



Bangladesh Bank
(Central Bank of Bangladesh)

Auditors' Report and Audited Financial Statements

As at and for the year ended 30 June 2023

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Independent Auditors' Report

To the Government of the People's Republic of Bangladesh

Opinion

We have audited the consolidated financial statements of Bangladesh Bank and its subsidiary ("the Group") as well as the separate financial statements of Bangladesh Bank (the Bank), which comprise the consolidated and separate statements of financial position as at 30 June 2023, the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies.

In our opinion, the accompanying Consolidated financial statements of the Group and Separate financial statements of the Bank present fairly, in all material respects, the consolidated financial position of the Group and the separate financial position of the Bank as at 30 June 2023, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note #2 and #3.

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 Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Bank and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh's (ICAB) By Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

Without modifying our opinion, we draw attention to the following matters:

1. As stated in note #3.05 of the financial statements, the Bank's entire portfolio of financial assets other than those measured at Fair Value Through Profit or Loss and subject to impairment requirement are assessed to have low credit risk and accordingly, the Bank has considered 12-month Expected Credit Loss (ECL) for those financial assets.



2. In note # 3.17 and note # 45 of the financial statements, status of revaluation of the Bank's Property, Plant and Equipment (PPE) and the matter of actuarial valuation of the Bank's defined benefit plans, respectively have been disclosed.
3. As described in note # 10 of the financial statements, a fraudulent activity took place in 2016 with Bangladesh Bank through unauthorized SWIFT transactions. Against this fraud case, a receivable has been created and the outstanding balance of this receivable as of 30 June 2023 is BDT 522.41 core. Legal proceedings are still in progress to recover this amount.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters in our report.

1. Foreign Accounts and Investments

The Bank's assets held in foreign accounts and investments amounted to BDT 8,894.68 core and BDT 232,463.97 core, respectively and these combined balances being equivalent to nearly 42% of the Bank's total assets, considered material to the financial statements. These investments are held with other central banks, overseas commercial banks and other counterparties in multiple foreign currencies and under different types of investment categories. The existence, valuation and presentation of these foreign accounts and investments, in the financial statements pose significant audit risk.

Our audit procedures to address the risks of material misstatement relating to foreign accounts and investments, included:

- Assessment of the design and testing of the operating effectiveness of management's key control throughout the year in assessing the carrying value of foreign accounts and investments, and recognition of related revenue.
- Sending direct confirmation to the related counterparties to confirm the balances and upon receipt of the confirmation, necessary reconciliations were made.
- Detailed analysis of exchange rates used and valuation processes, recalculation of interest income, and evaluation of recognition, measurement, presentation and disclosures in the financial statements in accordance with the related IFRSs.

The Bank's disclosures about foreign investments are included in note # 3.07 and note # 5 to the financial statements.

2. Balances with International Monetary Fund (IMF)

The Bank's assets held with International Monetary Fund (IMF) as of the closing date amounted to BDT 41,591.03 crore and the corresponding liability with IMF on the same date was BDT

40,032.62 crore, and both these balances are, material to the financial statements. Due to the unique structure, terms and valuation of these assets, it was considered significant to our audit.

IMF Securities (promissory notes) has been issued against the membership subscription with IMF and SDR is allocated on the basis of the member's quota. Liabilities with the IMF represent around 8.59% of the total liabilities of the Bank. The valuation of liabilities with the International Monetary Fund (IMF) was considered significant to our audit as that gives rise to foreign currency translation requirements and periodic interest accruals.

Our audit procedures to address the risks of material misstatement relating to assets held with the International Monetary Fund (IMF), includes:

- Checking the SDR amount from the IMF website, and subsequently testing the exchange rates used to translate this amount at the closing date;
- Reviewing the basis of computation of interest income on SDR Holding and the transactions undertaken during the year; and
- Examination of relevant documents of IMF and interest accrued on SDR Allocation during the year and re-computation to confirm the amount of liabilities with IMF using the prevailing conversion rate as per IAS-21.

The Bank's disclosures about assets held with the International Monetary Fund are included in note # 6.01 and Liabilities with International Monetary Fund (IMF) in note # 6.02 to the financial statements.

3. Foreign Currency and Local Currency Loans to Banks

The Bank's assets held with foreign currency loans to banks amounted to BDT 51,141.83 crore and local currency loans to banks and financial institutions amounted to BDT 42,646.59 crore, aggregating more than 16.25% of total assets, which is material to the financial statements.

Our audit procedures to address the risk of material misstatement relating to these items included:

- Testing the effectiveness of controls over the disbursement process of these loans including proper approval and execution of required documentation;
- Assessing the existence of loan balance at year-end through external confirmations from respective banks and financial institutions ;
- For loan balances in foreign currency (i.e. EDF, LTFF and GTF Investments) checking the conversion in BDT using the exchange rate prevailing at 30 June 2023;
- Matching the calculated figure with the amounts disclosed in the financial statements of the Bank for the year ended 30 June 2023;
- Checking of interest calculation which are mostly automated and calculated automatically in e-Refinance software and subsequently confirmed the balance of interest from e-Refinance software against the General Ledgers; and
- Finally, reviewing management's impairment assessment of these loans under IFRS 9 ECL model.

The Bank's disclosures about Foreign Currency Loans to Banks are included in note # 9 and local currency loans to banks and financial institutions is included in note # 14 to the financial statements.

4. Transactions with Government of Bangladesh

Bangladesh Bank is primarily responsible for managing banking transactions on behalf of Government of Bangladesh including loans and donations received from foreign entities, collection and administration of funds of various ministries and the national exchequer. Given the unique nature as well as the high volume of transactions undertaken by Bangladesh Bank with and for the Government of Bangladesh, it was considered significant to our audit.

The Bank's assets held as Loans to the Government of Bangladesh and investment in treasury bills and bonds amounted to BDT 147,563.94 crore, equivalent to 25.57% of total assets, which is material to the financial statements. These investments are held with the Government of Bangladesh which have a period of both less or more than one year.

Our audit procedures to address the risk of material misstatement relating to Loans to the Government of Bangladesh included:

- Assessment of the design and testing of the operating effectiveness of management's control in assessing the carrying value of Loans to the Government of Bangladesh; and
- Detailed analysis of auction rates, valuation processes, recalculation of interest income, presentation and disclosures in the financial statements in accordance with the related IFRSs.

The Bank's disclosures about Loans to the Government of Bangladesh are included in note # 3.12, 3.13, 12 and note # 13 to the financial statements.

5. Notes in Circulation

Issuance of Bangladeshi Bank notes is one of the key roles of the Bank as defined in the Bangladesh Bank Order-1972 and is a key audit matter due to:

- Attention of the users of the financial statements;
- The balance is significant relative to the Bangladesh Bank's Statement of Financial Position; and
- Complexity in assessing the accuracy of the liability for Bangladeshi bank notes on issue that are placed in circulation in the economy.

The balance of Bangladeshi bank notes on issue represents the value of all bank notes on issue in Bangladesh and the liability is measured at face value of all Bangladeshi bank notes issued less any bank notes cancelled/ destroyed.

To audit the Bangladeshi bank notes on issue, we performed the following audit procedures:

- Testing those general controls which are relevant to the accurate recording of the issuance and return of bank notes within the system responsible for recording the balance of Bangladeshi bank notes on issue;
- performing a comparison of current year movements against prior year patterns.
- Performing a trend analysis on Bangladeshi banknotes on issue against prior periods focusing on the number of notes issued by denomination;
- Our procedures also included an assessment of the asset backing maintained by Bangladesh Bank in line with section 30 of the Bangladesh Bank Order, 1972 and reviewed the process to determine the demand for notes and the ordering process for printing notes; and
- Our audit procedures included communicating with the concerned department to understand the note issue process and carrying out physical inspection of assets held at the Bank premises against Notes in Circulation on a sample basis.

The Bank's disclosures about Notes in Circulation are included in note # 21 to the financial statements.

6. Information technology (IT) systems used in financial reporting process

The Bank's operational and financial reporting processes are dependent on multiple IT systems run through Core Banking Solutions (CBS), SAP, SWIFT, BEFTN and other integrated software with automated controls and processes large volume of transactions. Accordingly, our audit was focused on key IT systems and controls due to the pervasive impact on the financial statements and the same has been considered as Key Audit Matter in our audit.

We conducted an assessment and identified key IT applications, database and operating systems that are relevant to our audit, and have identified CBS, SAP, SWIFT System primarily as relevant for financial reporting. For the key IT systems pertaining to CBS and SAP operations, our areas of audit focus included assessment of IT general control including access security, application change controls, database management and network operations. In particular:

- Obtaining an understanding of the Bank's IT control environment and key changes during the audit period that may be relevant to the audit;
- Testing the design and implementation of the Bank's General IT controls over the key IT systems that are critical to financial reporting;
- Checking the Bank's periodic review of user access controls including segregation of duties and management of changes/updates to systems; and
- Reviewing the process to upload data from CBS to SAP and assessed related controls.

Other Matters

1. The financial statements of Bangladesh Bank for the year ended 30 June 2022 were audited by ACNABIN Chartered Accountants and Hoda Vasi Chowdhury & Co Chartered Accountants, who expressed an unmodified opinion with emphasis of matters on those statements on 30 August 2022; and



2. The financial statements of the subsidiary, The Security Printing Corporation (Bangladesh) Limited for the year ended on 30 June 2023 have been jointly audited by us. And we have expressed a unmodified 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 consolidated and separate 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 consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercised professional judgement and maintained professional scepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks and obtained 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.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded 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 condition that may cast significant doubt on the Group's ability to continue as a going concern. If we concluded that a material uncertainty exists, we were required to draw attention in our auditors' report to the related disclosures in the consolidated and separate 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 auditors' report.
- Evaluated the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated 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 identified during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We described these matters in our auditors' report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequence of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Terms of Reference (ToR) issued by the Ministry of Finance - Financial Institutions Division, Government of the People's Republic of Bangladesh, we also report the following:

- Nothing has come to our attention which indicates that the IT based accounting systems generated information are not free from material error and non-compliance;
- Nothing has come to our attention which indicates that charging of depreciation on Dead-Stock (Capital Assets) and immovable properties are not in line with applicable financial reporting framework except as mentioned in matter # 2 under 'Emphasis of Matters' section;
- Internal control measures undertaken by the Bank appeared to be adequate with immaterial control deficiencies as identified and are being reported in the Management Report;
- We have reviewed the compliances of audit observations of previous year and the same are being reported in the Management Report;
- We have checked the authenticity of financial information and data supplied to the International Monetary Fund (IMF) by the Bank; and
- We have reviewed the compliance of decisions taken by the Board of Directors of the Bank.

Howladar Yunus & Co.
Chartered Accountants



Muhammad Farooq FCA
Managing Partner
ICAB Enrolment # 521

Hoda Vasi Chowdhury & Co
Chartered Accountants



Sabbir Ahmed FCA
Partner
ICAB Enrolment # 770

DVC: 23 08 23 05 21 AS 9 77 8 57

Dated: 22 August 2023
Dhaka, Bangladesh

DVC: 23 08 23 07 70 AS 9 66 4 28

BANGLADESH BANK
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

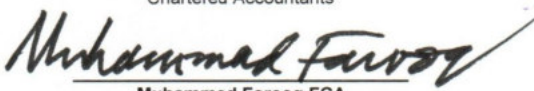

In Thousand Tk.

Particulars	Notes	30-Jun-23	30-Jun-22
ASSETS			
Foreign currency financial assets			
Foreign currency accounts	4	88,946,844	78,519,805
Foreign investments	5	2,324,639,709	2,782,210,063
Assets held with International Monetary Fund	6.01	415,910,328	376,731,118
Gold and silver	7	54,093,399	45,306,167
Claims from gold transactions	8	37,757,643	31,629,227
Foreign currency loans to banks	9	511,418,327	705,640,485
Other foreign currency financial assets	10	16,450,320	15,121,651
Total foreign currency financial assets		3,449,216,570	4,035,158,516
Local currency financial assets			
Taka coin and cash balances	11	3,582,958	4,074,800
Securities purchased under agreement to resell		169,462,750	2,180,000
Loans to the Government of Bangladesh	12	178,018,700	7,268,500
Local currency investments	13	1,318,131,179	552,168,542
Local currency loans to banks, financial institutions and employees	14	475,816,678	232,904,404
Other local currency financial assets	15	90,531,418	4,929,823
Total local currency financial assets		2,235,543,683	803,526,069
Total financial assets		5,684,760,253	4,838,684,585
Non-financial assets			
Property, plant and equipment	16	80,099,350	47,692,736
Intangible assets	17	758,615	720,476
Other non-financial assets	18	5,959,259	5,091,009
Total non-financial assets		86,817,224	53,504,221
Total assets		5,771,577,477	4,892,188,806
LIABILITIES & EQUITY			
LIABILITIES			
Foreign currency financial liabilities			
Deposits from banks and financial institutions	19	248,898,292	260,928,491
Liabilities with International Monetary Fund	6.02	400,326,205	337,314,306
Other foreign currency financial liabilities	20	56,260,118	18,761,840
Total foreign currency financial liabilities		705,484,615	617,004,637
Local currency financial liabilities			
Notes in circulation	21	3,101,560,298	2,545,233,913
Deposits from banks and financial institutions	22	714,863,215	909,261,888
Other local currency financial liabilities	23	138,816,051	177,783,080
Total local currency financial liabilities		3,955,239,564	3,632,278,881
Total liabilities		4,660,724,179	4,249,283,518
EQUITY			
Capital	24	30,000	30,000
Retained earnings	31	122,020,617	43,208,378
Revaluation reserves	25	653,256,585	436,545,584
Currency fluctuation reserve	26	281,090,590	110,568,363
Statutory funds	27	19,067,046	18,517,046
Non statutory funds	28	16,445,330	15,635,542
Other reserves	29	13,342,630	12,899,875
General reserve	30	5,600,500	5,500,500
Total equity		1,110,853,298	642,905,288
Total liabilities and equity		5,771,577,477	4,892,188,806

The accompanying notes from 1 to 49 form an integral part of these financial statements.

 Md. Mofizur Rahman Khan Chowdhury FCMA, CFA Director (A&BD) Accounts & Budgeting Department	 Kazi Sayedur Rahman Deputy Governor	 Abdur Rouf Talukder Governor
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These financial statements are to be read in conjunction with the Independent Auditors' Report, which is set out on page 1.

Howladar Yunus & Co. Chartered Accountants  Muhammad Farooq FCA Managing Partner ICAB Enrolment # 521	Hoda Vasi Chowdhury & Co Chartered Accountants  Sabbir Ahmed FCA Partner ICAB Enrolment # 770
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DVC:23 08230521 AS977857
 Dated: 22 August 2023
 Dhaka, Bangladesh

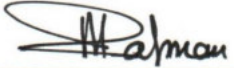
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BANGLADESH BANK
SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023


In Thousand Tk.

Particulars	Notes	30-Jun-23	30-Jun-22
ASSETS			
Foreign currency financial assets			
Foreign currency accounts	4	88,946,844	78,519,805
Foreign investments	5	2,324,639,709	2,782,210,063
Assets held with International Monetary Fund	6.01	415,910,328	376,731,118
Gold and silver	7	54,093,399	45,306,167
Claims from gold transactions	8	37,757,643	31,629,227
Foreign currency loans to banks	9	511,418,327	705,640,485
Other foreign currency financial assets	10	16,450,320	15,121,651
Total foreign currency financial assets		3,449,216,570	4,035,158,516
Local currency financial assets			
Taka coin and cash balances	11.01	2,345,632	3,664,924
Securities purchased under agreement to resell		169,462,750	2,180,000
Loans to the Government of Bangladesh	12	178,018,700	7,268,500
Local currency investments	13.01	1,313,565,685	546,969,203
Local currency loans to banks, financial institutions and employees	14.01	473,927,804	231,009,627
Other local currency financial assets	15.01	89,667,613	4,111,196
Total local currency financial assets		2,226,988,184	795,203,450
Total financial assets		5,676,204,754	4,830,361,966
Non-financial assets			
Property, plant and equipment	16.01	71,203,229	38,534,510
Intangible assets	17	758,615	720,476
Other non-financial assets	18.01	907,462	285,493
Total non-financial assets		72,869,306	39,540,479
Total assets		5,749,074,060	4,869,902,445
LIABILITIES & EQUITY			
LIABILITIES			
Foreign currency financial liabilities			
Deposits from banks and financial institutions	19	248,898,292	260,928,491
Liabilities with International Monetary Fund	6.02	400,326,205	337,314,306
Other foreign currency financial liabilities	20	56,260,118	18,761,840
Total foreign currency financial liabilities		705,484,615	617,004,637
Local currency financial liabilities			
Notes in circulation	21	3,101,560,298	2,545,233,913
Deposits from banks and financial institutions	22	714,863,215	909,261,888
Other local currency financial liabilities	23.01	137,518,285	175,944,403
Total local currency financial liabilities		3,953,941,798	3,630,440,204
Total liabilities		4,659,426,413	4,247,444,841
EQUITY			
Capital	24	30,000	30,000
Retained earnings	31.01	106,807,347	28,676,987
Revaluation reserves	25.01	648,614,204	431,879,291
Currency fluctuation reserve	26	281,090,590	110,568,363
Statutory funds	27	19,067,046	18,517,046
Non statutory funds	28	16,445,330	15,635,542
Other reserves	29	13,342,630	12,899,875
General reserve	30.01	4,250,500	4,250,500
Total equity		1,089,647,647	622,457,604
Total liabilities and equity		5,749,074,060	4,869,902,445

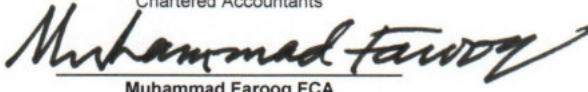
The accompanying notes from 1 to 49 form an integral part of these financial statements.

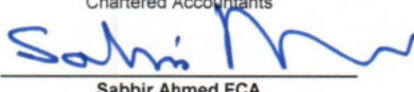

Md. Mofizur Rahman Khan Chowdhury FCMA, CFA
Director (A&BD)
Accounts & Budgeting Department


Kazi Sayedur Rahman
Deputy Governor


Abdur Bouf Talukder
Governor

These financial statements are to be read in conjunction with the Independent Auditors' Report, which is set out on page 1.

Howladar Yunus & Co.
Chartered Accountants

Muhammad Farooq FCA
Managing Partner
ICAB Enrolment # 521

Hoda Vasi Chowdhury & Co
Chartered Accountants

Sabbir Ahmed FCA
Partner
ICAB Enrolment # 770

DVC: 23 08230521 AS 977857

Dated: 22 August 2023
Dhaka, Bangladesh

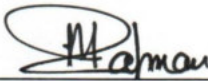
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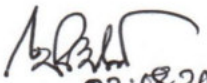
BANGLADESH BANK
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

In Thousand Tk.

Particulars	Notes	2022-23	2021-22
INCOME			
Income from foreign currency financial assets			
Interest income	32	59,344,153	28,371,001
Commission and discounts	33	660,756	527,251
Total income from foreign currency financial assets		60,004,909	28,898,252
Income from local currency financial assets			
Interest income	35	91,426,303	28,333,414
Commission and discounts	36	2,047,115	2,062,478
Sales to other parties by subsidiary		1,979,813	1,791,533
Other income		1,865,480	224,386
Total income from local currency financial assets		97,318,711	32,411,811
Total income		157,323,620	61,310,063
EXPENSES			
Expenses on foreign currency financial liabilities			
Interest expense	34	(9,563,573)	(771,845)
Commission and other expenses		(2,962,133)	(704,187)
Total expenses on foreign currency financial liabilities		(12,525,706)	(1,476,032)
Expenses on local currency financial liabilities			
Interest expense	38	(242,684)	(905,593)
Commission and other expenses	39	(10,353,407)	(7,242,076)
Total expenses on local currency financial liabilities		(10,596,091)	(8,147,669)
Other expenses			
General and administrative expenses	41	(24,200,763)	(20,880,578)
Total other expenses		(24,200,763)	(20,880,578)
Total expenses		(47,322,560)	(30,504,279)
Foreign currency revaluation gain/(loss) - unrealised		193,451,299	238,816,162
Foreign currency revaluation gain/(loss) - realised		170,522,226	24,175,303
Profit before tax		473,974,585	293,797,249
Current tax expense		(547,435)	(506,997)
Deferred tax income/(expense)		15,320	(20,098)
Profit for the year		473,442,470	293,270,154
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Gold revaluation gain/(loss)		14,843,380	1,053,734
Silver revaluation gain/(loss)		72,268	9,098,269
Revaluation gain/(loss) on financial instruments	40	(23,207,021)	(41,652)
Revaluation gain on property, plant and equipment		31,390,039	(81,373,627)
Total other comprehensive income		23,098,666	(71,263,276)
Total comprehensive income for the year		496,541,135	222,006,878

The accompanying notes from 1 to 49 form an integral part of these financial statements.


Md. Mofizur Rahman Khan Chowdhury FCMA, CFA
 Director (A&BD)
 Accounts & Budgeting Department


Kazi Sayedur Rahman
 Deputy Governor



Abdur Rouf Talukder
 Governor

These financial statements are to be read in conjunction with the Independent Auditors' Report, which is set out on page 1.

Howladar Yunus & Co.
 Chartered Accountants

Hoda Vasi Chowdhury & Co
 Chartered Accountants


Muhammad Farooq FCA
 Managing Partner
 ICAB Enrolment # 521


Sabbir Ahmed FCA
 Partner
 ICAB Enrolment # 770

DVC: 23 08230521 A5977857

DVC: 23 08230770 A5966428


Dated: 22 August 2023
 Dhaka, Bangladesh

BANGLADESH BANK
SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023


In thousand Tk.

Particulars	Notes	2022-23	2021-22
INCOME			
Income from foreign currency financial assets			
Interest income	32	59,344,153	28,371,001
Commission and discounts	33	660,756	527,251
Total income from foreign currency financial assets		60,004,909	28,898,252
Income from local currency financial assets			
Interest income	35.01	90,279,045	27,239,756
Commission and discounts	36	2,047,115	2,062,478
Dividend income		720,000	600,000
Other income	37	1,837,450	199,062
Total income from local currency financial assets		94,883,610	30,101,296
Total income		154,888,519	58,999,548
EXPENSES			
Expenses on foreign currency financial liabilities			
Interest expense	34	(9,563,573)	(771,845)
Commission and other expenses		(2,962,133)	(704,187)
Total expenses on foreign currency financial liabilities		(12,525,706)	(1,476,032)
Expenses on local currency financial liabilities			
Interest expense	38	(242,684)	(905,593)
Commission and other expenses	39	(10,353,407)	(7,242,076)
Total expenses on local currency financial liabilities		(10,596,091)	(8,147,669)
Other expenses			
Note printing expenses		(3,740,385)	(3,842,541)
General and administrative expenses	41.01	(19,315,360)	(16,054,704)
Total other expenses		(23,055,745)	(19,897,245)
Total expenses		(46,177,542)	(29,520,946)
Foreign currency revaluation gain/(loss) - unrealised		193,451,299	238,816,162
Foreign currency revaluation gain/(loss) - realised		170,522,226	24,175,303
Profit for the year		472,684,502	292,470,067
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Gold revaluation gain/(loss)		14,843,380	9,098,269
Silver revaluation gain/(loss)		72,268	(41,652)
Revaluation gain/(loss) on financial instruments	40	(23,207,021)	(81,373,627)
Revaluation gain/(loss) on property, plant and equipment		31,390,039	-
Total other comprehensive income		23,098,666	(72,317,010)
Total comprehensive income for the year		495,783,168	220,153,057

The accompanying notes from 1 to 49 form an integral part of these financial statements.


Md. Mofizur Rahman Khan Chowdhury FCMA, CFA
Director (A&BD)
Accounts & Budgeting Department


Kazi Sayedur Rahman
Deputy Governor



Abdur Rouf Talukder
Governor

These financial statements are to be read in conjunction with the Independent Auditors' Report, which is set out on page 1.

Howladar Yunus & Co.
Chartered Accountants

Hoda Vasi Chowdhury & Co
Chartered Accountants


Muhammad Farooq FCA
Managing Partner
ICAB Enrolment # 521


Sabbir Ahmed FCA
Partner
ICAB Enrolment # 770

DVC: 23 08 23 05 21 AS 9 77 8 57
Dated: 22 August 2023
Dhaka, Bangladesh

DVC: 23 08 23 07 70 AS 9 66 4 28

BANGLADESH BANK
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

In Thousand Tk.

Particulars	Non - distributable											Distributable	Equity
	Capital	Revaluation reserves				Currency fluctuation reserve	Statutory funds	Non-statutory funds	Other reserves		General reserve	Retained earnings	
		Gold and silver	Foreign currency accounts	Financial instruments	Property, plant & equipment				Asset renewal & replacement fund	Interest reserve			
Balance as at 01 July 2021	30,000	37,018,346	149,162,634	45,390,674	38,729,424	86,393,061	18,267,046	15,640,408	4,926,785	7,522,114	5,400,500	44,919,663	453,400,653
Adjustment against due from government	-	-	-	-	-	-	-	-	-	-	-	(19,215)	(19,215)
Dividend paid for 2020-21	-	-	-	-	-	-	-	-	-	-	-	(31,099,777)	(31,099,777)
Prior year adjustment	-	-	-	-	-	-	-	-	-	-	-	(639)	(639)
Total comprehensive income for the year	-	9,056,617	-	(81,373,627)	1,053,734	-	-	-	-	-	-	293,270,153	222,006,878
Utilisation of funds	-	-	-	-	-	-	-	(104,866)	-	-	-	-	(104,866)
Derecognition of reserve on account of sale and maturity of assets	-	-	-	(1,277,744)	(30,635)	-	-	-	-	-	-	30,634	(1,277,744)
Appropriation of profit to other funds	-	-	238,816,162	-	-	24,175,303	250,000	100,000	450,976	-	100,000	(263,892,440)	-
Balance as at 30 June 2022	30,000	46,074,964	387,978,796	(37,260,698)	39,752,523	110,568,363	18,517,046	15,635,542	5,377,761	7,522,114	5,500,500	43,208,378	642,905,288
Transfer to Disaster Management and Social Responsibility Fund	-	-	-	-	-	-	-	-	-	-	-	(200,000)	(200,000)
Dividend paid for 2021-22	-	-	-	-	-	-	-	-	-	-	-	(28,476,987)	(28,476,987)
Prior year adjustment	-	-	-	-	-	-	-	-	-	-	-	(875)	(875)
Total comprehensive income for the year	-	14,915,648	-	(23,207,021)	31,390,039	-	-	-	-	-	-	473,442,469	496,541,135
Utilisation of funds	-	-	-	-	-	-	-	(100,212)	-	-	-	-	(100,212)
Derecognition of reserve on account of sale and maturity of assets	-	-	-	184,948	(23,912)	-	-	-	-	-	-	23,912	184,948
Appropriation of profit to other funds	-	-	193,451,299	-	-	170,522,226	550,000	910,000	442,755	-	100,000	(365,976,280)	-
Balance as at 30 June 2023	30,000	60,990,612	581,430,095	(60,282,771)	71,118,650	281,090,589	19,067,046	16,445,330	5,820,516	7,522,114	5,600,500	122,020,617	1,110,853,298



BANGLADESH BANK
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

In Thousand Tk

Particulars	Non distributable											Distributable	Equity
	Capital	Gold and silver	Revaluation reserves	Foreign currency accounts	Financial instruments	Property, plant & equipment	Currency fluctuation reserve	Statutory funds	Non-statutory funds	Other reserves	General reserve	Retained earnings	
										Asset renewal & replacement fund	Interest reserve		
Balance as at 01 July 2021	30,000	37,018,347	149,162,633	45,390,673	35,086,230	86,393,061	18,267,046	15,640,408	4,926,785	7,522,114	4,250,500	31,118,990	434,806,788
Adjustment against due from government	-	-	-	-	-	-	-	-	-	-	-	(19,215)	(19,215)
Dividend paid for 2020-21	-	-	-	-	-	-	-	-	-	-	-	(31,099,777)	(31,099,777)
Prior year adjustment	-	-	-	-	-	-	-	-	-	-	-	(639)	(639)
Total comprehensive income for the year	-	9,056,617	-	(81,373,627)	-	-	-	-	-	-	-	292,470,067	220,153,057
Utilisation of funds	-	-	-	-	-	-	-	-	(104,866)	-	-	-	(104,866)
Derecognition of reserve on account of sale and maturity of assets	-	-	-	(1,277,744)	-	-	-	-	-	-	-	-	(1,277,744)
Appropriation of profit to other funds	-	-	238,816,162	-	-	24,175,303	250,000	100,000	450,976	-	-	(263,792,441)	-
Balance as at 30 June 2022	30,000	46,074,964	387,978,795	(37,260,698)	35,086,230	110,568,363	18,517,046	15,635,542	5,377,761	7,522,114	4,250,500	28,676,987	622,457,604
Transfer to Disaster Management and Social Responsibility Fund	-	-	-	-	-	-	-	-	-	-	-	(200,000)	(200,000)
Dividend paid for 2021-22	-	-	-	-	-	-	-	-	-	-	-	(28,476,987)	(28,476,987)
Prior year adjustment	-	-	-	-	-	-	-	-	-	-	-	(875)	(875)
Total comprehensive income for the year	-	14,915,648	-	(23,207,021)	31,390,039	-	-	-	-	-	-	472,684,502	495,783,168
Utilisation of funds	-	-	-	-	-	-	-	-	(100,212)	-	-	-	(100,212)
Derecognition of reserve on account of sale and maturity of assets	-	-	-	184,948	-	-	-	-	-	-	-	-	184,948
Appropriation of profit to other funds	-	-	193,451,299	-	-	170,522,226	550,000	910,000	442,755	-	-	(365,876,281)	-
Balance as at 30 June 2023	30,000	60,990,612	581,430,094	(60,282,771)	66,476,269	281,090,589	19,067,046	16,445,330	5,820,516	7,522,114	4,250,500	106,807,347	1,089,647,647



BANGLADESH BANK
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

In Thousand Tk.

Particulars	2022-23	2021-22
Cash flows from operating activities		
Profit for the year	473,442,470	293,270,154
Adjustments:		
Depreciation	1,628,924	1,280,884
Loan loss provision	1,755,257	(958,255)
Foreign currency revaluation gain - unrealised	(193,451,299)	(238,816,162)
Investment income from short term deposit, foreign bills and bonds	(32,114,724)	(21,757,111)
Investment Income from local treasury bills and bonds	(79,974,172)	(19,948,078)
Interest from claims from gold transactions	(8,049,207)	(25,737)
	163,237,249	13,045,695
Tax paid during the year	(532,115)	(527,095)
Payment from WPPF	(101,431)	(101,776)
Provision to WPPF	105,794	101,431
(Increase) / decrease in foreign currency loans to banks	194,222,158	(179,986,117)
(Increase) / decrease in other receivable on foreign currency loans	(2,950,115)	(814,430)
(increase) / decrease in loans to government	(170,750,200)	(243,899,731)
(increase)/ decrease in local currency loans to banks, financial institutions and employees	(242,730,572)	26,994,694
increase/(decrease) in interest payable on SDR allocation	1,169,487	204,479
(increase)/decrease in other local currency financial assets	(85,578,876)	(1,374,093)
(increase)/decrease in other non-financial assets	(1,603,279)	787,001
increase/(decrease) in notes in circulation	556,326,385	291,983,296
increase/(decrease) in other local currency financial liabilities	(38,243,764)	(114,145,755)
	209,333,471	(220,778,097)
Net cash from operating activities	372,570,720	(207,732,402)
Cash flows from investing activities		
Settlement with liabilities with IMF	23,832,689	(60,497,895)
Investment Income from short term deposit, US treasury notes, foreign bills and bonds	40,163,931	22,006,905
Net investment in foreign bills, US treasury notes and bonds	(123,892,692)	(404,579,566)
Net investment in foreign short term deposits	400,260,220	719,251,277
Investment income from local treasury bills and bonds	79,974,172	19,948,078
Net investment in local treasury bills and bonds	(766,596,482)	(236,631,231)
Other local investment	967,742	779,334
Income from claims from gold transactions	8,049,207	25,737
Gain on asset sale or derecognition	852	1,255
Addition of fixed assets and intangible assets	(2,665,022)	(496,530)
Net cash used in investing activities	(339,905,383)	59,807,364
Cash flows from financing activities		
Dividend paid to the Government of Bangladesh	(28,476,987)	(31,099,777)
Net cash (used in)/from financing activities	(28,476,987)	(31,099,777)
Net increase/(decrease) in cash and cash equivalents	4,188,350	(179,024,815)
Opening balance of cash and cash equivalents	260,934,051	439,958,865
Cash and cash equivalents as at 30 June	265,122,401	260,934,051
Cash and cash equivalents includes		
Foreign currency accounts	53,978,419	78,519,805
Foreign investments with short-term maturity	1,001,859,781	1,346,349,825
Taka coin and cash balances	3,582,958	4,074,800
Securities purchased under agreement to resell	169,462,750	2,180,000
Foreign currency deposits from banks and financial institutions	(248,898,292)	(260,928,491)
Deposits from banks and financial institutions	(714,863,215)	(909,261,888)
Cash and cash equivalents as at 30 June	265,122,401	260,934,051



BANGLADESH BANK
SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

In Thousand Tk.

Particulars	2022-23	2021-22
Cash flows from operating activities		
Profit for the year	472,684,502	292,470,067
Adjustments:		
Depreciation	1,298,412	1,220,035
Loan loss provision	1,755,257	(958,255)
Foreign currency revaluation gain - unrealised	(193,451,299)	(238,816,162)
Investment income from short term deposit, foreign bills and bonds	(32,114,724)	(21,757,111)
Investment income from local treasury bills and bonds	(79,974,172)	(19,948,078)
Interest from claims from gold transactions	(8,049,207)	(25,737)
Dividend income	(720,000)	(600,000)
	161,428,769	11,584,759
(Increase) / decrease in foreign currency loans to banks	194,222,158	(179,986,117)
(Increase) / decrease in other receivable on foreign currency loans	(2,950,115)	(814,430)
(increase) / decrease in loans to government	(170,750,200)	(243,899,731)
(increase)/ decrease in local currency loans to banks,	(242,918,177)	26,854,687
increase/(decrease) in interest payable on SDR allocation	1,169,487	204,479
(increase)/decrease in other local currency financial assets	(85,556,417)	(245,376)
(increase)/decrease in other non-financial assets	(621,969)	314,372
increase/(decrease) in notes in circulation	556,326,385	291,983,296
increase/(decrease) in other local currency financial liabilities	(38,426,118)	(113,609,663)
	210,495,032	(219,198,483)
Net cash from operating activities	371,923,801	(207,613,724)
Cash flows from investing activities		
Settlement with liabilities with IMF	23,832,689	(60,497,895)
Investment Income from short term deposit, US treasury notes, foreign bills and bonds	40,163,931	22,006,905
Net investment in foreign bills, US treasury notes and bonds	(123,892,692)	(404,579,566)
Net investment in foreign short term deposits	400,260,220	719,251,277
Net investment in local treasury bills and bonds	(766,596,482)	(236,631,231)
Investment income from local treasury bills and bonds	79,974,172	19,948,078
Addition of fixed assets and intangible assets	(2,597,813)	(390,403)
Gain on asset sale or derecognition	852	1,255
Income from claims from gold transactions	8,049,207	25,737
Dividend received	720,000	600,000
Net cash used in/ (from) investing activities	(340,085,914)	59,734,157
Cash flows from financing activities		
Dividend paid to the Government of Bangladesh	(28,476,987)	(31,099,777)
Net cash (used in)/from financing activities	(28,476,987)	(31,099,777)
Net increase/(decrease) in cash and cash equivalents	3,360,900	(178,979,343)
Opening balance of cash and cash equivalents	260,524,175	439,503,519
Cash and cash equivalents as at 30 June	263,885,075	260,524,175
Cash and cash equivalents includes		
Foreign currency accounts	53,978,419	78,519,805
Foreign investments with short-term maturity	1,001,859,781	1,346,349,825
Taka coin and cash balances	2,345,632	3,664,924
Securities purchased under agreement to resell	169,462,750	2,180,000
Foreign currency deposits from banks and financial institutions	(248,898,292)	(260,928,491)
Deposits from banks and financial institutions	(714,863,215)	(909,261,888)
Cash and cash equivalents as at 30 June	263,885,075	260,524,175



BANGLADESH BANK
NOTES TO THE FINANCIAL STATEMENTS
AS AT & FOR THE YEAR ENDED 30 JUNE 2023

1 Reporting entity

Bangladesh Bank ("the Bank"), a statutory body, is the central bank and apex regulatory body for the monetary and financial system of Bangladesh and established on the 16th day of December, 1971 under the Bangladesh Bank Order, 1972 (P.O. No. 127 of 1972). The Bank is domiciled in Bangladesh and the head office of the Bank is situated at Motijheel C/A, Dhaka-1000.

The Bank has 10 (ten) branch offices situated at the following locations:

Location	Address
Motijheel Office	Motijheel C/A, Dhaka-1000
Chattogram Office	Notun/617, Shahid Sohrwardi Road, Chattogram
Rajshahi Office	Natore Road, Majhi Hata, Boalia, Rajshahi-6000
Bogura Office	Holding - 1683, Thonthonia, Bogura-5800
Rangpur Office	Bangladesh Bank Rangpur Office, Rangpur-5400
Khulna Office	1, Ratan Sen Road, Khulna-9100
Barishal Office	Deen Bondhu Sen Road, Barishal-8200
Sylhet Office	VIP Road, Taltola, Sylhet-3100
Sadarghat Office	Bahadurshah Road, Sadarghat, Dhaka-1000
Mymensingh Office	Barara, Mymensingh Sadar, Mymensingh

The Bank has exclusive agency arrangement with Sonali Bank Limited for carrying out certain specific treasury related functions across the country. As of 30 June 2023, 731 branches of Sonali Bank Limited, state owned commercial bank, were engaged in daily treasury functions under the referred agency arrangement with the Bank.

As per the Article 7A of the Bangladesh Bank Order, 1972, the main functions of the Bank shall be:

- to formulate and implement monetary policy;
- to formulate and implement intervention policies in the foreign exchange market;
- to give advice to the Government on the interaction of monetary policy with fiscal and exchange rate policy, on the impact of various policy measures on the economy and to propose legislative measures it considers necessary or appropriate to attain these.
- to hold and manage the official foreign reserves of Bangladesh;
- to promote, regulate and ensure a secure and efficient payment system including the issue of bank notes; and
- to regulate and supervise banking companies and financial institutions.

The Bank also acts as the Banker to the Government as per Article 16(18) of the Bangladesh Bank Order, 1972.

The entire capital of the Bank had been allotted to the Government of Bangladesh as per Article 4(2) of the Bangladesh Bank Order, 1972.

The Bank has a fully owned subsidiary company named The Security Printing Corporation (Bangladesh) Ltd. ("SPCBL" or "the subsidiary") which was formed on 22nd April, 1992 for the purpose of printing and supplying of currency notes. The Bank and its subsidiary are collectively referred to as "the Group". Refer to note 3.01 and 13.01.

2 Basis of preparation of the financial statements

2.01 Statement of compliance

In preparing the financial statements, the Bank's ability to continue as a going concern is subject to the article no. 76 of Bangladesh Bank Order, 1972 (President's order No. 127 of 1972) - "the bank shall not be placed in liquidation save by order of the Government and in such manner and on such terms and conditions as it may direct." Subject to the mentioned article no. of Bangladesh Bank Order, 1972, the Group prepares its financial statement as going concern basis.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The compliance status of these IASs and IFRSs are as follows:

	Compliance status
IAS 1: Presentation of Financial Statements	Complied
IAS 2: Inventories	Complied
IAS 7: Statement of Cash Flows	Complied
IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS 10: Events after the Reporting Period	Complied
IAS 12: Income Taxes	Complied
IAS 16: Property, Plant and Equipment	Complied
IAS 19: Employee Benefits	Complied
IAS 20: Accounting for Government Grants and Disclosure of Government Assistance	Not applicable
IAS 21: The Effects of Changes in Foreign Exchange Rates	Complied
IAS 23: Borrowing Costs	Complied
IAS 24: Related Party Disclosures	Complied
IAS 26: Accounting and Reporting by Retirement Benefit Plans	Not applicable
IAS 27: Separate Financial Statements	Complied
IAS 28: Investment in Associates and Joint Ventures	Not applicable
IAS 29: Financial Reporting in Hyperinflationary Economies	Not applicable
IAS 32: Financial Instruments: Presentation	Complied
IAS 33: Earnings Per Share	Not applicable
IAS 34: Interim Financial Reporting	Not applicable
IAS 36: Impairment of Assets	Complied
IAS 37: Provisions, Contingent Liabilities and Contingent assets	Complied
IAS 38: Intangible Assets	Complied
IAS 40: Investment Property	Not applicable
IAS 41: Agriculture	Not applicable
IFRS 1: First time Adoption of International Financial Reporting Standards	Not applicable
IFRS 2: Share based Payment	Not applicable



BANGLADESH BANK
NOTES TO THE FINANCIAL STATEMENTS
AS AT & FOR THE YEAR ENDED 30 JUNE 2023

	Compliance status
IFRS 3: Business Combinations	Not applicable
IFRS 4: Insurance Contracts	Not applicable
IFRS 5: Non-current Assets Held for Sale and Discontinued Operations	Not applicable
IFRS 6: Exploration for and Evaluation of Mineral Resources	Not applicable
IFRS 7: Financial Instruments: Disclosures	Complied
IFRS 8: Operating Segments	Not applicable
IFRS 9: Financial Instruments	Complied
IFRS 10: Consolidated Financial Statements	Complied
IFRS 11: Joint Arrangements	Not applicable
IFRS 12: Disclosure of Interests in Other Entities	Complied
IFRS 13: Fair Value Measurement	Complied
IFRS 14: Regulatory Deferrals Accounts	Not applicable
IFRS 15: Revenue from Contract with Customers	Complied
IFRS 16: Leases	Complied
IFRS 17: Insurance Contracts	Not applicable

2.02 Basis of measurement

The financial statements have been prepared on a historical cost basis except for the following material items in the consolidated and separate statements of financial position ("the statement of financial position"):

- Financial instruments held at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) are measured at fair value.
- All assets, except for low value assets and value amounting less than BDT 1 Lac, under Property Plant & Equipment (PPE) are measured at cost at the time of acquisition and subsequently at revalued amounts less accumulated depreciation and impairment losses.
- The net defined-benefit liability/asset of employee benefit plans, which is recognized as the net of fair value of plan assets and the present value of the defined-benefit obligations.

2.03 Functional and presentation currency

The financial statements are presented in Bangladeshi Taka (Taka/Tk/BDT), which is the Group's functional and presentation currency. Except as indicated, financial information presented in Bangladeshi Taka has been rounded off to the nearest thousand.

2.04 Relationship between Issue Department and Banking Department

Under the Bangladesh Bank Order, 1972, issue of banknotes shall be conducted by the Bank in an Issue Department, which shall be separated and kept wholly distinct from the Banking Department. Accordingly, the Issue Department is solely concerned with notes issued and the assets backing the issued notes. The Banking Department comprises all other activities of the Bank. The separation into departments is made within the Bank and reports on both the Banking and Issue Departments (together referred as "statement of affairs") are prepared and submitted to the Government throughout the year at weekly interval. The annual financial statements are prepared on a combined basis to include all the assets and liabilities of the Bank. The assets backing the note issued as at the year end are disclosed in note 21.

2.05 Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses that are not readily available.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of judgments about the carrying values of assets and liabilities, income and expenses that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that has the most significant effect on the amount recognized in the financial statements are as follows:

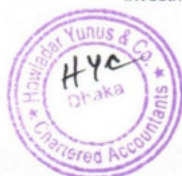
- Fair value of financial instruments without active quoted market.
- Impairment assessment of financial assets.
- Business model consideration for financial instruments under IFRS 9.
- Effective interest rate calculation.
- Economic lives of property, plant and equipment and intangible assets for calculation of depreciation and amortisation.
- Revaluation of property, plant and equipment.
- Calculation of post retirement defined benefit plan obligations for employee.

2.06 Comparative information

In presentation of the financial statements, comparative information in respect of the previous year is given in accordance with IAS-1 & IAS-8. The narrative and descriptive information are disclosed in notes to the financial statements, where relevant, for the understanding of the current year's financial statements.

2.07 Restatement / Reclassification

IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors require an entity to correct material prior period errors/estimates properly for the prior period presented when required. While preparing the consolidated financial statements for the year ended 30 June 2023, Bangladesh Government treasury bills and bonds have been reclassified to the local currency investments.



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2.08 Standards, interpretations of and amendments to the IFRSs that effective from subsequent period

The following new standards and amendments to standards are effective for the annual reporting periods beginning on or after 1 July 2023 and earlier application is permitted, but the Bank has not early adopted.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).
- Lease liability in a Sale and Leaseback (Amendments to IFRS 16).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).

Based on initial assessment management has concluded that none of these new and amended standards are expected to have a significant impact on the Bank's financial statements.

3 Significant accounting policies

Accounting policies set out below have been applied consistently to all periods presented in these financial statements by the Group entities.

3.01 Basis of consolidation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS):10 Consolidated Financial Statements.

Subsidiary

The Security Printing Corporation (Bangladesh) Ltd. (SPCBL) is the subsidiary of the Bank. The Bank holds 11,998,994 shares in SPCBL. For compliance with the requirements of the minimum number of seven shareholders of a public limited company as per the Companies Act 1994, 1000 shares were allotted to the Governor of Bangladesh Bank and Deputy Governor of Bangladesh Bank, Managing Director of The SPCBL, Secretary of Financial Institution Division of Ministry of Finance, Additional Secretary of Ministry of Home Affairs, Joint Secretary of Internal Resources Division and Director General of Bangladesh Postal Department were allotted one share each. However, Bangladesh Bank is the beneficial owner of all these shares. As per the definition "Equity in a subsidiary not attributable, directly or indirectly, to parent" of Non-Controlling Interest (NCI) set out in Appendix A of IFRS 10- Consolidated financial statements, the Bank does not need to recognize the NCI since the shareholders are directly or indirectly related to the Bank. SPCBL is responsible for printing and supplying the Bank with bank notes based on the requirements from time to time. It sells these notes to the Bank at a specified mark-up agreed beforehand between the Bank and SPCBL. SPCBL is also engaged in printing of security products for other parties besides the Bank.

Transactions eliminated on consolidation

Intra-group balances, transactions and any unrealised income & expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with the subsidiary are eliminated to the extent of the Group's interest in the subsidiary. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.02 Foreign currency transactions

Foreign currency transactions are translated into Taka at the rates prevailing on the dates of transactions in compliance with IAS 21 : *The Effects of Changes in Foreign Exchange Rates*. Foreign currency denominated monetary assets and liabilities are translated to the functional currency at the exchange rate at the reporting date. Foreign currency denominated non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates prevailing at the transaction dates. Foreign currency gains and losses are reported in profit or loss on a net basis as either exchange gain or loss depending on whether foreign currency movements are in a net gain or net loss position. At the reporting date the exchange rates of Taka against major foreign currencies held by the Group used in preparing the financial statements were as follows:

Foreign currency	Exchange rates (in BDT)	
	30-Jun-23	30-Jun-22
US Dollar	106.0000	93.4500
Australian Dollar	70.6596	64.4899
Canadian Dollar	80.0846	72.5994
EURO	115.6460	97.9543
Pound Sterling	134.6624	113.7754
CNY	14.5853	13.9628
JPY	0.7345	0.6885
SDR	140.9906	124.0829
SGD	78.4024	67.2399
SEK	9.8349	9.1448

3.03 Foreign exchange gain/loss

Realised foreign exchange gain/loss is calculated using average cost methodology. At the end of each month, the change in the average cost balance is calculated on a currency by currency basis by applying (a) where there is a net increase in the currency position, the increase to the average value is the average rate for the month multiplied by the currency amount of the increase and (b) where there is a net decrease in the currency position, the decrease to the average value is calculated by applying the opening average rate to the carrying amount of the decrease. The difference between the book value at the period end exchange rate and the average value by currency is determined. The balance is considered as realised revaluation reserve.

The difference between realised revaluation reserve account and the ledger balance is accounted as unrealised exchange gain/loss for the period and is recognised in the statement of profit or loss for the year. Subsequently the realised and unrealised gain/loss is transferred to currency fluctuation reserve and foreign currency revaluation reserve respectively in the statement of financial position.



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3.04 Accounting treatment of revaluation gain/loss:

Revaluation gain/loss of foreign currencies, gold, silvers, financial instruments and Property, Plant and Equipment (PPE) arises from the changes in fair value of assets and currency exchange rates following the international financial reporting standards. In line with the objectives and functions of Bangladesh Bank of maintaining a competitive external par value of the Taka, intervening foreign exchange market and holding and managing the official foreign reserves, the revaluation gain/loss is transferred to the 'Reserve Account' under the coverage of Article 64 (read with Article 7 & 16) of the Bangladesh Bank Order, 1972 (President's order No. 127 of 1972). These 'Reserve Account' are maintained to provide for contingencies and risk of losses arising from change in fair value of assets, exchange rate volatility, unforeseen global economic shocks and other financial risks. Maintaining such reserve is a common practice by many other central banks.

3.05 Financial assets and liabilities

Financial assets comprise foreign currency accounts, foreign investments, assets held with International Monetary Fund (IMF), gold and silver, claims from gold transactions, foreign currency loans to banks, other foreign currency financial assets, taka coin and cash balances, securities purchased under agreement to resell, loans to Government of Bangladesh, local currency investments, local currency loans to banks, financial institutions and employees and other local currency financial assets.

Financial liabilities comprise deposits from banks and financial institutions in both local and foreign currencies, liabilities with IMF, notes in circulation, short term borrowing and other local currency financial liabilities.

(a) Recognition and initial measurement

Loans and advances are initially recognised in the Statement of Financial Position on the date they are originated. Regular purchases or sales of financial assets are recognised or derecognised, as applicable, on the settlement date at which the assets are received or, as the case may be, delivered by the Group. All other financial assets and liabilities are initially recognised when the Group becomes a party to the contractual provision of the instruments. Financial assets and liabilities are initially measured at fair value.

(b) Classification and subsequent measurement

Classification of financial assets and liabilities for the purpose of measurement subsequent to initial recognition in accordance with IFRS 9 *Financial Instruments* is made in the following manner:

(1) Financial Assets & liabilities carried at amortised cost :

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Foreign bonds, US dollar treasury bills, Bangladesh Government treasury bills, equity investment in HBFC debentures and foreign and local currency loans to Banks and Financial Institutions are measured at amortised cost using the effective interest rate method less ECLs (Expected Credit Losses), if any. Swift shares are measured at cost as there is no quoted market price for these shares.

Shares of The Security Printing Corporation (Bangladesh) Ltd. (SPCBL) are measured at cost in the separate financial statements of the Bank in accordance with IAS 27 *Separate Financial Statements*.

Short term borrowing, notes in circulation, deposits from banks and financial institutions and liabilities with IMF are classified as financial liabilities carried at amortised cost.

(2) Fair value through other comprehensive income :

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

US Treasury Notes, gold and silver, claims from gold transactions, Bangladesh Government treasury bonds, swift share and shares of ICB Islamic Bank Limited are classified as fair value through other comprehensive income.

If readily available market is not available for swift share or other equity instruments, then the cost value will be considered as the fair value.

(3) Financial assets and financial liabilities at fair value through profit or loss:

A financial asset is measured at fair value through profit or loss -

- unless it is measured under above stated two classification.
- However an entity may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

(c) Amortised cost measurement principles

Amortised cost of a financial asset or liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, minus any reduction for impairment or irrecoverability.

Effective interest method is a method of calculating the amortised costs of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability on initial recognition. When calculating effective interest rate, the Group estimates the cash flows considering all contractual terms of the financial instruments, and any revisions to these estimates are recognised in profit or loss. The calculation includes amounts paid or received that are an integral part of the effective interest rate of a financial instrument, including transaction costs and all other premiums and discounts.



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(d) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as active if transactions for the assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in the profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(e) Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of the financial assets categorized as Fair Value through Other Comprehensive Income (OCI) recognised in other comprehensive income. Gains and losses arising from a change in the fair value of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in the statement of profit or loss. Gains and losses on subsequent measurement of the financial assets categorized as amortised cost are recognised in the statement of profit or loss. The gains and losses on subsequent measurement are in line with the principle of IFRS 9 : Financial Instruments.

(f) De-recognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in such transferred financial assets that qualify for de-recognition that is created or retained by the Group is recognised as a separate asset or liability. On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the statement of profit or loss.

Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards include, for example, claims from gold transactions and repurchase transactions. Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets categorized as amortised cost are de-recognised on its maturity and financial assets in the category of fair value through OCI and fair value through profit and loss are de-recognised when sold or on its maturity. The corresponding receivables arising from the sale of the asset are de-recognised when the asset is delivered to the buyer.

(g) Identification and measurement of impairment

Judgment is required when determining whether there is objective evidence that impairment exists and, if so, the appropriate amount of ECLs to recognize. The measurement of ECLs reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date regarding past events, current conditions and forecasts of future economic conditions. Financial assets are categorized into the following three stages depending on their assessed credit risk:

- Stage 1 Financial assets are categorized as Stage 1 when first recognized. The Bank records an allowance for 12-month ECLs in profit or loss, and interest revenue is calculated on the gross carrying amount of the asset.
- Stage 2 Financial assets are categorized as Stage 2 when they have experienced a significant increase in credit risk since initial recognition. The Bank records an allowance for lifetime ECLs, and interest revenue is calculated on the gross carrying amount of the asset.
- Stage 3 Financial assets are categorized as Stage 3 when they are considered credit-impaired. The Bank records an allowance for lifetime ECLs, and interest revenue is calculated based on the net carrying amount of the asset (gross carrying amount less the loss allowance), rather than on its gross carrying amount.



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ECLs are estimated as the difference between all contractual cash flows that are due to the Bank in accordance with the contract and all the cash flows that the Bank expects to receive, discounted at the original effective interest rate

Being Central Bank, the Bank always manages the financial assets in a prudent way with high-quality counterpart. Thus in assessing ECLs on these instruments, the Bank has applied the minimal risk practical expedient available under IFRS 9 due to their high credit quality. The Bank continuously monitors relevant economic and financial developments. The Bank continuously reviews the risk associated with these financial instruments.

All the Bank's financial assets which are measured at amortized cost are considered to have low credit risk and therefore are subject to impairment assessments under Stage 1. There were no transfers of financial instruments between stages during the reporting period. The Bank records 12-month ECLs on its financial instruments which are measured at amortized cost (local and foreign currency loans given to Banks and Financial institutions) as at June 30, 2023 and adequately disclosed in notes 14(a).

Impairment:

The Bank calculates ECLs on investments in financial instruments that are measured at amortized cost. The amount of ECLs are being updated at each reporting date to reflect changes in credit risk since initial recognition. The ECL model is a function of the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD), discounted to the reporting date using the effective interest rate. This concept is further discussed in note 42.2.

(h) Off-setting

Financial assets and liabilities are offset and the net amount presented in Statement of Financial Position when and only when, the Bank has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Bank has offset the cash at vault with the currency in circulation and presented the net amount of currency in circulation as liabilities in Statement of Financial Position.

i) Materiality and Aggregation

Each material class of similar item is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

j) Contingent Liabilities and Commitments

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. All outstanding letter of credit issued, capital commitments, litigation amount and unclaimed amount recognized as income, which are not recognized as liabilities in Statement of Financial Position, are shown under respective headings disclosed as Contingent Liabilities and Capital Commitments items. Where applicable, such amounts are measured at best estimates.

3.06 Foreign currency accounts

Foreign currency accounts comprise balances held in the current accounts maintained with different central banks and foreign commercial banks in the designated foreign currency. These are measured at each reporting date by translating to the functional currency at the exchange rates prevailing on that date. Gains and losses arising upon translation are recognised in the statement of profit or loss and are subsequently transferred from retained earnings to revaluation reserve - foreign currency accounts and currency fluctuation reserve (refer to note 3.04 explaining the rationale of the accounting policy on foreign exchange gain/loss).

3.07 Foreign investments

Foreign investments comprise short term interest bearing deposits (held with overseas commercial banks for periods less than 1(one) year in designated foreign currencies), overnight investment, foreign currency treasury bills purchased at a discount and interest bearing foreign bonds & treasury notes. The carrying amount of these investments in foreign currency at each reporting date is translated to the functional currency at the exchange rate on that date. Gains and losses arising upon translation are recognised in the statement of profit or loss and are subsequently transferred to revaluation reserve-foreign currency accounts.

3.08 Foreign currency loans to bank

Foreign currency loans to banks are generated out of the pool of foreign currency funds like Export Development Fund (EDF), Long Term Financing Facility (LTFF) under Financial Sector Support Project (FSSP) and Green Transformation Fund (GTF). Major portion of the foreign currency loans disbursed to banks are attributed to EDF. Current size of EDF is USD 7.00 billion and interest rate currently charged by Bangladesh Bank is 3.00% p.a. The exchange rate risk and credit risk due to potential default by the end user lies with the concerned bank.

3.09 Other foreign currency financial assets

Other foreign currency financial assets comprise swift shares, interest receivable and other receivable. If readily available market is not available for swift share, then the cost value will be considered as the fair value.

3.10 Taka coin and cash balances

Taka coin and cash balances represents the face value of one, two and five taka coins and notes held by the Bank through purchase from the Government at respective face values, cash and cash equivalents held by SPCBL and cash deposit with Sonali Bank Limited, Mymensingh branch.

3.11 Statement of Cash Flows

The cash flow statement has been prepared by using the "Indirect Method" in accordance with the IAS 7- Statement of Cash Flow. For the purposes of the Statement of Cash Flow, cash and cash equivalents include foreign currency accounts and investments (those with short-term maturity, local currency coins that are realisable in known amounts of cash within short-term (normally less than three months) from the date of original investments and which are subject to insignificant changes in value. Balances in the local and foreign currency deposit accounts with banks and financial institutions are deducted from cash and cash equivalent calculation.

3.12 Loans to the Government of Bangladesh

Loans to the Government of Bangladesh (the Government) consist of "Ways and Means" advances, as well as credit facilities in the form of Overdraft -current.



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Ways and Means Advance (WMA)

When total payments to the Government exceed total deposits from the Government, the excess of payment over receipt, with a limit not exceeding Tk.80,000 million (2022: Tk. 60,000 million), is treated as WMA with interest being charged thereon at the reverse repo rate. WMA is realised only after full recovery of Government overdraft-current account balance.

Overdraft - current

Government borrowing in excess of the Tk. 80,000 million limit set for WMA are recognised as overdraft-current with a limit not exceeding Tk. 80,000 million (2022: Tk. 60,000 million). Interest is charged thereon at a rate one percent higher than the reverse repo rate. Any recovery or surplus realised by the Bank from the Government is first applied to the overdraft-current account balance. Any surplus remaining after full recovery of overdraft-current account balance is then adjusted against WMA.

3.13 Local currency investments

Group investment comprises investment in debenture of Bangladesh House Building Finance Corporation (BHBFC), shares of the ICB Islamic Bank Ltd and short term deposit with local commercial banks. Investment in debentures are measured at amortized cost and shares are measured at fair value.

Treasury bills and bonds

Government treasury bills and bonds are the securities which are purchased and held by the Bank when commercial banks and financial institutions do not purchase those from the Government. These are measured at fair value at each statement of financial position date.

3.14 Local currency loans to banks, financial institutions and employees

These comprise loans to state owned, private, specialized commercial and other scheduled banks & financial institutions in the form of refinances scheme, demand loan and loans to Bank employees. Major refinances scheme with an aim to fight COVID-19 related impact are as follows:

- Refinance Scheme for CMSME working capital facility to deal COVID
- Refinance Scheme for low income people, farmer and marginal small business
- Refinance scheme Working Capital loan/investment facility for large industry
- Refinance under Pre-Shipment Credit Scheme
- Refinance Scheme for 10/50/100Tk A/C holders
- Refinance to SME Foundation
- Refinance scheme for Technology Development/Up-gradation Fund

The credit risk due to potential default by the end user of the loans is with the concerned bank disbursing the loan. These loans are reported net of allowances for loan impairment losses (if any).

3.15 Gold and silver

Physical gold and silver are stored at Motijheel branch of the Bank and Bank of England. Such physical gold owned by the Bank is an element of foreign reserves which is consistent with the global practice followed by most of the central banks around the world. Hence, these are considered as 'Monetary Gold'. Although, IFRS has generally considered gold as a commodity, IFRS does not distinguish between monetary and non-monetary gold. Monetary gold has many characteristics which are similar to a financial asset not like a commodity.

However, IFRS has not provided any specific accounting for monetary gold. As a result management has followed the requirement specified in IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" paragraphs 10-12, and concluded that the policies established for the accounting of financial instruments, can also be applied to gold as the Bank regards it as a monetary asset.

Accordingly, gold and silver has been initially recognized at cost, and after initial recognition measured at fair value with valuation gains and losses are recognised in OCI and reported under gold and silver revaluation reserves in the statement of changes in equity. This accounting policy adopted by the Bank is also in line with Article 30 of the Bangladesh Bank Order, 1972.

In managing its investment portfolio, the Bank lends part of its gold holdings to first-class foreign financial institutions. It receives interest in return. Gold lending transactions are effected on a secured basis. The gold price risk remains with the Bank. Gold loans are entered in the statement of financial position under 'claims from gold transactions' and measured at market value.

3.16 Swap Agreement with the Central Bank of Sri Lanka

A swap agreement between Bangladesh Bank and Monetary Board of the Central Bank of Sri Lanka (CBSL) had come into effect on 03 August 2021 for a period of one year. Under this swap agreement, the total amount of USD 200 million was given to CBSL in three installments in the month of August and September 2021 in an exchange of an equivalent amount of Sri Lankan Rupee (LKR). The outstanding amount under the Swap will be charged at an interest rate equal to 6 months US\$ LIBOR (or LIBOR equivalent benchmark in case of non availability of LIBOR) prevailing on the date of each drawal / rollover plus 200 basis points. As per agreement, the total amount of USD 200 million was given initially for a period of three months with the provision of rolling over twice in the same period. The amount was rolled over in November 2021 and December 2021 with due date on February and March 2022. Later on, 31 May 2022, an addendum was made and entered into between Bangladesh Bank and Monetary Board of the CBSL. According to the addendum, the agreement shall be effective till 17 May 2023 and it permits the swap transaction to be renewed by mutual consent for a maximum of 5 times. CBSL has rolled over the amount accordingly.

Subsequently, the second addendum is made and entered into the 13th day of February 2023 Bangladesh Bank and Monetary Board of the CBSL. According to the second addendum, the swap transaction may be renewed by mutual consent for maximum of 7 (seven) times. The agreement shall be effective till 30 September 2023.

3.17 Property, plant and equipment (PPE)

(a) Recognition and measurement

Items of PPE are initially recognised at cost and subsequently carried at revalued amounts, being fair values at the date of the revaluation, less subsequent accumulated depreciation and impairment losses if any. However, the bank actively considering to change the subsequent measurement policy from revaluation model (land) to revaluation & Cost model (other than land).

Land and buildings, appearing as items of PPE, are used for its operating, administrative and staff's residence purposes.



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(b) Revaluation

If an asset's carrying amount increases as a result of a revaluation, the increased amount is recognised in Other Comprehensive Income (OCI) and accumulated in equity under the heading of revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

If an asset's carrying amount is decreased as a result of a revaluation, the decreased amount is recognised in profit or loss. However, the decrease is recognised in OCI to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decreased amount which is recognised in OCI reduces the amount accumulated in equity under the heading of revaluation reserve.

The Bank revalued its land as at 01 January 2022 and other items of PPE were revalued as at 31 January 2018 by an independent valuer, S.F. Ahmed & Co. Significant methods and assumptions for revaluation of items of property, plant and equipment were as follows:

- (i) Land was revalued on a reasonable approximation basis. The valuer applied their knowledge of recorded land sales in the respective areas to land measurement established at last valuation;
- (ii) Buildings, furniture and fixtures, mechanical equipment, motor vehicles, computer & networking, artifacts and currency museum, intangible assets, electrical installation and gas installation were revalued using a combination of approaches which include depreciated replacement cost for building and civil construction and market considerations for other assets.
- (iii) The Bank revalued its non-financial assets as per the policy set by the bank management. For further reference see note 3.17 (a).

The Subsidiary's property, plant and equipment were revalued as at 1 January 2022 by S.F. Ahmed & Co., chartered accountants. The revalued property, plant and equipment reflecting the fair values of the assets are incorporated in the consolidated financial statements.

(c) Subsequent costs

Cost of replacing a part of PPE is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of PPE are recognised in the statement of profit or loss as incurred.

(d) Capital work in progress

Capital work in progress is recognised when it is incurred and depreciated after being recognised as capital asset when it is ready for use.

(e) Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Class of Property, plant and equipment (PPE)	Bank	SPCBL
Building and other construction	5%	2% - 20%
Mechanical and office equipment	10%	2.5% - 20%
Computer and networking	20%	-
Fixture and fittings	10%	10%
Motor vehicles	20%	20%
Electrical installation	20%	-
Gas installation	20%	-
Low Value Assets	100%	-
Security Equipment	20%	-
Currency Museum and Artifacts	5%	-

(f) Borrowing cost capitalisation

The Bank capitalises borrowing costs in accordance with the provision of IAS 23: *Borrowing Costs* as part of the cost of assets that are directly attributable to the acquisition, construction, or production of a qualifying asset if following conditions are met:

- It is probable that they will result in future economic benefits to the entity;
- The costs can be measured reliably.

If borrowing costs do not meet both the criteria, they are recognized as expenses. For the purpose of capitalisation, a qualifying assets is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

(g) Impairment

The carrying value of the Bank's property, plant and equipment and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of that asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the profit and loss account. For the assets that have indefinite useful life, the recoverable amount is estimated at each balance sheet date. The recoverable amount of asset is the greater of net selling price and value in use. The estimated future cash flows are discounted to their present value using discount rate that reflects the current market assessment of the time value of money and the risk specific to the asset. For an asset that does not generate significantly independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.



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(h) Leases

At inception of a contract, the Bank assesses whether a 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 of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Bank uses the definition of a lease as in IFRS 16:Leases. This policy is applied to contracts entered into (or changed) on or after 1 January 2019. The Bank recognizes a right-of-use leased asset and lease liability at the lease commencement date.

The Bank recognizes right-of-use assets and lease liabilities for the leases – i.e. these leases are on-balance sheet. Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position. Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. Right-of-use assets are measured at the amount of the lease liability on adoption. Leases are recognized at the commencement of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is apportioned between the liability and finance charges using the effective interest method.

The right-of-use asset is subsequently depreciated using straight-line method from the commencement date to the end of the lease term. The liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicated in the lease or if that rate cannot be determined, the Bank's incremental borrowing rate. The Bank presents right-of-use assets in "Property Plant and Equipment" (Note 16) and lease liabilities in "Other Local Currency Financial Liabilities" (Note 23.01) in the Statement of Financial Position.

3.18 Intangible assets and their amortisation

Software acquired by the Group is measured at cost less accumulated amortisation and accumulated impairment losses if any.

Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software and capitalised borrowing costs, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Software is amortised on a straight line basis in profit or loss over its estimated useful life, from the date that it is available for use.

The estimated useful life of software for the current and comparative period is five years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.19 Transactions on Repurchase Obligations (Repo) and Reverse Repo

Repurchase Arrangements (Repo) and Reverse Repo of securities are recorded as follows:

- a. Securities purchased under Repurchase Agreement (Repo) are recognized as loans and advances to Banks and Financial Institutions. Interest income on Repo facility is recognized as per effective interest rate method. The difference between the purchase price and sale price is recognised as interest income over the tenure of the facility using effective interest rate.
 - b. Securities sold under Reverse Repurchase Agreement ("Reverse Repo") are recognized as short term borrowings. Interest expense on Reserve Repo is recognized as per effective interest rate method. The difference between the sale price and purchase price is recognized as interest expense over the tenure of the facility using effective interest rate.
- Securities lent to counterparties are also retained in the statement of financial position.

3.20 Employee benefits

Employee benefits are all forms of consideration given by the entity in exchange for service rendered by an employee. Employee benefits are recognised as:

- (a) a liability (accrued expense) when an employee has provided service in exchange for employee benefits to be paid in the future; and
- (b) an expense when the entity consumes the economic benefit arising from service provided by an employee in exchange for employee benefits.

3.21 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus, medical allowances or any others are charged as expenses in the statement of profit or loss.

3.22 Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment. The Group operates a number of post-employment benefit plans and recognizes expenses for these plans in the statement of profit or loss.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

(i) Contributory Provident Fund (CPF)

The Bank and employees contribute to the fund, which are invested in various securities. The Bank commits a return of 13% on the balance of the contributed amount. In the event that the return from securities is lower than the committed return of 13%, the shortfall, if any, would be paid by the Bank and is recognised in the statement of profit or loss. Bank's obligations for contributions to the above fund are recognised as an expense in the statement of profit or loss as incurred.

(b) Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.



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(i) **General Provident Fund (GPF)**

Employees contribute at various rates (within 5-25%) of their basic salaries to the fund. No contributions are made by the Bank for the above fund. The provident fund invests in various securities and the Bank has committed a return of 13% at the beginning balance of the fiscal year 2022-23 upto BDT 1.5 million, 12% return over the balance BDT 1.5 million to BDT 3.00 million and 11% return for the beginning balance over BDT 3.00 million. Any shortfall in the return from investments is funded by the Bank by charging in its statement of profit or loss.

(ii) **Pension scheme**

Employees are entitled to pension on amounting to maximum of 90% (2022: 90%) of their last basic salary. 50% of the pension amount is paid as a lump sum computed at the rate of Tk. 230 (2022: Tk. 230) per Tk. 1 surrendered from the pension. Employees will receive their pension monthly over the remaining lifetime against remaining 50% of the pension. All employees irrespective of joining date are entitled to medical allowance in cash (Tk. 1,500 per month up to age 65 years and Tk. 2,500 after 65 years) even after retirement as prescribed by the government.

The Bank actuarially valued its pension liabilities as at 30 June 2016. The calculation was performed by a qualified actuary using the projected unit credit method. Actuarial gains or losses arising from the change in defined benefit obligation are recognised in other comprehensive income.

(iii) **Gratuity scheme**

The Bank actuarially valued its gratuity scheme and measured its liability for defined benefit obligation as at 30 June 2016. The calculation was performed by a qualified actuary using the projected unit credit method. Actuarial gains or losses arising from the change in defined benefit obligation are recognised in the statement of profit or loss and other comprehensive income.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the statement of profit or loss when the plan amendment or curtailment occurs.

(iv) **Leave encashment**

Those employees who have unutilised leave up to one year or more at the time of retirement age of 59 are allowed to leave with salary for one year. The remaining unutilised leave is encashed (maximum eighteenth months). Employees are not allowed to encash their unutilised leave until reaching retirement age.

3.23 Other long-term employee benefits

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related service. All employees after retirement are entitled a maximum of Taka 1,000 per year in the form of medicine.

3.24 Provisions

Provisions are recognised in respect of restructuring, redundancy and legal claims arising from past events where it is probable that an outflow of resources will be required to settle the obligations and the amount can be reliably estimated.

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

A legal obligation is an obligation that derives from a contract, legislation or other operation of law. A constructive obligation is an obligation that derives from an entity's actions such as by an established pattern of past practice, published policies etc. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditures expected to be required to settle the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate and any changes in the estimates are applied prospectively.

3.25 Notes in circulation

Bank notes issued by the Bank as legal tender under the Bangladesh Bank Order 1972 represents a claim on the Bank in favor of the holder. The liability for bank notes in circulation is recorded at face value in the financial statements and as per the requirements of Article 30(1) of the Bangladesh Bank Order, 1972 specified assets of the bank are held as backing of those issued notes.

The cost of printing of notes is charged to the profit and loss account as and when incurred. Any fresh banknotes not yet issued and remain with the Group are not reflected in note # 21 to the financial statements.

3.26 Government grants

Government grants are recognised at fair value when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received. Grants related to purchase of assets are treated as deferred income and allocated to the statement of profit or loss over the useful lives of the related assets.

3.27 Interest income and expenses

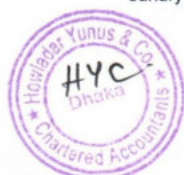
Interest income and expenses are recognised in the statement of Profit or Loss and Other Comprehensive Income using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

Interest income and expenses include the amortisation of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

3.28 Commission and discounts

Commission income arises on instruments issued by the Group, long outstanding entries of the sundry accounts, sale proceeds of sundry items, car and bus fares realised from the staff and other miscellaneous items.



BANGLADESH BANK
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3.29 Dividend income

Dividend income is recognised in the separate financial statements of the Bank when the right to receipt of income is established.

3.30 Revenue from sale of other security products by the Subsidiary

Revenue from net sales of the Group reported in the consolidated financial statements represents printing and supply of Other Security Products (OSP), which are recognized after fulfillment of the criteria as mentioned in the five-step model following IFRS 15: Revenue from contracts with Customers. Revenue from OSP is recognized when the said products are delivered to relevant customers, as this is the point where the Group discharges its performance obligation.

3.31 Income tax

(a) Bangladesh Bank

The Bank is not subject to income taxes on any of its income, stamp duties, and customs duties on gold, silver, coins, currency notes, security papers and any other goods that may be specified by the Government as per Article 73, 74 and 75 of the Bangladesh Bank Order, 1972.

(b) Subsidiary

The Subsidiary is subject to income tax. Income tax on the profit or loss for the year comprises of current tax and deferred tax. Income tax is recognized in the statement of profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity. Present applicable income tax rate is 27.5 % (2022: 27.5%).

Current tax is expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiary to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

3.32 Subsequent events

Events after the reporting date that provide additional information about the Group's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period which are not adjusting events, are disclosed in the notes when material in compliance with IAS 10 *Events after the Reporting Period*. Up to the date the financial statements were authorized for issue, no events have occurred which require to disclose in the financial statements.



BANGLADESH BANK
NOTES TO THE FINANCIAL STATEMENTS
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	30-Jun-23	30-Jun-22
4 Foreign currency accounts		
Represents the equivalent accumulated value of different foreign currency accounts held with other central banks and with foreign commercial banks located outside Bangladesh.		
Balance held with		
Other central banks	67,409,046	72,463,843
Foreign commercial banks	21,537,798	6,055,962
Total	88,946,844	78,519,805
5 Foreign investments		
Overnight investment	469,186,507	333,247,420
Short term deposits with overseas commercial banks	250,233,646	650,493,866
US Dollar treasury bills	23,067,946	93,246,868
Foreign bonds	925,811,866	1,046,239,303
US treasury notes	656,339,744	658,982,606
Total	2,324,639,709	2,782,210,063
6 International Monetary Fund related assets and liabilities		
6.01 Assets held with International Monetary Fund		
Quota	150,377,636	132,344,985
Quota(IMF) paid by Government*	(14,546,567)	(14,546,567)
SDR holding	278,149,209	258,631,660
Refundable Commitment fee to IMF	47,699	-
Interest receivable on SDR holding	1,882,351	301,040
Total	415,910,328	376,731,118
*The amount represents 25% of increased quota amount (SDR 533.30 million) which was paid in foreign currency. The increased quota was effected in 2016.		
6.02 Liabilities with International Monetary Fund		
IMF securities	212,779,364	158,117,094
Advances to Government against RFI from IMF**	(41,268,430)	(41,268,430)
Advances to Government against ECF from IMF***	(7,937,849)	-
Advances to Government against EFF from IMF***	(15,954,887)	-
IMF-1 and IMF-2 account	1,917,565	1,714,988
SDR allocation	216,095,322	190,181,022
IMF Extended Credit Facility (ECF)	33,315,994	28,359,993
Interest payable	1,379,126	209,639
Total	400,326,205	337,314,306
Bangladesh has been a member of the International Monetary Fund ("IMF") since 1972. According to the Articles of agreement of IMF(Article V and Article XIII), The Bank acts as both the fiscal agent and the depository for the IMF. As fiscal agent, Bangladesh Bank is authorised to carry out all operations and transactions with the IMF. As depository, Bangladesh Bank maintains the IMF's currency holdings and ensures that the assets and liabilities of IMF membership are properly reflected in its accounts and presented in its financial statements. Following the guidelines of IMF Financial Operations 2018, Bangladesh Bank presents the financial position with the IMF in the Bank's financial statements on gross basis.		
The quota of Bangladesh is its membership subscription. Quota is the amount of money that each IMF member country is required to contribute to the IMF. A member must pay its subscription in full upon joining the fund; up to 25 percent must be paid in SDRs or widely accepted currencies such as the US Dollar, the EURO, the YEN or the Pound Sterling, while the rest is paid in the member's own currency. The subscription is granted mainly by the issue of promissory notes in favour of the IMF and partly paid in reserve assets, partly by the Government of Bangladesh and partly by deposits to the IMF account maintained with the Bank.		
Special Drawing Rights (SDR) are allocated by the IMF to members on the basis of members' quota at the time of the SDR allocation. Bangladesh Bank pays interest on its SDR allocations and earns interest on its holdings of SDR.		
Bangladesh Bank updated the IMF's BDT account; IMF Account- 1 & 2, maintained with Bangladesh Bank and other accounts namely IMF Securities, SDR Allocation, IMF Extended Credit Facility etc. are translated to Taka at the exchange rate ruling at 30 June 2023.		
**On request of the Government of Bangladesh for emergency financing due to COVID-19 pandemic, IMF approved a purchase of SDR 355.53 million (about US dollar 488 million or 33.33% of quota) under the Rapid Financing Instrument (RFI) to address the urgent balance-of-payments and fiscal needs of Bangladesh. As depository, Bangladesh Bank received the fund on 02.06.2020 and deposited the same amount to a Government account as per prior consent of IMF. However, Ministry of Finance has a promissory note against RFI financing to fulfill the requirement of IMF and is recorded by Bangladesh Bank in the Securities Account, an account maintained on behalf of IMF as depository, against creating a contra account named "Advances to Government against RFI from IMF".		
It requires to be disclosed that under that arrangement SDR 177,770,000.00 (USD 243,903,777.58) was received as Rapid Credit Facility (RCF) and as per MoU signed by Bangladesh Bank and Ministry of Finance the whole amount was transferred to the Government of Bangladesh (GoB) account and hence no outstanding amount lies with Bangladesh Bank.		
***Against the backdrop of Bangladesh's request for an extended arrangement under the Extended Fund Facility (EFF), an arrangement under the Extended Credit Facility (ECF) and an arrangement under the Resilience and Sustainability Fund (RSF)- the first installment of ECF and EFF was received by the amount of SDR 117,450,000.00 (USD 158,756,978.14) and SDR 234,900,000.00 (USD 317,513,956.28) respectively. As per the arrangement, 50% (fifty percent) of the amount received is subsequently transferred to the Government of Bangladesh (GoB) account as budgetary support creating contra asset accounts named "Advances to Government against ECF from IMF" and "Advances to Government against EFF from IMF".		
7 Gold and silver		
Gold	53,693,558	44,978,594
Silver	399,841	327,573
Total	54,093,399	45,306,167

The Bank has in total 451,168.61 troy ounces of gold and 168,728.15 troy ounces of silver under its holding. Out of the total holding, 188,927.51 troy ounces of gold is held at the Bank of England which is subjected to lending operation and 75,966.20 troy ounces of gold & 168,728.15 troy ounce of silver is stored at the own local vault of Bangladesh Bank.



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NOTES TO THE FINANCIAL STATEMENTS
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	30-Jun-23	30-Jun-22
8 Claims from gold transactions	37,757,643	31,629,227
Out of the total Gold holdings mentioned in note 7, remaining 186,274.90 troy ounces is invested in SCB-London & HSBC-London which are presented as claims from gold transactions.		
9 Foreign currency loans to banks		
Export Development Fund (EDF) Dollar investment	458,023,377	653,658,800
Long Term Financing Facility (LTFF) Investment under FSSP	13,801,487	16,422,160
Green Transformation Fund	18,301,769	16,797,685
Deposit in Central Bank of Sri Lanka	21,291,694	18,761,840
Total	511,418,327	705,640,485
10 Other foreign currency financial assets		
SWIFT shares	80	80
Interest receivable	11,226,096	9,897,427
Other receivable*	5,224,144	5,224,144
Total	16,450,320	15,121,651
Bank has bought one share of SWIFT as part of membership of the said organization. Face value of the share is equivalent to Taka 80,474.57.		
*On 04 February 2016 USD 101 million was heisted from the reserve account of Bangladesh Bank maintained with the Federal Reserve Bank of New York through cyber hacking. Out of the heisted money, USD 20 million was recovered immediately from Sri Lanka and later on USD 14.6 million was recovered from the Philippines. Coordinated efforts of all relevant parties are ongoing to recover the remaining USD 66 (approx.) million.		
Bangladesh Bank filed a case against 20 defendants including Rizal Commercial Banking Corporation (RCBC) in the US Federal Court on 31 January 2019. The defendants filed Motion to Dismiss against the case and the court dismissed their appeal. In addition, the court dismissed the only Federal claim of Bangladesh Bank i.e. RICO (Racketeers Influenced Corrupt Organization) claim in the same judgment. Following the dismissal of Bangladesh Bank's only RICO claim in the Federal Court, a case was filed against the same defendants in the New York County Supreme Court (State Court) on 27 May 2020 against which the defendants filed Motion to dismiss. On 13 January 2023, the court dismissed the Motion to Dismiss and instructed the defendants to file their reply. Kim Wong (defendant) appealed against the judgment and on 30 May 2023, the US Appellate Court dismissed the appeal, which means the case filed against him by Bangladesh Bank will continue in the US Court. The state court also ruled in favor of Bloomberg (Solair) and Eastern Hawaii's Motion to dismiss. Bangladesh Bank appealed against the judgment but the court dismissed the appeal.		
In response to Bangladesh's Mutual Legal Assistance Request, the Department of Justice (DoJ) of the Philippines has been providing necessary legal assistance to Bangladesh. DoJ has filed a number of cases against concerned defendants which are ongoing in the Courts of the Philippines. In a case, the court convicted Ms. Maia Santos Deguito, the then manager of RCBC's Makati branch and sentenced her to 32-56 years of imprisonment and a fine of USD 109 million. She appealed against the judgment and on 19 April 2023 the court of Appeal dismissed the appeal. In another case, a Philippines court sentenced Ms. Angela Ruth Torres (Torres), former Branch Senior Customer Relations Officer of RCBC Bank's Jupiter branch, to 4-5 years of imprisonment and a fine of 1.5 million Philippine pesos. In addition, hearing on 15 cases filed against the president and treasurer of the Philrem Service Corporation were held in the three courts of the Philippines during the period of 30 January - 03 February 2023.		
On 15 March 2016 a case was filed on behalf of Bangladesh Bank at the Motijheel Police Station, Dhaka, which is currently under investigation by the Criminal Investigation Department (CID) of Bangladesh Police. It is known that the forensic report of the said case has been completed by the CID. The concerned court has extended the time for submitting the investigation report of the said case up to 31 July 2023.		
11 Consolidated Taka coin and cash balances		
Taka coin	2,319,221	3,625,873
Cash balances	1,263,737	448,927
Total	3,582,958	4,074,800
11.01 Taka coin and cash balances		
Taka coin	2,319,221	3,625,873
Cash balances	26,411	39,051
Total	2,345,632	3,664,924
Taka coin and cash balances represent the face value of one, two and five taka coins and notes held by the Bank purchased through SPCBL from the Government at respective face values, cash and cash equivalents held by SPCBL and cash deposit with Sonali Bank Limited, Mymensingh branch.		
12 Loans to the Government of Bangladesh		
Ways and means advance (WMA)	80,000,000	7,268,500
Overdraft-Current	98,018,700	-
Total	178,018,700	7,268,500
13 Consolidated local currency investments		
Treasury bills	504,989,926	187,751,353
Treasury bonds	792,630,759	343,272,850
Short term money market investments*	16,558,042	17,191,887
Debenture - Bangladesh House Building Finance Corporation	3,945,000	3,945,000
Shares- ICB Islamic Bank Limited**	7,452	7,452
Total	1,318,131,179	552,168,542
*These represent the total amount of term deposits by SPCBL with different local commercial banks.		
**SPCBL holds 745,200 shares of Tk.10 each of ICB Islamic Bank Ltd. (Formerly the Oriental Bank Ltd.) as per Bangladesh Bank Circular No - BRPD (R-1) 651/9(10)/2007-446 dated 2 August, 2007.		
13.01 Local currency investments		
Treasury bills	504,989,926	187,751,353
Treasury bonds	792,630,759	343,272,850
Debenture - Bangladesh House Building Finance Corporation	3,945,000	3,945,000
Investment in subsidiary	12,000,000	12,000,000
Total	1,313,565,685	546,969,203



BANGLADESH BANK
NOTES TO THE FINANCIAL STATEMENTS
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	30-Jun-23	30-Jun-22
14 Consolidated local currency loans to banks, financial institutions and employees		
(i) Local currency loans to banks and financial institutions		
State owned banks:		
Commercial banks	5,633,896	6,640,863
Specialised banks*	94,438,830	51,453,404
	100,072,726	58,094,267
Other banks and financial institutions:		
Private banks	12,552,780	12,932,841
Other loans and advances	317,522,107	118,875,574
	330,074,887	131,808,415
Provision for impairment (Note 14.a)	(6,511,400)	(4,730,723)
	423,636,213	185,171,959
Interest receivable	2,829,655	1,595,481
Total (i)	426,465,868	186,767,440
(ii) Local currency loans and advances to employees		
Loans and advances to employees	49,979,835	46,791,409
Provision for loan losses (Note 14.b)	(629,025)	(654,445)
Total (ii)	49,350,810	46,136,964
Total loans (i+ii)	475,816,678	232,904,404
14.01 Local currency loans to banks, financial institutions and employees		
(i) Local currency loans to banks and financial institutions		
State owned banks:		
Commercial banks	5,633,896	6,640,863
Specialised banks*	94,438,830	51,453,404
	100,072,726	58,094,267
Other banks and financial institutions:		
Private banks	12,552,780	12,932,841
Other loans and advances	317,522,107	118,875,574
	330,074,887	131,808,415
Provision for impairment (Note 14.a)	(6,511,400)	(4,730,723)
	423,636,213	185,171,959
Interest receivable	2,829,655	1,595,481
Total (i)	426,465,868	186,767,440
(ii) Local currency loans and advances to employees		
Loans and advances to employees	48,090,961	44,896,632
Provision for loan losses (Note 14.b)	(629,025)	(654,445)
Total (ii)	47,461,936	44,242,187
Total loans (i+ii)	473,927,804	231,009,627
*Specialised banks include banks catering the specific needs of different economic sectors as described below:		
Banks		Specialized Sectors
Bangladesh Krishi Bank		Agriculture
Rajshahi Krishi Unnayan Bank		Agriculture
14.a Provision for impairment		
Opening balance	4,730,723	5,661,285
Charged/(Released) during the year	1,780,677	(930,562)
Total	6,511,400	4,730,723
The total impaired value sufficiently represents more than the amount calculated by the ECL model. In the ECL model, the credit rating, credit history, current market information and other relevant information of the financial institutions have been taken into consideration to determine the probability of default and loss given default along with the institutions which are subjected to exposure at default.		
14.b Provision for loan losses		
Opening balance	654,445	690,939
Charged/(Released) during the year	(25,420)	(36,494)
Total	629,025	654,445
Provision for impairment is an asset type account which is kept against possible future loss on interest from loans to employees. The released amount is due to write back of provision of rescheduled demand loan. Provision for loan losses is also an asset type account maintained for adjusting loss (both principal and interest) from staff advance.		
15 Consolidated other local currency financial assets		
Investment in Islami Bank Liquidity Facility (IBLF)	64,420,000	-
Interest receivables	26,107,283	4,925,687
Others	4,135	4,136
Total	90,531,418	4,929,823
15.01 Other local currency financial assets		
Investment in Islami Bank Liquidity Facility (IBLF)	64,420,000	-
Interest receivables	25,247,613	4,111,196
Total	89,667,613	4,111,196
Interest receivables include interest receivable on Government Treasury bills and bonds, Debenture-HBFC etc.		



BANGLADESH BANK
NOTES TO THE FINANCIAL STATEMENTS
AS AT & FOR THE YEAR ENDED 30 JUNE 2023

16 Property, plant and equipment

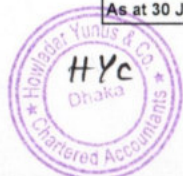
Consolidated
30 June 2023

In thousand Tk.

Particulars	Land	Building and other construction	Mechanical and office equipment	Computer and networking	Fixture and fittings	Motor vehicles	Electrical installation	Gas installation	Security equipment	Artefacts & Currency Museum	Low value assets	Right of use assets	Capital work in progress	Total
Cost														
As at 1 July 2022	37,549,823	7,367,314	8,854,215	3,720,095	760,485	343,203	952,913	2,664	88,978	7,900	74,565	364,441	591,476	60,678,072
Addition during the year	1,139,963	343,166	70,251	126,703	43,835	201	176,992	32	56,354	1,347	2,694	381,619	168,818	2,511,975
Transfers during the year	-	371	(9,584)	-	-	-	-	-	-	-	-	-	9,213	-
Disposals during the year	-	(391,516)	(2,921,312)	(8,410)	(2,304)	-	(223)	-	-	-	(5,733)	-	-	(3,329,498)
Revaluation adjustment	31,390,041	(345,696)	(312,229)	-	-	-	-	-	-	-	-	-	-	30,732,117
As at 30 June 2023	70,079,827	6,973,639	5,681,341	3,838,388	802,016	343,404	1,129,682	2,696	145,332	9,247	71,526	746,060	769,507	90,592,665
Accumulated depreciation														
As at 1 July 2022	-	4,256,726	4,290,064	2,506,836	475,443	325,889	747,535	2,503	71,686	332	71,255	237,067	-	12,985,336
Charge for the year	-	343,005	362,361	394,490	73,837	7,750	113,377	52	13,815	412	3,406	149,866	-	1,462,372
Disposals during the year	-	(383,685)	(2,920,351)	(8,086)	(2,303)	-	(223)	-	-	-	(5,730)	-	-	(3,320,379)
Revaluation adjustment	-	(324,085)	(309,927)	-	-	-	-	-	-	-	-	-	-	(634,012)
As at 30 June 2023	-	3,891,961	1,422,145	2,893,240	546,977	333,639	860,689	2,555	85,501	744	68,931	386,933	-	10,493,315
Net book value														
As at 30 June 2023	70,079,827	3,081,680	4,259,198	945,148	255,039	9,765	268,993	141	59,831	8,503	2,595	359,127	769,507	80,099,350
As at 30 June 2022	37,549,823	3,110,588	4,564,151	1,213,260	285,042	17,314	205,378	161	17,292	7,568	3,310	127,374	591,476	47,692,736

The Group's leases primarily consist of rental of office space of Sena Kallyan Bhaban situated at Motijheel, Dhaka and Dormitory spaces for Barishal, Chattogram and Rangpur Office.

30 June 2022														
Particulars	Land	Building and other construction	Mechanical and office equipment	Computer and networking	Fixture and fittings	Motor vehicles	Electrical installation	Gas installation	Security equipment	Artefacts & Currency Museum	Low value assets	Right of use assets	Capital work in progress	Total
As at 1 July 2021	36,552,023	7,240,282	8,680,024	3,374,301	712,655	344,675	945,249	2,664	81,095	1,855	71,444	262,218	919,814	59,188,299
Addition during the year	-	30,118	87,677	61,897	47,885	129	7,672	-	7,883	6,045	3,670	102,223	97,993	453,193
Transfers during the year	-	81,581	60,600	284,150	-	-	-	-	-	-	-	-	(426,331)	-
Disposals during the year	-	-	(227)	(253)	(55)	(1,601)	(8)	-	-	-	(549)	-	-	(2,693)
Revaluation adjustment	997,800	15,333	26,141	-	-	-	-	-	-	-	-	-	-	1,039,274
As at 30 June 2022	37,549,823	7,367,314	8,854,215	3,720,096	760,485	343,203	952,913	2,664	88,978	7,900	74,565	364,441	591,476	60,678,072
Accumulated depreciation														
As at 1 July 2021	-	3,863,605	3,912,099	2,138,403	405,697	317,625	648,097	2,453	59,949	219	67,480	129,785	-	11,545,412
Charge for the year	-	364,973	375,706	368,686	69,746	9,815	99,446	50	11,737	113	4,318	107,282	-	1,411,872
Disposals during the year	-	-	(227)	(253)	-	(1,551)	(8)	-	-	-	(543)	-	-	(2,582)
Adjustment	-	28,148	2,486	-	-	-	-	-	-	-	-	-	-	30,634
As at 30 June 2022	-	4,256,726	4,290,064	2,506,836	475,443	325,889	747,535	2,503	71,686	332	71,255	237,067	-	12,985,336
Net book value														
As at 30 June 2022	37,549,823	3,110,588	4,564,151	1,213,260	285,042	17,314	205,378	161	17,292	7,568	3,310	127,374	591,476	47,692,736
As at 30 June 2021	36,552,023	3,376,677	4,767,925	1,235,898	306,781	27,088	297,152	211	21,146	1,636	3,964	132,433	919,814	47,642,746



BANGLADESH BANK
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16.01 Property, plant and equipment

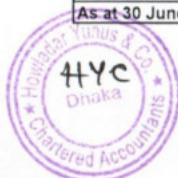
Separate

In thousand Tk.

Particulars	Land	Building and other construction	Mechanical and office equipment	Computer and networking	Fixture and fittings	Motor vehicles	Electrical installation	Gas installation	Security equipment	Artefacts & Currency Museum	Low value assets	Right of use assets	Capital work in progress	Total
Cost														
As at 1 July 2022	32,893,423	6,100,393	1,334,266	3,720,095	717,473	305,654	952,912	2,664	88,977	7,900	74,565	364,441	510,047	47,072,810
Addition during the year	1,139,963	312,782	41,464	126,703	43,312	-	176,992	32	56,354	1,347	2,694	381,619	160,307	2,443,569
Transfers during the year	-	371	-	-	-	-	-	-	-	-	-	-	(371)	-
Disposals during the year	-	(20,820)	(13,537)	(8,410)	(2,304)	-	(223)	-	-	-	(5,733)	-	-	(51,027)
Revaluation adjustment	31,390,041	-	-	-	-	-	-	-	-	-	-	-	-	31,390,041
As at 30 June 2023	65,423,427	6,392,726	1,362,193	3,838,388	758,482	305,654	1,129,682	2,696	145,332	9,247	71,526	746,060	669,984	80,855,393
Accumulated depreciation														
As at 1 July 2022	-	3,316,699	857,062	2,506,837	437,880	289,445	747,535	2,503	71,686	332	71,256	237,067	-	8,538,302
Charge for the year	-	329,325	71,231	394,489	73,030	6,765	113,377	52	13,815	412	3,406	149,866	-	1,155,768
Disposals during the year	-	(12,989)	(12,575)	(8,086)	(2,303)	-	(223)	-	-	-	(5,730)	-	-	(41,906)
As at 30 June 2023	-	3,633,034	915,718	2,893,240	508,607	296,211	860,689	2,554	85,502	744	68,932	386,933	-	9,652,164
Net book value														
As at 30 June 2023	65,423,427	2,759,692	446,475	945,148	249,875	9,443	268,993	142	59,830	8,503	2,594	359,127	669,984	71,203,229
As at 30 June 2022	32,893,423	2,783,694	477,204	1,213,258	279,593	16,210	205,377	161	17,291	7,568	3,310	127,374	510,047	38,534,510

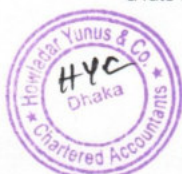
The Bank's leases primarily consist of rental of office space of Sena Kallyan Bhaban situated at Motijheel, Dhaka and Dormitory spaces for Barishal, Chattogram and Rangpur Office.

Particulars	Land	Building and other construction	Mechanical and office equipment	Computer and networking	Fixture and fittings	Motor vehicles	Electrical installation	Gas installation	Security equipment	Artefacts & Currency Museum	Low value assets	Right of use assets	Capital work in progress	Total
Cost														
As at 1 July 2021	32,893,423	5,988,694	1,192,727	3,374,301	671,368	307,256	945,248	2,664	81,094	1,855	71,444	262,218	889,362	46,681,655
Addition during the year	-	30,118	80,367	61,897	46,160	-	7,672	-	7,883	6,045	3,670	102,223	47,815	393,850
Transfers during the year	-	81,581	61,399	284,150	-	-	-	-	-	-	-	-	(427,130)	-
Disposals during the year	-	-	(227)	(253)	(55)	(1,601)	(8)	-	-	-	(549)	-	-	(2,694)
As at 30 June 2022	32,893,423	6,100,393	1,334,266	3,720,095	717,473	305,655	952,912	2,664	88,977	7,900	74,565	364,441	510,047	47,072,811
Accumulated depreciation														
As at 1 July 2021	-	2,965,219	788,249	2,138,404	368,609	283,654	648,097	2,453	59,949	219	67,480	129,785	-	7,452,118
Charge for the year	-	351,480	69,040	368,686	69,271	7,342	99,446	50	11,737	113	4,318	107,282	-	1,088,765
Disposals during the year	-	-	(227)	(253)	-	(1,551)	(8)	-	-	-	(543)	-	-	(2,582)
As at 30 June 2022	-	3,316,699	857,062	2,506,837	437,880	289,445	747,535	2,503	71,686	332	71,256	237,067	-	8,538,301
Net book value														
As at 30 June 2022	32,893,423	2,783,694	477,204	1,213,258	279,593	16,210	205,377	161	17,291	7,568	3,310	127,374	510,047	38,534,510
As at 30 June 2021	32,893,423	3,023,475	404,478	1,235,897	302,582	23,640	297,151	211	21,145	1,636	3,964	132,433	889,362	39,229,397



BANGLADESH BANK
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	2023	2022	
17 Intangible assets			
Intangible asset at cost	2,191,973	2,037,729	
Accumulated amortisation	(1,670,082)	(1,527,438)	
Capital work in progress	236,724	210,184	
Total	758,615	720,476	
Balance represents the accumulated value of intangible assets like Enterprise Resources Planning (ERP), Core Banking Solutions (CBS), Enterprise Data Warehouse (EDW), Real Time Gross Settlement (RTGS), Bangladesh Automated Clearing House (BACH), Bangladesh Electronic Fund Transfers Network (BEFTN), Credit Information Bureau (CIB) and Bank's in-house built software.			
18 Consolidated other non-financial assets			
Prepayments and advances	1,072,638	711,299	
Stock*	3,628,338	2,702,970	
Sundry debtors	1,258,283	1,676,740	
Total	5,959,259	5,091,009	
*Stocks held by the Group are primarily comprised of paper, ink, plates and related materials for printing of notes and other products at the Subsidiary. Stocks are valued at the lower of cost and net realisable value. Cost of material is determined on weighted average method. Cost in relation to work-in-process and finished goods represents direct cost of materials, direct wages and an appropriate portion of production overheads.			
18.01 Other non-financial assets			
Prepayments and advances	760,986	206,434	
Stock	146,476	79,059	
Total	907,462	285,493	
19 Deposits from banks and financial institutions			
Foreign currency deposits from commercial banks	132,647,482	78,190,896	
Asian Clearing Union (ACU)	115,690,536	182,564,825	
Interest payable on ACU	560,274	172,770	
Total	248,898,292	260,928,491	
20 Other foreign currency financial liabilities			
Swap liability to CBSL*	21,291,694	18,761,840	
ESCROW account**	34,968,424	-	
Total	56,260,118	18,761,840	
*The swap liability to the Central Bank of Sri Lanka is a financial instrument which is used to hedge against the currency risk exposure assumed by the bank. Details of the swap agreement with the Central Bank of Sri Lanka are discussed in Note 3.16.			
**Escrow account is a temporary liability account created for the loan repayment of Rooppur Nuclear Power Plant. This amount reflects the payment of the Government made to the creditor. The corresponding foreign currency amount is kept in foreign currency accounts.			
21 Notes in circulation			
Notes in circulation	3,101,560,420	2,545,233,973	
Cash in hand	(122)	(60)	
Total	3,101,560,298	2,545,233,913	
Notes in circulation represents currency issued having a claim on Bangladesh Bank. However, cash in hand balance is the amount of issued bank note held at the Banking Department of the Bank. The denomination of notes in circulation as at 30 June was as follows:			
Denomination	Number in pieces	2023	2022
10 Taka note	1,588,191,942	15,881,919	15,140,790
20 Taka note	925,791,984	18,515,840	16,416,362
50 Taka note	532,422,626	26,621,131	23,213,133
100 Taka note	1,300,661,333	130,066,133	127,129,770
200 Taka note	250,804,063	50,160,813	32,614,717
500 Taka note	2,359,269,916	1,179,634,958	987,530,502
1000 Taka note	1,680,679,626	1,680,679,626	1,343,188,699
Total	8,637,821,490	3,101,560,420	2,545,233,973
Liability for notes in circulation is recorded at its face value in the statement of financial position. In accordance with Article 30 of Bangladesh Bank Order, 1972, this liability is backed by the following assets:			
Gold		87,948,235	12,898,958
Silver		399,841	327,573
Approved foreign exchange		2,287,450,000	2,360,000,000
Bangladesh Government securities		693,563,685	138,502,130
Taka coin		2,319,221	3,625,873
Other loans and advances		29,879,438	29,879,438
Total		3,101,560,420	2,545,233,973
22 Deposits from banks and financial institutions			
State owned commercial banks		189,169,085	214,772,317
Government specialised banks		23,953,199	17,831,750
Private banks		445,482,843	620,943,224
Foreign banks		49,485,391	50,199,433
Financial institutions		6,739,733	5,429,038
Other banks		32,964	86,125
Total		714,863,215	909,261,888



BANGLADESH BANK
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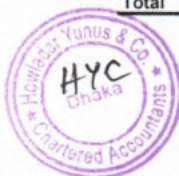
	2023	2022
23 Consolidated other local currency financial liabilities		
Government deposits	5,043	5,054
Other deposits (Note 23.02)	41,799,128	74,017,322
Sundry creditors account	7,456,117	7,503,646
Lease liability (Note: 23.03)	363,898	131,008
Interest suspense account	108,345	107,904
Deposits from donor agencies	27,869,898	35,508,961
Inter branch adjustments (suspense)	2,709,601	3,646,144
Provision for pension*	26,570,883	24,625,583
Provision for gratuity*	2,103,368	2,033,890
Provision for leave encashment	3,381,720	3,630,735
Loan from Govt. of Bangladesh - Central Bank Strengthening Project (Note 23.04)	2,295,014	2,352,389
Loan from Govt. of Bangladesh-Financial Sector Support Project (Note 23.05)	21,630,017	21,630,017
Deferred tax liability	914,845	930,165
Others - subsidiary	1,600,878	1,633,282
Fund for small investor affected in capital market	5,770	25,627
Miscellaneous	1,527	1,352
Total	138,816,051	177,783,080
23.01 Other local currency financial liabilities		
Government deposits	5,043	5,054
Other deposits (Note 23.02)	41,799,128	74,017,322
Sundry creditors account	8,904,504	8,556,296
Lease liability (Note: 23.03)	363,898	131,008
Interest suspense account	108,345	107,904
Deposits from donor agencies	27,869,898	35,508,961
Inter branch adjustments (suspense)	2,709,601	3,646,144
Provision for pension*	26,570,883	24,625,583
Provision for gratuity*	2,086,594	1,939,387
Provision for leave encashment	3,168,063	3,397,359
Loan from Govt. of Bangladesh - Central Bank Strengthening Project (Note 23.04)	2,295,014	2,352,389
Loan from Govt. of Bangladesh-Financial Sector Support Project (Note 23.05)	21,630,017	21,630,017
Fund for small investor affected in capital market	5,770	25,627
Miscellaneous	1,527	1,352
Total	137,518,285	175,944,403
*Refer to note 45 for details.		
23.02	Other deposits comprise Bangladesh Government special Islamic bonds fund deposit, employees provident fund deposit, liquidator bank deposit, scheduled bank's insurance fund deposit, security deposit, employees co-operative societies deposits and other sundry deposits.	
23.03 Lease liability	Recognized against Right-of-use asset for rented office space of Sena Kallyan Bhaban situated at Motijheel, Dhaka. Apart from this, the rented space for dormitory of Chattogram, Barishal and Rangpur office are also recognized as Right-of-use asset. Total amount of lease liabilities fall within maturity of one to three years.	
23.04 Central Bank Strengthening Project fund (CBSP)	Government of Bangladesh (GoB) signed a Credit Agreement with the International Development Association (IDA) for a Project named Central Bank Strengthening Project (CBSP). The related Credit Reference is IDA 3792 BD and the Project was meant for "Improvement of efficiency of the Bank through functional reforms and large scale automation of its' business process". Subsequent to this agreement, a subsidiary loan agreement was signed between GoB and the Bank to this effect for execution of the project. The total cost of the project was Tk. 3,892 million (USD 55.60 million), of which IDA provided Tk. 3,060 million (USD 43.71 million) through Government and the rest Tk. 832 million (USD 11.88 million) was funded by the Bank. The project started in late 2003 and was completed on 30 April 2013. The Bank has to repay the principal and the interest amount of the loan to Government within a tenure of 30 years starting from December 01, 2013 to June 01, 2043 as per the schedule.	
23.05 Financial Sector Support Project (FSSP)	Government of Bangladesh (GoB) signed a credit agreement with the International Development Association (IDA) for a Project named Financial Sector Support Project (FSSP) for amount of SDR 213,400,000. The related credit reference is 5664 BD and the Project was meant for "Improvement of the recipient's financial market infrastructure, the regulatory and oversight capacity of the project implementing entity and access to long term financing for private firms in Bangladesh". Subsequent to this agreement, a subsidiary loan agreement was signed between GoB and Bangladesh Bank on August 27, 2015 to this effect for execution of the Project. The Project was completed on March 31, 2020. The subsidiary loan was denominated in taka and the Bank has to repay the principal and the interest amount of the loan to Government within a tenure of 38 years including a grace period of 6 years for each disbursement from the proceeds of the credit.	
24 Capital	30,000	30,000

The entire capital of the Bank stands vested in and allotted to the Government as per Article 4(1) and 4(2) of the Bangladesh Bank Order, 1972.



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	2023	2022
25 Consolidated revaluation reserves		
Revaluation reserve - gold and silver (Note 25.02)	60,990,612	46,074,964
Revaluation reserve - foreign currency accounts (Note 25.03)	581,430,094	387,978,795
Revaluation reserve - property, plant and equipment (Note 25.04)	71,118,650	39,752,523
Revaluation reserve - financial instruments (Note 25.05)	(60,282,771)	(37,260,698)
Total	653,256,585	436,545,584
25.01 Revaluation reserves		
Revaluation reserve - gold and silver (Note 25.02)	60,990,612	46,074,964
Revaluation reserve - foreign currency accounts (Note 25.03)	581,430,094	387,978,795
Revaluation reserve - property, plant and equipment (Note 25.04)	66,476,269	35,086,230
Revaluation reserve - financial instruments (Note 25.05)	(60,282,771)	(37,260,698)
Total	648,614,204	431,879,291
25.02 Revaluation reserve - gold and silver		
The Bank accounts for the gain/loss on revaluation of gold and silver in the statement of profit or loss and other comprehensive income and subsequently transferred to a separate account - revaluation reserve-gold and silver, which is part of equity.		
25.03 Revaluation reserve - foreign currency accounts		
The Bank accounts for the unrealised gain/loss on revaluation of foreign currency to the statement of profit or loss and other comprehensive income and subsequently transferred to a separate account - revaluation reserve-foreign currency, which is part of equity.		
25.04 Revaluation reserve - property, plant and equipment		
The Group accounts for the gain/loss on revaluation of property, plant and equipment in the statement of profit or loss and other comprehensive income and subsequently transferred to a separate account - revaluation reserve - property, plant and equipment, which is part of equity.		
25.05 Revaluation reserve - financial instruments		
The Bank accounts for the gain/loss on revaluation of financial instruments in the statement of profit or loss and other comprehensive income and subsequently transferred to a separate account - revaluation reserve- financial instrument, which is part of equity.		
26 Currency fluctuation reserve	281,090,590	110,568,363
The Bank credited the realised gain on revaluation of foreign currencies to the statement of profit or loss and other comprehensive income and subsequently transferred the same to a separate account - currency fluctuation reserve account, which is part of equity.		
27 Statutory funds		
Rural credit fund (Note 27.01)	7,400,000	7,200,000
Agricultural credit stabilisation fund (Note 27.02)	7,400,000	7,200,000
Export credit fund (Note 27.03)	1,300,000	1,300,000
Industrial credit fund (Note 27.04)	2,087,852	1,937,852
Credit guarantee fund (Note 27.05)	879,194	879,194
Total	19,067,046	18,517,046
Statutory funds were created and maintained as per provisions of the Bangladesh Bank Order, 1972 and appropriations from profits are made in consultation with the Government of Bangladesh.		
27.01 Rural credit fund		
This fund was created as per Article 60(1) of Bangladesh Bank Order, 1972 for making of short term, medium term and long term loans and advances to co-operative bank, scheduled bank and rural credit agencies. Contribution of Taka 200 million is made for this fund during the year.		
27.02 Agricultural credit stabilisation fund		
This fund was created as per Article 61 of Bangladesh Bank Order, 1972 for making of loans and advances to apex co-operative banks. Contribution of Taka 200 million is made for this fund during the year.		
27.03 Export credit fund		
As per Article 63 of Bangladesh Bank Order, 1972 this fund was created for making of medium term and short term loans and advances to scheduled banks and other credit institutions for financing export from Bangladesh. No appropriation is made for this fund during the year.		
27.04 Industrial credit fund		
As per Article 62 of Bangladesh Bank Order, 1972 the fund was created for making of short term and medium term loans and advances to co-operative banks. Contribution of Taka 150 million is made for this fund during the year.		
27.05 Credit guarantee fund		
As per clause 24 of Article 16 of Bangladesh Bank Order, 1972 the Fund was created by appropriating profit every year as per decision of the Board of Directors to cover the loss sustained by scheduled banks for providing small loans to cottage industries. No appropriation is made for this fund during the year.		
28 Non statutory funds		
Small and medium enterprise fund (Note 28.01)	7,000,000	7,000,000
Housing refinance fund	4,660,000	4,660,000
Human resources development fund (Note 28.02)	275,330	265,542
Monetary management fund (Note 28.03)	200,000	200,000
Rural agri product processing industries refinance fund (Note 28.04)	3,410,000	3,410,000
Disaster management and social responsibility fund (Note 28.05)	900,000	100,000
Total	16,445,330	15,635,542



BANGLADESH BANK
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	2023	2022
28.01 Small and medium enterprise fund		
This fund was created as per clause 24 of Article 16 of the Bangladesh Bank Order, 1972 for refinancing facilities to the scheduled banks and financial institutions against loans and advances given to the small enterprise sector and housing refinance scheme. Appropriation to those funds are made as per decision of the Board.		
28.02 Human resources development fund		
Human resources development fund was created as per clause 2(n) of Article 82 of Bangladesh Bank Order, 1972 and decision taken by the Board of the Bank for development of efficiency of the Bank's officials by conducting seminar, symposium, training etc. at home and abroad. Appropriation to this fund was first made from the dividend payable to Government in the year 2010-2011. This year Tk. 10.00 million was appropriated to this fund.		
28.03 Monetary management fund		
Monetary management fund was created as per decision of the Board of the Bank for sound and smooth operation of monetary policy activities. Appropriation to this fund was made from the dividend payable to Government for the year 2010-2011.		
28.04 Rural Agri product processing industries refinance fund		
This fund was created in 2001 for the purpose of financing rural agri product processing industries. Under this scheme, there are 37 Agri product processing industries. This fund plays an important role for developing the agri product sectors in Bangladesh.		
28.05 Disaster management and social responsibility fund		
This fund was created by the approval of Board of Directors (341 Board Meeting held in 2013). Primarily, the fund, Tk. 50 million was collected as donation from Bangladesh Bank's 2012-2013 profit and subsequently Tk. 50 million will be deducted from each year's profit transferring the amount to this fund. From financial year 2014-2015, Tk. 100 million has been contributed deducting from each year's profit. This year Tk. 900.00 million has been contributed as per the approval of the 427th Board of Director's meeting.		
29 Other reserves		
Asset renewal and replacement fund (29.01)	5,820,516	5,377,761
Interest reserve (29.02)	7,522,114	7,522,114
Total	13,342,630	12,899,875
29.01 Asset renewal and replacement fund		
As per Asset renewal and replacement fund guideline, an amount of taka 442.76 million is appropriated to this account.		
29.02 Interest reserve		
As per the decision of the Board in FY 2006-2007, the total interest accrued against the overdue loan of Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank was kept as interest reserve.		
30 Consolidated general reserve	5,600,500	5,500,500
Consolidated general reserve consists of the general reserve of Bangladesh Bank and that of its subsidiary-SPCBL.		
30.01 General reserve	4,250,500	4,250,500
As per Article 59 of Bangladesh Bank Order, 1972 securities having value of Tk. 30 million was allocated by the Government and held by the Bank as the general reserve. Further an amount of Tk. 4,220.5 million was transferred to the reserve from general provision over the years.		
31 Consolidated retained earnings		
Opening balance	43,208,378	44,919,663
Adjustment against due from Government	-	(19,215)
Transfer to Disaster Management and Social Responsibility Fund	(200,000)	-
Dividend paid	(28,476,987)	(31,099,777)
Prior year adjustment	(875)	(639)
Derecognition of reserve on account of sale and maturity of assets	23,912	30,634
Profit for the period	473,442,469	293,270,153
Appropriation of profit to other funds	(365,876,280)	(263,792,440)
Transferred to general reserve	(100,000)	(100,000)
Closing balance	122,020,617	43,208,378
31.01 Retained earnings		
Opening balance	28,676,987	31,118,991
Adjustment against due from Government	-	(19,215)
Transfer to Disaster Management and Social Responsibility Fund	(200,000)	-
Dividend paid	(28,476,987)	(31,099,777)
Prior year adjustment	(875)	(639)
Appropriation of profit to funds	(1,902,755)	(800,976)
Profit for the period	108,710,977	29,478,602
Closing balance	106,807,347	28,676,987



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	2023	2022
32 Interest income from foreign currency financial assets		
Loans to banks	19,180,222	6,364,096
Short term deposits with commercial banks	11,681,300	5,502,814
Foreign bonds and US treasury notes	18,137,119	15,691,566
US treasury bills	2,296,305	251,937
Others	8,049,207	560,588
Total	59,344,153	28,371,001
33 Commission and discounts		
Commission on foreign currency operations	660,756	278,349
Others	-	248,902
Total	660,756	527,251
34 Interest expenses on foreign currency financial liabilities		
Interest on deposits	949,374	89,461
Asian Clearing Union (ACU)	2,773,184	300,958
IMF charges	5,841,015	381,426
Total	9,563,573	771,845
35 Consolidated interest income on local currency financial assets		
Securities purchased under agreement to resell	7,670,616	470,661
Government securities	70,477,608	19,645,425
Loans and advance to Government	1,635,198	111,904
Debentures	190,750	190,750
Loans to banks, financial institutions and employees	8,073,030	6,895,187
Profit on Islamic investment	2,305,286	-
Short term money market deposits	1,073,815	1,019,487
Total	91,426,303	28,333,414
35.01 Interest income from local currency financial assets		
Securities purchased under agreement to resell	7,670,616	470,661
Government securities	70,477,608	19,645,425
Loans and advance to Government	1,635,198	111,904
Debentures	190,750	190,750
Loans to banks, financial institutions and employees	7,999,587	6,821,016
Profit on Islamic investment	2,305,286	-
Total	90,279,045	27,239,756
36 Commission and discount income		
Commission income from Government sources	8,931	9,009
Miscellaneous commission income	2,038,184	2,053,469
Total	2,047,115	2,062,478
37 Other income		
Exchange A/C	24	24
Gain on asset sale or de-recognition	852	1,255
Penal Interest	1,832,558	194,007
Misc. Income	4,016	3,776
Total	1,837,450	199,062
38 Interest expense on local currency financial liabilities		
Bangladesh Bank bills	-	659,890
Interest Expense- Financial Sector Support Project	219,304	221,749
Interest expense - Central Bank Strengthening Project	23,380	23,954
Total	242,684	905,593
39 Commission and other expenses		
Agency charges (Note 39.01)	5,518,000	6,717,800
Underwriting commission on treasury bills & bonds (Note 39.02)	481,300	441,800
Loss on amortization of treasury bond	4,294,602	-
Other expenses	59,505	82,476
Total	10,353,407	7,242,076
39.01 Agency charges		
Agency charges are paid to Sonali Bank Limited for acting as agent of Bangladesh Bank.		
39.02 Underwriting commission on treasury bills & bonds		
Underwriting commission is paid to primary dealers for issuing Government treasury bill and bond.		
40 Revaluation gain/(loss) on financial instruments		
Valuation gain / (loss) on US Treasury Notes Investment	(11,446,375)	(39,512,497)
Valuation gain/ (loss) on Bangladesh Government Treasury Bond	(11,760,646)	(41,861,130)
Total	(23,207,021)	(81,373,627)



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	2023	2022
41 Consolidated general and administrative expenses		
Staff costs (Note 41 (a))	14,036,948	13,567,471
Depreciation	1,486,280	1,149,660
Amortisation	142,644	131,224
Directors' fees	889	925
Audit fees	6,325	6,325
Stationery	115,319	111,372
Rent, electricity etc.	396,898	361,159
Remittance of treasure	80,567	70,073
Donations, Welfare, Sports and other administrative expenses	248,601	251,690
Telephone	128,632	130,725
Repairs & maintenance	506,258	521,023
Materials	2,991,081	3,113,296
Provision for Workers' Profit Participation Fund	105,794	101,431
Value Added Tax	336,531	349,326
Miscellaneous	3,617,997	1,014,878
Total	24,200,763	20,880,578
41 (a) Staff costs		
Salary	3,284,619	3,240,085
House rent	1,268,843	1,246,480
Contribution to contributory provident fund	821,906	809,100
Pension and gratuity	4,200,166	3,774,805
Leave encashment	10,000	578,271
General and incentive bonus	2,119,800	1,782,674
Medical expenses	614,113	584,706
Training	88,332	25,110
Travel expenses	659,204	549,021
Lunch	302,260	300,508
Other staff costs	667,705	676,711
Total	14,036,948	13,567,471
41.01 General and administrative expenses		
Staff costs (Note 41.01(a))	13,198,925	12,590,404
Depreciation	1,155,768	1,088,811
Amortization	142,644	131,224
Directors' fee	608	573
Audit fee	5,750	5,750
Stationery	109,716	108,487
Rent, electricity etc.	255,947	244,008
Remittance of treasure	80,099	69,608
Donations	208,852	224,535
Telephone	128,174	130,077
Repairs	467,736	488,196
Miscellaneous	3,561,142	973,031
Total	19,315,360	16,054,704
41.01(a) Staff costs		
Salary	2,928,542	2,888,680
House rent	1,268,843	1,246,480
Contribution to contributory provident fund	821,906	809,100
Pension and gratuity	4,139,982	3,524,622
Leave encashment	-	578,271
General and incentive bonus	1,927,716	1,620,646
Medical expenses	591,651	563,076
Training	88,332	25,012
Travel expenses	644,888	534,652
Lunch	269,662	265,800
Other staff costs	517,401	534,065
Total	13,198,925	12,590,404



BANGLADESH BANK
NOTES TO THE FINANCIAL STATEMENTS
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42 Financial instruments-Fair values and risk management

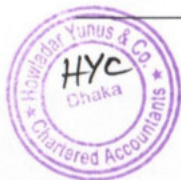
42.1 a. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Consolidated

In Thousand Tk.

Particulars	30 June 2023							
	Carrying amount				Fair value			
	Amortised Cost	Fair value through OCI	Fair value through profit or loss	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
US treasury bills	23,067,946	-	-	23,067,946	23,067,946	-	-	23,067,946
Foreign bonds	925,811,866	-	-	925,811,866	925,811,866	-	-	925,811,866
US Treasury Notes	-	656,339,744	-	656,339,744	656,339,744	-	-	656,339,744
Gold and silver	-	54,093,399	-	54,093,399	54,093,399	-	-	54,093,399
Claims from Gold Transaction	-	37,757,643	-	37,757,643	37,757,643	-	-	37,757,643
Treasury bills	504,989,925.60	-	-	504,989,926	504,989,926	-	-	504,989,926
Treasury bonds	-	792,630,759	-	792,630,759	792,630,759	-	-	792,630,759
Swift shares	-	-	-	-	-	-	-	-
Debenture - House Building Finance Corporation	3,945,000	-	-	3,945,000	-	3,945,000	-	3,945,000
	1,457,814,737	1,540,821,544	-	2,998,636,282	2,994,691,282	3,944,999	-	2,998,636,282
Financial assets not measured at fair value								
Taka coin and cash balances	3,582,958	-	-	3,582,958	-	-	-	-
Foreign currency accounts	88,946,844	-	-	88,946,844	-	-	-	-
Overnight investment	469,186,507	-	-	469,186,507	-	-	-	-
Short term deposits with overseas commercial banks	250,233,646	-	-	250,233,646	-	-	-	-
Asset held with IMF	415,910,328	-	-	415,910,328	-	-	-	-
Foreign currency loans to banks	511,418,327	-	-	511,418,327	-	-	-	-
Interest receivable	11,226,096	-	-	11,226,096	-	-	-	-
Other receivable	5,224,144	-	-	5,224,144	-	-	-	-
Ways and means advance	80,000,000	-	-	80,000,000	-	-	-	-
Short term money market investments	186,020,792	-	-	186,020,792	-	-	-	-
Share of ICB Islamic Bank Limited	7,452	-	-	7,452	-	-	-	-
Loan to commercial banks	5,633,896	-	-	5,633,896	-	-	-	-
Loan to specialised banks	94,438,830	-	-	94,438,830	-	-	-	-
Loan to private banks	12,552,780	-	-	12,552,780	-	-	-	-
Other loans and advances	317,522,107	-	-	317,522,107	-	-	-	-
Interest receivable	2,829,655	-	-	2,829,655	-	-	-	-
Loans and advances to employees	49,350,810	-	-	49,350,810	-	-	-	-
Other local currency financial assets	90,531,418	-	-	90,531,418	-	-	-	-
	2,594,616,589	-	-	2,594,616,589	-	-	-	-
Financial liabilities measured at fair value								
Nil	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Liabilities with IMF	400,326,205	-	-	400,326,205	-	-	-	-
Foreign currency deposits by commercial banks	132,647,482	-	-	132,647,482	-	-	-	-
Asian Clearing Union (ACU)	116,250,811	-	-	116,250,811	-	-	-	-
Notes in circulation	3,101,560,298	-	-	3,101,560,298	-	-	-	-
Local currency deposits from banks and financial institutions	714,863,215	-	-	714,863,215	-	-	-	-
	4,465,648,011	-	-	4,465,648,011	-	-	-	-



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In Thousand Tk.

Particulars	30 June 2022				Fair value			
	Carrying amount							
	Amortised Cost	Fair value through OCI	Fair value through profit or loss	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
US treasury bills	93,246,868	-	-	93,246,868	93,246,868	-	-	93,246,868
Foreign bonds	1,046,239,303	-	-	1,046,239,303	1,046,239,303	-	-	1,046,239,303
US Treasury Notes	-	658,982,606	-	658,982,606	658,982,606	-	-	658,982,606
Gold and silver	-	45,306,167	-	45,306,167	45,306,167	-	-	45,306,167
Claims from gold transactions	-	31,629,227	-	31,629,227	31,629,227	-	-	31,629,227
Treasury bills	187,751,353	-	-	187,751,353	187,751,353	-	-	187,751,353
Treasury bonds	-	343,272,850	-	343,272,850	343,272,850	-	-	343,272,850
Swift shares	80	-	-	80	-	-	80	80
Debenture - House Building Finance Corporation	3,945,000	-	-	3,945,000	-	3,945,000	-	3,945,000
	1,331,182,604	1,079,190,849	-	2,410,373,454	2,406,428,374	3,944,999	80	2,410,373,454
Financial assets not measured at fair value								
Taka coin and cash balances	4,074,800	-	-	4,074,800	-	-	-	-
Foreign currency accounts	78,519,805	-	-	78,519,805	-	-	-	-
Overnight investment	333,247,420	-	-	333,247,420	-	-	-	-
Short term deposits with overseas commercial banks	650,493,866	-	-	650,493,866	-	-	-	-
Asset held with IMF	376,731,118	-	-	376,731,118	-	-	-	-
Foreign currency loans to banks	705,640,485	-	-	705,640,485	-	-	-	-
Interest receivable	9,897,427	-	-	9,897,427	-	-	-	-
Other receivable	5,224,144	-	-	5,224,144	-	-	-	-
Ways and Means advance	7,268,500	-	-	7,268,500	-	-	-	-
Short term money market investments	19,371,887	-	-	19,371,887	-	-	-	-
Share of ICB Islamic Bank Limited	7,452	-	-	7,452	-	-	-	-
Loan to commercial banks	6,640,863	-	-	6,640,863	-	-	-	-
Loan to specialised banks	46,722,681	-	-	46,722,681	-	-	-	-
Loan to private banks	12,932,841	-	-	12,932,841	-	-	-	-
Other loans and advances	118,875,574	-	-	118,875,574	-	-	-	-
Interest receivable	1,595,481	-	-	1,595,481	-	-	-	-
Loans and advances to employees	46,136,964	-	-	46,136,964	-	-	-	-
Other local currency financial assets	4,929,823	-	-	4,929,823	-	-	-	-
	2,428,311,130	-	-	2,428,311,130	-	-	-	-
Financial liabilities measured at fair value								
Nil	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Liabilities with IMF	337,314,306	-	-	337,314,306	-	-	-	-
Foreign currency deposits by commercial banks	78,190,896	-	-	78,190,896	-	-	-	-
Asian Clearing Union (ACU)	182,737,595	-	-	182,737,595	-	-	-	-
Notes in circulation	2,545,233,913	-	-	2,545,233,913	-	-	-	-
Local currency deposits from banks and financial institutions	909,261,888	-	-	909,261,888	-	-	-	-
	4,052,738,598	-	-	4,052,738,598	-	-	-	-



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Separate

In Thousand Tk.

Particulars	30 June 2023							
	Carrying amount				Fair value			
	Amortised Cost	Fair value through OCI	Fair value through profit or loss	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
US treasury bills	23,067,946	-	-	23,067,946	23,067,946	-	-	23,067,946
Foreign bonds	925,811,866	-	-	925,811,866	925,811,866	-	-	925,811,866
US Treasury Notes	-	656,339,744	-	656,339,744	656,339,744	-	-	656,339,744
Gold and silver	-	54,093,399	-	54,093,399	54,093,399	-	-	54,093,399
Claims from Gold Transaction	-	37,757,643	-	37,757,643	37,757,643	-	-	37,757,643
Treasury bills	504,989,926	-	-	504,989,926	504,989,926	-	-	504,989,926
Treasury bonds	-	792,630,759	-	792,630,759	792,630,759	-	-	792,630,759
Swift shares	-	80	-	80	-	-	80	80
Investment in subsidiary	-	12,000,000	-	12,000,000	-	-	12,000,000	12,000,000
Debenture - House Building Finance Corporation	3,945,000	-	-	3,945,000	-	3,945,000	-	3,945,000
	1,457,814,737	1,552,821,625	-	3,010,636,362	2,994,691,282	3,944,999	12,000,080	3,010,636,362
Financial assets not measured at fair value								
Taka coin and cash balances	2,345,632	-	-	2,345,632	-	-	-	-
Foreign currency accounts	88,946,844	-	-	88,946,844	-	-	-	-
Overnight investment	469,186,507	-	-	469,186,507	-	-	-	-
Short term deposits with overseas commercial banks	250,233,646	-	-	250,233,646	-	-	-	-
Asset held with IMF	415,910,328	-	-	415,910,328	-	-	-	-
Foreign currency loans to banks	511,418,327	-	-	511,418,327	-	-	-	-
Interest receivable	11,226,096	-	-	11,226,096	-	-	-	-
Other receivable	5,224,144	-	-	5,224,144	-	-	-	-
Ways and means advance	80,000,000	-	-	80,000,000	-	-	-	-
Securities purchased under agreement to resell	169,462,750	-	-	169,462,750	-	-	-	-
Loan to commercial banks	5,633,896	-	-	5,633,896	-	-	-	-
Loan to specialised banks	94,438,830	-	-	94,438,830	-	-	-	-
Loan to private banks	12,552,780	-	-	12,552,780	-	-	-	-
Other loans and advances	317,522,107	-	-	317,522,107	-	-	-	-
Interest receivable	2,829,655	-	-	2,829,655	-	-	-	-
Loans and advances to employees	47,461,936	-	-	47,461,936	-	-	-	-
Other local currency financial assets	89,667,613	-	-	89,667,613	-	-	-	-
	2,574,061,090	-	-	2,574,061,090	-	-	-	-
Financial liabilities measured at fair value								
Nil	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Liabilities with IMF	400,326,205	-	-	400,326,205	-	-	-	-
Foreign currency deposits by commercial banks	132,647,482	-	-	132,647,482	-	-	-	-
Asian Clearing Union (ACU)	116,250,811	-	-	116,250,811	-	-	-	-
Notes in circulation	3,101,560,298	-	-	3,101,560,298	-	-	-	-
Local currency deposits from banks and financial institutions	714,863,215	-	-	714,863,215	-	-	-	-
	4,465,648,011	-	-	4,465,648,011	-	-	-	-



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In Thousand Tk.

Particulars	30 June 2022							
	Carrying amount				Fair value			
	Amortised Cost	Fair value through OCI	Fair value through profit or loss	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
US treasury bills	93,246,868	-	-	93,246,868	93,246,868	-	-	93,246,868
Foreign bonds	1,046,239,303	-	-	1,046,239,303	1,046,239,303	-	-	1,046,239,303
US Treasury Notes	-	658,982,606	-	658,982,606	658,982,606	-	-	658,982,606
Gold and silver	-	45,306,167	-	45,306,167	45,306,167	-	-	45,306,167
Claims from Gold Transactions	-	31,629,227	-	31,629,227	31,629,227	-	-	31,629,227
Treasury bills	187,751,353	-	-	187,751,353	187,751,353.23	-	-	187,751,353
Treasury bonds	-	343,272,850	-	343,272,850	343,272,850.04	-	-	343,272,850
Swift shares	80	-	-	80	-	-	80	80
Investment in subsidiary	-	12,000,000	-	12,000,000	-	-	12,000,000	12,000,000
Debenture - House Building Finance Corporation	3,945,000	-	-	3,945,000	-	3,945,000	-	3,945,000
	1,331,182,604	1,091,190,849	-	2,422,373,454	2,406,428,374	3,944,999	12,000,080	2,422,373,454
Financial assets not measured at fair value								
Taka coin and cash balances	3,664,924	-	-	3,664,924	-	-	-	-
Foreign currency accounts	78,519,805	-	-	78,519,805	-	-	-	-
Overnight investment	333,247,420	-	-	333,247,420	-	-	-	-
Short term deposits with overseas commercial banks	650,493,866	-	-	650,493,866	-	-	-	-
Asset held with IMF	376,731,118	-	-	376,731,118	-	-	-	-
Foreign currency loans to banks	705,640,485	-	-	705,640,485	-	-	-	-
Interest receivable	9,897,427	-	-	9,897,427	-	-	-	-
Other receivable	5,224,144	-	-	5,224,144	-	-	-	-
Securities purchased under agreement to resell	7,268,500	-	-	7,268,500	-	-	-	-
Ways and Means Advance	2,180,000	-	-	2,180,000	-	-	-	-
Loan to commercial banks	6,640,863	-	-	6,640,863	-	-	-	-
Loan to specialised banks	46,722,681	-	-	46,722,681	-	-	-	-
Loan to private banks	12,932,841	-	-	12,932,841	-	-	-	-
Other loans and advances	118,875,574	-	-	118,875,574	-	-	-	-
Interest receivable	1,595,481	-	-	1,595,481	-	-	-	-
Loans and advances to employees	44,242,187	-	-	44,242,187	-	-	-	-
Other local currency financial assets	4,111,196	-	-	4,111,196	-	-	-	-
	2,407,988,511	-	-	2,407,988,511	-	-	-	-
Financial liabilities measured at fair value								
Nil	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Liabilities with IMF	337,314,306	-	-	337,314,306	-	-	-	-
Foreign currency deposits by commercial banks	78,190,896	-	-	78,190,896	-	-	-	-
Asian Clearing Union (ACU)	182,737,595	-	-	182,737,595	-	-	-	-
Notes in circulation	2,545,233,913	-	-	2,545,233,913	-	-	-	-
Local currency deposits from banks and financial institutions	909,261,888	-	-	909,261,888	-	-	-	-
	4,052,738,598	-	-	4,052,738,598	-	-	-	-

As at 30 June 2023, the Group holds level 3 financial instruments only on SWIFT shares and investment in subsidiary. Management believes that the fair value of these shares are equal to its carrying amount. A Level 3 reconciliation table has not been disclosed as no change in fair value of investment from last year.

42.1 b. Valuation techniques used in determination of fair values within level 2 and level 3

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Fair value have been based on management assumptions according to the portfolio of the asset and liability base.

Fair value of foreign securities is based on quoted market prices, at the reporting date. Local currency financial investments includes shares in SPCBL with a value of BDT 12,000,000,000 (2021: BDT 12,000,000,000) & Debentures of HBFC with a value of BDT 3,945,000,000 (2022: BDT 3,945,000,000) for which fair value cannot be reliably determined as they are not traded in the active market and there are no similar instruments with similar characteristics. Management believes that the fair value of these shares are their carrying value.

Loans to Government (overdraft- current) are carried at cost as the interest accrued is recovered on a daily basis. Treasury bills and bonds are classified as Fair Value Through Other Comprehensive Income (OCI) and are carried at fair value. Loans to banks, financial institutions and employees are carried at amortized cost and are net of provisions for impairment. The fair value approximates their carrying value.



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42.2 Financial Risk Management

The Group has exposure to the following risks arising from financial instruments :

- I. Credit risk
- II. Liquidity risk
- III. Market risk
- IV. Operational risk

Risk management framework

International Financial Reporting Standard "IFRS 7 - Financial Instruments: Disclosures" requires disclosure of information relating to both recognised and unrecognised financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Group's policies for controlling risks and exposures.

The Bank is involved in policy-oriented activities. Therefore, the Bank's risk management framework differs from the risk management framework for most other financial institutions. The main financial risks to which the Bank is exposed include credit risk, foreign exchange risk and interest rate risk. In the management of foreign reserves, minimising liquidity risk is the prime consideration in order to ensure the availability of currency as required. Like most central banks, the nature of the Bank's operations create exposure to a range of operational and reputational risks also.

The Bank's management seeks to ensure that strong and effective risk management and control systems are in place for assessing, monitoring and managing risk exposure. Experienced staff conducts the Bank's local currency, foreign currency reserves management, and foreign exchange dealing operations in accordance with a clearly defined risk management framework, including limits and delegated authorities set by the Governor. The investment portfolio is managed in line with the investment guidelines approved by the Board. The Investment Committee chaired by the Deputy Governor of the Bank is responsible for monitoring and implementation of risk mitigation measures prescribed in the "Reserve Management Guideline" and ensuring that the Bank operates within the established risk parameters. Typical activities of the Investment Committee are reviewing the monthly reports, approving the list of eligible counterparties, approving changes to the strategy before submitting them to the Board and providing suggestion regarding important tactical decisions on asset allocation.

The Bank is subject to an annual audit by two external auditors who are appointed by the Government as prescribed in Article 65 (1) of the Bangladesh Bank Order, 1972. Auditing arrangements are overseen by the Audit Committee of the Board to monitor the financial reporting and audit functions within the Bank and the Committee reviews the internal audit functions as well. Audit Committee reports to the Board of Directors on its activities.

The overall risk management framework is designed to strongly encourage the sound and prudent management of the Bank's risk. The Bank seeks to ensure that the risk management framework is consistent with financial market best practices. Risk tables in this note are all based on the Bank's portfolio as reported in its statement of financial position.

I. Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is monitored and managed regularly. Bangladesh Bank's maximum exposure to credit risk in relation to each class of recognized financial assets, is the carrying amount of those assets as indicated in the statement of financial position. Bangladesh Bank's exposure is to highly rated counter-parties and its credit risk is very low, providing with solution to credit risk including both the Bank's rigorous monitoring activities and, in many cases, guarantees from the government.

Impairment of financial assets

Impairment of financial assets are discussed in note 3.05(g).

Definition of Default:

The Bank defines a financial instrument as in default when the financial asset is credit - impaired and meets the following criteria:

- the borrower fails to meet its contractual payments;
- the likelihood or probability that the counterparty will enter bankruptcy or other financial organisation.

Assumptions and techniques for estimating impairment under ECL:

The Bank is recording the allowance for expected credit losses (ECLs) for all loans and debt instruments that are measured at amortized cost together with loan commitment and guarantee contract. Equity instruments are not subject to ECLs. The ECL allowance is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since initial recognition, in which case, the allowance is based on the 12 months' expected credit loss as outlined in note 3.05 (g).

The calculation of ECLs:

The Bank calculates ECL based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the Effective Interest Rate (EIR) which is the Reverse Repo rate prevailing at the reporting date.

EAD : Exposure at default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too. To calculate the EAD for a stage 1 financial instruments, the Group assesses the possible default events within 12 months for the calculation of the 12 months ECL. For stage 2 and stage 3 the exposure at default is considered for events over the lifetime of the instruments. The Group determines EAD by modeling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. PDs are then assigned to each economic scenario based on the outcome of the Bank's models.



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PD : Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD estimation process is based on the probability of default assigned to each counterparty according to their external credit ratings and the related historical credit losses experience, adjusted for forward-looking information.

LGD : Loss given default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. LGD represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.

The basis of financial assets which are categorized into three stages depending on their assessed credit risk are discussed in note 3.05 (g).

Credit risk grades:

The probability of default assigned to each counterparty according to their external credit ratings and the related historical credit losses experience, adjusted for forward-looking information is graded according to the following table:

Grading	12 month weighted-average PD	External Rating
Performing	0%-25%	AAA to B-
Non-performing	100%	-

Amounts arising from ECL:

Amounts arising from ECL have been discussed in note 14(a).

Forward looking information: The Bank formulates a view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios and consideration of a variety of external actual and forecast information.

Significant increase in credit risk: The Bank considers financial assets that have experienced a significant increase in credit risk when credit rating falls below investment grade.

Collateral and other credit enhancements: To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as securities, guarantees and demand promissory notes. The collaterals held against financials assets have been disclosed in their respective notes, where applicable.

a. Concentration of credit exposure

The Bank's significant end-of-year concentrations of credit exposure, based on the country/region in which the issuers' parent was located, were as follows:

In Thousand Tk.

Particulars	2023		2022	
	Consolidated	Separate	Consolidated	Separate
Bangladesh	2,828,228,264	2,819,672,764	1,557,632,413	1,549,309,795
Other Asian countries	479,876,115	479,876,115	390,330,332	390,330,332
United States of America	1,156,918,586	1,156,918,586	1,097,017,831	1,097,017,831
Europe	446,888,586	446,888,586	527,552,021	527,552,021
Australia	4,471,667	4,471,667	25,323,189	25,323,189
Others	768,377,035	768,377,035	1,240,828,797	1,240,828,797
Total	5,684,760,253	5,676,204,753	4,838,684,584	4,830,361,966

The Bank's significant end-of-year concentrations of credit exposure, based on industry, were as follows:

Particulars	2023		2022	
	Consolidated	Separate	Consolidated	Separate
Sovereign	2,412,064,835	2,403,509,335	1,615,645,012	1,607,322,393
Supra-national	823,919,131	823,919,131	803,509,339	803,509,339
Banks & Financial Institutions	2,074,430,953	2,074,430,953	2,327,203,157	2,327,203,157
Public Sector Entities	195,770,304	195,770,304	31,986,091	31,986,091
Corporate	16,078,991	16,078,991	24,915,629	24,915,629
Others	162,496,040	162,496,040	35,425,356	35,425,356
Total	5,684,760,253	5,676,204,753	4,838,684,584	4,830,361,966



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b. Credit exposures by credit rating

Following tables represent the Group's foreign currency financial assets (excluding foreign currency loans to banks) mainly based on Moody's credit rating of the issuer (or equivalent Moody's rating in case of rating by other agencies). For long term deposits Aaa is the highest quality rating possible and indicates that the entity has an exceptional credit quality and have the smallest degree of risk; Aa is excellent credit quality but are rated lower than Aaa. Aa1 indicates the higher end of Aa category, Aa2 indicates mid range ranking of Aa category and Aa3 indicates lower end of Aa category. Credit rating ranging from Ba1 to Ba3 and B1 to B3 are considered as below investment grade category. For short term deposits P-1 indicates banks rated prime -1 for deposits, and offers superior credit quality and a very strong capacity for timely payment of short-term deposit obligations; ST-1 indicates the highest capacity for timely repayment of obligations; ST-2 indicates a strong capacity for timely repayment of obligations and ST-3 indicates average capacity for timely repayment of obligations.

However, the Bank's local currency financial assets along with foreign currency loans to banks are based on credit rating from Credit Rating Information and Services Limited, Credit Rating Agency of Bangladesh Limited, Emerging Credit Rating Limited, National Credit Rating Limited, Alpha Credit Rating Limited, ARGUS Credit Rating Services Limited etc. which were preferred by respective institutions.

Consolidated

In Thousand Tk.

Particulars	Credit Rating	2023		2022	
		Amount	% of financial assets	Amount	% of financial assets
i) Foreign currency financial assets					
Foreign currency accounts	P-1	88,946,844	1.58%	78,519,805	1.64%
Overnight investment	P-1	469,186,507	8.33%	333,247,420	6.95%
Short term deposits with overseas commercial banks	P-1	250,233,646	4.44%	650,493,866	13.57%
US Dollar treasury bills	P-1	23,067,946	0.41%	93,246,868	1.95%
Foreign bonds	Aaa	636,077,802	11.30%	669,843,472	13.97%
Foreign bonds	Aa1, Aa2, Aa3	94,485,526	1.68%	109,654,174	2.29%
Foreign bonds	A1, A2,A3	78,239,196	1.39%	102,989,451	2.15%
Foreign bonds	Baa1, Baa2, Baa3,Ba1, Ba2, Ba3,B1,B2,B3	117,009,342	2.08%	163,752,206	3.42%
US Treasury Notes	Aaa	656,339,744	11.66%	658,982,606	13.75%
Foreign currency loans to banks	A	23,106,685	0.41%	22,022,104	0.46%
Foreign currency loans to banks	Aaa to Aa	435,714,329	7.74%	660,659,523	13.78%
Foreign currency loans to banks	Baa,Ba, B	50,008,120	0.89%	3,306,591	0.07%
Foreign currency loans to banks	Unrated	2,589,193	0.05%	19,652,268	0.41%
Claims from Gold transaction	A3	37,757,643	0.67%	31,629,227	0.66%
Assets held with International Monetary Fund	Unrated	415,910,328	7.39%	376,731,118	7.86%
Other foreign currency financial assets	Unrated	16,450,320	0.29%	15,121,651	0.32%
Total		3,395,123,170	60.30%	3,989,852,349	83.24%
ii) Local currency financial assets					
Loans to the Government of Bangladesh	Ba3	178,018,700	3.16%	7,268,500	0.15%
Securities purchased under agreement to resell	A	169,462,750	3.01%	2,180,000	0.05%
Local currency investments	Unrated	1,318,131,179	23.41%	552,168,542	11.52%
Loans to banks, financial institutions	A	36,069,319	0.64%	7,654,757	0.16%
Loans to banks, financial institutions	Aaa to Aa	312,098,427	5.54%	101,888,285	2.13%
Loans to banks, financial institutions	Ba to B	11,855,559	0.21%	54,534,481	1.14%
Loans to banks, financial institutions	Baa	1,969,624	0.03%	379,058	0.01%
Loans to banks, financial institutions	Unrated	64,025,959	1.14%	22,310,858	0.47%
Loans to employees	-	49,350,810	0.88%	46,136,964	0.96%
Other local currency financial assets	-	90,531,418	1.61%	4,929,823	0.10%
Taka coin and cash balances	-	3,582,958	0.06%	4,074,800	0.09%
Total		2,235,096,703	39.70%	803,526,068	16.76%
Total financial assets (i+ii)		5,630,219,873	100.00%	4,793,378,417	100.00%



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In Thousand Tk.

In Thousand Tk					
Particulars	Credit Rating	2023		2022	
		Amount	% of financial assets	Amount	% of financial assets
i) Foreign currency financial assets					
Foreign Currency Accounts	P-1	88,946,844	1.58%	78,519,805	1.64%
Overnight investment	P-1	469,186,507	8.35%	333,247,420	6.96%
Short term deposits with overseas commercial banks	P-1	250,233,646	4.45%	650,493,866	13.59%
US Dollar treasury bills	Aaa	23,067,946	0.41%	93,246,868	1.95%
Foreign bonds	Aaa	636,077,802	11.31%	669,843,472	14.00%
Foreign bonds	Aa1, Aa2, Aa3	94,485,526	1.68%	109,654,174	2.29%
Foreign bonds	A1, A2,A3	78,239,196	1.39%	102,989,451	2.15%
Foreign bonds	Baa1, Baa2, Baa3,Ba1, Ba2, Ba3,B1,B2,B3	117,009,342	2.08%	163,752,206	3.42%
US Treasury Notes	Aaa	656,339,744	11.68%	658,982,606	13.77%
Foreign currency loans to banks	A	23,106,685	0.41%	22,022,104	0.46%
Foreign currency loans to banks	Aaa to Aa	435,714,329	7.75%	660,659,523	13.81%
Foreign currency loans to banks	Baa,Ba, B	50,008,120	0.89%	3,306,591	0.07%
Foreign currency loans to banks	Unrated	2,589,193	0.05%	19,652,268	0.41%
Claims from Gold transaction	A3	37,757,643	0.67%	31,629,227	0.66%
Assets held with International Monetary Fund	Unrated	415,910,328	7.40%	376,731,118	7.87%
Other foreign currency financial assets	Unrated	16,450,320	0.29%	15,121,651	0.32%
Total		3,395,123,170	60.39%	3,989,852,349	83.38%
ii) Local currency financial assets					
Loans to the Government of Bangladesh	Ba3	178,018,700	3.17%	7,268,500	0.15%
Securities purchased under agreement to resell	A	169,462,750	3.01%	2,180,000	0.05%
Local currency investments	Unrated	1,313,565,685	23.37%	546,969,203	11.43%
Loans to banks, financial institutions	A	36,069,319	0.64%	7,654,757	0.16%
Loans to banks, financial institutions	Aaa to Aa	312,098,427	5.55%	101,888,285	2.13%
Loans to banks, financial institutions	Ba to B	11,855,559	0.21%	54,534,481	1.14%
Loans to banks, financial institutions	Baa	1,969,624	0.04%	379,058	0.01%
Loans to banks, financial institutions	Unrated	64,025,959	1.14%	22,310,858	0.47%
Loans to employees	-	47,461,936	0.84%	44,242,187	0.92%
Other local currency financial assets	-	89,667,613	1.60%	4,111,196	0.09%
Taka coin and cash balances	-	2,345,632	0.04%	3,664,924	0.08%
Total		2,226,541,205	39.61%	795,203,450	16.62%
Total financial assets (i+ii)		5,621,664,375	100%	4,785,055,799	100%

c. Collateral held and other credit enhancements and their financial effect

The Group holds collateral and other credit enhancements against certain of its credit exposures. The table below sets out the principal types of collateral held against different types of financial assets.

In thousand Tk.

Particulars	2023		2022	
	Amount	Principal type of Collateral	Amount	Principal type of Collateral
i) Foreign currency financial assets				
Foreign currency loans to banks	511,418,327	Debit Authorization, Demand Promissory Note	705,640,485	Debit Authorization, Demand Promissory Note
Assets held with International Monetary Fund	415,910,328	None	376,731,118	None
ii) Local currency financial assets				
Securities purchased under agreement to resell	169,462,750	Marketable Government Securities	2,180,000	Marketable Government Securities
Loans to the Government of Bangladesh	178,018,700	Government Guarantee	7,268,500	Government Guarantee
Local currency loans to banks, financial institutions and employees	473,927,804	- Government guarantee - Bank guarantee - Demand Promissory Note - Employee provident fund, gratuity fund and Mortgage of property	231,009,627	- Government guarantee - Bank guarantee - Demand Promissory Note - Employee provident fund, gratuity fund and Mortgage of property

The Bank monitors the value of collateral and requests additional collateral in accordance with the underlying agreement if deem necessary. The Bank reviews the adequacy of the allowance for loan impairment while monitoring the value of collateral.

As described in the table above the Bank receives collateral in the form of financial instruments in respect to the instruments due from financial institutions. Similar arrangements, if considered as master netting arrangements, do not meet the criteria for offsetting in the statement of financial position. This is because the Bank obtains a right of set-off of recognized amounts that is enforceable only following an event of default, insolvency or bankruptcy of the counterparties. The Bank and its counterparties do not intend to settle on a net basis or to realize the assets and settle the liabilities simultaneously.



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II. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Liquidity risk can be caused by market disruptions or credit downgrades which may cause certain sources of funding to dry up immediately. To mitigate this risk, the Group has diversified funding sources and assets are managed with liquidity in mind.

The table below summarizes the maturity profile of the Group's financial assets and liabilities based on the contractual repayment date determined on the basis of the remaining period at the statement of financial position date to the contractual maturity date. Assets and liabilities will mature within the following periods:

Consolidated

30 June 2023

Particulars	In Thousand Tk.				
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
Foreign currency financial assets					
Foreign currency accounts	88,946,844	-	-	-	-
Foreign investments	623,412,895	122,931,773	255,515,115	1,322,779,926	-
Assets held with International Monetary Fund	278,149,209	1,882,351	47,699	-	135,831,068
Gold and silver	-	-	-	-	54,093,399
Claims from Gold transaction	-	-	37,757,643	-	-
Foreign currency loans to banks	38,988,432	97,628,924	346,173,640	16,200,659	12,426,671
Other foreign currency financial assets	-	11,226,096	-	5,224,144	80
Total	1,029,497,381	233,669,143	639,494,098	1,344,204,729	202,351,218
Local currency financial assets					
Taka coin and cash balances	3,582,958	-	-	-	-
Securities purchased under agreement to resell	169,462,750	-	-	-	-
Loans to the Government of Bangladesh	178,018,700	-	-	-	-
Local currency investments	101,367,263	119,309,563	367,852,689	341,248,753	388,352,910
Local currency loans to Banks, FIs and employees	37,154,503	100,866,438	165,497,995	124,284,481	48,013,260
Other local currency financial assets	90,531,418	-	-	-	-
Total	580,117,592	220,176,002	533,350,684	465,533,234	436,366,170
Total financial assets	1,609,614,973	453,845,145	1,172,844,782	1,809,737,963	638,717,388
Foreign currency financial liabilities					
Deposits from banks and financial institutions	248,898,292	-	-	-	-
Liabilities with International Monetary Fund	1,917,565	1,379,126	9,022,820	7,733,828	380,272,867
Other foreign currency financial liabilities	-	-	56,260,118	-	-
Total	250,815,857	1,379,126	65,282,939	7,733,828	380,272,867
Local currency financial liabilities					
Notes in circulation	3,101,560,298	-	-	-	-
Deposits from banks and financial institutions	714,863,215	-	-	-	-
Other local currency financial liabilities	5,043	1,527	11,772,365	43,186,216	83,850,900
Total	3,816,428,556	1,527	11,772,365	43,186,216	83,850,900
Total financial liabilities	4,067,244,413	1,380,653	77,055,304	50,920,044	464,123,767
Maturity Gap	(2,457,629,440)	452,464,492	1,095,789,478	1,758,817,919	174,593,621

30 June 2022

Particulars	In Thousand Tk.				
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
Foreign currency financial assets					
Foreign currency accounts	78,519,805	-	-	-	-
Foreign investments	422,342,806	609,253,183	314,753,836	1,435,860,238	-
Assets held with International Monetary Fund	258,631,660	301,040	-	-	117,798,418
Gold and silver	-	-	-	-	45,306,167
Claims from Gold Transactions	15,882,258	15,746,969	-	-	-
Foreign currency loans to banks	55,365,043	133,278,877	504,759,248	8,538,234	3,699,084
Other foreign currency financial assets	-	9,897,427	-	5,224,144	80
Total	830,741,573	768,477,495	819,513,084	1,449,622,617	166,803,749
Local currency financial assets					
Taka coin and cash balances	4,074,800	-	-	-	-
Securities purchased under agreement to resell	2,180,000	-	-	-	-
Loans to the Government of Bangladesh	-	7,268,500	-	-	-
Local currency investments	8,741,920	74,156,945	131,044,116	122,468,820	215,756,741
Local currency loans to Banks, FIs and employees	18,227,432	25,605,862	101,148,413	63,272,043	24,650,654
Other local currency financial assets	4,929,823	-	-	-	-
Total	38,153,974	107,031,306	232,192,529	185,740,863	240,407,395
Total financial assets	868,895,547	875,508,801	1,051,705,613	1,635,363,480	407,211,144
Foreign currency financial liabilities					
Deposits from banks and financial institutions	260,928,491	-	-	-	-
Liabilities with International Monetary Fund	2,849,391	12,688,048	-	14,747,178	307,029,686
Other Foreign currency Financial Liabilities	-	-	18,761,840	-	-
Total	263,777,882	12,688,048	18,761,840	14,747,178	307,029,686
Local currency financial liabilities					
Notes in circulation	2,545,233,913	-	-	-	-
Deposits from banks and financial institutions	909,261,888	-	-	-	-
Other local currency financial liabilities	5,054	1,352	13,122,648	75,203,327	89,561,601
Total	3,454,500,855	1,352	13,122,648	75,203,327	89,561,601
Total financial liabilities	3,718,278,737	12,689,400	31,884,488	89,950,505	396,591,287
Maturity gap	(2,849,383,190)	862,819,401	1,019,821,125	1,545,412,975	10,619,857



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30 June 2023						
Particulars	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Foreign currency financial assets						
Foreign currency accounts	88,946,844	-	-	-	-	-
Foreign investments	623,412,895	122,931,773	255,515,115	1,322,779,926	-	-
Assets held with International Monetary Fund	278,149,209	1,882,351	47,699	-	-	135,831,068
Gold and silver	-	-	-	-	-	54,093,399
Claims from Gold transaction	-	-	37,757,643	-	-	-
Foreign currency loans to banks	38,988,432	97,628,924	346,173,640	16,200,659	-	12,426,671
Other foreign currency financial assets	-	11,226,096	-	5,224,144	-	80
Total	1,029,497,381	233,669,143	639,494,098	1,344,204,729	202,351,218	
Local currency financial assets						
Taka coin and cash balances	2,345,632	-	-	-	-	-
Securities purchased under agreement to resell	169,462,750	-	-	-	-	-
Loans to the Government of Bangladesh	178,018,700	-	-	-	-	-
Local currency investments	101,367,263	119,309,563	351,294,647	341,248,753	-	400,345,458
Local currency loans to Banks, FIs and employees	37,154,503	100,866,438	165,497,995	124,284,481	-	46,124,386
Other local currency financial assets	-	25,247,613	-	-	-	-
Total	488,348,848	220,176,002	516,792,642	465,533,234	446,469,844	
Total financial assets	1,517,846,229	453,845,145	1,156,286,740	1,809,737,963	648,821,062	
Foreign currency financial liabilities						
Deposits from banks and financial institutions	248,898,292	-	-	-	-	-
Liabilities with International Monetary Fund	1,917,565	1,379,126	9,022,820	7,733,828	-	380,272,867
Other foreign currency financial liabilities	-	-	56,260,118	-	-	-
Total	250,815,857	1,379,126	65,282,939	7,733,828	380,272,867	
Local currency financial liabilities						
Notes in circulation	3,101,560,298	-	-	-	-	-
Deposits from banks and financial institutions	714,863,215	-	-	-	-	-
Other local currency financial liabilities	5,043	1,527	11,619,875	42,271,371	-	83,620,469
Total	3,816,428,556	1,527	11,619,875	42,271,371	83,620,469	
Total financial liabilities	4,067,244,413	1,380,653	76,902,814	50,005,199	463,893,335	
Maturity gap	(2,549,398,184)	452,464,492	1,079,383,926	1,759,732,764	184,927,727	
30 June 2022						
Particulars	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Foreign currency financial assets						
Foreign currency accounts	78,519,805	-	-	-	-	-
Foreign investments	422,342,806	609,253,183	314,753,836	1,435,860,238	-	-
Assets held with International Monetary Fund	258,631,660	301,040	-	-	-	117,798,418
Gold and silver	-	-	-	-	-	45,306,167
Claims from Gold Transactions	15,882,258	15,746,969	-	-	-	-
Foreign currency loans to banks	55,365,043	133,278,877	504,759,248	8,538,234	-	3,699,084
Other foreign currency financial assets	-	9,897,427	-	5,224,144	-	80
Total	830,741,573	768,477,495	819,513,084	1,449,622,617	166,803,749	
Local currency financial assets						
Taka coin and cash balances	3,664,924	-	-	-	-	-
Securities purchased under agreement to resell	2,180,000	-	-	-	-	-
Loans to the Government of Bangladesh	-	7,268,500	-	-	-	-
Local currency investments	8,741,920	74,156,945	113,852,229	122,468,820	-	227,749,289
Local currency loans to Banks, FIs and employees	18,227,432	25,605,862	101,148,413	63,272,043	-	22,755,877
Other local currency financial assets	4,111,196	-	-	-	-	-
Total	36,925,472	107,031,306	215,000,642	185,740,863	250,505,166	
Total financial assets	867,667,045	875,508,801	1,034,513,726	1,635,363,480	417,308,915	
Foreign currency financial liabilities						
Deposits from banks and financial institutions	260,928,491	-	-	-	-	-
Liabilities with International Monetary Fund	2,849,391	12,688,048	-	14,747,178	-	307,029,686
Other foreign currency financial assets	-	-	18,761,840	-	-	-
Total	263,777,882	12,688,048	18,761,840	14,747,178	307,029,686	
Local currency financial liabilities						
Notes in circulation	2,545,233,913	-	-	-	-	-
Deposits from banks and financial institutions	260,928,491	-	-	-	-	-
Other local currency financial liabilities	5,054	1,352	12,202,440	74,173,957	-	89,561,601
Total	2,806,167,458	1,352	12,202,440	74,173,957	89,561,601	
Total financial liabilities	3,069,945,340	12,689,400	30,964,280	88,921,135	396,591,287	
Maturity gap	(2,202,278,295)	862,819,401	1,003,549,446	1,546,442,345	20,717,628	



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III. Market risk

Market risk is the probability of experiencing losses due to changes in market prices – such as foreign exchange rates, interest rates and equity prices – which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. In Bangladesh Bank, foreign exchange reserve management and investment functions are guided by an Investment Committee. Decision of the Investment Committee and dealing practices approved by the Investment Committee serve as operational guidelines for Bangladesh Bank's reserve management and investments. The guidelines are directed towards managing different types of risks, while earning a reasonable return. There is an approved benchmark for investment in terms of currency composition, portfolio duration and proportion of different assets within a band. Dealers/portfolio managers afford best to comply with this benchmark and continually rebalance the investment portfolio to follow the benchmark on daily/weekly basis as approved by the Investment Committee.

Foreign currency monetary assets and liabilities

In Thousand Tk.

30 June 2023										
Particulars	US\$ equivalent	Gold and Silver equivalent	EURO equivalent	GBP equivalent	Japanese Yen equivalent	Canadian \$ equivalent	Australian \$ equivalent	Chinese Yuan Renminbi equivalent	SDR equivalent	Others equivalent
Assets										
Held in other Central Banks and Foreign Commercial Banks	15,934,114	-	23,956,964	6,213,724	28,950,262	3,992,213	4,472,599	5,253,222	-	173,745
Overnight investment	461,577,000	-	7,609,507	-	-	-	-	-	-	-
Short term deposits in overseas commercial banks	88,627,941	-	49,640,112	62,417,191	-	17,587,416	4,669,540	27,291,446	-	-
US Dollar treasury bills	23,067,946	-	-	-	-	-	-	-	-	-
Foreign bonds	643,381,823	-	108,024,158	80,121,451	4,270,810	30,523,297	54,679,513	-	-	4,810,815
US Treasury Notes	656,339,744	-	-	-	-	-	-	-	-	-
Loan to Banks	504,078,387	-	7,339,940	-	-	-	-	-	-	-
Claims from gold transaction	-	91,851,042	-	-	-	-	-	-	-	-
Interest receivable	8,700,489	11,873	1,288,608	523,437	3,579	187,352	470,049	13,034	-	27,677
Asset held with IMF	-	-	-	-	-	-	-	-	415,910,328	-
Total	2,401,707,444	91,862,915	197,859,287	149,275,802	33,224,651	52,290,279	64,291,701	32,557,703	415,910,328	5,012,237
Liabilities										
Deposits from other banks, financial institutions and ACU	244,874,398	-	3,467,117	541,471	14,794	319	-	191.44	-	-
Liabilities to IMF	-	-	-	-	-	-	-	-	400,326,205	-
Swap liability to CBSL	-	-	-	-	-	-	-	-	-	21,291,694
ESCROW account	34,968,424	-	-	-	-	-	-	-	-	-
Total	279,842,822	-	3,467,117	541,471	14,794	319	-	191	400,326,205	21,291,694
Net	2,121,864,622	91,862,915	194,392,170	148,734,331	33,209,857	52,289,960	64,291,701	32,557,512	15,584,123	(16,279,458)



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30 June 2022										
Particulars	US\$ equivalent	Gold and Silver equivalent	EURO equivalent	GBP equivalent	Japanese Yen equivalent	Canadian \$ equivalent	Australian \$ equivalent	Chinese Yuan Renminbi equivalent	SDR equivalent	Others equivalent
Assets										
Held in other Central Banks and Foreign Commercial Banks	1,255,243	-	12,245,535	7,642,524	54,132,776	627,590	811,699	1,713,436	-	91,001
Overnight investment	308,702,730	-	24,544,690	-	-	-	-	-	-	-
Short term deposits in overseas commercial banks	452,831,500	-	7,829,381	83,452,592	-	53,446,047	3,224,493	47,526,962	-	2,182,891
US Dollar treasury bills	93,246,868	-	-	-	-	-	-	-	-	-
Foreign bonds	737,989,016	-	132,431,967	72,726,888	10,143,545	33,262,969	55,526,610	-	-	4,158,308
US Treasury Notes	658,982,606	-	-	-	-	-	-	-	-	-
Loan to Banks	705,640,485	-	5,540,602	-	-	-	-	-	-	-
Claims from gold transaction	-	76,939,855	-	-	-	-	-	-	-	-
Interest receivable	7,245,660	-	176,566	525,456	15,674	218,378	478,945	175,799	-	22,143
Asset held with IMF	-	-	-	-	-	-	-	-	376,731,118	-
Total	2,965,894,109	76,939,855	182,768,742	164,347,460	64,291,995	87,554,984	60,041,747	49,416,198	376,731,118	6,454,343
Liabilities										
Deposits from other banks, financial institutions and ACU	257,547,842	-	2,941,573	426,000	12,801	276	-	-	-	-
Liabilities to IMF	-	-	-	-	-	-	-	-	337,314,306	-
Swap liability to CBSL	-	-	-	-	-	-	-	-	-	18,761,840
Total	257,547,842	-	2,941,573	426,000	12,801	276	-	-	337,314,306	18,761,840
Net	2,708,346,267	76,939,855	179,827,168	163,921,461	64,279,194	87,554,708	60,041,747	49,416,198	39,416,812	(12,307,497)

Currency risk sensitivity analysis

During the year, if the Taka had weakened 10 per cent against the principal currencies in its foreign reserves portfolio with all other variables held constant, profit for the year would have been Tk. 363,973.53 million higher, (2022: Tk. 29,163.12 million). Conversely, if the Taka had strengthened 10 per cent against the same currencies with all other variables held constant, the Bank would have experienced a decrease of profit for the year of Tk. 363,973.53 million, (2022: Tk. 29,163.12 million). Profit/Loss is very sensitive to changes in exchange rate movements. The bank as part of its core functions holds substantial foreign currency assets.



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b) Interest rate risk

Interest rate risk is the risk of loss arising from changes in interest rates. The Group is exposed to interest rate risk as a result of mismatches of interest rate re-pricing of assets and liabilities. Since the primary objective of the Bank is to achieve and maintain price stability, it determines at its own discretion the monetary policy that it will implement and the monetary policy instruments that is going to use in order to achieve and maintain price stability. Bank's interest sensitivity position based on contractual re-pricing arrangements as on 30 June 2023 is presented below. It includes the Bank's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing of maturity dates. The table below summaries all financial instruments in their re-pricing period, which is equivalent to the remaining term of maturity:

Consolidated

In Thousand Tk.

30 June, 2023						
Particulars	Balance as at 30 June 2023	Re-pricing period				Weighted average interest
		0 to 3 months	3 to 12 months	1 to 5 years	over 5 years	
Assets						
Foreign currency financial assets						
Foreign currency accounts	88,946,844	88,946,844	-	-	-	2.91%
Foreign investments	2,324,639,709	746,344,667	255,515,115	1,322,779,926	-	1.44%
Assets held with International Monetary Fund	415,910,328	280,031,560	47,699	-	135,831,068	3.98%
Foreign currency loans to banks	511,418,327	136,617,356	346,173,640	16,200,659	12,426,671	2.61%
Other foreign currency financial assets	16,450,320	11,226,096	-	5,224,144	80	0.00%
Total Foreign currency financial assets	3,357,365,528	1,263,166,523	601,736,455	1,344,204,729	148,257,819	
Local currency financial assets						
Loans to the Government of Bangladesh	178,018,700	178,018,700	-	-	-	5.05%
Local currency investments	1,318,131,179	220,676,826	367,852,689	341,248,753	388,352,910	6.67%
Local currency loans to banks, financial institutions and employees	475,816,678	138,020,941	165,497,995	124,284,481	48,013,260	1.69%
Total Local currency financial assets	1,971,966,557	536,716,467	533,350,684	465,533,234	436,366,170	
Liabilities						
Foreign currency financial liabilities						
Deposits from banks and financial institutions	248,898,292	248,898,292	-	-	-	1.02%
Liabilities with International Monetary Fund	400,326,205	3,296,691	9,022,820	7,733,828	380,272,867	3.98%
Total foreign currency financial liabilities	649,224,497	252,194,983	9,022,820	7,733,828	380,272,867	
Local currency financial liabilities						
Deposits from banks and financial institutions	714,863,215	714,863,215	-	-	-	0.00%
Total local currency financial liabilities	714,863,215	714,863,215	-	-	-	



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30 June, 2022							In Thousand Tk.
Particulars	Balance as at 30 June 2022	Re-pricing period				Weighted average interest	
		0 to 3 months	3 to 12 months	1 to 5 years	over 5 years		
Assets							
Foreign currency financial assets							
Foreign currency accounts	78,519,805	78,519,805	-	-	-	0.34%	
Foreign investments	2,782,210,063	1,031,595,989	314,753,836	1,435,860,238	-	1.45%	
Assets held with International Monetary Fund	376,731,118	258,932,700	-	-	117,798,418	0.89%	
Foreign currency loans to banks	705,640,485	188,643,919	504,759,248	8,538,234	3,699,084	1.00%	
Other foreign currency financial assets	15,121,651	9,897,427	-	5,224,144	80	0.00%	
Total Foreign currency financial assets	3,958,223,122	1,567,589,840	819,513,084	1,449,622,617	121,497,582		
Local currency financial assets							
Loans to the Government of Bangladesh	7,268,500	7,268,500	-	-	-	5.00%	
Local currency investments	552,168,542	82,898,865	131,044,116	122,468,820	215,756,741	4.84%	
Local currency loans to banks, financial institutions and employees	232,904,404	43,833,294	101,148,413	63,272,043	24,650,654	3.00%	
Total Local currency financial assets	792,341,446	134,000,658	232,192,529	185,740,863	240,407,394		
Liabilities							
Foreign currency financial liabilities							
Deposits from banks and financial institutions	260,928,491	260,928,491	-	-	-	0.72%	
Liabilities with International Monetary Fund	337,314,306	15,537,439	-	14,747,178	307,029,686	0.89%	
Total foreign currency financial liabilities	598,242,797	276,465,930	-	14,747,178	307,029,686		
Local currency financial liabilities							
Deposits from banks and financial institutions	909,261,888	909,261,888	-	-	-	0.00%	
Total local currency financial liabilities	909,261,888	909,261,888	-	-	-		



BANGLADESH BANK
NOTES TO THE FINANCIAL STATEMENTS
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Separate

30 June, 2023

In Thousand Tk.

Particulars	Balance as at 30 June 2023	Re-pricing period				Weighted average interest
		0 to 3 months	3 to 12 months	1 to 5 years	over 5 years	
Assets						
Foreign currency financial assets						
Foreign currency accounts	88,946,844	88,946,844	-	-	-	2.91%
Foreign investments	2,324,639,709	746,344,667	255,515,115	1,322,779,926	-	1.44%
Assets held with International Monetary Fund	415,910,328	280,031,560	47,699	-	135,831,068	3.98%
Foreign currency loans to banks	511,418,327	136,617,356	346,173,640	16,200,659	12,426,671	2.61%
Other foreign currency financial assets	16,450,320	11,226,096	-	5,224,144	80	0.00%
Total Foreign currency financial assets	3,357,365,528	1,263,166,523	601,736,455	1,344,204,729	148,257,820	
Local currency financial assets						
Loans to the Government of Bangladesh	178,018,700	178,018,700	-	-	-	5.05%
Local currency investments	1,313,565,685	-	-	341,248,753	400,345,458	6.67%
Local currency loans to banks, financial institutions and employees	473,927,804	138,020,941	165,497,995	124,284,481	46,124,386	1.69%
Total Local currency financial assets	1,965,512,189	316,039,641	165,497,995	465,533,234	446,469,845	
Liabilities						
Foreign currency financial liabilities						
Deposits from banks and financial institutions	248,898,292	248,898,292	-	-	-	1.02%
Liabilities with International Monetary Fund	400,326,205	3,296,691	9,022,820	7,733,828	380,272,867	3.98%
Total foreign currency financial liabilities	649,224,497	252,194,983	9,022,820	7,733,828	380,272,867	
Local currency financial liabilities						
Deposits from banks and financial institutions	714,863,215	714,863,215	-	-	-	0.00%
Total local currency financial liabilities	714,863,215	714,863,215	-	-	-	



BANGLADESH BANK
NOTES TO THE FINANCIAL STATEMENTS
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In Thousand Tk.

30 June, 2022						
Particulars	Balance as at 30 June 2022	Re-pricing period				Weighted average interest
		0 to 3 months	3 to 12 months	1 to 5 years	over 5 years	
Assets						
Foreign currency financial assets						
Foreign currency accounts	78,519,805	78,519,805	-	-	-	0.34%
Foreign investments	2,782,210,063	1,031,595,989	314,753,836	1,435,860,238	-	1.45%
Assets held with International Monetary Fund	376,731,118	258,932,700	-	-	117,798,418	0.89%
Foreign currency loans to banks	705,640,485	188,643,919	504,759,248	8,538,234	3,699,084	1.00%
Other foreign currency financial assets	15,121,651	9,897,427	-	5,224,144	80	0.00%
Total Foreign currency financial assets	3,958,223,122	1,567,589,840	819,513,084	1,449,622,617	121,497,583	
Local currency financial assets						
Loans to the Government of Bangladesh	7,268,500	7,268,500	-	-	-	5.00%
Local currency investments	546,969,203	82,898,865	113,852,229	123,118,820	227,099,289	4.84%
Local currency loans to banks, financial institutions and employees	231,009,627	43,833,294	101,148,413	63,272,043	22,755,877	3.00%
Total Local currency financial assets	785,247,330	134,000,658	215,000,642	186,390,863	249,855,167	
Liabilities						
Foreign currency financial liabilities						
Deposits from banks and financial institutions	260,928,491	260,928,491	-	-	-	0.72%
Liabilities with International Monetary Fund	337,314,306	15,537,439	-	14,747,178	307,029,686	0.89%
Total foreign currency financial liabilities	598,242,797	276,465,930	-	14,747,178	307,029,686	
Local currency financial liabilities						
Deposits from banks and financial institutions	909,261,888	909,261,888	-	-	-	0.00%
Total local currency financial liabilities	909,261,888	909,261,888	-	-	-	

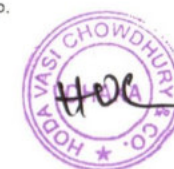
Interest rate risk sensitivity analysis

During the year, if interest rates had been 100 basis points higher with all other variables constant, profit for the year would have been Tk. 56,811.90 million higher (2022: Tk. 46,033.23 million), arising mainly as a result of higher interest income on financial assets. Conversely, if interest rates had been 100 basis point lower with all other variables held constant, profit for the year would have been Tk. 56,811.90 million lower (2022: Tk. 46,033.23 million) arising mainly as a result of lower interest income on financial assets. Profit is very sensitive to changes in interest rates as interest is the principal source of income of the bank.

IV. Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks, such as those arising from human error, failure of internal processes and systems, legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations.

Managing operational risk is seen as an integral part of the day to day operations and management which includes explicit consideration of both the opportunities and the risks of all business activities. Operational risk management includes Bank-wide corporate policies that describe the standard required for staff and specific internal control systems designed for the various activities of the Group. Compliance with corporate policies and departmental internal control systems are managed by the management of the department and an active internal audit function.



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43 Contingent liabilities

Contingent liabilities are possible obligations that could result from uncertain future events outside the bank's control. The Bank have contingent liabilities for guarantees outstanding as at 30 June 2023 amounting to Taka 84,555.35 million in favor of International Islamic Trade Finance Corporation & others which are secured by counter guarantees from the Government of Bangladesh. The Bank had contingent liabilities for guarantees outstanding as at 30 June 2022 to Taka 42,052.73.

In addition to the liabilities stated above, the Bank is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material effect on the financial position or the results of operations of the Bank. Management is of the opinion that no material unaccrued losses will be incurred and accordingly no provision has been made in these financial statements.

44 Operating segments

The Bank's operation is concentrated in one geographical area - Bangladesh and as such comprise a single operating segment for the purpose of IFRS 8, the relevant standard for such segmentation. While the Bank is required by the Bangladesh Bank Order to report revenue and expenses by references to the functions carried out by the Bank viz. Issue and Banking department, these activities do not constitute separate operating segments for the purpose of IFRS 8.

45 Actuarial valuation of defined benefit plans

Most recent actuarial valuation was performed as at 30 June 2016 basis by an independent actuarial firm, AIR Consulting. According to the valuation report, the estimated obligation of the pension fund as at 30 June 2016 was Taka 15,494,646 thousands and for the gratuity fund it was Taka 1,217,791 thousands. For subsequent years, the obligations are calculated based on the recommendations made by the actuarial firm.

As at 30 June 2023 the obligation for pension fund and gratuity fund was calculated to Taka 26,570.88 million and Taka 2,086.59 million respectively. The balances of the funds are as under:

Particulars	Pension plans		Gratuity plans	
	2023	2022	2023	2022
	In Thousand Tk.			
Amounts recognised in the reporting date				
Balance at the beginning of the year	24,625,583	22,816,002	1,939,387	1,800,643
Paid during the year	(2,194,683)	(1,715,041)	(51,790)	(105,723)
Current year's contribution/transfer	4,139,982	3,524,622	198,997	244,467
Balance of the fund	26,570,883	24,625,583	2,086,594	1,939,387

Actuarial assumptions

Particulars	Pension plans		Gratuity plans	
	2023	2022	2023	2022
	In Thousand Tk.			
Discount rate	7.50%	7.50%	6.10%	6.10%
Salary growth rate	5%	5%	5%	5%

The assumptions regarding future mortality rate are based on the published statistics and mortality tables of the FA 1975-78 (based on experience collected from UK insurers).

Sensitivity

If the discount rate had been 100 basis points lower with all other variables constant, contribution for pension fund and gratuity fund for the year would have been Taka 1,748.22 million and Taka 132.65 million higher respectively, arising mainly as a result of lower discount income. Conversely, if discount rate had been 100 basis point higher with all other variables held constant, contribution for the same during the year would have been Taka 1,748.22 million and Taka 132.65 million lower respectively, arising mainly as a result of higher discount income. Discount rate is very sensitive for calculation of contribution.

46 Capital and material commitments

Capital commitment is the projected capital expenditure that the Bank commits to spend. As at 30 June 2023, the Bank had outstanding capital commitments of Taka. 636.47 million with respect to different civil, mechanical and electrical engineering tools with computer purchases. (2022: 761.85 million).

Material commitment is the commitment made by the bank to extend credit to the external party. The bank created Bangladesh Infrastructure Development Fund (BIDF) to support financing of Government priority infrastructure projects subject to fulfilling several qualifying criteria. As of 30 June 2023, there are two projects for which the bank has committed the following amount:

- a) Project of Capital and Maintenance Dredging of Rabnabad Channel, Payra Port through Sonali Bank Limited:
Committed amount: BDT 35,738.13 million (2022: BDT 48,451.24 million).
- b) Project of Payra-Gopalganj-Aminbazar 400KV Double Circuit Transmission Line through Agrani Bank Limited:
Committed amount: BDT 33,203.44 million. (2022: BDT 29,272.28 million).

Apart from these amount, there are following instances where the Bank has commitment as at 30 June 2023:

- a) Under the arrangement of IDB-ITFC syndicate loan, there is a commitment of BDT 55,120.00 million from the Bank's part.
- b) Under the different refinance scheme undertaken by the Bank, there is a commitment of BDT 773.57 million.

47 Related parties transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In the case of the Bank, related parties, as defined in IAS 24 : *Related Parties Disclosure*, include directors and officers of the Bank, and companies of whom they are principal owners and key management personnel. Banking transactions are entered into with related parties on agreed terms and conditions on an arms length basis.

The Bank is fully owned by the Government of Bangladesh. Government has interests in various entities such as state owned banks, specialised banks and corporations. Bank deals with these entities on the directives of the government in line with its monetary policy objectives.

The outstanding amount as at the reporting date and simple average balances during the year with respect to related parties included in the statement of financial position are as follows:

Particulars	2023		2022	
	Outstanding	Average	Outstanding	Average
Outstanding balances with the government of Bangladesh				
Ways and means advance	80,000,000	43,634,250	7,268,500	3,634,250
Overdraft-Current	98,018,700	49,009,350	-	-
Treasury bills	504,989,926	346,370,639	187,751,353	101,075,923
Treasury bonds	792,630,759	567,951,805	343,272,850	311,632,664
Other assets (interest receivable)	25,077,770	14,541,796	4,005,821	3,363,094
	1,500,717,154	1,021,507,839	542,298,525	419,705,931



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Particulars	In Thousand Tk.			
	2023		2022	
	Outstanding	Average	Outstanding	Average
Other liabilities				
Deposits	5,043	5,049	5,054	13,517,964
Loan from Government of Bangladesh	23,925,031	23,953,719	23,982,406	24,471,162
	23,930,074	23,958,767	23,987,461	37,989,126
Balances related to subsidiary (SPCBL)				
Other assets (Prepayments and advances)	335,635	177,349	19,063	221,574
Other liabilities (Sundry creditors)	1,448,387	1,250,520	1,052,653	745,212

The income and expenses in respect of related parties included in the statement of profit or loss are as follows:

	2023	2022
Income and expenses related to government		
Interest income	72,112,806	19,757,328
Commission received	8,931	9,009
	72,121,737	19,766,338
Expenses		
Agency charges	5,518,000	6,717,800
Underwriting commission on treasury bills and bonds	481,300	441,800
	5,999,300	7,159,600
Income and expenses related to subsidiary (The Security Printing Corporation)		
Dividend income	720,000	600,000
Note printing expenses	3,740,385	3,842,541

Key management personnel

*Salaries, wages and other benefits (refer note 47.06)	7,787	7,998
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* Reference period's figure has been updated

47.01 Transactions with Government and Government controlled enterprises

In the normal course of its operations, the Bank enters into transactions with related parties. Related parties include the Government of Bangladesh; as ultimate owner of the Bank, various Government departments, and the Government controlled enterprises/entities. All transactions are carried out with reference to market rates. Transactions entered into include:

- Acting as the fiscal agent, banker and financial advisor of the Government; the Bank is the depository of the Government and or its agents or institutions and provides banking services to Government and Government departments and corporations;
- Acting as the agent of the Government or its agencies and institutions, provide guarantees, participate in loans to Government or related institutions and foreign reserve;
- The Bank does not ordinarily collect any commission, fees, or other charges for services which it renders to the Government and related entities;
- Acting as the agent of the Government, the Bank issues securities of Government, purchases any unsubscribed portion of any issue and amounts set aside for the Bank; and
- As the agent of the Government manages public debt and foreign reserves.

During the year, the Bank received an amount of Taka 8,064,877.30 million (in 2022: Tk. 6,990,991.80 million) and paid Taka 8,235,627.51 million (in 2022: 7,011,695.20 million) on behalf of the Government. As at 30 June 2023, total outstanding balance was Taka 178,018.70 million (2022: 726.85 million).

- Assets under management:

	2023	2022
Japan Debt Relief Grant	110,297	103,392

The Bank acts as agent on behalf of Government of Bangladesh for managing the Japan Debt Relief Grant.

47.02 Transactions with entities in which the Bank has significant investments

During the year, the Bank received debenture interest from House Building Finance Corporation (HBFC) amounting to Tk. 190.75 million which is included in the interest income.

47.03 Transactions with controlled entities

During the year, the Bank incurred expenses of Taka 3,740.38 million (2022: Taka 3,842.54 million) as note printing cost through The Security Printing Corporation (Bangladesh) Ltd. The amount is included in the statement of profit or loss of the Bank. It is a 100% owned subsidiary of the Bank. These transactions are eliminated in preparing consolidated financial statements. During the year, The Security Printing Corporation (Bangladesh) Ltd. paid dividend amounting to Taka 720 million (2022: 720 million) as per decision of their Board.

47.04 Transactions with retirement benefit plans

During the year, the Group was not required to contribute any amount to the retirement benefit plans (consisting of contribution to pension plans including widow/widowers), as sufficient reserve is available as per the actuarial valuation report. Amounts of balances held in the financial statements maintained by these retirement benefit plans are given in note 45.



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47.05 Board of Directors of Bangladesh Bank and Key Management Personnel as on 30 June 2023 -

Name	Chairman/Members of the Board of Directors	Executive Committee members	Audit committee members
Mr. Abdur Rouf Talukder - appointed as the Chairman of the Board of Directors for a period of four years from July 12, 2022 for contract service up to 11 July, 2026. He also holds the post of Governor of the Bangladesh Bank.	Chairman	Chairman	-
Mr. Abu Hena Md. Rahmatul Muneem - First appointed on January 09, 2020 as a Director of the Board of Bangladesh Bank and then reappointed on 06 January, 2022 as contract service which is subject to being in current position which is the post of Senior Secretary, Internal Resources Division & Chairman, National Board of Revenue, Govt. of the Peoples Republic of Bangladesh but not more than 02 (two) years.	Member	-	-
MS. Fatima Yasmin - appointed as the Board of Directors of Bangladesh Bank on 20 July 2022. She holds the position of Senior Secretary, Finance Division, Ministry of Finance, Govt. of the People's Republic of Bangladesh.	Member	-	-
Mr. Sheikh Mohammad Salim Ullah - appointed as a Director of the Board of Bangladesh Bank on September 01, 2021. He also holds the post of Secretary, Financial Institution Division, Ministry of Finance, Govt. of the People's Republic of Bangladesh.	Member	Member	Member
Mr. Mahbub Ahmed - First appointed on September 03, 2019 as a Director of the Board of Bangladesh Bank. Subsequently, reappointed on September 03 2022 for a period of 03 years.	Member	Member	Convener
Mr. A. K. M. Aftab ul Islam, FCA - first appointed on 01 March 2017 and reappointed on 01 March 2023 as a Director of the Board of Bangladesh Bank for a period of 03 years.	Member	-	Member
Mr. Md. Nazrul Huda - First appointed on 05 January 2020 and reappointed on 05 January 2023 as a Director of the Board of Bangladesh Bank for a period of 03 years.	Member	-	Member
*Mr. Ahmed Jamal - appointed on January 17, 2021 as a Director of the Board of Bangladesh Bank and also holds the post of Deputy Governor, Bangladesh Bank.	Member	Member	-
Number of meetings held during the year	6	6	3

*Mr. Ahmed Jamal's tenure as Deputy Governor of Bangladesh Bank ended on 30 June 2023.

47.06 Remuneration of members of the Board of Directors and Key management personnel

Members of the Board of Directors received remuneration totaling to Tk.607,890.00 (2022: Tk.572,650.00) and the Governor received in total Tk. 1,278,077.41 (2022: Tk. 1,218,400.00). In addition, the Governor is entitled to a free furnished house for his residence and full time transport facility. Other key management personnel of the Bank received an amount totaling to Tk.6,508,950.00 (2022: Tk. 5,955,732.30) and in addition, they are entitled to official residence as well as transport.

48 Events after the reporting date

Following non-adjusting events occurred after the reporting period:

- At the 429th Board meeting of Bangladesh Bank held on 22 August 2023, an amount of Tk. 106,526.30 million has been approved as dividend which will be paid to the Government.
- The Central Bank of Sri Lanka has repaid USD 50.00 million on 17 August 2023 out of USD 200.00 million under the Swap agreement signed between Bangladesh Bank and Monetary Board of the Central Bank of Sri Lanka.

49 Directors' responsibility for financial reporting

These financial statements have been approved for issue by the Board of Directors on 22 August 2023.

