

**Shimanto Bank PLC.**  
**Independent Auditor's Report and**  
**Audited Financial Statements**  
**For the year ended 31 December 2023**

## Independent Auditor's Report

To the shareholders of Shimanto Bank PLC.

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Shimanto Bank PLC, ("the Bank"), which comprise the balance sheet as at 31 December 2023, the profit and loss accounts, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the financial position of the Bank as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note# 2.1.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for professional Accountants (IESBA Code) and requirements of Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



<b>1) Loans and Advances</b>	
See note# 8 to the financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>Loans and advances are the vital component of financial statements of the bank. Income of the bank is primarily reliant on the portfolio of loans and advances. Management performance is highly dependent on the target achievement of loans and advances. Loan disbursement requires robust documentation followed by approval from appropriate level of authority.</p> <p>We identified loans and advances as a key audit matter because there is an inherent risk of fraud and error in disbursement of loans and advances by management to meet specific targets or expectations.</p> <p>At year end the Bank reported total loans and advances of Taka 16,014 million (2022: Taka 12,531 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on credit appraisal, loan disbursement procedures and monitoring process of loans and advances.</p> <p>We performed procedures to check whether the bank has ensured appropriate documentation as per Bangladesh Bank regulations and Bank's policy before disbursement of loans and advances. In addition, we have performed procedures to check whether the loans and advances is recorded completely and accurately and that are existed at the reporting date.</p> <p>We also performed the detailed test to confirm that the balances of the branches were correctly incorporated in gross balances of loans and advances.</p> <p>Moreover, we assessed the appropriateness and presentation of disclosures against Bangladesh Bank guidelines.</p>
<b>2) Valuation of treasury bill and treasury bond</b>	
See note# 7 to the financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p> <p>At year end the Bank reported total investment in treasury bill and treasury bond of Taka 2,298 million (2022: Taka 2,071 million).</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>



<b>3) Measurement of provision for loans and advances</b>	
See note# 13 to the financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>The process for estimating the provision for loans and advances portfolio associated with credit risk is judgmental, significant and complex. While estimating such provision certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> <li>• Future business performance of the borrower;</li> <li>• Key assumptions relating to further business performance of the borrower;</li> <li>• Market value of the collateral;</li> <li>• Ability to repossess collateral; and</li> <li>• Recovery rates.</li> </ul> <p>Furthermore, these provisions are processed manually that deals with voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank issued time to time.</p> <p>Due to high level of judgment involved and using some manual process in estimating the provision for loans and advances, we considered this to be a key audit matter.</p> <p>At year end the Bank reported total provision kept for loans and advances of Taka 292 million (2022: Taka 251 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Credit appraisal, loan disbursement procedures, monitoring and provisioning process;</li> <li>• Identification of loss events, including early warning and default warning indicators; and</li> <li>• Reviewed quarterly Classification of Loans (CL).</li> </ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines;</li> <li>• Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>• Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines;</li> <li>• Evaluated the balances of loans and advances and provisions of the branches whether those are properly incorporated in the gross balances thereon; and</li> </ul> <p>Finally, we compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained.</p>
<b>4) IT systems and controls</b>	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>Our audit procedures have been focused on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>We have focused on master data management, user access management and developer access</p>	<p>We tested the design and operating effectiveness of the bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the bank's periodic review of access rights.</p>

<p>to the production environment and changes to the IT environment. Among others, these are key to ensuring operating effectiveness of manual with automated control and automated controls.</p>	<p>We also inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. Where deficiencies were identified, we tested compensating controls or performed alternate procedures.</p> <p>In addition, we understood where relevant, changes/updates were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>
<b>5) Legal and regulatory matters</b>	
<p><b>The key audit matter</b></p> <p>We focused on this area because the Bank operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established as other contingent liabilities.</p> <p>Overall, the legal provision represents the Bank's best estimate for existing legal matters that have a probable and estimable impact on the financial position.</p>	<p><b>How the matter was addressed in our audit</b></p> <p>We obtained an understanding of the Bank's key controls over the legal compliance.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>

### Other Matter

The name of the bank has been changed to Shimanto Bank PLC from Shimnato Bank Limited during the year.

### Other Information

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we concluded that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## **Responsibilities of Management and those Charged with Governance for the Financial Statements and Internal Controls**

Management is responsible for the preparation of financial statements of the Bank that give a true and fair view in accordance with IFRSs as explained in note# 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Banking Companies Act, 1991 as (amended up to date) and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, Banking Companies Act 1991 (Amended up to date), and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibilities for the financial statements and internal control:
  - (a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;
  - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities (other than matters disclosed in these financial statements);
- (iii) in our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- (iv) the records and statements submitted by the branches have been properly maintained in the financial statements;
- (v) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vi) the expenditures incurred were for the purpose of the Bank's business for the year;
- (vii) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (viii) adequate provisions have been made for loans and advances and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 1,200 person hours; and
- (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka,  
Date: 29 April 2024

Signed for & on behalf of  
**ACNABIN**  
**Chartered Accountants**



**Md. Moniruzzaman, FCA**  
**Partner**

ICAB Enrollment No. 787

DVC:2404290787AS808904



**Shimanto Bank PLC.**  
**Balance Sheet**  
**As at 31 December 2023**

Particulars	Notes	Amount in Taka	
		31-Dec-23	31-Dec-22
<b>Property and Assets</b>			
<b>Cash</b>	4	<b>1,203,570,020</b>	<b>1,045,070,815</b>
Cash in Hand (including foreign currency)	4.1	351,213,043	319,824,165
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	4.2	852,356,977	725,246,650
<b>Balance with other banks and financial institutions</b>	5	<b>736,896,791</b>	<b>1,197,131,073</b>
In Bangladesh	5.1	570,863,784	1,135,807,491
Outside Bangladesh	5.2	166,033,007	61,323,582
<b>Money at call on short notice</b>	6	<b>260,000,000</b>	<b>1,300,000,000</b>
<b>Investments</b>	7	<b>5,535,148,826</b>	<b>5,370,990,000</b>
Government	7.1	2,298,324,968	2,071,964,499
Others	7.2	3,236,823,858	3,299,025,501
<b>Loans and advances</b>	8	<b>16,014,791,094</b>	<b>12,531,846,451</b>
Loans, cash credits, overdrafts etc.	8.1	16,014,791,094	12,531,846,451
Bills purchased & discounted	8.2	-	-
<b>Fixed assets including premises, furniture and fixtures</b>	9	<b>429,690,907</b>	<b>232,196,270</b>
<b>Other assets</b>	10	<b>1,035,346,512</b>	<b>868,069,914</b>
<b>Non-banking assets</b>		-	-
<b>Total Assets</b>		<b>25,215,444,150</b>	<b>22,545,304,523</b>
<b>Liabilities and Capital</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	11	<b>49,768,850</b>	<b>48,860,032</b>
<b>Deposits and other accounts</b>	12	<b>18,641,585,763</b>	<b>16,679,484,286</b>
Current deposits and other accounts		684,445,216	445,864,916
Bills payable		259,913,863	179,641,450
Savings bank deposits		1,567,634,859	1,258,758,740
Special notice deposits		3,416,997,623	4,914,924,876
Fixed deposits		12,436,820,619	9,712,177,476
Bearer certificates of Deposit		-	-
Other deposits		275,773,583	168,116,828
<b>Other liabilities</b>	13	<b>1,442,478,649</b>	<b>967,092,438</b>
<b>Total Liabilities</b>		<b>20,133,833,262</b>	<b>17,695,436,756</b>
<b>Capital/Shareholders' Equity</b>			
<b>Total Shareholders' Equity</b>		<b>5,081,610,888</b>	<b>4,849,867,767</b>
Paid-up Capital	14.2	4,530,000,000	4,380,000,000
Statutory Reserve	15	375,712,142	300,549,312
Retained Earnings	16	168,868,435	152,165,969
Other Reserves	17	7,030,311	17,152,486
<b>Total Liabilities and Shareholders' Equity</b>		<b>25,215,444,150</b>	<b>22,545,304,523</b>







**Shimanto Bank PLC.**  
**Balance Sheet**  
**As at 31 December 2023**

Particulars	Notes	Amount in Taka	
		31-Dec-23	31-Dec-22
<b>Off-Balance Sheet Items</b>			
<b>Contingent liabilities</b>	18	<b>1,027,411,773</b>	<b>578,282,033</b>
Acceptances and endorsements	18.1	121,789,306	10,025,534
Letters of guarantee	18.2	707,901,400	363,981,529
Letters of credit	18.3	193,772,497	204,274,970
Bills for collection		-	-
Other contingent liabilities	18.4	3,948,570	-
<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 commitments		-	-
<b>Total off-Balance Sheet items including contingent liabilities</b>		<b>1,027,411,773</b>	<b>578,282,033</b>

The annexed notes from 1 to 44 form an integral part of these financial statements.

  
Chairman

  
Director


  
Director

  
Managing Director & CEO

This is the balance sheet referred to in our separate report of even date.

Dhaka,  
Date: 29 April 2024

Signed for and on behalf of  
**ACNABIN**  
Chartered Accountants

  
Md. Moniruzzaman, FCA  
Partner  
ICAB Enrollment No. 787

DVC: 2404290787AS808904



**Shimanto Bank PLC.**  
**Profit and Loss Account**  
**For the year ended 31 December 2023**

Particulars	Notes	Amount in Taka	
		2023	2022
Interest income	20	1,393,335,133	1,156,205,358
Interest on deposits and borrowings etc	21	(886,237,237)	(530,455,512)
<b>Net interest income</b>		<b>507,097,896</b>	<b>625,749,846</b>
Investment income	22	440,900,517	289,490,420
Commission, exchange and brokerage	23	14,934,433	7,648,410
Other operating Income	24	89,985,331	64,003,526
		<b>545,820,281</b>	<b>361,142,356</b>
<b>Total operating income (a)</b>		<b>1,052,918,177</b>	<b>986,892,202</b>
Salaries and allowances	25	330,567,391	287,825,682
Rent, taxes, insurance, electricity, etc.	26	50,113,693	99,931,218
Legal expenses	27	3,433,540	3,052,625
Postage, stamp, telecommunication, etc.	28	12,163,115	11,887,506
Stationery, printings, advertisements, etc.	29	10,239,998	7,995,508
Chief executive's salary and fees	30	9,889,295	9,445,929
Directors' fees	31	1,486,935	989,585
Auditors' fees	32	494,500	488,000
Charges on loan losses		-	-
Depreciation and repairs of Bank's assets	33	113,068,856	56,852,732
Other expenses	34	100,024,489	90,128,318
		<b>631,481,812</b>	<b>568,597,105</b>
<b>Total operating expenses (b)</b>		<b>631,481,812</b>	<b>568,597,105</b>
<b>Profit before provision (c = (a-b))</b>		<b>421,436,365</b>	<b>418,295,097</b>
<b>Provision against loans &amp; advances and Other</b>	35		
General Provision		29,632,495	49,886,750
Specific Provision		15,974,520	(7,689,597)
Provision for diminution in value of Investments		15,200	2,095,683
		<b>45,622,215</b>	<b>44,292,835</b>
<b>Profit before taxation(e=c-d)</b>		<b>375,814,150</b>	<b>374,002,262</b>
<b>Provision for taxation (f)</b>	36	<b>129,012,828</b>	<b>143,433,074</b>
Current tax expense		128,054,624	142,209,825
Deferred tax expense/(Income)		958,204	1,223,249
		<b>246,801,322</b>	<b>230,569,188</b>
<b>Net profit after taxation (g=e-f)</b>		<b>246,801,322</b>	<b>230,569,188</b>
<b>Appropriations:</b>			
Statutory reserve	15	75,162,830	74,800,452
General reserve		-	-
Start-Up Fund		2,468,013	5,717,033
Climate Risk Fund		2,468,013	-
		<b>80,098,856</b>	<b>80,517,485</b>
<b>Retained Surplus</b>		<b>166,702,466</b>	<b>150,051,703</b>
<b>Earnings Per Share (EPS) [Restated: 2022]</b>	38	<b>0.54</b>	<b>0.51</b>

The annexed notes from 1 to 44 form an integral part of these financial statements.

  
Chairman

  
Director


  
Director

  
Managing Director & CEO

This is the profit and loss account referred to in our separate report of even date.

Dhaka,  
Date: 29 April 2024

Signed for and on behalf of  
**ACNABIN**  
Chartered Accountants

  
Md. Moniruzzaman, FCA  
Partner  
ICAB Enrollment No. 787

**Shimanto Bank PLC.**  
**Cash Flow Statement**  
**For the year ended 31 December 2023**

Particulars	Notes	Amount in Taka	
		2023	2022
<b>Cash flows from Operating Activities</b>			
Interest receipts in cash		1,405,910,409	1,240,027,606
Interest payments		(811,745,963)	(525,073,042)
Dividend receipts		208,116,664	58,357,442
Income from investment		220,074,321	83,140,058
Fees and commission receipts in cash		14,934,433	7,648,410
Cash payments to employees		(340,456,686)	(297,241,152)
Cash payments to suppliers		(10,239,998)	(15,884,553)
Income taxes paid		(162,748,020)	(170,677,362)
Receipts from other operating activities		89,985,331	164,087,080
Payments for other operating activities	41	(169,141,151)	(208,965,639)
<b>(i) Operating profit before changes in operating assets &amp; liabilities</b>		<b>444,689,340</b>	<b>335,418,848</b>
<b>Change in operating assets and liabilities</b>			
Loans and advances to customers		(3,482,944,643)	(2,481,298,691)
Other assets	39	(5,352,526)	41,598,970
Deposits from customers		1,888,519,021	3,241,887,875
Other liabilities	40	296,773,346	15,036,787
<b>(ii) Cash generated from operating assets and liabilities</b>		<b>(1,303,004,802)</b>	<b>817,224,941</b>
<b>Net cash flow used in operating activities (a)=(i)+(ii)</b>		<b>(858,315,462)</b>	<b>1,152,643,789</b>
<b>Cash Flows from Investing Activities</b>			
Payments for purchase of government securities		(236,438,544)	(77,993,887)
Proceeds from sale of other securities		62,201,643	(2,538,904,396)
Purchase of property, plant and equipment		(309,138,614)	(74,932,698)
<b>Net cash used in investing activities (b)</b>		<b>(483,375,515)</b>	<b>(2,691,830,981)</b>
<b>Cash Flows from Financing Activities</b>			
Dividend paid		-	-
Receipts from issue of ordinary share		-	-
<b>Net cash flow from financing activities (c)</b>		<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents (a+b+c)</b>		<b>(1,341,690,977)</b>	<b>(1,539,187,192)</b>
Cash and cash equivalents at beginning of the year		3,542,380,488	5,081,567,679
Effects of Exchange Rate Changes on Cash and Cash Equivalent		-	-
<b>Cash and cash equivalents at end of the year (*)</b>		<b>2,200,689,511</b>	<b>3,542,380,488</b>
<b>(*) Cash and cash equivalents at end of the year:</b>			
Cash in hand		351,213,043	319,824,165
Balance with Bangladesh Bank and its agent bank(s)		852,356,977	725,246,650
Balance with other banks and financial institutions		736,896,791	1,197,131,073
Money at call on short notice		260,000,000	1,300,000,000
Prize bonds		222,700	178,600
		<b>2,200,689,511</b>	<b>3,542,380,488</b>

The annexed notes from 1 to 44 form an integral part of these financial statements.

  
Chairman

  
Director

Date: 29 April 2024  
Dhaka

  
Director

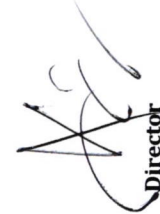
  
Managing Director & CEO

**Shimanto Bank PLC.**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2023**


Particulars	Amount in Taka					Total Shareholders' Equity
	Paid-up Capital	Statutory Reserve	Other Reserve	Retained Earnings		
<b>Balance as at 01 January 2023</b>	4,380,000,000	300,549,312	17,152,486	152,165,969		4,849,867,767
Net profit after tax for the year	-	-	-	246,801,322		246,801,322
Stock dividend paid during the year	150,000,000	-	-	(150,000,000)		-
Surplus on account of revaluation of investments	-	-	(10,122,175)	-		(10,122,175)
Start-Up Fund for the year of 2023	-	-	-	(2,468,013)		(2,468,013)
Climate risk fund for the year of 2023	-	-	-	(2,468,013)		(2,468,013)
Statutory Reserve	-	75,162,830	-	(75,162,830)		-
<b>Balance as at 31 December 2023</b>	<b>4,530,000,000</b>	<b>375,712,142</b>	<b>7,030,311</b>	<b>168,868,435</b>		<b>5,081,610,888</b>

Particulars	Amount in Taka					Total Shareholders' Equity
	Paid-up Capital	Statutory Reserve	Other Reserve	Retained Earnings		
<b>Balance as at 01 January 2022</b>	4,284,800,000	225,748,860	6,958,797	97,314,266		4,614,821,923
Net profit after tax for the year	-	-	-	230,569,188		230,569,188
Stock dividend paid during the year	95,200,000	-	-	(95,200,000)		-
Surplus on account of revaluation of investments	-	-	10,193,689	-		10,193,689
Start-Up Fund for the year of 2020, 2021 & 2022	-	-	-	(5,717,033)		(5,717,033)
Statutory Reserve	-	74,800,452	-	(74,800,452)		-
<b>Balance as at 31 December 2022</b>	<b>4,380,000,000</b>	<b>300,549,312</b>	<b>17,152,486</b>	<b>152,165,969</b>		<b>4,849,867,767</b>

The annexed notes from 1 to 44 form an integral part of these financial statements.



Chairman



Director




Managing Director & CEO

**Shimanto Bank PLC.**  
**Liquidity Statement**  
**(Assets and Liabilities Maturity Analysis)**  
**As at 31 December 2023**

Particulars	Amount in Taka						Total
	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years		
<b>Assets</b>							
Cash in hand (including balance with Bangladesh Banks and its agent banks)	1,203,570,020	-	-	-	-	-	1,203,570,020
Balance with other banks and financial institutions	736,896,791	-	-	-	-	-	736,896,791
Money at call on short notice	260,000,000	-	-	-	-	-	260,000,000
Investments	222,700	330,833,895	23,991,830	3,590,830,840	1,589,269,561	-	5,535,148,826
Loans & advances	1,363,913,027	2,540,201,931	3,813,730,061	5,330,442,026	2,966,504,049	-	16,014,791,094
Fixed assets including premises, furniture and fixture	107,422,727	128,907,272	98,828,909	64,453,636	30,078,363	-	429,690,907
Other assets	258,836,628	310,603,954	238,129,698	155,301,977	72,474,255	-	1,035,346,512
Non-banking assets	-	-	-	-	-	-	-
<b>Total Assets (a)</b>	<b>3,930,861,893</b>	<b>3,310,547,052</b>	<b>4,174,680,498</b>	<b>9,141,028,479</b>	<b>4,658,326,228</b>	<b>25,215,444,150</b>	
<b>Liabilities</b>							
Borrowing from other banks, financial institutions and agents	-	-	49,768,850	-	-	-	49,768,850
Deposit and other accounts	2,950,887,789	4,648,355,878	6,874,263,594	2,675,981,346	1,492,097,156	-	18,641,585,763
Other Liabilities	504,867,528	360,619,662	216,371,797	187,522,224	173,097,438	-	1,442,478,649
<b>Total Liabilities (b)</b>	<b>3,455,755,317</b>	<b>5,008,975,540</b>	<b>7,140,404,241</b>	<b>2,863,503,570</b>	<b>1,665,194,594</b>	<b>20,133,833,262</b>	
<b>Net Liquidity Gap (a-b)</b>	<b>475,106,576</b>	<b>(1,698,428,488)</b>	<b>(2,965,723,743)</b>	<b>6,277,524,909</b>	<b>2,993,131,634</b>	<b>5,081,610,888</b>	

The annexed notes from 1 to 44 form an integral part of these financial statements.

  
 Chairman

  
 Director

  
 Managing Director & CEO

  
 Director

Date: 29 April 2024  
 Dhaka

**Shimanto Bank PLC.**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December 2023**

**1. The Bank and its activities**

**1.1 Legal form of the bank**

Shimanto Bank PLC. (hereinafter referred to as "the Bank" or "SMBL") is a scheduled commercial bank established under the Banking Companies Act, 1991 (amended up to date) and incorporated as a Public Limited Company under the Companies Act, 1994 in Bangladesh on 14 July 2016 with the primary objective to carry on all kinds of banking business within and outside the boundary of Bangladesh. The Bank has twenty three (23) branches and four (04) sub-branches operating in Bangladesh and the Bank has no overseas branch as at 31 December 2023.

The registered office of the Bank is located at Shimanto Shamvar (Level-7), Road-02, Bir Uttam M. A. Rob Sarak, Shimanto Square, Dhanmondi, Dhaka-1205.

**1.2 Principal activities**

The principal activities of the Bank are to provide full range of banking services that include deposit collection, disbursement of loans and advances, providing national and international remittance facilities, providing LC and LG facilities etc.

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

**2.1 Statement of compliance**

The financial statements of the Bank as at and for the year ended 31 December 2023 have been prepared in accordance with the "First Schedule (Section 38) of the Banking Companies Act 1991 (amended up to date) which has been replaced through BRPD Circular no. 10 dated October 04, 2015, International Financial Reporting Standards (IFRS), International Accounting Standard (IAS), other Bangladesh Bank Circulars, the requirements of the Banking Companies Act, 1991 (amended up to date), the rules and regulations issued by Bangladesh Bank, the Companies Act 1994 and other applicable laws and regulations.

The Financial Reporting Act 2015 (FRA) has been enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) has been formed and they will issue financial reporting standards for public interest entities including banks.

In case the requirements of the Banking Companies Act 1991 (amended up to date), and by Bangladesh Bank regulations differ with those of IFRS, the requirements of the Banking Companies Act, 1991 (amended up to date) and Bangladesh Bank regulations shall prevail.

**Material departures from the requirement of IFRS are as follows:**

**i) Presentation of financial statements**

**IFRS:** As per IAS 1 a complete set of financial statements comprises statement of financial position, statement of profit or loss and other comprehensive income, statement of 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 current and non-current 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, changes in equity, liquidity statement) and certain disclosures therein are guided by the 'First Schedule' (section 38) of the Banking Companies Act, 1991 (amended 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) Investments in shares and securities**

**IFRS:** As per requirements of IFRS 9 investment in shares and securities generally falls under 'at Fair Value Through Profit or Loss (FVTPL)' or Fair Value Through Other Comprehensive Income (FVTOCI) where any change in the fair value (as measured in accordance with IFRS 13 Fair Value Measurement) at the year end is taken to profit and loss account or revaluation reserve respectively.



**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, investments in quoted and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment.

### iii) Revaluation gains/losses on Government securities

**IFRS:** As per the requirement of IFRS 9, where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method and interest income is recognised through the profit and loss account.

**Bangladesh Bank:** According to DOS circular no. 05 dated 26 May 2008 and subsequent clarification in DOS circular no. 05 dated 28 January 2009, 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. 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.

### iv) Provision on loans and advances

**IFRS:** As per the requirement of IFRS 9, an entity should carry out the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 12 dated 20 August 2017 and BRPD circular no. 15 dated 27 September 2017 and subsequent circulars issued till 2023, a general provision at 0.25% to 5% under different categories of unclassified loans (standard/SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad/losses loans has to be provided at 20%, 50% and 100%, respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 07 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018, a general provision at 1% is required to be provided for all off-balance sheet exposures. Besides, BRPD circular no 50, dated 14 December 2021, a special general provision COVID-19, @2% is required to provided for deferral loans. Such provision policies are not specifically in line with those prescribed by International Financial Reporting Standards (IFRS) 9: Financial Instruments.

### v) Other comprehensive income and appropriation of profit

**IFRS:** As per the requirements of IAS 1 Presentation of Financial Statements, 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. IFRSs do not require appropriation of profit to be shown on the face of the statement of comprehensive income.

**Bangladesh Bank:** Bangladesh Bank has issued templates for financial statements which are to 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.

### vi) Financial instruments – presentation and disclosure

As per BB guidelines, in certain cases financial instruments are categorized, recognized, measured and presented differently from those prescribed in IFRS 9: Financial Instruments and IFRS 7 Financial Instruments: Disclosures. As such full disclosure and presentation requirements of IFRS 7 is not made in the financial statements.

**vii) Financial guarantees**

**IFRS:** As per IFRS 9, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable and the loss allowance determined as expected credit loss method under IFRS 9. Financial guarantees are included within other liabilities.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin.

**viii) Cash and cash equivalent**

**IFRS:** As per the requirement of IAS-7: Statement of cash flows, cash and cash equivalent items should be reported as cash item.

**Bangladesh Bank:** Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

**ix) Non-banking assets**

**IFRS:** No indication of non-banking assets is found in any IFRSs.

**Bangladesh Bank:** As per BRPD Circular No. 14, dated 23 June 2003, there must exist a face item named Non-Banking Asset which has to be recognized as per BRPD Circular No. 22, dated 20 September 2021.

**x) Cash flow statement**

**IFRS:** Cash flow statement can be prepared either in direct method or indirect method. The presentation method is selected to present cash flow information in a manner that is most suitable for the business or industry. Whichever method selected should be applied consistently.

**Bangladesh Bank:** As per BRPD circular no 14, dated 25 June 2003, cash flow statement is to be prepared following a mixture of direct and indirect method.

**xi) Presentation of intangible asset**

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

**Bangladesh Bank:** There is no requirement for regulation of intangible assets in BRPD circular no. 14 dated 25 June 2003.

**xii) 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.

**xiii) 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 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.



**xiv) Loans and advances net of provision**

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

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

**2.2 Basis of measurement**

Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' are measured weekly using 'mark to market' concept with gain credited to revaluation reserve but loss charged to Profit and Loss Account.

Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' are amortized each year with resulting gain credited to revaluation reserve but loss charged to Profit and Loss Account.

-Zero coupon bond at present value using amortization concept.

**2.3 Functional and presentation currency**

These financial statements are presented in Bangladeshi Taka (BDT), which is the Bank's functional and presentation currency. All financial information presented in Taka has been rounded off to the nearest Taka except when otherwise indicated.

**2.4 Use of estimates and judgments**

The preparation of the financial statements in conformity with IFRS 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 recognized in the period in which the estimate is revised and in any future period affected. The most significant areas where estimates and judgements have been made are on provision for loans and advances, income tax, deferred tax, employee benefits and liquidity statement. Key estimates include:

- (i) Provision for loan and advances
- (ii) Provision for Income tax
- (iii) Provision for gratuity
- (iv) Depreciation of fixed assets
- (v) Amortization of Intangible assets
- (vi) Employee benefits
- (vii) Commitments
- (viii) Contingencies

**2.5 Foreign currency transaction**

Transactions in foreign currencies are translated at the exchange rate prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rate prevailing at the date of statement of financial position. Foreign currency differences are generally recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of translations.

**2.6 Cash flow statement**

Cash Flow Statement is prepared principally in accordance with IAS 7 "Statement of Cash Flows" under direct method as per the guidelines of BRPD circular no.14 dated 25 June 2003. The Cash Flow Statement shows the structure of and changes in cash and cash equivalents during the period. Cash Flows during the year have been classified as operating activities, investing activities and financing activities.

**2.7 Comparative information**

Comparative information in respect of the previous year has been presented in all numerical information in the financial statements and the narrative and descriptive information where, it is relevant for understanding of the current year's financial statements.

**2.8 Reporting period**

These financial statements of the Bank cover a calendar year from 01 January 2023 to 31 December 2023.

**2.9 Statement of changes in equity**

Statement of Changes in Equity has been prepared in accordance with IAS 1 "Presentation of Financial Statements" and following the guidelines of Bangladesh Bank BRPD circular no. 14 dated 25 June 2003.

**2.10 Liquidity statement**

The liquidity statement has been prepared in accordance with remaining maturity grouping of the value of the assets and liabilities as at 31 December 2023 and under the guidelines of Bangladesh Bank BRPD circular no.14 dated 25 June 2003.

- i) Balance with other Banks and financial institutions, money at call and short notice, etc. are on the basis of their maturity terms;
- ii) Investments are on the basis of their residual maturity terms;
- iii) Loans and advances / investments are on the basis of their
- iv) Fixed assets are on the basis of their useful lives
- v) Other assets are on the basis of their realization / amortization;
- vi) Borrowing from other Banks, financial institutions and agents, etc. are as per their maturity / repayment terms;
- vii) Deposits and other accounts are on the basis of their maturity terms and past trend of withdrawals by the depositors;
- viii) Provisions and other liabilities are on the basis of their settlement / adjustment schedules

**3. Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the entity except otherwise instructed by Bangladesh Bank as the prime regulator.

**3.1 Assets and basis of their valuation****3.1.1 Cash and cash equivalents**

Cash and cash equivalents include notes and coins in hand and at ATM, balance held with Bangladesh Bank and its agent bank, balance with other banks and financial institutions, money at call and on short notice and prize bond.

**3.1.2 Investments**

All investments (other than government treasury securities) are initially recognized at cost, including acquisition charges associated with the investment. Accounting treatment of government treasury securities (categorized as HFT or/and HTM) is given following DOS Circular no. 05 dated 26 May 2008 and subsequent clarifications on 28 January 2009. The valuation methods of investments used are:

**Held to Maturity (HTM)**

Investments which are intended to be held till maturity are classified as "Held to Maturity". These are measured at amortized cost at each year end by taking into account any discount or premium on acquisition. Premiums are amortized and discount accredited, using the effective or historical yield method. Any increase or decrease in value of such investments is booked to equity and in the profit and loss account respectively.

**Held for Trading (HFT)**

Investment classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognized in the profit and loss account (if decrease) and revaluation reserve (if increase) as per Bangladesh Bank DOS Circular no. 05 dated 28 January 2009.



**Investment in unquoted securities**

Investment in unquoted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unquoted securities.

Provision for shares against unrealized loss (gain net off) has been made according to DOS circular no. 4 dated 24 November 2011 and for mutual funds (closed-end) as per DOS circular letter no. 3 dated 12 March 2015 of Bangladesh Bank.

Besides, the Bank complied with Bangladesh Bank BRPD Circular 14 dated June 25, 2003 as follows, "All investments in shares and securities (both dealing and investment) should be revalued at the year- end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted shares as per book value of last audited balance sheet. Provision should be made for any loss arising from diminution in value of investments".

**Value of investment has been shown as under:**

Government treasury securities-Held for Trading (HFT)
Government treasury securities-Held to Maturity (HTM)
Zero coupon bonds
Shares (Quoted)
Shares (Unquoted)
Debenture
Prize bonds and other bonds

**3.1.3 Loans, advances and provisions**

Loans and advances are stated in the balance sheet on gross basis.

Interest is calculated on daily product basis, but charged and accounted for quarterly on accrual basis. Interest on classified loans and advances is kept in interest suspense account as per BRPD circulars no. 14 dated September 23, 2012 (amendment on 21 April 2019) on Master Circular: Loan Classification and Provisioning. Interest is not charged on bad and loss loans and advances as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

Commission and discounts on bills purchased and discounted are recognized at the time of realization.

General provisions @ 0.25% to 5% under different categories on unclassified loans (standard/SMA) and @ 1% on off balance-sheet exposures, and specific provisions @ 20%, 50% & 100% on classified (substandard/doubtful/bad loss) loans are made on the basis of quarter end review by the management and instructions contained in BRPD Circular no. 14, dated 23 September 2012 (amendment on 21 April 2019), BRPD Circular no. 19, dated 27 December 2012, BRPD Circular no. 16, dated 18 November 2014 and BRPD Circular no. 8, dated 2 August 2015. Besides, BRPD circular no. 50, dated 14 December 2021 and subsequent circulars issued till 2023, a special general provision COVID-19, @2% is required to provided for deferral loans. Provisions and interest suspense are separately shown under other liabilities as per First Schedule of Banking Companies Act, 1991 (amended up to date), instead of netting off with loans.

Particulars	Rates of Provision
<b>General provision on:</b>	
Unclassified (including SMA) general loans and advances	1%
Unclassified (including SMA) small and medium enterprise	0.25%
Unclassified (including SMA) Loans to BHs/MBs/SDs against Shares etc.	1%
Unclassified (including SMA) loans for housing finance	1%
Unclassified (including SMA) loans for professionals	2%
Unclassified (including SMA) consumer financing other than housing financing and loans for professionals	2%
Unclassified Short term agri credit and micro credit	1.0%
Off balance sheet exposures	1%

**Specific provision on:**

Substandard Small & Medium Enterprise	5%
Doubtful Small & Medium Enterprise	20%
Substandard loans and advances other than short term agri credit and micro credit	20%
Doubtful loans and advances other than short term agri credit and micro credit	50%
Bad/loss loans and advances	100%
Substandard short term agri credit and micro credit	5%
Doubtful short term agri credit and micro credit	5%

**3.1.4 Property, plant and equipment and depreciation****3.1.4.1 Recognition and measurement**

All item of fixed assets are stated at cost less accumulated depreciation & accumulated impairment as per IAS 16 "Property, Plant and Equipment". Land, if any, is measured at cost. The cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognized in accordance with the specific requirements of the IFRS.

The cost of an item of fixed assets is recognized as an asset if, it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably.

**3.1.4.2 Subsequent costs**

Subsequent costs are capitalized only when it is probable that the future economic benefits associated with the costs will flow to the entity and cost can be measured reliably. The carrying amount of the replaced portion is derecognized. The costs of day to day servicing of fixed assets, i.e. repairs and maintenance is charged as revenue expense when incurred.

**3.1.4.3 Depreciation**

Depreciation is charged at the following rates on all fixed assets on the basis of estimated useful lives as determined by fixed asset policy of the Bank. In all cases depreciation on addition is calculated using the straight line method. Depreciation on assets begins when the assets are available for use.

Category of fixed assets	Depreciation Period in Year(s)
Core Banking Software (CBS, Card Management, Trade, Treasury & AML)	10
Software (other than subscription license)	5
Software (subscription license)	Subscription Period
Furniture and Fixture	10
Computer and Network equipment	5
Electromechanical Equipment	10
Machineries and Equipment	5
IT Equipment	3
Right of use asset (Leased Asset)	40 or Lease Tenor
Building	40
Land and Land Development	-
Vehicle	8

**3.1.4.4 Disposal of assets**

An item of fixed assets is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposals. Gain or loss on sale of fixed assets is recognized in the profit and loss account as per the requirement of IAS 16.



### 3.1.5 Intangible assets

#### Recognition of intangible assets

Intangible assets include cost of acquisition of core banking software. Intangible assets are stated at cost less accumulated amortization & accumulated impairment. The costs are capitalized in the year in which the relevant software is available for use according to IAS 38. All upgrading and enhancements are generally charged off as revenue expenditure unless they bring similar significant benefits in the long term.

#### Amortization of intangible assets

Amortization is provided on software applying straight line method. Amortization is charged on the intangible assets when the assets are available for use.

#### Impairment of fixed assets

At each balance sheet date, the Bank assesses whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and an impairment loss as per IAS-36 is recognised as an expense in the profit and loss statement unless the asset is carried at revalued amount in accordance with IAS 16: Property, Plant and Equipment in which case any impairment loss of a revalued asset should be treated as a revaluation decrease. No impairment loss was recognized up to the reporting period as there was no such indication existed as on Balance Sheet date.

### 3.1.6 Leased assets

IFRS 16 Leases, defines a lease as "A contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration". In order for such a contract to exist the user of the asset needs to have the right to: -

Obtain substantially all the economic benefits from the use of asset (identifiable asset) -

The right to direct the use of asset

The Bank as a lessee (Note-9)

For any new contracts entered into on or after 01 January 2019, the Bank considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Bank assesses whether the contract meets two key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Bank

- the Bank has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Bank has the right to direct the use of the identified asset throughout the period of use. The Bank assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

#### Measurement and recognition of leases as a lessee

At lease commencement date, the Bank recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Bank, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Bank depreciates the right-of-use assets on a straight-line basis over the remaining useful life of the asset. The Bank also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Bank measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Bank's incremental borrowing rate.



Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is premeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is premeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Bank has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included other liabilities under IFRS 16 with minor departure as such the recognition, measurement, presentation and disclosure do not conflict with the reporting guideline issued by Central Bank via BRPD circular no. 14, date 25 June 2003.

### 3.1.7 Other assets

As per BRPD circular No. 14 dated 25 June 2003, other assets/item(s) have been shown separately as 'income generating' and 'non income generating' in the relevant notes to the financial statements. Other assets include advance rent, advance for VAT and advance to vendor, advance, deposits and prepayment and income receivables etc.

### 3.1.8 Non-banking assets

As at balance sheet date Shimanto Bank PLC. has not acquired any Non-Banking Assets as a consequence of failure from borrower to repay the loan/investments.

### 3.1.9 Inventories

Inventories are valued at lower of cost or net relizable value. Inventories comprise of unused portion of plastic card, stationary items and non-judicial stamp etc.

## 3.2 Liabilities and provisions

### 3.2.1 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include interest-bearing borrowings redeemable at call and Bangladesh Bank refinance. These items are brought to financial statements at the gross value of the outstanding balance.

### 3.2.2 Deposits and other accounts

Deposits and other accounts include non-interest-bearing current deposit redeemable at call, bills payable, interest bearing on demand and special notice deposits, savings deposit, fixed deposit and other deposits. These items are brought to financial statements at the gross value of the outstanding balance.

### 3.2.3 Other liabilities

As per IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxes, interest payable on borrowing, interest suspense and accrued expenses etc. Individual item-wise liabilities are recognized as per the guidelines of Bangladesh Bank and International Financial Reporting Standards (IFRS).

### 3.2.4 Provision for loans and advances

Provision for classified loans and advances is made on the basis of quarter-end review by the management and instructions contained in BRPD circular no. 14 dated 23 September 2012 (amendment on 21 April 2019), BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 16 dated 18 November 2014 and other subsequent circulars till 2023. Details are stated in Note 13.1 to these financial statements.

**3.2.5 Provision for off-balance sheet exposures**

In compliance with BRPD circular no. 14 dated 23 September 2012 (amendment on 21 April 2019), BRPD circular no. 06 dated April 25, 2023 and other relevant circulars, the Bank requires to maintain provision @ 1% against off-balance sheet exposures (mainly contingent assets/liabilities). In this year there are off-balance sheet exposures related to LC liabilities, letter of guarantee and acceptances & endorsements.

**3.2.6 Provision for other assets**

Provision for other assets is made as per the instructions made in the BRPD circular No. 4 dated 12 April 2022 on which provision is to be required on other assets which are outstanding for one year or more.

**3.3 Share capital and reserves****Authorized capital**

Authorized capital is the maximum amount of share capital that the Bank is authorized by its Memorandum and Articles of Association.

The paid-up capital represents the amount of bank's capital that has been contributed by ordinary shareholders. The holders of ordinary shares are entitled to receive dividend as recommended by the Board and subsequently approved by the shareholders from time to time in the Annual General Meeting (AGM).

**Statutory reserve**

In compliance with the provision of Section 24 of The Banking Companies Act, 1991 (amended up to date), the Bank transfers at least 20% of its profit before tax "Statutory Reserve Fund" each year until the sum of statutory reserve and share premium equal to the paid up capital of the Bank.

**Other reserve**

Other reserve arises from the revaluation of Treasury bills and bonds (HFT and HTM) in accordance with the Bangladesh Bank DOS circular no. 5 dated 26 May 2008. The tax effects on revaluation gain are measured and recognised in the financial statements as per IAS 12 Income Taxes.

**3.4 Contingent liabilities and assets**

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank. Any present obligation that arises from past events but is not recognized because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognized in the financial statements as this may result in the recognition of income which may never be realized.

**3.5 Revenue recognition**

IFRS 15 Revenue from Contracts with Customers has replaced IAS 18 Revenue and IAS 11 Construction Contracts. As per the requirement of IFRS 15, revenue is recognised when or as a performance obligation is satisfied by transferring a good or service to a customer, either at a point in time or over time. The income of the Bank has been recognised as follows:

**Interest income**

Interest on unclassified loans and advances is recognized as income on accrual basis, interest on classified loans and advances is credited to interest suspense account with actual receipt of interest there from credited to income as and when received as per instruction contained in BRPD circular no 14 dated 23 September 2012 (amendment on 21 April 2019), BRPD circular no 19 dated 27 December 2012 and BRPD circular no 16 dated 18 November 2014 and other subsequent circulars till 2023.

**Fees and commission income**

Fees and commission income arises on services provided by the Bank and recognized as and when received basis. Commission charged to customers on letters of credit, letters of guarantee and acceptance are credited to income on the basis of realization except those which are received in advance.

**Interest and fees receivable on credit card**

Interest and fees receivable on credit cards are recognised on accrual basis. Interest and fees ceases to be taken into income when the recovery of interest and fees is in arrear for over three months. Thereafter, interest and fees are accounted for on realisation basis.

**Investment income**

Income on investments is recognized on accrual basis. Investment income includes discount on treasury bills and zero coupon bonds, interest on treasury bonds, debentures and fixed deposits with other banks. Capital gain on investments in shares and dividend on investment in shares are also included in investment income.

**Dividend income**

Dividend income from investments is recognized at the time when it is declared, ascertained and right to receive the payment is established as per IFRS 15.

**3.6 Interest paid on borrowings and deposits**

Interest paid on borrowings and deposits are calculated on 360 days' basis (except for some treasury instruments which are calculated on 364 days' basis) in a year and recognized on accrual basis.

**3.7 Other operating expenses**

All other operating expenses are provided for in the books of the account on accrual basis according to the IAS 1 "Presentation of Financial Statements".

**3.8 Employee benefits****Provident fund**

The Bank operates a provident fund recognised by National Board of Revenue (NBR) which is given to the confirmed employees of the Bank in accordance with Bank's service rules. The provident fund is administered by a Board of Trustees consisting of four members from the employees of the Bank. All confirmed employees of the Bank contribute 10% of their basic salary as subscription to the Fund each month with equal contribution by the Bank.

**Gratuity fund**

The Bank operates an unfunded gratuity scheme recognised by National Board of Revenue (NBR), provision in respect of which is made on monthly basis covering the claims of eligible members as per Bank's policy. The employee's Gratuity Fund is being considered as defined benefit plan.

**Workers Profit Participation Fund**

Consistent with widely accepted industry practice and in line with section 11 (1) of the Banking Companies Act 1991 (amendment up to date) and subsequent clarification given by Bank and Financial Institutions Division (BFID), Ministry of Finance, no provision has been made by the Bank in the reporting period against Workers Profit Participation Fund (WPPF).

**3.9 Income tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity.

**(i) Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income tax, if any. Current tax assets/liabilities are offset if certain criteria are met. It is measured using tax rates enacted or substantively enacted at the reporting period. The applicable tax rate for the Bank is currently 40%.



**(ii) Deferred tax**

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets and 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".

**3.10 Offsetting**

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**3.11 Earnings per share**

Basic earnings per share have been calculated in accordance with IAS 33 "Earnings per Share" which has been shown on the face of the profit and loss account. This has been calculated by dividing the basic earnings by the number of ordinary shares outstanding during the year.

Diluted

EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

**3.12 Reconciliation of inter-bank account**

Books of account in regard to inter-bank (in Bangladesh and outside Bangladesh) as well as inter-branches are reconciled at regular intervals to keep the unreconciled balances within non-material level.

**3.13 Risk management and other related matters**

Financial Institutions are in the business of taking calculative risk and it is important how a bank decides on its risk appetite. The bank firmly believes that robust risk management is the core function that makes its business sustainable. The risk management systems in place at the Bank are discussed below:

**Credit Risk**

Credit risk is the risk of loss that may occur from the default of any counterparty to repay in accordance with agreed terms and conditions and/or deterioration of creditworthiness. Board of Directors is the apex body for credit approval of the Bank. However, they delegate authority to the Managing Director & CEO or other officers of the Credit Risk Management (CRM) Division. The Board also sets credit policies to the management for setting procedures, which together has structured the CRM framework in the bank. The Credit Policy Manual (CPM) contains the core principles for identifying, measuring, approving, and managing credit risk in the bank. The policy covers Corporate, Retail, Small and Medium Enterprise (SME) exposures. Policies and procedures together have structured and standardized CRM process both in obligor and portfolio level. There is a comprehensive credit appraisal procedure that covers Industry/Business risk, management risk, financial risk, facility structure risk, security risk, environmental risk, reputational risk, and account performance risk.

The Bank follows the criteria for loan classification and provisioning requirement as stipulated in the BRPD circular no 14 dated September 23, 2012 (amendment on 21 April 2019) and BRPD circular no 05 dated May 29, 2013 and other subsequent circulars till 2023. Adequate provision has been kept which is stated in Note 13.1 to the financial statements.

Responsibility of managing and controlling liquidity of the bank lies with Asset Liability Committee (ALCO) who meets at least once in a month. Asset Liability Management (ALM) desk being primarily responsible for management of liquidity risk closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities. A monthly projection of fund flows is reviewed in ALCO meeting regularly. On monthly basis, ALCO monitors liquidity management by examining key ratios, maximum cumulative outflow, upcoming funding requirement from all business units, asset-liability mismatch etc.



ALCO also monitors concentration of deposits on large institutional depositors which is volatile in nature. In addition to these ratios, Bank prepares structural liquidity profile, maturity profile of term deposit, cash flow modeling, and contingency funding plan on monthly basis, which are analyzed in ALCO meeting to ensure liquidity at the level acceptable to the bank and regulators.

### **Market Risk**

Risk Management Unit (RMU) is responsible for overall monitoring, control, and reporting of market risk while Treasury Mid Office is an integral part of market risk management which independently evaluates and monitors treasury department's transaction from risk perspective. Overall risk parameters and exposures of the bank are monitored by RMU and periodically reported to Bank Risk Management Committee (BRMC). Market risk can be subdivided into three categories depending on risk factors: Interest Rate Risk, Foreign Exchange Risk, and Equity Price Risk.

Interest rate risk is the risk to earnings or capital of the bank arising from movement of interest rates. The movement of interest rates affects bank's reported earnings and capital by changing:

- Net interest income;
- The market value of trading accounts (and other instruments accounted for by market value); and
- Other interest sensitive income and expenses.

To manage interest rate risk, ALCO regularly monitors various ratios and parameters. Bank deploys several analysis techniques (e.g. Rate Sensitive Gap Analysis, Duration Gap Analysis) to measure interest rate risk, its impact on Net Interest Income and takes insight about course of actions.

### **Operational Risk**

Operational Risk Unit under Internal Control & Compliance Division (ICCD) is primarily responsible for risk identification, measurement, monitoring, control, and reporting of operational risk. Internal Control (audit) Unit of ICCD also conducts risk-based audit at departmental and branch level throughout the year. Besides, 'Bank Risk Management Committee' (BRMC) which reports to MD & CEO also plays a supervisory role.

Operational risks are analyzed through review of Departmental Control Function Check List (DCFCL). This is a self-assessment process for detecting high risk areas and finding mitigates of those risks. These DCFCLs are then discussed in monthly meeting of BRMC.

### **Information and communication technology risk**

The Bank has a comprehensive IT security policy and procedures which are formally documented and endorsed by competent authority. To prevent attack from cyber criminals/fraudsters IT division (hereinafter IT) has established standard physical & environmental security measures to all sensitive areas e.g. data centre, Disaster Recovery (DR) site, power rooms, server rooms etc. IT has standard logical security measures e.g. access card, password protected Server, access log, measuring device logs, periodic testing results, etc. to all core devices i.e. server, PC etc., connecting devices i.e. switch, router etc., security devices i.e. firewall, IDS etc., all applications i.e. core banking system, antivirus, firewall, VPN, utilities etc., databases, networks and others. IT has standard design and practice in network connectivity, access, build-up, configuration, monitoring, maintenance and security. IT has Business Continuity Management (BCM) to support and handle any human made or natural incident/disaster; moreover, regular backup schedule and retention avoids the risk of data loss based on the criticality of the system.

### **Asset liability risk management**

Asset Liability Management (ALM) especially focuses on "Risk Management". It covers the widest range of the banking activities in day-to-day operation. Introduction of ALM in a bank simply ensures the existence of healthy and prudent asset liability management system in the institute. In the complex banking era, there are so many risk factors any one which is good enough to a negative growth. Therefore, identification of factors and effective control over them are important and essential. Under the ALM system, it is ensured that then senior management would be attentive to balance sheet items for the great interest of the bank. As per Bangladesh Bank guideline, Shimanto Bank PLC. has formed a committee of Assets and Liability Management called ALCO (Assets Liability Management Committee).

**Liquidity risk management**

The risk that bank or business will be unable to meet its commitment as they fall due leading to bankruptcy or rise in funding cost. It is the solvency of business and which has special reference to the degree of readiness in which assets can be converted into cash without loss. Banks traditionally use the statutory liquidity reserve and their borrowing capacity in the volatile interbank money market as the source of liquidity. But a conscious approach to measure and monitor the liquidity is somewhat lacking in our market. We can learn and draw immense benefit by sharing the best practices, tools and techniques of liquidity management. Liquidity Risk arises from funding of long term assets by short term liabilities, thereby making the liabilities subject to rollover or refinancing Risk.

**Interest rate risk management**

Interest rate risk is the exposure of a bank's financial condition to adverse movements in interest rates. Accepting this risk is a normal part of banking and can be an important source of profitability and shareholder value. However, excessive interest rate risk can pose a significant threat to a bank's earnings and capital base. Changes in interest rates affect a bank's earnings by changing its net interest income and the level of other interest-sensitive income and operating expenses. Changes in interest rates also affect the underlying value of the bank's assets, liabilities and off-balance sheet instruments because the present value of future cash flows (and in some cases, the cash flows themselves) change when interest rates change. Accordingly, an effective risk management process that maintains interest rate risk within prudent levels is essential to the safety and soundness of banks.

**Operation risk management**

Operational risk is defined as the risk of loss resulting from inadequate or failed internal process, people and system or from external event. It is relatively difficult to identify or assess level of operational risk and its many sources. Shimanto Bank PLC. has established an effective operational risk management framework to mitigate the risk through strengthening the internal control (process and system), setting rules and procedures with the changed scenario, maintaining adequate clarification & documentation and establishing anti-fraud mechanism. Continuous actions are also being taken against damage of physical assets and avoid business disruption and system failure.

**Internal control and compliance risk management**

Internal Control refers to the mechanism in place on a permanent basis to control the activities in an organization. In absence of it risks resulting in unexpected losses caused by faulty internal processes, human errors, frauds & forgery, technology failure and documentary lapses may surface. The primary objectives of internal control system are to help the bank perform better through the use of its resources, identify its weaknesses, take appropriate measures to overcome the same and ensure compliance with regulatory framework including applicable laws and regulations.

The Bank has set up Internal Control & Compliance (IC&C) Division at Head Office to ensure that the internal control processes are in place through establishment of Audit Committee as per the instructions of Bangladesh Bank, which reviews the internal and external audit reports and ensures that the management takes effective measures in case of any deficiency/ lapse is found in the internal control system. The bank has introduced 'Risk Based Internal Audit (RBIA)' to assess the business risk as well as control risk associated with the branches, and determines how much follow up, monitoring & periodicity of internal audit would be required to bring a particular branch back to normalcy, if it is found that the performance of the branch is not satisfactory, and which may pose a potential threat for the Bank.

**Money laundering risk management**

Money Laundering is no more a local or regional issue that cannot be ignored – with the globalization of economy, we are living in a global village and are not immune to others problem. Money laundering & CFT is an issue that affects our nation, business, society and ultimately even the livelily hood of individuals. As a member country of Asia Pacific & Egmont Group Bangladesh is committed to comply with the recommendations of Financial Action Task Force (FATF).



Bangladesh has enacted the amended Money Laundering Prevention Act, 2012 & amended Anti-Terrorism Act, 2013 which covers all the international standards and requirements and assigned BFIU of BB to discharge the regulatory responsibility of implementation & monitoring of the AML & CFT activities to keep the financial system of the country safe & compliance. Shimanto Bank PLC. (SMB) is as a compliant & responsible institution committed to the highest standards of Anti-Money Laundering (AML) compliance and adhere to the set rules & declared standards to prevent use of our products and services for money laundering purposes. In addition to the legal compliance, Shimanto Bank PLC. considers AML & CFT compliance as part of its social responsibility & commitment.

The SMBL Anti Money Laundering Policy Guidelines which is drafted in line the Bangladesh Bank Guidance notes on Prevention of Money Laundering and Terrorist Financing encompasses the following major issues as part of its AML measures;

1. Mandatory maintenance of KYC (Know Your Customer) Forms for all types of accounts
2. Maintenance & monitoring the TP (Transaction Profile) of the accounts/client. Monitoring of unusual/suspicious transaction and report to Bangladesh Bank if required.
3. Submission of Cash Transaction Report (CTR) to Bangladesh Bank as per regulatory requirement.
4. Keeping of records for 05 (five) years from the date of closing of any type of account.
5. Appointment of Compliance Officer in every branch and Chief Compliance Officer at Head Office
6. Adequately train officials on Anti-Money Laundering and Combating Financing of Terrorism.
7. Declared Customer Acceptance Policy.
8. Prohibition of opening of any anonymous or fictitious account.
9. Prohibition of establishing banking relationship with any shell company.
10. Compliance of UN sanction list

For mitigating the risks, the bank has a designated Chief Anti-Money Laundering Compliance Officer (CAMLCO) & Deputy Chief Anti Money Laundering Compliance Officer (DCAMLCO) at Head Office and Branch Anti Money laundering Compliance Officers (BAMLCO) at branches, who independently review the transactions on the accounts to verify suspicious transactions and other AML measures.

#### **Internal Audit**

The Bank has established an independent internal audit function with the head of internal control & compliance (ICC) reporting directly to the chairman of audit committee of the Board. The internal audit team performs risk based audit on various business and operational areas of the Bank on continuous basis. The audit committee and the Board regularly review the internal audit reports as well as monitor progress of previous findings.

#### **Prevention of fraud**

Like any other banks and financial institutions, the Bank is also exposed to the inherent risk of fraud and hence implemented a number of anti-fraud controls and procedures specifically designed to prevent and detect any material instances of fraud or irregularities. As per the requirement of Bangladesh Bank regular reporting's are made on self-assessment of various anti-fraud controls as well as any incident of fraud and forgeries that have been identified by the Bank. Regular staff training and awareness programs are taken to ensure that all officers and staff of the Bank are fully aware of various fraud risks in their work area and prepared to deal with it.

### **3.14 Preparation of Basel III Accord**

#### **Basel II**

##### **Pillar-I: Minimum Capital Requirement**

Banks must hold minimum regulatory capital against Credit, Market and Operational Risk inherent with Banking Business. Shimanto Bank PLC. has adopted the following measurement approaches for computing its Capital Adequacy Ratio.

- a. Standardized Approach for Credit Risk,
- b. Basic Indicator Approach for Operational Risk, and
- c. Standardized Approach for Market Risk.

**Pillar-II: Supervisory Review Process (SRP)**

SRP basically deals with other risks faced by a bank but not covered in pillar-1. The key principle of SRP is that banks have a process for assessing overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital at an adequate level. The assessment of adequate capital would be the outcome of the dialogue to be held between the bank's SRP and Bangladesh Bank's SREP team. Following Risk has to be assessed for Adequate Capital Requirement under ICAAP as per Bangladesh Bank Guideline:

- a. Residual Risk
- b. Concentration Risk
- c. Liquidity Risk
- d. Reputation Risk
- e. Strategic Risk
- f. Settlement Risk
- g. Evaluation of Core Risk Management
- h. Environmental & Climate Change Risk
- i. Other material risks

**Pillar-III: Market Discipline**

The objective of Market Discipline in (Basel-II) is to establish more transparent and more disciplined financial market so that stakeholders can assess the position of a bank regarding holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets. For the said purpose, this "Disclosures on Risk Based Capital (Basel II)" is made as per Bangladesh Bank's Guideline.

**Basel III**

"Basel III", developed by the Basel Committee on Banking Supervision and published in December 2010, is a comprehensive set of reform measures including that of Basel II, to strengthen the regulation, supervision and risk management of the banking sector. These measures aim to:

- a) Improve the banking sector's ability to absorb shocks arising from financial and economic stress
- b) improve risk management and governance
- c) strengthen banks' transparency and disclosures.

**Shimanto Bank PLC. takes initiatives to ensure adequate capital include the following:**

- a) Consistently encouraging corporate clients to complete external credit rating to assess counterparty Credit Risk status, and to reduce capital requirements.
- b) Improving and enhancing eligible collateral, by way of collateral optimization.
- c) Assessment of risk profile and credit rating of new clients.
- d) CAR is periodically reviewed and assessed in Shimanto Bank PLC. by the Risk Management Unit (RMU), and reported to senior management.

**Capital adequacy and stress testing**

In order to have a sound and robust banking industry and to make the banks in Bangladesh more shock absorbent as well as to cope with international best practice for risk management, Bangladesh Bank introduced 'Risk Based Capital Adequacy (RBCA) for all Banks effective from January, 2010.

As per Risk Based Capital Adequacy (RBCA) guideline, according to Pillar 1 of Basel II, Risk Weighted Assets (RWA) of Shimanto Banks is calculated against Credit Risk, Market Risk and Operational Risk. Under Pillar 2 in Supervisory Review Process (SRP) Banks deals with other risks faced but not covered in pillar-1. Finally, under Pillar-3 in Market Discipline bank publish its capital adequacy disclosure on regular basis for market participants to establish more transparent and more disciplined financial market so that stakeholders can assess the position of a bank.



The Bank has also implemented Bangladesh Bank approved stress testing framework which forms an integral part of the Bank's Internal Capital Adequacy Assessment Process (ICAAP). Stress testing involves the use of various techniques to assess the Bank's potential vulnerability to extreme but plausible stressed business conditions. The changes in the level of credit risk, market risk, liquidity risk and Interest Rate Risk in the Banking Book (IRRBB), in the on and off balance sheet positions of the Bank, is assessed under assumed "stress" scenarios. Typically, this relates, among other things, to the impact on the Bank's profitability and capital adequacy. Stress Tests are conducted on a quarterly basis and the stress test results are put up to the Board quarterly, for their review and guidance.

**3.15 Related party disclosures**

A party is related to the Entity if:

(i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the Entity;

(ii) the party is an associate or a joint venture;

(iii) the party is a member of the key management personnel of the Entity or its parent;

(iv) the party is a close member of the family of any individual referred to in (i) or (iv);

(v) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or

(v); or

(vi) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the Entity.

**3.16 Compliance of International Accounting standards (IASs) and International Financial Reporting Standards (IFRSs)**

The Bank has complied the following IASs & IFRSs as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) during the preparation of financial statements as at and for the year ended 31 December 2023.

Name of the Standards	Ref:	Status
Presentation of Financial Statements	IAS-1	Complied **
Inventories	IAS-2	Not Applicable
Statement of Cash Flows	IAS-7	Complied **
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Complied
Events after the Reporting Period	IAS-10	Complied
Income Taxes	IAS-12	Complied
Property, Plant & Equipment	IAS-16	Complied
Employee Benefits	IAS-19	Complied
Accounting for Government Grants and Disclosur of Government Assistance	IAS-20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS-21	Complied
Borrowing Costs	IAS-23	Complied
Related Party Disclosures	IAS-24	Complied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Not Applicable
Separate Financial Statements	IAS-27	Complied
Investments in Associates and Joint Ventures	IAS-28	Not Applicable
Financial Reporting in Hyperinflationary Economies	IAS-29	Not Applicable
Financial Instruments: Presentation	IAS-32	Complied **
Earnings per Share	IAS-33	Complied
Interim Financial Reporting	IAS-34	Not Applicable
Impairment of Assets	IAS-36	Complied
Provisions, Contingent liabilities and Contingent Assets	IAS-37	Complied
Intangible Assets	IAS-38	Complied
Investment Property	IAS-40	Not Applicable
Agriculture	IAS-41	Not Applicable



Name of the Standards	Ref:	Status
First-time Adoption of International Financial Reporting Standards	IFRS-1	Complied
Share-based Payment	IFRS-2	Not Applicable
Business Combinations	IFRS-3	Not Applicable
Insurance contracts	IFRS-4	Not Applicable
Non-Current Assets Held for Sale and Discontinued Operations	IFRS-5	Not Applicable
Exploration for and Evaluation of Mineral Resources	IFRS-6	Not Applicable
Financial Instruments: Disclosures	IFRS-7	Complied **
Operating Segments	IFRS-8	Not Applicable
Financial Instruments: Recognition and Measurements	IFRS-9	Complied **
Consolidated Financial Statements	IFRS-10	Not Applicable
Joint Arrangements	IFRS-11	Not Applicable
Disclosure of Interest in other Entities	IFRS-12	Not Applicable
Fair Value Measurement	IFRS-13	Complied
Regulatory Deferral Accounts	IFRS-14	Not Applicable
Revenue from Contracts with Customers	IFRS-15	Complied
Leases	IFRS-16	Complied***
Insurance contracts	IFRS-17	Not Applicable

\* Subject to departure disclosed in note no. 2.1

\*\* In order to comply with certain specific rules and regulations of the Central Bank (Bangladesh Bank) which are different from IAS/IFRS, some of the requirements specified in these IAS/IFRSs are not applied.

\*\*\*IFRS-16 leases has been complied for the first time during the year 2023.

### 3.17 Events after the reporting period

All material events after the reporting period have been considered and appropriate adjustments/disclosures have been made in the financial statements as per IAS 10 'Events after the Reporting Period'.

### 3.18 Approval of financial statements

The financial statements were reviewed and subsequently approved by the Board of Directors in its 69th Board Meeting on 29 April 2024.

### 3.19 General

a) The financial statements of the Bank are presented in Bangladesh Taka (BDT) which is the Bank's functional currency. All financial information presented in Taka has been rounded off to the nearest integer, except when otherwise indicated.

b) These financial statements of the Bank cover one calendar year from 01 January 2023 to 31 December 2023.

c) The expenses, irrespective of capital or revenue nature, accrued / due but not paid have been provided for in the books of the accounts.

d) Figures of previous year have been rearranged whenever necessary to conform with the current year's presentation.



		Amount in Taka	
		31-Dec-23	31-Dec-22
<b>4. Cash</b>			
Cash in hand (including foreign currency)	Note: 4.1	351,213,043	319,824,165
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	Note: 4.2	852,356,977	725,246,650
		<b>1,203,570,020</b>	<b>1,045,070,815</b>
<b>4.1 Cash in Hand</b>			
In local currency		350,508,887	317,705,012
In foreign currency		704,156	2,119,153
		<b>351,213,043</b>	<b>319,824,165</b>
<b>4.2 Balance with Bangladesh Bank and its agent bank(s)</b>			
In local currency		817,618,598	666,456,431
In foreign currency		9,251,653	21,452,514
		826,870,251	687,908,945
Sonali Bank as agent of Bangladesh Bank (Local currency)		25,486,726	37,337,705
		<b>852,356,977</b>	<b>725,246,650</b>
<b>4.3 Statutory Deposits</b>			
<b>Cash Reserve Requirement and Statutory Liquidity Ratio</b>			
Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991 and MPD circular nos.01 & 02, dated June 23, 2014 and December 10, 2013 & DOS circular no.1 dated 19 January 2014 & MPD Circular no.01 dated April 03, 2018 & DOS circular letter no. 26 dated 19 August 2019 and MPD Circular no. 03 dated April 09, 2020.			
The statutory cash reserve requirement is on the Bank's time and demand liabilities as per Bangladesh Bank MPD circular no. 03 dated 09 April, 2020 at the rate of 4% for bi-weekly and 3.5% for daily (CRR) has been calculated and maintained with Bangladesh Bank in current account while statutory liquidity ratio of 13.00% is required, on the same liabilities is also maintained in the form of treasury bills, bonds and debentures including foreign currency balance with Bangladesh Bank. Both the reserves are maintained by the Bank in excess of the statutory requirements, as shown below:			
<b>(a) Cash Reserve Requirement (CRR)</b>			
<b>Daily Position as on the reporting date</b>			
Required reserve (3.50% of total time & demand liabilities)		635,424,000	488,468,000
Actual reserve maintained		804,849,499	644,035,766
<b>Surplus</b>		<b>169,425,499</b>	<b>155,567,766</b>
<b>Bi-weekly as on the reporting date</b>			
Required reserve (4.00% of total time & demand liabilities)		726,199,000	558,249,000
Actual reserve maintained		804,849,499	644,035,766
<b>Surplus</b>		<b>78,650,499</b>	<b>85,786,766</b>
<b>(b) Statutory Liquidity Ratio (SLR)</b>			
Required reserve (13% of total time & demand liabilities)		2,360,148,000	1,814,310,000
Actual reserve maintained		2,753,599,659	2,509,822,517
<b>Surplus</b>		<b>393,451,659</b>	<b>695,512,517</b>





(c) **Components of Statutory Liquidity Ratio (SLR)**

Cash in hand
Balance with Sonali Bank Limited
Excess reserve of CRR (4.00% of bi-weekly)
HTM securities
HFT securities
Other eligible security

Amount in Taka	
31-Dec-23	31-Dec-22
351,213,043	319,823,580
25,411,149	32,247,671
78,650,499	85,786,766
2,234,952,268	1,730,380,500
-	278,255,400
63,372,700	63,328,600
<b>2,753,599,659</b>	<b>2,509,822,517</b>

4.4 **Maturity grouping of cash**

On demand
Upto 1 month
Over 1 month but not more than 3 months
Over 3 month but not more than 6 months
Over 6 month but not more than 1 year
Over 1 year but not more than 5 years
Over 5 years

1,203,570,020	1,045,070,815
-	-
-	-
-	-
-	-
-	-
-	-
<b>1,203,570,020</b>	<b>1,045,070,815</b>

5. **Balance with other Banks and Financial Institutions**

Inside Bangladesh
Outside Bangladesh

Note: 5.1  
Note: 5.2

570,863,784	1,135,807,491
166,033,007	61,323,582
<b>736,896,791</b>	<b>1,197,131,073</b>

5.1 **Inside Bangladesh:**

**Current Account**

Sonali Bank PLC.
Agrani Bank PLC.
Sonali Bank PLC.

**Branch Name**

Rangpur Branch
Pragpur Branch
Teknaf Branch

1,000,000	-
2,231,895	3,067,930
2,479,785	2,039,723
<b>5,711,680</b>	<b>5,107,653</b>

**Savings Account**

AB Bank PLC.
Trust Bank Limited
Eastern Bank PLC.
Eastern Bank PLC.
Sonali Bank PLC.

Principal Branch
Dhanmondi Branch
Gulshan Branch
Dhanmondi Branch
Local Office

6,692,788	15,438,483
4,274,539	4,695,064
6,106,762	833,525
74,796	4,729,547
3,219	3,219
<b>17,152,104</b>	<b>25,699,838</b>

**Fixed Deposit**

Industrial and Infrastructure Development Finance Company-IIDFC
Phoenix Finance & Investment Limited
IPDC Finance Limited
United Finance Limited
National Bank Limited

368,000,000	375,000,000
180,000,000	180,000,000
-	350,000,000
-	100,000,000
-	100,000,000
<b>548,000,000</b>	<b>1,105,000,000</b>
<b>570,863,784</b>	<b>1,135,807,491</b>



**5.2 Outside Bangladesh:**

Habib American Bank  
Axis Bank ACU  
United Bank of India

Amount in Taka	
31-Dec-23	31-Dec-22
152,317,938	54,735,687
11,790,966	4,960,370
1,924,103	1,627,525
<b>166,033,007</b>	<b>61,323,582</b>

**5.3 Maturity grouping of balance with other banks and financial institutions**

Repayable on demand  
Up to 3 months  
Over 3 months but below 1 year  
Over 1 year but below 5 years  
Over 5 years

736,896,791	1,197,131,073
-	-
-	-
-	-
-	-
<b>736,896,791</b>	<b>1,197,131,073</b>

**6. Money at Call on Short Notice**

With Banking Companies  
With Finance Companies

Note: 6.1

Note: 6.2

230,000,000	900,000,000
30,000,000	400,000,000
<b>260,000,000</b>	<b>1,300,000,000</b>

**6.1 With Banking Companies**

Midland Bank Ltd.  
NCC Bank PLC.  
AB Bank PLC.  
National Bank Limited

-	450,000,000
-	100,000,000
100,000,000	350,000,000
130,000,000	-
<b>230,000,000</b>	<b>900,000,000</b>

**6.2 With Finance Companies**

United Finance Limited  
LankaBangla Finance PLC.

30,000,000	-
-	400,000,000
<b>30,000,000</b>	<b>400,000,000</b>

**6.3 Maturity grouping of money at call on short notice**

On demand  
Upto 1 month  
Over 1 month but not more than 3 months  
Over 3 month but not more than 6 months  
More than 6 months but less than 1 year  
More than 1 year but less than 5 years  
More than 5 years

-	-
260,000,000	900,000,000
-	400,000,000
-	-
-	-
-	-
-	-
<b>260,000,000</b>	<b>1,300,000,000</b>

**7. Investments**

Government Securities  
Other Investments

Note: 7.1

Note: 7.2

2,298,324,968	2,071,964,499
3,236,823,858	3,299,025,501
<b>5,535,148,826</b>	<b>5,370,990,000</b>

		Amount in Taka	
		31-Dec-23	31-Dec-22
<b>7.1 Government Securities</b>			
Treasury Bills	Note: 7.1.1	-	115,458,991
Treasury Bonds	Note: 7.1.2	2,234,952,268	1,893,176,908
Government Islamic Bond (Sukuk)	Note: 7.1.3	63,150,000	63,150,000
Prize bonds		222,700	178,600
		<b>2,298,324,968</b>	<b>2,071,964,499</b>
<b>7.1.1 Treasury Bills</b>			
91 days Treasury Bills		-	-
182 days Treasury Bills		-	115,458,991
364 days Treasury Bills		-	-
		-	<b>115,458,991</b>
<b>7.1.2 Treasury Bond</b>			
2 years treasury bond		350,894,386	-
5 years treasury bond		210,537,412	209,685,773
10 years treasury bond		884,897,467	890,198,853
15 years treasury bond		473,381,993	474,541,307
20 years treasury bond		315,241,010	318,750,975
		<b>2,234,952,268</b>	<b>1,893,176,908</b>
<b>7.1.3 Government Islamic Bond (Sukuk)</b>			
2 years		-	-
5 years		63,150,000	63,150,000
		<b>63,150,000</b>	<b>63,150,000</b>
<b>7.1.4 Investment in securities are classified as per Bangladesh Bank Circular</b>			
Held for Trading (HFT)		-	278,255,400
Held to Maturity (HTM)		2,234,952,268	1,614,921,508
		<b>2,234,952,268</b>	<b>1,893,176,908</b>
As per DOS Circular NO. 01 dated 19 January 2014, the maximum limit of holding approved Securities under Held to Maturity (HTM) is 110% of SLR for all nonprimary dealer banks and the Bank has invested in Treasury bonds under HTM category as per said circular.			
<b>7.2 Other Investments</b>			
Investments in Share	Note 7.2.1	2,606,596,483	2,305,994,241
Investment in Zero Coupon Bond		255,227,375	298,031,260
Investment in Mutual Fund		45,000,000	45,000,000
Investment in Subordinate Bond		330,000,000	350,000,000
Investments in Commercial Paper		-	300,000,000
		<b>3,236,823,858</b>	<b>3,299,025,501</b>
<b>7.2.1 Investments in Shares</b>			
Investment in Share (Special Fund)	Note: 7.2.1.1	169,802,260	167,700,020
Investment in Share (Regular Fund)	Note: 7.2.1.2	2,436,794,223	2,138,294,222
		<b>2,606,596,483</b>	<b>2,305,994,241</b>
<b>7.2.1.1 Investment in Share (Special Fund)</b>			
Quoted Share		169,802,260	167,700,020
Unquoted Share		-	-
		<b>169,802,260</b>	<b>167,700,020</b>



**Quoted Share**

A.C.I	
Bangladesh Steel Re-Ro	
Bd Submarine Cable PLC.	
GPH Ispat Limited	
I.F.I.C. Bank PLC.	
Mercantile Bank PLC.	
Power Grid Company of Bangladesh	
Bangladesh Export Import Company Ltd.	
Beximco Pharmaceuticals Ltd.	
IPDC Finance Limited	
LankaBangla Finance PLC.	
LafargeHolcim Bangladesh Limited	
Summit Power Limited	
British American Tobacco Bangladesh Company Limited-BATBC	
Confidence Cement PLC.	
Square Pharmaceuticals PLC.	

Amount in Taka	
31-Dec-23	31-Dec-22
25,730	25,730
1,473,001	1,473,001
2,049	2,049
5,456,933	5,456,933
15,338,976	15,338,976
3,568,425	3,568,425
10,029,027	10,029,027
7,413,487	7,413,487
47,015,376	47,015,376
420	420
10,590,258	10,590,258
5,299,627	3,197,385
4,297,180	4,297,180
30,952,411	30,952,412
14,805,360	14,805,360
13,534,000	13,534,001
<b>169,802,260</b>	<b>167,700,020</b>

**7.2.1.2 Investment in Share (Regular Fund)**

Quoted Share (a)	
Unquoted Share (b)	

16,294,223	16,294,222
2,420,500,000	2,122,000,000
<b>2,436,794,223</b>	<b>2,138,294,222</b>

**a. Quoted Share**

A.C.I	
Bangladesh Export Import Company Ltd.	
Beximco Pharmaceuticals Ltd.	
GPH Ispat Limited	
I.F.I.C. Bank PLC.	
LafargeHolcim Bangladesh Limited	

3,025,039	3,025,039
13,474	13,474
5,499,643	5,499,643
2,555,998	2,555,997
5,199,263	5,199,263
806	806
<b>16,294,223</b>	<b>16,294,222</b>

**b. Unquoted Share**

Envoy Textiles Limited	
Impress Newtux Composite Textiles Ltd	
Premier Cement Mills Ltd.	
Esquire Accessories Limited	
Anwar Ispat	
Paramount Text.	
Hamid Spinning Mills Ltd.	
Lab Aid	
Confidence Infrastructure Limited	

48,000,000	72,000,000
300,000,000	300,000,000
262,500,000	300,000,000
140,000,000	200,000,000
350,000,000	350,000,000
400,000,000	500,000,000
250,000,000	-
350,000,000	-
320,000,000	400,000,000
<b>2,420,500,000</b>	<b>2,122,000,000</b>
<b>2,436,794,223</b>	<b>2,138,294,222</b>

		Amount in Taka	
		31-Dec-23	31-Dec-22
<b>8. Loans and Advances</b>			
Loans, Cash Credits, Overdrafts etc.	Note-8.1	16,014,791,094	12,531,846,451
Bills Purchased and Discounted	Note-8.2	-	-
		<b>16,014,791,094</b>	<b>12,531,846,451</b>
<b>8.1 Loans, Cash Credits, Overdrafts etc.</b>			
<b>Inside Bangladesh:</b>			
Overdraft		2,277,076,877	2,519,734,985
Time loan		5,742,799,767	4,060,098,859
Term loan		7,968,638,324	5,921,022,119
Staff Loan	Note-8.3	26,276,126	30,990,488
		<b>16,014,791,094</b>	<b>12,531,846,451</b>
<b>Outside Bangladesh:</b>			
		-	-
		<b>16,014,791,094</b>	<b>12,531,846,451</b>
<b>8.2 Bills Purchased and Discounted</b>			
Payable Inside Bangladesh		-	-
Payable Outside Bangladesh		-	-
		-	-
<b>8.3 Staff Loan</b>			
Home Loan		16,946,202	23,852,722
Car Loan		9,329,924	7,137,766
		<b>26,276,126</b>	<b>30,990,488</b>
<b>8.4 Maturity grouping of loans and advances</b>			
Repayable on demand		1,363,913,027	1,144,796,494
Upto 3 months		2,540,201,931	-
Over 3 months but below 1 year		3,813,730,061	5,261,173,164
Over 1 year but below 5 years		5,330,442,026	4,473,656,839
Over 5 years		2,966,504,049	1,652,219,954
		<b>16,014,791,094</b>	<b>12,531,846,451</b>
<b>8.5 Loans and Advances under the following Broad categories</b>			
<b>Inside Bangladesh:</b>			
Loans		13,737,714,217	10,012,111,466
Overdrafts		2,277,076,877	2,519,734,985
Cash credits		-	-
		<b>16,014,791,094</b>	<b>12,531,846,451</b>
<b>Outside Bangladesh:</b>			
		-	-
		<b>16,014,791,094</b>	<b>12,531,846,451</b>

As per letter # 178/FRC/APR/2021/27(45) dated 09 December 2021 issued by the Financial Reporting Council (FRC) regarding the compliance of BRPD Circular Letter # 04 dated 04 January 2021 and BRPD Circular Letter # 35 dated 06 July 2021. The Bank collected the audited financial statements before sanction/renewal of new loan and verified those audited financial statements through DVS developed by ICAB.

**8.6 Net loans and advances**

Gross loans and advances  
Less: Provision for loans and advances  
Less: Interest suspense

Amount in Taka	
31-Dec-23	31-Dec-22
16,014,791,094	12,531,846,451
292,467,997	251,362,793
77,498,783	8,907,554
<b>15,644,824,314</b>	<b>12,271,576,104</b>

**8.7 Loans and advances on the basis of significant concentration**

- a) Loans and advances to the institutions in which Directors have interest  
b) Loans and advances to Chief Executive and other senior executives  
c) Loans and advances to customer groups:  
i) Real estate finance  
ii) Car loan  
iii) Personal loan  
iv) Loan against deposits (LAD)  
v) Small and medium enterprises  
vi) Special program loan (Bangladesh Bank refinancing scheme)  
vii) Staff loan  
viii) Industrial loans, advances and leases  
ix) Other loans and advances

-	-
5,033,675	4,156,982
-	-
372,987,821	230,503,884
26,802,991	19,096,495
2,759,606,230	3,111,495,924
484,313,757	372,830,999
1,519,543,780	53,840,109
34,156,155	155,218,457
26,276,126	30,990,489
9,386,154,183	6,752,484,908
1,399,916,376	1,801,228,204
<b>16,014,791,094</b>	<b>12,531,846,451</b>

**8.8 Details of large loans and advances**

Number of clients which sanctioned amount of loans and advances exceeding 10% of the total capital of the Bank with outstanding and classified amount.

Total capital of the Bank

Number of clients

Amount of outstanding loans and advances

Amount of classified loans and advances

Measures taken for recovery

-	-
9	8
6,214,354,659	4,626,340,366
-	-
-	-

Name of the Borrower	Outstanding		Total	
	Funded	Non-Funded	31-Dec-23	31-Dec-22
Energypac Group	720,620,429	-	720,620,429	701,904,505
Property Development Ltd	560,011,794	288,510,341	848,522,135	435,463,500
Genesis International/Merits Technologies Ltd.	891,795,836	79,368,991	971,164,827	1,048,203,757
Taufika Group	1,275,334,046	-	1,275,334,046	1,218,061,646
Paramount Textile Limited	225,672,529	-	225,672,529	224,879,346
Esquire Knit Composite Ltd.	255,800,825	400,000,000	655,800,825	-
Sheltech Engineering Limited	320,942,627	19,524,586	340,467,213	294,131,363
City Group	747,739,930	-	747,739,930	703,696,250
GPH Ispat Limited	429,032,726	-	429,032,726	-
Jagorani Chakra Foundation	-	-	-	499,697,733
	<b>5,426,950,742</b>	<b>787,403,917</b>	<b>6,214,354,659</b>	<b>4,626,340,366</b>

**8.9 Sector - wise concentration of loans and advances (including bills purchased and discounted)**

Public sector

Private sector

-	-
16,014,791,094	12,531,846,451
<b>16,014,791,094</b>	<b>12,531,846,451</b>



**8.10 Industry wise loans and advances**

Trade and commerce

**Industries**

- i) Garments and knitwear
- ii) Textile
- iii) Jute and jute -products
- iv) Food production and processing industry
- v) Plastic industry
- vi) Leather and leather goods
- vii) Iron, steel and engineering
- viii) Pharmaceuticals and chemicals
- ix) Cement and allied industry
- x) Telecommunication and IT
- xi) Paper, printing and packaging
- xii) Glass, glassware and ceramic industry
- xiii) Ship manufacturing industry
- xiv) Electronics and electrical products
- xv) Power, gas, water and sanitary service
- xvi) Transport and aviation

Agriculture

Housing

Loan to subsidiaries companies

Others

Amount in Taka	
31-Dec-23	31-Dec-22
640,920,740	248,635,962
-	-
481,304,907	452,979,633
225,672,529	224,879,346
-	-
2,159,076,962	1,571,106,883
102,611,333	-
-	-
942,072,382	-
924,221,853	505,845,435
509,022,222	-
7,709,216	9,903,697
-	-
-	-
-	-
190,203,073	517,211,562
533,010,774	505,312,248
-	-
133,492,092	77,640,033
389,934,023	254,356,606
-	-
8,775,538,988	8,163,975,046
<b>16,014,791,094</b>	<b>12,531,846,451</b>

**8.11 Geographical location-wise portfolio grouping**

**Inside Bangladesh:**

**Urban Branches**

Dhaka

Chittagong

Khulna

Mymensingh

Sylhet

Barisal

Rajshahi

Rangpur

12,805,952,487	10,654,736,696
2,146,758,469	743,966,349
303,746,638	324,540,154
145,476,734	162,936,912
66,423,163	77,274,797
-	-
-	105,746,790
115,057,522	-
<b>15,583,415,013</b>	<b>12,069,201,698</b>

**Rural Branches**

Dhaka

Chittagong

Khulna

Mymensingh

Sylhet

Barisal

Rajshahi

Rangpur

-	-
324,435,299	348,020,207
69,907,087	69,368,977
37,033,695	45,255,569
-	-
-	-
-	-
-	-
<b>431,376,081</b>	<b>462,644,753</b>
<b>16,014,791,094</b>	<b>12,531,846,451</b>

**Outside Bangladesh:**

-	-
<b>16,014,791,094</b>	<b>12,531,846,451</b>

Amount in Taka	
31-Dec-23	31-Dec-22

**8.12 Securities wise loans and advances**
**a. Secured**

Collateral of movable / immovable assets	589,469,633	1,727,961,239
Cash collateral	11,160,129	-
Local Banks & Financial Institutions guarantee	-	-
Foreign Banks Guarantee	-	-
Export documents	-	-
Government Guarantee	-	-
FDR Shimanto Bank	564,432,829	469,125,006
FDR of Other Banks	-	-
Personal Guarantee	7,203,608,874	649,579,953
Other Securities	-	364,525,000
Government bonds	278,069,528	604,475,000
	<b>8,646,740,993</b>	<b>3,815,666,198</b>
	<b>7,368,050,101</b>	<b>8,716,180,253</b>
	<b>16,014,791,094</b>	<b>12,531,846,451</b>

**b. Unsecured**
**8.13 Classification of loans and advances**
**Unclassified**

Standard (UC)	15,691,387,040	12,345,788,036
Special Mention Accounts (SMA)	145,692,240	33,404,944
	<b>15,837,079,280</b>	<b>12,379,192,980</b>

**Classified**

Sub-Standard (SS)	43,168,646	36,041,454
Doubtful (DF)	9,537,088	38,390,970
Bad/Loss (BL)	125,006,080	78,221,047
	<b>177,711,814</b>	<b>152,653,471</b>
	<b>16,014,791,094</b>	<b>12,531,846,451</b>

**8.14 Particulars of required provision for loans and advances**
**General Provision**

Status of Loans and Advances	Base for Provision	Rate	Provision Amount	Provision Amount
Standard	15,680,987,040	Various*	182,021,304	156,768,563
Special Mention Account	145,692,240		770,280	387,683
Special General Provision- COVID-19			17,020,197	17,020,197
<b>Total</b>	<b>15,826,679,280</b>		<b>199,811,781</b>	<b>174,176,443</b>

**Specific Provision**

Status of Loans and Advances	Base for Provision	Rate	Provision Amount	Provision Amount
Sub-Standard	40,935,365	20% & 5%	8,046,455	6,537,152
Doubtful	8,849,513	50% & 5%	4,424,756	8,191,436
Bad-Loss	80,185,005	100%	80,185,005	60,519,273
<b>Total</b>	<b>129,969,883</b>		<b>92,656,216</b>	<b>75,247,861</b>
<b>Total required provision for loans and advances</b>			<b>292,467,997</b>	<b>249,424,304</b>
<b>Total provision maintained for loans and advances</b>			<b>292,467,997</b>	<b>251,362,793</b>
<b>Excess/(Short) Provision</b>			<b>-</b>	<b>1,938,489</b>

\*General provision is kept @ 1% on general loans and advances and 0.25% on small enterprise financing, 2% on certain other types of lending and 5% on consumer financing.



Amount in Taka	
31-Dec-23	31-Dec-22

**8.15 Particulars of Loans and advances**

(i)	Loans considered good in respect of which the Bank is fully secured	1,443,132,119	1,390,896,168
(ii)	Loans considered good against which the Bank holds no security other than the debtors' personal guarantee	7,368,050,101	1,443,016,880
(iii)	Loans considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	7,203,608,874	9,697,933,403
(iv)	Loan adversely classified for which no provision is created	-	-
		<b>16,014,791,094</b>	<b>12,531,846,451</b>
(v)	Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons	83,640,063	72,774,691
(vi)	Loans due from companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in case of private companies, as members	-	-
(vii)	Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the Bank or any of them either separately or jointly with any other persons	2,000,000	6,000,000
(viii)	Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	-	-
(ix)	Due from other banking companies	-	-
(x)	Information respect of classified loans and advances	-	-
a)	Classified loans on which interest has not been charged to income		
	(1) Increase/ decrease of provision (Specific)	15,974,520	(7,689,597)
	(2) amount of loans written off		-
	(3) Amount recovered against loans previously written off;		-
b)	Amount of proviosn kept against loan classified as "bad/loss" on the date of preparing the balance sheet;	80,185,005	60,519,273
c)	Interest creditable to the interest suspense account	77,498,783	8,907,554
(xi)	Cumulative amount of written of loan		
	Opening balance	-	-
	Amount written off during the year	-	-

**9. Fixed Assets Including Premises, Furniture and Fixtures**

Freehold assets	Note: 9.1	200,186,674	212,618,733
Intangible assets	Note: 9.2	21,401,484	19,577,537
Lease Assets	Note: 9.3	208,102,749	-
		<b>429,690,907</b>	<b>232,196,270</b>

**9.1 Freehold Assets**

 Computer & Network  
 Furniture and Fixtures  
 Office Equipment  
 Vehicle  
 Decoration & Renovation

Less: Accumulated Depreciation

**9.2 Intangible Assets**

 Software  
 Less: Accumulated Amortization

**9.3 Lease Assets**

 Right of Used Assets  
 Less: Accumulated Depreciation

 A schedule of fixed assets is given in **Annexure-A**
**10 Other Assets**
**Income Generating**

 Income receivable on investment  
 Interest receivable from calls and placements  
 Interest receivable on loans & advances  
 Dividend receivable from preference share  
 Receivable on Cards  
 Receivable from Capital Market (Regular Fund)  
 Dividend Receivable from Special Fund Investment  
 Shanchaypatra Receivable

**Non-Income Generating**

 Advance rent  
 Advance income tax Note: 10.1  
 Balance with EBL Securities  
 Balance with Lanka Bangla Securities Ltd  
 Advance VAT  
 Advance, deposit & prepayments Note: 10.2  
 Stationery and stamps Note: 10.3  
 Branch adjustment  
 Clearing charges adjustment  
 Suspense account  
 Silver  
 Other Receivables  
 Deferred tax asset Note: 13.3

		Amount in Taka	
		31-Dec-23	31-Dec-22
		196,223,679	170,584,312
		95,697,914	93,637,519
		102,188,649	97,067,185
		176,400	176,400
		84,962,689	81,911,502
		<b>479,249,331</b>	<b>443,376,918</b>
		279,062,657	230,758,185
		<b>200,186,674</b>	<b>212,618,733</b>
		79,332,704	66,367,247
		57,931,220	46,789,710
		<b>21,401,484</b>	<b>19,577,537</b>
		260,300,744	-
		52,197,995	-
		<b>208,102,749</b>	<b>-</b>
		101,095,755	89,294,829
		26,044,775	15,913,043
		42,697,025	65,404,033
		30,003,446	28,454,900
		10,841,642	3,126,240
		175,266	185,053
		1,780,089	2,420,029
		224,449	3,093,239
		<b>212,862,447</b>	<b>207,891,366</b>
		10,028,963	34,381,291
		748,560,719	585,812,699
		18,571	18,571
		339,224	2,336,329
		7,015	292,763
		33,679,026	13,774,398
		4,306,213	6,227,297
		-	-
		100,276	107,686
		-	-
		-	-
		16,198,003	7,023,255
		9,246,055	10,204,259
		<b>822,484,065</b>	<b>660,178,548</b>
		<b>1,035,346,512</b>	<b>868,069,914</b>



		Amount in Taka	
		31-Dec-23	31-Dec-22
<b>10.1 Advance Income Tax</b>			
Opening Balance		585,812,699	415,135,337
Add: Paid during the year		162,748,020	170,677,362
		<b>748,560,719</b>	<b>585,812,699</b>
Less: Adjustment during the year		-	-
		<b>748,560,719</b>	<b>585,812,699</b>
<b>10.2 Advance, Deposit &amp; Prepayments</b>			
House furnishing allowance		2,643,600	3,034,585
Temporary advance to staff & Vendor		358,736	186,995
Prepaid/Deferred Expenses		30,676,690	10,552,818
		<b>33,679,026</b>	<b>13,774,398</b>
<b>10.3 Stationery and stamps</b>			
VISA Plastic card		1,901,707	5,162,407
Printing Stationary		2,274,936	971,920
Stamps (Judicial & Non- Judicial)		129,570	92,970
		<b>4,306,213</b>	<b>6,227,297</b>
<b>11. Borrowings from Other Banks, Financial Institutions and Agents</b>			
Inside Bangladesh		49,768,850	48,860,032
Outside Bangladesh		-	-
		<b>49,768,850</b>	<b>48,860,032</b>
<b>11.1 Security against borrowings from other banks, financial institutions and agents</b>			
Secured (Treasury bills)		-	-
Unsecured		49,768,850	48,860,032
		<b>49,768,850</b>	<b>48,860,032</b>
<b>11.2 Maturity grouping of borrowings from other banks, financial institutions and agents</b>			
Payable on demand		-	-
Up to 1 month		-	-
Over 1 month but within 3 months		-	-
Over 3 months but within 1 year		49,768,850	48,860,032
Over 1 year but within 5 years		-	-
Over 5 years		-	-
		<b>49,768,850</b>	<b>48,860,032</b>
<b>12. Deposit and Other Accounts</b>			
<b>Deposit from Bank</b>		-	-
<b>Deposit from customer and others</b>			
Current Deposits Accounts	Note: 12.1	684,445,216	445,864,916
Bills Payables	Note: 12.2	259,913,863	179,641,450
Savings Bank Deposit Accounts	Note: 12.3	1,567,634,859	1,258,758,740
Short Notice Deposit Account	Note: 12.4	3,416,997,623	4,914,924,876
Scheme Deposit Account	Note: 12.5	440,554,179	382,273,993
Fixed Deposit Accounts	Note: 12.6	11,996,266,440	9,329,903,483
Other Deposits	Note: 12.7	275,773,583	168,116,828
		<b>18,641,585,763</b>	<b>16,679,484,286</b>
		<b>18,641,585,763</b>	<b>16,679,484,286</b>



**12.1 Current Deposits Accounts**

Current Deposit

Foreign Currency Deposit

Security Deposit

Margin Deposit

**12.2 Bills Payables**

**12.3 Savings Deposit Accounts**

SMBL Payroll Gold

SMBL Shopno

SMBL Payroll

BGB School Payroll Account

BGB School PF Account

BGB School Gratuity Account

Shimanto Student Account

SmbL Staff Salary Account

BGB Payroll Account

Shimanto Sanchay

**12.4 Short Notice Deposit Accounts**

SMBL SND Account (SME)

SMBL SND Account (Corporate)

**12.5 Scheme Deposit Accounts**

Shimanto Student DPS

Shimanto DPS

Connect DPS

**12.6 Fixed Deposit Accounts**

Term Deposit Account

**12.7 Other Deposits**

Interest Payable on deposit

Vat Payable

Excise Duty Payable

Tax Payable (At Source)

Other Deposit

Amount in Taka	
31-Dec-23	31-Dec-22
526,920,145	371,745,548
11,352,559	10,205,418
3,730,187	5,421,479
142,442,325	58,492,471
<b>684,445,216</b>	<b>445,864,916</b>
<b>259,913,863</b>	<b>179,641,450</b>
1,225,198	45,783
3,169,072	1,848,558
22,662,453	24,231,715
136,827,891	102,249,092
86,350,891	63,866,260
15,690,488	12,843,047
12,025,961	10,939,551
15,229,130	12,115,892
314,674,142	279,192,030
959,779,633	751,426,812
<b>1,567,634,859</b>	<b>1,258,758,740</b>
511,229,781	472,152,752
2,905,767,842	4,442,772,124
<b>3,416,997,623</b>	<b>4,914,924,876</b>
13,428,429	12,495,992
425,235,652	369,778,001
1,890,098	-
<b>440,554,179</b>	<b>382,273,993</b>
11,996,266,440	9,329,903,483
<b>11,996,266,440</b>	<b>9,329,903,483</b>
186,606,748	112,115,474
7,010,962	4,921,061
17,637,950	16,122,555
24,465,454	13,903,782
40,052,469	21,053,956
<b>275,773,583</b>	<b>168,116,828</b>

**12.8 Maturity analysis of deposits and other account**
**a) Maturity analysis of deposits from Banks**

Repayable on demand
Within 1 month
Over 1 month but within 3 months
Over 3 months but within 1 year
Over 1 year but within 5 years
Over 5 years but within 10 years
Over 10 years

Amount in Taka	
31-Dec-23	31-Dec-22

-	-
-	-
-	-
-	-
-	-
-	-
-	-

**b) Maturity analysis of customer deposits and other account**

Repayable on demand
Within 1 month
Over 1 month but within 6 months
Over 6 months but within 1 year
Over 1 year but within 5 years
Over 5 years but within 10 years
Over 10 years

944,359,079	416,898,365
2,006,528,710	3,765,731,004
6,710,634,956	3,784,882,175
4,811,984,516	3,711,437,164
2,675,981,346	3,495,146,216
1,492,097,156	1,505,389,362
-	-
<b>18,641,585,763</b>	<b>16,679,484,286</b>

**12.9 Sector wise Deposit**

Government
Private
Foreign Currency
Others

8,785,297,733	8,579,368,634
9,163,075,513	7,678,238,006
11,352,559	10,205,418
681,859,958	411,672,228
<b>18,641,585,763</b>	<b>16,679,484,286</b>

**12.10 Payable on demand and time deposits**
**a) Demand Deposits**

Current deposits
Savings deposits (9%)
Foreign currency deposits
Security deposits
Sundry deposits
Bills payable

669,362,470	435,659,498
141,087,137.31	113,288,287
11,352,559	10,205,418
3,730,187	5,421,479
275,773,583	162,695,349
259,913,863	179,641,450
<b>1,361,219,799</b>	<b>906,911,481</b>

**b) Time Deposits**

Savings deposits (91%)
Fixed deposits
Special notice deposits
Deposits under schemes

1,426,547,722	1,145,470,453
11,996,266,440	9,329,903,483
3,416,997,623	4,914,924,876
440,554,179	382,273,993
<b>17,280,365,964</b>	<b>15,772,572,805</b>
<b>18,641,585,763</b>	<b>16,679,484,286</b>

**13. Other Liabilities**

		Amount in Taka	
		31-Dec-23	31-Dec-22
Accumulated Provision against Loans and Advances	Note - 13.1	275,447,800	234,342,596
Special General Provision- COVID-19	Note - 13.2	17,020,197	17,020,197
Provision for Off Balance Sheet Items	Note - 13.3	10,284,633	5,782,822
Provision for Current Tax	Note - 13.4	780,222,073	652,167,449
Interest Payable on Borrowing		-	161,282
Provision for Deferred Tax	Note - 13.5	-	-
Other Payable		70,109,718	39,476,432
Interest Suspense	Note - 13.6	77,498,783	8,907,554
Provision for Diminution in Value of Investments	Note - 13.7	2,110,883	2,095,683
Provision for Start-up Fund	Note - 13.8	8,185,046	5,717,033
Provision for Climate Risk Fund		2,468,013	-
Transactional Account		49,436	307,600
CIB Payable		-	1,113,790
Lease Liability		199,082,067	-
		<b>1,442,478,649</b>	<b>967,092,438</b>

**13.1 Provision against Loans and Advances**
**Movement of Specific Provision**

Opening balance	76,681,696	84,371,294
Less: Fully provided debts written off during the year	-	-
Add: Recovery of amounts previously written off	-	-
Add: Specific provision made during the year	24,768,282	146,659,497
Less: Transferred to general provision of loans and advances	8,793,762	154,349,095
Add: Transfer from general reserve	-	-
Less: Recoveries and provision no longer required	-	-
Add: Net charge to Profit and Loss Account	-	-
<b>Closing balance</b>	<b>92,656,216</b>	<b>76,681,696</b>

**Movement of General Provision**

Opening Balance	157,660,900	99,063,346
Add: Transfer from specific provisions	-	-
Less: Transfer from General Provision	41,673,825	285,701,228
Add: General provision made during the year	66,804,509	344,298,782
<b>Closing balance</b>	<b>182,791,584</b>	<b>157,660,900</b>
	<b>275,447,800</b>	<b>234,342,596</b>

**13.2 Special General Provision- COVID-19**

Opening balance	17,020,197	25,407,312
Less: Adjustment during the year	-	8,387,115
<b>Closing Balance</b>	<b>17,020,197</b>	<b>17,020,197</b>
<b>Total Provision maintained</b>	<b>292,467,997</b>	<b>251,362,793</b>

Amount in Taka	
31-Dec-23	31-Dec-22

### 13.3 Provision for Off Balance Sheet Exposures

Opening balance	5,782,822	6,106,512
Add: Addition during the year	9,419,065	-
Less: Transfer during the year	4,917,254	323,690
	<b>10,284,633</b>	<b>5,782,822</b>

The Bank has made a provision of (Tk 1,02,74,11,773) @ 1.00% on off balance sheet exposure as per BRPD Circular number 14 dated 23.09.2012 from current year's profit. The total amount of provision of Tk. 1,02,74,118 is deemed sufficient on requirement and will be treated as Supplementary Capital of the Bank.

### 13.4 Provision for Current Tax

Opening Balance	652,167,449	509,957,624
Add: Provision made during the year	128,054,624	142,209,825
Less: Settlement during the year	-	-
<b>Closing Balance</b>	<b>780,222,073</b>	<b>652,167,449</b>

### 13.5 Deferred Tax Liability/(Asset)

#### Temporary timing difference in written down value of fixed asset

Particulars	Carrying amount of balance sheet	Tax base	Taxable temporary difference
	Taka	Taka	Taka
Fixed assets net of depreciation as on 31 Dec 2023	221,588,158	253,723,977	(32,135,819)
Right of use assets	208,102,749	-	208,102,749
Lease obligation	(199,082,067)	-	(199,082,067)
<b>Total</b>	<b>230,608,840</b>	<b>253,723,977</b>	<b>(23,115,137)</b>
Fixed assets net of depreciation as on 31 Dec 2022	232,196,269	<b>257,706,917</b>	(25,510,648)
<b>Applicable Tax Rate @</b>			40%
Deferred tax assets as on 31 December 2023			(9,246,055)
Deferred tax assets as on 31 December 2022			(10,204,259)
<b>Deferred tax expenses accounted for during the year 2023</b>			<b>(958,204)</b>

Deferred tax has been calculated based on deductible/taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of International Accounting Standard (IAS)12 'Income Taxes and BRPD circular no 11 dated 12 December 2011"

### 13.6 Interest Suspense Account

Opening Balance	8,907,554	4,835,843
Add: Transfer during the year	105,710,009	22,086,777
Less: Recovery during the year	37,118,780	18,015,066
Less: Waiver during the year	-	-
Less: Write off during the year	-	-
<b>Closing Balance</b>	<b>77,498,783</b>	<b>8,907,554</b>

### 13.7 Provision for Diminution in Value of Investments

Opening balance	2,095,683	-
Addition during the year	15,200	2,095,683
<b>Closing Balance</b>	<b>2,110,883</b>	<b>2,095,683</b>

Amount in Taka	
31-Dec-23	31-Dec-22

**13.8 Provision for Start-up Fund**

Addition for the year 2020	2,010,374	2,010,374
Addition for the year 2021	1,400,967	1,400,967
Addition for the year 2022	2,305,692	2,305,692
Addition for the year 2023	2,468,013	-
	<b>8,185,046</b>	<b>5,717,033</b>

After finalization of the financial statements for the year ended 31 December 2020, Bangladesh Bank vide its SMESPD Circular No. 04 dated 29 March 2021 as well as SMESPD Circular Letter No. 05 dated 26 April 2021 instructed all scheduled banks to build-up a Start-up Fund under Other Liabilities @1% out of net profit starting for the year 2020 in order to make disbursement to make new entrepreneurs and self-employment. In response to that, Shimanto Bank PLC started to build-up the Start-up Fund out of net profit from the year 2020.

**14. Share Capital**
**14.1 Authorised Capital**

1,000,000,000 ordinary shares of Taka 10 each	<b>10,000,000,000</b>	<b>10,000,000,000</b>
---	-----------------------	-----------------------

**14.2 Issued, Subscribed and Paid-up Capital**

Balance at the beginning of the year	4,380,000,000	4,380,000,000
Add: Stock dividend of 2022 issued in 2023	150,000,000	-
	<b>4,530,000,000</b>	<b>4,380,000,000</b>

**14.2.1 Bonus Issue**

On 22th June 2023, 3.42% stock dividend approved by the shareholders in its 7th Annual General Meeting of the Bank. The stock dividend was distributed on 30 June 2023 accordingly.

**14.3 Percentage of Shareholding**

Particulars	31-Dec-23		31-Dec-22
	Capital	% of Holdings	% of Holdings
Sponsors and public	4,530,000,000	100	100
Government	-	-	-
	<b>4,530,000,000</b>	<b>100</b>	<b>100</b>

**14.4 Classification of Shareholding**

Range of holding of shares	No. of shareholders	No. of Shares	Shareholdings %	
			31-Dec-23	31-Dec-22
Upto 500	9	9	0.000002%	0.000002%
501 to 5,000	0	-	0.00%	0.00%
5,001 to 10,000	0	-	0.00%	0.00%
10,001 to 20,000	0	-	0.00%	0.00%
20,001 to 30,000	0	-	0.00%	0.00%
30,001 to 40,000	0	-	0.00%	0.00%
40,001 to 50,000	0	-	0.00%	0.00%
50,001 to 100,000	0	-	0.00%	0.00%
100,001 to 1,000,000	0	-	0.00%	0.00%
Over 1,000,000	1	452,999,991	99.999998%	99.999998%
	<b>10</b>	<b>453,000,000</b>	<b>100.00%</b>	<b>100.00%</b>



Amount in Taka	
31-Dec-23	31-Dec-22

**14.5 Names of the Directors and their shareholding as at 31 December 2023**

Name of the Director	Status	No of Share	
		31-Dec-23	31-Dec-22
BGB Welfare Trust	Sponsor	452,999,991	437,999,991
Maj Gen A K M Nazmul Hasan, BGBM, BAM, ndc, psc	Chairman	1	-
Brig Gen Md Nurul Amin, BGBMS, PhD, MPH	Director	1	1
Brig Gen Ali Reza Mohammad Ashaduzzaman, BGBMS, ndc, psc	Director	1	-
Brig Gen Tanveer Gani Chowdhury, PBGM	Director	1	1
Brig Gen K M Azad, BGBM, BPM (Seba), PPM (Seba), psc	Director	1	-
Brig Gen A M M Khairul Kabir, BGBM, BGBMS, BGOM, psc	Director	1	1
Col Md Mahmudur Rahman, psc	Director	1	-
Col Murad Zaman, BGBMS, PBGMS	Director	1	1
Col Shafiul Azam Parvez	Director	1	-
Mr. Abu Hena Mohd. Razee Hasan	Independent Director	-	-
Maj Gen Shakil Ahmed, SPP, nswc, afwc, psc	Ex-Chairman	-	1
Brig Gen Md. Shazedur Rahman, BGBM	Ex-Director	-	1
Col A S M Faisal, PBGMS	Ex-Director	-	1
Brig Gen Benazir Ahmed, BGBMS, afwc, psc	Ex-Director	-	1
Col Md Aminul Hoque, SUP, afwc, psc	Ex-Director	-	1
		<b>453,000,000</b>	<b>438,000,000</b>

**14.6 Capital to Risk Weighted Assets Ratio (CRAR) - as per BASEL III**

The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014.

**Tier - I Capital (going concern capital)**
**Common Equity Tier 1 Capital (CET 1)**

Paid up capital	4,530,000,000	4,380,000,000
Statutory reserve	375,712,142	300,549,312
Surplus in profit and loss account/ Retained earnings	168,868,435	152,165,969
	<b>5,074,580,577</b>	<b>4,832,715,281</b>
Less: Regulatory Adjustment		
Deferred Tax Assets	9,246,055	10,204,259
<b>Total Common Equity Tier 1 Capital (CET-1)</b>	<b>5,065,334,522</b>	<b>4,822,511,022</b>
<b>Additional Tier 1 Capital (AT-1)</b>	-	-
<b>(i) Total Tier - I Capital</b>	<b>5,065,334,522</b>	<b>4,822,511,022</b>

	Amount in Taka			
	31-Dec-23	31-Dec-22		
<b>Tier - II Capital (gone concern capital)</b>				
General provision including off-balance sheet exposure	210,096,414	180,463,919		
Asset revaluation reserve (50%)	-	-		
Revaluation reserve for HTM & HFT securities	-	-		
Non-convertible subordinated bond	-	-		
	<b>210,096,414</b>	<b>180,463,919</b>		
Regulatory Adjustment (if any)	-	-		
<b>(ii) Total Tier - II Capital</b>	<b>210,096,414</b>	<b>180,463,919</b>		
<b>A. Total Eligible Capital (i+ii)</b>	<b>5,275,430,936</b>	<b>5,002,974,941</b>		
<b>B. Risk Weighted Assets</b>				
<b>Credit risk</b>				
Balance sheet business	10,183,271,040	9,842,052,497		
Off- balance sheet business	350,345,268	346,874,510		
	<b>10,533,616,308</b>	<b>10,188,927,007</b>		
Market risk	193,002,799	209,101,997		
Operational risk	1,557,436,119	1,356,538,801		
<b>Total risk-weighted assets</b>	<b>12,284,055,226</b>	<b>11,754,567,805</b>		
<b>C. Required Capital based 10% of RWA i.e Taka 1,228,405,523 or 5,000,000,000 (Tk 4,380,000,000 for 2022) whichever is higher</b>	<b>5,000,000,000</b>	<b>4,380,000,000</b>		
<b>D. Capital Surplus / (Shortfall) [A-C] (except capital conservation buffer 2.5%)</b>	<b>275,430,936</b>	<b>622,974,941</b>		
<b>Total capital adequacy ratio (%)</b>	<b>42.95%</b>	<b>42.56%</b>		
<b>Capital requirement</b>	<b>31-Dec-23</b>		<b>31-Dec-22</b>	
	<b>Required</b>	<b>Held</b>	<b>Required</b>	<b>Held</b>
Tier - I Capital (Going concern capital)	6.00%	41.24%	6.00%	41.03%
Tier - II Capital (Gone Concern Capital)	-	1.71%	-	1.54%
<b>Total</b>	<b>12.50%</b>	<b>42.95%</b>	<b>12.50%</b>	<b>42.56%</b>
<b>15. Statutory Reserve</b>				
Opening balance	300,549,312	225,748,860		
Add: Transfer from profit during the year	75,162,830	74,800,452		
Closing Balance	<b>375,712,142</b>	<b>300,549,312</b>		
As per Section 24 of Banking Companies Act 1991(amended up to date), 20% of pre tax profit has been transferred to Statutory Reserve Account.				
<b>16. Retained Earnings</b>				
Opening balance	152,165,969	97,314,266		
Add: Profit after tax for the year	246,801,322	230,569,188		
Less: Stock dividend	150,000,000	95,200,000		
Less: Transferred to statutory reserve	75,162,830	74,800,452		
Less: Transfer Start-Up Fund	2,468,013	5,717,033		
Less: Transfer to Climate Risk Fund	2,468,013	-		
<b>Closing Balance</b>	<b>168,868,435</b>	<b>152,165,969</b>		

		Amount in Taka	
		31-Dec-23	31-Dec-22
<b>17. Other Reserves</b>			
Opening balance		17,152,486	6,958,797
Add: Revaluation Reserve -T Bond HFT		-	4,465,904
Add: Amortization Gain- T Bond HTM		-	2,486,888
Add: Revaluation Reserve -T Bill HTM		-	3,692,876
Less: Revaluation Reserve -T Bond HFT		6,429,300	-
Less: Revaluation Reserve -T Bill HFT		-	451,979
Less: Revaluation Reserve -T Bill HTM		3,692,875	-
<b>Closing Balance</b>		<b>7,030,311</b>	<b>17,152,486</b>
<b>18. Contingent Liabilities</b>			
Acceptances and endorsements	Note - 18.1	121,789,306	10,025,534
Letters of guarantee	Note - 18.2	707,901,400	363,981,529
Letters of credit	Note - 18.3	193,772,497	204,274,970
Bills for collection		-	-
Other contingent liabilities	Note - 18.4	3,948,570	-
		<b>1,027,411,773</b>	<b>578,282,033</b>
<b>18.1 Acceptances and endorsements</b>			
Acceptance Local BTB Usance LC		66,897,907	10,025,534
Acceptance Foreign BTB Usance LC		54,891,399	-
		<b>121,789,306</b>	<b>10,025,534</b>
<b>18.2 Letters of guarantee</b>			
Other Guarantee (Warranty , Surety , Retention etc)		18,670,000	18,026,980
Payment Guarantee-Local		472,655,404	80,255,405
Shipping Guarantee		11,302,950	2,134,512
Performance Guarantee-Local		205,273,046	124,770,650
Advanced Payment Guarantee-Local		-	138,793,982
		<b>707,901,400</b>	<b>363,981,529</b>
<b>18.3 Letters of credit</b>			
Local BTB Usance LC		37,445,022	-
Foreign Cash Sight LC		137,759,978	156,422,690
Foreign BTB Usance LC		18,567,497	-
Foreign Usance LC		-	47,852,280
		<b>193,772,497</b>	<b>204,274,970</b>
<b>18.4 Other contingent liabilities</b>			
Local Bills for Collection		3,948,570	-
		<b>3,948,570</b>	<b>-</b>

**19. Income Statement**
**Income:**

Interest, discount and similar income	
Dividend income	
Fee, commission and brokerage	
Gains less losses arising from government securities	
Gains less Losses arising from investment securities /Trading shares	
Other operating income	

**Expenses:**

Interest, fee and commission	
Auditors' fees	
Administrative expenses	
Other operating expenses	
Depreciation and amortization on banking assets	

**Operating Profit/ (Loss)**
**20. Interest Income**
**Interest on loans and advances:**

Corporate Loan	
SME Loan	
Retail Loan	
Agriculture Loan	
Staff Loan	

**Interest on Calls and placements & balance with other banks:**

Calls and placements	
Balance with other Banks	

**21. Interest Paid on Deposits and Borrowings etc.**
**Interest paid on deposits:**

Short notice deposit	
Savings deposits	
Term deposit	

**Interest paid for borrowings:**

Interest on money at call and short notice	
Interest on borrowings from banks and FIs	
Interest on repurchase agreement (REPO)	
Interest on re-finance and pre-finance from Bangladesh Bank	
Interest Expenses of Lease Liabilities	

Amount in Taka	
2023	2022
1,393,335,133	1,156,205,358
209,025,270	90,717,236
14,934,433	7,648,410
11,059,500	17,407,931
220,815,747	181,365,253
89,985,331	64,003,526
<b>1,939,155,414</b>	<b>1,517,347,714</b>
886,237,237	530,455,512
494,500	488,000
341,943,621	298,261,196
175,974,835	212,995,176
113,068,856	56,852,732
<b>1,517,719,049</b>	<b>1,099,052,617</b>
<b>421,436,365</b>	<b>418,295,097</b>
738,598,255	517,578,687
160,082,344	63,579,626
353,883,353	368,077,434
8,652,543	3,541,652
1,230,572	1,719,480
<b>1,262,447,067</b>	<b>954,496,879</b>
126,909,917	143,593,514
3,978,149	58,114,965
<b>130,888,066</b>	<b>201,708,479</b>
<b>1,393,335,133</b>	<b>1,156,205,358</b>
176,018,949	76,435,152
23,954,372	18,570,687
663,489,938	434,698,182
<b>863,463,259</b>	<b>529,704,022</b>
6,475,111	-
4,003,472	-
306,974	445,426
902,163	306,064
11,086,258	
<b>22,773,978</b>	<b>751,490</b>
<b>886,237,237</b>	<b>530,455,512</b>

		Amount in Taka	
		2023	2022
<b>22. Investment Income</b>			
Dividend on shares	Note: 22.1	209,025,270	86,264,002
Gain from Sale of Govt. Securities		11,059,500	17,407,931
Capital Gain from Special Fund Investment		-	3,130,704
Capital Gain on Share Trading- (Regular Fund)		-	1,322,530
Interest income from Commercial Paper		18,213,699	5,786,301
Income from Bond	Note: 22.2	55,534,673	47,666,194
Interest on treasury bonds & Bills		176,670,259	162,232,380
Gain/(Loss) on treasury bills and treasury bonds		(29,602,884)	(34,319,622)
		<b>440,900,517</b>	<b>289,490,420</b>
<b>22.1 Dividend on Shares</b>			
Dividend from Special Fund Investment		5,351,670	6,507,442
Dividend Income on Preference Share		203,398,294	79,571,507
Dividend from Capital Market (Regular Fund)		275,306	185,053
		<b>209,025,270</b>	<b>86,264,002</b>
<b>22.2 Income from Bond</b>			
Interest on Subordinate Bond		26,930,932	17,319,359
Interest from Zero Coupon Bond		28,603,741	30,346,835
		<b>55,534,673</b>	<b>47,666,194</b>
<b>23. Commission, Exchange and Brokerage</b>			
Other Commission and service charges		1,591,269	1,073,589
Commission on letters of credit		3,591,621	4,581,000
Commission on letters of guarantee		9,751,543	1,993,821
		<b>14,934,433</b>	<b>7,648,410</b>
<b>24. Other Operating Income</b>			
Income from New Projects		24,473,976	18,031,800
Exchange Gain on Foreign Currencies		7,695,199	9,333,864
Other Income-MISC & Supervision charge		12,167,751	7,168,893
Income from account maintenance		19,548,949	13,550,045
Card related Income		26,099,456	15,918,923
		<b>89,985,331</b>	<b>64,003,526</b>
<b>25. Salary and Allowances</b>			
Basic salary		117,102,474	103,292,684
Allowances		123,565,883	114,536,791
Contractual Staffs Salary and Wages		53,460,579	48,385,046
Bonus		36,438,455	21,611,161
		<b>330,567,391</b>	<b>287,825,682</b>
<b>26. Rent, Taxes, Insurance, Electricity etc.</b>			
Rents, rates and taxes - premises	Note: 26.1	28,034,378	82,334,163
Electricity, gas, water, etc.		11,677,701	10,636,174
Insurance		10,401,614	6,960,881
		<b>50,113,693</b>	<b>99,931,218</b>

**26.1 Rents, Rates and Taxes - Premises**

 Rent - Premises  
 Rent - Vehicle  
 Rent-ATM  
 Data Center Service

Amount in Taka	
2023	2022
25,704,008	75,811,799
2,014,265	2,784,600
316,105	146,264
-	3,591,500
<b>28,034,378</b>	<b>82,334,163</b>

**27. Legal Expenses**

 Legal and Professional expenses  
 Notary & Court Fees and Licensing

2,655,921	1,950,250
777,619	1,102,375
<b>3,433,540</b>	<b>3,052,625</b>

**28. Postage, Stamp, Telecommunication, etc.**

 Telephone  
 Postage, stamp, Courier and shipping  
 Telex, fax, internet, wireless link etc.  
 Branch Connectivity Charges

651,157	663,230
1,343,966	1,338,052
1,492,670	1,886,489
8,675,322	7,999,735
<b>12,163,115</b>	<b>11,887,506</b>

**29. Stationery, Printing, Advertisements, etc.**

 Printing and stationery  
 Publicity, advertisement, etc.

9,223,693	6,426,084
1,016,305	1,569,424
<b>10,239,998</b>	<b>7,995,508</b>

**30. Chief Executive's Salary and Fees**

 Basic Salary  
 Allowances  
 Festival Bonus  
 Incentive bonus

4,367,097	3,859,355
3,752,198	3,950,574
770,000	636,000
1,000,000	1,000,000
<b>9,889,295</b>	<b>9,445,929</b>

**31. Directors' Fees**

 Directors' fees  
 Meeting expenses

1,088,000	664,000
398,935	325,585
<b>1,486,935</b>	<b>989,585</b>

Directors' fees include fees for attending the meeting of the Board, Executive Committee and Audit Committee.

**32. Auditors' Fees**

External Audit Fee

<b>494,500</b>	<b>488,000</b>
----------------	----------------

**33. Depreciation and Repairs of Bank's Assets**
**Depreciation :**

 Furniture & Fixture - Office  
 Office Equipment  
 Decoration & Renovation  
 Vehicle  
 Computer and Network Equipment  
 Right of Use Assets  
 Software

9,795,044	8,797,178
7,572,903	11,993,856
7,420,098	7,671,143
23,253	35,280
23,493,174	18,352,749
52,197,995	-
11,141,510	7,026,140
<b>111,643,977</b>	<b>53,876,347</b>

**Repairs:**

Computer Accessories  
 Electricity & Lighting  
 Furniture & Fixture  
 Motor Vehicles  
 Building & Decoration  
 Equipment

Amount in Taka	
2023	2022
534,459	1,248,000
6,370	10,163
43,483	9,598
214,375	277,387
21,474	532,603
604,718	898,635
<b>1,424,879</b>	<b>2,976,386</b>
<b>113,068,856</b>	<b>56,852,732</b>

**34. Other Expenses**

Bank charges  
 Books and periodicals  
 Advertisement Related Tax  
 Entertainment  
 Traveling Expenses  
 Local Conveyance  
 Staff Training and Development  
 Car and Fuel Expenses  
 Office Maintenances  
 IT Enabled Service  
 Software maintenance  
 ATM Maintenance  
 Annual General Meeting  
 Business Development/Promotional Expenses  
 Miscellaneous Expenses  
 Spare Parts  
 Cards Related Expense  
 Donations, Subscription and Memberships  
 Branch opening expenses  
 Events & Occasional Expenses  
 Purchase of Utensils  
 Expenses for New Projects  
 Trading Loss from Special Fund Investment

13,682,141	13,134,028
27,258	19,933
2,580,364	1,824,122
2,267,750	2,191,199
976,835	993,750
513,022	475,308
676,368	503,418
14,517,281	14,712,073
1,959,838	1,545,897
11,893,608	9,571,500
6,125,241	7,962,710
1,219,400	1,177,763
509,942	570,943
1,315,184	2,515,717
120,049	962,513
3,281,754	3,529,235
20,233,467	15,389,604
12,941,290	7,520,060
123,853	197,256
1,047,760	2,673,517
700,071	133,611
3,312,013	2,343,384
-	180,776
<b>100,024,489</b>	<b>90,128,318</b>

**35. Provision against Loans and Advances & Others**

General Provision  
 Specific Provision  
 Provision for diminution in value of Investments

Note: 35.1

29,632,495	49,886,750
15,974,520	(7,689,597)
15,200	2,095,683
<b>45,622,215</b>	<b>44,292,835</b>

**35.1 General Provision**

General Provision on Loans and Advances  
 Off balance sheet items  
 COVID-19 provision

25,130,684	58,597,555
4,501,811	(323,690)
-	(8,387,115)
<b>29,632,495</b>	<b>49,886,750</b>

**36. Provision for taxation**

Provision for current tax calculation based on the profit before provision considering admissible and inadmissible expense as per provision of Income Tax Act-2023.

Current Tax  
 Deferred Tax

128,054,624	142,209,825
958,204	1,223,249
<b>129,012,828</b>	<b>143,433,074</b>

**37. Appropriations**

Retained earnings - brought forward  
Less: Stock dividend  
Add: Net profit after tax for the year

**Transferred to**

Statutory reserve  
Start-Up Fund  
Climate risk fund

**Retained earnings**
**38. Earnings Per Share (EPS)**

Profit after taxation  
Number of ordinary shares outstanding

**Basic Earnings Per Share**

Bonus fraction

**Earnings Per Share (EPS) [Restated: 2022]**

Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2023 in terms of International Accounting Standard (IAS)-33. As there was no scope for dilution of shares, no diluted EPS required to be calculated for the year ended 31 December 2023.

**39. Changes in Other Assets**
**Opening balance:**

Advance rent  
Advance VAT  
Advance, deposit & prepayments  
Inventory  
Shanchaypatra Receivable  
Receivable on Cards  
Clearing charges adjustment  
Other Receivables  
Balance with EBL Securities  
Balance with LankaBangla Securities Ltd

**Closing Balance:**

Advance rent  
Advance VAT  
Advance, deposit & prepayments  
Inventory  
Receivable on Cards  
Shanchaypatra Receivable  
Clearing charges adjustment  
Other Receivables  
Balance with EBL Securities  
Balance with LankaBangla Securities Ltd

**Net Cash Changes in Other Assets**

Amount in Taka	
2023	2022
152,165,969	97,314,266
(150,000,000)	(95,200,000)
246,801,322	230,569,188
<b>248,967,291</b>	<b>232,683,454</b>
(75,162,830)	(74,800,452)
(2,468,013)	(5,717,033)
(2,468,013)	-
<b>(80,098,856)</b>	<b>(80,517,485)</b>
<b>168,868,435</b>	<b>152,165,969</b>
246,801,322	230,569,188
453,000,000	438,000,000
<b>0.54</b>	<b>0.53</b>
-	0.02
<b>0.54</b>	<b>0.51</b>
34,381,291	42,374,026
292,763	392,393
13,774,398	26,969,066
6,227,297	1,518,693
3,093,239	35,039,264
3,126,240	257,247
107,686	78,261
7,208,308	917,666
18,571	4,618,476
2,336,329	-
<b>70,566,122</b>	<b>112,165,092</b>
10,028,963	34,381,291
7,015	292,763
33,679,026	13,774,398
4,306,213	6,227,297
10,841,642	3,126,240
224,449	3,093,239
100,276	107,686
16,373,269	7,208,308
18,571	18,571
339,224	2,336,329
<b>75,918,648</b>	<b>70,566,122</b>
<b>(5,352,526)</b>	<b>41,598,970</b>



**40. Changes in Other Liability**
**Opening balance:**

Other Payable  
 Interest Payable on Borrowing  
 Interest Suspense  
 CIB Payable  
 Transactional Account

Amount in Taka	
2023	2022
39,476,432	28,942,443
161,282	161,282
8,907,554	4,835,843
1,113,790	575,850
307,600	414,453
<b>49,966,658</b>	<b>34,929,871</b>

**Closing Balance:**

Other Payable  
 Interest Suspense  
 CIB Payable  
 Interest Payable on Borrowing  
 Transactional Account  
 Lease Liability

70,109,718	39,476,432
77,498,783	8,907,554
-	1,113,790
-	161,282
49,436	307,600
199,082,067	
<b>346,740,004</b>	<b>49,966,658</b>
<b>296,773,346</b>	<b>15,036,787</b>

**Net Cash Changes in Other Liability**
**41. Payments for Other Operating Activities**

Rent, taxes, insurance, electricity, etc.  
 Postage, stamps, telecommunication, etc.  
 Repairs of Bank's assets  
 Auditors' fees  
 Legal expenses  
 Directors' fees  
 Other expenses

50,113,693	99,931,218
12,163,115	11,887,506
1,424,879	2,976,386
494,500	-
3,433,540	3,052,625
1,486,935	989,585
100,024,489	90,128,318
<b>169,141,151</b>	<b>208,965,639</b>

**42. Number of Employees and Support Staffs**
**Regular employee**

Officer and executives

283	259
-----	-----

**Contractual**

Officer

41	21
----	----

Support staffs & Security

192	169
-----	-----

**Total**

<b>516</b>	<b>449</b>
------------	------------

The number of employees including contractual engaged for the whole year or part there of who received a total yearly remuneration of Tk. 36,000/- or above were 516 for the year 2023 (2022 : 449)

**43. Disclosure on Audit Committee**
**a) Particulars of Audit Committee**

The audit committee of the Board was duly constituted by the Board of Directors of the Bank in accordance with the BRPD circular no. 11 dated 27 October 2013 of Bangladesh Bank. Pursuant to the BRPD circular no. 08 dated 19 June 2011 and BSEC notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 on Corporate Governance, the current Committee is Constituted with the following 03 (Three) members of the Board:

SL. No.	Name of the Director	Status with the Bank	Status with the Committee	Educational Qualification
1	Brig Gen K M Azad, BPM (Seba), PPM (Seba), psc	Director	Chairman	BSc, MBA, MDS, MSS
2	Col A S M Faisal, PBGMS	Ex-Director	Member	B.Sc. Engineer (Civil)
3	Col Shafiul Azam Parvez	Director	Member	BSc, MBA, BSc (Engg), MSc (Engg)

**b) Meetings held by the Audit Committee during the year by date:**

SL. No.	Meeting no.	Holding Date
1	26th	11th April, 2023
2	27th	15th May, 2023
3	28th	19th June, 2023
4	29th	21st September, 2023
5	30th	18th December, 2023

**c) Review by the Audit Committee and Recommendation thereof:**

- a) Oversee the financial reporting process;
- b) Monitor implementation of accounting policies and principles;
- c) Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Policy and review of the Internal Audit and Compliance Report;
- d) Scrutinize and evaluation the performance of the existing external auditors of the bank before recommending to the Board for onward placing of their names in the AGM for appointment;
- e) Conduct meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- f) Review of the annual financial statements before submission to the Board for approval;
- g) Review of the quarterly and half yearly financial statements before submission to the Board for approval;
- h) Review of the adequacy of internal audit function;
- i) Review of Management Letters or Letter of Internal Control weakness issued by statutory auditors;
- j) Oversee of the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and
- k) Review of quarterly progress report of Audit & Inspection report of the Bank.

**44. Related Party Disclosures****i) Name of Directors and their interest in different entities as on December 31,2023**

SL No.	Name	Name of the firms/Companies in which they have interest	Status with the Bank	Status in the interested entities
1	BGB Welfare Trust	Border Guard Bangladesh	Sponsor	Not Applicable
2	Maj Gen A K M Nazmul Hasan, BGBM, BAM, ndc, psc	Border Guard Bangladesh; BGB Welfare Trust	Chairman	Director General; Chairman
3	Brig Gen Md Nurul Amin, BGBMS, PhD, MPH	Border Guard Bangladesh; BGB Welfare Trust	Director	Additional Director General (Med); Member
4	Brig Gen Ali Reza Mohammad Ashaduzzaman, BGBMS, ndc, psc	Border Guard Bangladesh; BGB Welfare Trust	Director	Additional Director General (HQ); Vice Chairman
5	Brig Gen Tanveer Gani Chowdhury, PBGM	Border Guard Bangladesh; BGB Welfare Trust	Director	Additional Director General (Admin); Member
6	Brig Gen A M M Khairul Kabir, BGBM, BGBMS, BGOM, psc	Border Guard Bangladesh	Director	Additional Director General (GS)
7	Brig Gen K M Azad, BGBM, BPM (Seba), PPM (Seba), psc	Border Guard Bangladesh; BGB Welfare Trust	Director	Additional Director General, BSB; Member
8	Col Md Mahmudur Rahman, psc	Border Guard Bangladesh; BGB Welfare Trust	Director	Deputy Director General (Works); Member
9	Col Murad Zaman, BGBMS, PBGMS	Border Guard Bangladesh	Director	Deputy Director General (Records)
10	Col Shafiu Azam Parvez	Border Guard Bangladesh	Director	Deputy Director General (Communication)
11	Mr. Abu Hena Mohd. Razee Hasan	Not Applicable	Independent Director	Not Applicable

**ii) Name of the Directors and their interest in the Bank**

SL No.	Name	Address	Designation	No. of Shares holding as on Dec-31,2023
1	BGB Welfare Trust	Shimanto Shomvar, Dhanmondi, Dhaka	Sponsor	452,999,991
2	Maj Gen A K M Nazmul Hasan, BGBM, BAM, ndc, psc	Director General, Border Guard Bangladesh	Chairman	1
3	Brig Gen Md Nurul Amin, BGBMS, PhD, MPH	Additional Director General (Med), HQ BGB	Director	1
4	Brig Gen Ali Reza Mohammad Ashaduzzaman, BGBMS, ndc, psc	Additional Director General (HQ), HQ BGB	Director	1
5	Brig Gen Tanveer Gani Chowdhury, PBGM	Additional Director General (Admin), HQ BGB	Director	1
6	Brig Gen A M M Khairul Kabir, BGBM, BGBMS, BGOM, psc	Additional Director General (GS), BGB	Director	1
7	Brig Gen K M Azad, BGBM, BPM (Seba), PPM (Seba), psc	Bureau Chief, BSB, HQ BGB	Director	1
8	Col Md Mahmudur Rahman, psc	Deputy Director General (Works), HQ BGB	Director	1
9	Col Murad Zaman, BGBMS, PBGMS	Deputy Director General (Records), BGB	Director	1
10	Col Shafiu Azam Parvez	Deputy Director General (Comm), HQ BGB	Director	1
11	Mr. Abu Hena Mohd. Razee Hasan	Banasree, Rampura, Dhaka	Independent Director	-

**453,000,000**

iii) Share issued to Directors & Executives without consideration or exercisable at discount Nil

iv) Related party Transactions:

During the year ended 31 December 2023, the Bank has transaction with the following organizations in which the directors had interest:

SL. No	Name of the Company/Person	Name of the relationship	Nature of the transaction	Amount of Transaction made during the year	
				2023	2022
	BGB Welfare Trust	Common Director	Stock Dividend	150,000,000	95,200,000

v) Lending policies in respect of related party

a) Amount of transaction regarding loans and advances, deposits, guarantees and commitment as on 31 December 2023.

SL. No	Name of the Party	Nature of Transaction	Product	Amount
1	Border Guard Bangladesh; it's Units	Deposit	Current	10,165,994
		Deposit	FDR	1,764,764,977
		Deposit	SND	850,314,791
2	BGB Welfare Trust	Deposit	FDR	3,306,060,084
		Deposit	SND	875,286,360
3	Shimanto Poribar Kolyan Samity (Shipoks)	Deposit	Current	73,710
		Deposit	FDR	30,364,759
		Deposit	SND	1,357,738
4	Birshreshtha Munshi Abdur Rouf Public College	Deposit	FDR	98,819,894
		Deposit	SND	150,526,156
5	Birshreshtha Noor Mohammad Public College	Deposit	FDR	75,530,626
		Deposit	SND	207,498,551
6	Shimanto Square Market	Deposit	FDR	619,969
		Deposit	SND	80,650,903
7	BGB School and Others	Deposit	Current	9,611,350
		Deposit	FDR	101,932,419
		Deposit	SND	62,093,927
b) Amount of transactions regarding principal items of deposits, expenses and commission				Nil
c) Amount of provision against loans and advances given to related party				Nil
d) Amount of guarantees and commitments arising from other off-balance sheet exposures				Nil
vi) Disclosure of transaction regarding Directors and their related concerns				Nil

vii) Business other than banking business with any related concern of the Directors as per Section 18 (2) of Bank Companies Act 1991 (amended up to date)

**a) Lease agreement related with the Border Guard Bangladesh; it's Units**

SL. No	Name of the Party	Nature of Contract	Name of the Branch	Area of the Branch (SFT)	Amount
1	Border Guard Bangladesh; it's Units	Lease Agreement	Principal	5,902	12,394,200
2	Border Guard Bangladesh; it's Units	Lease Agreement	Lalmonirhat	2,070	273,240
3	Border Guard Bangladesh; it's Units	Lease Agreement	Sylhet	2,800	924,000
4	Border Guard Bangladesh; it's Units	Lease Agreement	Halishahar	200	29,053
5	Border Guard Bangladesh; it's Units	Lease Agreement	BGTC	200	29,053
6	Border Guard Bangladesh; it's Units	Lease Agreement	Hazaribagh	2,494	823,020
7	Border Guard Bangladesh; it's Units	Lease Agreement	Godown	1,141	376,517
8	Border Guard Bangladesh; it's Units	Lease Agreement	Head Office	36,000	27,864,000
9	Border Guard Bangladesh; it's Units	Lease Agreement	HO Archive	3,783	3,376,029
10	Border Guard Bangladesh; it's Units	Lease Agreement	Mymensingh	2,984	1,853,064

**b) Receiving Service related with the Border Guard Bangladesh; it's Units**

i)	Shimanto Logistics & Transport Service (SLTS) Rooftop signboard for Principle Branch	Yearly Rent	86,940
ii)	Shimanto Square Market Main Signboard	Yearly Rent	214,411
iii)	BGB Welfare trust, Security and Support Staff Service	Yearly Expenses	47,465,435
VIII)	Investments in the securities of Directors and their related concern		Nil

**44.1 Events after the Reporting Period**

As per IAS -10 "Events after the Reporting Period" events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are unauthorized for the issue. Two types of event can be identified:

(a) Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period; and

(b) Non-adjusting events after the reporting period, are those that are indicative of conditions that arose after the reporting period.

The details about the event after the reporting period:

The Board of Directors in its 69th Board meeting held on 29 April 2024 has proposed 3.72% stock dividend subject to the approval of the Shareholders at the next Annual General Meeting of the Bank.

  
 Chairman

  
 Director

  
 Director

  
 Managing Director & CEO

**Shimanto Bank PLC.**  
**Highlights on the overall activities.**  
**As at 31 December 2023**

Sl #	Particulars		2023	2022
1	Paid-Up Capital	BDT	4,530,000,000	4,380,000,000
2	Total Capital	BDT	5,275,430,936	5,002,974,941
3	Capital (Deficit)/ Surplus	BDT	275,430,936	622,974,941
4	Total Assets	BDT	25,215,444,150	22,545,304,523
5	Total Deposits	BDT	18,641,585,763	16,679,484,286
6	Total Loans And Advances	BDT	16,014,791,094	12,531,846,451
7	Total Contingent Liabilities And Commitments	BDT	1,027,411,773	578,282,033
8	Credit-Deposit Ratio	%	85.91%	75.13%
9	% Of Classified Loan Against Total Loans And Advances	%	1.11%	1.22%
5	Profit After Tax And Provision	BDT	246,801,322	230,569,188
11	Amount of Clasified Loans During Current Year	BDT	177,711,814	152,653,471
12	Provision Kept Against Classified Loans	BDT	92,656,216	76,681,696
13	Provision Surplus/Deficit	BDT	-	1,938,489
14	Cost of Fund	%	7.78%	7.06%
15	Interest Earning Assets	BDT	22,546,836,711	20,399,967,524
16	Non-Interest Earning Assets	BDT	2,668,607,439	2,145,336,999
17	Return on Investments (ROI)	%	8.09%	6.31%
18	Return on Assets (ROA)	%	1.03%	0.75%
19	Return on Equity (ROE)	%	4.97%	4.87%
20	Income from Investments	BDT	440,900,517	289,490,420
21	Earnings per Share (Restated-2022)	BDT	0.54	0.51
22	Net Income per Share (Restated-2022)	BDT	0.54	0.51
23	Price Earning Ratio	Times	N/A	N/A



**Shimanto Bank PLC.**  
**Schedule of Fixed Assets**  
**As at 31 December 2023**

Name of Assets	Amount in Taka											
	Cost					Depreciation/ Amortization					Written Down Value	
	Opening Balance	Addition during the year	Adjustment During the year	Closing Balance	Opening Balance	Depreciation During the year	Adjustment During the year	Closing Balance	Written Down Value			
<b>Tangible Assets</b>												
Computer & Network	170,584,312	25,639,367	-	196,223,679	112,990,558	23,493,174	-	136,483,732	59,739,947			
Furniture and Fixtures	93,637,520	2,060,394	-	95,697,914	32,930,703	9,795,044	-	42,725,747	52,972,167			
Office Equipment	97,067,185	5,121,464	-	102,188,649	57,694,212	7,572,903	-	65,267,115	36,921,534			
Vehicle	176,400	-	-	176,400	132,300	23,253	-	155,553	20,847			
Decoration & Renovation	81,911,502	3,051,187	-	84,962,689	27,010,412	7,420,098	-	34,430,510	50,532,179			
	<b>443,376,919</b>	<b>35,872,412</b>	<b>-</b>	<b>479,249,331</b>	<b>230,758,185</b>	<b>48,304,472</b>	<b>-</b>	<b>279,062,657</b>	<b>200,186,674</b>			
<b>Intangible Assets</b>												
Software	66,367,246	12,965,458	-	79,332,704	46,789,710	11,141,510	-	57,931,220	21,401,484			
Right of Used Assets		260,300,744	-	260,300,744	-	52,197,995	-	52,197,995	208,102,749			
Total as on 31 December 2023	509,744,165	309,138,614	-	818,882,779	277,547,895	111,643,977	-	389,191,872	429,690,907			
Total as on 31 December 2022	434,811,466	74,932,699	-	509,744,165	223,671,548	53,876,347	-	277,547,895	232,196,270			



**Shimanto Bank PLC.**  
**Investment in Shares of the Bank**  
**As at 31 December 2023**

**Annexure-B (Regular Fund)**

Sl. No.	Name of the Company	Amount in Taka						Unrealized Profit/ (Loss) as at 31 December 2023
		Face Value	No. of Shares including bonus share	Cost of Holding	Average Cost Per Share	Market rate per share as at 31 December 2023	Total market value as at 31 December 2023	
1	A.C.I	10	11,122	3,025,039	271.99	260.20	2,893,944	(131,095)
2	Bangladesh Export Import Company Ltd.	10	100	13,474	134.74	115.60	11,560	(1,914)
3	Beximco Pharmaceuticals Ltd.	10	30,027	5,499,643	183.16	146.20	4,389,947	(1,109,696)
4	GPH Ispat Limited	10	53,725	2,555,997	47.58	42.70	2,294,058	(261,939)
5	I.F.I.C. Bank PLC.	10	410,102	5,199,263	12.68	11.20	4,593,142	(606,121)
6	LafargeHolcim Bangladesh Limited	10	10	806	80.60	69.30	693	(113)
<b>Sub-Total</b>				<b>16,294,222</b>			<b>14,183,344</b>	<b>(2,110,878)</b>





**Shimanto Bank PLC.**  
**Investment in Shares of the Bank**  
**As at 31 December 2023**

**Annexure-B-1 (Special Fund)**

Sl. No.	Name of the Company	Amount in Taka							Unrealized Profit/ (Loss) as at 31 December 2023
		Face Value	No. of Shares including bonus share	Cost of Holding	Average Cost Per Share	Market rate per share as at 31 December 2023	Total market value as at 31 December 2023		
1	A.C.I	10	90	25,730	285.89	271.77	24,459	(1,271)	
2	BSRM Steel	10	15,221	1,473,001	96.77	90.00	1,369,890	(103,111)	
3	Bd Submarine Cable PLC.	10	10	2,049	204.90	218.90	2,189	140	
4	GPH Ispat Limited	10	105,500	5,456,933	51.72	44.84	4,730,093	(726,840)	
5	I.F.I.C. Bank PLC.	10	1,017,312	15,338,976	15.08	11.20	11,393,894	(3,945,082)	
6	Mercantile Bank PLC.	10	214,200	3,568,425	16.66	13.30	2,848,860	(719,565)	
7	Power Grid Company of Bangladesh	10	155,000	10,029,027	64.70	52.40	8,122,000	(1,907,027)	
8	Bangladesh Export Import Company Ltd.	10	50,000	7,413,487	148.27	115.60	5,780,000	(1,633,487)	
9	Beximco Pharmaceuticals Ltd.	10	230,768	47,015,376	203.73	146.20	33,738,282	(13,277,094)	
10	IPDC Finance Limited	10	10	420	42.00	57.60	576	156	
11	LankaBangla Finance PLC.	10	275,845	10,590,258	38.39	26.00	7,171,970	(3,418,288)	
12	LafargeHolcim Bangladesh Limited	10	70,000	5,299,627	75.71	69.30	4,851,000	(448,627)	
13	Summit Power Limited	10	100,000	4,297,180	42.97	34.00	3,400,000	(897,180)	
14	BATBC	10	48,255	30,952,411	641.43	518.70	25,029,869	(5,922,542)	
15	Confidence Cement PLC.	10	113,444	14,805,360	130.51	89.00	10,096,516	(4,708,844)	
16	Square Pharmaceuticals PLC.	10	59,000	13,534,000	229.39	210.30	12,407,700	(1,126,300)	
	<b>Sub-Total</b>			<b>169,802,260</b>			<b>130,967,298</b>	<b>(38,834,962)</b>	

As per DOS circular no.1 dated February 10,2020 provision for denomination value of investment under special fund is exempted upto February 2025.

**Shimanto Bank PLC.**  
**Balance with other banks-outside Bangladesh (Nostro Account)**  
**As at 31 December 2023**

Annexure - C

Name of the Bank	Account Type	Currency Type	2023			2022		
			FC	Exchange Rate	Equivalent Taka	FC	Exchange Rate	Equivalent Taka
			Amount			Amount		
Habib American Bank	CD	US \$	1,385,280.65	109.95	152,317,938	707,055.40	77.41	54,735,687
Axis Bank ACU	CD	US \$	107,594.77	109.59	11,790,966	48,022.46	103.29	4,960,370
United Bank of India	CD	US \$	17,531.69	109.75	1,924,103	15,756.44	103.29	1,627,525
<b>Total</b>			<b>1,510,407.11</b>		<b>166,033,007</b>	<b>770,834.30</b>		<b>61,323,582</b>

Note: The Bank is not required to keep provision on the unreconciled debit balance as at balance sheet date as there was no debit entry aging more than three months.