

**South Bangla Agriculture and Commerce Bank Limited**

**Un-audited Financial Statements**

**As at and for the third quarter (Q3) ended 30 September 2022**

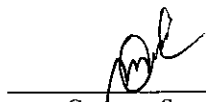
**South Bangla Agriculture and Commerce Bank Limited**  
**Consolidated Balance Sheet (Un-audited)**  
**As at 30 September 2022**

	Note	30 September 2022	31 December 2021
		Taka	Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
Cash in hand (Including foreign currencies)	3	932,646,857	855,111,180
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4	3,656,641,890	3,236,004,834
		<b>4,589,288,747</b>	<b>4,091,116,014</b>
<b>Balance with other banks and financial institutions</b>			
In Bangladesh	5	1,950,533,579	7,080,594,333
Outside Bangladesh		281,609,648	291,705,446
		<b>2,232,143,227</b>	<b>7,372,299,779</b>
<b>Money at call on short notice</b>	6	120,000,000	-
<b>Investments:</b>			
Government	7	18,270,441,764	15,971,113,935
Others		1,910,601,912	1,567,081,922
		<b>20,181,043,676</b>	<b>17,538,195,857</b>
<b>Loans, advances and lease / investments</b>			
Loans, cash credit, overdrafts etc. / investments	8	70,931,037,177	63,711,064,030
Bills purchased and discounted		2,597,855,712	2,244,617,036
		<b>73,528,892,889</b>	<b>65,955,681,066</b>
Fixed assets including premises, furniture and fixtures	9	1,731,877,233	1,626,642,412
Other assets	10	2,370,480,924	1,229,812,586
Non-banking assets		-	-
<b>TOTAL ASSETS</b>		<b>104,753,726,696</b>	<b>97,813,747,714</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	11	5,970,039,701	8,763,684,070
<b>Deposits and other accounts</b>			
Current / Al-wadeeah current deposits and other accounts	12	9,658,749,666	7,295,625,630
Special notice / mudaraba special notice deposits		5,055,887,604	4,487,513,486
Bills payable		2,392,427,073	2,414,977,923
Savings bank / mudaraba savings deposits		6,743,051,527	5,943,300,533
Fixed / mudaraba term deposits		42,952,070,552	38,132,477,553
Other deposits		14,253,552,973	14,462,568,622
		<b>81,055,739,395</b>	<b>72,736,463,747</b>
Subordinated bonds		-	-
Other liabilities	13	6,785,448,431	5,685,192,573
<b>TOTAL LIABILITIES</b>		<b>93,811,227,528</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	95,332,113	129,270,472
Foreign currency translation reserve	16.1	3,497,587	251,592
Surplus in profit and loss account	17	735,441,240	704,530,934
<b>Shareholders'n equity attributable to the owner's of the parent</b>		<b>10,942,078,299</b>	<b>10,628,002,157</b>
Non-controlling (Minority) interest	14.4	420,869	405,167
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>10,942,499,168</b>	<b>10,628,407,324</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>104,753,726,696</b>	<b>97,813,747,714</b>

	Note	30 September 2022 Taka	31 December 2021 Taka
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
	18		
Acceptance and endorsements		5,268,444,201	3,444,598,165
Letters of guarantee		11,690,782,767	9,111,716,091
Irrevocable letters of credit		6,766,968,296	4,283,323,907
Bills for collection		3,127,957,853	1,700,140,692
Other contingent liabilities		-	-
<b>Total</b>		<b>26,854,153,117</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>26,854,153,117</b>	<b>18,539,778,855</b>
Net asset value per share (NAV)	40.1	<b>13.41</b>	<b>13.54</b>
Restated Net asset value per share (NAV)	40.2	<b>13.41</b>	<b>13.02</b>

Accompanying notes form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary

  
Chairman

  
Director

  
Managing Director & CEO

Dhaka, 27 October 2022

**South Bangla Agriculture and Commerce Bank Limited**  
**Consolidated Profit and Loss Account (Un-audited)**  
**For the third quarter (Q3) ended 30 September 2022**

	Note	01 January to 30 September 2022	01 January to 30 September 2021	01 July to 30 September 2022	01 July to 30 September 2021
		Taka	Taka	Taka	Taka
Interest income	21	4,306,752,986	4,123,299,468	1,451,087,945	1,441,532,079
Less: Interest paid on deposits and borrowings etc.	22	3,388,710,012	2,939,062,101	1,177,013,081	938,719,697
<b>Net interest income</b>		<b>918,042,974</b>	<b>1,184,237,367</b>	<b>274,074,864</b>	<b>502,812,382</b>
Investment income	23	2,177,225,863	1,338,536,989	231,721,011	1,008,131,799
Commission, exchange and brokerage	24	886,487,277	322,418,062	335,723,485	121,082,990
Other operating income	25	97,476,744	83,150,477	471,586,000	22,460,360
		<b>3,161,189,884</b>	<b>1,744,105,528</b>	<b>1,039,030,496</b>	<b>1,151,675,149</b>
<b>Total operating income</b>		<b>4,079,232,858</b>	<b>2,928,342,895</b>	<b>1,313,105,360</b>	<b>1,654,487,531</b>
Salary and allowances	26	1,138,875,118	927,165,117	438,416,506	336,243,934
Rent, taxes, insurance, electricity etc.	27	122,246,603	105,788,313	40,358,312	35,232,411
Legal and professional expenses	28	8,427,049	4,887,544	5,000,142	1,019,604
Postage, stamp, telecommunication etc.	29	10,673,894	8,893,767	2,271,217	2,576,073
Stationery, printing, advertisement etc.	30	32,823,044	28,558,524	8,181,323	9,234,528
Chief executive's salary and fees	31	11,258,800	8,660,000	5,238,800	3,772,000
Directors' fees	32	1,792,000	2,848,000	744,000	664,000
Auditors' fees	33	-	69,000	-	69,000
Charges on loan losses		-	-	-	-
Depreciation and repair of bank's assets	34	280,320,976	260,778,062	94,704,735	86,421,984
Other expenses	35	1,100,370,214	279,438,907	204,512,829	557,262,116
<b>Total operating expenses</b>		<b>2,706,787,698</b>	<b>1,627,087,234</b>	<b>799,427,864</b>	<b>1,032,495,650</b>
<b>Profit before provision</b>		<b>1,372,445,160</b>	<b>1,301,255,661</b>	<b>513,677,496</b>	<b>621,991,881</b>
<b>Provision for loan</b>					
Specific provision	13.4	266,289,144	155,076,986	15,935,700	114,557,068
Special general provision - COVID-19	13.5	(95,912,696)	58,511,866	(34,103,290)	(1,826,940)
General provision (including off balance sheet items)	13.4 & 13.6	216,819,602	162,498,956	101,419,346	82,639,832
		387,196,050	376,087,808	83,251,756	195,369,960
Provision for rebate to good borrowers	13.7	(19,000,000)	-	-	-
Provision for diminution in value of investments	13.11	64,751,847	-	9,846,689	-
Other provision		-	-	-	-
<b>Total provision</b>		<b>432,947,897</b>	<b>376,087,808</b>	<b>93,098,445</b>	<b>195,369,960</b>
<b>Total Profit before taxes</b>		<b>939,497,263</b>	<b>925,167,853</b>	<b>420,579,050</b>	<b>426,621,921</b>
<b>Provision for taxation</b>	36				
Current tax		392,498,021	291,034,111	134,482,682	11,511,417
Deferred tax		(42,594,367)	(9,418,768)	(42,594,367)	(9,418,768)
		<b>349,903,654</b>	<b>281,615,343</b>	<b>91,888,314</b>	<b>2,092,649</b>
<b>Net profit after taxation</b>		<b>589,593,609</b>	<b>643,552,510</b>	<b>328,690,736</b>	<b>424,529,272</b>
<b>Attributable to:</b>					
Equity shareholders of SBAC Bank Limited		589,577,908	643,547,280	328,685,340	424,523,876
Non-Controlling Interest		15,702	5,230	5,396	5,396
		<b>589,593,609</b>	<b>643,552,510</b>	<b>328,690,736</b>	<b>424,529,272</b>
<b>Appropriations</b>					
Statutory reserve	15	-	-	-	-
General reserve		-	-	-	-
Startup fund	13.10	-	9,519,545	-	-
Retained surplus	17	589,593,609	634,032,965	328,690,736	424,529,272
		<b>589,593,609</b>	<b>643,552,510</b>	<b>328,690,736</b>	<b>424,529,272</b>
<b>Earnings per share (EPS)</b>	39.1	<b>0.72</b>	<b>0.88</b>	<b>0.40</b>	<b>0.58</b>
<b>Restated Earnings per share (EPS)</b>	39.2	<b>0.72</b>	<b>0.79</b>	<b>0.40</b>	<b>0.52</b>

Accompanying notes form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary

  
Chairman

  
Director

  
Managing Director & CEO

Dhaka, 27 October 2022.

**South Bangla Agriculture and Commerce Bank Limited**  
**Consolidated Cash Flow Statement (Un-audited)**  
**For the third quarter (Q3) ended 30 September 2022**

	Notes	01 January to 30 September 2022	01 January to 30 September 2021
		Taka	Taka
<b>A) Cash flows from operating activities</b>			
Interest receipts in cash		4,413,806,661	4,203,609,628
Interest payments		(2,468,586,791)	(2,366,072,586)
Dividend receipts		68,599,333	2,454,089
Income from investments		1,086,193,993	1,042,238,487
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		84,583,838	275,641,570
Cash payments to employees		(1,151,925,918)	(938,673,117)
Cash payments to suppliers		(150,757,157)	(134,967,787)
Income taxes paid	10.2	(566,860,584)	(316,497,565)
Receipts from other operating activities		97,476,744	83,150,477
Payments for other operating activities		(179,062,315)	(181,326,464)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>1,233,467,804</b>	<b>1,669,556,732</b>
<b>Increase / decrease in operating assets and liabilities</b>			
Net Proceeds from sale/payment for purchase of trading securities		(2,547,227,849)	(1,338,980,247)
Loans and advances to other banks		(120,000,000)	-
Loans and advances to customers		(7,179,205,495)	(5,356,781,659)
Increase / decrease of other assets	36	(897,249,312)	(155,452,403)
Deposits from other banks		490,962	(5,576,215,630)
Deposits from customers		7,407,862,143	887,362,539
Increase / decrease of other liabilities account of customers		-	-
Increase / decrease of trading liabilities		-	-
Increase / decrease of other liabilities	37	154,047,581	(30,985,177)
		<b>(3,181,281,970)</b>	<b>(11,571,052,577)</b>
<b>Net cash from operating activities</b>		<b>(1,947,814,165)</b>	<b>(9,901,495,845)</b>
<b>B) Cash flows from investing activities</b>			
Net Proceeds from sale/payment for purchase of securities		(164,269,491)	4,955,159,589
Purchase of property, plant and equipment		(372,790,687)	(126,635,983)
Sale proceeds of property, plant and equipment		-	-
Investment in subsidiary		-	-
<b>Net cash from investing activities</b>		<b>(537,060,178)</b>	<b>4,828,523,606</b>
<b>C) Cash flows from financing activities</b>			
Borrowing from other banks, financial institutions and agents		(2,793,644,369)	7,881,678,001
Dividends paid		(168,614,539)	-
Receipts from issue of ordinary share		-	1,000,400,000
<b>Net cash from financing activities</b>		<b>(2,962,258,908)</b>	<b>8,882,078,001</b>
<b>D) Net increase / (decrease) in cash (A+B+C)</b>		<b>(5,447,133,252)</b>	<b>3,809,105,762</b>
<b>E) Effects of exchange rate changes on cash and cash-equivalent</b>		<b>805,149,434</b>	<b>46,776,492</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>6,821,431,974</b>	<b>17,726,935,805</b>
<b>H) Cash and cash-equivalents at end of period</b>			
Cash in hand including foreign currencies	3	932,646,857	683,111,814
Balances with Bangladesh Bank and its agent bank(s) including	4	3,656,641,890	3,493,205,872
Balances with other Banks and Financial institutions	5	2,232,143,227	13,550,618,119
		<b>6,821,431,974</b>	<b>17,726,935,805</b>

Accompanying notes form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary

  
Chairman

  
Director

  
Managing Director & CEO


Dhaka, 27 October 2022

**South Bangla Agriculture and Commerce Bank Limited**  
**Consolidated Statement of Changes in Equity (Un-audited)**  
**For the third quarter (Q3) ended 30 September 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	-	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	589,577,908	15,702	589,593,609
Transfer to statutory reserve	-	-	-	-	-	-	-
Transfer to statup fund	-	-	-	-	-	-	-
Revaluation of Govt. treasury bills, bonds and other investments	-	-	(33,938,359)	-	-	-	(33,938,359)
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	3,245,995	-	-	3,245,995
Cash dividend	-	-	-	-	(244,809,401)	-	(244,809,401)
Stock Dividend	313,858,200	-	-	-	(313,858,200)	-	-
<b>Balance as on 30 September 2022</b>	<b>8,160,313,370</b>	<b>1,947,493,989</b>	<b>95,332,113</b>	<b>3,497,587</b>	<b>735,441,240</b>	<b>420,869</b>	<b>10,942,499,168</b>
<b>Balance as on 30 September 2021</b>	<b>7,846,455,170</b>	<b>1,753,397,543</b>	<b>377,575,460</b>	<b>-</b>	<b>1,321,505,919</b>	<b>394,770</b>	<b>11,299,328,862</b>

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

  
 Chief Financial Officer

  
 Company Secretary

  
 Chairman

  
 Director

  
 Managing Director & CEO

Dhaka, 27 October 2022

**South Bangla Agriculture and Commerce Bank Limited**  
**Consolidated Liquidity Statement (asset and liabilities maturity analysis)**  
**As at 30 September 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)	932,646,857	-	-	-	-	932,646,857
Balance with Bangladesh Bank and its agent Banks	456,238,656	-	-	-	3,200,403,234	3,656,641,890
Balance with other banks & financial institutions	1,136,309,373	497,851,748	597,982,106	-	-	2,232,143,227
Money at call on short notice	120,000,000	-	-	-	-	120,000,000
Investments	1,594,658,550	362,556,894	142,229,199	2,183,995,998	15,897,603,035	20,181,043,676
Loans and advances	12,957,401,991	18,294,726,029	26,877,123,499	12,522,836,284	2,876,805,086	73,528,892,889
Fixed assets including premises, furniture and fixtures	25,541,665	51,083,331	229,874,989	1,425,377,248	-	1,731,877,233
Other assets	455,926,539	759,877,564	810,926,809	343,750,013	-	2,370,480,924
Non-Banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>17,678,723,631</b>	<b>19,966,095,566</b>	<b>28,658,136,602</b>	<b>16,475,959,543</b>	<b>21,974,811,355</b>	<b>104,753,726,696</b>
<b>Liabilities:</b>						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	4,253,822,373	467,878,310	1,112,797,127	41,007,256	94,534,635	5,970,039,701
Deposits and other accounts	12,721,044,835	16,542,048,022	24,422,685,159	15,087,763,997	12,282,197,382	81,055,739,395
Provision and other liabilities	41,799,340	315,954,799	1,555,741,930	1,015,766,138	3,856,186,224	6,785,448,431
<b>Total Liabilities</b>	<b>17,016,666,548</b>	<b>17,325,881,131</b>	<b>27,091,224,216</b>	<b>16,144,537,391</b>	<b>16,232,918,242</b>	<b>93,811,227,528</b>
<b>Net liquidity surplus</b>	<b>662,057,083</b>	<b>2,640,214,435</b>	<b>1,566,912,386</b>	<b>331,422,152</b>	<b>5,741,893,113</b>	<b>10,942,499,168</b>
<b>Cumulative liquidity surplus</b>	<b>662,057,083</b>	<b>3,302,271,518</b>	<b>4,869,183,903</b>	<b>5,200,606,055</b>	<b>10,942,499,168</b>	

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

**South Bangla Agriculture and Commerce Bank Limited**  
**Balance Sheet (Un-audited)**  
**As at 30 September 2022**

	Note	30 September 2022 Taka	31 December 2021 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
Cash in hand (Including foreign currencies)	3.1	932,645,538	855,111,180
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4.1	3,656,641,890	3,236,004,834
		<b>4,589,287,428</b>	<b>4,091,116,014</b>
<b>Balance with other banks and financial institutions</b>			
In Bangladesh	5.1	1,925,713,735	7,080,594,333
Outside Bangladesh		281,609,648	291,705,446
		<b>2,207,323,383</b>	<b>7,372,299,779</b>
<b>Money at call on short notice</b>	6	<b>120,000,000</b>	-
<b>Investments:</b>			
Government	7.1	18,270,441,764	15,971,113,935
Others		1,760,939,426	1,567,081,922
		<b>20,031,381,190</b>	<b>17,538,195,857</b>
<b>Loans, advances and lease / investments</b>			
Loans, cash credit, overdrafts etc. / investments	8.1	71,081,913,280	63,711,064,030
Bills purchased and discounted		2,597,855,712	2,244,617,036
		<b>73,679,768,992</b>	<b>65,955,681,066</b>
Fixed assets including premises, furniture and fixtures	9.1	1,724,993,242	1,626,642,412
Other assets	10.1	2,714,848,887	1,588,387,124
Non-banking assets		-	-
<b>TOTAL ASSETS</b>		<b>105,067,603,122</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	5,970,039,701	8,763,684,070
<b>Deposits and other accounts</b>			
Current / Al-wadeeah current deposits and other accounts	12.1	9,658,749,666	7,296,934,175
Special notice / mudaraba special notice deposits		5,093,789,637	4,494,632,154
Bills payable		2,392,427,073	2,414,977,923
Savings bank / mudaraba savings deposits		6,743,051,527	5,943,300,533
Fixed / mudaraba term deposits		43,323,512,958	38,491,349,641
Other deposits		14,253,552,973	14,462,568,622
		<b>81,465,083,834</b>	<b>73,103,763,048</b>
Subordinated bonds		-	-
Other liabilities	13.1	6,711,249,169	5,682,034,849
<b>TOTAL LIABILITIES</b>		<b>94,146,372,705</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	95,332,113	129,270,472
Foreign currency translation reserve	16.1	3,497,587	251,592
Surplus in profit and loss account	17.1	714,593,357	699,369,062
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>10,921,230,417</b>	<b>10,622,840,285</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>105,067,603,122</b>	<b>98,172,322,252</b>

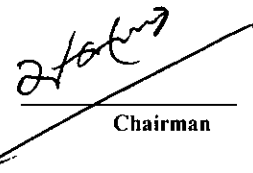


	Note	30 September 2022	31 December 2021
		Taka	Taka
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
	18		
Acceptance and endorsements		5,268,444,201	3,444,598,165
Letters of guarantee		11,690,782,767	9,111,716,091
Irrevocable letters of credit		6,766,968,296	4,283,323,907
Bills for collection		3,127,957,853	1,700,140,692
Other contingent liabilities		-	-
<b>Total</b>		<b>26,854,153,117</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>26,854,153,117</b>	<b>18,539,778,855</b>
<b>Net asset value per share (NAV)</b>	40.3	<b>13.38</b>	<b>13.54</b>
<b>Restated Net asset value per share (NAV)</b>	40.4	<b>13.38</b>	<b>13.02</b>

Accompanying notes form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary

  
Chairman

  
Director

  
Managing Director & CEO


Dhaka, 27 October 2022

**South Bangla Agriculture and Commerce Bank Limited**  
**Profit and Loss Account (Un-audited)**  
**For the third quarter (Q3) ended 30 September 2022**

	Note	01 January to	01 January to	01 July to	01 July to
		30 September 2022	30 September 2021	30 September 2022	30 September 2021
		Taka	Taka	Taka	Taka
Interest income	21.1	4,307,053,180	4,123,299,468	1,451,413,644	1,441,532,079
Less: Interest paid on deposits and borrowings etc.	22.1	3,402,040,614	2,945,962,222	1,182,109,041	943,988,597
<b>Net interest income</b>		<b>905,012,566</b>	<b>1,177,337,246</b>	<b>269,304,603</b>	<b>497,543,482</b>
Investment income	23.1	2,162,480,320	1,338,536,989	217,299,646	1,008,131,799
Commission, exchange and brokerage	24.1	871,329,323	322,418,062	321,761,695	121,082,990
Other operating income	25.1	97,417,106	83,150,977	471,535,297	22,460,360
		<b>3,131,226,749</b>	<b>1,744,106,028</b>	<b>1,010,596,638</b>	<b>1,151,675,149</b>
<b>Total operating income</b>		<b>4,036,239,315</b>	<b>2,921,443,274</b>	<b>1,279,901,242</b>	<b>1,649,218,631</b>
Salary and allowances	26.1	1,132,340,511	927,165,117	434,859,974	336,243,934
Rent, taxes, insurance, electricity etc.	27.1	121,324,968	105,788,313	39,666,677	35,232,411
Legal and professional expenses	28.1	8,294,841	4,125,044	4,867,934	867,104
Postage, stamp, telecommunication etc.	29.1	10,646,044	8,893,767	2,243,367	2,576,073
Stationery, printing, advertisement etc.	30.1	32,590,694	28,552,724	7,974,228	9,234,528
Chief executive's salary and fees	31	11,258,800	8,660,000	5,238,800	3,772,000
Directors' fees	32.1	1,592,000	2,704,000	696,000	616,000
Auditors' fees	33.1	-	-	-	-
Charges on loan losses		-	-	-	-
Depreciation and repair of bank's assets	34.1	280,120,448	260,778,062	94,504,207	86,421,984
Other expenses	35.1	1,097,305,756	268,332,199	202,720,882	546,837,116
<b>Total operating expenses</b>		<b>2,695,474,062</b>	<b>1,614,999,226</b>	<b>792,772,069</b>	<b>1,021,801,150</b>
<b>Profit before provision</b>		<b>1,340,765,253</b>	<b>1,306,444,048</b>	<b>487,129,172</b>	<b>627,417,481</b>
<b>Provision for loan</b>					
Specific provision	13.4	266,289,144	155,076,986	15,935,700	114,557,068
Special general provision - COVID-19	13.5	(95,912,696)	58,511,866	(34,103,290)	(1,826,940)
General provision (including off balance sheet items)	13.4 & 13.6	216,819,602	162,498,956	101,419,346	82,639,832
		<b>387,196,050</b>	<b>376,087,808</b>	<b>83,251,756</b>	<b>195,369,960</b>
Provision for rebate to good borrowers	13.7	(19,000,000)	-	-	-
Provision for diminution in value of investments		54,905,158	-	-	-
Other provision		-	-	-	-
<b>Total provision</b>		<b>423,101,208</b>	<b>376,087,808</b>	<b>83,251,756</b>	<b>195,369,960</b>
<b>Total Profit before taxes</b>		<b>917,664,045</b>	<b>930,356,240</b>	<b>403,877,416</b>	<b>432,047,521</b>
<b>Provision for taxation</b>					
Current tax	13.3	386,366,516	290,992,710	129,705,675	11,541,180
Deferred tax	36.7	(42,594,367)	(9,418,768)	(42,594,367)	(9,418,768)
		<b>343,772,149</b>	<b>281,573,942</b>	<b>87,111,307</b>	<b>2,122,412</b>
<b>Net profit after taxation</b>		<b>573,891,896</b>	<b>648,782,298</b>	<b>316,766,109</b>	<b>429,925,109</b>
<b>Appropriations</b>					
Statutory reserve	15	-	-	-	-
General reserve		-	-	-	-
Startup fund	13.10	-	9,519,545	-	-
Retained surplus	17.1	573,891,896	639,262,753	316,766,109	429,925,109
		<b>573,891,896</b>	<b>639,262,753</b>	<b>316,766,109</b>	<b>429,925,109</b>
<b>Earnings per share (EPS)</b>	39.3	<b>0.70</b>	<b>0.89</b>	<b>0.39</b>	<b>0.59</b>
<b>Restated Earnings per share (EPS)</b>	39.4	<b>0.70</b>	<b>0.80</b>	<b>0.39</b>	<b>0.53</b>

Accompanying notes form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary

  
Chairman

  
Director

  
Managing Director & CEO


Dhaka, 27 October 2022

**South Bangla Agriculture and Commerce Bank Limited**  
**Cash Flow Statement (Un-audited)**  
**For the third quarter (Q3) ended 30 September 2022**

	Notes	01 January to 30 September 2022	01 January to 30 September 2021
		Taka	Taka
<b>A) Cash flows from operating activities</b>			
Interest receipts in cash		4,414,106,855	4,203,609,628
Interest payments		(2,481,917,393)	(2,372,972,707)
Dividend receipts		68,599,333	2,454,089
Income from investments		1,071,448,450	1,042,238,487
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		69,425,884	275,641,570
Cash payments to employees		(1,145,191,311)	(938,529,117)
Cash payments to suppliers		(149,443,114)	(134,130,487)
Income taxes paid	10.2	(562,154,842)	(316,497,565)
Receipts from other operating activities		97,417,106	83,150,977
Payments for other operating activities		(175,997,857)	(170,219,756)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>1,206,293,111</b>	<b>1,674,745,119</b>
<b>Increase / decrease in operating assets and liabilities</b>			
Net Proceeds from sale/payment for purchase of trading securities		(2,547,227,849)	(1,338,980,247)
Loans and advances to other banks		(120,000,000)	-
Loans and advances to customers		(7,330,081,598)	(5,356,781,659)
Increase / decrease of other assets	36	(887,748,479)	(126,342,653)
Deposits from other banks		490,962	(5,576,215,630)
Deposits from customers		7,451,029,451	1,253,121,902
Increase / decrease of other liabilities account of customers		-	-
Increase / decrease of trading liabilities		-	-
Increase / decrease of other liabilities	37	97,883,901	(31,042,677)
		<b>(3,335,653,612)</b>	<b>(11,176,240,964)</b>
<b>Net cash from operating activities</b>		<b>(2,129,360,500)</b>	<b>(9,501,495,845)</b>
<b>B) Cash flows from investing activities</b>			
Net Proceeds from sale/payment for purchase of securities		(14,607,005)	4,955,159,589
Purchase of property, plant and equipment		(365,728,002)	(126,635,983)
Sale proceeds of property, plant and equipment		-	-
Investment in subsidiary		-	(399,600,000)
<b>Net cash from investing activities</b>		<b>(380,335,007)</b>	<b>4,428,923,606</b>
<b>C) Cash flows from financing activities</b>			
Borrowing from other banks, financial institutions and agents		(2,793,644,369)	7,881,678,001
Dividends paid		(168,614,539)	-
Receipts from issue of ordinary share		-	1,000,000,000
<b>Net cash from financing activities</b>		<b>(2,962,258,908)</b>	<b>8,881,678,001</b>
<b>D) Net increase / (decrease) in cash (A+B+C)</b>		<b>(5,471,954,415)</b>	<b>3,809,105,762</b>
<b>E) Effects of exchange rate changes on cash and cash-equivalent</b>		<b>805,149,434</b>	<b>46,776,492</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>6,796,610,811</b>	<b>17,726,935,805</b>
<b>H) Cash and cash-equivalents at end of period</b>			
Cash in hand including foreign currencies	3	932,645,538	683,111,814
Balances with Bangladesh Bank and its agent bank(s) including	4	3,656,641,890	3,493,205,872
Balances with other Banks and Financial institutions	5	2,207,323,383	13,550,618,119
		<b>6,796,610,811</b>	<b>17,726,935,805</b>

Accompanying notes form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary

  
Chairman

  
Director

  
Managing Director & CEO

Dhaka, 27 October 2022

**South Bangla Agriculture and Commerce Bank Limited**  
**Statement of Changes in Equity (Un-audited)**  
**For the third quarter (Q3) ended 30 September 2022**

Particulars	Paid Up Capital	Statutory Reserve	Other Reserve	F.C. Translation Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as on 01 January 2022	7,846,455,170	1,947,493,989	129,270,472	251,592	699,369,062	10,622,840,285
Issue of Shares	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-
Net profit for the period	-	-	-	-	573,891,896	573,891,896
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to startup fund	-	-	-	-	-	-
Revaluation of Govt. treasury bills, bonds and other investments	-	-	(33,938,359)	-	-	(33,938,359)
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	3,245,995	-	3,245,995
Cash dividend	-	-	-	-	(244,809,401)	(244,809,401)
Stock Dividend	313,858,200	-	-	-	(313,858,200)	-
<b>Balance as on 30 September 2022</b>	<b>8,160,313,370</b>	<b>1,947,493,989</b>	<b>95,332,113</b>	<b>3,497,587</b>	<b>714,593,357</b>	<b>10,921,230,417</b>
<b>Balance as on 30 September 2021</b>	<b>7,846,455,170</b>	<b>1,753,397,543</b>	<b>377,575,460</b>	<b>-</b>	<b>1,326,730,477</b>	<b>11,304,158,650</b>

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

  
 Chief Financial Officer

  
 Company Secretary

  
 Chairman

  
 Director

  
 Managing Director & CEO

Dhaka, 27 October 2022

**South Bangla Agriculture and Commerce Bank Limited**  
**Liquidity Statement (asset and liabilities maturity analysis)**  
**As at 30 September 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)	932,645,538	-	-	-	-	932,645,538
Balance with Bangladesh Bank and its agent Banks	456,238,656	-	-	-	3,200,403,234	3,656,641,890
Balance with other banks & financial institutions	1,123,674,421	492,315,991	591,332,971	-	-	2,207,323,383
Money at call on short notice	120,000,000	-	-	-	-	120,000,000
Investments	1,582,832,573	359,868,175	141,174,428	2,167,799,498	15,779,706,516	20,031,381,190
Loans and advances	12,983,989,666	18,332,265,517	26,932,273,461	12,548,532,262	2,882,708,086	73,679,768,992
Fixed assets including premises, furniture and fixtures	25,440,141	50,880,281	228,961,265	1,419,711,555	-	1,724,993,242
Other assets	402,979,366	671,632,277	968,604,965	671,632,279	-	2,714,848,887
Non-Banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>17,627,800,361</b>	<b>19,906,962,241</b>	<b>28,862,347,090</b>	<b>16,807,675,594</b>	<b>21,862,817,836</b>	<b>105,067,603,122</b>
<b>Liabilities:</b>						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	4,253,822,373	467,878,310	1,112,797,127	41,007,257	94,534,634	5,970,039,701
Deposits and other accounts	12,806,417,988	16,625,640,794	24,546,101,557	15,142,918,513	12,344,004,982	81,465,083,834
Provisions and other liabilities	41,343,352	312,508,057	1,538,770,388	1,004,685,176	3,813,942,197	6,711,249,169
<b>Total Liabilities</b>	<b>17,101,583,713</b>	<b>17,406,027,161</b>	<b>27,197,669,072</b>	<b>16,188,610,946</b>	<b>16,252,481,813</b>	<b>94,146,372,704</b>
<b>Net liquidity surplus</b>	<b>526,216,648</b>	<b>2,500,935,080</b>	<b>1,664,678,018</b>	<b>619,064,648</b>	<b>5,610,336,023</b>	<b>10,921,230,417</b>
<b>Cumulative liquidity surplus</b>	<b>526,216,648</b>	<b>3,027,151,728</b>	<b>4,691,829,746</b>	<b>5,310,894,394</b>	<b>10,921,230,417</b>	

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

**South Bangla Agriculture and Commerce Bank Limited**  
**Notes to the Financial Statements**  
**As at and for the third quarter (Q3) ended 30 September 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. The Bank has also launched Agent Banking outlets in 2022 and currently operating through 9( nine) outlets with a view to bringing the un-banked population under banking services.

**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 September 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 01 January to 30 September 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 September 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 implementing IFRS 16, the Bank observed that IFRS 16 is expected to have impact on various regulatory capital and liquidity ratios as well as other statutory requirements issued by various regulators. In addition, there are no direction from National Board of Revenue (NBR) regarding treatment of lease rent, depreciation on ROU assets and interest on lease liability for income tax purposes and applicability of VAT on such items. Finally, paragraph 5 of IFRS 16 provide the recognition exemptions to short-term leases and leases for which the underlying asset is of low value. Although, paragraphs B3 to B8 of the Application Guidance (Appendix B) of IFRS 16 provide some qualitative guidance on low value asset, but these guidance is focused towards moveable asset. Immovable asset like rental of premises (i.e. real estate) is not covered on those guidance, nor any benchmark on quantification guidance on low value items have been agreed locally in Bangladesh.

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

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

**2.36 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) 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 Significant deviation**

- i) Net interest income of the bank has been decreased due to increase of cost of deposits and cost of borrowings of the Bank.
- ii) EPS has been decreased due to increase in weighted average number of ordinary share in the year 2022 as well as increasing the tax provision and provision against loans & advances.
- iii) The net operating cash flow per share (NOCFPS) has been increased due to increase of deposits significantly.
- iv) Net asset value per share (NAV) has been decreased due to increase in weighted average number of ordinary share in the year 2022

**2.40 Approval of the Financial Statements**

The Board of Directors of the Bank, in its 152<sup>nd</sup> meeting held on 27 October 2022, approved the financial statements of the Bank for the period ended 30 September 2022 and signed these statements on same date.

	30 September 2022 Taka	31 December 2021 Taka
<b>3. Cash in hand (including foreign currencies) - Consolidated</b>		
SBAC Bank Limited (note 3.1)	932,645,538	855,111,180
SBAC Bank Investment Limited	1,319	-
	<u>932,646,857</u>	<u>855,111,180</u>
<b>3.1 Cash in hand (including foreign currencies) of the Bank</b>		
Local currency	928,318,418	853,240,625
Foreign currencies	4,327,120	1,870,555
	<u>932,645,538</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)	3,656,641,890	3,236,004,834
SBAC Bank Investment Limited	-	-
	<u>3,656,641,890</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	3,561,593,243	3,064,258,047
In foreign currencies	95,048,647	171,746,787
	<u>3,656,641,890</u>	<u>3,236,004,834</u>
Sonali Bank Limited (as Agent of Bangladesh Bank) - local currency	-	-
	<u>3,656,641,890</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 July), 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 July), 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	81,894,825,000	70,599,843,000
Islamic banking	369,853,000	206,374,000
Off-shore banking unit	-	-
	<u>82,264,678,000</u>	<u>70,806,217,000</u>
<b>4.2.2 Cash Reserve Requirement (CRR) and maintained</b>		
<b>Required reserve</b>		
Conventional banking	3,275,793,000	2,823,994,000
Islamic banking	14,794,000	8,255,000
Off-shore banking unit	-	-
<b>Total required reserve</b>	<u>3,290,587,000</u>	<u>2,832,249,000</u>
<b>Actual reserve maintained</b>		
Balance with Bangladesh Bank - local currency :		
For conventional banking and OBU	3,422,742,350	2,917,148,863
For islamic banking	20,000,000	50,000,000
	<u>3,442,742,350</u>	<u>2,967,148,863</u>
<b>Surplus / (deficit) (conventional banking and OBU)</b>	<u>146,949,350</u>	<u>93,154,863</u>
<b>Surplus / (deficit) (islamic banking)</b>	<u>5,206,000</u>	<u>41,745,000</u>
<b>Maintained ratio (conventional banking and OBU)</b>	<u>4.18%</u>	<u>4.13%</u>
<b>Maintained ratio (islamic banking)</b>	<u>5.41%</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 September 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	10,646,327,000	9,177,980,000
Off-shore banking unit	-	-
<b>Total required reserve</b>	<u>10,646,327,000</u>	<u>9,177,980,000</u>
<b>Available for maintenance :</b>		
Cash in hand (including foreign currencies)	928,191,534	794,918,087
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	-	-
Excess of CRR requirement	146,949,350	93,154,863
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	18,237,894,664	15,918,541,635
	<u>19,313,035,548</u>	<u>16,806,614,585</u>
<b>Surplus / (deficit)</b>	<u>8,666,708,548</u>	<u>7,628,634,585</u>
<b>Maintained Ratio</b>	<u>23.58%</u>	<u>23.81%</u>

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

<b>Required reserve</b>	20,342,000	11,351,000
<b>Available for maintenance :</b>		
Cash in hand (including foreign currencies)	4,454,004	15,908,616
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	-	-
Excess of CRR requirement	5,206,000	41,745,000
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	30,000,000	50,000,000
	<u>39,660,004</u>	<u>107,653,616</u>
<b>Surplus / (deficit)</b>	<u>19,318,004</u>	<u>96,302,616</u>
<b>Maintained Ratio</b>	<u>10.72%</u>	<u>52.16%</u>

5.4 Outside Bangladesh

In demand deposit accounts (non-interest bearing) with

Particulars	Currency	30 September 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	2,486,286	101.83	253,175,024	1,129,302	85.80	96,894,070
AB Bank, Mumbai	ACU	-	-	-	755,797	85.80	64,847,347
United Bank of India,	ACU	-	-	-	6,507	85.80	558,339
National Bank of Pakistan,	JPY	1,294,971	0.7051	913,084	3,686,947	0.75	2,751,568
Sonali Bank Ltd. Kolkata	ACU	-	-	-	430,144	85.80	36,906,372
Habib American Bank, NY	USD	-	-	-	241,363	85.80	20,708,938
Habib Metropolitan Bank Ltd., Karachi	ACU	7,924	101.8286	806,847	178,679	85.80	15,330,622
AXIS Bank Ltd., Mumbai	ACU	64,829	101.8286	6,601,419	470,956	85.80	40,408,058
Sonali Bank (UK) Ltd.	USD	43,233	101.8286	4,402,367	43,233	85.80	3,709,401
Sonali Bank (UK) Ltd.	GBP	6,547	109.9138	719,655	16,720	115.71	1,934,679
Sonali Bank (UK) Ltd.	EURO	-	-	-	9,846	97.37	958,653
AKTIF YATIRIM BANKASI A.S.	EURO	9,415	98.6210	928,517	-	-	-
Koomin Bank, Seoul	USD	138,102	101.8286	14,062,735	78,058	85.80	6,697,399
				<b>281,609,648</b>			<b>291,705,446</b>

In demand deposit accounts (interest bearing) -

Total Outside Bangladesh

**281,609,648**

30 September 2022  
Taka

31 December 2021  
Taka

6. Money at call on short notice

With banks

120,000,000

-

With non bank financial institutions

-

-

**120,000,000**

-

	30 September 2022 Taka	31 December 2021 Taka
<b>7. Investments - Consolidated</b>		
<b>Government :</b>		
SBAC Bank Limited	18,270,441,764	15,971,113,935
SBAC Bank Investment Limited	-	-
	<b>18,270,441,764</b>	<b>15,971,113,935</b>
<b>Other :</b>		
SBAC Bank Limited	1,760,939,426	1,567,081,922
SBAC Bank Investment Limited	149,662,486	-
	<b>1,910,601,912</b>	<b>1,567,081,922</b>
	<b>20,181,043,676</b>	<b>17,538,195,857</b>
<b>7.1 Classification of investments-Bank</b>		
Government treasury bills and bonds		
Held for Trading (HFT)	5,101,319,734	4,007,106,430
Held to Maturity (HTM)	11,551,814,035	11,687,105,205
Ijarah Sukuk Bond	274,330,000	274,330,000
Treasury Bond Re-Measured(HFT)	1,340,430,895	-
<b>Total treasury bills and bonds</b>	<b>18,267,894,664</b>	<b>15,968,541,635</b>
Reverse-REPO with Bangladesh Bank	-	-
Prize bonds	2,547,100	2,572,300
<b>Total Government securities</b>	<b>18,270,441,764</b>	<b>15,971,113,935</b>
Other investments (note 7.2)	1,760,939,426	1,567,081,922
	<b>20,031,381,190</b>	<b>17,538,195,857</b>
<b>7.2 Other investments-Bank</b>		
In quoted shares	1,355,661,059	1,161,805,141
In quoted mutual funds	101,696,996	101,695,410
In unquoted shares	3,581,371	3,581,371
In preference shares	300,000,000	300,000,000
	<b>1,760,939,426</b>	<b>1,567,081,922</b>



	30 September 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)	71,081,913,280	63,711,064,030
SBAC Bank Investment Limited	192,999,166	-
Less : Inter-company transactions	(343,875,269)	-
	<b>70,931,037,177</b>	<b>63,711,064,030</b>
<b>Bills purchased and discounted :</b>		
SBAC Bank Limited (note 8.1)	2,597,855,712	2,244,617,036
SBAC Bank Investment Limited	-	-
Less : Inter-company transactions	-	-
	<b>2,597,855,712</b>	<b>2,244,617,036</b>
	<b>73,528,892,889</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	71,081,913,280	63,711,064,030
Off-shore banking unit	-	-
	<b>71,081,913,280</b>	<b>63,711,064,030</b>
<b>Bills purchased and discounted :</b>		
Main Operation	2,011,892,150	1,681,406,152
Off-shore banking unit	585,963,562	563,210,884
	<b>2,597,855,712</b>	<b>2,244,617,036</b>
	<b>73,679,768,992</b>	<b>65,955,681,066</b>
<b>8.2 Loans , cash credit, overdrafts etc. / investments of the Bank-Main operation</b>		
<b>In Bangladesh:</b>		
Overdrafts / bai murabaha	18,657,685,084	15,385,656,494
<b>Cash credit / bai murabaha :</b>		
General cash credit / bai murabaha	5,435,016,469	5,190,441,496
Agriculture cash credit / bai murabaha	210,898,199	211,385,828
SME cash credit	9,248,125,749	9,466,854,248
General cash credit under stimulus finance	111,104,215	357,870,952
SME cash credit / bai murabaha under stimulus finance	188,115,904	684,588,011
	<b>15,193,260,536</b>	<b>15,911,140,535</b>
<b>Loans, lease and investments :</b>		
Loans against trust receipt / murabaha post import	2,253,359,867	2,427,975,398
Export packing credit	105,974,705	11,866,506
Payment against document	526,321,381	503,747,883
Time loans	3,502,546,473	3,809,113,593
EDF loans	2,440,363,072	1,795,260,933
Demand loans/Bai Murabaha Agriculture Demand	2,753,492,018	2,381,972,789
Lease finance	670,541,591	642,356,337
House building finance / HPSM(real estate/residential)	1,049,181,107	853,482,702
General term loans	17,785,612,593	15,341,038,404
SME term loans/Bai Murabaha SME Term	3,851,669,150	3,171,782,827
Agriculture term loans	497,182,419	297,398,942
Short term micro credit	742,931,090	236,235,039
Personal loans	80,290,881	84,428,258
Auto loans / HPSM vehicles	68,812,130	44,198,548
Credit Card	276,075,731	245,951,018
Block account for rescheduled loan	72,663,382	39,838,382
Staff loans / HPSM	553,950,070	527,619,442
	<b>37,230,967,660</b>	<b>32,414,267,001</b>
	<b>71,081,913,280</b>	<b>63,711,064,030</b>
<b>Outside Bangladesh</b>	-	-
	<b>71,081,913,280</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	1,959,105,799	1,620,206,771
<b>Outside Bangladesh</b>		
Foreign bills purchased and discounted	52,786,351	624,410,265
	<b>2,011,892,150</b>	<b>2,244,617,036</b>

30 September 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

37,230,967,660	32,414,267,001
15,193,260,536	15,911,140,535
18,657,685,084	15,385,656,494
71,081,913,280	63,711,064,030
-	-
71,081,913,280	63,711,064,030

Outside Bangladesh

(b) Bills purchased and discounted (note 8.1)

In Bangladesh

Outside Bangladesh

1,959,105,799	1,620,206,771
638,749,913	624,410,265
2,597,855,712	2,244,617,036
73,679,768,992	65,955,681,066

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

Particulars	Amount of outstanding loans and advances as at 30 September 2022	Base for Provision	Rate	Amount of required provision as at 30 September 2022	Amount of required provision as at 31 December 2021
<b>I) General provision :</b>					
a) Consumer finance	405,568,392	405,568,392	2.00%	8,111,368	7,444,556
b) Staff loans	553,950,071	553,950,071	0.00%	-	-
c) Housing finance	1,080,967,071	1,080,967,071	1.00%	10,809,671	8,703,613
d) Loans to professional	-	-	2.00%	-	-
e) Small & medium enterprise	24,616,403,602	24,616,403,602	0.25%	61,541,009	56,296,574
f) Loans to BH, MB, SD. etc.	1,284,475,631	1,284,475,631	2.00%	25,689,513	20,573,823
g) Agricultural and micro credit	2,347,653,323	2,347,653,323	1.00%	23,476,533	18,560,733
h) Others	39,173,774,530	39,173,774,530	1.00%	391,737,745	349,211,774
i) Special general provision- COVID-19	-	-	1%, 1.5% & 2%	91,270,433	187,183,129
	<b>69,462,792,620</b>	<b>69,462,792,620</b>		<b>612,636,272</b>	<b>647,974,201</b>
<b>II) Specific provision :</b>					
a) Unclassified	-	1,065,483,119	100.00%	1,065,483,119	1,026,375,489
b) Unclassified	-	-	1.00%	-	-
c) Sub-standard (CMS)	12,864,600	3,108,602	5.00%	155,430	167,213.30
d) Sub-standard (other)	159,774,403	110,300,902	20.00%	22,060,180	46,695,590
e) Doubtful (CMS)	712,054,022	156,376,678	20.00%	31,275,336	32,678,953
f) Doubtful (other)	187,032,506	146,568,474	50.00%	73,284,237	71,013,921
g) Bad / loss	3,145,250,841	1,245,899,502	100.00%	1,245,899,502	1,019,231,715
	<b>4,216,976,372</b>	<b>2,727,737,277</b>		<b>2,438,157,804</b>	<b>2,196,162,881</b>
<b>Total provision required</b>	<b>73,679,768,992</b>	<b>72,190,529,897</b>		<b>3,050,794,076</b>	<b>2,844,137,082</b>
<b>Total provision maintained</b>				<b>2,715,773,618</b>	<b>2,397,443,139</b>
<b>Provision to be maintained*</b>				<b>335,020,458</b>	<b>446,693,943</b>
<b>Surplus / (deficit)</b>				<b>-</b>	<b>-</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. 111,673,485 and the remaining balance of Tk. 335,020,458 as on 30 September 2022 which shall be maintained within the stipulated time prescribed by Bangladesh Bank.

	30 September 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	68,053,492,497	60,948,067,217
ii) Special mention account (SMA)	823,336,561	976,188,578
	<b>68,876,829,058</b>	<b>61,924,255,795</b>
<b>Off-shore Banking Unit</b>		
i) Standard	585,963,562	563,210,884
ii) Special mention account (SMA)	-	-
	<b>585,963,562</b>	<b>563,210,884</b>
	<b>69,462,792,620</b>	<b>62,487,466,679</b>
<b>Classified loans and advances</b>		
<b>Main Operation</b>		
Sub-standard	172,639,003	259,425,115
Doubtful	899,086,528	728,608,335
Bad / loss	3,145,250,841	2,480,180,937
	<b>4,216,976,372</b>	<b>3,468,214,387</b>
<b>Off-shore Banking Unit</b>		
Sub-standard	-	-
Doubtful	-	-
Bad / loss	-	-
	<b>-</b>	<b>-</b>
	<b>4,216,976,372</b>	<b>3,468,214,387</b>
<b>Total</b>	<b>73,679,768,992</b>	<b>65,955,681,066</b>

	30 September 2022	31 December 2021
	Taka	Taka
<b>9. Fixed Assets including premises, furniture and fixtures - Consolidated</b>		
SBAC Bank Limited (note 9.1)	1,724,993,242	1,626,642,412
SBAC Bank Investment Limited	6,883,991	-
	<u>1,731,877,233</u>	<u>1,626,642,412</u>
<b>9.1 Fixed Assets including premises, furniture and fixtures of the Bank</b>		
Motor vehicles	70,788,653	51,888,653
Machinery and equipments	331,480,396	298,436,443
Furniture and fixtures	107,703,593	98,700,745
Interior decoration	349,112,273	327,597,917
Computers and accessories	441,652,180	404,687,414
Softwares	206,812,651	193,446,651
Other tools	51,002,567	44,642,330
Right of Use Assets	1,685,969,662	1,459,393,820
	<u>3,244,521,975</u>	<u>2,878,793,973</u>
Less : Accumulated depreciation	1,519,528,733	1,252,151,561
	<u>1,724,993,242</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	2,315,248,887	1,188,787,124
SBAC Bank Investment Limited	64,904,446	42,334,007
	<u>2,380,153,333</u>	<u>1,231,121,131</u>
	<u>2,779,753,333</u>	<u>1,630,721,131</u>
Less : Inter-company transaction	(409,272,409)	(400,908,545)
<b>Total other assets</b>	<u>2,370,480,924</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)	721,926,289	554,589,498
Stock of stationeries and stamps (note 10.3)	16,184,318	14,021,623
Advance rent, advertisement, etc. (note 10.4)	12,617,649	14,380,654
Accrued interest and commission receivable	425,474,319	396,692,194
Advance and security deposits	4,190,655	4,177,757
Central clearing, EFT, NPSB adjustment account	1,492,720	8,486
Deferred tax asset	64,352,251	21,757,883
Suspense accounts (note 10.5)	1,059,338,278	183,159,029
Receivable from SBAC Bank Investment Limited	9,672,408	-
	<u>2,714,848,887</u>	<u>1,588,387,124</u>
<b>10.2 Advance income tax</b>		
Opening balance	554,589,498	1,777,716,153
Add : Advance tax paid & Deducted during the year		
Income tax deducted at source	70,404,551	112,030,725
Advance income tax paid	491,750,291	329,519,328
	<u>562,154,842</u>	<u>441,550,053</u>
	1,116,744,340	2,219,266,206
Less : Adjustment during the year	394,818,051	1,664,676,708
Closing balance	<u>721,926,289</u>	<u>554,589,498</u>
<b>10.3 Stock of stationeries and stamps</b>		
Stock of printing stationeries	3,177,357	3,643,481
Stock of security stationeries	10,083,952	7,681,525
Stock of stamps	2,923,009	2,696,617
	<u>16,184,318</u>	<u>14,021,623</u>
<b>10.4 Advance rent, advertisement, etc.</b>		
Advance rent	12,617,649	14,380,654
Prepaid advertisement	-	-
	<u>12,617,649</u>	<u>14,380,654</u>

	30 September 2022	31 December 2021
	Taka	Taka
<b>10.5 Suspense accounts</b>		
Sundry debtors	49,643,867	12,066,370
Receivable from Stock Brokers	20,249,691	61,213,629
Application for primary shares	-	23,586,500
Advance for merchant payment	1,297,482	3,363,284
Receivable for payment against Sanchayapatra (interest & principal encashme	34,058,157	42,853,074
Advance against expenses	34,147,987	2,640,242
Advance against fixed assets	27,646,539	31,115,405
Encumbered Securities	844,870,915	-
Other prepaid expenses	47,423,640	6,320,525
	<b>1,059,338,278</b>	<b>183,159,029</b>
<b>11. Borrowings from other banks, financial institutions and agents - Consolidated</b>		
SBAC Bank Limited (note 11.1)	5,970,039,701	8,763,684,070
SBAC Bank Investment Limited	343,875,269	-
	<b>6,313,914,970</b>	<b>8,763,684,070</b>
Less : Inter bank transactions	(343,875,269)	-
	<b>5,970,039,701</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)	5,980,115,483	8,763,684,070
Off-shore Banking Unit	564,805,748	557,414,568
Less : Inter bank transactions	(574,881,530)	(557,414,568)
	<b>5,970,039,701</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 Bank	162,607,641	141,533,926
Bangladesh Bank stimulus fund	820,743,902	954,364,567
Export Development Fund (EDF)	2,440,363,073	1,794,435,577
<b>Borrowing From Bangladesh Bank - ALS</b>	760,000,000	-
	<b>4,183,714,616</b>	<b>2,890,334,070</b>
<b>Unsecured</b>	1,493,720,000	5,873,350,000
	<b>5,677,434,616</b>	<b>8,763,684,070</b>
<b>b) Outside Bangladesh</b>	302,680,867.00	-
	<b>5,980,115,483</b>	<b>8,763,684,070</b>
<b>12. Deposits and other accounts - Consolidated</b>		
<b>Current / Al-wadecah current deposits and other accounts</b>		
SBAC Bank Ltd.	9,658,749,666	7,296,934,175
Less : Inter-company transactions	-	(1,308,545)
	<b>9,658,749,666</b>	<b>7,295,625,630</b>
<b>Special notice / mudaraba special notice deposits</b>		
SBAC Bank Ltd.	5,093,789,637	4,494,632,154
SBAC Bank Investment Ltd.	-	-
	5,093,789,637	4,494,632,154
Less : Inter-company transactions	(37,902,033)	(7,118,668)
	<b>5,055,887,604</b>	<b>4,487,513,486</b>
<b>Bills payable</b>		
SBAC Bank Ltd.	2,392,427,073	2,414,977,923
SBAC Bank Investment Ltd.	-	-
	<b>2,392,427,073</b>	<b>2,414,977,923</b>
<b>Savings bank / mudaraba savings deposits</b>		
SBAC Bank Ltd.	6,743,051,527	5,943,300,533
SBAC Bank Investment Ltd.	-	-
	<b>6,743,051,527</b>	<b>5,943,300,533</b>
<b>Fixed / mudaraba term deposits</b>		
SBAC Bank Ltd.	43,323,512,958	38,491,349,641
SBAC Bank Investment Ltd.	-	-
	43,323,512,958	38,491,349,641
Less : Inter-company transactions	(371,442,406)	(358,872,088)
	<b>42,952,070,552</b>	<b>38,132,477,553</b>
<b>Other deposits</b>		
SBAC Bank Ltd.	14,253,552,973	14,462,568,622
SBAC Bank Investment Ltd.	-	-

	30 September 2022	31 December 2021
	Taka	Taka
	<b>14,253,552,973</b>	<b>14,462,568,622</b>
	<b>81,055,739,395</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)	9,658,749,666	7,296,934,175
Special notice / mudaraba special notice deposits	5,093,789,637	4,494,632,154
Bills payable	2,392,427,073	2,414,977,923
Savings bank / mudaraba savings deposits	6,743,051,527	5,943,300,533
Fixed / mudaraba term deposits	43,323,512,958	38,491,349,641
Other deposits (note : 12.3)	14,253,552,973	14,462,568,622
	<b>81,465,083,834</b>	<b>73,103,763,048</b>
<b>12.2 Current / Al-wadeeah current deposits and other accounts</b>		
Current / Al-wadeeah current deposits	3,398,306,562	3,035,603,446
Foreign currency deposits	28,126,285	11,142,296
Exporters' retention quota accounts	67,810,042	17,111,860
Foreign currency held against BTB L/Cs	850,685,884	870,954,651
Non resident Taka account	13,199,985	8,092,418
Non resident foreign currency account	6,524,959	3,874,395
Resident foreign currency account	9,565,106	3,380,827
Margin against L/Cs	2,123,911,902	1,308,039,729
Margin against L/Gs	1,055,004,122	889,387,836
Margin on Loans	102,651,063	104,490,006
Margin on LFDBP	1,375,554	83,400
Security deposit	26,970,997	25,477,192
Sundry deposits - excise duty	4,934,240	110,431,800
Sundry deposits - local bills	25,156,958	17,411,770
Sundry deposits - Sanchayapatra	54,450,000	2,600,000
Sundry deposits - other	110,976,914	28,655,670
Sundry deposits - foreign correspondents charge	72,246,129	22,689,238
Sundry deposits - risk fund	21,405,456	4,451,495
Sundry deposits - advance installment on Lease	1,967,672	1,967,672
Sundry deposits - Tax Deducted at source	70,248,673	165,301,620
Sundry deposits - VAT collected at source	2,646,407	6,341,906
Sundry deposits - VAT deducted Service Bills	12,460,105	8,803,101
Sundry deposits - card settlement account	67,796,633	30,779,470
Sundry deposits - Mobile App	4,395,906	3,730,638
Interest payable on deposits	1,525,932,112	616,131,739
	<b>9,658,749,666</b>	<b>7,296,934,175</b>
<b>12.3 Other deposits</b>		
Monthly savings scheme / mudaraba monthly savings deposits	4,216,298,170	3,991,921,493
Monthly Benefit Scheme Deposits	4,292,415,450	4,651,488,561
Lakhpoti Savings Scheme Deposits	189,438,993	206,888,792
Surokkha Millionaire Scheme Deposits	1,289,151,770	1,225,079,779
Kotipoti Scheme Deposits	198,275,680	171,635,383
Double Benefit Scheme Deposits	3,440,328,115	3,586,418,322
Triple Benefit Scheme	625,676,746	628,494,085
Mudaraba Hajj Deposits	1,968,049	642,207
	<b>14,253,552,973</b>	<b>14,462,568,622</b>
<b>12.4 Segregation of deposits and other accounts</b>		
Other than inter-bank deposits	81,462,274,211	73,101,444,386
Inter-bank deposits	2,809,623	2,318,662
	<b>81,465,083,834</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	2,231,342	1,741,319
Trust Bank Limited	418,250	418,250
	<b>2,649,592</b>	<b>2,159,569</b>
<b>In Short Notice Deposit Account</b>		
Janata Bank Limited	<b>160,032</b>	<b>159,093</b>
<b>In Fixed Deposit Account</b>	-	-
	<b>2,809,623</b>	<b>2,318,662</b>
<b>12.5 Unclaimed deposits for ten years and more held by the bank</b>	-	-

	30 September 2022	31 December 2021
	Taka	Taka
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>	
a)	<b>Demand deposits</b>	
	3,398,306,562	3,035,603,446
Current deposits	606,874,637	534,897,048
Savings deposits (9%)	962,712,276	906,464,029
Foreign currency deposits (non interest bearing)	26,970,997	25,477,192
Security deposits	5,257,559,846	3,321,297,090
Sundry deposits	2,392,427,073	2,414,977,923
Bills Payable	<b>12,644,851,391</b>	<b>10,238,716,728</b>
b)	<b>Time deposits</b>	
	6,136,176,890	5,408,403,485
Savings deposits (91%)	43,323,512,958	38,491,349,641
Fixed deposits	5,093,789,637	4,494,632,154
Special notice deposits	14,253,552,973	14,462,568,622
Deposits under schemes	13,199,985	8,092,418
Non resident Taka deposits	<b>68,820,232,443</b>	<b>62,865,046,320</b>
	<b>81,465,083,834</b>	<b>73,103,763,048</b>
13.	<b>Other liabilities - Consolidated</b>	
	6,711,249,169	5,682,034,849
SBAC Bank Limited (note 13.1)	83,871,670	3,157,724
SBAC Bank Investment Limited	6,795,120,839	5,685,192,573
Less : Inter-company transactions	(9,672,408)	-
	<b>6,785,448,431</b>	<b>5,685,192,573</b>
13.1	<b>Other liabilities of the Bank</b>	
	26,747,261	10,437,261
Sundry creditors	84,908,862	38,429,305
Provision for expenses	14,554,174	-
Central clearing, EFT, NPSB adjustment account	8,575,578	2,740,530
Unearned profit (Markup)	-	-
Provision for gratuity (note 13.2)	808,304,989	816,756,524
Provision for taxation (note 13.3)	2,624,503,185	2,210,260,010
Provision on loans & advances (note 13.4)	91,270,433	187,183,129
Special general provision - COVID-19 (note 13.5)	237,261,953	168,396,382
General provision on Off Balance Sheet exposures (note 13.6)	-	19,000,000
Provision for rebate to good borrowers (note 13.7)	1,234,834,228	1,167,814,501
Present value of lease liability (note 13.8)	1,388,795,927	1,000,624,647
Interest suspense account (note 13.9)	14,866,773	14,866,773
Startup fund (note 13.10)	91,309,146	36,403,988
Provision for diminution in value of investments (note 13.11)	85,316,661	9,121,799
Unclaimed/undistributed dividend**	<b>6,711,249,169</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	93,357,960	104,500,000
Add : Provision made for the period	93,357,960	104,500,000
Less : transferred to gratuity fund during the period	93,357,960	104,500,000
Closing balance	-	-
13.3	<b>Provision for taxation-Bank</b>	
	816,756,524	2,017,238,149
Opening balance	386,366,516	464,195,083
Add : Provision made for the year	1,203,123,040	2,481,433,232
Less : Adjustment during the year	394,818,051	1,664,676,708
Closing balance	<b>808,304,989</b>	<b>816,756,524</b>
13.3.1	<b>Status of income tax assessment</b>	
Assessment had been completed up to the accounting year 2020 and assessment year 2021-2022.		

	30 September 2022	31 December 2021
	Taka	Taka
<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	147,726,504	8,465,020
Transferred to specific provision	-	-
Transferred from special general provision- COVID 19	-	-
<b>Provision held at the year end</b>	<b>156,191,524</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	266,289,144	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>2,462,452,025</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	227,527	4,954,801
<b>Provision held at the year end</b>	<b>5,859,636</b>	<b>5,632,109</b>
<b>Total (A + B + C)</b>	<b>2,624,503,185</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	(95,912,696)	-
	<b>91,270,433</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	68,865,571	168,396,382
Less : Transferred to specific provision	-	-
	<b>237,261,953</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	388,171,280	383,024,093
<b>Balance as on 31 December</b>	<b>1,388,795,927</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 September 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
	<u>8,160,313,370</u>	<u>7,846,455,170</u>
<b>14.4 Non-controlling (Minority) interest</b>		
At acquisition	400,000	400,000
Post acquisition	20,869	5,167
	<u>420,869</u>	<u>405,167</u>
<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	<u>1,947,493,989</u>	<u>1,947,493,989</u>
<b>16. Other reserve (revaluation reserve on Govt. Securities)</b>		
Opening balance	129,270,472	19,337,962
Add : Amortization / revaluation gain	2,468,459,330	945,699,914
	<u>2,597,729,802</u>	<u>965,037,876</u>
Less : Adjustment of amortization / revaluation gain against sale / maturity	2,502,397,689	835,767,404
Closing balance	<u>95,332,113</u>	<u>129,270,472</u>
<b>16.1 Foreign currency translation reserve</b>		
Opening balance	251,592	-
Add : Addition during year	3,245,995	251,592
	<u>3,497,587</u>	<u>251,592</u>
Less : Adjustment during the year	-	-
Closing balance	<u>3,497,587</u>	<u>251,592</u>
<b>17. Surplus in profit and loss account - Consolidated</b>		
Opening balance	704,530,934	687,467,724
Add : Net profit during the year	589,593,609	539,889,810
	<u>1,294,124,543</u>	<u>1,227,357,534</u>
Less : Stock Dividend paid	(313,858,200)	-
Less : Cash Dividend paid	(244,809,401)	(313,858,214)
Less : Transferred to statutory reserve	-	(194,096,446)
Less : Transferred to start up fund	-	(14,866,773)
	<u>735,456,942</u>	<u>704,536,101</u>
Less : Non-controlling (Minority) interest	15,702	5,167.00
Closing balance	<u>735,441,241</u>	<u>704,530,934</u>

	30 September 2022	31 December 2021
	Taka	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	573,891,896	534,722,771
	<u>1,273,260,958</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>714,593,357</u></u>	<u><u>699,369,062</u></u>

\*Stock dividend @ 1% against 1 existing share of Tk 10 each for the year 2021 i.e. 8,160,313 nos of share @ Tk 10 each yet to issue. The related amount of Tk 81,603,130 is included with surplus in profit and loss account.

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

Acceptances and endorsements	5,268,444,201	3,444,598,165
Letters of Guarantee	11,690,782,767	9,111,716,091
Irrevocable letters of credit	6,766,968,296	4,283,323,907
Bills for collection	3,127,957,853	1,700,140,692
Other contingent liabilities	-	-
	<u>26,854,153,117</u>	<u>18,539,778,855</u>
<b>SBAC Bank Investment Limited</b>	-	-
	<u>26,854,153,117</u>	<u>18,539,778,855</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	5,268,444,201	1.00%	52,684,442	34,445,982
Letters of Guarantee	11,690,782,767	1.00%	116,907,828	91,117,161
Irrevocable letters of credit (note 18.1)	6,766,968,296	1.00%	67,669,683	42,833,239
Bills for collection	3,127,957,853	0.00%	-	-
Other contingent liabilities	-	1.00%	-	-
<b>Total Required Provision</b>	<u>26,854,153,117</u>		<u>237,261,953</u>	<u>168,396,382</u>
Total Provision Maintained			<u>237,261,953</u>	<u>168,396,382</u>
Provision to be maintained			<u>-</u>	<u>-</u>

	01 January to 30 September 2022 Taka	01 January to 30 September 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)	4,307,053,180	4,123,299,468
Dividend income (note 23.1)	54,277,145	2,454,089
Fees, commission and brokerage (note 24.1)	279,787,562	214,918,766
Gains less losses arising from dealing in securities (note 23.1)	-	-
Gains less losses arising from investment securities (note 23.1)	2,108,203,175	1,336,082,900
Gains less losses arising from dealing in foreign currencies (note 24.1)	591,541,761	107,499,296
Income from non-banking assets	-	-
Other operating income (note 25.1)	97,417,106	83,150,977
Profit less losses in interest rate changes	-	-
	<b>7,438,279,929</b>	<b>5,867,405,496</b>
<b>Expenses</b>		
Interest, fee and commission (note 22.1)	3,402,040,614	2,945,962,222
Losses on loans and advances	-	-
Administrative expenses (note 20)	1,330,791,134	1,101,603,147
Other operating expenses (note 35.1)	1,097,305,756	268,332,199
Depreciation on bank's assets (note 34.1)	267,377,172	245,063,880
	<b>6,097,514,676</b>	<b>4,560,961,448</b>
<b>Profit before provision</b>	<b>1,340,765,253</b>	<b>1,306,444,048</b>
<b>20. Administrative expenses</b>		
Salary and allowances (note 26.1)	1,132,340,511	927,165,117
Rent, taxes, insurance, electricity etc. (note 27.1)	121,324,968	105,788,313
Legal & professional expenses (note 28.1)	8,294,841	4,125,044
Postage, stamp, telecommunication etc. (note 29.1)	10,646,044	8,893,767
Stationery, printing, advertisement etc. (note 30.1)	32,590,694	28,552,724
Chief executive's salary and fees (note 31)	11,258,800	8,660,000
Directors' fees and other benefits (note 32.1)	1,592,000	2,704,000
Audit fees (note 33.1)	-	-
Repair of bank's assets (note 34.1)	12,743,276	15,714,182
	<b>1,330,791,134</b>	<b>1,101,603,147</b>
<b>21. Interest income / profit on investment - Consolidated</b>		
SBAC Bank Limited (note 21.1)	4,307,053,180	4,123,299,468
SBAC Bank Investment Limited	17,405,377	6,900,121
	<b>4,324,458,557</b>	<b>4,130,199,589</b>
Less : Inter company transactions	(17,705,571)	(6,900,121)
	<b>4,306,752,986</b>	<b>4,123,299,468</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	953,287,454	1,017,352,406
Secured overdraft / bai murabaha	1,076,795,717	952,074,664
General overdraft	57,301,676	71,022,321
Local bills purchased	135,847,057	58,346,402
Foreign bills purchased	4,905,109	12,573,092
Import finance / murabaha	202,562,850	240,672,923
Export finance	3,587,018	2,165,274
Other demand loans	501,256,127	353,924,433
Lease finance / HPSM	44,368,948	37,257,257
House building loans / HPSM	59,533,387	40,009,972
General term loans / bai murabaha	867,575,179	599,828,713
SME loans / bai murabaha	127,840,894	163,574,056
Consumer credit scheme	4,366,502	2,512,811
Credit card	27,433,188	25,912,642
Agriculture & rural credit / bai murabaha	66,070,612	31,118,140
Staff loans / HPSM	16,493,138	17,600,533
	<b>4,149,224,856</b>	<b>3,625,945,639</b>
Interest on money at call and short notice	1,752,417	107,361
Interest on FDR with other banks	127,801,945	407,462,785
Interest on SND with other banks	3,688,309	72,293,448
	<b>4,282,467,527</b>	<b>4,105,809,233</b>
Interest Income - Off-shore Banking Unit	24,585,653	17,490,235
	<b>4,307,053,180</b>	<b>4,123,299,468</b>

	01 January to 30 September 2022 Taka	01 January to 30 September 2021 Taka
<b>22. Interest / profit paid on deposits, borrowings etc.</b>		
SBAC Bank Limited (note 22.1)	3,402,040,614	2,945,962,222
SBAC Bank Investment Limited	4,374,969	-
	<u>3,406,415,583</u>	<u>2,945,962,222</u>
Less : Inter company transactions	(17,705,571)	(6,900,121)
	<u><u>3,388,710,012</u></u>	<u><u>2,939,062,101</u></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	167,707,803	165,406,815
Special notice / mudaraba special notice deposits	78,999,733	76,548,025
Monthly savings schemes / mudaraba monthly savings deposits	392,645,592	326,141,119
Monthly benefit schemes	293,716,170	317,215,140
Special deposit schemes	317,114,416	313,454,304
Fixed /mudaraba term deposits	1,775,120,325	1,591,121,444
	<u>3,025,304,039</u>	<u>2,789,886,847</u>
Interest on call borrowing	32,923,653	30,378,611
Interest on credit lines	64,901,592	29,945,053
Interest on Bangladesh Bank Re-financing facilities	28,738,897	28,166,625
Interest on borrowing under REPO	250,172,433	67,585,086
	<u>3,402,040,614</u>	<u>2,945,962,222</u>
<b>23. Investment income - Consolidated</b>		
SBAC Bank Limited (note 23.1)	2,162,480,320	1,338,536,989
SBAC Investment Limited	14,745,543	-
Less : Inter company transactions		
	<u>2,177,225,863</u>	<u>1,338,536,989</u>
<b>23.1 Investment income of the Bank</b>		
Dividend on shares	54,277,145	2,454,089
Income on treasury bills, bonds and debentures		
Interest / profit on treasury bonds	1,195,293,881	1,068,273,330
Interest / profit on treasury bills	18,503,847	111,761
Interest on reverse REPO	5,643,489	76,973
Profit on Ijarah Sukuk Bonds -HFT	2,165,221	-
Net gain/(loss) on trading of government securities	805,322,883	179,493,731
	<u>2,026,929,321</u>	<u>1,247,955,795</u>
Gains on Capital Market	81,273,854	88,127,105
	<u>2,162,480,320</u>	<u>1,338,536,989</u>
<b>24. Commission, exchange and brokerage - Consolidated</b>		
SBAC Bank Limited (note 24.1)	871,329,323	322,418,062
SBAC Investment Limited	15,157,954	-
	<u>886,487,277</u>	<u>322,418,062</u>
<b>24.1 Commission, exchange and brokerage of the Bank</b>		
<b>Fees, commission and brokerage</b>		
Commission on bills & remittance	5,775,330	3,709,016
Commission on letters of credit	113,945,057	85,622,571
Commission on letters of guarantee	123,826,675	99,563,430
Commission on acceptances	34,190,365	21,885,312
Commission on add confirmation	1,789,185	814,384
Commission on bank underwriting	260,950	3,324,053
	<u>279,787,562</u>	<u>214,918,766</u>
Exchange earnings (net)	591,541,761	107,499,296
	<u>871,329,323</u>	<u>322,418,062</u>
<b>25. Other operating income - Consolidated</b>		
SBAC Bank Limited (note 25.1)	97,417,106	83,150,977
SBAC Investment Limited	65,931	-
	<u>97,483,037</u>	<u>83,150,977</u>
Less : Inter company transactions	(6,293)	(500)
	<u>97,476,744</u>	<u>83,150,477</u>
<b>25.1 Other operating income of the Bank</b>		
Banking service charge	77,707,890	66,745,960
Card operation charge	13,796,287	10,057,144
Locker rent	146,200	66,000
Miscellaneous income	5,766,729	6,271,544
Off-shore banking unit		10,329
	<u>97,417,106</u>	<u>83,150,977</u>

	01 January to 30 September 2022	01 January to 30 September 2021
	Taka	Taka
<b>26. Salaries and allowances - Consolidated</b>		
SBAC Bank Limited (note 26.1)	1,132,340,511	927,165,117
SBAC Investment Limited	6,534,607	-
	<u>1,138,875,118</u>	<u>927,165,117</u>
<b>26.1 Salaries and allowances of the Bank</b>		
Basic salary	391,012,254	322,593,708
House rent allowance	184,893,223	152,085,124
Conveyance allowance	29,209,729	26,600,849
Medical allowance	47,658,465	40,493,192
Other allowances	181,839,617	148,345,059
Festival bonus	67,593,912	57,743,237
Incentive bonus for previous year	-	-
Bank's contribution on provident fund	36,436,496	31,138,130
Gratuity	93,357,960	66,700,000
Casual labourer & wages	100,338,855	81,465,818
	<u>1,132,340,511</u>	<u>927,165,117</u>
<b>27. Rent, taxes, insurance, electricity etc. - Consolidated</b>		
SBAC Bank Limited (note 27.1)	121,324,968	105,788,313
SBAC Investment Limited	921,635	-
	<u>122,246,603</u>	<u>105,788,313</u>
<b>27.1 Rent, taxes, insurance, electricity etc. of the Bank</b>		
Rent - Office Premises, ATM Booths and other installations	5,350,043	13,071,051
Rates and taxes	33,331,166	23,577,962
Utilities	36,379,692	28,754,663
Insurance	46,264,067	40,384,637
	<u>121,324,968</u>	<u>105,788,313</u>
<b>28. Legal and professional expenses - Consolidated</b>		
SBAC Bank Limited (note 28.1)	8,294,841	4,125,044
SBAC Investment Limited	132,208	762,500
	<u>8,427,049</u>	<u>4,887,544</u>
<b>28.1 Legal and professional expenses of the Bank</b>		
Legal expenses	5,154,103	1,234,623
Professional fees	3,140,738	2,890,421
	<u>8,294,841</u>	<u>4,125,044</u>
<b>29. Postage, stamp, telecommunication etc. - Consolidated</b>		
SBAC Bank Limited (note 29.1)	10,646,044	8,893,767
SBAC Investment Limited	27,850	-
	<u>10,673,894</u>	<u>8,893,767</u>
<b>29.1 Postage, stamp, telecommunication etc. of the Bank</b>		
Postage	1,015,722	930,441
Telephone, fax etc.	4,965,493	4,371,360
Internet & SWIFT	4,664,829	3,591,966
	<u>10,646,044</u>	<u>8,893,767</u>
<b>30. Stationery, printing, advertisement etc. - Consolidated</b>		
SBAC Bank Limited (note 30.1)	32,590,694	28,552,724
SBAC Investment Limited	232,350	5,800
	<u>32,823,044</u>	<u>28,558,524</u>
<b>30.1 Stationery, printing, advertisement etc. of the Bank</b>		
Office stationery	17,718,400	15,859,342
Petty stationery	3,637,161	3,237,878
Security stationery	405,354	893,634
Advertisement & Publicity	10,829,779	8,561,870
	<u>32,590,694</u>	<u>28,552,724</u>

	01 January to 30 September 2022 Taka	01 January to 30 September 2021 Taka
<b>31. Chief executive's salary and fees of the Bank</b>		
Basic salary	5,708,000	4,200,000
House rent allowance	1,350,000	1,230,000
House maintenance / furnishing allowance	1,125,000	825,000
Medical allowance	-	320,000
Bank's contribution on provident fund	570,800	300,000
Festival bonus	1,380,000	960,000
Other allowances	1,125,000	825,000
	<u>11,258,800</u>	<u>8,660,000</u>
<b>32. Directors' fees - Consolidated</b>		
SBAC Bank Limited (note 32.1)	1,592,000	2,704,000
SBAC Investment Limited	200,000	144,000
	<u>1,792,000</u>	<u>2,848,000</u>
<b>32.1 Directors' fees of the Bank</b>		
Meeting attendance fees	<u>1,592,000</u>	<u>2,704,000</u>
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	-	69,000
	<u>-</u>	<u>69,000</u>
<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	-	-
	<u>-</u>	<u>-</u>
<b>34. Depreciation and repairs &amp; maintenance - Consolidated</b>		
SBAC Bank Limited (note 34.1)	280,120,448	260,778,062
SBAC Investment Limited	200,528	-
	<u>280,320,976</u>	<u>260,778,062</u>
<b>34.1 Depreciation and repairs &amp; maintenance of Bank's Assets</b>		
Depreciation / amortization		
Motor vehicles	5,466,177	3,619,302
Machinery and equipments	20,157,116	20,462,019
Furniture & fixtures	10,300,792	9,770,325
Interior decoration	21,983,888	19,902,221
Computer and peripherals	35,854,163	34,570,001
Software	9,507,065	15,715,563
Office tools and accessories	4,486,623	3,958,640
Depreciation on right of use assets (lease assets)	159,621,348	137,065,809
	<u>267,377,172</u>	<u>245,063,880</u>
Repairs & maintenance of bank's assets	12,743,276	15,714,182
	<u>280,120,448</u>	<u>260,778,062</u>
<b>35. Other expenses</b>		
SBAC Bank Limited (note 35.1)	1,097,305,756	268,332,199
SBAC Investment Limited	3,070,751	11,107,208
	<u>1,100,376,507</u>	<u>279,439,407</u>
Less : Inter company transactions	(6,293)	(500)
	<u>1,100,370,214</u>	<u>279,438,907</u>

	01 January to 30 September 2022	01 January to 30 September 2021
<b>35.1 Other expenses of the Bank</b>		
Entertainment expenses	12,778,560	8,732,402
Training & workshop expenses	325,718	214,050
Travel and daily allowance	5,328,001	886,108
Fuel and lubricants expenses - bank's vehicles	758,679	1,023,154
Subscriptions to trade associations	13,780,183	5,042,925
CSR /Donations	47,647,000	73,941,730
Business promotion and development	6,743,370	3,864,839
Books, magazines & news papers etc.	379,349	356,492
Charges & duties to Government	-	587,744
Local conveyance	3,679,342	5,202,761
Cash carrying expenses	3,493,139	2,598,601
Cartage and freight	280,640	317,605
Washing and cleaning	2,260,674	2,297,903
Other bank charges paid	9,406,546	6,104,056
Expenses on AGM	146,268	-
Expenses on managers' conference	2,727,279	203,685
Antivirus and other software	6,142,370	14,834,271
Branch & head office inauguration expenses	584,133	473,472
Miscellaneous expenses	4,965,694	939,783
Interest on lease liability	54,570,912	42,598,175
Loss on revaluation of investment	921,307,899	98,112,443
	<u>1,097,305,756</u>	<u>268,332,199</u>
<b>36. Provision for taxation</b>		
<b>Current tax</b>		
SBAC Bank Limited	386,366,516	290,992,710
SBAC Investment Limited	6,131,505	41,401
	392,498,021	291,034,111
<b>Deferred tax</b>		
SBAC Bank Limited	(42,594,367)	-
SBAC Investment Limited	-	-
	(42,594,367)	-
	<u>349,903,654</u>	<u>291,034,111</u>
	<u>30 September 2022</u>	<u>31 December 2021</u>
<b>36.7 Detailed calculation of deferred tax liability / (asset)</b>		
In terms of instructions contained in BRPD Circular No. 11 dated 12 December 2011 and provision of IAS 12 - Taxation, the detail calculation of deferred tax (assets) / liability of the Bank is furnished as under :		
i) Temporary timing difference in written down value (WDV) of fixed assets :		
Written down value of fixed assets as per Tax (Tax Base) as on the balance sheet date	(507,803,317)	(479,869,030)
Written down value (carrying amount) of fixed assets	482,413,151	459,699,210
	(25,390,166)	(20,169,820)
ii) Temporary timing difference for right of use assets (tax base nil)	1,242,580,091	946,264,767
	1,217,189,925	926,094,947
iii) Temporary timing difference for PV of lease liability (tax base nil)	(1,388,795,927)	(933,404,358)
Total amount of temporary timing difference in liability / (asset)	(171,606,002)	(7,309,411)
Tax rate	37.50%	37.50%
Net Deferred tax liability / (assets) at closing	(64,352,251)	(2,741,029)
Less : Net Deferred tax liability / (assets) at opening	(21,757,883)	6,677,739
Deferred tax expenses / (income) for the year	(42,594,367)	(9,418,768)
<b>37. Increase / decrease of other assets of the Bank</b>	<u>30 September 2022</u>	<u>30 September 2021</u>
Closing -		
Stock of stationeries and stamps	16,184,318	10,999,991
Advance rent, advertisement, etc.	12,617,649	1,469,754
Security deposits	4,190,655	4,166,557
Central clearing, EFT, NPSB adjustment account	1,492,720	-
Suspense accounts	1,059,338,278	243,578,837
Receivable from SBAC Bank Limited	9,672,408	-
	<u>1,103,496,028</u>	<u>260,215,139</u>
Opening -		
Stock of stationeries and stamps	14,021,623	12,346,104
Advance rent, advertisement, etc.	14,380,654	5,323,818
Security deposits	4,177,757	4,166,557
Suspense accounts	183,159,029	200,741,146
Central clearing, EFT, NPSB adjustment account	8,486	-
	<u>215,747,549</u>	<u>222,577,625</u>
	<u>887,748,479</u>	<u>37,637,514</u>

	30 September 2022	30 September 2021
	Taka	Taka
<b>38. Increase / decrease of other liabilities of the Bank</b>		
Closing -		
Sundry creditors	26,747,261	16,759,778
Central clearing, EFT, NPSB adjustment account	14,554,174	59,151,158
Present value of lease liability	1,234,834,228	969,290,780
	<u>1,276,135,663</u>	<u>1,045,201,716</u>
Opening -		
Sundry creditors	10,437,261	18,820,547
Central EFT adjustment account	-	4,006,504
Present value of lease liability	1,167,814,501	967,219,909
	<u>1,178,251,762</u>	<u>990,046,960</u>
	<u>97,883,901</u>	<u>55,154,756</u>
<b>38.1 Reconciliation between Operating profit of the Bank and Cash flows from operating activities of the Bank</b>		
<b>Profit before provision</b>	<b>1,340,765,253</b>	<b>1,301,255,661</b>
Depreciation on fixed assets	267,377,172	245,063,880
(Gain) / loss on sale of fixed assets	-	-
(Increase) / decrease of interest receivable	(43,104,313)	54,086,583
Increase / (decrease) of interest payable	920,123,221	572,989,515
Increase / (decrease) of expenses payable	36,156,709	28,943,543
(Increase) / decrease of dividend receivable	14,322,188	-
Advance tax paid	(562,154,842)	(316,497,565)
Gain on Trading of Govt Securities	(805,322,883)	(638,428,585)
Gain from sale of shares	(81,273,854)	(88,127,105)
Loss on revaluation of Government Securities	921,307,899	98,112,443
Effects of exchange rate changes on cash and cash-equivalent	(801,903,439)	(46,776,492)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>1,206,293,111</b>	<b>1,210,621,878</b>
<b>Increase / decrease in operating assets and liabilities</b>		
Sale / purchase of trading securities	(2,547,227,849)	(1,338,980,247)
Loans and advances to other banks	(120,000,000)	-
Loans and advances to customers	(7,330,081,598)	(5,356,781,659)
Increase / decrease of other assets	(887,748,479)	(155,452,403)
Deposits from other banks	490,962	(5,576,215,630)
Deposits from customers	7,451,029,451	887,362,539
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	97,883,901	(30,985,177)
	<u>(3,335,653,612)</u>	<u>(11,571,052,577)</u>
<b>Net cash from operating activities</b>	<b>(2,129,360,500)</b>	<b>(10,360,430,699)</b>
<b>38.2 Reconciliation between Operating profit of the Bank and Cash flows from operating activities - Consolidated</b>		
<b>Profit before provision</b>	<b>1,372,445,160</b>	<b>1,301,255,661</b>
Depreciation on fixed assets	267,577,700	245,063,880
(Increase) / decrease of interest receivable	(43,104,313)	54,086,583
Increase / (decrease) of interest payable	920,123,221	572,989,515
Increase / (decrease) of expenses payable	36,156,709	28,943,543
(Increase) / decrease of dividend receivable	14,322,188	-
Advance tax paid	(566,860,584)	(316,497,565)
Gain on Trading of Govt Securities	(805,322,883)	(638,428,585)
Gain from sale of shares	(81,273,854)	(88,127,105)
Loss on revaluation of Government Securities	921,307,899	98,112,443
Effects of exchange rate changes on cash and cash-equivalent	(801,903,439)	(46,776,492)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>1,233,467,804</b>	<b>1,210,621,878</b>
<b>Increase / decrease in operating assets and liabilities</b>		
Sale / purchase of trading securities	(2,547,227,849)	(1,338,980,247)
Loans and advances to other banks	(120,000,000)	-
Loans and advances to customers	(7,179,205,495)	(5,356,781,659)
Increase / decrease of other assets	(897,249,312)	(155,452,403)
Deposits from other banks	490,962	(5,576,215,630)
Deposits from customers	7,407,862,143	887,362,539
Increase / decrease of other liabilities account of customers	-	-
Increase / decrease of trading liabilities	-	-
Increase / decrease of other liabilities	154,047,581	(30,985,177)
	<u>(3,181,281,970)</u>	<u>(11,571,052,577)</u>
<b>Net cash from operating activities</b>	<b>(1,947,814,165)</b>	<b>(10,360,430,699)</b>



	01 January to 30 September 2022	01 January to 30 September 2021
	Taka	Taka
<b>39.1 Basic Earning per share (EPS) - Consolidated</b>		
a) Net profit attributable to the ordinary shareholders of SBAC Bank Ltd	589,577,908	643,547,280
b) weighted average number of ordinary shares	816,031,337	727,385,243
<b>Earnings per share ( a ÷ b)</b>	<b>0.72</b>	<b>0.88</b>
<b>39.2. Restated Earning per share (EPS) - Consolidated</b>		
a) Net profit attributable to the ordinary shareholders of SBAC Bank Ltd	589,577,908	643,547,280
b) weighted average number of ordinary shares	816,031,337	816,031,337
<b>Earnings per share ( a ÷ b)</b>	<b>0.72</b>	<b>0.79</b>
<b>39.3 Basic Earning per share (EPS) of the Bank</b>		
a) Net profit after tax	573,891,896	648,782,298
b) weighted average number of ordinary shares	816,031,337	727,385,243
<b>Earnings per share ( a ÷ b)</b>	<b>0.70</b>	<b>0.89</b>
<b>39.4 Restated Earning per share (EPS) of the Bank</b>		
a) Net profit after tax	573,891,896	648,782,298
b) weighted average number of ordinary shares	816,031,337	816,031,337
<b>Earnings per share ( a ÷ b)</b>	<b>0.70</b>	<b>0.80</b>
<b>39.5 Diluted earning per share</b>		

No diluted earning per share is required to be calculated for the year as there was no scope for dilution during these period.

	30 September 2022	31 December 2021
	Taka	Taka
<b>40.1 Net asset value (NAV) per share - Consolidated</b>		
a) Capital / shareholders' equity for the period	10,942,078,299	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>13.41</b>	<b>13.54</b>
<b>40.2 Restated net asset value (NAV) per share - Consolidated</b>		
a) Capital / shareholders' equity for the period	10,942,078,299	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>13.41</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	10,921,230,417	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>13.38</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	10,921,230,417	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>13.38</b>	<b>13.02</b>

	01 January to 30 September 2022	01 January to 30 September 2021
	Taka	Taka
<b>41.1 Net operating cash flow per share (NOCFPS) per share - Consolidated</b>		
a) Operating cash flow for the period	(1,947,814,165)	(9,901,495,845)
b) Weighted average number of share	816,031,337	727,385,243
<b>Net operating cash flow per share ( a÷b)</b>	<b>(2.39)</b>	<b>(13.61)</b>
<b>41.2 Restated net operating cash flow per share (NOCFPS) per share - Consolidated</b>		
a) Operating cash flow for the period	(1,947,814,165)	(9,901,495,845)
b) Weighted average number of share	816,031,337	816,031,337
<b>Net operating cash flow per share ( a÷b)</b>	<b>(2.39)</b>	<b>(12.13)</b>
<b>41.3 Net operating cash flow per share (NOCFPS) per share of the Bank</b>		
a) Operating cash flow for the period	(2,129,360,500)	(9,501,495,845)
b) Weighted average number of share	816,031,337	727,385,243
<b>Net operating cash flow per share ( a÷b)</b>	<b>(2.61)</b>	<b>(13.06)</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	(2,129,360,500)	(9,501,495,845)
b) Weighted average number of share	816,031,337	816,031,337
<b>Net operating cash flow per share ( a÷b)</b>	<b>(2.61)</b>	<b>(11.64)</b>

**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.