

South Bangla Agriculture and Commerce Bank Limited

Unaudited Financial Statements

For the first quarter ended 31 March-2023

South Bangla Agriculture and Commerce Bank Limited
Consolidated Balance Sheet (Unaudited)
As at 31 March 2023


	Note	31 March 2023 Taka	31 December 2022 Taka
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including foreign currencies)	3	1,035,508,706	987,504,162
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4	4,320,497,206	4,305,691,078
		5,356,005,912	5,293,195,240
Balance with other banks and financial institutions			
In Bangladesh	5	1,955,476,663	2,624,168,675
Outside Bangladesh		126,955,882	278,571,754
		2,082,432,545	2,902,740,429
Money at call on short notice			
	6	250,000,000	
Investments:			
Government	7	16,486,691,318	14,959,513,358
Others		2,194,776,893	2,167,050,201
		18,681,468,211	17,126,563,559
Loans, advances and lease / investments			
Loans, cash credit, overdrafts etc. / investments	8	76,810,631,514	76,045,414,350
Bills purchased and discounted		2,219,015,047	1,781,844,637
		79,029,646,561	77,827,258,987
Fixed assets including premises, furniture and fixtures	9	1,691,576,428	1,743,266,973
Other assets	10	1,851,054,354	1,414,038,668
Non-banking assets		-	-
TOTAL ASSETS		108,942,184,011	106,307,063,856
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	4,344,281,382	4,031,548,707
Deposits and other accounts			
Current / Al-wadeeah current deposits and other accounts	12	10,673,673,723	9,236,436,097
Special notice / mudaraba special notice deposits		4,300,666,696	4,370,193,970
Bills payable		2,912,018,244	3,197,410,868
Savings bank / mudaraba savings deposits		7,006,444,879	6,920,991,538
Fixed / mudaraba term deposits		45,891,323,379	45,698,467,000
Other deposits		14,317,036,423	14,786,087,582
		85,101,163,344	84,209,587,055
Subordinated bonds		-	-
Other liabilities	13	8,458,619,764	7,236,281,537
TOTAL LIABILITIES		97,904,064,490	95,477,417,299
Capital/ Shareholders' equity			
Paid up capital	14.3	8,160,313,370	8,160,313,370
Statutory reserve	15	2,204,928,598	2,204,928,598
General reserve		-	-
Non-controlling (Minority) interest	14.4	439,218	432,182
Other reserve (revaluation reserve on Govt. Securities)	16	132,757,989	65,228,536
Capital reserve	16.1	516,704	516,704
Foreign currency translation reserve	16.2	10,068,114	7,933,440
Surplus in profit and loss account	17	529,095,528	390,293,727
TOTAL SHAREHOLDERS' EQUITY		11,038,119,521	10,829,646,557
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		108,942,184,011	106,307,063,856

	Note	31 March 2023	31 December 2022
		Taka	Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptance and endorsements	18	4,199,561,451	4,948,539,066
Letters of guarantee		11,880,984,136	10,830,648,085
Irrevocable letters of credit		6,087,833,395	4,290,338,894
Bills for collection		2,100,996,514	1,712,915,295
Other contingent liabilities		-	-
Total		24,269,375,496	21,782,441,340
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claims against the Bank not acknowledged as debt		-	-
Total		-	-
Total off-balance sheet items including contingent liabilities		24,269,375,496	21,782,441,340
Net asset value per share (NAV)	40	13.53	13.27

Accompanying notes form an integral part of these financial statements.


 Chief Financial Officer


 Company Secretary


 Chairman


 Director


 Managing Director & CEO


Dhaka, 14 May 2023

South Bangla Agriculture and Commerce Bank Limited
Consolidated Profit and Loss Account (Unaudited)
For the first quarter ended 31 March 2023

	Note	31 March 2023 Taka	31 March 2022 Taka
Interest income / profit on investments	21	1,552,331,969	1,400,374,951
Less: Interest / profit on deposits and borrowings etc.	22	1,247,629,238	1,059,091,889
Net interest income		304,702,731	341,283,062
Income from investments in shares and securities	23	449,647,604	379,713,714
Commission, exchange and brokerage	24	198,991,987	197,966,973
Other operating income	25	36,590,216	24,096,615
		685,229,807	601,777,302
Total operating income		989,932,538	943,060,364
Salary and allowances	26	390,827,255	314,617,250
Rent, taxes, insurance, electricity etc.	27	39,003,327	38,286,190
Legal and professional expenses	28	923,115	1,779,543
Postage, stamp, telecommunication etc.	29	1,617,717	5,040,171
Stationery, printing, advertisement etc.	30	14,207,773	13,804,755
Chief executive's salary and fees	31	3,180,000	2,120,000
Directors' fees	32	296,000	280,000
Auditors' fees	33	-	-
Charges on loan losses		-	-
Depreciation and repair of bank's assets	34	96,886,256	91,981,468
Other expenses	35	67,943,879	81,606,537
Total operating expenses		614,885,322	549,515,914
Profit before provision		375,047,216	393,544,449
Provision for loan			
Specific provision	13.3	41,243,212	49,867,741
Special general provision - COVID-19	13.4	(783,634)	(8,888,928)
General provision on loans and advances - main operation	13.3	14,607,927	34,366,687
General provision on loans and advances - OBU	13.3	234,108	(164,610)
General provision on off balance sheet items	13.5	20,988,529	32,386,229
		76,290,142	107,567,119
Provision for rebate to good borrowers		-	(19,000,000)
Provision for diminution in value of investments	13.7	1,738,247	7,056,243
Other provision		-	-
Total provision		78,028,389	95,623,362
Total Profit before taxes		297,018,827	297,921,087
Provision for taxation	36	158,209,990	115,183,758
Net profit after taxation		138,808,837	182,737,329
Earnings per share (EPS)	41	0.17	0.22

Accompanying notes form an integral part of these financial statements.


 Chief Financial Officer


 Company Secretary


 Chairman


 Director



 Managing Director & CEO

Dhaka, 14 May 2023

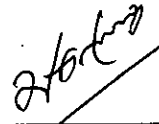
South Bangla Agriculture and Commerce Bank Limited
Consolidated Cash Flow Statement (Unaudited)
For the first quarter ended 31 March 2023

	Note	31 March 2023 Taka	31 March 2022 Taka
A) Cash flows from operating activities			
Interest receipts in cash		1,533,499,220	1,397,165,214
Interest payments		(890,015,708)	(715,220,573)
Dividend receipts		27,236,313	63,926
Income from investments		336,146,297	404,647,654
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		37,026,322	141,510,369
Cash payments to employees		(394,303,255)	(316,921,250)
Cash payments to suppliers		(9,028,102)	(35,482,606)
Income taxes paid		(249,435,114)	(102,038,609)
Receipts from other operating activities		36,590,216	24,096,615
Payments for other operating activities		(67,943,879)	(81,606,537)
Operating profit before changes in operating assets and liabilities		359,772,310	716,214,203
Increase / decrease in operating assets and liabilities			
Net proceeds from trading securities		(679,121,996)	(3,037,104,562)
Loans and advances to other banks		(250,000,000)	(493,100,000)
Loans and advances to customers		(1,092,400,232)	(3,680,762,941)
Increase / decrease of other assets	37.1	(55,811,609)	(412,648,830)
Deposits from other banks		1,551,028,322	618,819,046
Deposits from customers		(1,026,889,757)	(1,096,861,196)
Increase / decrease of other liabilities account of customers		-	-
Increase / decrease of trading liabilities		-	-
Increase / decrease of other liabilities	38.1	840,268,835	5,805,628
		(712,926,437)	(8,095,852,856)
Net cash from operating activities		(353,154,127)	(7,379,638,652)
B) Cash flows from investing activities			
Net proceeds from sale of Government securities		28,384,707,053	8,940,049,484
Payments for Purchase of Government securities		(29,225,708,512)	-
Purchase of property, plant and equipment		(40,174,640)	(46,871,964)
Sale proceeds of property, plant and equipment		-	-
Net cash from investing activities		(881,176,099)	8,893,177,520
C) Cash flows from financing activities			
Borrowing from other banks, financial institutions and agents		312,732,675	(3,796,842,205)
Dividends paid		-	(317,137,632)
Receipts from issue of ordinary share		-	313,858,200
Net cash from financing activities		312,732,675	(3,800,121,637)
D) Net increase / (decrease) in cash (A+B+C)		(921,597,551)	(2,286,582,770)
E) Effects of exchange rate changes on cash and cash-equivalent		164,100,339	56,456,604
F) Cash and cash-equivalents at beginning period		8,195,935,669	11,463,415,793
G) Cash and cash-equivalents at end of period (D+E+F)		7,438,438,457	9,233,289,627
H) Cash and cash-equivalents at end of period			
Cash in hand including foreign currencies	3	1,035,508,706	810,826,703
Balances with Bangladesh Bank and its agent bank(s)	4	4,320,497,206	3,112,247,489
Balances with other Banks and Financial institutions	5	2,082,432,545	5,310,215,434
		7,438,438,457	9,233,289,627

Accompanying notes form an integral part of these financial statements.


 Chief Financial Officer


 Company Secretary


 Chairman
 Dhaka, 14 May 2023


 Director


 Managing Director & CEO

South Bangla Agriculture and Commerce Bank Limited
Consolidated Statement of Changes in Equity (Unaudited)
For the first quarter ended 31 March 2023

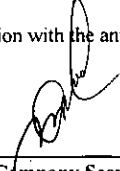
Particulars	Paid Up Capital Taka	Statutory Reserve Taka	Other Reserve Taka	Capital Reserve	F.C. Translation Reserve Taka	Retained Earnings Taka	Minority Interest Taka	Total Taka
Balance as on 01 January 2023	8,160,313,370	2,204,928,598	65,228,536	516,704	7,933,440	390,293,727	432,182	10,829,646,557
Net profit for the period	-	-	-	-	-	138,808,837	-	138,808,837
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Transfer to startup fund	-	-	-	-	-	-	-	-
Revaluation of Govt. treasury bills, bonds and other investments	-	-	67,529,453	-	-	-	-	67,529,453
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	-	2,134,674	-	-	2,134,674
Transfer to capital reserve	-	-	-	-	-	-	-	-
Non-controlling (Minority) interest	-	-	-	-	-	(7,036)	7,036	-
Cash dividend paid	-	-	-	-	-	-	-	-
Stock dividend issued	-	-	-	-	-	-	-	-
Balance as on 31 March 2023	8,160,313,370	2,204,928,598	132,757,989	516,704	10,068,114	529,095,528	439,218	11,038,119,521

For the quarter ended 31 March 2022

Particulars	Paid Up Capital Taka	Statutory Reserve Taka	Other Reserve Taka	Capital Reserve	F.C. Translation Reserve Taka	Retained Earnings Taka	Minority Interest Taka	Total Taka
Balance as on 01 January 2022	7,846,455,170	1,947,493,989	129,270,472	-	251,592	704,530,934	405,167	10,628,407,324
Net profit for the period	-	-	-	-	-	182,737,329	-	182,737,329
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Transfer to startup fund	-	-	-	-	-	-	-	-
Revaluation of Govt. treasury bills,	-	-	99,852,228	-	-	-	-	99,852,228
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	-	(137,519)	-	-	(137,519)
Non-controlling (Minority) interest	-	-	-	-	-	(2,270)	2,270	-
Cash dividend paid	-	-	-	-	-	-	-	-
Stock dividend issued	313,858,200	-	-	-	-	(313,858,200)	-	-
Balance as on 31 March 2022	8,160,313,370	1,947,493,989	229,122,700	-	114,073	573,407,793	407,437	10,910,859,362

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


 Chief Financial Officer


 Company Secretary


 Chairman


 Director


 Managing Director & CEO

Dhaka, 14 May 2023

South Bangla Agriculture and Commerce Bank Limited
Consolidated Liquidity Statement (asset and liabilities maturity analysis)
As at 31 March 2023

Particulars	Within one month Taka	Within one to three months Taka	Within three to twelve months Taka	Within one to five years Taka	More than five years Taka	Total Taka
Assets:						
Cash in hand (including foreign currencies)	1,035,508,706	-	-	-	-	1,035,508,706
Balance with Bangladesh Bank and its agent Banks	945,729,206	-	-	-	3,374,768,000	4,320,497,206
Balance with other banks & financial institutions	973,480,216	235,167,503	851,417,887	22,366,939	-	2,082,432,545
Money at call on short notice	250,000,000	-	-	-	-	250,000,000
Investments	377,455,316	752,452,831	386,757,107	1,935,208,376	15,229,594,582	18,681,468,211
Loans and advances	11,533,406,852	15,705,571,100	25,253,486,854	15,284,722,106	11,252,459,649	79,029,646,561
Fixed assets including premises, furniture and fixtures	26,646,203	53,292,405	239,815,822	1,261,963,739	109,858,259	1,691,576,428
Other assets	344,442,283	552,178,499	807,904,684	48,491,152	98,037,736	1,851,054,354
Non-Banking assets	-	-	-	-	-	-
Total Assets	15,486,668,782	17,298,662,338	27,539,382,354	18,552,752,312	30,064,718,226	108,942,184,011
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	992,258,253	1,504,463,055	1,305,919,080	148,506,589	393,134,405	4,344,281,382
Deposits and other accounts	12,195,666,239	15,130,802,520	23,539,259,694	13,238,090,197	20,997,344,694	85,101,163,344
Provisions and other liabilities	50,062,302	383,978,070	1,965,229,950	1,221,520,899	4,837,828,543	8,458,619,764
Total Liabilities	13,237,986,794	17,019,243,645	26,810,408,724	14,608,117,685	26,228,307,642	97,904,064,490
Net liquidity surplus	2,248,681,988	279,418,693	728,973,630	3,944,634,627	3,836,410,584	11,038,119,521
Cumulative liquidity surplus	2,248,681,988	2,528,100,681	3,257,074,310	7,201,708,937	11,038,119,521	

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


 Chief Financial Officer


 Company Secretary


 Chairman


 Director


 Managing Director & CEO

Dhaka, 14 May 2023

South Bangla Agriculture and Commerce Bank Limited
Balance Sheet (Unaudited)
As at 31 March 2023

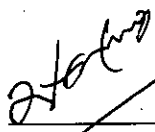
	Note	31 March 2023 Taka	31 December 2022 Taka
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including foreign currencies)	3.1	1,035,483,819	987,490,568
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4.1	4,320,497,206	4,305,691,078
		5,355,981,025	5,293,181,646
Balance with other banks and financial institutions			
In Bangladesh	5.1	1,933,109,724	2,612,225,831
Outside Bangladesh		126,955,882	278,571,754
		2,060,065,606	2,890,797,585
Money at call on short notice	6	250,000,000	-
Investments:			
Government	7.1	16,486,691,318	14,959,513,358
Others		2,008,487,033	1,993,824,684
		18,495,178,351	16,953,338,042
Loans, advances and lease / investments			
Loans, cash credit, overdrafts etc. / investments	8.1	76,984,051,456	76,210,473,378
Bills purchased and discounted		2,219,015,047	1,781,844,637
		79,203,066,503	77,992,318,015
Fixed assets including premises, furniture and fixtures	9.1	1,672,927,154	1,724,623,028
Other assets	10.1	2,207,543,397	1,772,643,590
Non-banking assets		-	-
TOTAL ASSETS		109,244,762,036	106,626,901,906
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11.1	4,344,281,382	4,031,548,707
Deposits and other accounts			
Current / Al-wadeeah current deposits and other accounts	12.1	10,673,673,723	9,238,002,337
Special notice / mudaraba special notice deposits		4,310,879,281	4,382,625,127
Bills payable		2,912,018,244	3,197,410,868
Savings bank / mudaraba savings deposits		7,006,444,879	6,920,991,538
Fixed / mudaraba term deposits		46,271,683,890	46,074,316,715
Other deposits		14,317,036,423	14,786,087,582
		85,491,736,440	84,599,434,167
Subordinated bonds		-	-
Other liabilities	13.1	8,410,759,732	7,199,371,669
TOTAL LIABILITIES		98,246,777,554	95,830,354,543
Capital/ Shareholders' equity			
Paid up capital	14.3	8,160,313,370	8,160,313,370
Statutory reserve	15	2,204,928,598	2,204,928,598
General reserve		-	-
Other reserve (revaluation reserve on Govt. Securities)	16	132,757,989	65,228,536
Foreign currency translation reserve	16.2	10,068,114	7,933,440
Surplus in profit and loss account	17.1	489,916,411	358,143,419
TOTAL SHAREHOLDERS' EQUITY		10,997,984,482	10,796,547,363
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		109,244,762,036	106,626,901,906

	Note	31 March 2023 Taka	31 December 2022 Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
	18		
Acceptance and endorsements		4,199,561,451	4,948,539,066
Letters of guarantee		11,880,984,136	10,830,648,085
Irrevocable letters of credit		6,087,833,395	4,290,338,894
Bills for collection		2,100,996,514	1,712,915,295
Other contingent liabilities		-	-
Total		24,269,375,496	21,782,441,340
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other		-	-
Total		-	-
Total off-balance sheet items including contingent liabilities		24,269,375,496	21,782,441,340
Net asset value per share (NAV)	40.1	13.48	13.23

Accompanying notes form an integral part of these financial statements.


Chief Financial Officer


Company Secretary


Chairman


Director


Managing Director & CEO

Dhaka, 14 May 2023

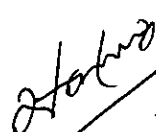
South Bangla Agriculture and Commerce Bank Limited
Profit and Loss Account (Unaudited)
For the first quarter ended 31 March 2023

	Note	31 March 2023 Taka	31 March 2022 Taka
Interest income / profit on investments	21.1	1,550,232,491	1,400,374,951
Less: Interest / profit on deposits and borrowings etc.	22.1	1,251,701,494	1,063,768,405
Net interest income		298,530,997	336,606,546
Income from investments in shares and securities	23.1	445,859,327	379,713,714
Commission, exchange and brokerage	24.1	190,657,945	197,966,973
Other operating income	25.1	36,584,560	24,096,615
		673,101,832	601,777,302
Total operating income		971,632,829	938,383,848
Salary and allowances	26.1	385,268,310	313,899,750
Rent, taxes, insurance, electricity etc.	27.1	38,648,016	38,286,190
Legal and professional expenses	28.1	882,865	1,734,543
Postage, stamp, telecommunication etc.	29.1	1,610,217	5,034,171
Stationery, printing, advertisement etc.	30.1	14,152,674	13,804,755
Chief executive's salary and fees	31	3,180,000	2,120,000
Directors' fees	32.1	176,000	184,000
Auditors' fees	33.1	-	-
Charges on loan losses		-	-
Depreciation and repair of bank's assets	34.1	96,438,835	91,981,468
Other expenses	35.1	66,379,187	81,426,037
Total operating expenses		606,736,104	548,470,914
Profit before provision		364,896,725	389,912,933
Provision for loan			
Specific provision	13.3	41,243,212	49,867,741
Special general provision - COVID-19	13.4	(783,634)	(8,888,928)
General provision on loans and advances - main operation	13.3	14,607,927	34,366,687
General provision on loans and advances - OBU	13.4	234,108	(164,610)
General provision on off balance sheet items	13.5	20,988,529	32,386,229
		76,290,142	107,567,119
Provision for rebate to good borrowers		-	(19,000,000)
Provision for diminution in value of investments	13.7	1,738,247	7,056,243
Other provision		-	-
Total provision		78,028,389	95,623,362
Total Profit before taxes		286,868,336	294,289,571
Provision for taxation	36	155,095,344	113,821,940
Net profit after taxation		131,772,992	180,467,631
Earnings per share (EPS)	41.1	0.16	0.22

Accompanying notes form an integral part of these financial statements.


 Chief Financial Officer


 Company Secretary


 Chairman


 Director


 Managing Director & CEO

Dhaka, 14 May 2023

South Bangla Agriculture and Commerce Bank Limited

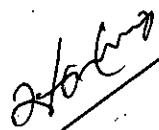
**Cash Flow Statement (Unaudited)
For the first quarter ended 31 March 2023**

	Notes	31 March 2023	31 March 2022
		Taka	Taka
A) Cash flows from operating activities			
Interest receipts in cash		1,532,965,982	1,397,165,214
Interest payments		(897,220,444)	(721,167,980)
Dividend receipts		25,361,251	63,926
Income from investments		334,233,082	404,647,654
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		28,692,280	141,510,369
Cash payments to employees		(388,624,310)	(316,203,750)
Cash payments to suppliers		(8,991,119)	(35,431,606)
Income taxes paid	10.2	(246,320,468)	(101,567,597)
Receipts from other operating activities		36,584,560	24,096,615
Payments for other operating activities		(66,379,187)	(81,426,037)
Operating profit before changes in operating assets and liabilities		350,301,627	711,686,808
Increase / decrease in operating assets and liabilities			
Sale / purchase of trading securities		(679,121,996)	(3,037,104,562)
Loans and advances to other banks		(250,000,000)	(493,100,000)
Loans and advances to customers		(1,100,761,146)	(3,680,762,941)
Increase / decrease of other assets	37	(52,299,580)	(412,648,830)
Deposits from other banks		1,551,028,322	618,819,046
Deposits from customers		(1,029,108,334)	(1,092,333,801)
Increase / decrease of other liabilities account of customers		-	-
Increase / decrease of trading liabilities		-	-
Increase / decrease of other liabilities	38	832,854,499	5,805,628
		(727,408,235)	(8,091,325,461)
Net cash from operating activities		(377,106,608)	(7,379,638,652)
B) Cash flows from investing activities			
Net Proceeds from sale of securities		28,397,771,396	8,940,049,484
Payments for Purchase of securities		(29,225,708,512)	-
Purchase of property, plant and equipment		(39,721,890)	(46,871,964)
Sale proceeds of property, plant and equipment		-	-
Net cash from investing activities		(867,659,006)	8,893,177,520
C) Cash flows from financing activities			
Borrowing from other banks, financial institutions and agents		312,732,675	(3,796,842,205)
Dividends paid		-	(317,137,632)
Receipts from issue of ordinary share		-	313,858,200
Net cash from financing activities		312,732,675	(3,800,121,637)
D) Net increase / (decrease) in cash (A+B+C)		(932,032,939)	(2,286,582,770)
E) Effects of exchange rate changes on cash and cash-equivalent		164,100,339	56,456,604
F) Cash and cash-equivalents at beginning period		8,183,979,231	11,463,415,793
G) Cash and cash-equivalents at end of period (D+E+F)		7,416,046,631	9,233,289,627
H) Cash and cash-equivalents at end of period			
Cash in hand including foreign currencies	3	1,035,483,819	810,826,703
Balances with Bangladesh Bank and its agent bank(s)	4	4,320,497,206	3,112,247,489
Balances with other Banks and Financial institutions	5	2,060,065,606	5,310,215,434
		7,416,046,631	9,233,289,627


Accompanying notes form an integral part of these financial statements.


Chief Financial Officer


Company Secretary


Chairman


Director


Managing Director & CEO

Dhaka, 14 May 2023

South Bangla Agriculture and Commerce Bank Limited
Statement of Changes in Equity (Unaudited)
For the first quarter ended 31 March 2023


Particulars	Paid Up Capital Taka	Statutory Reserve Taka	Other Reserve Taka	F.C. Translation Reserve Taka	Retained Earnings Taka	Total Taka
Balance as on 01 January 2023	8,160,313,370	2,204,928,598	65,228,536	7,933,440	358,143,419	10,796,547,363
Net profit for the period	-	-	-	-	131,772,992	131,772,992
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to startup fund	-	-	-	-	-	-
Revaluation of Govt. treasury bills, bonds and other investments	-	-	67,529,453	-	-	67,529,453
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	2,134,674	-	2,134,674
Stock dividend issued	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	-
Balance as on 31 March 2023	8,160,313,370	2,204,928,598	132,757,989	10,068,114	489,916,411	10,997,984,482

For the quarter ended 31 March 2022

Particulars	Paid Up Capital Taka	Statutory Reserve Taka	Other Reserve Taka	F.C. Translation Reserve Taka	Retained Earnings Taka	Total Taka
Balance as on 01 January 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	-	-	-	-	180,467,631	180,467,631
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to startup fund	-	-	-	-	-	-
Revaluation of Govt. treasury bills, bonds and other investments	-	-	99,852,228	-	-	99,852,228
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	(137,519)	-	(137,519)
Stock dividend issued	313,858,200	-	-	-	(313,858,200)	-
Cash dividend paid	-	-	-	-	-	-
Balance as on 31 March 2022	8,160,313,370	1,947,493,989	229,122,700	114,073	565,978,493	10,903,022,625

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


 Chief Financial Officer


 Company Secretary


 Chairman


 Director


 Managing Director & CEO


Dhaka, 14 May 2023

South Bangla Agriculture and Commerce Bank Limited
Liquidity Statement (asset and liabilities maturity analysis)
As at 31 March 2023

Particulars	Within one month Taka	Within one to three months Taka	Within three to twelve months Taka	Within one to five years Taka	More than five years Taka	Total Taka
Assets:						
Cash in hand (including foreign currencies)	1,035,483,819	-	-	-	-	1,035,483,819
Balance with Bangladesh Bank and its agent Banks	945,729,206	-	-	-	3,374,768,000	4,320,497,206
Balance with other banks & financial institutions	973,480,216	235,167,503	851,417,887	-	-	2,060,065,606
Money at call on short notice	250,000,000	-	-	-	-	250,000,000
Investments	377,455,316	752,452,831	386,757,107	1,748,918,516	15,229,594,582	18,495,178,351
Loans and advances	11,533,406,852	15,705,571,100	25,253,486,854	15,458,142,048	11,252,459,649	79,203,066,503
Fixed assets including premises, furniture and fixtures	26,486,606	52,973,211	238,379,456	1,245,266,260	109,821,621	1,672,927,154
Other assets	327,677,331	546,128,886	787,608,292	48,491,152	497,637,736	2,207,543,397
Non-Banking assets	-	-	-	-	-	-
Total Assets	15,469,719,346	17,292,293,531	27,517,649,596	18,500,817,976	30,464,281,588	109,244,762,036
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	992,258,253	1,504,463,055	1,305,919,080	148,506,589	393,134,405	4,344,281,382
Deposits and other accounts	12,195,666,239	15,130,802,520	23,929,832,790	13,238,090,197	20,997,344,694	85,491,736,440
Provisions and other liabilities	49,999,174	379,235,320	1,961,778,828	1,220,777,752	4,798,968,658	8,410,759,732
Total Liabilities	13,237,923,666	17,014,500,895	27,197,530,698	14,607,374,538	26,189,447,757	98,246,777,554
Net liquidity surplus	2,231,795,680	277,792,636	320,118,898	3,893,443,438	4,274,833,831	10,997,984,482
Cumulative liquidity surplus	2,231,795,680	2,509,588,316	2,829,707,213	6,723,150,651	10,997,984,482	

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


Chief Financial Officer


Company Secretary


Chairman


Director


Managing Director & CEO

Dhaka, 14 May 2023

South Bangla Agriculture and Commerce Bank Limited
Notes to the Financial Statements
as at and for the first quarter ended 31 March 2023

1 General information

1.1 Status of the bank

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

1.2 Nature of business

Principal activities

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

Off-shore Banking Unit (OBU)

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

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

Agent Banking Outlet

The Bank has started agent banking operation in 2022 with a view to reach unbanked population particularly in the geographically dispersed areas and offer banking services to potential customers who are currently out of traditional banking periphery. The Bank has 15 agent outlets across the country. This service includes offering all types of deposit accounts and other banking services including bills payments, inward foreign remittance, fund transfer etc.

Information regarding subsidiary

The Bank has 01 (one) subsidiary, SBAC Bank Investment Limited.

SBAC Bank Investment Limited

SBAC Bank Investment Limited, a subsidiary company of the Bank, incorporated as a private company, limited by shares, registered with the Registrar of Joint Stock Companies and Firms vide certificate of incorporation no. C-169950/2021 dated 21 March 2021 under the Companies Act 1994. SBAC Bank Investment Limited got the Trading Right Entitlement Certificate (TREC) no. Nibondhon/DSE/TREC#267/2021/294 dated 01 September 2021 of Dhaka Stock Exchange Limited (DSE). The primary activity of the company is to act as a stock broker & dealer to execute buy and sell order and to maintain its own portfolio as well as customers' portfolio under the discretion of customers.

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

The financial statements of the Bank as at 31 March 2023 have been prepared on going concern basis under historical cost convention and in accordance with the "First Schedule" of the Bank Companies Act, 1991 as amended by BRPD Circular No. 14 dated 25th June 2003, other Circulars of Bangladesh Bank, International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987, and other laws and rules applicable for Banks in Bangladesh. The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed and it is yet to issue financial reporting standards for public interest entities such as banks. The Bank Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. As per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as approved by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. In case of any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of other regulatory authorities and IFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank prevailed. Material departures from the requirements of IFRS are as follows:

i) Presentation of Financial statements

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

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

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

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

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

iii) Revaluation gains/losses on Government securities

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

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

iv) Provision on loans and advances/investments

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

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

v) Recognition of interest in suspense

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

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

vi) Other comprehensive income and appropriation of profit

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

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

vii) Financial instruments – presentation and disclosure

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

viii) Financial guarantees

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

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

ix) Cash and cash equivalents

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

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

x) Repo and reverse repo transactions

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

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

xi) Non-banking asset

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

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

xii) Cash flow statement

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

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

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

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

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

xiv) Presentation of intangible assets

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

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

xv) Off-balance sheet items

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

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

xvi) Loans and advances net of provision

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

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

xvii) Disclosure of appropriation of profit

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

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

2.2 Going concern basis of accounting

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

2.3 Basis of consolidation

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

Subsidiary

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

Transactions eliminated on consolidation

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

2.4 Use of estimates and judgment

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

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

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

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

2.5 Consistency

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

2.6 Foreign currency transactions

a) Functional and presentation currency

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

b) Foreign currencies translation

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

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

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

c) Commitments

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

d) Transaction gains and losses

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

2.7 Cash flow statement

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

2.8 Statement of changes in equity

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

2.9 Statement of liquidity

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

2.10 Reporting period

These financial statements of the Bank cover period from 1 January to 31 March 2023.

2.11 Investment in Govt. Securities

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

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

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

2.12 Investment in quoted / unquoted securities

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

2.13 Loans and advances

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

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

2.14 Provisions on loans and advances

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

The provisioning rates are as follows:

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

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

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

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

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

2.15 Property, plant and equipment

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

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

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

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

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

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

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

2.16 Intangible asset

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

2.17 Provisions for other assets

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

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

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

2.18 Non banking assets

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

2.19 Securities purchased under re-sale agreement

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

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

2.20 Reconciliation of inter-bank and inter-branch account

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

2.21 Statutory reserve

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

2.22 Other reserve

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

2.23 Non-controlling (minority) interest in subsidiary

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

2.24 Deposits and other accounts

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

2.25 Borrowings from other banks, financial institutions and agents

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

2.26 Employees benefits

a. Short term benefits

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

b. Provident fund

The benefits of provident fund are given to the employees of the Bank in accordance with the Provident Fund Rules as per section 2(52) of Income Tax 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 relevant Statutory Regulatory Orders (SRO) and any adjustment to tax payable in respect of previous years. As per the Finance Act 2022 the current income tax rate applicable for the banks is 37.50%. The estimation of current tax provision involves making judgments regarding admissibility of certain expenses as well as estimating the amount of other expenses for tax purposes.

2.30 Provision for deferred tax

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

2.31 Revenue recognition

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

2.31.1 Interest income (conventional banking)

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

2.31.2 Profit on investment (islamic banking)

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

2.31.3 Investment income

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

2.31.4 Fees and commission income

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

2.31.5 Dividend income on shares

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

2.31.6 Interest paid on borrowings and deposits (conventional banking)

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

2.31.7 Profit shared on deposits (islamic banking)

Profit on deposits are recognized on accrual basis. Mudaraba 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 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 March 2023. This represent the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighted factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year.

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

2.33 Off-setting financial assets and financial liabilities

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

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

2.34 Leases

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

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

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

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

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

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

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

2.35 Dividend policy

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

2.36 Credit Rating of the Bank

As per the BRPD instruction circular no.6 dated 5 July 2006, the Bank has done its credit rating by Credit Rating Information and Services Limited (CRISL) based on the financial statements dated 31 December 2021.

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

2.37 Accounting standards adopted

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

Name of IASs / IFRSs	IASs / IFRSs	No.	Status
Presentation of Financial Statements	IAS	1	*Complied
Inventories	IAS	2	Not Applicable
Statement of Cash Flows	IAS	7	*Complied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS	8	Complied
Events after the Reporting Period	IAS	10	Complied
Income Taxes	IAS	12	Complied
Property, Plant and Equipment	IAS	16	Complied
Employee Benefits	IAS	19	Complied
Accounting for Government Grants and Disclosures of Government Assistance	IAS	20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS	21	Complied
Borrowing Costs	IAS	23	Not Applicable
Related Party Disclosures	IAS	24	Complied
Accounting and Reporting by Retirement Benefit Plans	IAS	26	Not Applicable
Separate Financial Statements	IAS	27	Complied
Investments in Associates and Joint Ventures	IAS	28	Not Applicable
Financial Reporting in Hyperinflationary Economies	IAS	29	Not Applicable
Financial Instruments : Presentation	IAS	32	*Complied
Earnings Per Share	IAS	33	Complied
Interim Financial Reporting	IAS	34	Complied
Impairment of Assets	IAS	36	Complied
Provisions, Contingent Liabilities and Contingent Assets	IAS	37	*Complied
Intangible Assets	IAS	38	Complied
Financial Instruments : Recognition and Measurement	IAS	39	*Complied
Investment Property	IAS	40	Not Applicable
Agriculture	IAS	41	Not Applicable
First-time Adoption of International Financial Reporting Standards	IFRS	1	Complied
Share-based Payment	IFRS	2	Not Applicable
Business Combinations	IFRS	3	Complied
Non-current Assets Held for Sale and Discontinued Operations	IFRS	5	*Complied
Exploration for and Evaluation of Mineral Resources	IFRS	6	Not Applicable
Financial Instruments : Disclosures	IFRS	7	*Complied
Operating Segments	IFRS	8	Complied
Financial Instruments	IFRS	9	*Complied
Consolidated Financial Statements	IFRS	10	Complied
Joint Arrangements	IFRS	11	Not Applicable
Disclosure of Interests in Other Entities	IFRS	12	Complied
Fair Value Measurement	IFRS	13	*Complied
Regulatory Deferral Accounts	IFRS	14	Not Applicable
Revenue from Contracts with Customers	IFRS	15	Complied
Leases	IFRS	16	Complied
Insurance Contracts	IFRS	17	Not Applicable

* Subject to departure disclosed in note no. 2.1.

2.38 New accounting standards not yet adopted

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

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

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

(a) IFRS 17 Insurance contract

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

2.39 Information about business segments

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

2.40 Utilization of IPO fund

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

2.41 Event after balance sheet date

A. Dividend

The Board of Directors in its 163rd meeting held on 26 April 2023 recommended cash dividend @ 3.50% (three and half percent) for the year 2022. The total amount of dividend is Tk 288,467,078 (Taka twenty eight crore eighty four lac sixty seven thousand seventy eight) only.

B. Issue of Stock Dividend for the year 2021

The Bank issued stock dividend for the year 2021 @ 0.01 against 1 existing share of Tk 10 each i.e. 8,160,313 nos of shares @ Tk 10 each.

2.41 General

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

2.42 Approval of the Financial Statements

The Board of Directors of the Bank, in its 164th meeting held on 14 May 2023, approved the financial statements of the Bank for the first quarter ended 31 March 2023 and signed these statements on the same day.

	31 March 2023 Taka	31 December 2022 Taka
3. Cash in hand (including foreign currencies) - Consolidated		
SBAC Bank Limited (note 3.1)	1,035,483,819	987,490,568
SBAC Bank Investment Limited	24,887	13,594
	1,035,508,706	987,504,162
3.1 Cash in hand (including foreign currencies) of the Bank		
Local currency	1,026,323,624	980,174,738
Foreign currencies	9,160,195	7,315,830
	1,035,483,819	987,490,568
4. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) - Consolidated		
SBAC Bank Limited (note 4.1)	4,320,497,206	4,305,691,078
SBAC Bank Investment Limited	-	-
	4,320,497,206	4,305,691,078
4.1 Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) of the Bank		
Bangladesh Bank		
In local currency	3,466,523,394	3,655,236,495
In foreign currencies	853,973,812	650,454,583
	4,320,497,206	4,305,691,078
Sonali Bank Limited (as Agent of Bangladesh Bank) - local currency	-	-
	4,320,497,206	4,305,691,078
5. Balance with other banks and financial institutions - Consolidated		
In Bangladesh		
SBAC Bank Limited (note 5.1)	1,933,109,724	2,612,225,831
SBAC Bank Investment Limited	32,579,524	24,374,001
	1,965,689,248	2,636,599,832
Less : Inter company transactions	10,212,585	12,431,157
	1,955,476,663	2,624,168,675
Outside Bangladesh		
SBAC Bank Limited (note 5.1)	126,955,882	278,571,754
SBAC Bank Investment Limited	-	-
	126,955,882	278,571,754
	2,082,432,545	2,902,740,429
5.1 Balance with other banks and financial institutions of the Bank		
In Bangladesh		
Main Operation (note 5.3)	2,167,845,345	2,825,250,163
Off-shore Banking Unit	61,352,281	54,987,907
Less: Inter bank transactions	(296,087,902)	(268,012,239)
	1,933,109,724	2,612,225,831
Outside Bangladesh		
Main Operation (note 5.4)	126,955,882	278,571,754
	2,060,065,606	2,890,797,585
5.2 Balance with other banks and financial institutions - Main Operation		
In Bangladesh (note 5.3)	2,167,845,345	2,825,250,163
Outside Bangladesh (note 5.4)	126,955,882	278,571,754
	2,294,801,227	3,103,821,917
5.3 In Bangladesh		
Balance with other banks :		
In current deposit accounts with		
Sonali Bank Limited	26,901,308	72,926,045
Dutch Bangla Bank Limited	337	1,027
Eastern Bank Limited	11,606,646	13,900,701
	38,508,291	86,827,773

	31 March 2023	31 December 2022
	Taka	Taka
In special notice deposit accounts with		
Janata Bank Limited	56,745,734	148,019,161
Eastern Bank Limited	8,757,764	11,257,764
Sonali Bank Limited	-	-
Mercantile Bank Limited	406,755	406,754
Bank Asia Limited	26	26
Standard Bank Limited	89,322	89,323
Jamuna Bank Limited	16,840	16,840
Al-Arafa Islami Bank Limited	12,657	13,539
Trust Bank Limited	12,148,382	38,281,426
Union Bank Limited	4,844	4,844
IFIC Bank Limited	17,250	17,667
Rupali Bank Limited	51,125	434,215
	78,250,699	198,541,559
In fixed deposit accounts with		
NCC Bank Limited	-	500,000,000
	-	500,000,000
Balance with financial institutions :		
Phoenix Finance Limited	195,800,000	197,100,000
International Leasing & Financial Services Limited	578,500,000	578,500,000
Industrial & Infrastructure Development Finance Company Limited	20,300,000	23,300,000
Fareast Finance and Investment Limited	257,500,000	257,500,000
FAS Finance Limited	264,300,000	264,300,000
Premier Leasing and Finance Limited	130,900,000	130,900,000
Union Capital Limited	173,000,000	174,200,000
Bangladesh Finance and Investment Company Limited	200,000,000	200,000,000
	1,820,300,000	1,825,800,000
Placement of fund with SBAC Bank Off-shore Banking Unit	230,786,355	214,080,831
	2,167,845,345	2,825,250,163

Management conducted an impairment assessment as on 31st March 2023 and satisfied that no impairment provision is required against any FDR. As per BRPD Circular Letter no. BRPD(P-1)/661/13/2021-12262 dated 27 December 2021, banks are exempted from keeping further provision against the balance with financial institutions.

5.4 Outside Bangladesh

In demand deposit accounts (non-interest bearing) with

Particulars	Currency	31 March 2023			31 December 2022		
		Amount in foreign currency	Exchange rate for per unit	Amount in Taka	Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka
Mashreq Bank PSC, New York	USD	-	105.56	-	611,133	103.30	63,128,233
AB Bank, Mumbai	ACU	-	105.56	-	395,064	103.30	40,808,919
United Bank of India, Kolkata	ACU	-	105.56	-	34,717	103.30	3,586,144
National Bank of Pakistan,	JPY	767,571	0.7960	610,986	1,793,571	0.7720	1,384,637
Sonali Bank Ltd. Kolkata	ACU	-	105.56	-	276,462	103.30	28,557,657
Habib American Bank, NY	USD	751,734	105.56	79,356,227	210,587	103.30	21,752,992
Habib Metropolitan Bank Ltd., Karachi	ACU	7,924	105.56	836,446	7,924	103.30	818,482
AXIS Bank Ltd., Mumbai	ACU	44,598	105.56	4,707,976	569,300	103.30	58,807,023
Sonali Bank (UK) Ltd.	USD	1,674	105.56	176,684	43,233	103.30	4,465,851
Sonali Bank (UK) Ltd.	GBP	11,078	129.93	1,439,405	6,597	124.27	819,841
Sonali Bank (UK) Ltd.	EURO	20,032	114.40	2,291,707	33,922	109.71	3,721,680
Koomin Bank, Seoul	USD	41,014	105.56	4,329,592	55,240	103.30	5,706,109
Yes Bank Ltd.	ACU	100,815	105.56	10,642,455	32,970	103.30	3,405,702
Aktif Yatirim Bankasi A.S.	EURO	11,214	114.40	1,282,877	8,775	109.71	962,758
Banca UBAE SPA	EURO	186,028	114.40	21,281,527	370,478	109.71	40,645,726
				126,955,882			278,571,754
In demand deposit accounts (interest bearing)				-			-
Total Outside Bangladesh				126,955,882			278,571,754

	31 March 2023	31 December 2022
	Taka	Taka
5.5 Maturity grouping of balance with other banks and financial institutions of the Bank		
On demand	165,464,173	567,499,527
Within one month	808,016,043	798,541,559
Within one to three months	235,167,503	330,000,000
Within three to twelve months	851,417,887	1,194,756,499
Within one to five years	-	-
More than five years	-	-
	2,060,065,606	2,890,797,585
6. Money at call on short notice		
With banks	250,000,000	-
With non bank financial institutions	-	-
	250,000,000	-

	31 March 2023 Taka	31 December 2022 Taka
7. Investments in shares & securities - Consolidated		
Government :		
SBAC Bank Limited	16,486,691,318	14,959,513,358
SBAC Bank Investment Limited	-	-
	16,486,691,318	14,959,513,358
Other :		
SBAC Bank Limited	2,008,487,033	1,993,824,684
SBAC Bank Investment Limited	186,289,860	173,225,517
	2,194,776,893	2,167,050,201
	18,681,468,211	17,126,563,559
7.1 Investments in shares & securities of the Bank		
Government securities		
Treasury bills		
91-day treasury bills	-	-
182-day treasury bills	-	-
364-day treasury bills	-	-
30-day Bangladesh Bank bills	-	-
Treasury bonds		
2-Year treasury bonds	-	-
3-Year treasury bonds	-	-
5-Year treasury bonds	272542060	912,414,357
10-Year treasury bonds	2064153045	2,550,177,567
15-Year treasury bonds	7258231455	5,556,038,878
20-Year treasury bonds	6616205858	5,664,821,056
Ijarah Sukuk Bond	274330000	274,330,000
	16,485,462,418	14,957,781,858
Total treasury bills and bonds	16,485,462,418	14,957,781,858
Prize bonds	1,228,900	1,731,500
Total Government securities	16,486,691,318	14,959,513,358
Other investments (note 7.3)	2,008,487,033	1,993,824,684
	18,495,178,351	16,953,338,042
7.2 Classification of investments in shares & securities of the Bank as per Bangladesh Bank Circular		
Government treasury bills and bonds		
Held for Trading (HFT)	2,667,226,797	1,984,807,326
Held to Maturity (HTM)	10,732,683,719	10,233,273,242
Re-measured	1,848,537,743	1,417,373,474
Ijarah Sukuk Bond	274,330,000	274,330,000
Encumbered Govt. securities	962,684,159	1,047,997,816
Total treasury bills and bonds	16,485,462,418	14,957,781,858
Reverse-REPO with Bangladesh Bank	-	-
Prize bonds	1,228,900	1,731,500
Total Government securities	16,486,691,318	14,959,513,358
Other investments (note 7.3)	2,008,487,033	1,993,824,684
	18,495,178,351	16,953,338,042
7.3 Other investments		
In quoted shares	1,403,210,666	1,388,548,318
In quoted mutual funds	101,694,996	101,694,995
In unquoted shares	3,581,371	3,581,371
In preference shares	500,000,000	500,000,000
	2,008,487,033	1,993,824,684
7.4 Maturity grouping of investments		
On demand	1,228,900	1,731,500
Within one month	376,226,416	498,456,171
Within one to three months	752,452,831	996,912,342
Within three to twelve months	386,757,107	508,986,862
Within one to five years	1,748,918,516	1,406,416,773
More than five years	15,229,594,582	13,540,834,394
	18,495,178,351	16,953,338,042

	31 March 2023 Taka	31 December 2022 Taka
8. Loans, advances and lease / investments - Consolidated		
Loans , cash credit, overdrafts etc. / investments :		
SBAC Bank Limited (note 8.1)	76,984,051,456	76,210,473,378
SBAC Bank Investment Limited	424,972,848	343,620,002
	77,409,024,304	76,554,093,380
Less : Inter-company transaction	598,392,790	508,679,030
	76,810,631,514	76,045,414,350
Bills purchased and discounted :		
SBAC Bank Limited (note 8.1)	2,219,015,047	1,781,844,637
SBAC Bank Investment Limited	-	-
	2,219,015,047	1,781,844,637
	79,029,646,561	77,827,258,987
8.1 Loans, advances, lease and investments of the Bank		
Loans , cash credit, overdrafts etc. / investments :		
Main Operation	76,984,051,456	75,989,719,025
Off-shore banking unit	-	220,754,353
	76,984,051,456	76,210,473,378
Bills purchased and discounted :		
Main Operation	1,974,849,864	1,781,844,637
Off-shore banking unit	244,165,183	-
	2,219,015,047	1,781,844,637
	79,203,066,503	77,992,318,015
8.2 Loans , cash credit, overdrafts etc. / investments of the Bank		
In Bangladesh:		
Overdrafts / bai murabaha	21,538,567,103	21,280,851,367
Cash credit / bai murabaha :		
General cash credit / bai murabaha	5,368,766,083	5,411,595,647
Agriculture cash credit / bai murabaha	212,532,642	220,468,407
SME cash credit	8,890,852,487	9,090,869,778
General cash credit under stimulus finance	107,203,916	115,148,570
SME cash credit / bai murabaha under stimulus finance	70,030,136	106,877,819
	14,649,385,264	14,944,960,221
Loans, lease and investments :		
Loans against trust receipt / murabaha post import	933,622,909	1,114,598,227
Export packing credit	174,248,018	134,521,005
Payment against document	87,550,648	276,345,060
Time loans	4,243,335,054	4,263,994,759
EDF loans	2,176,177,407	2,183,323,819
Demand loans / murabaha	3,083,909,213	2,934,018,818
Lease finance	701,004,404	653,322,670
House building finance / HPSM real estate	1,187,799,960	1,118,007,079
General term loans / bai murabaha	21,031,476,268	20,147,847,937
SME term loans / bai murabaha	4,587,668,678	4,628,549,783
Agriculture term loans / bai murabaha	645,290,467	605,893,912
Short term micro credit	792,364,439	811,468,030
Personal loans / HPSM	81,952,457	81,030,555
Auto loans / HPSM vehicles	71,031,860	73,762,792
Credit Card	318,319,934	307,387,987
Block account for rescheduled loan	85,710,345	81,944,375
Staff loans / HPSM	594,637,028	568,644,982
	40,796,099,089	39,984,661,790
	76,984,051,456	76,210,473,378
Outside Bangladesh	-	-
	76,984,051,456	76,210,473,378
8.3 Bills purchased and discounted of the Bank		
Inside Bangladesh		
Inland bills purchased and discounted	1,901,387,499	1,732,956,132
Outside Bangladesh		
Foreign bills purchased and discounted	317,627,548	48,888,505
	2,219,015,047	1,781,844,637

	31 March 2023 Taka	31 December 2022 Taka
8.4 Maturity grouping of loans, advances and lease / investments including bills purchased and discounted		
On demand	5,690,798,401	5,603,805,235
Within one month	5,842,608,451	5,753,294,619
Within one to three months	15,705,571,100	15,465,485,744
Within three to twelve months	25,253,486,854	24,867,445,980
Within one to five years	15,458,142,048	15,221,839,050
More than five years	11,252,459,649	11,080,447,387
	79,203,066,503	77,992,318,015
8.5 Loans, advances and lease / investments including bills purchased and discounted are classified into following broad categories		
(a) Loans, advances and lease / investments (note 8.2)		
In Bangladesh		
Loans	40,796,099,089	39,984,661,790
Cash credit	14,649,385,264	14,944,960,221
Overdraft	21,538,567,103	21,280,851,367
	76,984,051,456	76,210,473,378
Outside Bangladesh	-	-
	76,984,051,456	76,210,473,378
(b) Bills purchased and discounted (note 8.3)		
In Bangladesh	1,901,387,499	1,732,956,132
Outside Bangladesh	317,627,548	48,888,505
	2,219,015,047	1,781,844,637
	79,203,066,503	77,992,318,015
8.6 Loans, advances and lease / investments including bills purchased and discounted on the basis of significant concentration		
i. Loans, advances and lease / investments to Directors of the bank	167,600,854	150,531,587
ii. Loans, advances and lease / investments to CEO and other senior executives	413,859,344	398,093,990
iii. Loans, advances and lease / investment to staffs other than in sl. no. ii	180,777,684	170,550,992
iv. Loans, advances and lease / investments to customers' group	78,440,828,621	77,273,141,446
	79,203,066,503	77,992,318,015
iv. Disclosure on large loans		
Disclosure on large loans i.e. loan sanctioned to any individual or enterprise or any organization of a group amounting to 10% or more of the Bank's total capital and classified amount therein and measures taken for recovery of such loan have been furnished as under. Mentionable that, total capital (Tier I + Tier II) of the Bank on solo basis was Taka 11,126,531,896 as at 31 December 2022.		
(a) Number of the clients to whom loans and advances sanctioned more than 10% of the Bank's total capital .	17	17
(b) Amount of outstanding loans and advances to the clients mentioned in iv (a) above	16,713,944,257	16,519,623,894
(c) Amount of classified loans and advances out of the amount mentioned in iv (b) above	-	-
(d) Measures taken for recovery of the amount mentioned in iv (c) above	-	-
8.7 Geographical location-wise loans, advances and lease / investments including bills purchased and discounted		
Urban		
Dhaka Division	49,578,186,543	48,272,225,082
Chattogram Division	8,002,972,724	7,736,076,808
Khulna Division	5,426,470,893	5,177,938,084
Rajshahi Division	2,357,562,642	2,177,300,101
Barishal Division	1,221,222,581	1,153,067,672
Sylhet Division	306,438,113	397,392,906
Rangpur Division	1,560,970,749	1,620,699,644
Mymensingh	168,933,320	177,881,498
	68,622,757,565	66,712,581,795
Rural		
Dhaka Division	4,119,485,281	4,255,022,907
Chattogram Division	2,337,476,636	2,742,905,721
Khulna Division	3,253,338,177	3,264,513,032
Rajshahi Division	41,396,096	103,059,106
Barishal Division	523,198,046	519,297,593
Sylhet Division	231,346,983	290,946,475
Rangpur Division	74,067,719	103,991,386
	10,580,308,938	11,279,736,220
	79,203,066,503	77,992,318,015

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

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 March 2023	Base for Provision	Rate	Amount of required provision as at 31 March 2023	Amount of required provision as at 31 December 2022
I) General provision :					
a) Consumer finance	436,976,474	436,976,474	2.00%	8,739,529	8,723,362
b) Staff loans	594,637,028	594,637,028	0.00%	-	-
c) Housing finance	1,195,873,623	1,195,873,623	1.00%	11,958,736	11,455,666
d) Loans to professional	-	-	2.00%	-	-
e) Small & medium enterprise	27,317,564,703	27,317,564,703	0.25%	68,293,912	66,425,783
f) Loans to BH, MB, SD, etc.	1,669,163,460	1,669,163,460	2.00%	16,691,912	33,275,918
g) Agricultural and micro credit	2,563,001,884	2,563,001,884	1.00%	25,630,019	26,668,219
h) Others	41,255,523,326	41,255,523,326	1.00%	412,555,233	382,478,358
i) Special general provision- COVID-19	-	-	1%, 1.5% & 2%	84,010,089	84,793,723
	<u>75,032,740,498</u>	<u>75,032,740,498</u>		<u>627,879,430</u>	<u>613,821,029</u>
II) Specific provision :					
a) Unclassified	-	1,115,627,835	100.00%	1,115,627,835	1,098,625,909
c) Sub-standard (CMS)	31,331,700	22,046,893	5.00%	1,102,345	264,038
d) Sub-standard (other)	105,368,660	55,247,421	20.00%	11,049,484	12,939,249
e) Doubtful (CMS)	439,217,631	97,247,421	20.00%	19,568,486	24,710,600
f) Doubtful (other)	187,495,202	137,974,249	50.00%	68,987,125	59,323,890
g) Bad / loss	3,406,912,812	1,324,680,712	100.00%	1,324,680,712	1,303,909,089
	<u>4,170,326,005</u>	<u>2,752,824,531</u>		<u>2,541,015,987</u>	<u>2,499,772,775</u>
Total provision required	<u>79,203,066,503</u>	<u>77,785,565,029</u>		<u>3,168,895,417</u>	<u>3,113,593,804</u>
Total provision maintained				<u>2,798,895,417</u>	<u>2,743,593,804</u>
Provision to be maintained*				<u>370,000,000</u>	<u>370,000,000</u>
Surplus / (deficit)				-	-

* 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.

	31 March 2023 Taka	31 December 2022 Taka
8.11 Classification of loans, advances and lease / investments including bills purchased and discounted		
Unclassified loans and advances		
On-shore Banking Unit		
i) Standard	74,158,162,551	72,581,570,838
ii) Special mention account (SMA)	630,412,764	1,158,772,857
	74,788,575,315	73,740,343,695
Off-shore Banking Unit		
i) Standard	244,165,183	220,754,353
ii) Special mention account (SMA)	-	-
	244,165,183	220,754,353
	75,032,740,498	73,961,098,048
Classified loans and advances		
On-shore Banking Unit		
Sub-standard	136,700,360	128,031,446
Doubtful	626,712,833	526,978,256
Bad / loss	3,406,912,812	3,376,210,265
	4,170,326,005	4,031,219,967
Off-shore Banking Unit		
Sub-standard	-	-
Doubtful	-	-
Bad / loss	-	-
	4,170,326,005	4,031,219,967
Total	79,203,066,503	77,992,318,015
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	74,124,722,032	72,913,973,544
ii) Loans considered good for which the banking company holds no security other than the debtor's personal guarantee	1,004,813,102	1,004,813,102
iii) Loans considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	4,073,531,369	4,073,531,369
iv) Loans adversely classified; provision not maintained there against	-	-
	79,203,066,503	77,992,318,015
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other person	762,237,882	719,176,569
vi) Loan due from companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in case of private companies as members	167,600,854	150,531,587
vii) Maximum total amount of advances, including temporary advances made at any time during the period to directors or managers or officers of the banking companies or any of them either separately or jointly with any other persons	762,237,882	719,176,569
viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firm in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members	167,600,854	150,531,587
ix) Due from other banking companies	-	-
x) Classified loans and advances :		
(a) Amount of classified loan on which interest has not been charged	4,170,326,005	4,031,219,967

	31 March 2023	31 December 2022
	Taka	Taka
(b) (Decrease)/increase in specific provision during the period	41,243,212	303,609,894
(c) Amount of loan written off during the period	-	-
(d) Amount realized against loan previously written off	-	-
(e) Amount of provision kept against loan classified as bad/loss as on the Balance Sheet date	1,324,680,712	1,303,909,089
(f) Interest creditable to the interest suspense accounts	1,626,573,791	1,514,315,563
xi) Cumulative amount of the written off loan	-	-
xii) Amount written off in the year	-	-
xiii) Amount of written off loan for which lawsuit has been filed for recovery	-	-

8.13 Bills purchased and discounted

In Bangladesh	1,901,387,499	1,732,956,132
Outside Bangladesh	317,627,548	48,888,505
	2,219,015,047	1,781,844,637

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

Within one month	723,190,424	717,861,544
Within one to three months	796,612,263	473,444,115
Within three to six months	371,190,703	262,517,321
More than six months	328,021,657	328,021,657
	2,219,015,047	1,781,844,637

	31 March 2023	31 December 2022
	Taka	Taka
9. Fixed Assets including premises, furniture and fixtures - Consolidated		
SBAC Bank Limited (note 9.1)	1,672,927,154	1,724,623,028
SBAC Bank Investment Limited	18,649,274	18,643,945
	<u>1,691,576,428</u>	<u>1,743,266,973</u>
9.1 Fixed Assets including premises, furniture and fixtures of the Bank (Annexure - B)		
Motor vehicles	70,788,653	70,788,653
Machinery and equipments	349,168,551	341,998,488
Furniture and fixtures	115,740,799	111,216,490
Interior decoration	374,800,292	370,375,116
Computers and accessories	446,423,720	441,543,120
Softwares	214,587,651	212,787,651
Other tools	54,694,332	53,125,614
Right of use assets (Lease assets)	1,690,127,579	1,674,774,555
	<u>3,316,331,577</u>	<u>3,276,609,687</u>
Less : Accumulated depreciation	1,643,404,423	1,551,986,659
	<u>1,672,927,154</u>	<u>1,724,623,028</u>
10. Other Assets - Consolidated		
Income generating other assets		
SBAC Bank Limited	399,600,000	399,600,000
SBAC Bank Investment Limited	380,360,511	375,849,715
	<u>779,960,511</u>	<u>775,449,715</u>
Non-income generating other assets		
SBAC Bank Limited	1,807,943,397	1,373,043,590
SBAC Bank Investment Limited	47,881,249	44,035,912
	<u>1,855,824,646</u>	<u>1,417,079,502</u>
	<u>2,635,785,157</u>	<u>2,192,529,217</u>
Less : Inter-company transaction	784,730,803	778,490,549
Total other assets	<u>1,851,054,354</u>	<u>1,414,038,668</u>
10.1 Other Assets of the Bank		
Investment in shares of SBAC Bank Investment Limited	399,600,000	399,600,000
Advance income tax (note 10.2)	1,098,757,929	852,437,461
Stock of stationeries and stamps	15,420,413	18,370,244
Advance rent, advertisement, etc.	15,411,139	17,518,275
Accrued interest and commission receivable	460,402,899	324,123,140
Advance and security deposits	4,177,503	4,190,355
Protested bills	20,894,000	20,894,000
Central clearing, EFT, NPSB adjustment account	-	1,411
Deferred tax asset	22,474,959	22,474,959
Suspense accounts (note 10.3)	170,404,555	113,033,745
	<u>2,207,543,397</u>	<u>1,772,643,590</u>
10.2 Advance income tax		
Opening balance	852,437,461	554,589,498
Add : Paid during the year		
Income tax deducted at source	18,455,976	98,369,414
Advance income tax paid	227,864,492	594,296,600
	<u>246,320,468</u>	<u>692,666,014</u>
	1,098,757,929	1,247,255,512
Less : Adjustment during the year	-	394,818,051
Closing balance	<u>1,098,757,929</u>	<u>852,437,461</u>
10.3 Suspense accounts		
Sundry debtors	20,669,531	46,295,774
Receivable from Stock Brokers	6,185,916	2,891,216
Advance for merchant payment	516,941	1,022,287
Receivable for payment against Sanchayapatra (interest & principal encashment)	31,043,964	31,260,221
Receivable against cash incentive on remittance	6,000,000	19,726,272
Receivable from remittance houses	-	2,000,000
Advance against expenses	51,833,848	824,681
Advance against fixed assets	23,201,961	6,210,956
Other prepaid expenses	30,952,394	2,802,338
	<u>170,404,555</u>	<u>113,033,745</u>
11. Borrowings from other banks, financial institutions and agents - Consolidated		
SBAC Bank Limited (note 11.1)	4,344,281,382	4,031,548,707
SBAC Bank Investment Limited	598,392,790	508,679,030
	<u>4,942,674,172</u>	<u>4,540,227,737</u>
Less : Inter-company transaction	598,392,790	508,679,030
	<u>4,344,281,382</u>	<u>4,031,548,707</u>
11.1 Borrowings from other banks, financial institutions and agents of the Bank		
Main Operation (note 11.2)	4,344,281,382	4,031,548,707
Off-shore Banking Unit	234,735,621	213,024,332
Less : Inter bank transactions	(234,735,621)	(213,024,332)
	<u>4,344,281,382</u>	<u>4,031,548,707</u>

	31 March 2023	31 December 2022
	Taka	Taka
11.2 Borrowings from other banks, financial institutions and agents (Main Operation)		
a) In Bangladesh		
Secured		
Refinance from Bangladesh Bank		
Agro based industries	26,302,881	31,431,510
Green industries	81,458,332	101,352,515
Small enterprise entrepreneurs	8,145,564	4,973,867
10 Taka account	18,241,562	21,210,636
Bangladesh Bank stimulus fund	146,096,486	783,777,065
Export Development Fund (EDF)	2,206,211,495	2,328,803,114
Borrowing from Bangladesh Bank - ALS	760,000,000	760,000,000
	<u>3,246,456,320</u>	<u>4,031,548,707</u>
Unsecured	800,000,000	-
	<u>4,046,456,320</u>	<u>4,031,548,707</u>
b) Outside Bangladesh	297,825,062.00	-
	<u>4,344,281,382</u>	<u>4,031,548,707</u>

As at the reporting date of these financial statements, the Bank had pledged Treasury Bonds amounting total Tk. 962,684,159 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]

11.3 Residual maturity grouping of borrowings from other banks, financial institutions and agents of the Bank		
On demand	-	-
Within one month	992,258,253	920,828,355
Within one to three months	1,504,463,055	1,396,160,965
Within three to twelve months	1,305,919,080	1,211,909,616
Within one to five years	148,506,589	137,816,015
More than five years	393,134,405	364,833,756
	<u>4,344,281,382</u>	<u>4,031,548,707</u>

12. Deposits and other accounts - Consolidated		
Current / Al-wadeeah current deposits and other accounts		
SBAC Bank Ltd.	10,673,673,723	9,238,002,337
Less : Inter-company transactions	-	1,566,240
	<u>10,673,673,723</u>	<u>9,236,436,097</u>
Special notice / mudaraba special notice deposits		
SBAC Bank Ltd.	4,310,879,281	4,382,625,127
Less : Inter-company transactions	10,212,585	12,431,157
	<u>4,300,666,696</u>	<u>4,370,193,970</u>
Bills payable		
SBAC Bank Ltd.	2,912,018,244	3,197,410,868
	<u>2,912,018,244</u>	<u>3,197,410,868</u>
Savings bank / mudaraba savings deposits		
SBAC Bank Ltd.	7,006,444,879	6,920,991,538
	<u>7,006,444,879</u>	<u>6,920,991,538</u>
Fixed / mudaraba term deposits		
SBAC Bank Ltd.	46,271,683,890	46,074,316,715
Less : Inter-company transactions	380,360,511	375,849,715
	<u>45,891,323,379</u>	<u>45,698,467,000</u>
Other deposits		
SBAC Bank Ltd.	14,317,036,423	14,786,087,582
	<u>14,317,036,423</u>	<u>14,786,087,582</u>
	<u>85,101,163,344</u>	<u>84,209,587,055</u>

12.1 Deposits and other accounts of the Bank		
Current / Al-wadeeah current deposits and other accounts (note : 12.2)	10,673,673,723	9,238,002,337
Special notice / mudaraba special notice deposits	4,310,879,281	4,382,625,127
Bills payable	2,912,018,244	3,197,410,868
Savings bank / mudaraba savings deposits	7,006,444,879	6,920,991,538
Fixed / mudaraba term deposits	46,271,683,890	46,074,316,715
Other deposits (note : 12.3)	14,317,036,423	14,786,087,582
	<u>85,491,736,440</u>	<u>84,599,434,167</u>

	31 March 2023	31 December 2022
	Taka	Taka
12.2 Current / Al-wadeeah current deposits and other accounts		
Current / Al-wadeeah current deposits	3,668,611,654	3,422,801,798
Foreign currency deposits (net off inter bank transactions between on-shore banks)	54,115,194	83,936,113
Exporters' retention quota accounts	82,801,180	61,719,714
Foreign currency held against BTB L/Cs	1,298,308,608	1,319,062,532
Non resident Taka account	45,912,027	7,554,697
Non resident foreign currency account	7,819,970	6,619,050
Resident foreign currency account	13,349,117	12,893,842
Margin against L/Cs	2,720,992,477	1,860,645,163
Margin against L/Gs	1,132,696,540	1,057,975,227
Margin on Loans	112,481,953	108,046,243
Margin on LDBP	83,400	83,400
Security deposit	27,162,636	26,880,093
Sundry deposits - excise duty	5,396,050	135,981,520
Sundry deposits - local bills	10,931,004	1,045,772
Sundry deposits - Sanchayapatra	15,300,000	6,100,000
Sundry deposits - other	157,379,295	12,088,329
Sundry deposits - foreign correspondents charge	100,976,876	125,830,340
Sundry deposits - risk fund	44,716,923	20,928,822
Sundry deposits - advance installment on Lease	1,967,672	1,967,672
Sundry deposits - Tax Deducted at source	60,017,882	225,319,886
Sundry deposits - VAT collected at source	2,885,443	12,342,547
Sundry deposits - VAT deducted Service Bills	12,932,173	11,357,243
Sundry deposits - card settlement account	26,707,990	16,453,071
Sundry deposits - Mobile App	3,307,926	3,931,815
Interest payable on deposits	1,066,819,733	696,437,448
	10,673,673,723	9,238,002,337
12.3 Other deposits		
Monthly savings scheme / mudaraba monthly savings deposits	4,415,378,853	4,550,190,486
Monthly Benefit Scheme Deposits	3,748,059,792	3,995,464,024
Lakhpoti Savings Scheme Deposits	181,257,301	197,592,072
Surokha Millionaire Scheme Deposits	1,398,713,881	1,415,131,893
Kotipoti Scheme Deposits	221,813,136	216,426,062
Double Benefit Scheme Deposits	3,676,264,644	3,734,319,255
Triple Benefit Scheme	672,956,621	674,765,568
Mudaraba Hajj deposits	2,592,195	2,198,222
	14,317,036,423	14,786,087,582
12.4 Segregation of deposits and other accounts		
Other than inter-bank deposits	81,338,240,845	81,996,966,894
Inter-bank deposits	4,153,495,595	2,602,467,273
	85,491,736,440	84,599,434,167
12.5 Residual maturity grouping of deposits and other accounts		
On demand	2,908,192,038	2,877,838,387
Within one month	9,287,474,201	9,190,538,115
Within one to three months	15,130,802,520	14,972,877,906
Within three to six months	13,749,655,392	13,890,438,762
Within six to twelve months	10,180,177,398	10,284,412,714
Within one to five years	13,238,090,197	13,099,920,376
More than five years	20,997,344,694	20,283,407,907
	85,491,736,440	84,599,434,167
13. Other liabilities - Consolidated		
SBAC Bank Limited (note 13.1)	8,410,759,732	7,199,371,669
SBAC Bank Investment Limited	52,630,324	38,384,462
	8,463,390,056	7,237,756,131
Less : Inter-company transactions	4,770,292	1,474,594
	8,458,619,764	7,236,281,537
13.1 Other liabilities of the Bank		
Sundry creditors	21,867,218	16,136,827
Pre-finance CMSME from Bangladesh Bank	621,569,056	-
Provision for expenses	71,874,408	36,451,919
Central clearing, EFT, NPSB adjustment account	235,892,922	4,296,917
Unearned profit (Markup)	3,290,214	5,561,100
Provision for taxation (note 13.2)	1,302,823,236	1,147,727,892
Provision on loans & advances (note 13.3)	2,714,885,328	2,658,800,081
Special general provision - COVID-19 (note 13.4)	84,010,089	84,793,723
General provision on Off Balance Sheet exposures (note 13.5)	221,683,790	200,695,261
Provision against other assets	20,894,000	20,894,000
Present value of lease liability	1,200,130,312	1,225,051,531
Interest suspense account (note 13.6)	1,626,573,791	1,514,315,563
Startup fund	20,487,780	20,487,780
Provision for diminution in value of investments (note 13.7)	125,173,119	123,434,872
Proposed dividend for 2021	81,603,130	81,603,130
Dividend payable (note 13.8)	58,001,339	59,121,073
	8,410,759,732	7,199,371,669

	31 March 2023 Taka	31 December 2022 Taka
13.2 Provision for taxation		
Opening balance	1,147,727,892	816,756,524
Add : Provision made for the period (Note 13.2.1)	155,095,344	725,789,419
	<u>1,302,823,236</u>	<u>1,542,545,943</u>
Less : Adjustment during the period	-	394,818,051
Closing balance	<u>1,302,823,236</u>	<u>1,147,727,892</u>

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

Particulars	2023 (Up to 31 March)		2022	
	%	Taka	%	Taka
Profit before tax as per profit and loss account		364,896,725		1,754,547,475
Corporate as per applicable tax rate	37.50%	136,836,272	37.50%	657,955,303
Factors affecting the tax charge for current year				
Non-deductible and inadmissible expenses	7.02%	25,616,331	9.82%	172,345,128
Admissible expenses	-3.14%	(11,466,423)	-3.66%	(64,142,368)
Tax savings from reduced tax rates	1.13%	4,109,164	-2.30%	(40,368,644)
Effect of deferred tax	0.00%	-	-0.04%	(717,076)
Effective tax rate	42.50%	155,095,344	41.33%	725,072,343

13.3 Provision for loans and advances (note 8.10)

A. General provision on loans and advances - Main Operation

Opening balance	156,819,762	8,465,020
General provision for the year	14,607,927	148,354,742
Provision held at the end of the period	<u>171,427,689</u>	<u>156,819,762</u>

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

Opening balance	2,499,772,775	2,196,162,881
Less : Fully provided debt written-off (for final settlement)	-	-
Add : Recoveries of amounts previously written-off	-	-
Add : Specific provision for the period	41,243,212	862,318,813
Less : Specific provision no more required as loans	-	558,708,919
Specific provision against loans and advances during the period	<u>41,243,212</u>	<u>303,609,894</u>
Add : Net charge to profit and loss account	-	-
Provision held at the end of the period	<u>2,541,015,987</u>	<u>2,499,772,775</u>

C. General provision on loans and advances - OBU

Opening balance	2,207,544	5,632,109
General provision for the period	234,108	(3,424,565)
Provision held at the end of the period	<u>2,441,652</u>	<u>2,207,544</u>

Total (A + B + C)

<u>2,714,885,328</u>	<u>2,658,800,081</u>
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13.4 Special general provision - COVID-19

Opening balance	84,793,723	187,183,129
Add : Provision made for the period	-	-
Less : Provision no more required	(783,634)	(102,389,406)
	<u>84,010,089</u>	<u>84,793,723</u>

13.5 Provision for off balance sheet exposures (note 18.4)

Opening balance	200,695,261	168,396,382
Add : Provision made for the period	20,988,529	32,298,879
	<u>221,683,790</u>	<u>200,695,261</u>

13.6 Interest suspense account

Balance as on 1 January	1,514,315,563	1,000,624,647
Add : Amount transferred to "interest suspense" account during the period	162,381,519	687,141,829
Less : Amount recovered from "interest suspense" account during the period	50,123,291	173,450,913
Less : Amount written-off during the period	-	-
Balance as on 31 December	<u>1,626,573,791</u>	<u>1,514,315,563</u>

13.7 Provision for diminution in value of investment

Consolidated

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

Bank

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

13.8 Dividend payable

For 2020	32,485,167	32,421,603
For 2021	25,516,172	26,699,470
	<u>58,001,339</u>	<u>59,121,073</u>

	31 March 2023 Taka	31 December 2022 Taka
14. Share capital		
14.1 Authorized share capital		
1,000,000,000 ordinary shares of Tk. 10/- each	10,000,000,000	10,000,000,000
14.2 Issued, subscribed and paid up share capital		
816,031,337 ordinary shares of Tk. 10/- each	8,160,313,370	8,160,313,370
14.3 Paid up capital		
The paid up capital of the Bank was raised in the following manner :		
From the sponsor shareholders		
By issuing 408,960,000 ordinary shares of Taka 10 each	4,089,600,000	4,089,600,000
From Initial Public Offering		
By issuing 100,000,000 ordinary shares of Taka 10 each	1,000,000,000	1,000,000,000
Stock dividend		
Stock dividend @ 0.06 against 1 existing share of Tk 10 each for the year 2015	245,376,000	245,376,000
Stock dividend @ 0.15 against 1 existing share of Tk 10 each for the year 2016	650,246,400	650,246,400
Stock dividend @ 0.135 against 1 existing share of Tk 10 each for the year 2017	673,005,020	673,005,020
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2018	565,822,740	565,822,740
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2019	622,405,010	622,405,010
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2020	313,858,200	313,858,200
	8,160,313,370	8,160,313,370
14.4 Non-controlling (Minority) interest		
Share capital	400,000	400,000
Retained earnings	39,218	32,182
	439,218	432,182
15. Statutory reserve		
As per Section 24(1) of the Bank Companies Act, 1991, an amount equivalent to 20% of profit before taxes for the year has been transferred to the statutory reserve fund.		
Opening balance	2,204,928,598	1,947,493,989
Add : Transferred from profit during the period	-	257,434,609
Closing balance	2,204,928,598	2,204,928,598
16. Other reserve (revaluation reserve on Govt. Securities)		
Opening balance	65,228,536	129,270,472
Add : Amortization / revaluation gain	817,186,888	3,037,186,788
	882,415,424	3,166,457,260
Less : Adjustment of amortization / revaluation gain against sale / maturity	749,657,435	3,101,228,724
Closing balance	132,757,989	65,228,536
16.1 Capital reserve		
Opening balance	516,704	-
Add : Addition during the period	-	516,704
Closing balance	516,704	516,704
16.2 Foreign currency translation reserve		
Opening balance	7,933,440	251,592
Add : Addition during the period	2,134,674	7,681,848
	10,068,114	7,933,440
Less : Adjustment during the period	-	-
Closing balance	10,068,114	7,933,440
17. Surplus in profit and loss account - Consolidated		
Opening balance	390,293,727	704,530,934
Less : Cash dividend paid	-	(244,809,401)
Less : Stock dividend issued	-	(313,858,200)
Less : Proposed dividend for 2021	-	(81,603,130)
	-	(640,270,731)
	390,293,727	64,260,203
Add : Net profit during the period	138,808,837	589,632,859
Less : Transferred to statutory reserve	-	(257,434,609)
Less : Transferred to capital reserve	-	(516,704)
Less: Transferred to start up fund	-	(5,621,007)
	138,808,837	326,060,539
	529,102,564	390,320,742
Less : Non-controlling (Minority) interest	(7,036)	(27,015)
Closing balance	529,095,528	390,293,727

	31 March 2023	31 December 2022		
	Taka	Taka		
17.1 Surplus in profit and loss account of the Bank				
Opening balance	358,143,419	699,369,062		
Less : Cash dividend paid	-	(244,809,401)		
Less : Stock dividend issued	-	(313,858,200)		
Less : Proposed dividend for 2021	-	(81,603,130)		
	-	(640,270,731)		
	358,143,419	59,098,331		
Net profit during the period	131,772,992	562,100,704		
Less : Transferred to statutory reserve	-	(257,434,609)		
Less: Transferred to start up fund	-	(5,621,007)		
	131,772,992	299,045,088		
Closing balance	489,916,411	358,143,419		
18. Contingent liabilities - Consolidated				
SBAC Bank Limited				
Acceptances and endorsements	4,199,561,451	4,948,539,066		
Letters of Guarantee (note 18.1)	11,880,984,136	10,830,648,085		
Irrevocable letters of credit (note 18.2)	6,087,833,395	4,290,338,894		
Bills for collection (note 18.3)	2,100,996,514	1,712,915,295		
Other contingent liabilities	-	-		
	24,269,375,496	21,782,441,340		
SBAC Bank Investment Limited	-	-		
	24,269,375,496	21,782,441,340		
18.1 Letters of guarantee				
Money for which the bank is contingently liable in respect of guarantees issued favoring:				
Directors	-	-		
Government	9,856,741,440	8,973,485,336		
Banks and other financial institutions	-	-		
Others	2,024,242,696	1,857,162,749		
	11,880,984,136	10,830,648,085		
18.2 Irrevocable letters of credit				
Local				
Irrevocable letters of credit (sight)	3,490,969,268	2,177,428,297		
Irrevocable letters of credit (usance)	4,015,326	20,463,162		
Irrevocable letters of credit - back to back	1,227,936,549	932,425,133		
	4,722,921,143	3,130,316,592		
Foreign				
Irrevocable letters of credit (sight)	-	-		
Irrevocable letters of credit (usance)	725,844,651	798,998,315		
Irrevocable letters of credit - back to back	639,067,601	361,023,987		
	1,364,912,252	1,160,022,302		
	6,087,833,395	4,290,338,894		
18.3 Bills for collection				
Outward local bills	18,630	18,630		
Local documentary bills for collection	1,149,346,464	1,058,725,789		
Foreign documentary bills for collection	951,631,420	654,170,876		
	2,100,996,514	1,712,915,295		
18.3 Particulars of required provision on off-balance sheet exposures				
			Required provision	
			31 March 2023	31 December 2022
			Taka	Taka
Acceptances and endorsements	4,199,561,451	1.00%	41,995,615	49,485,391
Letters of Guarantee (note 18.1)	11,880,984,136	1.00%	118,809,841	108,306,481
Irrevocable letters of credit (note 18.2)	6,087,833,395	1.00%	60,878,334	42,903,389
Bills for collection (note 18.3)	2,100,996,514	0.00%	-	-
Other contingent liabilities	-	1.00%	-	-
Total Required Provision	24,269,375,496		221,683,790	200,695,261
Total Provision Maintained			221,683,790	200,695,261
Excess / (short) provision maintained			-	-

	31 March 2023 Taka	31 March 2022 Taka
19. Particulars of profit and loss account of the bank		
Income		
Interest, discount and similar income (note 21.1)	1,550,232,491	1,400,374,951
Dividend income (note 23.1)	13,492,587	14,781,179
Fees, commission and brokerage (note 24.1)	83,657,891	102,414,012
Gains less losses arising from dealing in securities (note 23.1)	-	-
Gains less losses arising from investment securities (note 23.1)	432,366,740	364,932,535
Gains less losses arising from dealing in foreign currencies (note 24.1)	107,000,054	95,552,961
Income from non-banking assets	-	-
Other operating income (note 25.1)	36,584,560	24,096,615
Profit less losses in interest rate changes	-	-
	2,223,334,323	2,002,152,253
Expenses		
Interest, fee and commission (note 22.1)	1,251,701,494	1,063,768,405
Losses on loans and advances	-	-
Administrative expenses (note 20)	448,939,153	379,243,860
Other operating expenses (note 35.1)	66,379,187	81,426,037
Depreciation on bank's assets (note 34.1)	91,417,764	87,801,018
	1,858,437,598	1,612,239,320
Profit before provision	364,896,725	389,912,933
20. Administrative expenses of the bank		
Salary and allowances (note 26.1)	385,268,310	313,899,750
Rent, taxes, insurance, electricity etc. (note 27.1)	38,648,016	38,286,190
Legal & professional expenses (note 28.1)	882,865	1,734,543
Postage, stamp, telecommunication etc. (note 29.1)	1,610,217	5,034,171
Stationery, printing, advertisement etc. (note 30.1)	14,152,674	13,804,755
Chief executive's salary and fees (note 31)	3,180,000	2,120,000
Directors' fees and other benefits (note 32.1)	176,000	184,000
Audit fees (note 33.1)	-	-
Repair of bank's assets (note 34.1)	5,021,071	4,180,450
	448,939,153	379,243,860
21. Interest income / profit on investment - Consolidated		
SBAC Bank Limited (note 21.1)	1,550,232,491	1,400,374,951
SBAC Bank Investment Limited	17,532,293	4,676,516
	1,567,764,784	1,405,051,467
Less : Inter company transactions	15,432,815	4,676,516
	1,552,331,969	1,400,374,951
21.1 Interest income / profit on investments of the Bank		
Interest on loans and advances / profit on investments		
Cash credit	295,398,750	309,822,479
Secured overdraft / bai murabaha	423,794,738	338,956,034
General overdraft	28,560,336	17,180,119
Local bills purchased	39,581,371	41,662,421
Foreign bills purchased	7,479,254	1,761,737
Import finance / murabaha	22,079,474	68,688,100
Export finance	3,146,788	714,956
Other demand loans / advances	164,159,755	169,449,245
Lease finance / HPSM	15,138,407	14,074,684
House building loans / HPSM	27,211,873	18,572,891
General term loans / bai murabaha	365,892,439	253,067,573
SME loans / bai murabaha	81,891,357	48,474,091
Consumer credit scheme / HPSM	2,281,527	1,242,701
Credit card	13,073,415	8,232,763
Agriculture & rural credit / bai murabaha	36,299,923	17,051,951
Staff loans / HPSM	6,494,904	5,559,746
	1,532,484,311	1,314,511,493
Interest on money at call and short notice	5,293,097	98,806
Interest on FDR with other banks	12,454,639	78,154,696
Interest on SND with other banks	444	12,851
	1,550,232,491	1,392,777,845
Interest Income - Off-shore Banking Unit		7,597,106
	1,550,232,491	1,400,374,951

	31 March 2023 Taka	31 March 2022 Taka
22. Interest / profit on deposits, borrowings etc.		
SBAC Bank Limited (note 22.1)	1,251,701,494	1,063,768,405
SBAC Bank Investment Limited	11,360,559	-
	<u>1,263,062,053</u>	<u>1,063,768,405</u>
Less : Inter company transactions	15,432,815	4,676,516
	<u>1,247,629,238</u>	<u>1,059,091,889</u>
22.1 Interest / profit on deposits, borrowings etc. of the Bank		
Interest / profit on deposits		
Savings bank / mudaraba savings deposits	65,953,378	51,954,718
Special notice / mudaraba special notice deposits	28,165,519	28,822,548
Monthly savings schemes / mudaraba monthly savings deposits	137,740,483	127,939,371
Monthly benefit schemes	76,184,538	102,912,996
Special deposit schemes	109,576,376	102,985,560
Fixed /mudaraba term deposits	703,117,007	542,801,601
	<u>1,120,737,301</u>	<u>957,416,794</u>
Interest on call borrowing	1,702,917	15,305,180
Interest on credit lines	1,286,111	28,316,758
Interest on Bangladesh Bank Re-financing facilities	4,309,334	10,173,161
Interest on borrowing under REPO	123,665,831	52,556,511
	<u>1,251,701,494</u>	<u>1,063,768,405</u>
23. Income from investments in shares and securities - Consolidated		
SBAC Bank Limited (note 23.1)	445,859,327	379,713,714
SBAC Investment Limited	3,788,277	-
	<u>449,647,604</u>	<u>379,713,714</u>
23.1 Income from investments in shares and securities of the Bank		
Dividend on shares	13,492,587	14,781,179
Income on treasury bills, bonds and debentures		
Interest / profit on treasury bonds	459,580,982	370,658,581
Interest / profit on treasury bills	129,848	590,844
Interest on reverse REPO	5,404,166	-
Gains on trading of government securities	(50,708,079)	(34,995,986)
	<u>414,406,917</u>	<u>336,253,439</u>
Gains on Capital Market	17,959,823	28,679,096
	<u>445,859,327</u>	<u>379,713,714</u>
24. Commission, exchange and brokerage - Consolidated		
SBAC Bank Limited (note 24.1)	190,657,945	197,966,973
SBAC Investment Limited	8,334,042	-
	<u>198,991,987</u>	<u>197,966,973</u>
24.1 Commission, exchange and brokerage of the Bank		
Fees, commission and brokerage		
Commission on bills & remittance	1,534,769	1,270,928
Commission on letters of credit	32,955,000	58,270,646
Commission on letters of guarantee	34,771,326	42,249,606
Commission on acceptances	11,823,788	-
Commission on add confirmation	2,573,008	622,832
	<u>83,657,891</u>	<u>102,414,012</u>
Exchange earnings (net)	107,000,054	95,552,961
	<u>190,657,945</u>	<u>197,966,973</u>
25. Other operating income - Consolidated		
SBAC Bank Limited (note 25.1)	36,584,560	24,096,615
SBAC Investment Limited	11,285	-
	<u>36,595,845</u>	<u>24,096,615</u>
Less : Inter company transactions	5,629	-
	<u>36,590,216</u>	<u>24,096,615</u>
25.1 Other operating income of the Bank		
Banking service charge	28,001,403	17,176,916
Card operation charge	6,300,876	4,781,590
Locker rent	50,570	39,000
Miscellaneous income	2,231,711	2,099,109
	<u>36,584,560</u>	<u>24,096,615</u>
26. Salaries and allowances - Consolidated		
SBAC Bank Limited (note 26.1)	385,268,310	313,899,750
SBAC Investment Limited	5,558,945	717,500
	<u>390,827,255</u>	<u>314,617,250</u>

	31 March 2023	31 March 2022
	Taka	Taka
26.1 Salaries and allowances of the Bank		
Basic salary	139,987,633	112,431,968
House rent allowance	64,975,861	54,241,086
Conveyance allowance	10,040,128	9,491,579
Medical allowance	15,979,651	14,991,107
Other allowances	61,587,896	55,309,042
Festival bonus	14,535,000	-
Incentive bonus for previous year	-	1,263,696
Bank's contribution on provident fund	12,558,227	10,876,596
Gratuity	32,463,792	28,401,135
Casual labourer & wages	33,140,122	26,893,540
	385,268,310	313,899,750
27. Rent, taxes, insurance, electricity etc. - Consolidated		
SBAC Bank Limited (note 27.1)	38,648,016	38,286,190
SBAC Investment Limited	355,311	-
	39,003,327	38,286,190
27.1 Rent, taxes, insurance, electricity etc. of the Bank		
Rent - Office Premises, ATM Booths and other installations	1,975,839	6,551,920
Rates and taxes	10,065,244	9,535,450
Utilities	9,024,161	6,891,060
Insurance	17,582,772	15,307,761
	38,648,016	38,286,190
28. Legal and professional expenses - Consolidated		
SBAC Bank Limited (note 28.1)	882,865	1,734,543
SBAC Investment Limited	40,250	45,000
	923,115	1,779,543
28.1 Legal and professional expenses of the Bank		
Legal expenses	581,721	393,575
Professional fees	301,144	1,340,969
	882,865	1,734,543
29. Postage, stamp, telecommunication etc. - Consolidated		
SBAC Bank Limited (note 29.1)	1,610,217	5,034,171
SBAC Investment Limited	7,500	6,000
	1,617,717	5,040,171
29.1 Postage, stamp, telecommunication etc. of the Bank		
Postage	299,675	444,088
Telephone, fax etc.	1,310,542	1,555,315
Internet & SWIFT	-	3,034,768
	1,610,217	5,034,171
30. Stationery, printing, advertisement etc. - Consolidated		
SBAC Bank Limited (note 30.1)	14,152,674	13,804,755
SBAC Investment Limited	55,099	-
	14,207,773	13,804,755
30.1 Stationery, printing, advertisement etc. of the Bank		
Office stationery	2,634,764	3,450,246
Printing stationery	5,049,444	1,323,166
Petty stationery	1,338,628	2,796,359
Security stationery	2,323,413	79,662
Advertisement	2,806,425	5,125,572
Publicity- purchase of diary, calendar etc.	-	1,029,750
	14,152,674	13,804,755
31. Chief executive's salary and fees of the Bank		
Basic salary	1,800,000	1,200,000
House rent allowance	450,000	300,000
House maintenance / furnishing allowance	150,000	250,000
Bank's contribution on provident fund	-	120,000
Festival bonus	600,000	-
Other allowances	180,000	250,000
	3,180,000	2,120,000
32. Directors' fees - Consolidated		
SBAC Bank Limited (note 32.1)	176,000	184,000
SBAC Investment Limited	120,000	96,000
	296,000	280,000

	31 March 2023	31 March 2022
	Taka	Taka
32.1 Directors' fees of the Bank		
Meeting attendance fees	176,000	184,000
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)	-	-
SBAC Investment Limited	-	-
	-	-
33.1 Auditors' fees of the Bank		
Audit fees (annual audit)	-	-
Audit fees (interim audit)	-	-
Audit fees (provident fund & gratuity fund)	-	-
VAT on audit fees	-	-
	-	-
34. Depreciation and repairs & maintenance - Consolidated		
SBAC Bank Limited (note 34.1)	96,438,835	91,981,468
SBAC Investment Limited	447,421	-
	96,886,256	91,981,468
34.1 Depreciation and repairs & maintenance of Bank's Assets		
Depreciation / amortization		
Motor vehicles	1,657,082	1,719,717
Machinery and equipments	7,208,735	6,181,940
Furniture & fixtures	8,461,336	3,403,724
Interior decoration	3,939,899	7,102,025
Computer and peripherals	12,484,074	11,664,498
Software	2,820,590	4,548,180
Office tools and accessories	1,539,579	1,487,619
Depreciation on right of use assets (lease assets)	53,306,469	51,693,316
	91,417,764	87,801,018
Repairs & maintenance of bank's assets	5,021,071	4,180,450
	96,438,835	91,981,468
35. Other expenses		
SBAC Bank Limited (note 35.1)	66,379,187	81,426,037
SBAC Investment Limited	1,570,321	180,500
	67,949,508	81,606,537
Less : Inter company transactions	5,629	-
	67,943,879	81,606,537
35.1 Other expenses of the Bank		
Entertainment expenses	5,198,921	3,413,870
Training & workshop expenses	42,000	91,500
Travel and daily allowance	1,365,531	1,634,603
Fuel and lubricants expenses - bank's vehicles	720,700	278,951
Subscriptions to trade associations	4,724,012	12,401,078
Donations	15,000,000	30,147,000
Business promotion and development	5,490,041	1,960,332
Books, magazines & news papers etc.	204,729	103,755
Charges & duties to Government	-	-
Local conveyance	1,305,164	1,128,059
Cash carrying expenses	982,400	1,006,788
Cartage and freight	100,041	237,280
Washing and cleaning	835,676	856,360
Other bank charges paid	5,656,212	2,908,192
Expenses on AGM	-	-
Expenses on managers' conference	1,848,534	2,692,279
Antivirus and other software	2,618,119	4,123,000
Branch & head office inauguration expenses	208,946	337,446
Miscellaneous expenses	2,007,346	511,311
Interest on lease liability	18,070,815	17,594,233
	66,379,187	81,426,037

	31 March 2023 Taka	31 March 2022 Taka
36. Provision for taxation		
Current tax		
SBAC Bank Limited (note 13.2)	155,095,344	113,821,940
SBAC Investment Limited	3,114,646	1,361,818
	158,209,990	115,183,758
Deferred tax		
SBAC Bank Limited	-	-
SBAC Investment Limited	-	-
	-	-
	158,209,990	115,183,758
37. Increase / decrease of other assets of the Bank		
Closing -		
Stock of stationeries and stamps	15,420,413	18,161,977
Advance rent, advertisement, etc.	15,411,139	39,331,603
Advance & Security deposits	4,177,503	4,177,757
Central clearing, EFT, NPSB adjustment account	-	-
Suspense accounts	170,404,555	166,399,055
Protested bills	20,894,000	-
Investment in subsidiary	399,600,000	399,600,000
Receivable from SBAC Bank Investment Limited	-	717,500
	625,907,610	628,387,893
Opening -		
Stock of stationeries and stamps	18,370,244	14,021,623
Advance rent, advertisement, etc.	17,518,275	14,380,654
Advance & Security deposits	4,190,355	4,177,757
Suspense accounts	113,033,745	183,159,029
Central clearing, EFT, NPSB adjustment account	1,411	8,486
Protested bills	20,894,000	-
Investment in subsidiary	399,600,000	-
	573,608,030	215,739,063
	52,299,580	412,648,830
37.1 Increase / decrease of other assets - Consolidated		
Closing -		
Stock of stationeries and stamps	15,420,413	18,161,977
Advance rent, advertisement, etc.	15,411,139	39,331,603
Advance & Security deposits	421,493,924	45,069,624
Central clearing, EFT, NPSB adjustment account	-	8,486
Suspense accounts	165,634,263	166,399,055
Protested bills	20,894,000	-
	638,853,739	268,970,746
Opening -		
Stock of stationeries and stamps	18,370,244	14,021,623
Advance rent, advertisement, etc.	17,518,275	14,380,654
Advance & Security deposits	414,699,049	4,177,757
Suspense accounts	111,559,151	183,159,029
Central clearing, EFT, NPSB adjustment account	1,411	-
Protested bills	20,894,000	-
	583,042,130	215,739,063
	55,811,609	53,231,683
38. Increase / decrease of other liabilities of the Bank		
Closing -		
Sundry creditors	21,867,218	32,804,796
Pre-finance CMSME from Bangladesh Bank	621,569,056	-
Central clearing, EFT, NPSB adjustment account	235,892,922	9,278,239
Present value of lease liability	1,200,130,312	1,141,974,355
Dividend payable	58,001,339	-
	2,137,460,847	1,184,057,390
Opening -		
Sundry creditors	16,136,827	10,437,261
Central EFT adjustment account	4,296,917	-
Present value of lease liability	1,225,051,531	1,167,814,501
Dividend payable	59,121,073	-
	1,304,606,348	1,178,251,762
	832,854,499	5,805,628

	31 March 2023	31 March 2022
	Taka	Taka
38.1 Increase / decrease of other liabilities - Consolidated		
Closing -		
Sundry creditors	49,749,447	32,804,796
Pre-finance CMSME from Bangladesh Bank	621,569,056	-
Central clearing, EFT, NPSB adjustment account	235,892,922	9,278,239
Provision for gratuity	596,487	-
Present value of lease liability	1,200,130,312	1,141,974,355
Dividend payable	58,001,339	-
	<u>2,165,939,563</u>	<u>1,184,057,390</u>
Opening -		
Sundry creditors	36,604,720	10,437,261
Central EFT adjustment account	4,296,917	-
Provision for gratuity	596,487	-
Present value of lease liability	1,225,051,531	1,167,814,501
Dividend payable	59,121,073	-
	<u>1,325,670,728</u>	<u>1,178,251,762</u>
	<u>840,268,835</u>	<u>5,805,628</u>
39. Reconciliation between Operating profit of the Bank and Cash flows from operating activities of the Bank		
Profit before provision	364,896,725	389,912,933
Depreciation on fixed assets	91,417,764	87,801,018
(Increase) / decrease of interest receivable	(148,148,423)	31,367,434
Increase / (decrease) of interest payable	354,481,050	341,421,483
Increase / (decrease) of expenses payable	51,323,724	27,608,504
(Increase) / decrease of dividend receivable	11,868,664	(14,717,253)
Advance tax paid	(246,320,468)	(101,567,597)
Gain on Trading of Govt Securities	50,708,079	(314,269,836)
Gain from sale of shares	(17,959,823)	(28,679,096)
Loss on Government Securities	-	349,265,822
Effects of exchange rate changes on cash and cash-equivalent	(161,965,665)	(56,456,604)
Operating profit before changes in operating assets and liabilities	350,301,627	711,686,808
Increase / decrease in operating assets and liabilities		
Sale / purchase of trading securities	(679,121,996)	(3,037,104,562)
Loans and advances to other banks	(250,000,000)	(493,100,000)
Loans and advances to customers	(1,100,761,146)	(3,680,762,941)
Increase / decrease of other assets	(52,299,580)	(412,648,830)
Deposits from other banks	1,551,028,322	618,819,046
Deposits from customers	(1,029,108,334)	(1,092,333,801)
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	832,854,499	5,805,628
	<u>(727,408,235)</u>	<u>(8,091,325,460)</u>
Net cash from operating activities	(377,106,608)	(7,379,638,652)
39.1 Reconciliation between Operating profit of the Bank and Cash flows from operating activities - Consolidated		
Profit before provision	375,047,216	393,544,449
Depreciation on fixed assets	91,865,185	87,801,018
(Increase) / decrease of interest receivable	(149,714,663)	31,367,434
Increase / (decrease) of interest payable	357,613,530	342,788,374
Increase / (decrease) of expenses payable	51,744,901	27,608,504
(Increase) / decrease of dividend receivable	11,868,664	(14,717,253)
Advance tax paid	(249,435,114)	(102,038,609)
Gain on Trading of Govt Securities	50,708,079	(314,269,836)
Gain from sale of shares	(17,959,823)	(28,679,096)
Loss on Government Securities	-	349,265,822
Effects of exchange rate changes on cash and cash-equivalent	(161,965,665)	(56,456,604)
Operating profit before changes in operating assets and liabilities	359,772,310	716,214,203
Increase / decrease in operating assets and liabilities		
Sale / purchase of trading securities	(679,121,996)	(3,037,104,562)
Loans and advances to other banks	(250,000,000)	(493,100,000)
Loans and advances to customers	(1,092,400,232)	(3,680,762,941)
Increase / decrease of other assets	(55,811,609)	(412,648,830)
Deposits from other banks	1,551,028,322	618,819,046
Deposits from customers	(1,026,889,757)	(1,096,861,196)
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	840,268,835	5,805,628
	<u>(712,926,437)</u>	<u>(8,095,852,855)</u>
Net cash from operating activities	(353,154,127)	(7,379,638,652)

	31 March 2023 Taka	31 March 2022 Taka
40. Net asset value (NAV) per share - Consolidated		
a) Capital / shareholders' equity for the period	11,037,680,303	10,910,451,925
b) Number of outstanding shares	816,031,337	816,031,337
Net asset value (NAV) per share (a÷b)	13.53	13.37
40.1 Net asset value (NAV) per share of the Bank		
a) Capital / shareholders' equity for the period	10,997,984,482	10,903,022,625
b) Number of outstanding shares	816,031,337	816,031,337
Net asset value (NAV) per share (a÷b)	13.48	13.36
41 Earning per share (EPS) - Consolidated		
a) Net profit after tax	138,801,801	182,737,329
b) weighted average number of ordinary shares	816,031,337	816,031,337
Earnings per share (a ÷ b)	0.17	0.22
41.1 Earning per share (EPS) of the Bank		
a) Net profit after tax	131,772,992	180,467,631
b) weighted average number of ordinary shares	816,031,337	816,031,337
Earnings per share (a ÷ b)	0.16	0.22
41.2 Earning Per Shares (EPS) have been decreased by 26.98% compare to same period of previous year due to decrease in net interest income, increase in salary and provision for taxation despite increase in income from investments.		
41.3 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.		
42. Net operating cash flow per share (NOCFPS) per share - Consolidated		
a) Operating cash flow for the period	(353,154,127)	(7,379,638,652)
b) Weighted average number of share	816,031,337	816,031,337
Net operating cash flow per share (a÷b)	(0.43)	(9.04)
42.1 Net operating cash flow per share (NOCFPS) per share of the Bank		
a) Operating cash flow for the period	(377,106,608)	(7,379,638,652)
b) Weighted average number of share	816,031,337	816,031,337
Net operating cash flow per share (a÷b)	(0.46)	(9.04)
42.2 Net operating cash flows and net operating cash flows per share (NOCFPS) have been increased compare to same period of previous year cause to increase in net of loan & deposits and increase in net proceeds from trading securities.		

South Bangla Agriculture and Commerce Bank Limited
Related party Transactions

i) **Loan to directors:**

(Amount in Crore taka)

Name of the Borrower	Representing Director	Nature of Facilities	Outstanding as at 31 March 2023	Outstanding as at 31 Dec 2022
Anwar Hussain	Mr. Anwar Hussain	House Building Loan	0.58	0.60
			0.68	0.69
Mohammad Imran	Mr. Anwar Hussain Brother of Mr. Mohammad Imran	House Building Loan	0.58	0.60
			0.75	0.77
M.R. Trading Co.	Mr. Md. Mizanur Rahman	SOD (Gen)	12.61	12.39

ii) **Credit Card issued to directors**

Representing Director	Nature of interest in the Bank	Approved limit	Outstanding as at 31 March 2023 BDT	Outstanding as at 31 March 2023 USD
Mr. Abdul Kadir Molia	Chairman, Board of Directors	1,000,000	Nil	Nil
Mr. Abu Zafar Mohammad Shofruddin	Member, Board of Directors	1,000,000	1,583 Cr	12.50 Cr
Engr. Md. Moklesur Rahman	Member, Board of Directors	1,000,000	2,177 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	47.07 Cr	14.61 Cr
Mr. Mushfiqur Rahman	Member, Board of Directors	1,000,000	6,146 Cr	31.41 Cr
Mrs. Afroza Sultana	Spouse of Director	1,000,000	199.20 Dr	687.64 Dr
Mrs. Fadia Naz	Spouse of Director	1,000,000	39,114 Dr	7.77 Dr

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

Lease agreement made with the directors / related concerns:

Nature of contract	Branch Name	Name of the Director and related by	Remarks
Lease agreement	Head Office, Level # 10, Sun Moon Star Tower	Mr. Al-Haj Mizanur Rahman, Member, Board of Directors, SBAC Bank Ltd. and owner of the premises.	Lease period : 12 Years starting from 05 October 2021 Rental space 31,154 sft Monthly rent Tk 50.00 per sft
Lease agreement	Tejgaon Link Road Branch	Ms. Kamrun Naher, owner of the premises is spouse of Engr. Md. Moklesur Rahman, Member, Board of Directors, SBAC Bank Ltd.	Lease period : 9 Years starting from 29 August 2021 Rental space 5,237.47 sft Monthly rent Tk 180.00 per sft

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

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

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

Nature of Transaction	Outstanding Amount
Special Notice Deposits	10,212,585
Fixed Deposits	380,360,511
Secured Overdraft - FDR	362,538,127
Secured Overdraft - General	235,854,663
Interest Paid on Deposits	4,072,256
Interest on Loans and Advances	11,360,559
Bank Charges	5,629
Receivable from Stock Broker	4,770,292

South Bangla Agriculture and Commerce Bank Limited
Islamic Banking Windows
Balance Sheet
As at 31 March 2023

	Notes	31 March 2023 Taka	31 December 2022 Taka
PROPERTY AND ASSETS			
Cash in hand			
Cash in hand (including foreign currencies)	3	3,873,575	3,926,208
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4	20,000,000	20,000,000
		23,873,575	23,926,208
Balance with other banks and financial institutions			
In Bangladesh	5	-	-
Outside Bangladesh		-	-
Placement with banks & other financial institutions			
	6	-	-
Investments in shares & securities			
Government	7	30,000,000	30,000,000
Others		-	-
		30,000,000	30,000,000
Investments			
General investments etc.	8	299,463,875	295,113,533
Bills purchased and discounted		-	-
		299,463,875	295,113,533
Fixed assets including premises, furniture and fixtures			
	9	5,539,166	5,868,687
Other assets			
	10	1,761,026	16,796,304
Non - banking assets			
		-	-
Total assets		360,637,642	371,704,732
LIABILITIES AND CAPITAL			
Liabilities			
Placements from other banks, financial institutions			
	11	-	-
Deposits and other accounts			
	12		
Mudaraba savings deposits		26,050,925	35,322,970
Mudaraba term deposits		245,547,205	270,840,742
Al-wadeeah current deposits and other deposit accounts		28,735,518	17,724,561
Mudaraba special notice deposits		5,527,118	23,557,573
Bills payable		62,227	132,898
Other deposits		14,196,994	11,402,244
		320,119,987	358,980,988
Other liabilities	13	36,283,861	9,351,058
Total liabilities		356,403,848	368,332,046
Capital / Shareholders' equity			
Paid up capital		-	-
Statutory reserve		-	-
Revaluation gain / (loss) on investments		-	-
Revaluation reserve		-	-
Other reserve		-	-
Surplus in profit and loss account / Retained earnings	14	4,233,794	3,372,686
Total Shareholders' equity		4,233,794	3,372,686
Total liabilities and Shareholders' equity		360,637,642	371,704,732
OFF- BALANCE SHEET EXPOSURE			
Contingent liabilities			
	15		
Acceptances and endorsements		-	-
Letters of guarantee		10,683,000	10,683,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		10,683,000	10,683,000
Other commitments			
Documentary credits and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities , credit lines and other commitments		-	-
Other commitments		-	-
		-	-
Total Off-Balance Sheet exposure including contingent liabilities		10,683,000	10,683,000

South Bangla Agriculture and Commerce Bank Limited
Islamic Banking Windows
Profit and Loss Account
For the first quarter ended 31 March 2023

	Notes	31 March 2023 Taka	31 March 2022 Taka
Investment income	16	5,512,530	2,688,137
Profit paid on deposits	17	4,557,756	2,360,160
Net investment income		954,774	327,977
Income from investment in shares / securities	18	195,846	914,807
Commission, exchange and brokerage	19	95,005	138,509
Other operating income	20	36,194	94,380
Total operating income (A)		1,281,819	1,475,673
Salaries and allowances	21	97,442	221,256
Rent, taxes, insurance, electricity, etc.		-	-
Legal expenses		-	-
Postage, stamp, telecommunication, etc.		-	-
Stationery, printing, advertisements, etc.	22	-	211,487
Chief Executive's salary and fees		-	-
Directors' fees & expenses		-	-
Auditor's fees		-	-
Shariah supervisory committee's fees and expenses	23	-	-
Depreciation and repair of Bank's assets	24	329,521	5,432
Zakat expenses		-	-
Other expenses	25	252	-
Total operating expenses (B)		427,215	438,175
Profit / (loss) before provision and tax (C=A-B)		854,604	1,037,498
Provision for investments			
General provision	13.1	(6,504)	
Specific provision		-	
		(6,504)	
Provision for Off Balance sheet item	13.2	-	
Provision for diminution in value of investments		-	
Total provision (D)		(6,504)	
Total profit before taxes (C-D)	14	861,108	1,037,498

South Bangla Agriculture and Commerce Bank Limited
Islamic Banking Windows
Cash Flow Statement
For the first quarter ended 31 March 2023

	31 March 2023	31 March 2022
	Taka	Taka
A) Cash flows from operating activities		
Investment income receipt in cash	5,418,858	2,651,149
Profit paid on deposits	(3,634,059)	(2,392,510)
Dividend receipts	-	-
Income from investments in shares and securities	93,418	(264,135)
Recoveries on investments previously written-off	-	-
Fees and commission receipts in cash	95,005	138,509
Cash payments to employees	(97,442)	(221,256)
Cash payments to suppliers	-	(211,487)
Income taxes paid	-	-
Receipts from other operating activities	36,194	94,380
Payments for other operating activities	(252)	-
Cash generated from operating activities before changes in operating assets and liabilities	1,911,722	(205,350)
Increase / (decrease) in operating assets and liabilities		
Net proceeds from trading securities	-	-
Investments to other banks	-	-
Investments to customers	(6,621,228)	(188,165,340)
Increase / decrease of other assets	15,231,378	135,523,046
Deposits from other banks	-	-
Deposits from customers	(38,861,001)	(21,452,071)
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	28,286,496	84,427,521
	(1,964,355)	10,333,156
Net cash from operating activities	(52,633)	10,127,806
B) Cash flows from investing activities		
Proceeds from sale of Government securities	-	-
Payments for Purchase of Government securities	-	(50,000,000)
Purchase of property, plant and equipment	-	-
Sale proceeds of property, plant and equipment	-	-
Net cash used in investing activities	-	(50,000,000)
C) Cash flows from financing activities		
Borrowing from other banks, financial institutions and agents	-	-
Dividends paid / Profit transferred	-	(35,408)
Receipts from issue of ordinary share	-	-
Net Cash from financing activities	-	(35,408)
D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)	(52,633)	(39,907,602)
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the period	23,926,208	67,022,491
G) Cash and cash equivalents at end of the period (D+E+F)	23,873,575	27,114,889
Cash and cash equivalents at end of the period		
Cash in hand (including foreign currencies)	3,873,575	7,114,889
Prize bond	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	20,000,000	20,000,000
	23,873,575	27,114,889

South Bangla Agriculture and Commerce Bank Limited
Islami Banking Windows
Notes to the Financial Statements
as at and for the first quarter ended 31 March 2023

01 Islami Banking Wing and its activities

Status

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

Principal activities

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

02 Significant accounting policies

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

02.01 Going concern

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

02.02 Reporting period

These financial statements of the Islamic Banking Window cover period from 1 January to 31 March.

02.03 Revenue

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

02.04 Investment Income

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

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

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

02.05 Sharing of investment income

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

02.06 Income on Investments in Securities

Income on investments in securities is recognised on accrual basis.

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

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

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

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

02.08 Profit shared on deposits

Profit on deposits are recognized on accrual basis.

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

	31 March 2023 Taka	31 December 2022 Taka
3. Cash in hand		
In hand		
In local currency	3,873,575	3,926,208
In foreign currency	-	-
	3,873,575	3,926,208
4. Balance with Bangladesh Bank and its agents		
Balance with Bangladesh Bank		
In local currency	20,000,000	20,000,000
In Foreign currency	-	-
	20,000,000	20,000,000
Balance with Sonali Bank (as agent of Bangladesh Bank)- local currency	-	-
	20,000,000	20,000,000
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	30,000,000
Others	-	-
	30,000,000	30,000,000
7.1 Government		
Ijarah Sukuk Bond	30,000,000	30,000,000
8. Investments		
General investment (note 8.1)	299,463,875	295,113,533
Bills purchaseed and negotiated (note 8.2)	-	-
	299,463,875	295,113,533
8.1 General investment		
Inside Bangladesh		
BAI Murabaha CSME under stimulus finance	-	-
BAI Murabaha - work order	17,977,229	30,971,941
BAI Murabaha - commercial	183,128,872	180,276,579
BAI Murabaha - agriculture	3,002,709	2,995,890
BAI Murabaha - SME	5,511,659	6,244,964
Murabaha post import finance	-	-
HPSM (Staff)	32,988,602	20,178,351
HPSM (car)	6,371,437	6,718,726
HPSM (real estate)	50,483,367	47,727,082
	299,463,875	295,113,533
Outside Bangladesh	-	-
	299,463,875	295,113,533
8.2 Bills purchaseed and negotiated		
Payable Inside Bangladesh	-	-
Payable Outside Bangladesh	-	-
	-	-
	299,463,875	295,113,533.00
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	6,250,000
Total fixed assets at cost	6,545,674	6,545,674
Less: Accumulated depreciation	1,006,508	676,987
Net book value at the end of the year	5,539,166	5,868,687
10. Other assets		
Stationeries	1,340,017	1,340,017
Stamps	6,510	7,920
Accrued profit	297,249	101,149
Advance Income Tax	117,250	117,250
Suspense	-	-
Receiveable from convetional banking	-	15,229,968
	1,761,026	16,796,304

	31 March 2023 Taka	31 December 2022 Taka
11. Placements from other banks, financial institutions		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
12. Deposits and other accounts		
All wadeeah current deposits and other accounts	28,735,518	17,724,561
Mudaraba savings deposits	26,050,925	35,322,970
Mudaraba term deposits	245,547,205	270,840,742
Mudaraba special notice deposits	5,527,118	23,557,573
Others deposit	14,196,994	11,402,244
Bill Payable	62,227	132,898
	320,119,987	358,980,988
13. Other liabilities		
Profit payable on deposit	2,980,205	2,056,508
Unearned Profit	3,290,214	5,561,100
Provision against investments (note 13.1)	1,178,834	1,185,338
Provision against off balance sheet exposures (note 13.2)	106,830	106,830
Payable to Conventional Banking	28,068,337	-
Others	659,441	441,282
	36,283,861	9,351,058
13.1 Provision against investments		
A. General provision against investments		
Opening balance	1,185,338	453,825
General provision for the year	(6,504)	731,513
Provision held at the end of the period	1,178,834	1,185,338
B. Specific provision against classified investments		
Opening balance	-	-
Less : Fully provided debt written-off (for final settlement)	-	-
Add : Recoveries of amounts previously written-off	-	-
Add : Specific provision for the period	-	-
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 period	1,178,834	1,185,338
13.2 Provision against off balance sheet exposures		
Opening balance	106,830	549,908
General provision for the year	-	(443,078)
Provision held at the year end	106,830	106,830
14. Surplus in profit and loss account / Retained earnings		
Opening balance	3,372,686	(968,325)
Add : Net profit during the period	861,108	4,376,419
Less : Transferred to Conventional Banking	-	(35,408)
Closing balance	4,233,794	3,372,686
15. Contingent liabilities		
Acceptances and endorsements	-	-
Letters of guarantee	10,683,000	10,683,000
Irrevocable Letters of Credit	-	-
Bills for collection	-	-
Others	-	-
	10,683,000	10,683,000
16. Investment income		
Income from general investment		
Bai-Murabaha	3,788,829	1,832,173
Bai-Muajjal (CC hypo)	-	-
Bai-Salam (packing credit)	-	-
Murabaha PIF	-	-
Hire purchase	1,723,701	855,964
Other investments	-	-
Sub-total (i)	5,512,530	2,688,137
Profit on deposits with other Islamic banks		
In Bangladesh	-	-
Out side Bangladesh	-	-
Sub-total (ii)	-	-
Grand total (i+ii)	5,512,530	2,688,137
17. Profit paid on deposits		
a) Profit paid on deposits:		
Mudaraba savings deposits	219,747	87,873
Mudaraba special notice deposits	177,268	21,357
Mudaraba term deposits	3,985,961	2,220,961
Others deposits	174,780	29,969
	4,557,756	2,360,160

	31 March 2023 Taka	31 March 2022 Taka
18. Income from investment in shares / securities		
Profit earned from Sukuk bond	195,846	914,807
Others	-	-
	195,846	914,807
19. Commission, exchange and brokerage		
Commission on L/Cs-sight	30,075	81,933
Commission on L/Gs	20,000	20,000
Commission on acceptance	-	-
Exchange	41,400	14,366
Other commission	3,530	22,210
	95,005	138,509
20. Other operating income		
Service and other charges	25,591	69,877
RTGS charges	-	-
Miscellaneous earnings	10,603	24,503
	36,194	94,380
21. Salaries and allowances		
Basic salary	45,976	99,360
House rent allowance	22,988	49,680
Conveyance allowance	4,800	14,400
Medical allowance	5,400	14,400
Other allowances	13,680	33,480
Bank's contribution to provident fund	4,598	9,936
	97,442	221,256
22. Stationery, printing and advertisements, etc.		
Stationery	-	211,487
Publicity and advertisement	-	-
	-	211,487
23. Shariah supervisory committee's fees and expenses		
Meeting attendance fees	-	-
	-	-
24. Depreciation and repair of Bank's assets		
Depreciation		
Fixed assets	329,521	5,432
Leased assets	-	-
	329,521	5,432
Repairs		
Repair & Maintenance	-	-
	-	-
	329,521	5,432
25. Other expenses		
Entertainment	-	-
Cash carrying charges	-	-
Local Conveyance	-	-
Miscellaneous expenses	252	-
	252	-

South Bangla Agriculture and Commerce Bank Limited
Balance Sheet (Off-Shore Banking Unit)
As at 31 March 2023

	Notes	31 March 2023		31 December 2022	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash					
Cash in hand (Including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		-	-	-	-
Balance with other banks and financial institutions	3				
In Bangladesh		579,342	61,352,281	536,467	54,987,907
Outside Bangladesh		-	-	-	-
		579,342	61,352,281	536,467	54,987,907
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		2,305,620	244,165,183	-	-
		2,305,620	244,165,183	2,153,701	220,754,353
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	5	-	-	-	-
Non-banking assets		-	-	-	-
TOTAL ASSETS		2,884,962	305,517,464	2,690,168	275,742,260
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	6	2,216,578	234,735,621	2,078,286	213,024,332
Deposits and other accounts					
Current accounts and other accounts		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		-	-	-	-
Subordinated bonds		-	-	-	-
Other liabilities	7	23,056	2,441,653	21,537	2,207,545
TOTAL LIABILITIES		2,239,634	237,177,274	2,099,823	215,231,877
Capital/ Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
General reserve		-	-	-	-
Foreign currency translation gain/(loss)	8	-	10,068,114	-	7,933,440
Profit and loss account - retained earnings	9	645,328	58,272,076	590,345	52,576,943
TOTAL SHAREHOLDERS' EQUITY		645,328	68,340,190	590,345	60,510,383
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,884,962	305,517,464	2,690,168	275,742,260

Notes	2021		2020	
	USD	Taka	USD	Taka
OFF-BALANCE SHEET ITEMS				
Contingent liabilities				
Acceptance and endorsements	-	-	-	-
Letters of guarantee	-	-	-	-
Irrevocable letters of credit	-	-	-	-
Bills for collection	-	-	-	-
Other contingent liabilities	-	-	-	-
Total	-	-	-	-
Other commitments				
Documentary credits and short term trade-related transactions	-	-	-	-
Forward assets purchased and forward deposits placed	-	-	-	-
Undrawn note issuance and revolving underwriting facilities	-	-	-	-
Undrawn formal standby facilities, credit lines and	-	-	-	-
Claims against the Bank not acknowledged as debt	-	-	-	-
Total	-	-	-	-
Total off-balance sheet items including contingent liabilities	-	-	-	-

South Bangla Agriculture and Commerce Bank Limited
Profit and Loss Account (Off-shore Banking Unit)
For the first quarter ended 31 March 2023

	Notes	31 March 2023		31 March 2022	
		USD	Taka	USD	Taka
Interest income	10	56,502	5,929,241	88,596	7,590,904
Less: Interest paid on deposits and borrowings etc.		-	-	-	-
Net interest income		56,502	5,929,241	88,596	7,590,904
Investment income		-	-	-	-
Commission, exchange and brokerage		-	-	-	-
Other operating income		-	-	-	-
Total operating income		56,502	5,929,241	88,596	7,590,904
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		56,502	5,929,241	88,596	7,590,904
Provision for loan					
Specific provision		-	-	-	-
General provision (including off balance sheet items)	7.1	1,519	234,108	(1,921)	(164,610)
		1,519	234,108	(1,921)	(164,610)
Other provisions		-	-	-	-
Total provision		1,519	234,108	(1,921)	(164,610)
Total Profit before taxes		54,983	5,695,133	90,517	7,755,514
Provision for taxation					
Current tax		-	-	-	-
Deferred tax		-	-	-	-
		-	-	-	-
Net profit after taxation	9	54,983	5,695,133	90,517	7,755,514

South Bangla Agriculture and Commerce Bank Limited
Cash Flow Statement (Off-shore Banking Unit)
For the first quarter ended 31 March 2023

Notes	31 March 2023		31 March 2022	
	USD	Taka	USD	Taka
A) Cash flows from operating activities				
Interest receipts in cash	56,502	5,929,241	88,596	7,590,904
Interest payments	-	-	-	-
Dividend receipts	-	-	-	-
Income from investments	-	-	-	-
Recoveries on loans and advances previously written-off	-	-	-	-
Fees and commission receipts in cash	-	-	-	-
Cash payments to employees	-	-	-	-
Cash payments to suppliers	-	-	-	-
Income taxes paid	-	-	-	-
Receipts from other operating activities	-	-	-	-
Payments for other operating activities	-	-	-	-
Operating profit before changes in operating assets and liabilities	56,502	5,929,241	88,596	7,590,904
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	(151,919.00)	(23,410,830)	199,633	17,118,530
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	-	-	-	-
	(151,919)	(23,410,830)	199,633	17,118,530
Net cash from operating activities	(95,417)	(17,481,589)	288,229	24,709,434
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 from investing activities	-	-	-	-
C) Cash flows from financing activities				
Borrowing from other banks, financial institutions and agents	138,292.00	21,711,289	(260,146)	(22,307,520)
Dividends paid	-	-	-	-
Net cash from financing activities	138,292	21,711,289	(260,146)	(22,307,520)
D) Net increase / (decrease) in cash (A+B+C)	42,875	4,229,700	28,083	2,401,915
E) Effects of exchange rate changes on cash and cash-equivalent	-	2,134,674	-	26,753
F) Cash and cash-equivalents at beginning period	536,467	54,987,907	205,499	17,600,989
G) Cash and cash-equivalents at end of period (D+E+F)	579,342	61,352,281	233,582	20,029,657
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	579,342	61,352,281	233,582	20,029,657
	579,342	61,352,281	233,582	20,029,657

South Bangla Agriculture and Commerce Bank Limited
Notes to the Financial Statements (Off-shore Banking Unit)
as at and for the first quarter ended 31 March 2023

1. Status of the unit

1.1 The Off-shore Banking Units (OBU) of South Bangla Agriculture & Commerce Bank Limited are governed by the applicable rules & regulations of Bangladesh Bank. The Bank obtained the permission for conducting the activities of OBU under reference letter no. BRPD (03)/744(127)/2020-5140 dated 15 July 2020 of Bangladesh Bank. The Bank started the operation of OBU on 22 October 2020. The number of OBU was one as at 31 December 2021, located at International Division, Head Office, Dhaka.

1.2 Nature of business

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

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

2.1 Basis of accounting

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

2.2 Use of estimates and judgments

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

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

2.3 Functional and presentation currency

The functional currency of OBU is US Dollar (USD). Transactions are recorded in the functional currency (USD). The financial statements are presented both in USD and equivalent Bangladesh Taka (BDT). For preparation of financial statements, all the balance sheet items are converted into equivalent BDT using the closing exchange rate (USD 1 = BDT 105.90), while the revenue items are converted into BDT at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month (USD 1 = BDT 104.94). Resulting exchange differences are recognized as a separate component of equity.

2.4 Foreign currency transactions

a) Foreign currencies translation

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

b) Transaction gains and losses

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

2.5 Loans and advances

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

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

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

2.6 Provision for taxation

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

2.7 Revenue recognition

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

2.7.1 Interest income

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

2.7.2 Fees and commission income

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

2.7.3 Interest paid on deposits and borrowings

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

2.8 Cash flow statement

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

2.9 Cash and cash equivalents

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

2.10 Reporting period

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

2.11 General

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

	31 March 2023		31 December 2022	
	USD	Taka	USD	Taka
3. Balance with other banks and financial institutions				
In Bangladesh (note 3.1)	579,342	61,352,281	536,467	54,987,907
Outside Bangladesh	-	-	-	-
	579,342	61,352,281	536,467	54,987,907
3.1 Balance with other banks and financial institutions				
SBAC Bank Limited (USD)	574,461	60,835,389	531,586	54,487,611
SBAC Bank Limited (EURO)	4,881	516,892	4,881	500,296
	579,342	61,352,281	536,467	54,987,907
4. Loans and advances				
Loans , cash credit, overdrafts etc.	-	-	2,153,701	220,754,353
Bills purchased and discounted	2,305,620	244,165,183	-	-
	2,305,620	244,165,183	2,153,701	220,754,353
4.1 Residual maturity grouping of loans and advances including bills purchased and discounted				
Payable				
On demand	-	-	-	-
Within one month	50,320	5,328,880	295,469	30,285,560
Within one to three months	1,229,112	130,162,921	1,696,449	173,886,000
Within three to twelve months	1,026,189	108,673,382	161,783	16,582,793
Within one to five years	-	-	-	-
More than five years	-	-	-	-
	2,305,620	244,165,183	2,153,701	220,754,353
4.2 Classification status of loans and advances including bills purchased and discounted				
Unclassified loans and advances (including staff loans)				
i) Standard	2,305,620	244,165,183	2,153,701	220,754,353
ii) Special mention account (SMA)	-	-	-	-
	2,305,620	244,165,183	2,153,701	220,754,353
Classified loans and advances				
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Bad / loss	-	-	-	-
	2,305,620	244,165,183	2,153,701	220,754,353
Total	2,305,620	244,165,183	2,153,701	220,754,353

4.3 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 March 2023		Base for Provision (Taka)	Percentage (%) of provision required as per Bangladesh Bank	Amount of provision required as at 31 March 2023 (USD)	Amount of provision required as at 31 March 2023 (Taka)
	USD	Taka				
Unclassified loans and advances						
Small & medium enterprise financing	-	-	-	0.25%	-	-
Other than small medium enterprise financing	2,305,620	244,165,183	244,165,183	1.00%	23,056	2,441,652
Special mention account	-	-	-	1.00%	-	-
Total unclassified loans and advances	2,305,620	244,165,183	244,165,183		23,056	2,441,652
Classified loans and advances						
Sub-standard	-	-	-	20.00%	-	-
Doubtful	-	-	-	50.00%	-	-
Bad / loss	-	-	-	100.00%	-	-
Total classified loans and advances	-	-	-		-	-
Total	2,305,620	244,165,183	244,165,183		23,056	2,441,652
Total provision maintained					23,056	2,441,652
Total provision surplus / (deficit)					-	-

	31 March 2023		31 December 2022	
	USD	Taka	USD	Taka
4.4 Geographical location-wise loans and advances including bills purchased and discounted				
Dhaka Division	2,305,620	244,165,183	2,153,701	220,754,353
Chattogram Division	-	-	-	-
	2,305,620	244,165,183	2,153,701	220,754,353
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	2,216,578	234,735,621	2,078,286	213,024,332
b) Outside Bangladesh				
	2,216,578	234,735,621	2,078,286	213,024,332
7. Other liabilities				
Accumulated provision on loans and advances (note 7.1)	23,056	2,441,653	21,537	2,207,545
	23,056	2,441,653	21,537	2,207,545
7.1 Accumulated provision on loans and advances				
General provision on loans and advances				
Opening balance	21,537	2,207,545	65,757	5,632,110
Add : Provision made during the period	1,519	234,108	(44,220)	(3,424,565)
Closing balance	23,056	2,441,653	21,537	2,207,545
8. Foreign currency translation gain/(loss)				
Opening balance	-	7,933,440	-	251,592
Add : Addition during the period	-	2,134,674	-	7,681,848
	-	10,068,114	-	7,933,440
Less : Adjustment during the period	-	-	-	-
Closing balance	-	10,068,114	-	7,933,440
9. Profit and loss account - retained earnings				
Opening balance	590,345	52,576,943	207,416	17,513,604
Net profit / (loss) during the period	54,983	5,695,133	382,929	35,063,339
Closing balance	645,328	58,272,076	590,345	52,576,943
10. Interest Income				
Interest on loans and advances	56,502	5,929,241	88,596	7,590,904
	56,502	5,929,241	88,596	7,590,904