation of climate change & reduction of carbon footprint



Social Sustainability
- Community Investment & Corporate Social Responsibility (CSR)
- Inclusive Banking
- Convenience through Digitalized services



Economic Sustainability

We believe in creating long-lasting value for our customers, shareholders, employees and above all for the community. We have a comprehensive remuneration package combining a lucrative basic salary and number of benefits. In addition, we also offer provident fund, gratuity, LFA, house building finance, car loan, incentive bonus and medical benefits etc. for our employees. Through regular payment of dividend, the bank is creating value constantly for the shareholders. We are also empowering the marginal people economically through SME loans, agricultural and rural credits and women entrepreneurship loan.

Environmental Sustainability

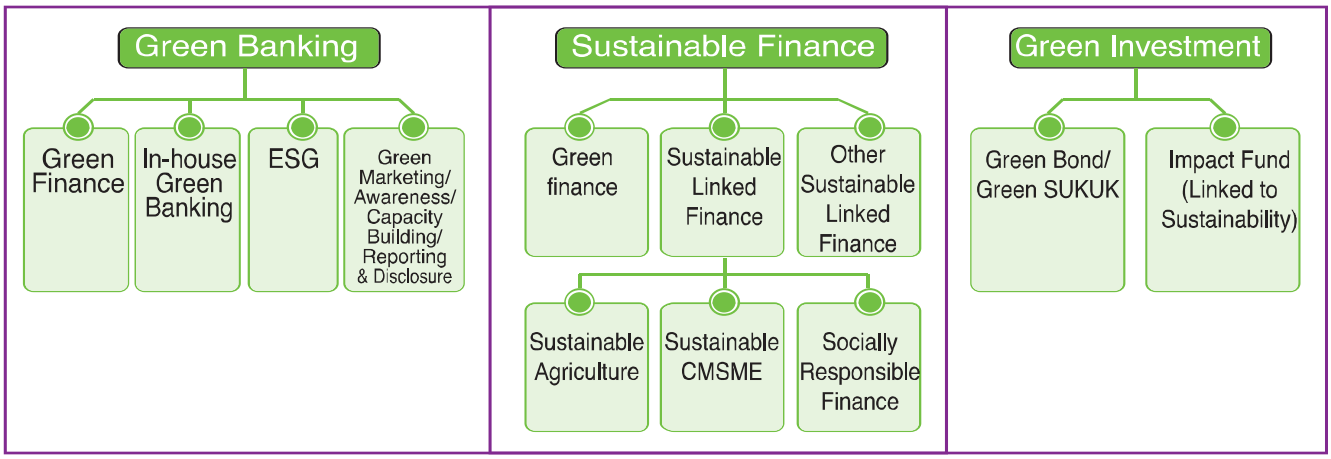
To achieve long-term sustainable development, we must responsibly manage environmental and social risks. Though Rapid urbanization and industrialization help in socio-economic development but it creates excessive pressure on natural resources, such as energy, water and food supplies. So, we consider the environmental & social risks very cautiously when evaluating any investment proposal. We are very

much conscious on consumption of power, water and other resources at office. We are also committed to ensure minimal wastage of natural resources.

Social Sustainability

SBAC Bank Ltd. contributes to social development through initiatives and programs that support the community. We believe in creating long-lasting value for our customers, shareholders, and employees and above all for the community we operate in. We have already started to initiate a strong financial inclusion program for the development of underprivileged people through branches, sub-branches & agent banking outlets in the remote areas. Furthermore, the Bank is providing wonderful digital banking services to customers through the digital banking wallet called 'Banglapay'. We have developed fast and convenient digital services for our customers such as Internet Banking, use of e-KYC, 24/7 Call Center, etc.

Forms of Sustainable Finance



Our Initiatives towards ensuring Sustainable Banking

SBAC Bank always looks forward to help its clients in carrying out sustainable business practices. The Bank provides its expertise towards its clients to make a positive change. Our sustainable strategy is built on solid ambitions in the area of climate change, the global as well as national economy and social impact.

a) Green Initiatives:

- Print on reusable sheets
- Print multiple pages on single sheets of paper
- Set defaults to print double-sided and print on both sides
- Print only the pages required
- Preview documents before printing
- Increase margin width of the documents
- Change the default font size from 12 point to 10 which would shrink document by about 10%
- Use e-mail statements

b) Green Governance:

"Green Banking Policy Implementation Unit (GBPIU)" is formed entrusting with the responsibilities of designing, evaluating and administering related green banking issues of the bank in line of Board approved policy.

c) Inclusion of Environmental Risk Rating (EnvRR) for Credit Risk Management:

SBAC Bank takes into account the Environment Risk while assessing credit proposals as per Environmental Risk Management (ERM) guidelines of Bangladesh Bank. In the year 2022, there were 11 nos. of bank financed projects amounting Tk. 3159.58 million applicable for Environment Due Diligence and the Bank assessed the Environmental Risk of those projects and found low Environment Risk having status "Standard".

d) Electronic Payment System:

SBAC Bank is such a platform where all customers receive a wide range of customer service relating to electronic payment system like Online Banking, RTGS, BEFTN, e-GP, Utility Bill Payment etc. Moreover, BanglaPay App was introduced to make digital transactions more efficient and faster and easier for the customer. Through the App customers can do almost any transactions from their mobile phone by sitting at home or anywhere in the world.

e) In-house Environment Management:

In order to develop in-house Environment Management, the Bank has taken the following measures to save water, paper, electricity, energy and stationery consumption. All Branches and Head Office are strict to reduce the consumption of paper, stationery, electricity, energy, water etc. which leads to positive outcome for the Bank.

i. Utility consumption during 2022 & 2021:

SL. No.	Particular		Amount in Million Taka	
			2022	2021
01	Consumption of Water		1.43	0.7
02	Consumption of Paper		6.36	4.35
03	Consumption of Energy	Electricity	36.71	30.31
		Gas	0.26	0.01
		Fuel	7.16	4.50
	Total		51.92	39.87

ii. Electronic communication is being extensively used (wherever possible) for office management in place of printed documents, especially when multiple copies are required, to save papers.

i. Installation of energy efficient electronic equipment and automatic shutdown of computers, fans, lights, air coolers etc. have been implemented in consultation with concerned divisions of Head Office gradually for reducing electricity consumption.

ii. Use of solar energy at the premises as an alternative source of electricity is initiated in consultation with and approval from concerned authority of the Bank. The bank has installed solar energy system in its branches. In the year of 2022, 60 branches are powered by solar energy.

iii. Preserving maintenance schedule of Generators and Air Conditioners and other major electrical and electronic equipment for monitoring performance as well as fuel/energy efficiency.

iv. All officials of the bank have been advised to ensure that their PC, Fan and other office equipment are turned off whenever those are not in use for prolonged period of time.

v. In procurement of vehicles and other electrical and electronic equipment, fuel/energy efficient quality is considered with priority.

vi. All branches/divisions now focus on minimizing use of resources at every possible aspect of work. All officials of the bank are advised to discharge their duties in environmentally responsible ways.

f) Introducing Green Finance:

The Board of Directors of the Bank approved "Green Finance Policy of SBAC Bank Limited" to extend credit facilities for the environmental friendly products/projects so far identified by Bangladesh Bank under comparatively more favorable terms and conditions and the Bank has allocated Tk.1,467.60 million for green finance to encourage/support environmental friendly products/projects as well as to achieve target set by Bangladesh Bank. We always encourage financing in environment-friendly green products under refinance scheme of Bangladesh Bank like Bio-Gas, Solar, ETP, Recycling, Renewable energy, Fuel Efficient Plants, Green Industry etc. to make our development sustainable.

g) Online Banking:

All our branches are well equipped with facilities like Online Banking, SMS Banking & Internet Banking, etc. through renowned Florabank Online Core Banking Solution. Its ATM booths are available for the convenience of the people to provide nonstop services.

h) Supporting Employee Training:

The Training Institute of the Bank is continuously arranging training program on Green Banking. Besides, circulars/instructions/advices on green banking and sustainable finance have been issued to make the employees aware of green banking. The bank is also nominating employees to participate training program/ workshop/seminar on Green Banking organized by various organizations/institutions.

South Bangla Agriculture and Commerce Bank Foundation

South Bangla Agriculture and Commerce Bank Limited is a socially responsible corporate citizen. We are committed to work for the people and are actively engaged in social projects throughout. The Board of SBAC Bank Ltd. has approved a policy for Corporate Social Responsibility (CSR) in line with the CSR Guidelines of Bangladesh Bank. For better CSR activities the Bank has formed South Bangla Agriculture and Commerce Bank Foundation in 2017 under the Societies Registration Act 1860.

South Bangla Agriculture and Commerce Bank Foundation started its journey on 26th November, 2017 with a number of benevolent objectives to undertake and carry on welfare activities strictly on non-profit basis for humanitarian and charitable purposes including Education, Preventive and Curative healthcare, emergency disaster relief, promoting human welfare, community investments by way of donations. The foundation has also a view to carry out and implement promotion of art, science, literature after obtaining necessary permission from the government/Concerned Authority/Competent Authority.

The Foundation shall be non-political, non-profit, voluntary and non-government charitable organization. Different sources of the Foundation's income whatsoever derived shall be applied solely towards the promotion of the objectives of the foundation enumerated above and no portion thereof shall be paid or distributed as dividend, bonus, profit or otherwise to the Members of the Foundation.

SBAC Bank Foundation works with local charities and voluntary groups to help children from disadvantaged backgrounds in accessing education. It focuses on the welfare of the society at large and can also serve the objectives of the Shariah. It is believed that for a company to establish itself as socially responsible, it cannot do anything that is harmful to the society, and its active participation to work for the betterment and welfare of the society is necessary.

Our strategies are based on the fundamental conviction of sustainable business that integrates good governance and social priorities with a view to enhancing community empowerment in a sustainable manner. As a responsible corporate citizen we realize the need to invest in the society and we work for bringing about changes that impact lives in positive ways. We will act as promoter of positive changes through our actions in educational development, healthcare, entrepreneurship, women empowerment and so on. We are accountable for monitoring of proper utilization of the CSR support assistances for the intended purposes. The foundation shall also collect and file reports/documents sufficient to ascertain proper end use, withholding the assistance in unsatisfactory cases. The Board also accountable to review reports of CSR allocation, end-use monitoring annually before approving fresh allocations for subsequent years, and to ensure the preservation of end-use records for inspection by internal and external audit and for supervision of regulators. Our ultimate commitment is towards our society and we put in our best efforts in living according to the values that we are wholeheartedly believe in. Donation of South Bangla Agriculture and Commerce Bank Limited is the main source of fund.

The amount of money donated as Corporate Social Responsibility (CSR) during the year 2022 is given below in a nutshell:

Summary of CSR Expenses in 2022 (As on 31.12.2022)

SBAC Bank Foundation's AC Summary:		
Sl. No.	**Particulars**	**Amount in BDT**
1	Opening Balance as on 01.01.2022	33,175,478.00
2	Donation Received from the Bank	25,779,387.00
3	Donation Received from Members' Subscription (50,000*15)	750,000.00
A	**Available Balance**	**59,704,865.00**
1	Donation to various Entities	479,750.00
2	A/C maintenance charge & Excise Duty	51,095.00
B	**Total Expenditure (Amount Paid)**	**530,845.00**
C(A-B)	**Balance in SBAC Bank Foundation (31.12.2022) A/C**	**59,174,020.00**

Amount in BDT

Sector-wise Donation in 2022 (As on 31.12.2022)		
Sector	**SBAC Bank Foundation**	**SBAC Bank Ltd.**
Education	200,000.00	2,873,613.00
Healthcare	255,000.00	-
Others	24,750.00	25,447,000.00
Total	**479,750.00**	**28,320,613.00**
Grand Total	**28,800,363.00**	

Financial Inclusion

According to United Nations (2006), Financial Inclusion (FI) is the access to the range of financial services at a reasonable cost for the bankable people and farms. Financial inclusion is a method of offering banking and financial services to individuals. It aims to include everybody in society by giving them basic financial services regardless of their income or savings. It focuses on providing financial solutions to the economically under privileged. In addition, it is an important enabler of sustainable development and economic growth. Access to financial services can help eradicate poverty, improve individual well-being and household welfare, and spur entrepreneurship and small enterprise activity.

Financial inclusion is measured in three dimensions: (i) access to financial services; (ii) usage of financial services; and (iii) the quality of the products and the service delivery.

Currently, the banking sector is facing various challenges like the need to improve financial literacy, lack of formal identification documents, consumer protection, the rural poor and gender inequality, promoting the use of the transaction account.

Bangladesh Government and Bangladesh Bank have taken an intensive approach towards inclusive financing alongside conventional banking. Low income group of the society has been brought under the financial services and the development programs for small, medium and women entrepreneurs have been undertaken. Various initiatives have been taken towards mobile banking, school banking, and agent banking which have been lauded globally. According to Bangladesh Bank instructions and circular SBAC Bank has taken various steps like opening different account:

Student saving deposit account: Total 12619 numbers of accounts were opened by various students of the country and they deposited all together Tk. 320.05 Lac.

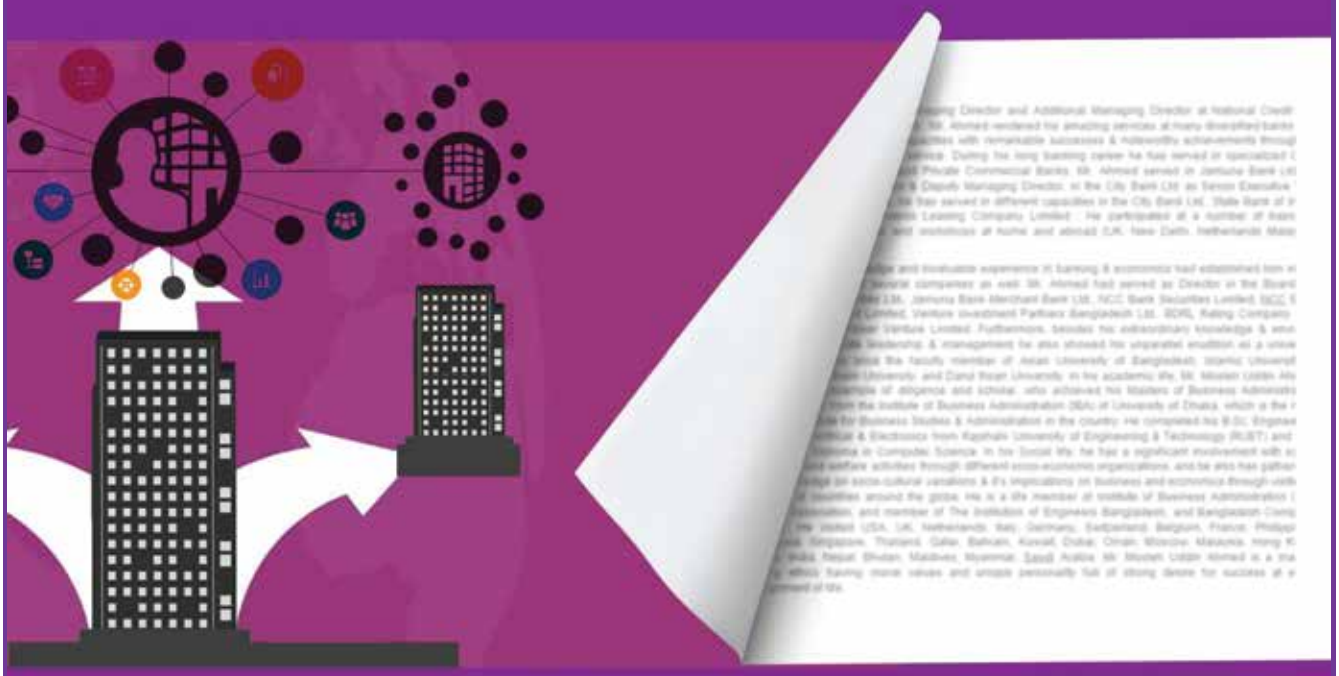
Senior citizen saving deposit: Total 294 numbers of account & Tk. 258.02 Lac was deposited by different senior citizen of the Country.

10/50/100 Privilege Savings Account: In order to help the marginalized people of the society. 8634 number of accounts were opened in total and Tk. 204.53 Lac (Approx.) were distributed so far.

SBAC Probashi Account: A newly launched special type of deposit account designed for wage earners and their family members with attractive interest rate and other facilities. Total 5 numbers of account & Tk. 0.43 Lac were deposited by expatriate wage earners and their family members.

Chapter 08

SUBSIDIARY OVERVIEW



SBAC Bank Investment Limited

SBAC Bank Investment Limited is a subsidiary of South Bangla Agriculture and Commerce Bank Limited, a renowned private commercial bank of 4th generation. It is a private limited company licensed from Registrar of Joint Stock Companies and Firms (RJSC) under the Companies Act 1994 in order to provide all types of services relating to capital market operation. The Company has a board of directors consisting of 09 (nine) members including the managing director & CEO. The board comprises highly experienced and professional members who hold long successful track records in relevant area of operations. Our expertise is rooted in the extensive industry knowledge and broad corporate finance and capital market experience of our professionals. Today, we are aiming to offer state-of-the-art investment solutions to cater the need of a diversified group of investors.

SBAC Bank Investment Limited is committed to offer a broad range of investment banking including general broking, wholesale broking, margin, portfolio management, investment advisory services as well as diverse financial services and solutions, to both institutional and individual clients fitted with their customized unique requirements.

The company strongly believes to extend its co-operation and value added services to the clients. We also believe that SBAC Bank Investment Limited will play a vital role in the capital market in its development and future growth.

The major objectives of SBAC Bank Investment Limited:

- To Carry on the business either in own portfolio or for clients, broking or dealing in stocks, shares, bonds, debenture, commercial papers or any instrument floated in the stock market in the country.
- To act as TREC holder of Stock Exchange and to carry on the business of brokers, jobber's or dealers in Stocks, Shares, Securities, Commodities, Commercial papers, Bonds, Obligations, debentures, debenture stocks, Treasury Bills either as a Joint venture in collaboration with foreign company shareholders or exclusively with local participants.
- To buy, sell, hold or otherwise acquire or invest in securities, bonds, commercial papers, debentures, debenture stocks, obligations or securities issued or guaranteed by any company incorporated or registered in Bangladesh or, in any foreign country and also to invest in security or securities for short term or long term gains and to realize such gains.
- To provide margin facilities to investors as per provision of laws.
- To acquire new customer and educate them the opportunities hidden in the capital market and relevant laws and regulations.

SBAC Investment Limited has the following unique advantages to carry out its operation:

- Strong Capital base of an authorized share capital of Tk. 50,00,00,000.00 (Fifty Crore) and Paid-up capital of Tk. 40,00,00,000.00 (Forty Crore) at the time of it's inception.
- Highly experienced and professional board members who hold long successful records in money market, capital market, financial planning and trade & commerce based operations.
- A wonderful Co-operative working environment.
- Adequate experts and professionals with skilled human resources.
- Sufficient infrastructure and logistic support with up to date technology based facilities.

Mission:

The company has it's mission in the following broad categories:

- To exceed clients expectations through rendering the most caring and friendly and standard services.
- To be the leading source of capital market research.
- Be the most ethical and compliant capital market player
- To participate actively in the development of capital market of Bangladesh.
- To be the best in product development and innovation and market making.
- Operate state of the art technologies for efficient operations and superior customer service.
- To contribute economic development of the country.

Vision

To be the most innovative leading capital market solution provider in terms of efficiency, excellence, transparency, and professionalism having a most significant market shares.

Our Values

Quality: What we do, we ensure quality in services by using state-of-the-art technologies, ensuring efficiency, excellence, transparency, and professionalism when delivering services.

Integrity: Integrity is the foundation on which we build strong relationships with clients. It distinguishes us from others in the industry. From integrity it comes trust, and trust allows clients to work effectively with their merchant bank.

Stability: The diversity of our business, approaches to our differentiated service, and focus on our strengths create stability for our clients. This means a high-quality and consistent commitment to our professionals, markets and businesses.

Trust: We build trust among our clients through our every action, co-operation, skills & expertise and professionalism when serving them using modernized technology based facilities.

Accountability: Ensuring responsibility to our customers and compliance with all related rules & regulations that will ensure accountability to all the stakeholders.

Respect: we treat everyone with respect and courtesy in our day to day operations and emphasize on building a long term relationship with all the concerned parties by this way.

A Relationship-Based Approach: We values most on establishing a meaningful, long-term relationship with clients– where we truly understand and facilitate them grow their businesses or meet their investment objectives. Our success is dependent largely on whether we can sustain a relationship with our clients over times.

Focused Expertise: We prioritize on focused expertise and set our sights on being the most knowledgeable one in our service areas. We are aiming to build a business by providing in-depth experience in the products and services, sectors and markets where we excel and can provide greater value to our clients.

Customer Focus: Customer is the key to our success. So we always focus on the preferences of our customers when designing our products & services. Our Customer Focus attitude helps as in bringing newer dimensions to our offerings.

Service Excellence: Customer delight is our passion. We use customer satisfaction to accelerate our growth. We value on giving customized as well as personalized services to our clients for ensuring service excellence.

Responsible Corporate Citizen: We are tax-abiding citizen. We conform to all laws, rules, norms, sentiments and values of the land.

Core Products of SBAC Bank Investment Limited

The Company has following core products mainly:

- General Brokerage
- Wholesale Brokerage
- Dealing
- Margin
- DP Services
- Research Service
- Value Added Service

SBAC Bank Investment Limited at a glance

Board of Directors

SL. No.	Name	Designation
01	**Mr. Anwar Hussain,** Nominated by: SBAC Bank Ltd.	Chairman
02	**Mr. Sk. Shyedujjaman,** Nominated by: SBAC Bank Ltd.	Vice-chairman
03	**Mr. Md. Badruddouza Chowdhury,** Nominated by: SBAC Bank Ltd.	Director
04	**Mr. Ziaur Rahman Zia FCA ,** Nominated by: SBAC Bank Ltd.	Independent Director
05	**Mr. Habibur Rahman,** Nominated by: SBAC Bank Ltd.	Director
06	**Mr. Md. Abdul Matin,** Nominated by: SBAC Bank Ltd.	Director
07	**Mr. Mohammad Asadul Haque,** Nominated by: SBAC Bank Foundation	Director
08	**Mr. Md. Mokaddess Ali FCS,** Nominated by: SBAC Bank Ltd.	Director
09	**Mr. S. M Nashir Uddin**	Managing Director & CEO

Corporate Information

Name of the Company	SBAC Bank Investment Limited
Legal Form	A private limited company registered in Registrar of Joint Stock Companies and Firms (RJSC) under the Companies Act 1994.
Date of Incorporation	21-03-2021
Nature of Business	Stock Brokerage
Stock Summary	
Authorized Capital	Tk. 50,00,00,000.00 (Fifty Crore)
Paid-up Capital	Tk. 40,00,00,000.00 (Forty Crore)
Face Value per Share	Tk. 10.00
Contact Information	
Registered Office	Head Office, BSC Tower, 2-3 Rajuk Avenue, Motijheel C/A, Dhaka-1000.
E-mail	sbacinvestment@sbacbank.com

Product Types of SBAC Bank Investment Limited

SBAC Bank Investment Limited will offer three types of product for its clients and its own Dealer Account. These are given below:

1. Individual Trading Account

SBAC Bank Investment Ltd. will serve all types of investors in respective branches diligently. It will grow significantly over the years and serves a huge client base with a team of experienced employees. The core focus of SBAC Bank Investment Ltd. is to serve the general investors with the objective of providing best quality of customer service and generate revenues to ensure sustainable growth for future.

Features:

- Experienced team of Executives and Traders
- Competitive commission fees and interest rates on margin loans
- Timely execution of buy & sell orders
- Superior customer service
- Reputation for compliance in trading

2. Institutional and Corporate Account

SBAC Bank Investment Ltd. will serve successful entrepreneurs, business tycoons and top-notch

professionals of the corporate world and deal with mostly local and foreign financial institutions that cover Merchant Banks, Asset Management Companies (AMC), NBFIs, and local corporate houses. Serving such a sophisticated client base requires knowledge beyond the market parameters. Our sales team ensures that objective with a team of high caliber relationship managers and traders who have excelled in efficient trading and portfolio management. Our Research Department to generate actionable Investment Ideas for its client.

Features

- Specialized trading for Merchant Banks, AMC, NBFI, Corporate and Institutional clients at preferential commission fees.
- Execution of trading services timely and efficiently to satisfy the top tier client base.
- Optimal use of available resources to achieve trading objectives of the clients.
- Consultation with panel broker and High Net worth Institutional (HNI) clients and receiving opinions on the presented services and taken it into consideration to reach the premium services.
- Adopt and implement best industry practices to ensure distinctive standards in serving corporate and HNI clients.
- Initiate and follow up new business opportunities with institutions.
- Provide trading services and facilitate post-trade settlement for all clients.
- Provide market color and pitch research backed stock picks.

- Ensure documentations related to trading agreements and trade executions.
- Maintain trade confidentiality for clients as top priority.

3. Premium Account

Premium Brokerage Account is a personalized service which gives us special attention from our experienced team. We will have direct access to our expertise team-dedicated specialists, who are available to assist you with all your trading needs. They will also ensure us state of the art solution with the latest investment ideas and opportunities. Our risk managers will help us to secure a sustainable growth on your investment.

Features

- All wealth management services under one roof.
- Dedicated Relationship Manager & Trading Officer.
- Preferential access to new investment opportunities.
- Special commission fee on trade.

4. Dealer Account

SBAC Bank Investment Ltd. will operate a dealer account. When the Board of Directors invests more funds in this account, we have scope to realize capital gain by selling shares from our Dealer Investment Account.

Features

- All wealth management services under one roof.
- Dedicated Team of Dealer Account.
- Preferential access to new investment opportunities.

এসবিএসি
হোম লোন
স্বপ্ন নীড়

ভাড়ার টাকায় নিজের স্থায়ী ঠিকানা গড়ার এখনই সময়!



বৈশিষ্ট:

- আকর্ষণীয় হারে ও দীর্ঘমেয়াদে ঋণ/বিনিয়োগ
- গৃহনির্মাণ/সংস্কার বা ফ্ল্যাট ক্রয়ে ঋণ/বিনিয়োগ
- সিটি করপোরেশন, পৌরসভাসহ ইউনিয়ন পর্যায়েও বিতরণ
- ঝামেলামুক্ত ও স্বল্পতম সময়ে প্রক্রিয়া সম্পন্নের নিশ্চয়তা
- সর্বোচ্চ দুই কোটি টাকা ঋণ/বিনিয়োগ দেওয়া হয়
- হোম লোনের মোট ব্যয়ের ৭০ শতাংশ পর্যন্ত ঋণ/বিনিয়োগ
- গোপন চার্জ বা আর্লি সেটেলমেন্টে কোনো ফি নেই

ইসলামিক ব্যাংকিং উইন্ডোতেও বিনিয়োগ করা হয়।

ব্যাংকের যেকোনো শাখা/উপশাখায় যোগাযোগ করুন।

SBAC
Islamic Banking
এসবিএসি ইসলামিক ব্যাংকিং

SBACBANK
সাউথ বাংলা এগ্রিকালচার এন্ড কমার্স ব্যাংক লিমিটেড

Chapter 9

FINANCIAL INFORMATION



Statement on the Integrity of Financial Statements

(As Per 'Annexure-A' of Corporate Governance Code of BSEC)

সাউথ বাংলা এগ্রিকালচার এন্ড কমার্স ব্যাংক লিঃ

SBAC BANK

[As per condition no. 1(5)(xxvi)]

Declaration by Managing Director & CEO and Chief Financial Officer (CFO)

26 April 2023

The Board of Directors
South Bangla Agriculture and Commerce Bank Limited
Head Office, 2-3 Rajuk Avenue, Motijheel, Dhaka –1000.

Dear Sir,

Subject: Declaration on Financial Statements for the year ended on 31 December 2022.

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of South Bangla Agriculture and Commerce Bank Limited for the year ended on 31 December 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

(i) We have reviewed the financial statements for the year ended on 31 December 2022 and that to the best of our knowledge and belief:
   (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
   (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Md. Masoodur Rahman FCA
Chief Financial Officer

Habibur Rahman
Managing Director & CEO

SBAC Bank Limited
Head Office: BSC Tower, 05th-16th Floor, 2-3 Rajuk Avenue, Motijheel C/A, Dhaka-1000, Bangladesh, Phone: +88 02 223357207-11, Fax: +88 02 223357212, SWIFT: SBACBDDH
www.sbacbank.com

Independent Auditors' Report to the Shareholders of South Bangla Agriculture and Commerce Bank Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of South Bangla Agriculture and Commerce Bank Limited and its subsidiary (the "Group") as well as the separate financial statements of South Bangla Agriculture and Commerce Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at December 31, 2022 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at December 31, 2022 and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Banking Companies Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and Regulations.

Basis for Opinion:

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

Emphasis of Matter

We draw your attention to Note # 8.10 to the financial statements, which explained the basis for measurement and recognition of provision required, maintained and the provision shortfall against loans, advances, and leases/investments. As of the balance sheet date, the bank had a provision shortfall which has been deferred until the financial statement for the year 2023 are finalized with permission from Bangladesh Bank (through letter no: DOS (CAMS)1157/41(dividend)/2023-2113 dated 25 April 2023). Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans and advances	
The process for estimating the provision for customer loans associated with credit risk is significant and complex. For the individual analysis for large exposure, provisions calculation consider the estimates of future business performance and the market value of collateral provided for availing investment facilities. For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates. At year end the Bank and the Group reported total gross loan of BDT 77,992.32 million (2021: BDT 65,955.68 million) and BDT 77,827.25 million (2021: BDT 65,955.68 million) respectively and the Bank reported provision for loans and advances of BDT 2,743.59 million (2021: BDT 2,397.44 million).	We tested the design and operating effectiveness of key controls focusing on the following: • Loan appraisal, disbursement and monitoring procedures, and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of loans and advances (loans-CL) submitted to Bangladesh Bank; Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines and; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank Department of Banking Inspection (DBI) team to the actual amount of provision maintained with the deferral permission.
See note no 8 and 13.4 & 13.4 to the financial statements	
Valuation of treasury bill and treasury bond	
The classification and measurement of T-Bill and T-Bond require judgment and complex estimates. In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds issued by Bangladesh Bank is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.	We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data. Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note no 7 to the financial statements	

Recognition of interest income	
Recognition and measurement of interest income involve a complex IT environment as well as require critical estimates and judgment. Since interest income from loans and advances is one of the key performance indicators of the Bank there is an inherent risk of fraud and error in the recognition of interest income. Moreover, as per Bangladesh Bank BRPD circular no. 53 dated 30 December 2021, considering future risk banks were allowed to recognize outstanding/ arrear interest income on loans where deferral facilities were given upon receiving at least 15% of the total receivable amount. Accordingly this has been considered a key audit matter	We tested the design and operating effectiveness of key controls over the recognition and measurement of interest on loans and advances focusing on the following: • Reviewing transfer of interests to the income account in line with the Bangladesh Bank's guideline; • Reviewed the grounds for approval for the transfer of interest to the income account. Additionally, for selected customers and loan files on sample basis we have also performed substantive test of details including recalculation and cut off testing to check accuracy of interest income.
See note no 21 to the financial statements	

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

Measurement of Taxation	
At year end of 2022 the Bank reported totaling deferred tax assets of BDT 22,474,959 (2021: assets BDT 21,757,883) and deferred tax income of BDT 717,076 (2021: Income BDT 28,435,622). Significant judgment is required in relation to deferred tax liabilities as their recoverability is dependent on forecasts of future profitability over a number of years. Current income tax is calculated on the estimated income.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of deferred tax liabilities and income tax provisions and the assumptions used in estimating the Bank's future tax expense. We also assessed the completeness and accuracy of the data used for the estimations of future taxable expenses and obligations. The Bank has sufficient taxable profit to recover the deferred tax liabilities and current tax liabilities in foreseeable future. We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax liabilities and income tax provision. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.

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

Other Matter

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

Reporting on other information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements

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

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:

(a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;

(b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities {other than matters disclosed in these financial statements};

(iii) consolidated financial statements of the Bank include one subsidiary, namely SBAC Bank Investment Limited, reflecting total assets of BDT 979,762,686 as at December 31, 2022 and total revenue of Tk. 42,361,054 for the year ended December 31, 2022 which has been audited by Hoda Vasi Chowdhury & Co, Chartered Accountants who has expressed unqualified audit opinion on the financial statements. The results of this subsidiary have been properly reflected in the Group's consolidated financial statements;

(iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;

(v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(vii) the expenditures incurred were for the purpose of the Bank's business for the year;

(viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

(ix) adequate provisions have been made for loans and other assets which are in our opinion, doubtful of recovery;

(x) the information and explanations required by us have been received and found satisfactory;

(xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 8,000 person hours; and

(xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Md Shahadat Hossain, FCA
Engagement Partner
Enrolment No.: 0672
MABS & J Partners
Chartered Accountants
DVC No: 2304270672AS73590

A. K. Gulam Kibria, FCA
Engagement Partner
Enrolment No.: 0392
G. KIBRIA & Co.
Chartered Accountants
DVC No: 2304270392AS774707

Dhaka, 26 April 2023

South Bangla Agriculture and Commerce Bank Limited

Consolidated Balance Sheet

As at 31 December 2022

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

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

Accompanying notes form an integral part of these financial statements.

Chairman **Director** **Director** **Managing Director & CEO**

Signed in terms of our report of even date.

Md Shahadat Hossain, FCA
Engagement Partner
Enrolment No.: 0672
MABS & J Partners
Chartered Accountants
DVC No: 2304270672AS73590
Dhaka, 26 April 2023

A. K. Gulam Kibria, FCA
Engagement Partner
Enrolment No.: 0392
G. KIBRIA & Co.
Chartered Accountants
DVC No: 2304270392AS774707

South Bangla Agriculture and Commerce Bank Limited

Consolidated Profit and Loss Account

For the year ended 31 December 2022

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

Accompanying notes form an integral part of these financial statements.

Chairman **Director** **Director** **Managing Director & CEO**

Signed in terms of our report of even date.

Md Shahadat Hossain, FCA
Engagement Partner, Enrolment No.: 0672
MABS & J Partners, Chartered Accountants
DVC No: 2304270672AS73590
Dhaka, 26 April 2023

A. K. Gulam Kibria, FCA
Engagement Partner, Enrolment No.: 0392
G. KIBRIA & Co., Chartered Accountants
DVC No: 2304270392AS774707

South Bangla Agriculture and Commerce Bank Limited

Consolidated Cash Flow Statement

For the year ended 31 December 2022

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

Accompanying notes form an integral part of these financial statements.

Chairman **Director** **Director** **Managing Director & CEO**

South Bangla Agriculture and Commerce Bank Limited

Consolidated Statement of Changes in Equity

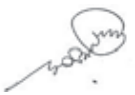
For the year ended 31 December 2022

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

Accompanying notes form an integral part of these financial statements.



Chairman



Director



Director



Managing Director & CEO

South Bangla Agriculture and Commerce Bank Limited

Consolidated Liquidity Statement (asset and liabilities maturity analysis)

As at 31 December 2022

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

Accompanying notes form an integral part of these financial statements.

Chairman **Director** **Director** **Managing Director & CEO**

South Bangla Agriculture and Commerce Bank Limited

Balance Sheet

As at 31 December 2022

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

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

Accompanying notes form an integral part of these financial statements.

Chairman **Director** **Director** **Managing Director & CEO**

Signed in terms of our report of even date.

Md Shahadat Hossain, FCA
Engagement Partner
Enrolment No.: 0672
MABS & J Partners
Chartered Accountants
DVC No: 2304270672AS73590

Dhaka, 26 April 2023

A. K. Gulam Kibria, FCA
Engagement Partner
Enrolment No.: 0392
G. KIBRIA & Co.
Chartered Accountants
DVC No: 2304270392AS774707

South Bangla Agriculture and Commerce Bank Limited

Profit and Loss Account

For the year ended 31 December 2022

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

Accompanying notes form an integral part of these financial statements.

Chairman **Director** **Director** **Managing Director & CEO**

Signed in terms of our report of even date.

Md Shahadat Hossain, FCA
Engagement Partner, Enrolment No.: 0672
MABS & J Partners, Chartered Accountants
DVC No: 2304270672AS73590

A. K. Gulam Kibria, FCA
Engagement Partner, Enrolment No.: 0392
G. KIBRIA & Co., Chartered Accountants
DVC No: 2304270392AS774707

Dhaka, 26 April 2023

South Bangla Agriculture and Commerce Bank Limited

Cash Flow Statement

For the year ended 31 December 2022

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

Accompanying notes form an integral part of these financial statements.

Chairman **Director** **Director** **Managing Director & CEO**

South Bangla Agriculture and Commerce Bank Limited

Statement of Changes in Equity

For the year ended 31 December 2022

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

Accompanying notes form an integral part of these financial statements.



Chairman



Director



Director



Managing Director & CEO

South Bangla Agriculture and Commerce Bank Limited

Liquidity Statement
(asset and liabilities maturity analysis)

As at 31 December 2022

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

Accompanying notes form an integral part of these financial statements.

Chairman **Director** **Director** **Managing Director & CEO**

South Bangla Agriculture and Commerce Bank Limited

Notes to the Financial Statements

as at and for the year ended 31 December 2022

1 General information

1.1 Status of the bank

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

1.2 Nature of business

Principal activities

The principal activities of the Bank are to carry on all kinds of commercial banking business in Bangladesh i.e. accepting customer deposits, lending to retail, small and medium enterprise (SME) and corporate customers, trade financing, lease financing, project financing, issuing letters of credit, interbank borrowing and lending, dealing with government securities etc. In addition to the traditional banking system, the Bank started islamic sariah base banking business through islamic banking windows (IBW) in 10 branches of the Bank during 2022.

Off-shore Banking Unit (OBU)

The Off-shore Banking Unit (OBU) of the Bank is the separate business entity governed by the applicable rules & regulations and guidelines of Bangladesh Bank. The Bank obtained the permission for conducting the activities of OBU under reference letter no. BRPD (03)/744(127)/2020-5140 dated 15 July 2020 of Bangladesh Bank. The Bank started the operation of OBU on 22 October 2020. The number of OBU was one as at 31 December 2022, located at International Division, Head Office, SBAC Bank Ltd., Dhaka.
The principal activities of the OBUs are to provide commercial banking services through its Unit within the rules & regulations and guidelines of Bangladesh Bank applicable for the Off-shore Banking Units.

Agent Banking Outlet

The Bank has started agent banking operation in 2022 with a view to reach unbanked population particularly in the geographically dispersed areas and offer banking services to potential customers who are currently out of traditional banking periphery. The Bank has 15 agent outlets across the country. This service includes offering all types of deposit accounts and other banking services including bills payments, inward foreign remittance, fund transfer etc.

Information regarding subsidiary

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

SBAC Bank Investment Limited

SBAC Bank Investment Limited, a subsidiary company of the Bank, incorporated as a private company, limited by shares, registered with the Registrar of Joint Stock Companies and Firms vide certificate of incorporation no. C-169950/2021 dated 21 March 2021 under the Companies Act 1994. SBAC Bank Investment Limited got the Trading Right Entitlement Certificate (TREC) no. Nibondhon/DSE/TREC#267/2021/294 dated 01 September 2021 of Dhaka Stock Exchange Limited (DSE). The primary activity of the company is to act as a stock broker & dealer to execute buy and sell order and to maintain its own portfolio as well as customers' portfolio under the discretion of customers. The Financial Statements of the company for the year ended 31 December 2022 are shown in Annexure - J.

2 Basis of preparation of financial statements and significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the Bank as at 31 December 2022 have been prepared on going concern basis under historical cost convention and in accordance with the “First Schedule” of the Bank Companies Act, 1991 as amended by BRPD Circular No. 14 dated 25th June 2003, other Circulars of Bangladesh Bank, International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987, and other laws and rules applicable for Banks in Bangladesh. The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed and it is yet to issue financial reporting standards for public interest entities such as banks. The Bank Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. As per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as approved by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. In case of any requirement of the Bank

Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of other regulatory authorities and IFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank prevailed. Material departures from the requirements of IFRS are as follows:

i) Persentation 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 summery of accounting policies and other explantory 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 Departmant 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: Accroding 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 eqity 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 amorization 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 subsequntly become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

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

vi) Other comprehensive income and appropriation of profit

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

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

vii) Financial instruments – presentation and disclosure

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

viii) Financial guarantees

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

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

ix) Cash and cash equivalents

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

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

x) Repo and reverse repo transactions

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

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

xi) Non-banking asset

IFRS: No indication of Non-banking assets is found in any IFRS.
Bangladesh Bank: As per BRPD 14, there is a separate balance sheet item named Non-banking assets existed in the standard format.

xii) Cash flow statement

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

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

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

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

xiv) Presentation of intangible assets

IFRS: An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.
Bangladesh Bank: There is no regulation for intangible assets in BRPD Circular No.14 dated 25th June 2003.

xv) Off-balance sheet items

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

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

xvi) Loans and advances net of provision

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

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

xvii) Disclosure of appropriation of profit

IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.
Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.

2.2 Going concern basis of accounting

The accompnaying financial statements have been prepared on goning concern assemption that the Bank will continue its operation over the foreseeable future. The bank has niether any intention nor any legar or regularory compultion 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 staetements 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 asse ts and right of use assets
e. Defined benefit oblication-gratuity
f. Lease liabilities

2.5 Consistency

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

2.6 Foreign currency transactions

a) Functional and presentation currency

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

b) Foreign currencies translation

Foreign currency transactions are converted into equivalent BDT using the prevailing exchange rates on the dates of respective transactions as per IAS-21, "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into BDT at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into equivalent BDT. Assets and liabilities of off-shore Banking Unit (OBU) are translated at the exchange rate prevailing at the balance sheet date. Income and expenses in the profit and loss account of OBU are translated at an average rate approximating the exchange rates at the year end. Resulting exchange differences are recognized as a separate component of equity. As per IAS 21, Foreign Currency Transactions i.e. both the foreign currency denominated monetary and non-monetary items of the OBUs are translated at historical rate because the OBUs are considered as an integral part of the Bank's operation not a foreign operation due to specific regulations governing the OBU and its unique nature.

c) Commitments

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

d) Transaction gains and losses

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

2.7 Cash flow statement

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

2.8 Statement of changes in equity

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

2.9 Statement of liquidity

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

2.10 Reporting period

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

2.11 Investment in Govt. Securities

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

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

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

2.12 Investment in quoted / unquoted securities

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

2.13 Loans and advances

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

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

2.14 Provisions on loans and advances

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

The provisioning rates are as follows:		
	2022	**2021**
General provision on:		
Unclassified general loans and advances/investments	1.00%	1.00%
Unclassified small and medium enterprise financing	0.25%	0.25%
Unclassified loans/investment for housing finance	1.00%	1.00%
Unclassified loans/investment for loans to professionals	2.00%	2.00%
Unclassified consumer financing other than housing finance and loans for professionals	2.00%	5.00%
Unclassified agricultural loans	1.00%	1.00%
Specific provision on:		

Unclassified loans/advances rescheduled under BRPD 05/2019	100.00%	100.00%
Substandard loans and advances/investments other than agricultural loans and cottage, micro & small enterprise finance	20.00%	20.00%
Substandard loans and advances on cottage, micro & small enterprise finance	5.00%	5.00%
Doubtful loans and advances/investment other than agricultural loans and cottage, micro & small enterprise finance	50.00%	50.00%
Doubtful loans and advances on cottage, micro & small enterprise finance	20.00%	50.00%
Substandard and doubtful on agricultural loans	5.00%	5.00%
Bad/loss advances/investments	100.00%	100.00%
Special general provision for COVID 19		
Loans and advances on cottage, micro & small enterprise finance	1.00%	1.50%
Other than SME loans and advances	2.00%	2.00%

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

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

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

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

2.15 Property, plant and equipment

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

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

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

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

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

d) On disposal of fixed assets, the book value of the assets are eliminated from the fixed assets schedule and

gain or loss on such disposal is reflected in the income statement, which is determined with reference to the book value of the asset and net sale proceeds.

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

2.16 Intangible asset

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

2.17 Provisions for other assets

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

Particulars	Outstanding Period	Rate
Advance for revenue expenses	more than 6 months but less than 12 months	50%
	more than 12 months	100%
Advance for capital expenses	more than 12 months	100%
Legal expenses realizable form customers	from transaction date	50%
	more than 12 months	100%
Protested Bills	from transaction date	100%
Unadjusted debit entries in inter-branch transaction	more than 1 year but less than 2 years	50%
	more than 2 years	100%
Unadjusted debit entries in nostro account	more than 6 months but less than 12 months	50%
	more than 12 months	100%
Accrued Interest on loans and advances, investments and other accrued income	more than 6 months but less than 12 months	50%
	more than 12 months	100%
Security Deposits (not collected from expity date)	more than 1 year but less than 2 years	50%
	more than 2 years	100%
Unadjusted sanchayapatra, wage earners' bond, army pention fund, civil pention 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 @1% against off-balance sheet exposures (L/Cs and Guarantees etc) in addition to the existing provisioning arrangement is made as per BRPD Circular No. 14 dated 23rd September, 2012 and BRPD Circular No. 07 dated 21 June 2018.

2.29 Provision for current taxation

Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates as prescribed in the Income Tax Ordinance 1984 and relavant 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 admissiblity of certain expenses as well as extimating the amount of other expenses for tax purposes.

2.30 Provision for deferred tax

Deferred tax liabilities / assets are the amount of income tax payable / recoverable in future years in respect of taxable /deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing difference arising between the carrying values of assets, liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The immpact 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 shareholdes 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 dipositors of the IBW share income derived from investing activities deploying the Mudaraba funds. Income under these categories includes profit, dividend, capital gain,rent, exchange gain and any other gain derived from deployment of Mudaraba funds.

2.31.8 Management and other expenses

Expenses incurred by the Bank are recognized on accrual basis.

2.32 Risk management

2.32.1 Internal Control and Compliance Management

Operational loss may arise from error and fraud due to weakness of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Bank.

Internal Control and Compliance Division undertakes periodic and special audit of the branches and departments at Head Office for review of the operation and compliance with statutory requirements. The Audit Committee of the Board reviews the reports of the Internal Control and Compliance Division.

2.32.2 Foreign Exchange Risk Management

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

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

2.32.3 Credit Risk Management

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

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

2.32.4 Asset Liability Management

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

2.32.5 Money Laundering Risk Management

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

2.32.6 Information and Communication Technology Security Risk Management

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

2.32.7 Internal Audit Management

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

2.32.8 Fraud and Forgeries Management

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

2.32.9 Operational Risk

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

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

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

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

2.32.10 Legal risk

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

2.32.11 Business risk

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

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

2.32.12 Reputational Risk

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

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

2.32.13 Liquidity risk

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

2.32.14 Interest rate risk

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

Gap analysis

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

Duration analysis

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

2.33 Earnings per share (EPS)

Earnings per share (EPS) have been calculated in accordance with IAS 33 – "Earnings per Share", which is shown on the face of the Profit & Loss Account. This has been calculated by dividing the net profit after tax by

the weighted average number of ordinary shares outstanding as on 31 December 2022. This represent the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighted factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year.

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

2.34 Off-setting financial assets and financial liabilities

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

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

2.35 Leases

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

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

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

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

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

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

2.36 Dividend policy

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

2.37 Credit Rating of the Bank

As per the BRPD instruction circular no.6 dated 5 July 2006, the Bank has done its credit rating by Credit Rating Infromation and Services Limited (CRISL) based on the financial statements dated 31 December 2021.

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

2.38 Accounting standards adopted

The Institute of Charteres 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 Ecomonics	IAS	29	Not Applicable
Financial Instruments : Presentation	IAS	32	*Complied
Name of IASs / IFRSs	**IASs / IFRSs**	**No.**	**Status**
Earnings Per Share	IAS	33	Complied
Interim Financial Reporting	IAS	34	Complied
Imparement of Assets	IAS	36	Complied
Provisions, Contingent Liabilities and Contingent Assets	IAS	37	*Complied
Intangible Assets	IAS	38	Complied
Financial Instruments : Recognition and Measurement	IAS	39	*Complied
Investment Property	IAS	40	Not Applicable
Agriculture	IAS	41	Not Applicable
First-time Adoption of International Financial Reporting Standards	IFRS	1	Complied
Share-based Payment	IFRS	2	Not Applicable
Business Combinations	IFRS	3	Complied
Non-current Assets Held for Sale and Discontinued Operations	IFRS	5	*Complied
Exploration for and Evaluation of Mineral Resources	IFRS	6	Not Applicable
Financial Instruments : Disclosures	IFRS	7	*Complied
Operating Segments	IFRS	8	Complied
Financial Instruments	IFRS	9	*Complied
Consolidated Financial Statements	IFRS	10	Complied
Joint Arrangements	IFRS	11	Not Applicable
Disclosure of Interests in Other Entities	IFRS	12	Complied
Fair Value Measurement	IFRS	13	*Complied
Regulatory Deferral Accounts	IFRS	14	Not Applicable
Revenue from Contracts with Customers	IFRS	15	Complied
Leases	IFRS	16	Complied
Insurance Contracts	IFRS	17	Not Applicable

* Subject to departure disclosed in note no. 2.1.

2.39 New accounting standards not yet adopted

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

(a) IFRS 17 Insurance contract

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

2.40 Information about business segments

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

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

2.41 Utilization of IPO fund

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

2.42 Approval of the Financial Statements

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

		2022 Taka	2021 Taka
3.	**Cash in hand (including foreign currencies) - Consolidated**		
	SBAC Bank Limited (note 3.1)	987,490,568	855,111,180
	SBAC Bank Investment Limited	13,594	-
		987,504,162	**855,111,180**
3.1	**Cash in hand (including foreign currencies) of the Bank**		
	Local currency	980,174,738	853,240,625
	Foreign currencies	7,315,830	1,870,555
		987,490,568	**855,111,180**
4.	**Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) - Consolidated**		
	SBAC Bank Limited (note 4.1)	4,305,691,078	3,236,004,834
	SBAC Bank Investment Limited	-	-
		4,305,691,078	**3,236,004,834**
4.1	**Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) of the Bank**		
	Bangladesh Bank		
	In local currency	3,655,236,495	3,064,258,047
	In foreign currencies	650,454,583	171,746,787
		4,305,691,078	3,236,004,834
	Sonali Bank Limited (as Agent of Bangladesh Bank) - local currency	-	-
		4,305,691,078	**3,236,004,834**

4.2 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of the Bank Company Act, 1991 (amended up to 2018) and of instructions contained in DOS Circular No. 01 dated 19 January, 2014 and MPD Circular No. 03 dated 09 April, 2020 for conventional and islamic banking and BRPD Cricular No. 31 dated 18 June 2020 for off-shore banking unit.

The Cash Reserve Requirement, calculated at the rate of 3.50% for conventional and islamic banking and 1.50% for off-shore banking unit on daily basis and 4.00% for conventional and islamic banking and 2.00% for off-shore banking unit on bi-weekly basis, based on the Bank's average time and demand liabilities of two months earlier of the reporting month (i.e. for December based on October), has been maintainded with Bangladesh Bank in current account. The Statutory Liquidity Ratio, calculated at the rate of 13% for conventional banking and off-shore banking unit and 5.50% for islamic banking based on the Bank's average time and demand liabilities of two months earlier of the reporting month (i.e. for December based on October), have been maintained in the form of unencumbered treasury bills and bonds, cash in hand and daily excess of Cash Reserve.

4.2.1	**Total average demand and time liabilities**		
	Total average demand and time liabilities of October		
	Conventional banking	84,249,796,000	70,599,843,000
	Islamic banking	282,815,000	206,374,000
	Off-shore banking unit	-	-
		84,532,611,000	**70,806,217,000**
4.2.2	**Cash Reserve Requirement (CRR) and maintained**		
	Required reserve		
	Conventional banking	3,369,992,000	2,823,994,000
	Islamic banking	11,313,000	8,255,000
	Off-shore banking unit	-	-
	Total required reserve	**3,381,305,000**	**2,832,249,000**
	Actual reserve maintained		
	Balance with Bangladesh Bank - local currency :		
	For conventional banking and OBU	3,604,277,020	2,917,148,863
	For islamic banking	20,000,000	50,000,000
		3,624,277,020	**2,967,148,863**
	Surplus / (deficit) (conventional banking and OBU)	**234,285,020**	**93,154,863**
	Surplus / (deficit) (islamic banking)	**8,687,000**	**41,745,000**
	Maintained ratio (conventional banking and OBU)	**4.28%**	**4.13%**
	Maintained ratio (islamic banking)	**7.07%**	**24.23%**

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

		2022 Taka	2021 Taka
4.2.3	**Statutory Liquidity Ratio (SLR) requirement and maintained (conventional banking and off-shore banking unit)**		
	Required reserve		
	Conventional banking	**10,952,473,000**	**9,177,980,000**
	Off-shore banking unit	**-**	**-**
	Total required reserve	**10,952,473,000**	**9,177,980,000**
	Available for maintenance :		
	Cash in hand (including foreign currencies)	890,397,360	839,202,564
	Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	-	-
	Excess of CRR requirement	234,285,020	93,154,863
	Unencumbered approved securities (treasury bills and bonds, debentures etc.)	13,879,784,042	15,918,541,635
		15,004,466,422	16,850,899,062
	Surplus / (deficit)	**4,051,993,422**	**7,672,919,062**
	Maintained Ratio	**17.81%**	**23.87%**
4.2.4	**Statutory Liquidity Ratio (SLR) requirement and maintained (islamic banking)**		
	Required reserve	**15,555,000**	**11,351,000**
	Available for maintenance :		
	Cash in hand (including foreign currencies)	3,926,208	15,908,616
	Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	-	-
	Excess of CRR requirement	8,687,000	41,745,000
	Unencumbered approved securities (treasury bills and bonds, debentures etc.)	30,000,000	50,000,000
		42,613,208	**107,653,616**
	Surplus / (deficit)	**27,058,208**	**96,302,616**
	Maintained Ratio	**15.07%**	**52.16%**
5.	**Balance with other banks and financial institutions - Consolidated**		
	In Bangladesh		
	SBAC Bank Limited (note 5.1)	2,612,225,831	7,080,594,333
	SBAC Bank Investment Limited	24,374,001	7,118,668
		2,636,599,832	7,087,713,001
	Less : Inter company transactions	12,431,157	7,118,668
		2,624,168,675	7,080,594,333
	Outside Bangladesh		
	SBAC Bank Limited (note 5.1)	278,571,754	291,705,446
	SBAC Bank Investment Limited	-	-
		278,571,754	291,705,446
		2,902,740,429	**7,372,299,779**
5.1	**Balance with other banks and financial institutions of the Bank**		
	In Bangladesh		
	Main Operation (note 5.2)	2,825,250,163	7,638,008,901
	Off-shore Banking Unit	54,987,907	17,600,989
	Less: Inter bank transactions between on-shore banking unit and OBU	(268,012,239)	(575,015,557)
		2,612,225,831	7,080,594,333
	Outside Bangladesh		
	Main Operation (note 5.2)	278,571,754	291,705,446
		2,890,797,585	**7,372,299,779**
5.2	**Balance with other banks and financial institutions - on-shore banking unit**		
	In Bangladesh (note 5.3)	2,825,250,163	7,638,008,901
	Outside Bangladesh (note 5.4)	278,571,754	291,705,446
		3,103,821,917	**7,929,714,347**
5.3	**In Bangladesh**		
	Balance with other banks :		
	In current deposit accounts with		
	Sonali Bank Limited	72,926,045	39,797,215
	Dutch Bangla Bank Limited	1,027	1,372
	Eastern Bank Limited	13,900,701	8,540,574
		86,827,773	**48,339,161**

	2022 Taka	2021 Taka
In special notice deposit accounts with		
Janata Bank Limited	148,019,161	109,409,377
Eastern Bank Limited	11,257,764	15,754,105
Sonali Bank Limited	-	84,553,801
Mercantile Bank Limited	406,754	440,230
Bank Asia Limited	26	26
Standard Bank Limited	89,323	89,323
Jamuna Bank Limited	16,840	17,832
Al-Arafa Islami Bank Limited	13,539	14,547
Trust Bank Limited	38,281,426	17,355,415
Union Bank Limited	4,844	7,541
IFIC Bank Limited	17,667	20,083
Rupali Bank Limited	434,215	3,035,218
	198,541,559	**230,697,498**
In fixed deposit accounts with		
Mutual Trust Bank Limited	-	1,000,000,000
NCC Bank Ltd.	500,000,000	-
Janata Bank Limited	-	1,821,060,000
Sonali Bank Limited	-	2,014,062,500
	500,000,000	**4,835,122,500**
Balance with financial institutions :		
Phoenix Finance Limited	197,100,000	213,500,000
International Leasing & Financial Services Limited	578,500,000	578,500,000
Industrial & Insfructure Development Finance Company Limited	23,300,000	78,000,000
Fareast Finance and Investment Limited	257,500,000	257,500,000
FAS Finance Limited	264,300,000	264,300,000
Premier Leasing and Finance Limited	130,900,000	131,400,000
Union Capital Limited	174,200,000	178,900,000
Bangladesh Finance and Investment Company Limited	200,000,000	213,500,000
Bay Leasing & Investment Limited	-	50,000,000
	1,825,800,000	**1,965,600,000**
Placement of fund with SBAC Bank Off-shore Banking Unit	214,080,831	558,249,742
	2,825,250,163	**7,638,008,901**

Management conducted an impairement assessment as on 31st December 2022 and satisfied that no impairement provision is required against any FDR. As per BRPD Circular Letter no. BRPD(P-1)/661/13/2021-12262 dated 27 December 2021, banks are exempted from keeping further provision against the balance with financial institutions.

5.4 Outside Bangladesh

In demand deposit accounts (non-interest bearing) with

Particulars	Currency	2022			2021		
		Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka	Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka
Mashreq Bank PSC, New York	USD	611,133	103.30	63,128,233	1,129,302	85.80	96,894,070
AB Bank, Mumbai	ACU	395,064	103.30	40,808,919	755,797	85.80	64,847,347
United Bank of India, Kolkata	ACU	34,717	103.30	3,586,144	6,507	85.80	558,339
National Bank of Pakistan, Tokyo	JPY	1,793,571	0.7720	1,384,637	3,686,947	0.7463	2,751,568
Sonali Bank Ltd. Kolkata	ACU	276,462	103.30	28,557,657	430,144	85.80	36,906,372
Habib American Bank, NY	USD	210,587	103.30	21,752,992	241,363	85.80	20,708,938
Habib Metropolitan Bank Ltd., Karachi	ACU	7,924	103.30	818,482	178,679	85.80	15,330,622
AXIS Bank Ltd., Mumbai	ACU	569,300	103.30	58,807,023	470,956	85.80	40,408,058
Sonali Bank (UK) Ltd.	USD	43,233	103.30	4,465,851	43,233	85.80	3,709,401
Sonali Bank (UK) Ltd.	GBP	6,597	124.27	819,841	16,720	115.71	1,934,679
Sonali Bank (UK) Ltd.	EURO	33,922	109.71	3,721,680	9,846	97.37	958,653
Koomin Bank, Seoul	USD	55,240	103.30	5,706,109	78,058	85.80	6,697,399
Yes Bank Ltd.	ACU	32,970	103.30	3,405,702	-	85.80	-
Aktif Yatirim Bankasi A.S.	EURO	8,775	109.71	962,758	-	97.37	-
Banca UBAE SPA	EURO	370,478	109.71	40,645,726	-	97.37	-
				278,571,754			**291,705,446**
In demand deposit accounts (interest bearing)				-			-
Total Outside Bangladesh				**278,571,754**			**291,705,446**

		2022 Taka	2021 Taka
5.5	**Maturity grouping of balance with other banks and financial institutions of the Bank**		
	On demand	567,499,527	457,511,264
	Within one month	798,541,559	3,277,600,000
	Within one to three months	330,000,000	1,636,466,015
	Within three to twelve months	1,194,756,499	1,965,600,000
	Within one to five years	-	-
	More than five years	-	-
		2,890,797,585	**7,337,177,279**
6.	**Money at call on short notice**		
	With banks	-	-
	With non bank financial institutions	-	-
		-	-
7.	**Investments in shares & securities - Consolidated**		
	Government :		
	SBAC Bank Limited	14,959,513,358	15,971,113,935
	SBAC Bank Investment Limited	-	-
		14,959,513,358	**15,971,113,935**
	Other :		
	SBAC Bank Limited	1,993,824,684	1,567,081,922
	SBAC Bank Investment Limited	173,225,517	-
		2,167,050,201	**1,567,081,922**
		17,126,563,559	**17,538,195,857**
7.1	**Investments in shares & securities of the Bank**		
	Government securities		
	Treasury bills		
	91-day treasury bills	-	-
	182-day treasury bills	-	-
	364-day treasury bills	-	123,625,231
	30-day Bangladesh Bank bills	-	-
		-	**123,625,231**
	Treasury bonds		
	2-Year treasury bonds	-	-
	3-Year treasury bonds	-	120,000,000
	5-Year treasury bonds	912,414,357	1,096,189,956
	10-Year treasury bonds	2,550,177,567	3,046,537,015
	15-Year treasury bonds	5,556,038,878	6,589,005,404
	20-Year treasury bonds	5,664,821,056	4,718,854,029
	Ijarah Sukuk Bond	274,330,000	274,330,000
		14,957,781,858	**15,844,916,404**
	Total treasury bills and bonds	**14,957,781,858**	**15,968,541,635**
	Prize bonds	1,731,500	2,572,300
	Total Government securities	**14,959,513,358**	**15,971,113,935**
	Other investments (note 7.4)	1,993,824,684	1,567,081,922
		16,953,338,042	**17,538,195,857**
7.2	**Classification of investments in shares & securities of the Bank as per Bangladesh Bank Circular**		
	Government treasury bills and bonds		
	Held for Trading (HFT)	1,984,807,326	4,007,106,430
	Held to Maturity (HTM)	11,281,271,058	11,687,105,205
	Re-measured	1,417,373,474	-
	Ijarah Sukuk Bond	274,330,000	274,330,000
	Total treasury bills and bonds	**14,957,781,858**	**15,968,541,635**
	Prize bonds	1,731,500	2,572,300
	Total Government securities	**14,959,513,358**	**15,971,113,935**
	Other investments (note 7.4)	1,993,824,684	1,567,081,922
		16,953,338,042	**17,538,195,857**
7.3	**Maturity grouping of investments in shares & securities of the Bank**		
	On demand	1,731,500	2,572,300
	Within one month	498,456,171	1,383,500,551
	Within one to three months	996,912,342	315,133,461
	Within three to twelve months	508,986,862	123,625,231
	Within one to five years	1,406,416,773	1,848,323,349
	More than five years	13,540,834,394	13,865,040,965
		16,953,338,042	**17,538,195,857**

	2022 Taka	2021 Taka
7.4 Other investments (Annexure - C)		
In quoted shares	1,388,548,318	1,161,805,141
In quoted mutual funds	101,694,995	101,695,410
In unquoted shares	3,581,371	3,581,371
In preferrence shares	500,000,000	300,000,000
	1,993,824,684	**1,567,081,922**

7.5 Disclosure for REPO and Reverse REPO transactions

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

7.5.1 Disclosure regarding outstanding REPO as on 31 December 2022

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

7.5.2 Disclosure regarding outstanding Reverse REPO as on 31 December 2022

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

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

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

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

		2022 Taka	2021 Taka
8.4	**Maturity grouping of loans, advances and lease / investments including bills purchased and discounted**		
	On demand	5,603,805,235	6,690,125,931
	Within one month	5,753,294,619	4,932,710,203
	Within one to three months	15,465,485,744	16,410,434,970
	Within three to twelve months	24,867,445,980	24,108,876,332
	Within one to five years	15,221,839,050	11,233,029,134
	More than five years	11,080,447,387	2,580,504,496
		77,992,318,015	**65,955,681,066**
8.5	**Loans, advances and lease / investments including bills purchased and discounted are classified into following broad categories**		
	(a) Loans, advances and lease / investments (note 8.2)		
	In Bangladesh		
	Loans	39,984,661,790	32,414,267,001
	Cash credit	14,944,960,221	15,911,140,535
	Overdraft	21,280,851,367	15,385,656,494
		76,210,473,378	**63,711,064,030**
	Outside Bangladesh	-	-
		76,210,473,378	**63,711,064,030**
	(b) Bills purchased and discounted (note 8.3)		
	In Bangladesh	1,732,956,132	1,620,206,771
	Outside Bangladesh	48,888,505	624,410,265
		1,781,844,637	**2,244,617,036**
		77,992,318,015	**65,955,681,066**
8.6	**Loans, advances and lease / investments including bills purchased and discounted on the basis of significant concentration**		
i.	Loans, advances and lease / investments to Directors of the bank	150,531,587	678,198,906
ii.	Loans, advances and lease / investments to CEO and other senior executives	398,093,990	314,511,318
iii.	Loans, advances and lease / investment to staffs other than in sl. no. ii	170,550,992	213,108,124
iv.	Loans, advances and lease / investments to customers' group	77,273,141,446	64,749,862,718
		77,992,318,015	**65,955,681,066**

iv. Disclosure on large loans

Disclosure on large loans i.e. loan sanctioned to any individual or enterprise or any organization of a group amounting to 10% or more of the Bank's total capital and classified amount therein and measures taken for recovery of such loan have been furnished as under. Mentionable that, total capital (Tier I + Tier II) of the Bank solo basis was Taka 11,126,531,896 as at 31 December 2022 and Taka 10,834,467,349 as at 31 December 2021.

(a) Number of the clients to whom loans and advances sanctioned more than 10% of the Bank's total capital	17	17
(b) Amount of outstanding loans and advances to the clients mentioned in iv (a) above	16,519,623,894	12,658,578,591
(c) Amount of classified loans and advances out of the amount mentioned in iv (b) above	-	-
(d) Measures taken for recovery of the amount mentioned in iv (c) above	-	-

8.7	**Geographical location-wise loans, advances and lease / investments including bills purchased and discounted**		
	Urban		
	Dhaka Division	48,272,225,082	40,323,404,022
	Chattogram Division	7,736,076,808	6,889,061,919
	Khulna Division	5,177,938,084	5,028,118,473
	Rajshahi Division	2,177,300,101	1,694,899,997
	Barishal Division	1,153,067,672	1,168,100,039
	Sylhet Division	397,392,906	215,923,179
	Rangpur Division	1,620,699,644	1,481,964,938
	Mymensingh	177,881,498	29,604,588
		66,712,581,795	**56,831,077,155**
	Rural		
	Dhaka Division	4,255,022,907	3,671,380,836
	Chattogram Division	2,742,905,721	1,805,450,042
	Khulna Division	3,264,513,032	2,962,109,654
	Rajshahi Division	103,059,106	30,141,748
	Barishal Division	519,297,593	431,506,866
	Sylhet Division	290,946,475	139,275,142
	Rangpur Division	103,991,386	84,739,623
		11,279,736,220	**9,124,603,911**
		77,992,318,015	**65,955,681,066**

		2022 Taka	2021 Taka
8.8	**Industry-wise loans, advances and lease / investments including bills purchased and discounted**		
	Agriculture, fisheries and forestry	2,666,821,867	185,607,327
	Agro base processing industries	6,001,587,338	5,739,412,839
	Small & medium enterprise financing (SMEF)	28,371,555,881	24,415,884,495
	RMG & textile industries	8,211,600,726	6,920,200,276
	Hospitals, clinics & medical colleges	648,968,310	536,043,894
	Trade & commerce	6,166,429,149	5,516,421,904
	Transport and communications	566,058,218	326,913,079
	Rubber & plastic industries	1,730,206,008	1,022,787,032
	Iron, steel & aluminium industries	3,468,343,081	2,963,615,350
	Printing &Packaging industries	191,577,128	92,437,523
	Other manufacturing industries	7,165,073,470	5,975,787,524
	Housing & construction industries	983,401,075	870,941,258
	Consumer credit	1,030,987,576	901,086,302
	Others	10,789,708,188	10,488,542,263
		77,992,318,015	**65,955,681,066**
8.9	**Broad economic sector-wise segregation of loans, advances and lease / investments including bills purchased and discounted**		
	Government and autonomous bodies	-	-
	Other public sector	-	-
	Private sector	77,992,318,015	65,955,681,066
		77,992,318,015	**65,955,681,066**

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

Particulars	Amount of outstanding loans and advances as at 31 December 2022	Base for Provision	Rate	Amount of required provision as at 31 December 2022	Amount of required provision as at 31 December 2021
I) General provision :					
a) Consumer finance	436,168,120	436,168,120	2.00%	8,723,362	7,444,556
b) Staff loans	568,644,982	568,644,982	0.00%	-	-
c) Housing finance	1,145,566,608	1,145,566,608	1.00%	11,455,666	8,703,613
d) Loans to professional	-	-	2.00%	-	-
e) Small & medium enterprise finance	26,570,313,138	26,570,313,138	0.25%	66,425,783	56,296,574
f) Loans to BH, MB, SD, etc.	1,663,795,890	1,663,795,890	2.00%	33,275,918	20,573,823
g) Agricultural and micro credit	2,666,821,867	2,666,821,867	1.00%	26,668,219	18,560,733
h) Others	40,909,787,443	38,247,835,800	1.00%	382,478,358	349,211,774
i) Special general provision-COVID-19	-	-	1%,1.5% & 2%	84,793,723	187,183,129
	73,961,098,048	**71,299,146,405**		**613,821,029**	**647,974,201**

Particulars	Amount of outstanding loans and advances as at 31 December 2022	Base for Provision	Rate	Amount of required provision as at 31 December 2022	Amount of required provision as at 31 December 2021
II) Specific provision :					
a) Unclassified	-	1,098,625,909	100.00%	1,098,625,909	1,026,375,489
b) Sub-standard (CMS)	19,123,018	5,280,767	5.00%	264,038	167,213.30
c) Sub-standard (other)	108,908,428	64,696,242	20.00%	12,939,248	46,695,590
d) Doubtful (CMS)	475,735,309	123,553,002	20.00%	24,710,600	32,678,953
e) Doubtful (other)	51,242,947	118,647,780	50.00%	59,323,890	71,013,921
f) Bad / loss	3,376,210,265	1,303,909,089	100.00%	1,303,909,089	1,019,231,715
	4,031,219,967	**2,714,712,789**		**2,499,772,775**	**2,196,162,881**
Total provision required	**77,992,318,015**	**74,013,859,194**		**3,113,593,804**	**2,844,137,082**
Total provision maintained				**2,743,593,804**	**2,397,443,139**
Provision to be maintained*				**370,000,000**	**446,693,943**
Surplus / (deficit)				**-**	**-**

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

		2022 Taka	2021 Taka
8.11	**Classification of loans, advances and lease / investments including bills purchased and discounted**		
	Unclassified loans and advances		
	Main Operation		
	i) Standard	72,581,570,838	60,610,640,257
	ii) Special mention account (SMA)	1,158,772,857	920,928,748
		73,740,343,695	**61,531,569,005**
	Off-shore Banking Unit		
	i) Standard	220,754,353	563,210,884
	ii) Special mention account (SMA)	-	-
		220,754,353	**563,210,884**
		73,961,098,048	**62,094,779,889**
	Classified loans and advances		
	Main Operation		
	Sub-standard	128,031,446	259,425,115
	Doubtful	526,978,256	890,176,693
	Bad / loss	3,376,210,265	2,711,299,369
		4,031,219,967	**3,860,901,177**
	Off-shore Banking Unit		
	Sub-standard	-	-
	Doubtful	-	-
	Bad / loss	-	-
		-	-
		4,031,219,967	**3,860,901,177**
	Total	**77,992,318,015**	**65,955,681,066**

		2022 Taka	2021 Taka
8.12	**Particulars of loans, advances and lease / investments including bills purchased and discounted**		
i)	Loans considered good in respect of which the banking company is fully secured	72,913,973,544	57,329,803,104
ii)	Loans considered good for which the banking company holds no security other than the debtor's personal guarantee	1,004,813,102	7,631,129,723
iii)	Loans considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	4,073,531,369	994,748,239
iv)	Loans adversely classified; provision not maintained there against	-	-
		77,992,318,015	**65,955,681,066**
v)	Loans due by directors or officers of the banking company or any of them either separately or jointly with any other person	719,176,569	1,205,818,348
vi)	Loan due from companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in case of private companies as members	150,531,587	678,198,906
vii)	Maximum total amount of advances, including temporary advances made at any time during the period to directors or managers or officers of the banking companies or any of them either separately or jointly with any other persons	719,176,569	1,205,818,348
viii)	Maximum total amount of advances including temporary advances granted during the year to the companies or firm in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members	150,531,587	678,198,906
ix)	Due from other banking companies	-	-
x)	Classified loans and advances :		
	(a) Amount of classified loan on which interest/profit not credited to income	4,031,219,967	3,860,901,177
	(b) (Decrease)/increase in specific provision during the year	303,609,894	629,395,545
	(c) Amount of loan written off during the year	-	-
	(d) Amount realized against loan previously written off	-	-
	(e) Amount of provision kept against loan classified as bad/loss as on the Balance Sheet date	1,303,909,089	1,019,231,715
	(f) Amount of interest credited to the interest suspense accounts	1,514,315,563	1,000,624,647
xi)	Cumulative amount of the written off loan	-	-
xii)	Amount written off in the year	-	-
xiii)	Amount of written off loan for which lawsuit has been filed for recovery	-	-
8.13	**Bills purchased and discounted**		
	In Bangladesh	1,732,956,132	1,620,206,771
	Outside Bangladesh	48,888,505	624,410,265
		1,781,844,637	**2,244,617,036**
8.14	**Bills purchased and discounted on the basis of the residual maturity grouping**		
	Within one month	717,861,544	17,549,366
	Within one to three months	473,444,115	1,342,597,889
	Within three to six months	262,517,321	874,356,292
	More than six months	328,021,657	10,113,489
		1,781,844,637	**2,244,617,036**

8.15 Disclosure of Document Verification System (DVS)

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

Particulars	Compliance of BRPD Circular Letter No. 04*		Compliance of BRPD Circular Letter No. 35**	
	Number	%	Number	%
Complied Files	168	82%	141	84%
Total Files	205	100%	168	100%

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

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

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

		2022 Taka	2021 Taka
9.	**Fixed Assets including premises, furniture and fixtures - Consolidated**		
	SBAC Bank Limited (note 9.1)	1,724,623,028	1,626,642,412
	SBAC Bank Investment Limited	18,643,945	-
		1,743,266,973	**1,626,642,412**
9.1	**Fixed Assets including premises, furniture and fixtures of the Bank (Annexure - B)**		
	Motor vehicles	70,788,653	51,888,653
	Machinery and equipments	341,998,488	298,436,443
	Furniture and fixtures	111,216,490	98,700,745
	Interior decoration	370,375,116	327,597,917
	Computers and accessories	441,543,120	404,687,414
	Softwares	212,787,651	193,446,651
	Other tools	53,125,614	44,642,330
	Right of use assets (Lease assets)	1,674,774,555	1,459,393,820
		3,276,609,687	**2,878,793,973**
	Less : Accumulated depreciation	1,551,986,659	1,252,151,561
	Net book value	**1,724,623,028**	**1,626,642,412**
10.	**Other Assets - Consolidated**		
	Income generating other assets		
	SBAC Bank Limited	399,600,000	399,600,000
	SBAC Bank Investment Limited	375,849,715	358,872,088
		775,449,715	**758,472,088**
	Non-income generating other assets		
	SBAC Bank Limited	1,373,043,590	1,188,787,124
	SBAC Bank Investment Limited	44,035,912	42,334,007
		1,417,079,502	**1,231,121,131**
		2,192,529,217	**1,989,593,219**
	Less : Inter-company transaction	778,490,549	759,780,633
	Total other assets	**1,414,038,668**	**1,229,812,586**
10.1	**Other Assets of the Bank**		
	Investment in shares of SBAC Bank Investment Limited	399,600,000	399,600,000
	Advance income tax (note 10.2)	852,437,461	554,589,498
	Stock of stationeries and stamps (note 10.3)	18,370,244	14,021,623
	Advance rent, advertisement, etc. (note 10.4)	17,518,275	14,380,654
	Accrued interest, commission and dividend receivable	324,123,140	396,692,194
	Advance and security deposits	4,190,355	4,177,757
	Protested bills	20,894,000	-
	Central clearing, EFT, NPSB adjustment account	1,411	8,486
	Deferred tax asset (note 10.5)	22,474,959	21,757,883
	Suspense accounts (note 10.6)	113,033,745	183,159,029
		1,772,643,590	**1,588,387,124**

		2022 Taka	2021 Taka
10.2	**Advance income tax**		
	Opening balance	554,589,498	1,777,716,153
	Add : Paid during the year		
	Income tax deducted at source	98,369,414	112,030,725
	Advance income tax paid	594,296,600	329,519,328
		692,666,014	441,550,053
		1,247,255,512	2,219,266,206
	Less : Adjustment during the year	394,818,051	1,664,676,708
	Closing balance	**852,437,461**	**554,589,498**
10.2.1	**Assessment year wise break up of advance income tax**		
	2021 - 2022	-	382,844,196
	2022 - 2023	584,303,857	171,745,302
	2023 - 2024	268,133,604	-
		852,437,461	**554,589,498**
10.3	**Stock of stationeries and stamps**		
	Stock of printing stationeries	4,847,643	3,643,481
	Stock of security stationeries	10,490,344	7,681,525
	Stock of stamps	3,032,257	2,696,617
		18,370,244	**14,021,623**
10.4	**Advance rent, advertisement, etc.**		
	Advance rent	17,518,275	14,380,654
	Prepaid advertisement	-	-
		17,518,275	**14,380,654**
10.5	**Deferred tax asset / (liability)**		
	Opening balance	21,757,883	(6,677,739)
	Add : Deferred tax income / (expenses) for the year (note 10.5.1)	717,076	28,435,622
		22,474,959	**21,757,883**

10.5.1 Detailed calculation of deferred tax assets / (liability)

In terms of instructions contained in BRPD Circular No. 11 dated 12 December 2011 and provision of IAS 12 - Taxation, the detail calculation of deferred tax (assets) / liability of the Bank is furnished as under :

i)	Temporary timing difference in written down value (WDV) of fixed assets :		
	Written down value of fixed assets- Property, plant and equipment as per Tax (Tax Base) as on the balance sheet date	559,504,721	516,779,115
	Written down value (carrying amount) of fixed assets -Property, plant and equipment	494,052,710	458,123,452
		65,452,011	58,655,663
ii)	Temporary timing difference for right of use assets (tax base nil)	1,230,570,317	1,168,518,962
		(1,165,118,306)	(1,109,863,299)
iii)	Temporary timing difference for PV of lease liability (tax base nil)	1,225,051,531	1,167,884,321
	Total amount of temporary timing difference in asset /(liability)	**59,933,225**	**58,021,022**
	Effective tax rate	37.50%	37.50%
	Net Deferred tax assets /(liability) at year end	**22,474,959**	**21,757,883**
	Net Deferred tax assets /(liability) at opening	21,757,883	(6,677,739)
	Deferred tax income /(expenses) for the year	**717,076**	**28,435,622**
10.6	**Suspense accounts**		
	Sundry debtors	46,295,774	12,066,370
	Receivable from Stock Brokers	2,891,216	61,213,629
	Application for primary shares	-	23,586,500
	Advance for bKash merchant payment	1,022,287	480,663
	Advance for SSL merchant payment	-	2,882,621
	Receivable for payment against Sanchayapatra (interest & principal encashment)	31,260,221	42,853,074
	Receivable against cash incentive on remittance	19,726,272	-
	Receivable from remittance houses	2,000,000	-
	Advance against expenses	824,681	2,640,242
	Advance against fixed assets (note 10.6.1)	6,210,956	31,115,405
	Other prepaid expenses	2,802,338	6,320,525
		113,033,745	**183,159,029**

		2022 Taka	2021 Taka
10.6.1	**Advance against fixed assets**		
	Advance against fixed assets has been made for which final bill has not being received :		
	Interior Decoration and Furniture	3,107,588	8,825,370
	Software	-	19,740,000
	Machineries, equipments and computer accessories	3,103,368	2,550,035
		6,210,956	**31,115,405**
	Above amount represents advance to acquire fixed assets against total commitment of Taka 7,622,017.		
11.	**Borrowings from other banks, financial institutions and agents - Consolidated**		
	SBAC Bank Limited (note 11.1)	4,031,548,707	8,763,684,070
	SBAC Bank Investment Limited	508,679,030	-
		4,540,227,737	**8,763,684,070**
	Less : Inter-company transaction	508,679,030	-
		4,031,548,707	**8,763,684,070**
11.1	**Borrowings from other banks, financial institutions and agents of the Bank**		
	On-shore banking unit (note 11.2)	4,031,548,707	8,763,684,070
	Off-shore banking unit	213,024,332	557,414,568
	Less: Inter bank transactions between on-shore banking unit and OBU	(213,024,332)	(557,414,568)
		4,031,548,707	**8,763,684,070**
11.2	**Borrowings from other banks, financial institutions and agents (on-shore baning unit)**		
	a) In Bangladesh		
	Secured		
	Refinance from Bangladesh Bank		
	Agro based industries	31,431,510	31,257,683
	Green industries	101,352,515	109,890,085
	Small enterprise enterpreneurs	4,973,867	370,564
	10 Taka account	21,210,636	15,594
	Bangladesh Bank stimulus fund	783,777,065	954,364,567
	Export Development Fund (EDF)	2,328,803,114	1,794,435,577
	Borrowing from Bangladesh Bank - ALS	760,000,000	-
		4,031,548,707	2,890,334,070
	Unsecured	-	5,873,350,000
		4,031,548,707	**8,763,684,070**
	b) Outside Bangladesh	-	-
		4,031,548,707	**8,763,684,070**
	As at the reporting date of these financial statements, the Bank had pledged Treasury Bonds amounting total Tk. 1,047,997,816 as security against borrowing from Bangladesh Bank - ALS and balance with Bangladesh Bank (local & foreign currency) against liability of refinance facility availed from Bangladesh Bank under the Agro based industries financing, Green industries financing, Small & Medium Enterprising Financing, 10 Taka Account Fund and Export Development Fund by the Bank. [Note 11.2]		
11.2	**Residual maturity grouping of borrowings from other banks, financial institutions and agents**		
	On demand	-	3,890,000,000
	Within one month	920,828,355	2,354,373,109
	Within one to three months	1,396,160,965	686,819,167
	Within three to twelve months	1,211,909,616	1,633,523,886
	Within one to five years	137,816,015	60,196,357
	More than five years	364,833,756	138,771,551
		4,031,548,707	**8,763,684,070**
12.	**Deposits and other accounts - Consolidated**		
	Current / Al-wadeeah current deposits and other accounts		
	SBAC Bank Ltd.	9,238,002,337	7,254,803,317
	Less : Inter-company transactions	1,566,240	1,308,545
		9,236,436,097	**7,253,494,772**
	Special notice / mudaraba special notice deposits		
	SBAC Bank Ltd.	4,382,625,127	4,494,632,154
	Less : Inter-company transactions	12,431,157	7,118,668
		4,370,193,970	**4,487,513,486**
	Bills payable		
	SBAC Bank Ltd.	3,197,410,868	2,414,977,923
		3,197,410,868	**2,414,977,923**

		2022 Taka	2021 Taka
	Savings bank / mudaraba savings deposits		
	SBAC Bank Ltd.	6,920,991,538	5,943,300,533
		6,920,991,538	**5,943,300,533**
	Fixed / mudaraba term deposits		
	SBAC Bank Ltd.	46,074,316,715	38,491,349,641
	Less : Inter-company transactions	375,849,715	358,872,088
		45,698,467,000	**38,132,477,553**
	Other deposits		
	SBAC Bank Ltd.	14,786,087,582	14,462,568,622
	SBAC Bank Investment Ltd.	-	-
		14,786,087,582	**14,462,568,622**
		84,209,587,055	**72,694,332,889**
12.1	**Deposits and other accounts of the Bank**		
	Current/Al-wadeeah current deposits and other accounts (note: 12.2)	9,238,002,337	7,254,803,317
	Special notice / mudaraba special notice deposits	4,382,625,127	4,494,632,154
	Bills payable	3,197,410,868	2,414,977,923
	Savings bank / mudaraba savings deposits	6,920,991,538	5,943,300,533
	Fixed / mudaraba term deposits	46,074,316,715	38,491,349,641
	Other deposits (note : 12.3)	14,786,087,582	14,462,568,622
		84,599,434,167	**73,061,632,190**
12.2	**Current / Al-wadeeah current deposits and other accounts**		
	Current / Al-wadeeah current deposits	3,422,801,798	3,035,603,446
	Foreign currency deposits (net off inter bank transactions between on-shore banking unit and OBU)	83,936,113	11,142,296
	Exporters' retention quota accounts	61,719,714	17,111,860
	Foreign currency held against BTB L/Cs	1,319,062,532	870,954,651
	Non resident Taka account	7,554,697	8,092,418
	Non resident foreigh currency account	6,619,050	3,874,395
	Resident foreign currency account	12,893,842	3,380,827
	Margin against L/Cs	1,860,645,163	1,308,039,729
	Margin against L/Gs	1,057,975,227	889,387,836
	Margin on Loans	108,046,243	104,490,006
	Margin on LDBP	83,400	83,400
	Security deposit	26,880,093	25,477,192
	Sundry deposits - excise duty	135,981,520	110,431,800
	Sundry deposits - local bills	1,045,772	17,411,770
	Sundry deposits - Sanchayapatra	6,100,000	2,600,000
	Sundry deposits - other	12,088,329	28,655,670
	Sundry deposits - foreign correspondents charge	125,830,340	22,689,238
	Sundry deposits - risk fund	20,928,822	4,451,495
	Sundry deposits - advance installment on Lease	1,967,672	1,967,672
	Sundry deposits - Tax Deducted at source	225,319,886	123,170,762
	Sundry deposits - VAT collected at source	12,342,547	6,341,906
	Sundry deposits - VAT deducted Service Bills	11,357,243	8,803,101
	Sundry deposits - card settlement account	16,453,071	30,779,470
	Sundry deposits - Mobile App	3,931,815	3,730,638
	Interest payable on deposits	696,437,448	616,131,739
		9,238,002,337	**7,254,803,317**
12.3	**Other deposits**		
	Monthly savings scheme / mudaraba monthly savings deposits	4,550,190,486	3,991,921,493
	Monthly Benefit Scheme Deposits	3,995,464,024	4,651,488,561
	Lakhpoti Savings Scheme Deposits	197,592,072	206,888,792
	Surokkha Millionaire Scheme Deposits	1,415,131,893	1,225,079,779
	Kotipoti Scheme Deposits	216,426,062	171,635,383
	Double Benefit Scheme Deposits	3,734,319,255	3,586,418,322
	Triple Benefit Scheme	674,765,568	628,494,085
	Mudaraba Hajj deposits	2,198,222	642,207
		14,786,087,582	**14,462,568,622**
12.4	**Segregation of deposits and other accounts**		
	Other than inter-bank deposits	81,996,966,894	73,059,313,528
	Inter-bank deposits (Note 12.5)	2,602,467,273	2,318,662
		84,599,434,167	**73,061,632,190**

		2022 Taka	2021 Taka
12.5	**Details of inter-bank deposits**		
	In Current Deposit Account		
	Mercantile Bank Limited	2,138,596	1,741,319
	Trust Bank Limited	418,250	418,250
		2,556,846	**2,159,569**
	In Short Notice Deposit Account		
	Janata Bank Limited	**160,427**	**159,093**
	In Fixed Deposit Account		
	NCC Bank Limited	499,950,000	-
	One Bank Limited	449,950,000	-
	Modhumoti Bank Limited	899,950,000	-
	Bengal Commercial Bank Limited	599,950,000	-
	Commercial Bank of Cylon	149,950,000	-
		2,599,750,000	**-**
		2,602,467,273	**2,318,662**
12.6	**Residual maturity grouping of deposits and other accounts**		
	On demand	2,877,838,387	2,054,729,275
	Within one month	9,190,538,115	9,669,928,112
	Within one to three months	14,972,877,906	15,098,601,294
	Within three to six months	13,890,438,762	13,731,189,593
	Within six to twelve months	10,284,412,714	10,183,104,925
	Within one to five years	13,099,920,376	10,455,740,287
	More than five years	20,283,407,907	11,910,469,562
		84,599,434,167	**73,103,763,048**
12.7	Unclaimed deposits for ten years and more held by the bank	-	-
12.8	As on the reporting date of these financial statements, there were no valuable items unclaimed for ten years or more held by the bank.		
12.9	**Payable on demand and time deposits**		
	a) Demand deposits		
	Current deposits	3,422,801,798	3,035,603,446
	Savings deposits (9%)	622,889,238	534,897,048
	Foreign currency deposits (non interest bearing)	1,484,231,251	906,464,029
	Security deposits	26,880,093	25,477,192
	Sundry deposits	4,296,534,498	3,279,166,232
	Bills Payable	3,197,410,868	2,414,977,923
		13,050,747,746	**10,196,585,870**
	b) Time deposits		
	Savings deposits (91%)	6,298,102,300	5,408,403,485
	Fixed deposits	46,074,316,715	38,491,349,641
	Special notice deposits	4,382,625,127	4,494,632,154
	Deposits under schemes	14,786,087,582	14,462,568,622
	Non resident Taka deposits	7,554,697	8,092,418
		71,548,686,421	**62,865,046,320**
		84,599,434,167	**73,061,632,190**
12.10	**Sector-wise break-up of deposits and other accounts**		
	Government	2,722,792,710	2,081,908,540
	Deposit money banks	2,602,467,273	2,318,662
	Other public	10,167,326,304	9,374,105,693
	Foreign currency	1,484,231,251	906,464,029
	Private	67,622,616,629	60,696,835,266
		84,599,434,167	**73,061,632,190**
13.	**Other liabilities - Consolidated**		
	SBAC Bank Limited (note 13.1)	7,199,371,669	5,724,165,707
	SBAC Bank Investment Limited	38,384,462	3,157,724
		7,237,756,131	5,727,323,431
	Less : Inter-company transactions	1,474,594	-
		7,236,281,537	**5,727,323,431**

	2022 Taka	2021 Taka
13.1 Other liabilities of the Bank		
Sundry creditors	16,136,827	10,437,261
Provision for expenses	36,451,919	38,429,305
Central clearing, EFT, NPSB adjustment account	4,296,917	-
Unearned profit (Markup)	5,561,100	2,740,530
Provision for gratuity (note 13.2)	-	-
Provision for taxation (note 13.3)	1,147,727,892	816,756,524
Provision on loans & advances (note 13.4)	2,658,800,081	2,210,260,010
Special general provision - COVID-19 (noter 13.5)	84,793,723	187,183,129
General provision on Off Balance Sheet exposures (note 13.6)	200,695,261	168,396,382
Provision against other assets	20,894,000	-
Provision for rebate to good borrowers (note 13.7)	-	19,000,000
Present value of lease liability (note 13.8)	1,225,051,531	1,167,814,501
Interest suspense account (note 13.9)	1,514,315,563	1,000,624,647
Startup fund (note 13.10)	20,487,780	14,866,773
Provision for diminution in value of investments (note 13.11)	123,434,872	36,403,988
Proposed dividend for 2021	81,603,130	-
Dividend payable	59,121,073	51,252,657
	7,199,371,669	**5,724,165,707**
13.2 Provision for gratuity		
Opening balance	-	-
Add : Provision made for the period	125,482,240	104,500,000
	125,482,240	104,500,000
Less : transferred to gratuity fund during the period	125,482,240	104,500,000
Closing balance	**-**	**-**
13.3 Provision for taxation		
Opening balance	816,756,524	2,017,238,149
Add : Provision made for the year (Note 13.3.2)	725,789,419	464,195,083
	1,542,545,943	2,481,433,232
Less : Adjustment during the year	394,818,051	1,664,676,708
Closing balance	**1,147,727,892**	**816,756,524**

13.3.1 Status of income tax assessment

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

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

Particulars	2022		2021	
	%	Taka	%	Taka
Profit before tax as per profit and loss account		**1,754,547,475**		**1,995,767,631**
Corporate as per applicable tax rate	37.50%	657,955,303	37.50%	748,412,862
Factors affecting the tax charge for current year :				
Non-deductible and inadmissible expenses	8.45%	148,270,128	19.23%	383,697,356
Admissible expenses	-3.66%	(64,142,368)	-6.20%	(123,724,772)
Tax savings from reduced tax rates	-2.30%	(40,368,644)	-29.52%	(589,087,403)
Effect of deffered tax	-0.04%	(717,076)	-1.42%	(28,435,622)
Prior year provision shortfall as per assessment order	0.00%	-	2.25%	44,897,041
Effective tax rate	**39.95%**	**700,997,343**	**21.83%**	**435,759,462**

		2022 Taka	2021 Taka
13.4	**Provision for loans and advances**		
	A. General provision on loans and advances - Main Operation		
	Opening balance	8,465,020	-
	General provision for the year	148,354,742	8,465,020
	Provision held at the year end	**156,819,762**	**8,465,020**
	B Specific provision against loans and advances - Main Operation		
	Opening balance	**2,196,162,881**	**1,566,767,336**
	Less : Fully provided debt written-off (for final settlement)	-	-
	Add : Recoveries of amounts previously written-off	-	-
	Add : Specific provision for the year	862,318,813	866,353,374
	Less : Specific provision no more required as loans realized/regularized	558,708,919	236,957,829
	Add : Net charge to profit and loss account	-	-
	Provision held at the end of the year	**2,499,772,775**	**2,196,162,881**
	C. General provision on loans and advances - OBU		
	Opening balance	5,632,109	677,308
	General provision for the year	(3,424,565)	4,954,801
	Provision held at the year end	**2,207,544**	**5,632,109**
	Total (A + B + C)	**2,658,800,081**	**2,210,260,010**
13.5	**Special general provision - COVID-19 (note 8.10)**		
	Opening balance	187,183,129	9,513,466
	Add : Provision made for the year	-	177,669,663
	Less : Provision no more required	(102,389,406)	-
		84,793,723	**187,183,129**
13.6	**Provision for off balance sheet exposures (note 18.4)**		
	Opening balance	168,396,382	-
	Add : Provision made for the year	32,298,879	168,396,382
		200,695,261	**168,396,382**
13.7	**Provision for rebate to good borrowers**		
	Opening balance	19,000,000	19,000,000
	Add : Provision made for the year	-	
		19,000,000	**19,000,000**
	Less: Transferred to profit as no more required	19,000,000	-
	Closing balance	-	**19,000,000**

Vide BRPD circular letter no.14 dated 18 June 2020, Bangladesh Bank withdrew the provision of mandatory payment of good borrowers' incentive after 30 September 2019. Accordingly, SBAC Bank Ltd reversed all the excess provision made earlier as the Bank has no further obligation to pay good borrower incentives.

13.8 Present value of lease liability

The bank recognised lease liability which is present value of lease payments to be made over the lease terms from the date of commencement or 01 January 2020 (initial recognition). The lease payments has been discounted @ 6.00%.

13.9	**Interest suspense account**		
	Balance as on 1 January	1,000,624,647	617,600,554
	Add : Amount transferred to "interest suspense" account during the year	687,141,829	451,285,411
	Less : Amount recoverred from "interest suspense" account during the year	173,450,913	68,261,318
	Less : Amount written-off during the year	-	-
	Balance as on 31 December	**1,514,315,563**	**1,000,624,647**
13.10	**Startup fund**		
	Opening balance	14,866,773	-
	Add : Transferred during the year	5,621,007	14,866,773
		20,487,780	**14,866,773**

As per SMESPD Circular no. 4 dated 29 March 2021 and SMESPD Circular no. 5 dated 26 April 2021, 1% of net profit after tax has been transferred to the fund.

13.11	**Provision for diminution in value of investments**		
	Opening balance	36,403,988	-
	Add : Provision made for the year	87,030,884	36,403,988
		123,434,872	**36,403,988**
13.12	**Dividend payable**		
	For 2020	32,421,603	51,252,657
	For 2021	26,699,470	-
		59,121,073	**51,252,657**

	2022 Taka	2021 Taka
14. Share capital		
14.1 Authorized share capital		
1,000,000,000 ordinary shares of Tk. 10/- each	10,000,000,000	10,000,000,000
14.2 Issued, subscribed and paid up share capital		
816,031,337 ordinary shares of Tk. 10/- each	8,160,313,370	7,846,455,170
14.3 Paid up capital		
The paid up capital of the Bank was raised in the following manner :		
From the sponsor shareholders		
By issuing 408,960,000 ordinary shares of Taka 10 each	4,089,600,000	4,089,600,000
From Initial Public Offering		
By issuing 100,000,000 ordinary shares of Taka 10 each	1,000,000,000	1,000,000,000
Stock dividend		
Stock dividend @ 0.06 against 1 existing share of Tk 10 each for the year 2015	245,376,000	245,376,000
Stock dividend @ 0.15 against 1 existing share of Tk 10 each for the year 2016	650,246,400	650,246,400
Stock dividend @ 0.135 against 1 existing share of Tk 10 each for the year 2017	673,005,020	673,005,020
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2018	565,822,740	565,822,740
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2019	622,405,010	622,405,010
Stock dividend @ 0.04 against 1 existing share of Tk 10 each for the year 2020	313,858,200	-
	8,160,313,370	**7,846,455,170**

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

14.4 Group-wise shareholding position

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

14.5 Range-wise shareholdings as on 31 December 2022

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

14.6 Capital to Risk Weighted Assets Ratio

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

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

		2022 Taka	2021 Taka
D.	**Tier - II capital**		
	General provision on unclassified loans and off-balance sheet exposures	444,516,290	369,676,640
	50% of Revaluation reserve as on 31 December 2014	22,014,417	22,014,417
		466,530,707	391,691,057
	Less : Regulatory Adjustments:		
	Revaluation reserve for HFT securities	22,014,417	22,014,417
		444,516,290	**369,676,640**
E.	**Total capital (C + D)**	**11,126,531,896**	**10,834,467,348**
F.	**Total risk weighted assets (RWA)**	**81,107,973,897**	**77,701,662,149**
G.	**Minimum capital requirement (MCR) with Capital Conservation Buffer (CCB) [12.50% of risk weighted assets]**	**10,138,496,737**	**9,712,707,769**
H.	**Surplus/(shortfall) of capital (E - G)**	**988,035,159**	**1,121,759,579**
I.	**Total Exposure**	**115,491,176,865**	**103,736,551,174**
	Capital to risk weighted assets ratio (CRAR) (E/F X 100)	**13.72%**	**13.94%**
	Common equity Tier-I to risk weighted assets ratio (A/F X 100)	**13.17%**	**13.47%**
	Tier-I capital to risk weighted assets ratio (C/F X 100)	**13.17%**	**13.47%**
	Tier-II capital to risk weighted assets ratio (D/F X 100)	**0.55%**	**0.48%**
	Leverage ratio (C/I X 100)	**9.25%**	**10.09%**
14.10	**Total risk weighted assets (RWA) - Solo**		
A.	**Credit risk weighted assets**		
	On-Balance Sheet	60,824,539,340	56,625,520,903
	Off-Balance Sheet	8,648,023,162	8,495,646,182
		69,472,562,502	**65,121,167,085**
B.	Market risk weighted assets	3,495,707,620	4,924,742,294
C.	Operational risk weighted assets	8,139,703,775	7,655,752,770
	Total risk weighted assets (RWA)	**81,107,973,897**	**77,701,662,149**
14.11	**Non-controlling (Minority) interest**		
	Share capital	400,000	400,000
	Retained earnings	32,182	5,167
		432,182	**405,167**
15.	**Statutory reserve**		
	As per Section 24(1) of the Bank Companies Act, 1991, an amount equivalent to 20% of profit before taxes for the year has been transferred to the statutory reserve fund.		
	Opening balance	1,947,493,989	1,753,397,543
	Add : Transferred from profit during the year	257,434,609	194,096,446
	Closing balance	**2,204,928,598**	**1,947,493,989**
16.	**Other reserve (revaluation reserve on Govt. Securities)**		
	Opening balance	129,270,472	19,337,962
	Add : Amortization / revaluation gain	3,037,186,788	945,699,914
		3,166,457,260	965,037,876
	Less : Adjustment of amortization / revaluation gain against sale / maturity	3,101,228,724	835,767,404
	Closing balance	**65,228,536**	**129,270,472**
16.1	**Capital reserve**		
	Opening balance	-	-
	Add : Addition during year	516,704	-
	Closing balance	**516,704**	**-**
16.2	**Foreign currency translation reserve**		
	Opening balance	251,592	-
	Add : Addition during year	7,681,848	251,592
		7,933,440	251,592
	Less : Adjustment during the year	-	-
	Closing balance	**7,933,440**	**251,592**

		2022 Taka	2021 Taka
17.	**Surplus in profit and loss account - Consolidated**		
	Opening balance	704,530,934	687,467,724
	Add : Net profit during the year	589,632,859	539,889,810
		1,294,163,793	1,227,357,534
	Less : Cash dividend paid	(244,809,401)	(313,858,214)
	Less : Stock dividend issued	(313,858,200)	-
	Less : Proposed dividend	(81,603,130)	-
	Less : Transferred to statutory reserve	(257,434,609)	(194,096,446)
	Less: Transferred to capital reserve	(516,704)	-
	Less: Transferred to start up fund	(5,621,007)	(14,866,773)
		390,320,742	704,536,101
	Less : Non-controlling (Minority) interest	27,015	5,167
	Closing balance	**390,293,727**	**704,530,934**
17.1	**Surplus in profit and loss account of the Bank**		
	Opening balance	699,369,062	687,467,724
	Add : Net profit during the year	562,100,704	534,722,771
		1,261,469,766	1,222,190,495
	Less : Cash dividend paid	(244,809,401)	(313,858,214)
	Less : Stock dividend issued	(313,858,200)	-
	Less : Proposed dividend	(81,603,130)	-
	Less : Transferred to statutory reserve	(257,434,609)	(194,096,446)
	Less: Transferred to start up fund	(5,621,007)	(14,866,773)
	Closing balance	**358,143,419**	**699,369,062**
18.	**Contingent liabilities - Consolidated**		
	SBAC Bank Limited		
	Acceptances and endorsements	4,948,539,066	3,444,598,165
	Letters of Guarantee (note 18.1)	10,830,648,085	9,111,716,091
	Irrevocable letters of credit (note 18.2)	4,290,338,894	4,283,323,907
	Bills for collection (note 18.3)	1,712,915,295	1,700,140,692
	Other contingent liabilities	-	-
		21,782,441,340	**18,539,778,855**
	SBAC Bank Investment Limited	-	-
		21,782,441,340	**18,539,778,855**
18.1	**Letters of guarantee**		
	Money for which the bank is contingently liable in respect of guarantees issued favoring:		
	Directors	-	-
	Government	8,973,485,336	2,485,826,430
	Banks and other financial institutions	-	-
	Others	1,857,162,749	6,625,889,661
		10,830,648,085	**9,111,716,091**
18.2	**Irrevocable letters of credit**		
	Local		
	Irrevocable letters of credit (sight)	2,177,428,297	1,658,411,965
	Irrevocable letters of credit (usance)	20,463,162	39,908,544
	Irrevocable letters of credit - back to back	932,425,133	749,648,704
		3,130,316,592	2,447,969,213
	Foreign		
	Irrevocable letters of credit (sight)	-	-
	Irrevocable letters of credit (usance)	798,998,315	1,493,018,210
	Irrevocable letters of credit - back to back	361,023,987	342,336,484
		1,160,022,302	1,835,354,694
		4,290,338,894	**4,283,323,907**
18.3	**Bills for collection**		
	Outward local bills	18,630	8,893,630
	Local documentary bills for collection	1,058,725,789	1,057,282,256
	Foreign documentary bills for collection	654,170,876	633,964,806
		1,712,915,295	**1,700,140,692**

18.4 Particulars of required provision on off-balance sheet exposures

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

	2022 Taka	2021 Taka
19. Particulars of profit and loss account of the Bank		
Income		
Interest, discount and similar income (note 21.1)	5,883,296,742	5,610,478,463
Dividend income (note 23.1)	79,273,286	39,733,293
Fees, commission and brokerage (note 24.1)	364,461,389	316,602,244
Gains less losses arising from dealing in securities (note 23.1)	-	-
Gains less losses arising from investment securities (note 23.1)	1,609,876,302	1,807,267,001
Gains less losses arising from dealing in foreign currencies (note 24.1)	670,363,560	204,542,645
Income from non-banking assets	-	-
Other operating income (note 25.1)	203,019,563	157,494,148
Profit less losses in interest rate changes	-	-
	8,810,290,842	**8,136,117,794**
Expenses		
Interest, fee and commission (note 22.1)	4,627,650,279	3,955,954,894
Losses on loans and advances	-	-
Administrative expenses (note 20)	1,838,841,328	1,566,869,171
Other operating expenses (note 35.1)	227,976,077	285,278,928
Depreciation on bank's assets (note 34.1)	361,275,683	332,247,170
	7,055,743,367	**6,140,350,163**
Profit before provision	**1,754,547,475**	**1,995,767,631**
20. Administrative expenses		
Salary and allowances (note 26.1)	1,570,379,086	1,326,068,623
Rent, taxes, insurance, electricity etc. (note 27.1)	165,778,075	146,445,663
Legal & professional expenses (note 28.1)	9,286,850	5,137,563
Postage, stamp, telecommunication etc. (note 29.1)	15,034,133	13,099,216
Stationery, printing, advertisement etc. (note 30.1)	43,110,139	37,892,768
Chief executive'ss salary and fees (note 31)	11,785,897	13,186,335
Directors' fees and other benefits (note 32.1)	3,040,000	3,760,000
Audit fees (note 33.1)	920,000	575,000
Repair of bank's assets (note 34.1)	19,507,148	20,704,003
	1,838,841,328	**1,566,869,171**
21. Interest income / profit on investment - Consolidated		
SBAC Bank Limited (note 21.1)	5,883,296,742	5,610,478,463
SBAC Bank Investment Limited	35,200,672	11,563,162
	5,918,497,414	5,622,041,625
Less : Inter company transactions	34,149,334	11,563,162
	5,884,348,080	**5,610,478,463**

		2022 Taka	2021 Taka
21.1	**Interest income / profit on investments of the Bank**		
	Interest on loans and advances / profit on investments		
	Cash credit	1,304,315,440	1,371,217,015
	Secured overdraft / bai murabaha	1,476,096,735	1,266,751,913
	General overdraft	90,969,008	89,085,011
	Local bills purchased	179,455,310	93,277,963
	Foreign bills purchased	6,250,758	14,625,571
	Import finance / murabaha	255,249,766	316,545,202
	Export finance	6,191,789	2,406,376
	Other demand loans	697,729,339	526,475,374
	Lease finance / HPSM	59,581,648	57,756,687
	House building loans / HPSM	83,045,777	55,817,114
	General term loans / bai murabaha	1,209,507,565	819,598,335
	SME loans / bai murabaha	160,264,959	222,932,246
	Consumer credit scheme	6,638,861	4,907,525
	Credit card	36,660,209	34,946,983
	Agriculture & rural credit / bai murabaha	101,555,025	57,500,875
	Staff loans / HPSM	21,994,321	23,305,231
		5,695,506,510	**4,957,149,421**
	Interest on money at call and short notice	2,451,167	723,042
	Interest on FDR with other banks and financial instititutions	137,884,115	517,929,901
	Interest on SND with other banks	15,816,176	111,904,140
		5,851,657,968	**5,587,706,504**
	Interest Income - Off-shore Banking Unit	31,638,774	22,771,959
		5,883,296,742	**5,610,478,463**
22.	**Interest / profit paid on deposits, borrowings etc.**		
	SBAC Bank Limited (note 22.1)	4,627,650,279	3,955,954,894
	SBAC Bank Investment Limited	13,447,409	-
		4,641,097,688	3,955,954,894
	Less : Inter company transactions	34,149,334	11,563,162
		4,606,948,354	**3,944,391,732**
22.1	**Interest / profit paid on deposits, borrowings etc. of the Bank**		
	Interest / profit paid on deposits		
	Savings bank / mudaraba savings deposits	231,261,866	216,054,317
	Special notice / mudaraba special notice deposits	122,042,097	102,837,749
	Monthly savings schemes / mudaraba monthly savings deposits	520,219,260	445,875,098
	Monthly benefit schemes	377,478,626	423,718,820
	Special deposit schemes	424,545,885	412,749,486
	Fixed /mudaraba term deposits	2,441,255,686	2,093,864,587
		4,116,803,420	**3,695,100,057**
	Interest on call borrowing	35,714,417	62,776,581
	Interest on credit lines	76,919,582	40,426,066
	Interest on Bangladesh Bank Re-financing facilities	37,842,183	38,676,877
	Interest on borrowing under REPO	360,370,677	118,975,313
		4,627,650,279	**3,955,954,894**
23.	**Income from innvestment in shares / securities - Consolidated**		
	SBAC Bank Limited (note 23.1)	1,689,149,588	1,847,000,294
	SBAC Investment Limited	16,162,507	-
		1,705,312,095	**1,847,000,294**
23.1	**Income from innvestment in shares / securities of the Bank**		
	Dividend on shares	79,273,286	39,733,293
	Income on treasury bills, bonds and debentures		
	Interest / profit on treasury bonds	1,613,342,414	1,434,543,319
	Interest / profit on treasury bills	23,951,801	736,290
	Interest on reverse REPO	10,751,986	3,843,850
	Net gains / (loss) on trading of government securities	(134,518,333)	244,605,715
		1,513,527,868	**1,683,729,174**
	Net gains / (loss) on sale of shares	96,348,434	123,537,827
		1,689,149,588	**1,847,000,294**

		2022 Taka	2021 Taka
24.	**Commission, exchange and brokerage - Consolidated**		
	SBAC Bank Limited (note 24.1)	1,034,824,949	521,144,889
	SBAC Investment Limited	25,551,497	-
		1,060,376,446	**521,144,889**
24.1	**Commission, exchange and brokerage of the Bank**		
	Fees, commission and brokerage		
	Commission on bills & remittance	5,394,958	5,092,299
	Commission on letters of credit	139,918,535	120,765,596
	Commission on letters of guarantee	163,174,459	143,757,378
	Commission on acceptances	47,806,668	42,003,920
	Other commission	8,166,769	4,983,051
		364,461,389	316,602,244
	Exchange earnings (net)	670,363,560	204,542,645
		1,034,824,949	**521,144,889**
25.	**Other operating income - Consolidated**		
	SBAC Bank Limited (note 25.1)	203,019,563	157,494,148
	SBAC Investment Limited	88,471	-
		203,108,034	157,494,148
	Less : Inter company transactions	18,424	1,200
		203,089,610	**157,492,948**
25.1	**Other operating income of the Bank**		
	Banking service charge	171,984,488	132,563,523
	Card operation charge	20,074,167	14,123,431
	Locker rent	149,700	93,850
	Miscellaneous income	10,811,208	10,713,344
		203,019,563	**157,494,148**
26.	**Salaries and allowances - Consolidated**		
	SBAC Bank Limited (note 26.1)	1,570,379,086	1,326,068,623
	SBAC Investment Limited	12,406,365	-
		1,582,785,451	**1,326,068,623**
26.1	**Salaries and allowances of the Bank**		
	Basic salary	531,207,337	431,227,081
	House rent allowance	250,223,368	205,810,069
	Conveyance allowance	39,052,901	36,068,176
	Medical allowance	63,829,268	55,318,560
	Other allowances	244,256,052	205,247,210
	Festival bonus	92,072,367	74,518,218
	Incentive bonus for previous year	35,039,467	61,370,391
	COVID-19 Incentive	-	-
	Bank's contribution on provident fund	49,010,343	41,699,989
	Gratuity	125,482,240	104,500,000
	Casual labourer & wages (gross)	74,556,414	110,308,929
	Salary to casual labourer & wages	59,527,125	-
	Commission to security service providor	6,122,204	-
		1,570,379,086	**1,326,068,623**
27.	**Rent, taxes, insurance, electricity etc. - Consolidated**		
	SBAC Bank Limited (note 27.1)	165,778,075	146,445,663
	SBAC Investment Limited	1,623,250	-
		167,401,325	**146,445,663**
27.1	**Rent, taxes, insurance, electricity etc. of the Bank**		
	Rent - Office Premises, ATM Booths and other installations	7,540,652	14,484,111
	Rates and taxes	41,949,247	33,777,702
	Utilities	49,015,186	40,320,963
	Insurance	67,272,990	57,862,887
		165,778,075	**146,445,663**

As per IFRS 16, an entity shall recognize its right-of-use (ROU) asset (i.e. the right to use the office building, branches, service centers, etc.) and a corresponding lease liability. The depreciation of the lease asset (ROU) and the interest on the lease liability is recognized in the profit or loss account over the lease term replacing the previous heading 'lease rent expenses'. Actual rent paid during the year was Taka 250,220,177.

		2022 Taka	2021 Taka
28.	**Legal and professional expenses - Consolidated**		
	SBAC Bank Limited (note 28.1)	9,286,850	5,137,563
	SBAC Investment Limited	105,108	21,086
		9,391,958	**5,158,649**
28.1	**Legal and professional expenses of the Bank**		
	Legal expenses	5,791,912	1,599,492
	Professional fees	3,494,938	3,538,071
		9,286,850	**5,137,563**
29.	**Postage, stamp, telecommunication etc. - Consolidated**		
	SBAC Bank Limited (note 29.1)	15,034,133	13,099,216
	SBAC Investment Limited	-	-
		15,034,133	**13,099,216**
29.1	**Postage, stamp, telecommunication etc. of the Bank**		
	Postage	1,812,607	990,837
	Telephone, fax etc.	6,831,405	5,963,358
	Internet & SWIFT	6,390,121	6,145,021
		15,034,133	**13,099,216**
30.	**Stationery, printing, advertisement etc. - Consolidated**		
	SBAC Bank Limited (note 30.1)	43,110,139	37,892,768
	SBAC Investment Limited	303,325	5,800
		43,413,464	**37,898,568**
30.1	**Stationery, printing, advertisement etc. of the Bank**		
	Office stationery	11,866,603	9,409,954
	Printing stationery	13,224,476	11,467,170
	Petty stationery	4,784,012	5,197,129
	Security stationery	474,429	1,520,067
	Advertisement	12,760,619	10,298,448
	Publicity- purchase of diary, calendar etc.		
		43,110,139	**37,892,768**
31.	**Chief executive's salary and fees of the Bank**		
	Basic salary	6,075,742	6,000,000
	House rent allowance	1,441,936	1,680,000
	House maintenance / furnishing allowance	1,155,645	1,200,000
	Medical allowance	-	666,335
	Bank's contribution on provident fund	570,800	480,000
	Festival bonus	1,380,000	960,000
	Incentive bonus for previous year	-	1,000,000
	Other allowances	1,161,774	1,200,000
		11,785,897	**13,186,335**
32.	**Directors' fees - Consolidated**		
	SBAC Bank Limited (note 32.1)	3,040,000	3,760,000
	SBAC Investment Limited	256,000	192,000
		3,296,000	**3,952,000**
32.1	**Directors' fees of the Bank**		
	Meeting attendance fees	**3,040,000**	**3,760,000**

Each director of the bank was paid Tk. 8,000/- per attendance in board meeting and committee meeting held.

33.	**Auditors' fees - Consolidated**		
	SBAC Bank Limited (note 33.1)	920,000	575,000
	SBAC Investment Limited	57,500	126,500
		977,500	**701,500**
33.1	**Auditors' fees of the Bank**		
	Audit fees (annual audit)	800,000	400,000
	Audit fees (interim audit)	-	-
	Audit fees (provident fund & gratuity fund)	-	100,000
	VAT on audit fees	120,000	75,000
		920,000	**575,000**
34.	**Depreciation and repairs & maintenance - Consolidated**		
	SBAC Bank Limited (note 34.1)	380,782,831	352,951,173
	SBAC Investment Limited	862,011	-
		381,644,842	**352,951,173**

		2022 Taka	2021 Taka
34.1	**Depreciation and repairs & maintenance of Bank's Assets**		
	Depreciation / amortization		
	Motor vehicles	7,123,260	5,339,019
	Machinery and equipments	27,999,500	26,607,101
	Furniture & fixtures	10,248,754	8,840,553
	Interior decoration	34,230,792	31,688,963
	Computer and peripherals	48,476,055	46,050,848
	Software	11,982,656	21,246,222
	Office tools and accessories	6,444,703	5,431,736
	Depreciation on right of use assets (lease assets)	214,769,963	187,042,728
		361,275,683	332,247,170
	Repairs & maintenance of bank's assets	19,507,148	20,704,003
		380,782,831	**352,951,173**
35.	**Other expenses**		
	SBAC Bank Limited (note 35.1)	227,976,077	285,278,928
	SBAC Investment Limited	5,925,760	2,950,513
		233,901,837	288,229,441
	Less : Inter company transactions	18,424	1,200
		233,883,413	**288,228,241**
35.1	**Other expenses of the Bank**		
	Entertainment expenses	18,012,874	13,480,970
	Training & workshop expenses	2,041,418	1,504,660
	Travel and daily allowance	7,153,521	3,032,702
	Fuel and lubricants expenses - bank's vehicles	2,246,309	1,522,182
	Subscriptions to trade associations	14,327,245	5,701,027
	Donations	53,510,000	104,500,000
	Business promotion and development	9,999,408	5,324,514
	Books, magazines & news papers etc.	564,497	459,709
	Local conveyance	4,943,792	6,745,121
	Cash carrying expenses	4,655,107	3,504,240
	Cartage and freight	519,116	326,155
	Washing and cleaning	3,098,138	3,202,359
	Other bank charges paid	13,476,924	9,347,951
	Expenses on AGM	146,268	52,350
	Expenses on managers' conference	3,494,674	723,560
	Antivirus and other software	12,273,070	23,971,122
	Branch & head office inauguration expenses	1,096,162	791,373
	Miscellaneous expenses	2,920,427	2,457,112
	Expenses on initial public offering	-	37,249,401
	Interest on lease liability	73,497,127	61,382,420
		227,976,077	**285,278,928**
36.	**Provision for taxation**		
	Current tax		
	SBAC Bank Limited (note 13.3)	725,789,419	464,195,083
	SBAC Investment Limited	6,983,966	3,100,224
		732,773,385	467,295,307
	Deferred tax		
	SBAC Bank Limited (note 10.5.1)	(717,076)	(28,435,622)
	SBAC Investment Limited	28,021	-
		(689,055)	(28,435,622)
		732,084,330	**438,859,685**
37.	**Increase / (decrease) of other assets of the Bank**		
	Closing -		
	Stock of stationeries and stamps	18,370,244	14,021,623
	Advance rent, advertisement, etc.	17,518,275	14,380,654
	Advance & Security deposits	4,190,355	4,177,757
	Central clearing, EFT, NPSB adjustment account	1,411	8,486
	Suspense accounts	113,033,745	183,159,029
	Protested bills	20,894,000	-
	Investment in subsidiary	399,600,000	399,600,000
		573,608,030	**615,347,549**

	2022 Taka	2021 Taka
Opening -		
Stock of stationeries and stamps	14,021,623	12,346,104
Advance rent, advertisement, etc.	14,380,654	5,323,818
Advance & Security deposits	4,177,757	4,166,557
Central clearing, EFT, NPSB adjustment account	8,486	-
Suspense accounts	183,159,029	200,741,146
Investment in subsidiary	399,600,000	-
	615,347,549	**222,577,625**
	(41,739,519)	**392,769,924**

37.1 Increase / (decrease) of other assets - Consolidated

Closing -		
Stock of stationeries and stamps	18,370,244	14,021,623
Advance rent, advertisement, etc.	17,518,275	14,380,654
Advance & Security deposits	414,699,049	403,049,845
Central clearing, EFT, NPSB adjustment account	1,411	8,486
Suspense accounts	111,559,151	183,159,029
Protested bills	20,894,000	-
	583,042,130	**614,619,637**
Opening -		
Stock of stationeries and stamps	14,021,623	12,346,104
Advance rent, advertisement, etc.	14,380,654	5,323,818
Advance & Security deposits	403,049,845	4,166,557
Central clearing, EFT, NPSB adjustment account	8,486	-
Suspense accounts	183,159,029	200,741,146
	614,619,637	**222,577,625**
	(31,577,507)	**392,042,012**

38. Increase / (decrease) of other liabilities of the Bank

Closing -		
Sundry creditors	16,136,827	10,437,261
Central clearing, EFT, NPSB adjustment account	4,296,917	-
Present value of lease liability	1,225,051,531	1,167,814,501
	1,245,485,275	**1,178,251,762**
Opening -		
Sundry creditors	10,437,261	18,820,547
Central EFT adjustment account	-	4,006,504
Present value of lease liability	1,167,814,501	967,219,909
	1,178,251,762	**990,046,960**
	67,233,513	**188,204,802**

38.1 Increase / (decrease) of other liabilities - Consolidated

Closing -		
Sundry creditors	36,604,720	10,437,261
Central clearing, EFT, NPSB adjustment account	4,296,917	-
Provision for gratuity	596,487	-
Present value of lease liability	1,225,051,531	1,167,814,501
	1,266,549,655	**1,178,251,762**
Opening -		
Sundry creditors	10,437,261	18,820,547
Central EFT adjustment account	-	4,006,504
Present value of lease liability	1,167,814,501	967,219,909
	1,178,251,762	**990,046,960**
	88,297,893	**188,204,802**

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

		2022 Taka	2021 Taka
40.3	**Basic Earning per share (EPS) of the Bank**		
	a) Net profit after tax	562,100,704	534,722,771
	b) weighted average number of ordinary shares	816,031,337	727,111,270
	Earnings per share (a ÷ b)	**0.69**	**0.74**
40.4	**Restateded Earning per share (EPS) of the Bank**		
	a) Net profit after tax	562,100,704	534,722,771
	b) weighted average number of ordinary shares	816,031,337	816,031,337
	Earnings per share (a ÷ b)	**0.69**	**0.66**

40.5 Current year's financial results i.e. Earning Per Shares (EPS) has been increased by 5.12% over last year. Reasons of such increase in EPS were as follows :

i) Higher level of fee based income during the year.

iii) The requirement for maintaining provision against loans and advances and other assets have been lower than that of previous year.

40.6 Diluted earning per share

No diluted earning per share is required to be calculated for the year as there was no scope for dilution during these period.

41.1	**Net asset value (NAV) per share - Consolidated**		
	a) Net asset value attributable to the shareholdes of parent company	10,829,214,375	10,628,002,157
	b) Number of outstanding shares	816,031,337	727,111,270
	Net asset value (NAV) per share (a÷b)	**13.27**	**14.62**
41.2	**Restated net asset value (NAV) per share - Consolidated**		
	a) Net asset value attributable to the shareholdes of parent company	10,829,214,375	10,628,002,157
	b) Number of outstanding shares	816,031,337	816,031,337
	Net asset value (NAV) per share (a÷b)	**13.27**	**13.02**
41.3	**Net asset value (NAV) per share of the Bank**		
	a) Net asset value	10,796,547,363	10,622,840,285
	b) Number of outstanding shares	816,031,337	727,111,270
	Net asset value (NAV) per share (a÷b)	**13.23**	**14.61**
41.4	**Restated net asset value (NAV) per share of the Bank**		
	a) Net asset value	10,796,547,363	10,622,840,285
	b) Number of outstanding shares	816,031,337	816,031,337
	Net asset value (NAV) per share (a÷b)	**13.23**	**13.02**
42.1	**Net operating cash flow per share (NOCFPS) - Consolidated**		
	a) Net cash flow from operating activities	2,463,347,440	(3,573,821,539)
	b) Weighted average number of share	816,031,337	727,111,270
	Net operating cash flow per share (a÷b)	**3.02**	**(4.92)**
42.2	**Restated net operating cash flow per share (NOCFPS) - Consolidated**		
	a) Net cash flow from operating activities	2,463,347,440	(3,573,821,539)
	b) Weighted average number of share	816,031,337	816,031,337
	Net operating cash flow per share (a÷b)	**3.02**	**(4.38)**
42.3	**Net operating cash flow per share (NOCFPS) of the Bank**		
	a) Net cash flow from operating activities	2,431,930,715	(3,573,421,539)
	b) Weighted average number of share	816,031,337	727,111,270
	Net operating cash flow per share (a÷b)	**2.98**	**(4.91)**
42.4	**Restated net operating cash flow per share (NOCFPS) of the Bank**		
	a) Net cash flow from operating activities	2,431,930,715	(3,573,421,539)
	b) Weighted average number of share	816,031,337	816,031,337
	Net operating cash flow per share (a÷b)	**2.98**	**(4.38)**

42.5 The net operating cash flow has been increased due to substantial deposits by other banks and financial institutions and by customers.

43. Events after the balance sheet date

A. Change of name

The Board of Directors in its 159th meeting held on 28 February 2023 approved to modify the name of the Bank as "SBAC Bank PLC" from "South Bangla Agriculture and Commerce Bank Limited" subject to approval in the General Meeting and competent authorities.

B. Increase of Authorized Capital

The Board of Directors in its 159th meeting held on 28 February 2023 approved to increase its authorized capital to Tk. 20,000,000,000 (Taka two thousand crore) divided into 2,000,000,000 (two hundred crore) number of shares subject to approval in the General Meeting and competent authorities.

C. Issue of stock divided for the year 2021

Bangladesh Securities and Exchange Commission through letter ref. no. BSEC/CI/CPLC(Public)-1033/2022-1219 dated 29 March 2023 has given their consent to issue of stock dividend for the year 2021 @ 0.01 against 1 existing share of Tk 10 each i.e. 8,160,313 nos of shares @ Tk 10 each.

D. Dividend

The Board of Directors in its163rd meeting held on 26 April 2023 recommended cash dividend @ 3.50% (three and half percent) for the year 2022. The total amount of dividend is Tk 288,467,078 (Taka twenty eight crore eighty four lac sixty seven thousand seventy eight) only.

44. Risk Factors and Risk Management

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

45. Disclosure on audit committee of the Board

The Audit Committee of the Board was duly reconstituted by the Board of Directors of the Bank in its 129th meeting held on 31 October 2021 compliance with BRPD Circular No. 11 dated 27 October 2013 of Bangladesh Bank and Corporate Governance Guidelines (BSEC/CMRRCD/2006-158/207/Admin/80) dated June 03, 2018 of Bangladesh Securities and Exchange Commission (BSEC). The members of the Audit Committee of the Board as on 31 December 2022 is as under:

Name of the Member	Status with the Bank	Status in the Committee	Educational Qualification
Mr. Md. Sajidur Rahman	Independent Director	Chairman	Masters
Mr. Abu Zafar Mohammod Shofiuddin	Director	Member	M. Com
Prof. Mohammad Moqubul Hossain Bhuiyan	Independent Director	Member	M. Com
Mr. Ziaur Rahman Zia FCA	Independent Director	Member	M. Com

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

a) The Committee reviewed the inspection reports of different branches including divisions of Head Office of the Bank conducted and submitted by the Bank's Internal Control & Compliance Division and Bangladesh Bank and gave necessary instructions to the management for proper and promt rectification / solution of the irregularities / objections stated therein.

b) The Committee reviewed the Management Letter / Report for the year 2021 submitted by the external auditors of the Bank.

c) The Committee reviewed the Quarterly, Half-yearly and Annual Financial Statements of the Bank.

d) The Committee reviewed the Yearly Report on over all position as on 31 December 2021 as submitted by Internal Control & Compliance Division under the Risk Based Internal Audit system of the Bank.

e) The Committee reviewed the introduction of modern, efficient Internal Control & Compliance system to mitigate the risks.

f) The Committee reviewed the overall performance of Internal Control & Compliance Division.

g) The Committee reviewed and approved the Annual Financial Statements for the year ended 31 December 2022.

46. Number of employees

As per the Schedule XI of the Companies Act, 1994, the number of employees (including contractual employees) engaged for the whole year or part thereof who received more than total remuneration of Tk 36,000 per annum or Tk 3,000 per month were 1,149 as at 31 December 2022 compared to 997 as at 31 December 2021.

47. General

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

Accompanying notes form an integral part of these financial statements.

Chairman	Director	Director	Managing Director & CEO

Annexure - A

South Bangla Agriculture and Commerce Bank Limited

Related party disclosures

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

i) Directors' interest in different entities:

SL No.	Name of the Director	Status with the Bank	No. of shares and percentage (%) share holding in the Bank	Name of the firms/companies/others (Trade Commerce, Financial, Agriculture & others) in which they are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) holding in the company	Remarks
1	Mr. Abdul Kadir Molla	Chairman	34,821,563 & 4.27%	1. Thermax Textile Mills Ltd.	29.98%	
				2. Thermax Knit Yarn Ltd.	20.00%	
				3. Thermax Spinning Ltd.	60.00%	
				4. Thermax Blended Yarn Ltd.	20.00%	
				5. Indigo Spinning Ltd.	55.00%	
				6. Thermax Melange Spinning Mills Ltd.	60.00%	
				7. Thermax Yarn Dyeing Ltd.	50.00%	
				8. Adury Knit Composite Ltd.	50.00%	
				9. Adury Apparels Ltd.	20.00%	
				10. Thermax Woven Dyeing Ltd.	60.00%	
				11. Thermax Yarn Dyed Fabrics Ltd.	20.00%	
				12. Sister Denim Composite Ltd.	19.00%	
				13. Thermax Check Fabrics Ltd.	60.00%	
				14. Thermax Colour Cotton Ltd.	20.00%	
				15. Sister Garments Ltd.	50.00%	
				16. Sultana Filling Point Ltd.	55.00%	
				17. Adury Fashion & Print Ltd.	60.00%	
				18. Adury Ring Denim Spun Ltd.	20.00%	
				19. Kadir Molla Medical College & Hospital Ltd.	30.00%	
				20. Sultana Enterprise	100.00%	
				21. Sister Denim Composite (Unit-2) Ltd.	20.00%	
2	Mr. Mohammed Ayub	Vice Chairman	29,108,427 & 3.57%	1. Ayub & Co. Ltd.	80.00%	
				2. Pioneer Enterprise	100.00%	
				3. United Enterprise	100.00%	
				4. Pacific Enterprise	70.00%	
				5. M/S Ishmam Enterprise	20.00%	
3	Mr. Abu Zafar Mohammod Shofiuddin	Director	34,821,563 & 4.27%	1. SQ Wire & Cable Co. Ltd	32.24%	
				2. SQ Trading & Engineering	30.00%	
				3. SQ Light Ltd.	35.00%	
				4. SQ Wood Preservatives	80.00%	
				5. SQ Energy Ltd.	50.00%	
				6. SQ Electricals Ltd.	70.00%	
				7. SQ Distribution Ltd.	60.00%	
				8. SQ Power Solutions	70.00%	
				9. SQ Properties Ltd.	35.00%	
				10. Power-Add	80.00%	
				11. Techno Electricals Ltd.	16.89%	
				12. TSCO Power Ltd.	25.00%	
				13. TS Transformers Ltd	25.00%	
				14. Building Dreams Ltd.	10.00%	
				15. SRN Power	40.00%	

SL No.	Name of the Director	Status with the Bank	No. of shares and percentage (%) share holding in the Bank	Name of the firms/companies/others (Trade Commerce, Financial, Agriculture & others) in which they are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) holding in the company	Remarks
				16. Microgenix BD Ltd.	53.65%	
				17. Papiro Ltd.	50.00%	
				18. Arrow Technology Ltd.	85.00%	
				19. SQ Denims Ltd.	80.00%	
				20. SQ Accessories Ltd.	19.00%	
				21. Petroken Ltd.	56.00%	
				22. Alliance Infrastructure Engineering Pvt. Ltd.	5.00%	
4	Engr. Md. Moklesur Rahman	Director	34,821,563 & 4.27%	1. Contech Construction Ltd.	65.00%	
				2. Pre Stressed Pole Ltd.	65.00%	
				3. B&T Cables Ltd.	70.00%	
				4. B&T Cold Storage Ltd.	6.67%	
				5. B&T Development Ltd.	25.00%	
				6. B&T Meter Ltd.	55.00%	
				7. Tushar Ceramics Ltd.	25.00%	
				8. B&T Transformers Ltd.	33.33%	
				9. Nexus Securities Ltd.	20.00%	
				10. BD Game Studio Ltd.	20.00%	
				11. Smart Meter	100.00%	
				12. PMJ Asset Management	5.00%	
5	Al-Haj Mizanur Rahman	Director	25,168,000 & 3.08%	1. M R Trading Co.	100.00%	
				2. Moon Bangladesh Ltd.	90.00%	
6	Mr. Mohammad Nawaz	Director	21,315,165 & 2.61%	1. Famous Printing & Packaging Ltd.	29.15%	
				2. Famous Iberchem Flavours & Fragnances Ltd.	29.16%	
				3. Famous General Agencies Ltd.	29.05%	
				4. Matcon limited	28.96%	
				5. F.S. Printing & Packaging Ltd.	29.11%	
				6. Green Soap & Chemical Co. Ltd.	29.07%	
				7. Famous Flavours & Fragnances Ltd.	40.00%	
				8. Eden Multicare Hospital	2.50%	
				9. NY Trading	50.00%	
7	Mr. Anwar Hussain	Director	16,416,695 & 2.01%	1. SAFAH CNG Refuelling Station Ltd .	8.33%	
				2. HAR Industries Ltd.	30.00%	
				3. Abdul Gaffar & Co. (Pvt.) Ltd.	30.40%	
				4. Asuka CNG Filling Station Ltd.	25.00%	
				5. AGI Corporation	100.00%	
				6. AGI Flex Ltd.	50.00%	
8	Mr. Hafizur Rahman Babu	Director	26,116,172 & 3.20%	1. Joytun Securities International Ltd.	85.12%	
				2. Joytun Developers Ltd.	50.00%	
				3. S.B. Agro Fertilizer Industries Ltd.	33.34%	
				4. Sheikh Cement Mills Ltd.	18.99%	
				5. Gold Hill Properties Ltd.	15.00%	
				6. Sheikh Jute Mills Ltd.	16.67%	
				7. M/S. Sheikh Brothers	100.00%	
				8. M/S. Hafizur Rahman Babu	100.00%	
				9. Sheikh Shipping Lines Ltd.	33.34%	
				10. Sheikh Agro Food Industries	100.00%	
				11. Arising Trade International	80.00%	
9	Mst. Nasima Begum, Nominated by: Thermax Textile Mills Ltd.	Director	0	1. Thermax Textile Mills Ltd.	25.00%	Number of Shares of Thermax Textile Mills
				2. Thermax Knit Yarn Ltd.	20.00%	
				3. Thermax Spinning Ltd.	40.00%	

SL No.	Name of the Director	Status with the Bank	No. of shares and percentage (%) share holding in the Bank	Name of the firms/companies/others (Trade Commerce, Financial, Agriculture & others) in which they are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) holding in the company	Remarks
				4. Thermax Blended Yarn Ltd.	20.00%	Ltd. 34,821,563 & 4.27%
				5. Indigo Spinning Ltd.	45.00%	
				6. Thermax Melange Spinning Mills Ltd.	40.00%	
				7. Thermax Yarn Dyeing Ltd.	50.00%	
				8. Adury Knit Composite Ltd.	50.00%	
				9. Adury Apparels Ltd.	20.00%	
				10. Thermax Woven Dyeing Ltd.	40.00%	
				11. Thermax Yarn Dyed Fabrics Ltd.	20.00%	
				12. Sister Denim Composite Ltd.	19.00%	
				13. Thermax Check Fabrics Ltd.	40.00%	
				14. Thermax Colour Cotton Ltd.	20.00%	
				15. Sultana Filling Point Ltd.	45.00%	
				16. Adury Fashion & Print Ltd.	40.00%	
				17. Adury Ring Denim Spun Ltd.	20.00%	
				18. Kadir Molla Medical College & Hospital Ltd.	25.00%	
				19. Sister Garments Ltd.	50.00%	
				20. Sister Denim Composite (Unit-2) Ltd.	20.00%	
10	Mr. Sk. Shyed-uj-Jaman Nominated by Moonstar Ceramic Industries Ltd.	Director	2,856,568 & 0.35%	1. Mashiyat Fish Firm	100.00%	Number of Shares of Moonstar Ceramic Industries Ltd. 35,600,848 & 4.36%
				2. South East Union Ceramic Industries Ltd.	5.00%	
				3. AB Siddique & Co.	100.00%	
11	Mr. Mohammad Nazmul Huq Nominated by : Techno Electricals Ltd.	Director	0	1. Vicar International	80.00%	Number of Shares of Techno Electricals Ltd. 34,033,150 & 4.17%
				2. Vicar Electricals Ltd.	15.00%	
				3. Vicar Concrete Products	10.00%	
				4. Arrow Tecnology	15.00%	
12	Mr. Mushfiqur Rahman Nominated by : M/S. Contech Construction Ltd.	Director	0	1. Contech Construction Ltd.	27.50%	Number of Shares M/S. Contech Construction Ltd. 34,821,563 & 4.27%
				2. Pre Stressed Pole Ltd.	10.00%	
				3. B&T Cables Ltd.	10.00%	
				4. B&T Cold Storage Ltd.	2.22%	
				5. B&T Development Ltd.	25.00%	
				6. B&T Meter Ltd.	15.00%	
				7. B&T Poles Ltd.	50.00%	
				8. Tushar Ceramics Ltd.	50.00%	
				9. B&T Transformers Ltd.	33.33%	
				10. Nexus Securities Ltd.	40.00%	
				11. BD Game Studio Ltd.	80.00%	
				12. PMJ Asset Management	15.00%	
				13. BD Game Studio	100.00%	
13	Mr. Ziaur Rahman Zia FCA	Independent Director	N/A	A. Qasem & Co., Chartered Accountants	10.00%	
14	Mr. Md. Sajidur Rahman	Independent Director	N/A	1. Indo-Bangla Trading	40.00%	
				2. US-DK Green Energy (BD) Ltd.	5.00%	
				4. Lenden Ltd.	5.00%	
15	Professor Mohammad Moqbul Hossain Bhuiyan	Independent Director	N/A	Nil	Nil	

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

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

iv) Related party transactions:

A. loan to directors

(Amount in Crore taka)

Name of the Borrower	Representing Director	Nature of Facilities	Outstanding as at 31 Dec 2022	Outstanding as at 31 Dec 2021
Mr. Anwar Hussain	Mr. Anwar Hussain	House Building Loan	0.60	0.80
			0.69	-
Mr. Mohammad Imran	Brother of Mr. Anwar Hussain	House Building Loan	0.60	0.80
			0.77	-
M.R. Trading Co.	Mr. Md. Mizanur Rahman	SOD (Gen)	12.39	0.15

B. Credit Card issued to directors

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

v) Lending policies to related parties:

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

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

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

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

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

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

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

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

Annexure - B

South Bangla Agriculture and Commerce Bank Limited

Schedule of Fixed Assets

as at 31 December 2022

Particulars	Cost				Accumulated Depreciation				Net book value as at 31 December 2022
	Balance as at 01 January 2022	Additions during the period	Disposals during the period	Balance at 31 December 2022	Balance as at 01 January 2022	Charge for the period	On disposal during the period	Balance as at December 2022	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Tangible Assets :									
Motor vehicles	51,888,653	18,900,000	-	**70,788,653**	36,255,548	7,123,260	-	**43,378,808**	**27,409,845**
Machinery and equipments	298,436,443	43,562,045	-	**341,998,488**	243,519,795	27,999,500	-	**271,519,295**	**70,479,193**
Furniture and fixtures	98,700,745	12,515,745	-	**111,216,490**	53,929,427	10,248,754	-	**64,178,181**	**47,038,309**
Interior decoration	327,597,917	42,777,199	-	**370,375,116**	156,752,101	34,230,792	-	**190,982,893**	**179,392,223**
Computers and accessories	404,687,414	36,855,706	-	**441,543,120**	262,760,236	48,476,055	-	**311,236,291**	**130,306,829**
Other tools	44,642,330	8,483,284	-	**53,125,614**	30,559,558	6,444,703	-	**37,004,261**	**16,121,353**
Intangible Assets :									
Softwares	193,446,651	19,341,000	-	**212,787,651**	177,500,038	11,982,656	-	**189,482,694**	**23,304,957**
Right of use assets (Lease assets)	1,459,393,820	309,450,307	94,069,572	**1,674,774,555**	290,874,858	214,769,963	61,440,585	**444,204,236**	**1,230,570,319**
At 31 December 2022	**2,878,793,973**	**491,885,286**	**94,069,572**	**3,276,609,687**	**1,252,151,561**	**361,275,683**	**61,440,585**	**1,551,986,659**	**1,724,623,028**
At 31 December 2021	**2,511,266,408**	**458,788,887**	**91,261,322**	**2,878,793,973**	**986,874,534**	**332,247,170**	**66,970,143**	**1,252,151,561**	**1,626,642,412**

Rate of Depreciation

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

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

Annexure - C

South Bangla Agriculture and Commerce Bank Limited

Investment in Shares

As at 31 December 2022

Sl. No.	Name of Company	Face Value	No. Of Share	Total Book Value	Average cost per share	Market value per share as on 31 December 2022	Total Market Value
Quoted Shares							
1	ACI Limited	10.00	32,025	9,279,201	289.75	260.20	8,332,905
2	ADN Telecom Limited	10.00	280,000	34,330,276	122.61	114.10	31,948,000
3	Alif Industries Limited	10.00	204,678	11,294,091	55.18	53.40	10,929,805
4	Agni Systems Ltd.	10.00	50,000	1,388,045	27.76	23.00	1,150,000
5	Apex Tannery Limited	10.00	17	2,459	144.62	123.90	2,106
6	British American Tobacco bangladesh Company Limited	10.00	34,000	19,618,945	577.03	518.70	17,635,800
7	Bangladesh Export Import Company Ltd.	10.00	184,205	27,722,300	150.50	115.60	21,294,098
8	Bangladesh General Insurance Company Ltd.	10.00	46,312	2,863,188	61.82	62.40	2,889,869
9	Beximco Pharmaceuticals Ltd.	10.00	91,838	16,561,642	180.34	146.20	13,426,716
10	The Dacca Dyeing & Manufacturing Co.Ltd.	10.00	24,000	519,302	21.64	17.40	417,600
11	DBH Finance PLC.	10.00	129,203	8,165,604	63.20	57.80	7,467,933
12	Delta Life Insurance Company Ltd.	10.00	416,188	77,220,376	185.54	136.50	56,809,662
13	Dragon Sweater and Spinning Limited	10.00	100,000	1,955,660	19.56	17.00	1,700,000
14	Eastern Insurance Company Ltd.	10.00	144,151	17,645,798	122.41	49.10	7,077,814
15	Grameenphone Ltd.	10.00	14,777	4,999,069	338.30	286.60	4,235,088
16	GPH Ispat Ltd.	10.00	1,031,174	57,140,873	55.41	44.80	46,196,595
17	Genex Infosys Limited	10.00	78,059	11,155,977	142.92	81.00	6,322,779
18	Investment Corporation Of Bangladesh	10.00	3,938	593,962	150.83	87.60	344,969
19	Islami Commercial Insurance Company Limited	10.00	8,798	87,980	10.00	28.10	247,224
20	IDLC Finance Ltd.	10.00	30,000	1,589,598	52.99	46.50	1,395,000
21	IFAD Autos Limited	10.00	151,578	7,447,042	49.13	44.10	6,684,590
22	LafargeHolcim Bangladesh Limited	10.00	326,205	28,743,358	88.11	64.80	21,138,084
23	Linde Bangladesh Limited	10.00	13,000	23,981,173	1,844.71	1,397.70	18,170,100
24	Maksons Spinning Mills Limited	10.00	500,347	16,505,847	32.99	22.30	11,157,738
25	Mozaffar Hossain Spinning Mills Ltd.	10.00	279,718	8,388,407	29.99	26.50	7,412,527
26	Meghna Petroleum Limited	10.00	124,468	27,318,286	219.48	198.60	24,719,345
27	Nahee Aluminum Composite Panel Ltd.	10.00	193,678	14,859,300	76.72	65.30	12,647,173
28	National Credit and Commerce Bank Ltd.	10.00	1,744,301	25,489,471	14.61	13.80	24,071,354
29	Popular Life Insurance Co. Ltd.	10.00	217,866	18,819,069	86.38	65.00	14,161,290
30	Rahima Food Corporation Limited	10.00	51,623	17,832,061	345.43	237.70	12,270,787
31	Robi Axiata Limited	10.00	702,975	30,375,831	43.21	30.00	21,089,250
32	Rangpur Dairy & Food Products Ltd.	10.00	20,000	898,598	44.93	36.20	724,000
33	Sonali Life Insurance Company Limited	10.00	12,626	808,549	64.04	59.60	752,510
34	Sonar Bangla Insurance Ltd.	10.00	517	25,821	49.94	47.60	24,609
35	Simtex Industries Limited	10.00	820,000	20,090,000	24.50	16.80	13,776,000
36	Saiham Cotton Mills Limited	10.00	406,492	6,822,562	16.78	16.40	6,666,469
37	S. Alam Cold Rolled Steels Ltd.	10.00	57,400	2,158,536	37.61	33.30	1,911,420
38	Square Pharmaceuticals Ltd.	10.00	98,893	21,002,450	212.38	209.80	20,747,751
39	Square Textiles Ltd.	10.00	500	35,202	70.40	67.50	33,750
40	Unilever Consumer Care Limited	10.00	3,859	11,381,026	2,949.22	2,849.00	10,994,291
41	National Credit and Commerce Bank Ltd (E SEC)	10.00	69,772	1,019,585	14.61	13.80	962,854

Sl. No.	Name of Company	Face Value	No. Of Share	Total Book Value	Average cost per share	Market value per share as on 31 December 2022	Total Market Value
42	The City Bank Ltd (ICB Capital)	10.00	25,000	659,093	26.36	21.80	545,000
43	National Credit and Commerce Bank Ltd (ICB Capital)	10.00	91,329	1,371,313	15.02	13.80	1,260,340
Sub-total				**590,166,925**			**471,745,195**
Quoted Shares (Special Fund)							
1	aamra technologies limited	10.00	307,065	16,242,111	52.89	40.00	12,282,600
2	The ACME Laboratories Limited	10.00	128,000	11,253,140	87.92	85.00	10,880,000
3	ADN Telecom Limited	10.00	72,897	8,618,850	118.23	114.10	8,317,548
4	Asia Pacific General Insurance Co. Ltd.	10.00	200,000	15,096,000	75.48	41.60	8,320,000
5	Apex Tannery Limited	10.00	42,452	6,208,932	146.26	123.90	5,259,803
6	Aman Feed Limited	10.00	260,051	10,168,462	39.10	33.50	8,711,709
7	ACI Formulations Limited	10.00	50,000	9,244,715	184.89	155.00	7,750,000
8	Bangladesh General Insurance Company Ltd.	10.00	1,036,879	63,291,094	61.04	62.40	64,701,250
9	Beximco Pharmaceuticals Ltd.	10.00	60,000	14,250,558	237.51	146.20	8,772,000
10	Central Insurance Company Ltd.	10.00	292,168	18,275,108	62.55	35.70	10,430,398
11	The City Bank Ltd.	10.00	200,000	5,272,000	26.36	21.80	4,360,000
12	City General Insurance Co. Ltd.	10.00	549,970	27,003,527	49.10	25.90	14,244,223
13	Eastland Insurance Company Ltd.	10.00	200,000	8,958,000	44.79	24.40	4,880,000
14	Grameenphone Ltd.	10.00	50,000	17,618,500	352.37	286.60	14,330,000
15	IDLC Finance Ltd.	10.00	1,082,023	67,485,775	62.37	46.50	50,314,070
16	IFAD Autos Limited	10.00	611,228	29,943,424	48.99	44.10	26,955,155
17	IPDC Finance Limited	10.00	500,000	31,089,900	62.18	57.60	28,800,000
18	Lub-rref (Bangladesh) Limited	10.00	181,170	9,075,705	50.09	36.10	6,540,237
19	LankaBangla Finance Ltd.	10.00	300,000	13,221,000	44.07	26.00	7,800,000
20	Linde Bangladesh Limited	10.00	17,025	30,358,129	1,783.15	1,397.70	23,795,843
21	Mercantile Bank Ltd.	10.00	1,890,000	30,561,300	16.17	13.60	25,704,000
22	Matin Spinning Mills Ltd.	10.00	70,723	5,647,903	79.86	77.60	5,488,105
23	Nahee Aluminum Composite Panel Ltd.	10.00	417,927	32,382,176	77.48	65.30	27,290,633
24	National Credit and Commerce Bank Ltd.	10.00	2,580,245	38,486,418	14.92	13.80	35,607,381
25	National Housing Fin. and Inv. Ltd.	10.00	475,000	29,939,961	63.03	41.80	19,855,000
26	Premier Cement Mills PLC	10.00	70,000	6,349,000	90.70	44.50	3,115,000
27	Power Grid Company of Bangladesh Ltd.	10.00	255,589	15,109,016	59.11	52.40	13,392,864
28	Reliance Insurance Ltd.	10.00	94,481	9,760,832	103.31	58.40	5,517,690
29	S. Alam Cold Rolled Steels Ltd.	10.00	212,500	8,320,203	39.15	33.30	7,076,250
30	Singer Bangladesh Limited	10.00	200,904	36,992,454	184.13	151.90	30,517,318
31	Shahjibazar Power Co. Ltd.	10.00	38,634	3,513,728	90.95	65.50	2,530,527
32	Sonar Bangla Insurance Ltd.	10.00	13,445	711,219	52.90	47.60	639,982
33	Square Textiles Ltd.	10.00	150,000	10,636,740	70.91	67.50	10,125,000
34	Square Pharmaceuticals Ltd.	10.00	302,049	67,592,525	223.78	209.80	63,369,880
35	Standard Insurance Limited	10.00	375,044	34,564,055	92.16	48.00	18,002,112
36	Summit Power Limited	10.00	944,907	41,585,357	44.01	34.00	32,126,838
37	United Finance Limited	10.00	250,000	4,477,950	17.91	15.80	3,950,000
38	United Commercial Bank Ltd.	10.00	595,123	9,075,626	15.25	13.00	7,736,599
Sub-total				**798,381,393**			**639,490,012**
Total Quoted Shares				**1,388,548,318**			**1,111,235,207**
Unquoted Shares							
1	SWIFT		6	3,581,371		-	3,581,371
Total unquoted shares				**3,581,371**			**3,581,371**

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

Mutual Fund (Quoted)

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

Calculation of required provision against investment in shares :

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

Annexure - D

South Bangla Agriculture and Commerce Bank Limited

Statement of Large Loan Exposures

More than 10% of Bank's Capital (Funded & Non-funded)

[Amount in crore Taka]

Sl. No.	Name of Client	Outstanding as on 31 December 2022		Total
		Funded	Non Funded	
1	Mahabub Brothers (Pvt.) Ltd.	171.36	36.75	208.11
2	Alpha Accessories & Agro Export Ltd.	171.92	1.06	172.98
3	Ahsan Group	172.17	-	172.17
4	Nassa Group	83.27	9.74	93.01
5	Noman Group	76.67	-	76.67
6	Masihata Sweaters Limited	78.25	120.02	198.27
7	M/S Majumder Traders	13.39	11.93	25.32
8	CSS Corporation (BD) Limited	92.96	-	92.96
9	M/S Al-Amin Poultry Feed, M/S NR Trading and M/S Al-Amin Agrovate	117.15	9.42	126.57
10	Sears Limited	115.99	3.22	119.21
11	Nitol Niloy Group	50.02	-	50.02
12	ARC Construction Company	127.52	42.64	170.16
13	T.K. Group	4.36	22.20	26.56
14	Provita Feed Ltd.	100.42	25.67	126.09
15	Habib Group	125.39	-	125.39
16	Aman Group	120.75	-	120.75
17	GPH Ispat Ltd.	30.38	2.09	32.47
	Total	**1651.97**	**284.74**	**1936.71**

Annexure - E

South Bangla Agriculture and Commerce Bank Limited

Financial Reporting by Segments

For the year ended on 31 December 2022

i) Business segment profit and loss account

[Amount in Taka]

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

ii) Business segment balance sheet

[Amount in Taka]

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

Annexure - F

South Bangla Agriculture and Commerce Bank Limited

Consolidated Financial Highlights on the overall activities of the bank

For the year ended 31 December 2022

(Amount in Tk.)

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

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

Annexure - G

South Bangla Agriculture and Commerce Bank Limited

Highlights on the overall activities of the bank

For the year ended 31 December 2022

(Amount in Tk.)

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

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

Annexure - H

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

	Note	2022 Taka	2021 Taka
PROPERTY AND ASSETS			
Cash in hand			
Cash in hand (including foreign currencies)	3	3,926,208	15,908,616
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4	20,000,000	51,113,875
		23,926,208	**67,022,491**
Balance with other banks and financial institutions	5		
In Bangladesh		-	-
Outside Bangladesh		-	-
		-	-
Placement with banks & other financial institutions	6	-	-
Investments in shares & securities	7		
Government		30,000,000	50,000,000
Others		-	-
		30,000,000	**50,000,000**
Investments	8		
General investments etc.		295,113,533	78,794,284
Bills purchased and discounted		-	-
		295,113,533	**78,794,284**
Fixed assets including premises, furniture and fixtures	9	5,868,687	286,360
Other assets	10	16,796,304	136,440,740
Non - banking assets		-	-
Total assets		**371,704,732**	**332,543,875**
LIABILITIES AND CAPITAL			
Liabilities			
Placements from other banks, financial institutions	11	-	-
Deposits and other accounts	12		
Mudaraba savings deposits		35,322,970	31,865,267
Mudaraba term deposits		270,840,742	258,234,125
Al-wadeeah current deposits and other deposit accounts		17,724,561	27,304,079
Mudaraba special notice deposits		23,557,573	11,140,342
Bills payable		132,898	333,616
Other deposits		11,402,244	642,207
		358,980,988	**329,519,636**
Other liabilities	13	9,351,058	3,992,564
Total liabilities		**368,332,046**	**333,512,200**
Capital / Shareholders' equity			
Paid up capital		-	-
Statutory reserve		-	-
Revaluation gain / (loss) on investments		-	-
Revaluation reserve		-	-
Other reserve		-	-
Surplus in profit and loss account / Retained earnings	14	3,372,686	(968,325)
Total Shareholders' equity		3,372,686	(968,325)
Total liabilities and Shareholders' equity		**371,704,732**	**332,543,875**

	Note	2022 Taka	2021 Taka
OFF- BALANCE SHEET EXPOSURE			
Contingent liabilities	15		
Acceptances and endorsements		-	-
Letters of guarantee		10,683,000	27,995,612
Irrevocable letters of credit		-	26,995,202
Bills for collection		-	-
Other contingent liabilities		-	-
		10,683,000	**54,990,814**
Other commitments			
Documentary credits and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities , credit lines and other commitments		-	-
Other commitments		-	-
		-	-
Total Off-Balance Sheet exposure including contingent liabilities		**10,683,000**	**54,990,814**

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

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

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

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

South Bangla Agriculture and Commerce Bank Limited
Islamic Banking Windows

Statement of Changes in Equity

For the period ended 31 December 2022

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

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

01 Islami Banking Wing and its activities

Status

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

Principal activities

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

02 Significant accounting policies

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

02.01 Going concern

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

02.02 Reporting period

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

02.03 Revenue

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

02.04 Investment Income

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

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

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

02.05 Sharing of investment income

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

02.06 Income on Investments in Securities

Income on investments in securities is recognised on accrual basis.

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

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

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

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

02.08 Profit shared on deposits

Profit on deposits are recognized on accrual basis.

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

		2022 Taka	2021 Taka
3.	**Cash in hand**		
	In hand		
	In local currency	3,926,208	15,908,616
	In foreign currency	-	-
		3,926,208	**15,908,616**
4.	**Balance with Bangladesh Bank and its agents**		
	Balance with Bangladesh Bank		
	In local currency	20,000,000	51,113,875
	In Foreign currency	-	-
		20,000,000	**51,113,875**
	Balance with Sonali Bank (as agent of Bangladesh Bank)- local currency	-	-
		20,000,000	**51,113,875**
4.1.1	**Cash Reserve Requirement (CRR) : 4.00% of average demand and time liabilities**		
	Required reserve	**11,313,000**	**8,255,000**
	Actual reserve maintained		
	Balance with Bangladesh Bank - local currency	**20,000,000**	**50,000,000**
	Surplus / (deficit)	**8,687,000**	**41,745,000**
	Maintained ratio	**7.07%**	**24.23%**
4.1.2	**Statutory Liquidity Ratio (SLR) : 5.50% of average demand and time liabilities**		
	Required reserve	**15,555,000**	**11,351,000**
	Available for maintenance :		
	Cash in hand (including foreign currencies)	3,926,208	15,908,616
	Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)		-
	Excess of CRR requirement	8,687,000	41,745,000
	Unencumbered approved securities (treasury bills and bonds, debentures etc.)	30,000,000	50,000,000
		42,613,208	**107,653,616**
	Surplus / (deficit)	**27,058,208**	**96,302,616**
	Maintained Ratio	**15.07%**	**52.16%**
	Total average time and demand liabilities	**282,815,000**	**206,374,000**
5.	**Balance with other banks and financial institutions**		
	In Bangladesh	-	-
	Outside Bangladesh	-	-
		-	-
6.	**Placement with banks & other financial institutions**	-	-
7.	**Investments in share & securities**		
	Government (note 7.1)	30,000,000	50,000,000
	Others	-	-
		30,000,000	**50,000,000**
7.1	**Government**		
	Ijarah Sukuk Bond	**30,000,000**	**50,000,000**
8.	**Investments**		
	General investment (note 8.1)	295,113,533	78,794,284
	Bills purchaseed and negotiated (note 8.2)	-	-
		295,113,533	**78,794,284**

		2022 Taka	2021 Taka
8.1	**General investment**		
	Inside Bangladesh		
	BAI Murabaha CSME under stimulus finance	-	3,267,755
	BAI Murabaha - work order	30,971,941	11,968,838
	BAI Murabaha - commercial	180,276,579	12,994,719
	BAI Murabaha - agricuture	2,995,890	2,705,778
	BAI Murabaha - SME	6,244,964	-
	Murabaha post import finance	-	7,650,806
	HPSM (Staff)	20,178,351	9,162,255
	HPSM (car)	6,718,726	2,662,082
	HPSM (real estate)	47,727,082	28,382,051
		295,113,533	**78,794,284**
	Outside Bangladesh	-	-
		295,113,533	**78,794,284**
8.2	**Bills purchaseed and negotiated**		
	Payable Inside Bangladesh	-	-
	Payable Outside Bangladesh	-	-
		-	-
		295,113,533	**78,794,284**
9.	**Fixed assets including premises, furniture and fixtures**		
	Property, Plant & Equipment		
	Furniture & Fixtures	149,784	149,784
	Machineries and Equipments	5,190	5,190
	Computer and Peripherals	140,700	140,700
	Software	6,250,000	-
	Total fixed assets at cost	**6,545,674**	**295,674**
	Less: Accumulated depreciation	676,987	9,314
	Net book value at the end of the year	**5,868,687**	**286,360**
10.	**Other assets**		
	Stationeries	1,340,017	700,183
	Stamps	7,920	10,520
	Accrued profit	101,149	12,885
	Advance Income Tax	117,250	58,625
	Suspense	-	350
	Receiveable from convetional banking	15,229,968	135,658,177
		16,796,304	**136,440,740**
11.	**Placements from other banks, financial institutions**		
	In Bangladesh	-	-
	Outside Bangladesh	-	-
		-	-
12.	**Deposits and other accounts**		
	Al wadeeah current deposits and other accounts	17,724,561	27,304,079
	Mudaraba savings deposits	35,322,970	31,865,267
	Mudaraba term deposits	270,840,742	258,234,125
	Mudaraba special notice deposits	23,557,573	11,140,342
	Others deposit	11,402,244	642,207
	Bill Payable	132,898	333,616
		358,980,988	**329,519,636**
13.	**Other liabilities**		
	Profit payable on deposit	2,056,508	194,260
	Unearned Profit	5,561,100	2,740,530
	Provision against investments (note 13.1)	1,185,338	453,825
	Provision against off balance sheet exposures (note 13.2)	106,830	549,908
	Others	441,282	54,041
		9,351,058	**3,992,564**

		2022 Taka	2021 Taka
13.1	**Provision against investments**		
	A. General provision against investments		
	Opening balance	453,825	-
	General provision for the year	731,513	453,825
	Provision held at the year end	**1,185,338**	**453,825**
	B. Specific provision against classified investments		
	Opening balance	-	-
	Less : Fully provided debt written-off (for final settlement)	-	-
	Add : Recoveries of amounts previously written-off	-	-
	Add : Specific provision for the year	-	-
	Less : Specific provision no more required as loans realized/regularized	-	-
	Add : Net charge to profit and loss account	-	-
	Provision held at the end of the year	**-**	**-**
		1,185,338	**453,825**
13.2	**Provision against off balance sheet exposures**		
	Opening balance	549,908	-
	General provision for the year	(443,078)	549,908
	Provision held at the year end	**106,830**	**549,908**
14.	**Surplus in profit and loss account / Retained earnings**		
	Opening balance	(968,325)	-
	Add : Net profit during the year	4,376,419	(968,325)
	Less : Transferred to Conventional Banking	(35,408)	-
	Closing balance	**3,372,686**	**(968,325)**
15.	**Contingent liabilities**		
	Acceptances and endorsements	-	-
	Letters of guarantee	10,683,000	27,995,612
	Irrevocable Letters of Credit	-	26,995,202
	Bills for collection	-	-
	Others	-	-
		10,683,000	**54,990,814**
16.	**Investment income**		
	Income from general investment		
	Bai-Murabaha	16,067,113	480,407
	Bai-Muajjal (CC hypo)	-	-
	Bai-Salam (packing credit)	-	-
	Murabaha PIF	225,148	-
	Hire purchase	4,730,006	669,920
	Other investments		-
	Sub-total (i)	**21,022,267**	**1,150,327**
	Profit on deposits with other Islamic banks		
	In Bangladesh	-	-
	Out side Bangladesh	-	-
	Sub-total (ii)	**-**	**-**
	Grand total (i+ii)	**21,022,267**	**1,150,327**
17.	**Profit paid on deposits**		
	a)Profit paid on deposits:		
	Mudaraba savings deposits	1,163,216	93,149
	Mudaraba special notice deposits	365,538	13,314
	Mudaraba term deposits	15,253,934	716,946
	Others deposits	438,450	480,160
		17,221,138	**1,303,569**

	2022 Taka	2021 Taka
18. Income from investment in shares / securities		
Profit earned from Sukuk bond	2,158,694	697,111
Others	-	-
	2,158,694	**697,111**
19. Commission, exchange and brokerage		
Commission on L/Cs-sight	125,627	221,831
Commission on L/Gs	125,010	486,988
Commission on acceptance	-	-
Exchange	85,109	77,579
Other commission	87,700	7,990
	423,446	**794,388**
20. Other operating income		
Service and other charges	289,893	126,571
Miscellaneous earnings	40,131	11,848
	330,024	**138,419**
21. Salaries and allowances		
Basic salary	505,077	165,600
House rent allowance	252,538	82,800
Conveyance allowance	57,600	24,000
Medical allowance	62,400	24,000
Other allowances	154,080	55,800
Bank's contribution to provident fund	50,510	16,560
	1,082,205	**368,760**
22. Stationery, printing and advertisements, etc.		
Stationery	229,489	147,623
Publicity and advertisement	-	715,116
	229,489	**862,739**
23. Shariah supervisory committee's fees and expenses		
Meeting attendance fees	56,000	112,000
24. Depreciation and repair of Bank's assets		
Depreciation		
Fixed assets	667,673	9,314
Leased assets	-	-
	667,673	**9,314**
Repairs		
Repair & Maintenance	-	11,722
	-	**11,722**
	667,673	**21,036**
25. Other expenses		
Entertainment	11,872	47,763
Cash carrying charges	-	1,500
Local Conveyance	1,200	1,520
Miscellaneous expenses	-	25,950
	13,072	**76,733**

Annexure - I

South Bangla Agriculture and Commerce Bank Limited

Balance Sheet (Off-Shore Banking Unit)

As at 31 December 2022

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

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

South Bangla Agriculture and Commerce Bank Limited

Profit and Loss Account (Off-shore Banking Unit)

For the year ended 31 December 2022

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

South Bangla Agriculture and Commerce Bank Limited

Cash Flow Statement (Off-shore Banking Unit)

For the year ended 31 December 2022

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

South Bangla Agriculture and Commerce Bank Limited

Notes to the Financial Statements (Off-shore Banking Unit)

As at and for the year ended 2022

1. Status of the unit

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

1.2 Nature of business

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

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

2.1 Basis of accounting

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

2.2 Use of estimates and judgments

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

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

2.3 Functional and presentation currency

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

2.4 Foreign currency transactions

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

2.5 Loans and advances

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

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

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

2.6 Provision for taxation

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

2.7 Revenue recognition

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

2.7.1 Interest income

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

2.7.2 Fees and commission income

Fees and commission income arising from different services provided by the Units are recognaized 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 insignificalt risk of changes in their fair value and are used by the unit management for its short-term commitments.

2.10 Reporting period

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

2.11 General

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

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

	2022		2021	
	USD	Taka	USD	Taka

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

Unclassified loans and advances (including staff loans)				
i) Standard	2,153,701	220,754,353	6,575,725	563,210,884
ii) Special mention account (SMA)	-	-	-	-
	2,153,701	220,754,353	6,575,725	563,210,884
Classified loans and advances				
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Bad / loss	-	-	-	-
	-	-	-	-
Total	**2,153,701**	**220,754,353**	**6,575,725**	**563,210,884**

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

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

	2022		2021	
	USD	Taka	USD	Taka

4.5 Geographical loacation-wise loans and advances including bills purchased and discounted

Dhaka Division	2,153,701	220,754,353	2,260,926	193,648,359
Chattogram Division			4,314,799	369,562,525
	2,153,701	**220,754,353**	**6,575,725**	**563,210,884**

5. Other assets

Interest accrued on loans and advances but not collected	-	-	-	-
	-	-	-	-

6. Borrowings from other banks, financial institutions and agents

a) In Bangladesh				
Borrowings from SBAC Bank, Head Office	2,078,286	213,024,332	6,508,051	557,414,568
b) Outside Bangladesh	-	-	-	-
	2,078,286	**213,024,332**	**6,508,051**	**557,414,568**

7. Other liabilities

Accumulated provision on loans and advances (note 7.1)	21,537	2,207,544	65,757	5,632,109
	21,537	**2,207,544**	**65,757**	**5,632,109**

	2022		2021	
	USD	Taka	USD	Taka
7.1 Accumulated provision on loans and advances				
General provision on loans and advances				
Opening balance	65,757	5,632,109	8,068	677,308
Add : Provision made during the year	(44,220)	(3,424,565)	57,689	4,954,801
Closing balance	**21,537**	**2,207,544**	**65,757**	**5,632,109**
8. Foreign currency translation gain/(loss)				
Opening balance	-	251,592	-	-
Add : Addition during year	-	7,681,848	-	251,592
	-	7,933,440	-	251,592
Less : Adjustment during the year	-	-		
Closing balance	**-**	**7,933,440**	**-**	**251,592**
9. Profit and loss account - retained earnings				
Opening balance	207,416	17,513,604	(3,739)	(313,892)
Net profit / (loss) during the year	382,929	35,063,339	211,155	17,827,496
Closing balance	**590,345**	**52,576,943**	**207,416**	**17,513,604**
10. Interest income				
Interest on loans and advances	338,709	31,638,774.06	268,722	22,771,959
	338,709	**31,638,774**	**268,722**	**22,771,959**

Annexure - J

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SBAC Bank Investment Limited (the "Company" which comprise the statement of financial position as at 31 December 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the your the ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory Information.

In our opinion, the accompanying financial statements present fairly, in all material respect, the financial position of the Company as at 31 December 2022, and of its financial performance and its cash now for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on other Legal and Regulatory Requirements

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

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made duo verification thereof;

(ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

(iii) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account.



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

Dhaka, 22 March 2023
DVC: 2303301512AS796291

SBAC Bank Investment Limited

Statement of Financial Position

As at 31 December 2022

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

The annexed notes form an integral part of these financial statements

Chairman **Director** **Director** **Managing Director & CEO**

See the annexed report of even date

Dhaka, 22 March 2023

DVC: 2303301512AS796291

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

SBAC Bank Investment Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

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

The annexed notes form an integral part of these financial statements

Chairman **Director** **Director** **Managing Director & CEO**

See the annexed report of even date

Dhaka, 22 March 2023
DVC: 2303301512AS796291

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

SBAC Bank Investment Limited

Statement of Changes in Equity

For the year ended 31 December 2022

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

The annexed notes form an integral part of these financial statements

Chairman **Director** **Director** **Managing Director & CEO**

SBAC Bank Investment Limited

Statement of Cash Flows

For the year ended 31 December 2022

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

The annexed notes form an integral part of these financial statements

Chairman **Director** **Director** **Managing Director & CEO**

SBAC Bank Investment Limited

Notes to the Financial Statements

As at and for the year ended 31 December 2022

1.00 Company and its activities

1.01 Legal status and nature of the Company

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

1.02 Principal activities and nature of operation

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

2.00 Basis of preparation and significant accounting policies

2.01 Statement of compliance

The financial statements of SBAC Bank Investment Limited have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), Companies Act 1994 and other applicable laws in Bangladesh.

As required, SBAC Bank Investment Limited also complies with the applicable provisions of the following major laws/ statutes:

- Securities and Exchange Rules, 1987
- Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorized representatives) Rules 2000
- Dhaka Stock Exchange Limited (DSE) Rules
- Negotiable Instrument Act, 1881; and Other applicable laws and regulations

2.02 Basis of measurement

These financial statements have been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs).

2.03 Components of financial statements

The financial statements comprise of :

a) Statement of Financial Position as at 31 December 2022;
b) Statement of Profit or Loss and other Comprehensive Income for the year ended December 31, 2022
c) Statement of Changes in Equity for the year ended December 31, 2022;
d) Statement of Cash Flows for the year ended December 31, 2022; and
e) e) Notes to the Financial Statements.

2.04 Functional and presentational currency

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

2.05 Use of estimates and judgments

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

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

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

2.06 Consistency

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

2.07 Going concern

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

2.08 Date of authorization

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

2.09 Reporting period

The financial year of the Company has been determined to be from 01 January to 31 December each year. However, these financial statements cover the year from 01 January 2022 to 31 December 2022.

2.10 Statement of cash flows

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

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

2.11 Comparative information

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

2.12 Investment in stock exchanges for TREC Holder Certificate

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

3.00 Significant accounting policies:

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

3.01 Property, plant and equipment

3.1.1 Recognition and measurement

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

3.1.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment are recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the

part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit and loss account as incurred.

3.1.3 Depreciation & amortization

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

3.1.4 Disposal of fixed assets

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

3.2 Intangible assets

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

3.2.1 Recognition and measurement

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

3.2.2 Subsequent expenditure

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

3.2.3 Amortization

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

3.3 Impairment

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

3.4 Cash and cash equivalents:

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

3.5 Accounts receivable

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

3.6 Provision for tax

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any, in accordance with provisions of Income Tax Ordinance, 1984. It is measured using tax rates enacted or substantively enacted at the reporting date. Applicable tax rate for the Company for the year 2022 will be declared by Finance Act 2023. For the purpose of these financial statements, management has assumed that the existing tax rates will be applicable for Income year 2022 as well, which are mentioned below:

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

Deferred tax

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

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

3.7 Revenue recognition

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

3.8 Interest income

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

3.9 Events after the balance sheet date

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

3.10 Investment in Shares

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

3.11 Related party disclosure

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

3.12 Lease

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

3.13 Employees benefits

Gratuity

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

3.14 General:

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

Notes	Particulars		Amount in Taka 31 December 2022	31 December 2021
4.00	**Property, plant and equipment**			
	Opening value		-	-
	Add: Addition during the year		8,921,706	-
	Less: Disposal during the year		-	-
			8,921,706	-
	Less: Accumulated depreciation (Annexure-A)		(816,342)	-
	Closing value		**8,105,364**	-
5.00	**Intangible asset**			
	Opening balance		**10,000,000**	-
	Add: Addition during the year		582,250	10,000,000
	Less: Accumulated amortization (Annexure-A)		(43,669)	-
	Closing value		**10,538,581**	**10,000,000**
	Acquisition cost of DSE TREC Tk. 10,000,000/-(One Crore) only includs in intangible asset.			
6.00	**Security deposit with exchange**			-
	Security deposit with DSE		30,000,000	30,000,000
			30,000,000	**30,000,000**
7.00	**Short-term investment**			
	Investment in shares (Annexure-D)		173,225,517	-
	Investment in FDR(Annexure-)		375,849,715	358,872,088
			549,075,232	**358,872,088**
	Mentioning that, Principal amount of FDR Tk. 35,00,00,000/- which is lien against Short term overdraft (SOD-FDR).			
	Investment in securities at cost		173,225,517	
	Investment in securities at market value		153,018,111	
	Unrealized gain/(loss)		**(20,207,407)**	
8.00	**Receivable from margin loan**			
	Clients account	**8.01**	343,620,002	-
			343,620,002	-
8.01	**Margin loan**		343,079,607	-
	Due to CDBL Charge/ BO renewal fees & others		540,395	-
			343,620,002	-
9.00	**Accounts receivables**			
	Dhaka Stock Exchange (DSE)			
	Broker 2,738,285			
	Dealer 660,694		3,398,979	-
	Interest receivable		1,566,240	1,308,545
			4,965,219	**1,308,545**
10.00	**Advances, deposits and prepayments**			
	CDBL security deposit		200,000	-
	Advance income tax	10.01	7,810,693	1,025,462
	Advance against office rent		1,060,000	-
	Advance against commercial space		-	-
			9,070,693	**1,025,462**
	The existing rent agreement has been terminated by new agreement which will be executed from 01 January 2023.			

Notes	Particulars		Amount in Taka	
			31 December 2022	31 December 2021
10.01	**Advance income tax**			
	Opening balance		**1,025,462**	**-**
	Add: Addition during the year	10.02	7,810,693	1,025,462
			8,836,155	**1,025,462**
	Less: Adjustment during the year		(1,025,462)	-
	Final settlement		-	-
	Closing Balance		**7,810,693**	**1,025,462**
10.02	**Addition during the year**			
	For BDSSL turnover		4,533,872	-
	For dividend income		28,788	-
	For interest income from bank deposit		175,697	35,230
	For FDR interest		3,072,336	990,232
			7,810,693	**1,025,462**
11.00	**Cash and cash equivalents**			
	Cash in hand	11.01	13,594	-
	Cash at bank	11.02	24,374,001	7,118,668
			24,387,595	**7,118,668**
11.01	**Cash in hand**			
	Cash in hand -clients		-	-
	Petty cash-head office		859	
	Petty cash-banani branch		12,735	-
			13,594	**-**
11.02	**Cash at bank**			
	Pubali Bank Limited-Customer A/c 2905102001673		10,347,253	-
	Pubali Bank Limited -Dealer A/c 2905102001681		1,595,590	-
	SBAC Bank Ltd. -Customer A/c 0067130000159		11,941,031	-
	SBAC Bank Ltd.-Operational A/c 0067130000088		490,126	7,118,668
			24,374,001	**7,118,668**
12.00	**Share capital**			
	Authorized capital			
	50,000,000 Ordinary Share of Tk 10/- each		**500,000,000**	**500,000,000**
	Issued, subscribed, & paid-up capital			
	40,000,000 ordinary share of Tk 10/- each		**400,000,000**	**400,000,000**

Total share holding position as on December 31, 2022

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

13.00	**Capital reserve**			
	Opening capital reserve		**-**	
	Add: Addition during the year		516,704	-
			516,704	**-**
	Less: Adjustment during the period		-	-
			516,704	**-**

According to Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019; each registered entity shall maintain a mandatory provision at least @ 10% of profit after tax of last year as capital reserve and the full amount of such reserve shall be accounted for in computing total capital. The company has transferred Tk. 516,704.00 to the Capital Reserve against last year(2021) profit after tax was Tk. 5,167,039.00.

Notes	Particulars		Amount in Taka 31 December 2022	31 December 2021
14.00	**Retained earnings**			
	Opening balance		**5,167,039**	**-**
	Add: Profit/(loss) during the year		27,532,155	5,167,039
			32,699,194	**5,167,039**
	Less: Transferred to capital reserve		516,704	-
			32,182,490	**5,167,039**
	Less: Dividend during the year		-	-
	Closing Balance		**32,182,490**	**5,167,039**
15.00	**Long term loan**			
			-	-
			-	-
16.00	**Retirement benefit obligations**			
	Opening balance		-	-
	Add: Addition during the year		596,487	-
			596,487	
17.00	**Short-term loan**			
	SBAC Bank Limited (SOD-FDR)		355,403,050	-
	SBAC Bank Limited (SOD-GEN)		153,275,980	
			508,679,030	**-**
18.00	**Account payables**			
	Clients account		21,900,806	-
	Dhaka Stock Exchange (DSE)			
	Broker	5,049		
	Dealer	1,632	6,680	-
	Suspense A/c		35,000	-
			21,942,487	**-**
19.00	**Deferred tax liability:**			
	Carring value (WDV as per accounts)		8,643,945	-
	Tax base value		8,542,052	-
	Income tax liabilities		**101,894**	**-**
	Tax rate		**27.50%**	**-**
	Closing differed tax liability (Assets)		**28,021**	**-**
	Opening differed tax liability		-	-
	Deffered tax expenses/(Income)		**28,021**	**-**
20.00	**Liabilities for expenses**			
	CDBL charge		82,020	-
	Business associates incentives		229,070	-
	Car maintenance (Registration & Insurance- MD's Car)		165,906	-
	Audit Fees		57,500	57,500
			534,496	**57,500**
21.00	**Provision & accruals**			
	Provision for unrealized loss (dealer's portfolio)	21.01	4,041,481	-
	General provision	21.02	3,430,796	
	Provision for tax	21.03	7,810,693	3,100,224
			15,282,971	**3,100,224**

Notes	Particulars		Amount in Taka 31 December 2022	31 December 2021
21.01	**Provision for unrealized loss (dealer's portfolio)**			
	Opening Balance		-	-
	Add: Provision made during the year		4,041,481	-
			4,041,481	-
	Less: Adjustment during the year		-	-
	Closing balance		**4,041,481**	-
	As Per Bangladesh Securities and Exchange Commission's Directive No. BSEC/SRI/NE/2020/605 dated 28-12-2022, the company may keep 20% provision for unrealized loss against company's own investment portfolio account. Total unrealized loss in company's own investment portfolio account stood at Tk. 20,207,407.00 as on 31 December 2022. Since, the company has started trading activities in dealer account for the first time in 2022 ; no provision has maintained earlier. As per latest BSEC circular, 20% provision(Tk. 4,041,481.00) has been made in this year against required provision of Tk. 20,207,407.00. The company will have to keep rest 80% provision against unrealized loss within 31 December 2023.			
21.02	**General provision**			
	Opening balance		-	-
	Add: Provision made during the year		3,430,796	-
			3,430,796	-
	Less: Adjustment during the year		-	-
	Closing Balance		**3,430,796**	-
	According to Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019, each registered entity those are providing margin financing shall maintain a mandatory provision @ 1% of all outstanding margin exposures. Here margin general provision has been made Tk. 3,430,796.00 on total outstanding margin exposure Tk. 343,079,607.00			
21.03	**Provision for tax**			
	Opening balance		**3,100,224**	-
	Add: Provision during the year		6,983,966	3,100,224
			10,084,190	**3,100,224**
	Less: Paid during the year		(2,273,497)	-
	Closing Balance		**7,810,693**	**3,100,224**
22.00	**Operating income**			
	Brokerage commission	22.01	25,551,497	-
	Interest income	22.02	565,579	-
	Investment(Dealer) income	22.03	16,162,507	-
	Other operating income	22.04	81,470	
			42,361,054	-
22.01	**Brokerage commission**			
	Brokerage commission income		27,188,146	
	Less: Brokerage commission expenses		(1,636,649)	
			25,551,497	-
22.02	**Interest income**			
	Interest income from margin loan		14,012,988	-
	less: Interest expenses of OD credit facility		(13,447,409)	-
			565,579	-
22.03	**Investment(Dealer) income**			
	Gain from sale of shares		16,018,568	-
	Dividend income		143,939	-
			16,162,507	-
22.04	**Other operating income**			
	BO account opening & maintenance fees		80,950	-
	IPO fees/commission		520	-
			81,470	-

Notes	Particulars	Amount in Taka	
		31 December 2022	31 December 2021
23.00	**Operating expenses**		
	Howla charge	1,200	-
	Laga charge	2,161,660	
	CDBL settlement, transfer & other charges	1,111,731	
		3,274,591	**-**
24.00	**Administrative expenses**		
	Salary & allowances	9,591,578	-
	Festival bonus	551,560	-
	Employer's contribution to provident fund	230,799	-
	Retirement benefit obligation	596,487	-
	Salary to support staff(office)	151,500	-
	Car maintenance allowances	1,007,684	-
	Leave fare assistance(LFA)	276,757	-
	Office rent	1,610,000	-
	Electricity bill	13,250	-
	Audit fees	57,500	115,000
	Printing & stationery	303,325	-
	Repairs & maintenance	2,000	5,800
	Excise duty	315,000	-
	Documents processing fee-broker, dealer & DP	-	2,187,500
	RJSC expenses	186,451	481,633
	Subscription fee-DSE & CSE	-	200,000
	TWS charge-DSE	450,000	-
	Misc. expenses	40,009	-
	Security service charge	50,084	-
	Cleaning expenses	2,959	-
	General expenses	78,510	-
	Web hosting expenses	76,100	-
	Entertainment	248,061	-
	Investor protection fund	105,478	-
	Conveyance expense	17,570	-
	Crockeries	14,600	-
	Commission charge on bank guarantee	216,250	-
	Director's remuneration	256,000	192,000
	Documentation charge	2,500	-
	Bandwidth charge(internet & connectivity)	80,450	-
	Legal & professional expense	28,058	32,586
	Registration and renewal	736,745	-
	Professional fee	77,050	-
	Bank charge and others	19,404	81,380
	IPO bidding fee	11,000	-
	Depreciation	816,342	-
	Amortization	43,669	-
		18,264,728	**3,295,899**

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

25.00	**Other income/(loss)**		
	Interest received-FDR[SBAC 0067242003542]	20,357,657	11,563,162
	Bank interest income [SBAC 0067130000159]	245,431	-
	Bank interest income [PBL 2905102001673]	435,180	-
	Bank interest income [SBAC 0067130000088]	98,837	-
	Bank interest income[PBL 2905102001681]	50,578	-
	Cheque clearing fee income	4,000	-
	Other income	3,001	-
		21,194,686	**11,563,162**

Notes	Particulars	Amount in Taka	
		31 December 2022	31 December 2021
26.00	**Income tax expenses**		
	A. Regular Tax		
	On regular income(Other than capital gain & Dividend) 27.50%	5,054,950	3,100,224
	On capital gain(10%)	1,601,857	-
	On Dividend income(20%)	28,788	-
		6,685,594	**3,100,224**
	B. Minimum Tax @.60% on gross reciept	**381,334**	-
	On gross receipt on business income	254,166	-
	On other income	127,168	-
	C. Tax deducted at sources	**7,810,693**	-
	Tax paid(Through DSE)	4,533,872	-
	On interest income from bank deposit	175,697	
	On Dividend income	28,788	
	Tax on FDR interest	3,072,336	
	Current income tax (Higher of A, B & C)	**7,810,693**	**3,100,224**
	Total income tax for the year	**7,810,693**	**3,100,224**

27.00 Related parties

Parent company

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

28.00 Related party transactions

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

Chairman **Director** **Director** **Managing Director & CEO**

SBAC Bank Investment Limited

Schedule of Property, Plant and Equipments (Tangible assets)

As at December 31, 2022

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

Schedule of Intangible assets

As at December 31, 2022

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

*Depreciation has been charged for addition of fixed asset on an average 6 (six) months for the acquiring year but no depriciation has been charged in this period because it's aquire at the end of the period.
*Intangible assets has been amortized on the date in which the assets was used except Acquisition Cost of DSE TREC which useful life is indifinite.

*WDV stands for Written Down Value.

Annexure-B

SBAC Bank Investment Limited

Schedule of investment in FDR

As at December 31, 2022

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

Annexure-C

SBAC Bank Investment Limited

Schedule of Investment in Shares

As at 31 December 2022

Name of the Company	Total Quantity as on December 31, 2022	Free Share	Avg. Cost	Total Cost	Market Rate	Market Value	Unrealized Gain /Loss
AAMRATECH	39,394	37,900	44.81	1,765,249	40.00	1,575,760	(189,489)
ADNTEL	7,000	7,000	113.88	797,155	114.10	798,700	1,545
APEXTANRY	72,492	72,492	145.00	10,511,144	123.90	8,981,759	(1,529,385)
DELTALIFE	39,128	39,128	154.57	6,047,855	136.50	5,340,972	(706,883)
FUWANGCER	121,405	121,405	19.00	2,306,294	17.40	2,112,447	(193,847)
FUWANGFOOD	475,803	475,803	24.82	11,808,431	23.50	11,181,371	(627,061)
IBBLPBOND	6,000	6,000	1,078.59	6,471,515	1,053.00	6,318,000	(153,515)
ICICL	8,799	8,799	10.00	87,990	28.10	247,252	159,262
ORYZAAGRO	2,180	2,180	14.05	30,625	16.30	35,534	4,909
SALAMCRST	66,575	66,575	38.28	2,548,191	33.30	2,216,948	(331,244)
AAMRANET	15,000	0	50.60	759,015	51.40	771,000	11,985
ACIFORMULA	34,000	34,000	187.95	6,390,246	155.00	5,270,000	(1,120,246)
ADVENT	50,000	50,000	30.19	1,509,265	25.40	1,270,000	(239,265)
AIL	200,282	200,282	56.13	11,241,268	53.40	10,695,059	(546,209)
AMANFEED	44,352	44,352	37.86	1,678,949	33.50	1,485,792	(193,157)
APEXFOOT	9,870	9,870	276.49	2,728,976	262.10	2,586,927	(142,049)
BDCOM	19,191	19,191	43.29	830,819	37.60	721,582	(109,237)
BEXIMCO	49,464	49,464	135.04	6,679,544	115.60	5,718,038	(961,506)
BSC	61,000	61,000	154.95	9,451,767	115.30	7,033,300	(2,418,467)
BXPHARMA	18,045	18,045	171.91	3,102,177	146.20	2,638,179	(463,998)
DACCADYE	60,000	60,000	22.28	1,336,668	17.40	1,044,000	(292,668)
DOREENPWR	43,909	39,205	66.00	2,897,972	61.00	2,678,449	(219,523)
IDLC	62,000	62,000	53.18	3,296,980	46.50	2,883,000	(413,980)
IFADAUTOS	375,508	357,627	49.80	18,699,097	44.10	16,559,903	(2,139,194)
LRBDL	35,000	35,000	44.42	1,554,851	36.10	1,263,500	(291,351)
MATINSPINN	5,000	5,000	80.23	401,134	77.60	388,000	(13,134)
MHSML	220,585	220,585	32.13	7,086,470	26.50	5,845,503	(1,240,967)
NAHEEACP	259,546	259,546	77.63	20,147,310	65.30	16,948,354	(3,198,956)
PHOENIXFIN	600,000	600,000	16.45	9,868,920	16.30	9,780,000	(88,920)
RUNNERAUTO	112,221	112,221	51.63	5,794,520	48.40	5,431,496	(363,024)
SONARBAINS	65,630	65,630	50.86	3,338,126	47.60	3,123,988	(214,138)
SPCL	58,592	56,339	89.48	5,242,672	65.50	3,837,776	(1,404,896)
SQUARETEXT	64,267	64,267	72.44	4,655,315	67.50	4,338,023	(317,293)
UNITEDFIN	120,095	120,095	17.98	2,159,008	15.80	1,897,501	(261,507)
Total				**173,225,517**		**153,018,111**	**(20,207,407)**

Annexure-D

SBAC Bank Investment Limited

Statement showing computation of capital adequacy

As at December 31, 2022

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

B. Total risk requirement computation				
Paticulars	**Amount**	**Risk Factor**	**Applicable Amount**	**Applicable Amount**
Operational Risk Requirement(ORR):				
Based on Average annual gross income(See clause b) of sub-rule(7.1) of rule 7)	16,349,597	5%	817,480	
Position Risk Requirement(PRR)			-	
i. Proprietary positions in Equity securities			-	
Value of "A" category securities	142,588,260	10%	14,258,826	
Value of "B/G/N/." category securities	24,165,743	12%	2,899,889	
Value of "Z" category instruments		15%	-	
ii. Proprietary positions in strategic investment			-	
Value of "A" category securities		10%	-	
Value of "B/G/N/." category securities		12%	-	
Value of "Z" category instruments		15%	-	
ii. Proprietary positions in MFs & CISs:			-	
Value of listed funds	6,471,515	10%	647,151	
Counterparty Risk Requirement			-	
i. Exposure of credit facilities to Clients	343,079,607	8%	27,446,369	
Total risk requirement			**46,069,715**	-
Total Capital (TC)				
C. Capital Adequacy Ratio (CAR)= ---------- X 100			**952.20**	-
Total Risk Requirement (TRR)			i.e 9.53 times	

Chapter 10

PRODUCTS, SERVICES & DISTRIBUTION NETWORK



Conventional Banking Products & Services

Wholesale Banking

Term Finance	Working Capital
Term Loan	Secured Over Draft (SOD)- General
Project Finance	Secured Over Draft (SOD)
Lease Finance	Short Term Loan
Home Loan	Time Loan
Term Loan to MFI	Corporate Express Loan
Corporate Express Loan	Cash Credit (Hypo.)

SME Banking

Loan Products		
SME-Term Loan	SBAC Agri. Revolving Loan	Medical and Health Loan
Letter of Credit (Sight/deferred/UPAS)	Personal Loan Scheme	Bank Guarantee
SME- CC(Hypo.)	CMSME Stimulus Loan	Performance Guarantee
SME-SOD (General)	Lease Finance–Commercial Lease	FDBP (EPZ)
SME-SOD(Export)	Lease Finance–for Machineries & Equipment	FDBP
SME-Export Packing Credit (EPC)	Lease Finance for Auto Mobiles	Bid Bond Guarantee
SME-SOD (PO)	PAD	SOD (Work Order)
SBAC Vehicle Financing	Loan against TR	IDBP
SBAC Home Loan	Loan to 10 TK A/C Holders	Furniture and Home Renovation Loan
SBAC CCS-Car Loan	SBAC CCS-Home Appliance	Cash Credit (Hypo.)- Agriculture
H.B.L.-Residential	SOD (Other Bank FO)	Agriculture Term Loan
H.B.L.-Commercial	SOD (FO)	SBAC Commercial Vehicle Financing
Export EDF Loan	SOD (FDR)	SOD (Scheme)

Retail Banking

Deposit Products		
Current Account- (A basic Account which facilitates carrying out day-to day business transactions)	**Special Notice Deposit (SND)-** (A basic CASA Account and falls under which facilitates carrying out business transactions of large amount)	**Savings Account-** (A basic Account under retail liability product segment which facilitates customers to set aside a portion of their liquid funds while earning a monetary return)
Surokkha Sonchoyi Hisab (SSH)- (A special savings account with higher benefits and with insurance coverage)	**Student Savings Account-** (A special savings account for students below 18 years)	**SBAC Senior Citizen Savings A/C-** (A special savings account with higher benefits for 55 years age customer)
10/50/100 Privilege Savings Account- (A special savings account with higher benefits to selected customer as per Bangladesh Bank Policy)	**SBAC Payroll -** (A special type of deposit account designed for employees of Corporate bodies with attractive facilities)	**SBAC Probashi-** (A special type of deposit account designed for wage earners and their family members with attractive interest rate and other facilities)
SBAC Fast Account- (e-KYC based savings Bank account)	**FC Account –USD-** (A non-interest-bearing account in foreign currency)	**R.F.C.D A/C-USD-** (Persons ordinarily resident in Bangladesh may open and maintain RFCD accounts with foreign exchange brought in at the time of their return from abroad)
NRT Account-BDT.	**NRFCA –USD**	**Export Retention Quota (ERQ)**
FCY Held against BTB-	**SBAC Fixed Deposit-** (A special savings scheme which makes deposit grows over a certain period of time.)	**Double Benefit Scheme (DBS)-** (Double Benefit Scheme is a time specified deposit scheme for clients where the deposited money will be double at maturity)
Triple Benefit Scheme (TBS)- (Triple Benefit Scheme is a time specified deposit scheme for clients where the deposited money will be double at maturity)	**Monthly Benefit Scheme (MBS)-** (A special deposit scheme which allows interest income on monthly basis and refund the MBS Principal Amount at maturity)	**Monthly Savings Scheme-** (Savings Schemes are monthly installment-based deposit schemes for savings purpose and to build up a sizable fund after the contracted period.)
Lakhopoti Savings Scheme- (Savings Schemes are monthly installment-based deposit schemes for savings purpose and to build up a sizable fund after the contracted period.)	**Surokkha Millionaire Scheme-** (Savings Schemes are monthly installment-based deposit schemes for savings purpose and to build up a sizable fund after the contracted period with insurance coverage)	**Kotipoti Scheme Deposit-** (Savings Schemes are monthly installment-based deposit schemes for savings purpose and to build up a sizable fund after the contracted period.)

Off-Shore Banking Unit (OBU)

Term Loan
Working Capital
Trade Finance (Local Bill Discounting, Foreign Bill Discounting, UPAS)

Trade Finance

Export Finance	Non-Funded Trade Finance	Import Finance
Back to Back L/C	L/C Opening (Sight/Deferred/UPAS)	Loan against Trust Receipt (LTR)
Export Bill Discounting (FDBP & IDBP)	L/C Advising	EDF Loan
SOD-Export	L/C Transfer	Performance Guarantee
Export Packing Credit	Foreign Bank Guarantee	Bid Bond Guarantee
SOD-General	Shipping Guarantee	Payment Guarantee

SBAC Services

Utility Bills Collection Service: • Dhaka Water Supply and Sewerage Authority (WASA) • Titas Gas Transmission and Distribution Company Limited • Bakhrabad Gas Distribution Company Limited • Dhaka Power Distribution Company Ltd. (DPDC) • Dhaka Electric Supply Company Limited (DESCO) • Bangladesh power development board (PalliBidyut) • Northern Electricity Supply Company Limited (NESCO) • Power Development Board (PDB)
BRTA Fees Collection
Govt. Challan Receive by Automated Challan System
e-GP Services
Student File Services
Hajj Pre-Registration Fees Collection

SBAC Alternative Delivery Channel (ADC)

SMS Banking	Mobile Banking-Banglapay	SBAC 24/7 ATM

Islamic Banking Products & Services

SBAC Bank Limited has started its Islamic Banking operation on 05 July, 2021 through opening 10 (ten) Islamic Banking Windows across the country which covers major regions such as Dhaka, Chattogram, Sylhet, Rajshahi, Khulna and Barishal. The Bank is enthusiastic to expand Islamic Banking business by opening some full-fledged Islamic Banking branches and more Windows all over the country which is already under process.
SBAC Islamic Banking Operation is totally different from Conventional Banking Operation. Islamic Banking is operated through a separate Core Banking Software (CBS), FloraBank Insaf. The Bank is committed strongly to the principles of Islamic Shariah that refrains from usurious transactions in any of its Islamic Banking operations.

1. Deposit Collection and IISR for profit distribution therein:

SBAC Islamic Banking follows Al-Wadiah and Mudaraba principles in mobilization of funds from the depositors. Under Al-Wadiah principle, Current Accounts are opened which share no profit. As per this principle, deposits are collected in the respective accounts for safe keeping and refundable on demand. They bear no risk of any loss incurred in the investment process. Whereas under the Mudaraba principle, all types of savings accounts such as MSD, SND, MTDR, Recurring Deposits accounts etc. are opened. Mudaraba is a partnership contract where depositors are treated as Rabbul Maal and the Bank as Mudarib. The earned profit from Mudaraba Venture is distributed among the parties as per agreed IISR. Investment Income Sharing Ratio (IISR) determines the portion of investment income for each type of depositor and the bank. For example, IISR 80:20 represents that 80% of the distributable investment income shall be distributed among depositors and remaining 20% to be shared by the Bank.

2. Investment Operation:

There are generally three types of investment mechanisms in Islamic banking. One is the Bai (buying-selling) mechanism, the second is Ijarah (lease) mechanism and the third is Sharika (partnership) mechanism. The major Bai mechanism is Bai-Murabaha, Bai-Muajjal, Bai-Salam & Bai-Istisna and Ijarah mechanism is Leasing, Hire-purchase and Hire Purchase under Shirkatul Meelk and Sharika mechanism is Mudaraba and Musharaka. All of these products excluding Mudaraba are in place but SBAC Islamic Banking investment portfolio has currently been expanded followed by Bai-Murabaha and HPSM products.

3. Income or Revenue Calculation Principle:

The Bank earns income or revenue from various sources such as investment income, commission, fees etc. To recognize all sorts of income, the Bank follows strictly the rules and principles of Islamic Shariah, specially in recognizing the various commissions and fees. The commissions and fees are recognized on actual basis. In case of income from investment, Bank follows Markup basis profit calculation principle in Bai products and rental or outstanding basis profit accrual mechanism in HPSM products. If the HPSM product has a provision of gestation period for doing the asset usable, no rental is charged during this period. In this case, the income earning begins after gestation period.

4. Shariah Supervisory Committee:

The SBAC Bank has a strong and independent Shariah Supervisory Committee comprised of renowned Fuqaha, legendary Islamic banking personality, famous economist and academician etc. Every product Islamic Banking offers is reviewed, approved and overseen by this highly respected and independent Shariah Supervisory Committee.

5. Islamic Banking Windows:

South Bangla Agriculture and Commerce Bank Limited has started its Islamic Banking business through launching of Islamic Banking Windows in its 10 branches on June 30, 2021 and started providing Islamic banking services to its customers from July 05, 2021. The 10 Branches providing Islamic Banking Services through Islamic Banking Windows are as follows:

SL. No.	Name of Branch	District	Division
01.	Principal Branch	Dhaka	Dhaka
02.	Banani Branch	Dhaka	Dhaka
03.	Imamgonj Branch	Dhaka	Dhaka
04.	Agrabad Branch	Chattogram	Chattogram
05.	Khulna Branch	Khulna	Khulna
06.	Katakhali Branch	Bagerhat	Khulna
07.	Bhomra Branch	Satkhira	Khulna
08.	Barishal Branch	Barishal	Barishal
09.	Islampur Branch	Sylhet	Sylhet
10.	Rajshahi Branch	Rajshahi	Rajshahi

Distribution Network

Branch

01 Principal Branch
Zaman Chamber, 47 Dilkusha C/A, Dhaka- 1000.
Phone: (02)-223357376, (02)-223357347, (02)-223357348
Routing No: 270275357

02 Hemayetpur Branch
Ashraf Shoping Complex, Jadurchar, Hemayetpur Bazar, Savar, Dhaka.
Phone: (02) 7724939,
Routing No: 270262052

03 Agrabad Branch
96, Agrabad Ba/A, Agrabad, Chattogram.
Phone: (031) 2516183-85
Routing No: 270150135

04 Bhatiary Branch
Sahab Mia Tower, (Ground Floor) Bhatiary, Sitakund, Chattogram.
Phone: (037) 2781271,
Routing No: 270151213

05 Khulna Branch
Chamber Building Complex, 05, KDA Avenue, Khan a Sobur Road, Khulna.
Phone: (041)-733464,733426
Routing No: 270471548

06 Katakhali Branch
Katakhali More, Khulna Mongla Road, Fakirhat, Bagerhat.
Phone: (046) 6356117
Routing No: 270010059

07 Keranigonj Branch
Aktar Tower, Bridze Road, South Kadam-toli Aganagar, South Keranigonj, Dhaka.
Phone: (02) 7764456-57
Routing No: 270273641

08 Uttara Branch
Plot-71, Sector-07, Cosmo Shopping Centre, Azampur, Uttara, Dhaka.
Phone: (02)7911951,7911863, 7911471
Routing No: 270264634

09 Gulshan Branch
Casablanca 114, Gulshan Avenue, Dhaka-1212.
Phone: (02) 9853091
Routing No: 270261729

10 Velanagar Branch
Mahbub Molla Concord Tower, Jailkhana More, DC Road, Narshingdi Sadar, Narshingdi.
Phone: (02) 9452487-88
Routing No: 270681396

11 Imamgonj Branch
Crown Bhaban 59, Midford Road, Imamgonj, Dhaka.
Phone: (02) 7342223
Routing No: 270272800

12 Ashulia Branch
Raj Residency Tower, Bogabari Bazar Bus Stand, Bogabari, Ashulia, Savar, Dhaka.
Phone: (02) 7789414-15
Routing No: 270260225

13 Dhanmondi Branch
House Number: 55/A, Road Number: 4/A. (1st Floor), Dhanmondi, Dhaka-1209.
Phone: (02) 9665267 & 9665264
Routing No: 270261187

14 Sylhet Branch
11, Naya Shorok, Sylmart Complex, East Zinda Bazar,Sylhet.
Phone: (0821)-726297-98
Routing No: 270913556

15 Jubilee Road Branch
Ali Building (2nd Floor), 837, Jubilee Road, Chattogram.
Phone: (031) 2856695-96
Routing No: 270153640

16 Bogura Branch
Talukdar Ratul Plaza, (2nd and 3rd Floor), 398, Rangpur Road, Borogola, Ward No: 5, Bogra Sadar, Bogra. Phone: (051) 69727, 62412,62108, Routing No: 270100372

17 Mawna Branch
Hazi Abdul Khaleque Master Super Market, Mulaid, Telihati, Sreepur, Gazipur.
Phone: (0447) 8984788
Routing No: 270331004

18 Islampur Branch
Siddiquey Mansion, 1st Floor,Majortila, Islampur Bazar, Islampur,Sylhet.
Phone: (0821)-762168
Routing No: 270911787

19 Modunaghat Branch
South Madarsha, Rashid Bari,Hathazari, Chattogram.
Phone: (031) 671552, 671542
Routing No: 270154757

20 Shyamnagar Branch
469, Moti Morol Super Market Badghata, Shyamnagar, Satkhira.
Phone: (04726)-44182, 44063
Routing No: 270871214

21 Gazipur Branch
Tajpur Tower (2nd Floor), Bhaoal College Road, Chandona Chowrasta, Gazipur.
Phone: (02) 9294506-07
Routing No: 270330526

22 Moynamoti Branch
Mostafa Palace and Hazi Faruk Plaza, Nischintopur, Moynamoti Cantonment, Cumilla.
Phone: (081) 73740
Routing No: 270192827

23 Bangla Bazar Branch
Patowari Plaza (1st Floor), Nadna, Bangla Bazar, Sonaimuri, Noakhali.
Phone: 01787-693618
Routing No: 270750193

24 Banani Branch
Suvastu Suraiya Trade Center, (1st & 2nd Floor), 57 Kemal Ataturk Avenue, Block: B, Banani, Dhaka.
Phone: (02) 9822365-68
Routing No: 270260438

25 Chuknagar Branch
Holding # 240 (1st Floor), Chuknagar, Dumuria, Khulna.
Phone: 01787-693625
Routing No: 270470552

26 Satkhira Branch
Holding # 44/46 (Gr. Floor), Sultanpur, Satkhira Sadar, Satkhira.
Phone: (0471)-63806, 63804, 63810
Routing No: 270871098

27 Barishal Branch
BS Tower (1st Floor), 461 Bir Shreshtha Captain Mohiuddin Jahangir Sarak, Barishal-8200.
Phone: (0431)2177718, 2177714
Routing No: 270060283

28 Sarbolokkhona Branch
Holding #26 (1st Floor), Bagher Bita Bazar, Sarbolokkhona, Manohardi, Narsingdi.
Phone: 01787-693621
Routing No: 270680155

29 Rajshahi Branch
ARC Bijoy Tower, 30 (New), Rani Bazar, Boalia, Rajshahi.
Phone: (0721)-773375,7 73653, 773395, 773693
Routing No: 270811937

30 Nababpur Branch
Holding:219/220 (Old), 42 (New), Nababpur Road, Sutrapur, Dhaka.
Phone: (02) 9512007, 9512016, 9512047, 9512059
Routing No: 270274729

31 Mirpur Branch
Galaxy Hospital Bhaban, Holding:29 & 30, Section: 6, Main Road:1, Mirpur, Dhaka.
Phone: (02) 48040408-10
Routing No: 270262986

32 Shibu Market Branch
Kutub Ail, Khijirpur, Fatullah, Narayangonj.
Phone: 7635122, 7635123
Routing No: 270671551

33 Ghonapara Branch
Ghonapara, Vate Dour, Gopalgonj.
Phone: 01714-747065
Routing No: 270350098

34 Digraj Branch
Shaheen Market, Digraj, Biddar Baon, 2 Burir Danga- Union, Mongla, Bagerhat.
Phone: (0466) 275208, 275209
Routing No: 270010404

35 Baburhat Branch
1st Lane, Manchester City(1st Floor), Shakerchar, Baburhat, Narsingdi.
Phone: 02-9446060
Routing No: 270680100

36 Narayanganj Branch
Building:71, 99 Bangabandu Road, Ukil Para, Narayanganj.
Phone: 02-7647593
Routing No: 270671180

37 Bijoy Nagar Branch
Sky Lark Point (1st Floor), 24/A. Shaheed Nazrul Islam Sarani, Dhaka-1000, Bangladesh.
Phone: 02-8392638-39, 01787693620, 1787693862
Routing No: 270274240

38 Rangpur Branch
Paper Palace Tower(1st Floor), Paira Chattar,Rangpur.
Phone: (0521) 56481-3
Routing No: 270851450

39 Jashore Branch
36 (Old), 84 (New), Rabindranath Road (1st Floor), Jashore.
Phone: 042172124
Routing No: 270410941

40 Takerhat Branch
Takerhat Mor, Takerhat, Madaripur.
Phone: 02-478812091
Routing No: 270540761

41 Fatikchhari Branch
S A Centre (1st Floor), College Road, Bibirhat, Fatikchhari, Chattogram.
Phone: (030) 2256345
Routing No: 270152746

42 Nasirabad Branch
Yakub Trade Centre, 89/304 East Nasirabad, Chattogram.
Phone: (031) 2550321
Routing No: 270155530

43 Bhomra Branch
C&F Association Bhaban, (1st Floor), Bhomra, Satkhira.
Phone: 047181133-35
Routing No: 270871364

44 Morrelganj Branch
Morrelganj Bazar Main Road, Morrelganj Bagerhat.
Phone: 0465-656418
Routing No: 270011032

45 Hasnabad Branch
Shamsu Rani Vila, Hasnabad, Ekuria, South Keranigonj, Dhaka.
Phone: 01787 693 620
Routing No: 270272563

46 Kharabad Baintola Branch
Kharabad Baintola, Amirpur, Botiaghata, Khulna.
Phone: 01711 398 751
Routing No: 270470060

47 Chalakchor Branch
Chalakchor Bazar, Near Chalakchor Bus Stand, Monohordi, Narshingdi.
Phone: 01787693787
Routing No: 270680313

48 Panthapath Branch
Selim Center, 19/2 West Panthapath, Dhaka.
Phone: 01787693600
Routing No: 270263619

49 Mouchak Branch
Mouchak, Kaliakair, Gazipur
Phone: 01787 693 645
Routing No:270330126

50 Maligram Branch
Maligram Bazar, Vanga, Faridpur.
Phone: 01714 084 822
Routing No:270291128

51 Chattogram EPZ Branch
Amin Tower, Bondortila, EPZ, Chattogram.
Phone: 01787 693 604
Routing No:270156797

52 Dinajpur Branch
Moniza Khatun Complex, Buti Babur More,
South Munchipara, Dinajpur
Phone: 01787 693 643
Routing No: 270280676

53 KDA C/A Branch
A 51, Mojid Avenue, Shib Bari, Khulna.
Phone: 0412830918 & 0412830917
Routing No: 270470086

54 Natore Branch
House: 555 (1st floor), Nahar Market,
Kanaikhali, Natore.
Phone: 0771-67010
Routing No: 270691094

55 Feni Branch
House:371(1st floor), Opposite to
Feni Tower, SSK Road, Feni.
Phone: 0331-73144
Routing No: 270300527

56 Kushtia Branch
Nurul Islam Tower, 262/2 (1st floor),
NS Road, Kushtia.
Phone: 071-71920
Routing No: 270500943

57 Labonchora Branch
Madina Tower, Banda Bazar,Labonchora,
Main Road, Khulna.
Phone: 01673-825757
Routing No: 270471814

58 Pragati Sarani Branch
G-99/3/A&B, Manama M.S.Toren,
Pragati Sarani, Middle Badda,Dhaka.
Phone: 02-222298248
Routing No: 270263701

59 Khatungonj Branch
Achiya Manson, 282 Khatungonj,
Kotowali, Chattogram.
Phone: 01787693608
Routing No: 270154278

60 Amin Bazar Branch
Haji Shafiullah Community Center
2nd Floor, Amin Bazar, Savar, Dhaka.
Phone: 01787693713
Routing No: 270260133

61 Banari Para Branch
261, Shanto Shisto Complex, Banari Para, Barishal.
Phone: 01730704645
Routing No: 270060254

62 Faltita Branch
Battola Bazar, Faltita, Fakirhat, Bagerhat.
Phone: 01711507244
Routing No: 270010091

63 Addabazar Branch
Adda bazar, union: Adda, Barura, Comilla.
Phone: 01787693714, 01787693715
Routing No: 270190074

64 Jibonnagar Branch
Torofder new market, Jibannagar Bazar,
Chuadanga.
Phone: 01787693716
Routing No: 270180589

65 SBAC Corporate Branch
BSC Tower, (2nd - 3rd Floor), 2-3 Rajuk
Avenue, Motijheel, Dhaka-1000
Phone: 01787693652
Routing No: 270270628

66 Abdullahpur Branch
Anwar Hossain Plaza, (Ground floor), Abdullahpur,
Bus Stand, South Keraniganj, Dhaka.
Phone: 01787693793
Routing No: 270270123

67 Bhulta Branch
Rabet Al Hasan Shopping Center,
(2nd floor), Bhulta Bus Stand, Bhulta.
Phone: 01755619943
Routing No: 270670228

68 Nazipur Branch
Dhamurhat Road, Potnitola, Naogaon.
Phone: 01712436955
Routing No: 270641244

69 Birganj Branch
Datta Plaza, Sujalpur, Birganj, Dinajpur.
Phone: 01787693674
Routing No: 270280371

70 Mehendigonj Branch
Amin Bhabhan (1st Floor), Uttar Bazar, Sarnakar
Potti,Patarhat Bandar, Mehendigonj, Barishal.
Phone: 01711993144
Routing No: 270061361

71 Mymensingh Branch
Akil & Brothers, 19, Borobazar, Mymensingh.
Phone: 01717463869
Routing No: 270611753

72 Cumilla Branch
Ever Green, Khadi Museum (1st floor),
Manoharpur, Cumilla.
Phone: 01787693679
Routing No: 270191152

73 Bhola Branch
Bangla School Moor, (Opposite of Brac Bank),
Sadar Road, Bhola.
Phone: 01770526555
Routing No: 270090103

74 Bashundhara Mohila Branch
Badar Heights (2nd Floor), Plot# 262 & 263,
Block#B, Road#1, Sobhan Sarak, Bashundhara R/A, Dhaka.
Phone: 02-8415451-52
Routing No: 270261132

75 Babubazar Branch
A.K. Adil Femus Tower, 2,2/A, KP Gosh
Street, Armanitola, Dhaka.
Phone: 01787693998
Routing No: 270270552

76 Ramganj Branch
Anowar Khan Tower (1st & 2nd Floor), Holding No: 283,
Hajigonj-Ramgonj Road, Ramgonj Municipality,Lakshmipur.
Phone: 01711116916
Routing No: 270511037

77 Kaliganj Branch
Rahmania Supar Market, Kaliganj
Municipality, Kaliganj Upazila, Jhenaidah.
Phone: 01787693614
Routing No: 270440795

78 Palashbari Branch
Zannat Lodge, Kalibari Bazar Road
Palashbari, Gaibandha.
Phone: 01737273633
Routing No: 270321098

79 Mohakhali Branch
4 Bir Uttam AK Khondokar Road, (Ground Floor) Mohakhali C/A , Amtoli Dhaka-1212.
Phone: 02-48811526
Routing No: 270263198

80 Bhandaria Branch
N Haque and Sons Market, Shahid Minar Road, (Reserve Pukur Par), Bhandaria, Pirojpur.
Phone: 01712739996
Routing No: 270790137

81 Lohagara Branch
Ice Park (1st Floor), Lohagara, Chattogram.
Phone: 01816554957
Routing No: 270150685

82 Benapole Branch
Rahman Chember, Jessore Benapole highway Road, Word No. 7, Sharsha, Jessore.
Phone: 01912634814
Routing No: 270410288

83 Khan Jahan Ali Mazar Branch
1st Floor, Khan Jahan Ali Mazar Mor, Village: Ron-Bijoypur, Shaat Gambuj, Bagerhat.
Phone: 01787693661
Routing No: 270010141

84 Tejgaon Link Road Branch
Shanta Western Tower, 351,Bir Uttam Mir Shawkat Sarak (Gulshan Avenue) Dhaka - 1208
Phone: 01787693869
Routing No: 270264526

85 Narsingdi Branch
Idrish Mansion (2nd & 3rd Floor)
155, Suta Potty Road, Narsingdi Sadar
Phone: 01787693787
Routing No: 270680850

86 Darus Salam Road Branch
5/H, Sanghita Bhaban
Darus Salam Road, Mirpur-1
Phone: 01787693628
Routing No: 270263619

87 Bhirob Branch
Nath Tower, 116/2 Hospital Road,
Press Club Lane, Word No. 1
Bhairab, Kishoreganj
Phone: 01787693757, Routing No: 270480197

88 Cox's Bazar Branch
Coral Reef Plaza, Holding 940, Word No. 10, Main Road, Coxbazar Sadar, Coxbazar Purosova, Coxbazar
Phone: 01787693826, Routing No: 270220252

Sub Branch

01 Gopalganj Sub Branch
Munchi Super Market, Jutta Potti Road, Word No. 4, Gopalganj Sadar,Gopalganj.
Phone: 01714747065

02 Jatrabari Sub Branch
99, Shahid Faruk Road, Jatrabari, Dhaka.
Phone: 02-7543452,02-7543457
Routing No: 270274729

03 Rayenda Bazar Sub Branch
Kapuri Garments Potti, Rayenda Bazar, Sarankhola, Bagerhat.
Phone: 0465-656418
Routing No: 270011032

04 Rupatoli Sub Branch
Sikdar Tower, Rupatoli Sarak,
Barisal City Corporation, Barishal.
Phone: (0431)2177718, 2177714
Routing No: 270060283

05 Panchar Sub Branch
Babor Ali Sarker Building, Panchar Girls High School Road, Panchar Bazar, Madbererchar, Shibchar, Madaripur.
Phone: 01717428436, Routing No: 270291128

06 Muladi Sub Branch
Al Amin Tower, Holding no: 2391, Sadar Road, Muladi Pourashava, Muladi, Barishal.
Phone: 01735954471
Routing No: 270060283

07 Hatirpul Sub Branch
Taher Plaza (1st Floor), 158 , C• R Dutta Road , Dhaka .
Phone: 01763200100
Routing No: 270263619

08 Yusuf Market Sub Branch
Sarker Shooping Complex, Yusuf Ali Market (1st Floor), Dhanik, Ashulia, Dhaka.
Phone: 01722801705
Routing No: 270260225

09 Laxmipur Sub Branch
Holding #188; Word # 06; Grater Road; Laxmipur; Rajpara, Rajshahi.
Phone: 01741778042
Routing No: 270811937

10 Dhupchanchia Sub Branch
Dhupchanchia CO Office Road, Walton Plaza (1st Floor), Dhupchanchia, Bogura.
Phone: 01711344240
Routing No: 270100372

11 Gopalpur Sub Branch
Niketon, Holding: 145, Gopalpur Bazar Road, (Beside Railway Station), Gopalpur,Lalpur, Natore.
Phone: 01717854356
Routing No: 270691094

12 Thermax Shilpo Sub Branch
Thermax Yarn Dyed Fabrics Ltd.
Compound, Karardi, Putia, Shibpur, Narsingdi.
Phone: 01913335253
Routing No: 270681396

13 Pirganj Sub Branch
Hazi Tower (1st Floor), Holding: 912-16,
Shahid Ziaur Rahman Sarak, Word No: 7,
Pirganj Pourasova, Pirganj, Thakurgaon.
Phone: 01554528036, Routing No: 270280371

14 Trunk Road Sub Branch
Shiraji Bhaban Holding: 356, Trunk Road,
Word No: 10, Feni Pourosova, Feni.
Phone: 01814814076
Routing No: 270300527

15 Borura Sub Branch
Kazi Tower, 502 Borura Uttar Bazar,
Barura, Cumilla.
Phone: 01715040018
Routing No: 270190074

16 Madhabdi Sub Branch
Holding No. 209, Bank Road, Madhabdi,
Narsingdi.
Phone: 01758282073
Routing No: 270680100

17 Bagerhat Sub Branch
Mitha Pukur Par, Standard Bank Building
(1st floor), Bagerhat Sadar, Bagerhat.
Phone: 01916747174
Routing No: 270010141

18 Dania Sub Branch
Sarif Tower, 430, Bornomala Adarsha
School Road, Kodomtoli Tthana, Dhaka
Phone: 01818687977
Routing No: 270272563

19 Reazuddin Bazar Sub Branch
Abdullah Tower (1st and 2nd Floor), Abdullah
Siddiqui Road, Kotowali Chattagram.
Phone: 01787693608
Routing No: 270153640

20 Kalaroa Sub-Branch
Ali Super Market, Shahid Muktijoddha Sarak,
Ward no: 02, Pouroshava: Kalaroa, Kalaroa, Satkhira.
Phone: 01711309159
Routing No: 270871098

21 Mongla Sub-Branch
Pouro Market,Sheikh Abdul Hai Shorok,
Ward no: 05, Mongla, Bagerhat.
Phone: 01727245155
Routing No: 270010404

22 Indira Road Sub-Branch
Rahaman Plaza, 21 Indira Road,
Farmgate Dhaka
Phone: 01755619943
Routing No: 270263619

23 Fokirhat Sub-Branch
Khan Zahid Hasan Supar Market
Fakirhat Bazer, Fakirhat, Bagerhat
Phone: 01777636336
Routing No: 270010091

24 Tanbazar Sub-Branch
Easteem Bhaban, 38 S.M. Maleh Road,
Tanbazar, Dhaka.
Phone: 01913691726
Routing No: 270671180

25 Pirojpur Sub-Branch
71/1, Jahanara Manson, Hospital road
Pirojpur.
Phone: 01818386233
Routing No: 270790137

ATM Booth

01 Principal ATM
Zaman chamber, 47 Dilkusha C/A.
Dhaka-1000.

02 Velanagor ATM
Thermex Factory Complex, Karardi,
Shibpur, Narshingdi Sadar,
Narshingdi.

03 Katakhali ATM
Katakhali More, Khulna Mongla Road,
Fakirhat, Bagerhat.

04 Gazipur ATM
Ground Floor, Tajpur Tower, Tangail Road,
Gazipur City Corporation.
Gazipur.

05 Mirpur ATM
Galaxy Hospital Pvt. Ltd. (1st floor),
Plot # 29-30, Block # KHA,
Section # 06, Mirpur-10.

06 Rajshahi ATM
ARC Bijoy Tower, Holding:3415 (Old),
30 (New), Rani Bazar, Boalia,
Rajshahi.

07 Khulna ATM
Chamber Building, Complex
05, KDA Avenue, Khan a Sobur Road, Khulna.

08 Moynamoti ATM
Mostafa Palace, and Hazi Faruk Plaza
Nischintopur, Moynamoti Cantonment, Cumilla.

09 Gulshan ATM
Casablanca, 114, Gulshan Avenue
Dhaka-1212.

10 Islampur ATM
Siddik Mansion, Islampur Bazar
Thana-Shahporan, Sylhet.

11 Sarbolokkhona ATM
Holding # 26, (1st Floor), Bagher Bita Bazar
Sarbolokkhona, Manohardi, Narsingdi.

12 Bhomra ATM
C&F Association, Bhaban (1st Floor)
Bhomra. Satkhira.

13 Satkhira ATM
Holding # 44/46, (Gr. Floor), Sultanpur
Satkhira Sadar
Satkhira

14 Dinajpur ATM
Monija Khatun, Complex (Gr. Floor)
North Munshi Para, Buti Babur Moor
Dinajpur.

15 KDA ATM
Holding # A/51, Ward # 17
Sonadanga Thana, Shib Bari More
(in front of Hotel city inn), Khulna.

16 Lobonchora ATM
Modina Tower, Lobonchora bandh bazaar
Main Road, Lobonchora
Khulna City Corporation.

17 Feni ATM
House: 371(1st floor),
Opposite to Feni Tower
SSK Road, Feni.

18 Khatungonj ATM
Achiya Manson, 282 Khatungonj,
Kotowali, Chattogram.

19 Pragati Sarani ATM
G - 99/3/A&B, Manama M.S.Toren,
Pragati Sarani, Middle Badda, Dhaka.

20 Mymensingh ATM
Akil & Brothers, 19, Borobazar
Mymensingh.

21 Mahendiganj ATM
Amin Bhabhan, (1st Floor)
Nearest North Bazar Mosque, Sornokar Porti,
Patarhat Bandar, Mahendiganj, Barishal.

22 Hasnabad ATM
Shamsu Rani Vila, Hasnabad, Ekuria,
South Keranigonj, Dhaka.

23 Abdullahpur ATM
Anwar Hossain Plaza (Ground floor),
Abdullahpur Bus Stand, South Keraniganj,
Dhaka.

24 Maligram ATM
Maligram Bazar
Bhanga, Faridpur.

25 Ramgonj ATM
Anowar Khan Tower, (1st & 2nd Floor)
Holding No: 283, Hajigonj-Ramgonj Road
Ramgonj Municipality, Lakshmipur

26 Rupatoli ATM
Sikdar Tower, Rupatoli Sarak
Barisal City Corporation, Barisal.

27 Bhandaria ATM
N Haque and Sons Market,Shahid Minar
Road, (Reserve Pukur Par), Bhandaria,
Pirojpur

28 Masihata ATM
Masihata Sweaters Ltd,
Masihata Group, South Panishail,
Kashimpur, Gazipur.

29 Panchor ATM
Babor Ali Sarker Building,
Panchar Girls High School Road,
Panchar Bazar, Madbererchar,
Shibchar, Madaripur.

30 Laxmipur ATM
Holding #188, Word # 06, Grater Road,
Laxmipur, Rajpara, Rajshahi.

31 Yusuf Market ATM
Sarker Shooping Complex,
Yusuf Market (1st Floor), Dhanik, Ashulia, Dhaka.

32 Bhatiary Branch ATM
Sahab Mia Tower, Bhatiary, Sitakund
Chattogram.

33 Khan Jahan Ali Mazar ATM
1st Floor, Khan Jahan Ali Mazar Mor,
Village: Ron-Bijoypur,
Union: Shaat Gambuj, Bagerhat.

34 Gopalpur ATM
Niketon (Ground Floor), Holding: 145,
Gopalpur Bazar Road, (Beside Railway
Station), Gopalpur, Lalpur, Natore.

35 Corporate ATM
BSC Tower, (2nd - 3rd Floor)
2-3 Rajuk Avenue, Motijheel
Dhaka-1000.

36 Nazipur Branch ATM
Dhamurhat Road, Potnitola
Naogaon.

37 Barisal Branch ATM
BS Tower (1st Floor),
461 Bir Shreshtha Captain
Mohiuddin Jahangir Sarak, Barishal.

38 Thermax Shilpa ATM
Thermax Yarn Dyed Fabrics Ltd. Compound,
Karardi, Putia, Shibpur, Narsingdi.

39 Barura ATM
Kazi Tower, Barura
Uttar Bazar, Barura, Cumilla.

40 Madhabdi ATM
Holding 209, Bank Road, Madhabdi Pourashava, Madhabdi, Narsingdi City, Narsingdi

41 Bagerhat ATM
Haider Plaza H # 119/2, K Ali Road, Word No. # 5, Pourashava # Bagerhat, Police Station, Bagerhat Sadar, Bagerhat

42 Palashbari Branch ATM
Zannat Lodge, Kalibari Bazar Road Palashbari, Gaibandha.

43 Benapole Branch ATM
Rahman Chember, Jessore Benapole highway Road, Word No. 7, Sharsha, Jessore.

44 Bogura Branch ATM
Talukdar Ratul Plaza, 398, Rangpur Road, Borogola, Ward No: 5, Bogra Sadar, Bogra.

45 Hemayetpur Branch ATM
Ashraf Shoping Complex, Jadurchar, Hemayetpur Bazar, Savar, Dhaka.

46 Adda Bazar Branch ATM
Adda bazar, union: Adda, Barura, Comilla.

47 Pirganj Sub Branch ATM
Hazi Tower (1st Floor), Holding: 912-16, Shahid Ziaur Rahman Sarak,Word No: 7, Pirganj Pourasova, Pirganj, Thakurgaon.

48 Fakirhat ATM Branch
Fakirhat Sub BranchKhan Zahid HasanMarket, Fakirhat, Bagerhat

49 Mouchak ATM
44, Scout Gate-1, Mouchak Bazar, Kaliakoir, Gazipur

50 Chalakchar ATM
Chalakchar Bus Stand, Chalakchar, Monohordi, Narsingdi

51 Tanbazar ATM
Easteem Bhaban, 38 S.M. Maleh Road, Tanbazar, Dhaka

52 Ashulia ATM
Raj Residence Tower (1nd Floor), Bogabari Bazar Bus Stand, Ashulia, Baipail, Savar

53 Sultana Filling Point ATM
Sultana Filling Point Ltd, karardi,Shibpur ,Narsingdi, Narsingdi

54 Bhairab ATM
Nath Tower, Holding 116/2, Hospital Road, Press Club Lane, Word No. 1, Bhairab, Kishoreganj

55 Rangpur ATM
Paper Palace Tower, 1st Floor, Payra Chattar,Central Road, Sadar, Rangpur

56 Bangla Bazar ATM
Patwary Plaza, Bangla Bazar, Sonaimuri, Noakhali

57 Pirojpur ATM
71/1, Jahanara Manson, Hospital road, Pirojpur

58 Mongla ATM
Pouro Market, Sheikh Abdul Hai Shorok, Ward no: 05, Mongla

59 Bhola ATM
Moyful Garden, Bangla Schoola More, Sadar Road, Bhola Sadar, Bhola

60 Ghonapara ATM
Advance Zaman Center, Ghonapara Mor, Gopalganj Sadar, Gopalganj

61 Thermax Adury Apparels ATM
Thermax Adury Apparels Ltd, Karardi, Shibpur, Narsingdi

62 Nasirabad ATM
89/304, Yakub Trade Centre (1st Floor), East Nasirabad, Chattogram,

Agent Banking

1 M/S. H.K. Garments Agent
12, Satirpara, Narsingdi Plaza, Narsingdi Sadar, Narsingdi

2 Philipnagar Enterprise Agent
Philipnagar Bazar, Daulatpur Kushtia

3 MA Enterprise Agent
Hospital Road, Bheramara Kushtia

4 M/S. Sorna Enterprise Agent
Khalishakundi Bazar, Daulatpur Kushtia

5 M/S. Mostakim Enterprise Agent
Panchbibi Road, Kamdia Bazar Gobindaganj, Gaibandha

6 M/S. Shahida Traders Agent
Madhukhali Bazar Faridpur

7 One To Ninety Nine Plus Agent

Khutakhali Bazar, Bajua, Dakop
Khulna

8 S N Telecom Agent

Poranpur Bazar, Kaikhali, Shyamnagar
Satkhira

9 M/S. Srity Enterprise Agent

Shaheed Zia Girls School And College
Mor, North Jatrabari, Dhaka

10 M/S. Al-Amin Trade Link Agent

Adorshobag, Para Dogar, Demra
Dhaka

11 M/S. JF Trading And Construction Agent

Banker Hat Bazar, Vheduria
Bhola Sadar, Bhola

12 M/S. Rahmat Khan Trading Agent

Sawdagor Tower, Sawdagorpotti
Feni

13 Modhumoti Enterprise Agent

Mollahat Bazar, Mollarhat
Bagerhat

14 Safa Marwaha Enterprise Agent

Old A. K. School Road, Dania
Kadamtati, Dhaka

15 M/S. Bhai Bhai Enterprise Agent

South Chhatra, Buriganj
Shibganj, Bogura

16 Mathbaria IT Training Center Agent

Auto stand, Mirukhali Road
Mathbaria, Pirojpur

17 Kallani Traders Agent

Bohera Bazar, Debhata
Satkhira

18 SR & N Trading Corporation Agent

Ashwadiya Bazar, Adda Bazar
Barura, Cumilla

স্বপ্নে নয়!
বাস করুন নিজের বাড়িতে।

নিজের টাকায় নিজের বাড়ি, এসবিএসি
হোম লোন



- গৃহ নির্মাণ/সংস্কার বা ফ্ল্যাট ক্রয়ে দীর্ঘ মেয়াদী ঋণ।
- ঝামেলামুক্ত ও স্বল্পতম সময়ে প্রক্রিয়া সম্পন্নের নিশ্চয়তা।
- সর্বোচ্চ দুই কোটি টাকা ঋণ।
- মোট ব্যয়ের ৭০ শতাংশ পর্যন্ত ঋণ।
- কোনো গোপন চার্জ নেই।

SBACBANK
সাউথ বাংলা এগ্রিকালচার এন্ড কমার্স ব্যাংক লিমিটেড

Chapter 11

MISCELLANEOUS



Glimpses of Our Major Events

Donation of Blanket to Honorable Prime Minister's Relief Fund.





Hand-over of cheques to the Honorable Prime Minister as part of Corporate Social Responsibility (CSR).

Dua Mahfil attended by the Board Members on the occasion of National Mourning Day.





Bank officials observing the 15th August, National Mourning Day.

Celebration of the Birthday of Honorable Prime Minister Sheikh Hasina.





Paying Homage to the Father of the Nation Bangabandhu Sheikh Mujibur Rahman on National Mourning Day.

Business Conference 2022





Board Meeting attended by the Chairman & the Members.

Opening Ceremony of Agent Banking Outlet at Ashwadiya Bazar, Adda Bazar, Barura, Cumilla.





Opening Ceremony of Narsingdi Branch, Narsingdi.

Opening ceremony of Pirojpur Sub-Branch





Opening Ceremony of Agent Banking Outlet at Demra, Dhaka.

Signing of MoU on Document Verification System (DVS)





Signing of MoU on Remittance Drawing Arrangement.

Arrangement Signing Ceremony with PayWell





Arrangement Signing Ceremony with LabAid Cancer Hospital.

Integrity Award giving Ceremony.





Foundation Training Program of Probationery Officers.

New Website Launching ceremony.



Proxy Form & Attendance Slip

South Bangla Agriculture & Commerce Bank Limited

Head Office: BSC Tower, 05th-16th Floor, 2-3 Rajuk Avenue, Motijheel C/A, Dhaka-1000, Bangladesh.

PROXY FORM

I/We……Of (Address)……being a Member(s) of South Bangla Agriculture and Commerce Bank Limited and entitled to participate & vote at the AGM, hereby appoint Mr./Mrs./Ms/Miss……Of (Address)……as my/our Proxy to participate and vote on my/our behalf at the 10th AGM of the Company to be held Online/Virtually using Digital Platform through the Link: https://sbacbank.bdvirtualagm.com at 11:30 AM on Sunday, June 18, 2023 or at any adjournment thereof.

Signed this …….. day of ……., 2023.

Signature of Proxy ……

Signature of Member ……

Folio No. / BO No. ……..

No. of Shares held on Record date ……..

Stamp(s) of
Tk. 100/-

N.B: This Proxy Form, duly completed (as recorded with the Bank) and signed (in accordance with the specimen signature recorded with Bank), must be sent through email at cs@sbacbank.com / deposited at the Registered Office of the Company no later than 72 (seventy two) hours before commencement of the AGM. Proxy is invalidif not signed and stamped as explained above.

ATTENDANCE SLIP

I hereby record my participation at the 10th AGM of the Company being held online/virtually using digital platform on Sunday, 18th June, 2023, at 11:30 AM.

Name of Member/Proxy (In Block Letters) : ……

Folio No./ BO ID No. : ……

No. of Shares held : ……

Signature of the Member/Proxy : ……

Date : ……

South Bangla Agriculture & Commerce Bank Limited
Head Office:
BSC Tower, 5th-16th Floor, 2-3 Rajuk Avenue, Motijheel C/A, Dhaka 1000, Bangladesh.
Phone: +88(02) 41052811-814, 09611-016327 (From Overseas), 16327 (24/7 Hotline)
Web: sbacbank.com, SWIFT: SBACBDDH