

**South Bangla Agriculture and Commerce Bank Limited**

**Un-audited Financial Statements**

As at and for the period ended 30 June 2022

**South Bangla Agriculture and Commerce Bank Limited**  
**Consolidated Balance Sheet**  
**As at 30 June 2022**

	Note	30 June 2022	31 December 2021
		Taka	Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
Cash in hand (Including foreign currencies)	3	827,282,710	855,111,180
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4	3,348,832,590	3,236,004,834
		<b>4,176,115,300</b>	<b>4,091,116,014</b>
<b>Balance with other banks and financial institutions</b>			
In Bangladesh	5	3,003,063,725	7,080,594,333
Outside Bangladesh		554,348,336	291,705,446
		<b>3,557,412,061</b>	<b>7,372,299,779</b>
<b>Money at call on short notice</b>			
<b>Investments:</b>			
Government	7	17,437,203,676	15,971,113,935
Others		1,813,436,560	1,567,081,922
		<b>19,250,640,236</b>	<b>17,538,195,857</b>
<b>Loans, advances and lease / investments</b>			
Loans, cash credit, overdrafts etc. / investments	8	68,655,405,768	63,711,064,030
Bills purchased and discounted		2,529,016,682	2,244,617,036
		<b>71,184,422,450</b>	<b>65,955,681,066</b>
Fixed assets including premises, furniture and fixtures	9	1,589,238,317	1,626,642,412
Other assets	10	2,355,777,841	1,229,812,586
Non-banking assets		-	-
<b>TOTAL ASSETS</b>		<b>102,113,606,205</b>	<b>97,813,747,714</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	11	6,306,003,888	8,763,684,070
<b>Deposits and other accounts</b>			
Current / Al-wadeeah current deposits and other accounts	12	8,917,464,371	7,295,625,630
Special notice / mudaraba special notice deposits		3,934,352,834	4,487,513,486
Bills payable		2,933,545,488	2,414,977,923
Savings bank / mudaraba savings deposits		6,260,716,310	5,943,300,533
Fixed / mudaraba term deposits		42,074,817,623	38,132,477,553
Other deposits		14,395,768,623	14,462,568,622
		<b>78,516,665,249</b>	<b>72,736,463,747</b>
Subordinated bonds		-	-
Other liabilities	13	6,741,769,467	5,685,192,573
<b>TOTAL LIABILITIES</b>		<b>91,564,438,604</b>	<b>87,185,340,390</b>
<b>Capital/ Shareholders' equity</b>			
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	31,929,293	129,270,472
Foreign currency translation reserve	16.1	2,259,460	251,592
Surplus in profit and loss account	17	406,762,429	704,530,934
<b>Shareholders' equity attributable to the owner's of the parent</b>		<b>10,548,758,541</b>	<b>10,628,002,157</b>
Non-controlling (Minority) interest	14.11	409,060	405,167
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>10,549,167,601</b>	<b>10,628,407,324</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>102,113,606,205</b>	<b>97,813,747,714</b>



	Note	30 June 2022 Taka	31 December 2021 Taka
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
	18		
Acceptance and endorsements		5,685,106,298	3,444,598,165
Letters of guarantee		11,056,145,766	9,111,716,091
Irrevocable letters of credit		6,863,647,393	4,283,323,907
Bills for collection		2,900,853,422	1,700,140,692
Other contingent liabilities		-	-
<b>Total</b>		<b>26,505,752,879</b>	<b>18,539,778,855</b>
<b>Other commitments</b>			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other		-	-
Claims against the Bank not acknowledged as debt		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>26,505,752,879</b>	<b>18,539,778,855</b>
Net asset value per share (NAV)	40.1	12.93	13.54
Restated Net asset value per share (NAV)	40.2	12.93	13.02

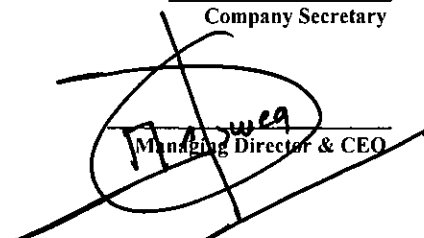
Accompanying notes form an integral part of these financial statements.

  
Chief Financial Officer

  
Chairman

  
Director

  
Company Secretary

  
Managing Director & CEO

Dhaka, 30 July 2022

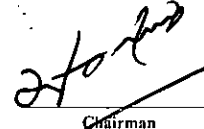


**South Bangla Agriculture and Commerce Bank Limited**  
**Consolidated Profit and Loss Account**  
**For the period ended 30 June 2022**

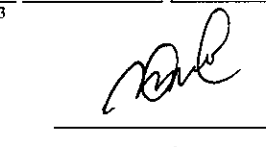
	Note	01 January to	01 January to	01 April to	01 April to
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
		Taka	Taka	Taka	Taka
Interest income	21	2,855,665,041	2,681,767,389	1,455,290,091	1,359,886,904
Less: Interest paid on deposits and borrowings etc.	22	2,211,696,931	2,000,342,404	1,152,605,042	982,355,848
<b>Net interest income</b>		<b>643,968,110</b>	<b>681,424,985</b>	<b>302,685,049</b>	<b>377,531,056</b>
Investment income	23	1,945,504,852	789,340,044	1,216,525,316	418,511,748
Commission, exchange and brokerage	24	550,763,792	201,335,072	352,796,819	109,345,860
Other operating income	25	71,453,846	60,690,117	47,357,231	40,276,472
		<b>2,567,722,490</b>	<b>1,051,365,233</b>	<b>1,616,679,366</b>	<b>568,134,080</b>
<b>Total operating income</b>		<b>3,211,690,600</b>	<b>1,732,790,218</b>	<b>1,919,364,415</b>	<b>945,665,136</b>
Salary and allowances	26	700,458,612	590,921,183	385,841,362	314,110,263
Rent, taxes, insurance, electricity etc.	27	81,888,291	70,555,902	43,602,101	37,923,200
Legal and professional expenses	28	3,426,907	3,867,940	1,647,363	2,917,977
Postage, stamp, telecommunication etc.	29	8,402,677	6,317,694	3,362,506	3,440,721
Stationery, printing, advertisement etc.	30	24,641,721	19,323,996	10,836,966	7,507,521
Chief executive's salary and fees	31	6,020,000	4,888,000	3,900,000	3,088,000
Directors' fees	32	1,048,000	2,184,000	768,000	1,488,000
Auditors' fees	33	-	-	-	-
Charges on loan losses		-	-	-	-
Depreciation and repair of bank's assets	34	185,616,241	174,356,078	93,634,773	85,995,977
Other expenses	35	1,341,420,487	181,111,645	910,548,128	103,435,032
<b>Total operating expenses</b>		<b>2,352,922,936</b>	<b>1,053,526,438</b>	<b>1,454,141,199</b>	<b>559,906,691</b>
<b>Profit before provision</b>		<b>858,767,664</b>	<b>679,263,780</b>	<b>465,223,216</b>	<b>385,758,445</b>
Provision for loan					
Specific provision	13.4	250,353,444	40,519,918	200,485,703	61,572,599
Special general provision - COVID-19	13.5	(61,809,406)	60,338,806	(52,920,478)	(8,247,375)
General provision (including off balance sheet items)	13.4 & 13.6	115,400,256	79,859,124	48,811,950	55,055,253
		303,944,294	180,717,848	196,377,175	108,380,477
Provision for rebate to good borrowers	13.7	(19,000,000)	-	-	-
Provision for diminution in value of investments	13.11	54,905,158	-	47,848,915	-
Other provision		-	-	-	-
<b>Total provision</b>		<b>339,849,452</b>	<b>180,717,848</b>	<b>244,226,090</b>	<b>108,380,477</b>
<b>Total Profit before taxes</b>		<b>518,918,212</b>	<b>498,545,932</b>	<b>220,997,126</b>	<b>277,377,968</b>
Provision for taxation	36				
Current tax		258,015,339	279,522,694	142,831,582	147,306,694
Deferred tax		-	-	-	-
		258,015,339	279,522,694	142,831,582	147,306,694
<b>Net profit after taxation</b>		<b>260,902,873</b>	<b>219,023,238</b>	<b>78,165,544</b>	<b>130,071,274</b>
Appropriations					
Statutory reserve	15	-	-	-	-
General reserve		-	-	-	-
Startup fund	13.10	-	9,519,545	-	9,519,545
Retained surplus	17	260,902,873	209,503,693	78,165,544	120,551,729
		260,902,873	219,023,238	78,165,544	130,071,274
Earnings per share (EPS)	39.1	0.32	0.32	0.10	0.19
Restated Earnings per share (EPS)	39.2	0.32	0.31	0.10	0.16
			0.63		


Accompanying notes form an integral part of these financial statements.

  
Chief Financial Officer

  
Chairman

  
Director

  
Company Secretary

  
Managing Director & CEO

Dhaka, 30 July 2022

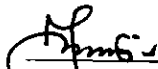



South Bangla Agriculture and Commerce Bank Limited

Consolidated Cash Flow Statement  
For the period ended 30 June 2022

	Notes	01 January to 30 June 2022	01 January to 30 June 2021
		Taka	Taka
<b>A) Cash flows from operating activities</b>			
Interest receipts in cash		2,925,834,971	2,728,951,714
Interest payments		(1,682,400,905)	(1,607,991,848)
Dividend receipts		11,622,034	-
Income from investments		764,396,078	730,979,794
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		47,951,639	172,312,231
Cash payments to employees		(707,526,612)	(597,897,183)
Cash payments to suppliers		(95,934,113)	(109,027,705)
Income taxes paid	10.2	(363,712,166)	(276,677,734)
Receipts from other operating activities		71,453,846	60,690,617
Payments for other operating activities		(131,111,496)	-
<b>Operating profit before changes in operating assets and liabilities</b>		<b>840,573,276</b>	<b>1,101,339,886</b>
<b>Increase / decrease in operating assets and liabilities</b>			
Net Proceeds from sale/payment for purchase of trading securities		(1,219,357,311)	(594,126,374)
Loans and advances to other banks		-	-
Loans and advances to customers		(4,995,853,494)	(2,159,218,152)
Increase / decrease of other assets	36	(833,569,293)	(155,394,857)
Deposits from other banks		558,087	(4,979,021,698)
Deposits from customers		5,248,479,397	(63,303,829)
Increase / decrease of other liabilities account of customers		-	-
Increase / decrease of trading liabilities		-	-
Increase / decrease of other liabilities	37	34,854,761	46,788,296
		<b>(1,764,887,853)</b>	<b>(7,904,276,614)</b>
<b>Net cash from operating activities</b>		<b>(924,314,577)</b>	<b>(6,802,936,728)</b>
<b>B) Cash flows from investing activities</b>			
Net Proceeds from sale/payment for purchase of securities		(628,328,567)	4,717,798,134
Purchase of property, plant and equipment		(139,834,604)	(94,807,240)
Sale proceeds of property, plant and equipment		-	-
Investment in subsidiary		-	(399,600,000)
<b>Net cash from investing activities</b>		<b>(768,163,171)</b>	<b>4,223,390,894</b>
<b>C) Cash flows from financing activities</b>			
Borrowing from other banks, financial institutions and agents		(2,457,680,182)	9,218,373,291
Dividends paid		(82,542,653)	-
Receipts from issue of ordinary share		-	-
<b>Net cash from financing activities</b>		<b>(2,540,222,835)</b>	<b>9,218,373,291</b>
<b>D) Net increase / (decrease) in cash (A+B+C)</b>		<b>(4,232,700,584)</b>	<b>6,638,827,457</b>
<b>E) Effects of exchange rate changes on cash and cash-equivalent</b>		<b>502,812,152</b>	<b>29,022,841</b>
<b>F) Cash and cash-equivalents at beginning period</b>		<b>11,463,415,793</b>	<b>13,871,053,551</b>
<b>G) Cash and cash-equivalents at end of period (D+E+F)</b>		<b>7,733,527,361</b>	<b>20,538,903,849</b>
<b>H) Cash and cash-equivalents at end of period</b>			
Cash in hand including foreign currencies	3	827,282,710	633,520,876
Balances with Bangladesh Bank and its agent bank(s) including	4	3,348,832,590	2,900,022,404
Balances with other Banks and Financial institutions	5	3,557,412,061	16,892,292,202
		<b>7,733,527,361</b>	<b>20,425,835,482</b>

Accompanying notes form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary

  
Chairman

  
Director

  
Managing Director & CEO

Dhaka, 30 July 2022



**South Bangla Agriculture and Commerce Bank Limited**  
**Consolidated Statement of Changes in Equity**  
**For the period ended 30 June 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 2022	7,846,455,170	1,947,493,989	129,270,472	251,592	704,530,934	405,167	10,628,407,324
Issue of Shares	313,858,200	-	-	-	-	-	313,858,200
Prior period adjustment	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	260,899,096	3,777	260,902,873
Transfer to statutory reserve	-	-	-	-	-	-	-
Transfer to statup fund	-	-	-	-	-	-	-
Revaluation of Govt. treasury bills, bonds and other investments	-	-	(97,341,179)	-	-	116	(97,341,063)
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	2,007,868	-	-	2,007,868
Cash dividend	-	-	-	-	(244,809,401)	-	(244,809,401)
Stock Dividend	-	-	-	-	(313,858,200)	-	(313,858,200)
Balance as on 30 June 2022	8,160,313,370	1,947,493,989	31,929,293	2,259,460	406,762,429	409,060	10,549,167,601
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

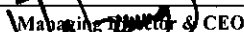
These financial statements should be read in conjunction with the annexed notes.

  
Chief Financial Officer

  
Company Secretary

  
Chairman

  
Director

  
Managing Director & CEO

Dhaka, 30 July 2022



**South Bangla Agriculture and Commerce Bank Limited**  
**Consolidated Liquidity Statement (asset and liabilities maturity analysis)**  
**As at 30 June 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
<b>Assets:</b>						
Cash in hand (including foreign currencies)	827,282,710	-	-	-	-	827,282,710
Balance with Bangladesh Bank and its agent Banks	417,833,337	-	-	-	2,930,999,253	3,348,832,590
Balance with other banks & financial institutions	1,810,959,359	793,436,457	953,016,245	-	-	3,557,412,061
Money at call on short notice	-	-	-	-	-	-
Investments	1,521,140,262	345,841,992	135,672,030	2,083,307,579	15,164,678,373	19,250,640,236
Loans and advances	12,544,254,931	17,711,398,270	26,020,145,800	12,123,545,362	2,785,078,087	71,184,422,450
Fixed assets including premises, furniture and fixtures	23,438,032	46,876,064	210,942,285	1,307,981,936	-	1,589,238,317
Other assets	349,680,554	582,800,924	840,495,442	582,800,922	-	2,355,777,841
Non-Banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>17,494,589,185</b>	<b>19,480,353,707</b>	<b>28,160,271,802</b>	<b>16,097,635,799</b>	<b>20,880,755,713</b>	<b>102,113,606,205</b>
<b>Liabilities:</b>						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	4,493,206,372	494,208,179	1,175,419,820	43,314,942	99,854,575	6,306,003,888
Deposits and other accounts	12,342,922,721	16,023,918,609	23,657,718,724	14,594,859,634	11,897,245,561	78,516,665,249
Provisions and other liabilities	41,531,367	313,929,230	1,545,768,151	1,009,254,113	3,831,286,606	6,741,769,467
<b>Total Liabilities</b>	<b>16,877,660,460</b>	<b>16,832,056,018</b>	<b>26,378,906,695</b>	<b>15,647,428,689</b>	<b>15,828,386,742</b>	<b>91,564,438,604</b>
<b>Net liquidity surplus</b>	<b>616,928,725</b>	<b>2,648,297,689</b>	<b>1,781,365,107</b>	<b>450,207,110</b>	<b>5,052,368,971</b>	<b>10,549,167,601</b>
<b>Cumulative liquidity surplus</b>	<b>616,928,725</b>	<b>3,265,226,414</b>	<b>5,046,591,521</b>	<b>5,496,798,631</b>	<b>10,549,167,601</b>	

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

  
 Chief Financial Officer

  
 Company Secretary

  
 Chairman

  
 Director

  
 Managing Director & CEO

Dhaka, 30 July 2022



**South Bangla Agriculture and Commerce Bank Limited**

**Balance Sheet  
As at 30 June 2022**

	Note	30 June 2022 Taka	31 December 2021 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
Cash in hand (Including foreign currencies)	3.1	827,232,710	855,111,180
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4.1	3,348,832,590	3,236,004,834
		<b>4,176,065,300</b>	<b>4,091,116,014</b>
<b>Balance with other banks and financial institutions</b>			
In Bangladesh	5.1	2,945,076,947	7,080,594,333
Outside Bangladesh		554,348,336	291,705,446
		<b>3,499,425,283</b>	<b>7,372,299,779</b>
<b>Money at call on short notice</b>			
	6	-	-
<b>Investments:</b>			
Government	7.1	17,437,203,676	15,971,113,935
Others		1,744,419,100	1,567,081,922
		<b>19,181,622,776</b>	<b>17,538,195,857</b>
<b>Loans, advances and lease / investments</b>			
Loans, cash credit, overdrafts etc. / investments	8.1	68,730,692,680	63,711,064,030
Bills purchased and discounted		2,529,016,682	2,244,617,036
		<b>71,259,709,362</b>	<b>65,955,681,066</b>
Fixed assets including premises, furniture and fixtures	9.1	1,586,748,088	1,626,642,412
Other assets	10.1	2,724,486,986	1,588,387,124
Non-banking assets		-	-
<b>TOTAL ASSETS</b>		<b>102,428,057,795</b>	<b>98,172,322,252</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	11.1	6,306,003,888	8,763,684,070
<b>Deposits and other accounts</b>			
Current / Al-wadeeah current deposits and other accounts	12.1	8,917,464,371	7,296,934,175
Special notice / mudaraba special notice deposits		3,941,204,945	4,494,632,154
Bills payable		2,933,545,488	2,414,977,923
Savings bank / mudaraba savings deposits		6,260,716,310	5,943,300,533
Fixed / mudaraba term deposits		42,442,218,618	38,491,349,641
Other deposits		14,395,768,623	14,462,568,622
		<b>78,890,918,355</b>	<b>73,103,763,048</b>
Subordinated bonds		-	-
Other liabilities	13.1	6,691,428,239	5,682,034,849
<b>TOTAL LIABILITIES</b>		<b>91,888,350,483</b>	<b>87,549,481,967</b>
<b>Capital/ Shareholders' equity</b>			
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	31,813,244	129,270,472
Foreign currency translation reserve	16.1	2,259,460	251,592
Surplus in profit and loss account	17.1	397,827,249	699,369,062
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>10,539,707,312</b>	<b>10,622,840,285</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>102,428,057,795</b>	<b>98,172,322,252</b>






	Note	30 June 2022 Taka	31 December 2021 Taka
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
	18		
Acceptance and endorsements		5,685,106,298	3,444,598,165
Letters of guarantee		11,056,145,766	9,111,716,091
Irrevocable letters of credit		6,863,647,393	4,283,323,907
Bills for collection		2,900,853,422	1,700,140,692
Other contingent liabilities		-	-
<b>Total</b>		<b>26,505,752,879</b>	<b>18,539,778,855</b>
<b>Other commitments</b>			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>26,505,752,879</b>	<b>18,539,778,855</b>
Net asset value per share (NAV)	40.3	12.92	13.54
Restated Net asset value per share (NAV)	40.4	12.92	13.02

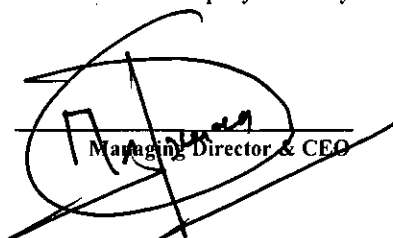
Accompanying notes form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary

  
Chairman

  
Director

  
Managing Director & CEO

Dhaka, 30 July 2022



**South Bangla Agriculture and Commerce Bank Limited**  
**Profit and Loss Account**  
**For the period ended 30 June 2022**

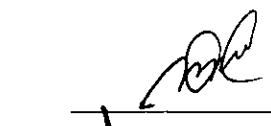
Note	01 January to 30 June 2022	01 January to 30 June 2021	01 April to 30 June 2022	01 April to 30 June 2021	
	Taka	Taka	Taka	Taka	
Interest income	21.1	2,855,639,536	2,681,767,389	1,455,264,586	1,359,886,904
Less: Interest paid on deposits and borrowings etc.	22.1	2,219,931,573	2,001,973,625	1,156,163,168	983,987,069
<b>Net interest income</b>		<b>635,707,963</b>	<b>679,793,764</b>	<b>299,101,418</b>	<b>375,899,835</b>
Investment income	23.1	1,945,180,674	789,340,044	1,216,201,138	418,511,748
Commission, exchange and brokerage	24.1	549,567,628	201,335,072	351,600,655	109,345,860
Other operating income	25.1	71,444,911	60,690,617	47,348,296	40,276,972
		<b>2,566,193,213</b>	<b>1,051,365,733</b>	<b>1,615,150,089</b>	<b>568,134,580</b>
<b>Total operating income</b>		<b>3,201,901,176</b>	<b>1,731,159,497</b>	<b>1,914,251,507</b>	<b>944,034,415</b>
Salary and allowances	26.1	697,480,537	590,921,183	383,580,787	314,110,263
Rent, taxes, insurance, electricity etc.	27.1	81,658,291	70,555,902	43,372,101	37,923,200
Legal and professional expenses	28.1	3,426,907	-	1,692,363	2,307,977
Postage, stamp, telecommunication etc.	29.1	8,402,677	6,317,694	3,368,506	3,440,721
Stationery, printing, advertisement etc.	30.1	24,616,466	19,318,196	10,811,711	7,501,721
Chief executive's salary and fees	31	6,020,000	4,888,000	3,900,000	3,088,000
Directors' fees	32.1	896,000	2,088,000	712,000	1,392,000
Auditors' fees	33.1	-	-	-	-
Charges on loan losses		-	-	-	-
Depreciation and repair of bank's assets	34.1	185,616,241	174,356,078	93,634,773	85,995,977
Other expenses	35.1	1,340,147,976	180,429,937	909,456,117	102,753,324
<b>Total operating expenses</b>		<b>2,348,265,095</b>	<b>1,048,874,990</b>	<b>1,450,528,358</b>	<b>558,513,183</b>
<b>Profit before provision</b>		<b>853,636,081</b>	<b>682,284,507</b>	<b>463,723,149</b>	<b>385,521,232</b>
<b>Provision for loan</b>					
Specific provision	13.4	250,353,444	40,519,918	200,485,703	61,572,599
Special general provision - COVID-19	13.5	(61,809,406)	60,338,806	(52,920,478)	(8,247,375)
General provision (including off balance sheet items)	13.4 & 13.6	115,400,256	79,859,124	48,811,950	55,055,253
		303,944,294	180,717,848	196,377,175	108,380,477
Provision for rebate to good borrowers	13.7	(19,000,000)	-	-	-
Provision for diminution in value of investments		54,905,158	-	47,848,915	-
Other provision		-	-	-	-
<b>Total provision</b>		<b>339,849,452</b>	<b>180,717,848</b>	<b>244,226,090</b>	<b>108,380,477</b>
<b>Total Profit before taxes</b>		<b>513,786,629</b>	<b>501,566,659</b>	<b>219,497,059</b>	<b>277,140,755</b>
<b>Provision for taxation</b>					
Current tax	13.3	256,660,841	279,451,530	142,838,902	147,235,530
Deferred tax		-	-	-	-
		256,660,841	279,451,530	142,838,902	147,235,530
<b>Net profit after taxation</b>		<b>257,125,788</b>	<b>222,115,129</b>	<b>76,658,157</b>	<b>129,905,225</b>
<b>Appropriations</b>					
Statutory reserve	15	-	-	-	-
General reserve		-	-	-	-
Startup fund	13.10	-	9,519,545	-	9,519,545
Retained surplus	17.1	257,125,788	212,595,584	76,658,157	120,385,680
		257,125,788	212,595,584	76,658,157	129,905,225
<b>Earnings per share (EPS)</b>	39.3	<b>0.32</b>	<b>0.32</b>	<b>0.09</b>	<b>0.19</b>
<b>Restated Earnings per share (EPS)</b>	39.4	<b>0.32</b>	<b>0.31</b>	<b>0.09</b>	<b>0.16</b>


Accompanying notes form an integral part of these financial statements.

  
 Chief Financial Officer

  
 Chairman

  
 Director

  
 Company Secretary

  
 Managing Director & CEO

Dhaka, 30 July 2022

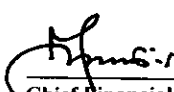


South Bangla Agriculture and Commerce Bank Limited

Cash Flow Statement  
For the period ended 30 June 2022

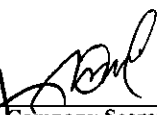
	Notes	01 January to 30 June 2022	01 January to 30 June 2021
		Taka	Taka
<b>A) Cash flows from operating activities</b>			
Interest receipts in cash		2,925,809,466	2,728,951,714
Interest payments		(1,690,635,547)	(1,607,991,848)
Dividend receipts		11,622,034	-
Income from investments		764,071,900	730,979,794
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		46,755,475	172,312,231
Cash payments to employees		(704,396,537)	(597,897,183)
Cash payments to suppliers		(95,678,858)	(109,027,705)
Income taxes paid	10.2	(362,547,520)	(276,677,734)
Receipts from other operating activities		71,444,911	60,690,617
Payments for other operating activities		(129,838,985)	-
<b>Operating profit before changes in operating assets and liabilities</b>		<b>836,606,339</b>	<b>1,101,339,886</b>
<b>Increase / decrease in operating assets and liabilities</b>			
Net Proceeds from sale/payment for purchase of trading securities		(1,219,357,311)	(594,126,374)
Loans and advances to other banks		-	-
Loans and advances to customers		(5,071,140,406)	(2,159,218,152)
Increase / decrease of other assets	36	(844,868,545)	(155,394,857)
Deposits from other banks		558,087	(4,979,021,698)
Deposits from customers		5,256,555,371	(63,303,829)
Increase / decrease of other liabilities account of customers		-	-
Increase / decrease of trading liabilities		-	-
Increase / decrease of other liabilities	37	(12,328,743)	46,788,296
		<b>(1,890,581,548)</b>	<b>(7,904,276,614)</b>
<b>Net cash from operating activities</b>		<b>(1,053,975,209)</b>	<b>(6,802,936,728)</b>
<b>B) Cash flows from investing activities</b>			
Net Proceeds from sale/payment for purchase of securities		(559,194,943)	4,717,798,134
Purchase of property, plant and equipment		(137,344,375)	(94,807,240)
Sale proceeds of property, plant and equipment		-	-
Investment in subsidiary		-	(399,600,000)
<b>Net cash from investing activities</b>		<b>(696,539,318)</b>	<b>4,223,390,894</b>
<b>C) Cash flows from financing activities</b>			
Borrowing from other banks, financial institutions and agents		(2,457,680,182)	9,218,373,291
Dividends paid		(82,542,653)	-
Receipts from issue of ordinary share		-	-
<b>Net cash from financing activities</b>		<b>(2,540,222,835)</b>	<b>9,218,373,291</b>
<b>D) Net increase / (decrease) in cash (A+B+C)</b>		<b>(4,290,737,362)</b>	<b>6,638,827,457</b>
<b>E) Effects of exchange rate changes on cash and cash-equivalent</b>		<b>502,812,152</b>	<b>29,022,841</b>
<b>F) Cash and cash-equivalents at beginning period</b>		<b>11,463,415,793</b>	<b>13,871,053,551</b>
<b>G) Cash and cash-equivalents at end of period (D+E+F)</b>		<b>7,675,490,583</b>	<b>20,538,903,849</b>
<b>H) Cash and cash-equivalents at end of period</b>			
Cash in hand including foreign currencies	3	827,232,710	633,520,876
Balances with Bangladesh Bank and its agent bank(s) including	4	3,348,832,590	2,900,022,404
Balances with other Banks and Financial institutions	5	3,499,425,283	16,892,292,202
		<b>7,675,490,583</b>	<b>20,425,835,482</b>

Accompanying notes form an integral part of these financial statements.

  
Chief Financial Officer

  
Chairman

  
Director

  
Company Secretary

  
Managing Director & CEO

Dhaka, 30 July 2022



**South Bangla Agriculture and Commerce Bank Limited**  
**Statement of Changes in Equity**  
**For the period ended 30 June 2022**

Particulars	Paid Up Capital Taka	Statutory Reserve Taka	Other Reserve Taka	F.C. Translation Reserve Taka	Retained Earnings Taka	Total Taka
Balance as on 01 January 2022	7,846,455,170	1,947,493,989	129,270,472	251,592	699,369,062	10,622,840,285
Issue of Shares	313,858,200	-	-	-	-	313,858,200
Prior period adjustment	-	-	-	-	-	-
Net profit for the period	-	-	-	-	257,125,788	257,125,788
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to startup fund	-	-	-	-	-	-
Revaluation of Govt. treasury bills, bonds and other investments	-	-	(97,457,228)	-	-	(97,457,228)
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	2,007,868	-	2,007,868
Cash dividend	-	-	-	-	(244,809,401)	(244,809,401)
Stock Dividend	-	-	-	-	(313,858,200)	(313,858,200)
Balance as on 30 June 2022	8,160,313,370	1,947,493,989	31,813,244	2,259,460	397,827,249	10,539,707,312
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, 30 July 2022



**South Bangla Agriculture and Commerce Bank Limited**  
**Liquidity Statement (asset and liabilities maturity analysis)**  
**As at 30 June 2022**

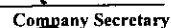
Particulars	Within one month	Within one to three months	Within three to twelve months	Within one to five years	More than five years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
<b>Assets:</b>						
Cash in hand (including foreign currencies)	827,232,710	-	-	-	-	827,232,710
Balance with Bangladesh Bank and its agent Banks	417,833,337	-	-	-	2,930,999,253	3,348,832,590
Balance with other banks & financial institutions	1,781,440,232	780,503,228	937,481,823	-	-	3,499,425,283
Money at call on short notice	-	-	-	-	-	-
Investments	1,515,686,665	344,602,078	135,185,615	2,075,838,498	15,110,309,920	19,181,622,776
Loans and advances	12,557,522,135	17,730,130,409	26,047,665,534	12,136,367,610	2,788,023,674	71,259,709,362
Fixed assets including premises, furniture and fixtures	23,401,306	46,802,612	210,611,753	1,305,932,417	-	1,586,748,088
Other assets	524,014,309	873,357,181	932,030,086	395,085,410	-	2,724,486,986
Non-Banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>17,647,130,694</b>	<b>19,775,395,508</b>	<b>28,262,974,811</b>	<b>15,913,223,935</b>	<b>20,829,332,847</b>	<b>102,428,057,795</b>
<b>Liabilities:</b>						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	4,493,206,372	494,208,179	1,175,419,823	43,314,942	99,854,572	6,306,003,888
Deposits and other accounts	12,381,293,626	16,100,246,197	23,770,408,800	14,684,802,910	11,954,166,822	78,890,918,355
Provisions and other liabilities	41,220,163	311,576,882	1,534,185,334	1,001,691,531	3,802,754,330	6,691,428,239
<b>Total Liabilities</b>	<b>16,915,720,161</b>	<b>16,906,031,258</b>	<b>26,480,013,957</b>	<b>15,729,809,383</b>	<b>15,856,775,724</b>	<b>91,888,350,483</b>
<b>Net liquidity surplus</b>	<b>731,410,533</b>	<b>2,869,364,250</b>	<b>1,782,960,854</b>	<b>183,414,552</b>	<b>4,972,557,123</b>	<b>10,539,707,312</b>
<b>Cumulative liquidity surplus</b>	<b>731,410,533</b>	<b>3,600,774,783</b>	<b>5,383,735,637</b>	<b>5,567,150,189</b>	<b>10,539,707,312</b>	

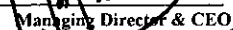
Net result of the liquidity statement represents the shareholders' equity.

  
 Chief Financial Officer

  
 Chairman

  
 Director

  
 Company Secretary

  
 Managing Director & CEO

Dhaka, 30 July 2022



**South Bangla Agriculture and Commerce Bank Limited**  
**Notes to the Financial Statements**  
**as at and for the period ended 30 June 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 (84) branches: twenty one (24) sub-branches all over Bangladesh and one (01) Off-shore banking unit in head office. The Bank went for initial public offering in 2021 and its share is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited from 11 August 2021 as a publicly traded company. The Bank has Islami Banking operation through 10(Ten) Islami Banking windows.

**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 since 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 30 June 2022, located at International Division, Head Office, SBAC Bank Ltd., Dhaka.

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

**Information regarding subsidiary**

The Bank has 01 (One) subsidiary, SBAC Bank Investment Limited. The operation of the subsidiary has been started since May 30, 2022.

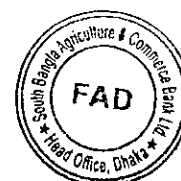
**SBAC Bank Investment Limited**

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

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

**2.1 Basis of preparation of financial statements**

The financial statements of the Bank as at 30 June 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 Company 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 & 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 Bangladesh Bank 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), 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.

**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( for the period ended) as on 30 June 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 30 June 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 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 0.25% to 2% and specific provision is 5% to 100%.

The provisioning rates are as follows:

	2022	2021
<b>General provision on:</b>		
Unclassified general loans and advances/investments	1.00%	1.00%
Unclassified small and medium enterprise financing	0.25%	0.25%
Unclassified loans/investment for housing finance	1.00%	1.00%
Unclassified loans/investment for loans to professionals	2.00%	2.00%
Unclassified consumer financing other than housing finance and loans for professionals	2.00%	5.00%
Unclassified agricultural loans	1.00%	1.00%
<b>Specific provision on:</b>		
Unclassified loans/advances rescheduled under BRPD 05/2019	100.00%	100.00%
Substandard loans and advances/investments other than agricultural loans and cottage, micro & small enterprise finance	20.00%	20.00%
Substandard loans and advances on cottage, micro & small enterprise finance	5.00%	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%
<b>Special general provision for COVID 19</b>		
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.04 dated 12 April, 2022 requires a provision up to 100% on relevant other assets. 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. The Bank transfer the required reserve at the year end.

**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 of the last audited financial statements.

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

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

**2.24 Deposits and other accounts**

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

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

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

**2.26 Employees benefits**

**a. Short term benefits**

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

**b. Provident fund**

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



### **c. Gratuity**

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

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

SRO-336-AIN/2010 dated 5-10-2010 issued by the 'Ministry of Labour and Employment' declares the status of business of certain institutions and companies along with Bank & insurance companies as "Industrial Undertakings" for the purposes of Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) which deals with the workers' participation in company's profit by way of 'Workers Participation Fund' and 'Welfare Fund'. This Act requires the "Industrial Undertakings" to maintain provision for workers' profit participation fund @ 5% on net profit. Since this requirement contradicts with the 'Section 11' of the 'Bank Company Act 1991 (as amended up to 2018)', Banks in Bangladesh took up the issue collectively and sought opinion from 'Association of Bankers Bangladesh Limited (ABB)' on the same. ABB wrote a letter to the 'Ministry of Finance' of Government of People's Republic of Bangladesh on 09.03.2016 to draw attention of the honorable Finance Minister regarding relevance and applicability of Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) for Bank Companies and to obtain a direction on the issue. The 'Ministry of Finance' revealed their opinion that WPPF should not be relevant for Bank Companies and therefore, it should not be applied there. They also sought for an opinion on this issue from Bangladesh Bank. Subsequently, Bangladesh Bank agreed on all the logics and legal opinion collected by the ABB and expressed their consensus with them on 29.11.2016. In this backdrop, the 'Ministry of Finance' has given their instruction, vide letter no. 53.00.0000.311.22.002.17.130 dated 14.02.2017, for not applying Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) in Bank Companies. Therefore, no provision in this regard has been made in the financial statements for the period ended 30 June, 2022.

### **e. Other benefits**

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

#### **2.27 Provision for liabilities**

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

#### **2.28 Provision for Off-balance sheet items:**

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

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

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

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

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



### **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. Internal Credit Risk Rating System (ICRRS) 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 30 June 2022. This represent the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighted factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year.

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

### **2.34 Off-setting financial assets and financial liabilities**

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

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

### **2.35 Leases**

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

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

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

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

While implementating IFRS 16, the Bank observed that IFRS 16 is expected to have impact on various regulatory capital and liquidity ratios as well as other statutory requirements issued by various regulators. In addition, there are no direction from National Board of Revenue (NBR) regarding treatment of lease rent, depreciation on ROU assets and interest on lease liability for income tax purposes and applicability of VAT on such items. Finally, paragraph 5 of IFRS 16 provide the recognition exemptions to short-term leases and leases for which the underlying asset is of low value. Although, paragraphs B3 to B8 of the Application Guidance (Appendix B) of IFRS 16 provide some qualitative guidance on low value asset, but these guidance is focused towards moveable asset. Immoveable 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 2021.

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

### 2.38 New accounting standards not yet adopted

The Bank has consistently applied the accounting policies as set out in Note 2 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 Approval of the Financial Statements

The Board of Directors of the Bank, in its 147th meeting held on 30 July 2022, approved the financial statements of the Bank for the period ended 30 June 2022 and signed these statements on 30 June 2022.



	30 June 2022 Taka	31 December 2021 Taka
<b>3. Cash in hand (including foreign currencies) - Consolidated</b>		
SBAC Bank Limited (note 3.1)	827,232,710	855,111,180
SBAC Bank Investment Limited	50,000	-
	<u>827,282,710</u>	<u>855,111,180</u>
<b>3.1 Cash in hand (including foreign currencies) of the Bank</b>		
Local currency	820,804,710	853,240,625
Foreign currencies	6,428,000	1,870,555
	<u>827,232,710</u>	<u>855,111,180</u>
<b>4. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) - Consolidated</b>		
SBAC Bank Limited (note 4.1)	3,348,832,590	3,236,004,834
SBAC Bank Investment Limited	-	-
	<u>3,348,832,590</u>	<u>3,236,004,834</u>
<b>4.1 Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) of the Bank</b>		
Bangladesh Bank		
In local currency	3,084,283,036	3,064,258,047
In foreign currencies	264,549,554	171,746,787
	<u>3,348,832,590</u>	<u>3,236,004,834</u>
Sonali Bank Limited (as Agent of Bangladesh Bank) - local currency	-	-
	<u>3,348,832,590</u>	<u>3,236,004,834</u>
<b>4.2 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)</b>		
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 April), 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 April), have been maintained in the form of unencumbered treasury bills and bonds, cash in hand and daily excess of Cash Reserve.		
<b>4.2.1 Total average demand and time liabilities</b>		
Total average demand and time liabilities		
Conventional banking	74,762,830,000	70,599,843,000
Islamic banking	306,803,000	206,374,000
Off-shore banking unit	-	-
	<u>75,069,633,000</u>	<u>70,806,217,000</u>
<b>4.2.2 Cash Reserve Requirement (CRR) and maintained</b>		
<b>Required reserve</b>		
Conventional banking	2,990,513,000	2,823,994,000
Islamic banking	12,272,000	8,255,000
Off-shore banking unit	-	-
<b>Total required reserve</b>	<u>3,002,785,000</u>	<u>2,832,249,000</u>
<b>Actual reserve maintained</b>		
Balance with Bangladesh Bank - local currency :		
For conventional banking and OBU	3,067,799,970	2,917,148,863
For islamic banking	20,000,000	50,000,000
	<u>3,087,799,970</u>	<u>2,967,148,863</u>
<b>Surplus / (deficit) (conventional banking and OBU)</b>	<u>77,286,970</u>	<u>93,154,863</u>
<b>Surplus / (deficit) (islamic banking)</b>	<u>7,728,000</u>	<u>41,745,000</u>
<b>Maintained ratio (conventional banking and OBU)</b>	<u>4.10%</u>	<u>4.13%</u>
<b>Maintained ratio (islamic banking)</b>	<u>6.52%</u>	<u>24.23%</u>

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



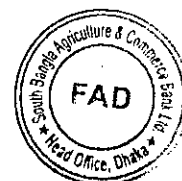
	30 June 2022 Taka	31 December 2021 Taka
<b>4.2.3 Statutory Liquidity Ratio (SLR) requirement and maintained (conventional banking and off-shore banking unit)</b>		
<b>Required reserve</b>		
Conventional banking	9,719,168,000	9,177,980,000
Off-shore banking unit	-	-
<b>Total required reserve</b>	<u>9,719,168,000</u>	<u>9,177,980,000</u>
<b>Available for maintenance :</b>		
Cash in hand (including foreign currencies)	816,256,400	794,918,087
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	-	-
Excess of CRR requirement	77,286,970	93,154,863
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	17,414,546,576	15,918,541,635
	<u>18,308,089,946</u>	<u>16,806,614,585</u>
<b>Surplus / (deficit)</b>	<u>8,588,921,946</u>	<u>7,628,634,585</u>
<b>Maintained Ratio</b>	<u>24.49%</u>	<u>23.81%</u>

<b>4.2.4 Statutory Liquidity Ratio (SLR) requirement and maintained (islamic banking)</b>		
<b>Required reserve</b>	16,874,000	11,351,000
<b>Available for maintenance :</b>		
Cash in hand (including foreign currencies)	10,976,310	15,908,616
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	-	-
Excess of CRR requirement	7,728,000	41,745,000
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	20,000,000	50,000,000
	<u>38,704,310</u>	<u>107,653,616</u>
<b>Surplus / (deficit)</b>	<u>21,830,310</u>	<u>96,302,616</u>
<b>Maintained Ratio</b>	<u>12.62%</u>	<u>52.16%</u>



	30 June 2022 Taka	31 December 2021 Taka
<b>5. Balance with other banks and financial institutions - Consolidated</b>		
<b>In Bangladesh</b>		
SBAC Bank Limited (note 5.1)	2,945,076,947	7,080,594,333
SBAC Bank Investment Limited	432,239,884	365,990,756
	<u>3,377,316,831</u>	<u>7,446,585,089</u>
Less: Inter company transactions	(374,253,106)	(365,990,756)
	<u>3,003,063,725</u>	<u>7,080,594,333</u>
<b>Outside Bangladesh</b>		
SBAC Bank Limited (note 5.1)	554,348,336	291,705,446
SBAC Bank Investment Limited	-	-
	<u>554,348,336</u>	<u>291,705,446</u>
	<u><u>3,557,412,061</u></u>	<u><u>7,372,299,779</u></u>
<b>5.1 Balance with other banks and financial institutions of the Bank</b>		
<b>In Bangladesh</b>		
Main Operation (note 5.2)	3,389,163,181	7,638,008,901
Off-shore Banking Unit	26,070,160	17,600,989
Less: Inter bank transactions	(470,156,394)	(575,015,557)
	<u>2,945,076,947</u>	<u>7,080,594,333</u>
<b>Outside Bangladesh</b>		
Main Operation (note 5.2)	554,348,336	291,705,446
	<u>3,499,425,283</u>	<u>7,372,299,779</u>
<b>5.2 Balance with other banks and financial institutions - Main Operation</b>		
In Bangladesh (note 5.3)	3,389,163,181	7,638,008,901
Outside Bangladesh (note 5.4)	554,348,336	291,705,446
	<u>3,943,511,517</u>	<u>7,929,714,347</u>
<b>5.3 In Bangladesh</b>		
<b>Balance with other banks :</b>		
<b>In current deposit accounts with</b>		
Sonali Bank Limited	18,649,459	39,797,215
Dutch Bangla Bank Limited	1,027	1,372
Eastern Bank Limited	14,757,836	8,540,574
	<u>33,408,322</u>	<u>48,339,161</u>
<b>In special notice deposit accounts with</b>		
Janata Bank Limited	167,396,511	109,409,377
Eastern Bank Limited	9,254,105	15,754,105
Sonali Bank Limited	21,031,061	84,553,801
Mercantile Bank Limited	187,306,754	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	32,705,771	17,355,415
Union Bank Limited	4,844	7,541
IFIC Bank Limited	18,119	20,083
AB Bank Limited	250,000,000	-
Midland Bank Limited	300,000,000	-
Meghna Bank Limited	93,450,000	-
Rupali Bank Limited	2,349,328	3,035,218
	<u>1,063,636,221</u>	<u>230,697,498</u>
<b>In fixed deposit accounts with</b>		
Mutual Trust Bank Limited	-	1,000,000,000
Mercantile Bank Limited	-	-
Midland Bank Limited	-	-
Meghna Bank Limited	-	-
Janata Bank Limited	-	1,821,060,000
AB Bank Limited	-	-
Sonali Bank Limited	-	2,014,062,500
	-	<u>4,835,122,500</u>
<b>Balance with financial institutions :</b>		
Phoenix Finance Limited	203,000,000.00	213,500,000
International Leasing & Financial Services Limited	578,500,000.00	578,500,000
Industrial & Infrastructure Development Finance Company Limited	35,000,000.00	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	176,400,000.00	178,900,000
Bangladesh Finance and Investment Company Limited	200,500,000.00	213,500,000
Bay Leasing & Investment Limited	-	50,000,000
	<u>1,846,600,000</u>	<u>1,965,600,000</u>
Placement of fund with SBAC Bank Off-shore Banking Unit	445,518,638	558,249,742
	<u>3,389,163,181</u>	<u>7,638,008,901</u>

Management conducted an impairment assessment as on 31st June 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	30 June 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	2,719,108	93.45	254,100,622	1,129,302	85.80	96,894,070
AB Bank, Mumbai	ACU	919,516	93.45	85,928,801	755,797	85.80	64,847,347
United Bank of India, Kolkata	ACU	34,587	93.45	3,232,174	6,507	85.80	558,339
National Bank of Pakistan,	JPY	3,686,947	0.68	2,522,240	3,686,947	0.75	2,751,568
Sonali Bank Ltd. Kolkata	ACU	204,706	93.45	19,129,772	430,144	85.80	36,906,372
Habib American Bank, NY	USD	1,390,145	93.45	129,909,072	241,363	85.80	20,708,938
Habib Metropolitan Bank Ltd., Karachi	ACU	23,119	93.45	2,160,431	178,679	85.80	15,330,622
AXIS Bank Ltd., Mumbai	ACU	392,424	93.45	36,671,997	470,956	85.80	40,408,058
Sonali Bank (UK) Ltd.	USD	43,233	93.45	4,040,134	43,233	85.80	3,709,401
Sonali Bank (UK) Ltd.	GBP	7,422	113.31	841,004	16,720	115.71	1,934,679
Sonali Bank (UK) Ltd.	EURO	21,452	97.55	2,092,670	9,846	97.37	958,653
Koomin Bank, Seoul	USD	146,810	93.45	13,719,419	78,058	85.80	6,697,399
				<b>554,348,336</b>			<b>291,705,446</b>

In demand deposit accounts (interest bearing)

Total Outside Bangladesh

**554,348,336**

30 June 2022  
Taka

31 December 2021  
Taka

6. Money at call on short notice  
With banks  
With non bank financial institutions

-	-
-	-
-	-
-	-





	30 June 2022 Taka	31 December 2021 Taka
<b>7. Investments - Consolidated</b>		
<b>Government :</b>		
SBAC Bank Limited	17,437,203,676	15,971,113,935
SBAC Bank Investment Limited	-	-
	<b>17,437,203,676</b>	<b>15,971,113,935</b>
<b>Other :</b>		
SBAC Bank Limited	1,744,419,100	1,567,081,922
SBAC Bank Investment Limited	69,017,460	-
	<b>1,813,436,560</b>	<b>1,567,081,922</b>
	<b>19,250,640,236</b>	<b>17,538,195,857</b>
<b>7.1 Classification of investments-Bank</b>		
Government treasury bills and bonds		
Held for Trading (HFT)	5,082,890,654	4,007,106,430
Held to Maturity (HTM)	12,077,325,922	11,687,105,205
Ijarah Sukuk Bond	274,330,000	274,330,000
	<b>17,434,546,576</b>	<b>15,968,541,635</b>
<b>Total treasury bills and bonds</b>		
Reverse-REPO with Bangladesh Bank	-	-
Prize bonds	2,657,100	2,572,300
<b>Total Government securities</b>	<b>17,437,203,676</b>	<b>15,971,113,935</b>
Other investments (note 7.2)	1,744,419,100	1,567,081,922
	<b>19,181,622,776</b>	<b>17,538,195,857</b>
<b>7.2 Other investments</b>		
In quoted shares	1,430,506,796	1,161,805,141
In quoted mutual funds	10,330,933	101,695,410
In unquoted shares	3,581,371	3,581,371
In preference shares	300,000,000	300,000,000
	<b>1,744,419,100</b>	<b>1,567,081,922</b>



	30 June 2022	31 December 2021
	Taka	Taka
<b>8. Loans, advances and lease / investments - Consolidated</b>		
<b>Loans , cash credit, overdrafts etc. / investments :</b>		
SBAC Bank Limited (note 8.1)	68,730,692,680	63,711,064,030
SBAC Bank Investment Limited	67,874,546	-
Less : Inter-company transactions	(143,161,458)	-
	<b>68,655,405,768</b>	<b>63,711,064,030</b>
<b>Bills purchased and discounted :</b>		
SBAC Bank Limited (note 8.1)	2,529,016,682	2,244,617,036
SBAC Bank Investment Limited	-	-
Less : Inter-company transactions	-	-
	<b>2,529,016,682</b>	<b>2,244,617,036</b>
	<b>71,184,422,450</b>	<b>65,955,681,066</b>
<b>8.1 Loans, advances, lease and investments of the Bank</b>		
<b>Loans , cash credit, overdrafts etc. / investments :</b>		
Main Operation	68,730,692,680	63,711,064,030
Off-shore banking unit	-	-
	<b>68,730,692,680</b>	<b>63,711,064,030</b>
<b>Bills purchased and discounted :</b>		
Main Operation	2,070,584,186	1,681,406,152
Off-shore banking unit	458,432,496	563,210,884
	<b>2,529,016,682</b>	<b>2,244,617,036</b>
	<b>71,259,709,362</b>	<b>65,955,681,066</b>
<b>8.2 Loans , cash credit, overdrafts etc. / investments of the Bank</b>		
<b>In Bangladesh:</b>		
<b>Overdrafts / bai murabaha</b>	<b>17,255,843,423</b>	<b>15,385,656,494</b>
<b>Cash credit / bai murabaha :</b>		
General cash credit / bai murabaha	5,547,845,336	5,190,441,496
Agriculture cash credit / bai murabaha	206,644,472	211,385,828
SME cash credit	9,462,920,836	9,466,854,248
General cash credit under stimulus finance	110,039,281	357,870,952
SME cash credit / bai murabaha under stimulus finance	349,621,640	684,588,011
	<b>15,677,071,567</b>	<b>15,911,140,535</b>
<b>Loans, lease and investments :</b>		
Loans against trust receipt / murabaha post import	2,599,766,143	2,427,975,398
Export packing credit	72,891,631	11,866,506
Payment against document	527,007,232	503,747,883
Time loans	3,912,095,975	3,809,113,593
EDF loans	2,106,791,779	1,795,260,933
Demand loans/Bai Murabaha Agriculture Demand	2,459,075,356	2,381,972,789
Lease finance	676,447,248	642,356,337
House building finance / HPSM real estate	958,058,123	853,482,702
General term loans	17,233,394,584	15,341,038,404
SME term loans/Bai Murabaha SME Term	3,508,583,493	3,171,782,827
Agriculture term loans	398,217,952	297,398,942
Short term micro credit	338,517,988	236,235,039
Personal loans	80,786,915	84,428,258
Auto loans / HPSM vehicles	58,673,714	44,198,548
Credit Card	287,129,040	245,951,018
Block account for rescheduled loan	39,057,382	39,838,382
Staff loans / HPSM	541,283,136	527,619,442
	<b>35,797,777,690</b>	<b>32,414,267,001</b>
	<b>68,730,692,680</b>	<b>63,711,064,030</b>
<b>Outside Bangladesh</b>	<b>68,730,692,680</b>	<b>63,711,064,030</b>
<b>8.3 Bills purchased and discounted of the Bank(main operation)</b>		
<b>Inside Bangladesh</b>		
Inland bills purchased and discounted	1,987,379,865	1,620,206,771
<b>Outside Bangladesh</b>		
Foreign bills purchased and discounted	83,204,321	624,410,265
	<b>2,070,584,186</b>	<b>2,244,617,036</b>



30 June 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

Loans	35,797,777,690	32,414,267,001
Cash credit	15,677,071,567	15,911,140,535
Overdraft	17,255,843,423	15,385,656,494
	<b>68,730,692,680</b>	<b>63,711,064,030</b>

Outside Bangladesh

	-	-
	<b>68,730,692,680</b>	<b>63,711,064,030</b>

(b) Bills purchased and discounted (note 8.1)

In Bangladesh

Outside Bangladesh

In Bangladesh	1,987,379,865	1,620,206,771
Outside Bangladesh	541,636,817	624,410,265
	<b>2,529,016,682</b>	<b>2,244,617,036</b>
	<b>71,259,709,362</b>	<b>65,955,681,066</b>

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

Particulars	Amount of outstanding loans and advances as at 30 June 2022	Base for Provision	Rate	Amount of required provision as at 30 June 2022	Amount of required provision as at 31 December 2021
<b>I) General provision :</b>					
a) Consumer finance	408,337,944	408,337,944	2.00%	8,166,759	7,444,556
b) Staff loans	541,283,136	541,283,136	0.00%	-	-
c) Housing finance	990,264,157	990,264,157	1.00%	9,902,642	8,703,613
d) Loans to professional	-	-	2.00%	-	-
e) Small & medium enterprise	24,569,556,286	24,569,556,286	0.25%	61,423,891	56,296,574
f) Loans to BH, MB, SD, etc.	990,248,199	990,248,199	2.00%	19,804,964	20,573,823
g) Agricultural and micro credit	1,926,783,994	1,926,783,994	1.00%	19,267,840	18,560,733
h) Others	37,652,762,358	37,652,762,358	1.00%	376,527,624	349,211,774
i) Special general provision-COVID-19	-	-	1%, 1.5% & 2%	125,373,723	187,183,129
	<b>67,079,236,074</b>	<b>67,079,236,074</b>		<b>620,467,442</b>	<b>647,974,201</b>
<b>II) Specific provision :</b>					
a) Unclassified	-	1,042,511,627	100.00%	1,042,511,627	1,026,375,489
b) Unclassified	-	-	1.00%	-	-
c) Sub-standard (CMS)	278,828	41,824	5.00%	2,091	167,213.30
d) Sub-standard (other)	163,251,343	118,990,900	20.00%	23,798,180	46,695,590
e) Doubtful (CMS)	703,689,800	160,687,186	20.00%	32,137,437	32,678,953
f) Doubtful (other)	180,051,039	143,923,105	50.00%	71,961,553	71,013,921
g) Bad / loss	3,133,202,278	1,252,325,939	100.00%	1,252,325,939	1,019,231,715
	<b>4,180,473,288</b>	<b>2,718,480,581</b>		<b>2,422,736,827</b>	<b>2,196,162,881</b>
<b>Total provision required</b>	<b>71,259,709,362</b>	<b>69,797,716,655</b>		<b>3,043,204,269</b>	<b>2,844,137,082</b>
<b>Total provision maintained</b>				<b>2,633,734,820</b>	<b>2,397,443,139</b>
<b>Provision to be maintained*</b>				<b>409,469,449</b>	<b>446,693,943</b>
<b>Surplus / (deficit)</b>				-	-

\* As per Bangladesh Bank letter reference no. DOS (CAMS)1157/41(dividend)/2022-2224 dated April 25, 2022, the Bank has to maintain deficit provision of Tk. 446,693,943 in the year 2022, 2023 & 2024 equally. The Bank has already maintained deficit provision of Tk. 37,224,491 and the remaining balance of Tk. 409,469,449 as on 30 June 2022 which shall be maintained within the stipulated time prescribed by Bangladesh Bank.



	30 June 2022	31 December 2021
	Taka	Taka
<b>8.6 Classification of loans, advances and lease / investments including bills purchased and discounted</b>		
<b>Unclassified loans and advances</b>		
<b>Main Operation</b>		
i) Standard	64,083,342.272	60,948,067.217
ii) Special mention account (SMA)	2,537,461.306	976,188.578
	<b>66,620,803.578</b>	<b>61,924,255.795</b>
<b>Off-shore Banking Unit</b>		
i) Standard	458,432.496	563,210.884
ii) Special mention account (SMA)	-	-
	<b>458,432.496</b>	<b>563,210.884</b>
	<b>67,079,236,074</b>	<b>62,487,466,679</b>
<b>Classified loans and advances</b>		
<b>Main Operation</b>		
Sub-standard	163,530.171	259,425.115
Doubtful	883,740.839	728,608.335
Bad / loss	3,133,202.278	2,480,180.937
	<b>4,180,473.288</b>	<b>3,468,214.387</b>
<b>Off-shore Banking Unit</b>		
Sub-standard	-	-
Doubtful	-	-
Bad / loss	-	-
	<b>-</b>	<b>-</b>
	<b>4,180,473,288</b>	<b>3,468,214,387</b>
<b>Total</b>	<b>71,259,709,362</b>	<b>65,955,681,066</b>



	30 June 2022 Taka	31 December 2021 Taka
<b>9. Fixed Assets including premises, furniture and fixtures - Consolidated</b>		
SBAC Bank Limited (note 9.1)	1,586,748,088	1,626,642,412
SBAC Bank Investment Limited	2,490,229	-
	<u>1,589,238,317</u>	<u>1,626,642,412</u>
<b>9.1 Fixed Assets including premises, furniture and fixtures of the Bank</b>		
Motor vehicles	15,633,106	51,888,653
Machinery and equipments	74,352,952	298,436,443
Furniture and fixtures	44,315,292	98,700,745
Interior decoration	172,276,725	327,597,917
Computers and accessories	159,023,055	404,687,414
Softwares	29,312,614	193,446,651
Other tools	17,354,353	44,642,330
Right of Use Assets	1,400,174,372	1,459,393,820
	<u>1,912,442,469</u>	<u>2,878,793,973</u>
Less : Accumulated depreciation	325,694,381	1,252,151,561
	<u>1,586,748,088</u>	<u>1,626,642,412</u>
<b>10. Other Assets - Consolidated</b>		
<b>Income generating other assets</b>		
SBAC Bank Limited	399,600,000	399,600,000
SBAC Bank Investment Limited	-	-
	<u>399,600,000</u>	<u>399,600,000</u>
<b>Non-income generating other assets</b>		
SBAC Bank Limited	2,324,886,986	1,188,787,124
SBAC Bank Investment Limited	43,936,224	42,334,007
	<u>2,368,823,210</u>	<u>1,231,121,131</u>
	<u>2,768,423,210</u>	<u>1,630,721,131</u>
Less : Inter-company transaction	(412,645,369)	(400,908,545)
<b>Total other assets</b>	<u>2,355,777,841</u>	<u>1,229,812,586</u>
<b>10.1 Other Assets of the Bank</b>		
Investment in shares of SBAC Bank Investment Limited	399,600,000	399,600,000
Advance income tax (note 10.2)	917,137,018	554,589,498
Stock of stationeries and stamps (note 10.3)	18,188,802	14,021,623
Advance rent, advertisement, etc. (note 10.4)	54,207,622	14,380,654
Accrued interest and commission receivable	325,375,990	396,692,194
Advance and security deposits	4,188,507	4,177,757
Central clearing, EFT, NPSB adjustment account	1,094,810	8,486
Deferred tax asset	21,757,883	21,757,883
Suspense accounts (note 10.5)	978,475,366	183,159,029
Receivable from SBAC Bank Investment Limited	4,460,988	-
	<u>2,724,486,986</u>	<u>1,588,387,124</u>
<b>10.2 Advance income tax</b>		
Opening balance	554,589,498	1,777,716,153
Add : Paid during the year		
Income tax deducted at source	72,547,520	112,030,725
Advance income tax paid	290,000,000	329,519,328
	<u>362,547,520</u>	<u>441,550,053</u>
	917,137,018	2,219,266,206
Less : Adjustment during the year	-	1,664,676,708
Closing balance	<u>917,137,018</u>	<u>554,589,498</u>
<b>10.3 Stock of stationeries and stamps</b>		
Stock of printing stationeries	4,066,910	3,643,481
Stock of security stationeries	11,291,316	7,681,525
Stock of stamps	2,830,576	2,696,617
	<u>18,188,802</u>	<u>14,021,623</u>
<b>10.4 Advance rent, advertisement, etc.</b>		
Advance rent	54,207,622	14,380,654
Prepaid advertisement	-	-
	<u>54,207,622</u>	<u>14,380,654</u>



	30 June 2022	31 December 2021
	Taka	Taka
<b>10.5 Suspense accounts</b>		
Sundry debtors	32,525,200	12,066,370
Receivable from Stock Brokers	8,988,164	61,213,629
Application for primary shares	-	23,586,500
Advance for bKash merchant payment	-	480,663
Advance for SSL merchant payment	916,902	2,882,621
Receivable for payment against Sanchayapatra (interest & principal encashr	49,683,830	42,853,074
Advance against expenses	10,961,807	2,640,242
Advance against fixed assets	19,445,082	31,115,405
Encumbered Securities	828,012,238	-
Other prepaid expenses	27,942,144	6,320,525
	<b>978,475,367</b>	<b>183,159,029</b>
<b>11. Borrowings from other banks, financial institutions and agents - Consolidated</b>		
SBAC Bank Limited (note 11.1)	6,306,003,888	8,763,684,070
SBAC Bank Investment Limited	143,161,458	-
	<b>6,449,165,346</b>	<b>8,763,684,070</b>
Less : Inter bank transactions	(143,161,458)	-
	<b>6,306,003,888</b>	<b>8,763,684,070</b>
<b>11.1 Borrowings from other banks, financial institutions and agents of the Bank</b>		
Main Operation (note 11.2)	6,306,003,888	8,763,684,070
Off-shore Banking Unit	444,086,234	557,414,568
Less : Inter bank transactions	(444,086,234)	(557,414,568)
	<b>6,306,003,888</b>	<b>8,763,684,070</b>
<b>11.2 Borrowings from other banks, financial institutions and agents (main operation)</b>		
<b>a) In Bangladesh</b>		
<b>Secured</b>		
<b>Refinance from Bangladesh Bank</b>		
Refinance against SME & Corporate loan from Bangladesh Ba	148,676,370	141,533,926
Bangladesh Bank stimulus fund	920,535,737	954,364,567
Export Development Fund (EDF)	2,106,791,781	1,794,435,577
<b>Borrowing From Bangladesh Bank - ALS</b>	780,000,000	-
	<b>3,956,003,888</b>	<b>2,890,334,070</b>
<b>Unsecured</b>	2,350,000,000	5,873,350,000
	<b>6,306,003,888</b>	<b>8,763,684,070</b>
<b>b) Outside Bangladesh</b>	-	-
	<b>6,306,003,888</b>	<b>8,763,684,070</b>
<b>12. Deposits and other accounts - Consolidated</b>		
<b>Current / Al-wadeeah current deposits and other accounts</b>		
SBAC Bank Ltd.	8,917,464,371	7,296,934,175
Less : Inter-company transactions	-	(1,308,545)
	<b>8,917,464,371</b>	<b>7,295,625,630</b>
<b>Special notice / mudaraba special notice deposits</b>		
SBAC Bank Ltd.	3,941,204,945	4,494,632,154
SBAC Bank Investment Ltd.	-	-
	<b>3,941,204,945</b>	<b>4,494,632,154</b>
Less : Inter-company transactions	(6,852,111)	(7,118,668)
	<b>3,934,352,834</b>	<b>4,487,513,486</b>
<b>Bills payable</b>		
SBAC Bank Ltd.	2,933,545,488	2,414,977,923
SBAC Bank Investment Ltd.	-	-
	<b>2,933,545,488</b>	<b>2,414,977,923</b>
<b>Savings bank / mudaraba savings deposits</b>		
SBAC Bank Ltd.	6,260,716,310	5,943,300,533
SBAC Bank Investment Ltd.	-	-
	<b>6,260,716,310</b>	<b>5,943,300,533</b>
<b>Fixed / mudaraba term deposits</b>		
SBAC Bank Ltd.	42,442,218,618	38,491,349,641
SBAC Bank Investment Ltd.	-	-
	<b>42,442,218,618</b>	<b>38,491,349,641</b>
Less : Inter-company transactions	(367,400,995)	(358,872,088)
	<b>42,074,817,623</b>	<b>38,132,477,553</b>



	30 June 2022	31 December 2021
	Taka	Taka
<b>Other deposits</b>		
SBAC Bank Ltd.	14,395,768,623	14,462,568,622
SBAC Bank Investment Ltd.	-	-
	<b>14,395,768,623</b>	<b>14,462,568,622</b>
	<b>78,516,665,249</b>	<b>72,736,463,747</b>
<b>12.1 Deposits and other accounts of the Bank</b>		
Current / Al-wadeeah current deposits and other accounts (note : 12.2)	8,917,464,371	7,296,934,175
Special notice / mudaraba special notice deposits	3,941,204,945	4,494,632,154
Bills payable	2,933,545,488	2,414,977,923
Savings bank / mudaraba savings deposits	6,260,716,310	5,943,300,533
Fixed / mudaraba term deposits	42,442,218,618	38,491,349,641
Other deposits (note : 12.3)	14,395,768,623	14,462,568,622
	<b>78,890,918,355</b>	<b>73,103,763,048</b>
<b>12.2 Current / Al-wadeeah current deposits and other accounts</b>		
Current / Al-wadeeah current deposits	4,243,778,442	3,035,603,446
Foreign currency deposits	14,479,722	11,142,296
Exporters' retention quota accounts	30,331,027	17,111,860
Foreign currency held against BTB L/Cs	508,881,066	870,954,651
Non resident Taka account	8,231,517	8,092,418
Non resident foreign currency account	3,830,889	3,874,395
Resident foreign currency account	6,695,739	3,380,827
Margin against L/Cs	1,556,942,292	1,308,039,729
Margin against L/Gs	1,055,517,306	889,387,836
Margin on Loans	96,914,482	104,490,006
Margin on LDBP	83,400	83,400
Security deposit	27,005,643	25,477,192
Sundry deposits - excise duty	5,236,600	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	79,690,414	28,655,670
Sundry deposits - foreign correspondents charge	12,161,435	22,689,238
Sundry deposits - risk fund	4,045,360	4,451,495
Sundry deposits - advance installment on Lease	1,967,672	1,967,672
Sundry deposits - Tax Deducted at source	-	165,301,620
Sundry deposits - VAT collected at source	6,317,476	6,341,906
Sundry deposits - VAT deducted Service Bills	14,156,781	8,803,101
Sundry deposits - card settlement account	17,526,178	30,779,470
Sundry deposits - Mobile App	2,705,445	3,730,638
Interest payable on deposits	1,146,173,588	616,131,739
	<b>8,917,464,371</b>	<b>7,296,934,175</b>
<b>12.3 Other deposits</b>		
Monthly savings scheme / mudaraba monthly savings deposits	4,141,898,455	3,991,921,493
Monthly Benefit Scheme Deposits	4,484,822,361	4,651,488,561
Lakhpoti Savings Scheme Deposits	191,067,847	206,888,792
Surokkha Millionaire Scheme Deposits	1,274,713,202	1,225,079,779
Kotipoti Scheme Deposits	173,391,387	171,635,383
Double Benefit Scheme Deposits	3,496,736,546	3,586,418,322
Triple Benefit Scheme	631,678,648	628,494,085
Mudaraba Hajj Deposits	1,460,178	642,207
	<b>14,395,768,623</b>	<b>14,462,568,622</b>
<b>12.4 Segregation of deposits and other accounts</b>		
Other than inter-bank deposits	78,888,041,607	73,101,444,386
Inter-bank deposits	2,876,748	2,318,662
	<b>78,890,918,355</b>	<b>73,103,763,048</b>
<b>12.5 Details of inter-bank deposits</b>		
<b>In Current Deposit Account</b>		
Mercantile Bank Limited	2,298,466	1,741,319
Trust Bank Limited	418,250	418,250
	<b>2,716,716</b>	<b>2,159,569</b>
<b>In Short Notice Deposit Account</b>		
Janata Bank Limited	160,032	159,093
<b>In Fixed Deposit Account</b>		
	-	-
	-	-
	<b>2,876,748</b>	<b>2,318,662</b>



	30 June 2022	31 December 2021
	Taka	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 <b>Payable on demand and time deposits</b>		
<b>a) Demand deposits</b>		
Current deposits	4,243,778,442	3,035,603,446
Savings deposits (9%)	563,464,468	534,897,048
Foreign currency deposits (non interest bearing)	564,218,444	906,464,029
Security deposits	27,005,643	25,477,192
Sundry deposits	4,074,230,325	3,321,297,090
Bills Payable	2,933,545,488	2,414,977,923
	<b>12,406,242,810</b>	<b>10,238,716,728</b>
<b>b) Time deposits</b>		
Savings deposits (91%)	5,697,251,842	5,408,403,485
Fixed deposits	42,442,218,618	38,491,349,641
Special notice deposits	3,941,204,945	4,494,632,154
Deposits under schemes	14,395,768,623	14,462,568,622
Non resident Taka deposits	8,231,517	8,092,418
	<b>66,484,675,545</b>	<b>62,865,046,320</b>
	<b>78,890,918,355</b>	<b>73,103,763,048</b>
13. <b>Other liabilities - Consolidated</b>		
SBAC Bank Limited (note 13.1)	6,691,428,239	5,682,034,849
SBAC Bank Investment Limited	63,386,597	3,157,724
	6,754,814,836	5,685,192,573
Less : Inter-company transactions	(13,045,369)	-
	<b>6,741,769,467</b>	<b>5,685,192,573</b>
13.1 <b>Other liabilities of the Bank</b>		
Sundry creditors	16,860,155	10,437,261
Provision for expenses	68,486,507	38,429,305
Central clearing, EFT, NPSB adjustment account	4,117,274	-
Unearned profit (Markup)	12,229,297	2,740,530
Provision for gratuity (note 13.2)	-	-
Provision for taxation (note 13.3)	1,073,417,365	816,756,524
Provision on loans & advances (note 13.4)	2,508,361,097	2,210,260,010
Special general provision - COVID-19 (note 13.5)	125,373,723	187,183,129
General provision on Off Balance Sheet exposures (note 13.6)	236,048,995	168,396,382
Provision for rebate to good borrowers (note 13.7)	-	19,000,000
Present value of lease liability (note 13.8)	1,144,945,590	1,167,814,501
Interest suspense account (note 13.9)	1,224,023,771	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)	91,309,146	36,403,988
Dividend payable**	171,388,547	9,121,799
	<b>6,691,428,239</b>	<b>5,682,034,849</b>
** In pursuant to SEC/SRMIC/165-2020/part-1/182, dated July 19, 2021 and Capital Market Stabilization Fund, Rules 2021 issued by Bangladesh Securities and Exchange Commission regarding transfer the amount held against unclaimed dividend/undistributed /unsettled public subscription money for the period of more than 3 (three) years; we have not any unclaimed dividend for more than 3 (three) years.		
13.2 <b>Provision for gratuity</b>		
Opening balance	-	-
Add : Provision made for the period	10,791,072	104,500,000
	10,791,072	104,500,000
Less : transferred to gratuity fund during the period	10,791,072	104,500,000
<b>Closing balance</b>	<b>-</b>	<b>-</b>
13.3 <b>Provision for taxation-Bank</b>		
Opening balance	816,756,524	2,017,238,149
Add : Provision made for the year	256,660,841	464,195,083
	1,073,417,365	2,481,433,232
Less : Adjustment during the year	-	1,664,676,708
<b>Closing balance</b>	<b>1,073,417,365</b>	<b>816,756,524</b>





	30 June 2022	31 December 2021
	Taka	Taka
<b>13.3.1 Status of income tax assessment</b>		
Assessment had been completed up to the accounting year 2019 and assessment year 2020-2021.		
<b>13.4 Provision for loans and advances (note 8.5)</b>		
<b>A. General provision on loans and advances - Main Operation</b>		
Opening balance	8,465,020	-
General provision for the year	48,795,427	8,465,020
Transferred to specific provision	-	-
Transferred from special general provision- COVID 19	-	-
<b>Provision held at the year end</b>	<b>57,260,447</b>	<b>8,465,020</b>
<b>B. Specific provision against classified loans and advances - Main Operation</b>		
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	250,353,444	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	-	-
<b>Provision held at the end of the year</b>	<b>2,446,516,325</b>	<b>2,196,162,881</b>
<b>C. General provision on loans and advances - OBU</b>		
Opening balance	5,632,109	677,308
General provision for the year	(1,047,784)	4,954,801
<b>Provision held at the year end</b>	<b>4,584,325</b>	<b>5,632,109</b>
<b>Total (A + B + C)</b>	<b>2,508,361,097</b>	<b>2,210,260,010</b>
<b>13.5 Special general provision - COVID-19( 8.5)</b>		
Opening balance	187,183,129	9,513,466
Add : Provision made for the year	-	177,669,663
Less : Provision no more require	(61,809,406)	-
	<b>125,373,723</b>	<b>187,183,129</b>
<b>13.6 Provision for off balance sheet exposures (note 18.2)</b>		
Opening balance	168,396,382	-
Add : Provision made for the year	67,652,613	168,396,382
Less : Transferred to specific provision	-	-
	<b>236,048,995</b>	<b>168,396,382</b>
<b>13.7 Provision for rebate to good borrowers</b>		
Opening balance	19,000,000	19,000,000
Add : Provision made for the year	-	-
	<b>19,000,000</b>	<b>19,000,000</b>
Less: Paid /adjustment during the period	(19,000,000)	-
<b>Closing balance</b>	<b>-</b>	<b>19,000,000</b>
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, SBAC Bank Ltd reversed all the excess provision made earlier as the Bank has no further obligation to pay good borrower incentives.		
<b>13.8 Present value of lease liability</b>		
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%.		
<b>13.9 Interest suspense account</b>		
Balance as on 1 January	1,000,624,647	617,600,554
Add/(Less) : adjustment during the year	223,399,124	383,024,093
<b>Balance as on 31 December</b>	<b>1,224,023,771</b>	<b>1,000,624,647</b>
<b>13.10 Startup fund</b>		
Opening balance	14,866,773	-
Add : Transferred during the year	-	14,866,773
	<b>14,866,773</b>	<b>14,866,773</b>
<b>13.11 Provision for diminution in value of investments</b>		
Opening balance	36,403,988	-
Add : Provision made for the year	54,905,158	36,403,988
	<b>91,309,146</b>	<b>36,403,988</b>



	30 June 2022 Taka	31 December 2021 Taka
<b>14. Share capital</b>		
<b>14.1 Authorized share capital</b>		
1,000,000,000 ordinary shares of Tk. 10/- each	10,000,000,000	10,000,000,000
<b>14.2 Issued, subscribed and paid up share capital</b>		
816,031,337 ordinary shares of Tk. 10/- each	8,160,313,370	7,846,455,170
<b>14.3 Paid up capital</b>		
The paid up capital of the Bank was raised in the following manner :		
<b>From the sponsor shareholders</b>		
By issuing 408,960,000 ordinary shares of Taka 10 each	4,089,600,000	4,089,600,000
<b>From Initial Public Offering</b>		
By issuing 100,000,000 ordinary shares of Taka 10 each	1,000,000,000	1,000,000,000
<b>Stock dividend</b>		
Stock dividend @ 0.06 against 1 existing share of Tk 10 each for the year 2015	245,376,000	245,376,000
Stock dividend @ 0.15 against 1 existing share of Tk 10 each for the year 2016	650,246,400	650,246,400
Stock dividend @ 0.135 against 1 existing share of Tk 10 each for the year 2017	673,005,020	673,005,020
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2018	565,822,740	565,822,740
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2019	622,405,010	622,405,010
Stock dividend @ 0.04 against 1 existing share of Tk 10 each for the year 2020	313,858,200	313,858,200
	<b>8,160,313,370</b>	<b>7,846,455,170</b>
<b>14.4 Non-controlling (Minority) interest</b>		
At acquisition	400,000	400,000
Post acquisition	9,060	5,167
	<b>409,060</b>	<b>405,167</b>
<b>15. Statutory reserve</b>		
As per Section 24(1) of the Bank Companies Act, 1991, an amount equivalent to 20% of profit before taxes for the year has been transferred to the statutory reserve fund.		
Opening balance	1,947,493,989	1,753,397,543
Add : Transferred from profit during the period	-	194,096,446
Closing balance	<b>1,947,493,989</b>	<b>1,947,493,989</b>
<b>16. Other reserve (revaluation reserve on Govt. Securities)</b>		
Opening balance	129,270,472	19,337,962
Add : Amortization / revaluation gain	1,757,379,041	945,699,914
	1,886,649,514	965,037,876
Less : Adjustment of amortization / revaluation gain against sale / maturity	1,854,836,270	835,767,404
Closing balance	<b>31,813,244</b>	<b>129,270,472</b>
<b>16.1 Foreign currency translation reserve</b>		
Opening balance	251,592	-
Add : Addition during year	2,007,868	251,592
	2,259,460	251,592
Less : Adjustment during the year	-	-
Closing balance	<b>2,259,460</b>	<b>251,592</b>
<b>17. Surplus in profit and loss account - Consolidated</b>		
Opening balance	704,530,934	687,467,724
Add : Net profit during the year	260,902,873	539,889,810
	965,433,807	1,227,357,534
Less : Stock Dividend paid	(313,858,200)	(313,858,214)
Less : Cash Dividend paid	(244,809,401)	-
Less : Transferred to statutory reserve	-	(194,096,446)
Less : Transferred to start up fund	-	(14,866,773)
	406,766,206	704,536,101
Less : Non-controlling (Minority) interest	3,777	5,167.00
Closing balance	<b>406,762,429</b>	<b>704,530,934</b>



	30 June 2022 Taka	31 December 2021 Taka
<b>17.1 Surplus in profit and loss account of the Bank</b>		
Opening balance	699,369,062	687,467,724
Add : Net profit during the year	257,125,788	534,722,771
	<u>956,494,850</u>	<u>1,222,190,495</u>
Less : Stock Dividend	(313,858,200)	(313,858,214)
Less : Cash Dividend	(244,809,401)	-
Less : Transferred to statutory reserve	-	(194,096,446)
Less: Transferred to start up fund	-	(14,866,773)
<b>Closing balance</b>	<u><u>397,827,249</u></u>	<u><u>699,369,062</u></u>

**18. Contingent liabilities - Consolidated SBAC Bank Limited**

Acceptances and endorsements	5,685,106,298	3,444,598,165
Letters of Guarantee	11,056,145,766	9,111,716,091
Irrevocable letters of credit	6,863,647,393	4,283,323,907
Bills for collection	2,900,853,422	1,700,140,692
Other contingent liabilities	-	-
	<u>26,505,752,879</u>	<u>18,539,778,855</u>
<b>SBAC Bank Investment Limited</b>	-	-
	<u><u>26,505,752,879</u></u>	<u><u>18,539,778,855</u></u>

**18.1 Particulars of required provision on off-balance sheet exposures**

Particulars	Base for Provision	Rate (%)	Required provision	
			2022 Taka	2021 Taka
Acceptances and endorsements	5,685,106,298	1.00%	56,851,063	34,445,982
Letters of Guarantee	11,056,145,766	1.00%	110,561,458	91,117,161
Irrevocable letters of credit (note 18.1)	6,863,647,393	1.00%	68,636,474	42,833,239
Bills for collection	2,900,853,422	0.00%	-	-
Other contingent liabilities	-	1.00%	-	-
<b>Total Required Provision</b>	<u><u>26,505,752,879</u></u>		<u>236,048,995</u>	<u>168,396,382</u>
Total Provision Maintained			<u>236,048,995</u>	<u>168,396,382</u>
<b>Provision to be maintained</b>			<u><u>-</u></u>	<u><u>-</u></u>



	01 January to 30 June 2022 Taka	01 January to 30 June 2021 Taka
<b>19. Particulars of profit and loss account of the Bank</b>		
<b>Income</b>		
Interest, discount and similar income (note 21.1)	2,855,639,536	2,681,767,389
Dividend income (note 23.1)	37,391,236	-
Fees, commission and brokerage (note 24.1)	199,000,845	133,352,015
Gains less losses arising from dealing in securities (note 23.1)	-	-
Gains less losses arising from investment securities (note 23.1)	1,907,789,437	789,340,044
Gains less losses arising from dealing in foreign currencies (note 24.1)	350,566,782	67,983,057
Income from non-banking assets	-	-
Other operating income (note 25.1)	71,444,911	60,690,617
Profit less losses in interest rate changes	-	-
	<b>5,421,832,749</b>	<b>3,733,133,122</b>
<b>Expenses</b>		
Interest, fee and commission (note 22.1)	2,219,931,573	2,001,973,625
Losses on loans and advances	-	-
Administrative expenses (note 20)	830,878,420	709,343,261
Other operating expenses (note 35.1)	1,340,147,976	180,429,937
Depreciation on bank's assets (note 34.1)	177,238,699	162,359,732
	<b>4,568,196,668</b>	<b>3,054,106,555</b>
	<b>853,636,081</b>	<b>679,026,567</b>
<b>Profit before provision</b>		
<b>20. Administrative expenses</b>		
Salary and allowances (note 26.1)	697,480,537	590,921,183
Rent, taxes, insurance, electricity etc. (note 27.1)	81,658,291	70,555,902
Legal & professional expenses (note 28.1)	3,426,907	3,257,940
Postage, stamp, telecommunication etc. (note 29.1)	8,402,677	6,317,694
Stationery, printing, advertisement etc. (note 30.1)	24,616,466	19,318,196
Chief executive's salary and fees (note 31)	6,020,000	4,888,000
Directors' fees and other benefits (note 32.1)	896,000	2,088,000
Audit fees (note 33.1)	-	-
Repair of bank's assets (note 34.1)	8,377,542	11,996,346
	<b>830,878,420</b>	<b>709,343,261</b>
<b>21. Interest income / profit on investment - Consolidated</b>		
SBAC Bank Limited (note 21.1)	2,855,639,536	2,681,767,389
SBAC Bank Investment Limited	8,421,605	1,631,221
	<b>2,864,061,141</b>	<b>2,683,398,610</b>
Less : Inter company transactions	(8,396,100)	(1,631,221)
	<b>2,855,665,041</b>	<b>2,681,767,389</b>
<b>21.1 Interest income / profit on investments of the Bank</b>		
<b>Interest on loans and advances / profit on investments</b>		
Cash credit	655,462,290	691,524,591
Secured overdraft / bai murabaha	690,629,254	640,031,067
General overdraft	36,574,453	54,414,212
Local bills purchased	89,220,828	35,033,883
Foreign bills purchased	3,249,045	8,703,405
Import finance / murabaha	138,469,933	157,439,366
Export finance	1,841,862	881,931
Other demand loans	341,742,791	218,217,610
Lease finance / HPSM	28,791,027	24,068,303
House building loans / HPSM	37,817,490	27,492,617
General term loans / bai murabaha	531,773,091	386,258,332
SME loans / bai murabaha	100,514,744	106,125,461
Consumer credit scheme	2,734,248	2,291,047
Credit card	17,367,536	17,036,958
Agriculture & rural credit / bai murabaha	38,004,823	11,463,648
Staff loans / HPSM	10,965,426	11,757,338
	<b>2,725,158,842</b>	<b>2,392,739,769</b>
Interest on money at call and short notice	809,778	98,611
Interest on FDR with other banks	110,971,495	228,525,679
Interest on SND with other banks	3,688,172	46,555,836
	<b>2,840,628,287</b>	<b>2,667,919,895</b>
Interest Income - Off-shore Banking Unit	15,011,249	13,847,494
	<b>2,855,639,536</b>	<b>2,681,767,389</b>



	01 January to 30 June 2022 Taka	01 January to 30 June 2021 Taka
<b>22. Interest / profit paid on deposits, borrowings etc.</b>		
SBAC Bank Limited (note 22.1)	2,219,931,573	2,001,973,625
SBAC Bank Investment Limited	161,458	-
	<u>2,220,093,031</u>	<u>2,001,973,625</u>
Less : Inter company transactions	(8,396,100)	(1,631,221)
	<u>2,211,696,931</u>	<u>2,000,342,404</u>
<b>22.1 Interest / profit paid on deposits, borrowings etc. of the Bank</b>		
<b>Interest / profit paid on deposits</b>		
Savings bank / mudaraba savings deposits	107,258,021	109,130,975
Special notice / mudaraba special notice deposits	48,239,921	56,627,522
Monthly savings schemes / mudaraba monthly savings deposits	260,220,913	227,964,424
Monthly benefit schemes	201,157,987	214,932,526
Special deposit schemes	213,302,521	214,732,699
Fixed /mudaraba term deposits	1,120,907,322	1,091,591,098
	<u>1,951,086,686</u>	<u>1,914,979,244</u>
Interest on call borrowing	26,545,042	21,175,278
Interest on credit lines	60,015,192	11,094,837
Interest on Bangladesh Bank Re-financing facilities	19,282,047	16,925,831
Interest on borrowing under REPO	163,002,607	37,798,435
	<u>2,219,931,573</u>	<u>2,001,973,625</u>
<b>23. Investment income - Consolidated</b>		
SBAC Bank Limited (note 23.1)	1,945,180,674	789,340,044
SBAC Investment Limited	324,178	-
	<u>1,945,504,852</u>	<u>789,340,044</u>
<b>23.1 Investment income of the Bank</b>		
Dividend on shares	37,391,236	-
Income on treasury bills, bonds and debentures		
Interest / profit on treasury bonds	754,811,562	686,070,525
Interest / profit on treasury bills	2,242,027	111,761
Interest on reverse REPO	-	-
Profit on Ijarah Sukuk Bonds -HFT.	1,808,986	-
Gains on trading of government securities	1,115,162,771	94,675,363
	<u>1,874,025,346</u>	<u>780,857,649</u>
Gains on Capital Market	33,764,091	8,482,395
	<u>1,945,180,674</u>	<u>789,340,044</u>
<b>24. Commission, exchange and brokerage - Consolidated</b>		
SBAC Bank Limited (note 24.1)	549,567,628	201,335,072
SBAC Investment Limited	1,196,164	-
	<u>550,763,792</u>	<u>201,335,072</u>
<b>24.1 Commission, exchange and brokerage of the Bank</b>		
<b>Fees, commission and brokerage</b>		
Commission on bills & remittance	4,858,772	2,955,969
Commission on letters of credit	103,342,192	67,252,903
Commission on letters of guarantee	88,804,453	59,157,258
Commission on acceptances	-	-
Commission on add confirmation	1,734,479	661,832
Commission on bank underwriting	260,950	3,324,053
	<u>199,000,845</u>	<u>133,352,015</u>
Exchange earnings (net)	350,566,782	67,983,057
	<u>549,567,628</u>	<u>201,335,072</u>
<b>25. Other operating income - Consolidated</b>		
SBAC Bank Limited (note 25.1)	71,444,911	60,690,617
SBAC Investment Limited	10,350	-
	<u>71,455,261</u>	<u>60,690,617</u>
Less : Inter company transactions	(1,415)	(500)
	<u>71,453,846</u>	<u>60,690,117</u>
<b>25.1 Other operating income of the Bank</b>		
Banking service charge	58,124,383	50,248,656
Card operation charge	9,301,616	6,354,470
Locker rent	139,000	-
Miscellaneous income	3,879,912	4,077,165
Off-shore banking unit	-	10,326
	<u>71,444,911</u>	<u>60,690,617</u>



	01 January to 30 June 2022 Taka	01 January to 30 June 2021 Taka
<b>26. Salaries and allowances - Consolidated</b>		
SBAC Bank Limited (note 26.1)	697,480,537	590,921,183
SBAC Investment Limited	2,978,075	-
	<b>700,458,612</b>	<b>590,921,183</b>
<b>26.1 Salaries and allowances of the Bank</b>		
Basic salary	245,510,766	216,452,732
House rent allowance	117,660,933	100,642,639
Conveyance allowance	18,934,606	17,185,471
Medical allowance	30,457,939	26,314,632
Other allowances	115,254,145	96,807,454
Festival bonus	25,039,613	20,581,072
Incentive bonus for previous year	-	-
Bank's contribution on provident fund	23,389,398	20,595,560
Gratuity	59,987,227	41,500,000
Casual labourer & wages	61,245,910	50,841,623
	<b>697,480,537</b>	<b>590,921,183</b>
<b>27. Rent, taxes, insurance, electricity etc. - Consolidated</b>		
SBAC Bank Limited (note 27.1)	81,658,291	70,555,902
SBAC Investment Limited	230,000	-
	<b>81,888,291</b>	<b>70,555,902</b>
<b>27.1 Rent, taxes, insurance, electricity etc. of the Bank</b>		
Rent - Office Premises, ATM Booths and other installations	9,088,106	8,309,928
Rates and taxes	19,861,405	15,260,061
Utilities	21,812,951	17,679,416
Insurance	30,895,828	29,306,497
	<b>81,658,291</b>	<b>70,555,902</b>
<b>28. Legal and professional expenses - Consolidated</b>		
SBAC Bank Limited (note 28.1)	3,426,907	3,257,940
SBAC Investment Limited	-	610,000
	<b>3,426,907</b>	<b>3,867,940</b>
<b>28.1 Legal and professional expenses of the Bank</b>		
Legal expenses	1,270,591	1,113,669
Professional fees	2,156,316	2,144,271
	<b>3,426,907</b>	<b>3,257,940</b>
<b>29. Postage, stamp, telecommunication etc. - Consolidated</b>		
SBAC Bank Limited (note 29.1)	8,402,677	6,317,694
SBAC Investment Limited	-	-
	<b>8,402,677</b>	<b>6,317,694</b>
<b>29.1 Postage, stamp, telecommunication etc. of the Bank</b>		
Postage	644,282	582,843
Telephone, fax etc.	3,285,116	2,918,775
Internet & SWIFT	4,473,279	2,816,076
	<b>8,402,677</b>	<b>6,317,694</b>
<b>30. Stationery, printing, advertisement etc. - Consolidated</b>		
SBAC Bank Limited (note 30.1)	24,616,466	19,318,196
SBAC Investment Limited	25,255	5,800
	<b>24,641,721</b>	<b>19,323,996</b>
<b>30.1 Stationery, printing, advertisement etc. of the Bank</b>		
Office stationery	2,694,305	10,358,368
Computer Stationery	2,481,362	2,070,760
Printing stationery	7,283,144	-
Petty stationery	2,555,221	-
Security stationery	249,826	564,435
Advertisement & Publicity	9,352,609	6,324,633
	<b>24,616,466</b>	<b>19,318,196</b>



	01 January to 30 June 2022 Taka	01 January to 30 June 2021 Taka
<b>31. Chief executive's salary and fees of the Bank</b>		
Basic salary	3,000,000	2,400,000
House rent allowance	750,000	780,000
House maintenance / furnishing allowance	625,000	450,000
Medical allowance	-	320,000
Bank's contribution on provident fund	300,000	128,000
Festival bonus	720,000	360,000
Incentive bonus for previous year	-	-
Other allowances	625,000	450,000
	<b>6,020,000</b>	<b>4,888,000</b>
<b>32. Directors' fees - Consolidated</b>		
SBAC Bank Limited (note 32.1)	896,000	2,088,000
SBAC Investment Limited	152,000	96,000
	<b>1,048,000</b>	<b>2,184,000</b>
<b>32.1 Directors' fees of the Bank</b>		
Meeting attendance fees	896,000	2,088,000
Each director of the bank was paid Tk. 8,000/- per attendance in board meeting and committee meeting held.		
<b>33. Auditors' fees - Consolidated</b>		
SBAC Bank Limited (note 33.1)	-	-
SBAC Investment Limited	-	-
	<b>-</b>	<b>-</b>
<b>33.1 Auditors' fees of the Bank</b>		
Audit fees (annual audit)	-	-
Audit fees (interim audit)	-	-
Audit fees (provident fund & gratuity fund)	-	-
VAT on audit fees	-	-
	<b>-</b>	<b>-</b>
<b>34. Depreciation and repairs &amp; maintenance - Consolidated</b>		
SBAC Bank Limited (note 34.1)	185,616,241	174,356,078
SBAC Investment Limited	-	-
	<b>185,616,241</b>	<b>174,356,078</b>
<b>34.1 Depreciation and repairs &amp; maintenance of Bank's Assets</b>		
Depreciation / amortization		
Motor vehicles	3,439,434	2,134,948
Machinery and equipments	13,198,353	13,693,210
Furniture & fixtures	6,836,497	6,524,753
Interior decoration	14,540,803	13,130,898
Computer and peripherals	23,690,006	23,081,634
Software	7,000,226	10,134,905
Office tools and accessories	3,007,039	2,601,473
Depreciation on right of use assets (lease assets)	105,526,341	91,057,911
	177,238,699	162,359,732
Repairs & maintenance of bank's assets	8,377,542	11,996,346
	<b>185,616,241</b>	<b>174,356,078</b>
<b>35. Other expenses</b>		
SBAC Bank Limited (note 35.1)	1,340,147,976	180,429,937
SBAC Investment Limited	1,273,926	682,208
	1,341,421,902	181,112,145
Less : Inter company transactions	(1,415)	(500)
	<b>1,341,420,487</b>	<b>181,111,645</b>
<b>35.1 Other expenses of the Bank</b>		
Entertainment expenses	8,742,502	5,935,225
Training & workshop expenses	233,438	166,460
Travel and daily allowance	4,277,107	681,504
Fuel and lubricants expenses - bank's vehicles	439,311	822,951
Subscriptions to trade associations	12,786,605	1,611,815
CSR /Donations	40,147,000	53,569,550
Business promotion and development	5,064,058	2,934,203
Books, magazines & news papers etc.	272,462	197,926
Charges & duties to Government	-	440,000
Local conveyance	2,418,746	1,412,727
Cash carrying expenses	2,203,529	1,725,493



Cartage and freight	246,840	316,355
Washing and cleaning	1,539,685	1,627,480
Other bank charges paid	6,461,634	3,991,864
Expenses on AGM	-	-
Expenses on managers' conference	2,692,279	203,685
Antivirus and other software	5,385,370	7,705,084
Branch & head office inauguration expenses	534,907	264,200
Miscellaneous expenses	1,006,793	631,155
Interest on lease liability	35,386,721	28,830,690
Loss on sale/purchase of securities & investments	445,563,102	28,934,969
Loss on revaluation of investment	764,745,888	38,426,601
	<b>1,340,147,976</b>	<b>180,429,937</b>
<b>36. Provision for taxation</b>		
<b>Current tax</b>		
SBAC Bank Limited	256,660,841	279,451,530
SBAC Investment Limited	1,354,498	-
	<b>258,015,339</b>	<b>279,451,530</b>
<b>Deferred tax</b>		
SBAC Bank Limited	-	-
SBAC Investment Limited	-	-
	<b>-</b>	<b>-</b>
	<b>258,015,339</b>	<b>279,451,530</b>
	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>Taka</b>	<b>Taka</b>
<b>37. Increase / decrease of other assets of the Bank</b>		
<b>Closing -</b>		
Stock of stationeries and stamps	18,188,802	10,999,991
Advance rent, advertisement, etc.	54,207,622	1,469,754
Security deposits	4,188,507	4,166,557
Central clearing, EFT, NPSB adjustment account	1,094,810	-
Suspense accounts	978,475,366	243,578,837
Receivable from SBAC Bank Limited	4,460,988	-
	<b>1,060,616,094</b>	<b>260,215,139</b>
<b>Opening -</b>		
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	-
	<b>215,747,549</b>	<b>222,577,625</b>
	<b>844,868,545</b>	<b>37,637,514</b>
<b>38. Increase / decrease of other liabilities of the Bank</b>		
<b>Closing -</b>		
Sundry creditors	16,860,155	16,759,778
Central clearing, EFT, NPSB adjustment account	4,117,274	59,151,158
Present value of lease liability	1,144,945,590	969,290,780
	<b>1,165,923,019</b>	<b>1,045,201,716</b>
<b>Opening -</b>		
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
	<b>1,178,251,762</b>	<b>990,046,960</b>
	<b>(12,328,743)</b>	<b>55,154,756</b>
	<b>01 January to</b>	<b>01 January to</b>
	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>Taka</b>	<b>Taka</b>
<b>39.1 Basic Earning per share (EPS) - Consolidated</b>		
a) Net profit after tax	260,898,980	219,023,238
b) weighted average number of ordinary shares	816,031,337	684,645,817
Earnings per share (a ÷ b)	<b>0.32</b>	<b>0.32</b>
<b>39.2. Restated Earning per share (EPS) - Consolidated</b>		
a) Net profit after tax	260,902,873	219,023,238
b) weighted average number of ordinary shares	816,031,337	712,031,338
Earnings per share (a ÷ b)	<b>0.32</b>	<b>0.31</b>
<b>39.3 Basic Earning per share (EPS) of the Bank</b>		
a) Net profit after tax	257,125,788	222,115,129
b) weighted average number of ordinary shares	816,031,337	684,645,817
Earnings per share (a ÷ b)	<b>0.32</b>	<b>0.32</b>





	01 January to 30 June 2022	01 January to 30 June 2021
	Taka	Taka
<b>39.4 Restated Earning per share (EPS) of the Bank</b>		
a) Net profit after tax	257,125,788	222,115,129
b) weighted average number of ordinary shares	816,031,337	712,031,338
<b>Earnings per share ( a ÷ b)</b>	<b>0.32</b>	<b>0.31</b>

**39.5 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.

	30 June 2022 Taka	31 December 2021 Taka
<b>40.1 Net asset value (NAV) per share - Consolidated</b>		
a) Capital / shareholders' equity for the period	10,548,758,541	10,628,002,157
b) Number of outstanding shares	816,031,337	784,645,517
<b>Net asset value (NAV) per share ( a÷b)</b>	<b>12.93</b>	<b>13.54</b>
<b>40.2 Restated net asset value (NAV) per share - Consolidated</b>		
a) Capital / shareholders' equity for the period	10,548,758,541	10,628,002,157
b) Number of outstanding shares	816,031,337	816,031,337
<b>Net asset value (NAV) per share ( a÷b)</b>	<b>12.93</b>	<b>13.02</b>
<b>40.3 Net asset value (NAV) per share of the Bank</b>		
a) Capital / shareholders' equity for the period	10,539,707,312	10,622,840,285
b) Number of outstanding shares	816,031,337	784,645,517
<b>Net asset value (NAV) per share ( a÷b)</b>	<b>12.92</b>	<b>13.54</b>
<b>40.4 Restated net asset value (NAV) per share of the Bank</b>		
a) Capital / shareholders' equity for the period	10,539,707,312	10,622,840,285
b) Number of outstanding shares	816,031,337	816,031,337
<b>Net asset value (NAV) per share ( a÷b)</b>	<b>12.92</b>	<b>13.02</b>

	30 June 2022 Taka	30 June 2021 Taka
<b>41.1 Net operating cash flow per share (NOCFPS) per share - Consolidated</b>		
a) Operating cash flow for the period	(924,314,577)	(6,802,936,728)
b) Weighted average number of share	816,031,337	684,645,817
<b>Net operating cash flow per share ( a÷b)</b>	<b>(1.13)</b>	<b>(9.94)</b>
<b>41.2 Restated net operating cash flow per share (NOCFPS) per share - Consolidated</b>		
a) Operating cash flow for the period	(924,314,577)	(6,802,936,728)
b) Weighted average number of share	816,031,337	712,031,338
<b>Net operating cash flow per share ( a÷b)</b>	<b>(1.13)</b>	<b>(9.55)</b>
<b>41.3 Net operating cash flow per share (NOCFPS) per share of the Bank</b>		
a) Operating cash flow for the period	(1,053,975,209)	(6,802,936,728)
b) Weighted average number of share	816,031,337	684,645,817
<b>Net operating cash flow per share ( a÷b)</b>	<b>(1.29)</b>	<b>(9.94)</b>
<b>41.4 Restated net operating cash flow per share (NOCFPS) per share of the Bank</b>		
a) Operating cash flow for the period	(915,825,894)	(6,916,005,095)
b) Weighted average number of share	816,031,337	712,031,338
<b>Net operating cash flow per share ( a÷b)</b>	<b>(1.12)</b>	<b>(9.71)</b>

**41.5** The net operating cash flow has been increased due to increase of deposits significantly from customers as well as increased in interest income & investment income.

**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.

