

Independent Auditor's Report

To the Shareholders of Bengal Commercial Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **Bengal Commercial Bank Limited** which comprise the Balance Sheet as at 31 December 2022 and the Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity for the period 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 Balance Sheet of the Bank as at 31 December 2022, and of its Profit and Loss Accounts, and its Cash Flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note #02.

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 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.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the Financial Statements of the Bank in accordance with IFRSs as explained in note # 02, 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 Bank Company 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 as a whole 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Bank or business activities within the Bank to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.





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MABS & J Partners
Chartered Accountants

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Bank Company Act, 1991 (as 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 Responsibility 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 Responsibility 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;
- 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 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;
- v. the records and statements submitted by the branches have been properly maintained and consolidated in the Financial Statements;
- 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. the information and explanations required by us have been received and found satisfactory;
- ix. adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- x. we have reviewed over 80% of the risk weighted assets of the Bank and spent over 935 person hours, and
- xi. Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Place: Dhaka, Bangladesh
Dated: 18 April 2023

Signed for & on behalf of
MABS & Partners
Chartered Accountants


Nasir Uddin Ahmed

FCA, FCS, CGMA, ACMA (UK), FCA (England & Wales)

Deputy Managing Partner

ICAB Enrollment No: 535

DVC: 2304180535AS606947

BENGAL COMMERCIAL BANK LIMITED

**Balance Sheet
As at 31 December 2022**

	<u>Notes</u>	<u>31.12.2022</u> <u>TAKA</u>	<u>31.12.2021</u> <u>TAKA</u>
PROPERTIES & ASSETS			
Cash	3		
Cash in hand (Including foreign currencies)		254,528,407	104,560,987
Balance with Bangladesh Bank and Its agent Bank(s) (including foreign Currency)		543,750,998	225,749,995
		798,279,405	330,310,982
Balance with other banks & financial institutions	4		
In Bangladesh		4,151,995,322	4,463,849,793
Outside Bangladesh		3,134,607	6,697,316
		4,155,129,928	4,470,547,109
Money at Call on short notice	5	672,284,940	-
Investments	6		
Government		1,345,745,525	414,489,964
Others		805,626,930	619,545,509
		2,151,372,455	1,034,035,473
Loans and Advances / Investments	7		
Loans, Cash Credits, Overdrafts etc/ Investments		7,249,464,752	2,429,281,061
Bills purchased and discounted		27,077,514	-
		7,276,542,266	2,429,281,061
Fixed assets including premises, furniture & fixture	8	713,872,601	709,235,418
Other assets	9	184,448,206	179,284,582
Non-banking assets	10	-	-
Total Assets		15,951,929,801	9,152,694,625
LIABILITIES AND CAPITAL			
Liabilities:			
Borrowings from other banks, financial institutions and agents	11	293,049,519	115,000,000
Deposits and other accounts	12		
Current / Al-Wadiah current accounts & other accounts		1,104,623,713	442,689,689
Bills Payable		38,499,715	14,788,603
Savings Bank / Mudaraba Savings Deposits		1,163,283,157	371,559,910
Fixed Deposits / Mudaraba Term Deposits		8,495,348,058	3,464,643,540
Bearer Certificates of Deposits		-	-
Other Deposits	12.1.4	214,836,135	113,776,465
		11,016,590,777	4,407,458,207
Other Liabilities	13	602,319,787	548,550,757
Total Liabilities		11,911,960,083	5,071,008,964
Capital / Shareholders' Equity			
Paid up Capital	14	4,406,675,000	4,250,000,000
Share Premium		-	-
Statutory Reserve	15	-	-
General Reserve		-	-
Other Reserve	16	298,595	32,468
Retained Earnings	17	(367,003,877)	(168,346,807)
Total Shareholders' Equity		4,039,969,717	4,081,685,661
Non-Controlling Interest		-	-
Total Liabilities and Shareholders Equity		15,951,929,801	9,152,694,625

[Handwritten Signature]




		31.12.2022 TAKA	31.12.2021 TAKA
Off Balance Sheet Items			
Contingent Liabilities :	18		
Acceptances & Endorsements		274,760,361	-
Letters of Guarantee		250,057,341	181,482,368
Irrevocable Letters of Credit		235,031,369	79,914,044
Bills for Collection		171,922,125	-
Other Contingent Liabilities		-	-
Total Contingent Liabilities		931,771,196	261,396,412
Other Commitments:			
Documentary credit 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		-	-
Total Off-Balance sheet Items Including Contingent Liabilities		931,771,196	261,396,412


The annexed notes 01 to 50 form an integral part of these financial statements.




Managing Director & CEO



Director



Director




Chariman

Signed as per our report of same date

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Dhaka,
April 18, 2023

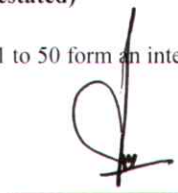

Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
Deputy Managing Partner
ICAB Enrollment No: 535
DVC No: 2304180 535 AS606947

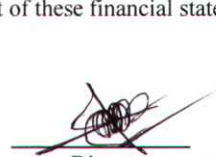
BENGAL COMMERCIAL BANK LTD
Profit and Loss Account
For the Period ended 31 December 2022

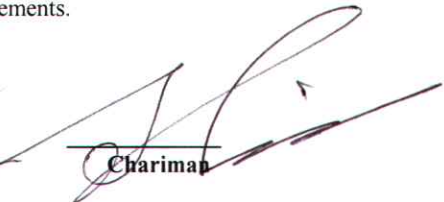
	<u>Notes</u>	<u>2022 TAKA</u>	<u>2021 TAKA</u>
Operating Income			
Interest Income / Profit on Investments	20.0	679,129,259	357,570,992
Interest / Profit paid on deposits and borrowings etc	21.0	(391,376,481)	(106,850,238)
Net Interest Income / Net Profit on Investments		287,752,778	250,720,754
Investment income	22.0	156,837,938	30,199,295
Commission, exchange and brokerage	23.0	26,193,073	1,329,805
Other Operating Income	24.0	11,357,384	3,978,394
		194,388,395	35,507,494
Total Operating Income (A)		482,141,173	286,228,248
OPERATING EXPENSES			
Salary and allowances	26.0	240,071,366	136,157,470
Rent, taxes, insurance, electricity etc.	27.0	18,717,858	11,505,189
Legal expenses	28.0	1,394,013	1,495,230
Postage, stamps, telecommunications etc.	29.0	6,117,200	1,690,889
Stationery, printing, advertisements etc.	30.0	10,353,416	6,697,266
MD & CEO's salary and allowances	31.0	9,690,000	9,577,500
Directors fees	32.0	1,594,197	1,028,026
Auditors' fees	33.0	287,500	230,000
Depreciation and repair of banks assets	34.0	173,829,092	133,855,805
Other expenses	35.0	143,666,427	91,854,247
		605,721,067	394,091,623
Total Operating Expenses (B)		605,721,067	394,091,623
Profit/(Loss) before provision (C) = (A-B)		(123,579,895)	(107,863,374)
Provision for Loans & Advances / Investments	36.1	40,384,000	21,923,000
Provision on Off-Balance Sheet Exposures	36.2	5,036,000	2,614,000
Provision for diminution in value of investments	36.3	13,394,540	3,578,488
Other provisions	37.0	199,650	500,000
		59,014,190	28,615,488
Total Provisions (D)		59,014,190	28,615,488
Total Profit/(Loss) before Taxes (C-D)		(182,594,085)	(136,478,862)
Provision for Taxation			
Current Tax	38.0	18,831,074	4,707,546
Deferred Tax	39.0	(2,768,088)	2,370,402
		16,062,986	7,077,948
Net Profit/(Loss) after Taxation		(198,657,070)	(143,556,810)
Appropriations			
Statutory Reserve	15.0	-	-
Retained Surplus	17.0	(198,657,070)	(143,556,810)
		(198,657,070)	(143,556,810)
Earning Per Share (EPS) (Prior Year Restated)	40.0	(0.45)	(0.33)

The annexed notes 01 to 50 form an integral part of these financial statements.


Managing Director & CEO


Director


Director


Chariman

Signed as per our report of same date

Signed for & on behalf of
MABS & J Partners
Chartered Accountants


Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)

Deputy Managing Partner
ICAB Enrollment No: 535
DVC No: **2304180 535 AS606947**


Dhaka
April 18, 2023

BENGAL COMMERCIAL BANK LTD
Cash Flow Statement
For the Period ended 31 December 2022

	<u>Notes</u>	2022 TAKA	2021 TAKA
A. Cash flows from operating activities			
Interest / Profit Receipts in cash		789,086,117	318,618,066
Interest / Profit Payments		(276,639,967)	(42,664,191)
Dividend Receipts		30,623,229	14,795,607
Fees & Commission Receipts in cash		9,285,884	1,927,479
Recoveries of loans Previously written off		-	-
Cash Payments to employees		(249,761,366)	(145,734,971)
Cash Payments to suppliers		(16,470,615)	(8,388,156)
Income taxes paid		(41,955,867)	(29,121,936)
Receipt from other operating activities	43	11,357,384	3,978,394
Payment for other operating activities	44	(169,548,721)	(107,287,744)
i. Operating profit before changes in operating assets and liabilities.		85,976,079	6,122,547
Increase/Decrease in operating assets and liabilities:			
(Purchase)/Sale of government securities		(931,228,061)	(414,466,563)
(Purchase)/Sales of trading Securities		(186,081,421)	(619,545,509)
Loans and advances / Investments to Customers		(4,847,261,204)	(2,429,281,061)
Other assets	45	43,624,242	(42,337,597)
Deposit from banks		(450,000,000)	650,000,000
Deposit from customers/Others		6,948,261,445	3,676,283,951
Other Liabilities	46	(21,308,146)	(74,230,213)
Cash flows from operating Assets and Liabilities		556,006,855	746,423,007
Net Cash from operating activities (A) = (i+ii)		641,982,934	752,545,554
B. Cash flows from investing activities			
Proceeds from Sale of Securities		9,425,853	-
Purchase/Sale of property, plant & equipment		(174,577,549)	(205,015,265)
Net Cash from investing activities (B)		(165,151,696)	(205,015,265)
C. Cash flows from financing activities			
Borrowing from Other Banks & Financial Institutions		174,184,130	115,000,000
Surplus/deficit on account of revaluation of investments		266,127	-
Sub-Ordinated Bond		-	-
Dividends Paid		-	-
Cash received from Issuance of ordinary shares		156,675,000	-
Net cash from financing activities (C)		331,125,256	115,000,000
D. Net Increase/(Decrease) in cash (A+B+C)		807,956,494	662,530,294
E. Effect of Exchange Rate Changes on Cash		16,907,188	(597,674)
F. Cash and Cash equivalents at beginning of the year		4,800,858,091	4,138,948,875
G. Cash and cash equivalents at the end of the year		5,625,721,774	4,800,881,491
Cash in hand (including foreign currencies)	3	254,528,407	104,560,987
Prize Bonds		27,500	23,400
Balance with Bangladesh bank and its agent bank		543,750,998	225,749,995
Balance with other banks & financial institution	4	4,155,129,929	4,470,547,109
Money at call on short notice		672,284,940	-
		5,625,721,774	4,800,881,491

The annexed notes 01 to 50 form an integral part of these financial statements.


Managing Director & CEO


Director


Director


Chariman

Dhaka,
 April 18, 2023



Bengal Commercial Bank Limited
Statement of Changes in Equity
As at 31 December 2022

Particulars	Amount in BDT							
	Paid-up capital	Statutory reserve	Dividend equalisation reserve	Assets revaluation reserve (land and other assets)	General reserve	Foreign currency translation difference	Retained earnings	Total
Balance as at 31 December 2021	4,250,000,000	-	-	32,468	-	-	(168,346,807)	4,081,685,661
Changes in Accounting Policy	-	-	-	-	-	-	-	-
Statutory Reserve	-	-	-	-	-	-	-	-
Surplus/Deficit on account of revaluation	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	266,127	-	-	-	266,127
Issuance of shares capital	156,675,000	-	-	-	-	-	-	156,675,000
Net Profit Transferred to Retained Earnings	-	-	-	-	-	-	(198,657,070)	(198,657,070)
Balance as at 31 December 2022	4,406,675,000	-	-	298,595	-	-	(367,003,877)	4,039,969,717
Balance as at 31 December 2021	4,250,000,000	-	-	-	-	-	(168,346,807)	4,081,653,193

The annexed notes 01 to 50 form an integral part of these financial statements.



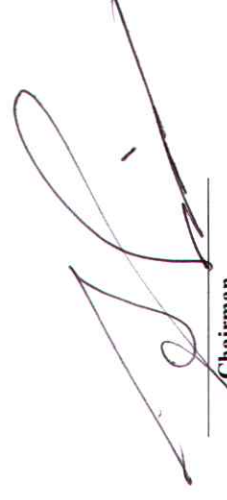
Director



Managing Director & CEO



Director



Chairman



Dhaka
April 18, 2023

Bengal Commercial Bank Limited
Liquidity Statement
 (Asset and Liability Maturity Analysis)
 As at 31 December 2022

Amount in BDT

Particulars	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	Above 5-years term	Total
Assets						
Cash in hand (including balance with Bangladesh Bank and its agent Bank) and financial institutions	798,279,405	-	-	-	-	798,279,405
Balances with other banks and financial institutions	1,615,129,928	2,540,000,000	-	-	-	4,155,129,928
Money at call and short notice	672,284,940	-	-	-	-	672,284,940
Investments	355,654,430	-	-	117,590,000	1,678,128,025	2,151,372,455
Loans and advances	678,572,960	1,789,257,878	2,869,446,629	1,116,419,942	822,844,857	7,276,542,266
Fixed assets including land, building, furniture and fixtures	10,849,549	21,699,098	97,645,943	474,671,333	109,006,677	713,872,601
Other assets	37,473,763	14,806,288	31,885,969	100,282,186	-	184,448,206
Non-banking assets	-	-	-	-	-	-
Total Assets	4,168,244,975	4,365,763,265	2,998,978,541	1,808,963,460	2,609,979,560	15,951,929,801
Liabilities						
Borrowing from other banks, financial institutions and agents	-	-	-	139,539,094	153,510,425	293,049,519
Deposits and other accounts	-	-	-	-	-	-
Provisions & other liabilities	8,651,656	14,186,153	8,651,656	218,079,412	316,778,084	566,346,961
Deferred Tax Liability	-	-	-	35,972,825	-	35,972,825
Total Liabilities	8,651,656	14,186,153	8,651,656	393,591,332	470,288,509	895,369,306
Net Liquidity Gap	4,159,593,319	4,351,577,112	2,990,326,885	1,415,372,128	2,139,691,050	15,056,560,495
Cumulative Net Liquidity Gap	4,159,593,319	8,511,170,431	11,501,497,317	12,916,869,445	15,056,560,495	-

The annexed notes 01 to 50 form an integral part of these financial statements.




Managing Director & CEO



Director



Director



Chairman



Dhaka
April 18, 2023

Bengal Commercial Bank Limited
Notes to the financial statements
as at and for the year ended 31 December 2022

1 Legal Status of the Bank and its principal activities

1.1 Legal form of the Bank

Bengal Commercial Bank Limited having its Registered Office at 94 Gulshan Avenue, Dhaka-1212, Bangladesh, was incorporated on 03 February 2020 as a Public Limited Company under the Companies Act, 1994 (As amended up to date) with Authorized Capital of Tk.15,000 million and paid up capital of Tk. 4,407 million. The Bank got Bangladesh Bank License vide Bangladesh Bank Letter ref no: BRPD (P-3)/745(60)/2013-1189 dated 23 February 2020 as per the Banking Companies Act, 1991 Section 31 and obtained licence for establishing Head Office on 13 July 2020, also got licence for Commercial Operation on 18 February 2021. Eventually, the Bank started its commercial operation from 11 March 2021.

As on 31st December 2022, the bank had 13- (thirteen) branches and 03-(three) Sub-branches.

1.2 Nature of Business

The principle activities of the Bengal Commercial Bank Limited (BCCB) are to provide all types of commercial banking services to customers through branches, ATMs, Sub branches, and Corporate, Retail and SME units in Bangladesh. The Bank is also entitled to provide money market operations, financial intermediary services and any related financial services. Provisions of the Bank Companies Act 1991 (as amended up to date), Bangladesh Bank Directives and directives of other regulatory authorities are followed for carrying out all types of activities.

1.3 Islamic Banking Unit

The bank obtained permission from Bangladesh Bank (The Central Bank of Bangladesh) to commence the operation of Dilkusha Branch as a Islamic Banking Branch vide Bangladesh Bank letter ref no: BRPD(LS-2)/745(73)/2021-994, dated: 28.10.2021, and subsequently the implemented Islamic banking operation from 01.01.2022. As on reporting date, 31st December 2022, the Bank is operating with 2 full-fledge islamic banking branches (1 Branch in Dilkusha C/A (Dhaka) and another in Agrabad, Chottogram). The Islamic Banking Operation is governed under the rules and regulations of Bangladesh Bank.

2 Basis of preparation and significant accounting policies

2.1 Statement of Compliance

Financial statements of the Bank have been prepared under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs) and as per rules and regulations issued by Bangladesh Bank through BRPD Circular No. 14 dated 25 June 2003 with reference to the provisions of The Banking Companies Act 1991 (amended upto date), Companies Act 1994, Rules, regulations and circulars issued by the Bangladesh Bank from time to time, The Securities and Exchange Ordinance 1969, The Securities and Exchange Rules 1987, Bangladesh Securities and Exchange Commission Act 1993, Bangladesh Securities and Exchange Commission (Public Issues) Rules 2015, Income Tax Ordinance and Rules 1984, Value Added Tax Act 1991, Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and Central Depository Bangladesh (CDBL) rules and regulations.

In case any requirement of the Bank Companies Act 1991 (as amended) and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs as adopted, the requirements of the Bank Companies Act 1991 and provisions and circulars issued by Bangladesh Bank shall prevail.

As such the Bank has departed from those which are the requirements of IAS and IFRS in order to comply with the rules and regulations of Bangladesh Bank are disclosed below:

i) Presentation of financial statements

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

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

ii) Investment in Shares and Securities

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



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

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

IFRSs: As per requirement of IFRS 9 “Financial Instruments: where securities will fall under the category of fair value through profit or loss account and any change in fair value of the asset is recognised through profit or loss account. 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 amortized cost are measured at effective interest rate method and interest income is recognized through the profit and loss account.

Bangladesh Bank: According to DOS circular no. 5 dated 26 May 2008 and subsequent clarification in DOS circular no. 5 dated 28 January 2009, amortisation gain/loss is charged to profit and loss account, market-to-market loss on revaluation of government securities (T-bills/T-bonds) categorised as Held for Trading (HFT) is charged to profit and loss account, but any unrealised trading gain on such revaluation is recognised to revaluation reserve account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method but income/gain is recognised through equity.

iv) **Provisions on Loans and Advances:**

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

Bangladesh Bank: As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012), BRPD circular No. 05 (29 May 2013), BRPD circular No. 16 (18 November 2014), BRPD circular No. 08 dated 02 August 2015, BRPD Circular No. 15 (27 September 2017), BRPD Circular No. 01 (20 February 2018), BRPD Circular No. 03 (21 April 2019) a general provision at 0.25% to 2% 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 has to be provided at 20%, 50% and 100% respectively (except CMSME's Cottage, Micro & Small loans where 5% for sub-standard, 20% for doubtful investments and 100% for bad & loss investments. Also short-term agricultural and micro-credits where 5% for sub-standard and doubtful investments and 100% for bad & loss investments) for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures (except LC issued against Fast Track Electricity Project & Bills for Collection according to BRPD circular letter no. 01 dated 03 January 2018. BRPD circular no. 07 dated 21 June 2018 respectively). Such provision policies are not specifically in line with those prescribed by IFRS 9 “Financial Instruments”.

v) **Other comprehensive income**

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

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

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in IFRS 9.

As on 31st December 2022, the bank had no investment in financial instruments

vii) **Non Banking Assets**

IFRSs: No indication of non-banking assets is found in any IASs/IFRSs.

Bangladesh Bank: As per BRPD circular no.14 dated 25 June 2003, there exists a face item named non-banking assets.



viii) **Repo Transaction**

IFRSs: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a collateralised borrowing and the underlying asset continues to be recognised in the entity's financial statements. This transaction will be treated as borrowing and the difference between selling price and repurchase price will be treated as interest expense.

Bangladesh Bank: As per BB circulars/guidelines, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a normal sale transaction and the financial assets should be derecognised in the seller's book and recognised in the buyer's book.

ix) **Financial Guarantees**

IFRSs: 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 the instrument. Financial guarantee liabilities are recognised initially at their fair value and is amortised over the life of the instrument. Any such liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are prescribed to be included within other liabilities.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as LC & LG should be treated as off-balance sheet items. No liability is recognized for the gurantee except the cash margin and 1% general provision for all contingent liabilities.

X) **Cash and Cash Equivalents:**

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

Bangladesh Bank: As per BRPD Circular 14 dated 25 June 2003, Cash and cash-equivalents consist of cash with Bangladesh Bank, with its agent bank(s), government securities (prize bond) and deposits with other banks.

XI) **Cash flow statement**

IFRSs: 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.

XII) **Balance with Bangladesh Bank (cash reserve requirement)**

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

Bangladesh Bank: Balance with Bangladesh Bank should be treated as cash and cash equivalents.

XIII) **Off-balance sheet items**

IFRSs: No concept of off-balance sheet items in any IFRS; so nothing to disclose as off-balance sheet items.

Bangladesh Bank: As per BRPD circular no.14 dated 25 June 2003, off-balance sheet items i.e. LC, LG, acceptance should be disclosed separately on the face of the balance sheet.

XIV) **Presentation of loans and advance net of provision**

IFRSs: Loans and advances shall be presented at amortised cost net of any write down for impairment (expected credit losses that result from all possible default events over the life of the financial instrument).

Bangladesh Bank: As per BRPD circular 14 dated 25 June 2003, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances.



XV) Recognition of interest in suspense

IFRSs: Loans and advances to customers are generally classified as “loans and receivables” as per IFRS 9 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired , interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

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

XVI) Disclosure of appropriation of Profit

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed on the face of Profit and Loss Account.

XVII) Presentation of intangible asset

IFRSs: 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.

XVIII) Uniform Accounting Policy

In several cases Bangladesh Bank and Bangladesh Securities and Exchange Commission guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS 10. As such some disclosure, presentation Notes to the financial statements and measurement requirements of IFRS 10 cannot be made in financial statements.

2.2 Basis of measurement:

Financial Statements have been prepared on the historical cost basis except for the following:

- Government Treasury Bills and Bonds designated as 'Held for Trading' at present value using market to market with gains, if any credited to revaluation reserve.
- Government Treasury Bills and Bonds designated as 'Held for Maturity (HTM) at present value using amortisation concept.'

2.3 Going concern basis of accounting

These financial statements have been prepared on the basis of assessment of the Bank's ability to continue as a going concern. BGCB has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

2.4 Use of Estimates and Judgements

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

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

Key estimates include the following:

- Deferred tax assets/liabilities
- Useful lives of depreciable assets
- Provision on loans and Advances
- Gratuity Fund



2.5 Foreign Currency Transaction:

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

Foreign Currency Translation

Foreign Currency Translation have been converted into equivalent Taka at the ruling exchange rates on the respective date of each transactions as per IAS 21 "The Effects of Changes in Foreign Exchange Rates"

In preparing solo financial statements, assets and liabilities in foreign currencies as at December 31, 2022 have been converted into Taka currency at the revaluation rate determined by the Bank and profit and loss accounts have been converted into monthly average rate

Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting /crediting exchange gain or loss account.

2.6 Cash flow statement

Cash flow statement has been prepared in accordance with IAS 7 'Statement of Cash Flow' and under the guideline of BB BRPD circular no. 14 dated 25 June 2003. The statement shows the structure of changes in cash and cash equivalents during the financial year. Cash flow during the period have been classified as operating activities, investing activities and financing activities.

2.7 Reporting period

These financial statements of the the Bank cover one calendar year from 1 January to 31 December.

2.8 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.

2.9 Liquidity statement

The liquidity statement has been prepared mainly on the basis of remaining maturity grouping of assets and liabilities as at the close of the year as per following bases:

Particulars	Basis of use
Cash, balance with other banks and financial institutions, money at call and short notice, etc.	Maturity term.
Investments	Respective maturity terms
Fixed assets	Useful life.
Other assets	Realisation/amortisation
Deposits and other accounts	Maturity and behavioral trend (non-maturity)
Other long term liability	Maturity term.
Provision and other liability	Payment/adjustment

2.10 Significant accounting policies

The accounting policies set out below have been applied in these financial statements, except otherwise instructed by Bangladesh Bank as the prime regulator.

A. Assets and basis of their valuation

i) Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, balance with other banks and financial institutions.

ii) Investments:

Investments include investment in securities, Repo and reverse Repo, and investment in subsidiaries.

a) Investment in Securities

All investments in securities (bills and bonds) are initially recognized at purchase price excluding commission and accrued coupon interest. Investments are segregated in two broad categories. These are held to maturity (HTM) and held for trading (HFT).

a.i) Held to Maturity

Debt securities that a firm has intention to hold until maturity. These are reported at amortized cost therefore, they are not affected by swings in the financial markets.



a.ii) **Held for Trading**

Held for trading securities are those which are held with intention of selling in order to generate profits. Held for trading securities are revalued at market price.

b) **REPO and Reverse REPO**

REPO and Reverse REPO are recorded based on DOS Circular no. 06, dated 15 July 2010 of Bangladesh Bank and subsequent clarification in DOS Circular no 03 dated 30 January 2012 and DOS circular no. 2 dated 23 January 2013. In the case of REPO of both coupon and non-coupon bearing (Treasury bill) securities, the Bank adjusts the Revaluation Reserve Account for HFT securities and stops the weekly revaluation (if the revaluation date falls within the REPO period) of the same security. For interest bearing security, the Bank fully accrues interest during REPO period.

c) **Revaluation**

As per Bangladesh Bank DOS circular letter no. 5 dated 28 January 2009, HFT securities are revalued each week using Marked to Market concept and HTM securities are amortized once a year according to Bangladesh Bank guidelines. The HTM securities are also revalued if these are reclassified to HFT category with the Board approval. Value of investment has been shown as under:

Investment Class	Initial Recognition	Measurement after initial	Recording of Changes
Treasury Bill/Bond (HFT)	Cost	Fair Value	Loss to Profit & Loss Account, Gain to Revaluation Reserve through Profit and Loss Account
Treasury Bill/Bond (HTM)	Cost	Amortised Value	Increase or decrease in value of equity
Debenture/Bond	Face Value	None	None
Shares (Quoted)*	Cost	Lower of cost or market value	Loss (net) to profit and Loss Account but no unrealised gain booking
Prize Bond	Cost	None	None

* Quoted shares are bought and held primarily for the purpose of selling then in future or held for dividend income which are reported at cost. Unrealised gains are not recognized in the profit and Loss statement. But provision was made for diminution in value of investment.

d) **Investment in unquoted securities**

Investment in unlisted 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 unlisted securities.

As per Bangladesh Bank DOS Circular # 04 dated 24 November 2011, provision for diminution in value of investment was made by netting off unrealised gain/ loss of shares from market price/ book value less cost price.

Besides, 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."

iii) **Loans, advances and provisions**

a) A loan and advance is a financial facility provided by the banks and financial institutions to help their customers in financial need. Loans and advances comprise of non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. These are recognised at gross amount on the date on which they are originated.



Loans, advances and provisions

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

c) Commission is recognised at the time of realisation.

d) Provision for loans and advances/investments is made based on the arrear in equivalent month and reviewed by the management following instructions contained in Bangladesh Bank BRPD circular no. 14 dated 23 September 2012, Bangladesh Bank BRPD circular no. 19 dated 27 December 2012, Bangladesh Bank BRPD circular no. 05 dated 29 May 2013, Bangladesh Bank BRPD circular no. 16 dated 18 November 2014, Bangladesh Bank BRPD circular no. 12 dated 20 August 2017, Bangladesh Bank BRPD circular no. 15 dated 27 September 2017, Bangladesh Bank BRPD circular no. 07 dated 21 June 2018, Bangladesh Bank BRPD circular no. 13 dated 18 October 2018, Bangladesh Bank BRPD circular no. 16 dated 21 July 2020, Bangladesh Bank BRPD circular no.52 dated 20 October 2020 and Bangladesh Bank BRPD circular no. 56 dated 10 December 2020

Provisions for Loans and Advances:

Rates of Provision on Loans and Advances/Investments are given below

Types of Loans and Advances	Provision				
	STD	SMA	SS	DF	BL
Consumer Financing-House Building	1%	1%	20%	50%	100%
Consumer Financing-Loans for Professionals	2%	2%	20%	50%	100%
Consumer Financing-Other than House Building and Professionals	2%	2%	20%	50%	100%
Loans to Brokerage Houses, Merchant Banks, Stock Dealers etc	2%	2%	20%	50%	100%
Small and Medium Enterprise (Medium)	0.25%	0.25%	20%	50%	100%
Small and Medium Enterprise (Cottage, Micro, Small)	0.25%	0.25%	5%	20%	100%
Short Term Agriculture/Micro Credit	1%	1%	5%	5%	100%
Others	1%	1%	20%	50%	100%
Off Balance Sheet Exposure	1%	N/A	N/A	N/A	N/A

iv) Impairment of financial assets:

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36 "Impairment of Assets". At each balance sheet date, Bengal Commercial Bank Limited assesses whether there is objective evidence that a financial asset or a group of financial assets i.e, loans and advances, of balance sheet items and investments is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if -

In the event of impairment loss, the Bank reviews whether a further allowance for impairment should be provided in the profit and loss statement in addition to the provision made based on Bangladesh Bank guidelines or other regulatory requirements.

- there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset up to the balance sheet date;
- the loss event had an impact on the estimated future cash flows of the financial asset or the group of financial assets; and a reliable estimate of the loss amount can be made.

The Bank reviews whether a further allowance for impairment should be provided in the profit and loss statement in addition to the provision made based on Bangladesh Bank guidelines or other regulatory requirements.

v) Fixed assets (other than lease items)

The Bank applies the accounting requirements of IAS 16 'Property, Plant and Equipment' for its own assets which are held for current and future use in the business and are expected to be used for more than one year.

Recognition and measurement

Fixed assets are stated at cost less accumulated depreciation as per IAS 16. The cost of an item of fixed assets is recognised 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.



The cost of an item of fixed assets comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purpose other than to produce inventories during that period

Subsequent costs

Subsequent costs are capitalised 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 derecognised. The costs of day to day servicing of fixed assets, i.e. repairs and maintenance is charged to profit and loss account as expense when incurred.

vi) Depreciation

Depreciation is charged at the rates stated below on all the items of fixed assets on the basis of estimated useful lives as determined in the fixed asset policy of the Bank. In all cases depreciation is calculated on the straight line method. Charging depreciation commences from the day of acquisition and ceases at the date when the assets are disposed.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets have been capitalized as part of the cost of the assets and net sale proceeds (IAS 36)

Category	Rate of depreciation
Furnitures & Fixtures	15%
Machineries and equipment	20%
Digital Banking Equipment	10%
Computer and network equipment	20%
Vehicles	20%
Right of Use Asset*	Over the Lease Term
Intangible Assets: Software	20%

Repairs and maintenance are charged to profit and loss account as expense when incurred.

*Right of Use Asset is Depreciated over the lease term as per IFRS 16: Lease. (Note vii)

Revaluation

The frequency of revaluation depends upon the movement in the fair value of the items of property, plant and equipment being revalued.

Increases in the carrying amount as a result of revaluation is credited directly to shareholders' equity under the heading of revaluation surplus. Decreases in the carrying amount as a result of revaluation is recognised as an expense. However, a revaluation decrease is charged directly against any related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of the same assets.

Impairment of Fixed Assets

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36 'Impairment of Assets'. The bank has a policy to review the carrying value of financial and non-financial assets and assess whether there is any indication that an asset may be impaired and/or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recovered. If any such indication exists, the bank will make an estimate of the recoverable amount of the asset. The carrying value of the asset will be reduced to its recoverable amount if the recoverable amount is less than its carrying amount with associated impairment losses recognised in the profit and loss account. However, impairment of any financial assets is guided by relevant BB circulars/instructions and IFRS 9. During the year there was no indication of impairment of fixed assets.

Derecognition of fixed assets

The carrying amount of an item of fixed assets is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of fixed assets is to be recorded in profit or loss when the item is derecognised.

No fixed asset was derecognized during the year. Details of fixed assets are presented in note 8 and 'Annexure - A' of these financial statements.

vii) Intangible assets

Intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are to be classified as per IAS 38 'Intangible Assets' which comprises the value of all licensed computer software including core banking software of the Bank, cards management software, cheque processing software (i.e. BEFTN), software of subsidiaries and other integrated customised software for call center, ATM service, Finance and HR operations i.e. PMS, FAR, HRMS, Payroll Management



Software: As per the approval of the Board, the Bank decided to purchase software from Flora Systems Limited and subsequently a work order has been issued. On 30th December 2020 software has become functional and recognized in the financial statements at cost less accumulated amortisation. Initial cost will be comprised of license fees paid at the time of purchase and other directly attributable costs incurred for customising the software for its intended use. The value of the software is amortised using the straight line method over the estimated useful life of 5 (five) years commencing from the date at which the application of the software is made available for use.

viii) **Leases**

IFRS 16: "Leases" is effective from 1 January 2019, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Bengal Commercial Bank Ltd. has applied IFRS 16 Leases through recognition, measurement and disclosure in the Financial Statements - 2022.

At inception of a contract, the Bank assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The bank applies a single recognition and measurement approach for all leases, except for short-term leases, or, and lease of low value of assets. The bank recognises lease liabilities to make lease payment and right-of-use assets representing the right to use the underlying assets.

Right-of-Use Assets (ROU)

The bank recognises the Right-of-Use assets at the date of contract with the lessor (i.e. the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted for any measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term, or remaining period of the lease term.

Lease Liabilities

The bank recognised lease liabilities which is present value of lease payments to be made over the lease term from the date of Contract with the Lessor. The lease payments include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the bank and payment of penalties for terminating the lease. The lease payment has been discounted using maximum deposit rate fixed by the Government of Bangladesh which is 6% per annum.

vii) **Other assets**

Other assets include mainly advance office rent, payment of advance income tax for which assessment of tax has not been completed yet and all other financial assets, fees and other unrealized income receivable, advance for operating and capital expenditures and stocks of stationery and stamps, etc.

viii) **Receivables:**

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity or person.

ix) **Non-banking assets**

Non-banking assets are usually acquired due to failure of borrowers to repay the loan in time taken against mortgaged properties. There was no assets acquired in exchange for loan during the period of financial statements.

B. Capital, Reserve, Liabilities and provisions and basis of their valuation

i) **Borrowing from other banks, financial institutions and agents**

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

ii) **Deposits and other accounts**

Deposits and other accounts include non-interest bearing current deposits redeemable at call, interest bearing short-term deposits, savings deposits and fixed deposits which are initially measured at the consideration received. These items are subsequently measured and accounted for at the gross value of the outstanding balance in accordance with the contractual agreements with the counterparties.

iii) **Other liabilities**

Other liabilities comprise items such as provision for accrued expenses. Individual item-wise liabilities are recognised as per the guidelines of Bangladesh Bank (BB) and International Financial Reporting Standards (IFRSs).



- iv) **Dividend payments**
Interim dividend is recognised only when the shareholders' right to receive payment is established. Final dividend is recognised when it is approved by the shareholders in AGM. Dividend payable to the Bank's shareholders is recognised as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive payment is established. Due to Operating Loss no Dividend was paid during the year.
- v) **Provision for loans and advances**
As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 16 dated 18 November 2014 and BRPD circular no. 3 dated 21 April 2019, provisions for loans and advances is to be kept after each quarter end.
- vi) **Provision against investment in capital market:**
For recognition of loss suffered from investment in capital market, provision is to be provided on unrealized loss (gain net off) according to DOS Circular No. 04 dated 24 November 2011 on portfolio.
- vii) **Provision for off-balance sheet exposures**
As per BRPD circular no. 07 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018, Banks need to maintain provision @0% to 1% against off-balance sheet exposures.
- viii) **Provision for nostro accounts**
According to guidelines of Foreign Exchange Policy Department of Bangladesh Bank, circular no. FEOD (FEMO)/01/2005-677 dated 13 September 2005, Bank is required to make provision regarding the un-reconciled debit balance of Nostro Account for more than three months as at balance sheet date.
Since there was no unreconciled entries which are outstanding for more than three months, thereafter no provision has been made.
- ix) **Provision for other assets:**
As per BRPD Circular No. 14 dated 25 June 2001 i.e. 100% provision is required on other assets which are outstanding for one year or more.
- x) **Provision for liabilities and accrued expenses**
In compliance with IAS 37, provisions for other liabilities and accrued expenses are recognised in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- xi) **Retirement/post-employment benefits**
The retirement benefits accrued for the employees of the Bank as on reporting date has been accounted for in accordance with the provision of International Accounting Standard-19, "Employees Benefits". Various types retirement benefit schemes of the bank are as follows:
- a) **Provident fund**
A "Defined Contribution Plan" is a post employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal constructive obligation to pay further amounts. Provident Fund benefits are given to the staff of the Bank in accordance with the Provident Fund Rules. Permanent employees of the bank are contributing 10% of their basic salary as provident fund. The bank also contributes equal amount of the employees contribution to the fund.
- b) **Gratuity**
Gratuity is a form of monetary benefit paid to a worker upon being terminated or retired from employment. Gratuity is voluntarily given by way of favour and is an act of grace. Gratuity is not founded on any legal liability but a mere bounty stemming from appreciation and graciousness and therefore, it is capable of being given or withheld at the discretion of the giver. Gratuity Fund benefits will be given to the staff of the Bank in accordance with the NBR approved Gratuity Fund Rules.
- c) **Life and Medical Insurance:**
The purpose of Social Insurance is to provide benefit to employees in several ways which includes death benefit, physical disability, etc. The Social Insurance Policy of the Bank has yet not been finalized by Board, hence, no provision for social insurance fund has been maintained.
- C. **Share capital and reserves**
- i) **Authorized and issued capital**
The authorized capital of the Bank is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association to issue (allocate) among shareholders. This amount can be changed by shareholders' approval upon fulfilment of relevant provisions of the Companies Act 1994. Part of the authorised capital usually remains unissued. The part of the authorised capital already issued to shareholders is referred to as the issued share capital of the Bank. Authorized Capital of the Bank as on 31 December 2022 was at BDT 15,000 million.



ii) **Paid-up capital**

Paid-up Capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders meetings. In the event of a winding-up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

iii) **Share premium**

The Share premium represents the excess amount received by the Bank from its shareholders over the nominal/par value of its share. The amount of share premium can be utilised as per the provision of section 57 of the Companies Act 1994. Currently, the Bank does not have any share premium.

iv) **Statutory reserve**

In accordance with provisions of section 24 of the Bank Company Act, 1991 (amendment up to 2019), no Statutory Reserved has been maintained due to Operating Loss.

v) **Asset revaluation reserve**

When an asset's carrying amount is increased as a result of revaluation, the increased amount (netting off deferred tax liability) which may arise against such revaluation gain as per IAS 12 'Income Tax', is credited directly to equity under the heading of assets revaluation reserve as per IAS 16 'Property, Plant and Equipment'. During the financial year, the bank did not revalue of its any fixed asset.

vi) **Non-Controlling (Minority) Interest**

Non-controlling (minority) interest in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company

vii) **Contingent Liabilities**

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; or any present obligation that arises from past events but is not recognised 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 recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income which may never be realised

D. Revenue recognition

Revenue is recognized as per IFRS 15. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a entity fulfills the performance obligations regarding the contract of supplying the goods or rendering of service. The standard replaces all existing requirements of IAS 18: Revenue and IAS 11: Construction contracts and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2019 thus the company adopted IFRS 15 with a date of the said initial application.

i) **Interest / Profit income**

Interest on unclassified loans and advances (except those of rescheduled and stay order accounts) is recognised as income on accrual basis, interest on classified loans and advances (including rescheduled and stay order accounts) 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, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 16 dated 18 November 2014 and BRPD circular no. 03 dated 21 April 2019

ii) **Income from investments (interest/ Profit and others)**

Income on investments in Government and other securities, debentures and bonds is required to account for on accrual basis as per the provisions of IFRS 15 'Revenue from Contracts with Customers' and relevant BB guidelines. Capital gain on investments in shares and dividends on investment in shares are included in investment income.

iii) **Fees and commission income**

The Bank earns fees and commissions from diverse range of services provided to its customers. This includes fees and commission income arising on financial and other services provided by the Bank including trade finance, debit cards, passport endorsement, loan processing, loan syndication and locker facilities, etc. Fees and commission income is recognised on the basis of realisation.



iv) **Dividend Income:**

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

- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The amount of the revenue can be measured reliably.

v) **Interest/Profit paid on borrowing and other deposits:**

Interest expenses are recognized on accrual basis taking into account of daily balance outstanding at the rate applicable for respective deposits and interest on savings and SND accounts is credited to depositors account on half yearly basis. No interest is applicable on the balance lying in current deposit account. Interest on FDR accrued but not due to clients A/c was credited to 'Other Liability A/c - Interest Payable'.

vi) **Other Operating Expense**

Expenses incurred by the Bank are recognised on accrual basis when a performance obligation is satisfied by receiving a promised service by the bank as per IFRS 15 'Revenue from Contracts with Customers'.

vi) **Taxation**

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

a. **Current tax**

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Provision for current income tax has been made as per prescribed rate in the Income Tax Ordinance 1984 on the accounting profit made by the Bank after considering some of the add-backs to income and disallowances of expenditure as per income tax laws with IAS 12 'Income Taxes'. Tax Assets under the group head of other assets are recognized for payment of advance income tax, tax deducted at source and tax paid at the time of IT Return for the year/years for which assessment has not been yet finalized. On the other hand, the tax provision (estimated as per IAS 12, provision of latest Finance Act, related SROs/ Guidelines, etc., issued by National Board of Revenue-NBR) are recognized as tax liability under the head of other liability (note: 13.5) for the year/years for which assessment has not been yet finalized.

b. **Deferred tax**

Deferred tax assets or liabilities are recognised by the Bank on deductible or taxable temporary differences between the carrying amount of assets and liabilities used for financial reporting and the amount used for taxation purpose as required by IAS 12 'Income Taxes' and BRPD circular no.11 dated 12 December 2011. Deferred tax assets is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which they can be used. Deferred tax assets and liabilities are reviewed at each reporting period and are measured at the applicable tax rate as per tax laws that are expected to be applied when the assets is realised and liability is settled. Any unrecognised deferred tax assets or liabilities are reassessed at each reporting period and recognised only if that has become probable that future taxable profit or loss will be available against which they can be used or settled.

Details of deferred tax assets or liabilities and amount recognised in profit and loss account for deferred tax income or expense are given in note 13.6 in the financial statements.

E. **Others**

i) **Materiality and aggregation**

Each material class of similar items has been presented separately in the financial statements. Items of dissimilar nature also have been presented separately unless they are immaterial in accordance with IAS 1 'Presentation of Financial Statements'.

ii) **Earnings per share (EPS)**

As per IAS 33 'Earnings per Share' the Bank has been reporting 'Basic EPS' as there has been no dilution possibilities during the year. Basic EPS is computed by dividing the profit or loss attributable to ordinary shareholders of the Bank by the number of ordinary shares outstanding during the period.

iii) **Reconciliation of Books of Account**

Books of account in regard to inter-Bank are reconciled on monthly basis.

iv) **Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24 'Related Party Disclosures', Bangladesh Bank & BSEC guidelines. Details of the related party transactions have been disclosed in Note 50.0

v) **Events after the reporting period**

All the 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'.



vi) **Operating Segments**

Business segments report consists of products and services whose risks and returns are different from those of other business segments. The Bank has a policy to establish reportable segments, as described below, which are the Bank's strategic business units. The strategic business units offers different products and services, and will be managed separately based on the Bank's management and internal reporting structure. Each of the strategic business units of the Bank will be periodically reviewed by the Management Committee. The following summary describes the operations in each of the Bank's reportable segments:

Segment Name	Description	Status
Corporate Banking	This unit focuses on large corporate groups including structured/syndicated finance with a variety of advances & deposit products and other transactions.	Operational
SME Banking	Includes loans, deposits and other transactions and balances with SME customers.	Operational
Consumer Banking	Includes loans, deposits and other transactions and balances with retail customers.	Operational
Treasury	Treasury unit undertakes the Bank's funding and maintenance of SLR, Asset-liability management through money market operation, Fx. Market dealings, investing in derivatives including forwards, futures and swaps	Operational
Investment Banking	Includes the Bank's trading, investment in equities and other capital market activities.	Operational
Card and Alternate Delivery Channel	This includes offering a variety of debit card and credit card to the customers according to their needs.	Operational
Mobile Financial Services	Mobile Financial Services came up with the aim to cover a large number of people under banking channel though mobile network facilitating convenient cash in/out, bill payment, POS purchase etc	Not Operational

vii) **Risk management and other related matters**

Today's most risky nature of Banking business has caused the Central Banks of every country much concerned about the risk factors affecting the financial position of the banks. In this connection every Central Banks have come forward to establish a general framework to defeat the risk factors considering the laws of the land. Bangladesh Bank has also undertaken an overall core-risk management project under which every bank shall be bounded to the authoritative covenants to install risk management system. Bengal Commercial Bank Ltd. has established approved policies covering major areas such as (a) Credit Risk Management, (b) Foreign Exchange Risk Management, (c) Asset Liability Management Risk (d) Money Laundering Risk (e) Internal Control & Compliance Risk and (f) Information & Communication Technology Security Risk (g) Internal Audit (h) Fraud and Forgeries to the DOS circular no: 02 (15 February 2012) regarding 'Risk Management Guidelines' for Banks, Bank Companies Act 1991 (as amended upto 2013) and other guidelines. of Bangladesh Bank.

In addition, the bank is also following relevant Bangladesh Bank guidelines on risk based capital adequacy, stress testing and managing the banking risks in other core risk areas.

The bank has established an independent Risk Management Division (RMD) as per DOS circular no:02 (15 February 2012). The RMD conducts stress testing as per DOS circular no: 01 (23 February 2011), for examining the Bank's capacity of handling future shocks, as well as deals with all potential risks that might occur in future.

The prime objective of the risk management is that the bank takes well calculative business risks while safeguarding the bank's capital, its financial resources and profitability from various risks. In this context, the bank took steps to implement the guidelines of Bangladesh Bank as under:

a) **Credit risk**

Credit risk can be defined as the risk of a potential loss to the Bank when a borrower or counterparty is either unable or unwilling to meet its financial obligations. Granting loans and advances is the core business of BGCB and as such credit risk is its most material risk. The credit risk arises primarily from Corporate Banking, SMEs and Retail loans and advances. Given the scale and materiality of Bank's loan book, managing the credit quality of the lending portfolio is a key focus area with the objective of minimizing probable losses and maintaining credit risk exposure within acceptable parameters.

BGCB's Credit Policy, which is approved by the Board of Directors, plays a central and strategic role in managing daily business activities. The policy defines the principles encompassing client selection, due diligence, early alert reporting, tolerable levels of concentration risk and portfolio monitoring, in line with the Bank's risk appetite. The approach is to avoid excessive credit risk on a counterparty or portfolio level by applying stringent underwriting standards combined with sound collateralization where feasible. The policy is reviewed regularly by the Board of Directors to ensure consistency with the Bank's business strategy.



b) **Liquidity risk**

Liquidity risk arises when the Bank cannot maintain or generate sufficient funds to meet its payment obligations as they fall due or can only do so at a material loss. This can arise when counterparties who provide funding to the Bank withdraw or do not roll over a line of funding or as a result of a general disruption in financial markets which lead to normal liquid assets becoming illiquid. The main sources of the Bank's funding are capital, core deposits from retail and commercial clients, wholesale deposits and access to borrowed funds from the interbank money market. The Bank also maintains a portfolio of readily marketable securities to further strengthen its liquidity position. BGCB manages liquidity risk in accordance with regulatory guidelines internal benchmarks. Also, the Contractual maturity of assets and liabilities and liquidity ratios to include adherence to regulatory requirements and monthly liquidity forecasts are reviewed at ALCO meetings. Furthermore, liquidity stress tests is carried out quarterly to assess the impact of extreme events.

c) **Asset Liability Management Risk**

Asset Liability Management (ALM) has been defined as a planned, structured and systematic process of managing the asset and liability with a view to lead the Bank to a balanced and sustainable growth through minimizing various business risk factors - market risk and liquidity risk. According to the Bangladesh Bank guidelines and considering the most practical aspects of the Bank, an approved policy manual on ALM has been prepared so that it could be followed consistently every sphere of the management. To support the ALM process, the Bank has established a committee called "Asset Liability Committee (ALCO)" headed by the Managing Director and holds meeting at least one in every month. ALM Desk, an exclusive functional and operational desk for the asset liability management, is embodied herewith the ALCO to function under the direct control of Treasury Division.

d) **Market risk**

Market Risk is the risk that changes in equity, bond and commodity prices, as well as movements in foreign exchange rates and interest rates that may adversely affect the Bank's trading and banking books. Market risk can be subdivided into three categories depending on risk factors: interest rate risk, foreign exchange risk, and equity price risk.

e) **Interest rate 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. The Bank has deployed 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.

f) **Foreign exchange risk**

Foreign exchange risk is defined as the potential change in earnings due to change in market price of foreign exchange. The foreign exchange risk of the bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. To Control risk, bank always keep its unhedged net open position within stipulated limit set by central bank.

Treasury Department independently conducts the transactions and the back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by Bangladesh Bank at the month-end. All Nostro accounts are reconciled on a monthly basis and outstanding entry beyond 30 days will be reviewed by the management for its settlement.

g) **Equity price risk**

Equity price risk is the risk of losses caused by changes in equity prices. These losses could arise because of changes in the value of listed shares held directly by the bank; changes in the value of listed shares held by a bank subsidiary; changes in the value of listed shares used as collateral for loans whether the loan was made for the purpose of buying the shares; and changes in the value of unlisted shares.

The risks will be monitored by Credit Committee under a well-designed policy framework.

h) **Operational risk**

Operational Risk is the risk of losses incurring due to human errors, inadequate or failed internal processes or systems or external events including legal risk. Legal risk arises when the Bank's business is not conducted in accordance with applicable laws, when the Bank may be liable for damages to third parties or when contractual obligations may be enforced against the Bank resulting from legal proceedings. The objective of the Operational Risk Management (ORM) is to establish sound control practices to increase the effectiveness of the Bank's resources and minimize financial losses. BGCB is in process to establish operational risk management unit for management of and reporting of operational risk. Currently, Bank uses the Basel III defined event types for loss classification but a comprehensive loss reporting, recording and tracking database yet to establish.

The Operational Risk may arise from error and fraud due to lack of or failure of internal control and compliance. Management controls the operational procedure through various policy and operational guidelines in conformity with best practices and complying with regulators' instructions. Internal Control and Compliance Division (ICCD) of the Bank evaluates effectiveness of the Internal Control System of the Bank. The Audit Committee of the Board subsequently reviews the reports of ICCD and given their suggestions and guidelines time to time for strengthening the operational procedure of the Bank.



i) **Prevention of money laundering and terrorist financing**

Bengal Commercial Bank Limited (BGCB) has framed an approved Money Laundering Prevention Policy Guideline so that it could be sufficient enough to protect the bank from tribulations of money laundering.

As per Money Laundering Prevention Act, 2002 and Money Laundering Prevention circular, a Central Compliance Unit (CCU) has been formed at Head Office in BGCB and a designated person has been nominated to supply any information if required and report any abnormal and suspicious transactions to Bangladesh Bank through CCU. Chief Anti Money Laundering Compliance Officer (CAMALCO) has been designated at head office and Branch Anti Money Laundering Compliance Officers (BAMALCO) will be assigned at branches.

Know Your Customer (KYC) profile, Risk Rating and Assessment (RRA) profile and Transaction Profile (TP) have been introduced as per the direction of Bangladesh Bank. These profiles facilitate and ease the KYC procedures, risk categorization, transaction monitoring process, suspicious activity reporting process, self-assessment process, independent procedures testing system etc. Proper record keeping procedure has been established also.

Various types of statements such as Quarterly STR, Quarterly KYC statement for legacy accounts, Bi-monthly statements etc will be sent to the Bangladesh Bank properly as per the requirements. "

The training procedure has been conforming as per the action plan, which was given to Bangladesh Bank. It provides significant role to develop and to aware the staffs of BGCB about Anti Money Laundering. The management of the Bank is committed to train all of its workforces regarding anti money laundering.

j) **Information and communication technology risk**

BGCB adheres to the IT Security policies and procedures in line with ICT Security guideline of Bangladesh Bank. To prevent attack from Cyber criminals/fraudsters, BGCB IT has established standard physical and logical security measures for all sensitive IT infrastructures (e.g., Data Centre, Disaster Recovery Site, Power Rooms, Server Rooms, etc.). Besides, BGCB has standard logical IT security measures like access control system, intrusion detection, access log and periodic security assessment for all systems. Vulnerability assessment exercises, both internally and externally, are conducted regularly to identify security weakness and establish control for mitigation.

IT Security team has also taken initiatives to create awareness about cybersecurity among all BGCB employees and customers through retail and corporate channels. We have separate information system audit to identify control gaps and improve continually.

k) **Internal audit**

The Bank has a plan to established an independent internal audit function with the head of Internal Control & Compliance (ICC). The internal audit team will performs risk based audit on various business and operational areas of the Bank on continuous basis. The audit committee and the Board will regularly reviews the internal audit reports as well as monitor progress of previous findings. However, the Head of Audit being part of internal control & compliance, will report to audit committee of the Board and is responsible to audit committee of the Board.

l) **Prevention of fraud**

Fraud and Forgeries are a critical dimension, the banking industry is facing now a days. In order to safeguard the bank from all probable fraud and forgeries that may occur in any respect, the bank will take all possible safety security measures under direct supervision of ICCD. Concurrent audit, internal audit, Board audit etc. will be done periodically along with surprise audit from time to time. Moreover, there are a lot of safety measures initiated at the branch level also. The core banking solution Flora is designed to prevent IT related fraud and forgeries.

2B **Compliance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)**

The Bank has complied with following IASs & IFRSs as adopted by ICAB during the preparation of financial statements as at and for the year ended 31 December 2022.

Name of IASs/IFRSs	IASs / IFRSs	No.	Status
Presentation of Financial Statements	IAS	1	*Applied
Inventories	IAS	2	N/A
Statement of Cash Flows	IAS	7	*Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS	8	Applied
Events after the Reporting Period	IAS	10	Applied
Income Taxes	IAS	12	Applied
Property, Plant and Equipment	IAS	16	Applied
Employee Benefits	IAS	19	Applied
Accounting for Government Grants and Disclosure of Government	IAS	20	N/A
The Effects of Changes in Foreign Exchange Rates	IAS	21	Applied
Borrowing Costs	IAS	23	N/A
Related Party Disclosures	IAS	24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS	26	N/A
Separate Financial Statements	IAS	27	Applied
Investments in Associates	IAS	28	N/A
Interests in Joint Ventures	IAS	31	N/A
Earnings per share	IAS	33	Applied



Interim Financial Reporting	IAS	34	Applied
Impairment of Assets	IAS	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS	37	*Applied
Intangible Assets	IAS	38	Applied
Financial Instruments: Recognition and Measurement	IAS	39	*Applied
Investment Property	IAS	40	N/A
Agriculture	IAS	41	N/A
First-time Adoption of International Financial Reporting Standards	IFRS	1	Applied
Share-based Payment	IFRS	2	N/A
Business Combinations	IFRS	3	Applied
Insurance Contracts	IFRS	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	IFRS	5	*Applied
Exploration for and Evaluation of Mineral Resources	IFRS	6	N/A
Financial Instruments: Disclosures	IFRS	7	*Applied
Operating Segments	IFRS	8	Applied
Financial Instruments	IFRS	9	*Applied
Consolidated Financial Statements	IFRS	10	Applied
Joint Arrangements	IFRS	11	N/A
Disclosure of Interests in Other Entities	IFRS	12	Applied
Fair Value Measurement	IFRS	13	*Applied
Regulatory Deferral Accounts	IFRS	14	N/A
Revenue from Contracts with Customers	IFRS	15	Applied
Leases	IFRS	16	*Applied

* Subject to departure described in note 2.1

N/A = Not Applicable

Reporting period

These financial statements cover the period from 1 January 2022 to 31 December 2022.

Approval of financial statements

The financial statements have been approved by the Board of Directors of the bank in its meeting held on

Changes in Accounting Policies

As per IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” Accounting Policies are applied consistently for comparability between financial statements of different accounting periods. Changes in Accounting Policies are applied retrospectively in the financial statements. Comparative amounts presented in the financial statements affected by the change in accounting policy for each prior period presented.

IFRS 15 - Revenue from Contract with Customers

IFRS 15 “Revenue from Contracts with Customers” replaces IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 15 establishes a more systematic approach for revenue measurement and recognition by introducing a five-step model governing revenue recognition. The five-step model includes: 1) identifying the contract with the customer, 2) identifying each of the performance obligations included in the contract, 3) determining the amount of consideration in the contract, 4) allocating the consideration to each of the identified performance obligations and 5) recognising revenue as each performance obligation is satisfied. The Bank has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements.

General

(i) Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact on the operating result and value of assets and liabilities as reported in the financial statements for the current year.

(ii) Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.

(iii) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

(iv) These financial statements cover one calendar year from 01 January 2021 to 31 December 2022 .



BENGAL COMMERCIAL BANK LTD
Notes to the Financial Statements
as at and for the Period ended 31 December 2022

	<u>Note</u>	<u>31.12.2022</u> <u>TAKA</u>	<u>31.12.2021</u> <u>TAKA</u>
3.0 Cash in hand			
Conventional and Islamic Banking			
Cash in hand	3.1	254,528,407	104,560,987
Balance With Bangladesh Bank and its agent Banks	3.2	543,750,998	225,749,995
		798,279,405	330,310,982
3.1 Cash in hand			
Local Currency		254,314,507	103,783,887
Foreign Currency		213,900	777,100
		254,528,407	104,560,987
3.2 Balance with Bangladesh Bank and its agent Banks			
Conventional and Islamic Banking			
Bangladesh Bank			
Local currency		488,336,826	191,265,778
Foreign currencies		55,410,157	34,484,217
		543,746,983	225,749,995
Balance with agent banks		4,015	-
		543,750,998	225,749,995
3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)			

Cash Reserve Requirements (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of the Bank Companies Act (As amended up to date) and Bangladesh Bank Mpd Circular no. 03 dated 09 April 2020.

A. Cash Reserve Requirement (CRR)

As per Bangladesh Bank MPD circular no. 03 dated 09 April, 2020 and BRPD(P-3)/744(27)/2020-4086 dated 18 June, 2020, Bank has to maintain 3.50% CRR on daily basis for Domestic Banking Operation (DBO) and 4.00% on bi-weekly basis for Domestic Banking Operation (DBO). CRR requirement is calculated on the basis of weekly Average of Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. The reserve maintained by the Bank as at 31 December 2021 are as follows:

Daily Basis

Average Total Demand and Time Liabilities	3,991,080,034	2,835,551,000
	3,991,080,034	2,835,551,000

Required Reserve

DBO (3.5% of of ATDTL) (A)	322,025,000	99,244,000
	322,025,000	99,244,000

Actual Reserved Maintained as Per Bangladesh Bank Statement (B)	552,069,940	191,210,958
	552,069,940	191,210,958

Surplus (B-A)	230,044,940	91,966,958
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Bi-Weekly Bank's CRR Maintenance

Required Reserve

DBO (4% of of ATDTL) (A)	368,029,000	113,422,000
	368,029,000	113,422,000

Actual Reserved Maintained as Per Bangladesh Bank Statement (B)	552,069,940	191,210,958
	552,069,940	191,210,958

Surplus (B-A)	184,040,940	77,788,958
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<u>Note</u>	31.12.2022 TAKA	31.12.2021 TAKA
B. Statutory Liquidity Ratio (SLR)		
As per Section 33 of the Bank Company Act, 1991 & MPD circular no. 02 dated December 10, 2013 issued by Bangladesh		
Required Reserve (13% of ATDTL) for DBO (A)	980,233,000	368,622,000
	980,233,000	368,622,000
Actual Reserve Maintained (B)	1,784,314,880	559,249,907
Surplus	1,784,314,880	559,249,907
C. Components of Statutory Liquidity Ratio (SLR)	804,081,880	190,627,907
Cash in hand	254,528,410	104,560,987
Balance with Agent Bank	-	-
Held to Maturity (HTM) Securities	1,119,131,343	376,876,560
Held for Trading (HFT) Securities	-	-
Excess From CRR (4%)	184,040,940	77,788,960
Other Eligible Securities	117,617,500	23,400
	1,675,318,193	559,249,907

As per Bangladesh Bank DOS Circular no. 26 dated 19 August, 2019, cash reserve (if any) in excess of required CRR calculated on bi-weekly basis is considered as an eligible component of Statutory Liquidity Reserve for that particular day.

4.0 Balance with other banks and financial institutions

Conventional and Islamic Banking

Balance In Bangladesh	4.1	4,151,995,322	4,463,849,793
Balance outside Bangladesh	4.2	3,134,607	6,697,316
		4,155,129,928	4,470,547,109

4.1 In Bangladesh

A. SND account

Mercantile Bank Limited.	910,850,801	211,635,205
Standard Bank Limited	700,000,000	-
	1,610,850,801	211,635,205

B. CD account

Trust Bank Limited.	1,144,520	2,214,588
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C. Term deposit

Jamuna Bank Limited	150,000,000	-
One Bank Limited	500,000,000	-
NCC Bank Limited	1,000,000,000	-
NRB Bank Limited	390,000,000	-
IDLC Finance Limited	500,000,000	-
Janata Bank Limited	-	600,000,000
Agrani Bank Limited	-	3,650,000,000
	2,540,000,000	4,250,000,000
	4,151,995,322	4,463,849,793

4.2 Outside Bangladesh (NOSTRO Accounts)

AB Bank Limited, Mumbai, India	1,600,276	20,000
Axis Bank Limited, Mumbai, India	311,667	-
Mashreq Bank PSC, New York, USA	1,202,981	-
Sonali Bank (GBP)	19,683	-
Habib American Bank NY, USD	-	6,677,316
	3,134,607	6,697,316

Details of NOSTRO Accounts along with Conversion and Unreconciled Position in Annexure-A



	<u>Note</u>	31.12.2022 TAKA	31.12.2021 TAKA
4.3 Maturity grouping of balance with other banks & financial institutions			
On demand		915,129,928	220,547,108
Not more than three months		2,540,000,000	4,250,000,000
More than three months but less than one year		-	-
More than one year but less than five years		-	-
More than five years		-	-
		3,455,129,928	4,470,547,108
5.0 Money at Call and Short Notice			
Call money Lending		-	-
Short Notice Lending		672,284,940	-
		672,284,940	-
5.1 Call Money Lending-With banking Companies			
Call Money Lending-With banking Companies		-	-
5.2 Short Notice Lending			
Short Notice Lending		-	-
6.0 Investment			
Conventional and Islamic Banking			
(a) Nature Wise			
Held for Trading		108,996,682	-
Held for Maturity		1,119,131,343	376,876,564
Others		923,244,430	657,158,909
		2,151,372,455	1,034,035,473
(b) Claim Wise			
Government Securities	6.1	1,345,745,525	414,489,964
Others	6.2	805,626,930	619,545,509
		2,151,372,455	1,034,035,473
6.1 Government Securities			
Treasury Bond	6.1.1	1,228,128,025	376,876,564
Sukuk Islami Bond		117,590,000	37,590,000
Prize Bond		27,500	23,400
		1,345,745,525	414,489,964
6.1.1 Treasury Bond			
Held for Maturity			
Treasury Bond (5 years)		10,200,000	10,200,000
Treasury Bond (10 years)		215,611,235	130,937,036
Treasury Bond (15 years)		386,059,442	46,970,869
Treasury Bond (20 years)		507,260,667	188,768,659
		1,119,131,343	376,876,564
Held for Trading			
Treasury Bond (15 years)		108,996,682	-
Treasury Bond (20 years)		-	-
		108,996,682	-
		1,228,128,025	376,876,564

	<u>Note</u>	31.12.2022 TAKA	31.12.2021 TAKA
6.2 Others (Investment in Other than Govt. Securities)			
Conventional and Islamic Banking			
Corporate Bond	6.2 (a)	200,000,000	350,000,000
Subordinate Bond	6.2 (b)	150,000,000	-
Perpetual Bond	6.2 (c)	100,000,000	-
Ordinary Shares & Mutual Funds		355,626,930	269,545,509
		805,626,930	619,545,509
6.2 (a) Corporate Bond			
Unquoted			
North West Power Generation Company		200,000,000	200,000,000
Jamuna Bank Limited Subordinated Bond-IV		-	150,000,000
		200,000,000	350,000,000
6.2 (b) Subordinate Bond			
Unquoted			
Jamuna Bank Limited Sub Bond		150,000,000	-
		-	-
		150,000,000	-
6.2 (c) Perpetual Bond			
Unquoted			
Mercantile bank		100,000,000	-
		-	-
		100,000,000	-
6.4 Maturity-Wise Grouping			
On Demad		355,654,430	269,568,909
Up to 3 months		-	-
More than 3 months but not more than 1 year		-	-
More than 1 year but not more than 5 year		117,590,000	37,590,000
More than 5 years		1,678,128,025	726,876,563
		2,151,372,455	1,034,035,472
7.0 Loans & Advances / Investment			
Conventional and Islamic Banking			
Loans, Cash credit & overdraft etc / Investments	7.1	7,249,464,752	2,429,281,061
Bills purchased and discounted		27,077,514	-
		7,276,542,266	2,429,281,061
7.1 Product Wise Loans and Advances / Investments			
Continuous Loan / Investment		2,707,399,541	479,460,592
Term Loan / Investments		1,977,270,862	738,211,168
Demand Loan / Investments		2,522,919,145	1,211,609,302
Auto Loan / Investments Staff		41,875,205	-
		7,249,464,752	2,429,281,061
7.2 Loans, Cash Credits, Overdraft etc.			
Overdrafts		2,002,422,006	210,299,860
Demand Loans		2,136,790,646	1,109,528,985
Term Loans		1,278,155,358	560,734,448
Staff Loans		41,875,205	-
Hire Purchase		28,583,732	6,071,559
Loan Under COVID-19 stimulus Package		301,019,137	201,253,664
		5,788,846,084	2,087,888,516
7.3 Small and Medium Enterprise			
Overdrafts		283,506,316	32,567,391
Demand Loans		413,206,012	102,080,317
Term Loans		561,686,069	171,405,161
Loan Under COVID-19		229,297,784	35,339,677
		1,487,696,181	341,392,545

	<u>Note</u>	31.12.2022	31.12.2021
		TAKA	TAKA
7.4 Net Loans and Advances			
Gross Loans and Advances		7,276,542,266	2,429,281,061
Less: Interest Suspense		-	-
Less: Provision for Loans and Advances		62,307,000	21,923,000
		7,214,235,266	2,407,358,061
7.5 Loans and Advances under the following Broad Categories			
Inside Bangladesh			
Cash Credits		114,307,142	41,773,435
Overdrafts		2,593,092,399	437,687,157
Term Loan		1,948,687,130	732,139,608
Hire Purchase		70,458,936	6,071,559
Demand Loans		2,549,996,659	1,211,609,302
		7,276,542,266	2,429,281,061
Outside Bangladesh			
Cash Credits		-	-
Overdrafts		-	-
Hire Purchase		-	-
Term Loan		-	-
Time Loan		-	-
		-	-
7.6 Geographic Location wise Portfolio grouping			
Urban			
Dhaka Division		6,949,262,170	2,429,281,061
Chattogram Division		84,354,960	-
Khulan Division		-	-
Sylhet Division		-	-
Barisal Division		-	-
Rajshahi Division		-	-
Rangpur Division		-	-
Mymensingh Division		-	-
		7,033,617,130	2,429,281,061
Rural			
Dhaka Division		198,716,293	-
Chattogram Division		44,208,843	-
Khulan Division		-	-
Sylhet Division		-	-
Barisal Division		-	-
Rajshahi Division		-	-
Rangpur Division		-	-
Mymensingh Division		-	-
		242,925,136	-
7.7 Loans and Advances on the basis of significant concentration			
7.7.1 Loans and Advances to Directors, Executives and Others			
a) Directors			
Credit Cards		-	-
Others		-	-
		-	-
b) Staff			
Managing Director and CEO		-	-
Executives and Staffs		41,875,205	-
		41,875,205	-
c) Agriculture		65,100,717	-

	<u>Note</u>	31.12.2022	31.12.2021
		TAKA	TAKA
d) Industry			
Food Manufacturing		895,235,347	558,937,901
Beverage and Industry		-	-
RMG Industry		343,584,797	5,282,752
Textile Industry		409,172,829	-
Wood Cork and Allied Products		-	-
Furniture and Fixtures		304,117	-
Paper and Paper Products		5,300,586	10,036,778
Leather and Leather Products		346,591,244	351,266,831
Rubber And Plastic Industries		145,525,426	48,940,905
Chemical and Chemical Products		398,487,476	397,582,543
Basic Metal Products		657,851,241	385,292,016
Electrical Machinery and Apparatus		214,115,803	1,965,376
Pharmaceutical		219,164,097	-
Ship Building		-	-
Ship Breaking		-	-
Other Manufacturing Industries		1,218,939,757	52,424,460
Others		445,359,598	170,005,690
		5,299,632,319	1,981,735,252
e) Constructions		259,460,931	115,225,550
f) Power, Gas, Water and Sanitary Services		359,746,272	-
g) Trade Services		389,327,253	57,877,410
h) Housing Services		59,228,200	17,749,379
i) Transport, Storage and Communication		-	-
j) Banking and Insurance		-	-
k) Professional and Misc. Services		802,171,370	256,693,471
		7,276,542,266	2,429,281,061

7.8 Detail of Large Loan

Number of clients with amount outstanding (Funded and Non Funded) and classification status to whom loans and

Number of Clients	7	1
Amount of Outstanding loans and Advances	1,276,988,646	384,368,979
Amount of Outstanding loans and Advances		-

Client Wise Details are Given Below:

Name of the Client	Sanction Limit	Outstanding		Total	Classification Status
		Funded	Non-Funded		
GPH ISPAT LIMITED	500.00	443.11	-	443.11	STD
NITOL MOTORS LTD.	800.00	219.32	-	219.32	STD
ALPHA CARBON	510.00	10.02	-	10.02	STD
MEGHNA INNOVA RUBBER	210.00	-	-	-	STD
ALCA INDUSTRIES LTD.	175.00	20.06	-	20.06	STD
City Sugar Industries Limited	550.00	260.68	-	260.68	STD
Hoshendi Economic Zone Limited		323.79	-	323.79	STD

7.9 Classified and Unclassified Loans and Advances

Unclassified

Standard	7,276,542,266	2,387,549,819
Special Mentioned Accounts (SMA)		41,731,242



	<u>Note</u>	31.12.2022	31.12.2021
		<u>TAKA</u>	<u>TAKA</u>
Classified			
Sub-Standard		-	-
Doubtful		-	-
Bad/Loss		-	-
		<u>7,276,542,266</u>	<u>2,387,549,819</u>
7.10 Sector-Wise Allocation of Loans and Advances			
Government			
Private			
Agriculture		65,100,717	-
Industry		4,559,761,956	1,373,372,113
Service Industry		720,250,088	348,469,040
Agro-Based Industry		654,257,037	606,357,694
Commerce and Trade		389,327,253	57,877,410
Consumer Credit		266,070,035	30,863,695
Others		621,775,180	12,341,109
Total		<u>7,276,542,266</u>	<u>2,429,281,061</u>
7.11 Securities Wise Loans and Advances Including Bills Purchased and Discounted			
Collateral of Moveable/Immoveable Assets		1,907,264,272	340,893,058
Local Banks and Financial Institutions Gurantee		-	-
Fixed Deposit Receipts (FDR)		262,430,267	39,957,207
FDR of Other Banks		-	-
Personal Gurantee and Other Securities		1,777,679,221	138,615,788
Other Securities		3,312,679,670	1,904,078,662
Without Securities		16,488,836	5,736,346
		<u>7,276,542,266</u>	<u>2,429,281,061</u>
7.12 Particulars of Loans and Advances			
Loans considered good in respect of which the banking company is fully & pa		2,168,926,546	380,850,265
Loans considered good against which the banking company holds no security		16,488,836	5,736,346
Loans considered good secured by the personal undertakings of one or more		5,091,126,883	2,042,694,450
Loans adversely classified, provision not maintained there against.		-	-
		<u>7,276,542,266</u>	<u>2,429,281,061</u>
Loans due by directors or officers of the banking company or any of them		-	-
Loans due by companies or firms in which the directors of the banking		-	-
Maximum total amount of advances including temporary advances made at		-	-
Maximum total amount of Investments including temporary Investment		-	-
Due from banking companies		-	-
Amount of Classified Loan on which interest has not been		-	-
a) (Decrease)/ Increase in provision		-	-
Amount of Debts written off		-	-
Amount realised against loan previously written off		-	-
c) Interest creditable to the interest suspense account.		-	-
Cumulative amount of the wirtten off loan		-	-
Opening Balance		-	-
Amount Written off during the year		-	-
The amount of written off loans for which law suits have been filed		<u>-</u>	<u>-</u>
		<u>7,276,542,266</u>	<u>2,429,281,061</u>



Note

31.12.2022

31.12.2021

TAKATAKA

7.13 Particulars of Required Provisions for Loans and Advances

<u>Status</u>	<u>Base for Provision</u>	<u>Percentage (%) of required Provision</u>	<u>Required Provision 2022</u>	<u>Required Provision 2021</u>
Unclassified				
All Unclassified Loans (Other than	2,057,295,073	1%	56,060,427	20,572,951
Small and Medium Enterprise	299,391,052	0%	3,719,240	748,478
Housing Finance	12,086,854	1%	437,986	120,869
Loans to Professionals	-	-	-	-
Consumer Finance	18,776,841	2%	-	375,537
Staff Loan	41,875,205	0%	1,936,475	-
SMA (Same as UC i.e. 0.25%, 1% to 2%)	41,731,242	0%	-	104,328
Sub Total	-		62,154,129	21,922,162

Classified

Substandard	-	-	-
Doubtful	-	-	-
Bad Loan	-	-	-

Sub Total**Provision Required (Short Term Agricultural & Micro Credit)**

Unclassified	-	3,058	-
Standard (Short Term Agri/ Micro Credit)	-	-	-

Classified

SubStandard (Short Term)	-	-	-
Doubtful (Short Term Agri/Micro Credit)	-	-	-
Bad or Loss (Short Term Agri/Micro Credit)	-	-	-

Total Required Provision for Loans and		62,157,187	24,536,126
Total Provision maintained (Note: 13.1.1)		62,307,000	24,537,000

Excess Provision over minimum required provision prescribed by Bangladesh Bank		149,813	874
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7.14 Provision made for funded exposures only (Other than short term Agriculture & Micro Credit)

Unclassified

Standard		62,302,000	21,818,672
SMA		-	104,328

Classified

Substandard		-	-
Doubtful		-	-
Bad or Loss		-	-

Provision made for funded exposures only (Other than short term Agriculture & Micro Credit)(Note # 13.1.1)		62,302,000	21,923,000
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Provision Made : (Short Term Agriculture & Micro Credit)

SubStandard (Short Term Agri/Micro Credit)		5,000	-
Doubtful (Short Term Agri/Micro Credit)		-	-
Bad or Loss (Short Term Agri/Micro Credit)		-	-

Grand Total**62,307,000**

	<u>Note</u>	<u>31.12.2022</u> <u>TAKA</u>	<u>31.12.2021</u> <u>TAKA</u>	
7.15 Particulars of provision for Off-Balance Sheet items				
Particulars	Base for Provision	Percentage (%) of required Provision	Required Provision 2022	Required Provision 2021
Acceptance & Endorsement	274,760,361.17	0%	2,747,604	-
Letter of Gurantee	250,057,341.38	1%	2,500,573	1,814,824
Irrevocable Letters of Credit	235,031,368.91	1%	2,350,314	799,140
Bill for Collection	171,922,124.82	0%	-	-
Required Provision for Off-Balance Sheet Items	-		7,598,491	2,613,964
Provision Maintained (Note: 13.1.3)	-		7,650,000	2,614,000
Excess Provision over minimum required provision prescribed by Bangladesh Bank			51,509	36

7.16 Disclosure of Document Verification System:

As per Bangladesh Bank BRPD circular No: 04 and 35, dated January 04, 2021 and July 06, 2021 respectively instructions have been given to verify the audited financial statments of loan applicants thorough Document Verification System (DVS), a system developed by Institute of Chartered Accounts of Bangladesh (ICAB). Financial Reporting Council (FRC) also vide letter No: 178/FRC/APR/2021/27(10) dated 5th December given the same instruction. Bengal Commercial Bank Limited has taken necessary initiatives to comply with the instruction of Bangladesh Bank and FRC and the implementation of the system is in progress.

7.17 Bill Purchased and Discounted under the following board categories

Inside Bangladesh	27,077,514	-
Outside Bangladesh	-	-
	27,077,514	-

7.18 Maturity wise grouping of loans and Advances

Payable on Demand	678,572,960	41,731,242
Not More than 3 Months	1,789,257,878	822,218,000
More than 3 month but not more than 1 year	2,869,446,629	832,525,685
More than 1 year but not more than 5 year	1,116,419,942	567,642,947
More than 5 Years	822,844,857	165,163,187
	7,276,542,266	2,429,281,061

7.19 Maturity wise grouping of Bill Purchased and Discounted

Payable within one month	-	-
Over one month but less than three months	-	-
Over three months but less than six months	-	-
Six months or more	-	-
	-	-

8.0 Fixed assets including premises, furniture & fixture. Conventional and Islamic Banking

A Cost

Furniture and fixtures	130,927,295	76,677,324
Office Equipment	54,806,311	30,625,803
Computer & equipments	89,177,782	56,239,343
Vehicles	29,243,086	27,658,608
	304,154,474	191,201,077

	<u>Note</u>	31.12.2022 TAKA	31.12.2021 TAKA
B Intangible Assets			
Software		26,374,500	26,345,611
Total Cost of Tangible and Intangible Assets		330,528,974	217,546,688
Less: Accumulated depreciation & amortization		102,926,734	37,825,544
Written down value at the end of the year		227,602,239	179,721,144
Lease Assets-Premises			
Right of use Assets	8.1	770,262,311	624,369,481
Less: Accumulated Depreciation		283,991,949	94,855,207
		486,270,362	529,514,274
Net Book Value at the end of the year		713,872,601	709,235,418
8.1 Right of use of assets (Lease assets)			
Present value of Lease liabilities (obligation)		407,786,519	592,547,041
Initial payment (advance rent)		362,475,792	31,822,440
		770,262,311	624,369,481
<p>The Cost of the Right of Use Assets includes the Lease Liability which is the present value of Lease Payments less incentive, plus initial direct payments and dismantling cost etc. The Right of Use Assets measured at Cost less Accumulated Depreciation. IFRS 16 Leases is complied at the time of calculation of Right of Use of Assets.</p>			
9.0 Other assets			
Conventional and Islamic Banking			
Income Generating			
Interest/Profit Receivable	9.3	59,369,006	54,347,011
Profit Receivable from Govt. Securities		1,819,608	9,604
		61,188,614	54,356,615
Non-Income Generating			
Stock of Stationery & Stamps		730,261	275,040
Account with Stock Broker		10,241,177	30,684,225
Advance Rent		9,272,550	1,488,000
Security Deposit		47,975	45,975
Suspense Account	9.1	2,392,054	360,000
Advance to Vendors		7,270,000	11,884,140
Other Prepayment (Staff)		-	28,452,805
Advance Insurance		25,777	643,340
EFTN Inward Receivable		229,489	-
Advance Tax	9.2	93,050,309	51,094,442
		123,259,592	124,927,967
		184,448,206	179,284,582
9.1 Suspense accounts			
Advance against expenses	9.1.1	2,392,054	360,000
		2,392,054	360,000
9.1.1 The Detail Breakup of unadjusted suspense accounts are given below:			
Less than 03 Months		1,691,754	360,000
03 Months to Less than 06 Months		301,000	-
06 Months to Less than 09 Months		399,300	-
12 Months and above		-	-
		2,392,054	360,000
9.2 Advance tax paid			
Conventional and Islamic Banking			
Balance at the beginning of the year		51,094,442	21,972,506
Paid during the year		41,955,867	29,121,936
		93,050,309	51,094,442

	<u>Note</u>	31.12.2022 TAKA	31.12.2021 TAKA
9.3 Interest Receivable			
Interest Receivable on Subsidiary Receivable Account	9.3 (a)	26,356,452	1,637,982
Interest Receivable on Balance with Other Banks	9.3 (b)	7,200,467	42,386,386
Interest Receivable on Other than Government Securities	9.3 (c)	11,022,853	2,499,681
Interest Receivable on Treasury Bond		14,789,234	7,822,962
		59,369,006	54,347,011
9.3 (a) Interest Receivable on Subsidiary Receivable Account			
Interest Recv. Under SME Stimulus Finance		1,531,925	388,901
Interest Receivable under Working Capital Stimulus Package		18,677,564	1,213,664
Subsidiary Recv. on Agri Short-Term Loan Import Substitute Crop		5,424	-
Interest Recv. on COVID19 Special loan package		6,141,538	35,417
		26,356,452	1,637,982
9.3 (b) Interest Receivable on Balance with Other Banks			
SND Account		2,965,397	3,155,714
FDR Account		4,235,069	39,230,672
		7,200,467	42,386,386
9.3 (c) Interest Receivable on Other than Government Securities			
Int. Receivable on Subordinate Bond		5,221,312	57,692
Int. Receivable on Corporate Bond		2,817,935	2,441,989
Int Receivable from Perpetual Bond		2,983,606	-
		11,022,853	2,499,681
9.4 Maturity Wise Grouping of Other Assets			
Up to 6 Months		73,896,889	86,126,692
Over 6 Months to 1 Year		8,180,483	12,076,668
Over 1 Year to 4 Years		102,322,859	52,582,442
Above 4 Years		47,975	45,975
		184,448,206	150,831,777
9.5 Classification Status of Other Assets			
Unclassified		184,448,206	179,284,582
Doubtful		-	-
Bad/Loss		-	-
		184,448,206	179,284,582
10.0 Non-Banking Assets			
Non-banking assets are those acquired by the banks in settlement of their debts. When a borrower express his inability to repay the loan in cash, and instead offers to the bank an asset including an asset given as collateral security like property to the bank to purchase in settlement of their dues, such assets when purchased by the banks are called as non banking assets. As on 31.12.2022 there was no Non-Banking assets.			
11.0 Borrowings from other banks, financial institutions & agent.			
Conventional and Islamic Banking			
In Bangladesh	11.1	293,049,519	115,000,000
Out Side Bangladesh		-	-
		293,049,519	115,000,000
11.1 In Bangladesh			
Borrowing from Bangladesh Bank			
BB Refinance agst. Stimulus - Corporate		148,374,130	100,000,000
BB Refinance agst. Stimulus - SME		139,100,000	15,000,000
	11.1.1	5,575,389	-
		293,049,519	115,000,000
11.1.1 Int. payable on BB Refinance agst. Stimulus			
Borrowing from Bangladesh Bank			
Int. payable on BB Refinance agst. Stimulus - Corporate		5,136,295	-
Int. payable on BB Refinance agst. Stimulus - SME		439,094	-
		5,575,389	-
11.2 Security Against Borrowing from Other Banks and Financial Institutions and Agents			
Secured (Treasury Bill)		-	-
Unsecured		293,049,519	115,000,000
		293,049,519	115,000,000

	<u>Note</u>	<u>31.12.2022</u> <u>TAKA</u>	<u>31.12.2021</u> <u>TAKA</u>
11.3 Maturity Grouping of Borrowings from other banks, financial institution			
Payable on demand		-	-
Payable within one month		-	-
Over one month but within six months		293,049,519	115,000,000
Over six month but within one year		-	-
Over one year but within five years		-	-
Over five years but within ten years		-	-
		<u>293,049,519</u>	<u>-</u>

11.4 Disclosure Regarding REPO

Disclosure Regarding REPO Transaction of the bank are given as per Bangladesh Bank DOS Circular No. 6, dated July 15, 2010

a. (i) Disclosure Regarding REPO Outstanding REPO as on 31 December

SL #	Counter Party Name	Agreement Date	Reversal Date	Amount (Taka)
-	-	-	-	-

(ii) Disclosure Regarding Outstanding Reverse REPO as on 31 December

SL #	Counter Party Name	Agreement Date	Reversal Date	Amount (Taka)
-	-	-	-	-

b. Disclosure Regarding Overall Transaction of REPO & Reverse REPO

Particulars	Minimum Outstanding	Maximum	Daily Average
Securities Sold Under Repo			
i. With Bangladesh Bank	171,000,000	190,000,000	1,978,082
ii. With Other Bank & FIS	191,706,128	193,268,658	2,638,488
Securities Purchased under Reverse Repo			
i. With Bangladesh Bank			
ii. With Other Bank & FIS	83,649,070	160,475,021	1,771,634

12.0 Deposits and other accounts

Conventional and Islamic Banking

Deposit from Customers	12.1	10,816,590,777	3,757,458,207
Deposit from Banks & NBFIs	12.2	200,000,000	650,000,000
		<u>11,016,590,777</u>	<u>4,407,458,207</u>

12.1 Deposit from Customers

Current / Al-Wadiah current Deposit and other accounts	12.1.1	1,104,623,713	442,689,689
Bills Payable		38,499,715	14,788,603
Savings / Mudaraba Savings Bank Deposit	12.1.2	1,163,283,157	371,559,910
Fixed / Mudaraba Term Deposits	12.1.3	8,295,348,058	2,814,643,540
Other Deposit	12.1.4	214,836,135	113,776,465
		<u>10,816,590,777</u>	<u>3,757,458,207</u>

12.1.1 Current / Al-Wadiah current Deposit and other accounts

Current / Al-Wadiah current Deposit		764,057,813	353,467,449
Positive Balance On OD		1,353,283	-
Accrued Interest/Profit	12.1.1 (a)	175,057,172	64,186,047
Margin on Facilities		84,864,722	24,101,933
FC Held		79,290,723	934,260
		<u>1,104,623,713</u>	<u>442,689,689</u>

12.1.1 (a) Accrued Interest

Int. Payable on Bengal Fixed Deposit-100 Days	417,769	614,731
Int. Payable on Bengal Fixed Deposit Account-200 Days	540,050	663,274
Int. Payable on Bengal Fixed Deposit Account - 3 Months	16,002,764	5,320,837
Int. Payable on Bengal Fixed Deposit Account - 6 Months	23,565,592	9,562,681
Int. Payable on Bengal Fixed Deposit Account - 01 Year	130,001,961	44,302,135
Int. Payable on Bengal Fixed Deposit Account - 02 Years	65,957	-
Int. Payable on Bengal Fixed Deposit Account - 03 Years	60,495	-
Int. Payable on Bengal Monthly Earning Fixed Deposit Ac-01 Year	360,339	58,795
Int. Payable on Bengal Double Benefit Fixed Deposit Account	2,497,747	273,359



	<u>Note</u>	31.12.2022	31.12.2021
		TAKA	TAKA
Int. Payable on Bengal Monthly Earning Fixed Deposit Ac-02 Years		49,409	36,130
Int. Payable on Bengal Monthly Earning Fixed Deposit Ac-03 Years		(6,070)	43,550
Int. Payable on Bengal Fixed Deposit- 31 Days		-	1,053,611
Int. Payable on Bengal Fixed Deposit- 90 Days		1,340,278	2,256,944
Int. Payable on Bengal Fixed Deposit- 1 Month		160,881	
		175,057,172	64,186,047
12.1.2 Saving Bank Deposit			
Saving Bank Deposit		439,574,291	245,443,761
Short Notice Deposit		723,708,866	126,116,149
		1,163,283,157	371,559,910
12.1.3 Fixed Deposit			
Fixed Deposit		8,201,655,079	2,794,885,025
Deposit Under Scheme		93,692,979	19,758,515
		8,295,348,058	2,814,643,540
12.1.4 Other Deposit			
Sundry Deposit	12.1.4 (a)	130,956,317	111,699,387
Settlement Account		3,875,228	2,069,811
Others		80,004,589	7,268
		214,836,135	113,776,465
12.1.4 (a) Sundry deposits			
SME Foundation Pre-finance Scheme		93,574,940	94,650,000
Security Deposit		6,863,456	934,740
Withholding Tax Payable		10,105,870	3,006,161
Withholding VAT Payable		4,443,426	2,548,147
Excise Duty		11,470,000	3,026,450
Others		4,498,625	7,533,889
		130,956,317	111,699,387
12.2 Deposit from Inter Bank			
Fixed Deposit			
Jamuna bank Ltd.		150,000,000	-
Uttara Bank Limited		-	100,000,000
Mercantile Bank Limited		50,000,000	200,000,000
South East Bank Limited		-	100,000,000
Bank Asia Limited		-	250,000,000
		200,000,000	650,000,000
12.3 Demand and Time Deposits			
A. Demand Deposits			
Current / Al-Wadiah current Deposits		1,104,623,713	442,689,689
Saving / Mudaraba Savings Deposits (10% of Total Saving Deposit)		67,668,810	24,544,376
Sundry Deposit		30,517,921	9,112,608
Bills Payable		38,499,715	14,788,603
Other Demand Deposit		83,879,818	2,077,079
		1,325,189,976	493,212,355
B. Time Deposits			
Saving / Mudaraba Savings Deposits (90% of Total Saving Deposit)		609,019,289	220,899,385
Fixed / Mudaraba Term Deposit		8,401,655,079	3,444,885,025
Deposit Pension Scheme		93,692,979	19,758,515
Speical Notice Deposit		486,595,057	126,116,149
Security Deposit		6,863,456	934,740
Others Time Deposit		93,574,940	101,652,038
		9,691,400,801	3,914,245,852
Total Demand and Time Deposit		11,016,590,777	4,407,458,207

	<u>Note</u>	31.12.2022 TAKA	31.12.2021 TAKA
12.4 Maturity wise Grouping of Deposits and Other Accounts			
Inter- Bank Deposits			
Payable on demand		-	-
Payable within one month		50,000,000	650,000,000
Over one month but within six months		650,000,000	-
Over six month but within one year		-	-
Over one year but within five years		-	-
Over five years but within ten years		-	-
		700,000,000	650,000,000
Other Deposits			
Payable on demand		2,007,984,976	599,845,470
Payable within one month		196,833,824	817,489,909
Over one month but within six months		2,425,003,758	1,665,481,999
Over six month but within one year		5,461,981,952	622,307,607
Over one year but within five years		135,911,226	33,227,693
Over five years but within ten years		88,875,042	19,105,529
		10,316,590,777	3,757,458,206
		11,016,590,777	4,407,458,206
12.5 Sector-wise deposits			
Government		115,053,750	-
Semi-Government		-	-
Deposit from Banks		700,000,000	-
Other Public		606,907,058	51,528,270
Foreign Currency Deposits		79,290,723	934,260
Private		9,515,339,246	4,354,995,676
		11,016,590,777	4,407,458,206
13.0 Other Liabilities			
Conventional and Islamic Banking			
Provision for Loans and Advances / Investments	13.1.1	62,307,000	21,923,000
Provision for Off Balance Sheet Items	13.1.3	7,650,000	2,614,000
Provision for diminution in value of Investment	13.1.4	16,973,028	3,578,488
Payable to Vendors		15,585,795	46,640,463
Payable Others		-	562,500
Adjusting Account Credit Balance		55,344,969	31,971,081
Provision for Climate Risk Fund	13.2	500,000	500,000
Provision for Other Assets	37.1	199,650	-
Provision for Start-up Fund	13.3	-	-
Lease Liabilities (IFRS 16)	13.4	407,786,519	420,851,385
Provision for Tax	13.5	33,574,331	14,743,257
Deferred Tax Liability	13.6	2,398,495	5,166,582
		602,319,787	548,550,756
13.1 Provisions for Loans and Advances / Investments			
Conventional and Islamic Banking			

Provisions for loans and advances in based on instructions contained in Bangladesh Bank BRPD circulars/letters no. 16 dated 06 December 1998, 9 dated 14 May 2001, 9 and 10 dated 20 August 2005, 8 dated 07 August 2007, 10 dated 18 September 2007, 14 dated 23 September 2012, 19 dated 27 December 2012, 5 dated 29 May 2013, 16 dated 18 November 2014, 8 dated 02 August 2015, 12 dated 20 August 2017, 15 dated 27 September 2017, 01 dated 03 January 2018, 01 dated 20 February 2018, 01 dated 06 February 2019, 03 dated 21 April 2019 and 05 dated 16 May 2019.



	<u>Note</u>	31.12.2022 TAKA	31.12.2021 TAKA
13.1.1 General Provision			
Balance as at 1st January		21,923,000	-
Add: Provision made during the year		40,384,000	21,923,000
		62,307,000	21,923,000
13.1.2 Specific Provision			
Balance as at 1st January		-	-
Add: Provision made during the year		-	-
		-	-
13.1.3 Provision on Off-Balance Sheet Exposures			
Balance as at 1st January		2,614,000	-
Add: Provision made during the year		5,036,000	2,614,000
		7,650,000	2,614,000
Total Provision for loans and Advance and Off-Balance Sheet Exposures		69,957,000	24,537,000
13.1.4 Provision for Diminution of value of Shares and Securities			
Balance as at 1st January		3,578,488	-
Add: Provision made during the year		13,394,540	3,578,488
		16,973,028	3,578,488

Provision for diminution (gain net off) of value of quoted Shares has been made as per DOS Circular No: 04, Dated November 2011 and provision for mutual fund (close-end) has been calculated as per DOS circular no. 03, dated 12 March 2015 of Bangladesh Bank

13.2 Provision for Climate Risk Fund

As per Bangladesh Bank GBSRD Circular NO: 04 dated 09.07.2015 Banks and Financial Institutions need to allocate at least 10% of their respective Corporate Social Responsibility Budget for Climate Risk Fund, while as per the Bangladesh Bank Guideline to establish a banking company in Bangladesh, the new bank should spent 10% or more of its previous year's net income to CSR. The bank has incurred Net Loss in the year 2022, hence no CSR budget has been maintained for the year 2022. However, in the year 2022, the bank Incurred BDT 10,001,000 as CSR expense, and this expenditure has been considered for maintaining provision for Climate Risk Fund.

Opening Balance	500,000	-
Add: Provision made during the year	-	500,000
Closing Balance	500,000	500,000

13.3 Provision for Start-Up Fund

According to SMESPD Circular no. 04 dated March 29, 2021 and SMESPD Circular letter no. 05, Dated April 26, 2021, Schedule Bank will form start Up fund for extending Loan/Refinance facilities view to creation of New Entrepreneur and self-employment in the country. The basis of Start Up is the 1% of net profit of that concern year and Bank will extend credit to that amount for prospective client as mentioned in the circular. The bank incurred Net loss in the year 2022, hence no provision has been kept in this connection.

13.4 Lease Liabilities (Present value of lease payments)

The bank recognised lease liabilities which is present value of lease payments to be made over the lease term from the date of Contract with the Lessor. The lease payments include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the bank and payment of penalties for terminating the lease. The lease payment has been discounted using maximum deposit rate fixed by the Government of Bangladesh which is 6% per annum. The amount of VAT and TAX due is included in Withholding VAT Payable and Withholding TAX Payable and deducted from Lease Liability.

Opening Balance	420,851,385	402,659,342
Add: Addition During the Year	52,754,118	121,247,348
Add: Interest Charge during the year	24,780,281	20,821,324
Less: Payment made during the year	90,599,264	123,876,629
Balance as at 31 December	407,786,519	420,851,385

	<u>Note</u>	31.12.2022 TAKA	31.12.2021 TAKA
Lease Liabilities - Non Current Portion		407,786,519	356,656,997
Lease Liabilities - Current Portion		-	64,194,388
		407,786,519	420,851,385
The Lease Liabilities - Current Portion comprises Lease Liability payable in the next Twelve (12) months, plus any interest accrued, plus any unpaid rent and unpaid advance rent to lessor.			
13.5 Provision for Current Tax			
Opening Balance		14,743,257	10,035,711
Add: Provision made during the year		18,831,074	4,707,546
		33,574,331	14,743,257
Less: Adjustment made during the year		-	-
Balance as at 31 December		33,574,331	14,743,257
Income Tax Paid During the Year			
Advance Tax paid in Cash		357,500	246,500
Advance Tax Paid at Sources		60,817,014	28,414,136
Advance Tax on Treasury Bonds		2,753,859	461,300
		63,928,373	29,121,936
13.5.1 Provision for Current Tax Made during the year			
Income tax @ 40% on estimated taxable Business Profit		-	-
Income tax @ 20% on Dividend Income		6,124,646	1,916,576
Income tax @ 10% on Capital Gain on sale of Shares		942,585	521,273
Income tax @ 40% on Business Development & Entertainment		1,763,031	-
Minimum Tax (u/s 82 (C) of the ITO 1984)		10,000,811	2,269,697
Estimated total provision required		18,831,074	4,707,546
Computation of Taxable Business Profit			
Profit before Tax		(182,594,085)	(136,478,862)
Add: Inadmissible expenses		314,483,114	335,628,548
Less: Admissible Expenses for Separate consideration		347,710,784	257,458,696
Estimated Taxable Business Profit for the year		(215,821,755)	(58,309,010)
13.6 Deferred Tax Liability (Net of Asset)			
Balance at the beginning of the year		5,166,582	2,796,181
Add: Provision made during the year	13.6.1	(2,768,087)	2,370,401
		2,398,495	5,166,582
13.6.1 Deferred Tax Liability			
Deferred Tax Liability	13.6.1.1	7,373,285	6,704,094
Deferred Tax Asset	13.6.1.2	10,141,372	4,333,693
		(2,768,087)	2,370,401
13.6.1.1 Deferred Tax Liability			
Opening Balance		10,759,509	4,055,415
Addition During the Year		7,373,285	6,704,094
Closing Balance		18,132,794	10,759,509
13.6.1.2 Deferred Tax Asset			
Opening Balance		5,592,927	1,259,234
Addition During the Year		10,141,372	4,333,693
Closing Balance		15,734,299	5,592,927

Deferred tax assets/(liabilities) have been recognised and measured as per IAS-12: Income Taxes.



	<u>Note</u>	<u>31.12.2022</u> <u>TAKA</u>	<u>31.12.2021</u> <u>TAKA</u>
14.0 Share Capital			
Opening balance		4,250,000,000	4,250,000,000
Add: Issuance of 15,667,500 nos of ordinary shares @ Tk. 10 each		156,675,000	-
		4,406,675,000	4,250,000,000
14.1 Authorized Capital			
1,50,00000 ordinary shares of Tk. 10.00 each		15,000,000,000	15,000,000,000

14.2 History of Paid Up Capital

Year	Number of Shares Issued	Cumulative Paid
2022	15,667,500	4,406,675,000
2021	0	4,250,000,000
2020	425,000,000	4,250,000,000

14.3 Percentage of Shareholdings at the closing date

As per clause (VI) of the Memorandum of Association and Article of Association the authorized capital of the Bank is

Shareholders group	No. of Shares	% of Share	BDT
Directors & Sponsors	440,667,500	100%	4,406,675,000
Genera Public	-	-	-
Financial Institutions	-	-	-

Sl	Name of the Directors	Status	No. of Shares at
1	Mr. Md. Jashim Uddin	Chairman	21,250,000
2	Alhaj Mahbulul Alam	Vice Chairman	22,500,000
3	Engr. Ghulam Mohammed Alomgir (Representing Max Infrastructure Lir	Director	22,500,000
4	Mrs. Jesmin Akhter	Director	17,000,000
5	Mr. Firoz Alam	Director	21,250,000
6	Mr. Shamsul Alam	Director	21,250,000
7	Mr. Md. Shahabuddin	Director	22,500,000
8	Mr. Dilip Kumar Agarwala	Director	22,500,000
9	Mr. Joshoda Jibon Debnath (Representing Technomedia Limited)	Director	22,500,000
10	Mrs. Tasmin Mahmud	Director	22,500,000
11	Mr. S.M. Faruqi Hasan	Director	12,510,000
12	Mr. Md. Iqbal Hossain Chowdhury (Representing B. Dash Japan Co., Lin	Director	20,925,000
13	Mr. Muhammad Jamaluddin (Representing KDS Textile Mills Limited)	Director	22,500,000
14	Mrs. Rokeya Khatun. FCA (Representing limeeyat Apparels Limited)	Director	22,500,000
15	Mr. Khawja Mahtab Uddin (Representing Starlight Sweaters Limited)	Director	22,500,000
16	Mrs. Rabeya Begum (Representing Ramisha BD Ltd)	Director	22,500,000
17	Mr. Shanzoy Sarker (Representing Bengal Plastics Limited)	Director	22,500,000

14.4 Capital to Risk-Weighted Asset Ratio (CRAR)

i) Core Capital (Tier-I)

a) Common Equity Tier I

Paid-up Capital	4,406,675,000	4,250,000,000
Statutory Reserve	-	-
General Reserve	-	-
Retained Earnings	(367,003,877)	(168,346,807)
	4,039,671,123	4,081,653,193

Less: Regulatory Adjustment

Goodwill and Other Intangible Assets	15,743,595	26,345,611
Reciprocal crossholdings in the CET-I capital banking, NBFI & Insurance Enti	-	-
	15,743,595	26,345,611
	4,023,927,528	4,055,307,582

b) Additional Tier I Capital

ii) Supplementary Capital (Tier-II)

General Provisioin on unclassified loan	62,307,000	21,923,000
General Provision for off-balance Exposure	7,650,000	2,614,000
Revaluaion Reserve of Govt. Securities	-	32,468
Asset Revaluation Reserve	-	-
	69,957,000	24,569,468

Less: Regulatory Adjustment

Revaluation reserve for Fixed Assets, Govt Securities & Equity Securities	-	32,468
Reciprocal Crossoldings in the T-2 Capital of Banking, NBFI & Insurance Enti	-	-
	-	32,468



	<u>Note</u>	<u>31.12.2022</u> <u>TAKA</u>	<u>31.12.2021</u> <u>TAKA</u>
A) Total Capital (Tier-I + Tier-II)		<u>4,093,884,528</u>	<u>4,079,877,050</u>
Total Assets including Off-Balance Sheet Items		<u>16,883,700,997</u>	<u>9,414,091,037</u>
B) Total Risk Weighted Assets		<u>6,871,240,039</u>	<u>4,595,865,675</u>
C) Required Capital Except conservation buffer (10% of total Risk Weighted Assets)		687,124,004	459,586,568
D) Required Capital plus conservation buffer (12.50% of total Risk Weighted Assets)		858,905,005	574,483,209
E) Surplus (A-D)		<u>3,234,979,523</u>	<u>3,505,393,841</u>
Capital to Risk Weighted Asset Ratio		59.58%	88.77%

Capital to Risk Weighted Asset Ratio (Details)

Capital Requirement	2022	
	Required	Held
Tier-I	6%	58.57%
Tier-II	4%	1.02%
Total Capital	10%	59.59%
Total Capital Plus Capital Conservation Buffer	12.50%	62.09%

14.5 Breakdown of Gross Risk-Weighted Assets (RWA) in the various categories of Risk Weights

a) Risk Weights for Credit Risk

Risk Weights (Both B/S & Off-B/S)	Principle Amount	Risk Weighted
0%		
20%	10,868,521,780	2,173,704,356
40%		
50%	43,798,640	21,899,320
60%		
75%	259,437,700	194,578,275
80%		
100%	1,631,239,237	1,631,239,237
125%	785,050,000	981,312,500
13%		
15%		

5,002,733,689

b) Risk Weights for Operational Risk

494,902,238

C) Risk Weights for Market Risk

1,373,604,112

6,871,240,039

14.6 Composition of Shareholder's Equity

Paid up Capital	4,406,675,000	4,250,000,000
Statutory Reserve	-	-
General Reserve	-	-
Other Reserve Including Assets Revaluation Reserve	298,595	32,468
Retained Earnings	(367,003,877)	(168,346,807)
	<u>4,039,969,717</u>	<u>4,081,685,661</u>

15.0 Statutory and Other Reserve

As per section 24(1) of the Bank company Act, 1991 (amendment upto date), an amount equivalent to 20% of the profit before taxes for the year has to be transferred to the statutory reserve fund as. As on 31.12.2022 the bank incurred loss before taxes and hence no statutory reserve has been maintained.

Opening Balance

-	-
-	-

Add : Transferred during the year

-	-
---	---

16.0 Other Reserve

General Reserve	-	-
Asset Revaluation Reserve	-	-
Investment Revaluation Reserve	298,595	32,468
	<u>298,595</u>	<u>32,468</u>

17.0 Retained Earnings

Opening Balance	(168,346,807)	(24,789,997)
Add: Post Tax Profit during the period	(198,657,070)	(143,556,810)
Less: Transfer to Statutory Reserve	-	-
	<u>(367,003,877)</u>	<u>(168,346,807)</u>



	<u>Note</u>	31.12.2022 TAKA	31.12.2021 TAKA
18.0 Contingent Liabilities			
Conventional and Islamic Banking			
Acceptances and endorsements		274,760,361	-
Letters of guarantees	18.1	250,057,341	181,482,368
Irrevocable letters of credit	18.2	235,031,369	79,914,044
Bills for collection		171,922,125	-
Others		-	-
		931,771,196	261,396,412
18.1 Letters of Guarantees			
Bid Bond		3,530,000	37,385,000
Performance Gurantee		108,324,738	81,199,521
Advance Payment Gurantee		65,321,868	62,497,846
Payment Gurantee		52,727,100	400,000
Custom Gurantee		4,496,136	-
Other Bank Gurantee		1,400,000	-
Bank Gurantee BGCB		14,257,500	-
		250,057,341	181,482,368
Balance for Which The Bank is Contingently Liable in respect of Gurantee Issued Favouing:			
Directors or Officers		-	-
Government		-	-
Bank and Other Financial Institution		-	-
Others		250,057,341	181,482,368
		250,057,341	181,482,368
18.2 Letter of Credit			
Letter of Credit (General)		132,095,168	79,070,757
Letter of Credit Back to Bank (Inland)		102,936,201	843,287
		235,031,369	79,914,044
	<u>Note</u>	2022 TAKA	2021 TAKA
Conventional and Islamic Banking			
Income			
Interest / Profit, discount and Similar Income	20.0	679,129,259	357,570,992
Investment Income	22.0	156,837,938	30,199,295
Fees, Commission and brokerage	23.0	26,193,073	1,329,805
Other Operating Income	24.0	11,357,384	3,978,394
		873,517,654	393,078,486
Expenses			
Interest / Profit Paid on Deposits, Borrowings, etc	21.0	391,376,481	106,850,238
Administrative expenses	25.0	288,225,548	168,381,570
Other operating expenses	35.0	143,666,427	91,854,247
Depreciation on banks assets	34.0	173,829,092	133,855,805
		997,097,549	500,941,860
		(123,579,895)	(107,863,374)
20.0 Interest / Profit, discount and similar income			
Interest / Profit on loans and advances / Investments	20.1	405,143,927	50,064,814
Interest / Profit on money at call and short notice		53,836,173	140,528
Interest / Profit on placement with banks and Financial Institutions		220,145,609	307,365,393
Interest / Profit on foreign currency balances		3,550	257
		679,129,259	357,570,992

	<u>Note</u>	2022 TAKA	2021 TAKA
20.1 Product Wise Interest:			
Continuous Loan / Investmnet		122,191,780	9,501,473
Term Loan / Investmnet		118,172,230	14,857,287
Demand Loan / Investmnet		164,779,917	25,706,055
		405,143,927	50,064,815
21.0 Interest / Profit Paid on Deposits, Borrowing and Others			
Interest / Profit on deposits	21.1	353,207,744	94,446,099
Interest / Profit on borrowings from Banks & FIs		16,280,430	12,404,139
Interest / Profit on borrowings from BB & others		9,060,616	-
Interest / Profit on Treasury Bond	21.2	12,827,692	-
		391,376,481	106,850,238
21.1 Interest/Profit on deposits			
Fixed / Mudaraba Term Deposit		337,281,809	86,823,272
Scheme / Mudaraba Deposit		3,575,975	537,730
Short Notice Deposit / Mudaraba Short Notice Deposit		8,266,429	3,814,868
Savings / Mudaraba Savings Deposit		4,083,531	3,270,229
		353,207,744	94,446,099
21.2 Interest on Treasury Bond (Net)			
Coupon Interest Expense		28,677,844	-
Less : Coupon Interest Income		(15,850,152)	-
		12,827,692	-
22.0 Investment Income			
Capital Gain on sale of shares (Net)		9,425,853	5,212,727
Dividend Income		30,623,229	9,582,879
Income from Subordinate Bond		10,451,120	-
Income from Corporate Bond		17,375,946	2,499,681
Income from Govt Sukuk Bond		4,583,972	9,604
Income from Perpetual Bond		2,983,606	-
Income from Treasury Bills / Bond	22.1	75,416,579	14,471,092
Gain / (Loss) on Sale of Govt Securities		20,993,209	172,759
Gain / (Loss) On Revaluation of HFT-T Bond		(15,480,186)	(1,853,865)
Interest on Reverse Repo		464,611	104,417
		156,837,938	30,199,294
22.1 Interest on Treasury Bills / Bond (Net)			
Interest Income on Treasury Bills		7,802,200	120,647
Interest Income on Treasury Bond		83,546,148	17,178,175
Less: Interest Paid on Secondary Secuirty Purchase (T-Bond)		(15,931,769)	(2,827,730)
		75,416,579	14,471,092
23.0 Commission Exchange & Brokerage			
Exchange Gain (Net) on Foreign Exchange	23.1	16,907,188	(597,674)
Commission of DD, TT, PO		88,020	23,731
Other Commission Income	23.2	9,197,864	1,903,748
		26,193,073	1,329,805
23.1 Exchange Gain/(Loss)			
Exchange Gain		61,087,594	620,037
Less: Exchange Loss		(44,180,406)	(1,217,711)
		16,907,188	(597,674)

	<u>Note</u>	2022 TAKA	2021 TAKA
23.2 Fees, Commission and Brokerage			
Commission on L/C		5,001,720	305,100
Commission on L/G		2,459,443	1,592,678
Other Commission		1,736,702	5,970
		9,197,864	1,903,748
24.0 Other Operating Income			
Loan Processing Fees		2,239,198	944,600
Trade Finance (LC Advising/Discrepancy/ Amendment, Swift Charge & Other)		2,189,353	34,001
E-Gp Income		-	13,600
Card Fees and Charges		1,867,193	260,106
SMS Charge		1,991,100	788,100
Batch & RTGS settlement Charge		326,130	16,064
Account Service Charge		1,625,217	510,065
Locker Charge		68,000	8,000
Other Service Charge		1,051,194	1,403,858
		11,357,384	3,978,394
25.0 Administrative expenses			
Conventional and Islamic Banking			
Salary and allowances	26.0	240,071,366	136,157,471
Rent, taxes, insurance, electricity etc.	27.0	18,717,858	11,505,189
Legal expenses	28.0	1,394,013	1,495,230
Postage, stamps, telecommunications etc.	29.0	6,117,200	1,690,889
Stationery, printing, advertisements etc.	30.0	10,353,416	6,697,266
MD & CEO's salary and allowances	31.0	9,690,000	9,577,500
Directors' fees	32.0	1,594,197	1,028,026
Auditors' fees	33.0	287,500	230,000
		288,225,548	168,381,571
26.0 Salary and allowances			
Basic Salary		101,669,128	55,250,432
Allowances		113,495,673	68,353,025
Bonus		15,987,358	7,621,800
Bank's Contribution to Provident fund		8,919,207	4,932,213
		240,071,366	136,157,470
27.0 Rent, taxes, insurance, electricity etc.			
Rent (Garage)		52,785	52,500
Other rental charges		5,804,008	5,497,235
Rates & Taxes		214,622	213,357
Insurance charge	27.1	5,866,697	2,140,652
Electricity, Water & Gas		6,779,746	3,601,445
		18,717,858	11,505,189
While Implementing IFRS 16 leases, the Bank recognized Interest Expense on Lease Liabilities and depreciation on Right of Use Assets instead of Rental expenses of BDT 126,452,662.50 (Including VAT) incurred as on 31 December 2022.			
27.1 Insurance charge			
Central Insurance Policy (Cash in Safe, Counter and Transit)		740,136	435,376
Insurance of Fixed Asset		138,696	150,729
Desposit Money Insurance to Bangladesh Bank		3,627,213	654,557
Insurance Premium – Life & Medical		1,360,652	899,990
		5,866,697	2,140,652

	<u>Note</u>	2022 TAKA	2021 TAKA
28.0 Legal & Professional Expenses			
Professional fees		966,005	931,500
Other legal charges		-	310,500
Stamp, power of attorney & notary public		12,798	13,355
Credit Rating Agency Fees		134,375	134,370
Other Professional fees		280,835	105,505
		1,394,013	1,495,230
29.0 Postage, stamps, telecommunications etc.			
Postage		191,274	939,626
Telecommunication charges		183,336	129,663
Mobile Bills		936,223	541,795
Swift Charge		3,319,787	-
Internet		-	18,900
Network Connectivity Charge		1,455,238	-
Stamps		31,341	60,906
		6,117,200	1,690,889
30.0 Stationery, printing & advertisements etc.			
Computer Stationery		159,020	7,638
Printing Stationery		6,070,290	600,825
Security Stationery		60,000	65,000
Office Stationery		2,480,341	1,253,077
		8,769,651	1,926,540
Advertisement			
News paper		878,911	3,108,051
Electronic and Social Media		517,974	1,513,400
Other Advertisement		186,880	149,275
		1,583,765	4,770,726
Total Stationery, Printing & Advertisement		10,353,416	6,697,266
31.0 MD & CEO's salary and allowances			
Basic salary		5,400,000	5,400,000
Allowances		2,850,000	1,237,500
Festival Bonus		900,000	2,400,000
Bank's Contribution to Provident fund		540,000	540,000
		9,690,000	9,577,500
32.0 Directors Fees & Meeting Expenses			
Directors Fees		1,594,197	1,028,026
		1,594,197	1,028,026
Each director of the Bank is paid for Tk. 8,000 as per BRPD circular letter no. 11 dated 4 October 2015 per board or board committee meeting attended in 2022.			
33.0 Auditors fees			
Statutory		287,500	230,000
Others		-	-
		287,500	230,000
34.0 Depreciation and repair of bank's assets			
Conventional and Islamic Banking			
Depreciation			
Furniture/fixtures		19,080,829	12,134,562
Vehicles		5,848,617	5,377,565
Office equipments		9,395,086	5,091,807
Computer equipments		17,220,272	9,961,691
Computer software		5,274,900	5,259,920
Total Depreciation on Fixed Assets		56,819,704	37,825,545
Repair of bank's assets		3,888,726	1,175,053
Right-of-Use assets		113,120,662	94,855,207
Total Depreciation and repair of bank's assets		173,829,092	133,855,806



	<u>Note</u>	<u>2022</u> <u>TAKA</u>	<u>2021</u> <u>TAKA</u>
35.0 Other expenses			
Conventional and Islamic Banking			
Entertainment		3,586,811	1,328,264
Business Development Expenses		2,276,630	15,719,106
Fuel & Other Expenses for Car and Generator		13,264,199	8,170,017
Cleaning & Sanitizing Expenses		173,476	83,170
Crockeries & Cutleries		210,791	292,614
Business Traveling		2,456,316	663,248
Cleaning & Security Services		12,504,159	3,039,786
Books, Newspaper & Periodicals		39,011	15,700
Bank Charges		16,178,819	4,134,663
Excise Duty		930,000	440,000
Finance Cost - Lease Liability		24,780,281	20,821,324
Commission & Discount		358,998	-
Recruitment & Training Expense		2,373,973	49,055
Subscription		2,894,078	9,153,545
CSR (Donation To Govt & Others)		10,010,000	5,000,000
Other expenses		51,628,886	22,943,755
		143,666,427	91,854,247
36.0 Provisions Against Loans & Advances / Invesments, Off-balance Sheet Items & Others of the Bank			
36.1 Provisions on General Loans and Advances / Invesments		40,384,000	21,923,000
36.2 Provisions on Off-Balance Sheet Items		5,036,000	2,614,000
36.3 Provisions on Investment on Shares and Securities		13,394,540	3,578,488
36.4 Others		-	500,000
		58,814,540	28,615,488
37.0 Other Provisions	37.1	199,650	
37.1 Provisions for Other Assets			
Balance As at 1 January		-	-
Add: Provision Made during the year		199,650	-
Balance As at 31 December		199,650	-
Provision Required		199,650	
Provision Maintained		199,650	
Surplus		-	
38.0 Tax Expense of the Bank			
Current Tax	15.2	18,831,074	4,707,546
Deferred Tax	39.0	(2,768,088)	2,370,402
		16,062,986	7,077,948
39.0 Deferred Tax Expenses/(Income) of the Bank			
Closing Deferred Tax Liability		2,398,495	6,704,094
Less: Opening Deferred Tax Liability		5,166,582	4,333,693
		(2,768,088)	2,370,402
40.0 Earning Per Share			
Earnings per share (EPS) has been computed by dividing the profit after tax (PAT) by the weighted average number of ordinary shares outstanding as per IAS- 33 "Earnings Per Share". Diluted EPS was not required to calculate as there was no dilution possibilities during the year. Total number of shares were 425,000,000 in the year 2021. In the year 2022 new 15,667,500 number of shares issued.			
Net profit attributable to the shareholders of BGCB		(198,657,070)	(143,556,810)
Number of ordinary shares outstanding :		440,667,500	440,667,500
Earnings per share (EPS) (Prior Year Restated)		(0.45)	(0.33)
41.0 Net Asset Value (NAV) Per Share			
Net Asset Value of the Bank		4,039,969,717	4,081,685,662
Number of Ordinary Shares		440,667,500	440,667,500
Net Asset Value Per Share (Prior Year Restated)		9.17	9.26
42.0 Net Operating Cash Flows Per Share			
Net Cash Flows from Operating Activities		641,982,934	752,545,554
No. of Outstanding Shares		440,667,500	440,667,500
		1.46	1.71



	<u>Note</u>	2022 TAKA	2021 TAKA
43.0 Receipt from Other Operating Activities			
Capital Gain on sale of shares		9,425,853	5,212,727
Service Charge		1,051,194	1,306,165
Others		10,306,190	2,672,229
		20,783,237	9,191,121
44.0 Payment for Other Operating Activities			
Rent, insurance, electricity etc.		18,717,858	11,505,189
Legal expenses		1,394,013	1,495,230
Directors' fees		1,594,197	1,028,026
Auditors' fees		287,500	230,000
Repair of Fixed Assets		3,888,726	1,175,053
Other expenses		143,666,427	91,854,247
		169,548,721	107,287,744
45.0 Cash Increase/Decrease in Other assets			
Stock of Stationery & Stamps		730,261	275,040
Account with Stock Broker		10,241,177	30,684,225
Advance Rent		9,272,550	1,488,000
Security Deposit		47,975	45,975
Suspense Account		2,392,054	360,000
EFTN Inward Adjustment		229,489	-
Advance to Vendors		7,270,000	11,884,140
Advance Tax		93,050,309	51,094,442
Others		-	28,452,805
Advance Insurance		25,777	643,340
		123,259,592	124,927,967
Less: Advance Tax Paid		(41,955,867)	(29,121,936)
Less: Interest Receivable on Balance with Other Bank		-	-
Less: Interest Receivable on Treasury Bond		-	-
Less: Openign Balance of Other Assets		(124,927,967)	(53,468,433)
		(43,624,242)	42,337,598
		-	-
46.0 Cash Increase/Decrease in Other Liabilities			
Payable to Vendors		15,585,795	46,640,463
Adjusting Account Credit Balance		55,344,969	31,971,081
Provision for Climate Risk Fund		500,000	-
Provisions - Others		-	594,968
Lease Liabilities (IFRS 16)		407,786,519	420,851,385
		479,217,283	500,057,897
Less Opening Balance of Other Liabilities		(500,525,429)	(574,288,110)
		(21,308,146)	(74,230,213)
		-	-
47.0 Reconciliation of Net Profit after Taxation & Operating Profit before changes in operating assets & liabilities			
Net Profit After Tax		(198,657,070)	(143,556,810)
Provision for Tax		16,062,986	7,077,948
Provision for Loans & Advances & Contingent Liabilities		45,420,000	24,537,000
Provision for diminution in value of investments		13,394,540	3,578,488
Other Provision		199,650	500,000
(Increase)/ Decrease of Interest Receivable		(6,831,999)	(54,356,615)
Increase/(Decrease) of Interest Payable		114,736,515	64,186,047
Depreciation & Amortization of Fixed Assets		169,940,366	132,680,751
Income Tax Paid		(41,955,867)	(29,121,936)
(Capital gain)/ Loss on shares & mutual funds		(9,425,853)	-
Exchange Gain		(16,907,188)	597,674
Operating Profit before changes in operating assets & liabilities		85,976,079	6,122,547

48.0 Number of Employees

The number of employees receiving remuneration of Taka 36,000 or above per employee per year were 201-(Two Hundred and One Only)

49.0 Audit Committee

The Audit Committee of the Bank was constituted in the 1st meeting of the Board of Directors held on in compliance with

SL	Name of Directors	Status with	Status with the Bank	Educational
1	Mr. Md. Iftekharul Amin	Chairman	Independent Director	MBA
2	Mr. A.N.M. Abul Kashem	Member	Independent Director	MSc
3	Mr. Shamsul Alam	Member	Director	B.Com
4	Mrs. Rokeya Khatun, FCA	Member	Director	MSS
5	Mrs. Rabeya Begum	Member	Director	Msc

Details of Audit Committee Meeting held in 2022

Particulars of the Meeting	No. of Meeting	Date of Meeting
Board Audit Committee Meeting	4	31.03.2022, 07.09.2022, 08.11.2022, 22.12.2022,

Directors Fee: Each director of the Bank was paid Tk. 8,000 as per BRPD circular letter no. 11 dated 4 October 2015 per board or Audit committee meeting attended in 2021. Other Benefits: N/A

Disclosure by Audit Committee

- 1) The Committee reviewed the integrity of the Financial Statement of the Bank to ensure that these reflect a true and fair view of the Bank's state of affairs.
- 2) The committee while reviewing the financial statements ensured that the proper disclosure required International Accounting Standards as adopted in Bangladesh have been made and also complied with the Companies Act and various other rules and regulations applicable for banking business.
- 3) The Committee recommended The External Auditor to the Board for presenting the proposal before the shareholder in the upcoming AGM for approval.

50.0 Related Party Disclosure of the Bank**50.1 Name of the Directors and their interest in different entities:**

SL	Name of Directors	Status with	Name of the Firms/Companies in Which they have interest
1	Md. Jashim Uddin	Chairman	1) Vice-Chairman of Bengal Group of Industries; 2) Vice-Chairman – Bengal Media Corporation Limited (RTV) 3) Director- Bengal Windsor Thermoplastics Limited 4) Director-Romania Food and Beverage Ltd. 5) Director- Bengal Cement Limited 6) Managing Director- Bengal Plastics Limited 7) Managing Director- Power Utility Bangladesh Limited. 8) Managing Director- Bengal Renewable Energy Limited. 9) Managing Director- Bengal Agro Industries Limited
2	Mahbubul Alam	Vice-Chairman	1) Chairman - M. Alam Gas Station Ltd., 2) Chairman - Anowara Alam Foundation, 3) Chairman - Surgescop Hospital Ltd. 4) Managing Director - Alam Trading Corporation, 5) Managing Director – R.M. Enterprise, 6) Managing Director - M.M. Trading.

SL	Name of Directors	Status with	Name of the Firms/Companies in Which they have interest
3	Engr. Ghulam Mohammed Alomgir (Representative of Max Infrastructure Limited)	Vice-Chairman	1) Chairman-MAX GROUP, one of the largest engineering 2) Chairman- Max Industries Limited; 3) Chairman- Max Building Technologies Limited; 4) Managing Director- Max Power Limited; 5) Managing Director- Kushiara Power Company Ltd. 6) Managing Director-Max Electricity Generation Ltd.;
4	Jesmin Akhter		1) Director - Bengal Plastic Pipes Limited. 2) Director - Bengal Agro Industries Limited; 3) Director - Bengal Melamine Limited. 4) Director- Designer Washing and Dyeing Ltd.

5	Firoz Alam	Director	1) Independent Director - Bengal group of Industries; 2) Managing Director - Bengal Cement Ltd, 3) Managing Director - Bengal LPG Ltd, 4) Managing Director - Bengal flexipak Ltd. 5) Director - Bengal plastic, 6) Director - RTV (Bengal Media Corporation Ltd) 7) Director – Bengal Windsor Thermoplastics Limited 8) Director- Bengal Concept & Holdings Ltd 9) Director- Bengal Agro Industries Limited.
6	Shamsul Alam	Director	1) Director - Begal Group of Companies 2) Director- Bengal Plastics Limited 3) Director- Bengal Media Corporation Limited (RTV) 4) Director- Romania Food and Beverage Ltd 5) Director- Bengal Agro Industries Limited. 6) Director- Bengal Cement Limited 7) Managing Director - Bengal Adhesive and Chemicals Products Ltd.
7	Md. Shahabuddin	Director	1) Founder and Managing Director of Pacific Associates Limited; 2) Managing Director- Shahabuddin Textile Ltd. 3) Managing Director- Asiatic Spinning Ltd.
8	Dilip Kumar Agrawala	Director	1) Managing Director - Diamond World (BD) Ltd. 2) Managing Director- Diamond World Media Ltd 3) Managing Director - Prem's Collections Ltd.
9	Dr. Joshoda Jibon Debnath (Representative of Technomedia Limited)	Director	1) Founder - Technomedia LTD, one of the advanced IT supporting 2) Chairman - Protection One (Pvt.) Ltd.; 3) Chairman - Lenden BD Ltd.; 4) Director - Plastic Card ID Ltd., 5) Director - Rajendra ECO Resort, 6) Director - Vibrant Software BD Ltd., 7) Independent Director - Shampur Sugar Mill Ltd.; 8) Managing Director - Delta Force Ltd.; 9) Managing Director - Pay Union BD Ltd.
10	Tasmin Mahmud	Director	1) Director - Cotton dyeing & Finishing Mills Ltd., 2) Director - Cotton Line (BD) Ltd., 3) Director - Cotton N Cotton Garments Industries Ltd., 4) Director - Pacific Cotton Ltd., 5) Director - BG Tel Limited;
11	S.M. Faruqi Hasan	Director	1) Chairman & CEO - Protik Developers Ltd. 2) Chairman & CEO - Protik Bone China Ltd. 3) Chairman & CEO - Protik Energy &Refinery Ltd. 4) Chairman & CEO - Protik Logistics Ltd. 5) Chairman & CEO - Hotel Lake Castle Ltd. 6) Managing Director & CEO - Protik Ceramics Ltd.
12	Md. Iqbal Hossain Chowdhury (Representative of B. Dash Japan Co., Limited)	Director	1) Chairman- Jams trading Ltd. 2) Director - JAPASTY Co. Ltd, 3) Managing Director - JAMS Auto Ltd.
13	Mr. Muhammad Jamaluddin (Representative of KDS Textile Mills Limited)	Director	1) Ex- Managing Director - BAPEX. 2) Ex-Member of Board of Directors - Bangladesh Petroleum Exploration & Production Company Ltd., (BAPEX) 3) Director - Grameen Shakti 4) Director - Pragati Life Insurance Company Ltd.,

SL	Name of Directors	Status with	Name of the Firms/Companies in Which they have interest
14	Mrs. Rokeya Khatun, FCA (Representative of Ilmeeyat Apparels Limited)	Sponsor Shareholder	Sharmin Group- 1) Sharmin Apparels Ltd 2) Sharmin Fashions Ltd 3) Sharaf Apparels Ltd. 4) Ilmeeyat Apparels Ltd. 5) A M Design Ltd.; 6) A.M. Fashions Ltd. 7) Ishayat Apparels Ltd 8) Ishayat Fashions Ltd 9) Sharaf Washing & Dyeing Industries Ltd. 10) Ilmeeyat Washing & Dyeing Industries Ltd. 11) Sharaf Embroidery & Printing Ltd.

15	Khawja Mahatab Uddion (Representative Of Starlight Sweaters Limited)	Director	Labib Group-
			1) Matrix Sweaters Ltd.
			2) Raidha Collections Ltd.
			3) Sultana Sweaters Ltd.
			4) Labib Dyeing Mills Ltd.
			5) Juthi Packaging Industries Ltd.
			6) R & R Agro Complex Ltd.
			7) Nice Cotton Ltd.
16	Mrs. Rabeya Begum (Representative of Ramisha BD Limited)	Director	Labib Poultry & Fisheries Ltd.
			Ramisha Group-
			1) Ramisha Composite Textiles Mills Ltd.
			2) Ramisha Cold Storage Limited.
			3) Fareast Cold Storage Limited.
			4) Punot Cold Storage Limited.
5) M/s. Ramisha Enterprise.			
6) Momo Enterprise.			
17	Shanzoy Sarker	Director	1) General Manager (GM)-(Corporate Finance) of reputed Bengal
18	Mr. Md. Iftekharul Amin	Independent	N/A
19	Mr. A.N.M. Abul Kashem	Independent	N/A

50.2 Significant Contracts where Bank is a party and wherein Director Nil NIL

50.3 Shares issued to Directors & Executives without consideration Nil NIL

50.4 **Lending Policies to related parties:**

Lending to related parties are effected as per requirement of section 27(1) of the Banking Companies



BENGAL COMMERCIAL BANK LIMITED
Balance With Other Banks-Outside Bangladesh (Nostro Account)
 As at 31 December 2022

Name of the Bank	Account Type	Currency Type	2022			2021		
			FC Amount	Exchange Rate	Eqvvt. Taka	FC Amount	Exchange Rate	Eqvvt. Taka
AB Bank Limited, Mumbai, India	CD	USD	15,186.85	105.37	1,600,275.59	231.56	85.15	19,731.18
Axis Bank Limited, Mumbai, India	CD	USD	3,017.32	103.29	311,667.12	-	-	-
Mashreq Bank PSC , New York, USA	CD	USD	11,646.33	103.29	1,202,980.88	-	-	-
Sonali Bank	CD	GBP	160.40	122.71	19,683.30	-	-	-
Habib American Bank NY	CD	USD	-	-	-	78,417.29	85.15	6,677,585.12
					3,134,607			6,697,316



Bengal Commercial Bank Ltd.
Statement of Unreconciled Entries (Nostro Accounts)
As on 31 December 2022

(Figures in USD)

SL No.	Period of un-reconciliation	As per Local Book				As per Correspondents' Book					
		Debit Entries		Credit Entries		Debit Entries		Credit Entries			
		No	Amount	No	Amount	No	Amount	No	Amount		
01	Less than 1 month			1		75		2	1,679	3	54,875
02	1 month or more but less than 3 month										
03	3 months or more but less than 6 months										
04	6 months or more but less than 9 months										
05	9 months or more but less than 12 months										
06	12 months or more										
	Total	-	-	1		75		2	1,679	3	54,875

Date upto which reconciliation (wash out) is completed - all entries: 31st december, 2022

Date upto which reconciliation (wash out) is completed - other than cr. entries of local book and entries against which 100% provision have been made: 31st December, 2022



Bengal Commercial Bank Limited

Investment in Shares
as at 31 December 2022

SL No.	Name of the Company	Face Value	No. of Shares Including Bonus Shares	Cost of Holding	Cost of Per Share	Quoted rate per Share as at 31 Dec 2022	Total Market Value as at 31 Dec 2022
Quoted Shares							
1	Jamuna Oil	10	79,019.00	13,549,536.39	171.47	167.30	13,219,878.70
2	BATBC	10	60,062.00	38,522,892.55	641.39	518.70	31,154,159.40
3	LANKABAFIN	10	50,000.00	1,367,730.00	27.35	26.00	1,300,000.00
	Sub-Total			53,440,158.94			45,674,038.10
Mutual Fund (Quoted)							
1	ABB1STMF	10	556,105.00	3,033,812.90	5.46	5.20	2,891,746.00
1	First Bangladesh Fixed Income Fund	10	17,716,527.00	112,685,670.39	6.36	5.00	88,582,635.00
2	Grameen One (Scheme Two)	10	7,079,594.00	122,756,535.70	17.34	15.20	107,609,828.80
3	Popular 1st Mutual Fund	10	5,742,842.00	32,486,915.01	5.66	5.10	29,288,494.20
4	Insurance	10	1,690,302.00	19,714,000.66	11.66	10.30	17,410,110.60
5	Trust Bank 1st Mutual Fund	10	1,684,441.00	11,319,248.97	6.72	5.60	9,432,869.60
	Sub-Total			301,996,183.63			255,215,684.20
	Grand Total			355,436,342.57			300,889,722.30

Calculation of Required Provision against Investment in Shares

SL No	Particulars	Cost Value	Value Considered for maintaining Provision	Required Provision	Remarks
1	Quoted	53,440,159	61,206,280	7,766,121	Considered Market Value
2	Quoted (Mutual Fund)	301,996,184	311,203,196	9,207,012	Considered NAV as per Bangladesh Bank Guideline
	Grand Total	355,436,343	372,409,475	16,973,133	



Bengal Commercial Bank Limited
Schedule of Fixed Assets
As at 31 December 2022

Particulars	COST					DEPRECIATION					Written down value as on 31 Dec 2022
	Opening Balance at Cost as on 01 Jan 2022	Addition during the year	Adjustment during the year	Total Cost as on 31 Dec 2022	Rate	Charged up to 31 Dec 2021	Adjustment during the year	Charged during the year	Total Depreciation as on 31 Dec 2022		
Land	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	82,076,239	48,851,056	-	130,927,295	15%	17,533,477	-	19,080,829	36,614,307	94,312,989	
Office Equipment	32,647,696	22,158,615	-	54,806,311	20%	7,113,699	-	9,395,086	16,508,785	38,297,526	
Computer Equipment	56,814,263	32,363,519	-	89,177,782	20%	10,536,611	-	17,220,272	27,756,883	61,420,899	
Vehicles	29,243,086	-	-	29,243,086	20%	6,962,043	-	5,848,617	12,810,660	16,432,425	
Computer Software	26,374,500	-	-	26,374,500	20%	5,288,809	-	5,274,900	10,563,709	15,810,791	
Right of use Assets (Lease assets)	700,385,561	69,876,750	-	770,262,311	-	170,871,287	-	111,793,053	282,664,340	487,597,971	
Total as on 31 Dec. 2021	927,541,345	173,249,940	-	1,100,791,285	-	218,305,927	-	168,612,757	386,918,684	713,872,601	



BENGAL COMMERCIAL BANK LIMITED
Highlights on Overall Activities

Particulars	Amount in BDT	
	31 Dec 2022	31 Dec 2021
Paid-up Capital	4,406,675,000	4,250,000,000
Total Capital	4,093,884,528	4,079,877,050
Capital Surplus/(Deficit)	3,234,979,523	3,505,393,841
Total Assets	15,951,929,801	9,152,694,625
Total Deposits	11,016,590,777	4,407,458,206
Total Loans & Advances	7,276,542,266	2,429,281,061
Total Contingent Liabilities & Commitments	931,771,196	261,396,412
Credit Deposit Ratio (%)	65.10%	62.29%
Percentage of Classified Loans against Total Loans and Advances	-	-
Operating Profit	(123,579,895)	(107,863,374)
Profit after Tax & Provision	(198,657,070)	(143,556,810)
Amount of Classified Loans during the year	-	-
Provision kept against Classified Loans	-	-
Provision Surplus/(Deficit)	-	874
Cost of Deposit (%)	5%	4.44%
Cost of Fund (%)	10%	12.82%
Interest Earning Assets	15,114,797,608	8,318,531,240
Non-interest earning Assets	837,132,193	834,163,385
Return on Investment (ROI) (%)	7.29%	2.92%
Return on Assets (ROA) (%)	-1.58%	-2.05%
Net Asset value per share	9.17	9.60
Income from Investments	156,837,938	30,199,295
Earning per share (Taka)	(0.45)	(0.34)
Net Interest Margin (NIM)	3.84%	4.09%

