

South Bangla Agriculture and Commerce Bank Limited

Un-audited Financial Statements

For the First Quarter ended 31 March 2022


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


	Note	31 March 2022	31 December 2021
		Taka	Taka
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including foreign currencies)	3	810,826,703	855,111,180
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4	3,112,247,489	3,236,004,834
		3,923,074,192	4,091,116,014
Balance with other banks and financial institutions			
In Bangladesh	5	5,134,923,748	7,080,594,333
Outside Bangladesh		175,291,686	291,705,446
		5,310,215,434	7,372,299,779
Money at call on short notice	6	493,100,000	-
Investments:			
Government	7	10,525,048,522	15,971,113,935
Others		1,644,955,109	1,567,081,922
		12,170,003,631	17,538,195,857
Loans, advances and lease / investments			
Loans, cash credit, overdrafts etc. / investments	8	67,242,629,275	63,711,064,030
Bills purchased and discounted		2,536,971,230	2,244,617,036
		69,779,600,505	65,955,681,066
Fixed assets including premises, furniture and fixtures	9	1,585,713,358	1,626,642,412
Other assets	10	1,306,276,214	1,229,812,586
Non-banking assets		-	-
TOTAL ASSETS		94,567,983,335	97,813,747,714
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	4,966,841,865	8,763,684,070
Deposits and other accounts			
Current / Al-wadeeah current deposits and other accounts	12	6,709,059,915	7,295,625,630
Special notice / mudaraba special notice deposits		3,650,046,823	4,487,513,486
Bills payable		2,723,654,648	2,414,977,923
Savings bank / mudaraba savings deposits		6,195,269,693	5,943,300,533
Fixed / mudaraba term deposits		39,000,772,666	38,132,477,553
Other deposits		14,321,521,138	14,462,568,622
		72,600,324,883	72,736,463,747
Subordinated bonds		-	-
Other liabilities	13	6,089,957,224	5,685,192,573
TOTAL LIABILITIES		83,657,123,972	87,185,340,390
Capital/ Shareholders' equity			
Paid up capital	14.3	8,160,313,370	7,846,455,170
Statutory reserve	15	1,947,493,989	1,947,493,989
General reserve		-	-
Non-controlling (Minority) interest	14.11	407,437	405,167
Other reserve (revaluation reserve on Govt. Securities)	16	229,122,700	129,270,472
Foreign currency translation reserve	16.1	114,073	251,592
Surplus in profit and loss account	17	573,407,794	704,530,934
TOTAL SHAREHOLDERS' EQUITY		10,910,859,363	10,628,407,324
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		94,567,983,335	97,813,747,714

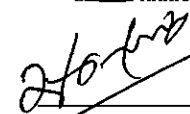


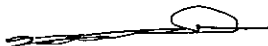
	Note	31 March 2022 Taka	31 December 2021 Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
	18		
Acceptance and endorsements		4,831,691,421	3,444,598,165
Letters of guarantee		9,879,650,478	9,111,716,091
Irrevocable letters of credit		5,366,919,246	4,283,323,907
Bills for collection		2,844,931,763	1,700,140,692
Other contingent liabilities		-	-
Total		22,923,192,908	18,539,778,855
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other		-	-
Claims against the Bank not acknowledged as debt		-	-
Total		-	-
Total off-balance sheet items including contingent liabilities		22,923,192,908	18,539,778,855
Net asset value per share (NAV)	40.1	13.37	13.55
Restated Net asset value per share (NAV)	40.2	13.37	13.02


Accompanying notes form an integral part of these financial statements.


 Chief Financial Officer


 Company Secretary



 Chairman


 Director


 Managing Director & CEO

Signed in terms of our report of even date.


Dhaka, 27 April 2022





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


	Note	31 March 2022 Taka	31 March 2021 Taka
Interest income	21	1,400,374,951	1,321,880,485
Less: Interest paid on deposits and borrowings etc.	22	1,059,091,889	1,017,986,556
Net interest income		341,283,062	303,893,929
Investment income	23	728,979,536	370,828,296
Commission, exchange and brokerage	24	197,966,973	91,989,212
Other operating income	25	24,096,615	20,413,645
		951,043,124	483,231,153
Total operating income		1,292,326,185	787,125,082
Salary and allowances	26	314,617,250	276,810,920
Rent, taxes, insurance, electricity etc.	27	38,286,190	32,632,702
Legal and professional expenses	28	1,779,543	949,963
Postage, stamp, telecommunication etc.	29	5,040,171	2,876,973
Stationery, printing, advertisement etc.	30	13,804,755	11,816,475
Chief executive's salary and fees	31	2,120,000	1,800,000
Directors' fees	32	280,000	696,000
Auditors' fees	33	-	-
Charges on loan losses		-	-
Depreciation and repair of bank's assets	34	91,981,468	88,360,101
Other expenses	35	430,872,359	77,676,613
Total operating expenses		898,781,736	493,619,747
Profit before provision		393,544,449	293,505,335
Provision for loan			
Specific provision	13.4	49,867,741	(21,052,681)
Special general provision - COVID-19	13.5	(8,888,928)	68,586,181
General provision (including off balance sheet items)	13.4 & 13.6	66,588,306	24,803,871
		107,567,119	72,337,371
Provision for rebate to good borrowers	13.7	(19,000,000)	-
Provision for diminution in value of investments	13.11	7,056,243	-
Other provision		-	-
Total provision		95,623,362	72,337,371
Total Profit before taxes		297,921,087	221,167,964
Provision for taxation	36		
Current tax		115,183,758	132,216,000
Deferred tax		-	-
		115,183,758	132,216,000
Net profit after taxation		182,737,330	88,951,964
Appropriations			
Statutory reserve	15	-	-
General reserve		-	-
Startup fund	13.10	-	-
Retained surplus	17	182,737,330	88,951,964
		182,737,330	88,951,964
Earnings per share (EPS)	39.1	0.22	0.13
Restated Earnings per share (EPS)	39.2	0.22	0.11


Accompanying notes form an integral part of these financial statements.


 Chief Financial Officer


 Chairman

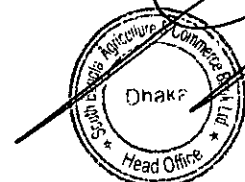

 Director


 Company Secretary


 Managing Director & CEO

Signed in terms of our report of even date.

Dhaka, 27 April 2022



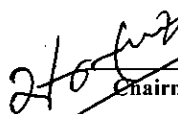
South Bangla Agriculture and Commerce Bank Limited
Consolidated Cash Flow Statement
For the period ended 31 March 2022

	Note	31 March 2022 Taka	31 March 2021 Taka
A) Cash flows from operating activities			
Interest receipts in cash		1,397,165,214	1,301,654,549
Interest payments		(715,220,573)	(809,194,126)
Dividend receipts		63,926	-
Income from investments		404,647,654	319,911,517
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		141,510,369	73,069,137
Cash payments to employees		(316,921,250)	(279,306,920)
Cash payments to suppliers		(35,482,606)	(23,665,177)
Income taxes paid		(102,038,609)	(113,724,267)
Receipts from other operating activities		24,096,615	20,413,645
Payments for other operating activities		(81,606,537)	(49,033,317)
Operating profit before changes in operating assets and liabilities		716,214,203	440,125,041
Increase / decrease in operating assets and liabilities			
Net proceeds from trading securities		(3,037,104,562)	(54,572,042)
Loans and advances to other banks		(493,100,000)	-
Loans and advances to customers		(3,680,762,941)	(215,227,640)
Increase / decrease of other assets		(412,648,830)	(37,637,514)
Deposits from other banks		618,819,046	(4,958,763,881)
Deposits from customers		(1,096,861,196)	(3,196,785,219)
Increase / decrease of other liabilities account of customers		-	-
Increase / decrease of trading liabilities		-	-
Increase / decrease of other liabilities		5,805,628	55,154,756
		(8,095,852,856)	(8,407,831,540)
Net cash from operating activities		(7,379,638,652)	(7,967,706,499)
B) Cash flows from investing activities			
Net proceeds from sale of Government securities		8,940,049,484	4,143,265,977
Payments for Purchase of Government securities		-	-
Purchase of property, plant and equipment		(46,871,964)	(61,309,486)
Sale proceeds of property, plant and equipment		-	-
Net cash from investing activities		8,893,177,520	4,081,956,491
C) Cash flows from financing activities			
Borrowing from other banks, financial institutions and agents		(3,796,842,205)	7,379,729,157
Dividends paid		(317,137,632)	-
Receipts from issue of ordinary share		313,858,200	-
Net cash from financing activities		(3,800,121,637)	7,379,729,157
D) Net increase / (decrease) in cash (A+B+C)		(2,286,582,770)	3,493,979,149
E) Effects of exchange rate changes on cash and cash-equivalent		56,456,604	18,920,075
F) Cash and cash-equivalents at beginning period		11,463,415,793	13,803,322,777
G) Cash and cash-equivalents at end of period (D+E+F)		9,233,289,627	17,316,222,001
H) Cash and cash-equivalents at end of period			
Cash in hand including foreign currencies	3	810,826,703	772,392,655
Balances with Bangladesh Bank and its agent bank(s)	4	3,112,247,489	2,990,071,381
Balances with other Banks and Financial institutions	5	5,310,215,434	13,553,757,965
		9,233,289,627	17,316,222,001

Accompanying notes form an integral part of these financial statements.


 Chief Financial Officer


 Company Secretary


 Chairman


 Director


 Managing Director & CEO

Signed in terms of our report of even date.

Dhaka, 27 April 2022



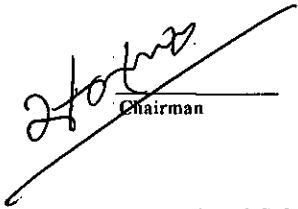
South Bangla Agriculture and Commerce Bank Limited
Consolidated Statement of Changes in Equity
For the period ended 31 March 2022

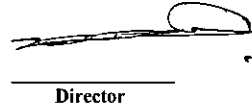
Particulars	Paid Up Capital Taka	Statutory Reserve Taka	Other Reserve Taka	F.C. Translation Reserve Taka	Retained Earnings Taka	Minority Interest Taka	Total Taka
Balance as on 01 January 2021	7,846,455,170	1,947,493,989	129,270,472	251,592	704,530,934	-	10,628,002,158
Issue of Shares	313,858,200	-	-	-	-	400,000	314,258,200
Prior period adjustment	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	182,737,330	-	182,737,330
Transfer to statutory reserve	-	-	-	-	-	-	-
Transfer to statup 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)
Non-controlling (Minority) interest	-	-	-	-	(2,270)	7,437	5,167
Stock Dividend	-	-	-	-	(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	573,407,794	407,437	10,910,859,363
Balance as on 31 December 2021	7,846,455,170	1,947,493,989	129,270,472	251,592	704,530,934	405,167	10,628,407,324


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


 Chief Financial Officer


 Company Secretary


 Chairman


 Director


 Managing Director & CEO

Dhaka, 27 April 2022




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


Particulars	Within one month	Within one to three months	Within three to twelve months	Within one to five years	More than five years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Assets:						
Cash in hand (including foreign currencies)	810,826,703	-	-	-	-	810,826,703
Balance with Bangladesh Bank and its agent Banks	388,314,649	-	-	-	2,723,932,840	3,112,247,489
Balance with other banks & financial institutions	2,703,252,863	1,184,377,419	1,422,585,152	-	-	5,310,215,434
Money at call on short notice	493,100,000	-	-	-	-	493,100,000
Investments	961,645,030	218,636,796	85,770,087	1,317,039,874	9,586,911,844	12,170,003,631
Loans and advances	12,296,694,524	17,361,864,479	25,506,639,184	11,884,287,642	2,730,114,676	69,779,600,505
Fixed assets including premises, furniture and fixtures	23,386,046	46,772,091	210,474,411	1,305,080,810	-	1,585,713,358
Other assets	251,242,685	418,737,809	446,868,984	189,426,736	-	1,306,276,214
Non-Banking assets	-	-	-	-	-	-
Total Assets	17,928,462,499	19,230,388,595	27,672,337,819	14,695,835,063	15,040,959,360	94,567,983,335
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	3,539,015,502	389,256,637	925,804,121	34,116,450	78,649,155	4,966,841,865
Deposits and other accounts	11,394,035,694	14,816,446,924	21,875,007,129	13,513,868,064	11,000,967,073	72,600,324,883
Provisions and other liabilities	37,515,014	283,570,236	1,396,282,340	911,652,693	3,460,936,942	6,089,957,224
Total Liabilities	14,970,566,210	15,489,273,797	24,197,093,590	14,459,637,206	14,540,553,170	83,657,123,972
Net liquidity surplus	2,957,896,289	3,741,114,798	3,475,244,229	236,197,857	500,406,191	10,910,859,363
Cumulative liquidity surplus	2,957,896,289	6,699,011,087	10,174,255,315	10,410,453,172	10,910,859,363	


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


 Chief Financial Officer


 Company Secretary


 Chairman


 Director


 Managing Director & CEO

Dhaka, 27 April 2022



South Bangla Agriculture and Commerce Bank Limited

**Balance Sheet
As at 31 March 2022**

	Note	31 March 2022 Taka	31 December 2021 Taka
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including foreign currencies)	3.1	810,826,703	855,111,180
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4.1	3,112,247,489	3,236,004,834
		3,923,074,192	4,091,116,014
Balance with other banks and financial institutions			
In Bangladesh	5.1	5,134,923,748	7,080,594,333
Outside Bangladesh		175,291,686	291,705,446
		5,310,215,434	7,372,299,779
Money at call on short notice	6	493,100,000	-
Investments:			
Government	7.1	10,525,048,522	15,971,113,935
Others		1,644,955,109	1,567,081,922
		12,170,003,631	17,538,195,857
Loans, advances and lease / investments			
Loans, cash credit, overdrafts etc. / investments	8.1	67,242,629,275	63,711,064,030
Bills purchased and discounted		2,536,971,230	2,244,617,036
		69,779,600,505	65,955,681,066
Fixed assets including premises, furniture and fixtures	9.1	1,585,713,358	1,626,642,412
Other assets	10.1	1,664,638,731	1,588,387,124
Non-banking assets		-	-
TOTAL ASSETS		94,926,345,852	98,172,322,252
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11.1	4,966,841,865	8,763,684,070
Deposits and other accounts			
Current / Al-wadeeah current deposits and other accounts	12.1	6,710,330,806	7,296,934,175
Special notice / mudaraba special notice deposits		3,656,539,991	4,494,632,154
Bills payable		2,723,654,648	2,414,977,923
Savings bank / mudaraba savings deposits		6,195,269,693	5,943,300,533
Fixed / mudaraba term deposits		39,363,884,403	38,491,349,641
Other deposits		14,321,521,138	14,462,568,622
		72,971,200,679	73,103,763,048
Subordinated bonds		-	-
Other liabilities	13.1	6,085,280,682	5,682,034,849
TOTAL LIABILITIES		84,023,323,226	87,549,481,967
Capital/ Shareholders' equity			
Paid up capital	14.3	8,160,313,370	7,846,455,170
Statutory reserve	15	1,947,493,989	1,947,493,989
General reserve		-	-
Other reserve (revaluation reserve on Govt. Securities)	16	229,122,700	129,270,472
Foreign currency translation reserve	16.1	114,073	251,592
Surplus in profit and loss account	17.1	565,978,494	699,369,062
TOTAL SHAREHOLDERS' EQUITY		10,903,022,626	10,622,840,285
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		94,926,345,852	98,172,322,252

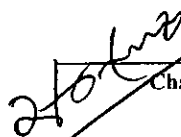


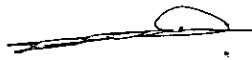
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OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
	18		
Acceptance and endorsements		4,831,691,421	3,444,598,165
Letters of guarantee		9,879,650,478	9,111,716,091
Irrevocable letters of credit		5,366,919,246	4,283,323,907
Bills for collection		2,844,931,763	1,700,140,692
Other contingent liabilities		-	-
Total		22,923,192,908	18,539,778,855
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other		-	-
Total		-	-
Total off-balance sheet items including contingent liabilities		22,923,192,908	18,539,778,855
Net asset value per share (NAV)	40.3	13.36	13.54
Restated Net asset value per share (NAV)	40.4	13.36	13.02

Accompanying notes form an integral part of these financial statements.


Chief Financial Officer


Company Secretary

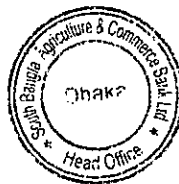

Chairman


Director

Signed in terms of our report of even date.


Managing Director & CEO

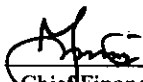
Dhaka, 27 April 2022

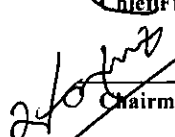



South Bangla Agriculture and Commerce Bank Limited
Profit and Loss Account
For the period ended 31 March 2022


	Note	31 March 2022 Taka	31 March 2021 Taka
Interest income	21.1	1,400,374,951	1,321,880,485
Less: Interest paid on deposits and borrowings etc.	22.1	1,063,768,405	1,017,986,556
Net interest income		336,606,546	303,893,929
Investment income	23.1	728,979,536	370,828,296
Commission, exchange and brokerage	24.1	197,966,973	91,989,212
Other operating income	25.1	24,096,615	20,413,645
		951,043,124	483,231,153
Total operating income		1,287,649,669	787,125,082
Salary and allowances	26.1	313,899,750	276,810,920
Rent, taxes, insurance, electricity etc.	27.1	38,286,190	32,632,702
Legal and professional expenses	28.1	1,734,543	949,963
Postage, stamp, telecommunication etc.	29.1	5,034,171	2,876,973
Stationery, printing, advertisement etc.	30.1	13,804,755	11,816,475
Chief executive's salary and fees	31	2,120,000	1,800,000
Directors' fees	32.1	184,000	696,000
Auditors' fees	33.1	-	-
Charges on loan losses		-	-
Depreciation and repair of bank's assets	34.1	91,981,468	88,360,101
Other expenses	35.1	430,691,859	77,676,613
Total operating expenses		897,736,736	493,619,747
Profit before provision		389,912,933	293,505,335
Provision for loan			
Specific provision	13.4	49,867,741	(21,052,681)
Special general provision - COVID-19	13.5	(8,888,928)	68,586,181
General provision (including off balance sheet items)	13.4 & 13.6	66,588,306	24,803,871
		107,567,119	72,337,371
Provision for rebate to good borrowers	13.7	(19,000,000)	-
Provision for diminution in value of investments		7,056,243	-
Other provision		-	-
Total provision		95,623,362	72,337,371
Total Profit before taxes		294,289,571	221,167,964
Provision for taxation			
Current tax		113,821,940	132,216,000
Deferred tax		-	-
		113,821,940	132,216,000
Net profit after taxation		180,467,632	88,951,964
Appropriations			
Statutory reserve	15	-	-
General reserve		-	-
Startup fund	13.10	-	-
Retained surplus	17	180,467,632	88,951,964
		180,467,632	88,951,964
Earnings per share (EPS)	39.3	0.22	0.13
Restated Earnings per share (EPS)	39.4	0.22	0.11


Accompanying notes form an integral part of these financial statements.


 Chief Financial Officer


 Chairman


 Director


 Company Secretary


 Managing Director & CEO

Signed in terms of our report of even date.

Dhaka, 27 April 2022



South Bangla Agriculture and Commerce Bank Limited

**Cash Flow Statement
For the period ended 31 March 2022**

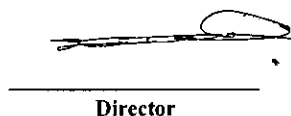
	Notes	31 March 2022 Taka	31 March 2021 Taka
A) Cash flows from operating activities			
Interest receipts in cash		1,397,165,214	1,301,654,549
Interest payments		(721,167,980)	(809,194,126)
Dividend receipts		63,926	-
Income from investments		404,647,654	319,911,517
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		141,510,369	73,069,137
Cash payments to employees		(316,203,750)	(279,306,920)
Cash payments to suppliers		(35,431,606)	(23,665,177)
Income taxes paid	10.2	(101,567,597)	(113,724,267)
Receipts from other operating activities		24,096,615	20,413,645
Payments for other operating activities		(81,426,037)	(49,033,317)
Operating profit before changes in operating assets and liabilities		711,686,808	440,125,041
Increase / decrease in operating assets and liabilities			
Sale / purchase of trading securities		(3,037,104,562)	(54,572,042)
Loans and advances to other banks		(493,100,000)	-
Loans and advances to customers		(3,680,762,941)	(215,227,640)
Increase / decrease of other assets	36	(412,648,830)	(37,637,514)
Deposits from other banks		618,819,046	(4,958,763,881)
Deposits from customers		(1,092,333,801)	(3,196,785,219)
Increase / decrease of other liabilities account of customers		-	-
Increase / decrease of trading liabilities		-	-
Increase / decrease of other liabilities	37	5,805,628	55,154,756
		(8,091,325,461)	(8,407,831,540)
Net cash from operating activities		(7,379,638,652)	(7,967,706,499)
B) Cash flows from investing activities			
Net Proceeds from sale of securities		8,940,049,484	4,143,265,977
Payments for Purchase of securities		-	-
Purchase of property, plant and equipment		(46,871,964)	(61,309,486)
Sale proceeds of property, plant and equipment		-	-
Net cash from investing activities		8,893,177,520	4,081,956,491
C) Cash flows from financing activities			
Borrowing from other banks, financial institutions and agents		(3,796,842,205)	7,379,729,157
Dividends paid		(317,137,632)	-
Receipts from issue of ordinary share		313,858,200	-
Net cash from financing activities		(3,800,121,637)	7,379,729,157
D) Net increase / (decrease) in cash (A+B+C)		(2,286,582,770)	3,493,979,149
E) Effects of exchange rate changes on cash and cash-equivalent		56,456,604	18,920,075
F) Cash and cash-equivalents at beginning period		11,463,415,793	13,803,322,777
G) Cash and cash-equivalents at end of period (D+E+F)		9,233,289,627	17,316,222,001
H) Cash and cash-equivalents at end of period			
Cash in hand including foreign currencies	3	810,826,703	772,392,655
Balances with Bangladesh Bank and its agent bank(s) including	4	3,112,247,489	2,990,071,381
Balances with other Banks and Financial institutions	5	5,310,215,434	13,553,757,965
		9,233,289,627	17,316,222,001

Accompanying notes form an integral part of these financial statements.

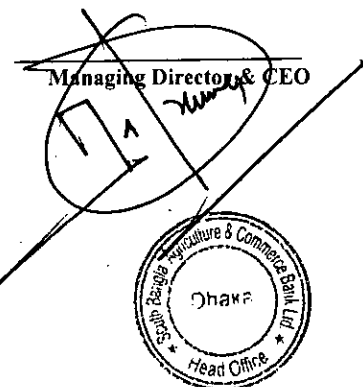

Chief Financial Officer


Company Secretary


Chairman


Director

Signed in terms of our report of even date.


Managing Director & CEO

Dhaka, 27 April 2022



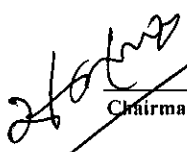
South Bangla Agriculture and Commerce Bank Limited
Statement of Changes in Equity
For the period ended 31 March 2022

Particulars	Paid Up Capital	Statutory Reserve	Other Reserve	F.C. Translation Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as on 01 January 2021	7,846,455,170	1,947,493,989	129,270,472	251,592	699,369,062	10,622,840,286
Issue of Shares	313,858,200			-		313,858,200
Prior period adjustment	-	-	-	-	-	-
Net profit for the period	-	-	-	-	180,467,632	180,467,632
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					(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	565,978,494	10,903,022,626
Balance as on 31 December 2021	7,846,455,170	1,947,493,989	129,270,472	251,592	699,369,062	10,622,840,285

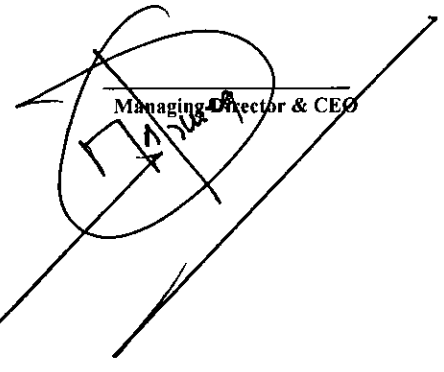
These financial statements should be read in conjunction with the annexed notes.


 Chief Financial Officer


 Company Secretary


 Chairman


 Director


 Managing Director & CEO

Dhaka, 27 April 2022



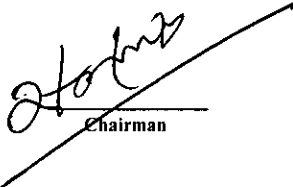
South Bangla Agriculture and Commerce Bank Limited
Liquidity Statement (asset and liabilities maturity analysis)
As at 31 March 2022

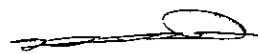
Particulars	Within one month Taka	Within one to three months Taka	Within three to twelve months Taka	Within one to five years Taka	More than five years Taka	Total Taka
Assets:						
Cash in hand (including foreign currencies)	810,826,703	-	-	-	-	810,826,703
Balance with Bangladesh Bank and its agent Banks	388,314,649	-	-	-	2,723,932,840	3,112,247,489
Balance with other banks & financial institutions	2,703,252,863	1,184,377,419	1,422,585,152	-	-	5,310,215,434
Money at call on short notice	493,100,000	-	-	-	-	493,100,000
Investments	961,645,030	218,636,796	85,770,087	1,317,039,874	9,586,911,844	12,170,003,631
Loans and advances	12,296,694,524	17,361,864,479	25,506,639,184	11,884,287,642	2,730,114,676	69,779,600,505
Fixed assets including premises, furniture and fixtures	23,386,046	46,772,091	210,474,411	1,305,080,810	-	1,585,713,358
Other assets	247,091,123	411,818,539	593,910,530	411,818,539	-	1,664,638,731
Non-Banking assets	-	-	-	-	-	-
Total Assets	17,924,310,937	19,223,469,325	27,819,379,364	14,918,226,866	15,040,959,360	94,926,345,852
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	3,539,015,502	389,256,637	925,804,121	34,116,449	78,649,155	4,966,841,864
Deposits and other accounts	11,471,168,420	14,892,183,420	21,986,824,519	13,564,055,834	11,056,968,486	72,971,200,680
Provisions and other liabilities	37,487,195	283,359,952	1,395,246,917	910,976,651	3,458,209,967	6,085,280,682
Total Liabilities	15,047,671,116	15,564,800,010	24,307,875,557	14,509,148,935	14,593,827,609	84,023,323,226
Net liquidity surplus	2,876,639,821	3,658,669,315	3,511,503,807	409,077,931	447,131,752	10,903,022,626
Cumulative liquidity surplus	2,876,639,821	6,535,309,135	10,046,812,943	10,455,890,874	10,903,022,626	

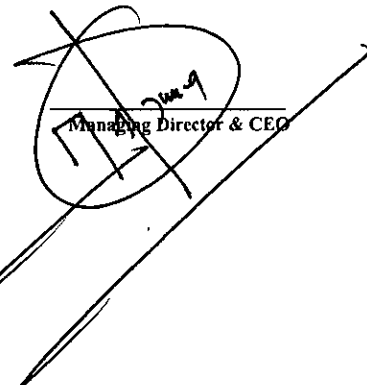
Net result of the liquidity statement represents the shareholders' equity.


 Chief Financial Officer


 Company Secretary


 Chairman


 Director


 Managing Director & CEO

Dhaka, 27 April 2022



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

1 General information

1.1 Status of the bank

South Bangla Agriculture and Commerce Bank Limited (the "Bank") was incorporated in Bangladesh as a public limited company with limited liability by shares as on February 20, 2013 under the Companies Act 1994 to carry out banking business. The registered office of the Bank is BSC Tower, 2-3 Rajuk Avenue, Motijheel, Dhaka-1000, Bangladesh. It obtained license from Bangladesh Bank for carrying out banking business on March 25, 2013 under the Bank Companies Act 1991. The Bank has been carrying out its business in Bangladesh through its eighty four (8) branches; twenty one (23) 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 2021.

Off-shore Banking Unit (OBU)

The Off-shore Banking Unit (OBU) of the Bank is the separate business entity governed by the applicable rules & regulations and guidelines of Bangladesh Bank. The Bank obtained the permission for conducting the activities of OBU under reference letter no. BRPD (03)/744(127)/2020-5140 dated 15 July 2020 of Bangladesh Bank. The Bank started the operation of OBU on 22 October 2020. The number of OBU was one as at 31 December 2021, 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.

Information regarding subsidiary

The Bank has 01 (one) subsidiary, SBAC Bank Investment Limited. Though the suscription of the subsidiary has been completed, the operation of the company is yet to start.

SBAC Bank Investment Limited

SBAC Bank Investment Limited, a subsidiary company of the Bank, incorporated as a private company, limited by shares, registered with the Registrar of Joint Stock Companies and Firms vide certificate of incorporation no. C-169950/2021 dated 21 March 2021 under the Companies Act 1994. SBAC Bank Investment Limited got the Trading Right Entitlement Certificate (TREC) no. Nibondhon/DSE/TREC#267/2021/294 dated 01 September 2021 of Dhaka Stock Exchange Limited (DSE). The primary activity of the company is to act as a stock broker & dealer to execute buy and sell order and to maintain its own portfolio as well as customers' portfolio under the discretion of customers. The Financial Statements of the company for the year ended 31 March 2022 are shown in Annexure - H.

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



i) Presentation of Financial statements

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

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

ii) Investment in shares and securities

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: HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortization of discount are recognized in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized at the year end and gains 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 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 5% 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 a 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 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 March 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.

2.3 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:

1. Provisions on loans and advances
2. Income tax provision

2.4 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.

2.5 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.

2.6 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.

2.7 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.



2.8 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.

2.9 Reporting period

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

2.10 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 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.

2.11 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.

2.12 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.

2.13 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 no. BRPD circular letter no-53 dated 30 December 2021, BRPD circular no. 52 dated 29 December, 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 5% and specific provision is 5% to 100%.

The provisioning rates are as follows:

	2021	2020
General provision on:		
Unclassified general loans and advances/investments	1.00%	1.00%
Unclassified small and medium enterprise financing	0.25%	0.25%
Unclassified loans/investment for housing finance	1.00%	1.00%
Unclassified loans/investment for loans to professionals	2.00%	2.00%
Unclassified consumer financing other than housing finance and loans for professionals	2.00%	5.00%
Unclassified agricultural loans	1.00%	1.00%



Specific provision on:

Unclassified loans/advances rescheduled under BRPD 05/2019	100.00%	100.00%
Substandard loans and advances/investments other than agricultural loans and cottage, micro & small enterprise finance	20.00%	20.00%
Substandard loans and advances on cottage, micro & small enterprise finance	5.00%	20.00%
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	1.50%	1.00%
Other than SME loans and advances	2.00%	1.00%

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.

2.14 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.

2.15 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.

2.16 Provisions for other assets

BRPD circular No.14 (25 June 2001) requires a provision of 100% on relevant other assets which are outstanding for one year and above. The Bank maintains provision in line with this circular unless no provision is required based on objective assessment.

Provisions on balances with other banks and financial institutions (Nostro accounts)

Provisions for unsettled transactions on nostro accounts made are reviewed on a quarterly basis by management and certified by the Bank's external auditors on a semi-annual basis in accordance with Bangladesh Bank Foreign Exchange Policy Department (FEPD) circular No. 677 (13 September 2005).

Provisions for off balance sheet exposures

As per BRPD circular No.14 (23 September 2012) the Bank has recognised 1% General Provision on the following off balance sheet exposures as defined in BRPD circular No.10 (24 November 2002) considering the exemption as provided through BRPD circular No.01 (03 January 2018), BRPD circular No.7 (21 June 2018) and BRPD circular No.13 (18 October 2018).

- Acceptance and endorsements
- Letters of guarantee
- Irrevocable letters of credit

2.17 Non banking assets

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

2.18 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.

2.19 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.

2.20 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.

2.21 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.

2.22 Provision for startup fund

As per Bangladesh Bank SMESPD Circular No. 04 dated 29th March 2021, the Bank is maintaining provision for startup fund @ 1.00% of net profit after taxation.



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, 2021.

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 2021 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 depositors of the IBW share income derived from investing activities deploying the Mudaraba funds. Income under these categories includes profit, dividend, capital gain, rent, exchange gain and any other gain derived from deployment of Mudaraba funds.



2.31.8 Management and other expenses

Expenses incurred by the Bank are recognized on accrual basis.

2.32 Risk management

2.32.1 Internal Control and Compliance Management

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

2.32.2 Foreign Exchange Risk Management

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

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

2.32.3 Credit Risk Management

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

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

2.32.4 Asset Liability Management

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

2.32.5 Money Laundering Risk Management

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

2.32.6 Information and Communication Technology Security Risk Management

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



2.32.7 Internal Audit Management

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

2.32.8 Fraud and Forgeries Management

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

2.32.9 Operational Risk

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

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

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

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

2.32.10 Legal risk

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

2.32.11 Business risk

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

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

2.32.12 Reputational Risk

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

The branches and operational divisions are directly responsible for reputational risks arising from their business operations. Reputational risks may also arise from a deficiency in managing other risks. All risk must therefore be managed effectively in order to uphold the Bank's reputation. The management ensures that South Bangla Agriculture and Commerce Bank Limited is aware of any changes in market perceptions as soon as possible. Accordingly, all business policies and transactions are subjected to careful consideration. South Bangla Agriculture and Commerce Bank Limited takes necessary precautions to avoid business policies and transactions that may result in significant tax, legal or environmental risks. Reputational risk is also factored into major credit decisions that may lead to credit proposal being declined.



2.32.13 Liquidity risk

Liquidity risk is the risk that we may not meet our financial obligation as they become due. Liquidity risks also include our inability to liquidate any asset at reasonable price in a timely manner. It is the policy of the Bank to maintain adequate liquidity at all times in both local and foreign currencies. Liquidity risks are managed on a short, medium and long-term basis. There are approved limits for credit/ deposit ratio, liquid assets to total assets ratio, maturity mismatch, commitments for both on-balance sheet and off-balance sheet items and borrowing from money market to ensure that loans and investments are funded by stable sources, maturity mismatches are within limits and that cash inflow from maturities of assets, customer deposits in a given period exceeds cash outflow by a comfortable margin even under a stressed liquidity scenario.

2.32.14 Interest rate risk

Interest rate risk is the potential impact on the Bank's earnings and net asset value due to changes in market interest rates. Interest rate risk is the result of mismatches of interest rate re-pricing of financial assets and liabilities. South Bangla Agriculture and Commerce Bank Limited uses the following tools for measuring the interest rate risk:

Gap analysis

Under this system, a gap i.e. the difference between the amount of financial assets and the amount of liabilities is calculated at a pre-determined time bucket. The interest rate factor is then applied on the assessed financial value of Gap for measuring the earning impact due to movement of interest rate.

Duration analysis

Duration is the time-weighted average maturity of the present value of the cash flows from on balance sheet assets and liabilities. It measures the relative sensitivity of the value of these instruments to changing interest rates and therefore reflects on the economic value i.e. the present value of shareholders' equity of the Bank.

2.33 Earnings per share (EPS)

Earnings per share (EPS) have been calculated in accordance with IAS 33 – "Earnings per Share", which is shown on the face of the Profit & Loss Account. This has been calculated by dividing the net profit after tax by the weighted average number of ordinary shares outstanding as on 31 March 2022. This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighted factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year.

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

2.34 Off-setting financial assets and financial liabilities

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

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

2.35 Leases

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

The Bank applied IFRS 16 using modified retrospective approach where the bank measured the lease liability at the present value of the remaining lease payments, discounted it using incremental borrowing rate at the date of initial application, and 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 transaction to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities recognized under IFRS 16 was 6%.

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

2.36 Dividend policy

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

2.37 Credit Rating of the Bank

As per the BRPD instruction circular no.6 dated 5 July 2006, the Bank has done its credit rating by Credit Rating Information and Services Limited (CRISL) based on the financial statements dated 31 December 2020.

Particulars	Date of Rating	Long term	Short term	Rating Valid
Credit Rating Information and Services Limited (CRISL)	30 June 2021	A	ST-2	29 June 2022

2.38 New accounting standards not yet adopted

The Bank has consistently applied the accounting policies as set out in Note 3 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 2019 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) (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 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.

2.40 Approval of the Financial Statements

The Board of Directors of the Bank, in its 141th meeting held on 28 April 2022, approved the financial statements of the Bank for the period ended 31 March 2022 and signed these statements on 28 April 2022.



	31 March 2022 Taka	31 December 2021 Taka
3. Cash in hand (including foreign currencies) - Consolidated		
SBAC Bank Limited (note 3.1)	810,826,703	855,111,180
SBAC Bank Investment Limited	-	-
	810,826,703	855,111,180
3.1 Cash in hand (including foreign currencies) of the Bank		
Local currency	807,282,233	853,240,625
Foreign currencies	3,544,470	1,870,555
	810,826,703	855,111,180
4. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) - Consolidated		
SBAC Bank Limited (note 4.1)	3,112,247,489	3,236,004,834
SBAC Bank Investment Limited	-	-
	3,112,247,489	3,236,004,834
4.1 Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) of the Bank		
Bangladesh Bank		
In local currency	2,886,215,870	3,064,258,047
In foreign currencies	226,031,619	171,746,787
	3,112,247,489	3,236,004,834
Sonali Bank Limited (as Agent of Bangladesh Bank) - local currency	-	-
	3,112,247,489	3,236,004,834
4.2 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)		
Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of the Bank Company Act, 1991 (amended up to 2018) and of instructions contained in DOS Circular No. 01 dated 19 January, 2014 and MPD Circular No. 03 dated 09 April, 2020 for conventional and islamic banking and BRPD Circular No. 31 dated 18 June 2020 for off-shore banking unit.		
The Cash Reserve Requirement, calculated at the rate of 3.50% for conventional and islamic banking and 1.50% for off-shore banking unit on daily basis and 4.00% for conventional and islamic banking and 2.00% for off-shore banking unit on bi-weekly basis, based on the Bank's average time and demand liabilities of two months earlier of the reporting month (i.e. based on October), has been maintained with Bangladesh Bank in current account. The Statutory Liquidity Ratio, calculated at the rate of 13% for conventional banking and off-shore banking unit and 5.50% for islamic banking based on the Bank's average time and demand liabilities of two months earlier of the reporting month (i.e. based on January), have been maintained in the form of unencumbered treasury bills and bonds, cash in hand and daily excess of Cash Reserve.		
4.2.1 Total average demand and time liabilities		
Total average demand and time liabilities		
Conventional banking	73,306,095,000	70,599,843,000
Islamic banking	315,148,000	206,374,000
Off-shore banking unit	-	-
	73,621,243,000	70,806,217,000
4.2.2 Cash Reserve Requirement (CRR) and maintained		
Required reserve		
Conventional banking	2,932,244,000	2,823,994,000
Islamic banking	12,606,000	8,255,000
Off-shore banking unit	-	-
Total required reserve	2,944,850,000	2,832,249,000
Actual reserve maintained		
Balance with Bangladesh Bank - local currency :		
For conventional banking and OBU	2,971,005,688	2,917,148,863
For islamic banking	20,000,000	50,000,000
	2,991,005,688	2,967,148,863
Surplus / (deficit) (conventional banking and OBU)	38,761,688	93,154,863
Surplus / (deficit) (islamic banking)	7,394,000	41,745,000
Maintained ratio (conventional banking and OBU)	4.05%	4.13%
Maintained ratio (islamic banking)	6.35%	24.23%

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



	31 March 2022 Taka	31 December 2021 Taka
4.2.3 Statutory Liquidity Ratio (SLR) requirement and maintained (conventional banking and off-shore banking unit)		
Required reserve		
Conventional banking	9,529,792,000	9,177,980,000
Off-shore banking unit	-	-
Total required reserve	<u>9,529,792,000</u>	<u>9,177,980,000</u>
Available for maintenance :		
Cash in hand (including foreign currencies)	803,711,814	794,918,087
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	-	-
Excess of CRR requirement	38,761,688	93,154,863
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	10,423,572,022	15,918,541,635
	<u>11,266,045,524</u>	<u>16,806,614,585</u>
Surplus / (deficit)	<u>1,736,253,524</u>	<u>7,628,634,585</u>
Maintained Ratio	<u>15.37%</u>	<u>23.81%</u>

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

Required reserve	17,333,000	11,351,000.00
Available for maintenance :		
Cash in hand (including foreign currencies)	7,114,889	15,908,616
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	-	-
Excess of CRR requirement	7,394,000	41,745,000
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	100,000,000	50,000,000
	<u>114,508,889</u>	<u>107,653,616</u>
Surplus / (deficit)	<u>97,175,889</u>	<u>96,302,616</u>
Maintained Ratio	<u>36.33%</u>	<u>52.16%</u>



	31 March 2022	31 December 2021
	Taka	Taka
5. Balance with other banks and financial institutions - Consolidated		
In Bangladesh		
SBAC Bank Limited (note 5.1)	5,134,923,748	7,080,594,333
SBAC Bank Investment Limited	369,604,905	365,990,756
	<u>5,504,528,654</u>	<u>7,446,585,089</u>
Less : Inter company transactions	369,604,905	365,990,756
	<u>5,134,923,748</u>	<u>7,080,594,333</u>
Outside Bangladesh		
SBAC Bank Limited (note 5.1)	175,291,686	291,705,446
SBAC Bank Investment Limited	-	-
	<u>175,291,686</u>	<u>291,705,446</u>
	<u>5,310,215,434</u>	<u>7,372,299,779</u>
5.1 Balance with other banks and financial institutions of the Bank		
In Bangladesh		
Main Operation (note 5.2)	5,670,681,585	7,638,008,901
Off-shore Banking Unit	20,029,703	17,600,989
Less: Inter bank transactions	(555,787,539)	(575,015,557)
	<u>5,134,923,748</u>	<u>7,080,594,333</u>
Outside Bangladesh		
Main Operation (note 5.2)	175,291,686	291,705,446
	<u>175,291,686</u>	<u>291,705,446</u>
	<u>5,310,215,434</u>	<u>7,372,299,779</u>
5.2 Balance with other banks and financial institutions - Main Operation		
In Bangladesh (note 5.3)	5,670,681,585	7,638,008,901
Outside Bangladesh (note 5.4)	175,291,686	291,705,446
	<u>5,845,973,271</u>	<u>7,929,714,347</u>
5.3 In Bangladesh		
Balance with other banks :		
In current deposit accounts with		
Sonali Bank Limited	10,000,000	39,797,215
Dutch Bangla Bank Limited	1,027	1,372
Eastern Bank Limited	6,117,950	8,540,574
	<u>16,118,977</u>	<u>48,339,161</u>
In special notice deposit accounts with		
Janata Bank Limited	80,977,338	109,409,377
Eastern Bank Limited	15,754,105	15,754,105
Sonali Bank Limited	282,698,206	84,553,801
Mercantile Bank Limited	406,754	440,230
Bank Asia Limited	26	26
Standard Bank Limited	89,323	89,323
Jamuna Bank Limited	16,840	17,832
Al-Arafa Islami Bank Limited	13,539	14,547
Trust Bank Limited	8,407,375	17,355,415
Union Bank Limited	4,844	7,541
IFIC Bank Limited	18,119	20,083
Rupali Bank Limited	3,722,428	3,035,218
	<u>392,108,897</u>	<u>230,697,498</u>
In fixed deposit accounts with		
Mutual Trust Bank Limited	-	1,000,000,000
Meghna Bank Limited	-	-
Janata Bank Limited	2,835,122,500	1,821,060,000
Sonali Bank Limited	9,713,126	2,014,062,500
	<u>2,844,835,626</u>	<u>4,835,122,500</u>
Balance with financial institutions :		
Phoenix Finance Limited	207,500,000.00	213,500,000
International Leasing & Financial Services Limited	578,500,000.00	578,500,000
Prime Finance & Investment Limited	-	-
IDLC Finance Limited	-	-
Industrial & Infrastructure Development Finance Company Limited	56,000,000.00	78,000,000
Fareast Finance and Investment Limited	257,500,000.00	257,500,000
FAS Finance Limited	264,300,000.00	264,300,000
Premier Leasing and Finance Limited	131,400,000.00	131,400,000
Union Capital Limited	177,600,000.00	178,900,000
Bangladesh Finance and Investment Company Limited	206,500,000.00	213,500,000
Bay Leasing & Investment Limited	-	50,000,000
Hajj Finance Company Limited	-	-
IPDC Finance Limited	-	-
	<u>1,879,300,000</u>	<u>1,965,600,000</u>
Placement of fund with SBAC Bank Off-shore Banking Unit	538,318,085	558,249,742
	<u>5,670,681,585</u>	<u>7,638,008,901</u>

Management conducted an impairment assessment as on 31st March 2022 and satisfied that no impairment provision is required against any FDR. As per BRPD Circular Letter no. BRPD(P-1)/661/13/2021-12262 dated 27 December 2021, banks are exempted from keeping further provision against the balance with financial institutions.



5.4 Outside Bangladesh

In demand deposit accounts (non-interest bearing) with

Particulars	Currency	31 March 2022			31 December 2021		
		Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka	Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka
Mashreq Bank PSC, New York	USD	325,364	86.20	28,046,335	1,129,302	85.80	96,894,070
AB Bank, Mumbai	ACU	440,302	86.20	37,954,047	755,797	85.80	64,847,347
United Bank of India, Kolkata	ACU	31,672	86.20	2,730,104	6,507	85.80	558,339
National Bank of Pakistan,	JPY	3,686,947	0.71	2,608,515	3,686,947	0.75	2,751,568
Sonali Bank Ltd. Kolkata	ACU	227,641	86.20	19,622,693	430,144	85.80	36,906,372
Habib American Bank, NY	USD	406,556	86.20	35,045,133	241,363	85.80	20,708,938
Habib Metropolitan Bank Ltd., Karachi	ACU	32,204	86.20	2,775,949	178,679	85.80	15,330,622
AXIS Bank Ltd., Mumbai	ACU	355,186	86.20	30,617,005	470,956	85.80	40,408,058
Sonali Bank (UK) Ltd.	USD	43,233	86.20	3,726,694	43,233	85.80	3,709,401
Sonali Bank (UK) Ltd.	GBP	15,627	113.19	1,768,839	16,720	115.71	1,934,679
Sonali Bank (UK) Ltd.	EURO	18,113	96.16	1,741,783	9,846	97.37	958,653
Koomin Bank, Seoul	USD	100,401	86.20	8,654,589	78,058	85.80	6,697,399
				175,291,686			291,705,446
In demand deposit accounts (interest bearing)				-			-
Total Outside Bangladesh				175,291,686			291,705,446

6. Money at call on short notice

With banks

With non bank financial institutions

	31 March 2022 Taka	31 December 2021 Taka
With banks	-	-
With non bank financial institutions	493,100,000	-
	493,100,000	-



	31 March 2022 Taka	31 December 2021 Taka
7. Investments - Consolidated		
Government :		
SBAC Bank Limited	10,525,048,522	15,971,113,935
SBAC Bank Investment Limited	-	-
	10,525,048,522	15,971,113,935
Other :		
SBAC Bank Limited	1,644,955,109	1,567,081,922
SBAC Bank Investment Limited	-	-
	1,644,955,109	1,567,081,922
	12,170,003,631	17,538,195,857
7.1 Classification of investments		
Government treasury bills and bonds		
Held for Trading (HFT)	2,385,320,472	4,007,106,430
Held to Maturity (HTM)	7,863,921,550	11,687,105,205
Ijarah Sukuk Bond	274,330,000	274,330,000
Total treasury bills and bonds	10,523,572,022	15,968,541,635
Reverse-REPO with Bangladesh Bank	-	-
Prize bonds	1,476,500	2,572,300
Total Government securities	10,525,048,522	15,971,113,935
Other investments (note 7.2)	1,644,955,109	1,567,081,922
	12,170,003,631	17,538,195,857
7.2 Other investments		
In quoted shares	1,239,678,328	1,161,805,141
In quoted mutual funds	101,695,410	101,695,410
In unquoted shares	3,581,371	3,581,371
In preference shares	300,000,000	300,000,000
	1,644,955,109	1,567,081,922



	31 March 2022 Taka	31 December 2021 Taka
8. Loans, advances and lease / investments - Consolidated		
Loans , cash credit, overdrafts etc. / investments :		
SBAC Bank Limited (note 8.1)	67,242,629,275	63,711,064,030
SBAC Bank Investment Limited	-	-
	67,242,629,275	63,711,064,030
Bills purchased and discounted :		
SBAC Bank Limited (note 8.1)	2,536,971,230	2,244,617,036
SBAC Bank Investment Limited	-	-
	2,536,971,230	2,244,617,036
	69,779,600,505	65,955,681,066
8.1 Loans, advances, lease and investments of the Bank		
Loans , cash credit, overdrafts etc. / investments :		
Main Operation	67,242,629,275	63,711,064,030
Off-shore banking unit	-	-
	67,242,629,275	63,711,064,030
Bills purchased and discounted :		
Main Operation	1,990,221,328	1,681,406,152
Off-shore banking unit	546,749,902	563,210,884
	2,536,971,230	2,244,617,036
	69,779,600,505	65,955,681,066
8.2 Loans , cash credit, overdrafts etc. / investments of the Bank		
In Bangladesh:		
Overdrafts / bai murabaha	16,779,523,199	15,385,656,494
Cash credit / bai murabaha :		
General cash credit / bai murabaha	5,447,953,927	5,190,441,496
Agriculture cash credit / bai murabaha	210,366,728	211,385,828
SME cash credit	9,423,030,464	9,466,854,248
General cash credit under stimulus finance	138,127,796	357,870,952
SME cash credit / bai murabaha under stimulus finance	522,191,676	684,588,011
	15,741,670,590	15,911,140,535
Loans, lease and investments :		
Loans against trust receipt / murabaha post import	2,794,149,717	2,427,975,398
Export packing credit	54,326,479	11,866,506
Payment against document	249,214,726	503,747,883
Time loans	3,863,039,436	3,809,113,593
EDF loans	1,895,282,809	1,795,260,933
Demand loans	2,891,293,430	2,381,972,789
Lease finance	627,751,169	642,356,337
House building finance / HPSM real estate	882,600,315	853,482,702
General term loans	16,674,651,022	15,341,038,404
SME term loans	3,245,749,207	3,171,782,827
Agriculture term loans	338,658,162	297,398,942
Short term micro credit	250,083,785	236,235,039
Personal loans	80,704,861	84,428,258
Auto loans / HPSM vehicles	46,660,600	44,198,548
Credit Card	260,962,919	245,951,018
Block account for rescheduled loan	39,057,382	39,838,382
Staff loans / HPSM	527,249,465	527,619,442
	34,721,435,485	32,414,267,001
	67,242,629,275	63,711,064,030
Outside Bangladesh	-	-
	67,242,629,275	63,711,064,030
8.3 Bills purchased and discounted of the Bank		
Inside Bangladesh		
Inland bills purchased and discounted	1,925,517,267	1,620,206,771
Outside Bangladesh		
Foreign bills purchased and discounted	611,453,963	624,410,265
	2,536,971,230	2,244,617,036



31 March 2022 31 December 2021
Taka Taka

8.4 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

Cash credit

Overdraft

34,721,435,485	32,414,267,001
15,741,670,590	15,911,140,535
16,779,523,199	15,385,656,494
67,242,629,275	63,711,064,030

Outside Bangladesh

-	-
67,242,629,275	63,711,064,030

(b) Bills purchased and discounted (note 8.3)

In Bangladesh

Outside Bangladesh

1,925,517,267	1,620,206,771
611,453,963	624,410,265
2,536,971,230	2,244,617,036
69,779,600,504	65,955,681,066

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

Particulars	Amount of outstanding loans and advances as at 31 March 2022	Base for Provision	Rate	Amount of required provision as at 31 March 2022	Amount of required provision as at 31 December 2021
I) General provision :					
a) Consumer finance	388,175,493	388,175,493	2.00%	7,763,510	7,444,556
b) Staff loans	527,249,465	-	0.00%	-	-
c) Housing finance	830,596,209	830,596,209	1.00%	8,305,962	8,703,613
d) Loans to professional	-	-	2.00%	-	-
e) Small & medium enterprise	24,999,682,683	24,999,682,683	0.25%	62,028,291	56,296,574
f) Loans to BH, MB, SD, etc.	974,433,394	974,433,394	2.00%	19,488,668	20,573,823
g) Agricultural and micro credit	1,842,896,485	1,842,896,485	1.00%	17,923,000	18,560,733
h) Others	36,333,335,179	36,333,335,179	1.00%	342,259,224	349,211,774
i) Special general provision- COVID-19	-	-	1%, 1.5% & 2%	178,294,192	187,183,129
	65,896,368,908	65,369,119,443		636,062,846	647,974,201
II) Specific provision :					
a) Unclassified	-	1,047,737,336	100.00%	1,047,737,336	1,026,375,489
b) Unclassified	-	-	1.00%	-	-
c) Sub-standard (CMS)	20,538,431	3,394,137	5.00%	169,707	167,213,30
d) Sub-standard (other)	245,810,043	234,262,096	20.00%	46,852,419	46,695,590
e) Doubtful (CMS)	747,847,081	166,268,478	20.00%	33,253,696	32,678,953
f) Doubtful (other)	167,153,439	142,358,905	50.00%	71,179,453	71,013,921
g) Bad / loss	2,701,882,603	1,046,838,012	100.00%	1,046,838,012	1,019,231,715
	3,883,231,597	2,640,858,964		2,246,030,622	2,196,162,881
Total provision required	69,779,600,505	68,009,978,407		2,882,093,468	2,844,137,082
Total provision maintained				2,472,624,029	2,397,443,139
Provision to be maintained*				409,469,439	446,693,943
Surplus / (deficit)				-	-

* As per Bangladesh Bank letter reference no. DBI-3/132/2022-617 dated April 19, 2022, Bank has total provision shortfall of Tk. 55.79 crore (Tk. 40.03 crore against unclassified loans and advances, Tk. 11.12 crore against classified loans and advances, Tk. 4.64 crore against special general provision for COVID -19). As per Bangladesh Bank letter reference no. DOS (CAMS)1157/41(dividend)/2022-2224 dated April 25, 2022, the Bank has to maintain shortfall specific provision of Tk. 11.12 in the current year and rest of the amount of Tk. 44.67 crore has to be maintained in the year 2022, 2023 & 2024 equally.



	31 March 2022 Taka	31 December 2021 Taka
8.6 Classification of loans, advances and lease / investments including bills purchased and discounted		
Unclassified loans and advances		
Main Operation		
i) Standard	63,950,373,284	60,948,067,217
ii) Special mention account (SMA)	1,399,245,722	976,188,578
	65,349,619,006	61,924,255,795
Off-shore Banking Unit		
i) Standard	546,749,902	563,210,884
ii) Special mention account (SMA)	-	-
	546,749,902	563,210,884
	65,896,368,908	62,487,466,679
Classified loans and advances		
Main Operation		
Sub-standard	266,348,474	259,425,115
Doubtful	915,000,520	728,608,335
Bad / loss	2,701,882,603	2,480,180,937
	3,883,231,597	3,468,214,387
Off-shore Banking Unit		
Sub-standard	-	-
Doubtful	-	-
Bad / loss	-	-
	-	-
	3,883,231,597	3,468,214,387
Total	69,779,600,505	65,955,681,066



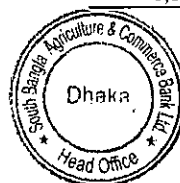
	31 March 2022 Taka	31 December 2021 Taka
9. Fixed Assets including premises, furniture and fixtures - Consolidated		
SBAC Bank Limited (note 9.1)	1,585,713,358	1,626,642,412
SBAC Bank Investment Limited	-	-
	1,585,713,358	1,626,642,412
9.1 Fixed Assets including premises, furniture and fixtures of the Bank		
Motor vehicles	15,633,106	51,888,653
Machinery and equipments	61,539,244	298,436,443
Furniture and fixtures	46,857,633	98,700,745
Interior decoration	173,208,652	327,597,917
Computers and accessories	161,528,052	404,687,414
Softwares	18,282,614	193,446,651
Other tools	18,850,582	44,642,330
Right of Use Assets	1,355,504,569	1,459,393,820
	1,851,404,452	2,878,793,973
Less : Accumulated depreciation	265,691,093	1,252,151,561
	1,585,713,358	1,626,642,412
10. Other Assets - Consolidated		
Income generating other assets		
SBAC Bank Limited	399,600,000	399,600,000
SBAC Bank Investment Limited	-	-
	399,600,000	399,600,000
Non-income generating other assets		
SBAC Bank Limited	1,265,038,731	1,188,787,124
SBAC Bank Investment Limited	43,225,874	42,334,007
	1,308,264,605	1,231,121,131
	1,707,864,605	1,630,721,131
Less : Inter-company transaction	401,588,391	400,908,545
Total other assets	1,306,276,214	1,229,812,586
10.1 Other Assets of the Bank		
Investment in shares of SBAC Bank Investment Limited	399,600,000	399,600,000
Advance income tax (note 10.2)	656,157,095	554,589,498
Stock of stationeries and stamps (note 10.3)	18,161,977	14,021,623
Advance rent, advertisement, etc. (note 10.4)	39,331,603	14,380,654
Accrued interest and commission receivable	358,335,861	396,692,194
Advance and security deposits	4,177,757	4,177,757
Central clearing, EFT, NPSB adjustment account		8,486
Deferred tax asset	21,757,883	21,757,883
Suspense accounts (note 10.5)	166,399,055	183,159,029
Receivable from SBAC Bank Limited	717,500	-
	1,664,638,731	1,588,387,124
10.2 Advance income tax		
Opening balance	554,589,498	1,777,716,153
Add : Paid during the year		
Income tax deducted at source	25,567,597	112,030,725
Advance income tax paid	76,000,000	329,519,328
	101,567,597	441,550,053
	656,157,095	2,219,266,206
Less : Adjustment during the year	-	1,664,676,708
Closing balance	656,157,095	554,589,498
10.3 Stock of stationeries and stamps		
Stock of printing stationeries	3,711,496	3,643,481
Stock of security stationeries	11,709,035	7,681,525
Stock of stamps	2,741,446	2,696,617
	18,161,977	14,021,623
10.4 Advance rent, advertisement, etc.		
Advance rent	39,331,603	14,380,654
Prepaid advertisement	-	-
	39,331,603	14,380,654



	31 March 2022 Taka	31 December 2021 Taka
	31 March 2022 Taka	31 December 2021 Taka
10.5 Suspense accounts		
Sundry debtors	30,909,278	12,066,370
Receivable from Stock Brokers	3,049,890	61,213,629
Application for primary shares	-	23,586,500
Advance for bKash merchant payment	1,475,867	480,663
Advance for SSL merchant payment	916,902	2,882,621
Receivable for payment against Sanchayapatra (interest & principal encash)	73,517,869	42,853,074
Advance against expenses	1,990,741	2,640,242
Advance against fixed assets	31,176,407	31,115,405
Other prepaid expenses	23,362,102	6,320,525
	166,399,055	183,159,029
11. Borrowings from other banks, financial institutions and agents - Consolidated		
SBAC Bank Limited (note 11.1)	4,966,841,865	8,763,684,070
SBAC Bank Investment Limited	-	-
	4,966,841,865	8,763,684,070
11.1 Borrowings from other banks, financial institutions and agents of the Bank		
Main Operation (note 11.2)	4,966,841,865	8,763,684,070
Off-shore Banking Unit	538,318,085	557,414,568
Less : Inter bank transactions	(538,318,085)	(557,414,568)
	4,966,841,865	8,763,684,070
11.2 Borrowings from other banks, financial institutions and agents (main operation)		
a) In Bangladesh		
Secured		
Refinance from Bangladesh Bank		
Agro based industries	31,236,648	31,257,683
Green industries	107,873,595	109,890,085
Small enterprise entrepreneurs	212,263	370,564
10 Taka account	39,895	15,594
Bangladesh Bank stimulus fund	841,195,406	954,364,567
Export Development Fund (EDF)	2,055,284,058	1,794,435,577
	3,035,841,865	2,890,334,070
Unsecured	1,931,000,000	5,873,350,000
	4,966,841,865	8,763,684,070
b) Outside Bangladesh	-	-
	4,966,841,865	8,763,684,070

As at the reporting date of these financial statements, the Bank had no assets pledged as security except the 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 Enterprises Financing, 10 Taka Account Fund and Export Development Fund by the Bank. [Note 11.1]

12. Deposits and other accounts - Consolidated		
Current / Al-wadeeah current deposits and other accounts		
SBAC Bank Ltd.	6,710,330,806	7,296,934,175
Less : Inter-company transactions	1,270,891	1,308,545
	6,709,059,915	7,295,625,630
Special notice / mudaraba special notice deposits		
SBAC Bank Ltd.	3,656,539,991	4,494,632,154
SBAC Bank Investment Ltd.	-	-
	3,656,539,991	4,494,632,154
Less : Inter-company transactions	6,493,168	7,118,668
	3,650,046,823	4,487,513,486
Bills payable		
SBAC Bank Ltd.	2,723,654,648	2,414,977,923
SBAC Bank Investment Ltd.	-	-
	2,723,654,648	2,414,977,923
Savings bank / mudaraba savings deposits		
SBAC Bank Ltd.	6,195,269,693	5,943,300,533
SBAC Bank Investment Ltd.	-	-
	6,195,269,693	5,943,300,533



	31 March 2022	31 December 2021
	Taka	Taka
Fixed / mudaraba term deposits		
SBAC Bank Ltd.	39,363,884,403	38,491,349,641
SBAC Bank Investment Ltd.	-	-
	39,363,884,403	38,491,349,641
Less : Inter-company transactions	363,111,737	358,872,088
	39,000,772,666	38,132,477,553
Other deposits		
SBAC Bank Ltd.	14,321,521,138	14,462,568,622
SBAC Bank Investment Ltd.	-	-
	14,321,521,138	14,462,568,622
	72,600,324,883	72,736,463,747
12.1 Deposits and other accounts of the Bank		
Current / Al-wadeeah current deposits and other accounts (note : 12.2)	6,710,330,806	7,296,934,175
Special notice / mudaraba special notice deposits	3,656,539,991	4,494,632,154
Bills payable	2,723,654,648	2,414,977,923
Savings bank / mudaraba savings deposits	6,195,269,693	5,943,300,533
Fixed / mudaraba term deposits	39,363,884,403	38,491,349,641
Other deposits (note : 12.3)	14,321,521,138	14,462,568,622
	72,971,200,679	73,103,763,048
12.2 Current / Al-wadeeah current deposits and other accounts		
Current / Al-wadeeah current deposits	2,917,363,034	3,035,603,446
Foreign currency deposits	14,616,436	11,142,296
Exporters' retention quota accounts	15,444,640	17,111,860
Foreign currency held against BTB L/Cs	450,935,069	870,954,651
Non resident Taka account	7,722,704	8,092,418
Non resident foreign currency account	3,533,683	3,874,395
Resident foreign currency account	4,935,992	3,380,827
Margin against L/Cs	962,824,692	1,308,039,729
Margin against L/Gs	950,256,435	889,387,836
Margin on Loans	126,325,238	104,490,006
Margin on LDBP	83,400	83,400
Security deposit	27,005,643	25,477,192
Sundry deposits - excise duty	4,911,100	110,431,800
Sundry deposits - local bills	40,291,895	17,411,770
Sundry deposits - Sanchayapatra	34,500,000	2,600,000
Sundry deposits - other	78,894,460	28,655,670
Sundry deposits - foreign correspondents charge	9,477,765	22,689,238
Sundry deposits - risk fund	9,284,281	4,451,495
Sundry deposits - advance installment on Lease	1,967,672	1,967,672
Sundry deposits - Tax Deducted at source	41,440,137	165,301,620
Sundry deposits - VAT collected at source	4,574,759	6,341,906
Sundry deposits - VAT deducted Service Bills	11,848,384	8,803,101
Sundry deposits - card settlement account	31,912,840	30,779,470
Sundry deposits - Mobile App	3,096,420	3,730,638
Interest payable on deposits	957,084,126	616,131,739
	6,710,330,806	7,296,934,175
12.3 Other deposits		
Monthly savings scheme / mudaraba monthly savings deposits	4,014,034,154	3,991,921,493
Monthly Benefit Scheme Deposits	4,533,451,076	4,651,488,561
Lakhpoti Savings Scheme Deposits	193,567,187	206,888,792
Surokkha Millionaire Scheme Deposits	1,227,297,341	1,225,079,779
Kotipoti Scheme Deposits	177,486,376	171,635,383
Double Benefit Scheme Deposits	3,543,554,489	3,586,418,322
Triple Benefit Scheme	631,099,376	628,494,085
Mudaraba Hajj Deposits	1,031,138	642,207
	14,321,521,138	14,462,568,622
12.4 Segregation of deposits and other accounts		
Other than inter-bank deposits	72,350,062,972	73,101,444,386
Inter-bank deposits	621,137,707	2,318,662
	72,971,200,679	73,103,763,048



	31 March 2022 Taka	31 December 2021 Taka
12.5 Unclaimed deposits for ten years and more held by the bank	-	-
12.6 As on the reporting date of these financial statements, there were no valuable items unclaimed for ten years or more held by the bank.		
12.7 Payable on demand and time deposits		
a) Demand deposits		
Current deposits	2,917,363,034	3,035,603,446
Savings deposits (9%)	557,574,272	534,897,048
Foreign currency deposits (non interest bearing)	489,465,820	906,464,029
Security deposits	27,005,643	25,477,192
Sundry deposits	3,268,773,605	3,321,297,090
Bills Payable	2,723,654,648	2,414,977,923
	9,983,837,022	10,238,716,728
b) Time deposits		
Savings deposits (91%)	5,637,695,421	5,408,403,485
Fixed deposits	39,363,884,403	38,491,349,641
Special notice deposits	3,656,539,991	4,494,632,154
Deposits under schemes	14,321,521,138	14,462,568,622
Non resident Taka deposits	7,722,704	8,092,418
	62,987,363,657	62,865,046,320
	72,971,200,679	73,103,763,048
13. Other liabilities - Consolidated		
SBAC Bank Limited (note 13.1)	6,085,280,682	5,682,034,849
SBAC Bank Investment Limited	5,394,042	3,157,724
	6,090,674,724	5,685,192,573
Less : Inter-company transactions	717,500	-
	6,089,957,224	5,685,192,573
13.1 Other liabilities of the Bank		
Sundry creditors	32,804,796	10,437,261
Provision for expenses	86,547,163	38,429,305
Central clearing, EFT, NPSB adjustment account	9,278,239	-
Unearned profit (Markup)	17,364,575	2,740,530
Provision for gratuity (note 13.2)	-	-
Provision for taxation (note 13.3)	930,578,464	816,756,524
Provision on loans & advances (note 13.4)	2,294,329,828	2,210,260,010
Special general provision - COVID-19 (note 13.5)	178,294,201	187,183,129
General provision on Off Balance Sheet exposures (note 13.6)	200,782,611	168,396,382
Provision for rebate to good borrowers (note 13.7)	-	19,000,000
Present value of lease liability (note 13.8)	1,141,974,355	1,167,814,501
Interest suspense account (note 13.9)	1,129,157,100	1,000,624,647
Startup fund (note 13.10)	14,866,773	14,866,773
Provision for diminution in value of investments (note 13.11)	43,460,231	36,403,988
Unclaimed dividend	5,842,347	9,121,799
	6,085,280,682	5,682,034,849
13.2 Provision for gratuity		
Opening balance	-	-
Add : Provision made for the period	28,401,135	104,500,000
	28,401,135	104,500,000
Less : transferred to gratuity fund during the period	28,401,135	104,500,000
Closing balance	-	-
13.3 Provision for taxation		
Opening balance	484,777,441	2,017,238,149
Add : Provision made for the year	113,821,940	132,216,000
	598,599,381	2,149,454,149
Less : Adjustment during the year	-	1,664,676,708
Closing balance	598,599,381	484,777,441
13.3.1 Status of income tax assessment		
	Accounting Year	Assessment Year
	2013	2014-2015
	2014	2015-2016
	2015	2016-2017
	2016	2017-2018
		Status
		Assessment completed
		Assessment completed
		Assessment completed
		Assessment completed



		31 March 2022	31 December 2021
		Taka	Taka
2017	2018-2019	Assessment completed	
2018	2019-2020	Assessment completed	
2019	2020-2021	Assessment completed	
2020	2021-2022	Return submitted, assessment yet to complete	

13.4 Provision for loans and advances (note 8.5)

A. General provision on loans and advances - Main Operation

Opening balance	8,465,020	-
General provision for the year	34,366,687	8,465,020
Transferred to specific provision	-	-
Transferred from special general provision- COVID 19	-	-
Provision held at the year end	42,831,707	8,465,020

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

Opening balance	2,196,162,881	1,566,767,336
Less : Fully provided debt written-off (for final settlement)	-	-
Add : Recoveries of amounts previously written-off	-	-
Add : Specific provision for the period	49,867,741	866,353,374
Add : Transferred from general provision	-	-
Less : Specific provision no more required as loans	-	236,957,829
Add : Net charge to profit and loss account	-	-
Provision held at the end of the year	2,246,030,622	2,196,162,881

C. General provision on loans and advances - OBU

Opening balance	5,632,109	677,308
General provision for the year	(164,610)	4,954,801
Provision held at the year end	5,467,499	5,632,109

Total (A + B + C)

2,294,329,828 **2,210,260,010**

13.5 Special general provision - COVID-19(8.5)

Opening balance	187,183,129	9,513,466
Add : Provision made for the year	-	177,669,663
Less : Transferred to General provision	8,888,928	-
Provision held at the year end	178,294,201	187,183,129

13.6 Provision for off balance sheet exposures (note 18.2)

Opening balance	168,396,382	-
Add : Provision made for the year	32,386,229	168,396,382
Less : Transferred to specific provision	-	-
Provision held at the year end	200,782,611	168,396,382

13.7 Provision for rebate to good borrowers

Opening balance	19,000,000	19,000,000
Add : Provision made for the year	-	-
Provision held at the year end	19,000,000	19,000,000
Less: Paid /adjustment during the period	(19,000,000)	-
Closing balance	-	19,000,000

Bangladesh Bank withdrew the provision of mandatory payment of good borrowers' incentive after 30 September 2019 vide BRPD circular letter no.14 dated 18 June 2020. Accordingly, in 2021 SBAC Bank Ltd reversed all the excess provision made earlier as the Bank has no further obligation to pay good borrower incentives.

13.8 Present value of lease liability

The bank recognised lease liability which is present value of lease payments to be made over the lease terms from the date of commencement or 01 January 2020 (initial recognition). The lease payments has been discounted @ 6.00%.

13.9 Interest suspense account

Balance as on 1 January	1,000,624,647	617,600,554
Add : Amount transferred to "interest suspense" account during the year	180,090,925	451,285,411
Less : Amount recovered from "interest suspense" account during the year	51,558,472	68,261,318
Less : Amount written-off during the year	-	-
Balance as on 31 December	1,129,157,100	1,000,624,647

13.10 Startup fund

Opening balance	14,866,773	-
Add : Transferred during the year	-	14,866,773
Provision held at the year end	14,866,773	14,866,773

13.11 Provision for diminution in value of investments

Opening balance	36,403,988	-
Add : Provision made for the year	7,056,243	36,403,988
Provision held at the year end	43,460,231	36,403,988



	31 March 2022 Taka	31 December 2021 Taka
14. Share capital		
14.1 Authorized share capital		
1,000,000,000 ordinary shares of Tk. 10/- each	10,000,000,000	10,000,000,000
14.2 Issued, subscribed and paid up share capital		
816,031,337 ordinary shares of Tk. 10/- each	8,160,313,370	7,846,455,170
14.3 Paid up capital		
The paid up capital of the Bank was raised in the following manner :		
From the sponsor shareholders		
By issuing 408,960,000 ordinary shares of Taka 10 each	4,089,600,000	4,089,600,000
From Initial Public Offering		
By issuing 100,000,000 ordinary shares of Taka 10 each	1,000,000,000	1,000,000,000
Stock dividend		
Stock dividend @ 0.06 against 1 existing share of Tk 10 each for the year 2015	245,376,000	245,376,000
Stock dividend @ 0.15 against 1 existing share of Tk 10 each for the year 2016	650,246,400	650,246,400
Stock dividend @ 0.135 against 1 existing share of Tk 10 each for the year 2017	673,005,020	673,005,020
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2018	565,822,740	565,822,740
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2019	622,405,010	622,405,010
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2020	313,858,200	313,858,200
	8,160,313,370	7,846,455,170
14.4 Non-controlling (Minority) interest		
Share capital	400,000	400,000
Retained earnings	7,437	5,167
15. Statutory reserve		
As per Section 24(1) of the Bank Companies Act, 1991, an amount equivalent to 20% of profit before taxes for the year has been transferred to the statutory reserve fund.		
Opening balance	1,947,493,989	1,753,397,543
Add : Transferred from profit during the period		194,096,446
Closing balance	1,947,493,989	1,947,493,989
16. Other reserve (revaluation reserve on Govt. Securities)		
Opening balance	129,270,472	19,337,962
Add : Amortization / revaluation gain	760,453,940	945,699,914
	889,724,412	965,037,876
Less : Adjustment of amortization / revaluation gain against sale / maturity	660,601,711	835,767,404
Closing balance	229,122,700	129,270,472
16.1 Foreign currency translation reserve		
Opening balance	251,592	-
Add : Addition during year	-	251,592
	251,592	251,592
Less : Adjustment during the year	(137,519)	-
Closing balance	114,073	251,592
17. Surplus in profit and loss account - Consolidated		
Opening balance	704,530,934	687,467,724
Add : Net profit during the year	182,737,330	539,889,810
	887,268,264	1,227,357,534
Less : Dividend paid	(313,858,200)	(313,858,214)
Less : Transferred to statutory reserve	-	(194,096,446)
Less : Transferred to start up fund	-	(14,866,773)
	573,410,064	704,536,101
Less : Non-controlling (Minority) interest	2,270	5,167.00
Closing balance	573,407,794	704,530,934
17.1 Surplus in profit and loss account of the Bank		
Opening balance	699,369,062	687,467,724
Add : Net profit during the year	180,467,632	534,722,771
	879,836,694	1,222,190,495
Less : Dividend paid	(313,858,200)	(313,858,214)
Less : Transferred to statutory reserve	-	(194,096,446)
Less : Transferred to start up fund	-	(14,866,773)
Closing balance	565,978,494	699,369,062



	31 March 2022 Taka	31 December 2021 Taka
18. Contingent liabilities - Consolidated SBAC Bank Limited		
Acceptances and endorsements	4,831,691,421	3,444,598,165
Letters of Guarantee	9,879,650,478	9,111,716,091
Irrevocable letters of credit (note 18.1)	5,366,919,246	4,283,323,907
Bills for collection	2,844,931,763	1,700,140,692
Other contingent liabilities	-	-
	22,923,192,908	18,539,778,855
SBAC Bank Investment Limited	-	-
	22,923,192,908	18,539,778,855

18.1 Irrevocable letters of credit

Local

Irrevocable letters of credit (sight)	3,000,880,299	1,658,411,965
Irrevocable letters of credit (Deferred)	457,596,989	-
Irrevocable letters of credit (usance)	-	39,908,544
Irrevocable letters of credit - back to back	697,449,928	749,648,704
	4,155,927,216	2,447,969,213

Foreign

Irrevocable letters of credit (sight)	-	-
Irrevocable letters of credit (usance)	536,207,931	1,493,018,210
Irrevocable letters of credit - back to back	674,784,099	342,336,484
	1,210,992,030	1,835,354,694
	5,366,919,246	4,283,323,907

18.2 Particulars of required provision on off-balance sheet exposures

Particulars	Base for Provision	Rate (%)	Required provision	
			2021 Taka	2020 Taka
Acceptances and endorsements	4,831,691,421	1.00%	48,316,914	34,445,982
Letters of Guarantee (note 18.1)	9,879,650,478	1.00%	98,796,505	91,117,161
Irrevocable letters of credit (note 18.2)	5,366,919,246	1.00%	53,669,192	42,833,239
Bills for collection (note 18.3)	2,844,931,763	0.00%	-	-
Other contingent liabilities	-	1.00%	-	-
Total Required Provision	22,923,192,908		200,782,611	168,396,382
Total Provision Maintained			200,782,611	168,396,382
Provision to be maintained			-	-



	31 March 2022 Taka	31 March 2021 Taka
19. Particulars of profit and loss account of the Bank		
Income		
Interest, discount and similar income (note 21.1)	1,400,374,951	1,321,880,485
Dividend income (note 23.1)	14,781,179	-
Fees, commission and brokerage (note 24.1)	102,414,012	57,180,758
Gains less losses arising from dealing in securities (note 23.1)	-	-
Gains less losses arising from investment securities (note 23.1)	714,198,357	370,828,296
Gains less losses arising from dealing in foreign currencies (note 24.1)	95,552,961	34,808,454
Income from non-banking assets	-	-
Other operating income (note 25.1)	24,096,615	20,413,645
Profit less losses in interest rate changes	-	-
	2,351,418,075	1,805,111,638
Expenses		
Interest, fee and commission (note 22.1)	1,063,768,405	1,017,986,556
Losses on loans and advances	-	-
Administrative expenses (note 20)	379,243,860	334,999,531
Other operating expenses (note 35.1)	430,691,859	77,676,613
Depreciation on bank's assets (note 34.1)	87,801,018	80,943,603
	1,961,505,141	1,511,606,303
Profit before provision	389,912,933	293,505,335
20. Administrative expenses		
Salary and allowances (note 26.1)	313,899,750	276,810,920
Rent, taxes, insurance, electricity etc. (note 27.1)	38,286,190	32,632,702
Legal & professional expenses (note 28.1)	1,734,543	949,963
Postage, stamp, telecommunication etc. (note 29.1)	5,034,171	2,876,973
Stationery, printing, advertisement etc. (note 30.1)	13,804,755	11,816,475
Chief executive's salary and fees (note 31)	2,120,000	1,800,000
Directors' fees and other benefits (note 32.1)	184,000	696,000
Audit fees (note 33.1)	-	-
Repair of bank's assets (note 34.1)	4,180,450	7,416,498
	379,243,860	334,999,531
21. Interest income / profit on investment - Consolidated		
SBAC Bank Limited (note 21.1)	1,400,374,951	1,321,880,485
SBAC Bank Investment Limited	4,676,516	-
	1,405,051,467	1,321,880,485
Less : Inter company transactions	4,676,516	-
	1,400,374,951	1,321,880,485
21.1 Interest income / profit on investments of the Bank		
Interest on loans and advances / profit on investments		
Cash credit	309,822,479	351,404,078
Secured overdraft / bai murabaha	338,956,034	322,476,540
General overdraft	17,180,119	37,264,647
Local bills purchased	41,662,421	17,202,614
Foreign bills purchased	1,761,737	4,685,464
Import finance / murabaha	68,688,100	84,349,255
Export finance	714,956	300,138
Other demand loans	169,449,245	113,750,622
Lease finance / HPSM	14,074,684	11,991,499
House building loans / HPSM	18,572,891	15,783,222
General term loans / bai murabaha	253,067,573	182,748,424
SME loans / bai murabaha	48,474,091	51,557,354
Consumer credit scheme	1,242,701	1,127,718
Credit card	8,232,763	8,231,455
Agriculture & rural credit / bai murabaha	17,051,951	5,227,635
Staff loans / HPSM	5,559,746	5,742,880
	1,314,511,493	1,213,843,545
Interest on money at call and short notice	98,806	77,778
Interest on FDR with other banks	78,154,696	102,841,518
Interest on SND with other banks	12,851	33,964
	1,392,777,845	1,316,796,805
Interest Income - Off-shore Banking Unit	7,597,106	5,083,680
	1,400,374,951	1,321,880,485



	31 March 2022 Taka	31 March 2021 Taka
22. Interest / profit paid on deposits, borrowings etc.		
SBAC Bank Limited (note 22.1)	1,063,768,405	1,017,986,556
SBAC Bank Investment Limited	-	-
	<u>1,063,768,405</u>	<u>1,017,986,556</u>
Less : Inter company transactions	4,676,516	-
	<u>1,059,091,889</u>	<u>1,017,986,556</u>
22.1 Interest / profit paid on deposits, borrowings etc. of the Bank		
Interest / profit paid on deposits		
Savings bank / mudaraba savings deposits	51,954,718	55,945,187
Special notice / mudaraba special notice deposits	28,822,548	33,162,618
Monthly savings schemes / mudaraba monthly savings deposits	127,939,371	112,516,760
Monthly benefit schemes	102,912,996	110,288,561
Special deposit schemes	102,985,560	109,034,548
Fixed /mudaraba term deposits	542,801,601	557,440,985
	<u>957,416,794</u>	<u>978,388,659</u>
Interest on call borrowing	15,305,180	11,150,000
Interest on credit lines	28,316,758	2,705,113
Interest on Bangladesh Bank Re-financing facilities	10,173,161	7,050,520
Interest on borrowing under REPO	52,556,511	18,692,264
	<u>1,063,768,405</u>	<u>1,017,986,556</u>
23. Investment income - Consolidated		
SBAC Bank Limited (note 23.1)	728,979,536	370,828,296
SBAC Investment Limited	-	-
	<u>728,979,536</u>	<u>370,828,296</u>
23.1 Investment income of the Bank		
Dividend on shares	14,781,179	-
Income on treasury bills, bonds and debentures		
Interest / profit on treasury bonds	369,479,638	338,250,387
Interest / profit on treasury bills	590,844	111,761
Interest on reverse REPO	-	-
Profit on Ijarah Sukuk Bonds -HFT	1,178,942	-
Gains on trading of government securities	314,269,836	32,035,963
	<u>685,519,260</u>	<u>370,398,111</u>
Gains on Capital Market	28,679,096	430,185
	<u>728,979,536</u>	<u>370,828,296</u>
24. Commission, exchange and brokerage - Consolidated		
SBAC Bank Limited (note 24.1)	197,966,973	91,989,212
SBAC Investment Limited	-	-
	<u>197,966,973</u>	<u>91,989,212</u>
24.1 Commission, exchange and brokerage of the Bank		
Fees, commission and brokerage		
Commission on bills & remittance	1,270,928	809,531
Commission on letters of credit	58,270,646	25,260,896
Commission on letters of guarantee	42,249,606	21,601,058
Commission on acceptances	-	6,269,408
Commission on add confirmation	622,832	205,347
Commission on bank underwriting	-	3,034,518
	<u>102,414,012</u>	<u>57,180,758</u>
Exchange earnings (net)	95,552,961	34,808,454
	<u>197,966,973</u>	<u>91,989,212</u>
25. Other operating income - Consolidated		
SBAC Bank Limited (note 25.1)	24,096,615	20,413,645
SBAC Investment Limited	-	-
	<u>24,096,615</u>	<u>20,413,645</u>
Less : Inter company transactions	-	-
	<u>24,096,615</u>	<u>20,413,645</u>
25.1 Other operating income of the Bank		
Banking service charge	17,176,916	16,414,630
Card operation charge	4,781,590	2,535,982
Locker rent	39,000	-
Miscellaneous income	2,099,109	1,463,033
	<u>24,096,615</u>	<u>20,413,645</u>



	31 March 2022	31 March 2021
	Taka	Taka
26. Salaries and allowances - Consolidated		
SBAC Bank Limited (note 26.1)	313,899,750	276,810,920
SBAC Investment Limited	717,500	-
	314,617,250	276,810,920
26.1 Salaries and allowances of the Bank		
Basic salary	112,431,968	111,816,521
House rent allowance	54,241,086	51,760,993
Conveyance allowance	9,491,579	8,434,122
Medical allowance	14,991,107	12,999,818
Other allowances	55,309,042	47,507,486
Festival bonus	-	-
Incentive bonus for previous year	1,263,696	-
Bank's contribution on provident fund	10,876,596	10,579,826
Gratuity	28,401,135	10,000,000
Casual labourer & wages	26,893,540	23,712,154
	313,899,750	276,810,920
27. Rent, taxes, insurance, electricity etc. - Consolidated		
SBAC Bank Limited (note 27.1)	38,286,190	32,632,702
SBAC Investment Limited	-	-
	38,286,190	32,632,702
27.1 Rent, taxes, insurance, electricity etc. of the Bank		
Rent - Office Premises, ATM Booths and other installations	6,551,920	11,638,546
Rates and taxes	9,535,450	267,285
Utilities	6,891,060	7,271,772
Insurance	15,307,761	13,455,099
	38,286,190	32,632,702
28. Legal and professional expenses - Consolidated		
SBAC Bank Limited (note 28.1)	1,734,543	949,963
SBAC Investment Limited	45,000	-
	1,779,543	949,963
28.1 Legal and professional expenses of the Bank		
Legal expenses	393,575	325,129
Professional fees	1,340,969	624,834
	1,734,543	949,963
29. Postage, stamp, telecommunication etc. - Consolidated		
SBAC Bank Limited (note 29.1)	5,034,171	2,876,973
SBAC Investment Limited	6,000	-
	5,040,171	2,876,973
29.1 Postage, stamp, telecommunication etc. of the Bank		
Postage	444,088	396,304
Telephone, fax etc.	1,555,315	1,555,924
Internet & SWIFT	3,034,768	924,745
	5,034,171	2,876,973
30. Stationery, printing, advertisement etc. - Consolidated		
SBAC Bank Limited (note 30.1)	13,804,755	11,816,475
SBAC Investment Limited	-	-
	13,804,755	11,816,475
	31 March 2022	31 March 2021
	Taka	Taka
30.1 Stationery, printing, advertisement etc. of the Bank		
Office stationery	3,450,246	5,594,970
Printing stationery	1,323,166	1,052,304
Petty stationery	2,796,359	-
Security stationery	79,662	291,900
Advertisement	5,125,572	2,235,693
Publicity- purchase of diary, calendar etc.	1,029,750	2,641,608
	13,804,755	11,816,475



	31 March 2022	31 March 2021
	Taka	Taka
31. Chief executive's salary and fees of the Bank		
Basic salary	1,200,000	900,000
House rent allowance	300,000	360,000
House maintenance / furnishing allowance	250,000	150,000
Medical allowance	-	240,000
Bank's contribution on provident fund	120,000	-
Festival bonus	-	-
Incentive bonus for previous year	-	-
Other allowances	250,000	150,000
	2,120,000	1,800,000
32. Directors' fees - Consolidated		
SBAC Bank Limited (note 32.1)	184,000	696,000
SBAC Investment Limited	96,000	-
	280,000	696,000
32.1 Directors' fees of the Bank		
Meeting attendance fees	184,000	696,000
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)	91,981,468	88,360,101
SBAC Investment Limited	-	-
	91,981,468	88,360,101
34.1 Depreciation and repairs & maintenance of Bank's Assets		
Depreciation / amortization		
Motor vehicles	1,719,717	1,007,635
Machinery and equipments	6,181,940	7,044,601
Furniture & fixtures	3,403,724	3,252,014
Interior decoration	7,102,025	6,486,662
Computer and peripherals	11,664,498	11,530,477
Software	4,548,180	4,732,707
Office tools and accessories	1,487,619	1,315,927
Depreciation on right of use assets (lease assets)	51,693,316	45,573,580
	87,801,018	80,943,603
Repairs & maintenance of bank's assets	4,180,450	7,416,498
	91,981,468	88,360,101
35. Other expenses		
SBAC Bank Limited (note 35.1)	430,691,859	77,676,613
SBAC Investment Limited	180,500	-
	430,872,359	77,676,613
Less : Inter company transactions	-	-
	430,872,359	77,676,613



	31 March 2022 Taka	31 March 2021 Taka
35.1 Other expenses of the Bank		
Entertainment expenses	3,413,870	2,970,952
Training & workshop expenses	91,500	26,400
Travel and daily allowance	1,634,603	563,423
Fuel and lubricants expenses - bank's vehicles	278,951	213,850
Subscriptions to trade associations	12,401,078	1,050,267
Donations	30,147,000	21,000,000
Business promotion and development	1,960,332	1,230,854
Books, magazines & news papers etc.	103,755	87,086
Charges & duties to Government	-	120,000
Local conveyance	1,128,059	751,183
Cash carrying expenses	1,006,788	876,415
Cartage and freight	237,280	274,145
Washing and cleaning	856,360	684,568
Other bank charges paid	2,908,192	1,727,498
Expenses on AGM	-	-
Expenses on managers' conference	2,692,279	203,685
Antivirus and other software	4,123,000	2,373,834
Branch & head office inauguration expenses	337,446	125,125
Miscellaneous expenses	511,311	280,403
Interest on lease liability	17,594,233	14,473,629
Loss on sale/purchase of securities & investments	303,597,850	13,667,180
Loss on revaluation of investment	45,667,972	14,976,116
	430,691,859	77,676,613
36. Provision for taxation		
Current tax		
SBAC Bank Limited	113,821,940	132,216,000
SBAC Investment Limited	1,361,818	-
	115,183,758	132,216,000
Deferred tax		
SBAC Bank Limited	-	-
SBAC Investment Limited	-	-
	115,183,758	132,216,000
37. Increase / decrease of other assets of the Bank		
Closing -		
Stock of stationeries and stamps	18,161,977	10,999,991
Advance rent, advertisement, etc.	39,331,603	1,469,754
Security deposits	4,177,757	4,166,557
Central clearing, EFT, NPSB adjustment account	-	-
Suspense accounts	166,399,055	243,578,837
Investment in subsidiary	399,600,000	-
Receivable from SBAC Bank Limited	717,500	-
	628,387,893	260,215,139
Opening -		
Stock of stationeries and stamps	14,021,623	12,346,104
Advance rent, advertisement, etc.	14,380,654	5,323,818
Security deposits	4,177,757	4,166,557
Suspense accounts	183,159,029	200,741,146
Central clearing, EFT, NPSB adjustment account	8,486	-
	215,739,063	222,577,625
	412,648,830	37,637,514
37.1 Increase / decrease of other assets - Consolidated		
Closing -		
Stock of stationeries and stamps	18,161,977	10,999,991
Advance rent, advertisement, etc.	39,331,603	1,469,754
Security deposits	45,069,624	4,166,557
Central clearing, EFT, NPSB adjustment account	8,486	-
Suspense accounts	166,399,055	243,578,837
	268,970,746	260,215,139
Opening -		
Stock of stationeries and stamps	14,021,623	12,346,104
Advance rent, advertisement, etc.	14,380,654	5,323,818
Security deposits	4,177,757	4,166,557
Suspense accounts	183,159,029	200,741,146
	215,739,063	222,577,625
	53,231,683	37,637,514



	31 March 2022	31 March 2021
	Taka	Taka
38. Increase / decrease of other liabilities of the Bank		
Closing -		
Sundry creditors	32,804,796	16,759,778
Central clearing, EFT, NPSB adjustment account	9,278,239	59,151,158
Present value of lease liability	1,141,974,355	969,290,780
	<u>1,184,057,390</u>	<u>1,045,201,716</u>
Opening -		
Sundry creditors	10,437,261	18,820,547
Central EFT adjustment account	-	4,006,504
Present value of lease liability	1,167,814,501	967,219,909
	<u>1,178,251,762</u>	<u>990,046,960</u>
	<u>5,805,628</u>	<u>55,154,756</u>
38.1 Increase / decrease of other liabilities - Consolidated		
Closing -		
Sundry creditors	32,804,796	16,759,778
Central clearing, EFT, NPSB adjustment account	9,278,239	59,151,158
Present value of lease liability	1,141,974,355	969,290,780
	<u>1,184,057,390</u>	<u>1,045,201,716</u>
Opening -		
Sundry creditors	10,437,261	18,820,547
Central EFT adjustment account	-	4,006,504
Present value of lease liability	1,167,814,501	967,219,909
	<u>1,178,251,762</u>	<u>990,046,960</u>
	<u>5,805,628</u>	<u>55,154,756</u>
38.2 Reconciliation between Operating profit of the Bank and Cash flows from operating activities of the Bank		
Profit before provision	389,912,933	293,505,335
Depreciation on fixed assets	87,801,018	80,943,603
(Gain) / loss on sale of fixed assets	-	-
(Increase) / decrease of interest receivable	31,367,434	(38,676,567)
Increase / (decrease) of interest payable	341,421,483	208,792,430
Increase / (decrease) of expenses payable	27,608,504	32,027,434
(Increase) / decrease of dividend receivable	(14,717,253)	-
Advance tax paid	(101,567,597)	(113,724,267)
Gain on Trading of Govt Securities	(314,269,836)	(32,035,963)
Gain from sale of shares	(28,679,096)	(430,185)
Loss on revaluation of Government Securities	45,667,972	14,976,116
Loss on sale of Government Securities	303,597,850	13,667,180
Effects of exchange rate changes on cash and cash-equivalent	(56,456,604)	(18,920,075)
Operating profit before changes in operating assets and liabilities	711,686,808	440,125,041
Increase / decrease in operating assets and liabilities		
Sale / purchase of trading securities	(3,037,104,562)	(54,572,042)
Loans and advances to other banks	(493,100,000)	-
Loans and advances to customers	(3,680,762,941)	(215,227,640)
Increase / decrease of other assets	(412,648,830)	(37,637,514)
Deposits from other banks	618,819,046	(4,958,763,881)
Deposits from customers	(1,092,333,801)	(3,196,785,219)
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of other liabilities	5,805,628	55,154,756
	<u>(8,091,325,460)</u>	<u>(8,407,831,540)</u>
Net cash from operating activities	(7,379,638,652)	(7,967,706,499)
38.3 Reconciliation between Operating profit of the Bank and Cash flows from operating activities - Consolidated		
Profit before provision	393,544,449	293,505,335
Depreciation on fixed assets	87,801,018	80,943,603
(Increase) / decrease of interest receivable	31,367,434	(38,676,567)
Increase / (decrease) of interest payable	342,788,374	208,792,430
Increase / (decrease) of expenses payable	27,608,504	32,027,434
(Increase) / decrease of dividend receivable	(14,717,253)	-
Advance tax paid	(102,038,609)	(113,724,267)
Gain on Trading of Govt Securities	(314,269,836)	(32,035,963)
Gain from sale of shares	(28,679,096)	(430,185)
Loss on revaluation of Government Securities	45,667,972	14,976,116
Loss on sale of Government Securities	303,597,850	13,667,180
Effects of exchange rate changes on cash and cash-equivalent	(56,456,604)	(18,920,075)
Operating profit before changes in operating assets and liabilities	716,214,203	440,125,041



	31 March 2022 Taka	31 March 2021 Taka
Sale / purchase of trading securities	(3,037,104,562)	(54,572,042)
Loans and advances to other banks	(493,100,000)	-
Loans and advances to customers	(3,680,762,941)	(215,227,640)
Increase / decrease of other assets	(412,648,830)	(37,637,514)
Deposits from other banks	618,819,046	(4,958,763,881)
Deposits from customers	(1,096,861,196)	(3,196,785,219)
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	5,805,628	55,154,756
	<u>(8,095,852,855)</u>	<u>(8,407,831,540)</u>
Net cash from operating activities	<u>(7,379,638,652)</u>	<u>(7,967,706,499)</u>
39.1 Basic Earning per share (EPS) - Consolidated		
a) Net profit after tax	182,735,060	88,951,964
b) weighted average number of ordinary shares	816,031,337	684,645,817
Earnings per share (a + b)	<u>0.22</u>	<u>0.13</u>
39.2 Restated Earning per share (EPS) - Consolidated		
a) Net profit after tax	182,735,060	88,951,964
b) weighted average number of ordinary shares	816,031,337	816,031,337
Earnings per share (a + b)	<u>0.22</u>	<u>0.11</u>
39.3 Basic Earning per share (EPS) of the Bank		
a) Net profit after tax	180,467,632	88,951,964
b) weighted average number of ordinary shares	816,031,337	684,645,817
Earnings per share (a + b)	<u>0.22</u>	<u>0.13</u>
39.4 Restated Earning per share (EPS) of the Bank		
a) Net profit after tax	180,467,632	88,951,964
b) weighted average number of ordinary shares	816,031,337	816,031,337
Earnings per share (a + b)	<u>0.22</u>	<u>0.11</u>
39.5 Current year's financial results i.e. Earning Per Shares (EPS) has been increased by 70.22% over last year due to increase in operating profit during the year.		
39.6 Diluted earning per share		
No diluted earning per share is required to be calculated for the year as there was no scope for dilution during these period.		
40.1 Net asset value (NAV) per share - Consolidated	31 March 2022 Taka	31 December 2021 Taka
a) Capital / shareholders' equity for the period	10,910,451,926	10,628,002,157
b) Number of outstanding shares	816,031,337	784,645,517
Net asset value (NAV) per share (a÷b)	<u>13.37</u>	<u>13.54</u>
40.2 Restated net asset value (NAV) per share - Consolidated		
a) Capital / shareholders' equity for the period	10,910,451,926	10,628,002,157
b) Number of outstanding shares	816,031,337	816,031,337
Net asset value (NAV) per share (a÷b)	<u>13.37</u>	<u>13.02</u>
	31 March 2022 Taka	31 December 2021 Taka
40.3 Net asset value (NAV) per share of the Bank		
a) Capital / shareholders' equity for the period	10,903,022,626	10,622,840,285
b) Number of outstanding shares	816,031,337	784,645,517
Net asset value (NAV) per share (a÷b)	<u>13.36</u>	<u>13.54</u>
40.4 Restated net asset value (NAV) per share of the Bank		
a) Capital / shareholders' equity for the period	10,903,022,626	10,622,840,285
b) Number of outstanding shares	816,031,337	816,031,337
Net asset value (NAV) per share (a÷b)	<u>13.36</u>	<u>13.02</u>



	31 March 2022 Taka	31 March 2021 Taka
41.1 Net operating cash flow per share (NOCFPS) per share - Consolidated		
a) Operating cash flow for the period	(7,379,638,652)	(7,967,706,499)
b) Weighted average number of share	816,031,337	684,645,817
Net operating cash flow per share (a÷b)	(9.04)	(11.64)
41.2 Restated net operating cash flow per share (NOCFPS) per share - Consolidated		
a) Operating cash flow for the period	(7,379,638,652)	(7,967,706,499)
b) Weighted average number of share	816,031,337	816,031,337
Net operating cash flow per share (a÷b)	(9.04)	(9.76)
41.3 Net operating cash flow per share (NOCFPS) per share of the Bank		
a) Operating cash flow for the period	(7,379,638,652)	(7,967,706,499)
b) Weighted average number of share	816,031,337	684,645,817
Net operating cash flow per share (a÷b)	(9.04)	(11.64)
41.4 Restated net operating cash flow per share (NOCFPS) per share of the Bank		
a) Operating cash flow for the period	(7,379,638,652)	(7,967,706,499)
b) Weighted average number of share	816,031,337	816,031,337
Net operating cash flow per share (a÷b)	(9.04)	(9.76)
42. General		
i) Figures appearing in these financial statements have been rounded off to the nearest Taka.		
ii) Figures of 2021 have been rearranged as per current year's presentation.		

