SBAC BANK

POWERING PROGRESS

ANNUAL REPORT 2025

TOGETHER WE
POWERING PROGRESS

The year 2025 stands as a definitive chapter in the evolution of SBAC Bank PLC, marked by a strategic pivot toward resilience, transparency, and renewed growth. In an era of global economic recalibration and significant structural reforms within the Bangladeshi financial sector, we have embraced the complexities of a tightening monetary environment as a catalyst for internal transformation. Our focus has shifted from mere adaptation to a comprehensive revitalization of our core operations, ensuring that our commitment to being the nation's most trustworthy financial institution remains unshaken. By reinforcing our governance frameworks and prioritizing asset quality, we have navigated the year's challenges to emerge with a more robust and agile organizational structure.

Our financial journey, which began with a paid-up capital of BDT 4,089.6 million and reached BDT 8,241.92 million by the end of 2025, has been further fortified through disciplined capital management and revenue diversification. The successful integration of SBAC Bank Investment Limited and the expansion of our Shariah-based Islamic Banking Windows have allowed us to capture emerging market opportunities while maintaining a stable balance sheet, which stood at BDT 133,029.48 million (consolidated) and 132,911.98 million (solo) entering this fiscal period. By maintaining our listing on both the Dhaka and Chittagong Stock Exchanges, we continue to uphold the highest standards of accountability to our shareholders, offering a unique blend of institutional confidence and operational excellence.

Innovation remains the engine of our forward momentum. In alignment with the national vision, we have accelerated the deployment of our digital ecosystem, led by the Banglapay wallet and SBAC Click internet banking. These platforms, supported by a world-class Core Banking System and a network of 90 branches, 32 branches and 36 active agent banking outlets, ensure that our modern financial solutions reach every corner of the country. As we look toward the future, our experienced leadership and dedicated workforce remain firmly committed to protecting stakeholder interests and delivering sustainable value. We are prepared to seize the prospects of a stabilizing economy, ensuring that our growth is not only rapid but deeply rooted in security and inclusivity.

LETTER OF TRANSMITTAL

All the Shareholders of SBAC Bank PLC.
Bangladesh Bank
Bangladesh Securities & Exchange Commission (BSEC)
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange PLC.
Chittagong Stock Exchange PLC.
Central Depository Bangladesh Limited (CDBL)
Financial Reporting Council Bangladesh
All other Stakeholders of SBAC Bank PLC.

Dear Sir(s),

Annual Report of SBAC Bank PLC. for the year ended on December 31, 2025.

We are pleased to present the Annual Report 2025 of SBAC Bank PLC, which includes the Audited Financial Statements (both Consolidated and Solo) as of December 31, 2025.

This report has been prepared in compliance with the Companies Act 1994, the Bank Company Act 1991 (including subsequent amendments), the Securities and Exchange Rules 2020, and the Listing Regulations of both DSE and CSE. It comprises the Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, and Liquidity Statement, alongside detailed notes and the Directors' Report for the period under review.

These documents reflect the Bank's resilient performance and strategic "turnaround" efforts during a transformative year for the industry. We trust this report provides a comprehensive overview of our financial health, corporate governance, and commitment to sustainable value creation for all stakeholders.

Yours sincerely,

T. Rahman

Towhedur Rahman FCS
Company Secretary (CC)

Notice of the 13th Annual General Meeting

Notice is hereby given that the 13th Annual General Meeting (AGM) of SBAC Bank PLC. ("the Company") will be held on Monday, June 15, 2026 at 11:00 AM (BST) through Hybrid System in combination of both Online (Virtual/Digital) Platform using Link: https://sbacbank.bdvirtualagm.com and Physical Presence at RAOWA Convention Center, VIP Road, Mohakhali, Dhaka-1206, Bangladesh, to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2025 along with Auditor's Report thereon and the Directors' Report.
2. To declare dividend for the year ended December 31, 2025.
3. To elect/re-elect Directors of the company.
4. To appoint/re-appoint Auditor(s) of the Company and to fix their remuneration.
5. To approve the appointment/re-appointment of Independent Director(s).
6. To appoint/re-appoint Corporate Governance Auditor(s) of the Company and to fix their remuneration.
7. To intimate expenditure regarding vehicles of Bank's pool, and the transactions with Bank-related persons.

All the Members of the Company are requested to attend the AGM.

Dhaka
Date: 21.05.2026

By order of the Board,

T. Rahman

Towhedur Rahman FCS
Company Secretary (CC)

NOTES

- The 'Record Date' in lieu of Book Closure was May 20, 2026. The Shareholders whose names appeared in the Members Register of the Company under Central Depository System (CDS) on the Record Date will be eligible to participate at the 13th AGM and vote thereat.
- A Shareholder/Member entitled to participate and vote at the AGM may appoint a proxy to participate at the meeting and take part in the proceedings thereof on his/her/its behalf. Scanned Copy of "Proxy Form" duly signed and affixed with Stamp(s) of BDT 100 must be sent through email to Bank's Company Secretariat at cs@sbacbank.com or Hard Copy thereof must be deposited at the Registered Office of the Company not less than 72 hours before commencement of the AGM.
- Link for downloading the Annual Report 2025, Notice of the 13th AGM, and Proxy Form shall be sent to the email addresses of the Members available in their BO Accounts maintained with the CDS and also be made available at the Company's Website: https://www.sbacbank.com. Any Member may collect printed copy of the Annual Report 2025 from the registered office of the Company following due procedure.
- The Virtual/Digital Platform [Link: https://sbacbank.bdvirtualagm.com] shall be opened 25 hours before commencement of the AGM and shall remain open until the closing of the meeting. Through the link questions/comments may be submitted electronically during this period and voting may be done until closing of voting facility for counting and declaration of the voting result.
- For joining through digital platform, and/or for voting on the proposed resolutions, a Shareholder/Member entitled to participate and vote at the AGM shall have to login into the system by putting 16-digit Beneficial Owner (BO) Number and other credentials as a proof of identity. The Process/Procedure for logging into and Participation/Voting through the Digital Platform will be notified by email and will also be made available at the Company's Website: https://www.sbacbank.com.
- Members whose contact details have been updated/changed in the meantime are requested to email us at cs@sbacbank.com mentioning their full name, BO ID, email address and mobile number.

HIGHLIGHTS OF PREVIOUS ANNUAL GENERAL MEETINGS

12th AGM	
Date	19-08-2025
Time	11:00 AM
Place	Virtual (both online and physical at RAOWA Convention Center, VIP Road, Mohakhali, Dhaka-1206)
Participants	195
Agenda Type	Ordinary

11th AGM	
Date	22-06-2024
Time	11:00 AM
Place	Virtual (both online and physical at Retired Armed Forces Officers' Welfare Association (RAOWA) Club, VIP Road, Mohakhali, Dhaka-1206)
Participants	117
Agenda Type	Ordinary

10th AGM	
Date	18-06-2023
Time	11:00 AM
Place	Online (virtual platform), organized from Head office, SBAC Bank PLC.
Participants	117
Agenda Type	Ordinary

Note: Disclosures made under standard 18 of the Bangladesh Secretarial Standard (BSS) 2: Secretarial Standard on General Meetings.

SBAC BANK

প্রবাসীর আয়ে এগিয়ে যাচ্ছে বাংলাদেশ

রেমিটেন্স যোদ্ধারা, আমাদের অর্থনীতির মহানায়ক

এসবিএসি ব্যাংকের মাধ্যমে প্রিয়জনদের কাছে
নির্ভাবনায় পাঠান, আপনার কষ্টার্জিত অর্থ

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SBAC BANK

স্বপ্নে নয়!
বাস করুন
নিজের বাড়িতে

নিজের টাকায় নিজের বাড়ি

এসবিএসি
হোম লোন

সুবিধাসমূহ:

- ফ্ল্যাট ক্রয়/বাড়ি নির্মাণে স্বল্পসময় ও সহজ প্রক্রিয়ায় ঋণের নিশ্চয়তা
- গ্রাহক-ব্যাংকার মূলধন ও ঋণ অনুপাত সর্বোচ্চ ৩০:৭০
- ঋণের মেয়াদ সর্বোচ্চ ২৫ বছর পর্যন্ত, সুদহার বাজারভিত্তিক
- ঋণসীমা ২ কোটি টাকা পর্যন্ত; কোনো হিডেন চার্জ নেই

তথ্যের জন্য নিকটস্থ শাখা/উপশাখায় যোগাযোগ করুন

24/7 16327

এসবিএসি ব্যাংক পিএলসি.

www.sbacbank.com
SBAC.Bank.PLC

INTRODUCTION

CORPORATE

Name

SBAC Bank PLC.

Legal Form

A public limited (Publicly Listed) company incorporated in Bangladesh on 20th February 2013 under the Companies Act 1994.

Incorporation

20 February 2013

Commencement

20 February 2013

Nature of Business

Banking, a scheduled Private Commercial Bank licensed under the Bank Company (Amendment) Act, 2023.

Head Office

BSC Tower, 2-3 Rajuk Avenue, Motijheel, Dhaka-1000

Phone

+88(02) 41052811-814
09611-016327 (From Overseas)
16327 (24/7 Hotline)

Routing No (Head Office)

270272684

SWIFT

SBACBDDH

Email

info@sbacbank.com
cs@sbacbank.com

Website

www.sbacbank.com

Branches

90

Sub Branches

32

Islamic Banking Windows

10

Agent Outlets

36

Authorized Dealer

08

OVERVIEW

Offshore Bank

01

ATM Booth

77

Employees

1,274

Authorized Capital

Tk. 20,000 million

Paid up Capital

Tk. 8,241.92 million

Face Value per Share

Tk. 10

Anniversary

03 April

Statutory Auditor

Aziz Halim Khair Choudhury, Chartered Accountants

Chairman

Engr. Md. Moklesur Rahman

Managing Director & CEO

S. M. Mainul Kabir

CFO

Mohammad Aminul Haque
FCA, ACMA (CIMA), CGMA

Company Secretary (CC)

Towhedur Rahman FCS

OUR VISION MISSION & CORE VALUES

VISION

To be a Leading-edge Bank exploring inclusive financial ecosystem by connecting individuals, corporate & communities maintaining high standards of governance, ethics and creating value for our stakeholders.

MISSION

- Ensure the best-run, customer-focused, integrated financial environment with a unique and inclusive employee culture.
- Ensure work efficiency, capital adequacy, asset quality and sound management.
- Deliver service excellence to all segments of customer.
- Provide personalized services to women entrepreneurs, agro, SME & MSMEs for sustainable growth.
- Protect the interest of the society by fulfilling corporate social responsibilities.

CORE VALUES

- **Uncompromising Integrity:** We uphold the highest standards of ethics and corporate governance, ensuring transparency and trust in every stakeholder interaction.
- **Customer-Centric Innovation:** We deliver service excellence through personalized, leading-edge solutions for individuals, corporates, and the MSME sector.
- **Inclusive Empowerment:** We are committed to building a diverse financial ecosystem that fosters growth for women entrepreneurs, agriculture, and underserved communities.
- **Operational Excellence:** We prioritize capital adequacy, asset quality, and sound management to ensure sustainable value and institutional resilience.
- **Social Responsibility:** We protect the interests of society by integrating impactful CSR initiatives into our core business philosophy.

COMMITMENTS

MANAGEMENT PHILOSOPHY

Symbiotic Growth with Stakeholders

Our core philosophy is centered on the principle of "Growing Together." We believe that by creating and providing value through a customer-centric lens, we strengthen the bond of mutual trust. This synergy serves as the primary engine for our collective development, ensuring that the Bank's success is intrinsically linked to the prosperity of our shareholders, clients, and partners.

Global Standards with National Impact

We are committed to contributing to both the national and global financial communities through state-of-the-art, system-based services. By deploying the highest quality financial solutions, we aim to catalyze development not only within our local communities but also within the broader international landscape, positioning SBAC Bank as a benchmark for excellence in every area of operation.

Cultivating Creative Human Capital

We are committed to contributing to both the national and global financial communities through state-of-the-art, system-based services. By deploying the highest quality financial solutions, we aim to catalyze development not only within our local communities but also within the broader international landscape, positioning SBAC Bank as a benchmark for excellence in every area of operation.

Excellence Through Ethical Governance

We maintain a sound corporate culture anchored in high ethics, fairness, and transparency. By adhering strictly to the provisions of the law and embracing the spirit of good governance, we enhance our corporate value. We believe that due diligence and ethical integrity are not just regulatory requirements but the very foundation of a resilient financial institution.

Stewardship of People and the Planet

Our commitment extends beyond the balance sheet to the people and the planet we inhabit. By treating our shareholders, employees, and local residents with dignity and respecting the global environment, we strive to remain a sustainable and responsible corporate citizen. We are dedicated to being a "Good Company"—one that balances profitability with a profound respect for the earth and its people.

MILESTONES

13/05/2024
Launching of SBAC Click
23/01/2024
Increased Authorized Capital to Tk. 20,000.00 million
11/08/2021
Listing in the Stock market
05/07/2021
The Opening of subscription of our IPO
22/10/2020
Commencement of Off-Shore Banking
16/12/2018
Inauguration of App-based Banking 'Banglapay'
26/11/2017
Establishment of South Bangla Agriculture and Commerce Bank Foundation
01/10/2014
Joining NPSB
31/03/2014
1st AGM held
09/03/2014
Live ATM and Card Operation
20/11/2013
Inauguration of BACPS & BEFTN Operation
04/08/2013
Inauguration of SWIFT Operation
13/05/2013
Obtaining Foreign Currency Transactions License
28/04/2013
Inauguration of Principal Branch
03/04/2013
Inauguration of Head Office
01/04/2013
Enlistment as Scheduled Bank
31/03/2013
Inclusion of SBAC Bank in Bangladesh Gazette
25/03/2013
License Issued by Bangladesh Bank favoring SBAC Bank PLC.
20/02/2013
Certificate of Incorporation
20/02/2013
Certificate for Commencement of Business
17/04/2012
Letter of Intent

Credit Rating Report of the Bank

Base Year	Long Term Rating	Short Term Rating	Date of Rating	Valid Till	Rating Company
2024	A	ST-2	June 25, 2025	June 24, 2026	CRISL

Long Term:

A Bank rated in this category is adjusted to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.

Short Term:

ST-2 High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

Outlook: Stable

The rating having validity up to 24.06.2026 has been done by Credit Rating Information and Services Limited (CRISL) in consideration of the Audited Financials up to December 31, 2024 and also Unaudited Financials March 31, 2025 and other relevant qualitative as well as quantitative information.

ORGANIZATIONAL OVERVIEW

BOARD OF DIRECTORS

Engr. Md. Moklesur Rahman
Chairman

ANWAR HUSSAIN
Vice Chairman

HAFIZUR RAHMAN BABU
Director

MOHAMMED AYUB
Director

MUSHFIQUR RAHMAN
Director
Nominated by: M/s Contech Construction Ltd.

Mohammad Nazmul Huq
Director
Nominated by: Vicar International

MOHAMMAD MAHBUBOR RAHMAN FCMA
Director
Nominated by: Intec Solution

SHOHEL AHMED
Director
Nominated by: Meter D Tech

A.K.M. DELWER HUSSAIN FCMA
Director
Nominated by Techno Electricals Ltd.

MAJOR GENERAL SHAHEDUL HAQUE, PSC. (RETD.)
Director
Nominated by TBO Trade Ltd.

IMRUL ANWAR
Director
Nominated by: T&A International Ltd.

MAJ. ABU FATEH MD BASHIRUR RAHMAN (RETD.)
Director
Nominated by NY Trading Ltd.

PROF. MOHAMMAD MOQBUL HOSSAIN BHUIYAN
Independent Director

ZIAUR RAHMAN ZIA FCA
Independent Director

PROF. MD. MAKSUDUR RAHMAN SARKER FCMA
Independent Director

MD. ABU SAEM FCA
Independent Director

S. M. Mainul Kabir
Managing Director & CEO

COMMITTEES

EXECUTIVE COMMITTEE (EC)	
Chairman	Shohel Ahmed
Member	Mohammed Ayub
	Anwar Hussain
	Hafizur Rahman Babu
	Mohammad Nazmul Huq
	Imrul Anwar
	A.K.M. Delwer Hussain FCMA
Secretary	Towhedur Rahman FCS

AUDIT COMMITTEE (AC)	
Chairman	Professor Md. Maksudur Rahman Sarker FCMA
Member	Professor Mohammad Moqbul Hossain Bhuiyan
	Mohammad Mahbubor Rahman FCMA
	Ziaur Rahman Zia FCA
Secretary	Towhedur Rahman FCS

Risk Management Committee (RMC)	
Chairman	Mohammad Nazmul Huq
Member	Mohammed Ayub
	Mushfiqur Rahman
	Maj. Abu Fateh Md Bashirur Rahman (Retd.)
Secretary	Towhedur Rahman FCS

SHARIAH SUPERVISORY COMMITTEE	
Chairman	Dr. Mohammad Shahidul Islam
Member	Dr. Mohammed Nasir Uddin Azhari
	Dr. Muhammad Mostofa Hossain

SPONSOR SHAREHOLDERS

S.M. Amzad Hossain

Begum Sufia Amjad

Abu Zafar Mohammod Shofiuddin

Abdul Kadir Molla

Al-Haj Mizanur Rahman

Captain M. Moazzam Hossain

Maksudur Rahman

Late Motiur Rahman

Kamrun Nahar

Tajori

Mysha Khabir

Iqbal Haider Chowdhury

Mohammed Nazrul Islam

A.K.M. Mizanur Rahman FCA

Mainul Huq Khan
Representing Padma Lamitube Ltd

Mozaharul Haque Shahid

Md. Emdadul Haque

Md. Eathashamul Haque

Kafil Uddin Bhuiyan

Shahab Uddin Khan

Hazera Begum
Representing Abdul Gaffar & Co. (Pvt.) Ltd

Mohammad Imran

Shamima Hossain

Sk. Shyedujjaman

Sadnam Sadiana

Md. Mizanur Rahman

Shamsun Nahar Rahman

Mohammed Ilias

Ayaz Waris Khan Warisi

Halima Khatun

Late Mohammad Abdul Hye

PLACEMENT HOLDERS

Mst. Nasima Begum
Representing Thermax Textile Mills Ltd

Mohammad Nawaz

Sufia Begum

Mohammed Hasan

Md. Yakub

Md. Toyamur Islam Rasel

Barrister Ehsan-E-Moazzam
Representing Agrovita Ltd.

Md. Mahin

Tabassum Arifin Rahman

Eshmam Arifin Rahman

Mahia Binte Mizan

Mohammed Belal

Khan Habibur Rahman
Representing Moonstar Ceramic Industries Ltd.

Goutam Kumar Kundu
Representing Southern Foods Ltd.

Abdullah Jamil Matin

PROFILE OF THE DIRECTORS

ENGR. MD. MOKLESUR RAHMAN

Chairman

Engr. Md. Moklesur Rahman is a Sponsor Director and the Chairman of the Board of Directors of SBAC Bank PLC. A visionary entrepreneur and seasoned business person, Mr. Rahman is widely recognized for his contributions to different business segments particularly the construction and electrical engineering sectors in Bangladesh.

He holds a Bachelor of Science in Civil Engineering from Chittagong University of Engineering and Technology (formerly Chittagong Engineering College). In 2001, he established Contech Construction Ltd., which has since become a leading supplier of SPC piles and poles in the country. He further expanded his business portfolio with the founding of Pre-Stressed Poles Ltd. in 2004 and B&T Cables Ltd. in 2005, the latter gaining a strong foothold in the electrical wire market.

Mr. Rahman has also established a number of business enterprises like B&T Cold Storage Ltd., which supports agricultural supply chains, and B&T Development Ltd., known for developing residential and affordable housing projects, B&T Meter Ltd., Nexus Securities Ltd., Tushar Ceramics Ltd., B&T Transformers Ltd., BD Game Studio Ltd., and Smart Meter.

Alongside his business pursuits, Mr. Rahman is a philanthropist. His contributions to educational, religious institutions, as well as his support for the underprivileged communities through various sustainable income generating programs, reflect his deep commitment to social welfare.

As the Chairman of the Board of Directors of SBAC Bank PLC, Mr. Rahman, plays the pivotal role in providing strategic direction and policy guidelines for the bank's sustainable growth and compliance with regulatory standards. He leads the board uplifting the bank's vision and mission to achieve long-term success. Additionally, Mr. Rahman fosters strong relationships with stakeholders, represents the bank at high-level forums, and ensures the institution's commitment to corporate governance and social responsibility.

ANWAR HUSSAIN

Vice Chairman & Member, Executive Committee

Anwar Hussain is one of the Sponsor Directors and Vice Chairman of SBAC Bank PLC. He is a member of the Executive Committee of the Board of Directors. He is a distinguished businessman with a strong reputation for excellence and integrity. He holds a Bachelor's degree in Business Administration and has established himself as a leading entrepreneur in the country.

He is the Managing Director of Abdul Gaffar & Co. Pvt. Ltd., AGI Flex Ltd. and HAR Industries Ltd. Being the Proprietor of AGI Corporation, Director of Asuka CNG Filling Station Ltd. and SAFAH CNG Refueling Station Ltd., his vision has been proven to drive innovation and dynamism in his businesses, contributing to national economic growth.

As a dedicated member of the Board, he plays a pivotal role in shaping the bank's strategic direction and ensuring robust corporate governance. His extensive business acumen and commitment to financial excellence continue to be instrumental in fostering the bank's sustainable growth and long-term success.

HAFIZUR RAHMAN BABU

Director & Member, Executive Committee

Hafizur Rahman Babu is a prominent businessman and a distinguished entrepreneur in Bangladesh. As a Sponsor Director and a member of the Executive Committee of the Board of SBAC Bank PLC, he brings extensive leadership experience to the institution. He serves as the Chairman of S.B. Group, a leading conglomerate established in 1990. Under his visionary guidance, S.B. Group has expanded into a diverse range of sectors, operating subsidiaries such as S.B. Agro Fertilizer Industries Limited, Sheikh Jute Mills Limited, Sheikh Cement Mills Limited, Joytun Securities International Limited, Joytun Developers Limited, Gold Hill Properties Limited, Sheikh Agro Food Industries, Sheikh Shipping Lines Ltd., M/S. Sheikh Brothers, M/S. Hafizur Rahman Babu, M/S. Sheikh Brothers Enterprise, and Arising Trade International.

In addition to his corporate achievements, Mr. Babu has participated in numerous professional workshops and seminars both locally and internationally, staying at the forefront of global business trends. He is also deeply committed to philanthropy, maintaining active involvement in various social, cultural, and charitable organizations.

Leveraging his profound industry insights, he provides invaluable strategic oversight to the bank's Executive Committee and Board of Directors. His dedication to ethical banking practices and corporate excellence continues to drive the bank's mission of delivering sustainable value to its stakeholders and the national economy.

MOHAMMED AYUB

Director & Member, Executive Committee
Member, Risk Management Committee

Mohammed Ayub, a Sponsor Director of SBAC Bank PLC, was born in 1962 into a respected Muslim family in Chattogram. He serves as a vital member of both the Executive Committee and the Risk Management Committee of the Board. Mr. Ayub earned his Bachelor of Commerce (B.Com) degree from the University of Chittagong in 1981, laying a strong academic foundation for his subsequent professional achievements.

As a distinguished businessman, he has made significant contributions to the garment accessories manufacturing, export, and packaging sectors. He holds leadership positions across several prominent enterprises, serving as the Managing Director of Ayub & Co. Ltd., the Proprietor of Pioneer Enterprise and United Enterprise, and an Executive Partner of Pacific International. Through unwavering hard work and perseverance, he has established himself as a successful entrepreneur, playing a vital role in the nation's industrial and economic development.

Within the bank, his roles in the Board and its sub-committees allow him to provide critical oversight on operational efficiency and financial stability. His profound understanding of the industrial landscape and commitment to prudent governance are instrumental in safeguarding the bank's assets while fostering sustainable growth.

MUSHFIQUR RAHMAN

Director & Member, Risk Management Committee
Nominated by: M/s Contech Construction Ltd.

Mushfiqur Rahman is a highly accomplished entrepreneur and businessman in Bangladesh. A Director of SBAC Bank PLC nominated by M/S Contech Construction Limited, Mr. Rahman serves as a key member of the Risk Management Committee of the Board. He possesses a strong international academic background, having obtained his B.Com from the University of Melbourne, Australia, and his MBA from the University of Illinois, USA, in 2023.

As the Managing Director of B&T Group, he has successfully diversified his business interests from the poles and cable sector into real estate, ceramics, and IT, with a footprint spanning both domestic and international markets. He holds significant equity interests in a wide array of enterprises, including Contech Construction Ltd., Pre-stressed Pole Ltd., B&T Cables Ltd., B&T Meter Ltd., B&T Poles Ltd., B&T Transformer Ltd., B&T Development Ltd., B&T Cold Storage Ltd., Nexus Securities Ltd., Tushar Ceramics Ltd., BD Game Studio, and BD Game Studio Ltd.

Leveraging his global academic exposure and diverse industrial expertise, Mr. Rahman provides strategic insights that enhance the bank's risk assessment and mitigation frameworks. His forward-thinking approach and commitment to modern corporate governance are vital to ensuring the bank's resilience and long-term institutional excellence.

Mohammad Nazmul Huq

Director & Chairman, Risk Management Committee
Member, Executive Committee
Nominated by: Vicar International

Mohammad Nazmul Huq is a Director of SBAC Bank PLC, nominated by Vicar International. He currently serves as the Chairman of the Risk Management Committee (RMC) and is a member of the Executive Committee of the Board. A successful entrepreneur, Mr. Huq began his professional journey in 1994 as the Managing Partner of Vicar International, a trading concern specializing in the import and supply of electrical goods.

In 2016, he diversified his business portfolio by establishing Vicar Electricals Ltd., an electrical transformer manufacturer where he serves as Managing Director, and Vicar Concrete Products, an SPC pole manufacturer where he applies his expertise as Managing Partner. A visionary leader, Mr. Huq continues to explore new opportunities, exemplified by his latest venture, Arrow Technology Ltd., founded in 2021. Beyond his business achievements, he is actively involved in socio-cultural initiatives, earning widespread recognition for his contributions to the community.

As a key leader within the Board, Mr. Huq plays a crucial role in shaping the bank's strategic direction and ensuring sound corporate governance. His expert oversight as Chairman of the Risk Management Committee is vital in identifying and mitigating operational risks, safeguarding the bank's stability and long-term institutional success.

MOHAMMAD MAHBUBOR RAHMAN FCMA

Director & Member, Audit Committee
Nominated by: Intec Solution

Mohammad Mahbubor Rahman FCMA is a distinguished professional accountant and accomplished corporate executive, currently serving as the Representative Director of SBAC Bank PLC, nominated by Intec Solution. A member of the Audit Committee, Mr. Rahman brings over 27 years of extensive leadership experience across the Asia-Pacific region, having built a reputation for excellence, strategic insight, and transformational leadership.

His remarkable career has spanned six countries Bangladesh, Malaysia, Vietnam, South Korea, Thailand, and Cambodia where he has held senior leadership positions in globally recognized organizations. Among his many honors are the Best Finance Director Award for the Asia-Pacific Division and the Global Award for Best Business Partners, acknowledging his significant contributions to the international financial and corporate sectors.

Mr. Rahman began his professional journey at the Dhaka Sheraton Hotel, quickly ascending to the role of Finance Director. This early success laid the foundation for a dynamic international career, during which he held key roles such as General Manager, Cluster Director of Finance, Complex Director of Finance, and Chief Executive Officer for leading hospitality brands, including Starwood Hotels & Resorts and Marriott International.

In 2019, Mr. Rahman returned to Bangladesh to lead a prominent business group as Managing Director in the agriculture sector. He currently serves as the Chief Executive Officer and Director of Finance at Intec Solution, and is a Director of Imperial Resources Ltd. A Fellow of the Institute of Cost and Management Accountants of Bangladesh (ICMAB), he also serves as a Council Member of the Institute, guiding the profession with vision and excellence. He holds a Master of Commerce in Accounting from the University of Dhaka and possesses multiple internationally recognized professional certifications.

Beyond his professional corporate roles, he is deeply involved in social and educational activities, serving as the Chairman of the Governing Body for Mostafizar Rahman Memorial High School in Shukhanpukur, Gabtali, Bogura. Additionally, he serves as an Educationist Member of the Governing Body for both Syed Ahmed College in Shukhanpukur and Shahid Zia Model College in Gabtali, Bogura.

As a member of the Audit Committee, he utilizes his vast financial expertise to ensure the highest standards of transparency and internal control within the bank. His global perspective and rigorous approach to financial oversight are instrumental in maintaining the bank's integrity and promoting sound corporate governance.

SHOHEL AHMED

Director & Chairman, Executive Committee
Nominated by: Meter D Tech

Shohel Ahmed is a distinguished business leader and visionary professional with more than two decades of extensive senior management experience across diverse industries. He currently serves as a Director of SBAC Bank PLC, nominated by Meter D Tech, and holds the prestigious position of Chairman of the Executive Committee of the Board of Directors. Throughout his accomplished career, he has consistently demonstrated dynamic leadership, strategic insight, and an unwavering commitment to integrity, corporate governance, and sustainable business growth.

Over the years, Mr. Ahmed has successfully held key leadership positions, including Managing Director, Chairman, and Director, across numerous prominent business organizations. His impressive corporate portfolio encompasses Techno Electricals Ltd., SQ Wire & Cable Co. Ltd., SQ Trading & Engineering, SQ Properties Ltd., SQ Lights Ltd., SQ Wood Preservatives, Power Add, Vicar Electricals Ltd., Vicar Concrete Products, SQ Distributions Ltd., SQ Agriculture Limited, SQ Nafis Crop Care Limited, SQ Resources Limited, Imperial Media Limited, SQ Electricals Ltd., Papiro Ltd., and Building Dreams Ltd. His visionary leadership and strategic direction have played a transformative role in fostering innovation, operational excellence, and long-term sustainable growth within these enterprises.

Mr. Ahmed earned his Master of Business Administration (MBA) degree from Newport University. His strong academic background, coupled with extensive hands-on business and corporate leadership experience, has enabled him to develop deep expertise in banking, finance, governance, and strategic management.

As Chairman of the Executive Committee of SBAC Bank PLC, Mr. Ahmed provides strategic oversight and guidance in shaping the bank's operational policies, governance framework, and long-term business objectives. His exceptional business acumen, forward-thinking leadership, and dedication to institutional excellence continue to play a pivotal role in strengthening the bank's performance, enhancing stakeholder confidence, and driving sustainable financial success.

A.K.M. DELWER HUSSAIN FCMA

Director & Member, Executive Committee
Nominated by Techno Electricals Ltd.

A.K.M. Delwer Hussain FCMA is a highly accomplished finance professional and corporate leader with over three decades of extensive experience in financial management, corporate governance, regulatory compliance, and public sector administration. He has been nominated to the Board of SBAC Bank PLC. by Techno Electricals Ltd. A notable member of the Executive Committee of the Board, Mr. Hussain brings deep expertise with him in strategic financial oversight and institutional leadership.

Mr. Hussain completed his B.Com (Honours) and M.Com from the University of Dhaka. He is a Fellow Member (FCMA) of the Institute of Cost and Management Accountants of Bangladesh (ICMAB). He also obtained a Post Graduate Diploma in Computer Science from the Bangladesh Institute of Management (BIM) and completed the Advanced Course on Administration and Development (ACAD) from the Bangladesh Public Administration Training Centre (BPATC).

He has held several prestigious leadership roles at national and regional levels. He served as President and Vice President of the South Asian Federation of Accountants (SAFA) and was twice elected President of ICMAB (2004 and 2013). He also served as Board Member and Strategic Committee Member of the Confederation of Asian and Pacific Accountants (CAPA).

In his professional career, Mr. Hussain served as Chairman of Bangladesh Sugar and Food Industries Corporation (BSFIC) and held various senior finance and administrative positions within the organization, including Director (Finance), Controller of Accounts and Chief (Company Affairs). His core competencies include budget formulation and control, fund management, taxation and VAT administration, project accounting, audit supervision, corporate affairs, and regulatory liaison with ministries and financial institutions.

He has also served as Director on the Boards of several state-owned and financial institutions, contributing significantly to financial discipline, governance standards, and strategic restructuring initiatives.

As a Director of SBAC Bank PLC., Mr. Hussain provides strategic guidance, strong financial stewardship, and governance oversight, supporting the Bank's commitment to regulatory compliance, risk management excellence and sustainable growth.

MAJOR GENERAL SHAHEDUL HAQUE, PSC. (RETD.)

Director
Nominated by TBO Trade Ltd.

Major General Shahedul Haque, psc. (Retd.) is the Nominated Director of SBAC Bank PLC., representing TBO Trade Ltd. He brings over three decades of distinguished leadership experience in strategic management, procurement oversight, logistics operations, governance, and diplomatic engagement, gained through an accomplished military and civilian career.

He holds a Master's in Defense Studies (MDS) and is a graduate of the Defense Services Command and Staff College (psc). He earned his MBA with a major in Supply Chain Management from American International University-Bangladesh (AIUB) and completed a Fellowship in Global Geopolitics & Economics from the National Intelligence University, Washington, USA.

Major General Haque served in the Bangladesh Army from 1985 to 2020 in various command, instructional, and strategic appointments. His notable assignments include Director General at the Directorate General Defense Purchase (DGDP), where he oversaw defense procurement for the Army, Navy, and Air Force, and Deputy Head of Mission & Minister (Consular) at the Bangladesh Embassy in Bangkok, Thailand. He also served in United Nations peacekeeping missions under UNOSOM (Somalia) and MONUC (Democratic Republic of Congo), managing multinational logistics and operational coordination.

Following retirement, he served as Procurement Advisor for the Dhaka Metro Rail Line-6 Project (Tekken Corporation, JICA), where he developed and implemented procurement Standard Operating Procedures (SOPs), ensured compliance with deviation policies, supervised procurement budgeting, and strengthened governance and audit frameworks. He also served as Chief of Administration & General Affairs, providing strategic leadership in HR, administration, logistics planning, and stakeholder coordination.

With deep expertise in procurement governance, risk oversight, strategic negotiation, and institutional leadership, Major General Haque contributes valuable insight to the Board of SBAC Bank PLC. His experience in regulatory compliance, financial accountability, and risk management supports the Bank's commitment to sound governance, transparency, and sustainable growth.

IMRUL ANWAR

Director & Member, Executive Committee
Nominated by: T&A International Ltd.

Imrul Anwar is a distinguished member of the Board of Directors of SBAC Bank PLC and a seasoned entrepreneur with over three decades of experience. He holds a Master of Social Science (M.S.S.) degree from the University of Dhaka, earned in 1979. Mr. Anwar has made significant contributions across multiple sectors, particularly within the readymade garments industry. He began his entrepreneurial journey in 1994 by establishing Lyric Garments Limited, followed by several other ventures under the Lyric brand, where he served as Managing Director until 2015. Currently, he leads Kojima Lyric Garments Limited, a highly regarded joint venture with a Japanese partner.

Beyond the garments sector, Mr. Anwar holds leadership roles in diverse business ventures. He is the Managing Director of Radiant Shrimps Culture Limited a recipient of the National Award from the Hon'ble President in 2014 the Managing Partner of SQL Engineers and M.F.T. Enterprise, a Director of Trimatra Solutions Ltd., and the Chairman of T&A International Ltd. His commitment to the business community is evidenced by his past tenure as Vice President of the Japan-Bangladesh Chamber of Commerce & Industry and his roles within BGMEA and various international chambers. Furthermore, his leadership extends to social spheres, having served two terms as President of Uttara Club Ltd.

As a member of the Board and the Executive Committee, he brings a wealth of experience in international trade and multi-sectoral management to the bank's strategic discussions. His extensive network and deep understanding of the country's industrial landscape are instrumental in guiding the bank toward sustainable growth and enhancing its reputation for corporate excellence.

MAJ. ABU FATEH MD BASHIRUR RAHMAN (RETD.)

Director & Member, Risk Management Committee
Nominated by NY Trading Ltd.

Maj. Abu Fateh Md Bashirur Rahman (Retd.) is the Director of SBAC Bank PLC nominated by NY Trading Ltd. and Member of Risk Management Committee of the Board. He is a seasoned governance professional with operational, logistics and supply chain expertise of over 35 years diversified leadership experience, including 23 years of distinguished service in the Bangladesh Army and more than a decade in senior civilian and corporate leadership roles.

He holds a Master of Business Administration (MBA) degree from Southeast University, an LL.B. from National University and a Bachelor degree from the University of Chittagong. He completed an Executive Certificate Course on Governance and Development from North South University, French Language certificate course from Jahangirnagar University and earned 22 multiple discipline professional certificates from the United Nations Institute for Training and Research in peacekeeping operations (UNITARPOSI).

Maj. Bashir was commissioned in Bangladesh Army on 22 June 1990 and held key command and operational appointments which includes Officer Commanding of Petroleum Oil and Lubricant (POL) Depot, Dhaka, Station Supply Depot, Rangpur, ASU Cumilla and Mechanical Transport Company, AHQ Dhaka. He also served in United Nations peacekeeping missions under MONUC (Democratic Republic of Congo) as a staff and UNMIL (Liberia) as a Contingent Commander, managing multinational military operations, logistics operations, procurement systems, financial accountability, risk control, and security management in complex environments.

Following his retirement from active military service, he served as Project Director at Army Welfare Trust (AWT) and Sena Kalyan Sangtha (SKS). Out side Army he worked as Executive Director of Tung Hai Nit Fashion Limited. In addition, he is the Proprietor of Axoter Multibiz Company, reflecting his entrepreneurial engagement and business leadership beyond his corporate and institutional roles.

Maj. Bashir's disciplined leadership, strong governance orientation, and extensive operational expertise continue to contribute to effective risk oversight, institutional strengthening and sustainable growth of the organizations he works.

PROF. MOHAMMAD MOQBUL HOSSAIN BHUIYAN

Independent Director
Member, Audit Committee

Prof. Mohammad Moqbul Hossain Bhuiyan is an Independent Director of SBAC Bank PLC and a highly distinguished academician. A member of the Audit Committee of the Board, he serves as a Professor (Grade-1) in the Department of Management Information Systems (MIS) at the University of Dhaka and has been a visiting Professor at several renowned public and private universities in Bangladesh. With expertise in Strategic Management, MIS, Total Quality Management, and Organizational Behavior, he has earned widespread recognition for his research, with numerous publications in prestigious journals.

Professor Bhuiyan has demonstrated exceptional administrative leadership throughout his career, serving as Chairman of the Department of MIS, Director of the MBA (Evening) Program, and Provost of Masterda Surja Sen Hall at the University of Dhaka. His academic record is exemplary; he secured First Class First position in both his B.Com. (Hons.) and M.Com. degrees from the University of Dhaka. He later obtained an MBA from Otaru University of Commerce, Japan, under the prestigious Monbusho Scholarship, achieving a perfect CGPA of 4.00. He also holds a Diploma in Japanese Language and Culture from MARA Foundation College, Malaysia.

Beyond his teaching and research, Professor Bhuiyan has significantly contributed to academic publishing as the Chief Editor of the Bangladesh Journal of MIS and an Editorial Board Member of the Dhaka University Journal of Business Studies. He remains actively engaged in professional and social organizations, having served as General Secretary of the Dhaka University Teachers' Club and as a member of the Japanese University Alumni Association.

As an Independent Director, he provides an objective and scholarly perspective to the Board, ensuring the highest levels of transparency and accountability. His profound expertise in information systems and strategic management is instrumental in enhancing the bank's digital transformation and strengthening its internal audit and governance frameworks.

ZIAUR RAHMAN ZIA FCA

Independent Director
Member, Audit Committee

Ziaur Rahman Zia, FCA, is a distinguished finance, audit, and corporate governance professional with over 21 years of diversified experience in audit. He currently serves as an Independent Director and Member of the Audit Committee of SBAC Bank PLC, where he contributes strategic insight and professional expertise in strengthening governance, transparency, internal controls, and regulatory compliance.

A visionary entrepreneur and business leader, Mr. Zia is the Chairman of RS Technologies Limited, a technology-focused enterprise established to deliver innovative and state-of-the-art information technology solutions and support services.

Mr. Zia is a Fellow Chartered Accountant (FCA) and an elected Council Member of the Institute of Chartered Accountants of Bangladesh (ICAB). He also holds an M. Com in Accounting and is an Associate Member of the Association of Certified Fraud Examiners (ACFE), reflecting his specialized expertise in forensic audit, fraud examination, financial investigation, and risk mitigation.

Very recently, he served as a Partner at A. Qasem & Co., Chartered Accountants, one of the oldest and most reputable chartered accountancy firms in Bangladesh, where he gained extensive experience in audit, assurance, advisory, and compliance services across diverse sectors. His professional career commenced in 2005, and during the early stage of his career he acquired practical experience in the audit department of a commercial bank in Bangladesh, alongside specialized two months long hands-on training in banking operations.

Beyond his professional engagements, Mr. Zia holds several prominent leadership positions. He is the Chairman of the Board of Directors of Progoti Systems Limited and serves as Independent Director and Chairman of the Board of Directors of SBAC Bank Investment Limited. He is also a member of the Central Board of the Bangladesh Water Development Board.

At regional level, Mr. Zia represents Bangladesh as a member of the Committee on Governmental and Public Sector Enterprise Accounting of the South Asian Federation of Accountants (SAFA), a regional body of South Asian countries. His institutional leadership is further demonstrated through his tenure as Chairman of the Dhaka Regional Committee (DRC) of ICAB in 2020. In addition to his professional commitments, he remains actively involved in social welfare and charitable activities, including his association with Dristy Unnayan Sangstha (DUS Dhaka).

Recognized for his integrity, strategic insight, and commitment to ethical governance, Mr. Zia continues to play a significant role in promoting financial discipline, sustainable growth, and long-term institutional excellence.

PROF. MD. MAKSUDUR RAHMAN SARKER FCMA

Independent Director
Chairman, Audit Committee

Prof. Md. Maksudur Rahman Sarker FCMA brings an illustrious blend of academic distinction and corporate expertise to SBAC Bank PLC as an Independent Director and the Chairman of the Audit Committee of the Board of Directors. A highly respected academician, he serves as a Grade-1 Professor and Chairman at the Department of Accounting, University of Dhaka. His academic stewardship includes key directorial roles in the university's EMBA, MPA, and MBA programs, and he also serves as an advisor to the Faculty of Business Administration at AIUB.

A Fellow Member of the Institute of Cost and Management Accountants of Bangladesh (ICMAB), Professor Sarker has held influential positions in both public and private enterprises. His previous roles include serving as an Independent Director for Runner Automobiles PLC, Runner Motors Limited, and United Airways (BD) Ltd. His academic record is exemplary, highlighted by an MBA in Finance from the University of New Brunswick, Canada, and securing first-place honors in both his B.Com and M.Com degrees from the University of Dhaka.

His professional focus spans internal control, financial reporting, and performance measurement, areas where he has gained national recognition. Beyond his professional life, he is deeply committed to educational development and fostering the next generation of financial leaders in Bangladesh.

In his capacity as Chairman of the Audit Committee, he is instrumental in overseeing the bank's financial reporting processes and internal control systems. His rigorous academic background and extensive board experience ensure that the bank maintains the highest standards of transparency, accountability, and ethical governance.

MD. ABU SAEM FCA

Independent Director

Md. Abu Saem serves as an Independent Director on the Board of SBAC Bank PLC, bringing with him over 21 years of extensive leadership experience in strategic finance, corporate governance, and performance transformation across diverse markets. A seasoned Chartered Accountant and Fellow of the Institute of Chartered Accountants of Bangladesh (ICAB), Mr. Saem has held key executive positions in top-tier multinational organizations, including Banglalink, Grameenphone, and the Telenor Group, where he played instrumental roles in shaping financial strategy and ensuring regulatory compliance.

Mr. Saem's expertise spans financial planning and analysis, risk management, mergers and acquisitions, internal control systems, and enterprise-wide technology integration. His tenure as Acting CFO and Financial Controller further exemplifies his capability in steering organizations through complex financial landscapes, driving cost optimization, and strengthening shareholder value. With international experience in Norway and India, Mr. Saem brings a global perspective to strategic decision-making and high-level corporate oversight.

As an Independent Director, he provides an objective and expert lens to the Board's deliberations, ensuring that the bank's financial strategies remain robust and transparent. His deep-seated commitment to ethical leadership and financial discipline is vital in fostering stakeholder trust and driving the bank toward its long-term objectives of stability and excellence.

S. M. MAINUL KABIR

Managing Director & CEO

Mr. S. M. Mainul Kabir transitioned into the role of Managing Director and CEO of SBAC Bank PLC, bringing with him a distinguished career spanning nearly three decades of transformative leadership in the banking industry. A seasoned veteran of the financial sector, Mr. Kabir's professional journey is characterized by a profound depth of experience in driving organic growth, institutional resilience, and operational excellence across several of Bangladesh's leading financial institutions.

Prior to his appointment at SBAC Bank PLC, Mr. Kabir served as the Deputy Managing Director at United Commercial Bank PLC (UCB), where he played a critical role in high-level strategic decision-making and business expansion. His career trajectory began as a Probationary Officer at National Bank PLC, laying a rigorous foundational expertise in core banking operations. Over the years, he has held pivotal leadership and senior management roles at EXIM Bank PLC, Jamuna Bank PLC, Southeast Bank PLC, and Community Bank Bangladesh PLC. This diverse tenure across multiple top-tier institutions—spanning conventional, Islamic, and specialized banking—has provided him with a broad-based perspective on the evolving dynamics of the national economy and the intricate regulatory requirements of modern banking.

Mr. Kabir's academic credentials are equally robust. A graduate of the University of Dhaka, he holds both a Bachelor of Commerce (Honours) and a Master of Commerce in Finance. He further strengthened his management expertise with an MBA in Management from the same prestigious institution. Committed to professional evolution, he has participated in numerous advanced development programs, workshops, and international seminars focused on risk management, strategic credit, and digital banking transformation.

At SBAC Bank PLC, Mr. Kabir's visionary leadership and multi-faceted approach to strategic insight are central to the mission of achieving sustained growth. His expertise in navigating complex financial landscapes and fostering a culture of innovation is instrumental in delivering long-term value to stakeholders and reinforcing the bank's position as a competitive force in the industry.

SENIOR MANAGEMENT TEAM

S. M. MAINUL KABIR
Managing Director & CEO

MD. ALTAF HOSSAIN BHUYAN
Deputy Managing Director & CRO

MD. RABIUL ISLAM
Additional Managing Director

MD. MASOODUR RAHMAN FCA
Head of BOD & CAMLCO

ABDUL QUAIUM CHOWDHURY
Additional Managing Director & CBO

MD. MOFAZZAL MAMUN KHAN
Chief Technology Officer

MD. RASHED AKTER
Head of Retail Distribution Division

DEWAN ARIFUR RAHMAN
Head of Treasury Division

MD. ABDUL MANNAN
Head of Credit Risk Management (CRM)

SYED HAFIJ AHMED
Head of GSD

MOHAMMAD AMINUL HAQUE
FCA, ACMA (CIMA), CGMA
Chief Financial Officer

TOWHEDUR RAHMAN FCS
Company Secretary (CC)

MOHAMMAD SHAFIUL AZAM
Digital Financial Services & Brand Communications

S. M. Waliullah Hossain
Head of HRD (CC)

S. M. MAINUL KABIR

Managing Director & CEO

S. M. Mainul Kabir transitioned into the role of Managing Director and CEO of SBAC Bank PLC, bringing with him a distinguished career spanning nearly three decades in the banking industry. A seasoned veteran of financial sector, Mr. Kabir's leadership is characterized by a profound depth of experience in driving growth and operational excellence across several leading banks. Prior to his appointment at SBAC Bank PLC., Mr. Kabir served as the Deputy Managing Director at United Commercial Bank. His career trajectory began as a Probationary Officer at National Bank PLC, followed by pivotal leadership and management roles at EXIM Bank, Jamuna Bank, Southeast Bank, and Community Bank Bangladesh PLC.

This diverse tenure across multiple top-tier institutions has provided him with a broad-based perspective on the evolving dynamics of the economy and the intricate requirements of modern banking.

A graduate of the University of Dhaka, Mr. Kabir holds a Bachelor of Commerce (Honours) and a Master of Commerce in Finance. He further strengthened his management credentials with an MBA in Management from the same institution. Committed to continuous learning, he has participated in numerous professional development programs, workshops, and seminars both domestically and internationally.

Mr. Kabir's visionary leadership, combined with a multi-faceted approach to strategic insight, is central to our mission of achieving sustained growth, fostering innovation, and delivering long-term value to our stakeholders.

MD. RABIUL ISLAM

Additional Managing Director

Md. Rabiul Islam serves as the Additional Managing Director of SBAC Bank PLC, bringing over 37 years of multifaceted banking experience. Prior to this role, he was the Managing Director (Current Charge) at NRBC Bank PLC. His career began in 1989 as a Probationary Officer at Islami Bank Bangladesh PLC, followed by senior leadership tenures at Prime Bank, Al-Arafah Islami Bank, Mercantile Bank, and NCC Bank.

Throughout his distinguished career, Mr. Islam has held pivotal roles, including Head of SME Financing and Manager of several high-profile corporate branches. During his tenure at NRBC Bank, he oversaw critical divisions such as Credit Risk Management, ICT, HR, and Legal & Recovery, while also serving as the CEO of the Islamic Banking Window.

Academically, Mr. Islam holds a B.Com (Hons.) and an M.Com in Finance from the University of Dhaka. Complementing his financial expertise, he earned an LLB from Northern University Bangladesh and an LLM in Commercial Law from the University of Derby, UK, providing him with a robust framework for navigating complex regulatory landscapes. He also holds an MBA, major in Finance from a reputed private university of Bangladesh.

A seasoned professional, Mr. Islam has attended numerous international workshops in Thailand, Malaysia, and Singapore. His deep expertise in lending risk analysis and investment operations has been instrumental in driving SBAC Bank's strategic growth and operational integrity.

ABDUL QUAIUM CHOWDHURY

Additional Managing Director & CBO

Abdul Quaium Chowdhury joins SBAC Bank PLC as Additional Managing Director, bringing over three decades of distinguished experience in the banking sector. He serves as the Chief Business Officer (CBO) of the Bank. Most recently, he rendered his service as Deputy Managing Director and Head of the Dilkusha Branch at The Premier Bank PLC, where he was instrumental in driving profitability, enhancing asset-liability management, and expanding foreign trade business despite challenging economic conditions.

His career is marked by long-standing tenures at leading institutions, including nearly 20 years at Southeast Bank PLC, where he served as SEVP and Head of the Principal and Dhanmondi branches. Starting his journey with IFIC Bank PLC in 1994, Mr. Chowdhury has developed deep expertise in foreign exchange, international trade operations, and corporate relationship management.

Academically, Mr. Chowdhury holds a Bachelor's and a Master's degree in International Relations from the University of Dhaka. His professional foundation is further strengthened by extensive training in international banking and risk management.

Renowned for his strategic foresight and people-centric leadership, Mr. Chowdhury is expected to play a pivotal role in strengthening SBAC Bank's operational resilience and achieving its sustainable growth objectives through disciplined execution and institutional excellence.

MD. ALTAF HOSSAIN BHUYAN

Deputy Managing Director & CRO

Md. Altaf Hossain Bhuyan serves as the Deputy Managing Director of SBAC Bank PLC. Being a key member of the bank's Senior Management Team he serves as the Chief Risk Officer (CRO) of the Bank. A seasoned banking professional, his career began in 1997 at Pubali Bank. Over the years, he has built a reputation for strategic leadership through pivotal tenures at NCC Bank and Shahjalal Islami Bank.

Since his elevation to DMD in January 2020, Mr. Bhuyan has been instrumental in spearheading high-impact initiatives. His leadership has been particularly vital in overseeing International Trade Monitoring and managing Startup Refinance Funds. His multidimensional expertise in trade and branch operations remains a cornerstone of the bank's business development strategy.

His academic credentials reflect a blend of global and local excellence. Mr. Bhuyan holds an MBA from the University of Honolulu, an M.Com from the University of Dhaka, and a B.Com from the University of Rajshahi. This educational background provides him with a sophisticated perspective on financial markets and agricultural and SME financing.

Beyond his executive responsibilities, Mr. Bhuyan is dedicated to professional mentorship, frequently serving as a resource person for industry training workshops. His vision continues to drive SBAC Bank's success as a leader in inward remittances and a pioneer in supporting Bangladesh's diverse economic sectors.

MD. MASOODUR RAHMAN FCA

CAMLCO & Head of BOD

Md. Masoodur Rahman FCA, Senior Executive Vice President (SEVP) currently serves as the Chief Anti-Money Laundering Compliance Officer (CAMLCO), and Head of Banking Operation Division at SBAC Bank PLC. As a member of the Senior Management Team (SMT), Mr. Rahman has played a pivotal role in strengthening the Bank's operational excellence, governance framework, and compliance culture.

With more than 17 years of extensive experience in the banking industry, Mr. Rahman possesses strong expertise in banking operations, financial reporting, internal control, regulatory compliance, and strategic management. Since joining SBAC Bank PLC. in 2013, he has successfully held several key leadership positions, including Chief Financial Officer (CFO) and Head of Internal Control & Compliance (ICCD). Prior to joining in the Bank, he served at Eastern Bank PLC. and National Bank PLC., where he gained valuable experience in finance, auditing, and banking operations.

Mr. Rahman is a Fellow Chartered Accountant (FCA) and an alumnus of Jagannath University, Dhaka, from where he obtained both his Bachelor's and Master's degrees in Business Studies. He has also participated in numerous professional training programs and workshops on IFRS, taxation, VAT, risk management, anti-money laundering, and regulatory compliance, reflecting his continuous commitment to professional excellence and leadership development.

MD. MOFAZZAL MAMUN KHAN

Chief Technology Officer

Md. Mofazzal Mamun Khan joins SBAC Bank PLC as Senior Executive Vice President and holds the position of Chief Technology Officer (CTO) of the Bank. Previously at EXIM Bank PLC, he served as Senior Executive Vice President, leading the Card Division, Alternate Delivery Channels, Mobile Banking, Call Center, Agent Banking, and Law Division. His leadership drove technological advancement, operational efficiency, and customer-centric digital transformation.

Mr. Khan began his banking career at Prime Bank PLC in 1999, later contributing to EXIM Bank PLC, Jamuna Bank PLC, and Bank Asia PLC. At each institution, he championed innovation, set excellence benchmarks, and fueled growth and resilience.

He holds B.Sc. and M.Sc. degrees in Physics from Shahjalal University of Science and Technology (SUST), plus MBM, LLB, LLM, a Diploma in Computer Science, CASIA, and certifications like CCNA, JAIBB, AIBB, and CAMS. He has completed numerous high-level training programs.

Mr. Khan's visionary leadership and commitment to excellence has been reshaping SBAC Bank PLC. into a future-ready institution.

MD. RASHED AKTER

Head of Retail Distribution Division

Md. Rashed Akter joined SBAC Bank PLC as Senior Executive Vice-President (SEVP) and Head of Retail Distribution, bringing extensive expertise in retail banking and bancassurance. Most recently, he served as Executive Vice President, Head of Retail Distribution, and Chief Bancassurance Officer (CBO) at Midland Bank PLC. His distinguished career began at HSBC, followed by pivotal leadership roles at BRAC Bank, Eastern Bank, ICB Islamic Bank, Bank Alfalah, and The Premier Bank.

Throughout his professional journey, Mr. Akter has demonstrated a consistent ability to bolster growth and enhance service standards. His leadership experience as a Head of Branch has provided him with a deep understanding of market dynamics and customer-centric operations. In addition to his corporate role, he is a prominent figure in the banking community, currently serving as the President of the Bankers Club of Bangladesh Ltd.

Mr. Akter has completed his MBA with a major in Finance and Banking from Southeast University and also holds Bachelor's and Master's degrees from Jahangirnagar University. He is professionally accredited with MDP and CECM certifications and has participated in numerous high-level training programs and seminars. His strategic vision and specialized knowledge in retail distribution are expected to be invaluable assets in driving SBAC Bank's performance and institutional excellence.

MOHAMMAD AMINUL HAQUE
FCA, ACMA (CIMA), CGMA

Chief Financial Officer

Mohammad Aminul Haque has joined SBAC Bank PLC as Senior Executive Vice President and currently serves as the Chief Financial Officer (CFO). A seasoned financial leader and analyst, he brings extensive expertise in strategic planning, corporate governance, asset-liability management, and regulatory compliance, backed by a proven track record of leadership across premier global and local financial institutions.

Mr. Haque began his illustrious career at KPMG where he developed a rigorous foundation in financial oversight. He subsequently transitioned into the banking sector, serving as the Chief Financial Officer at Southeast Bank PLC, Trust Bank PLC, and Mutual Trust Bank PLC. Prior to joining SBAC Bank, he held the critical position of Head of ALCM & Business Finance at HSBC Bangladesh, where he played a key role in driving financial strategy and business performance.

His academic background is equally distinguished, having earned both his BBA and MBA in Accounting & Information Systems (AIS) from the University of Dhaka. Mr. Haque has attained high levels of professional eminence as a Fellow Chartered Accountant (FCA). He has further solidified his global credentials as a qualified management accounting professional, holding both the ACMA (Chartered Institute of Management Accountants, UK) and the Chartered Global Management Accountant (CGMA) designations.

Equipped with a rare blend of technical mastery and strategic vision, Mr. Haque serves as a catalyst for innovation and resilience within the bank. His ability to align meticulous financial stewardship with sustainable business growth is instrumental in enhancing the bank's financial health and delivering long-term value to its stakeholders.

MD. ABDUL MANNAN

Head of Credit Risk Management (CRM)

Md. Abdul Mannan, an experienced banker currently serves as the Executive Vice President at SBAC Bank PLC. With a career spanning over 25 years in Credit Risk Management, Corporate Banking, Structured Finance, CMSME, Retail Finance, Branch Banking, Foreign Trade & Internal Control & Compliance. Mr. Mannan brings a wealth of expertise in strategic financial management and risk mitigation to the bank.

He currently holds the role of Head of Credit Risk Management (CRM), where he oversees the bank's asset quality and ensures adherence to regulatory standards. His leadership has been instrumental in fortifying the bank's operational integrity since joining the institution in 2015. Before his tenure at SBAC Bank, Mr. Mannan spent earlier 15 years at IFIC Bank PLC & Uttara Bank PLC., developing a robust foundation in core banking operations.

An alumnus of the University of Dhaka, he holds an MBA in Accounting Information Systems, as well as an M.Com and B.Com (Honor's) in Accounting & hold certifications of JAIBB & AIBB. He attended numerous high level training programs in Corporate Banking, Risk Management & Foreign Trade from home & abroad. Mr. Mannan continues to be a driving force in the growth of SBAC Bank PLC.

MOHAMMAD SHAFIUL AZAM

Head of Digital Financial Services & Brand Communications

Mohammad Shafiul Azam is an accomplished banking professional with 26 Years extensive experience in digital banking, brand communications, business development, establishment and procurement. He is currently serving as Head of Digital Financial Inclusion Division and Head of Brand Communications at SBAC Bank PLC., where he is a key member of the Bank's Senior Management Team.

In his current role, Mr. Azam provides strategic leadership in driving the Bank's digital transformation initiatives, overseeing Alternative Delivery Channels (ADC), Mobile Financial Services (BanglaPay), Internet Banking (SBAC Click), and SBAC Fast, the Bank's e-KYC based digital self-onboarding platform. He also supervises the Call Center and Service Quality Dept. functions to enhance customer experience and operational excellence.

In addition, he leads Brand Communications, Strategic Alliance and Business Development initiatives, spearheading partnerships with various organizations to offer EMI and discount facilities for employees, account holders and cardholders. His professional expertise also includes establishment management and procurement operations, with hands-on experience in vendor management, administrative coordination, and organizational support functions.

Prior to joining SBAC Bank PLC, Mr. Azam held managerial positions at Mutual Trust Bank PLC. and Eastern Bank PLC. He holds both Bachelor's and Master's degrees from National University.

DEWAN ARIFUR RAHMAN

Head of Treasury Division

Dewan Arifur Rahman is a highly accomplished banking professional currently serving as Senior Vice President and Head of the Treasury Division at SBAC Bank PLC. With a distinguished career in financial market operations, he leads the bank's treasury functions, overseeing liquidity management, asset-liability strategies, and investment in government and money market instruments.

Mr. Rahman's professional expertise is built upon a solid academic foundation. He completed his undergraduate studies at Independent University, Bangladesh (IUB) and earned his post-graduation from North South University (NSU), two of the most prestigious institutions in the country. Additionally, he has earned Advanced Certificate in Business Administration (ACBA) from the Institute of Business Administration (IBA), University of Dhaka.

Before joining SBAC Bank PLC, Mr. Rahman acquired extensive banking experience at Mutual Trust Bank PLC, where he developed versatile expertise in managing complex financial portfolios and mitigating market risks. In his current role, his strategic leadership in the Treasury Division plays a vital role in strengthening the bank's financial stability, optimizing investment returns, and ensuring compliance with regulatory requirements.

SYED HAFIJ AHMED

Head of GSD

Syed Hafij Ahmed is a banking professional currently serving as Vice President and Head of the General Services Division (GSD) at SBAC Bank PLC. With a background in both branch banking and core operational management, he plays a vital role in ensuring the administrative efficiency and logistical excellence of the institution.

Mr. Ahmed began his banking career at Trust Bank PLC, where he served until September 2016, developing a strong foundation in banking standards and operational discipline. Following his tenure there, he joined SBAC Bank PLC, where he successfully performed as a Branch Manager and in various other managerial roles across different branches. His hands-on experience in branch operations has provided him with a unique perspective on the infrastructural and logistical needs of a growing financial institution.

An alumnus of the National University, Mr. Ahmed combines his academic background with nearly two decades of practical industry experience. In his current capacity as the Head of GSD, he is responsible for the bank's procurement, infrastructure maintenance, and general administrative oversight, ensuring that the bank's physical and operational assets are managed to the highest professional standards.

TOWHEDUR RAHMAN FCS

Company Secretary (CC)

Towhedur Rahman is a highly regarded professional currently serving as First Vice President and Company Secretary (CC) at SBAC Bank PLC. As critical capacity, he builds a strategic bridge between the Board of Directors and the bank's executive management, ensuring decision-making is executed with transparency, precision, and strict regulatory compliance.

Mr. Rahman's professional authority is underpinned by his status as a Fellow Chartered Secretary (FCS). To quench the thirst of learning, he obtained CEEB from BIBM and PGDPM from BIM, which helped him strengthen competencies in the professional arena. These qualifications equip him with deep mastery in corporate secretarial practices and governance frameworks.

Prior to his joining at SBAC Bank PLC, Mr. Rahman gained extensive experience at Trust Bank PLC and later at Eastern Bank PLC. He developed strong expertise in secretarial functions, auditing, finance & accounts, and branch banking operations across several leading branches in the capital.

Holding Graduation and Post-Graduation degrees from the National University, he is known for his meticulous attention to detail and strong professional ethics. He plays a key role in upholding SBAC Bank PLC's high corporate governance standards.

S. M. Waliullah Hossain

Head of HRD (CC)

S. M. Waliullah Hossain is a seasoned Human Resources and Organizational Development leader with over 15 years of extensive experience in the financial services sector. He currently serves as the Head of Human Resources (Current Charge) at SBAC Bank PLC, where he is responsible for driving strategic HR initiatives focused on talent management, organizational development, workforce transformation, leadership development, and HR governance.

Prior to joining SBAC Bank PLC, Mr. Hossain built a strong foundation in human resources through his tenure at leading financial institutions, including United Commercial Bank (UCB), Bank Asia, and Jamuna Bank, where he served in various capacities within the HR Division.

He is an alumnus of North South University and has further enhanced his leadership and managerial capabilities through the Management Development Program at Institute of Business Administration, University of Dhaka. His areas of expertise include psychometric assessment, competency framework design, succession planning, and large-scale leadership development initiatives.

In addition to his corporate role, Mr. Hossain is a recognized thought leader in the HR domain. He contributes regularly to national newspapers on contemporary HR and organizational topics and actively engages in knowledge-sharing through career development sessions at leading private universities.

He strongly advocates for work-life integration and maintains an active presence in corporate sports, particularly athletics and cricket, reflecting his commitment to holistic development.

LEADERSHIP
INSIGHTS

Review of the Chairman

Engr. Md. Moklesur Rahman
Chairman

"Amid a challenging and uncertain economic environment, the Bank remains committed to strengthening risk management, enhancing operational efficiency, reinforcing corporate governance, and delivering innovative, customer-centric digital banking services. Our strategic priorities continue to focus on improving asset quality, strengthening internal controls, ensuring financial stability, promoting financial inclusion, optimizing operational costs, and sustaining stakeholder confidence through prudent and transparent business practices.

The global economy continues to experience geopolitical instability, inflationary pressure, trade disruptions, and slower economic growth, while the domestic economy faces liquidity constraints, foreign exchange volatility, elevated interest rates, rising non-performing loans, and weakened confidence in the banking sector. These challenges have compelled us to adopt more disciplined, resilient, and forward-looking strategies.

Accordingly, we are emphasizing prudent asset-liability management, maintaining a conservative advance-deposit ratio, strengthening liquidity management, improving deposit mobilization, expanding fee-based income sources, and accelerating digital transformation initiatives. We are also investing in human capital development, regulatory compliance, cybersecurity, and brand enhancement to ensure sustainable growth.

With focused execution and prudent leadership, we remain confident in our ability to navigate current challenges and create long-term value for stakeholders."

It's my immense pleasure on behalf of the Board of Directors and myself to welcome you all to the 13th Annual General Meeting (AGM) of SBAC Bank PLC. I wholeheartedly express my gratitude and endeavor to all the people present here, as you have bestowed us with enormous faith, and continued cooperation throughout the year.

On this occasion, I am also privileged to present the Bank's Annual Report 2025, which outlines our overall performance, provides an overview of the local and global economic landscape, and highlights our strategic priorities for the future.

As SBAC Bank has now entered into its 14th year of operations, a journey of steady commitment, relentless excellence, and purposeful growth. Across every dimension of banking technology, reach, inclusion, and innovation, we are making significant strides. From modernizing our infrastructure to expanding our physical and agent banking networks, from introducing Islamic windows to launching cutting-edge products, SBAC Bank is not merely evolving; we are leading the change."

Distinguished shareholders,

But the latest outlook tells a far more cautious story. Global growth for the year ahead has been revised downward to just 2.8 percent, falling short of the IMF's earlier projections. Advanced economies, at best, are expected to manage only modest gains of 1.7 to 1.8 percent. Emerging markets, by contrast, continue to drive the engine of global momentum growing at an impressive 4.2 percent. The U.S. economy, after demonstrating remarkable resilience with 2.8 percent growth in 2025, now faces a sharply lowered projection of just 1.8 percent for 2026. The Eurozone remains stubbornly sluggish. Meanwhile, South Asia stands out as a beacon of regional strength, leading all regions with nearly 5.8 percent growth. And yet, Sub-Saharan Africa's recovery remains fragile a reminder that the global recovery is anything but uniform.

Inflation is gradually easing, with global headline inflation forecast to decline at 5.9 Percent (Approx.) in 2024 and further to 4.5 Percent (Approx) in 2025, though core inflation remains sticky and the latest report of the IMF reaffirms that inflation around the world is slowly going down. However, the cost of everyday services like rent and healthcare is still going up faster than normal, which means central banks might need to keep interest rates high for a while. Central banks face challenges in balancing inflation control with growth support.

Key risks to the global economy include ongoing geopolitical tensions (e.g., Israel-Iran, Russia-Ukraine, India-Pakistan), trade fragmentation, and financial instability especially from China's real estate sector. Protectionist policies are disrupting global trade, while persistent inflation in services limits central banks' ability to lower interest rates. High government debt, climate challenges, and weak productivity further threaten stability and widen the recovery gap between countries. Long-term concerns like aging populations and unclear policies add to uncertainty. However, global growth may improve slightly by 2026. Positive signs include stronger-than-expected progress in some countries and rising public investment and tech demand in emerging Asian markets. With careful interest rate management, targeted support, and structural reforms, global economic stability and resilience could improve.

Bangladesh's economic growth slowed down notably, with real GDP expansion. The slowdown was aggravated by political unrest from mid-2024, supply chain disruptions, and tighter economic conditions resulting in significant economic losses and slower investment activity. For FY2025 (ended June 2025), provisional estimates from the Bangladesh Bureau of Statistics (BBS) show GDP growth further decelerated to approximately 3.97% . Looking ahead, the Asian Development Bank (ADB) projects a modest recovery to 5.0% growth in FY2026, supported by improved domestic demand and easing inflation.

Consumer inflation climbed to double digits, peaking at nearly 11.7% in mid-2024 before easing. The World Bank forecasts average inflation of around 8% for 2026 . In response, the Bangladesh Bank maintained a tight monetary policy stance, raising the policy repo rate to 10% in September 2024, where it has remained unchanged as of April 2026 . The central bank also introduced a more flexible exchange rate regime to stabilize inflation and rebuild foreign reserves. In the money market, liquidity remained constrained with high policy rates and the central bank's tighter measures, including modernization of its monetary framework and enhanced FX-market management. These efforts aimed to anchor inflation expectations and support exchange-rate stability. The central bank aims to reduce inflation to 6.5% by June 2026.

Looking ahead, IMF supported reform efforts such as tax policy improvements, market-based exchange rates, and strengthened financial governance along with foreign assistance and possible trade policy adjustments, could help restore stability and support a return to a more resilient growth path.

Honorable shareholders,

In spite of economic headwinds, inflationary pressure, dry liquidity situation, geopolitical tensions and tighter financial conditions prevailing throughout the year, the SBAC Bank PLC. has demonstrated impressive resilience and sustainable operational performance in 2025. I am pleased to share that our Bank has registered a registered operating profit of Tk. 1074.1 million (solo) & Tk. 1107.8 million (consolidated) which was Tk. 2698.8 million (solo) & Tk. 2721.5 million (consolidated) in 2024, showing a decrease of 60% percent (both solo and consolidated basis) due to an increase in the provision of the bank in compliance with the Bangladesh Bank's circular strengthening our financial resilience.

Bank's total deposit also rose to Tk. 107,764.1 million (solo) & Tk. 107,736.8 million (consolidated) in 2025 from Tk. 96,755.8 (solo) & Tk. 96,735.0 million (consolidated) in 2024, registering a growth of 11.4 percent in terms of consolidated basis, Whereas the total Loans, Advances and Lease/Investments stood at Tk. 94,458.1 million (solo) & Tk. 94,669.5 million (consolidated) in 2025 in comparison to Tk. 88,641.8 million (solo) & Tk. 88,848.3 (consolidated) in 2024, registering a growth of 6.6 percent consolidated basis. The amount of classified loans and advances was Tk. 18,814.9 million in 2025, and an amount of Tk. 2371.3 million has been kept as provision against classified loans and advances. Due to the relentless efforts, our recovery from NPL is increasing gradually; in 2025 we have recovered Tk. 2164.00 million (Approx.) whereas in 2024 the recovery was Tk. 2090.00 million (Approx.). It is also notable that the bank maintained an Advance-Deposit (AD) Ratio of 82.87 percent for traditional banking and 55.38 percent for Islamic banking operation during the year in review.

The Earnings per Share (EPS) of the bank stood at Tk. 0.01 (solo & consolidated) as against Tk. 0.14 (consolidated) & Tk. 0.14 (Solo) in 2024. Our Net Asset Value (NAV) per share was Tk. 13.56 (solo) & Tk. 13.61 (consolidated) in 2025 as against Tk. 13.44 (solo) & Tk. 13.49 (consolidated) in 2024. In 2025, total shareholders' equity stood at Tk. 11,174.7 (solo) & Tk. 11,214.7 million (consolidated) in comparison to Tk. 11,075.6 million (solo) & Tk. 11,115.1 million (consolidated) of 2024. In 2025 the Return on Assets (ROA) of the bank was 0.01 percent (solo & consolidated) in compare to 0.09 percent (solo & consolidated) of 2024, whereas the Return on Equity (ROE) was 0.06 percent (solo) & 0.06 percent (consolidated) in 2025 as against 0.98 percent (solo) & 0.99 percent (consolidated) of 2024. At the end of 2025, Bank's Capital to Risk Weighted Assets Ratio (CRAR) was 13.40 percent (solo) & 13.37 percent (consolidated).

While our financial figures during the year were characterized by significant pressure on key profitability indexes, we must view these figures through the lens of the transformative shift currently reshaping the industry. The sharp decline in EPS and ROA is not merely a reflection of internal performance, but a direct consequence of the bank's commitment to the ongoing stricter reform projects undertaken by Bangladesh Bank. By prioritizing the introduction and implementation of the new loan classification policy and managing an extensive Tk. 18,814.9 million in classified assets through rigorous expected credit loss provisioning, we have ensured the bank remains resilient. Although high deposit costs and the contractionary monetary environment have squeezed our margins, our robust CRAR and stable NAV growth demonstrate that we are successfully navigating the Prompt Corrective Action (PCA) framework and improving AML governance. We stand resolute in our conviction: by valiantly absorbing these "low-dimension" shocks today yielding to the imperatives of risk-based supervision and the Bank Resolution Ordinance, we forge a stronger path. Thus fortified, our bank shall not merely endure, but soar to unparalleled performance when economy and sector alike reclaim their rightful vigor.

As one of the fast growing fourth-generation banks, we have ensured our presence at a number of places including vital business locations. The bank has 90 branches, 32 sub-branches, and 36 agent banking outlets (all active) across Bangladesh, along with 3 new outlets in the pipeline, and we also have 01 Off-shore banking unit at Head Office. The Bank has been operating the foreign trade business through a centralized Trade Processing Unit at the Head Office to handle the trade transactions of all our branches. We have been maintaining a correspondent banking relationship with globally reputed banks to facilitate foreign trade and other international transactions. At the end of 2025, the number of foreign correspondent banks was 195 covering 44 countries across the globe, and maintaining 14 Nostro Accounts in 06 major currencies with reputed international banks. The bank is also enjoying an ample credit line with a number of widely recognized banks worldwide. In 2025 the total import business of the bank was Tk. 29,724.10 million as against Tk. 39,203.67 million in 2024. Our export business was Tk. 23,394.80 million in 2025 as against Tk. 29,835.97 million of the year 2024. Moreover, the Bank has received Tk. 6,931.30 million as wage earners remittance in 2025 as against Tk. 11,452.03 million in 2024.

Dear valued shareholders,

In our pursuit of service excellence exploiting innovations and cutting-edge technologies, we have made significant progresses in digital transformation. We have already issued 1,07,770 VISA debit cards and 8,982 credit cards equipped with secured EMV technology, ensuring enhanced safety and convenience for our customers.

To bolster our self-service infrastructure, we have successfully deployed 81 ATMs and 1 CRM at key financial hubs across the country. We are also advancing plans to install additional ATMs and CRMs, further enhancing customer convenience and delivering on our promise of seamless 24/7 banking services.

Guided by our commitment to digital transformation, we continue to enhance our service delivery through platforms like SBAC Click, our Mobile Banking Wallet, and the BanglaPay digital app. These innovations ensure a frictionless banking experience, providing our customers with the convenience and flexibility they demand in a digital age.

As a socially conscious entity, SBAC Bank PLC remains dedicated to driving positive societal change. In 2025, our CSR program targeted vital sectors to promote inclusive and sustainable growth. These efforts reflect our core mission: to balance financial success with a profound commitment to the communities we serve.

During the year, we donated a total of Tk. 2.116 million to various CSR initiatives. This included Tk. 1.075 million for Healthcare, Tk. 0.4 million for Education, Tk. 0.641million for Disaster Management. These efforts reflect our unwavering focus on addressing critical social needs and uplifting communities across the country.

Beyond financial contributions, our CSR initiatives align with our broader vision of making a lasting impact through education, healthcare, disaster relief, financial inclusion, and community development.

We remain committed to the highest standards of corporate governance, strictly adhering to the regulatory frameworks of Bangladesh Bank, BSEC, RJSC, DSE, and CSE. To safeguard stakeholder interests, the Board and its specialized committees including the Executive, Risk Management, Audit, and Shariah Supervisory Committees maintain active and vigilant oversight of the Bank's operations throughout the year.

Esteemed shareholders,

Our people are our greatest asset, and we are committed to building a workforce that is as diverse as the communities we serve. Hence, our workforce strategy is built on the pillars of talent, diversity, and future-readiness. By fostering an inclusive environment that values diverse backgrounds and perspectives, we ensure SBAC Bank remains a dynamic place to work. We continue to invest in our future by attracting top-tier candidates through our MTO and PO programs, bringing in the next generation of leaders to drive our organizational success. Our Training Institute (TI), established at the Bank's founding, is dedicated to the professional excellence of every employee. Through a robust mix of local and international training programs, we build a highly skilled workforce capable of navigating today's complex banking landscape. At SBAC Bank, we invest in our people so they can deliver superior results for our customers and stakeholders.

Dear Shareholders,

Since July 2024 Uprising, the Bangladeshi banking sector has navigated a volatile economic environment marked by dollar shortages and sector-wide liquidity strains. In response, SBAC Bank PLC has adopted a Strategic Roadmap focused on strengthening our balance sheet and restoring stakeholder confidence in the near future.

We are transitioning toward a leaner and more resilient business model. This includes a vigorous focus on the recovery of non-performing loans (NPLs), stringent credit monitoring, and a pivot toward non-funded business streams to bolster our fee-based income. By promoting SME lending and superior collateral-backed financing, we are diversifying our risk and ensuring we remain well-capitalized against market shocks.

Despite these macro-economic pressures, our core values of Service Quality and Compliance remain non-negotiable. We are reinforcing our risk management frameworks to stay ahead of regulatory requirements and internalize the best practices of corporate governance.

I would like to thank our shareholders and patrons for their continued confidence. My sincere thanks also go to our regulators and auditors for their vigilant oversight, which ensures the stability of our financial system. Together, we are building a bank that is not only profitable but profoundly resilient.

With Warm regards

Engr. Md. Moklesur Rahman
Chairman, Board of Directors

S. M. Mainul Kabir
Managing Director & CEO

Management Discussion by the Managing Director & CEO

The year 2025 was marked by continued macroeconomic adjustment, elevated inflationary pressure, tight monetary conditions, subdued private sector investment appetite and heightened geopolitical uncertainty in the global economy. Despite these challenges, SBAC Bank PLC demonstrated resilience through disciplined balance sheet management, prudent risk governance, cautious credit expansion, enhanced liquidity management and continued operational focus. The Bank maintained stability in its core banking operations while strengthening compliance, governance and capital management frameworks.

On a consolidated basis, total assets increased to BDT 133,029.95 million in 2025 from BDT 124,608.94 million in 2024, registering a growth of 6.76 percent. Total deposits and other accounts stood at BDT 107,736.77 million against BDT 102,482.54 million in the previous year, reflecting steady depositor confidence despite challenging market conditions. Consolidated loans and advances reached BDT 94,669.54 million compared to BDT 90,173.77 million in 2024. The Bank maintained adequate liquidity and continued to strengthen its provisioning and recovery efforts during the year.

The consolidated net profit after tax for 2025 stood at BDT 7.05 million against BDT 113.14 million in 2024. The decline in profitability was primarily attributable to elevated provisioning requirements, pressure on net interest margin, subdued private sector credit growth, higher funding cost, industry-wide asset quality challenges and the overall contractionary monetary policy environment. Earnings per share (EPS) declined to BDT 0.01 from BDT 0.14 in the previous year.

The standalone financial statements also reflected similar trends during the year, though the Bank continued to preserve operational continuity, customer confidence and regulatory compliance. The management remains focused on long-term sustainability rather than short-term profit maximization amid ongoing economic adjustment.

Accounting Policies and Basis of Preparation

The consolidated and separate financial statements of SBAC Bank PLC for the year ended 31 December 2025 have been prepared in accordance with the Bank Companies Act, 1991 (as amended), the Companies Act, 1994, the Securities and Exchange Rules, 2020, the International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), directives and circulars issued by Bangladesh Bank and other applicable laws and regulations in Bangladesh.

The financial statements have been prepared under the historical cost convention except for certain investments and assets which have been measured in accordance with relevant accounting standards and Bangladesh Bank guidelines. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Significant estimates include provisioning against loans and advances, valuation of investments, deferred tax computation, useful life assessment of fixed assets and recognition of contingent liabilities.

The management believes that the accounting policies adopted are appropriate and consistently applied. The policies are designed to present a true and fair view of the financial position, financial performance and cash flows of the Bank.

Changes in Accounting Policies and Estimation

During the reporting year, there were no major changes in accounting policies that materially affected the comparability of the financial statements. However, the Bank continued to strengthen its estimation methodologies relating to expected credit loss assessment, classification and provisioning of loans and advances in line with evolving regulatory expectations and prevailing economic realities.

The impact of changes in estimates was reflected mainly in higher provisioning expenses and more conservative asset quality assessment. Consolidated total provision stood at BDT 892.11 million in 2025 against BDT 1,648.10 million in 2024. Although total provision declined compared to the previous year, the Bank maintained prudent provisioning coverage considering prevailing market uncertainty and stress in the banking sector.

Management continuously reviews assumptions relating to impairment, investment valuation and deferred tax recognition in order to ensure that the financial statements adequately reflect economic substance and risk exposure.

Comparative Analysis of Financial Performance and Financial Position

Over the last several years, the banking industry in Bangladesh has experienced a prolonged period of economic adjustment characterized by inflationary pressure, exchange rate volatility, rising funding cost, liquidity fluctuations and slower private sector investment. SBAC Bank's performance during 2025 should therefore be evaluated within the broader context of macroeconomic and industry-wide developments.

Consolidated total assets increased by BDT 8,421.01 million during the year, supported mainly by growth in loans and advances, investments and balances with banks and financial institutions. Investments in shares and securities increased to BDT 23,874.23 million from BDT 18,277.71 million in the previous year, reflecting strategic deployment of liquidity in government securities and other approved investments amid subdued private sector credit demand.

Cash and cash equivalents, including balances with Bangladesh Bank and other financial institutions, remained at comfortable levels. Total balance with other banks and financial institutions increased significantly to BDT 3,161.34 million from BDT 1,714.15 million in the previous year, indicating stronger liquidity positioning.

The Bank's loan portfolio expanded cautiously amid tighter monetary policy and weak private sector credit demand. According to the Bangladesh Bank Quarterly Report, private sector credit growth slowed to 6.10 percent during Q2FY26 due to elevated interest rates and macroeconomic uncertainty. In this environment, the Bank adopted a conservative lending approach with greater emphasis on asset quality, recovery and selective lending.

Total operating income on a consolidated basis declined to BDT 4,044.15 million in 2025 from BDT 5,681.18 million in 2024. Net interest income decreased to BDT 937.33 million from BDT 1,940.27 million due to narrowing spreads and increased funding cost. Commission, exchange and brokerage income also declined to BDT 735.42 million from BDT 1,141.82 million as import business, trade finance activities and foreign exchange operations remained affected by external sector adjustments and lower business momentum.

Total operating expenses remained broadly controlled at BDT 2,936.34 million against BDT 2,959.65 million in the previous year. Salary and allowances increased marginally due to inflationary adjustments and expansion of operational capabilities. Depreciation and maintenance expenses increased slightly due to ongoing investment in infrastructure and technology.

Profit before provision declined to BDT 1,107.81 million from BDT 2,721.52 million. After accounting for provisions and taxes, net profit after tax decreased significantly as noted earlier.

From a cash flow perspective, the Bank continued to maintain adequate operational liquidity. Deposit mobilization remained stable despite challenging market conditions and industry-wide competition for deposits. The Bank's liquidity and solvency indicators remained within regulatory requirements.

When compared with the immediate preceding years, the Bank's financial performance reflects the impact of sector-wide stress rather than institution-specific weakness alone. Inflationary pressure, high policy rates, lower business confidence and geopolitical uncertainty adversely affected banking operations across the industry.

Comparison with Peer Industry Scenario

The banking industry in Bangladesh experienced a difficult operating environment during 2025. According to Bangladesh Bank data, the banking sector's profitability weakened considerably while gross non-performing loans remained elevated across the industry. The Bangladesh Bank Quarterly Report noted that the banking sector's return on assets declined to negative territory while return on equity also deteriorated significantly.

The central bank maintained a contractionary monetary policy stance throughout the year with the policy rate at 10.00 percent. Treasury yields increased sharply across all maturities, funding cost remained elevated and private sector credit growth weakened. At the same time, inflation remained above 8 percent for most of the year, adversely affecting purchasing power and business confidence.

Within this industry backdrop, SBAC Bank maintained positive profitability on a consolidated basis, preserved depositor confidence and continued regulatory compliance. The Bank's deposit growth and asset expansion remained broadly aligned with market conditions. The Bank also continued to invest in government securities and maintain adequate liquidity buffers in response to changing market dynamics.

Industry-wide asset quality stress continued to affect profitability across the sector. Like many peer banks, SBAC Bank faced pressure on net interest margin and fee-based income due to slower economic activity, lower import growth and cautious lending practices. However, the Bank continued strengthening recovery initiatives, internal control systems and risk governance mechanisms.

Economic and Financial Scenario of Bangladesh and the Global Economy

The Bangladesh economy experienced moderate growth during 2025 amid persistent domestic and external challenges. According to the Bangladesh Bank Quarterly Report, real GDP growth moderated during Q2FY26 mainly due to slowdown in the industrial sector, while agriculture and service sectors remained comparatively resilient.

Inflation remained elevated throughout the year. Point-to-point headline inflation increased to 8.49 percent in December 2025 from 8.36 percent in September 2025. Food inflation and non-food inflation both remained high due to fuel price adjustments, transportation costs and supply chain pressures.

Bangladesh Bank continued its contractionary monetary policy stance to contain inflation and stabilize the external sector. Interest rates on government securities increased across all maturities while private sector credit growth slowed significantly. Excess liquidity in the banking system increased as banks became more cautious in extending credit.

The external sector showed gradual improvement supported by stronger remittance inflows and better balance of payments performance. Gross foreign exchange reserves improved during the year, although geopolitical tensions and exchange rate volatility continued to pose risks.

Globally, economic conditions remained uncertain due to geopolitical tensions, supply chain disruptions and fluctuations in commodity prices. Conflicts in the Middle East, including tensions involving Iran, Israel and the United States, increased concerns regarding energy prices and inflationary risks. Global trade demand remained cautious, affecting export-oriented economies including Bangladesh.

The global banking industry also faced pressure from tighter monetary policy, elevated borrowing costs and weakening investment appetite. These external developments had both direct and indirect implications for Bangladesh's financial sector.

Risks, Concerns and Mitigation Measures

The Bank recognizes that the operating environment continues to involve significant risks and uncertainties. Major risk areas include credit risk, liquidity risk, market risk, foreign exchange risk, operational risk, cybersecurity risk, compliance risk and reputational risk.

Credit risk remained one of the primary concerns during the year due to slower business activity, inflationary pressure and elevated financing costs. To mitigate this risk, the Bank strengthened its credit appraisal process, enhanced monitoring of classified accounts, increased recovery efforts and adopted more selective lending strategies.

Liquidity risk management remained a major focus area amid changing market conditions and competition for deposits. The Bank maintained adequate liquidity buffers, strengthened treasury operations and increased investment in government securities and liquid assets.

Market and interest rate risks increased due to the contractionary monetary policy stance and rising treasury yields. The Bank regularly monitored interest rate sensitivity, maturity gaps and investment portfolio exposures in order to manage market volatility.

Foreign exchange risk remained elevated due to exchange rate fluctuations and external sector uncertainty. The Bank continued prudent foreign exchange management and maintained compliance with Bangladesh Bank regulations relating to open position limits and foreign exchange operations.

Operational and cybersecurity risks continued to evolve with increasing digitalization of banking services. The Bank enhanced information security controls, strengthened technology infrastructure and improved internal control and compliance mechanisms.

The Bank also remained committed to strong corporate governance, regulatory compliance, anti-money laundering practices and ethical banking standards. Internal audit and risk management functions continued to operate independently in order to strengthen institutional resilience.

Due to capital preservation priorities and central bank guidance, the Bank refrained from declaring dividends for two consecutive years, leading to a technical reclassification to the 'Z-Category' by the Exchanges. In mitigation, management is enforcing a comprehensive recovery strategy to optimize operational efficiency, enhance asset quality, and restore the regular trading category at the earliest opportunity.

Future Plans, Outlook and Strategic Direction

Looking ahead, management remains cautiously optimistic regarding the future prospects of the Bank and the overall economy. Although economic conditions may remain challenging in the near term, the Bank expects gradual stabilization supported by policy reforms, improved external sector performance and moderation in inflation over time.

The Bank's future strategy will focus on strengthening asset quality, improving recovery performance, enhancing operational efficiency, expanding sustainable deposit base and diversifying income sources. Greater emphasis will be placed on SME financing, retail banking, Islamic banking operations, digital banking services and trade finance activities.

The Bank also plans to continue investment in technology, automation and cybersecurity in order to improve customer experience and operational efficiency. Digital transformation initiatives will remain an important strategic priority.

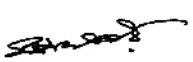
Management expects that gradual improvement in macroeconomic conditions, moderation in inflation and stabilization of interest rates will support better business momentum in the coming years. However, the Bank will continue to maintain prudent risk management practices and conservative provisioning policies until economic uncertainty subsides.

The Bank will also continue to strengthen governance, compliance and transparency in line with regulatory expectations and international best practices. Human resource development, training and performance management initiatives will remain important components of long-term institutional development.

The management remains committed to protecting the interests of shareholders, depositors, regulators and all other stakeholders. The Board of Directors and management believe that the strategic initiatives undertaken during the year will contribute to long-term sustainability, improved profitability and stronger institutional resilience.

In the next AGM, the shareholders will be informed regarding the actual progress of the strategic initiatives, business growth, recovery performance, profitability improvement, technology transformation and capital strengthening measures undertaken by the Bank.

On behalf of the management team, we express our sincere gratitude to our valued shareholders, customers, regulators, correspondent banks, business partners and employees for their continued trust, cooperation and support.



S. M. Mainul Kabir
Managing Director & CEO
SBAC Bank PLC.

DIRECTORS' REPORT

STATEMENT OF RESPONSIBILITY BY THE CHAIRMAN OF THE BOARD

Bismillahir Rahmanir Rahim

Dear Fellow Shareholders,

The Board of Directors of SBAC Bank PLC. is pleased to present the Annual Report together with the audited Financial Statements of the Bank for the year ended 31 December 2025. The Board acknowledges its responsibility for the preparation and presentation of the Financial Statements in accordance with the provisions of the Companies Act, 1994, the Bank Company (Amendment) Act, 2023, directives and guidelines issued by Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), applicable listing regulations of the stock exchanges, and International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

The Board confirms that the Financial Statements, prepared by the Management and duly audited by the external auditors, present fairly, in all material respects, the financial position of SBAC Bank PLC. as at 31 December 2025 and the results of its operations, changes in equity and cash flows for the year then ended. The Board further confirms that appropriate accounting policies have been consistently applied, reasonable and prudent judgments and estimates have been made, and all applicable accounting standards and regulatory requirements have been complied with in preparing these Financial Statements.

The Board also confirms that proper accounting records have been maintained in accordance with applicable laws and regulations, which reasonably disclose the financial position of the Bank and safeguard the assets of the institution. Appropriate internal control systems and risk management frameworks are in place and have been effectively implemented, monitored and reviewed through the Board Audit Committee and other governance mechanisms to ensure operational integrity, regulatory compliance, reliability of financial reporting and protection of stakeholders' interests.

The Board recognizes the importance of strengthening governance, compliance culture and technological resilience in an increasingly competitive and digitally transforming banking landscape. During the year, the Bank continued to focus on digital financial inclusion initiatives, enhancement of service quality, expansion of alternative delivery channels and strengthening of internal control and compliance frameworks. The Board remains committed to reinforcing operational efficiency, improving asset quality and enhancing stakeholder confidence through sound governance practices and strategic business diversification.

The Directors further confirm that there were no material departures from the prescribed accounting standards in the preparation of the Financial Statements. There exists no significant uncertainty regarding the Bank's ability to continue as a going concern, and the Financial Statements have therefore been prepared on a going concern basis. All related party transactions have been conducted on an arm's length basis in the ordinary course of business and have been appropriately disclosed in the notes to the Financial Statements.

The Board also confirms compliance with the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission and acknowledges its responsibility for ensuring ethical conduct, transparency and accountability in all activities of the Bank. The Directors believe that they have discharged their responsibilities diligently and in the best interests of the shareholders, depositors, regulators and all other stakeholders of the Bank.

On behalf of the Board of Directors, I would like to express sincere gratitude to Bangladesh Bank, Bangladesh Securities and Exchange Commission, other regulatory authorities, valued shareholders, customers, correspondent banks, business partners and all other stakeholders for their continued trust, guidance and support. I also extend heartfelt appreciation to the Management and employees of SBAC Bank PLC. for their dedication, professionalism and commitment throughout the year.

The Board remains optimistic about the future prospects of SBAC Bank PLC. and is committed to pursuing sustainable growth, strengthening corporate governance, embracing innovation and creating long-term value for all stakeholders.

Engr. Md. Moklesur Rahman
Chairman
Board of Directors
SBAC Bank PLC.

Report of the Directors

(Under Section 184 of Companies Act 1994 and Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 and Notification No. BSEC/CMRRCD/2009-193/66/PRD/148, dated 16 October 2023 of Bangladesh Securities and Exchange Commission).

The Board of Directors of SBAC Bank PLC. graciously welcomes you to the Annual General Meeting (AGM). We are pleased to present the Director's Report, Audited Financial Statements and Auditor's Report for the year 2025. We are also delighted to provide you with the key insights into global and Bangladesh economies along with an overview of our bank's business performance, present financial strategy and strategic plan for the year 2026.

An Overview on Global and Local Economy

Global Economic Outlook

The global economy has continued to demonstrate notable resilience despite persistent geopolitical tensions, elevated interest rates, and fragile trade conditions. According to the April 2026 World Economic Outlook of the IMF, global growth is now projected at around 3.1 percent for 2026, slightly lower than earlier expectations, as renewed conflict in the Middle East, energy market volatility, and tighter financial conditions weigh on global activity. Nevertheless, the world economy has thus far avoided a broad-based recession, reflecting stronger institutional adaptability, resilient labour markets, and the continued momentum of technology-driven investment.

Advanced economies are expected to expand modestly at around 1.7 percent in 2026, while emerging market and developing economies are projected to maintain comparatively stronger growth of approximately 4.1 percent, supported by domestic demand, investment activity, and resilient services sectors.

The United States remained one of the stronger-performing advanced economies in 2025, recording GDP growth of approximately 2.8 percent, supported by robust consumer spending, resilient employment conditions, and productivity gains driven partly by increased technology and AI-related investments. Entering 2026, however, growth is projected to moderate to around 2.4 percent amid tighter financial conditions and persistent inflationary pressures, while the Federal Reserve continues to maintain relatively elevated policy rates.

Across Europe, the euro area continued to experience subdued economic momentum. Growth remained constrained by weak industrial activity, elevated energy costs, and structural rigidities, with GDP expansion estimated at below 1 percent in 2025 and only a gradual recovery expected in 2026. Renewed geopolitical uncertainty and energy supply concerns have further weakened confidence across the region.

Among emerging and developing economies, China expanded by around 4.8 percent in 2025, though ongoing weakness in the property sector, subdued domestic demand, and declining business confidence continued to weigh on economic performance. The IMF now projects China's growth at approximately 4.5 percent in 2026. India, in contrast, remains the fastest-growing major economy, with growth projected at around 6.5 percent in 2026, supported by strong domestic investment, infrastructure spending, and resilient services exports.

Bangladesh navigated a challenging external environment with relative resilience. Economic growth moderated during FY2025, reflecting softer export demand, exchange rate pressures, and elevated inflationary conditions. Inflation remained persistently high due to increased food and import costs, alongside domestic supply-side pressures. However, the economy continued to benefit from stable remittance inflows, a gradual recovery in foreign exchange reserves, and sustained domestic consumption. Despite ongoing global uncertainty and tighter external financing conditions, Bangladesh's macroeconomic fundamentals remained broadly stable, supporting cautious optimism for medium-term recovery and growth.

World Economic Outlook Growth Projections

(Real GDP, annual percent change)	ESTIMATE 2025	PROJECTIONS 2026	2027
World Output	**3.3**	**3.3**	**3.2**
Advanced Economies	**1.7**	**1.8**	**1.7**
United States	2.1	2.4	2.0
Euro Area	1.4	1.3	1.4
Germany	0.2	1.1	1.5
France	0.8	1.0	1.2
Italy	0.5	0.7	0.7
Spain	2.9	2.3	1.9
Japan	1.1	0.7	0.6
United Kingdom	1.4	1.3	1.5
Canada	1.6	1.6	1.9
Other Advanced Economies	1.8	2.0	2.1
Emerging Market and Developing Economies	**4.4**	**4.2**	**4.1**
Emerging and Developing Asia	5.4	5.0	4.8
China	5.0	4.5	4.0
India	7.3	6.4	6.4
Emerging and Developing Europe	2.0	2.3	2.4
Russia	0.6	0.8	1.0
Latin America and the Caribbean	2.4	2.2	2.7
Brazil	2.5	1.6	2.3
Mexico	0.6	1.5	2.1
Middle East and Central Asia	3.7	3.9	4.0
Saudi Arabia	4.3	4.5	3.6
Sub-Saharan Africa	4.4	4.6	4.6
Nigeria	4.2	4.4	4.1
South Africa	1.3	1.4	1.5
Memorandum			
Emerging Market and Middle-Income Economies	4.3	4.1	4.1
Low-Income Developing Countries	4.6	5.1	5.1

Source: IMF, *World Economic Outlook Update*, January 2026

Note: For India, data and projections are presented on a fiscal year (FY) basis, with FY 2025/26 (starting in April 2025) shown in the 2025 column. India's growth projections are 6.3 percent for 2026 and 6.5 percent for 2027 based on calendar year.

INTERNATIONAL MONETARY FUND IMF.org/pubs

Key Drivers of Economic Growth of Bangladesh

The readymade garment (RMG) sector has once again proven to be the cornerstone of Bangladesh's export earnings. During the first half of the 2025–26 fiscal year, this sector accounted for a substantial majority of total exports and remained the primary engine behind the ongoing export recovery.

From a broader sectoral growth perspective, the industrial sector demonstrated the most significant improvement. In the July–September period, industrial sector growth rose to 6.97 percent, a notable increase from 3.57 percent recorded during the same period in the previous fiscal year. The services sector grew by 3.67 percent. Meanwhile, the agricultural sector, though exhibiting relatively modest growth of 2.3 percent, registered a recovery compared to the contraction observed in the prior year.

These trends indicate a robust revival of the industrial sector, reinforcing its critical role in supporting national economic activity and, by extension, the banking sector's credit and financial intermediation functions.

Inflation trends and Policy response

Over the past year, inflation has remained volatile, though it has largely stayed within the 8 percent range. According to data from the Bangladesh Bureau of Statistics (BBS), food inflation stood at 7.71 percent in December, while non-food inflation was recorded at 9.13 percent. The country has now been experiencing elevated inflation for three consecutive years.

Following the assumption, measures were taken to rein in inflation; primarily through increases in policy interest rates. Additionally, the National Board of Revenue (NBR) reduced tariffs and taxes on several essential commodities, including cooking oil, potatoes, onions, and eggs, while efforts were made to ensure a steady import flow of daily necessities into the domestic market. Controlling inflation has emerged as one of the most significant economic challenges for the country over the past two to three years, with implications for purchasing power, credit growth, and overall macroeconomic stability.

Money and the Market

In fiscal year 2025 (July 2024–June 2025), Bangladesh Bank maintained a contractionary monetary policy stance aimed at containing inflationary pressures and ensuring macroeconomic stability amid domestic economic adjustments and external sector vulnerabilities. Broad money (M2) growth moderated to around 7.4 percent year-on-year by the end of June 2025, remaining below the monetary program target due to subdued private sector credit demand and tighter liquidity management. Reserve money growth also remained restrained throughout the fiscal year, reflecting the central bank's cautious policy approach.

Private sector credit growth slowed significantly to approximately 7.3 percent by June 2025, well below earlier targets, primarily due to elevated lending rates, weaker business confidence, import restrictions, and stress within the banking sector. In contrast, public sector credit expanded at a relatively faster pace, driven by increased government borrowing requirements, resulting in overall domestic credit growth remaining moderate during the fiscal year. Consequently, Bangladesh's GDP growth moderated to around 3.8–4.0 percent in FY2025 amid weaker industrial output, slower export momentum, and softer investment activity.

Average inflation remained elevated at around 9.0 percent during calendar year 2025, although inflationary pressures eased gradually toward the end of the period due to tighter monetary conditions and improving supply chains. To address persistent inflation, the policy repo rate was raised progressively to 10.0 percent by June 2025 from 8.0 percent a year earlier, significantly tightening liquidity conditions across the banking system.

Liquidity pressure in the banking sector intensified during FY2025, with excess liquidity of scheduled banks declining sharply compared to previous years as higher interest rates, increased government borrowing, and weaker deposit growth constrained available funds. Meanwhile, non-performing loans (NPLs) in the banking sector increased further during the year, reflecting deteriorating asset quality, higher debt-servicing burdens, and continued stress among several large borrowers. Export credit growth also slowed considerably compared to FY2024 due to weaker global demand, lower import appetite for raw materials, and cautious lending practices by banks, which together contributed to continued pressure on foreign exchange earnings and external sector stability.

Stock Market in Bangladesh

The stock market in Bangladesh faced ups and downs in late 2025 and early 2026. In late 2025, the market remained weak, with the main DSEX index falling to around 4,865 points by December, as investors were worried about high bad loans in banks, political uncertainty, and no new company listings for a long time. However, in early 2026, the situation improved after the national elections brought political stability. The market rebounded strongly, with the DSEX rising to about 5,800 points by February 2026, supported by renewed investor confidence, new company listings, and hopes of lower interest rates. But the rally slowed down in March 2026 due to fresh global tensions affecting trade. Overall, while the market showed signs of recovery, investors remained cautious and trading volumes stayed below previous peaks.

Remittance

In 2025, Bangladesh's remittance sector achieved an unprecedented record. Total remittance inflows reached USD 32.82 billion in 2025, marking a substantial increase from USD 26.9 billion in 2024 and representing a year-on-year growth of 26.8%. The primary drivers of this exceptional growth included a stable and competitive USD exchange rate—which significantly reduced the gap with illegal hundi channels—a government cash incentive of 2.5%, and stricter anti-money laundering measures implemented following the political transition in August 2024. Monthly remittance inflows consistently exceeded USD 2 billion, with notable peaks of USD 3.29 billion in March and USD 3.23 billion in December 2025. This robust momentum continued into the first half of the 2026 fiscal year (July–December 2025), during which remittance inflows totaled USD 16.27 billion, representing an 18% increase compared to the same period in the previous fiscal year. The sustained growth in remittances has strengthened the country's external account position, bolstered foreign exchange reserves, and provided crucial support to the balance of payments amidst moderate export growth.

Import and Export

In fiscal year 2025 (July 2024–June 2025), Bangladesh's import and export sectors experienced notable growth, leading to a modest reduction in the trade deficit. Despite ongoing global challenges, export earnings (including goods and services) rose by 9.45% to $40.87 billion during the first 11 months of FY25 (July–May). The readymade garment (RMG) sector played a primary role in this growth, achieving $39.35 billion in exports, representing an 8.84% increase over the previous fiscal year.

On the import side, industrial raw materials and other goods imports increased to $60.34 billion during the July–May period of FY25, marking a 4.80% rise compared to the same period of the previous fiscal year . Although imports increased, the higher growth in export earnings led to a trade deficit of $19.38 billion in the first 11 months of FY25, which represents a 4.24% decline from the $20.24 billion deficit recorded during the same period of the previous fiscal year.

However, the overall current account deficit did not fully recover due to increased import expenditures in the services sector alongside goods. The services trade deficit widened to $4.6 billion, up from $3.85 billion the previous year, driven by higher spending on international travel, transport, and business services. Nevertheless, the current account deficit narrowed sharply to $432 million during July–May FY25, compared to $6.11 billion in the same period of FY24.

Foreign Exchange Reserve

In 2025, Bangladesh's foreign exchange reserves staged a strong recovery, climbing from a low of approximately $18.8 billion at the end of 2024 to $27.35 billion by mid-October 2025, as calculated under the IMF's BPM6 method. This turnaround was driven by record remittance inflows exceeding $30 billion, resilient RMG export earnings of $39.35 billion in FY25, and a slowdown in import payments due to tighter monetary policy, which restricted non-essential imports.

Bangladesh's banking sector

The year 2025 presented a complex landscape for Bangladesh's banking sector, characterized by both significant challenges and decisive reform initiatives aimed at restoring long-term stability. The sector faced considerable stress, with non-performing loans (NPLs) rising sharply to an estimated 34-36% of total loans following the introduction of stricter asset classification standards, which exposed long-standing governance and credit appraisal weaknesses. System-wide capital ratios came under severe pressure, falling below the regulatory minimum and prompting the central bank to take bold corrective actions, including the merger of five distressed Islamic banks into a new state-backed entity. In response, the Bangladesh Bank intensified supervisory oversight, enhanced regulatory transparency, and moved toward greater exchange rate flexibility to stabilize the financial system .Despite the contraction in private sector credit growth and a slowdown in economic activity, the sector showed signs of resilience through improved remittance inflows, cautious recovery in import letters of credit, and steady deposit growth. The collective efforts to enforce loan discipline, recapitalize vulnerable institutions, and pursue structural reforms are critical steps toward rebuilding trust, strengthening governance, and laying the foundation for a more resilient and inclusive banking sector in the years ahead.

The outlook for Bangladesh's banking sector in 2025 is one of cautious stabilization amidst significant structural reforms. Following the unprecedented surge in non-performing loans (NPLs) to approximately 30.6% of total loans by December 2025, the sector is now focused on consolidation and recovery. The Bangladesh Bank, operating with enhanced regulatory autonomy, has implemented a comprehensive reform agenda including stricter asset classification, mandatory loan provisioning, and a forced merger roadmap for weak banks. State-owned banks, carrying the highest NPL burden near 45%, remain the primary challenge, while well-governed private banks are expected to maintain resilience and profitability. The transition to IFRS-9 by December 2027 will drive more transparent loan loss accounting, though near-term provisioning costs may pressure earnings.

Deposit growth is projected to improve gradually as inflation moderates, and private sector credit growth is expected to recover modestly from its 2025 lows. The central bank's focus on governance reforms, including proposed amendments to limit director tenures and family dominance on bank boards, aims to rebuild public trust. While the sector faces continued headwinds from elevated credit costs and capital adequacy pressures, the ongoing reform trajectory supported by international partners like the IMF provides a credible pathway toward long-term stability. Success will depend on the consistent implementation of resolution strategies for distressed banks and the revival of economic activity.

Non-performing Loans (NPL)

Non-performing loans (NPLs) in Bangladesh's banking sector reached unprecedented levels in 2025, surging from Tk 2.85 lakh crore (16.93% of total loans) in September 2024 to a record Tk 6.44 lakh crore (35.73%) by September 2025 . This dramatic increase was driven by several factors: the reinstatement of stricter loan classification rules reducing the overdue period from 180 to 90 days, an asset quality review that exposed previously concealed bad loans, and loan irregularities following the political transition in August 2024. Ten banks alone held nearly 70% of total NPLs, with Islami Bank Bangladesh emerging as the largest holder at Tk 1.06 lakh crore . By December 2025, NPLs declined slightly to Tk 5.57 lakh crore (30.6%), largely due to aggressive loan rescheduling ahead of national elections rather than structural improvement, as over Tk 30,000 crore worth of bad loans were regularized during this period.

Economy Overview 2025

The overall economy of the country is undergoing a major transition, with early signs of recovery getting legible across key macroeconomic indicators, though the positive impacts of various government actions will consume some time. The external sector has demonstrated a remarkable turnaround, driven by unprecedented growth in remittances and resilient export performance. Remittance inflows reached a historic high of $3.62 billion in March 2026, pushing cumulative remittances for July 2025 to March 2026 to $26.07 billion, a staggering 19.8 percent increase over the same period of the previous fiscal year. This surge, fueled by the government's 2.5 percent cash incentive on formal banking channels, has effectively discouraged the informal "hundi" system and bolstered foreign exchange reserves. Gross reserves have climbed to approximately $33.2 billion as of January 2026, up from around $20.5 billion in early August 2024 an increase of nearly $13 billion under the current central bank leadership.

However, the growth outlook remains tempered by persistent structural challenges. The International Monetary Fund has revised Bangladesh's GDP growth forecast downward to 4.9 percent for FY26, down from 5.4 percent in July 2025, citing political uncertainty, a tighter policy mix, rising trade barriers, and stress in the banking sector. The World Bank projects a similar trajectory of 4.8 percent growth for FY26, with acceleration to 6.3 percent expected by FY27, contingent upon broad political stability, successful financial sector reforms, an improved business climate, and increased trade. The Asian Development Bank offers a slightly more optimistic projection of 5.0 percent growth for FY26, driven primarily by increased public consumption. Despite these modest projections, the government has set a more ambitious target of 5.5 percent growth for FY26.

The export sector, while resilient, is facing headwinds. Total merchandise exports reached $48.28 billion in FY25, recording 8.58 percent growth, with the readymade garment (RMG) sector—accounting for over 81 percent of total exports—achieving $39.35 billion, an 8.84 percent increase. However, RMG exports during the first eight months of FY26 (July–February) have declined by 3.73 percent year-on-year to $25.80 billion, reflecting softening global demand and price erosion. Exports to the European Union, Bangladesh's largest market accounting for nearly 50 percent of RMG exports, fell by 5.49 percent, while US exports saw a marginal 0.74 percent decline. On a positive note, exports to the United Kingdom and Canada showed resilient growth of 1.22 percent and 3.08 percent respectively, and a recently signed agreement with the United States establishes a mechanism for zero-tariff entry for Bangladeshi apparel using American cotton, reducing the reciprocal tariff rate from 20 percent to 19 percent.

Inflation remains above comfortable levels despite recent improvements, though the curve is gradually moderating. The overall inflation rate has declined by around 1.5 percentage points in recent months in response to both demand-side and supply-side measures. Demand-side policies include allowing market-determined interest rates, a three-step increase in the policy rate to 10 percent, and sizable fiscal deficit reduction through expenditure cuts. Supply-side measures encompass increased foreign exchange availability, exchange rate stabilization, duty-free essential food imports, and abolition of margin requirements on all essential imports. The IMF projects inflation to ease to 8.7 percent in FY26, down from 10 per cent in the previous year, and further decline to 5.5 percent in FY27. However, the Bangladesh Bureau of Statistics reported headline inflation at 9.13 per cent in February 2025, indicating persistent price pressures.

The banking sector remains the most critical vulnerability despite external sector improvements. Non-performing loans have surged to over 35 per cent of total outstanding loans—an uncomfortable but truthful figure according to the central bank governor, who has brought transparency to previously understated NPL figures. The Capital to Risk-Weighted Assets Ratio has fallen to historic lows, far below the regulatory minimum. Private sector credit growth slowed to 6.35 per cent in August 2025—the lowest in two decades—reflecting weak investment demand and cautious lending by financial institutions. However, the Bangladesh Bank has initiated comprehensive reforms, including restructuring the leadership of 14 banks, merging five banks into one, resolving nine non-bank financial institutions, and advancing key legal reforms such as the Deposit Insurance Act and the Bank Resolution Ordinance. The central bank has strictly avoided money printing despite government borrowing pressures, maintaining a tight monetary stance to anchor inflation expectations.

Looking ahead, several factors will shape Bangladesh's economic trajectory. The "China plus one" strategy and US tariff hikes on Chinese exports present potential opportunities for Bangladesh to capture greater market share in RMG exports. Additionally, anticipated disbursements of concessional loans and technical assistance from international financial institutions and development partners will likely enhance domestic financial stability and support institutional restructuring. However, significant risks remain: global economic uncertainties, a stronger US dollar that may drive up import costs, potential depreciation of the Bangladeshi currency, and the lingering impact of political uncertainty ahead of national elections. The World Bank's October Commodity Market Outlook forecasts a 5 percent decline in global commodity prices in 2025 and a further 2 percent drop in 2026, but Bangladesh may fail to fully reap these benefits if currency depreciation continues. Despite these challenges, the projected growth should be viewed as remarkable given the numerous headwinds facing the economy, and the current interim government's massive economic reform efforts are expected to benefit the economy in the medium to long term.

Conclusion

In conclusion, the global economy is holding steady, with world growth expected at 3.3 percent in 2026 and 3.2 percent in 2027. Global inflation is gradually declining, from 4.1 percent in 2025 to 3.8 percent in 2026 and 3.4 percent in 2027. However, this recovery is largely driven by the technology and artificial intelligence (AI) sectors, making the outlook fragile. Trade policy uncertainty remains high, and global sovereign debt is projected to exceed 100 percent of GDP by the end of the decade. Financial conditions are generally supportive, but risks such as a sudden drop in AI-related investments or rising geopolitical tensions could disrupt growth. Advanced economies are expected to grow at 1.8 percent in 2026, led by the United States at 2.4 percent. Emerging market and developing economies are projected to grow just above 4.0 percent, with India at 6.4 percent and China at 4.5 percent. Central bank independence and clear policy communication remain essential for economic stability. Policymakers should focus on rebuilding fiscal buffers, reducing uncertainty, and implementing structural reforms to ensure sustainable long-term growth.

In 2025 the economy of the country stands at a critical juncture, characterized by a remarkable recovery in the external sector alongside persistent structural vulnerabilities within the domestic financial system. The unprecedented surge in remittances, which reached $26.07 billion in the first nine months of FY26, coupled with resilient RMG exports and a rebound in foreign exchange reserves to approximately $33.2 billion, has provided much-needed stability to the balance of payments and eased pressure on the taka. However, the banking sector remains the single most significant challenge to macroeconomic stability, with non-performing loans escalating to an unprecedented 35.73 percent of total outstanding loans. Inflation, though gradually moderating to an expected 8.7 percent in FY26, continues to erode purchasing power and constrain private consumption, demanding continued monetary vigilance. The divergence between the resilient external sector and the fragile banking sector underscores the uneven nature of the ongoing economic recovery. Looking ahead, the "China plus one" strategy and anticipated concessional loan disbursements offer potential upside for exports and financial stability, provided structural reforms are sustained. Nevertheless, significant risks remain, including global economic uncertainties, a stronger US dollar, potential currency depreciation, and political uncertainty. Ultimately, the success of the government's ambitious reform agenda—particularly in banking governance, fiscal discipline, and inflation control—will determine whether Bangladesh can translate its external sector gains into broad-based, inclusive, and sustainable economic growth in the years ahead.

REVIEW OF PERFORMANCE OF SBAC BANK PLC IN 2025

Total Assets

Total assets of the bank stood at Tk. 133,029.48 million (consolidated) & Tk. 132,911.98 million (solo) in 2025 as against Tk. 124,608.94 million (consolidated) & Tk. 124,498.70 million (solo) in 2024 registering a growth of 6.76 percent (consolidated & solo). The increase in assets was mainly driven by diversified investment. The economy witnessed a satisfactory growth scenario in credit and deposits mobilization.

Cash and balance with Bangladesh Bank & its Agent

The total position of Cash and Balance with Bangladesh Bank & its Agent (including foreign currencies) is Tk. 6,364.34 million (consolidated) & Tk. 6,364.30 million (solo) in 2025 as against Tk. 6,243.16 million (consolidated) & Tk. 6,243.15 million (solo) in 2024.

Balance with other banks and financial institutions

The position of balance with other banks and financial institutions is Tk. 3,161.34 million (consolidated) & Tk. 3,142.54 million (solo) in 2025 of which Tk. 2,008.92 million (consolidated) & Tk. 1,990.12 million (solo) in Bangladesh and Tk. 1,152.42 million (consolidated & solo) outside Bangladesh.

Investment in Shares & Securities

The position of Investment of the Bank is Tk 23,874.23 million (consolidated) & Tk. 23,644.87 million (solo) in 2025 as against Tk. 22,488.96 million (consolidated) & Tk. 22,255.79 million (solo) in 2024.

Loans and Advances and Lease/Investments

The loans and advances stood at Tk. 94,669.54 million (consolidated) & Tk. 94,458.10 million (solo) in 2025 against Tk. 88,848.29 million (consolidated) & 88,641.84 million (solo) in 2024 registering growth of 6.55 percent (consolidated) & 6.56 percent (solo).

In order to risk minimization and profit maximization, the loans and advances have been accorded to diversified sectors. The sector wise outstanding amount of loans and advances are shown below:

Particulars	Outstanding (In Millions)		
	2025	2024	Growth (%)
Agriculture, fisheries and forestry	2,248.74	3,100.36	(27.47)
Agro base processing industries	7,912.68	6,606.02	19.78
Small & medium enterprise financing (SMEF)	30,546.47	32,131.26	(4.93)
RMG & textile industries	3,279.33	2,153.69	52.27
Hospitals, clinics & medical colleges	513.75	444.66	15.54
Trade & commerce	9,832.84	13,216.45	(25.60)
Transport and communications	250.93	237.44	5.68
Rubber & plastic industries	1,663.72	1,604.22	3.71
Iron, steel & aluminum industries	3,792.94	2,264.27	67.51
Printing &Packaging industries	71.23	67.21	5.99
Other manufacturing industries	9,125.76	8,492.83	7.45
Housing & construction industries	826.83	4,191.51	(80.27)
Consumer credit	17,193.02	5,962.46	188.35
Others	7,199.87	8,169.45	(11.87)
	94,458.10	88,641.84	6.56

Liabilities

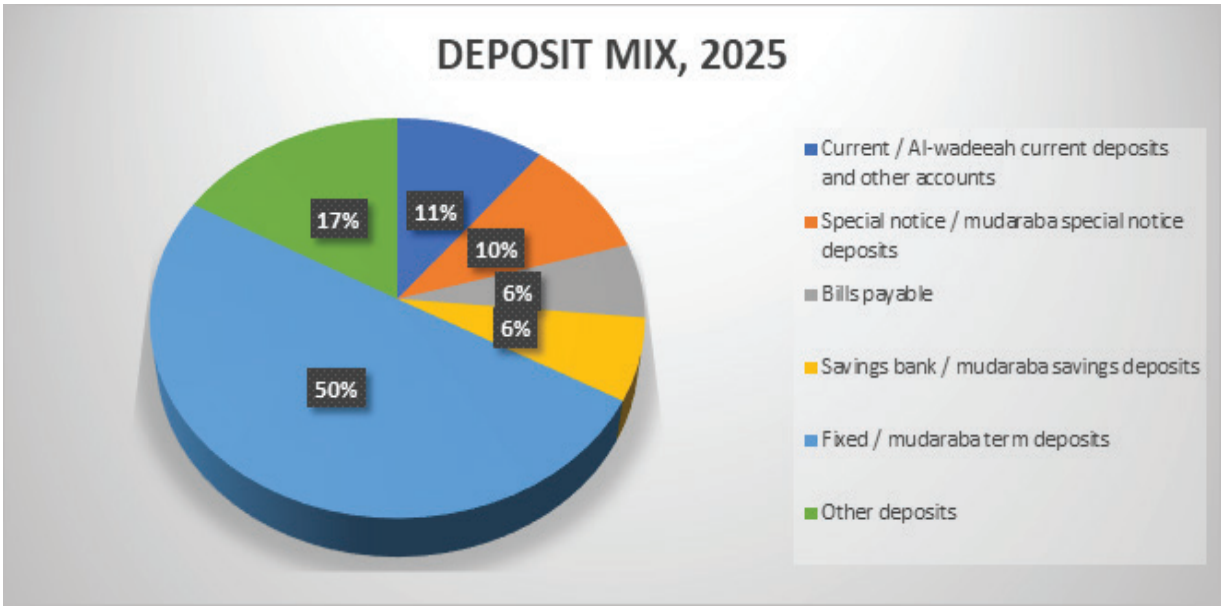
The liabilities (excluding equity) of the Bank stood at Tk. 121,814.75 million (consolidated) & Tk. 121,737.32 million (solo) in 2025. The borrowings from other banks, financial institutions and agents stood at Tk. 1,525.06 million (consolidated & solo) in 2025 as against Tk. 3,244.27 million (consolidated & solo) in 2024 which represents Bank's borrowing from Bangladesh Bank under various Refinance Scheme & EDF.

Deposits

In 2025, the Bank's deposits stood at Tk. 107,736.77 million (consolidated) and Tk. 107,764.05 million (solo), compared to Tk. 96,735.02 million (consolidated) and Tk. 96,755.82 million (solo) in 2024. Fixed/Mudaraba Term deposits remained the main component of deposits contributing 49.61 percent (consolidated) of the total deposits. The clientele group of the Bank was individuals, corporation, NGO, NBFI, government bodies etc.

The Growth and Deposit Mix (consolidated) are as follows

Types of Deposits	Amount Taka in Million		Growth (%)	Deposit Mix (%)	
	2025	2024		2025	2024
Current / Al-wadeeah current deposits and other accounts	11,519.33	13,282.04	(13.27)	10.69	13.73
Special notice / mudaraba special notice deposits	10,544.04	9,996.16	5.48	9.79	10.33
Bills payable	6,474.79	4,704.27	37.64	6.01	4.86
Savings bank / mudaraba savings deposits	7,171.56	6,705.51	6.95	6.66	6.93
Fixed / mudaraba term deposits	54,048.63	48,040.82	12.51	50.17	49.66
Other deposits	17,978.42	14,006.22	28.36	16.69	14.48
Total	107,736.77	96,735.02	11.37	100.00	100.00



Shareholders' Equity

The shareholders' equity of the Bank stood Tk. 11,214.72 million (consolidated) & Tk. 11,174.66 million (solo) in 2025 as against Tk. 11,115.10 million (consolidated) & Tk. 11,075.58 million (solo) in 2024. The shareholders' equity of the Bank consists of Paid-up capital, Statutory Reserve, Revaluation Reserve on Govt. Securities and Retained Earning.

Total Property & Assets, Total Liabilities and Shareholders' Equity of the Bank

(Amount in Million Taka)

Particulars	2025	2024	Growth (%)
Cash	6,364.34	6,243.16	1.94%
Balance with other banks and FIs	3,161.34	2,761.10	14.50%
Money at call and short notice	950.00	400.00	137.50%
Investments in shares and securities	23,874.23	22,488.96	6.16%
Loans, advances and lease / investments	94,669.54	88,848.29	6.55%
Fixed & other assets	4010.02	3867.42	3.69%
TOTAL PROPERTY AND ASSETS	133,029.48	124,608.94	6.76%
Deposits	107,736.77	96,735.02	11.37%
Borrowings	1,525.06	3,244.27	(52.99%)
Other liabilities	12,552.92	13,514.56	(7.12%)
Total Shareholders' equity	11,214.72	11,115.10	0.90%
TOTAL LIABILITIES AND CAPITAL	133,029.48	124,608.94	6.76%

Interest Income

The interest income stood at Tk. 8,607.26 (consolidated) & Tk. 8,565.55 million (solo) in 2025 as against Tk. 8,590.43 million (consolidated) & Tk. 8,579.88 million (solo) in 2024. Details of Interest Income (Solo) are as follows:

Total Interest Income	Amount (Taka in Million)		Growth (%)
	2025	2024	
Interest on loans and advances / profit on investments	8,507.45	8,533.57	(0.31)%
Interest received from Banks & Financial Institutions	56.81	43.64	30.18%
Interest Income (Off-shore Banking Unit)	1.39	2.67	(47.94)%
Inter Company	-	-	
Total Interest Income	8,565.65	8,579.87	(0.17)%

Interest Expense

The interest expense stood at Tk. 7,669.93 million (consolidated) & Tk. 7,670.34 million (solo) in 2025 as against Tk. 6,650.15 million (consolidated) & Tk. million 6,667.98 (solo) in 2024. Interest cost of deposits was the main component of interest expenses whereas interest cost of borrowings also had an impact in 2025. Details of Interest Expense (solo) are as follows:

Types of Interest Expense	Amount (Taka in Million)		Growth (%)	Interest Expense Mix (%)	
	2025	2024		2025	2024
Interest on Deposits	7,032.47	5,719.64	22.95	91.68	85.78
Interest on Borrowings	637.87	948.34	(32.74)	8.32	14.22
Total Interest expense	**7,670.34**	**6,667.98**	**15.03**	**100**	**100**

Net Interest Income

The net interest income stood at Tk. 937.33 million (Consolidated) & 895.22 million (solo) in 2025 as against Tk. 1,940.27 million (Consolidated) & Tk. 1,911.90 million (solo) in 2024. Net Interest Income decreased mainly due to increase in cost of funds.

Investment Income

The investment income of the bank consists of interest/discount earned on treasury bills/bonds, gain on government security trading, dividend received on shares and capital gain from sale of securities of listed companies. The investment income stood at Tk. 2,156.88 million (consolidated) & Tk. 2,150.15 million (solo) in 2025 as against Tk. 2,332.39 million (consolidated) & Tk. 2,327.90 million (solo) million in 2024.

Non-Interest Income

Non-interest income consists of various commissions i.e., Exchange earnings, Brokerage etc. and other operating income consists of appraisal fees, accounts maintenance charge, postage & SWIFT recovery charge etc. The Non-Interest Income stood at Tk. 3,106.82 million (consolidated) in 2025 of which Tk. 2,156.88 million was income from investment in shares/securities, Tk. 735.42 million was commission, exchange earnings & brokerage and Tk. 214.53 million was other operating income as against Tk. 3,740.90 million (consolidated) in 2024 of which Tk. 2,332.39 million was income from investment in shares/securities, Tk. 1,141.82 million was commission, exchange earnings & brokerage and Tk. 266.69 million was other operating income.

Total Operating Income

The operating income stood at Tk. 4,044.15 million (consolidated) & Tk. 3,969.12 million (solo) in 2025 as against Tk. 5,681.18 million (consolidated) & Tk. 5,623.16 million (solo) in 2024. The operating income increased due to increase in net interest income as well as non-interest income.

Total Operating Expense

Total operating expenses include salary and allowances, rent, taxes, insurance, electricity, legal expenses, postage, stamp, telecommunication, stationery, printing, advertisement, Managing Director's salary and allowances, Directors' fees, Auditors' fees, depreciation, amortization and repair of fixed assets etc. which stood at Tk. 2,936.34 million (consolidated) & Tk. 2,894.99 million (solo) in 2025 as against Tk. 2,959.65 million (consolidated) & Tk. 2,924.39 million (solo) in 2024. The item wise expenses including Directors fees are disclosed in the Financial Statements section of this Annual Report. The operating expense for the year 2025 remains almost the same as that of 2024 mainly due to tightening in administrative expenses and other operating expenses.

(Amount in Million Taka)

Particular	2025	2024	Growth (%)
Operating Income per employee	3.10	4.58	-32.40%
Operating Expense per employee	2.26	2.36	-4.31%
Profit before provision per employee	0.84	2.18	-61.57%
Profit before tax per employee	0.16	0.86	-81.21%
Assets per employee	103.68	100.65	3.01%

Provision against Loans and Advances

In 2025, the amount of Non-Performing Loan (NPL) was Tk. 18,814.9 million. Total required specific provision was Tk. 12,607.02 million. On the other hand, total required general provision was Tk. 945.14 million. Therefore, Total provision requirement was 13,552.15 million against which Tk. 3,316.40 million provision has been maintained leaving a shortfall of Tk. 10,235.75 million. It is mentionable that the approval for deferral of provision shortfall has been taken from Bangladesh Bank in this regard.

Net Profit before Tax

After making required provisions, net profit before tax of SBAC Bank PLC. stood at Tk. 215.70 million (consolidated) & Tk. 207.20 million (solo) in 2025 as against Tk. 1,073.42 million (consolidated) & Tk. 1,063.17 million (solo) in 2024.

Provision for Income Tax

Provision against income tax of SBAC Bank PLC. was Tk. 208.65 million (solo) & Tk. 200.70 million (consolidated) in 2025 as against Tk. 960.28 million (solo) & Tk. 950.76 million (consolidated) in 2024.

Net Profit after Tax

Net profit after tax stood at Tk. 7.05 million (consolidated) & Tk. 6.50 million (solo) in 2025 as against Tk. 113.14 million (consolidated) & Tk. 112.41 million (solo) in 2024. In 2025, Earnings per Share (EPS) stood at Tk. 0.01 (solo & consolidated), Return on Assets (ROA) stood at 0.01 percent (solo & consolidated), and Return on Equity (ROE) stood at 0.06 percent (consolidated & solo).

Statutory Reserve

As per Bank Company (Amendment) Act, 2023, 20 percent of profit before tax is required to be transferred to statutory reserve. As such an amount of Tk. 41.44 million has been transferred to statutory reserve in 2025 which was Tk. 211.90 million in 2024. Total statutory reserve stood at Tk. 2,740.28 million as on December 31, 2025 which was Tk. 2,698.84 million as on December 31, 2024.

Operating Performance of the Bank

(Figures in Million Taka)

Particulars	2025	2024	2023	2022	2021	Growth (%) [2024 to 2025]
Interest Income	8,607.26	8,590.43	6,900.07	5,884.34	5,610.47	0.20
Less: Interest Expense	7,669.93	6,650.15	5,244.05	4,606.95	3,955.95	15.33
Net Interest Income	937.33	1,940.27	1,656.02	1,277.39	1,654.52	(51.69)
Investment Income	2,156.88	2,332.39	1,733.70	1,705.31	3,064.16	(7.52)
Non-Interest Income & Other Operating Income	949.95	1408.51	1,609.81	1,263.47	678.64	(32.56)
Total Operating Income	4,044.15	5,681.18	4,999.52	4,246.18	5,397.32	(28.81)
Less: Operating Expense	2,936.34	2,959.65	2,750.53	2,449.61	3,401.55	(0.79)
Profit before provision	1,107.81	2,721.52	2,248.99	1,796.57	1,995.77	(59.29)
Less: Provision	892.11	1,648.10	816.84	474.84	1,025.29	(45.87)
Net Profit before Tax	215.70	1,073.42	1,432.15	1,321.73	970.48	(79.90)
Provision for Income Tax	208.65	960.28	885.78	732.08	435.76	(78.27)
Net Profit after Tax	7.05	113.14	546.36	589.65	534.72	(93.77)
Less: Statutory Reserve & Start up Fund and Capital Reserve	7.05	113.14	290.13	263.65	208.96	(93.76)
Profit available to ordinary share holders	-	-	358.02	326	325.76	(38.44)
Earnings Per Share (EPS)	Tk. 0.01	Tk. 0.14	Tk. 0.66	Tk. 0.72	Tk 0.74	-
Return on Equity (ROE)	0.06%	0.99%	4.98%	5.50%	5.36%	(93.94)
Return on Assets (ROA)	0.01%	0.09%	0.49%	0.58%	0.57%	(88.89)

We have made an impressive contribution to the government exchequer in 2025 by moving forward a total of Tk. 2,023.97 million as Withholding Tax, AIT & Excise Duty, as under:

Deposit to Govt. Exchequer				
				(Figures in Million Taka)
Year	**Withholding Tax**	**Advance Income Tax**	**VAT & Excise Duty**	**Total**
2013	16.82	21.08	10.19	48.09
2014	103.61	38.89	40.60	183.10
2015	254.11	146.16	67.14	467.41
2016	296.36	269.89	97.41	663.66
2017	347.20	613.06	155.98	1,116.24
2018	445.95	768.74	185.25	1,399.94
2019	584.99	787.99	198.38	1,571.36
2020	651.09	642.14	227.31	1,520.54
2021	602.75	554.59	270.88	1,428.22
2022	836.54	852.44	324.49	2,013.47
2023	1,098.91	650.16	394.78	2,143.85
2024	1,260.20	812.90	395.85	2,468.95
2025	1,314.88	309.27	399.82	2,023.97
Total	**7,813.41**	**6,467.31**	**2,768.08**	**17,048.80**

DIVISIONAL OVERVIEW

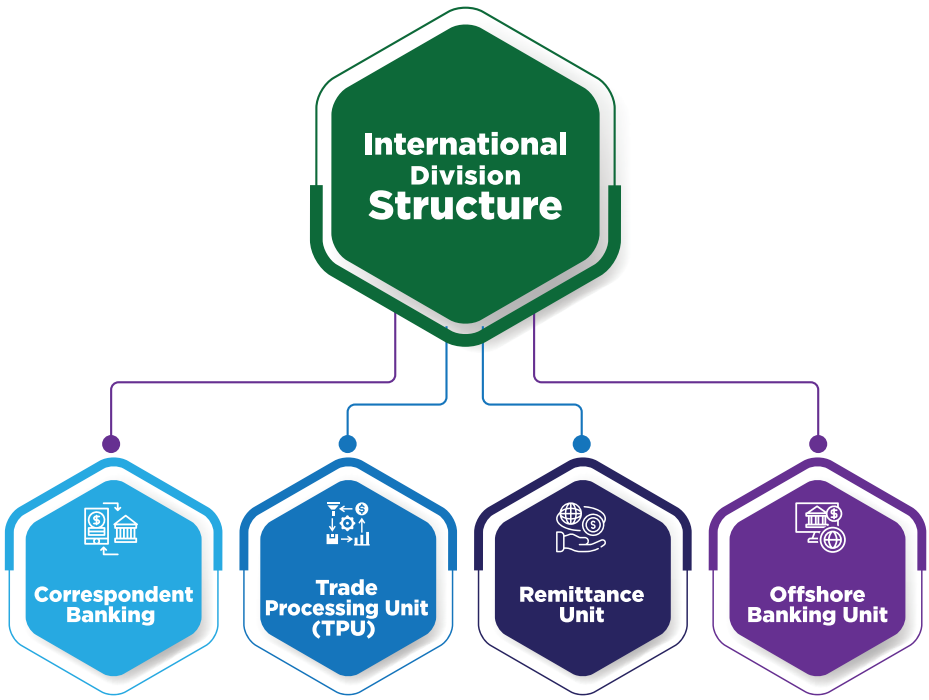
International Division

Facilitating Global Trade & Cross-Border Transactions

SBAC Bank PLC plays a vital role in facilitating international trade by acting as an intermediary in cross-border financial transactions. The International Division oversees all foreign exchange operations, ensuring efficiency, compliance, and smooth execution of trade-related activities.

The Division operates through Correspondent Banking, Trade Settlement & Regulatory Reporting, NRB/Remittance Unit, and Offshore Banking Unit (OBU).

To enhance efficiency, all trade transactions have been centralized under the Trade Processing Unit (TPU) at Head Office. Currently, all 90 branches and 32 sub-branches process import and export transactions through this centralized platform.



Correspondent Banking & Compliance

Correspondent banking relationships are fundamental to international trade operations. SBAC Bank maintains strong global partnerships to facilitate LC advising, settlement, fund transfer, and guarantee services.

As of 2025:

- 196 correspondent banks in 44 countries
- 13 Nostro accounts in 6 currencies

The Bank has implemented robust compliance mechanisms, including SWIFT-based sanction screening and Core Banking level automated checks aligned with global sanction lists.

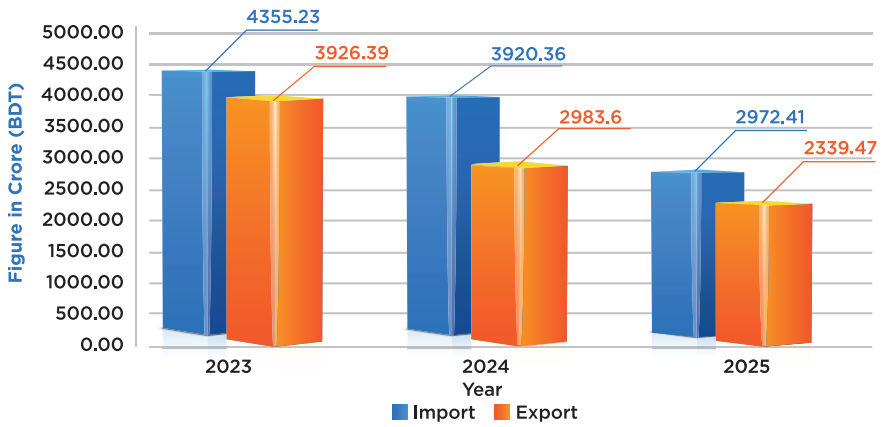
To combat Trade-Based Money Laundering (TBML), SBAC Bank has integrated advanced solutions such as Global Trade Tracker (GTT) and logistics-based shipment verification systems.

Trade Compliance & Screening Flow

Foreign Trade Business

Despite global challenges such as foreign currency constraints and geopolitical disruptions, SBAC Bank maintained a stable trade portfolio in 2025.

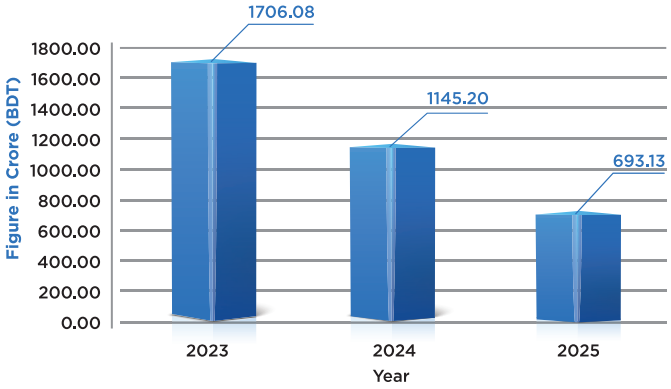
The Bank continued to finance imports across key sectors including capital machinery, industrial raw materials, medical equipment, and food products. Export financing focused on RMG and diversified sectors such as agriculture, ceramics, leather, and pharmaceuticals.



Remittance

Remittance is a major source of foreign exchange earnings for Bangladesh. SBAC Bank has established partnerships with 14 reputed exchange houses worldwide, ensuring convenient and secure remittance services for expatriates.

Despite strong network support, remittance inflow declined in 2025 due to macroeconomic conditions.



Offshore Banking Unit (OBU)

The Offshore Banking Unit (OBU) provides specialized services including UPAS LC financing and export bill discounting.

Through competitive pricing, efficient service delivery, and strong client relationships, the Unit has established a growing presence in offshore banking operations.

Strategic Outlook

SBAC Bank's International Division remains committed to strengthening its global trade operations through:

- **Centralized trade processing**
- **Enhanced compliance and monitoring**
- **Strong correspondent banking network**
- **Technology-driven trade solutions**

The Division will continue to focus on efficiency, risk management, and sustainable growth in international banking.

Treasury Division

Managing Liquidity, Risk & Market Opportunities

Overview & Market Context

The Treasury Division plays a central role in managing the Bank's balance sheet, liquidity, and market risk while ensuring regulatory compliance and sustainable profitability.

In 2025, SBAC Treasury operated in a challenging macroeconomic environment marked by slow loan growth, elevated policy rates, constrained liquidity, and fluctuations in foreign exchange and fixed-income markets. Despite these challenges, the Division maintained stability through prudent liquidity management, strategic positioning, and disciplined risk control.

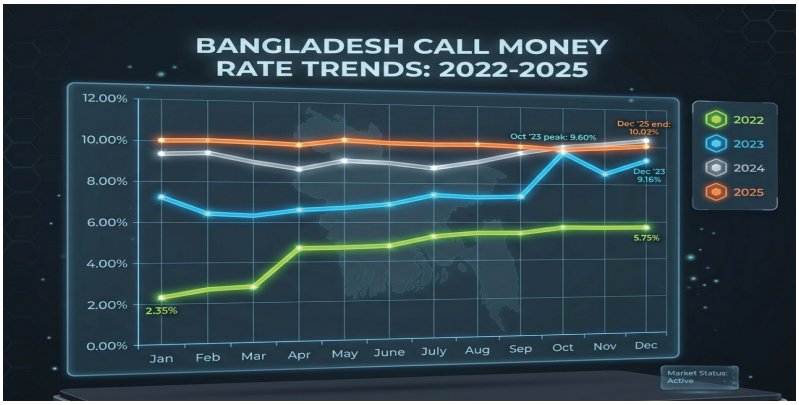
The Division operates through separate Trading and Risk Management units, with centralized Foreign Exchange and Money Market activities to enhance efficiency and performance.

Core Treasury Functions

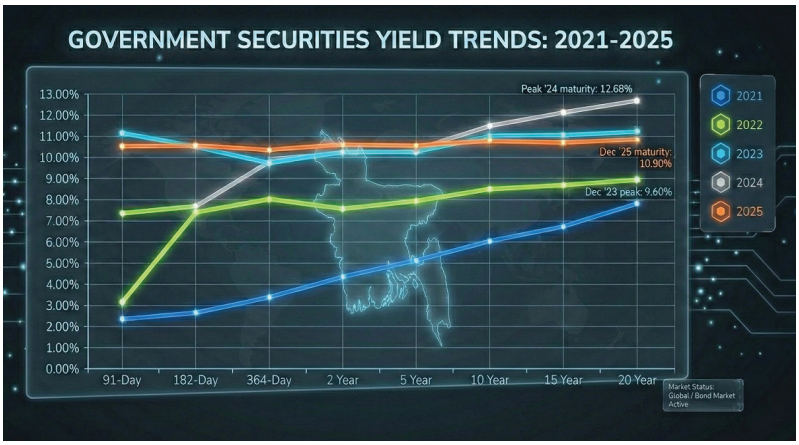
Money Market & Fixed Income

The Money Market Desk manages short-term liquidity through instruments such as Call Money, Notice Money, Term Money, Repo/Reverse Repo, and FX Swaps. Through effective market forecasting and liquidity gap management, the desk contributed significantly to the Bank's interest income.

In 2025, money market rates remained relatively stable, ranging between 9.80%–10.11%, allowing the Treasury to capitalize on trading opportunities while maintaining statutory reserves.

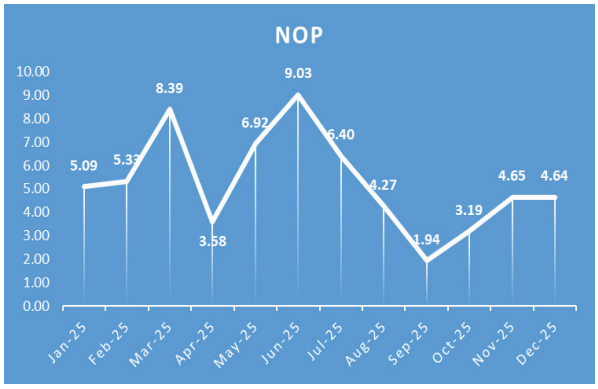


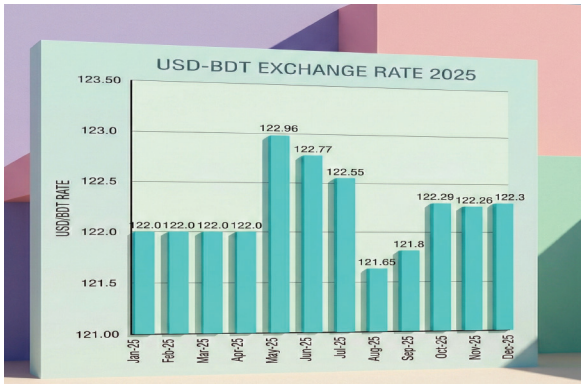
The Fixed Income Desk manages investments in Treasury Bills, Bangladesh Bank Bills, and Treasury Bonds. As a Primary Dealer (PD), SBAC Bank actively participates in government securities auctions and secondary market trading, generating income through both interest earnings and capital gains.



Foreign Exchange & ALM

The Foreign Exchange (FX) Desk manages the Bank's foreign currency liquidity and maintains its Net Open Position (NOP) within regulatory limits. Through efficient FX forecasting and liquidity management from trade flows, the Division generated significant exchange income while maintaining a positive NOP throughout 2025.





The Asset Liability Management (ALM) Desk supports strategic balance sheet decisions through regular analysis of market conditions, liquidity forecasts, and interest rate trends. It provides critical inputs to the Asset Liability Committee (ALCO), which meets regularly to determine pricing strategies, liquidity positioning, and risk exposure.

In 2025, proactive ALCO decisions contributed to the growth of Net Interest Income (NII), supported by a revised ALM policy aligned with Basel III liquidity standards (LCR & NSFR).

ALM & FX Management Flow

Strategic Role & Outlook

The Treasury Division continues to evolve in response to dynamic market conditions, focusing on optimizing balance sheet composition, enhancing income generation, and minimizing exposure to market risks.

Through disciplined liquidity management, strategic investment decisions, and strong governance practices, SBAC Treasury remains committed to supporting the Bank's financial stability, profitability, and long-term growth.

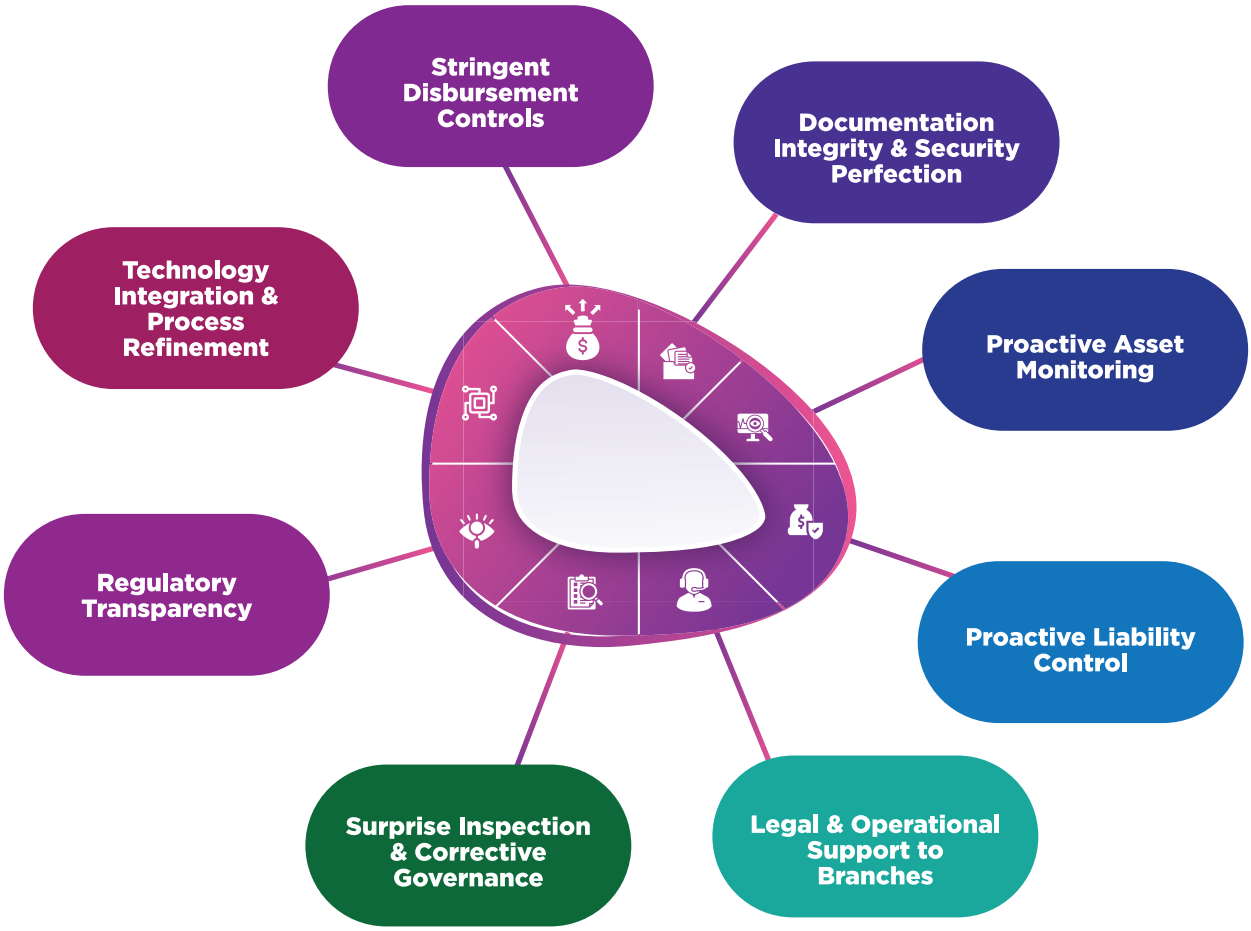
CREDIT ADMINISTRATION DIVISION (CAD)
FORTIFYING GOVERNANCE FOR A CENTRALIZED FUTURE

Overview: The Custodian of Asset Quality

The Credit Administration Division (CAD) of SBAC Bank PLC serves as a critical independent control function, dedicated to safeguarding asset quality and upholding immaculate credit governance. By ensuring that all credit facilities are processed, documented, and monitored in strict alignment with internal policies and Bangladesh Bank directives, CAD acts as the Bank's final defense in maintaining a healthy credit portfolio.

In 2025, CAD reached a strategic inflection point. While maintaining rigorous post-sanction operational standards, the Division initiated a landmark transition from a decentralized framework to a fully Centralized Credit Administration Division (CCAD). This transformation, slated for phased implementation through 2026 and 2027, is designed to harmonize compliance and institutionalize best-in-industry risk mitigation.

2025 Operational Performance Excellence in Execution



Strategic Roadmap: The Transition to Centralization (2026–2027)

Recognizing the evolving supervisory expectations of Bangladesh Bank, the Management and Board approval for establishment of the Centralized Credit Administration Division (CCAD). This shift will address the inherent risks of decentralized operations by fostering a culture of uniformity and specialized oversight.

Centralization Implementation Roadmap

2025 → **2026** → **2026-2027**

Planning Phase

Pilot Phase
Selected Branches

Full CCAD Rollout

Key Pillars of the Centralized Model

Navigating the Transition: Challenges & Strategic Mitigations

Challenge Category	Key Risks Identified	Strategic Remedies & Mitigation
Operational Continuity	Potential for disbursement delays, file movement confusion, and CBS/system dependency.	Implementation of a 30–60 days parallel run and phased pilot; establishment of a dedicated CCAD Helpdesk and strict Turnaround Time (TAT) monitoring.
Logistics & Security	Risks associated with physical document transit and zonal custody capacity.	Deployment of barcoded tracking systems, tamper-proof packaging, and high-security dual-control vaults with fireproofing and biometric access.
Human Capital & Culture	Resistance to change at the branch level and skill gaps in centralized processing.	Comprehensive awareness sessions for Branch Managers; specialized training for CCAD officers on legal charges and BB guidelines; and clear RACI matrix communication.
Infrastructure & Costs	Increased workload at Head Office and initial financial outlays for technology (DMS).	Specialized Desks (Legal, CBS, Monitoring) to manage volume; phased investment approach justified by a long-term reduction in NPLs and regulatory penalties.

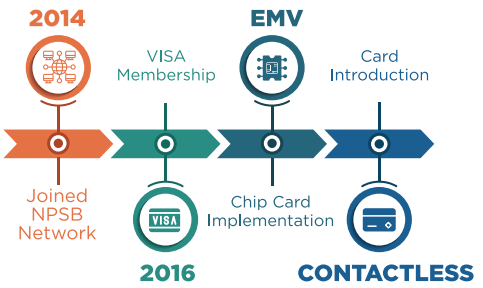
Future Outlook: A Commitment to Excellence

As SBAC Bank enters 2026, the Division's primary focus is the seamless execution of the centralization roadmap. By investing in staff training and digital transformation, CAD is evolving into a more agile, transparent, and efficient division.

The transition to a centralized model will represent a defining milestone in SBAC Bank's journey toward monitoring and compliance excellence. Through disciplined credit administration and superior risk governance, CAD will remain steadfast in its mission to support sustainable business growth and deliver long-term value to our stakeholder.

Card Division: Driving Digital Payments & Customer Convenience

The Card Division of SBAC Bank PLC plays a vital role in expanding digital payment services through secure, innovative, and customer-focused solutions. With global partnerships, advanced technologies, and nationwide connectivity, the Division ensures seamless, fast, and secure transactions for customers.



Comprehensive Card Product Suite

SBAC Bank offers a diverse range of VISA-enabled debit and credit cards designed to meet the needs of individuals, travelers, and business users. These cards ensure secure, flexible, and convenient payment experiences both locally and internationally.

Debit Card

- VISA Debit Card

Credit Cards

- VISA Classic
- VISA Gold (Multi-Currency)
- VISA Platinum

Special Cards

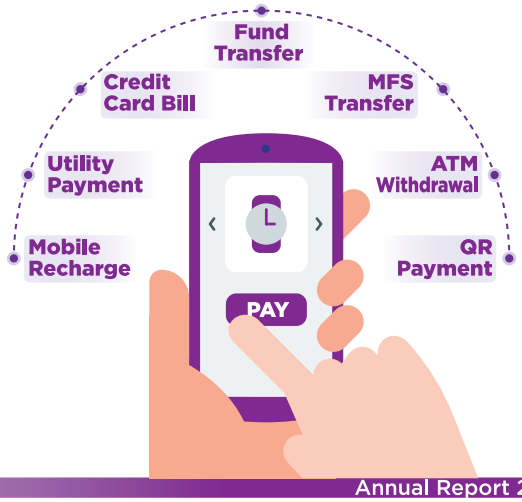
- RFCD Card
- ERQ Card

Nationwide Payment Connectivity

Through integration with NPSB, SBAC Bank enables nationwide interoperability. Customers can access over 20,000 ATMs and perform seamless interbank transactions.

Digital Payment Ecosystem – QPay App

QPay enables multiple financial services in one platform, ensuring convenient and secure digital transactions for customers.

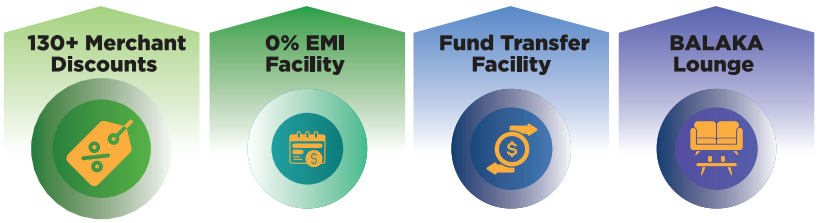


Advanced Security & Fraud Protection

SBAC Bank ensures maximum transaction security through advanced authentication systems and real-time monitoring to prevent fraud and unauthorized use.

Exclusive Customer Benefits & Privileges

Cardholders enjoy discounts, flexible EMI options, and premium lifestyle benefits, enhancing their overall banking experience.



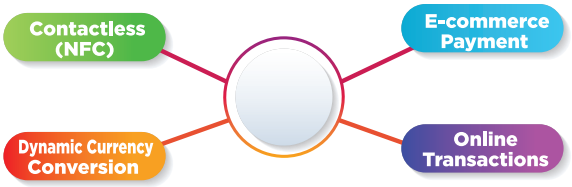
24/7 Customer Support Excellence

SBAC Bank provides round-the-clock support through its dedicated helpline, ensuring prompt resolution of customer queries and service requests.

24/7 Service | Hotline 16327 | Query Handling | AI Chat (Upcoming)

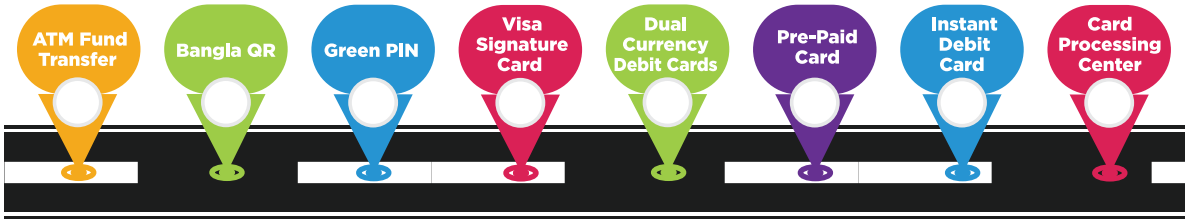
Modern Payment Capabilities

SBAC Bank cards support modern payment technologies, enabling faster, secure, and flexible transactions across various platforms.



Future Innovations & Expansion

The Card Division is focused on innovation and expanding digital payment capabilities to meet evolving customer needs.



Strategic Vision for Growth

SBAC Bank aims to strengthen digital banking through innovation, security, and expansion of card services, ensuring sustainable growth and customer value.

Digital Financial Inclusion Division (DFID)

As part of its commitment to supporting the Government's vision of a "Cash-less Bangladesh," SBAC Bank PLC. has consistently focused on expanding its digital financial services. In alignment with national priorities and under the guidance of Bangladesh Bank, we are enabling digital access to formal financial services for unbanked and under banked segments of the population.

ADC (Alternative Delivery Channels)

The ADC Wing plays a critical role in ensuring uninterrupted, secure, and efficient banking services through SBAC Bank's self-service delivery channels. By managing the Bank's ATM and CRM network nationwide, the division enhances customer convenience, strengthens digital banking accessibility, and supports round-the-clock financial transactions across the country.

- Ensure 24/7 availability of self-service banking through ATM and CRM channels across the country
- Facilitate secure cash withdrawal, balance inquiry, mini statement, fund transfer, and other banking services through ATM/CRM channels
- Enhance customer convenience by expanding ATM/CRM availability at branches, sub-branches, and strategic public locations
- Ensure safe, secure, and uninterrupted transaction services through continuous monitoring and operational support
- Build customer confidence by maintaining high service uptime, transaction reliability, and prompt dispute resolution

BanglaPay (Digital Banking App)

BanglaPay is SBAC Bank's comprehensive digital banking platform designed to provide customers with seamless, secure, and convenient banking services anytime and anywhere. The app enables customers to perform everyday banking activities directly from their mobile phones, ensuring an enhanced digital banking experience while supporting the Bank's vision of financial inclusion and a cash-less society.

- Enable customers to register and access banking services directly through mobile devices from home
- Provide convenient access to account information and day-to-day banking activities through smartphone banking
- Facilitate account-to-account fund transfers quickly and securely
- Offer utility bill payments, mobile top-up, and other digital payment services
- Provide access to Credit Card features, including card bill payment, card management, and fund transfer services
- Allow fund transfers to major Mobile Financial Services (MFS) platforms such as bKash, Nagad, and Upay
- Deliver a convenient, user-friendly, and personalized banking experience for customers

SBAC Fast App (e-KYC)

Simplifying customer onboarding through a seamless digital account opening experience, SBAC Fast Account enables instant and secure access to banking services anytime, anywhere. Designed to enhance financial inclusion and customer convenience, the platform leverages advanced e-KYC technology to ensure fast, compliant, and paperless account opening.

- Instant self-onboarding and account opening through mobile app and web platform
- Real-time identity verification through the Election Commission's national database

- Fast, secure, and completely paperless digital KYC process
- Enables customers to open bank accounts anytime, from anywhere, without visiting a branch
- Promotes financial inclusion by extending banking access to unbanked and remote populations

Brand Communications

The Brand Communications plays a vital role in strengthening SBAC Bank's corporate identity, market presence, and customer engagement. Through strategic communication, creative branding initiatives, and integrated marketing activities, the division ensures consistent representation of the Bank's values, products, and services.

- Ensure consistent branding in all branches and customer touch-points
- Design, approve, and distribute internal and external branding assets
- Plan and design all types of internal publications and printing materials
- Align brand messaging with customer expectations and evolving market trends
- Plan, manage, and organize various events, including Business Conferences, AGM, exhibitions, fairs, branch inaugurations, and product launching ceremonies
- Coordinate marketing communication activities to enhance brand visibility and customer awareness

Service Quality Department

The Service Quality Department is dedicated to enhancing customer experience by ensuring consistent service excellence across all banking channels. Through continuous monitoring, compliance oversight, and customer-centric initiatives, the department works to maintain high service standards, strengthen operational efficiency, and foster a culture of excellence throughout the Bank.

- Monitor and maintain service standards in line with industry benchmarks and customer expectations
- Identify service gaps through customer feedback and operational reviews, and implement corrective measures promptly
- Conduct training and development programs for branch officials and frontline employees to enhance customer service excellence
- Promote a customer-centric culture across the organization to ensure superior banking experiences
- Minimize operational and audit risks by maintaining high standards of service quality and compliance
- Continuously evaluate service performance to ensure consistency, reliability, and customer satisfaction

Call Center

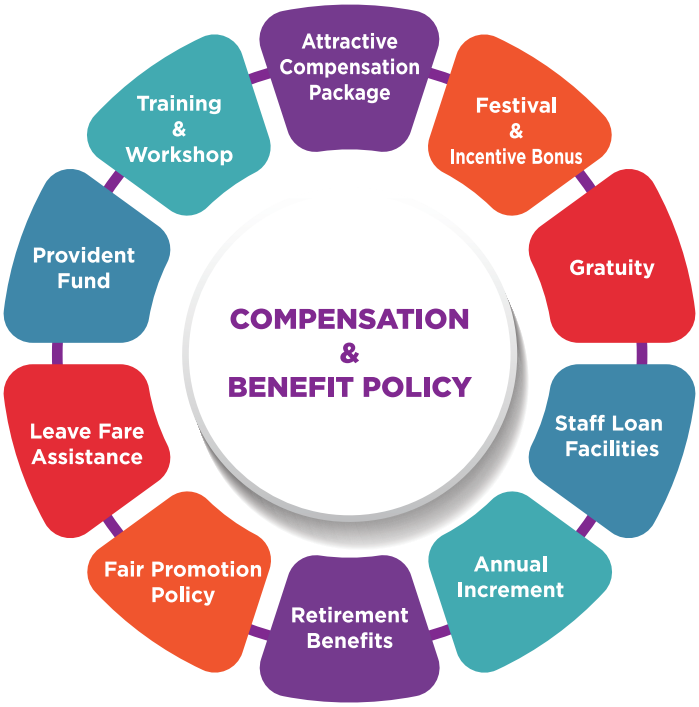
The Call Center serves as a vital customer support hub of SBAC Bank, ensuring prompt, reliable, and customer-focused assistance round the clock. Through dedicated support services and efficient issue resolution, the division plays an important role in enhancing customer satisfaction and strengthening service accessibility.

- Provide 24/7 customer assistance and support for all banking services and delivery channels
- Handle customer inquiries related to accounts, Cards, BanglaPay, digital banking services, and various financial transactions
- Support customers with card activation, card blocking, PIN-related services, and transaction-related queries
- Resolve customer complaints and transaction disputes efficiently, while escalating complex issues to the respective specialized teams when required
- Maintain service excellence by ensuring quick response time, service accuracy, and customer satisfaction

Human Resources

A talented and skilled workforce is the lifeblood of every organization. In support of that, SBAC Bank PLC aims to create a work environment that enables the employees to perceive & exploit their fullest potentials for bringing the excellence in their careers. Through its Human Resources Division, SBAC Bank PLC is committed to developing and promoting leadership and expertise that strengthen the Bank's services, grounded in the values of competence, impartiality, integrity, respect, and dedication to service.

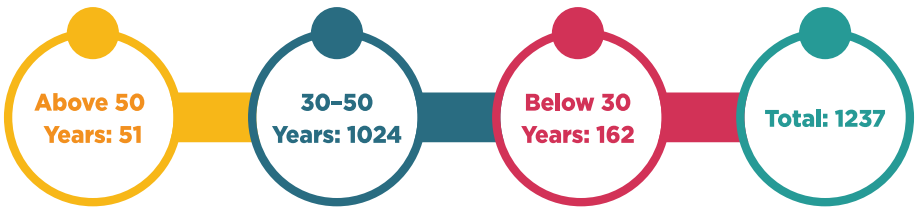
Human Resources Division sets its goal to help SBAC Bank PLC achieve its strategic mission, while ensuring employees are engaged and motivated to help the Bank succeed. HR has targeted its operational initiatives to align with the SBAC Strategic Plan by converting human resources into human capital through appropriate knowledge, skills, abilities and personal attribution.



Diversity in workforce

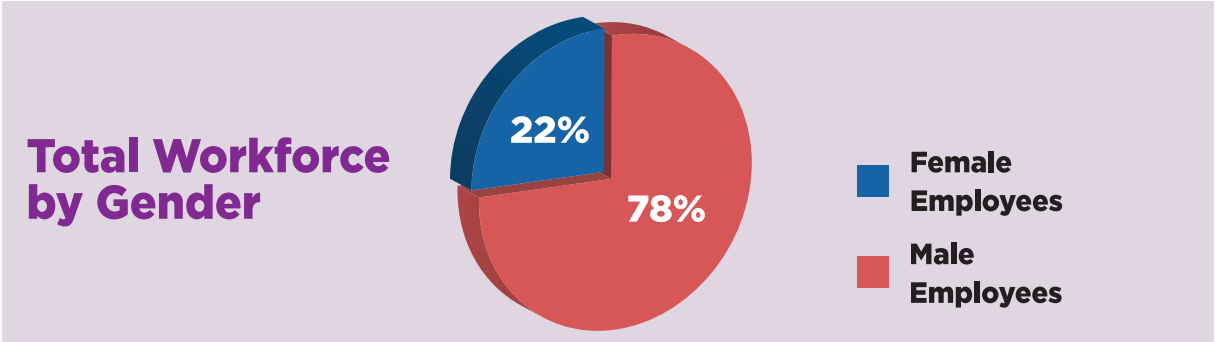
Human Resource Division is committed to attracting and retaining a talented and diverse workforce. Therefore, the bank is trying to bring diversity in workforce in context of age, gender, ethnicity and locality. There is an increasing trend in workforce along with the business and span of service. With 90 branches, 32 sub-branches, 30 Agent Banking Outlets and 82 ATMs, the bank is a proud employer of a diversified pool of people.

Total Workforce by Age Group (as on 31.12.2025)



Total Workforce by Gender Group (as on 31.12.2025)

Number of Female Employees	290
Number of Male Employees	992
Total	1282



Excellent Working environment

A healthy environment has been created where employees enjoy working with pride. The bank is not only offering a job but also creating opportunities for learning, challenging and rewarding career.

People treat each other as friends, colleagues and co-workers; support and help each other to get the job done. Employees can participate in decision making process which will build up their confidence and also help the Bank to get innovative ideas for developing new products and improvement of existing operations in an effective and efficient manner.

Training, Learning and Development

In 2025, the SBAC Bank Training Institute arranged 46 training programs/workshops including foundation training for the fresh employees where 2545 employees of different grades of the Bank participated. SBAC Bank Training Institute arranged training programs on a variety of topics in different core areas of banking, service quality, customer service, leadership, internal control, compliance, risk management, IT security assurance, total quality management etc. through physical attendance in training institute and using virtual platform.

In addition to in-house training/workshop, Human Resources Division nominated 38 employees for training courses, workshops and seminars on different topics in different organizations locally like BIBM, BBTA, BAB etc. in 2025.

Internal Control & Compliance

Ensuring Governance, Transparency, and Risk Discipline

Banking is inherently a diversified and risk-sensitive activity. Accordingly, an effective Internal Control & Compliance (ICC) system is essential to ensure sound governance, transparency, accountability, and regulatory compliance across all operations.

At SBAC Bank PLC, the ICC framework plays a pivotal role in strengthening risk management practices and supporting the smooth and sustainable functioning of the Bank. While often associated with internal audit, internal control extends beyond audit functions by proactively identifying risks and implementing necessary mitigation measures. Internal audit, in turn, reinforces the system through continuous evaluation of control effectiveness and reporting.

Concept and Nature of Internal Control

Internal control is a continuous and dynamic process, effected by the Board of Directors, management, and employees at all levels. It is designed to provide reasonable assurance regarding the achievement of operational, reporting, and compliance objectives.

It is not a standalone activity but an integral part of the Bank's overall operations. Internal control consists of both formal policies and practical procedures that guide daily activities.

However, internal control provides reasonable—not absolute—assurance, as external factors may still affect the achievement of organizational objectives.

3 Core Objectives of Internal Control

Objectives of Internal Control System

The primary objective of internal control is to ensure that the Bank operates efficiently while maintaining compliance with all applicable laws and regulations.

The system supports:

- Achievement of the Bank's mission and Strategic objectives
- Accurate, timely, and reliable reporting for internal and external stakeholders
- Full compliance with regulatory requirements, including Bangladesh Bank and other statutory authorities

Additionally, internal control ensures adherence to broader legal frameworks including labor laws and environmental standards.

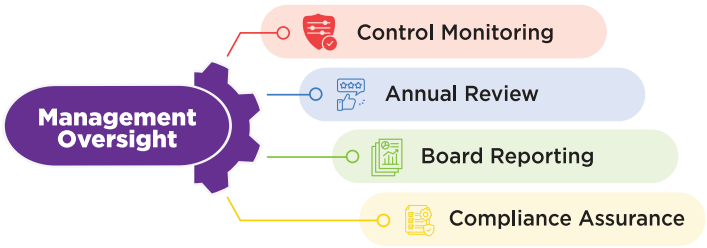
Role of Senior Management Team (SMT)

The Senior Management Team (SMT) is responsible for ensuring the adequacy and effectiveness of the internal control system in line with established policies and procedures.

The SMT conducts periodic reviews of the control framework and provides annual certification to the Board of Directors regarding the effectiveness of internal control practices.

Management also ensures:

- Adequate staffing and technological support for audit functions
- Compliance with regulatory guidelines issued by Bangladesh Bank and other authorities
- Timely reporting of any irregularities identified during audits



Strength and Effectiveness of Internal Control System

SBAC Bank has established a comprehensive internal control system that provides reasonable assurance in achieving its strategic objectives.

The system ensures:

- Efficiency and effectiveness of operations
- Identification and mitigation of risks
- Accurate recording and reporting of transactions
- Reliable information flow and communication
- Compliance with all applicable laws and regulations
- Timely preparation of accurate reports for informal decision-making
- Continuous monitoring and corrective actions

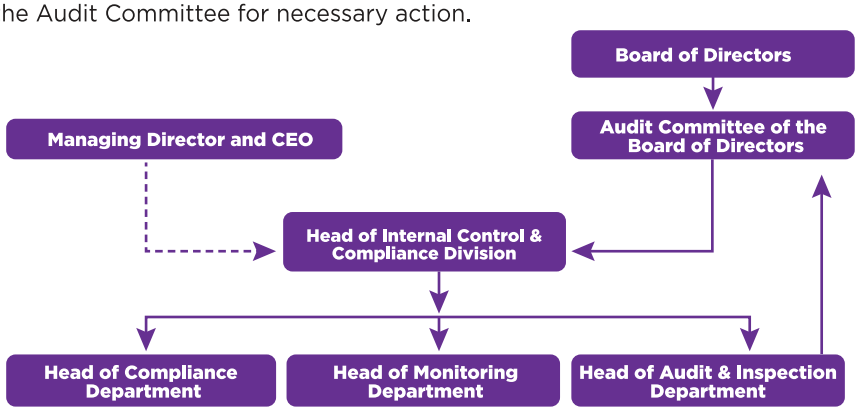
The Bank has also developed an Internal Control & Compliance Policy Guidelines in line with Bangladesh Bank guidelines, which is regularly updated.

Independent Control & Reporting Structure

The Internal Control & Compliance Division (ICCD) operates independently to ensure objective monitoring and reporting.

The Head of ICCD and Head of Audit have unrestricted access to all records and directly report to the Audit Committee of the Board, without management intervention.

The internal audit function regularly reviews compliance with policies and procedures and highlights any deficiencies to the Audit Committee for necessary action.



Audit, Monitoring, and Compliance Process

Internal audit plays a vital role in strengthening the control environment by evaluating the effectiveness of internal controls and identifying areas of non-compliance.
Any lapses or irregularities identified during audits are reported to the Audit Committee, ensuring transparency and accountability.
The Audit Committee reviews these findings and ensures that corrective measures are implemented promptly to strengthen the control framework.

Commitment to Governance Excellence

The Internal Control & Compliance Division remains a cornerstone of SBAC Bank's governance framework. Through robust control mechanisms, independent oversight, and continuous monitoring, the Division ensures transparency, accountability, and regulatory compliance.

By strengthening internal controls and aligning with evolving regulatory expectations, ICC contributes to the Bank's sustainble growth and long term stability.

AML & CFT Division

Strengthening Compliance & Financial Integrity

Money laundering is the process of disguising proceeds from criminal activities to conceal their illicit origin, posing significant risks to financial stability and institutional integrity.

In response to increasingly complex financial crimes, SBAC Bank PLC has established a comprehensive Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) compliance framework aligned with both national regulations and international best practices.

The Bank's AML & CFT program is structured based on its operational scope and risk exposure, ensuring compliance with the Money Laundering Prevention Act, 2012 (Amendment, 2015) and Anti-Terrorism Act, 2009 (Amendment, 2012 & 2013), along with BFIU, Bangladesh Bank guidelines and global standards.

Compliance Framework & Approach

SBAC Bank adopts a risk-based approach to Customer Due Diligence (CDD), transaction monitoring, Suspicious Tranacstion and suspicious activity reporting. This ensures effective identification, assessment, and mitigation of financial crime risks.

The Bank maintains a strong compliance culture through continuous monitoring, regulatory reporting, and alignment with evolving regulatory expectations.

Key Achievements (2025)

During 2025, the AML & CFT Division demonstrated strong compliance performance across key areas:

STR/SAR Reported to BFIU 40 (increased from 28 in 2024)	**Regulatory Penalty** Nil
Training & Certification 189 officials trained, increased from 2024	**AML Inspections Conducted** 80 (increase from Previously)

These achievements reflect the Bank's commitment to strengthening compliance monitoring and operational discipline.

Key Initiatives

- Policy & Regulatory Alignment
- Training & Awareness
- Enhanced Monitoring
- Branch Engagement
- Public Awareness

Strategic Roadmap (2026)

Looking ahead, SBAC Bank aims to further strengthen its AML & CFT framework through:

- Enhanced branch inspection programs, particularly outside Dhaka
- Specialized training on emerging risks (e.g., trade-based money laundering, card fraud)
- Development of operational manuals and BAMLCO guidelines
- Introduction of e-learning platforms for staff capacity building
- Focused monitoring on KYC, EDD, transaction processing, and STR/SAR identification

Annual General Meeting (AGM)

The Financial Statements were reviewed and adopted in the 210th Meeting of the Board of Directors of the Bank held on April 29, 2026 and recommended the same for final approval in the 13th Annual General Meeting (AGM).

As per the decision of the Board Meeting, the AGM will be held on June 15, 2026 through Hybrid System in combination of online presence using virtual/digital platform (Link: https://sbacbank.bdvirtualagm.com) & physical presence at RAOWA Convention Center , VIP Road, Mohakhali, Dhaka-1206 as per Directive No. BSEC/CMRRCD/2009-193/08 dated 10 March 2021 and No. BSEC/ICAD/SRIC/2024/318/09 dated 16 January 2024 of Bangladesh Securities and Exchange Commission (BSEC). The Record Date to attend & vote in the AGM is May 20, 2026.

It is mentionable that, in compliance with DOS circular no- 01 dated 13 March 2025 and subsequent letter No. BSD-05/106/2026-403 dated 28 April 2026 of Bangladesh Bank, the Board of Directors has not recommended any dividend for the year ended 31 December 2025.

Election of Directors: In compliance with the section 91(2) of the Companies Act 1994, regulation 79-82 of First Schedule of the Companies Act 1994, Article 98(1) & Article 101(2) of Articles of Association of the Bank the following persons (minimum one third of the Directors excluding Independent Directors) shall retire from the office of the Directors effective from the close of business of the 13th AGM of the Bank to be held on June 15, 2026 but they will be eligible for re-election:

1. Mr. Mohammed Ayub
2. Mr. Anwar Hussain
3. Mr. Hafizur Rahman Babu
4. Mr. Mohammad Mahbubor Rahman
   Nominated by: Intec Solution

To conduct the election of Directors as per Provision of Laws, Sk. Towhedur Rahman FCS, the Company Secretary (CC), was appointed as Chief Election Commissioner (CEC).

Appointment/Re-appointment of Auditor(s): Aziz Halim Khair Choudhury, Chartered Accountants, having successfully concluded the statutory audit of the Bank for the year 2025, has submitted an Expression of Interest (EOI) to serve as the statutory auditor for the year 2026. This would constitute the firm's second consecutive term. Under the prevailing guidelines of the relevant regulatory authorities, the firm remains eligible for re-appointment. Accordingly, reviewed and recommended by the Audit Committee, the Board of Directors in its 210th meeting recommended for appointment of the said audit firm subject to approval by the shareholders at the Bank's 13th Annual General Meeting.

Appoint/Re-appoint Corporate Governance Auditor: The existing corporate governance auditor M/S. Hoda Vasi Chowdhury & Co., Chartered Accountants, was appointed as Corporate Governance Auditor of the Bank in its 10th AGM held on 18th June, 2023 and were re-appointed for 03 (Three) consecutive years as Corporate Governance Auditor. Therefore, the Board of Directors decided to recommend Jasmin & Associates for appointment as the Bank's Corporate Governance Auditor until the conclusion of the 14th AGM, at a remuneration of Tk. 40,000 (Taka fifty thousand only), subject to final approval at the 13th AGM.

Appointment of Independent Service Provider: As per clause 7 of the Directive No. BSEC/CMRRCD/2009-193/08 dated: 10 March, 2021 of Bangladesh Securities and Exchange Commission (BSEC), the Board of Directors in its 210th meeting has appointed SATCOM IT Limited (SIL) as Independent Service Provider to establish a Hybrid/digital platform (for online platform, database, reporting, calculation of dividend if any) to ensure smooth conducting of the 13thAnnual General Meeting and online or e-voting platform or system at a fee of Tk. 210,000.00 (Taka two lacs Ten Thousand) only.

Appointment of Independent Scrutinizer: As per clause 7 of the above-mentioned Directive of BSEC, SA Rashid & Associates who performed as independent scrutinizer in its 12th AGM of the bank, has been reappointed as Independent Scrutinizer by the Board in its 210th meeting at a fee of Tk. 45,000.00 (Taka Forty Five Thousand) only.

The Notice of the AGM was issued by Mr. Sk. Towhedur Rahman FCS, Company Secretary (CC) as per the decision of the Board and published in this Annual Report on page no.... and also circulated as per provision of relevant laws and regulations.

Disclosures under Notification No. BSEC/CMRRCD/2006-158/207/ Admin/ 80

Dated: 03 June 2018 of BSEC

(i) An industry outlook and possible future developments in the industry

Banking Sector Performance

The banking sector in 2025 navigated a complex environment marked by a contractionary monetary policy and significant regulatory shifts. While the industry faced persistent challenges regarding asset quality, the final quarter saw a technical improvement in the gross non-performing loan (NPL) ratio, which fell to 30.60 percent from 35.73 percent in the preceding quarter. This movement was largely attributed to the implementation of revised loan rescheduling and restructuring policies rather than a fundamental recovery in credit culture.

Profitability remained a concern as the sector's Return on Assets (ROA) and Return on Equity (ROE) shifted into negative territory, reflecting the impact of high provisioning requirements and a slowdown in credit demand. Private sector credit growth moderated significantly, reaching a low of 6.10 percent by the end of the year, as banks adopted a more cautious lending approach.

However, liquidity conditions showed signs of stability, supported by a rebound in deposit growth and an increase in broad money (M2) toward the end of the quarter. Despite these pressures, the central bank's focus on maintaining an interest rate corridor and ensuring financial stability provided a framework for banks to manage risks amid fluctuating inflation and external sector volatility.

Deposit and Advance

The banking sector in 2025 witnessed a notable recovery in deposit growth alongside a strategic moderation in advances. Deposits followed an upward trajectory throughout the year, supported by a rebound in remittance inflows and higher interest rates offered under the contractionary monetary regime. By the final quarter, deposit growth accelerated as savers were drawn to increased returns on term deposits, providing banks with a stable liquidity base despite broader economic volatility.

In contrast, advances and credit disbursement remained constrained as banks prioritized asset quality over aggressive portfolio expansion. Private sector credit growth trended downward, reaching a low of 6.10 percent by year-end, reflecting both cautious lending practices and dampened demand from borrowers facing high borrowing costs. Banks shifted their focus toward risk-free government securities and essential sectors like agriculture and CMSMEs, which benefited from reduced provisioning requirements. This cautious approach to advances helped manage credit risk in an environment characterized by significant inflationary pressure and evolving regulatory frameworks.

Asset Quality of Banks

The asset quality of the banking sector in 2025 remained a focal point of regulatory concern, characterized by high levels of non-performing loans (NPLs) and significant fluctuations. By the end of the year, the industry-wide gross NPL ratio recorded a technical decline to 30.60 percent in December, down from a peak of 35.73 percent in September. This reduction was primarily driven by the implementation of a revised loan rescheduling and restructuring policy in late 2025, which allowed for the normalization of many distressed accounts. Despite this downward trend in the final quarter, the underlying credit environment remained fragile, particularly within state-owned commercial banks. Banks continued to prioritize aggressive provisioning, which helped lower net NPL ratios but maintained pressure on overall profitability and capital adequacy throughout the year.

Liquidity condition in the banking sector

Liquidity conditions in the banking sector demonstrated resilience and marked improvement throughout 2025. Despite a contractionary monetary policy stance maintained by the central bank to curb inflation, the industry experienced a transition toward a more comfortable liquidity position by the year's end. This stability was largely supported by a significant rebound in deposit growth, fueled by higher interest rates and a surge in workers' remittances. Excess liquidity in the banking system saw an upward trend, as banks adopted a cautious approach to private sector lending and increased their holdings in risk-free government securities. These factors collectively eased the pressure on the call money market and ensured that banks maintained sufficient buffers to meet their obligations and support essential economic activities.

Remittance

Throughout 2025, workers' remittances emerged as a vital pillar of the national economy, demonstrating exceptional growth and resilience. Inflow followed a consistently upward trend, with a significant surge recorded in the latter half of the year. This increase was primarily driven by the central bank's initiatives to ensure a market-driven exchange rate and the expansion of digital transfer channels, which incentivized expatriates to use formal banking networks. By the end of December 2025, these robust inflows played a critical role in stabilizing the external sector, contributing to a surplus in the current account balance and supporting the buildup of foreign exchange reserves. This steady stream of foreign currency provided essential liquidity to the banking system and acted as a primary driver of economic stability amidst global volatility.

(ii) The segment-wise or product-wise performance

Banking means the accepting, for the purpose of lending or investment of deposits of money from the public, repayable on demand or otherwise, and withdraw-able by cheque, draft, order or otherwise. Thus, the Banking products may be classified into two: Liability Products (Deposit Products) and Asset Products (lending products). In this context our bank has well-designed Liability and Asset Products. The segment-wise or product-wise performances are as under:

Liability Products

In consideration of deposit as the main source of finance, our Bank has some lucrative deposit products offering attractive profit rate, such as:

1) General CD Account- business individuals and entities for better smooth transaction may avail this type of transactional account with enhanced facilities. 2) CD Samridhi- this is an special type of non-personal current deposit account with daily basis lucrative interest rate. 3) General Saving Account- All 18+ individuals are eligible for this type of interest bearing Account 4) Surokkha Sonchoyi Hisab- daily basis lucrative interest bearing account covered by Insurance coverage for Tk.5,00,000/ (in case of accidental death) and Tk.50,000/- (in case of normal death). The annual premium is paid by the Bank. All Bangladeshi 18+ individuals are eligible for this account. 5) Short Notice (7 days & 15 days) Deposit Account- this daily basis interest bearing account may be opened in the name of both individual and institutions/business entities 6) Student Savings Account- up to 18 years old students are eligible for this charge free special type of interest bearing account 7) Tk. 10, 50 & 100 Privileged Account- Charge free accounts for marginalised/lower income level individuals like farmers, Rickshaw puller, micro entrepreneur, fisherman, barber, vegetable seller, garments worker, street child, hawker, tailor, goldsmith, boatman, electrician & others 8) Senior Citizen savings Account- people aged over 55 years may enjoy this higher rate of daily interest bearing deposit product. The elderly people can get a bit more benefit by channeling money through this account. 9) SBAC Pay-roll Account- it's a savings deposit account with special benefit for employees of different corporate bodies to avail salary & allowances. 10) SBAC Probashi Account- an special type of deposit account designed for wage earners and their families with daily basis higher interest rate and other lucrative benefits. 11) SBAC Ucchasha Savings Account- The 18+ Students and their parents will be allowed to open this type of interest bearing more lucrative account. This is designed for the students who are intended to go abroad for higher education. 12) SBAC Parua Savings Account- this type of attractive interest bearing charge free deposit account designed for the Bangladeshi 18+ Students having enrolled with any educational institute. 13) SBAC Fast Account (e-KYC based)- This is a Online platform interest bearing savings account for individuals by using mobile apps/web platform.

There are several types of Term Deposit Products such as 1) Fixed Deposit Accounts (01 month, 03 months, 06 months 12 months etc.) 2) Monthly Benefit Scheme- appropriate for those who want to get a specific monthly return against their deposited amount to maintain regular family expenses and others at a higher rate for the tenure of one, two, three and five years. 3) Double Benefit Scheme Deposit Account- Deposited amount will be double on maturity at a higher rate of interest 4) Triple benefit Scheme Deposit Account- Deposited amount will be triple on maturity at a higher interest rate 5) Monthly Savings Scheme- this has a tenure for one, two, three, five, eight and ten years with a lucrative return on maturity. Monthly deposit is allowed for min. Tk.500/- and it's multiple. 6) Lakhopoti Savings Scheme- People get Tk,1,00,000/- (before tax) on maturity by depositing a certain monthly instalment for 03/05/10/15 years 7) Surokkha Millionaire Scheme- People get Tk,10,00,000/- (before tax) on maturity by depositing a certain monthly instalment for 03/05/07/10 years. The account holders are covered by Insurance coverage for Tk.5,00,000/ (in case of accidental death) and Tk.50,000/- (in case of normal death). The annual premium is paid by the Bank. 8) Kotipati deposit Scheme- People get Tk,1,00,00,000/- (before tax) on maturity by depositing a certain monthly instalment for 03/05/08/10 years at a lucrative interest rate. 9) Parua Monthly Savings Scheme- eligible for SBAC Parua Savings account holders with a lucrative return on maturity. 10) Probashi Monthly Savings Scheme- eligible for SBAC Probashi Savings account holders and their family members with an attractive return on maturity.

Notable that, customers can avail any type of deposit facilities at any branches of SBAC Bank PLC. Located throughout the country as well as special dedicated desk/help desk, corner are available for special type of account holders.

Performance of Deposits

The deposits of the Bank stood at Tk. 107,736.77 million (Consolidated) & Tk. 107,764.05 million (solo) in 2025 as against Tk. 96,735.02 million (Consolidated) & Tk. 96,755.82 million (solo) in 2024. This growth was supported by attractive rates of deposit offered by our bank; branch network and high-quality service provided to customers along with concerted and solid efforts of the employees of the Bank. Fixed deposits remained the main component of deposits contributing major portion of the total deposits. Cost of Fund (including operating cost) decreased a little to 9.45 percent as against 9.80 percent of the previous year as a result of good deposit mix. The clientele group of the Bank was individuals, corporation, NGO, NBFI, government bodies etc.

Loans & Advance

The Bank has the following Loan Products:

1. Corporate Financing: SBAC Bank PLC. is providing a wide range of financial services, offering specialist advice and loan products to corporate clients to meet diverse demands of changing market scenario. We have expertise to customize products & services to meet specific requirements of our clients. We are committed to serve our customers with extensive branch network all over the country to expedite our clients' business growth. We facilitate your business to face the challenges and realize the opportunities, now and in the future. Our main focus is at relationship-based banking and understanding corporate & institutional business environments.

Our experienced Branch Managers & their team can respond to and anticipate customer needs and give competitive business advantages to them. Products and services for commercial and business customers include: Working Capital Finance, Project Finance, Term Finance, Trade Finance, Lease Finance, Syndication Loan etc. Our Corporate Financing Category comprises:

- Working Capital Finance: Business Enterprises engaged in manufacturing/ trading/ service business are eligible to avail Working Capital Loan to meet day to day expenses for processing of manufacturing and selling product & services. Working capital products include both fund and non-fund-based products. Fund-based working capital products include secured over draft, cash credit, packing credit, short-term loans payable on demand. Non-funded products include bank guarantee, performance guarantees and bid bonds are also supporting the business of our customers.
- Project Finance: SBAC Bank PLC. Provides project loan to set up /BMRE of long-term infrastructure and industrial projects/ service unit on the basis of debt and equity rather than the balance sheets of project sponsors. Project financing has been recognized as an important and crucial mode of finance for a financial institution for substantial growth of its industrial credit vis-à-vis managing long term finance. Apart from trade and commercial finance; SBAC Bank PLC. from the very beginning has been an active partner of the private sector in developing large and medium scale industry of the country. The Bank has been financing Term Loan (Industrial) facility for establishing new project and/or BMRE of various projects in the sectors viz. textile, garments, power, steel, telecom, pharmaceuticals, packaging, consumer products, health, CNG refueling, Real estate.
- Term Finance: SBAC Bank PLC. is offering short-term & mid-term finance to the customers to meet emergency financial needs of their project/business.
- Trade Finance: In short, Trade Financing of the Bank can be categorized as below:

Import	Export
1. Letter of Credit: Business Enterprises can avail non-funded facility for import / procurement of raw materials, machinery, equipment, merchandise item. 2. Post Import Finance (PIF): Business Enterprises engaged in import merchandise can avail working capital for retirement of import documents.	1. Pre-shipment finance: Back-to-Back L/C, EDF, EFPF, SOD (Working Capital Finance), Packing Credit. 2. Post-shipment finance: Foreign Documentary Bills Purchase, Inward Documentary Bill Purchase.

- Lease Finance: Lease financing became a thrust sector for individual and small enterprise besides medium and large enterprises. SBAC Bank PLC. has been providing lease finance facility to its customers for acquisition of manufacturing and service equipment for all major industrial sectors. The facility helps the customers to have better financial flexibility under budgetary constraints and to enjoy tax benefit. SBAC Bank PLC. offers financing vehicles/ refueling plant/ sea or river transport, capital machinery/ plat/ equipment/ lift /generator/ boiler, construction equipment/ computer for IT education center, medical equipment etc.
- Syndication Loan: SBAC Bank PLC. along with other commercial banks has been financing large scale projects under syndication arrangement to raise and meet huge credit need of a company. This arrangement allows the Banks to share expertise among them and diversify its credit risks. To cater the need of leading corporate house SBAC Bank PLC. has been raising fund from the banking sector on behalf of the customer through syndication arrangement.

- Garments Financing: SBAC Bank PLC. has strong exposure in the Textile and Ready-Made Garments (RMG) sector, which is one of the major driving forces of the Bangladesh economy. The Bank provides comprehensive financial solutions to garments and textile industries include:

  Working capital finance

- Back-to-back L/C,
- Packing credit,
- EDF,
- Project finance,
- Term loan,
- Machinery import finance,

Export-oriented trade finance facilities.

SBAC Bank PLC. supports entrepreneurs engaged in spinning, weaving, dyeing, garments manufacturing, accessories, and other backward linkage industries to enhance production capacity, improve compliance standards, and strengthen export competitiveness in the international market.

1. **Retail Credit:** Retail Credit is mass-credit services for individual customers to avail credit facilities directly from our wide branch network. With a view to provide faster and more convenient centralized online banking services, all of our branches have been brought under the real time online banking system. SBAC Bank PLC. offers a wide variety of loan product & value-added services to suit banking requirements of the individual clients. Products and services for individual customer include:
   - Consumer Finance,
   - Any Purpose Loan,
   - Auto Loan,
   - Professionals' Loan,
   - Home Loan (Residential),
   - Home Loan (Semi Pacca Building),
   - Education Loan,
   - Home Renovation Loan,
   - Credit Card etc.
   - Consumer Finance
   - Credit Card- Local Card, International Card, Dual Currency Card.

3. **SME Financing:** The growth of small and medium enterprises (SMEs) in terms of size and number has multiple effects on the national economy, specifically on employment generation, GDP growth, and poverty alleviation in Bangladesh. At present, Small & Medium Enterprise sector is playing a vital role in creation of new generation entrepreneurs and 'Entrepreneurs Culture' in the country. Experience shows that borrowers of small enterprise sector prefer collateral free loan since normally they cannot offer high value security to cover the exposure.
   To facilitate SME sector of the country, SBAC Bank PLC. provides credit facilities to the small & medium entrepreneurs across the country whose access to traditional credit facilities are very limited. We are offering different products for selected target groups, such as- Transport Loan, House Building Loan, Work Order Loan, Bidder's Loan, Working Capital Loan, Project Loan, Trade Finance, Women Entrepreneur's Loan, Small Business Loan, Green Financing etc. SME Financing Portfolio of the Bank comprises the following categories mainly:
   - SBAC SME Shurokhkha Loan
   - Women Entrepreneur's Loan
   - Small Business Loan
   - Working Capital Loan [CC(Hypo), OD (General), Time Loan]
   - Trade Finance (L/C, PIF)
   - Transport Loan
   - House Building Loan
   - Work Order Loan
   - Bidder's Loan [BG, PG, SOD(Pay-order)]
   - Project Loan
   - Green Financing
4. **Agriculture Credit:** In order to achieve desired growth in agriculture sector of the country, we are committed to increase our present loan portfolio in agricultural sector. SBAC Bank PLC. is offering Agriculture Loan to the various Agricultural sectors like Crops Fishery, Dairy, Beef Fattening, Poultry, Agriculture Machinery, Irrigation Machinery etc. for individuals & group at micro level. The SBAC Bank PLC. offers following Agri credit for rural customers:
   - SBAC Crop Loan
   - SBAC Agri Equipment
   - SBAC Fisheries & Livestock Loan
   - General Agricultural Credit

   a. Tk. 10/50/100 A/c Holder Loan

5. Re-finance & Pre-finance Scheme of SBAC Bank PLC.

Name of the Scheme	Refinance Interest Rate	Scheme Feature
Tk.25,000 Crore Pre-finance Scheme for CMSME	BB Rate: 2.00% Customer Rate: 7.00%	• Purpose: CMSME Loan for Capital Financing, Business Expansion & Working Capital. • Tenor: Maximum 5 years (with 6 months grace period). • Sector of Loan: Maximum 70% for Manufacture & Service and 30% for Trading.
Refinance Scheme for 10/50/100 Taka Account holder Fund Size Tk. 500.00 Cr.	BB Rate: 1.00% Customer Rate: 7.00%	• Purpose: Marginal/ Landless Farmer, Lower Income Professional, School Banking Account. • Tenor: Maximum 3 years (with 6 months grace period). • Loan Limit: Maximum Tk. 5.00 Lac.
Refinance Scheme for Small Enterprise of Women Entrepreneur Fund Size: 4,500.00 Cr.	BB Rate: 0.50% Customer Rate: 5.00%	• Purpose: CMSME of Women Entrepreneur. • Tenor: Maximum 5 years (with 6 months grace period). • Loan Limit: Maximum Tk. 50.00 Lac.
Refinance Scheme for Agro Based Industries Fund Size: Tk. 2,000.00 Cr.	BB Rate: 2.00% Customer Rate: 7.00%	• Purpose: For Setting up Agro Based product processing industries in rural areas. • Tenor: Maximum 5 years (with 6 months grace period). • Loan Limit: Maximum Tk. 300.00 Lac for Working • Capital & Maximum Tk. 1000.00 Lac for Term Loan.
Refinance Scheme for Sustainable Financing Fund Size: Tk. 4,400.00 Cr.	BB Rate: 1.00% Customer Rate: 5.00%	• Purpose: To finance Green Products, Projects & Initiatives. • Tenor: 3 to 10 years (Depending on Products or Projects) but Affordable Green housing 20 Years. • Loan Limit: Depending on Products or Projects
Refinance Scheme for EDF Financing Fund Size: USD 4.60 Billion	Customer Rate: SOFR Rate+1.50%	• Purpose: For L/C payment of export-oriented facility. • Tenor: 180 days • Eligible Customer: Manufacturer-Exporter.
Refinance Scheme for Pre-shipment Finance Fund Size: Tk. 5,000.00 Cr.	BB Rate: 2.00% Customer Rate: 5.00%	• Purpose: To provide Pre-shipment Export Finance. • Tenor: 06 months. • Loan Limit: 50% of packing credit limit.
Refinance Scheme for Start-up Financing Fund Size: Tk. 750.00 Cr.	BB Rate: 0.50% Customer Rate: 4.00%	• Purpose: To finance new products, service or processes through the integration of technology, Intellectual Property, & Disruptive Innovation. • Tenor: Maximum 8 years (with 6 months grace period). • Loan Limit: 2 to 8 crore depending on Tenure of the institution.

Performance of Loans and Advances

The loans and advances stood at Tk. 94,669.54 million (consolidated) & Tk. 94,458.10 million (solo) in 2025 as against Tk. 88,848.29 million (consolidated) & Tk. 88,641.84 million (solo) in 2024 registering a consolidated growth of 6.55 percent. The growth of deposits was used for funding growth in credit. Yield on loans and advances of the Bank increased by 28.31 percent from that of previous year due to increase in lending rates.

The detail features of the Advance and deposit are stated in the section 'Review of Performance of SBAC Bank PLC. in 2025'.

(iii) Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any:

Banking, by nature, involves various forms of risk and its management. So, probability and impact analysis is much important for risk management, minimization and mitigation of risk for steady growth and sustainability in banking business. At SBAC Bank PLC, we recognize that risk management is not just a safeguard, but a critical enabler of sustainable growth and long-term value creation for our shareholders.

In the current dynamic and often unpredictable financial and economic landscape, sound risk management practices are more essential than ever. The Bank is exposed to a diverse range of risks—both internal and external—including credit risk, market risk, operational risk, liquidity risk, reputational risk, and risks related to Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT). Additionally, we address strategic risk, compliance risk, concentration risk, environmental risk, and ICT-related vulnerabilities that may arise from rapid technological change.

SBAC Bank's risk management framework is built on a foundation of thorough understanding of these risk categories. We employ disciplined risk assessment methodologies, robust measurement tools, and continuous monitoring processes to ensure that potential threats to the Bank's sustainability are proactively identified and mitigated.

While the Bank currently faces no material negative impact on the environment, we remain committed to operating responsibly and with environmental awareness. We continually assess our operations for environmental implications and strive to integrate sustainable practices across our business model.

Through vigilant risk governance and a forward-looking approach, SBAC Bank remains well-positioned to navigate challenges and protect the interests of its stakeholders. We have taken sufficient measures to prevent money laundering and terrorist financing. Details of which is given in the "SBAC Bank's AML & CFT Compliance Program" sub-section of this Annual Report in the page no. 88, and Details of risk management are given in "Report of the Risk Management Committee (RMC) of the Board" and "Report of the Chief Risk Officer (CRO)" of the board" in the page no.152.

Furthermore, our Risks and concerns including internal and external risk factors have been identified in the "SWOT Analysis" at page no. 107.

(iv) A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin (where applicable):

Being a service-oriented banking company, discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin is not relevant. However, a discussion on Interest Income, Interest Expense, Operating Profit and Net Profit is stated below as per BRPD Circular No. 14 dated 25 June 2003.

For the year ended 2025, The Bank's Cost of Fund (including operating cost) was 9.45 percent, Interest earning assets was Tk. 100,579.40 million (consolidated) & Tk. 100,367.95 million (solo). Interest Income/profit on investment was Tk. 8,607.26 million (Consolidated) & Tk. 8,565.55 million (solo); Interest expense was Tk. 7,669.93 million (Consolidated) & Tk. 7,670.34 million (solo), Operating profit was Tk. 1,107.81 million (Consolidated) & Tk. 1,074.13 million (solo), and Net profit after Tax was Tk. 7.05 million (Consolidated) & Tk. 6.50 million (solo).

(v) A discussion on continuity of any extraordinary activities and their implications (gain or loss):

There is no incident of any extraordinary activities, so there is no question of gain or loss from any extraordinary activities.

(vi) A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions.

Section 18(2) of the Bank Company (Amendment) Act, 2023 and Corporate Governance Guidelines issued by Bangladesh Securities and Exchange Commission (Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018) have provided the necessary provisions for related party transactions. As per general instruction in the First Schedule of the Bank Company (Amendment) Act, 2023 [general instruction Kha 11(ka)], A statement of all related party transactions has been disclosed in the Financial Statements as **Annexure-A.**

(vii) A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments.

The proceeds of the Initial Public offering (IPO) had been utilized fully as per schedule as published in the prospectus.

(viii) An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.:

There is no deteriorating financial result till now after the IPO of the Bank.

(ix) An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements:

The financial performance of SBAC Bank for the fiscal year ended 31 December 2025 exhibits noteworthy deviations when compared to the cumulative trends observed in the preceding quarters, most significantly within Earnings Per Share (EPS) and Net Operating Cash Flow Per Share (NOCFPS). While the quarterly EPS remained relatively stable between BDT 0.14 and BDT 0.15 through the first nine months, the annual EPS plummeted to BDT 0.01, indicating that the profitability gains achieved earlier in the year were largely offset in the final quarter by substantial provisioning requirements for loans and potential impairments in investment income.

Furthermore, NOCFPS demonstrated a sharp downward trajectory, regressing from a high of BDT 11.26 in Q1 to BDT 0.20 in the Annual Financial Statements. This substantial variance is primarily attributable to the cumulative impact of increased interest expenditures on deposits, strategic capital allocation toward government securities, and the continued disbursement of new loans and advances, which collectively absorbed the operational liquidity that characterized the initial periods of the year. Despite these fluctuations in earnings and cash flow, the Net Asset Value (NAV) per share remained comparatively resilient, concluding the fiscal year at BDT 13.61, reflecting a stable underlying asset base despite the operational volatility experienced during the transition from the third quarter to the year-end closing.

(x) A statement of remuneration paid to the directors for attending meetings including independent directors:

Directors are eligible for meeting remuneration of BDT 10,000.00 (Taka ten thousand only) subject to deduction of applicable tax for attending meetings of the Board and its Committee as per BRPD circular letter No. 56 dated December 30, 2024. Among others, the following conditions are applicable:

- Meeting should be held in the same town or city where the Bank is head quartered. However, the meetings may be held other places subject to intimation to Bangladesh Bank in advance;
- Regardless of the number of board and committee meetings held in a given month based on necessity, directors shall be entitled to honorarium for attending a maximum of 06 (six) meetings in total of the Board of Directors and the Executive Committee, 01 (one) meeting of the Audit Committee, and 01 (one) meeting of the Risk Management Committee per month.
- Travel Bill and two days Hotel bill is payable for the directors traveling within the country and three days Hotel bill for directors (foreigners) coming from out of the country subject to submission of bills of actual expenditures to the bank for preserve.

Statement of Meeting Remuneration to Directors including Independent Directors with Details of Meetings attended by the Board Members during the year 2025:

Sl.	Name of Directors	Remuneration	No. of Meetings Attended
1	Engr. Md. Moklesur Rahman	170000	17 (Board)
2	Mr. Anwar Hussain	180000	15 (Board) & 3 EC
3	Mr. Abdul Kadir Molla	20000	2 (Board)
4	Mr. Hafizur Rahman Babu	100000	8 (Board) & 2 (EC)
5	Mr. Mohammed Ayub	230000	15 (Board) & 5 (EC) & 3 (RMC)
6	Mr. Mushfiqur Rahman Nominated by: M/S Contech Construction Ltd.	190000	16 (Board) & 3 (RMC)
7	Mr. Mohammad Nazmul Huq Nominated by: Vicar International	40000	4 (Board)
8	Mr. Mohammad Nazmul Huq Nominated by: Techno Electricals Ltd.	130000	6 (Board), 3 (EC) & 4 (RMC)
9	Mr. Mohammad Mahbubor Rahman Nominated by: Intec Solution	200000	16 (Board) & 5 (AC)
10	Mr. Shohel Ahmed Nominated by: Meter D Tech	170000	13 (Board) & 4 (EC)
11	Mr.A.K.M. Delwer Hussain FCMA Nominated by: Techno Electricals Ltd.	60000	6 (Board)
12	Maj. Gen. (Retd.) Shahedul Haque, psc Nominated by: TBO Trade Ltd.	50000	5 (Board)
13	Mr. Imrul Anwar Nominated by: T&A International Ltd.	90000	9 (Board)
14	Maj.(Retd.) Abu Fateh Md. Bashirur Rahman Nominated by: NY Trading Ltd.	60000	5 (Board) & 1 (RMC)
15	Professor Mohammad Moqbul Hossain Bhuiyan	230000	17 (Board) & 7 (AC)
16	Mr. Ziaur Rahman Zia FCA	170000	12 (Board) & 6 (AC)
17	Professor Maksudur Rahman Sarker FCMA	210000	15 (Board) & 7 (AC)
18	Mr. Md. Abu Saem FCA	110000	11 (Board)
20	Mr. Md. Emdadul Hoque Nominated by: T&A International Ltd.	20000	2 (Board)
21	Mr. Mohammad Helal Uddin Nominated by: TBO Trade Ltd.	180000	10 (Board), 5 (EC) & 3 (RMC)
23	Mr. Md. Sajidur Rahman	30000	3 (Board)
Total		**2640000**	-

During the financial year 2025, SBAC Bank PLC conducted a total of 17 Board Meetings, 5 Executive Committee (EC) Meetings, 7 Audit Committee (AC) Meetings, and 4 Risk Management Committee (RMC) Meetings. In accordance with BRPD Circular Letter No. 56 dated 30 December 2024 of Bangladesh Bank, no attendance fees were disbursed for the 67th Audit Committee Meeting.

The Bank paid a total of Tk. 26,40,000 as attendance fees to Directors for these meetings. Additionally, 15% VAT, amounting to Tk. 3,96,000 was paid to the Government exchequer, bringing the total expenditure for 2025 meetings to Tk. 30,36,000. It is pertinent to note that the attendance fees for the 189th Board Meeting (held on December 29, 2024) were settled on January 1, 2025. Consequently, the aggregate payment recorded for the year stands at Tk. 31,79,000, which is consistent with the figures presented in the Audited Financial Statements for 2025.

In accordance with BRPD Circular No. 03, dated February 14, 2024, Independent Directors are eligible for a monthly honorarium of Tk. 50,000 (Taka Fifty Thousand only), subject to the deduction of applicable taxes.

The following table outlines the honorarium paid to the Independent Directors during the year 2025:

Sl. No.	Name of Independent Directors	Amount (Tk.)
1	Professor Maksudur Rahman Sarker FCMA	600,000.00
2	Professor Mohammad Moqbul Hossain Bhuiyan	600,000.00
3	Mr. Ziaur Rahman Zia FCA	466,129.00
4	Mr. Md. Abu Saem FCA	416,129.00
5	Mr. Md. Sajidur Rahman	337,097.00
Total		**2,419,355.00**

Disclosure Note:
The honorarium for Independent Directors pertaining to December 2024 was disbursed on January 01, 2025. This payment, totaling Tk. 2,00,000 (Tk. 50,000 × 4 directors), was recorded in the subsidiary ledger for the current period. Consequently, the total honorarium reflected in the Audited Financial Statements for 2025 is Tk. 26,19,355 (representing the current year's payment of Tk. 24,19,355 plus the previous year's settlement of Tk. 2,00,000).

(xi) A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity:

The financial statements prepared by the management have presented fairly its state of affairs, the result of its operations, cash flows and changes in equity. Balance Sheet, Income Statement, Cash flow Statement and Statement of Changes in Equity etc. are presented in Annual Report under respective heads.

The Board of Directors is responsible for the preparation and fair presentation of financial statements after prior approval from respective departments of Bangladesh Bank in accordance with applicable financial reporting framework, laws and regulations. The Financial Statements have been audited by the External auditor and reviewed by the Audit Committee of the Board of Directors of the Bank. The financial Statements have been recommended for final approval of the shareholders by the Board of Directors of the Bank.

Financial Statements for the year ended on 31 December 2025 have been prepared in a very fair way with inclusion of all material aspects, its state of affairs, the results of its operations, cash flows and changes in equity. Fair Presentation of Financial Statements has been made in Annual Report 2025 and accordingly opinion of the external auditor, Aziz Halim Khair Choudhury, Chartered Accountants, has been incorporated in the report.

(xii) A statement that proper books of account of the issuer company have been maintained:

The bank is fully complied in keeping the proper books of accounts with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). Details are disclosed in the section 2.0 of notes of Financial Statements in the Auditors' Report. In this regard, external auditor Aziz Halim Khair Choudhury, Chartered Accountants have provided their Qualified Opinion in their report, being the basis for the opinion is the provision shortfall of BDT 1,023.57 crore resulted from the difference between the required provision of BDT. 1,379.40 crore and provision maintained by the Bank of BDT 355.83 crore.

They have added an 'Emphasis of Matter' as under:

"i) As disclosed in Note 5.3 to the financial statements, the Bank has fixed deposits amounting to BDT 181.09 crore placed with various Non-Bank Financial Institutions (NBFIs), an amount of BDT 158.66 crore has matured long ago and is considered doubtful of recovery. The required provision against these fixed deposits is BDT 158.66 crore; however, the Bank has not maintained any provision as at 31 December 2025, resulting in a provision shortfall of BDT 158.66 crore.

ii) As per Section 13(2) of the Bank Company Act, 1991 (as amended in 2023) and Bangladesh Bank BRPD Circular No. 18 dated 21 December 2014 relating to Basel III compliance, the Bank's required capital as at 31 December 2025 was BDT 1,135.00 crore against which it maintained total eligible capital of BDT 1,216.84 crore, resulting in a reported capital surplus of BDT 81.84 crore at the reporting date. However, considering the provision shortfall of BDT 1,023.57 crore, the Bank would have incurred a capital shortfall. The Bank is required to maintain a minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 12.50% (including Capital Conservation Buffer); against this requirement, the Bank reported a CRAR of 13.40% as at 31 December 2025. Had the aforesaid provision shortfall been fully recognized, the CRAR would have fallen below the minimum regulatory requirement prescribed by the Bangladesh Bank.

iii) We draw attention to note 2 to the financial statements, where management has explained the basis of preparation of financial statements, including compliance with Rules and Regulations issued by Bangladesh Bank on classification of loans and advances, and required impairment provision. Our opinion is not modified in respect of this matter."

(xiii) A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment:

Appropriate accounting policies have been consistently applied in preparation of the financial statements of the Bank and the accounting estimates are based on reasonable and prudent judgment. Estimates and underlying assumptions are reviewed on ongoing basis and any revisions to these are recognized in the period in which the estimate is revised and in any future period affected. The significant accounting policies applied and accounting estimates used for preparation of the financial statements of the Bank have been stated in details in notes of the Financial Statements 2025.

(xiv) A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed:

The financial statements of the bank as on December 31, 2025 have been prepared on going concern basis under historical cost convention and in accordance with the "First Schedule" of the Bank Company (Amendment) Act, 2023 and BRPD Circular No. 14, dated 25 June 2003, other Circulars of Bangladesh Bank, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), the Companies Act 1994 (amended up to 2020), the Securities and Exchange Rules 1987, and other laws and rules applicable for Banks in Bangladesh. In case of any requirement of the Bank Company (Amendment) Act, 2023, and provisions and circulars issued by Bangladesh Bank differ with those of other regulatory authorities and IFRS, the requirements of the Bank Company (Amendment) Act, 2023, and provisions and circulars issued by Bangladesh Bank will prevail.

(xv) A statement that the system of internal control is sound in design and has been effectively implemented and monitored:

The bank has Board approved Internal Control and Compliance (ICC) Policy/Guidelines. The ICC Guidelines are being used to an effective internal control mechanism to safeguard shareholders' investments, the depositors' assets and other stakeholders' interest as well. The Board retains the ultimate responsibility for its operations, though has delegated to the Audit Committee for the review of the adequacy and effectiveness of the system of internal controls. The Internal Control and Compliance practices of SBAC Bank PLC. include control environment, risk assessment, control activities, segregation & rotation of duties, accounting information and reconciliation, IT security and self-assessment/monitoring.

Effective information system – the key component of an effective internal control mechanism is already in place, which is being periodically reviewed towards making it still effective. In addition, the Bank has established the following internal control measures:

- Strengthened the Internal Control and Compliance Department to ensure comprehensive audit of the branches and Head Office at periodic intervals;
- Review of the Bank's performance on a quarterly basis at Board level;
- Established authority limits for transactions and expenses;
- Review of Bangladesh Bank's audit report and Management's compliance thereof at regular intervals;

Ensuring strict compliance to all regulatory requirements, both existing and new.

(xvi) A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.

There is a well-defined corporate governance practice prevailing in the Bank as per Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018, No. BSEC/CMRRC-D/2009-193/66/PRD/148, dated 16 October 2023 and No. BSEC/CMRRC-D/2009-193/76/PRD/151, dated 04 April 2024). Therefore, minority shareholders have been protected from any sorts of abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress. Moreover, the Bank has been compliant with provision of laws of the country protecting the interest of minority shareholders.

(xvii) A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed.

There are no significant doubts upon the Bank's ability to continue as a going concern. The financial statements of the Bank have been prepared on the assumption that the entity (i.e., SBAC Bank PLC.) is a going concern and will continue its operation in the foreseeable future. Hence, it is assumed that SBAC Bank PLC. has neither intention nor the need to liquidate or curtail materially the scale of its operations. In this regard, a report on going concern assumption has been disclosed in page no. 121.

(xviii) An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained:

The Bank's 2025 operating results demonstrate a strategic focus on bolstering long-term stability and maintaining a resilient capital structure. While the annual Earnings Per Share (EPS) of BDT 0.01 reflects a significant transition from quarterly averages, it underscores a proactive approach to enhancing provisioning and ensuring high asset quality for future periods. The Bank's Net Asset Value (NAV) per share remained remarkably stable at BDT 13.61, affirming the strength of its core asset base. Additionally, the movement in Net Operating Cash Flow per Share (NOCFPS) to BDT 0.20 represents a strategic shift toward optimizing the investment portfolio with government securities and supporting economic expansion through new loan disbursements. These measures, focused on transparency and disciplined capital management, reinforce the Bank's foundation for sustainable growth and long-term shareholder value.

(xix) A statement where key operating and financial data of at least preceding 05 (five) years shall be summarized:

Key operating and financial data of at least preceding 05 (five) years are as under:

Particulars	2025	2024	2023	2022	2021
Number of Branches	90	90	89	86	84
Number of Sub Branches	32	32	31	24	21
Number of ATMs	82	76	68	55	48
Paid-up capital	8,241.92	8,241.92	8,241.92	8,160.31	7,846.46
Total assets/Total Liabilities	133,029.48	124,608.94	117,264.13	106,307.06	97,813.75
Interest earning assets	100,579.94	97,182.80	100,092.55	91,279.89	85,097.31
Non interest earning assets	32,450.08	27,426.10	17,171.59	15,027.17	12,716.44
Total shareholders' Equity	11,214.72	11,115.10	11125.35	10,829.65	10,628.41
Total capital (Tier I +II)	12,193.94	11,798.89	11,583.20	11,148.58	10,830.03
Surplus/(deficit) capital	791.49	1,070.42	1,102.98	1,037.52	1,097.48
Capital to Risk Weighted Asset Ratio (CRAR)	13.37%	13.75%	13.82%	13.78%	13.91%
Total deposits	107,736.77	96,735.01	93,321.58	84,209.59	72,736.46

Particulars	2025	2024	2023	2022	2021
Total Loans and Advances	94,669.54	88,848.29	86644.19	77,827.26	65,955.68
Total contingent liabilities and commitments	27,463.76	31,079.62	29358.94	21,782.44	18,539.78
Advance deposits ratio (%)	82.87%	85.45%	85.66%	86.80%	83.69%
Total Interest Income	8,607.26	8,590.43	6,900.07	5,884.35	5,610.48
Total Non-Interest Income	949.95	1408.51	1609.81	1,263.47	678.64
Investment Income	2,156.88	2,332.39	1,733.7	1,705.31	3,064.16
Total Income	11,714.08	12331.33	10,243.57	8,853.13	9,353.28
Total Interest Expenses	7,669.93	6,650.15	5244.05	4,606.95	3,944.39
Total Administrative Expenses	1,992.96	1,973.92	1,831.44	1,594.57	1,339.25
Total Other Expenses	943.37	985.72	919.09	855.04	848.44
Total Expenses	10,606.27	9,592.36	7,994.59	7,056.56	6,132.08
Profit before tax and provision (Operating Profit)	1,107.81	2,721.52	2,248.99	1,796.56	2,004.04
Profit after tax and provision (Net Profit)	7.05	113.14	546.36	589.63	539.89
Total Export	23,394.8	29,835.97	30,366.11	28,283.56	16,465.10
Total Import	29,724.1	39,203.67	43,552.36	45,383.04	33,061.74
Total Remittance	6,931.3	11,452.03	17,060.83	9,524.78	2,288.20
Classified Advance	18,814.94	14,332.62	5,149.57	4,031.22	3,860.90
Classified Loans to Advance Ratio	19.87%	16.13%	5.94%	5.18%	5.85%
Total Provision kept against Unclassified Loans and Advances including Off Balance Sheet Exposures	1,187.02	794.01	456.98	444.52	369.68
Total Provision kept against Classified Loans and Advances	2,371.25	4,331.35	3171.66	2499.77	2196.16
Yield on Advance (%)	9.18%	11.42%	8.90%	8.08%	8.31%
Cost of Deposits (%)	7.33%	6.78%	5.50%	5.32%	5.58%
Return on Assets (ROA) (%)	0.01%	0.09%	0.49%	0.58%	0.58%
Return on Equity (ROE) (%)	0.06%	0.99%	4.98%	5.50%	5.42%
Earnings per share (EPS)	0.01	0.14	0.66	0.72	0.66
Net Asset Value Per Share	13.61	13.45	13.50	13.14	13.02
Number of Employees	1282	1,237	1165	1149	997
Number of Profit Earning Branch	75	78	76	62	59
Number of Deposit Accounts	446921	394,599	364,384	331,391	304,851
Number of Loan Accounts	19247	14,395	15,070	13,558	11,316
Number of Debit Card	1,03,679	88,406	77,732	65,338	52,982
Number of Credit Card	8,763	8,092	6808	5,033	3,639

(xx) An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year.

In accordance with the directive of Bangladesh Bank Letter No. No: BSD-5/106/2026-403 dated April 28, 2026, and as part of the Bank's commitment to maintaining regulatory compliance and prudent financial management, SBAC Bank PLC has refrained from recommending any dividend for the year ended December 31, 2025.

Bangladesh Bank determined that the bank does not have sufficient profit (0.65 crore BDT) to maintain a total of 1023.57 crore BDT (consisting of a 1009.88 crore BDT provision shortfall against total assets and 13.69 crore BDT additional required tax provision. Since the bank's classified loans and advances rate exceeds 10%, and the bank's capital would fall below the minimum required level (10% of risk-weighted assets) if the specific provision were fully adjusted, no dividends shall be paid to shareholders for the year 2025, in accordance with DOS Circular No. 01, dated March 13, 2025. Provision of proper Disclosure in the financial statements and Market Disclosure statements based on December 31, 2025, specifically mentioning the details of the provision shortfall in all applicable areas, including provision maintenance, profit-loss, and capital calculation have duly been made. In compliance with the directive, a time-bound action plan approved by the Board has been instructed to submit to Bangladesh Bank to address the provision and capital deficits.

Following capital preservation and central bank guidance, the Bank's consecutive non-dividend declaration led to a technical 'Z-Category' reclassification, which management is mitigating through rigorous financial recovery and asset quality enhancement strategies to restore the regular trading category.

(xxi) Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend.

No bonus share or stock dividend has been declared in 2025 as interim dividend or shall be declared as interim dividend for the 2026.

(xxii) The total number of Board meetings held during the year and attendance by each director:

Meetings in 2025

During the year 2025, 17 Board Meetings, 05 Executive Committee Meetings, 07 Audit Committee Meetings and 04 Risk Management Committee Meeting. Details of the participants are as follows:

Sl. No.	Name of Directors	Meetings (2025)											
		Board			EC			AC			RMC		
		Held During Tenure	Attended	Absent	Held During Tenure	Attended	Absent	Held During Tenure	Attended	Absent	Held During Tenure	Attended	Absent
1	Engr. Md. Moklesur Rahman	17	17	0	-	-	-	-	-	-	-	-	-
2	Mr. Anwar Hussain	17	15	2	5	3	2	-	-	-	-	-	-
3	Mr. Abdul Kadir Molla	17	2	15	-	-	-	-	-	-	-	-	-
4	Mr. Hafizur Rahman Babu	17	8	9	5	2	3	-	-	-	-	-	-
5	Mr. Mohammed Ayub	17	15	2	5	5	0	-	-	-	4	3	1
6	Mr. Mushfiqur Rahman Nominated by: M/S Contech Construction Ltd.	17	16	1	-	-	-	-	-	-	4	3	1
7	Mr. Mohammad Nazmul Huq Nominated by: Vicar International	6	4	2	-	-	-	-	-	-	-	-	-
8	Mr. Mohammad Nazmul Huq Nominated by: Techno Electricals Ltd.	11	6	5	5	3	2	-	-	-	4	4	0
9	Mr. Mohammad Mahbubor Rahman Nominated by: Intec Solution	17	16	1	-	-	-	7	5	2	-	-	-
10	Mr. Shohel Ahmed Nominated by: Meter D Tech	17	13	4	5	4	1	-	-	-	-	-	-

Sl. No.	Name of Directors	Meetings (2025)											
		Board			EC			AC			RMC		
		Held During Tenure	Attended	Absent	Held During Tenure	Attended	Absent	Held During Tenure	Attended	Absent	Held During Tenure	Attended	Absent
11	Mr. A.K.M. Delwer Hussain FCMA Nominated by: Techno Electricals Ltd.	6	6	0	-	-	-	-	-	-	-	-	-
12	Maj. Gen. (Retd.) Shahedul Haque, pscNominated by: TBO Trade Ltd.	6	5	1	-	-	-	-	-	-	-	-	-
13	Mr. Imrul Anwar Nominated by: T&A International Ltd.	12	9	3	-	-	-	-	-	-	-	-	-
14	Maj. (Retd.) Abu Fateh Md. Bashirur Rahman Nominated by: NY Trading Ltd.	6	5	1	-	-	-	-	-	-	1	1	0
15	Professor Mohammad Moqbul Hossain Bhuiyan	17	17	0	-	-	-	7	7	0	-	-	-
16	Mr. Ziaur Rahman Zia FCA	14	12	2	-	-	-	7	6	1	-	-	-
17	Professor Maksudur Rahman Sarker FCMA	17	15	2	-	-	-	7	7	0	-	-	-
18	Mr. Md. Abu Saem FCA	12	11	1	-	-	-	-	-	-	-	-	-
19	Mr. Abu Zafar Mohammod Shofiuddin	11	0	11	-	-	-	-	-	-	-	-	-
20	Mr. Md. Emdadul Hoque Nominated by: T&A International Ltd.	3	2	1	-	-	-	-	-	-	-	-	-
21	Mr. Mohammad Helal Uddin Nominated by: TBO Trade Ltd.	11	10	1	5	5	0	-	-	-	3	3	0
22	Mrs. Sufia Begum	11	0	11	5	0	5	-	-	-	-	-	-
23	Mr. Md. Sajidur Rahman	9	3	6	-	-	-	-	-	-	-	-	-

(xxiii) A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details stated below) held by:

(a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details): Shareholding pattern in the SBAC Bank Investment Limited (A subsidiary of the Bank) is as under:

Sl. No.	Name of the Shareholder	Number of Shareholding	Percentage of Shareholding
1	SBAC Bank PLC.	3,99,60,000	99.90%
2	South Bangla Agriculture and Commerce Bank Foundation	40,000	0.10%
Total		**4,00,00,000**	**100.00%**

(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children as on 31.12.2025 (name-wise details):

Sl. No.	Name	Status	No. of Shares	Spouse & Minor Children	No. of Shares
1	Engr. Md. Moklesur Rahman	Chairman	35169778	Quamrun Nahar	Nil
2	Anwar Hussain	Vice Chairman	16580861	Fadia Naz	Nil
				Amaya Hussain	Nil
				Aizah Hussain	Nil
3	Hafizur Rahman Babu	Director	26377333	Nasima Rahman Nipa	Nil
4	Mohammed Ayub	Director	29399511	Shalina Islam Chowdhury	Nil
5	Mushfiqur Rahman Nominated by: M/S. Contech Construction Ltd.	Director	Nil	Yousuf	Nil
6	Mohammad Nazmul Huq Nominated by: Vicar International.	Director	Nil	Hafiza Huq	Nil
7	Mohammad Mahbubor Rahman FCMA Nominated by: Intec Solution	Director	Nil	Nurun Nahar Sumi	Nil
8	Shohel Ahmed Nominated by: Meter D Tech.	Director	Nil	Mahbuba Begum	Nil
9	A. K. M. Delwer Hussain FCMA Nominated by: Techno Electricals Ltd.	Director	Nil	Mumtaj Shirin	Nil
				Nahin Hussain	
				Semin Hussain	
10	Maj. Gen. (Retd.) Shahedul Haque, psc Nominated by: TBO Trade Ltd.	Director	Nil	Mrs. Saira Noor Banu	Nil
11	Mr. Imrul Anwar Nominated by: T&A International Ltd.	Director	Nil	Razia Anwar	Nil
12	Maj. (Retd.) Abu Fateh Md. Bashirur Rahman Nominated by: NY Trading Ltd.	Director	Nil	Ferdousi Rahman	Nil
13	Prof. Mohammad Moqbul Hossain Bhuiyan	Independent Director	Nil	Ayesha Khatun	Nil
				Anupama Hossain	
14	Ziaur Rahman Zia FCA	Independent Director	Nil	Nazma Khatun	Nil
				Aryan Rahman Ayan	
15	Prof. Md. Maksudur Rahman Sarker	Independent Director	Nil	Fatima Aziz	Nil
				Fariha Sarker	
16	Mr. Md Abu Saem FCA	Independent Director	Nil	MST. Shorifa Khatun	Nil
				Luzaina Saem	
				Yaashrar Hossain Saem	
17	Mr. S.M. Mainul Kabir	Managing Director & CEO	Nil	Asma Siddika	Nil
				Ahmed Azmine	
18	Towhedur Rahman FCS	Company Secretary (CC)	Nil	Sharifunnissa	Nil
				Tahfeem Fatiha Rahman	
19	A H M Masud Murshed	EVP & Head of ICCD	Nil	Rebeka Rahman	Nil
				Tahani Tabassum	
20	Mannan Bapari (FCMA)*	SVP & CFO	Nil	Shamima Islam	Nil
				Tafida Tasnuva	
				Mahbeer Bin Mannan	

*Mr. Mannan Bapari (FCMA) resigned from his position and the bank released him on 09 February 2026.

(c) Executives [top five salaried employees other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit] as on 31.12.2025

SL. No.	Name	Designation	No. of Shares
1	Mr. Md. Rabiul Islam	Additional Managing Director	Nil
2	Mr. Md. Altaf Hossain Bhuyan	Deputy Managing Director	317
3	Mr. Mohammad Asadul Haque	Senior Executive Vice President	Nil
4	Mr. Md. Masoodur Rahman	Senior Executive Vice President	18,000
5	Mr. Abid Hossen*	Executive Vice President	Nil

*Mr. Abid Hossen resigned from his position and the bank released him on 14 January 2026.

Explanation: For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.

(d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details): There is no Shareholder holding ten percent (10%) or more voting interest in the company.

(xxiv) In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:

(a) A brief resume of the director
(b) Nature of his or her expertise in specific functional areas
(c) Names of companies in which the person also holds the directorship and the membership of committees of the Board

A brief resume of the directors, Nature of his/her expertise in specific functional areas and names of companies in which the person also holds the directorship and the membership of committees of the board have been published in section 'Directors Profile'.

(xxv) A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:

Management's Discussion and Analysis as "Management Discussion by the Managing Director & CEO" signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on the above issues has been published in the page no. 57-60 as Management's Overview. The statement include inter alia (a) accounting policies and estimation for preparation of financial statements; (b) Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes; (c) Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; (d) Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; (e) Briefly explain the financial and economic scenario of the country and the globe; (f) Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and (g) Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position has been disclosed in page no. (57-126).

(xxvi) Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed (as per Annexure-A):

Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) has been disclosed as per Annexure-A in page no. 280.

(xxvii) The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed (as per Annexure-B and Annexure-C):

The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 has been disclosed as per Annexure-B and Annexure-C in the page no. 202 & (219-238).

On behalf of the Board of Directors,

Engr. Md. Moklesur Rahman
Chairman

INFORMATION TO STAKEHOLDERS

Distribution of Shareholdings as on 31.12.2025

Shareholders' Group	No. of Shares Held	Percentage of Shareholding	Value of Shares Held (BDT)
Sponsors/ Directors	596,869,869	72.42%	5,968,698,690
General Shareholders	129,584,857	15.72%	1,295,848,570
Financial Institutions	97,436,599	11.82%	974,365,990
Non-resident Bangladeshi	295073	0.04%	2,950,730
Foreign Investors	5252	0.00%	52520
Government	Nil	Nil	Nil
Total	**824,191,650**	**100.00%**	**8,241,916,500**

Information Sensitive to Share Price

Particulars	Disclosure
Adoption of Financial Statements 2025	29/04/2026 at 210th Meeting
Recommendation of Dividend	No Dividend Recommended.
Record Date	20/05/2026
Date & Time of Holding AGM.	15/06/2026 at 11:00 AM.
Adoption of Quarterly Financial Statement (Q1) of the Bank as on 31/03/2026	Date of Adoption: 29/04/2026 at 210th Meeting
Key Financial Disclosures	Net Asset Value (NAV): Tk. 11,214.29 Million Consolidated) & Tk. 11,174.66 Million (Solo).
	NAV per share: Tk. 13.61(Consolidated) & Tk. 13.56 (Solo).
	Earnings Per Share (EPS): Tk. 0.01 (Consolidated & Solo).
	Net Operating Cash Flow per Share (NOCFPS): Tk. 0.20 (Consolidated), Tk. 019 (Solo).

DIVIDEND DISTRIBUTION POLICY

Introduction:

This policy is drafted in compliance with the Directives No. BSEC/CMRRCD/2021-386/03 of Bangladesh Securities & Exchange Commission (BSEC) dated January 14, 2021.

Purpose:

The purpose of the policy is to comply with the Directives of Bangladesh Securities & Exchange Commission (BSEC). The parameters set out in the policy are applicable for distribution of dividend.

A. Declaration of Dividend:

In accordance with the directive of Bangladesh Bank Letter No. No: BSD-5/106/2026-403 dated April 28, 2026, and as part of the Bank's commitment to maintaining regulatory compliance and prudent financial management, SBAC Bank PLC has been refrained from recommending any dividend for the year ended December 31, 2025.

B. Process of Distribution of Dividend:

1.1. **Manner and procedures of Cash dividend payment:**

i) The Bank shall pay off cash dividend directly to the bank account of the entitled shareholders as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN);

ii) Through bank transfer or any electronic payment system as recognized by the Bangladesh Bank (if not possible through BEFTIN);

iii) In case of margin loan and claim by loan provider, through the Consolidated Customer's Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN;

iv) The Bank, in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant and shall send it by post to the shareholder;

v) The Bank shall pay off cash dividend to non-resident sponsor, director, shareholder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;

1.2. **Manner and procedure of stock dividend distribution:**

The Bank shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be subject to the clearance of the regulatory requirement [if any from Bangladesh Bank, exchange(s) and the Central Depository Bangladesh Limited (CDBL)]:

i) To the BO account;

ii) To the suspense BO Account for undistributed or unclaimed stock dividend/bonus shares;

iii) The bonus dividend shall be transferred to the suspense BO account if BO account is not available or BO account is inactive;

iv) The sale proceeds of fractional bonus dividend shall be paid off as per circular of BSEC or Bangladesh Bank or other regulatory authority from time to time.

1.3. **Issuance of Bonus Share:**

To ensure rightful ownership of the bonus shares the bank shall follow the directives issued by BSEC from time to time.

1.4. **Time line for dividend pays off:**

i) The Bank shall pay off the annual or final dividend to the entitled shareholders, within 30 (thirty) days of approval.

ii) Amount of declared cash dividend payable for the concerned year/period shall be kept in a separate bank account as per circular of BSEC or Bangladesh Bank or other regulatory authority from time to time.

1.5. **Unpaid or unclaimed of unsettled cash dividend:**

Unpaid or unclaimed of unsettled cash dividends shall be settled as per instructions of BSEC or Bangladesh Bank or other regulatory authority from time to time.

1.6. **Unpaid or unclaimed of unsettled stock dividend:**

Unpaid or unclaimed of unsettled stock dividends shall be settled as per instructions of BSEC or Bangladesh Bank or other regulatory authority from time to time.

1.7. **Tax matters:**
Tax will be deducted at source as per applicable tax laws.

1.8. **Amendments / Modifications:**
To the extent any change/amendment is required in terms of any applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with the law of the land. Such amended policy shall be placed before the Board for approval.

1.9. **Disclosure Policy:**
The Dividend Distribution Policy shall be available on the Bank's website and shall also be disclosed in the Bank's Annual Report.

STOCK DETAILS

(As on 30.12.2025)

Particulars	Dhaka Stock Exchange (DSE)	Chittagong Stock Exchange (CSE)
Stock Symbol	SBACBANK	SBACBANK
Company Code	11151	22035
Year of Listing	2021	2021
Market Lot	1	1
Company Category	B (Banks)	B (Banks)
Electronic Share	YES	YES
Face Value	Tk. 10.00	Tk. 10.00
Market Value	Tk. 6.10 (Per share)	Tk. 6.20 (Per share)

SUMMARY OF UNCLAIMED DIVIDEND

As of 31.03.2026 there is an unclaimed/undistributed dividend of Tk. 77,46,925.78. A complete detail of unclaimed/ undistributed dividend has been disclosed in our website at https://www.sbacbank.com/investors-relations

FINANCIAL CALENDAR-2025

Quarterly Results	As of	Earnings Per Share (EPS)
Unaudited result for 1st quarter	31.03.2025	Tk. 0.14 (conso) & Tk. 0.13 (solo)
Unaudited result for 2nd quarter	30.06.2025	Tk. 0.14 (conso) & Tk. 0.14 (solo)
Unaudited result for 3rd quarter	30.09.2025	Tk. 0.15 (conso) & Tk. 0.14 (solo)

SWOT ANALYSIS

SWOT analysis is a strategic planning framework used to evaluate the Bank's internal strengths and weaknesses, along with external opportunities and threats. It provides valuable insight into SBAC Bank PLC's current strategic position, operational resilience, and future growth potential.

STRENGTH

- Maintained Capital to Risk-Weighted Assets Ratio (CRAR) at 13.37%
- NAV per share improved slightly to Tk. 13.61 in 2025
- Total deposits grew by 11.37%
- Loans and advances increased by 6.55%
- Recovered Tk. 2,164 million in 2025, up from Tk. 2,090 million in 2024
- Advanced app-based mobile banking platform (BanglaPay), 81 ATMs, 1 CRM, over 107,000 debit cards, and nearly 9,000 credit cards.
- 90 branches, 32 sub-branches, 33 active agent banking outlets, and 195 foreign correspondent banks across 44 countries.
- Shariah-compliant financial solutions expand customer base and market reach.
- Dedicated training institute nurturing talent through local and international programs.
- Active oversight by Board committees (Executive, Risk Management, Audit, Shariah Supervisory).

WEAKNESSES

- Proportion of low-cost and no-cost deposits remains below desired threshold.
- Substantial portion of loans still concentrated in corporate segment, requiring further diversification.
- To align with evolving industry standards, the bank must prioritize investment in Research & Development to uncover and scale innovative revenue generating opportunities.
- The current branch network lacks the necessary reach to fully achieve the bank's financial inclusion objectives.
- Effective management of Non-Performing Assets (NPAs) necessitates deeper assessment and proactive strategies to maintain and improve asset quality.

OPPORTUNITY

- Further investment in cutting-edge digital banking can unlock new customer segments and streamline operations.
- Government incentives for legal remittance channels position SBAC Bank as a trusted conduit for remittance earners.
- Expanding agent banking, sub-branches, and digital platforms can offset narrowing profit margins and reach underserved populations.
- Strategic pivot toward SME lending backed by collateral secured financing and Green Banking product expansion as mentioned in the 2025 Strategic Roadmap.
- Opportunity to boost fee-based income through trade services, commissions, and advisory fees.
- Developing digitally integrated products ailored to evolving customer needs, including partnerships with corporate entities.
- IMF-supported reforms, tax policy improvements and market-based exchange rates may restore stability and growth.

THREATS

- Entry of new players and diversified financial products leading to market saturation and unhealthy pricing wars.
- Industry-wide high level of NPLs erodes profitability and require higher provisioning, straining financial health.
- Sudden return to market-driven rates during economic stress and rising inflation creates liquidity pressure.
- Rapid digitalization increases vulnerability to cyber threats, requiring continuous security investments.
- Policy tightening to control inflation may cause temporary instability and volatility in the banking sector.
- Global risks from Israel-Iran, Russia-Ukraine, India-Pakistan conflicts disrupting trade and financial stability.
- Real GDP growth moderated to ~5.7% in FY2024 with political unrest, supply chain disruptions, and tighter economic conditions.

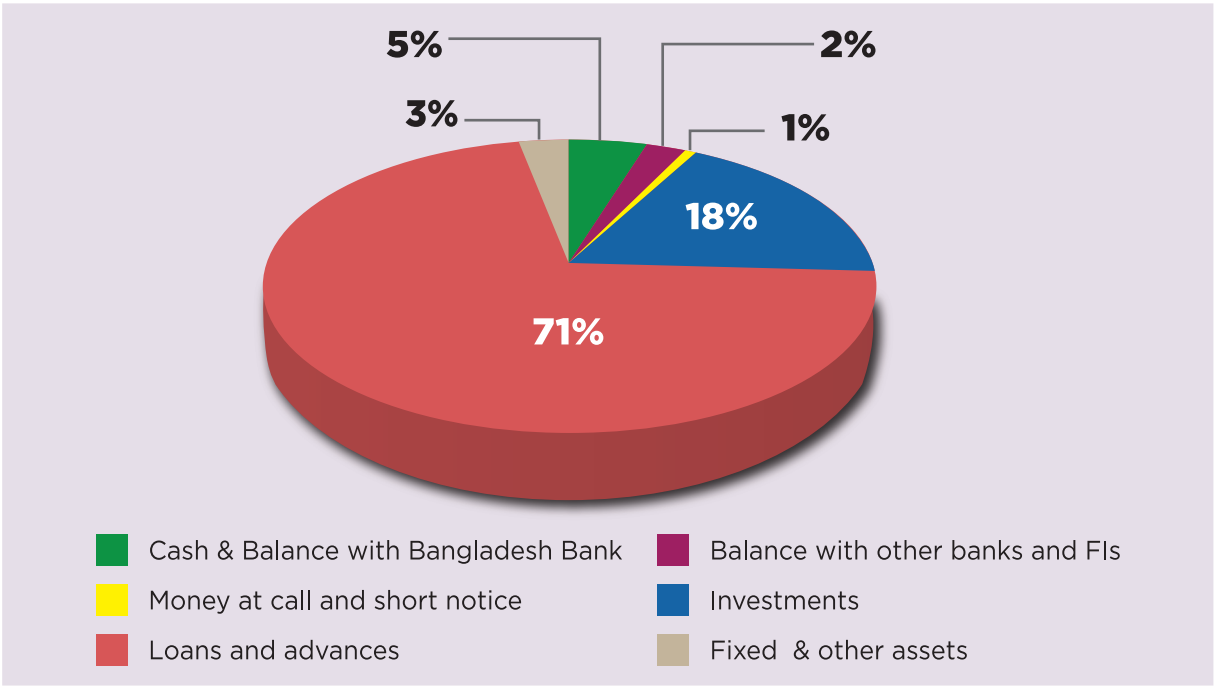
FINANCIAL PERFORMANCE VISUALIZED

Total Assets

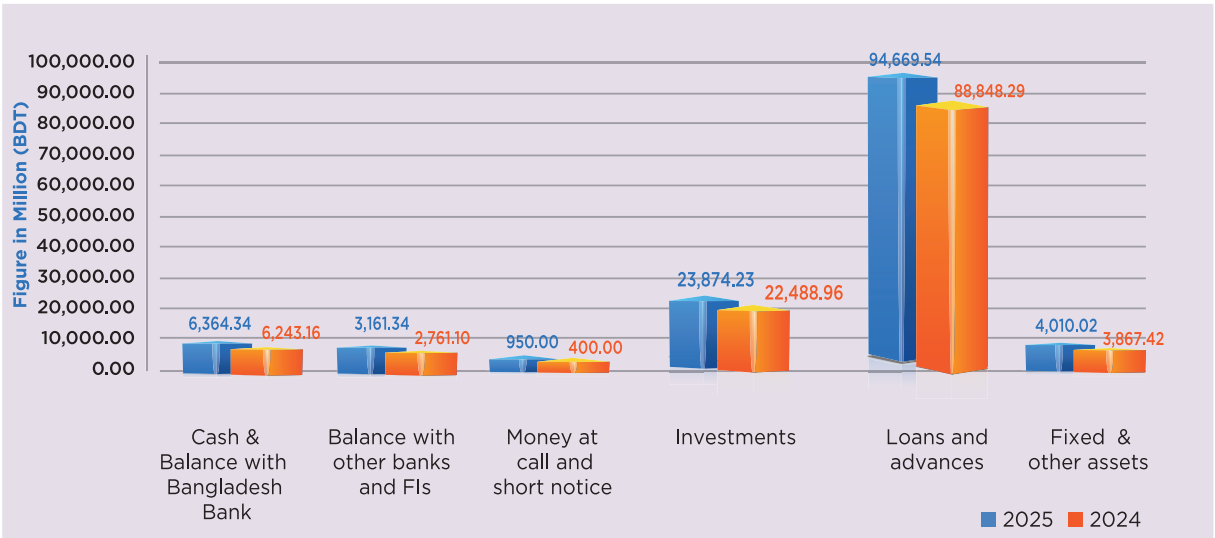
(Fig. Million Taka)

Particulars	2025	2024	Growth (%)
Cash & Balance with Bangladesh Bank	6,364.34	6,243.16	1.94%
Balance with other banks and FIs	3,161.34	2,761.10	14.50%
Money at call and short notice	950.00	400.00	137.50%
Investments	23,874.23	22,488.96	6.16%
Loans and advances	94,669.54	88,848.29	6.55%
Fixed & other assets	4,010.02	3,867.42	3.69%
Total Assets	**133,029.48**	**124,608.94**	**6.76%**

Total Assets as on 31.12.2025



Comparison of Assets in 2025 & 2024



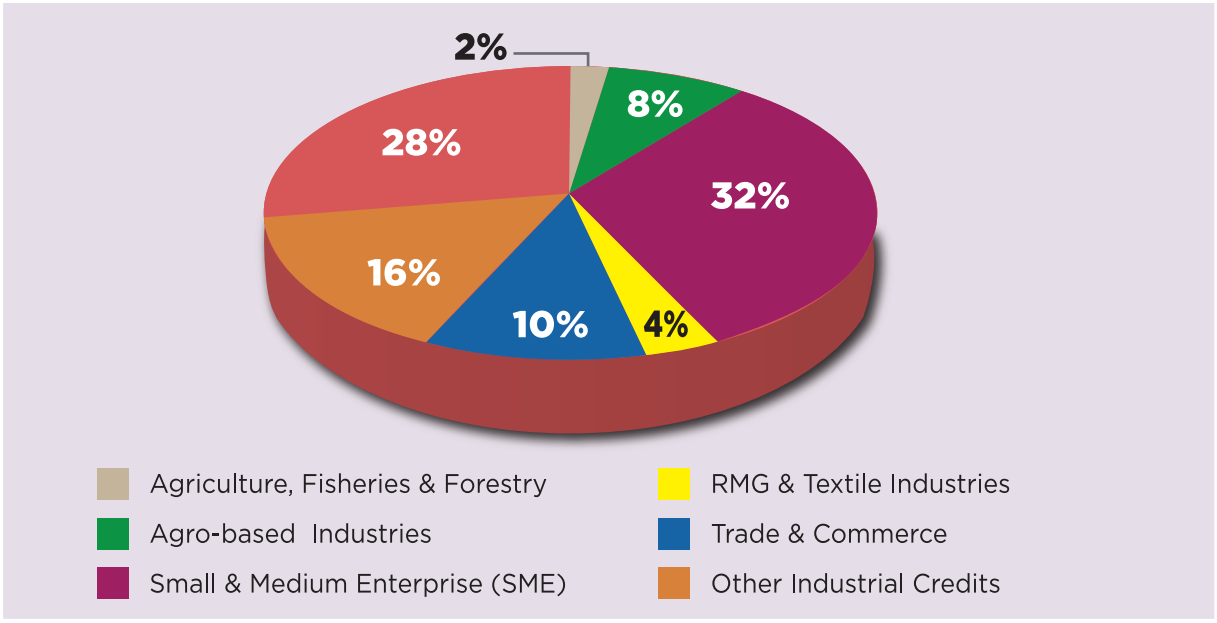
Loans and Advances

i) Sector wise Loans and Advances

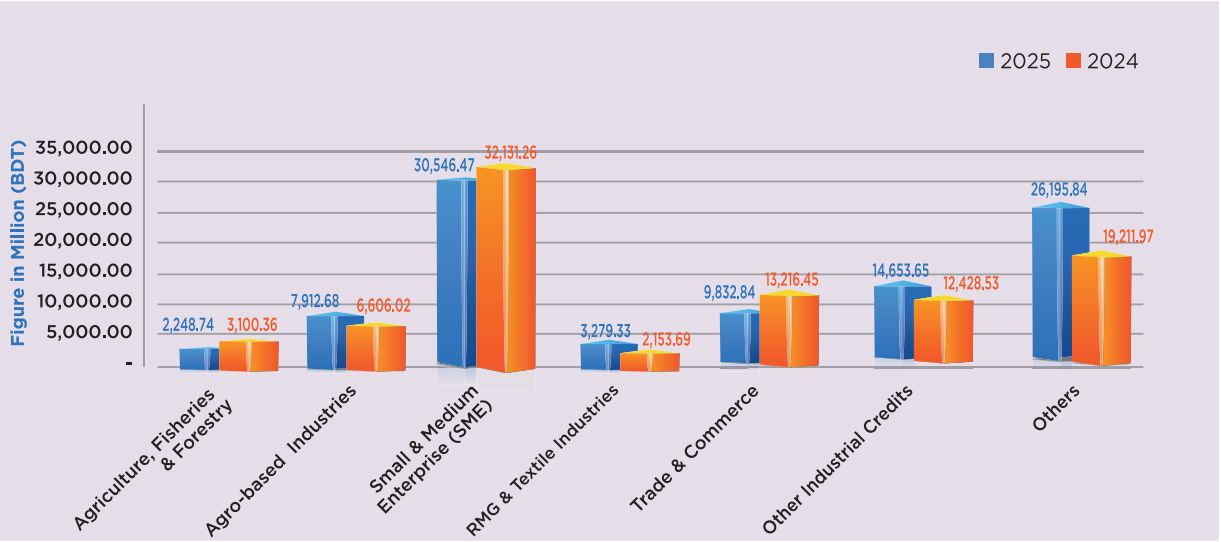
(Fig. Million Taka)

Particular of Sectors	2025	2024	Growth (%)
Agriculture, Fisheries & Forestry	2,248.74	3,100.36	-27.47%
Agro-based Industries	7,912.68	6,606.02	19.78%
Small & Medium Enterprise (SME)	30,546.47	32,131.26	-4.93%
RMG & Textile Industries	3,279.33	2,153.69	52.27%
Trade & Commerce	9,832.84	13,216.45	-25.60%
Other Industrial Credits	14,653.65	12,428.53	17.90%
Others	26,195.84	19,211.97	36.35%
Total	**94,669.54**	**88,848.29**	**6.55%**

Sector wise Loans and Advances as on 31.02.2025



Comparison of Sector wise Loans and Advances in 2025 & 2024

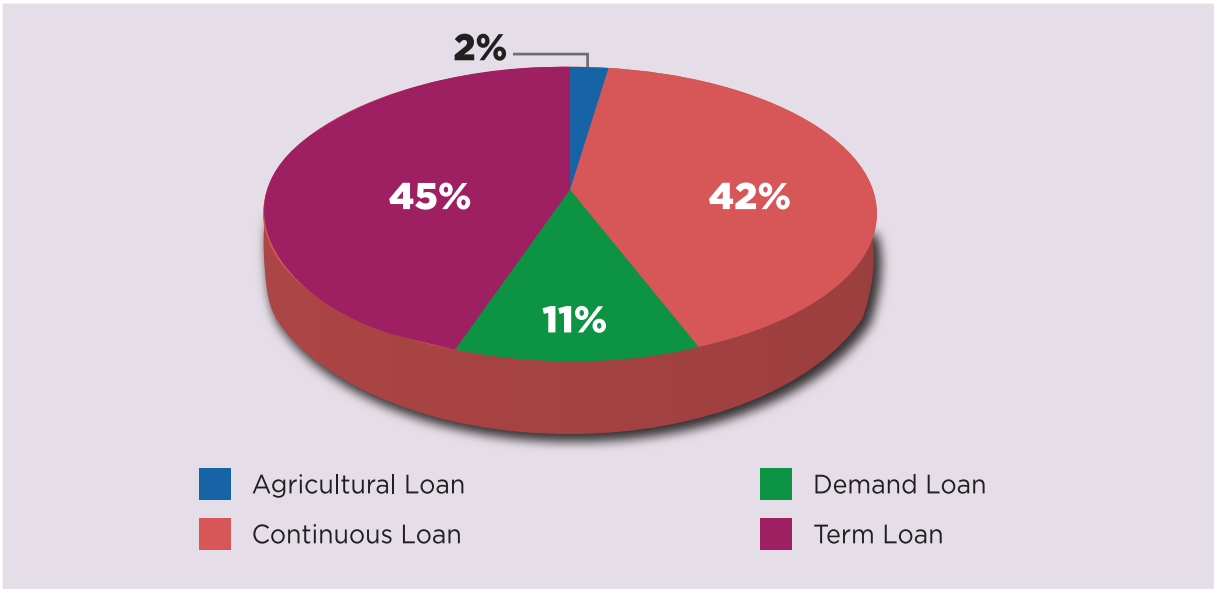


ii) Category wise Loans and Advances

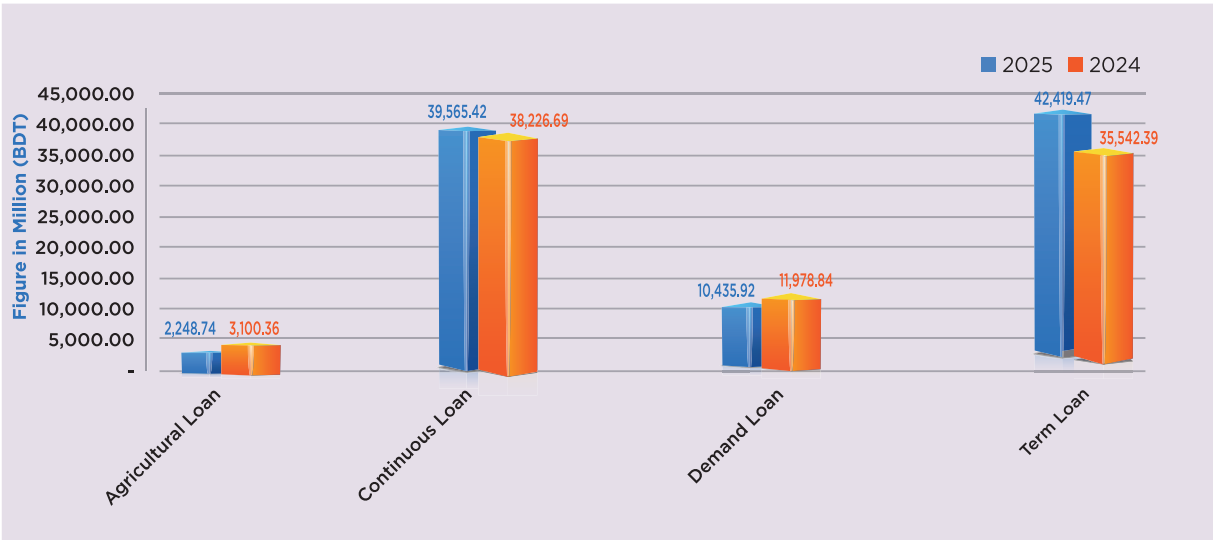
(Fig. Million Taka)

Category of Loans and Advances	2025	2024	Growth (%)
Agricultural Loan	2,248.74	3,100.36	(27.47%)
Continuous Loan	39,565.42	38,226.69	3.50%
Demand Loan	10,435.92	11,978.84	(12.88%)
Term Loan	42,419.47	35,542.39	19.35%
Total	94,669.54	88,848.29	6.55%

Sector wise Loans and Advances as on 31.02.2025



Comparison of Category wise Loans and Advances in 2025 & 2024

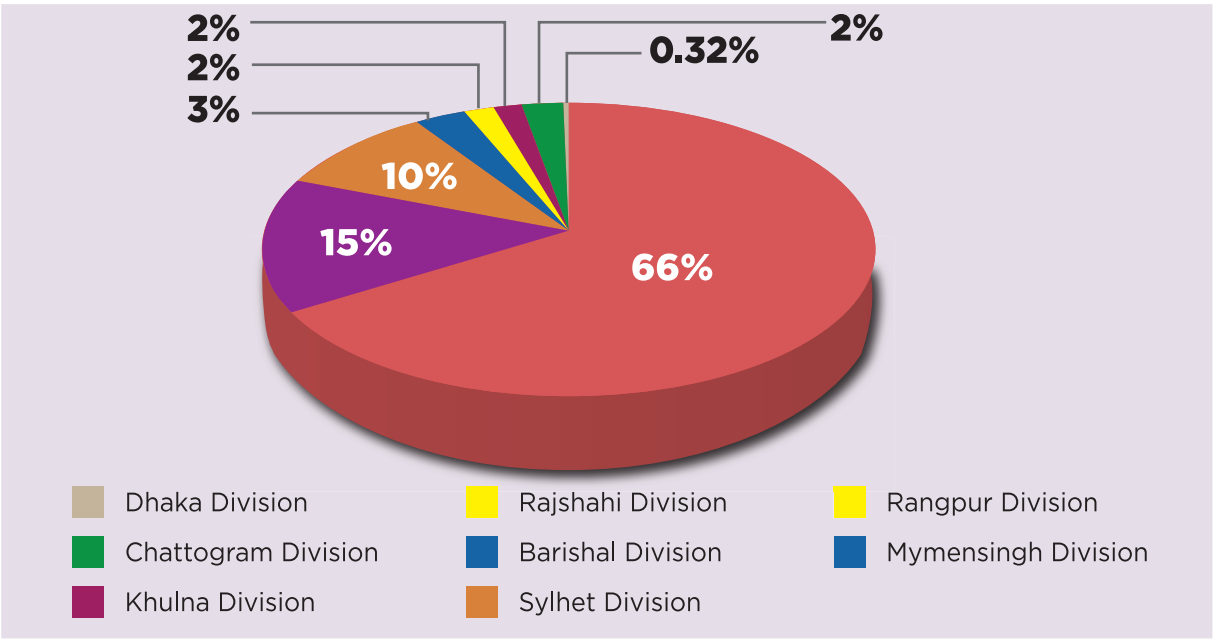


iii) Division wise Loans and Advances

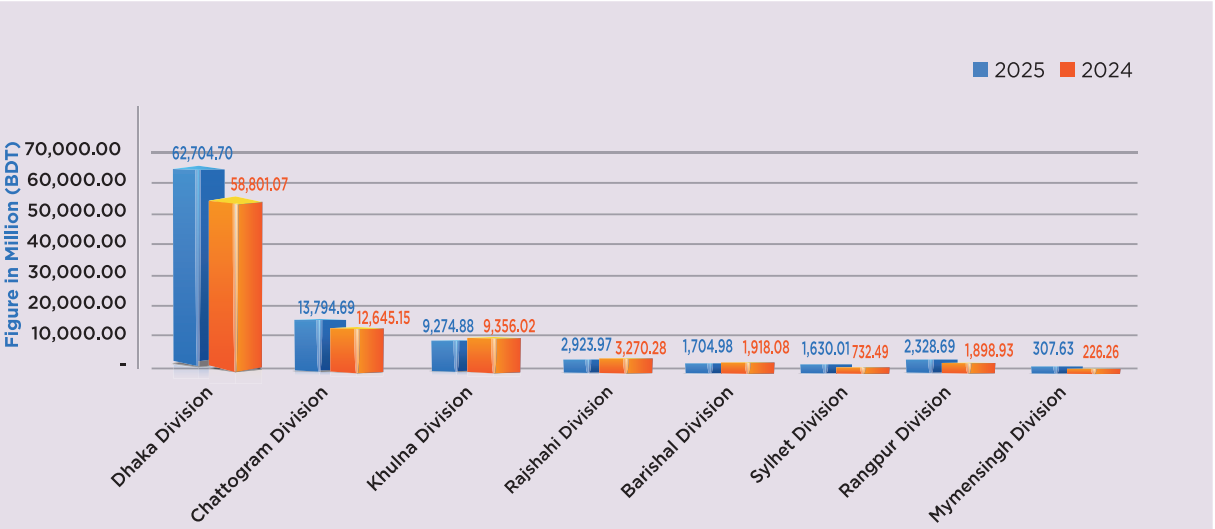
(Fig. Million Taka)

Name of Division	2025	2024	Growth (%)
Dhaka Division	62,704.70	58,801.07	7%
Chattogram Division	13,794.69	12,645.15	9%
Khulna Division	9,274.88	9,356.02	(1%)
Rajshahi Division	2,923.97	3,270.28	(11%)
Barishal Division	1,704.98	1,918.08	(11%)
Sylhet Division	1,630.01	732.49	123%
Rangpur Division	2,328.69	1,898.93	23%
Mymensingh Division	307.63	226.26	36%
Total	**94,669.54**	**88,848.29**	**6.55%**

Division wise Loans and Advances as on 31.12.2025



Comparison of Sector wise Loans and Advances in 2025 & 2024

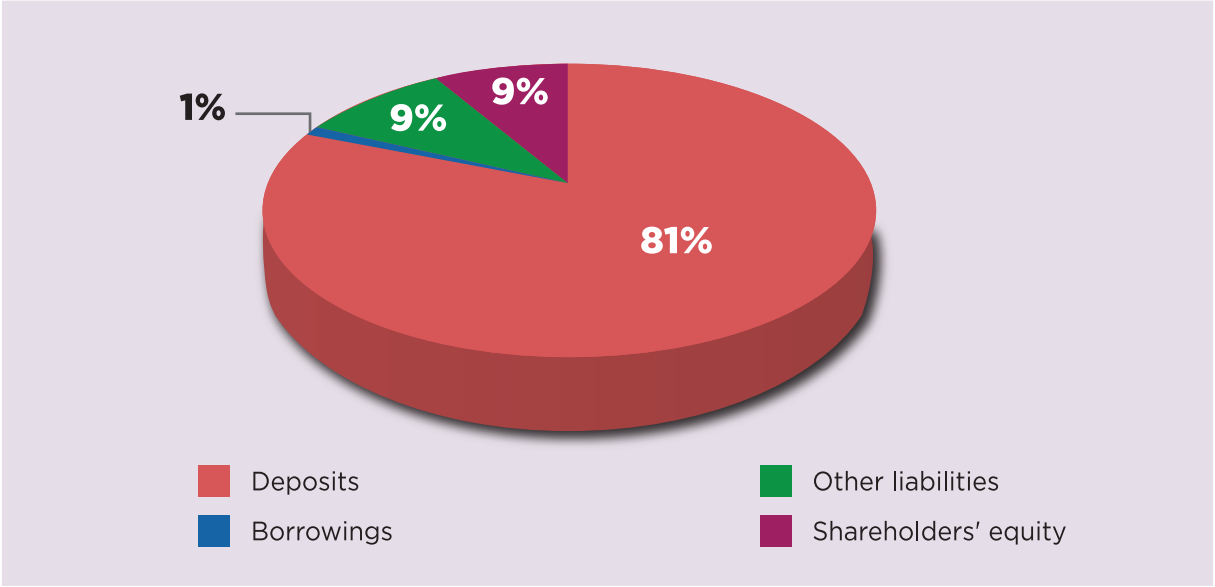


Total Liabilities

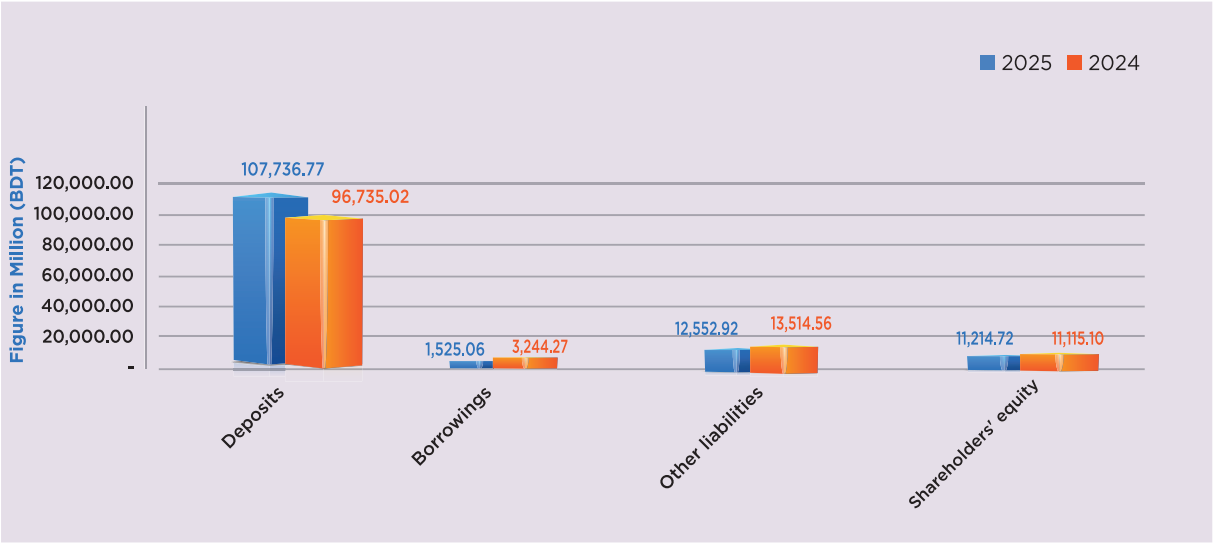
(Fig. Million Taka)

Particulars	2025	2023	Growth (%)
Deposits	107,736.77	96,735.02	11.37%
Borrowings	1,525.06	3,244.27	-52.99%
Other liabilities	12,552.92	13,514.56	-7.12%
Shareholders' equity	11,214.72	11,115.10	0.90%
Total liabilities	**133,029.48**	**124,608.94**	**6.76%**

Total Liabilities as on 31.12.2025



Comparison of Liabilities in 2025 & 2024

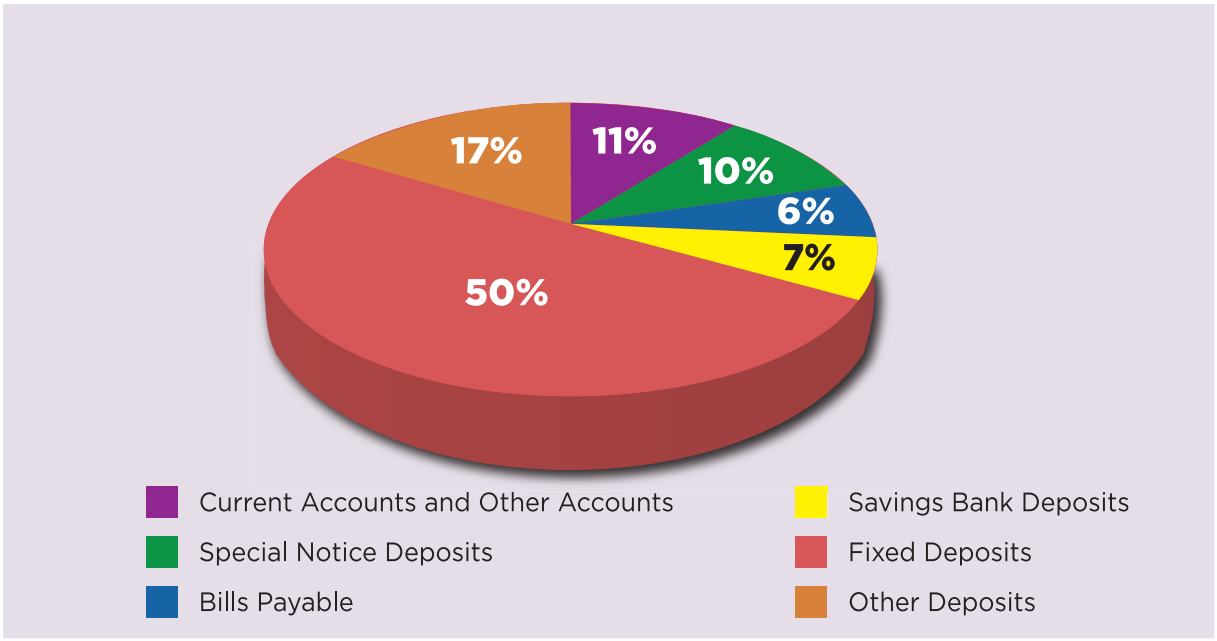


Deposits

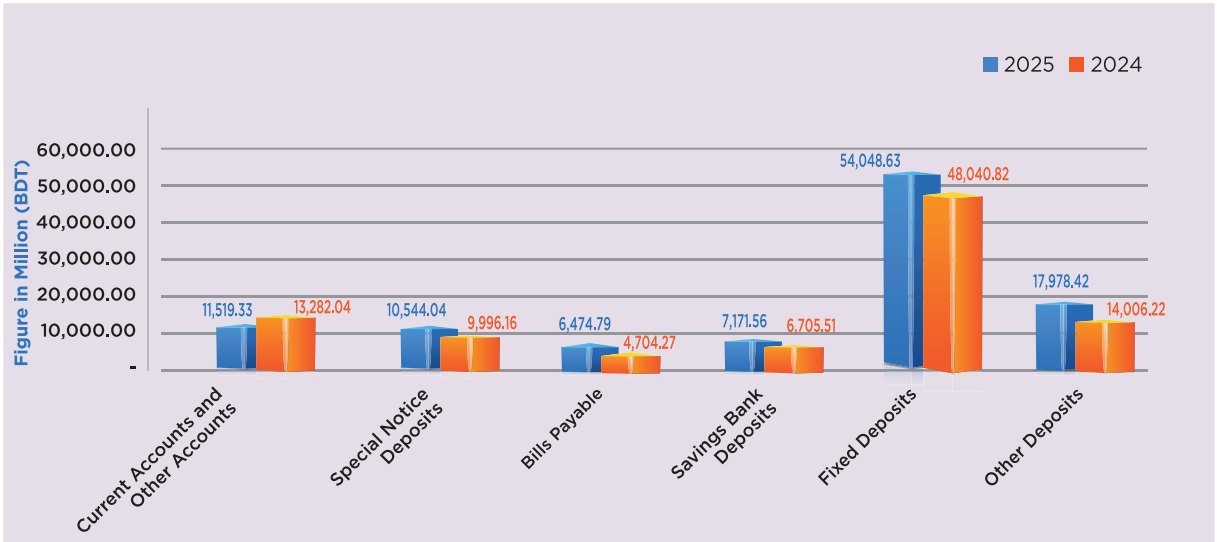
(Fig. Million Taka)

Types of Deposit	Outstanding Taka in Million		Growth (%)	Deposit Mix (%)	
	2025	2024		2025	2024
Current Accounts and Other Accounts	11,519.33	13,282.04	(13.27%)	10.69%	13.73%
Special Notice Deposits	10,544.04	9,996.16	5.48%	9.79%	10.33%
Bills Payable	6,474.79	4,704.27	37.64%	6.01%	4.86%
Savings Bank Deposits	7,171.56	6,705.51	6.95%	6.66%	6.93%
Fixed Deposits	54,048.63	48,040.82	12.51%	50.17%	49.66%
Other Deposits	17,978.42	14,006.22	28.36%	16.69%	14.48%
Total	**107,736.77**	**96,735.02**	**11.37%**	**100.00%**	**100.00%**

Deposit Mix as on 31.12.2025



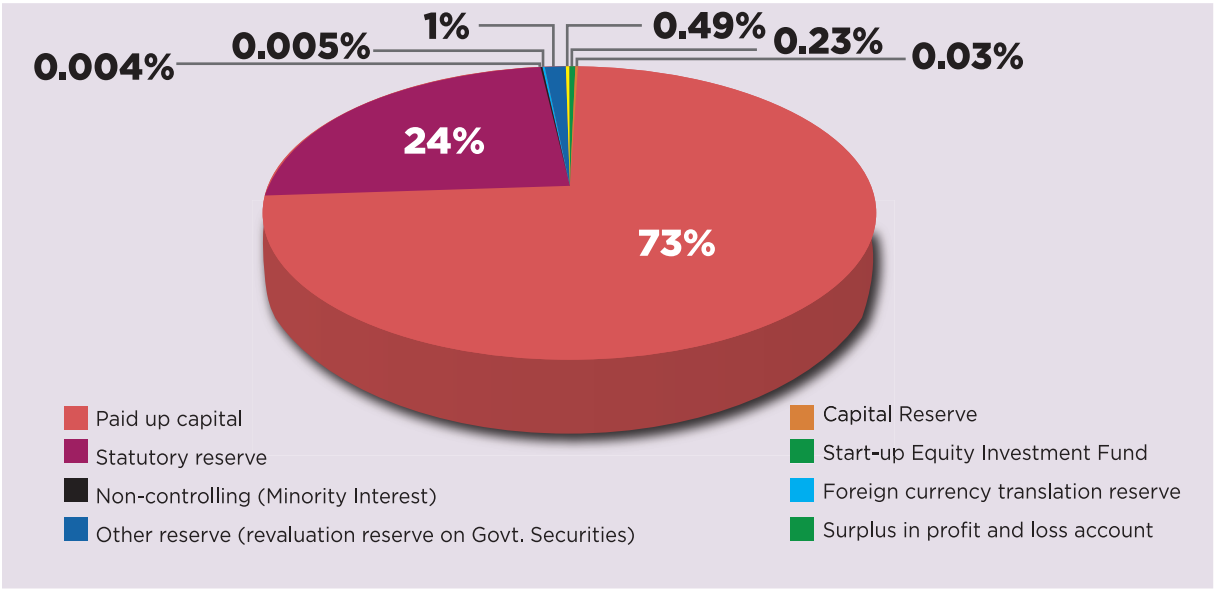
Comparison of Deposit Mix in 2025 & 2024



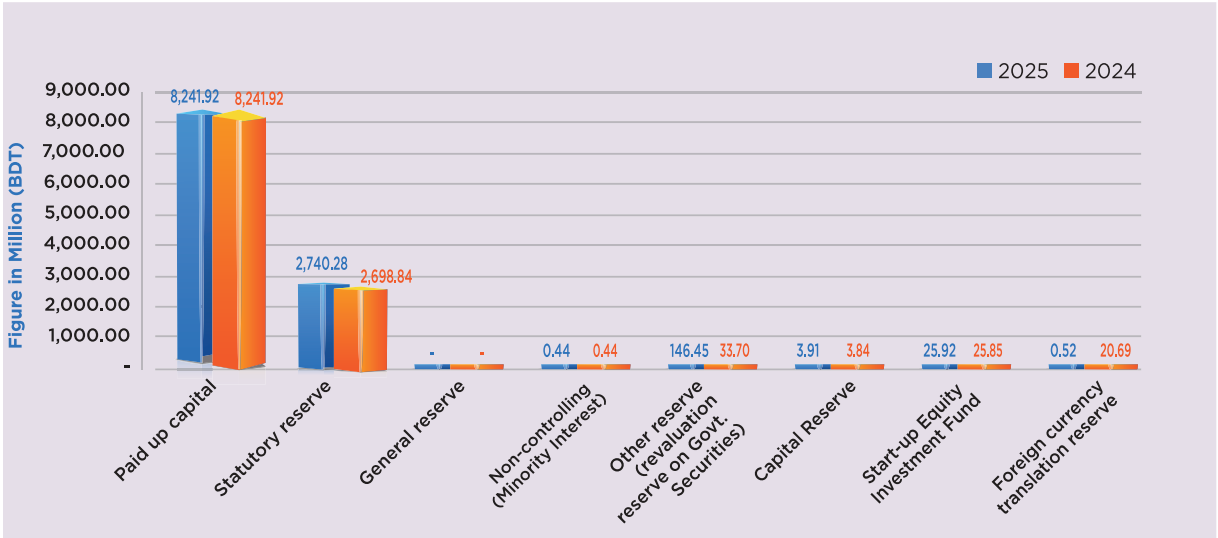
Shareholders' Equity

(Fig. Million Taka)

Particulars	2025	2024	Growth (%)
Paid up capital	8,241.92	8,241.92	0.00%
Statutory reserve	2,740.28	2,698.84	1.54%
General reserve	-	-	0.00%
Non-controlling (Minority Interest)	0.44	0.44	0.11%
Other reserve (revaluation reserve on Govt. Securities)	146.45	33.70	334.54%
Capital Reserve	3.91	3.84	1.91%
Start-up Equity Investment Fund	25.92	25.85	0.25%
Foreign currency translation reserve	0.52	20.69	(97.50%)
Surplus in profit and loss account	55.29	89.82	(38.44%)
Total Shareholders' equity	**11,214.72**	**11,115.10**	**0.90%**



Comparison of Shareholders' Equity in 2025 & 2024

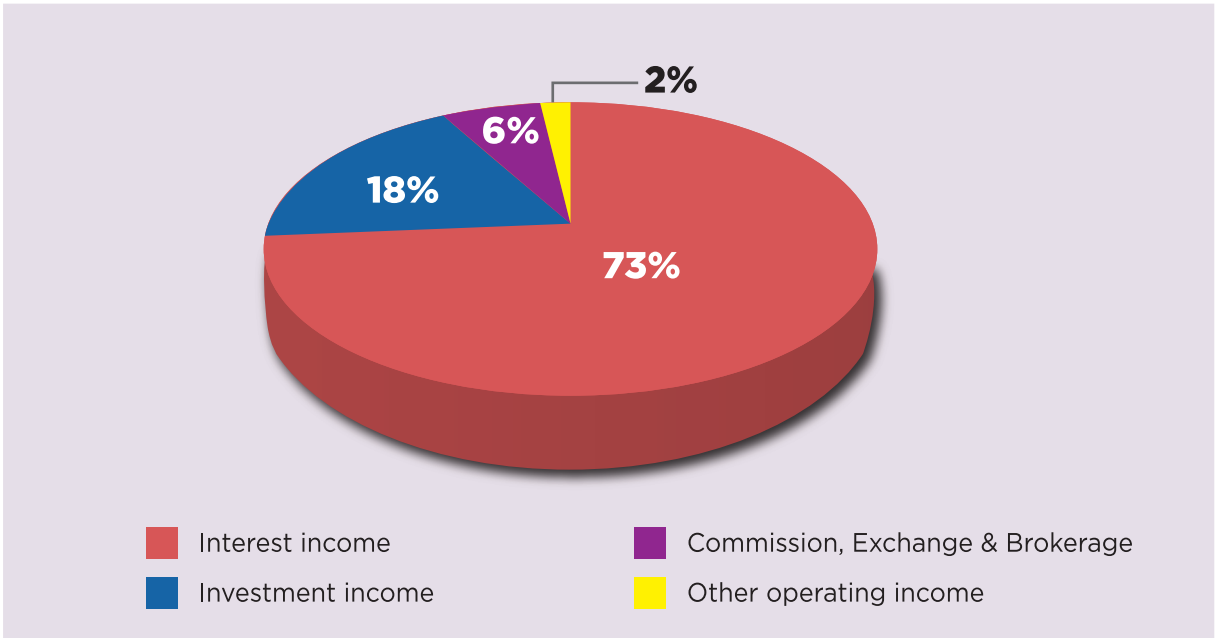


Total Income

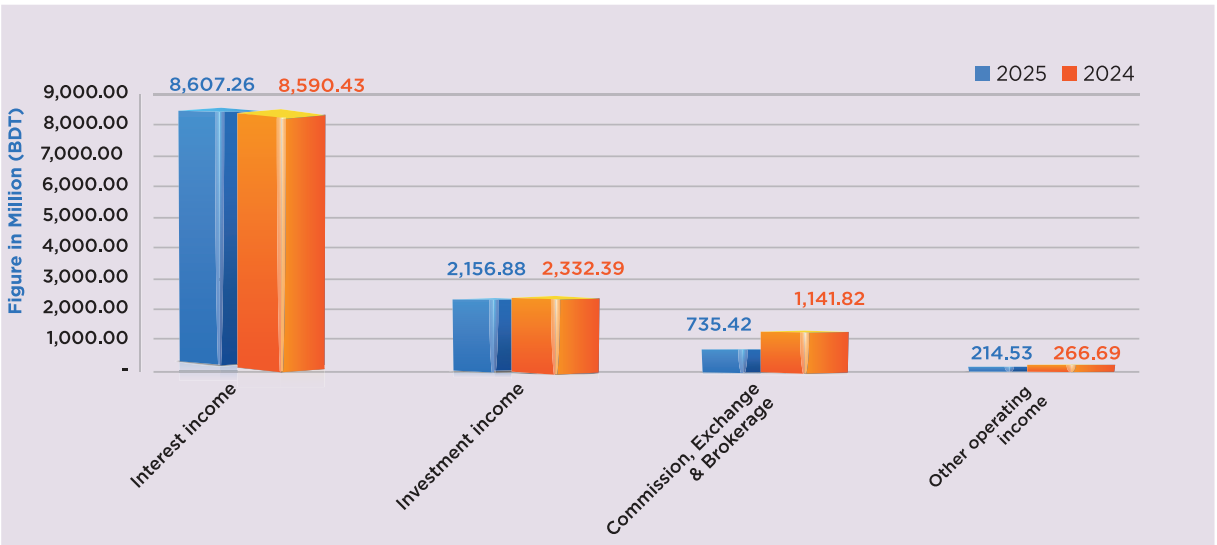
(Fig. Million Taka)

Types of Income	Amount in Million Taka		Growth (%)	Income Mix (%)	
	2025	2024		2025	2024
Interest income	8,607.26	8,590.43	0.20%	73.48%	69.66%
Investment income	2,156.88	2,332.39	(7.52%)	18.41%	18.91%
Commission, Exchange & Brokerage	735.42	1,141.82	(35.59%)	6.28%	9.26%
Other operating income	214.53	266.69	(19.56%)	1.83%	2.16%
Total income	**11,714.08**	**12,331.33**	**(5.01%)**	**100.00%**	**100.00%**

Total Income as on 31.12.2025



Comparison of Total Income in 2025 & 2024

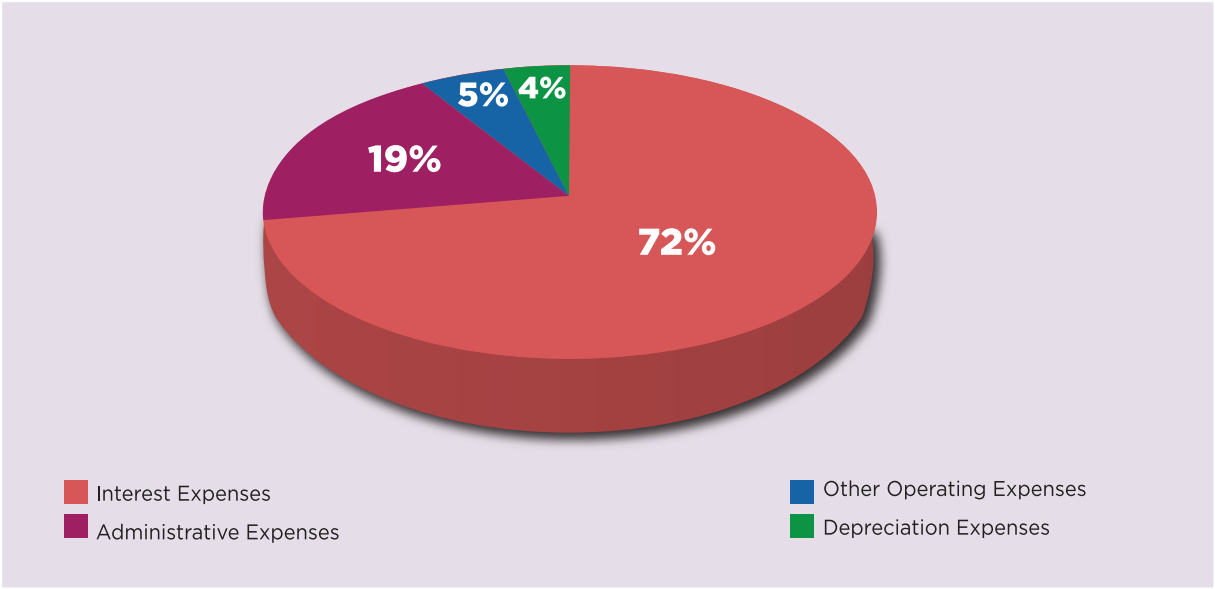


Total Expenses

(Fig. Million Taka)

Types of Expense	Amount in Million Taka		Growth (%)	Expense Mix (%)	
	2025	2024		2025	2024
Interest Expenses	7,669.93	6,650.15	15.33%	72.32%	69.20%
Administrative Expenses	1,992.96	1,973.93	0.96%	18.79%	20.54%
Other Operating Expenses	530.00	578.44	(8.37%)	5.00%	6.02%
Depreciation Expenses	413.37	407.28	1.50%	3.90%	4.24%
Total Expenses	**10,606.27**	**9,609.81**	**10.37%**	**100.00%**	**100.00%**

Total Expenses as on 31.12.2025



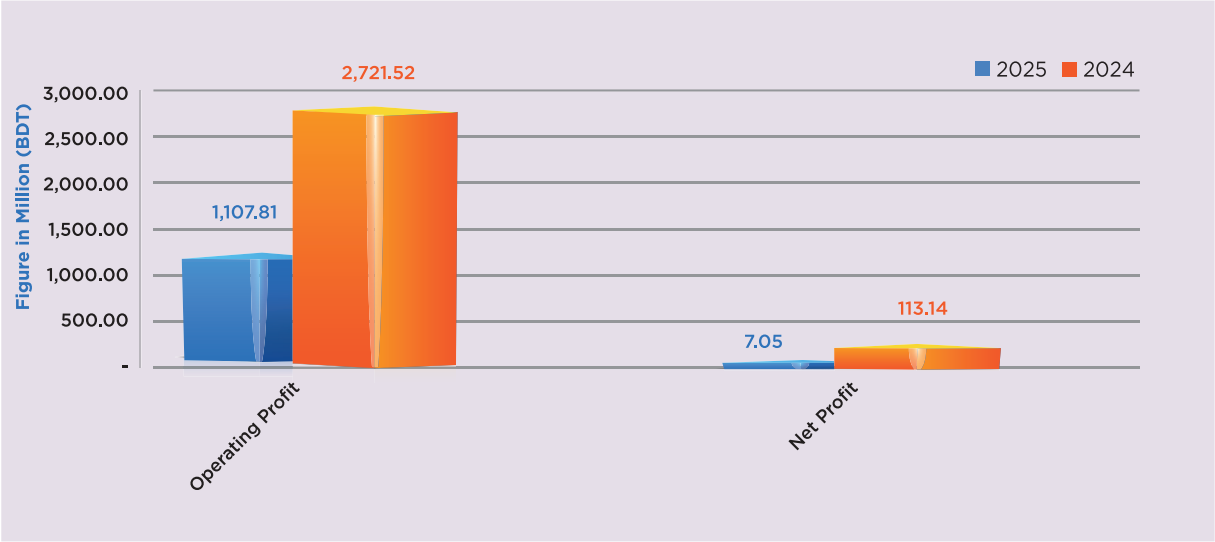
Comparison of Expenses in 2025 & 2024

Profitability

(Fig. Million Taka)

Particulars	2025	2024	Growth (%)
Operating Profit	1,107.81	2,721.52	(59.29%)
Net Profit	7.05	113.14	(93.77%)

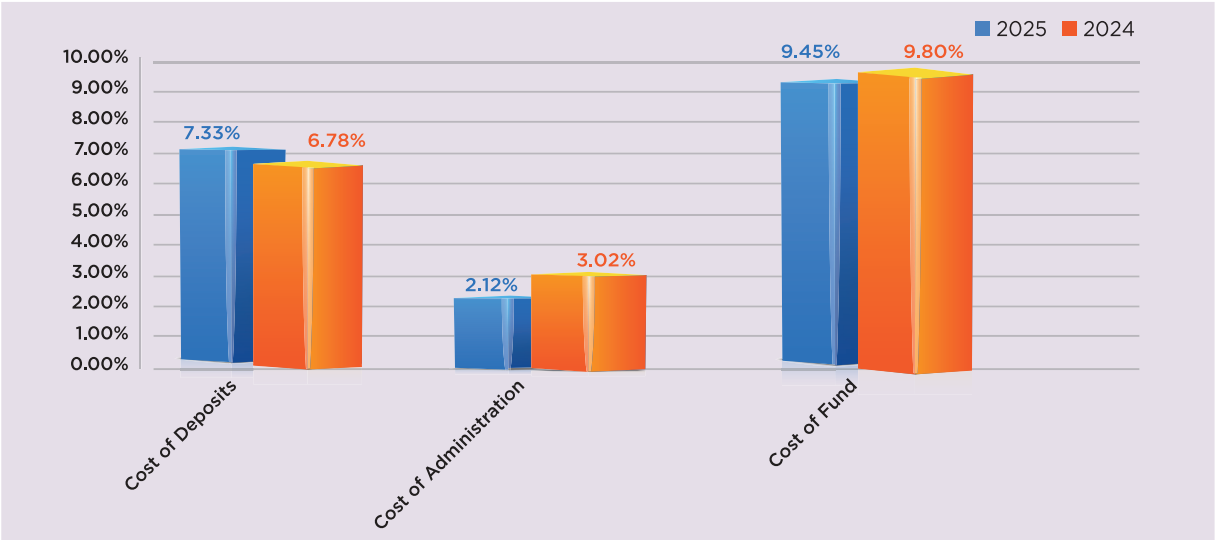
Comparison of Profitability in 2025 & 2024



Average Cost of Funds

Particulars	2025	2024	Chang Over 2024
Cost of Deposits	7.33%	6.78%	0.55%
Cost of Administration	2.12%	3.02%	(0.90%)
Cost of Fund	9.45%	9.80%	(0.35%)

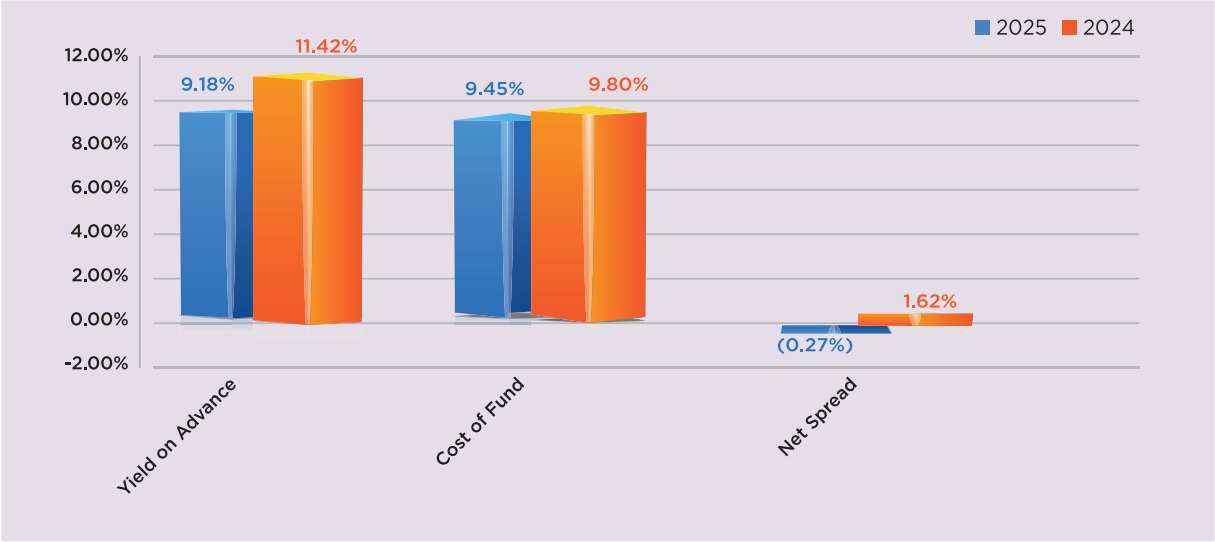
Comparison of Cost of Deposits, Cost of Administration & Cost of Fund in 2025 & 2024



Net Spread

Particulars	2025	2024
Yield on Advance	9.75%	11.42%
Cost of Fund	9.45%	9.80%
Net Spread	0.30%	1.62%

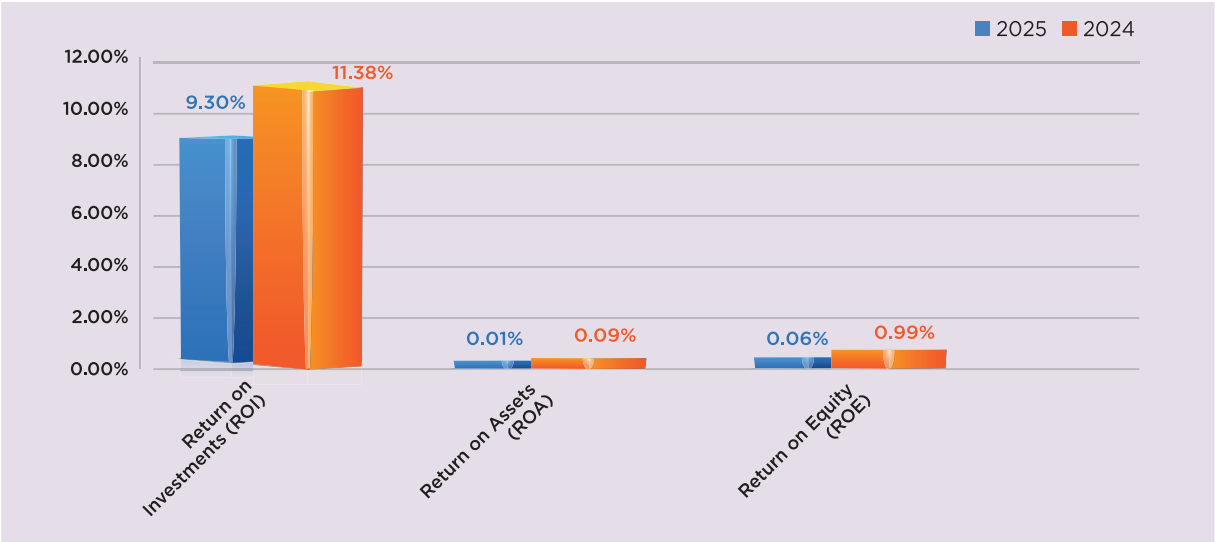
Comparison of Yield on Advances, Cost of Funds & Net Spread in 2025 & 2024



Rate of Returns

Particulars	2025	2024
Return on Investments (ROI)	9.30%	11.38%
Return on Assets (ROA)	0.01%	0.09%
Return on Equity (ROE)	0.06%	0.99%

Comparision of Returns in 2025 & 2024

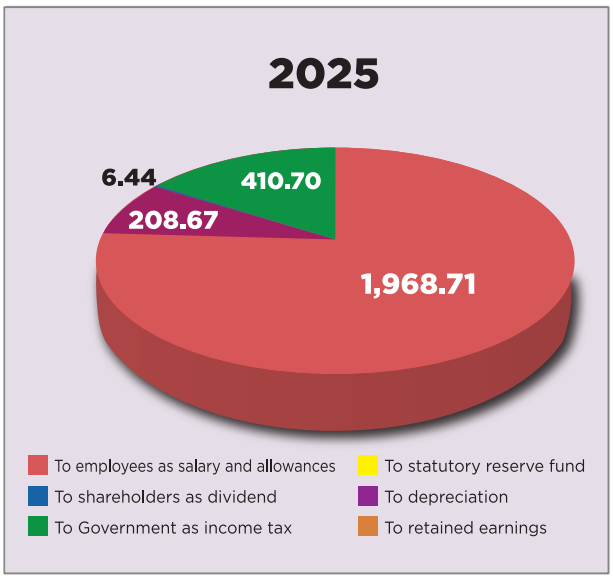


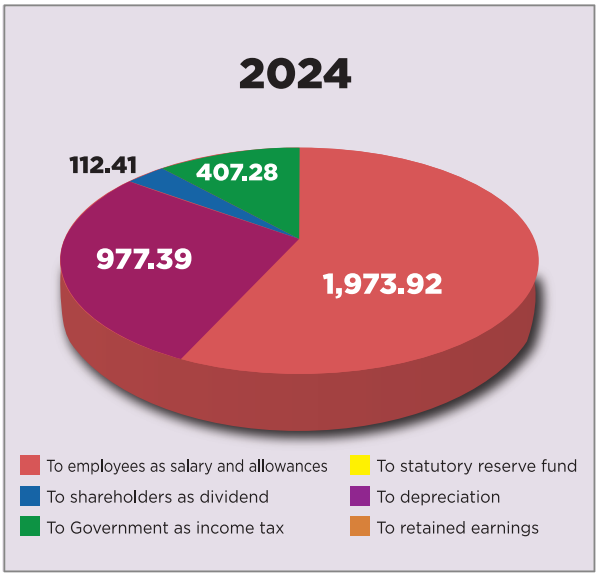
VALUE ADDED STATEMENT

Value added is the wealth accretion made by SBAC Bank PLC. through providing banking and other financial services. Value created from the income from banking services and other financial services is the excess of cost of service rendered. The value added statement shows the total wealth created, how it was distributed to meet certain obligations, reward to those who have created it and portion retained for continuing operation and expansion of the bank. The value added statement of the bank for the year ended 31 December 2025 is given below:

(Fig. Million Taka)

	2025	%	2024	%
	Taka		Taka	
Value Created				
Income from Banking Services	11,639.41		12,291.15	
Less: Cost of services & Supplies	8,185.94		7,211.17	
Value added by banking service	3,453.47		5,079.98	
Provision for deferred tax	7.97		26.62	
Provision for loans & other assets	(866.92)		(1,635.60)	
	2,594.52		**3,471.00**	
Value distributed				
To employees as salaries & allowances	1,968.71	75.88%	1,973.92	56.87%
To shareholders as dividend (Proposed)	-	0.00%	-	0.00%
To Government as income tax	208.67	8.04%	977.39	28.16%
	2,177.38	83.92%	**2,951.31**	85.03%
Value retained				
(to maintain and continue operations)				
Statutory reserve	6.44	0.25%	112.41	3.24%
Depreciation	410.70	15.83%	407.28	11.73%
Retained earnings	-	0.00%	-	0.00%
	417.14	16.08%	519.69	14.97%
	2,594.52	100.00%	**3,471.00**	100.00%





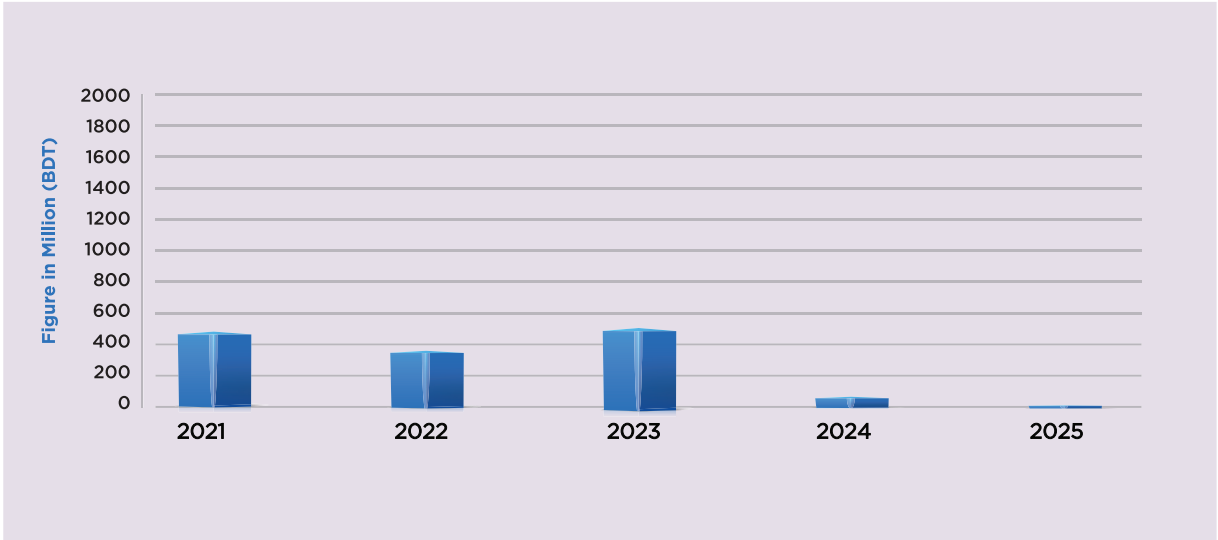
ECONOMIC VALUE ADDED (EVA) STATEMENT

Economic value added (EVA) is the measure of financial performance of an organization. It is based on the principle that since a company's management employs equity capital to earn profit, it must pay for the use of this equity capital. This management tool is useful to stakeholders to take decision for increasing wealth.

EVA is equal to Profit after Tax (PAT) plus the provision for loans & other assets less written off loans during the year minus cost of equity. The cost of equity is the opportunity cost that the shareholders forego. For 2024 this cost of equity is calculated on the basis of the average return on 5 years Treasury Bonds in 2025.

(Fig. Million Taka)

	2021	2022	2023	2024	2025
	Taka	Taka	Taka	Taka	Taka
Shareholders' equity	10,622.84	10,829.21	11,124.92	11,088.61	11,214.72
Add: General Provision for loans & advances	359.49	478.82	535.71	1,636.63	1,254.27
Closing Shareholders' equity	10,982.33	11,308.03	11,660.63	12,725.23	12,468.99
Opening shareholders' equity	9,316.17	10,982.33	11,308.03	11,660.63	12,725.23
Average shareholders's equity	**10,149.25**	**11,145.18**	**11,484.33**	**12,192.93**	**12,597.11**
Earnings					
Profit after taxation	534.72	589.61	546.36	112.41	6.50
Add: Provision for loans & advances	629.39	596.24	762.85	1,422.67	828.85
	1,164.11	**1,185.84**	**1,309.21**	**1,535.08**	**8,35.35**
Average cost of equity	7.00%	7.49%	6.91%	6.75%	6.25%
Cost of average equity	710.45	834.77	793.57	823.02	787.32
Economic value added	**453.66**	**351.07**	**515.65**	**712.06**	**48.03**



Market Value Added Statement

Market value added (MVA) is a measure of external performance that indicates how the market has evaluated the company's performance in terms of market value of quoted shares compared to book value of these shares. It is the difference between the current market value of the Bank and the capital contributed by investors. A Positive MVA indicates that the Bank has created wealth for the shareholders. Whereas, a negative MVA means that it has ruined value.

Particulars	Amount (BDT)
(a) Face value per share (BDT)	10.00
(b) Market value per share (BDT)	6.10
(c) Number of shares outstanding	82,41,91,650
(d) Market capitalization (BDT in million) [(c) × (b)]	5027.57
(e) Book value of paid up capital (BDT in million) [(c) × (a)]	8,241.92
(f) Market value added (BDT in million)[(d)-(e)]	(3,214.35)

* Closing Price of shares on 30.12.2025 at DSE has been taken as Market value per share & the Number of shares outstanding is based on 30.12.2025 also.

REPORT ON GOING CONCERN

The Board of Directors and Management of SBAC Bank PLC have undertaken a comprehensive assessment regarding the Bank's ability to continue as a going concern in accordance with the applicable provisions of International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), Bangladesh Bank guidelines, the Bank Companies Act, 1991 (as amended), the Companies Act, 1994 and other relevant regulatory requirements.

The going concern assessment has been performed considering the Bank's current financial position, capital adequacy, liquidity strength, asset quality, operational continuity, business sustainability, macroeconomic environment, regulatory support framework and future strategic plans. The assessment also considered the prevailing domestic and global economic conditions, including inflationary pressure, contractionary monetary policy, geopolitical tensions, foreign exchange market volatility and industry-wide banking sector challenges.

Based on the assessment performed and the information available up to the date of approval of the financial statements, the Board and Management are satisfied that SBAC Bank PLC possesses adequate resources, operational capability and institutional strength to continue its business operations for the foreseeable future. Accordingly, the financial statements for the year ended 31 December 2025 have been prepared on a going concern basis.

Assessment Framework for Going Concern

The going concern evaluation was conducted considering both quantitative and qualitative factors, including:

- Profitability and earnings sustainability;
- Capital adequacy and solvency position;
- Liquidity and funding capability;
- Asset quality and provisioning status;
- Cash flow adequacy;
- Depositor confidence and funding stability;
- Regulatory compliance and Bangladesh Bank support framework;
- Business continuity and operational resilience;
- Economic and industry outlook;
- Strategic plans and future business prospects.

The assessment period covers at least twelve months from the reporting date in accordance with applicable accounting standards.

Macroeconomic and Industry Context

The banking sector in Bangladesh experienced a challenging operating environment during 2025. According to the Bangladesh Bank Quarterly Report, inflation remained elevated while private sector credit growth slowed significantly due to tighter monetary policy and macroeconomic uncertainty.

The contractionary monetary policy stance of Bangladesh Bank resulted in higher borrowing costs, increased treasury yields and pressure on banking sector profitability. Despite these challenges, the banking system maintained adequate liquidity supported by deposit growth and cautious lending practices.

The global economy also experienced uncertainty arising from geopolitical tensions, supply chain disruptions and commodity price volatility. These developments affected import costs, foreign exchange markets and trade-related banking activities.

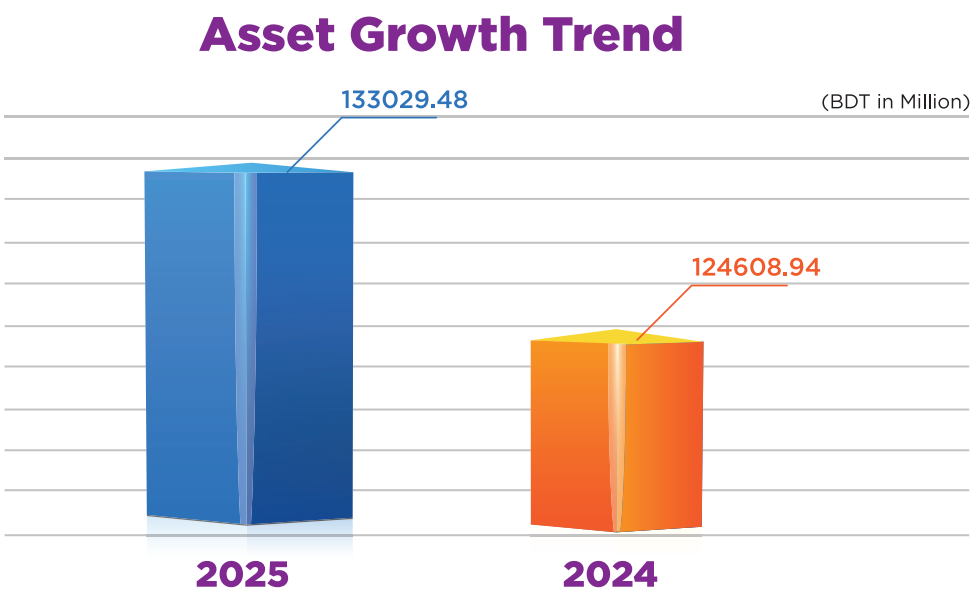
Within this environment, SBAC Bank PLC continued to maintain operational stability, regulatory compliance and depositor confidence.

Financial Position Analysis

Growth in Total Assets

The consolidated total assets of the Bank increased during 2025, reflecting continued business operations and stable balance sheet management.

Particulars	2025 (BDT Million)	2024 (BDT Million)	Growth
Total Assets	133,029.48	124,608.94	6.76%
Loans and Advances	94,669.54	88,848.29	6.55%
Deposits and Other Accounts	107,736.77	96,735.02	11.37%
Investments	23,874.23	22,488.96	6.16%



Liquidity and Funding Position

Liquidity management remained one of the major focus areas during the year considering changing market conditions and industry-wide competition for deposits.

The Bank maintained adequate liquidity through:

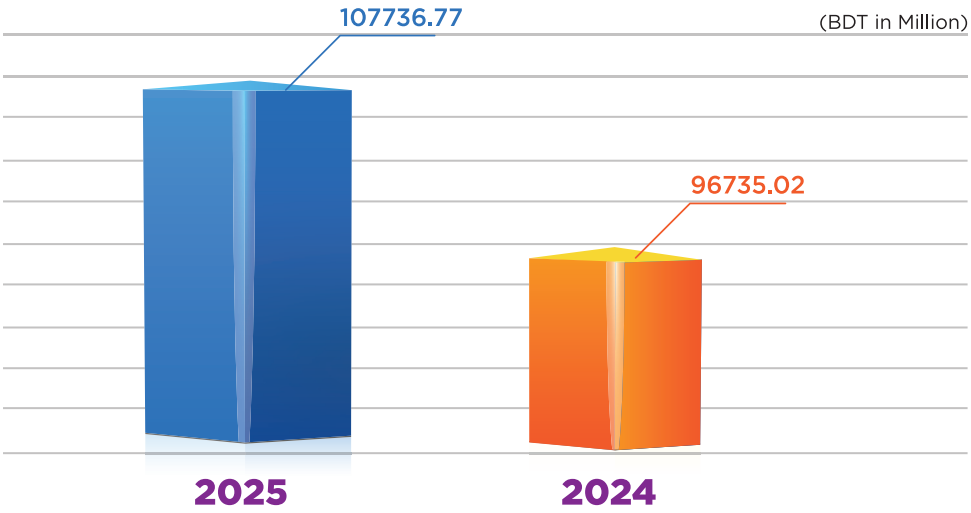
- Stable deposit growth;
- Increased investment in government securities;
- Maintenance of statutory liquidity requirements;
- Diversified funding sources;
- Active treasury management.

Balances with banks and financial institutions increased significantly during the year, strengthening liquidity capability.

Particulars	2025 (BDT Million)	2024 (BDT Million)
Balance with Banks & FIs	3,161.34	2,761.10
Cash & Cash Equivalents	Maintained Adequately	Maintained Adequately

According to Bangladesh Bank data, excess liquidity in the banking system increased substantially during 2025 due to slower private sector credit demand and stronger deposit growth. This sector-wide liquidity condition also supported the Bank's funding stability.

Deposit Growth Trend



The Bank remained compliant with Bangladesh Bank liquidity and reserve requirements throughout the year.

Profitability and Earnings Sustainability

The consolidated net profit after tax for 2025 stood at BDT 7.05 million against BDT 113.14 million in 2024.

The reduction in profitability was mainly attributable to:

- Conservative provisioning approach;
- Elevated funding cost;
- High interest rate environment;
- Lower net interest margin;
- Slower private sector credit growth;
- Reduced trade business and foreign exchange income;
- Conservative provisioning approach.

Despite lower profitability, the Bank remained operationally viable and continued generating positive earnings. Management believes that the decline in profitability reflects temporary macroeconomic and industry-wide stress rather than any fundamental weakness in the Bank's business model.

Asset Quality and Risk Management

The banking industry in Bangladesh continued to experience pressure on asset quality during 2025 due to inflationary pressure, high borrowing cost and slower economic activity.

SBAC Bank PLC continued to strengthen its:

- Credit appraisal process;
- Loan monitoring systems;
- Recovery and collection initiatives;
- Risk management framework;
- Internal control and compliance systems.

The Bank maintained required provisioning against classified and unclassified loans in accordance with Bangladesh Bank regulations.

Management adopted a cautious and prudent approach in assessing credit risk exposures and impairment requirements. Continuous monitoring of stressed accounts and strengthening of recovery initiatives remain strategic priorities.

Capital Adequacy and Solvency

Capital adequacy is a critical element in assessing a bank's going concern capability. The Bank continuously monitors its capital position in line with Bangladesh Bank's Basel III requirements.

The Bank maintained capital support through:

- Retained operational earnings;
- Risk-weighted asset management;
- Controlled balance sheet expansion;
- Prudential provisioning practices;
- Active regulatory compliance.

Management remains committed to strengthening the Bank's capital base through improved profitability, operational efficiency and long-term business sustainability.

The Board regularly reviews capital adequacy, stress testing results and future capital planning measures.

Operational Resilience and Business Continuity

The Bank continued uninterrupted banking operations throughout 2025 despite economic uncertainty and changing market conditions.

Key operational strengths include:

- Established branch network and banking infrastructure;
- Technology-enabled banking operations;
- Skilled workforce and management capability;
- Stable customer base;
- Regulatory supervision and compliance culture;
- Business continuity and disaster recovery arrangements.

The Bank's continued investment

Management believes these initiatives strengthen long-term institutional sustainability and operational resilience.

Regulatory Compliance and Support Environment

SBAC Bank PLC operated within the regulatory framework prescribed by Bangladesh Bank and other regulatory authorities.

The Bank remained compliant with major regulatory requirements relating to:

- Statutory liquidity ratio (SLR);
- Cash reserve ratio (CRR);
- Provisioning requirements;
- Capital adequacy framework;
- Foreign exchange exposure limits;
- Anti-money laundering compliance;
- Corporate governance standards.

The Bangladesh banking industry also benefits from continued central bank oversight, policy support mechanisms and regulatory supervision aimed at preserving financial system stability.

Bangladesh Bank continued implementing reform measures to strengthen banking sector resilience, liquidity management and governance standards.

Cash Flow and Funding Capability

The Bank maintained adequate operational cash flow capability during the year. Deposit growth, liquidity management and treasury operations supported funding stability.

Major sources of cash flow included:

- Customer deposits;
- Investment income;
- Loan recovery and repayments;
- Treasury operations;
- Interbank placements.

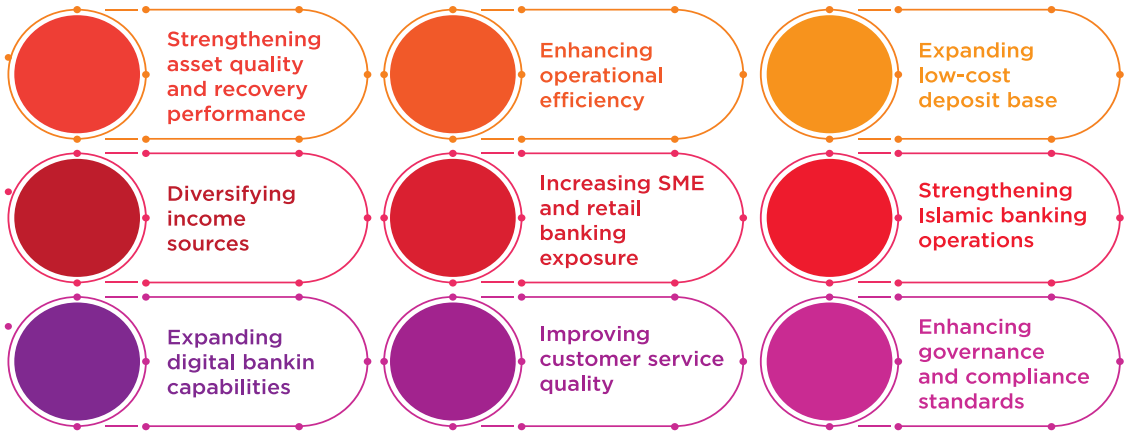
The Bank continued to maintain sufficient liquid assets to meet operational obligations, depositor withdrawals and regulatory requirements.

Management regularly reviews liquidity maturity profiles, cash flow forecasts and stress scenarios to ensure funding adequacy under different market conditions.

Future Outlook and Strategic Direction

Although the macroeconomic environment remains challenging in the short term, management remains cautiously optimistic regarding the future outlook of the Bank.

The future strategic direction of the Bank includes:



Management expects gradual improvement in economic conditions over the medium term supported by:

- Moderation in inflation;
- Stabilization of interest rates;
- Improved external sector position;
- Recovery in private sector investment;
- Strengthened remittance inflow.

The Bank will continue to follow prudent risk management and conservative business strategies while pursuing sustainable long-term growth.

Based on the detailed assessment of financial, operational, regulatory and strategic factors, the Board of Directors and Management of SBAC Bank PLC are satisfied that the Bank has adequate resources and institutional capability to continue its operations as a going concern for the foreseeable future.

Despite the challenging macroeconomic and banking sector environment during 2025, the Bank maintained operational continuity, liquidity stability, depositor confidence and regulatory compliance. The Bank's business model, governance framework, liquidity management practices, operational resilience and strategic initiatives continue to support long-term sustainability.

Management acknowledges that certain risks and uncertainties remain associated with inflationary pressure, interest rate volatility, asset quality challenges and global economic developments. However, appropriate mitigation measures, prudent management actions and ongoing strategic initiatives are being implemented to address these challenges effectively.

Accordingly, the accompanying financial statements for the year ended 31 December 2025 have been prepared on a going concern basis.

STRATEGIC PLAN FOR 2026

The banking sector of Bangladesh continued to operate under significant economic and operational challenges during 2025 due to persistent inflationary pressure, liquidity stress, foreign exchange volatility, increased funding cost and elevated non-performing loans within the financial sector. Alongside these challenges, rapid technological transformation and evolving customer expectations are reshaping the competitive landscape of banking services. Considering the prevailing macroeconomic environment, regulatory directions of Bangladesh Bank and the operational priorities of the Bank, SBAC Bank PLC. has formulated a focused strategic plan for 2026 emphasizing prudent risk management, operational efficiency, digital transformation, sustainable growth and strengthening stakeholder confidence.

Recovery and Asset Quality Management

Reduction of classified loans and strengthening recovery performance shall remain one of the highest priorities of the Bank during 2026. Intensive recovery drives under close supervision of the Management and Board shall continue through coordinated efforts of branches, Legal & Recovery Division and Credit Risk Management Division. Simultaneously, the Bank shall maintain a conservative and risk-based lending approach through enhanced due diligence, sector diversification, strengthened post-disbursement monitoring and disciplined credit administration for improving overall asset quality.

Capital, Liquidity and Cost Management

The Bank shall continue to prioritize strengthening of capital adequacy, liquidity position and sustainable balance sheet management. Mobilization of low-cost and no-cost deposits through CASA campaigns, payroll banking, school banking, remittance products and digital deposit solutions shall receive special attention. Efficient Asset Liability Management, reduction of funding cost and optimization of operational expenditure shall remain major focus areas for improving profitability and financial resilience.

Expansion of Foreign Exchange and Trade Business

The Bank plans to strengthen foreign exchange and trade business through expansion of non-funded business, export-oriented trade finance and remittance services. Strengthening correspondent banking relationships and ensuring prompt and efficient customer service in trade operations shall remain strategic priorities during 2026.

Governance, Compliance and Human Resource Development

Ensuring sound corporate governance, regulatory compliance, anti-money laundering measures, internal control systems and effective risk management shall continue to receive utmost importance. Simultaneously, the Bank shall continue to focus on employee training, leadership development, digital competency enhancement and performance-driven culture to strengthen organizational capability and operational excellence.

Brand Positioning and Sustainable Growth

The Bank shall continue various branding, customer engagement and digital marketing initiatives to strengthen brand image, customer confidence and market presence. Emphasis shall also be placed on sustainable and inclusive banking practices through responsible financing, SME development, agricultural financing, women entrepreneurship support and financial inclusion initiatives.

SBAC Bank PLC. remains committed to achieving sustainable growth through prudent banking practices, operational discipline and continuous service innovation. The Management and Board believe that effective implementation of these strategic priorities shall strengthen the Bank's financial position, enhance stakeholder confidence and create long-term value for shareholders, customers and the economy as a whole.

SUSTAINABILITY REPORT

MESSAGE FROM THE MANAGING DIRECTOR & CEO ON SUSTAINABILITY

Dear Valued Stakeholders,

I am delighted to present the Sustainability Report for the year 2025 of SBAC Bank PLC, a significant milestone that signals our firm commitment to integrating sustainability as a core pillar of our business strategy. This report marks a significant landmark in our journey, signaling our firm commitment to integrating sustainability as a core pillar of our business strategy and long-term vision. It reflects our belief that long-term financial success is inseparable from responsible corporate citizenship and proactive environmental stewardship.

The year 2025 has been foundational for us. We have moved from aspiration to action, building the frameworks and capabilities necessary to manage climate-related risks and capitalize on the opportunities of a low-carbon economy. Our strategy is clear: to be a catalyst for sustainable development in Bangladesh by ensuring our financing activities contribute positively to both economic prosperity and environmental stewardship. Bing Guided by the principles of IFRS S1 and S2, we have undertaken a comprehensive assessment of our operations and financing activities.

Our strategy is to be a catalyst for sustainable development in Bangladesh. We have consciously integrated ESG criteria and integrated climate risk assessments into our lending decisions, focusing our portfolio on sustainable finance. we have taken critical step of measuring our greenhouse gas emissions.

A key highlight of our performance this year has been the significant growth in our sustainable finance portfolio, which is reflected in our achievements:

- **Sustainable Finance:** We achieved a total outstanding of **BDT 25,163.89** million in Sustainable Finance. This demonstrates the integration of sustainability principles across our lending portfolio.
- **Green Finance:** Our commitment to financing a greener future is evident in our Green Finance portfolio. We achieved a total outstanding of **BDT 3,982.35** million, showcasing our proactive role in funding renewable energy, energy efficiency, and other environmentally beneficial projects.

These figures are not just numbers; they represent our active contribution to mitigating climate change and supporting the nation's transition to a sustainable economy. We are financing solar power, promoting energy and resource efficiency, and supporting green industries, thereby creating a positive impact that extends far beyond our balance sheet.

Moreover, another key highlight of our performance is the measurement of our greenhouse gas (GHG) emissions, establishing a critical baseline for future action. For the reporting period:

- Our Scope 1 (direct) emissions totaled **7,012.12 tCO_2e**, primarily from fuel consumption and fugitive sources.
- Our Scope 2 (indirect) emissions were **3,354.35 tCO_2e**, from purchased electricity.
- Our Scope 3 (financed) emissions, the most significant category for a bank, were calculated at **2,34,601.06 tCO_2e**.

This data provides us with a clear understanding of our climate impact, particularly within key sectors of our loan portfolio such as Readymade Garments, Fish Processing, and Power Generation. This understanding is crucial for setting meaningful reduction targets, for which we have proposed a 5% reduction in Scope 1, Scope 2, and total Financed Emissions by 2030.

None of this would be possible without the dedication of our incredible team, the trust of our customers, and the invaluable guidance of our Board of Directors. I extend my heartfelt gratitude to all our stakeholders who are joining us on this vital journey.

As we look ahead, our resolve is stronger than ever. We will continue to deepen our commitment to sustainability, innovate our green product offerings, and enhance our climate risk management. We invite you to explore this report and join us in building a more resilient and sustainable future for Bangladesh.

S. M. Mainul Kabir
Managing Director & CEO
SBAC Bank PLC.

Sustainability Report

SBAC Bank PLC

At SBAC Bank PLC, sustainability is embedded at the core of our strategic vision, guiding our commitment to responsible banking and long-term value creation. We recognize that sustainable development is not merely a regulatory or ethical obligation, it is integral to ensuring resilience, competitiveness, and inclusive growth in an evolving financial landscape.

Our approach is anchored in the integration of Environmental, Social, and Governance (ESG) principles across all aspects of our operations, decision-making processes, and stakeholder engagements. Through this framework, we strive to minimize our environmental footprint, uphold the highest standards of governance, and contribute meaningfully to the socio-economic advancement of the communities we serve.

SBAC Bank PLC remains committed to:

Environmental Responsibility:

Reducing environmental impact through improved energy efficiency, responsible resource utilization, and effective waste management practices, while supporting environmentally sustainable financing initiatives.

Social Inclusion and Development:

Promoting financial inclusion, equitable access to banking services, and inclusive economic opportunities, particularly for underserved and marginalized segments of society.

Strong Governance and Ethical Conduct:

Ensuring transparency, accountability, and integrity in all operations through robust governance frameworks and adherence to regulatory and ethical standards.

Our sustainability journey is continuous and evolving. We actively seek opportunities to innovate, collaborate, and strengthen our impact through responsible banking practices. In partnership with our stakeholders, we remain dedicated to building a resilient, inclusive, and low-carbon future, aligned with both national priorities and global sustainability aspirations.

Foreword

Sustainable finance is emerging as a key driver of economic transformation across South Asia, where rapid economic expansion intersects with significant environmental and social challenges. In Bangladesh, the impacts of climate change, resource constraints, and socio-economic disparities underscore the urgent need for financial systems that support resilience, inclusivity, and sustainable growth.

As a responsible financial institution, SBAC Bank PLC recognizes the critical role of the banking sector in mobilizing capital toward sustainable development. ESG-aligned financing has become essential in advancing priority sectors such as sustainable infrastructure, renewable energy, SME development, and inclusive finance, all of which contribute to long-term economic stability and social progress.

Aligned with both national development priorities and global sustainability frameworks, SBAC Bank PLC is committed to integrating responsible finance principles into its core operations. Through targeted initiatives and strategic investments, the Bank continues to support environmentally responsible projects, promote inclusive economic participation, and strengthen the foundation for a resilient and sustainable economy.

Sustainability and SBAC Bank at a Glance

At SBAC Bank PLC, sustainability is not merely a compliance requirement; it is a core commitment and a driver of long-term value creation for our stakeholders, society, and the environment. We uphold our role as a responsible corporate citizen by actively advancing a wide range of **Environmental, Social, and Governance (ESG)** initiatives.

Our approach ensures that banking operations are conducted in an environmentally responsible and ethically governed manner, aligning financial performance with broader socio-economic and environmental objectives. We are committed to fostering inclusive growth by supporting underserved and economically disadvantaged communities through initiatives that enhance livelihood opportunities and promote sustainable employment.

Through a holistic, value-chain–based approach, we empower underrepresented groups and contribute to building resilient and self-sustaining ecosystems. Our responsible lending practices prioritize environmentally sustainable sectors while integrating environmental and social risk assessments into all financing decisions.

Our performance reflects continued progress across key sustainability areas, including sustainable finance, green refinance, corporate social responsibility (CSR), and overall sustainability practices, in alignment with national frameworks and regulatory expectations in Bangladesh.

Sustainable Finance Committee (SFC):

SBAC Bank has formed its Sustainable Finance Committee consisting of following members as on 31.12.2025:

S/N	Key Risks Identified	Status
1	Deputy Managing Director	Chairman
2	Head of Credit Risk Management Division	Member
3	Head of Credit Administration Division	Member
4	Head of Special Asset Management Division	Member
5	Head of International Division	Member
6	Head of Risk Management Division	Member
7	Head of Human Resources Division	Member
8	Head of Finance & Accounts Division	Member
9	Head of Internal Control & Compliance Division	Member
10	Head of Card Division	Member
11	Head of General Services Division	Member
12	Head of Banking Operations Division	Member
13	Head of Information & Communication Technology Division	Member
14	And Official of Sustainable Finance Unit	Member Secretary

The Sustainable Finance Committee (SFC), has the following Responsibilities:

1. Strategic Planning, implementation and evaluation of relevant activities under Sustainable finance unit.
2. Guiding SFU on deciding its annual budget and ensuring its progress as per BB circular.
3. Sustainable finance committee shall also ensure necessary communication.

Sustainable Financing Unit (SFU):

SBAC Bank has formed it's Sustainable Finance Unit headed by the CRM Head of the Bank and comprising 06 (Six) other executives/officers of the bank from the CRM, RMD, and Sustainable Finance Unit.

Major Activities of Sustainable Finance Unit (SFU)

The Sustainable Finance Unit (SFU) of SBAC Bank PLC is responsible for the formulation, review, refinement, and execution of policies and initiatives related to sustainable finance. Its core functional areas include Green Banking, Corporate Social Responsibility (CSR), Environmental & Social Risk Management (ESRM), Green Office Guidelines, Green Strategic Planning, and Gender Parity.

In addition, the SFU develops and implements strategic frameworks for key sustainability initiatives, including:

- Annual Carbon Footprint Measurement
- Climate Risk Fund formation and management
- Green Marketing initiatives

The Unit also ensures effective implementation of all regulatory guidelines issued by Bangladesh Bank, particularly those aligned with the United Nations Sustainable Development Goals (SDGs), integrating sustainability principles into the Bank's overall operations and strategy.

Sustainable and green finance portfolio as on 31 December 2025

Green Finance	Total amount of outstanding
	BDT 1104.37 million

Sustainable Finance	Total amount of outstanding
	BDT 7744.80 million

Sector-wise Portfolio of Sustainability Linked Finance as on 31.12.2025

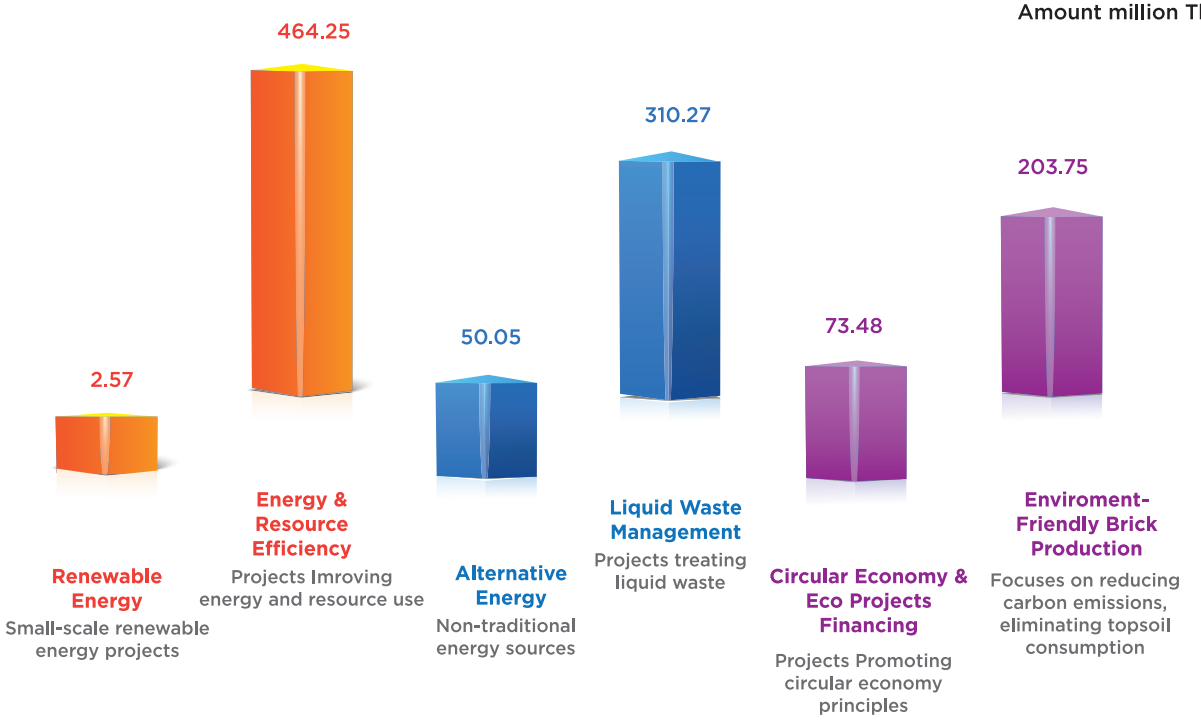
Sustainable Agriculture
Financial Support for eco-friendly farming

Sustainable MSME
Funding for small and medium enterprises with sustainable practices

Socially Responsible Financing
Investments aligned with social Impact goals

Sector-wise Portfolio of Green Finance (GF) as on 31.12.2025

Amount million Tk.



Sustainable and Green finance target vs. achievement of the year 2025

As per Bangladesh Bank's Sustainable Finance Department guideline, SBAC Bank sets its annual disbursement target for green finance and sustainable finance at the beginning of the calendar year on the basis of its immediate past year's loan outstanding. But actual achievement at year-end is calculated based on disbursement made throughout the year.

Particulars	Green Finance (in million)	Sustainable Finance (in million)
Target	4086.20 (5% of total term loan disbursement excluding staff loan)	32689.70 (40% of total loans disbursement excluding staff loan)
Achievement	1104.37	7744.80

Environmental, Social and Governance (ESG) Framework

The ESG framework of SBAC Bank PLC establishes a comprehensive and integrated structure for managing environmental, social, and governance considerations across its core operations. This governance-driven approach ensures that ESG factors are not treated as standalone initiatives but are systematically embedded within the Bank's overall business strategy and risk management framework.

At the core of this framework is the alignment of corporate objectives with key ESG principles, ensuring that sustainability remains a priority at all levels of the organization. The establishment of the Sustainable Finance Committee (SFC) and the Sustainable Finance Unit (SFU) supports the effective implementation of the Sustainable Finance Policy and ESRM Guidelines, in line with regulatory requirements and international sustainability standards, including directives of Bangladesh Bank.

By clearly defining roles and responsibilities from the Board of Directors to departmental management, the Bank strengthens accountability, supports informed decision-making, and promotes sustainable value creation while mitigating associated risks. This structured approach ensures that ESG considerations are fully integrated into governance practices, strategic planning, and client engagement.

ESRM Governance and Framework

SBAC Bank PLC has established a comprehensive Environmental and Social Risk Management (ESRM) framework to systematically identify, assess, and mitigate environmental and social risks within its credit operations. This structured approach ensures that ESG considerations are fully integrated into the Bank's overall risk assessment and credit decision-making processes, rather than treated as standalone factors.

The governance of ESRM is supported by a clearly defined institutional structure. Primary oversight and accountability are shared among the Sustainable Finance Unit (SFU), the Credit Division, and the Board-level Risk Management Committee. These entities are responsible for identifying, evaluating, and escalating environmental and social risk issues, ensuring timely and appropriate mitigation measures.

Through this multi-tiered governance framework, the Bank reinforces accountability, strengthens risk controls, and promotes responsible financing practices, thereby establishing a robust and resilient risk management environment across its operations.

Transaction Screening and Risk Categorization

All credit facilities at SBAC Bank PLC are subject to a structured, multi-stage environmental and social screening process. The procedure begins with an exclusion list review, ensuring that prohibited or environmentally harmful activities are screened out at the initial stage. Eligible transactions are then assessed in accordance with the Department of Environment (DoE) risk classifications—Green, Yellow, Orange, and Red—and evaluated using Environmental and Social Due Diligence (ESDD) tools.

The Bank applies a risk-based classification framework to determine whether a transaction falls under low, moderate, or high environmental and social risk. This classification defines the level of due diligence, documentation, and approval required.

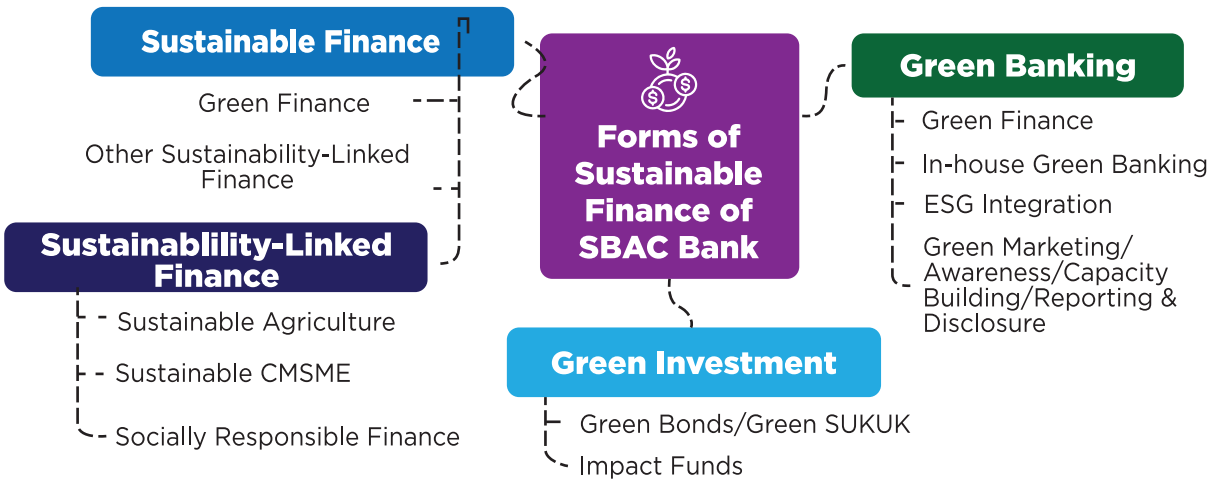
For instance, financing proposals related to large corporates and infrastructure projects are subject to comprehensive assessment, including completion of ESDD checklists and, where applicable, independent Environmental and Social Impact Assessments (ESIA). In contrast, smaller-scale or non-sensitive exposures are evaluated through simplified screening procedures.

Forms of Sustainable Finance

SBAC Bank PLC adopts a structured approach to advancing sustainable finance, focusing on green banking, sustainable finance, and green investment. Green banking emphasizes environmentally responsible internal operations, financing eco-friendly projects, integration of ESG standards, and promotion of awareness through reporting and capacity-building initiatives.

Sustainable finance supports inclusive economic growth by financing green projects, sustainable agriculture, and CMSMEs, alongside offering sustainability-linked and socially responsible financial products. In parallel, the Bank promotes green investment by encouraging capital allocation toward environmentally focused instruments such as green bonds, green Sukuk, and impact funds, generating measurable sustainability outcomes.

This integrated approach reflects SBAC Bank PLC's commitment to fostering a resilient, inclusive, and environmentally responsible financial system.



Sustainability Policy of SBAC Bank

SBAC Bank PLC's Sustainable Banking Policy is founded on principles that emphasize long-term value creation and responsible growth. The Bank recognizes sustainable development as a key pathway to building resilient societies, reducing poverty, and preserving the natural environment, while also creating new avenues for business opportunities.

Accordingly, sustainability is embedded across the Bank's operations and activities, reflecting a strong commitment to social and environmental responsibility. Sustainable banking at SBAC Bank PLC involves delivering products and services that generate long-term positive impacts for both the financial ecosystem and the broader community.

The Bank's policy is guided by core sustainability principles and strengthened by its voluntary commitments to stakeholders, with a focus on creating enduring value. This approach is underpinned by a clear and straightforward sustainability motto that reflects the Bank's long-term vision and responsibility.

By adhering to these principles, SBAC Bank aims to create lasting value for its stakeholders and contribute positively to sustainable development.

Guidance and Approach

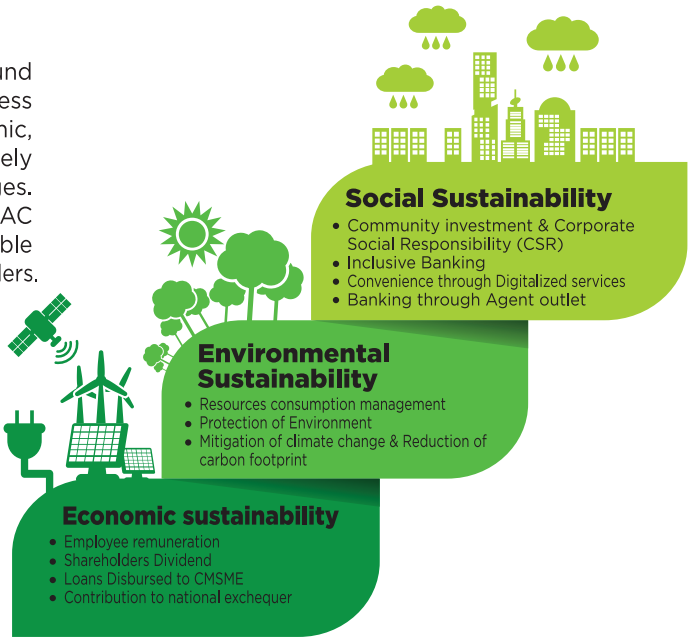
SBAC Bank PLC's sustainability initiatives are guided by management-driven policies and overseen through a Board-approved Corporate Social Responsibility (CSR) framework, ensuring that sustainability considerations are effectively integrated into core operations. This governance structure reinforces accountability and supports the alignment of sustainability objectives with the Bank's overall business strategy.

The Bank's commitment is further demonstrated through strict adherence to regulatory directives, including Bangladesh Bank's Sustainable Finance Policy (SFD Circular No. 03 dated October 22, 2023). This framework outlines a phased approach to sustainable banking, encompassing the development of green banking policies, integration of environmental risk into credit assessments, in-house environmental management, green financing initiatives, establishment of climate risk funds, and promotion of green marketing and digital banking solutions. These guidelines aim to align the banking sector with global sustainability standards and mitigate environmental risks.

SBAC Bank PLC's sustainability approach is also reinforced by its corporate values, which emphasize service excellence, integrity, trust, and responsible citizenship. Through adherence to these principles and regulatory frameworks, the Bank remains committed to contributing to sustainable development and delivering long-term value to its stakeholders.

Sustainability Strategy

SBAC Bank's sustainability strategy revolves around integrating sustainability principles into core business operations. This approach encompasses economic, environmental, and social considerations to positively impact stakeholders and address future challenges. The bank focuses on these strategic focuses, SBAC Bank aims to contribute positively to sustainable development and create lasting value for its stakeholders.

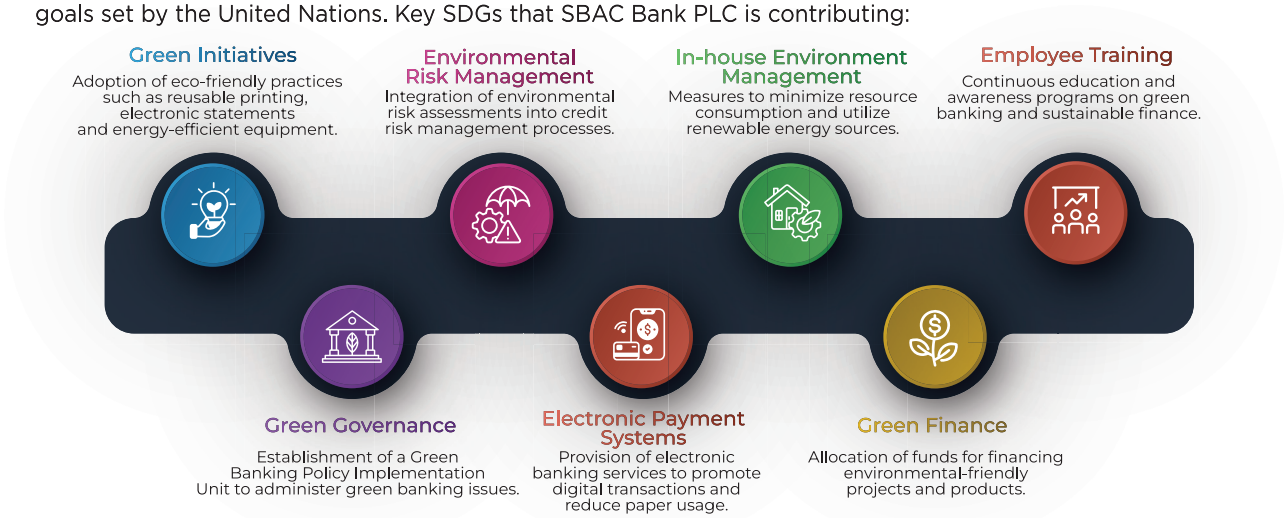


Initiatives towards Sustainable Banking

SBAC Bank promotes sustainable banking through eco-friendly practices like electronic statements and energy-efficient equipment. A dedicated Green Banking Unit oversees policy implementation and environmental risk is integrated into credit assessments. The bank supports digital transactions to reduce paper use and adopts in-house measures to lower resource consumption. Green finance initiatives fund environmentally responsible projects. Employees receive ongoing training on sustainable and green banking practices.

SDGs Blueprinting for Bangladesh

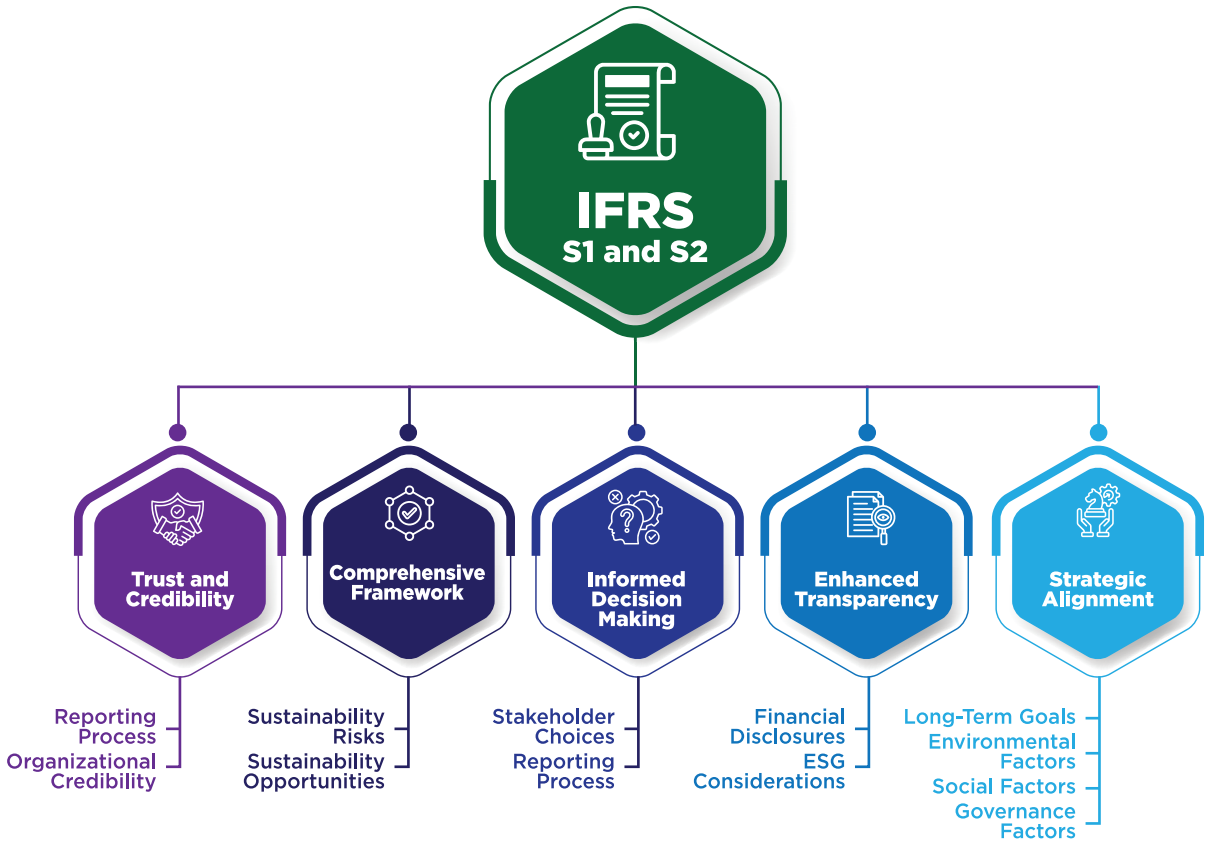
For emphasizing the accomplishment of the Sustainable Development Goals (SDGs) in Bangladesh and assure the inclusive progress, the SDG Working Committee of the Chief Advisor's Office has delineated a comprehensive array of 39 indicators. SBAC Bank is actively engaged in supporting the expeditious attainment of these goals. Mentionable that aligned with the Millennium Development Goals (MDGs), the United Nations adopted a fresh 15-year ambition in 2015—the Sustainable Development Goals (SDGs)—to foster global peace and prosperity. Despite widespread setbacks among many developing nations, Bangladesh has achieved noteworthy progress, even in the face of the COVID-19 pandemic and ongoing Russia-Ukraine war. A key driver behind this success has been the strategic mobilization of financial resources via the banking sector. SBAC Bank plays a pivotal role in this endeavor, embedding social and environmental impact into its core operations. Guided by a robust ESG (Environmental, Social, and Governance) framework, the bank systematically assesses these criteria in its business and investment decisions. By incorporating ESG principles into its operational DNA, SBAC Bank champions sustainability while advancing national SDG objectives—reinforcing its commitment to the broader goals set by the United Nations. Key SDGs that SBAC Bank PLC is contributing:



SBAC Bank's sustainability efforts underscore its commitment to responsible banking practices, environmental stewardship, and social development. Through strategic initiatives and adherence to sustainability principles, the bank aims to create long-term value for stakeholders while addressing the challenges of tomorrow.

Sustainability and Climate Related Financial Reporting: IFRS S1 & S2 Compliance

SBAC Bank's Transition to IFRS S1 and S2 Standards



General Requirements

SBAC Bank's Approach to Implementing IFRS S1 and IFRS S2

SBAC Bank PLC is committed to adopting IFRS S1 (General Requirements for Sustainability-related Financial Disclosures) and IFRS S2 (Climate-related Disclosures), issued by the ISSB in June 2023. These standards provide the first globally accepted framework for sustainability-related financial reporting, enhancing transparency, comparability, and accountability for sustainability risks and opportunities.

IFRS S1 – Sustainability-related Financial Disclosures

IFRS S1 sets comprehensive disclosure requirements for sustainability risks and opportunities that could materially affect an entity's financial position, performance, or cash flows. It focuses on four key pillars: governance, strategy, risk management, and metrics & targets. By complying with IFRS S1, SBAC Bank ensures transparent communication of sustainability-related financial information, enabling investors, regulators, lenders, and other stakeholders to assess the Bank's long-term resilience, ESG commitments, and value-creation strategy.
Banks and finance companies must disclose material information about sustainability-related risks and opportunities that may affect cash flows, access to finance, or cost of capital.
Four key content pillars guide the disclosure:

Pillar	Focus
Governance	Oversight structures and procedures for managing sustainability risks and opportunities.
Strategy	How sustainability factors affect business models, strategy, and long-term value creation.
Risk Management	Processes for identifying, assessing, and monitoring sustainability risks.
Metrics & Targets	Quantitative indicators and progress toward internal or regulatory targets.

IFRS S2 – Climate-related Disclosures

SBAC Bank PLC implements IFRS S2 to disclose climate-related risks and opportunities affecting financial performance, cash flows, and access to financing. The Bank assesses and reports its exposure to physical and transition climate risks, showing how these are managed through strategy, governance, and operations. Full integration of IFRS S1 and S2 into its frameworks is planned by the end of 2024, with the 2024 Sustainability Report serving as the first structured disclosure and future reports providing more detailed compliance.

Pillar	Focus
Governance	Board responsibility, relevant committees, and skills to oversee climate issues.
Strategy	Anticipated effects of climate risks and opportunities on business model, value chain and financial performance; scenario analysis for climate resilience.
Risk Management	Methods for identifying, assessing, prioritizing, and integrating climate risks into enterprise risk frameworks.
Metrics & Targets	Disclosure of Scope 1, 2, and 3 GHG emissions, targets, alignment with international climate goals, and any use of carbon offsets.

Overview of CO2 Emissions in our Bank's Subsequent Reporting:

Reporting Periods	CO_2 Emissions (Ton CO_{2e})		
	Scope-1	Scope-2	Scope-3
January-December, 2025	7,012.12	3,354.35	2,34,601.06

*Scope-1: Emissions from AC, Refrigerator, Vehicle, Fire Extinguisher etc. directly used by the Bank.
*Scope-2: Emissions from purchased Electricity used by the Bank.
*Scope-3: Emissions derived from the organizations' total Assets and Loan portfolio financed by the Bank.

SBAC Bank PLC recognizes that the measurement, management, and disclosure of greenhouse gas (GHG) emissions are critical to long-term resilience, risk management, and sustainable value creation. In alignment with IFRS S1 and IFRS S2 standards, the Bank categorizes its emissions into three distinct scopes-Scope 1, Scope 2, and Scope 3. This structured classification enables transparent reporting, facilitates targeted mitigation strategies, and supports the Bank's ongoing commitment to climate stewardship and responsible finance.

By distinguishing between direct operational emissions and indirect emissions arising along the financial value chain, SBAC Bank PLC ensures that both controllable and financed emissions are accurately quantified. This classification allows the Bank to identify priority areas for intervention, design appropriate decarbonization pathways, and enhance disclosure transparency for regulators, investors, and other stakeholders.

Scope 1 – Direct Greenhouse Gas Emissions

Scope 1 emissions refer to direct GHG releases from sources owned or controlled by SBAC Bank PLC. These emissions are directly linked to the Bank's operational activities and are under the Bank's immediate control. For SBAC Bank PLC, Scope 1 emissions predominantly arise from fuel consumption in diesel generators, operation of company-owned vehicles, and fugitive emissions from air conditioning and refrigeration systems. Additionally, any on-site stationary combustion equipment, such as backup generators or boilers, is included within Scope 1.

The Bank monitors and calculates these emissions using accurate fuel consumption data, refrigerant refill records, and other operational metrics. Although Scope 1 emissions account for a relatively small portion of the Bank's overall carbon footprint compared to financed emissions, they represent the most controllable segment of emissions, forming a cornerstone of the Bank's operational decarbonization strategy. Initiatives to manage Scope 1 emissions include optimizing generator usage, improving vehicle efficiency, transitioning to low-emission fuel options, and implementing robust leakage prevention mechanisms for refrigerants. These measures not only reduce emissions but also enhance energy efficiency and operational reliability across the Bank's infrastructure.

Scope 2 – Indirect Energy-Related Emissions

Scope 2 emissions are indirect GHG emissions associated with purchased energy, including electricity, heat, or cooling, consumed by SBAC Bank PLC. While these emissions physically occur at power generation facilities operated by external suppliers, they are attributed to the Bank because of its electricity consumption across multiple operational areas. These include branch offices, head office facilities, regional offices, ATMs, and data centers.

Scope 2 emissions are quantified using electricity consumption records in combination with national grid emission factors. These emissions represent a significant portion of the Bank's operational footprint, making them a priority area for energy management and carbon reduction initiatives. SBAC Bank PLC addresses Scope 2 emissions through comprehensive energy efficiency programs, including the installation of solar photovoltaic systems at high-energy-use locations, upgrades to LED lighting and smart HVAC systems, and integration of renewable energy sources into the Bank's electricity portfolio. These interventions not only reduce indirect emissions but also strengthen operational resilience, lower energy costs, and support national renewable energy objectives.

Scope 3 – Value-Chain and Financed Emissions

Scope 3 emissions encompass all other indirect GHG emissions occurring as a result of the Bank's activities but from sources not owned or directly controlled by SBAC Bank PLC. These emissions typically arise across the Bank's extended value chain, including employee commuting and business travel, procurement of goods and services, upstream and downstream transportation, waste disposal, and other indirect activities. For financial institutions, Scope 3 emissions are most materially represented by financed emissions, which result from loans, credit facilities, and investment activities provided to clients across diverse sectors.

Financed emissions are considered material because they reflect the environmental impact of the economic activities enabled by the Bank. For SBAC Bank PLC, financed emissions primarily arise from sectors such as textiles, cement, ceramics, food processing, and other industrial activities. These emissions are calculated using established methodologies such as the Partnership for Carbon Accounting Financials (PCAF) framework, ensuring consistency, comparability, and alignment with international best practices. By quantifying and managing financed emissions, SBAC Bank PLC integrates climate considerations into credit risk assessment, portfolio allocation, and strategic decision-making.

Emission Reduction Targets of SBAC Bank PLC

In accordance with Bangladesh Bank SFD Circular No. 06 (December 26, 2023) and subsequent Circular No. 01 (November 06, 2025), SBAC Bank PLC prepares bi-annual Sustainability and Climate-related Financial Disclosures. These disclosures are aligned with IFRS S1 and IFRS S2 standards, covering greenhouse gas (GHG) emissions, climate-related risks, and overall sustainability performance. Strategic Mitigation Pathways have been developed as a roadmap to achieve the Bank's preliminary GHG reduction targets by 2030.

In 2025, SBAC Bank PLC strengthened its commitment to sustainability and climate resilience through full alignment with IFRS S1 and S2 frameworks. Climate-related physical and transition risks are systematically assessed across lending, investment, and operational activities, while ESG considerations are embedded within corporate strategy, risk management, and capital planning processes.

Robust governance structures—including the Board, Sustainable Finance Committee, and ESG-related functions—ensure accountability and continuous improvement. Operational initiatives such as energy efficiency measures, green financing, and digital transformation support low-carbon practices. Regular monitoring and transparent disclosure of ESG metrics enhance stakeholder confidence and informed decision-making.

Aligned with national regulations, global best practices, and international climate commitments, SBAC Bank PLC remains focused on advancing decarbonization, responsible finance, and inclusive growth. This reflects the Bank's continued commitment to resilience, accountability, and long-term value creation.

Governance

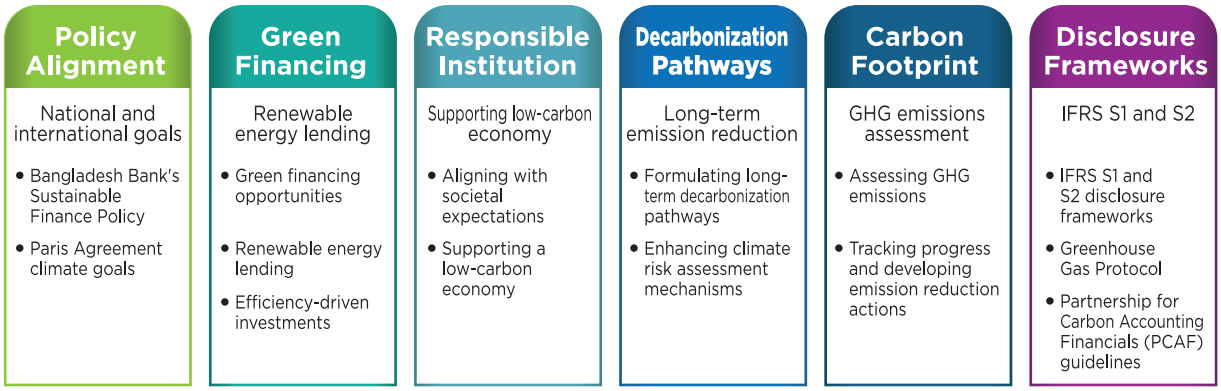
Overview

In 2025, SBAC Bank PLC conducted a comprehensive assessment of its greenhouse gas (GHG) emissions across both operational and financed activities, establishing a credible baseline for managing climate-related impacts. This initiative aligns with IFRS S1 and S2, the GHG Protocol, and PCAF standards, ensuring that environmental considerations are effectively integrated into decision-making, strategic planning, and risk management processes.

The assessment encompasses direct energy consumption, electricity usage, and portfolio-level financed emissions, supporting targeted emission reduction strategies and the expansion of low-carbon financing initiatives. Oversight of climate and sustainability risks is maintained by the Board of Directors, primarily through the Risk Management Committee and the Sustainable Finance Unit (SFU), ensuring that ESG policies, strategies, and performance metrics are embedded within the Bank's governance framework and linked to executive accountability.

At the management level, the Chief Risk Officer and the Risk Management Division drive the implementation of sustainability initiatives, supported by robust internal control mechanisms, including ICAAP, Risk Appetite Framework, and ESRM practices.

This integrated governance approach strengthens climate risk management, supports long-term decarbonization goals, and reinforces SBAC Bank PLC's position as a responsible financial institution committed to sustainable growth and a low-carbon economy.



Role of Board Risk Management Committee

At SBAC Bank PLC, the Board of Directors plays a central role in integrating ESG principles into the Bank's strategic direction, ensuring that sustainability remains aligned with long-term business objectives. The Board oversees resource allocation for sustainability initiatives, reviews ESG disclosures, and monitors progress against defined targets, reinforcing accountability and continuous improvement across the organization.

The Board Risk Management Committee (BRMC) provides focused oversight of sustainability and climate-related risks. It is responsible for reviewing and approving relevant policies, monitoring initiatives undertaken by the Sustainable Finance Unit (SFU), and recommending best practices to strengthen ESG integration within the Bank's operations.

Through this governance structure, ESG considerations are embedded into financial decision-making and internal policies, enabling effective risk mitigation and responsible business practices. This collaborative approach enhances both financial resilience and social impact, positioning SBAC Bank PLC in alignment with national and international sustainability standards.

S/N	Name of Directors	Position in the Committee
1	Mr. Mohammad Nazmul Huq	Chairman
2	Mr. Mohammed Ayub	Member
3	Mr. Mushfiqur Rahman	Member
4	Major Abu Fateh Md. Bashirur Rahman (Retd.)	Member

Board Oversight

The Board of Directors holds ultimate responsibility for overseeing climate and sustainability-related risks and opportunities at SBAC Bank PLC. It formulates and approves relevant policies, ESG strategies, and risk management frameworks, ensuring that sustainability considerations are fully integrated into the Bank's overall strategic direction.

Oversight is exercised through key governance bodies, including the Risk Management Committee (RMC) and the Sustainable Finance Unit (SFU). These entities support the Board by reviewing climate-related risks, monitoring sustainability initiatives, and ensuring compliance with Bangladesh Bank's sustainable finance and climate risk management guidelines.

The Board also evaluates the potential impact of climate and sustainability issues on the Bank's operations, lending portfolio, and long-term financial performance. In doing so, it considers the balance between financial objectives and environmental responsibilities, ensuring informed and responsible decision-making.

Information Flow and Reporting to the Board

The Board and its committees receive regular updates on climate and sustainability-related risks and opportunities through structured reporting mechanisms. These include committee meetings, management reports, sustainability updates, and periodic internal assessments.

This continuous flow of information ensures that the Board remains informed of regulatory developments, climate-related risks, sustainability initiatives, and portfolio exposure to environmentally sensitive sectors. It enables timely, informed decision-making and strengthens overall oversight of sustainability performance.

Skills, Competencies and Capacity Building

To ensure effective governance of sustainability-related matters, the Board periodically assesses whether its members possess the necessary knowledge and expertise to oversee climate-related risks and opportunities.

SBAC Bank PLC supports this through targeted training and capacity-building initiatives focused on climate risk management, sustainable finance, ESG integration, and environmental risk assessment. These efforts enhance Board-level capabilities and strengthen institutional readiness to address evolving sustainability challenges and regulatory expectations.

Oversight of Targets and Performance

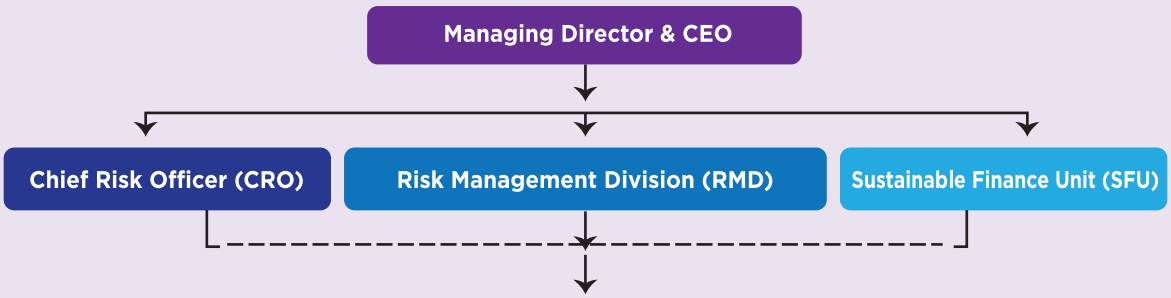
The Board monitors progress toward climate and sustainability objectives through regular performance reviews and strategic monitoring processes. Key performance indicators related to sustainability initiatives, environmental risk management, and green financing are periodically evaluated to ensure accountability and progress.

This oversight ensures alignment between sustainability commitments, strategic priorities, and regulatory requirements, while driving continuous improvement in overall sustainability performance.

Management's Role

At the management level, responsibility for implementing the Bank's climate and sustainability strategy rests with senior executives and specialized units, including the Chief Risk Officer (CRO), Risk Management Division (RMD), and Sustainable Finance Unit (SFU).

These functions are responsible for operationalizing Board-approved policies and embedding sustainability considerations into core activities. Management ensures that climate-related risks are integrated into credit assessments, environmental and social due diligence, portfolio monitoring, and internal reporting processes, translating strategic commitments into effective operational actions.



- Integration of climate- and sustainability considerations into risk management
- Credit appraisal processes
- Lending decisions
- Internal reporting

Controls and Procedures

SBAC Bank PLC maintains structured internal controls and procedures to ensure that climate and sustainability-related risks are consistently identified, assessed, and monitored across the institution. These controls are embedded within the Bank's broader risk management and governance frameworks, rather than treated as standalone processes.

Key supporting mechanisms include the Internal Capital Adequacy Assessment Process (ICAAP), the Risk Appetite Statement, and Environmental and Social Risk Management (ESRM) guidelines. Through these frameworks, sustainability considerations are systematically incorporated into financing decisions, risk monitoring activities, and compliance processes.

Strengthening the Internal Control Environment

The integration of climate-related risks into SBAC Bank PLC's governance and risk management systems has significantly strengthened its overall internal control environment. Sustainability considerations are increasingly embedded within operational processes, lending approvals, and portfolio monitoring practices.

This integrated approach enhances the Bank's ability to identify and manage emerging environmental and sustainability risks, while ensuring alignment with regulatory expectations. As a result, SBAC Bank PLC continues to reinforce its institutional resilience and promote responsible financing practices that support long-term sustainable growth.

Strategy

SBAC Bank PLC integrates climate and broader sustainability considerations into its business strategy, financing decisions, and risk management processes to strengthen long-term resilience and create sustainable value. Climate-related risks and opportunities are increasingly influencing the Bank's lending priorities, borrower assessment, portfolio composition, and operational practices. In response, SBAC Bank PLC is embedding Environmental Due Diligence, expanding green financing, promoting resource efficiency, and strengthening climate-informed decision-making across its business model. Through a structured approach covering short-, medium-, and long-term planning horizons, the Bank aims to enhance regulatory compliance, support sustainable finance growth, improve portfolio resilience, and position itself to respond effectively to evolving environmental and market expectations.

Key Strategic Highlights

Responsible Lending

Integration of Environmental Due Diligence and climate-risk screening into credit appraisal and financing decisions

Green Finance Growth

Expansion of financing for renewable energy, sustainable housing, and low-carbon development opportunities.

Operational Efficiency

Reduction of resource consumption through digital transformation and internal efficiency measures.

Resilient Planning Horizons

Alignment of short-, medium-, and long-term business planning with sustainability priorities and climate considerations.

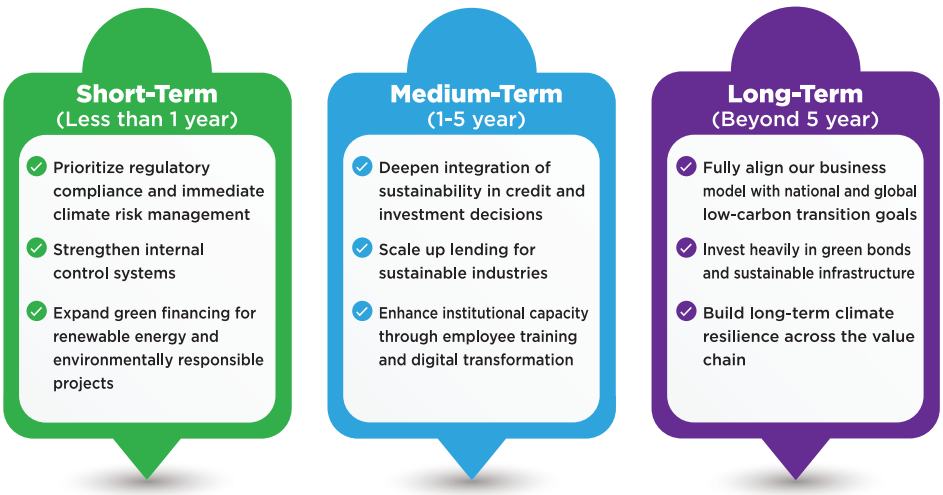
Long-Term Value Creation

Strengthening portfolio quality, regulatory readiness, and institutional resilience through climate-informed strategy.

Strategic Time Horizon

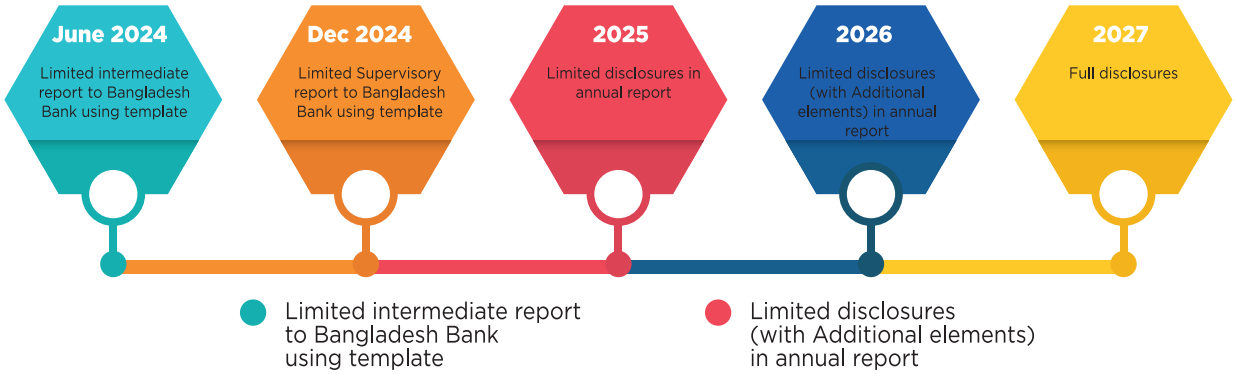
To ensure that climate and sustainability considerations are effectively integrated into business planning, SBAC Bank PLC applies a structured time-based strategic approach. This approach enables the Bank to address immediate operational priorities, strengthen medium-term institutional capabilities, and build long-term resilience against emerging climate and sustainability-related risks. By aligning sustainability objectives with different planning horizons, SBAC ensures that regulatory compliance, green financing expansion, and climate risk management are progressively embedded into its business strategy and value creation model.

Strategic Time Horizons



This implementation pathway would phase in the requirements gradually, over a period of 3 years as follows.

SBAC Bank's Climate and Sustainability Disclosure Implementation Timeline



Sustainability at the Core: SBAC Bank PLC's Strategic Vision

At SBAC Bank PLC, sustainability is more than a policy; it is the heartbeat of our organizational culture and the blueprint for our strategic planning. Our ESG (Environmental, Social, and Governance) framework is meticulously designed to navigate emerging risks while unlocking long-term value for our stakeholders through responsible and inclusive financial innovation. By aligning our operations with the UN Sustainable Development Goals (SDGs), Bangladesh Vision 2041, and the National Green Finance Policy, we are actively financing the transition to a resilient, low-carbon economy. Through enhanced transparency, technological integration, and a steadfast commitment to financial inclusion, SBAC Bank ensures that every decision we make fosters sustainable economic growth and institutional excellence.

Risk Management

Climate risk is recognized as an integral component of SBAC Bank PLC's enterprise risk management framework. The Bank differentiates between transition risks, arising from policy, regulatory, or technological changes associated with the low-carbon transition, and physical risks, which stem from the direct impacts of climate change such as floods, cyclones, sea-level rise, and temperature extremes. In addressing these risks, the Bank follows the Bangladesh Bank Climate Risk Management Guidelines for Banks and Financial Institutions, which require the integration of climate considerations into governance, risk management, and credit appraisal processes.

The Risk Management Division (RMD), in collaboration with the Sustainable Finance Unit (SFU), periodically assesses portfolio exposure to climate-sensitive sectors in line with the Bangladesh Bank Environmental and Social Risk Management (ESRM) framework and Climate Risk Management Guidelines. This includes identifying clients operating in high-emission or environmentally vulnerable industries and evaluating their capacity to adapt to evolving environmental regulations and climate-related impacts. The assessment process also reviews the geographical distribution of branches and sub-branches to identify those located in flood-prone, coastal, or climate-vulnerable regions, where exposure to physical climate risks is comparatively higher.

Mitigation strategies include diversifying the loan portfolio, promoting investments in climate-resilient infrastructure, and integrating environmental and climate risk screening into credit assessment processes in accordance with Bangladesh Bank's sustainable finance and climate risk management requirements. These measures help reduce potential exposure to climate-related shocks while ensuring that financing decisions remain aligned with national sustainability priorities and regulatory expectations.

This systematic and integrated risk management framework enables SBAC Bank PLC to anticipate climate-related disruptions, safeguard its assets, and maintain compliance with Bangladesh Bank's Climate Risk Management Guidelines, thereby strengthening institutional resilience and supporting sustainable economic growth over the long term.

Holistic View of ESG and Climate Risk Across the Bank's Operations

As a diversified financial institution, SBAC Bank PLC is exposed to a broad spectrum of financial and non-financial risks across its value chain. These risks arise from lending activities, investment operations, treasury management, digital services, third-party relationships, and internal operations. Among these, Environmental, Social, and Governance (ESG) risks — including climate-related risks — represent increasingly significant components of the Bank's overall risk landscape.

ESG and climate risks vary in their concentration, scale, duration, and intensity, and may affect different segments of the Bank's portfolio in distinct ways. These risks have the potential to influence credit quality, asset valuation, liquidity, operational continuity, regulatory compliance, reputation, and long-term strategic positioning. As climate change accelerates and regulatory expectations evolve, sustainability-related risks are no longer peripheral concerns but core financial risk considerations that directly impact the Bank's resilience and value creation capacity.

The Synergy of Sustainability and Risk Management

Climate Vulnerability and Climate Opportunity

Climate vulnerability represents the potential adverse impacts that climate change may impose on SBAC Bank PLC's operations, assets, and financial performance. These risks are categorized into two types' transition risks and physical risks.

- Transition Risks: Arising from policy, legal, technological, and market shifts toward a low-carbon economy, which may affect asset valuation, compliance costs, or client creditworthiness.
- Physical Risks: Stemming from direct climate impacts such as floods, storms, heatwaves, and sea level rise, which can damage infrastructure, disrupt supply chains, and threaten business continuity.

Climate opportunity refers to the potential economic and strategic benefits arising from proactive climate mitigation and adaptation actions. SBAC Bank PLC recognizes that advancing sustainability not only reduces exposure to climate-related risks but also creates long-term growth opportunities.

The bank has identified assets worth BDT 1,114.63 million, representing 1.19% of its total outstanding amount as of December 2025, as Green Finance investments. These investments include financing for renewable energy, sustainable agriculture, energy-efficient industries, and environmentally responsible infrastructure projects.

Through the Sustainable Finance Unit (SFU), SBAC Bank PLC continues to expand its green finance portfolio and support innovative projects that contribute to Bangladesh's transition to a low-carbon economy. The bank also encourages its clients to adopt environmentally sound technologies and sustainable business practices by offering preferential financing for renewable energy, waste management, and water efficiency initiatives.

Metrics and Targets

The Metrics and Targets section of this report provides a quantitative and qualitative overview of SBAC Bank PLC's greenhouse gas performance during the year of 2025, along with its future reduction commitments. It consolidates data from operational sources and financed activities to present a complete picture of the bank's climate impact. This section reflects the bank's data-driven approach to measuring, managing, and reducing emissions in accordance with the IFRS S2 and GHG Protocol frameworks. Through continuous monitoring of Scope 1, 2, and 3 emissions, SBAC Bank PLC aims to establish a robust foundation for evidence-based decision-making and strategic planning. The inclusion of targets demonstrates the bank's forward-looking commitment to decarbonization and accountability, serving as a roadmap for aligning its operations and financial portfolio with national and global climate objectives.

Quantitative Emission Summary (January to December 2025)

Scope – 1 Emissions

Emissions from Fuel use in Generator for January to December 2025

Table 1: Emissions for Fuel Use in Generator in January to December 2025

Total Diesel Use in Liter	Total Emissions in ton CO2e
53049.71	154.40

Emissions from Fuel use in Vehicle for January to December 2025
Table 2: Emissions for Fuel Use in Vehicle in January to December 2025

Total Octane Use in Liter	Total CNG Use in m3	Total Emissions in ton CO2e
14425.87	27286.14	84.34

Emissions from Refrigerant use in AC for January to December 2025
Table 3: Emissions for Refrigerant Use in AC in January to December 2025

Amount of Refrigerant (R-22 Gas) Recharge in Kg	Amount of Refrigerant (R-410A Gas) Recharge in Kg	Amount of Refrigerant (R-600A Gas) Recharge in Kg	Total Emissions in ton CO2e
2524.58	1121.58	9129.00	6773.07

Emissions from Extinguisher Recharge (kg) in Fire Extinguisher for January to December 2025
Table 4: Emissions for Extinguisher Recharge in Fire Extinguisher in January to December 2025

Dry powder in Kg	Total Emissions in ton CO2e
179.01	0.32

Table 5: Total Scope-1 Emission in 2025

Sl No	Emission Sources	Emission in tCO2e
1	Fuel For Generator	154.40
2	Vehicle	84.33
3	Fire Extinguisher	0.32
4	Ac Refill	6773.07
Total Emission in ton CO_2		**7012.12**

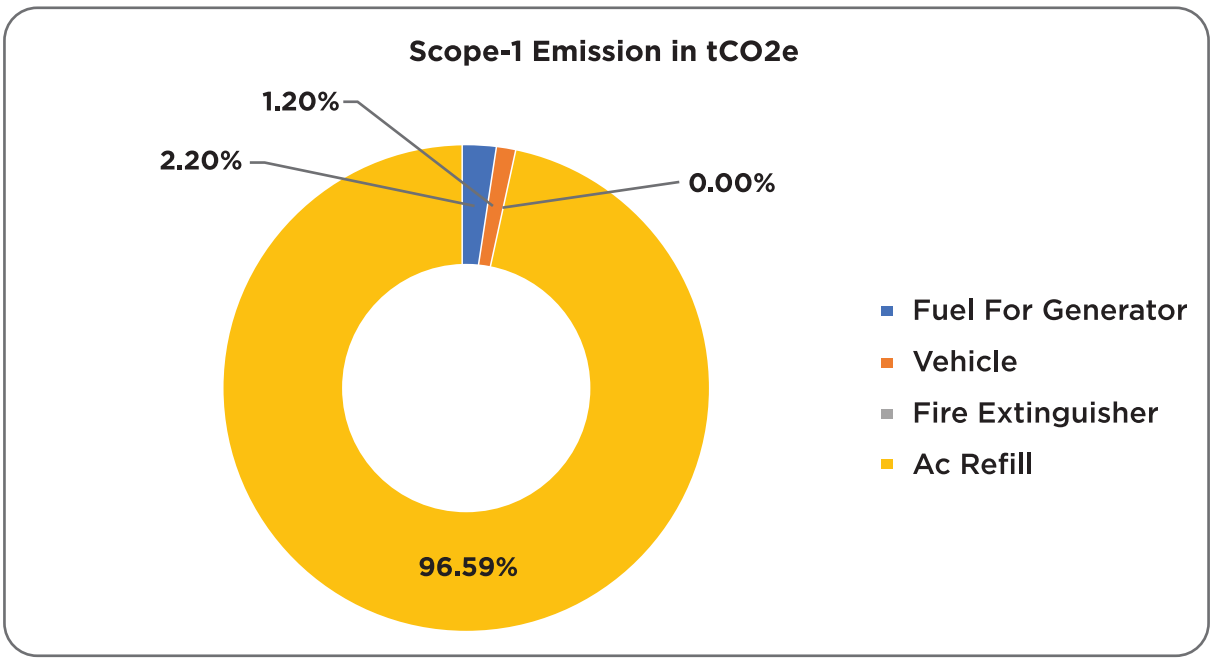


Table 5 presents the total Scope 1 emissions of SBAC Bank PLC for the year 2025, amounting to 7012.12 tCO2e from direct operational sources. Among the emission sources, AC refrigerant refill contributed the largest share, followed by vehicle fuel consumption, while emissions from generator fuel use and fire extinguisher discharge accounted for comparatively smaller portions. These emissions represent the Bank's direct greenhouse gas emissions arising from its operational activities.

Scope – 2 Emissions

Emissions from Electricity for January to December 2025

Table 6: Emission for Electricity Consumption in January to December 2025

Total Electricity Consumption in KWH (Grid Electricity)	Total Emissions in ton CO2e from Electricity Consumption in KWH in January to December 2025
5410249.90	3354.35

Electricity usage across SBAC Bank PLC's operations totaled 5410249.9 KWh during the 2025, resulting in approximately 3354.35 tons of CO_2 equivalent (tCO_2e) emissions, calculated using an emission factor of 0.62 tCO_2 per MWh. The data reflects consistent energy consumption across the bank's urban and regional branches, with notable monthly variations influenced by seasonal demand and operational intensity.

Scope – 3 Emissions

Financed Emissions for January to December 2025

Financed emissions represent the greenhouse gas (GHG) emissions associated with investments, loans, insurance underwriting, and other financial services extended by financial institutions. In the case of SBAC Bank PLC, investments span across 93 different sectors, each contributing to varying levels of carbon emissions. Among these sectors, a few stand out with exceptionally high emissions, indicating industries with intensive energy consumption and a significant environmental footprint. These sectors play a crucial role in shaping the bank's financed emissions profile, highlighting the need for sustainable investment strategies and carbon-conscious financial planning to mitigate their environmental impact.

Table 6: Emission for Electricity Consumption in January to December 2025.

Rank	Sector Name	Outstanding Amount (BDT Million)	Emission (tCO_2e)
1	Readymade Garments Industries	3,573.59	21,321.97
2	Fish Feed and Fish Meal Processing for Poultry and Livestock	3,168.50	17,189.36
3	Production, Supply and Distribution of Power in the Private Sector	1,866.39	14,839.37
4	Cement Factories	1,012.84	8,893.19
5	Contractor and Supplier Firms	13,313.71	6,940.66
6	Cosmetics & Toiletries Industries	1,693.34	6,485.11
7	Garments Accessories Manufacturing Industries (Zipper, Button etc.)	914.27	5,597.78
8	Rice Mills including puffed rice, chirra, fine rice etc.	1,497.06	4,782.19
9	Assembling Industry	762.89	4,551.84
10	Businessmen / Industrialists	7,935.89	4,412.36

An analysis of sector-wise financed emissions indicates that the top ten emitting sectors collectively account for approximately 86.8% of the total Scope-3 (financed) emissions of the bank's portfolio. This highlights a significant concentration of financed emissions within a limited number of energy-intensive and industrial sectors, particularly readymade garments manufacturing, fish feed processing, private power generation, cement production, contractor and supplier activities, and cosmetics manufacturing.

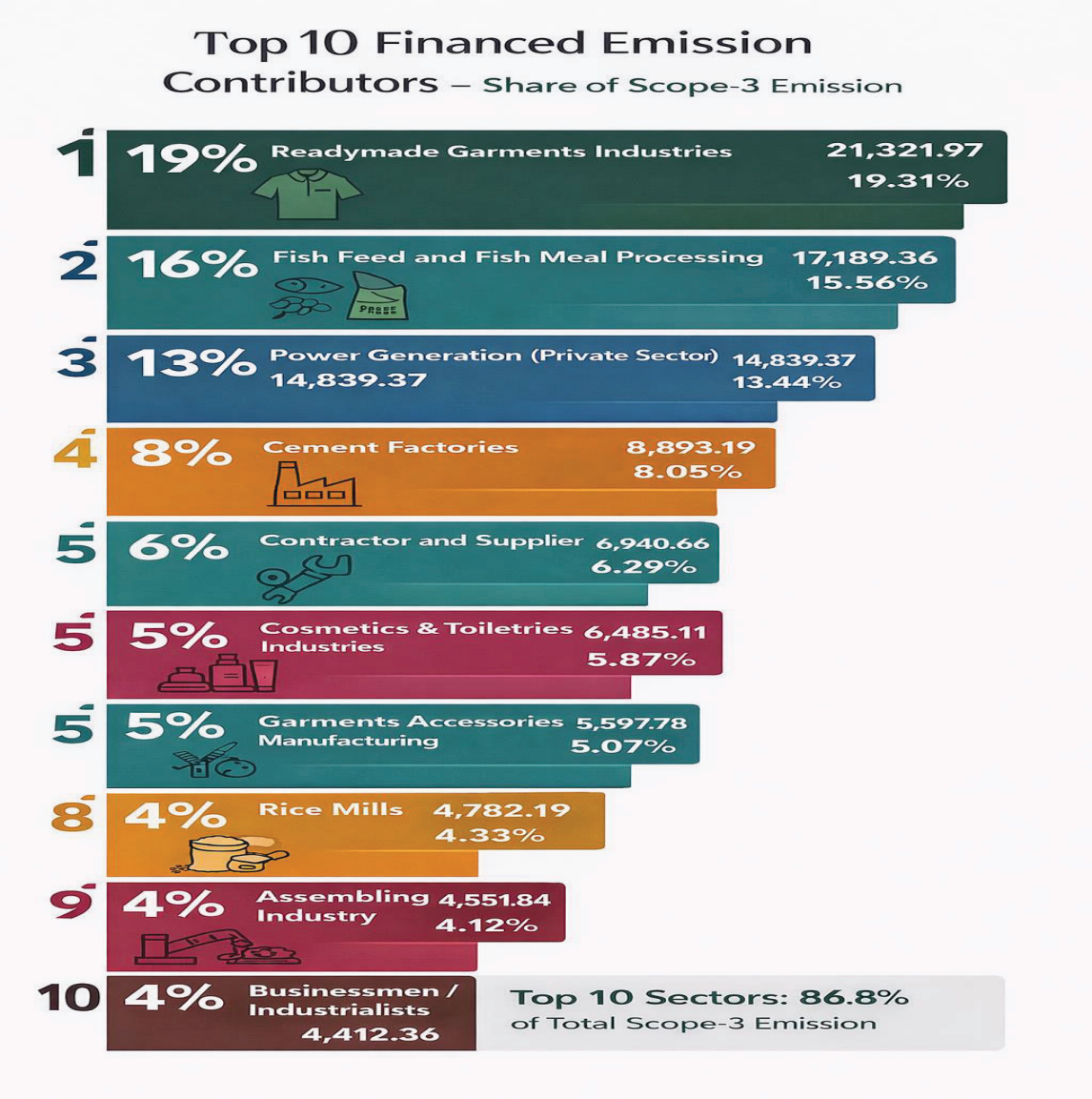
These sectors typically involve large-scale industrial production, high energy consumption, and extensive supply chain operations, which contribute substantially to their higher carbon footprint within the financing portfolio.

In contrast, the remaining sectors collectively contribute only about 13.2% of total financed emissions, indicating that emissions are relatively dispersed across a large number of smaller sectors and service-based activities with comparatively lower carbon intensity.

This concentration pattern provides important insights for the bank's climate risk management and sustainable finance strategy, as targeted engagement with a relatively small number of high-emitting sectors could significantly influence the overall reduction of financed emissions within the portfolio.

Total Scope-3 Emission (Financed Emissions) for January to December 2025

Emission Type	Amount (ton CO2e)
Total Scope-3	2,34,601.06



Total GHG emissions Summary
Total Emission for January to December 2025
2,44,967.53 ton CO_2e

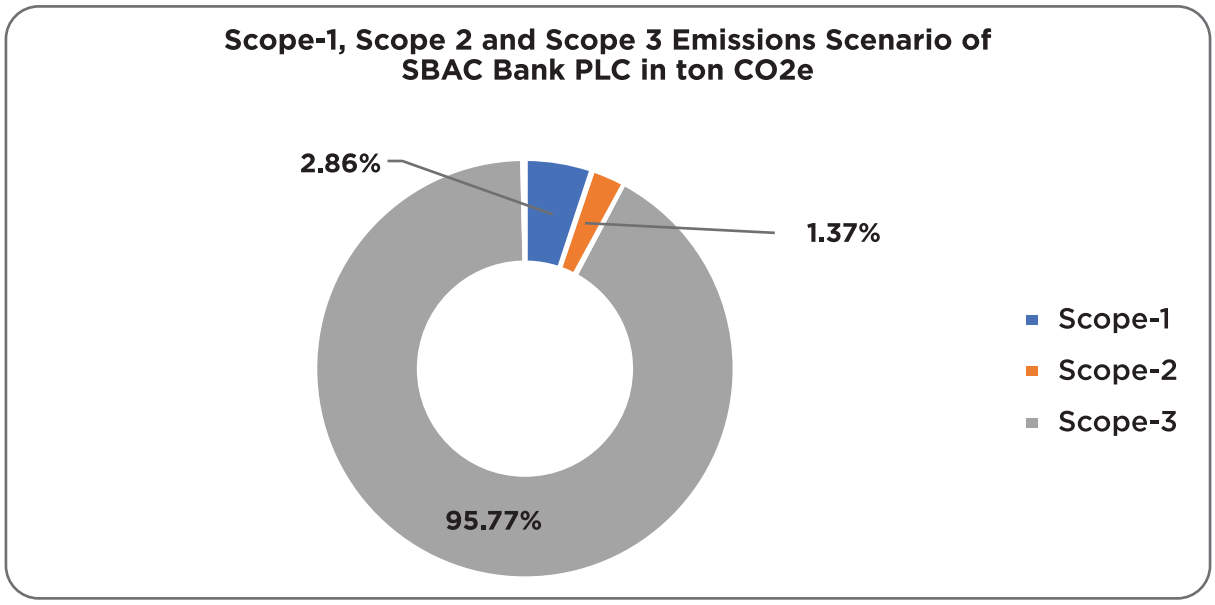


Figure 1: Categorized Greenhouse Gas Emissions of SBAC Bank PLC (Scope 1, 2, and 3)

The chart illustrates the distribution of Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions of SBAC Bank PLC. It shows that Scope 3 emissions dominate the Bank's overall carbon footprint, accounting for approximately 95.77% of total emissions, primarily related to indirect or financed activities. Scope 1 emissions contribute about 2.86%, representing direct emissions from operational sources, while Scope 2 emissions account for roughly 1.37%, mainly associated with purchased electricity consumption. This distribution indicates that the majority of the Bank's climate impact arises from indirect activities, highlighting the importance of sustainable financing and portfolio-level emission management.

Decarbonization Roadmap (Emission Reduction Strategy)

SBAC Bank PLC recognizes that climate change presents both financial risks and strategic opportunities for financial institutions. As part of its long-term sustainability commitment, the organization is progressively integrating climate considerations into its operational practices, financing activities, and risk management framework. While SBAC Bank PLC has not yet formally established quantified decarbonization targets, the organization intends to develop science-aligned emission reduction goals in the coming years, guided by the objectives of the Paris Agreement, international sustainability disclosure frameworks, and regulatory expectations from Bangladesh Bank.

The development of a formal decarbonization roadmap will enable SBAC Bank to systematically reduce its greenhouse gas (GHG) emissions across operational activities and its financed portfolio. Given that the majority of the Bank's emissions originate from financed activities (Scope 3), the long-term decarbonization pathway will primarily focus on integrating climate considerations into lending decisions, portfolio management, and sustainable finance initiatives.

In preparation for this transition, SBAC Bank PLC is taking several foundational steps that will support the future establishment of measurable climate targets and structured emission reduction pathways.

Conclusion

This report demonstrates that SBAC Bank PLC has established a structured foundation for sustainability and climate-related financial disclosure by integrating these considerations into its governance, strategy, risk management, and performance monitoring framework. The Bank has strengthened Board and management oversight, embedded climate and sustainability issues into strategic planning, and aligned its risk management processes with Bangladesh Bank's climate risk management expectations, reflecting a forward-looking approach to regulatory compliance and institutional resilience.

The assessment further shows that SBAC Bank PLC's overall emissions profile is dominated by financed emissions, particularly from housing and property-related lending, while operational emissions remain comparatively limited. During the year of 2025, the Bank recorded total emissions of 2,44,967.53 tCO2e, with Scope 3 continuing to represent the largest share. These findings indicate that SBAC's future decarbonization efforts should primarily focus on portfolio-level climate strategies, sustainable finance expansion, and continued operational efficiency improvements to support long-term low-carbon growth.

SOUTH BANGLA AGRICULTURE AND COMMERCE BANK FOUNDATION

As a socially responsible corporate entity, SBAC Bank PLC is deeply committed to contributing to the well-being of society. Guided by the CSR Guidelines of Bangladesh Bank, the Board has approved a comprehensive Corporate Social Responsibility (CSR) policy aimed at addressing key social issues and fostering inclusive development.

To strengthen and streamline its CSR efforts, SBAC Bank established the South Bangla Agriculture and Commerce Bank Foundation in 2017. The Foundation was formed with a wide range of humanitarian and charitable objectives, operating strictly on a non-profit basis. Its focus areas include education, preventive and curative healthcare, disaster relief, and community development. Additionally, the Foundation aims to promote arts, science, and literature upon obtaining appropriate government permissions.

Key CSR Focus Areas and Activities:

- **Education Access:** The Foundation collaborates with local charities and voluntary organizations to support underprivileged children in accessing quality education.
- **Healthcare Support:** Efforts include initiatives for both preventive and curative health services to improve community health outcomes.
- **Disaster Relief:** In times of emergencies, the Foundation promptly engages in disaster response and recovery operations.
- **Community Development:** SBAC Bank invests in sustainable social projects that benefit the wider community, aligning its initiatives with the broader goals of human welfare and social equity.
- **Promotion of Ethical and Shariah-compliant Initiatives:** The Foundation's activities also adhere to principles that serve Shariah objectives, reinforcing its ethical foundation.
- **Women Empowerment and Entrepreneurship:** The Bank is committed to fostering women-led enterprises and entrepreneurial development as part of its inclusive growth strategy.

Foundation operates as a non-political, non-government, voluntary, and charitable organization. It is primarily funded through donations from SBAC Bank PLC. All funds and income generated are exclusively used to further the Foundation's charitable objectives, with no portion distributed as dividends, bonuses, or profits to any members.

Governance and Accountability

SBAC Bank integrates strong governance practices with its CSR strategy to ensure effective and transparent utilization of funds. The Bank actively monitors the use of CSR resources, requiring proper documentation and verification of end-use. In cases of misuse or unsatisfactory implementation, support is withheld. Furthermore, the Bank's Board annually reviews detailed reports on fund allocations and usage before approving future CSR budgets. These records are maintained for both internal and external audits and are available for regulatory supervision.

The Bank firmly believes that true corporate responsibility lies in taking actions that positively impact lives. By focusing on sustainable community empowerment, SBAC Bank aspires to be a catalyst for positive change in society.

CSR Spending in 2025

The following table summarizes SBAC Bank PLC.'s CSR contributions during the year 2025

Summary of CSR Expenses in 2025 (As on 31.12.2025)

Sl. No.	Particulars	Amount in BDT
1	Opening Balance as at 01.01.2025	109,629,285.00
2	Received from the Bank/Subscription	7,669,433.00
A	Available Balance	117,298,718.00
2	Professional Fee	46,000.00
3	Bank Charge	51,035.00
B	Total Expenditure (Amount Paid)	97,035.00
C(A-B)	Balance in SBAC Bank Foundation A/C (31.12.2025)	117,201,683.00

Sector-wise CSR in 2025 (As on 31.12.2025)	
Sector	**SBAC Bank PLC.**
Education	400,000.00
Healthcare	1,075,000.00
Disaster Management	641,000.00
Total	**2,116,000.00**

FINANCIAL INCLUSION

According to United Nations (2006), Financial Inclusion (FI) is the access to the range of financial services at a reasonable cost for the bankable people and farms. Financial inclusion is a method of offering banking and financial services to individuals. It aims to include everybody in society by giving them basic financial services regardless of their income or savings. It focuses on providing financial solutions to the economically under privileged. In addition, it is an important enabler of sustainable development and economic growth. Access to financial services can help eradicate poverty, improve individual well-being and household welfare, and spur entrepreneurship and small enterprise activity.

Financial inclusion is measured in three dimensions: (i) access to financial services; (ii) usage of financial services; and (iii) the quality of the products and the service delivery.

Currently, the banking sector is facing various challenges like the need to improve financial literacy, lack of formal identification documents, consumer protection, the rural poor and gender inequality, promoting the use of the transaction account.

Bangladesh Government and Bangladesh Bank have taken an intensive approach towards inclusive financing alongside conventional banking. Low-income group of the society has been brought under the financial services and the development programs for small, medium and women entrepreneurs have been undertaken. Various initiatives have been taken towards mobile banking, school banking, and agent banking which have been lauded globally. According to Bangladesh Bank instructions and circular SBAC Bank has taken various steps like arrangement of different financial literacy & awareness program and initiation of different lucrative deposit products as:

Student saving deposit account: Total 12964 numbers of accounts were opened by various students of the country and they deposited all together Tk.327.69 Lac.

Senior citizen saving deposit: Total 359 numbers of account & Tk. 309.71 Lac was deposited by different senior citizen of the Country.

10/50/100 Privilege Savings Account: In order to help the marginalized people of the society. 9657 number of accounts were opened and Tk.189.89 Lac was deposited so far.

SBAC Probashi Account: Total 48 numbers of account & Tk.200.08 Lac was deposited by expatriate wage earners and their family members.

SBAC Pay-roll Account: In order to include all types of salaried persons in financial cycle, total 3599 number of Accounts were opened with a total deposit of Tk.173.12 Lac.

RISK MANAGEMENT

Message From
CHIEF RISK OFFICER'S DESK

"In recent years, Bangladesh's banking sector has been operating within a complex and evolving macroeconomic landscape. Persistent inflationary pressures, foreign exchange market volatility, tightening liquidity conditions, and global geopolitical uncertainties have collectively shaped the risk environment for financial institutions. At the same time, the domestic political context and policy adjustments have required banks to remain vigilant, adaptive, and disciplined in their risk management practices. In this environment, the role of a robust enterprise risk management framework has become increasingly critical to ensuring institutional resilience, protecting stakeholder interests, and sustaining prudent growth.

Against this backdrop, SBAC Bank PLC has continued to strengthen its risk governance architecture in alignment with regulatory expectations and international best practices. Over the past few years, the Bank has enhanced its risk identification, measurement, monitoring, and mitigation capabilities across key risk domains including credit, market, liquidity, operational, and compliance risk. The Bank has also continued to integrate its risk management processes with strategic planning, capital adequacy assessment, and risk appetite frameworks to ensure that business expansion remains consistent with prudent risk tolerance and long-term sustainability."

Dear Valued Stakeholders,

The year 2025 marked a transformative era for SBAC Bank PLC as we successfully transitioned into the Risk Based Supervision (RBS) framework mandated by Bangladesh Bank. While 2024 was a period of "heightened vigilance" amid geopolitical and economic headwinds, 2025 has been defined by the proactive evolution of our risk governance to meet the sophisticated demands of a modern, forward-looking supervisory environment.

This transition reflects not only regulatory compliance but also the Bank's strategic commitment to embedding risk awareness and accountability across all levels of the organization. Through strengthened governance structures, improved risk analytics, and enhanced coordination among the three lines of defense, SBAC Bank PLC continues to reinforce a culture where risk management is an integral component of decision-making. As we navigate an increasingly dynamic operating environment, our focus remains on maintaining financial soundness, safeguarding stakeholder confidence, and supporting sustainable economic growth in Bangladesh.

Navigating the Transition to Risk Based Supervision (RBS)

In alignment with SPCD Circular No. 02 and 03, SBAC Bank has fully embraced the shift from traditional compliance-based checking to a process-driven, forward-looking assessment of inherent risks. To ensure a seamless transition effective from January 1, 2026, we successfully met several critical milestones in 2025:

- **Strategic Governance:** We established a cross-functional RBS Coordination Committee, led by our Focal Point (a Deputy Managing Director), to oversee our preparedness and bridge any identified gaps in our risk architecture.
- **System Upgradation:** We upgraded our Management Information Systems (MIS) to ensure data compatibility with the new Rationalized Input Templates (RIT), enabling granular and timely reporting to the newly formed Bank Supervision Department-5 (BSD-5).
- **Capacity Building:** Throughout 2025, we conducted specialized awareness programs for our Board of Directors and Senior Management to embed RBS principles into our day-to-day decision-making.

Resilience Amidst Persistent Challenges

The banking landscape continued to face pressures such as liquidity constraints, exchange rate volatility, and inflation-induced credit stress. However, our 2024 commitment to a "strong risk-aware culture" provided the bedrock for our 2025 stability.

- **Asset Quality:** We intensified our Non-Performing Loan (NPL) management through enhanced borrower assessments and the strengthening of our Early Warning System (EWS).
- **Liquidity & Capital:** By maintaining a conservative Asset-Liability Management (ALM) approach and conducting rigorous Internal Capital Adequacy Assessment Processes (ICAAP), we ensured that our capital buffers remain resilient against market shocks.
- **Technology & Cyber Resilience:** Recognizing the rising threat of cyber-attacks, we upgraded our digital oversight and conducted regular drills to protect our digital banking platforms.

Strengthening Risk Monitoring & Compliance

In 2025, SBAC Bank PLC fundamentally redefined its monitoring and compliance functions to transition from a "point-in-time" checklist approach to a continuous, forward-looking supervisory model. This shift ensures that our internal controls are not just reactive but are integrated into the bank's strategic decision-making process.

1. Data-Driven Risk Monitoring

In preparation for the 2026 RBS rollout, we have enhanced our data architecture to support the Rationalized Input Templates (RIT). By automating data flows from our Core Banking System (CBS) to our Risk Management dashboards, we have improved the granularity of our monitoring. This allows us to track inherent risks—such as credit concentration and liquidity gaps—in near real-time, facilitating swift corrective actions.

2. Strengthening the Three Lines of Defense

We have fortified our Three Lines of Defense model to ensure clear accountability. Our business units (First Line) now operate with enhanced risk-ownership, supported by a more robust Risk Management Department (Second Line) and an independent, risk-focused Internal Audit (Third Line).

3. Regulatory Compliance & the RBS Framework

Guided by SPCD Circulars 02 and 03, we have established a rigorous compliance roadmap. Key highlights from this year include:

- **Process-Based Assessments:** We moved beyond mere rule-checking to evaluating the effectiveness of our internal control systems (ICS), ensuring they are proportional to our risk appetite.
- **Gap Analysis & Remediation:** Conducted a comprehensive self-assessment against Bangladesh Bank's supervisory expectations, identifying and addressing gaps in human resources, IT infrastructure, and policy frameworks.
- **Board Oversight:** Our Risk Management Committee (RMC) of the Board now receives integrated reports that combine quantitative risk metrics with qualitative compliance assessments, ensuring top-down governance.

Besides, a critical component of our risk governance structure is the active engagement of the Risk Management Committee (RMC) of the Board, the Executive Risk Management Committee (ERMC) and the Supervisory Review Process (SRP) Team. Throughout 2025, these bodies provided robust oversight, policy direction, and strategic insight into the bank's overall risk profile.

- **Risk Management Committee (RMC) Board:** A total of four meetings of the RMC were held during the year. These sessions reviewed risk dashboards, assessed sectoral and borrower-level exposures, monitored the bank's capital adequacy and stress-testing results, and evaluated compliance with the bank's Risk Appetite Statement (RAS). Discussions included NPL trends, provisioning adequacy, credit concentration, and ESG-linked risks.
- **Executive Risk Management Committee (ERMC):** The ERMC convened twelve times in 2025, involving cross-functional heads and chaired by the Chief Risk Officer (CRO) of the Bank. The committee served as the frontline platform for reviewing credit risk, operational risks, cyber resilience, liquidity contingency frameworks, and internal loss event data. ERMC also overseed implementation of key control enhancements in response to audit findings and regulatory feedback.
- **Supervisory Review Process (SRP) Meetings under Framework BASEL:** As part of the Pillar II requirements of Basel III framework, the Bank held six SRP meetings, in which the following risks were discussed in depth:
  - Residual Risk
  - Concentration risk
  - Strategic risk
  - Reputation risk
  - Settlement risk
  - Core risk management
  - Interest Rate Risk in the Banking Book (IRRBB)
  - Liquidity Risk and Funding Concentration
  - Environmental and Climate-related Risk
  - Operational and IT Risk, especially related to cyber security and data integrity

The SRP meetings were instrumental in refining the ICAAP document, ensuring that capital planning reflected the bank's true risk profile, and aligning internal processes with regulatory expectations.

The Bank successfully conducted Annual Risk Conference 2025 on December 13, 2025, where members of Senior Management Team and Risk Management Committee including heads of the divisions and in-charges of branches participated physically and on zoom platform.

4. Anti-Money Laundering (AML) & CFT

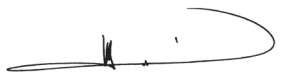
We continued to bolster our AML/CFT framework through advanced screening tools and transaction monitoring. Our focus remained on "Know Your Customer" (KYC) integrity and the timely reporting of suspicious transactions (STRs), maintaining our commitment to a clean and transparent financial ecosystem.

Through these initiatives, SBAC Bank PLC is not just meeting regulatory mandates; we are building a resilient compliance culture that serves as a competitive advantage in a complex financial landscape.

Our Forward-Looking Commitment

As we look toward 2026, our focus remains on "harnessing cutting-edge risk analytics" and fostering a "pervasive culture of risk consciousness". We are no longer merely reacting to risks; we are predicting and mitigating them through a structured evaluation of credit, market, operational, and emerging ESG risks.

SBAC Bank PLC remains resolute in its mission to safeguard stakeholder trust through transparent governance, robust internal controls, and an unwavering commitment to the regulatory standards of Bangladesh Bank.



Md. Altaf Hossain Bhuyan
Deputy Managing Director & CRO
SBAC Bank PLC

REPORT OF THE RISK MANAGEMENT COMMITTEE

Risk management is more than a compliance necessity; it is a strategic imperative that ensures operational continuity and institutional stability. Our comprehensive framework is designed to identify, measure, evaluate, and mitigate all material risks emerging from our daily operations. By integrating advanced methodologies and real-time monitoring, we align our capital and liquidity reserves with our evolving risk profile, market shifts, and macroeconomic trends. Our objective remains clear: to safeguard the bank's financial performance and reputation while fostering a culture of informed decision-making.

SBAC Bank remains steadfast in its commitment to regulatory excellence. We have rigorously adopted and implemented the Core Risk Management Guidelines mandated by Bangladesh Bank, ensuring our operations meet the highest national standards.
Refining our internal oversight, the Bank formulated its proprietary Risk Management Guidelines, which received formal approval from the Board of Directors during its 202nd meeting on October 29, 2025. This framework serves as our strategic compass, ensuring that every decision is weighed against its risk-return profile and its impact on the institution's total risk exposure.

Main Objectives of Audit Committee:

At SBAC Bank, we believe that the most effective defense against uncertainty is a deeply ingrained risk culture. While frameworks provide the structure, it is our collective behavior and shared values that ensure long-term institutional resilience. For us, sustainable banking is not merely about surviving market cycles; it is about thriving within them through disciplined, informed decision-making.

The Foundation: Tone from the Top

The Bank's risk culture is steered by a "Tone from the Top" that emphasizes integrity and accountability. Following the Board's landmark approval of our enhanced Risk Management Guidelines in October 2025, we have moved beyond simple compliance. Our leadership treats risk management as a strategic enabler balancing the pursuit of growth with the necessity of capital preservation.
Key Pillars of Our Risk Culture

To ensure that risk awareness is woven into the fabric of our daily operations, SBAC Bank focuses on four critical pillars:

- **Individual Accountability:** We operate on the principle that risk management is everyone's responsibility. From frontline staff to senior executives, every employee is empowered to identify and escalate potential concerns.
- **Risk-Return Calibration:** Decisions are never made in a vacuum. Every credit extension and investment is weighed against its risk-return profile to ensure it aligns with our long-term sustainability goals.
- **Continuous Learning:** In light of evolving macroeconomic conditions, we invest heavily in training programs that align our staff with the latest Bangladesh Bank Core Risk Management Guidelines.
- **Transparency and Open Communication:** We foster an environment where "bad news travels fast." Early identification of material risks allows for swift mitigation, protecting both our financial performance and our reputation.

A robust risk culture is the bedrock of Sustainable Banking. By rigorously managing our exposure to credit, market, and operational risks, we ensure that SBAC Bank remains a stable partner for our customers and a reliable investment for our shareholders. We do not seek to eliminate risk; we seek to own it, manage it, and leverage it to create lasting value.

Risk Management Framework

At SBAC Bank, Risk Management is viewed as a dynamic, evolving process intrinsically linked to our organizational philosophy, corporate culture, and core functionalities. Our framework is designed to identify, measure, and mitigate risks, ensuring we shield our capital base while consistently maximizing value for our shareholders.

Strategic Philosophy and Governance

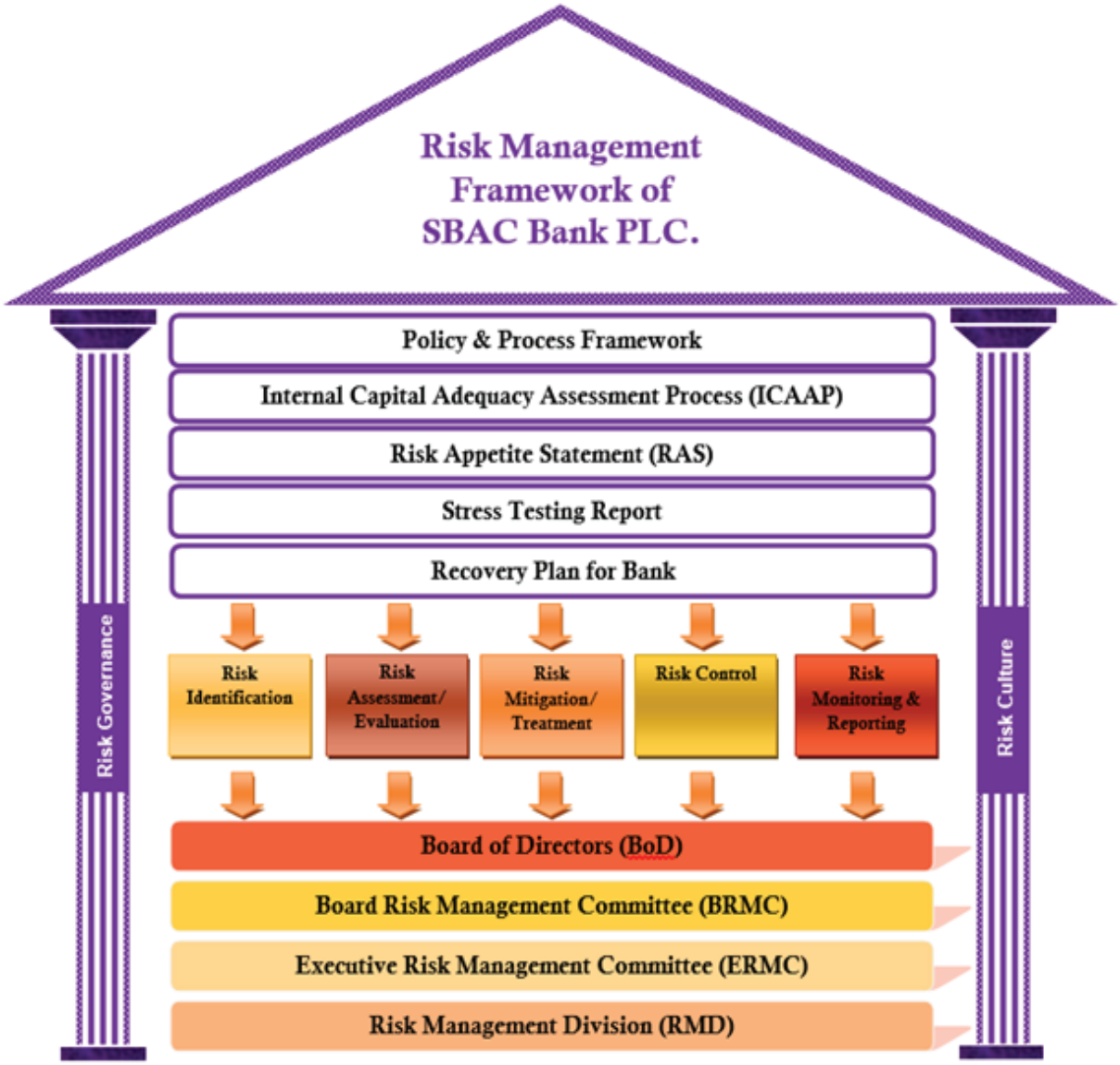
SBAC Bank places the utmost priority on establishing and maintaining a sophisticated risk management infrastructure. We recognize that a resilient bank is built on robust systems and agile procedures. To this end:

- **Board Oversight:** All risk policies and procedural guidelines are rigorously reviewed and approved by the Board of Directors. These documents are not static; they undergo regular assessments and periodic updates to reflect changing market dynamics and regulatory requirements.
- **Resource Commitment:** We dedicate significant institutional resources to upgrading our risk systems. This includes investing in the capacity, skills, and technical expertise of our personnel to ensure our "human capital" is as resilient as our digital infrastructure.

The Risk Management Lifecycle

Recognizing the impact of both internal and external risk domains, SBAC Bank has institutionalized a comprehensive process tailored to our specific risk profile. This lifecycle ensures that no threat goes unaddressed:

- **Definition & Identification:** Clearly articulating and spotting potential vulnerabilities across all business lines.
- **Analysis & Measurement:** Utilizing quantitative and qualitative methodologies to assess the potential impact on the Bank's health.
- **Acceptance & Management:** Determining risk appetite and ensuring that all accepted risks are within manageable thresholds.
- **Mitigation & Control:** Implementing proactive measures to minimize adverse outcomes and protect the Bank's reputation and financial integrity.



Operational Excellence
Our framework transcends mere compliance. By integrating risk management into our day-to-day operations, we ensure that every strategic decision is informed by a thorough understanding of its risk-return profile. This disciplined approach allows SBAC Bank to navigate macroeconomic uncertainties with confidence, ensuring long-term sustainability for our stakeholders.

Risk Mitigation Methodology

At SBAC Bank PLC, risk management is not merely a regulatory requirement; it is a fundamental pillar of our operational strategy. Our approach is designed to foster resilience, ensure financial stability, and maintain the trust of our depositors and investors.

1. Credit Risk Management

Credit risk remains the most significant exposure for the Bank. Our management strategy focuses on balancing portfolio growth with prudent risk selection. We employ a rigorous framework that integrates internal credit rating systems, comprehensive financial analysis, and systematic collateral evaluation.

- **Assessment & Monitoring:** We continuously evaluate the creditworthiness of borrowers, setting clear lending policies and establishing strict risk limits.
- **Portfolio Resilience:** Regular monitoring allows us to proactively identify potential defaults, thereby safeguarding assets and maintaining necessary liquidity.

2. Market Risk Management

To navigate the volatility of financial markets, SBAC Bank utilizes sophisticated models to protect our capital against adverse movements in interest rates, foreign exchange, equity prices, and commodity costs.

Our Approach:

- **Policy Compliance:** Adherence to robust, board-approved risk frameworks that ensure stability during uncertain periods.
- **Control Implementation:** Strict enforcement of regulatory limits, counterparty limits, and delegated authorities.
- **Quantification:** Utilization of Value at Risk (VaR) analysis to model potential losses under adverse conditions.
- **Strategic Caps:** Imposing strict limits on capital market exposures to prevent over-concentration.
- **Data Integrity:** Ensuring the absolute accuracy and reliability of all market data used in decision-making processes.

3. Liquidity Risk Management

Effective liquidity management ensures that SBAC Bank can meet all financial obligations as they fall due, even under stressed market conditions.

- **Liquidity Strategy:** Our approach includes ongoing liquidity stress-testing, precise cash flow forecasting, and the maintenance of adequate liquidity reserves.
- **Contingency Planning:** We maintain a robust liquidity contingency plan, complete with early warning indicators and recovery protocols, ensuring that we remain resilient against unexpected market shocks.

4. Operational Risk Management

Operational risk is inherent across all business units. In 2025, SBAC Bank revamped its Operational Risk Management Framework (ORMF) to align with global best practices, ensuring it remains dynamic and scalable.

Key Governance Pillars:

- **Three Lines of Defense (3LoD) Model:** We utilize a 3LoD structure to enforce accountability.
  - *First Line: Business units and frontline employees.*
  - *Second Line: Risk management and compliance oversight.*
  - *Third Line: Independent internal audit.*
- **Governance & Oversight:** The Board and Senior Management provide strategic direction, while the Operational Risk Management Committee maintains a pragmatic, issue-resolution-focused approach.
- **Policy Integration:** Detailed procedures guide the First Line of Defense, covering everything from risk identification to escalation strategies.

5. Internal Control and Compliance

The Internal Controls and Compliance Division (ICCD) ensures the integrity of the bank's operations through a risk-based oversight mechanism.

Core Mitigation Strategies:

- **Structural Sustainability:** Focuses on preventing contagion effects.
- **Audit Evolution:** Transitioning to a Risk-Based Internal Audit (RBIA) approach supported by remote auditing capabilities via secure IT platforms.
- **Scope of Monitoring:** Our compliance framework covers:
    - Fraud detection (Internal and External).
    - Workplace safety and employment practices.
    - Technology and infrastructure failure risks.
    - Resolution of irregularities (Bangladesh Bank, external audits, internal audits, and customer complaints).

6. Strategic Risk Management

Strategic risk is treated as a critical operational component, given its potential impact on the Bank's capital base. We assess strategic risk through seven primary Key Risk Indicators (KRIs):

Risk Indicator	Objective
CAMELS Rating	Overall health and performance assessment.
Operational Expenses to Operational Profit Ratio	Operational efficiency monitoring.
Classified Loans Ratio	Quality assessment of the loan portfolio.
Recovery Metrics	Tracking recovery from classified and written-off loans.
Portfolio Dynamics	Monitoring interest waivers and loan rescheduling frequency.

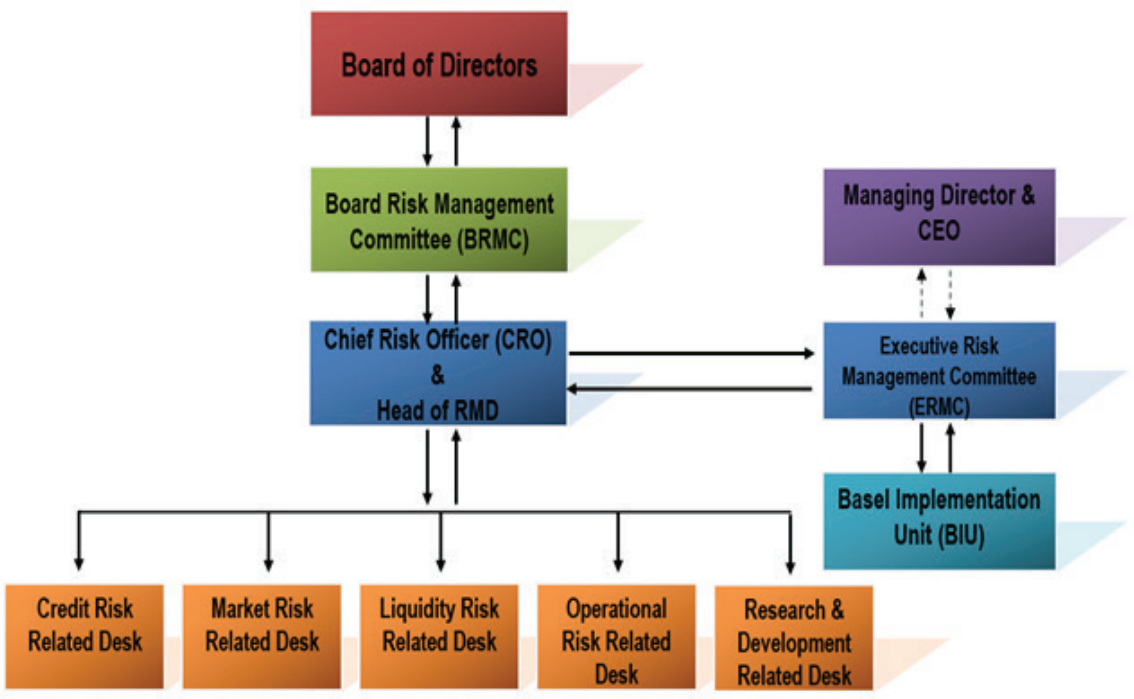
Strengthening Risk Oversight and Governance

To strengthen its risk oversight framework, SBAC Bank has established a dedicated Risk Management Division (RMD), led by a Chief Risk Officer (CRO). The RMD plays a central role in monitoring various types of risks and fostering a strong risk culture within the organization. In compliance with Bangladesh Bank's DOS Circular Letter No. 04 dated October 08, 2018 and DOS Circular Letter No. 03 dated January 24, 2023, the Bank's Risk Management Division has prepared a Risk Appetite Statement, focusing on key risk areas. This was approved by the Board of Directors in its 192nd meeting held on February 02, 2025.

SBAC Bank remains committed to strengthening its risk management capabilities and aligning them with regulatory requirements and global best practices to ensure long-term financial stability and value creation.

Risk Management Organogram

As per the requirement of Bangladesh Bank DOS Circular No. 04 dated October 08, 2018, the Board of Directors of SBAC Bank PLC. has approved the Risk Management Organogram of the Bank. The current Risk Management Organogram is as below:



Board Risk Management Committee

As per directives of Bangladesh Bank circular no. 11 dated November 27, 2013, the Board of Directors of SBAC Bank has reformed the Risk Management Committee consisting of 4 (four) members of the Board of Directors in its 201st meeting held on October 14, 2025. The members of the committee are given below:

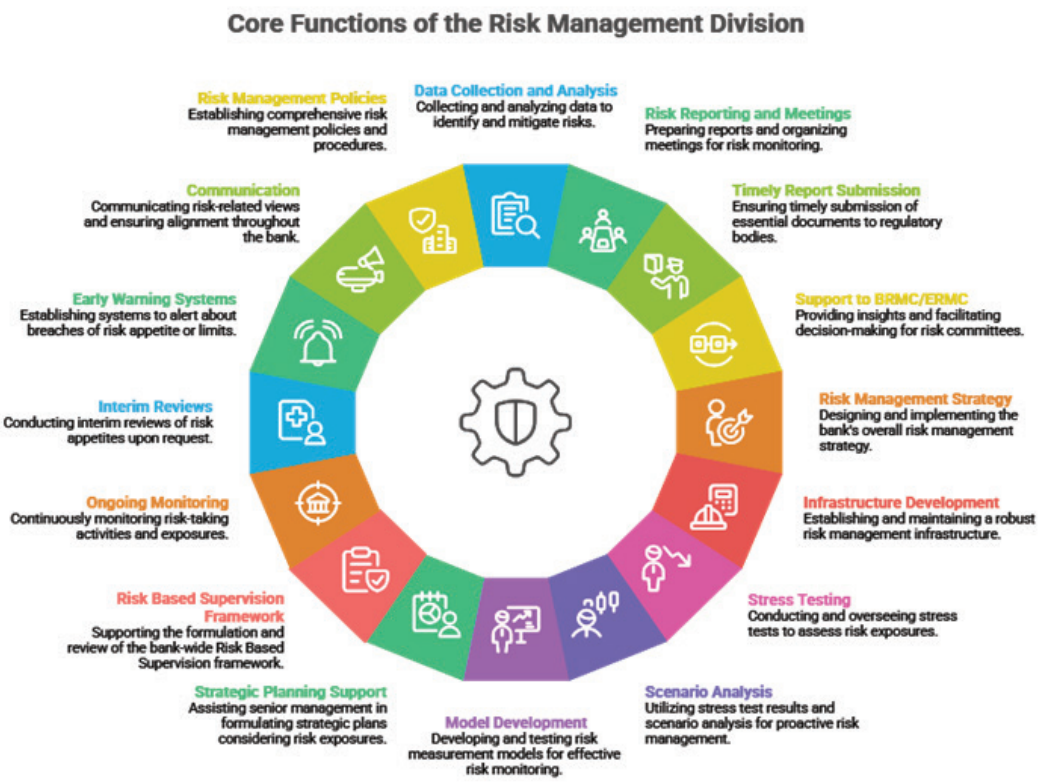
Sl. No.	Name of Directors	Position of the Committee
1	Mr. Mohammad Nazmul Huq	Chairman
2	Mr. Mohammed Ayub	Member
3	Mr. Mushfiqur Rahman	Member
4	Major Abu Fateh Md. Bashirur Rahman (Retd.)	Member

Chief Risk Officer (CRO) and Executive Risk Management Committee (ERMC) of the Bank

Mr. Md. Altaf Hossain Bhuyan, Deputy Managing Director of the Bank, is currently serving as the Chief Risk Officer (CRO) of the Bank as per the instruction given by Bangladesh Bank through DOS Circular no. 04 dated October 08, 2018. The Bank has also formed an Executive Risk Management Committee headed by Mr. Md. Altaf Hossain Bhuyan, Deputy Managing Director & CRO of the Bank along with other related divisional heads as the member of the committee.

Risk Management Division

In compliance with Bangladesh Bank Letter No. DOS (RMMS) 1154/1/SBAC/2013-397 dated December 02, 2013, SBAC Bank PLC has established a separate Risk Management Department (RMD) under the leadership of the Chief Risk Officer (CRO). This department is responsible for overseeing and strengthening the Bank's risk management framework through the following key activities:



The Risk Management Division is integral to the bank's operational framework, ensuring that risks are effectively identified, assessed, and managed. Through its comprehensive approach to risk management, the division not only protects the bank's assets but also supports its strategic objectives and regulatory compliance. By fostering a culture of risk awareness and proactive management, the division plays a pivotal role in the bank's long-term success and sustainability.

Preparedness in Implementation of Basel-III

Basel III reforms are the response of Basel Committee on Banking Supervision (BCBS) to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spillover from the financial sector to the real economy. These new global regulatory and supervisory standards mainly address the following areas:

- Raise the quality and level of capital to ensure banks are better able to absorb losses on both a going concern and a gone concern basis;
- Increase the risk coverage of the capital framework;
- Introduce leverage ratio to serve as a backstop to the risk-based capital measure;
- Raise the standards for the supervisory review process (Pillar 2); and
- Public disclosures (Pillar 3) etc.

Bangladesh Bank vide BRPD Circular No. 18 dated December 21, 2014 issued Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel-III). The Bank's implementation status of Basel-III guidelines is as under:

Particulars	Basel-III required for 2025	Bank Position	Remarks
Minimum Common Equity Tire-1 (CET-1) Capital Ratio	4.50%	12.07%	Excess 7.57%
Minimum Capital plus Capital Conservation Buffer (Buffer 2.50%)	7.00%	12.07%	Excess 5.07%
Minimum T-1 Capital Ratio	6.00%	12.07%	Excess 6.07%
Minimum Total Capital Ratio	10.00%	13.37%	Excess 3.37%
Minimum Total Capital plus Capital Conservation Buffer	12.50%	13.37%	Excess 0.87%
Leverage Ratio	3.00%	7.73%	Excess 4.73%
Liquidity Coverage Ratio	≥ 100%	121.32%	Excess 21.32%
Net Stable Funding Ratio	> 100%	176.46%	Excess 76.46%

Capital Position of SBAC Bank PLC

As per directives of the Bangladesh Bank, every bank is required to maintain capital at 12.50% including buffer capital of its risk-weighted assets under Basel-III or Tk.400.00 crore whichever is higher for the year 2025. The Common Equity Tier-1 (CET-1) capital should be minimum 4.50 percent of total capital. SBAC Bank maintained total eligible capital Tk. 1219.39 crore as on 31.12.2025 which was 1,179.88 crore as on 31.12.2024. The Capital to Risk Weighted Asset Ratio of the Bank was 13.37% as on 31.12.2025 of which CET-1 was 12.07%. So, SBAC Bank maintains excess capital as per requirement of Bangladesh Bank and the bank stands on strong capital base.

Implementation of Risk Based Supervision (RBS)

To strengthen the bank supervision system in the context of the growing complexity of the financial landscape and to align with global standards and best practices, Bangladesh Bank (BB) has decided to implement Risk Based Supervision (RBS) across the banking sector from January 2026. The transition from the existing compliance based supervisory approach to RBS aims to ensure the resilience and soundness of the banking system and promote overall financial stability through enhanced risk management, proactive supervisory engagement, and timely interventions. In this regard, Bangladesh Bank, Supervisory Policy and Coordination Department (SPCD) have already issued 3 circulars.

This transition requires the Bank to demonstrate robust risk management, governance, and internal control capabilities. Unlike traditional supervision which focuses on ticking boxes for compliance, RBS is forward-looking and process-based. It assesses the inherent risks of the Bank and the quality of our internal controls to determine a composite risk profile. The level of BB's supervisory intensity will now be tailored to our specific risk profile.

Challenges for Commercial Banks

- **Technology and Data:** Banks need to invest in advanced IT and Management Information Systems (MIS) to ensure accurate, complete, and timely data for risk assessment and reporting.
- **Human Resources and Skills:** A key challenge is the need for specialized skills and expertise in risk management, requiring reorientation and extensive training for staff to transition from a compliance mindset to a risk-focused one.
- **Cultural Shift:** The successful implementation of RBS depends heavily on a fundamental shift in the risk culture within banks, ensuring commitment from top management and integrating risk assessment into daily decision-making processes.

Challenges for Commercial Banks

- RBS Coordination Committee formed
- Nominated Focal Point Official (FPO) and Deputy Focal Point Official (DFPO)
- Comprehensive Gap Analysis completed
- Corrective Action Plan finalized
- Draft Self-Assessment Report prepared
- Transition phase initiated for 2026 implementation

Focal Point Official (FPO) and Deputy Focal Point Official (DFPO) of the Bank

	Focal Point Official (FPO)	Deputy Focal Point Official (DFPO)
Name:	Mr. Md. Altaf Hossain Bhuyan	Mr. Md. Abdul Mannan
Designation:	Deputy Managing Director & CRO	Executive Vice President
E-mail:	altaf@sbacbank.com	abdul.mannan@sbacbank.com

Risk Report

At SBAC Bank, we recognize that effective risk reporting is the cornerstone of a resilient risk management framework. By transforming raw data into actionable intelligence, we provide our internal and external stakeholders with a transparent and granular view of the Bank's risk profile.

This reporting mechanism is a fundamental pillar of our governance, built upon two critical, reinforcing elements: Comprehensive Reporting and Strategic Analysis.

The synergy between reporting and analysis ensures that SBAC Bank does not just monitor risk we understand it. By continuously refining our Management Information Systems (MIS), we provide senior management and the Board with the clarity needed to navigate complex market conditions while staying true to our commitment to sustainable banking.

The following reports and meeting minutes are prepared by the Risk Management Division for effective risk management:

Name of the Report	Description	Frequency
Monthly Risk Management Report (MRMR)	▪ Prepared in accordance with the guidelines and supervision of Bangladesh Bank. ▪ Provides a brief overview of the bank's risk profile across all key risk dimensions.	Monthly
Comprehensive Risk Management Report (CRMR)	▪ Prepared in accordance with the guidelines and supervision of Bangladesh Bank. ▪ Provides a comprehensive overview of the bank's risk profile across the key risk areas. ▪ Helps to measure the bank's risk prone areas.	Half Yearly
Internal Capital Adequacy Assessment Process (ICAAP)	▪ Quantifies the entire risk profile. ▪ Measures adequate capital requirement to support wide ranging risks. ▪ Ensures effective process is in place to determine internal capital targets.	Annually
Stress Testing	▪ Conducts scenario analysis under a set of exceptional but plausible assumptions to find out imminent impacts on capital base. ▪ Proactively triggers alert on the magnitude of potential scenarios.	Quarterly
Risk Appetite Statement	▪ It sets out the limit, tolerance and appetite of sector wise, industry wise, region wise credit portfolio.	Annually
Recovery Plan for Banks	▪ Helps to identify the potential shocks in advance so that the bank can act promptly and effectively in the event of a stress situation. ▪ The plan ensures maximizing the bank's survival prospects without supervisory or government intervention/ support/ forbearance	Annually
Risk Based Supervision	▪ Ensure supervisor to implement forward looking approach to identify high risk areas of the Bank and apply its scarce regulatory resources, to monitor and control of that risk by submitting required structured data to RITs and unstructured documents via designated web portal.	Monthly, Quarterly, and Yearly

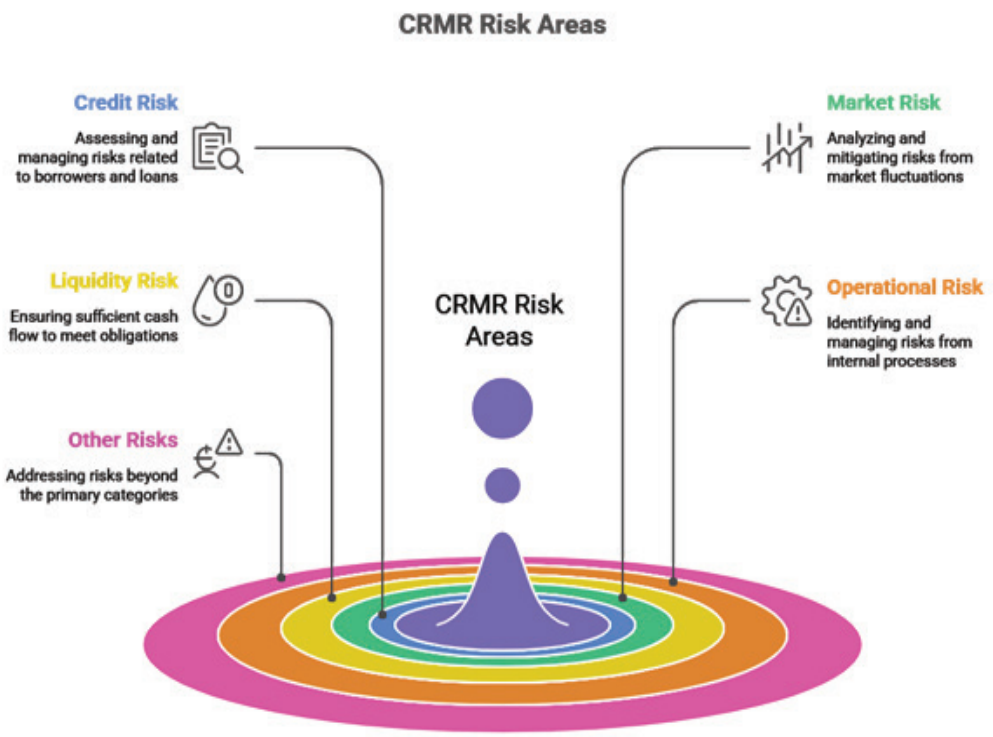
Name of the Report	Description	Frequency
ERMC meeting minutes	▪ Discussion on the overall risk issue of the Bank and their prospective solution. ▪ Ensure successful risk management across the Bank.	Monthly
SRP meeting minutes	▪ Ensure adequate capital to support all the risks in the Bank and encourage Bank to develop and use better risk management techniques in monitoring and managing the risks.	Bi-Monthly
Board approved review report of Risk Management Policies and effectiveness of Risk Management Functions	▪ The report is submitted to Bangladesh bank to demonstrate the yearly performance of RMD pursuant to the BB guidelines and directives.	Annually

Stress Testing

Stress Testing is a risk management technique used to evaluate the potential effects of Bank's financial condition of a specific event and/or movement in a set of financial variables. It is also an integral part of the Capital Adequacy Framework. The traditional focus of stress testing relates to exceptional but plausible events. SBAC Bank performs quarterly basis stress testing within the scope of Bangladesh Bank FSD circular no. 01 dated December 30, 2024.

Comprehensive Risk Management Report

In compliance with Bangladesh Bank, Risk Management Division prepares Risk Management Report (RMR) & Comprehensive Risk Management Report (CRMR) and presents it before Executive Risk Management Committee on monthly basis & half yearly basis respectively for taking necessary steps to mitigate various risks which are being submitted to Bangladesh Bank in time. In the CRMR various risk issues like credit risk, market risk, liquidity risk, operational risk and other risks are analyzed and reported.



Internal Capital Adequacy Assessment Process (ICAAP) Report

Internal Capital Adequacy Assessment Process (ICAAP), including an evaluation of the bank's preferred risk profile, the actual risks identified, the means by which they will be mitigated, and what risks will be covered by capital. The ICAAP reporting must be approved by the Board of Directors of the banks before submitting to Bangladesh Bank. The information provided in the ICAAP reporting will be verified by Inspection Departments of Bangladesh Bank. In the year 2025, SBAC Bank sent the ICAAP Report and Supplementary Documents to the Bangladesh Bank based on December 31, 2024 after approval of the Board of Directors in its 196th meeting held on June 29, 2025. Besides the ICAAP Report based on December 2025 will be submitted in time. The capital position of the bank after considering both Pillar I & II as per Basel III framework are as under (as per the SRP Team evaluation):

Minimum Capital Requirement under Pillar-1:

Under Pillar-1, the minimum capital requirement is 10% of Risk Weighted Asset (RWA) or Tk.400.00 Crore whichever is higher. The RWA is calculated by taking into consideration of Credit Risk, Market Risk and Operational Risk. The capital position of the Bank under pillar-1 as per audited Balance Sheet of the Bank based on 31.12.2024 is as under:

SL. No	Particulars	Amount (Tk. crore)
01	Credit Risk Weighted Asset	7,391.17
02	Market Risk Weighted Asset	274.93
03	Operational Risk Weighted Asset	916.67
04	**Total Risk Weighted Asset (RWA)**	**8,582.77**
05	10% of Risk Weighted Asset (RWA)	858.27
Minimum Capital Requirement (MCR) under Pillar-1		**858.27**

Additional Capital Requirement under Pillar-2:

Under Pillar -2, additional capital to be maintained for Residual Risk, Concentration Risk, Liquidity Risk, Reputation Risk, Strategic Risk, Settlement Risk, Evaluation of Core Risk Management, Environmental & Climate Change Risk and Other Material Risks (Accounting Risk, Human Resources Risk and Natural Disaster Risk). We have calculated capital requirement for the above risks (copy enclosed) which is as under:

SL. No	Particular of Risk	Capital Requirement (Tk. crore)
01	Residual Risk	23.70
02	Concentration Risk	17.17
03	Liquidity Risk	0.00
04	Reputation Risk	43.58
05	Strategic Risk	34.34
06	Settlement Risk	0.00
07	Evaluation of Core Risk Management	0.00
08	Environmental & Climate Change Risk	12.49
09	Other Material Risks	0.00
Total Capital Requirement under Pillar-2		**131.28**
Less: Operational Risk under Pillar-1 (Adjustment of Strategic risk and Settlement Risk with Operational Risk)		**34.34**
Additional Capital Requirement under Pillar-2		**96.94**

Total Capital Requirement under Pillar-1 & Pillar-2:

Particulars	Capital Requirement (Tk. crore)
Minimum Capital Requirement (MCR) under Pillar-1	858.27
Additional Capital Requirement under Pillar-2	96.94
Total Capital Requirement under Pillar-1 & Pillar-2	**955.21**
Bank's Eligible Capital as on 31.12.2024	**1,179.89**
Excess Capital	**224.68**

Recovery Plan

Bangladesh Bank (BB) in its BRPD Circular No. 03 dated February 24, 2022 has outlined the necessity and process of formulating Recovery Plan of each bank to protect banks' on-going functions for the financial intermediation process and to uphold public confidence in the banking system.

In strict alignment with Bangladesh Bank directives, SBAC Bank has established a robust Recovery Planning Framework. This framework serves as a strategic blueprint designed to safeguard the Bank's viability and ensure operational continuity during periods of extreme financial stress or systemic crisis.

A Holistic Approach to Crisis Management

SBAC Bank's Recovery Plan is a comprehensive toolkit intended for activation during stress events that may jeopardize the Bank's stability. A key principle of our framework is self-sufficiency; the plan focuses on internal recovery measures to restore financial health independently of external public funding or extraordinary regulatory support.

To ensure seamless execution, the Recovery Plan is fully integrated with our broader strategic and operational pillars, including:

- **Capital & Liquidity Management:** Harmonized with stress testing and capital forecasting.
- **Operational Continuity:** Aligned with Business Continuity (BCP) and Disaster Recovery (DR) protocols.
- **Risk Appetite:** Linked directly to our Internal Capital Adequacy Assessment Process (ICAAP) and the SRP-SREP dialogue.

Governance and Trigger Mechanisms

The Bank maintains a "vigilance-first" approach through the continuous monitoring of Early Warning Signals (EWS) and Management Action Triggers (MATs).

- **Escalation Protocol:** Any breach of recovery thresholds is immediately escalated to Senior Management.
- **Decisive Leadership:** A threshold breach does not trigger automatic activation; instead, it initiates a high-level consultative process between Senior Management and the **Board of Directors**. This ensures that recovery options are deployed with precision and context-specific judgment.
- **Transition Management:** Leadership remains responsible for determining the transition from recovery back to "Business-as-Usual" (BAU) once stability is restored.

Objectives and Framework Components

The primary objective of the Recovery Plan is to provide a clear roadmap for governance and corrective action. The plan is updated annually and submitted for review by the Central Bank to ensure it remains relevant to the current macroeconomic climate.

Disclosure of Risk Management Reporting

The Department of Off-Site Supervision of Bangladesh Bank has issued Risk Management Guidelines for Banks through DOS Circular Letter no. 04 dated October 08, 2018. Each Bank has been instructed to prepare a comprehensive Risk Management Guidelines following the guidelines issued by Bangladesh Bank considering the nature, size and complexities of its business activities. The Banks have also been instructed to reconstruct its Risk Management Organogram and appoint Chief Risk Officer (CRO) as the head of Risk Management Division (RMD). The Banks are also instructed to submit half yearly Comprehensive Risk Management Reports, Monthly Risk Management Reports, quarterly Stress Testing Reports, Risk Appetite Statement for each year and a review report of Risk Management Policies and effectiveness of risk management functions for each year which will be approved by the Board of Directors of the Bank. To comply these regulatory requirements, the following review report of Risk Management Policies and the effectiveness of Risk Management Functions of the Bank for the year 2025 have been prepared:

Sl. No.	Particulars	Compliance
01	Preparation of comprehensive "Risk Management Guidelines" followed by concerned latest circular of Bangladesh Bank.	As per DOS Circular Letter no. 04, dated October 08, 2018 SBAC Bank has reviewed its "Risk Management Guidelines" which has been approved by the Board of Directors of the Bank in its 202nd meeting held on October 29, 2025.
02	Formation of Board Risk Management Committee (BRMC) of the Bank.	As per Bangladesh Bank's BRPD Circular No. 02 dated February 11, 2024, SBAC Bank has formed 04 (Four) members Board Risk Management Committee which has lastly been approved in 201st meeting of the Board of Directors of the Bank held on October 14, 2025. The Committee comprises of the following members: 01. Mr. Mohammad Nazmul Huq - Chairman; 02. Mr. Mohammed Ayub – Member; 03. Mr. Mushfiqur Rahman –Member; 04. Maj. (Retd.) Abu Fateh Md. Bashirur Rahman– Member.
03	BRMC Meeting	As per Bangladesh Bank's BRPD Circular No. 02 dated February 11, 2024, 04 (four) meetings of BRMC of SBAC Bank PLC has been held during the year 2025. Major agendas of the meetings were yearly / half yearly Comprehensive Risk Management Report, Monthly Risk Management Report, ICAAP Report, Stress Testing Report, Position of Overdue and Classified Accounts and its Recovery Status, Capital position of the Bank etc.
04	Appointment of Chief Risk Officer (CRO)	As per DOS Circular Letter no. 03 dated January 24, 2023 SBAC Bank PLC has appointed Mr. Md. Altaf Hossain Bhuyan, Deputy Managing Director, as the CRO of the Bank.
05	Formation of Executive Risk Management Committee (ERMC) of the Bank.	As per DOS Circular Letter no. 03 dated January 24, 2023 SBAC Bank PLC has formed 14 (fourteen) members ERMC headed by CRO of the Bank. Heads of major Divisions of the Bank are included in the Committee.
06	ERMC Meeting	As per DOS Circular Letter no. 03 dated January 24, 2023 the meetings of ERMC of SBAC Bank PLC held in every month during the year 2025. Major

Sl. No.	Particulars	Compliance
06	ERMC Meeting	agendas of those meetings were the findings of the risk reports and took appropriate decisions to minimize/ control risks.
07	Formation of Supervisory Review Process (SRP) Team.	As per Bangladesh Bank's ICAAP Guidelines, each Bank must have an exclusive body naming Supervisory Review Process (SRP) Team which to be constituted by the concerned divisional heads and headed by the Managing Director of the Bank. The Board of Directors of SBAC Bank in its 173rd meeting held on November 15, 2023 has reformed the SRP Team consists of 14 (Fourteen) members headed by the Managing Director of the Bank. The BOD has also approved the Terms of Reference (ToR) of SRP Team of the Bank.
08	Meetings of SRP Teams	As per the guidelines the SRP Team must meet at least bi-monthly to monitor the implementation of Supervisory Review Process. For this, 06 (six) meetings of SRP Team of the Bank have been held during the year 2025 for discussion and implementation of following issues: ▪ Sound Capital Assessment of the Bank; ▪ Comprehensive assessment of the following risks: i. Residual risk ii. Concentration Risk iii. Liquidity risk iv. Reputation risk v. Strategic risk vi. Settlement risk vii. Appraisal of core risk management practice viii. Environmental and climate change risk ix. Other material risk. ▪ Monitoring and reporting of every risk's aspect ▪ To analyze the stress testing report of the bank ▪ To analyze present as well as future capital needs for the bank and adopt suitable capital raising methods satisfying the prudential and regulatory requirements

Sl. No.	Particulars	Compliance
		▪ Follow up for reduction of documentary lapses as detected by Internal Control & Compliance Division ▪ To reduce additional capital requirement through compliance of documentation lapses ▪ To exert all out efforts for preparation of supplementary documents along with ICAAP report.
09	Management Action Trigger (MAT)	MAT is the trigger level to warn of persistently unaddressed high risk level area that may cause severe disruption in internal control mechanism. MAT defines management tolerance level in specific area. SBAC Bank PLC has identified its Management Action Triggers which has been approved by the Board of Directors of the Bank in its 92nd meeting held on June 30, 2019. SBAC Bank has identified tolerance level in the MAT for the risk areas like operational risk, capital management, liability concentration, credit concentration, geographical distribution of portfolio, capital market exposure, money market exposure and liquidity risk.
10	Self-assessment of core risk	As per ICAAP guidelines of Bangladesh Bank and circular no. BRPD(BIC)661/14B(P)/2014-1085 dated February, 2014 each bank has to develop self-assessment procedure for each core risk as well as to calculate own risk rating at least once in a year. The Board of Directors of SBAC Bank PLC in its 48th meeting held on June 02, 2016 has approved the Methodology for Assessment Procedure of Core Risks. In line with this the SRP Team of SBAC Bank has evaluated the core risks for the year 2024 and submitted to the Bangladesh Bank as supplementary documents of ICAAP report which has been approved by the Board of Directors of the Bank in its 196th meeting held on June 29, 2025.

Sl. No.	Particulars	Compliance
11	Revision of 06 core risk guidelines	SBAC Bank PLC has 06 (six) Core Risk Management Guidelines i.e., Credit Risk Management (CRM), Asset Liability Management (ALM), Foreign Exchange Risk Management, Prevention of Money Laundering and Terrorist Financing, Internal Control and Compliance Risk Management Guidelines and Information and Communication Technology (ICT) risk guidelines. All of the guidelines have been revised time to time to adapt with the changing banking environment as well as to deal with various risk issues prudently and approved by the Board of Directors of the Bank as per instruction of Bangladesh Bank.
12	Basel Unit	Basel unit is responsible for calculating Capital to Risk Weighted Asset Ratio (CRAR) of the Bank in light of Risk Based Capital Adequacy (RBCA) guidelines to ensure better coordination and effective implementation of Basel Accord specially to review the Minimum Capital Requirement (MCR) for the Bank. According to Bangladesh Bank letter no. DOS(CAMS)1157/01/(II)-A-2015-9344 dated June 25, 2015, SBAC Bank PLC has re-formed a 14 (Fourteen) members Basel Unit lastly on 30.03.2023.
13	MANCOM and compliance of its decisions	The Bank has formed the Management Committee (MANCOM) which is responsible for the overall management of the Bank. This is the highest level of management committee of the Bank. MANCOM meets in periodical meetings generally once in a month and has been performing its functions properly.
14	Various committee and compliance of its decisions	The Bank has formed other required committees like Asset Liability Management Committee (ALCO), Credit Committee (CC), and separate core risk management committee which is functioning in its respective areas. ALCO meets at least once in a month and Credit Committee meets weekly/ bi-weekly basis.

Sl. No.	Particulars	Compliance
15	Periodic statements sent to Bangladesh Bank	Monthly Risk Management Report which is to be submitted quarterly, Stress Testing Report to be submitted quarterly, Risk Appetite Statement covering all risks to be submitted yearly, ICAAP report and subsequent revised ICAAP report along with supplementary documents and disclosures on Risk Based Capital as per Basel III Guidelines to be uploaded in the Bank's website and send to Bangladesh Bank on yearly basis. All reports have been sent timely to Bangladesh Bank.
16	Compliance on Comprehensive Risk Management Rating	Bangladesh Bank Conducts Comprehensive Risk Management Rating on each Bank based on the yearly/ half yearly CRMR and monthly Risk Management Report. Comprehensive Risk Management Rating of our Bank as on June 30, 2025 was 3.69 i.e., 4 which indicates 'High' risk grading of the Bank. The Risk Management Division of the Bank has sent the compliance report to Bangladesh Bank on the basis of their findings on January 26, 2026.
17	CAMELS rating and Core Risk Rating	Bangladesh Bank conducts CAMELS rating for each bank on half yearly basis. As on December 31, 2024 composite CAMELS rating of the bank were 4.44 i.e., 4 or Marginal.
18	Maintaining Capital Adequacy of the Bank	The Bank Measures Minimum Capital Requirements (MCR) and Risk Weighted Assets (RWA) as well as adequate capital under SRP to implement Basel Accord as per Bangladesh Bank's Guidelines on Risk Based Capital Adequacy. As on December 31, 2025 CRAR of the Bank stood at 14.17% (Provisional).

Annual Risk Conference

The Bank successfully conducted Annual Risk Conference 2025, held on December 13, 2025, where members of senior management team and risk management committee including heads of the divisions and in-charges of branches participated physically and on zoom platform. Besides, the Director of Department of Offsite Supervision (DOS) of Bangladesh Bank, Mr. A.N.M. Moinul Kabir, along with another resource person of Bangladesh Bank were presented at the conference and delivered valuable speech to the participants.

Key Risk Indicator (KRI)/ Risk Register

The KRI is one of the effective tools for comprehensive risk management that shall be maintained by the bank to identify the key business and financial risks, to define and implement respective controls/ mitigating factors to reduce the risks faced by the bank. We are in the process of implementing Risk Register for ensuring better management of the risk indicators. The Risk Management Division of the Bank has suggested for rating of each risk element by-

- the chance of the risk happening – **'likelihood'**
- the amount of loss or damage if the risk happened – **'impact' (consequence)**

A risk matrix has been developed combining likelihood and impact in order to obtain a risk score. How the risk score is derived can be seen from the following risk matrix:

LIKELIHOOD	Frequent (5)	Low	Medium	High	Extreme	Extreme
	Very Likely (4)	Low	Medium	High	High	Extreme
	Likely (3)	Low	Medium	Medium	High	High
	Unlikely (2)	Low	Low	Medium	Medium	Medium
	Very Unlikely (1)	Low	Low	Low	Low	Low
	What is the Chance it will Happen?	Negligible (1)	Minor (2)	Moderate (3)	Considerable (4)	Major (5)
		IMPACT				
		How Serious is the Risk?				

From the above initiatives, it is evident that SBAC Bank PLC is actively working to manage all risks associated with its operations and services in an efficient and effective manner. These efforts aim not only to strengthen the Bank's overall risk management framework but also to improve its Risk Management Rating, which is a key component of the CAMELS rating system. An improved Risk Management Rating significantly influences several regulatory and operational aspects, including the Bank's eligibility to obtain new branch licenses, Authorized Dealer (AD) licenses, and approvals for dividend declarations, among others. In this context, regular meetings of the Risk Management Committee of the Board, the Executive Risk Management Committee, and the Supervisory Review Process (SRP) Team have been conducted. The Risk Management Division (RMD) has diligently performed its responsibilities in line with the instructions and guidelines set forth during these committee meetings, ensuring that risk-related matters are properly addressed and managed in accordance with regulatory expectations and the Bank's internal risk governance framework.

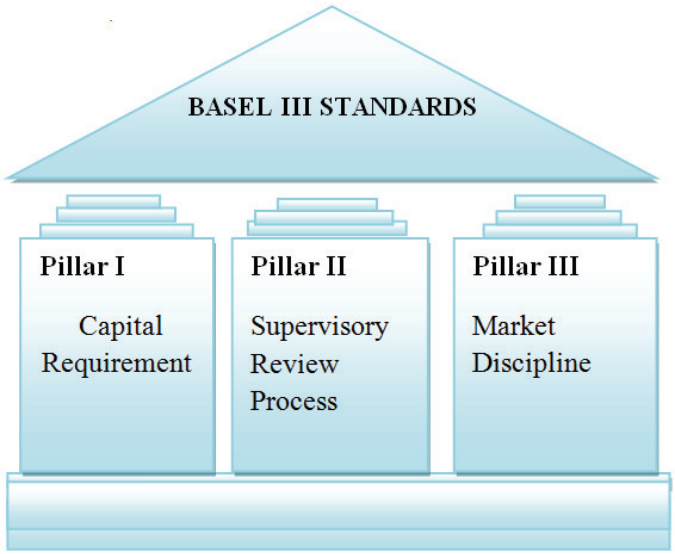
On behalf of the Risk Management Committee,

Mohammad Nazmul Huq
Chairman
Risk Management Committee of the Board

DISCLOSURES ON RISK-BASED CAPITAL (BASEL III)

As on 31 December 2025

The purpose of Market Discipline in Basel III is to complement the minimum capital requirements and the supervisory review process. The aim of introducing Market Discipline is to establish a more transparent and more disciplined financial market so that stakeholders can assess the position of a Bank regarding the holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets. For the said purpose, SBAC BANK PLC. has developed a set of disclosures called "Disclosures on Risk Based Capital (Basel III)" which contains a key piece of information on the assets, risk exposures, risk assessment process, and hence the capital adequacy to meet the risks in accordance with Bangladesh Bank guidelines.



1.0 Scope of Application:

Qualitative Disclosure		
a)	The name of the top corporate entity in the group to which this guideline applies;	SBAC BANK PLC.
b)	An outline of differences in the basis of consolidation for accounting & regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated, (b) that are given a deduction treatment, and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted);	The disclosure made in the following sections has addressed SBAC BANK PLC. as a single entity (Solo Basis) as well as a consolidated entity (Consolidated Basis), the scope of which is as under: • 'Solo Basis' refers to all positions of the Bank including the Offshore Banking Unit. • 'Consolidated Basis' refers to all positions of the Bank and its Subsidiaries. **The Consolidated Financial Statements of SBAC BANK PLC. include the Financial Statements of:** • SBAC Bank PLC. • SBAC Bank Investment LTD.

A brief description of the Bank and its subsidiaries is given below:

- SBAC BANK PLC.

SBAC BANK PLC. was formed as a public limited banking company incorporated in Bangladesh with the primary objective to carry on all kinds of banking business in and outside Bangladesh.

SBAC Bank PLC. (the Bank) is a scheduled commercial bank. Incorporated as a public limited company under the Companies Act 1994, the Bank obtained a license from Bangladesh Bank on 25th March 2013 and started its banking business on 28th April 2013. As of December 31, 2025, we have an extensive network of 90 Branches, 32 Sub-Branches, 76 ATM Booths, 10 Islamic Banking Windows and 30 Active Agent Outlets across the country with 24/7 real time online connectivity. The principal activities of the Bank are to carry on all kinds of commercial banking business in Bangladesh.

Offshore Banking Unit

The Off-shore Banking Unit (OBU) of the Bank is a separate business entity governed by the applicable rules & regulations and guidelines of Bangladesh Bank. The Bank obtained permission for conducting the activities of OBU under reference letter no. BRPD (03)/744(127)/2020-5140 dated 15 July 2020 of Bangladesh Bank. The Bank started the operation of OBU on 22 October 2020. The number of OBU was one as on 31 December 2025, located at International Division, Head Office, Dhaka.

The principal activity of the OBU is to provide commercial banking services through its Unit within the rules & regulations and guidelines of Bangladesh Bank applicable for the Off-shore Banking Unit.

Subsidiaries of SBAC Bank PLC.:

The Bank has 01 (One) Subsidiary company as on 31 December 2025 – 1) SBAC Bank Investment Ltd. (SBACBIL).

- SBAC Bank Investment Ltd. (SBACBIL).

SBAC Bank Investment Ltd. is a Subsidiary Company of SBAC Bank PLC. incorporated as a Private Limited Company by the Registrar of Joint Stock Companies and Firms vide certificate of incorporation no.C-169950/2021 dated 21 March 2021 under the Companies Act-1994. The main objective of the company is to act as a full-fledged Stock Broker & Stock Dealer to execute buy and sell orders and to maintain its own portfolio as well as customers' portfolios under the discretion of customers. Registered office of SBACBIL is located at BSC Tower, 2-3 Rajuk Avenue, Motijheel, C/A, Dhaka - 1000, Bangladesh.

a)	Any restrictions, or other major impediments, on the transfer of funds or regulatory capital within the group;	Not applicable.
	Quantitative Disclosure	
b)	The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) is included in the capital of the consolidated group;	Not applicable.

2.0 Capital Structure

		Qualitative Disclosure
a)	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1, or Tier 2;	In accordance with the Risk Based Capital Adequacy Guidelines issued by Bangladesh Bank in December 2014, the Capital Structure of the Bank is categorized into two Tiers – 1) Tier I and 2) Tier II. The components of the total regulatory capital are enumerated as under: 1. Tier 1 Capital (going-concern capital) a. Common Equity Tier 1 b. Additional Tier 1 2. Tier 2 Capital (gone-concern capital) **Tier 1 Capital: (Going-concern capital)** Going-concern capital is the capital which can absorb losses without triggering the bankruptcy of the Bank. As such, from a regulatory capital perspective, Tier 1 capital is the core measure of a Bank's financial strength.

As per the guidelines of Bangladesh Bank, CET-1 Capital is comprised the following:

a) Paid up capital
b) Non-repayable share premium account
c) Statutory reserve
d) General reserve
e) Retained earnings
f) Dividend equalization reserve
g) Minority interest in subsidiaries, i.e. common shares issued by consolidated subsidiaries of the Bank and held by third parties.

Additional Tier 1 (AT 1) Capital consists of the following items:

a) Non-cumulative irredeemable preference shares
b) Instruments issued by the Bank that meet the qualifying criteria for AT 1 (The instrument is perpetual i.e. there is no maturity date)
c) Minority Interest, i.e., AT 1 issued by consolidated subsidiaries to third parties.

Tier 2 Capital: (Gone-concern capital)

Gone-concern capital is the capital which will absorb losses only in a situation of liquidation of the Bank. Gone-concern capital is also called Tier 2 capital. Gone-concern capital represents other elements which fall short of some of the characteristics of the core capital but contribute to the overall strength of a bank.

Tier 2 Capital consists of the following items:

a) General provisions; (maximum 1.25 % of risk weighted assets)
b) All other preference shares
c) Subordinated debt/instruments issued by the Bank that meet the qualifying criteria for Tier 2 capital; (Minimum original maturity of at least five years)
d) Minority interest i.e. Tier 2 issued by consolidated subsidiaries to third parties;

As per the guidelines of Bangladesh Bank, Tier-1 capital of SBAC BANK PLC. consists of (i) Fully paid-up capital, (ii) Statutory reserve, (iii) Retained earnings and (iv) Minority interest in subsidiaries.

Quantitative Disclosure

The amount of regulatory capital of the Bank as on 31 December 2025 is stated below:

BDT in Crore (where applicable)

Sl.	Particulars	Solo	Consolidated
1	**Tier 1 (Going-concern capital)**		
1.1	**Common Equity Tier 1 (CET 1)**		
1.1.1	Paid-up capital	824.19	824.19
1.1.2	Non-repayable share premium account	-	-
1.1.3	Statutory reserve	274.03	274.03
1.1.4	General reserve	-	-
1.1.5	Retained earnings	1.96	5.53
1.1.6	Dividend equalization reserve	-	-
1.1.7	Minority interest in subsidiaries	-	0.04
1.1.8	**Sub-total (1.1.1 to 1.1.7):**	**1,100.18**	**1,103.79**
1.2	Less: Regulatory Adjustment		
1.2.1	Goodwill and all other intangible assets	1.26	2.32
1.2.2	Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	0.78	0.78
1.2.3	**Sub-total (1.2.1 to 1.2.2):**	**2.04**	**3.10**
Total Common Equity Tier (CET) -1 Capital (1.1.8-1.2.3)		**1,098.14**	**1,100.69**
1.3	Additional Tier 1 (AT 1)		
1.3.1	Non-cumulative irredeemable preference shares	-	-
1.3.2	Instruments (perpetual in nature)	-	-
1.3.3	Minority interest; i.e. AT1 issued by consolidated subsidiaries	-	-
	Sub-total (1.3.1 to 1.3.3):	-	-
	Total Tier 1 Capital (CET 1 + AT 1)	**1,098.14**	**1,100.69**
2	**Tier 2 (Gone-concern capital)**		
2.1.1	General provision	118.70	118.70
2.1.2	Subordinated debt	-	-
2.1.3	Revaluation reserve	-	-
2.1.4	Sub-total (2.1.1 to 2.1.3)	118.70	118.70
2.2	Less: Regulatory Adjustment		
2.2.1	Subordinated Bond – cross holding	-	-
2.2.2	Revaluation Reserve	-	-
2.2.3	**Sub-total (2.2.1 to 2.2.2)**	-	-
	Total Tier 2 Capital (2.1.4-2.2.2)	**118.70**	**118.70**
	Total Eligible Capital (Tier 1 + Tier 2)	**1,216.84**	**1,219.39**

* As per the letter of Bangladesh Bank dated April 26, 2026 and the observations of the external auditors, the Bank's required provision against loans and advances stood at Tk. 1,355.21 crore, against which the Bank maintained Tk. 331.64 crore as provision. Subsequently, through its letter dated April 28, 2026, the Bank Supervision Department-5 of Bangladesh Bank permitted the Bank to finalize its Financial Statements for the year 2025 without adjusting the provision shortfall of Tk. 1,023.57 crore.

Qualitative Disclosure		
a)	A summary discussion of the Bank's approach for assessing the adequacy of its capital to support current and future activities;	**Methodology of Capital Adequacy Determination:** The Bank has computed the Capital to Risk Weighted Ratio (CRAR) adopting the following approaches: a. Standardized Approach for Credit Risk to Compute Capital to Risk Weighted Assets Ratio under Basel III, using national discretion for: • Accepting the credit rating agencies as External Credit Assessment Institutions (ECAI) for claims on corporate and eligible SME customers. • Accepting Credit Risk Mitigation (CRM) against the financial securities. b. Standardized (rule based) Approach for Market Risk and c. Basic Indicator Approach for Operational Risk. **Assessment of the Adequacy of Capital:** For assessing Capital Adequacy, the Bank has adopted a Standardized Approach for Credit Risk measurement, a Standardized (Rule Based) Approach for Market Risk measurement, and Basic Indicator Approach for Operational Risk measurement. The Bank focuses on strengthening risk management and control environment rather than increasing capital to cover up weak risk management and control practices. SBAC BANK PLC. has been generating most of its incremental capital from retained profit (stock dividend and statutory reserve transfer etc.) to support incremental growth of Risk Weighted Assets (RWA). Besides meeting regulatory capital requirements, the Bank maintains adequate capital to absorb material risk foreseen. Therefore, the Bank's Capital to Risk Weighted Assets Ratio (CRAR) remains consistently within the comfort zone. During the year 2025, the CET-1 to Risk Weighted Asset Ratio was 12.07% on a consolidated basis and 12.09% on a solo basis against a minimum requirement of 4.50% whereas, Capital to Risk Weighted Asset Ratio was 13.37% on a consolidated basis and 13.40% on a solo basis against a minimum requirement of 10% (12.50% including Capital conservation buffer) of Risk Weighted Assets (RWA). The Basel Unit is undertaking proactive measures to identify, quantify, manage, and monitor all risks to which the Bank is exposed.

Quantitative Disclosure

The Capital Requirement and Capital to Risk Weighted Asset Ratio (CRAR) of the Bank as on December 31, 2025 are as under:

in Crore (where applicable)

Particulars	Solo		Consolidated	
	Requirement	Maintained	Requirement	Maintained
Capital Maintained against requirement for credit risk	777.44	1,041.86	778.72	1,040.97
Capital Maintained against requirement for market risk	39.54	52.99	41.78	55.85
Capital Maintained against requirement for operational risk	91.03	121.99	91.69	122.57
Total capital requirement & maintained under Pillar-I	**908.00**	**1,216.84**	**912.20**	**1,219.39**
Total capital requirement & maintained under Pillar-I considering conservation buffer	**1,135.00**	**1,216.84**	**1,140.25**	**1,219.39**
Capital to risk weighted assets ratio (CRAR)	10.00%	13.40%	10.00%	13.37%
Common equity Tier-1 capital to risk weighted assets ratio	4.50%	12.09%	4.50%	12.07%
Tier 1 capital to risk weighted assets ratio	6.00%	12.09%	6.00%	12.07%
Tier 2 capital to risk weighted assets ratio	4.00%	1.31%	4.00%	1.30%
Capital conservation buffer	2.50%	3.40%	2.50%	3.37%
Available capital for Pillar 2	**-**	**81.84**	**-**	**79.15**

4.0 Credit Risk

Qualitative Disclosure

The general qualitative disclosure requirement with respect to credit risk, includes:

a)	Definitions of past due and impaired (for accounting purposes);	As per relevant guidelines of Bangladesh Bank, the impaired loans and advances are defined on the basis of (i) Objective / Quantitative criteria and (ii) Qualitative judgment. For this purpose, all loans and advances are grouped into four (4) categories namely- (a) Continuous Loan (b) Demand Loan (c) Fixed Term Loan, and (d) Short-term Agricultural & Micro Credit. **Definition of past due/overdue:** To define past due and impairment through classification and provisioning, the bank follows Bangladesh Bank Circulars and Guidelines. Accordingly, all the loans treated as past due/overdue from the following day of the expiry date or from the creation of the forced loan or from the due date if not repaid/renewed depending on different categories of loans and advances. However, in case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry/due date, the amount of unpaid installment(s) will be treated as past due/overdue from the following day of the expiry/due date.

Asset Impairment Policy:

SBACPLC follows central bank guidelines as its asset impairment policy. Bangladesh Bank set loan impairment/classification criteria and provisioning policies vide BRPD Circular No. 15, dated November 27, 2024 regarding Master Circular: Loan Classification and Provisioning and BRPD Circular Letter No. 29, dated 21 December 2025 regarding Loan Classification and Provisioning. The summary of objective criteria of loan classification and provisioning requirement are as below:

Objective Criteria:

CL Categories		Period of past due or overdue
Unclassified	STD-0	No past due or overdue
	STD-1	≥ 1 day but <1 month
	STD-2	≥ 1 month but < 2 months
	SMA	≥ 2 months but < 3 months
Classified	SS	≥ 3 months but < 6 months
	DF	≥ 6 months but < 12 months
	B/L	≥ 12 months

b) Approaches followed for specific and general allowances and statistical methods;

Specific provisions for classified loans and general provisions for unclassified loans and advances and contingent assets are measured as per Bangladesh Bank's prescribed provisioning rates, as mentioned below:

Rate of Provision:

Particulars		SAC & MC	Consumer Financing		Cottage, Micro & Small Credit	Medium Credit	Loans to BHs/MBs/SDs against Shares etc.	Credit Card	All other Credit
			Other than HF	HF					
UC	STD-0	0.50%	1%	1%	0.50%	1%	1%	1%	1%
	STD-1	0.50%	1%	1%	0.50%	1%	1%	1%	1%
	STD-2	0.50%	1%	1%	0.50%	1%	1%	1%	1%
	SMA	0.50%	5%	5%	0.50%	5%	5%	5%	5%
Classified	SS	20%	20%	20%	20%	20%	20%	20%	20%
	DF	50%	50%	50%	50%	50%	50%	50%	50%
	BL	100%	100%	100%	100%	100%	100%	100%	100%

Note:

SAC = Short term Agricultural Credit, MC = Micro Credit, HF = Housing Finance, BHs/MBs/SDs = Loans to Brokerage Houses/Merchant Banks/Stock Dealers.

Base for Provision:

Provision will be maintained at the above rate on the balance to be ascertained by deducting the amount of 'Interest Suspense' and value of eligible from the outstanding balance of classified accounts. securities

C)	Discussion of the bank's credit risk management policy;	Credit risk arises while the borrowers or counterparty to a financial transaction fails to discharge an obligation as per agreed covenants, resulting in financial loss to the Bank. Credit exposures may arise from both the banking and trading books as well as Off-Balance sheet exposures. Credit risk is managed in the SBAC BANK PLC. through a framework that spells out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the businesses and approvers in the risk function. All credit exposure limits are approved within a defined credit approval authority framework. Credit policies and standards are considered and approved by the Board of Directors. **4.1 Credit Risk Identification** Risk measurement plays a central role, along with judgment and experience, in informing risk taking and portfolio management decisions. The Guidelines issued by Bangladesh Bank on Internal Credit Risk Rating (ICRR) System have been followed meticulously. The ICRR is used to assess the client along with a range of quantitative and qualitative factors. Our credit grades against Corporate & Medium clients are supported by external credit grades and ratings assigned by external Rating Agencies. **4.2 Credit Approval** Major credit exposures to individual borrowers, groups of connected counterparties, and portfolios of retail exposures are reviewed and recommended for approval by the competent authority of the risk review units. All credit approval authorities are delegated by the Board of Directors to executives based on their capability, experience & business acumen. Credit origination and approval roles are segregated in all cases. The ICRR is an integral part of the credit approval process. **4.3 Credit Monitoring** We regularly monitor credit exposures, portfolio performance, and external trends through the relationship and credit administration team at the Branch and Head Office. Internal risk management reports containing information on key environmental, political, and economic trends across major portfolios, portfolio delinquency & loan impairment performance; as well as credit grade migration are presented to the Credit Risk Management (CRM) Monitoring Cell. The CRM Monitoring Cell meets regularly to assess the impact of external events and trends on the credit risk portfolio and to define and implement our response in terms of appropriate changes to portfolio shape, underwriting

risk policy, and procedures. Accounts or Portfolios are placed on Early Alert (EA) when they display signs of weakness or financial deterioration. Account plans are re-evaluated and remedial actions are agreed upon and monitored. In Retail Banking, portfolio delinquency trends are monitored continuously at a detailed level. Individual customer behavior is also tracked and informed in lending decisions. Accounts which are past due are subject to a collections process, monitored in collaboration with the relationship manager by the risk function. Charged-off accounts of the Bank are managed by specialist recovery teams of the Recovery Division.

4.4 Concentration Risk

Credit concentration risk is managed within concentration caps set for the counterparty or groups of the connected counterparty, for the industry sector; and for the product. Additional targets are set and monitored for concentration by the credit committee. Credit concentrations are monitored by the responsible risk committees in each of the businesses and concentration limits that are material to the Bank are reviewed and approved at least annually by the Board of Directors.

4.5 Credit Risk Mitigation

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting agreements, insurance, and other guarantees. The reliance that can be placed on these mitigates is carefully assessed in light of issues such as legal certainty and enforceability, market valuation correlation, and counterparty risk of the guarantor. Risk mitigation policies determine the eligibility of collateral types. Collateral types which are eligible for risk mitigation include; cash, residential, commercial, and industrial property; fixed assets such as motor vehicles, plant and machinery, marketable securities, commodities, bank guarantees, and letters of credit. Collateral is valued in accordance with our Methodology for Valuation of Security/Collateral Assets, which prescribes the frequency of valuation for different collateral types, based on the level of price volatility of each type of collateral. Collateral held against impaired loans is maintained at fair value.

Quantitative Disclosures

Geographical Distribution of Credit Exposure:

Urban

Division	BDT in Crore	%
Dhaka Division	5,687.86	60.22%
Chattogram Division	1,107.37	11.72%
Khulna Division	507.78	5.38%
Rajshahi Division	279.80	2.96%
Barishal Division	149.62	1.58%
Sylhet Division	106.72	1.13%
Rangpur Division	203.74	2.16%
Mymensingh	30.76	0.33%
Total	**8,073.66**	**85.47%**

Rural

Division	BDT in Crore	%
Dhaka Division	561.46	5.94%
Chattogram Division	272.10	2.88%
Khulna Division	419.71	4.44%
Rajshahi Division	12.60	0.13%
Barishal Division	20.88	0.22%
Sylhet Division	56.28	0.60%
Rangpur Division	29.13	0.31%
Mymensingh	-	0.00%
Total	1,372.15	14.53%
Grand Total	**9,445.81**	**100.00%**

Industry Type Distribution of Exposure:

Types of Credit Exposure	BDT in Crore	%
Agriculture, fisheries and forestry	224.87	2.38%
Agro base processing industries	791.27	8.38%
Small & medium enterprise financing (SMEF)	3,054.65	32.34%
RMG & textile industries	327.93	3.47%
Hospitals, clinics & medical colleges	51.37	0.54%
Trade & commerce	983.28	10.41%
Transport and communications	25.09	0.27%
Rubber & plastic industries	166.37	1.76%
Iron, steel & aluminum industries	379.29	4.02%
Printing &Packaging industries	7.12	0.08%
Other manufacturing industries	912.58	9.66%
Housing & construction industries	82.68	0.88%
Consumer credit	1,719.30	18.20%
Others	719.99	7.62%
Total	**9,445.81**	**100.00%**

Residual Contractual Maturity wise Distribution of Exposure:

Particulars	BDT in Crore
On demand	678.69
Within one month	696.79
Within one to three months	1,873.06
Within three to twelve months	3,011.75
Within one to five years	1,843.55
More than five years	1,341.96
Total	**9,445.81**

Loans & Advances and Provision: BDT in Crore

Particulars	Loans & Advances	Provision Against Loans & Advances
Total	**9,445.81**	**1,355.22**
General Provision	**7,564.32**	**94.51**
Un-classified loans & advances (including special general provision COVID-19	7,564.32	94.51
Specific Provision	**1,881.49**	**1,260.70**
Un-classified (UC)	-	129.14
Sub-standard (SS)	55.63	9.33
Doubtful (DF)	101.51	40.84
Bad & loss (BL)	1,724.35	1,081.39
Off-balance sheet Items	**2,746.38**	**24.19**
Total provision required against loans & advances	-	**1,355.22**
Total provision maintained against loans & advances	-	**331.64**
Surplus / (deficit)	-	**(1,023.57)**

Gross Non-Performing Assets (NPAs):

Particulars	BDT in Crore
Gross non-performing assets (NPAs)	1,881.49
Total loans and advances	9,445.81
NPAs to outstanding loans & advances (%)	19.92%

Movement of Non-Performing Assets (NPAs):

Particulars	BDT in Crore
Opening balance	1,433.26
Additions	1,140.39
Reductions	692.16
Closing balance	**1,881.49**

Movement of Specific Provisions for NPLs:

Particulars	BDT in Crore
Opening balance	433.13
Less: Adjustment due to write-off	239.59
Less: Waiver during the year	-
Add: Specific provision for the year	43.58
Add: Recoveries of amount previously written off	-
Provisions made during the period	-
Closing Balance	**237.12**

5.0 Equities: Disclosures for Banking Book Positions

Qualitative Disclosures		
The general qualitative disclosure with respect to equity risk, including:		
a)	Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and	The main purpose of holding of equity exposure is for capital gain. The Bank holds equity exposure within set rules of Bangladesh Bank. The quoted shares are valued at market price and the unquoted shares are valued at their cost price.
b)	Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	

Quantitative Disclosures

BDT in Crore

Particulars	Cost Price	Market Price
Investment In quoted share	153.25	76.61

Particulars	BDT in Crore
Realized gains	0.60
Unrealized gains	-
Unrealized losses	(76.64)
Net unrealized gains/(loss)	(76.64)
Capital requirement for equity risk (specific & general)	15.32

**No provision required as per DOS Circular No. 01 dated 10 February 2020 for Investment in Capital Market (shares) under special fund.

Capital Requirement as per Grouping of Equity: *BDT in Crore*

Sector	Cost Price	Market Price	Capital Charge		
			Specific Risk	General Market Risk	Total
Banks	11.23	8.17	0.82	0.82	1.63
Financial Institution	16.10	7.77	0.78	0.78	1.55
Insurance	22.23	10.71	1.07	1.07	2.14
Fuel & Fower	16.52	8.03	0.80	0.80	1.61
Mutual Funds	9.19	2.81	0.28	0.28	0.56
Engineering	20.26	7.06	0.71	0.71	1.41
Textile	5.91	2.44	0.24	0.24	0.49
Chemical & Pharmaceuticals	15.26	11.69	1.17	1.17	2.34
Telecommunication	6.89	4.74	0.47	0.47	0.95
IT	11.81	3.78	0.38	0.38	0.76
Miscellaneous	17.85	9.40	0.94	0.94	1.88
Total	**153.25**	**76.61**	**7.66**	**7.66**	**15.32**

6.0 Interest Rate Risk in the Banking Book (IRRBB)

Qualitative Disclosures		
a)	The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan repayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.	The interest rate in the Banking Book reflects the shocks to the financial position of the bank including potential loss that the Bank may face in the event of an adverse change in market interest rate. This has an impact on the earnings of the bank through Net Interest Earnings as well as on the Market Value of Equity or net worth. Thus, this risk would have an impact on both earning potential and economic value of the Bank. The Bank uses Duration Gap Analysis (DGA) for the deriving value of capital requirement for interest rate risk. The Bank ensures that interest rate risk is not included within the market risk. The Bank has calculated the rate sensitive assets and liabilities with a maturity of up to 12 months bucket and applied the sensitivity analysis to measure the level of interest rate shock on its capital adequacy. ***In the ALCO meeting, the committee always discusses about the negative bucket (Up to 3 monthly basis) and advised reducing the negative bucket chronologically.

Quantitative Disclosures

a) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).

BDT in Crore

Particulars	Up to 3 months	3-6 months	6-12 months
Rate sensitive assets (RSA)	2,300.03	3120.00	2,351.96
Rate sensitive liabilities (RSL)	2204.88	1,819.76	1591.99
GAP (RSA-RSL)	95.15	1,300.24	759.97

Interest Rate Shock on Capital	*BDT in Crore*
Total regulatory capital	1,219.39
Total risk weighted assets (RWA)	9,121.96
Capital to risk weighted asset ratio (CRAR)	13.37%

BDT in Crore (where applicable)

Assumed decrease in interest Rate	2%	3%	4%
Change in market value of equity	(43.11)	(64.66)	(86.21)
Capital after shock	1176.28	1154.73	1133.18
CRAR after shock	12.90%	12.66%	12.42%
Decrease in CRAR	0.47%	0.71%	0.95%

7.0 Market Risk

Qualitative Disclosures

Market risk is a trading book concept. It may be defined as the risk of losses in on and off-balance sheet positions arising from movements in market prices. The market risk positions are subject to the risks pertaining to interest rate related instruments & equities in the trading book and foreign exchange risk & commodities risk throughout the Bank. This signifies the risk of loss due to a decrease in market portfolio arising out of market risk factors. It may be mentioned that the Bank considers Interest Rate Risk on Banking Book separately.

a)	Views of Board of Directors on trading/ investment activities;	The Board approves all policies related to market risk, sets limits, and reviews compliance on a regular basis. The objective is to provide cost effective funding last year to finance asset growth and trade related transactions.
b)	Methods used to measure Market Risk;	Standardized (rule based) approach is used to measure the market risk of the Bank whereas for interest rate risk and equity risk both General and specific risk factors are applied for calculating capital charge and for foreign exchange and commodities only general risk factors is applied.
c)	Market Risk Management system;	The duties of managing the market risk including liquidity, interest rate, and foreign exchange risk lies with the Treasury Division under the supervision of ALCO. The ALCO is comprised of senior executives of the Bank, who meets at least once a month. The committee evaluates the current position of the bank and gives direction to mitigate the market risk exposure to a minimum level.
d)	Policies and processes for mitigating market risk;	There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risk. The exchange rate committee of the Bank meets on a daily basis to review the prevailing market condition, exchange rate, forex position, and transactions to mitigate foreign exchange risks.

Quantitative Disclosures

Capital Charges for Market Risk	BDT in Crore	
	Solo	Consolidated
Interest Rate Related instruments	12.49	12.49
Equities	15.32	17.56
Foreign Exchange Position	11.73	11.73
Commodities	-	-
Total	**39.54**	**41.78**

8.0 Operational Risk

Qualitative Disclosures		
Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. Recognizing the importance of information technology in the banking business, the Bank has considered information technology risk as an independent risk.		
a)	Views of Board of Directors on the system to reduce Operational Risk;	The policy for operational risks including internal control and compliance risk is approved by the Board in line with the relevant guidelines of Bangladesh Bank. The Audit Committee of the Board directly oversees the activities of the Internal Control and Compliance Division to protect against all operational risks. As a part of continuous surveillance, the Senior Management Team (SMT), Risk Management Division regularly reviews different aspects of operational risk. The analytical assessment was reported to the Board/ Risk Management Committee/Audit Committee of the Bank for review and formulating appropriate policies, tools & techniques for mitigating operational risk.
b)	Performance gap of executives and staff;	The Bank identifies the loop holes among the effectiveness of the employees and executives, these loop holes are removed by arranging appropriate training programs, offering competitive packages and providing the best working environment. In this process, the Bank kept the performance gap of executives and staff to a minimum level.
c)	Potential external event;	No potential external event is expected to expose the Bank to significant operational risk. The Bank has a separate Operational Risk Policy addressing specific issues involving Operational Risk.
d)	Policies and processes for mitigating operational risk;	Operational Risk is inherent in every business organization and covers a wide spectrum of issues. In order to mitigate this, internal control and internal audit systems are used as the primary means. SBAC Bank PLC. manages this risk through a control-based environment in which processes are documented, authorization is independent and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the bank stays in line with industry best practices and takes account of lessons learned from publicized operational failures within the financial services industry. SBAC Bank PLC. has an operational risk management process which explains how the bank manages its operational risk by identifying, assessing, monitoring, controlling, and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with Bangladesh Bank's requirements. Operational risk management responsibility is assigned to different level of management within the business operation. Information systems are used to record the identification and assessment of operational risks and to generate appropriate regular management reporting. Risk assessment incorporates a regular review of identified risks to monitor significant changes.
e)	Approach for calculating capital charge for operational risk;	Basic Indicator Approach is used to measure Operational Risk where capital charge is 15% on last three years average positive gross income of the Bank.

Quantitative Disclosures

Capital Charges for Operational Risk

BDT in crore

Basis	Operational Risk	2023	2024	2025	Capital Charge
Solo	Gross Income	557.41	768.08	495.07	**91.03**
Consolidated	Gross Income	557.41	773.84	502.57	**91.69**

9.0 Leverage Ratio

Qualitative Disclosures		
a)	Views of Board of Directors on system to reduce Liquidity Risk;	The Leverage Ratio is a non-risk-based measure introduced to monitor and build-up of leverage on credit institutions balance sheets aiming at containing the cyclicality of lending. It is calibrated to act as a credible supplementary measure to the risk-based capital requirements. The leverage ratio is calculated by dividing Tier 1 capital by assets (both on and off-balance sheet items). The policy for Leverage Ratio including off and on balance sheet exposure and capital related policy. The Bank has a well-structured delegation and sub-delegation of credit approval authority for ensuring good governance and better control in credit approval system. The Board of Directors and its Executive Committee hold the supreme authority for any credit approval in line with the credit committee consisting of the senior management of the bank.
b)	Policies and processes for managing excessive on and off-balance sheet leverage;	SBAC Bank PLC. has policies and processes in place for the identification, management and monitoring of the risk of excessive leverage. SBAC BANK PLC. maintains the leverage ratio above the regulatory limit as a part of the Bank's risk appetite framework.
c)	Approach for calculating exposure;	In order to measure the exposure consistently with financial accounts, the following approaches are applied by the bank: I. On-balance sheet, non-derivative exposures are net of specific provisions and valuation adjustments (e.g. surplus/deficit on Available for Sale (AFS)/ Held-for-trading (HFT) positions). II. Physical or financial collateral, guarantee or credit risk mitigation purchased is not allowed to reduce on-balance sheet exposure. III. Netting of loans and deposits is not allowed. A minimum Tier-1 leverage ratio of 3% is being prescribed by Bangladesh Bank both at solo and consolidated basis. The Bank maintains leverage ratio on quarterly basis. The status of leverage ratio at the end of each calendar quarter is submitted to Bangladesh Bank showing the average of the month based on capital and total exposure. The formula of Leverage Ratio is as under: $$\text{Leverage Ratio} = \frac{\text{Tire} - 1 \text{ Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$$

Quantitative Disclosures		
		BDT in Crore
Particulars	Solo	Consolidated
Tier 1 Capital*	**1,098.14**	**1,100.69**
On Balance Sheet Exposure	13054.07	13065.82
Off-Balance Sheet Exposure	1,171.46	1,171.46
Total Deductions from On and Off-Balance Sheet Exposure/ Regulatory adjustments made to Tier 1 capital	2.04	3.10
Total Exposure	**14223.50**	**14234.18**
Leverage Ratio	7.72%	7.73%
*Considering all regulatory adjustments		

10.0 Liquidity Ratio

Qualitative Disclosures		
a)	Views of BOD on system to reduce liquidity Risk;	As per the BRPD Circular no. 18 dated 21 December 2014, Bangladesh Bank has strengthened the liquidity framework by developing two minimum standards for funding liquidity. These standards have been developed to achieve two separate but complementary objectives. The first objective is to promote short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficient high quality liquid resources to survive an acute stress scenario lasting for one month. Liquidity Coverage Ratio (LCR) addresses this Objective. The second objective is to promote resilience over a longer time horizon by creating additional incentives for a bank to fund its activities with more stable sources of funding on an ongoing structural basis. The Net Stable Funding Ratio (NSFR) has a time horizon of one year and has been developed to provide a sustainable maturity structure of assets and liabilities.
b)	Methods used to measure Liquidity Risk;	Liquidity measurement involves assessing all of a bank's cash inflows against its outflows to identify the potential for any net shortfalls including funding requirements for off-balance sheet commitments. An important aspect of measuring liquidity is making assumptions about future funding needs, both in the very short-term and for long time periods. Another important factor is the ability to access funds readily and at reasonable terms. Several key liquidity risk indicators monitored on a regular basis to ensure healthy liquidity position are as follows: ❖ Cash Reserve Ratio (CRR) ❖ Statutory Liquidity Requirement (SLR) ❖ Credit Deposit Ratio (CDR) ❖ Liquidity Coverage Ratio (LCR) ❖ Net Stable Funding Ratio (NSFR) ❖ Structural Liquidity Profile (SLP) ❖ Maximum Cumulative Outflow (MCO) ❖ Medium Term Funding Ratio (MTFR) ❖ Liquid Asset to Total Deposit Ratio (LATDR)

c)	Liquidity Risk management system;	SBAC BANK PLC. maintains diversified and stable funding base comprising of core retail, corporate and institutional deposits to manage liquidity risk. The prime responsibility of the liquidity risk management of the Bank lies with Treasury Division under the supervision of ALCO, which maintains liquidity based on current liquidity position, anticipated future funding requirement, sources of fund, options for reducing funding needs, present and anticipated asset quality, present and future earning capacity, present and planned capital position etc. The intensity and sophistication of liquidity risk management process depend on the nature, size and complexity of a bank's activities. Sound liquidity risk management employed in measuring, monitoring and controlling liquidity risk is critical to the viability of the bank. The ALCO, which meets at least once in a month, is responsible for managing and controlling liquidity of the Bank. Treasury front office closely monitors and controls liquidity requirements on daily basis by appropriate coordination of funding activities and they are primarily responsible for management of liquidity in the Bank. A monthly projection of fund flows is reviewed in ALCO meeting regularly.
d)	Policies and processes for mitigating Liquidity Risk;	In order to develop a comprehensive liquidity risk management framework, the Bank has a Board approved Contingency Funding Plan (CFP). A set of policies and procedures that serves as a blueprint for the Bank to meet its funding needs in a timely manner and at a reasonable cost. In this sense, a Contingency Funding Plan (CFP) is an extension of ongoing liquidity management and formalizes the objectives of liquidity management by ensuring: A. Maintenance of a reasonable amount of liquid assets; B. Measurement and projection of funding requirements and C. Management of access to funding sources. CFP also provides directions for plausible actions in distress and emergency situations. In case of a sudden liquidity stress, it is important for the Bank to be seemed organized and efficient to meet its obligations to the stakeholders. Maturity ladder of cash inflows and outflows are effective tool to determine a bank's cash position. A maturity ladder estimates a banks cash inflows and outflows and thus net deficit or surplus (GAP) on a day-to-day basis and different buckets (e.g. 2-7 days, 1 month, 1-3 months, 3-12 months, 1-5 years and over 5 years).

Quantitative Disclosures

a) Liquidity Coverage Ratio (LCR) liquid

Liquidity Coverage Ratio (LCR) is a new liquidity standard built on the methodologies of traditional liquidity coverage ratio used by banks to assess exposure to contingent liquidity events. LCR aims to ensure that a bank maintains an adequate level of unencumbered, high-quality liquid assets that can be converted into cash to meet its liquidity needs for 30 calendar days.

$$\text{LCR} = \frac{\text{Stock of high quality liquid assets}}{\text{Total net cash outflows over the next 30 calendar days}}$$

The minimum standard for LCR is greater than or equal to 100. However, the bank's status as on 31 December 2025 in this ratio is as under:

BDT in crore

Particulars	Regulatory Standard	31-Dec-25
Total stock of high-quality liquid assets	Greater than or equal to 100%	2723.38
Total net cash outflows over the next 30 calendar days		2244.79
Liquidity Coverage Ratio (LCR)		100.12%

b) Net Stable Funding Ratio (NSFR)

Net Stable Funding Ratio (NSFR) is another new liquidity standard introduced by the Basel Committee. The NSFR aims to limit over-reliance on short-term wholesale funding during times of abundant market liquidity and encourage better assessment of liquidity risk across all on and off-balance sheet items.

The minimum acceptable value of this ratio is 100 percent, indicating that Available Stable Funding (ASF) should be at least equal to Required Stable Funding (RSF). ASF consists of various kinds of liabilities and capital with percentage weights attached given their perceived stability. RSF consists of assets and off-balance sheet items, also with percentage weights attached given the degree to which they are illiquid or long-term and therefore require stable funding. The time horizon of the NSFR is one year, like the LCA, the NSFR calculations assume a stressed environment. The status of Net Stable Funding Ratio (NSFR) as on 31 December 2025 is as under:

BDT in crore

Particulars	Regulatory Standard	31-Dec-25
Available amount of stable funding (ASF)	Greater than 100%	11814.14
Required amount of stable funding (RSF)		6695.19
Net Stable Funding Ratio (NSFR)		176.46%

11.00 Remuneration

Qualitative Disclosures		
a)	Information relating to the bodies that oversee remuneration;	Managing Director, Senior Management Team (SMT) & Head of Human Resources Division govern the remuneration related policies and practices in alignment of the Bank's short & long term objectives. They play an independent role, operating as an overseer; and if required, makes recommendation to the Board of Directors of the Bank for its consideration and final approval for any remuneration related policy. The main work includes presenting recommendations to the Board regarding remuneration, compensation packages of senior management, incentive schemes and retirement benefits. They also assist the Board of Directors to ensure that all employees are remunerated fairly and get performance-based compensation by ensuring effective remuneration policy, procedures and practices aligned with the Banks' strategy and applied consistency for all employee levels.
b)	Information relating to the design and structure of remuneration processes;	SBAC BANK PLC. has a flexible compensation and benefits system that helps to ensure pay equity is linked with performance that is understood by employees, and keeps in touch with employee desires and what's converted in the market, while maintaining a balance with the business affordability. The compensation and benefits are regularly reviewed through market and peer group study. The well-crafted total rewards help the Bank to attract, motivate and retain talent that produces desired business results. The structure and level of remuneration are reviewed time to time based on Bank's business performance and affordability. Other than the regular monthly payments and a good number of allowances, SBAC BANK PLC. has variety of market-competitive benefits schemes. The various cash and non-cash benefits include; Bank provided chauffeured car facility for top level executives, car maintenance allowance, leave fare assistance, employee car loan facility, house building loan facility, festival bonus etc. SBAC BANK PLC. also provides long term as well as retirement benefits to employees, like leave encashment, provident fund, benefit under gratuity & superannuation fund etc. The overall objective of the Bank's remuneration policy is to establish a framework for attracting, retaining and motivating employees, and creating incentives for delivering long-term performance within established risk limits.
c)	Description of the ways in which current and future risks are taken into account in the remuneration processes;	The business risk including credit/default risk, compliance & reputational risk is mostly considered when implementing the remuneration measures for each employee/group of employees. Financial and liquidity risks are also considered. Different set of measures are in practice based on the nature & type of business lines/segments etc. These measures are primarily focused on the business target/goals set for each area of operation, branch vis-à-vis the actual results achieved as of the reporting date. The most vital tools & indicators used for measuring the risks are the asset quality (NPL ratio), Net Interest Margin (NIM), provision coverage ratio, credit deposit ratio, cost-income ratio, growth of net profit, as well the non-financial indicators, namely, the compliance status with the regulatory

d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration;	The Board sets the Key Performance Indicators (KPIs) for the senior management while approving the business target/budget for each year for the Bank and business lines/segments. The management sets the appropriate tools, techniques, and strategic planning (with due concurrence/approval of the Board) towards achieving those targets. The most common KPIs are the achievement of loan, deposit, and profit target with the threshold of NPL ratio, cost-income ratio, cost of fund, the yield on loans, provision coverage ratio, capital to risk weighted asset ratio (CRAR), ROE, ROA, liquidity position (maintenance of CRR and SLR) etc.
e)	Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance;	The Bank pays variable remuneration i.e. annual increment based on the yearly performance rating on a cash basis with the monthly pay. While the value of longer-term variable part of remuneration i.e. the amount of Provident Fund, Gratuity Fund are made provision on aggregate /individual employee basis; actual payment is made upon retirement, resignation, etc. as the case may be, as per rule.
f)	Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms;	**A summary of Short-term and Long-term compensation plan are as follows:** Total Compensation = Fixed Pay (Salary) + Variable Pay (Bonus) + Variable Pay (Long term incentive). **Form of variable remuneration offered by SBAC Bank:** **Cash Form:** **Short-Term Incentive/Rewards** 1. Yearly fixed and incentive bonus; 2. Yearly increment; 3. Business accomplishment financial award; 4. Car fuel and car maintenance allowance for executives; 5. Cash risk allowance for cashier; 6. Charge allowance for branch manager. **Long-Term Incentive/Rewards** 1. Provident fund; 2. Gratuity; 3. Employee house building loan with minimum interest rate; 4. Employee house building loan safety scheme. **Non-Cash Form:** 1) **Short-Term Incentives/Rewards:** Accelerate promotion for top talents; 2) **Long-Term Incentives/Rewards:** Foreign training award;

<table>
<tr><th colspan="3">Quantitative Disclosures</th></tr>
<tr><td>g)</td><td>Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member;</td><td>Meeting regarding overseeing the remuneration was held on need basis. No additional remuneration was paid for such meeting.</td></tr>
<tr><td rowspan="4">h)</td><td>i) Number of employees having received a variable remuneration award during the financial year;</td><td>Nil</td></tr>
<tr><td>ii) Number and total amount of guaranteed bonuses awarded during the financial year;</td><td><table><tr><th>Particulars</th><th>BDT in crore</th></tr><tr><td>Festival bonus</td><td>11.49</td></tr><tr><td>Incentive bonus</td><td>-</td></tr><tr><td>Total</td><td>11.49</td></tr></table></td></tr>
<tr><td>iii) Number and total amount of sign-on awards made during the financial year;</td><td>Nil</td></tr>
<tr><td>iv) Number and total amount of severance payments made during the financial year;</td><td>Nil</td></tr>
<tr><td rowspan="2">i)</td><td>i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms;</td><td>Nil</td></tr>
<tr><td>ii) Total amount of deferred remuneration paid out in the financial year;</td><td>Nil</td></tr>
<tr><td>j)</td><td>Breakdown of amount of remuneration awards for the financial year to show:</td><td>Fixed and variable remuneration paid in 2024 are as follows:<table><tr><th>Particulars</th><th>BDT in crore</th></tr><tr><td>Basic salary</td><td>64.96</td></tr><tr><td>House rent allowance</td><td>29.89</td></tr><tr><td>Conveyance allowance</td><td>5.88</td></tr><tr><td>Medical allowance</td><td>8.76</td></tr><tr><td>Other allowances</td><td>33.29</td></tr><tr><td>Festival bonus</td><td>11.49</td></tr><tr><td>Gratuity</td><td>15.29</td></tr><tr><td>Bank's contribution on provident fund</td><td>5.79</td></tr><tr><td>Incentive bonus</td><td>-</td></tr></table></td></tr>
</table>

k)	Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration	
	i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments;	Nil
	ii) Total amount of reductions during the financial year due to ex post explicit adjustments;	Nil
	iii)Total amount of reductions during the financial year due to ex post implicit adjustments;	Nil

MANAGEMENT OF NON-PERFORMING LOAN (NPL)

1. Introduction

A Non-Performing Loan (NPL) is a loan in which the borrower is not making the scheduled payments of principal or interest for a specified period of time—typically 90 days or more. Once a loan is classified as non-performing, it is considered in default. The banking sector in Bangladesh has faced multiple challenges over the years, with high loan default rates posing a serious threat to the stability of the country's financial system. As a result, effective management of NPLs has become a top priority for bank management. SBAC Bank PLC is also affected by this challenge.

2. Major causes of Non-Performing Loans (NPLs)

Non-Performing Loans (NPLs) arise from various challenges. Key causes include improper borrower selection, inaccurate credit assessments, and a failure to evaluate the borrower's capacity to manage and sustain their business operations. Banks often overlook critical financial, managerial, and operational risks, leading to misuse or diversion of loan funds. Weak supervision, inadequate monitoring, and defective legal documentation further exacerbate the problem. Political influence, delays in the legal system, and external factors such as economic downturns or natural disasters also contribute significantly. Additionally, intentional defaults, fraudulent activities, and a decline in borrower ethics highlight the need for stronger risk management, proper project appraisal, and more disciplined lending practices.

3. Measures to manage NPLs

Managing Non-Performing Loans (NPLs) requires a balanced approach that includes both preventive and corrective strategies.

Preventive measures focus on strengthening the lending process from the outset. These include careful scrutiny of borrowers to ensure their actual financial needs are met, comprehensive creditworthiness assessments, and accurate evaluation of their capacity to operate the business sustainably. Banks must also conduct thorough risk assessments—covering financial, business, managerial, and security risks—with appropriate mitigation strategies in place. Preventing fund misuse and diversion through strict monitoring, ensuring proper legal documentation, and maintaining continuous supervision of borrower activities are essential. Timely action against underperforming accounts, evaluating loans linked to Politically Exposed Persons (PEPs), factoring in environmental risks, and using Credit Information Bureau (CIB) data for background checks are also critical to reducing future NPLs.

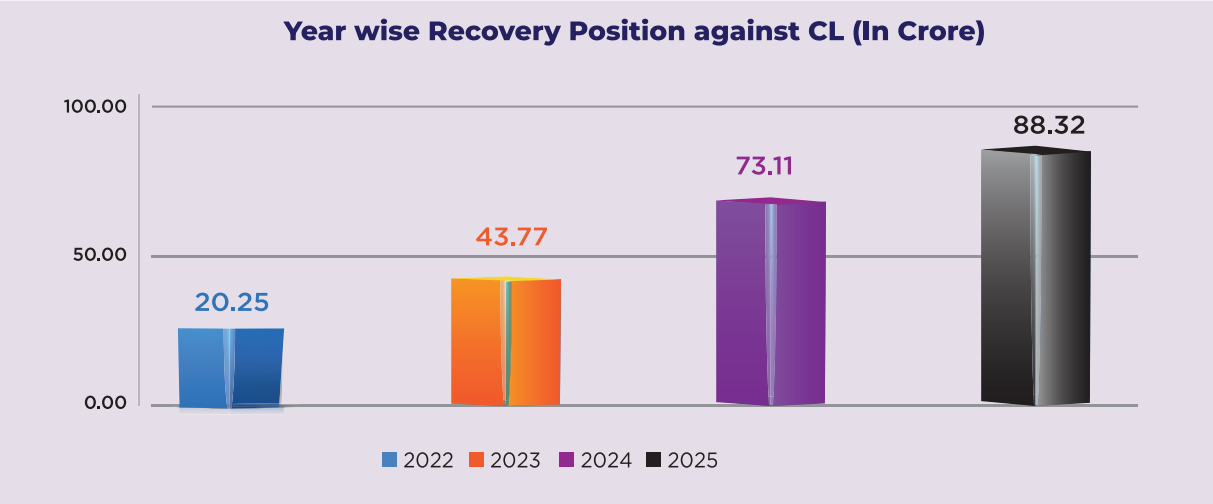
Corrective measures come into play once loans become delinquent. These involve proactive engagement with defaulting borrowers through regular communication and negotiation to understand their constraints and explore feasible repayment solutions. Alternative Dispute Resolution (ADR) methods, settlements, or compromises can provide mutually acceptable outcomes while avoiding prolonged legal battles. Banks may also deploy recovery agencies, circulate defaulters within the financial system to limit further credit access, and work on rehabilitating viable but struggling businesses. These steps help recover dues efficiently while preserving valuable client relationships and minimizing losses.

4. Classified position

Year	Classified Loan Amount
2025 (as on 31/12/2025)	1881.49 crore

5. Recovery performances of Last four years

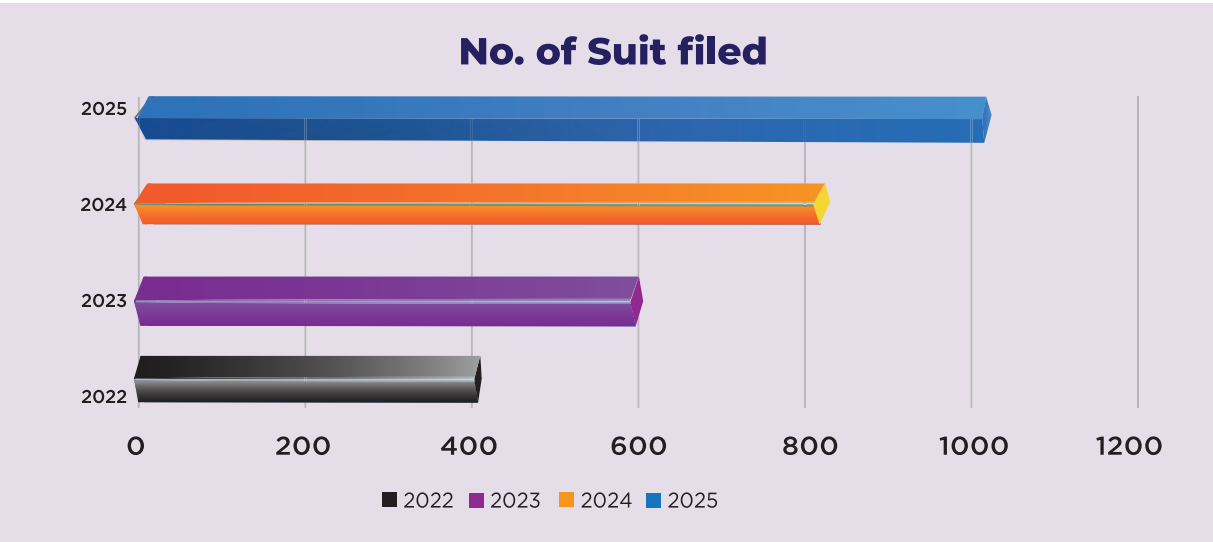
Year	Recovery from CL
2022	20.25 crore
2023	43.77 crore
2024	73.11 crore
2025	88.32 crore



Here, due to relentless efforts of SBAC team, our recovery from NPL is increasing gradually.

6. Lawsuit information

6.1. Number of Suit running (Year-Wise)



6.2. Amount wise Total Law suit Summary as on 31.12.2025

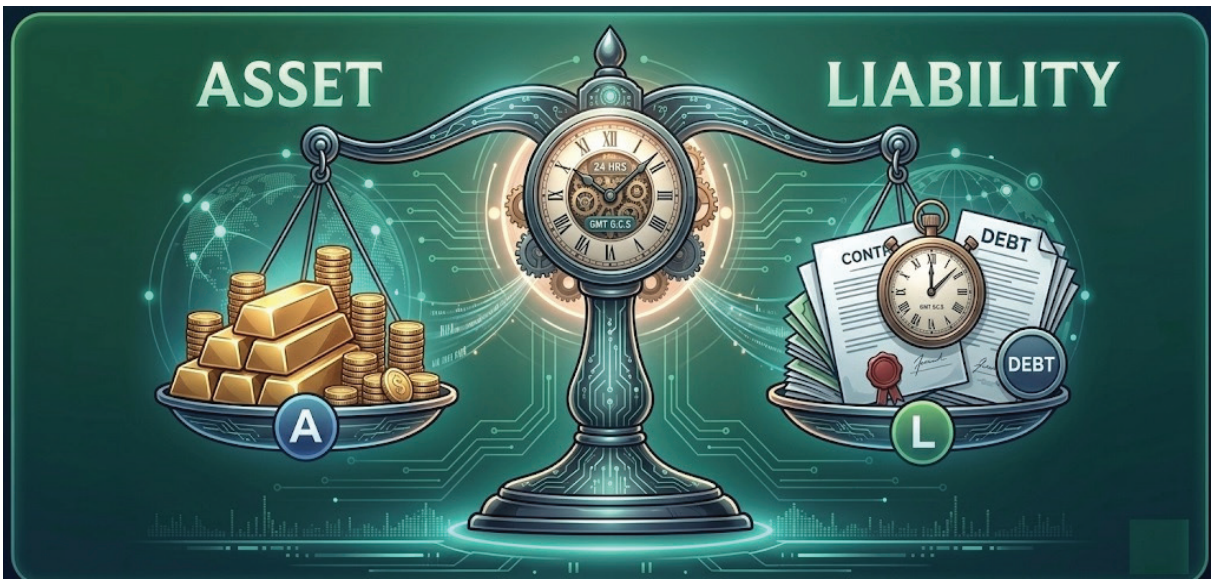
Serial	Particulars	Number of Suit
1	Total NI Act/CR Case	747
2	Total Artha Rin Suit	195
3	Artha Jari/ Execution Suit	22
4	Against Bank suit/Others Suit	14
5	High Court Matter	41
	Total=	1019

Conclusion

SBAC Bank is continuously working to reduce the NPL ratio in its portfolio. We are implementing a realistic approach and detailed planning with tailored strategies for different cases. Recognizing that prevention is more effective than corrective measures, SBAC Bank is now prioritizing comprehensive preventive actions during borrower selection, assessment, loan sanctioning, and ongoing business and borrower monitoring. As a result of the collective efforts, the bank's NPL size is expected to gradually decrease. Team SBAC remains steadfast in its commitment to safeguarding the interests of all stakeholders, particularly depositors and shareholders. We are focused on achieving sustainable growth, increasing profitability, and delivering excellent returns to our valued shareholders while maintaining superior asset quality.

REPORT OF THE ASSET-LIABILITY COMMITTEE

Asset/Liability Management (ALM) is the process of managing an institution's assets and liabilities to reduce the risk of failing to meet financial obligations on time. It combines risk management and financial planning to address long-term financial risks arising from changing economic conditions. Financial institutions use ALM to minimize mismatches between assets and liabilities, thereby improving efficiency, profitability, and financial stability. The process involves formulating, implementing, monitoring, and revising strategies to achieve a bank's financial objectives while considering its risk tolerance and operational constraints. ALM risk is mainly related to liquidity management and interest rate movements, where liquidity refers to an institution's ability to meet obligations through borrowing or converting assets into cash.



Asset Liability Management Committee (ALCO)

SBAC Asset-liability Committee (ALCO) comprising of designated Senior Officials of the Bank to make important decisions regarding issues related to Asset-Liability Management. The committee, typically known as ALCO, meets at least once in every month to analyze, review and formulate strategy to manage the balance sheet.

The committee regularly convenes to review and formulate strategies for managing different risks associated with the balance sheet. ALCO is a decision-making unit responsible for Balance Sheet planning from the risk return perspective, including the strategic management of Interest Rate, Equity Price Risk, Foreign Exchange Risk and Liquidity Risks.

Some of the major responsibilities of ALCO are as follows

- Monitor the structure and composition of Bank's Assets and Liabilities and identify balance sheet management issues that are leading to underperformance.
- Review maturity profile and mix of Assets and Liabilities.
- Articulate interest rate view of the Bank and decide on balance sheet strategy.
- Approve and periodically review the transfer pricing policy of the Bank.
- Review deposit-pricing strategy.
- Review contingency funding plan for the Bank.
- Review equity price risk & foreign exchange risk

ALM (Asset-Liability Management) Desk

ALM desk prepares the ALCO paper, ALCO meeting minutes, and circulate the approved minutes. Under the treasury department of SBAC, the ALM desk is responsible for managing the inherent risk in the Bank's Assets and Liabilities. This desk keeps a vigilant eye on the balance sheet components and analyzes the movement to minimize potential losses and accelerate profitability. The key roles of the Bank's ALM desk are as follows:

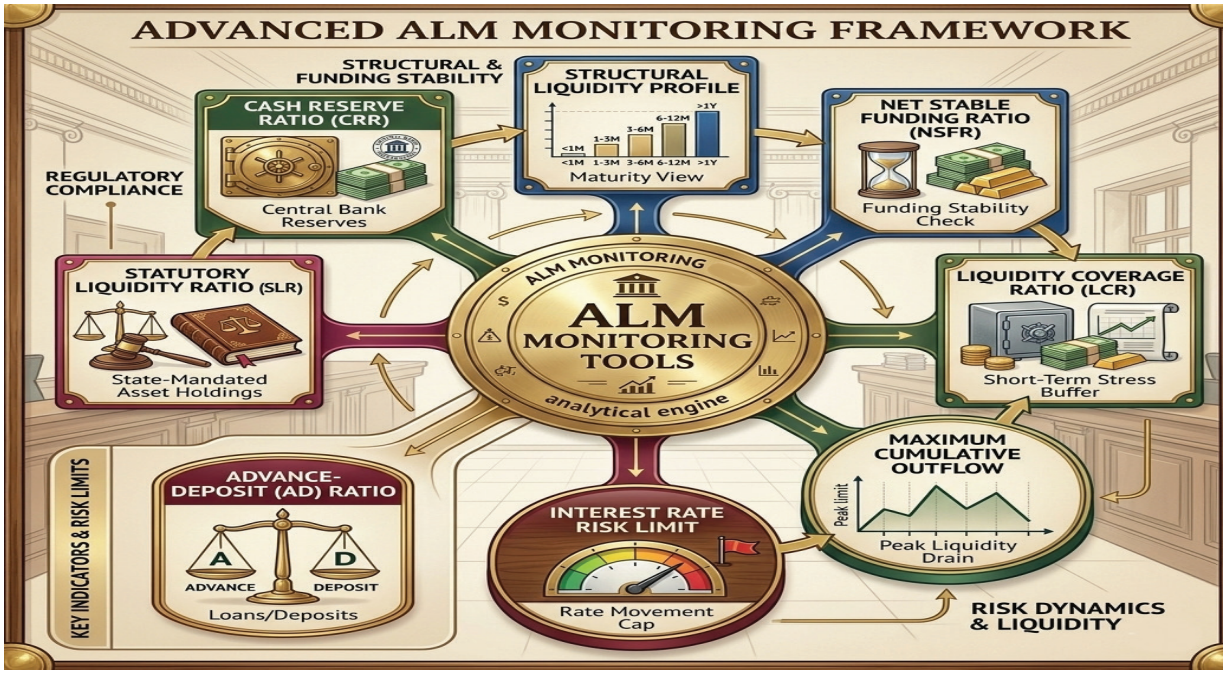
- To analyze the balance sheet of the Bank and identify different risk factors
- To assume overall responsibilities of money market activities.
- To manage liquidity and market risk of the Bank.
- To comply with the Central Bank regulations in respect to ALM
- To understand the market dynamics i.e., competition, potential target markets etc.

Meetings of the ALCO

ALCO meeting, generally, takes place in every month but if required, ALCO Chairman may call unscheduled emergency meetings. We have 12 ALCOs in 2025. ALCO's responsibility is defined in the ALM policy of the Bank.

Key Monitoring Tools for ALM

Treasury Division regularly monitors the following indicators for ensuring the ALM functions:



Major areas focused by ALCO in 2025

- Investment in High Quality Liquid Asset (HQLA)
- Balance sheet management
- Prudently managing bank's interest rate risk
- Fx. Market
- Taking advantage from money market Liquidity

S. M. Mainul Kabir
Managing Director & CEO
SBAC Bank PLC.

CORPORATE GOVERNANCE

CERTIFICATION ON CORPORATE GOVERNANCE CODE

Hoda Vasi Chowdhury & Co
Chartered Accountants

Annexure-B
[Certificate as per condition No. 1(5) (xxvii)]

Report to the Shareholders of SBAC Bank PLC on compliance with the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by SBAC Bank PLC (the "Company") for the year ended on 31 December 2025. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 and BSEC/CMRRCD/2009-193/66/PRD/148 dated 16 October 2023 and BSEC/CMRRCD/2009-193/76/PRD/151 dated 04 April 2024 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission as explained in Annexure-C;

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(C) Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The Governance of the Company is satisfactory.

Shaikh Hasibur Rahman FCA
Partner
Hoda Vasi Chowdhury & Co
Chartered Accountants
ICAB Enrolment Number 1512

Place: Dhaka, Bangladesh
Date: 10 May 2026

HODA VASI CHOWDHURY & CO. DHAKA

CORPORATE GOVERNANCE REPORT

Corporate Governance Practices in SBAC Bank PLC.

Conceptual Framework

Corporate governance is the structure and process by which companies are directed and governed. It is the set of principles, policies, procedures and clearly defined responsibilities, accountabilities and structured administration to overcome the conflicts of interest inherent in the corporate bodies. It helps companies to operate more efficiently, mitigate risks and safeguard against mismanagement. It contributes to increased access to capital, encourages new investments, boosts economic growth, and better employment opportunities creating healthy job environment.

The objective of corporate governance is to eliminate or mitigate conflicts of interest particularly those between management and shareholders. From the view point of conflicts of interest, two relationships (between management and shareholders and directors and shareholders) are the primary focus of most of the systems of corporate governance.

Guiding Philosophy of Corporate Governance Practices

As a legal entity, our Bank is guided in its corporate governance practices mainly by two regulatory bodies: Bangladesh Bank (The Central Bank of Bangladesh), and Bangladesh Securities and Exchange Commission (BSEC). However, our corporate governance philosophy encompasses not only regulatory and legal requirements but also various internal rules, policies, procedures and practices based on the best practices of local and global banks. At SBAC Bank PLC. we attach a simple meaning to 'Corporate Governance' which is 'Due Diligence' in observing responsibilities by the Board as well as by the Management to safeguard interests of key stakeholders i.e. depositors, shareholders, employees and the society at large. Two very important pillars of a good corporate governance structure are "Transparency" and "Accountability" backed by strong Internal Control and Compliance Structure and MIS capabilities.

Board of Directors

Board of Directors of SBAC Bank PLC. comprises profoundly knowledgeable and skilled professionals with a view to formulating policy-guidelines and supervising business activities of the bank efficiently as well as ensuring good governance in the bank.

Our Board is fully committed to maintain the highest standard in corporate governance, professionalism and integrity while creating and delivering long-term sustainable value to the stakeholders, increasing investors' confidence, establishing customers' trust in building a competitive organization.
SBAC Bank PLC. has its own Articles of Association (AOA) by which Appointment of Directors is governed. Moreover, the Bank always complies with the directions of the regulatory authorities regarding appointment of directors. In this connection Circulars of Bangladesh Bank (BB), notification of Bangladesh Securities and Exchange Commission (BSEC), provisions of the Bank Company (Amendment) Act, 2023 and Companies (2nd Amendment) Act, 2020 are strictly followed. As on 31.12.2025, the number of Board members was 16 including 04 (Four) Independent Directors (excluding the managing director & CEO) which complies with the rules and regulations mentioned above.

The following articles are adopted for ensuring good governance regarding constitution of board of directors, their duties & responsibilities and other related activities:

Formation of Board of Directors

The Board of Directors of our bank is formed as per provisions of laws. To form the Board of Directors we have complied the newly amended Section 15 of the Bank Company (Amendment) Act, 2023, BRPD Circular No. 02 dated 11 February 2024, BRPD Circular No. 03 dated 14 February 2024 and Corporate Governance Code of BSEC those include provisions for-

- Formation & Composition of Board of Directors
- Qualification & competency as well as Fit & proper criteria of Directors
- Appointment of Director, Alternate Director, and Independent Director
- Maximum number of Directors in the Board
- Maximum number of Directors & Representative Directors from a single family & from organizations where the family has interest or control
- Vacation, dismissal, termination or removal of any director from the Board
- Duties, responsibilities & authorities of Board of Directors
- Formation & Composition of the Committees of Board
- Organization structure of the Committees
- Duties & responsibilities of the Committees
- Meeting of Board of Directors and its Committees etc.

Composition

As on 31.12.2025, Our Board of Directors comprised of total 16 (sixteen) members including 04 (four) Individual Directors, 08 (eight) Representative Directors, and 04 (Four) Independent Directors. All the Directors in the Board are non-executive directors. Complying with the section 15(9) of the Bank Company (Amendment) Act, 2023, BRPD Circular No. 02 dated 11 February 2024, BRPD Circular No. 03 dated 14 February 2024 & BRPD Circular No. 33 dated 18 July 2024, and BSEC's notification BSEC/C-MRRCD/2006-158/207/Admin/80, dated 3 June 2018 & BSEC/CMRRCD/2009-193/66/PRD/148, dated 16 October 2023 on Corporate Governance Code we have co-opted 04 (Four) Independent Directors. The Chairman has been independent of the CEO, and has been in practice from the inception of SBAC Bank PLC.

Selection and Appointment of New Directors

As per section 15(4) of the Bank Company (Amendment) Act, 2023, and BRPD Circular No. 02 dated 11 February 2024 & BRPD Circular No. 03 dated 14 February 2024, prior approval is taken from Bangladesh Bank at the time of appointment of any director furnishing required documents & declarations.
The Directors are elected by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if any, are filled-up by the Board in accordance with the provision of Companies Act, Bank Company Act, and Articles of Association (AOA) of the Bank.

In context to the selection and appointment of new directors, the existing Board of Directors has the following obligations and duties:

1) Frequent assessment of the size and structure of the Board and the mix of knowledge, skills, experience and perceptions that may be necessary to aid the Board in performing its functions.
2) Identify any capabilities not sufficiently represented and approve the procedure necessary to be certain that an applicant proposed by the shareholders with those capabilities is nominated.

Retirement and Re-election of Directors

As per section 91(2) of Companies Act, 1994, regulation 78-82 of First Schedule of the Companies Act, 1994, and Article 101(2) of Articles of Association (AOA) of the Bank, each year one-third of the Directors retire from office and being eligible, may offer themselves for re-election by shareholders at the Annual General Meeting (AGM).

Vacation of office of Director

The office of a director shall be vacated as per provision specified in section 108 (1) of the Companies Act, 1994, provisions of Section 17 & 27(kha) of the Bank Company (Amendment) Act, 2023.

Again, the directorship will be vacated/appointment will be rescinded if a director provides any false declaration/information to Bangladesh Bank at the time of his/her appointment as director or if his or her qualification is found deficient. It is mentionable that, no such vacancy occurred in 2025.

Removal from the post of Director and appointment of Director for special needs

Mentioning the reason and grounds of the dismissal/removal, any of the directors of the Bank Company may be removed from his or her office by its Board of Directors according to section 106 of Companies Act, 1994 for the reason specified in the Articles of Association (AOA) with the prior approval of Bangladesh Bank. Further to that, as per the provision of section 15(4) of the Bank Company (Amendment) Act, 2023 any director of a Bank Company except specialized Bank may be removed from his or her office with prior approval of Bangladesh Bank mentioning reasonable ground. Moreover, Bangladesh Bank can remove may remove any director or chairman of a Bank Company, and dissolve the Board for being engaged in activities contrary to the interest of depositors or for misappropriation of funds through related party transaction or money laundering or terrorist-financing or engaging in activities against public interest in accordance with provisions of section 45, section 46, and section 47 of the Bank Company (Amendment) Act, 2023 to prevent activities contrary to the interest of depositors or detrimental to the interests of the bank company or in the public interest.

There is no such removal happened in the Bank as per above mentioned provisions of laws during the year 2025.

Independent Director and his Appointment

As per BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018, BSEC/C-MRRCD/2009-193/66/PRD/148, dated 16 October 2023, and Notification No. BSEC/CMRRC-D/2009-193/76/PRD/151 Dated: 04 April 2024, at least 02 (Two) directors or 1/5th of the total number of directors in the company's Board, whichever is higher, shall be independent directors including at least 1(one) female independent director; any fraction shall be considered to the next integer or whole number for calculating the number of independent director. Whereas, as per section 15(9) of the Bank

Company (Amendment) Act, 2023, BRPD Circular No. 02 dated 11 February 2024 & BRPD Circular No. 03 dated 14 February 2024, a Bank Company shall have a maximum of 20 (Twenty) directors including at least 03 (Three) independent directors, while the number of independent directors shall be at least 02 (Two) in case the total number of directors is less than 20 (Twenty).

Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/C-MRRCD/2009-193/76/PRD/151 dated 04 April 2024, listed companies are mandated to appoint at least 01 (one) Female Independent Director to their Board of Directors. While the initial compliance window was set for one year from the date of issuance, the Commission subsequently extended the deadline to 31 December 2025.

SBAC Bank PLC. remains committed to upholding the highest standards of corporate governance and gender diversity. In alignment with this directive, the Bank has been in a continuous and rigorous search for a qualified candidate who meets all regulatory requirements and possesses the professional e xpertise to contribute effectively to the Board.

Despite these exhaustive efforts, the Bank is yet to finalize a suitable appointment. Consequently, the Bank has formally notified both the Commission and the Stock Exchanges regarding the current status. To ensure the selection of a truly competent professional, the Bank has sought a further extension of 06 (six) months, until 30 June 2026, to fully comply with the aforementioned directive.

Appointment of Independent Director

As per the provisions of sub-section (4) and (5) of section 15 of the Bank Company Act, 1991, BRPD Circular No. 03 dated 14 February 2024, and Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) prior approval of Bangladesh Bank and BSEC is obtained for appointment or re-appointment of Independent Director.

In order to receive such approval, the letter signed by the Managing Director/Chief Executive Officer of the Bank shall be submitted to Bangladesh Bank along with the complete Resume of the concerned person(s), relevant certificates, list of directors and the copy of approval of the Board. Moreover, the proposed Independent Director has to submit to Bangladesh Bank his duly made Declaration as per Appendix-Ka, Appendix-Kha, Appendix-Ga, Appendix-Gha, Enquiry Form 1 & 2, and Undertaking Form of the regulator.

Furthermore, An application along with prescribed checklist of BSEC, Resume of the proposed person(s), copy of approval of the Board, CIB report, brief profile of Audit Committee/NRC members, Terms of Reference (ToR) of Audit Committee/NRC, list of existing independent directors, details of BO statements of existing and proposed independent directors are submitted to BSEC for their approval on appointment of Independent Director.

Experience and Eligibility to be appointed

While appointing an Independent Director, the Bank has strictly complied with provisions & instructions of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018, BSEC/CMRRC-D/2009-193/66/PRD/148, dated 16 October 2023, and section 15(9) of the Bank Company (Amendment) Act, 2023, BRPD Circular No. 02 dated 11 February 2024 & BRPD Circular No. 03 dated 14 February 2024 regarding Experience and Eligibility to be appointed as Independent Director.

At present we have appointed 04 (four) Independent Directors (As on June 2025) who exceeded minimum required age of 45 years and none of them crossed the maximum age limit of 75 years. Where all our independent directors have more than 10 years of Managerial or Business or Professional experience with post-graduate degrees in different facilities. 02 (Two) of them are professors of Faculty of Business Studies of University of Dhaka and 02 (Two) are Fellow Certified Chartered Accountants (FCA).

None of our independent directors have any real interest or apparent interest in the Bank or Bank-related person, and no member of their family holds any share of the Bank and is engaged in any profitable position in the Bank. Moreover, they have never been convicted of any criminal offense, violation of rules, regulations, and policies of any Regulator of Financial Sector, or were not involved in fraud-forgery, financial crime or any other illegal activities and no one of them was involved in any illegal activities in banking or in the performance of his professional duties and there is no adverse observation or comment in the judgment of any court in any civil or criminal case against him. Furthermore, none of the independent directors is neither a loan defaulter nor a tax defaulter.

Responsibilities, Duties and Accountabilities of Independent Director

- He ensures proper compliance of the Bank Company Act, and other relevant laws & regulations regarding the management of the Bank.
- He duly reports to Bangladesh Bank regarding any contravention of the Bank Company Act or any other law/regulation by the Board of Directors if any such occurrence happens.

- He participates in the Board meeting and gives his deliberate opinion on all agenda raised in the meeting. Any memorandum raised by an Independent Director is considered with due importance by the Board of Directors.
- He faithfully carries out the duties & responsibilities with devotion, and complies with the instructions of the BRPD Circular No. 02 dated 11th February 2024 as a member of the respective committee, if included in any committee.
- If the opinion of the Independent Director is not given due importance in the Board or in its committees or if any kind of inconsistency is observed in the management of the bank, he shall inform in writing to the Department of Off-site Supervision, and Banking Regulation & Policy Department of Bangladesh Bank.
- If any complaint is proved against the Independent Director or any adverse observation against him due to his negligence of duty is found in any inspection conducted by Bangladesh Bank, action will be taken against him as per the Bank Company Act.
- The Chairman of Audit Committee of the Bank is elected from the Independent Directors. The tenure of the Chairman of Audit Committee is 03 (three) years i.e. One term, and no independent director shall serve as Chairman of the Committee for two consecutive terms.
- He always tries to safeguard the interests of the depositors and general shareholders (other than directors).

Tenure and Removal of Independent Director

Generally, the Independent Director is appointed for one term of 03 (three) years, and at the end of the term he may be nominated for the re-appointment for another term subject to the provisions of Section 15 of the Bank Company Act, and BRPD Circular No. 03 dated 14 February 2024, BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018, BSEC/CMRRCD/2009-193/66/PRD/148, dated 16 October 2023, and Notification No. BSEC/CMRRCD/2009-193/76/PRD/151 Dated: 04 April 2024.

On the other hand, the vacation of post of an existing Independent Director of a Bank Company may happen:

- if the director himself resigns from his Post by giving 07 (seven) days' notice,
- On request of the Board to the Bangladesh Bank to remove an Independent Direct mentioning specific reason.
- If Bangladesh Bank removes any Independent Director mentioning specific reasons. However, there was no such vacation of any Independent Director happened in SBAC Bank happened in 2025.

Alternate Director and his Appointment

Subject to compliance of section 101 of Companies Act, 1994, section 15(ka)(ka)(ka) of the Bank Company (Amendment) Act, 2023, and subsequent BRPD Circular No. 02 dated 11 February 2024, an alternate director may be appointed in the Board of a Bank Company to act on behalf of the original director due to his or her staying abroad for a period of at least 3 (three) months continuously. However, in this case, the Board of Directors of a Bank can appoint 01 (One) Alternate Director for a period of 03 (Three) consecutive months for once a year. In this context, the following instructions are followed:

i. Documents/information is submitted to Bangladesh Bank in the prescribed forms within 07 (Seven) days of taking the decision of appoint of alternate director.
ii. Bangladesh Bank is notified immediately within 10 (Ten) working days of returning home of the original Director mentioning the date of return.
iii. The Bank ensures collection and preservation of documentary evidences regarding the traveling abroad & return home of the original director.
iv. Any loan defaulter or any person if declared ineligible to be a Director of a Bank Company as per the Bank Company Act or the Companies Act or any other law or rules or order is not appointed as an alternate director.
v. An Alternate Director is not appointed in any committee constituted with the Board of Directors of the bank.
vi. Person took any loan facility from the Bank, in not eligible to be appointed as Alternate Director of the Bank.
vii. No alternate director was appointed in 2025. In case of previous appointment, during the tenure of holding office of alternate director, no loan facility was provided in the name of the alternate director or in favor of the organization related to his or her interest as well as no extension of time or limit of the loan, no waiver of any interest or exemption of interest charging therein was allowed in case of previous loan facility. Moreover, all the rules & regulations or prohibitions applicable to the Original Director imposed by the laws, rules or directives regarding loan facility was applicable during his or her tenure as alternate director.

Information regarding Directors

As per BRPD Circular No. 02 dated 11 February 2024 we ensure the compliance on following issues:

i. Up-to-date list of Directors is maintained;
ii. A list of Directors is sent to Banking Regulation & Policy Department (Division-II) of Bangladesh Bank and all Banks as well as Financial Institutions immediately after the appointment or release/removal of the director or at the end of his or her term;
iii. List of Directors along with their photos are displayed on our website and updated regularly when there is any change;
iv. After the nomination/appointment or release/removal of the chairman or at the end of his or her tenure, the updated information is sent to the Banking Regulation & Policy Department (Division-II) of Bangladesh Bank; and
v. The updated information of our directors is submitted to the Bangladesh Bank's EDW Portal through Rational Input Template (RIT) within 10 (Ten) days after the end of each quarter. Moreover, in case of appointment of any Director or any change in the Board of Directors, we submit the said information to Bangladesh Bank's EDW Portal through RIT.

Roles and Responsibilities of the Board

The Board of Directors and the Management Authority have specific demarcation of responsibilities and authorities over the affairs of the bank to ensure good governance in the bank management. The Section 15 (kha) & (ga) of Bank Company Act, and the BRPD Circular No. 02 dated 11 February 2024 make the Board of Directors responsible for formulating and ensuring implementation of policies for the bank company, risk management, internal audit & control and ensuring their compliance.

The Board of SBAC Bank PLC. approves the overall strategies, business and significant policies of the Bank and periodically reviews them for any modification if required. It also sets the Bank's core values, adopts proper standards to ensure that the Bank operates with integrity and complies with the relevant rules and regulations.

Responsibilities and Authorities of the Board of Directors

a) Action Planning and Strategic Management

The Board of Directors determines the objectives and goals of the Bank and formulates strategies and action plans to achieve the goals on an annual basis. It specifically engages itself in the affairs of making strategies consistent with the determined goals and objectives and in the issues relating to structural change and reformation for improvement of institutional efficiency and other relevant policy matters. The Board monitors the progress of implementation of the Action Plan on a quarterly basis. It includes in the Annual Report an analytical review regarding the success/failure in achieving the business and other targets set out in the Annual Action Plan and apprises the shareholders of its opinions/ recommendations on the future course of actions and strategies to be followed. It determines the Key Performance Indicators (KPIs) for the Managing Director (MD) and Chief Executive Officer (CEO) & officers immediate two tiers below the MD & CEO, and evaluates the same from time to time.

b) Credit and Risk Management

The policies, strategies, procedures etc. with respect to loan/investment proposal evaluation, loan/investment sanction and disbursement as well as recovery, loan rescheduling and write-off are formulated with the approval of the Board of Directors under the existing laws, rules and regulations. The Board specifically allocates the power of sanctioning loans/investments; and such allocation is desirably made among the CEO and his subordinate executives as much as possible. No director directly or indirectly influences or interferes with the bank officers/employees in approving loan proposals.

The Board of Directors formulates policies regarding risk management. It monitors on quarterly basis whether the said policy is being properly followed, reviews the concerned report of the Risk Management Committee and duly records the same in the minutes of the Board meeting. It oversees whether the guidelines of Bangladesh Bank on key risk management are being properly followed or not.

c) Internal Control Management

The Board of Directors continuously supervises/monitors the internal control system of the bank to achieve/maintain satisfactory qualitative standard of its credit/investment portfolio, and ensures the establishment of such internal control system in the bank so that the internal audit function is conducted independently of the management. It reviews on a quarterly basis the report submitted by the Audit Committee regarding the implementation of the recommendations of the inspection report of Internal Audit, External Auditor, and Bangladesh Bank.

d) Human Resources Management and Development

Policies related to recruitment, promotion & transfer, administrative, disciplinary & punitive measures, human resource development, and service rules are framed and approved by the Board of Directors. The board chairman or the directors never interfere in any way in all administrative affairs including

recruitment, promotion, transfer, and disciplinary measures as executed under the approved service rules. No member of the Board of Directors is included in the recruitment and promotion committees for recruitment or promotion at different levels, provided that the appointment, promotion, transfer and disciplinary action of immediate two tiers below the MD & CEO are conferred on the Board. The service rules of the bank and the relevant policies approved by the Board are properly complied in the case of such recruitment, promotion and administrative disciplinary measures.

The Board of Directors lays special emphasis on training for skill development of the officers/employees of the Bank, and adoption of modern electronic & information technology, and appropriate management information system (MIS) and the same is included in the annual action plan.

The Board of Directors formulates Code of Conduct and Code of Ethics for all levels of officers and employees, which are followed properly by all. It establishes high ethical standards to build a culture of compliance in the Bank. In order to encourage the officials/employees to follow the principles of integrity, the reward policy announced by Bangladesh Bank in this regard is properly implemented.

e) Financial Management

The annual budget and statutory financial statements of the Bank are prepared with the approval of the Board of Directors. The Board reviews/inspects on quarterly basis the Bank's income, expenditure, liquidity resources, overdue/non-performing loans, capital base & adequacy, maintenance of loan loss provision, and measures taken including legal proceedings for recovery of defaulted loans.

In order to conduct purchase and procurement activities properly following the prevailing laws and regulations, the related policies are approved by the Board of Directors and the Board accordingly delegates the power of execution of such expenditures. The maximum possible execution power of various expenditures is vested to the Managing Director and Chief Executive Officer (CEO) and his subordinates subject to budget availability. However, decisions regarding purchase of land, buildings or structures for business purposes, construction and purchase of vehicles are approved by the Board.

The Board of Directors reviews from time to time whether the Asset-Liability Committee (ALCO) has been formed and whether the committee is performing properly as per the guidelines of Bangladesh Bank.

f) Appointment of Managing Director/Chief Executive Officer (CEO)

One of the major responsibilities of the Board of Directors is to appoint an honest, efficient, experienced and competent Managing Director/Chief Executive Officer (CEO) in Bank Management in order to strengthen the financial base of the bank and attain the trust of the depositors. The Board of Directors appoints a suitable Managing Director/Chief Executive Officer (CEO) with the prior approval of Bangladesh Bank following the relevant policies issued by Bangladesh Bank from time to time regarding the appointment of Managing Director/Chief Executive Officer of the Bank.

In this regard the Board of Directors strictly complies with the provisions of BRPD Circular No. 05 dated 27 February 2024 on Appointment and Responsibilities of Managing Director or Chief Executive Officer of a Bank Company.

g) Further Responsibilities and Duties of the Board

The Board of Directors ensures proper following and compliance of any other responsibilities and duties imposed on the Board by Bangladesh Bank. Moreover, in SBAC Bank our Board of Directors undertakes following further responsibilities besides complying with the Articles of Association (AOA) of the Bank, circulars/guidelines of Bangladesh Bank, notifications of Bangladesh Securities & Exchange Commission (BSEC), provisions of the Bank Company Act and Companies Act regarding the responsibility and accountability of the Board, its Chairman and Managing Director:

- Analyzing and approving the strategies and business plans for the Bank.
- Approval of the Bank's annual budget and carrying out periodic review of the achievements by the various operating divisions against their respective business targets.
- Setting the minimum standards and establishing policies on the management of credit risks and other key areas of the Bank's operations.
- Ensuring that the operating infrastructure, system of control, system for risk identification and management, financial and operational controls are in place and properly implemented.
- Reviewing the adequacy and efficacy of the Bank's internal control systems.
- Overseeing the Bank's businesses vis-à-vis business plans.
- Succession planning including ensuring that all candidates appointed to senior management positions are capable and experienced and programs are in place to provide for the orderly succession of senior management.
- Reviewing succession planning and talent management plans for the Bank and approving the appointment and compensation of senior management staff.

- Approving changes in the corporate organization structure.
- Approving policies relating to corporate branding, public relations, investor relations and shareholder communication programs, and
- Reviewing the Bank's strategies on promotion of sustainability focusing on environmental, social and governance aspects.

Meeting of Board of Directors

The Board of Directors meets as required to discuss business strategies, financial performance, matters pertaining to compliance and good governance as well as reports on matters deliberated by the respective committees. The Board reviews, amongst others, the financial performance of the Bank, risk management and compliance reports and approve the quarterly results of the Bank at its meeting. The meetings of the Board are scheduled in advance for the Directors to plan their schedules. In addition, Special Board meetings may be held when necessary, for decision on major transactions and ad-hoc matters that require the Board's urgent attention and decisions.

In this connection, BRPD Circular No. 02 dated 11 February 2024 & BRPD Circular No. 56 dated 30 December 2024 are strictly complied with as under-

- The meeting of the Board of Directors of the Bank is held at least once in a month normally and more than once if & when required.
- The quorum for a meeting of the Board of Directors is determined according to the Articles of Association (AOA) or Memorandum of Association (MOA) of the bank.
- The memorandum of any meeting is distributed to the Board of Directors at least 02 (Two) days before the meeting for effective participation and contribution by the participants.
- No issue outside the agenda is considered in the meeting. Besides, under no circumstances an outsider can attend in the Board Meeting.
- Apart from the Directors, only the Managing Director and the Company Secretary of the Bank are present in the meeting of the Board of Directors. In case of special need, any officer of the bank can present in a meeting being invited by the Board or any of its committees only when a matter related to him/her is being presented (not for the full time).
- If a note of dissent is conveyed on any matter, it is recorded in the minutes.
- The meetings of the Board of Directors and its committees are normally held at the head office/the city where head office of the Bank is located. However, if there is a need to hold a meeting at any convenient place outside the city of head office or outside of Dhaka, prior approval is taken from Bangladesh Bank before at least 07 (Seven) working days of the meeting as per provisions & instructions of BRPD Circular No. 02 dated 11 February 2024.

Code of Conduct for the Board of Directors

The Board of Directors follows a Board approved Code of Conduct framed as per BSEC notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, which provides guidance to directors to carry out their duties and responsibilities due-diligently and within the scope of their authority, as set forth in the laws of the country as well as in the Memorandum of Association (MOA) and Articles of Association (AOA) of the Bank. The Code of Conduct states-

i. The Members of Board of Directors shall act honestly in good faith and in the best interests of the shareholders and the company.
ii. The members shall not make improper use of information acquired as a director.
iii. The members shall not take improper advantage of the position as a director.
iv. The Board members must avoid insider trading of securities in compliance with insider trading rules, regulations and circulars issued by the regulators.
v. Anything of conflict of interest must be handled with utmost prudence and due-diligence by the directors to avoid it and ensure good governance.
vi. The members will be obligated to be independent in judgment and actions and take all reasonable steps to be satisfied as to the soundness of decision taken by the Board of Directors.
vii. Confidential information acquired by the members in the course of exercise of directorial duties shall be treated as the property of the company and it will be improper to disclose or allow it to be disclosed, unless that disclosure has been authorized by the company, or the person from whom the information has been received.
viii. The Members of Board of Directors must emphasize on building sustainable relations with the environment, employees, customers and suppliers. While performing the functions as director their actions and conducts should result in environmental sustainability, employee motivation, customer delight and supplier satisfaction.
ix. Members shall make every effort to attend all Board and Committee Meetings during their tenure. They will not absent themselves without good reasons or without confirming leave of absence.

x. To maximize effectiveness of the Board/Committee Meetings, contribution of individual director shall be monitored and appraised on an annual basis.
xi. Board members having interest of any nature in the agenda of the meeting shall declare beforehand the nature of their interest and withdraw themselves from the room unless they have a dispensation to speak.
xii. Training opportunities/orientation/workshops will be arranged for the members (especially for the newly inducted members) to make them acquainted with the international best practices, their fiduciary obligations, Code of Conduct etc.
xiii. Members shall always maintain 'Fit and Proper Test Criteria', clean CIB status and other obligations declared by the Primary and other Regulators.
xiv. Members shall be judicious about their entitlement of benefits/privileges as per the Bank Company Act and all circulars/guidelines issued by Bangladesh Bank and shall be willing to produce supporting documents, if required.
xv. Every Director will assure annually signing a confirmation that they have gone through, have complied with and will continue to comply with the set of codes approved by the Board of Directors.

In compliance with the above-mentioned notification of BSEC on Corporate Governance, the Code of Conduct has been posted in our website.

Code of Conduct, Rights and Responsibilities of the Chairman and other Directors
The chairman and other Directors have following Rights and Responsibilities:

- One of the members of the Board of Directors is elected as Chairman. He may be elected for a term of 02 (Two) years. He is eligible for re-election to the post of Chairman subject to the tenure of his or her directorship;
- The chairman of the Board of Directors or the chairman of any committee formed by the Board or any Director does not have individual authority to exercise any policy-making or executive power and therefore can't participate in or interfere into the administrative or managerial and routine affairs of the Bank;
- The chairman of the Board of Directors or the Chairman of any other committee formed by the Board of Directors can inspect any branch or financing activities of the Bank under the inspection responsibility of the Board;
- The chairman may call for any information relating to the management of the Bank or direct an inquiry into any matter and can present the obtained information or investigation report in the Board Meeting/Executive Committee Meeting and take necessary measures through the Managing Director (MD) and/or Chief Executive Officer (CEO) as per the decision of the Board, if necessary. However, if any complaint is raised about the MD and/or CEO, it must be informed to Bangladesh Bank through the Board along with the statement of the MD and/or CEO; and
- The Chairman of the Board of Directors is provided with an office room, a personal secretary/assistant, a peon/MLSS, a telephone in the office, and a vehicle for the business interests of the Bank by decision of the Board. The vehicle of the chairman is provided in compliance with the policy issued by Bangladesh Bank from time to time.

Besides this, the Chairman shall assume any other responsibility if the Board assigns within the purview of the Rules, Regulations, Acts of regulatory authorities such as BB, BSEC etc. and Articles of the Bank.

Duality of Chairman and Managing Director

- The positions of the Chairman and the Managing Director (MD) of the Bank are filled by different individuals.
- The Managing Director (MD) of the Bank is not holding the same position in another listed company.
- The Chairman of the Board shall be elected from among the non-executive directors of the company.
- The Board clearly defines respective roles and responsibilities of the Chairman and the Managing Director and/or Chief Executive Officer.
- In the absence of the Chairman of the Board, the remaining members elects one of themselves from nonexecutive directors as Chairman for that particular Board's meeting; the reason of absence of the regular Chairman is duly recorded in the minutes.

Role of the Chairman and Managing Director (MD) as Independent

As the Chairman of the Board of Directors is not the Managing Director of the Company, so the role of Chairman and the Managing Director are Independent and detached from each other.

Code of Conduct, Responsibilities, Duties and Authorities of the Managing Director (MD) or Chief Executive Officer (CEO)

The Managing Director (MD) or Chief Executive Officer (CEO) of the Bank performs the duties and responsibilities and exercises the Authorities as follows:

(a) Performing Trust and Fiduciary Duty:

The Managing Director (MD) or Chief Executive Officer (CEO) has proper knowledge and understanding of the following trust & fiduciary duty to protect the best interests of the depositors, and the banking company, namely-

i. Duty of Care: He follows all the Acts, rules and regulations related to banking business. Furthermore, He acts prudently, avoiding all forms of ignoring or negligence, so as not to cause any financial or other loss to the bank and depositors because of him;
ii. Duty of Loyalty: He performs his or her duties in good faith, being loyal to the Bank and avoiding conflict of interest so that the interests of the Bank and depositors are protected instead of his or her own or any other person's interest;
iii. He exercises the Authorities conferred on him for the purposes for which he is authorized.

(b) Financial, Business and Administrative Responsibilities, Duties and Authorities

i. The MD or CEO performs his or her duties and responsibilities in accordance with the financial, business and administrative powers assigned on him by the Board of Directors of the Bank.
ii. He is responsible for the implementation of business plan of the Bank and accountable for achieving of business objectives through sound administrative and financial management.
iii. If any misinterpretation is made or incompatible instructions is given by the honorable Board members regarding the Bank Company Act and other related laws, regulations, and circulars & directives of Bangladesh Bank during the discussion of any matter raised by the Bank Management while presenting a memorandum in Board meeting or committee meeting, the MD or CEO informs the Board in writing of the specific Explanation of the relevant laws/ regulations/circulars/directives.
iv. In case of violation of the Bank Company Act or any other law, rule, directive, custom & practice by the members or any member of the Board in the Board meeting or Committee meeting, the MD or CEO informs Bangladesh Bank such contravention in writing or orally, as the case may be.
v. The responsibility & authority of appointment & promotion of all other officers & employees except those of immediate two tiers below the MD or CEO is vested in the MD or CEO. He performs these responsibilities in all related cases as per the service-rule based on the Board approved policies. He cannot perform any action or take any decision on the basis of emotion or nepotism while performing his duties.
vi. The Authority of appointment, transfer, promotion of and disciplinary action against all other officers & employees except those of immediate two tiers below the MD or CEO shall is vested in the MD or CEO, which is exercised by him as per the service-rule approved by the Board of Directors of the Bank. Further, He may nominate any officer for training, seminar, workshop etc. under the HR policy approved by the Board. In case of any restriction imposed regarding the nomination of any of the officers or employees by the government for training outside Bangladesh or for any other reason, He is bound to comply with the said restriction.

Besides, the Managing Director (MD) or Chief Executive Officer (CEO) shall assume any other responsibility if the Board assigns within the purview of the Rules, Regulations, Acts and Articles of the Bank.

Appointment of Chief Financial Officer (CFO), Head of Internal Audit, And Company Secretary (CS)

As per BSEC notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, and BSEC/C-MRRCD/2009-193/66/PRD/148 dated 16 October 2023 on Corporate Governance, the Bank appoints a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors clearly defines respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.

Roles of the Company Secretary

The Company Secretary Plays prime role in advising the Board on issues relating to corporate compliance with the relevant laws, rules, procedures and regulations affecting the Board and the Bank and ensuring best corporate governance practices. He also advises the Directors of their obligations and duties to disclose their interest in securities, disclosure of any conflict of interest in a transaction involving the Bank, prohibition on dealing in securities and restrictions on disclosure of price-sensitive information.

Responsibilities of the Company Secretary (CS)

i. Overall management of meeting of Board of Directors and its committees, receiving agenda items from management and ensure consented agenda items are tabled at meetings in consultation with the MD or CEO and the Chair who are responsible for preparing Board meeting agenda, and acting as the signatory of extracts of minutes of all meetings of the Board of Directors & its committees, and all other meetings where he performs the responsibility as secretary. He also ensures that Board meeting minutes are signed by the Chair once they have been confirmed and copies filed and kept at the Bank.
ii. Acting as a point of communication among the Management, Board of Directors, Company Shareholders. Supporting and advising the chairman for smooth functioning of the Board and works in partnering with the Managing Director (MD) or Chief Executive Officer (CEO), and other Trustees to ensure proper discharge of activities & operations of the Bank.
iii. Ensuring that the Bank complies with its governing document, policies, company law and any other relevant legislation i.e. regulations of Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Registrar of Joint Stock Companies and Firms (RJSC), Stock Exchanges etc.
iv. Acting as the Secretary to the sub-committees of the Board of Directors. In the area of risk mitigation, he has a pivotal role to play in support of the members of the Sub-committees, Board Audit Cell, Audit & Inspection Division, Risk Management Division and Internal Control & Compliance Division.
v. Acting as a custodian of Bank's governing documents and policies. Ensures the Bank pursues its objects as defined in its governing document. He acts as a custodian of interests of the Bank. So, it is his prime duty to protect and safeguard such interests of the Bank at all levels: statutory, administrative, and arbitrational and in other policy matters.
vi. Ensuring the appointment of Board Members, that those appointed are not disqualified in law and are eligible to be members under the provisions of the governing documents and policies, and that the appointment procedure laid down in the governing document and policies are followed.
vii. Make sure that the Directors have information and knowledge to enable them to comply with the decisions and fulfill their responsibilities. This includes organizing the induction programs of new Directors also.
viii. Ensures that Board meetings are held properly in compliance with Bank's governing documents and all arrangements for the meetings are made.
ix. Confirms that Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs) are conducted effectively and in accordance with the provisions of laws and Bank's governing document. This includes checking that a quorum is present, adequate notice is served, notice period is maintained etc. Also make sure that agenda and minutes of AGMs and EGMs are circulated among the members and submitted to the regulators in a timely manner.
x. Filing of the annual list of members and summary of share capital together with the authenticated Balance Sheet and the Profit and Loss account. Issuing of Dividend Warrants, bonus share certificates and making arrangement for disposal of fractional shares, if any.
xi. Maintaining of strict confidentially of information, manage situations like conflict of interest, identify problems and implement or recommend solutions.
xii. Maintaining and liaising with various associated/regulatory bodies viz. BAB, ABB, Chambers/other bodies, BSEC, BB, RJSC and other regulators.

Roles and Responsibilities of Chief Financial Officer (CFO)

The Chief Financial Officer (CFO) is responsible for:

i. Financial strategy, Financial Condition and Position of the Bank.
ii. Successful implementation of financial system as per International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) as applicable, Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), Bangladesh Bank guidelines, the Companies Act, the Bank company Act, and Bangladesh Securities and Exchange Commission (BSEC) Regulations etc.
iii. He works in close touch with the Managing Director & CEO and report to him.
iv. He gets full executive power and hold charge of Financial Administration Division.
v. He is accountable for the financial, budgeting and Risk Management Operations including the development of financial and operational strategies and monitoring of control systems designed to preserve bank's assets and report accurate financial positions.

Roles and responsibilities of the Head of Internal Control and Compliance Division

i. Assess whether the controls are properly designed, implemented and working effectively, and make recommendations on how to improve internal control.
ii. Ensure the quality and adequacy of the organization's internal control system and risk management process, and their effectiveness and outcomes.

iii. Overseeing whether the bank is complying with regulatory norms as well as internal policies, processes, procedures, strategies and directives in order to achieve the corporate objectives of the bank.
iv. Design and develop annual audit plan, getting it approved by the bank's competent authority and arrange regular as well as special audit/inspection of Branches and Divisions of the bank as per plan.
v. Develop job routine, constantly explore and assess the high-risk areas, conduct special audit and recommend strategies to mitigate risks.
vi. Communicate the irregularities identified to the Board and senior management regularly and propose and take corrective actions for control effectiveness.
vii. Maintain strong ties with central bank officials as an intermediary for the bank to resolve issues safeguarding bank's interest.
viii. Prepare, maintain and archive all documents relating to financial health and risk profiling of bank.
ix. Prepare capital-based risk audit framework that allowed streamlining the financial health assessment process.
x. Prepare the occasional and periodic risk reports that communicate the severity of the risk as well as mitigation tools.
xi. Lead the team with full satisfaction optimizing the utilization of resources.
xii. Establish and maintain guidelines for a system of internal control.

Formation of Committees from the Board of Directors

As per BRPD Circular No. 02 dated 11 February 2024, and BSEC Notification No. BSEC/CMRRC-D/2006-158/207/Admin/80 dated 3 June 2018, the bank has an Executive Committee (EC), an Audit Committee (AC), and a Risk Management Committee (RMC). Moreover, the Nomination and Remuneration Committee (NRC), formed as per direction of aforementioned BSEC notification, has been abolished and the functions, roles, responsibilities & authorities of the committee have been entrusted on the Audit Committee by the Board of Directors in compliance with the directions of BRPD Circular Letter No. 21 dated 12 May 2024.

The Board hasn't formed any other permanent, temporary or sub-committee except the above-mentioned committees.

Executive Committee (EC)

An Executive Committee of the Board is formed for the purpose of continuing the urgent and day-to-day or routine activities between the meetings of the Board of Directors. The committee performs its duties according to the terms of reference determined by the Board of Directors.

Organizational Structure

In compliance with the instructions of BRPD Circular No. 02 dated 11 February 2024 the committee is formed with the members nominated by the Board of Directors from themselves. As of 31 December 2025, the Executive Committee consisted of seven (07) members, with no more than one member from any single family, compared to the maximum allowable limit of total 07 (seven) members.

All the members of the committee may be appointed for every 03 (three) years as a single term and the company secretary of the bank will perform the duties of the secretary of the Executive Committee.

As per the above-mentioned circular, the chairman of the Board of Directors is allowed to hold the Chair of Executive Committee, but we have preferred not to include the chairman of the board in the EC with a view to bring more diversity and governance.

Qualifications of the Members

Complying with the provisions of BRPD Circular No. 02 dated 11 February 2024, and BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, the committee consists of members who devotes sufficient time to contribute effectively and efficiently to the functions of the committee having qualifications such as integrity, dedication, sound understanding of the Bank Company Act, and different laws and regulations related to banking activities, banking business, bank management, various risk issues, and responsibilities & duties as a committee member.

Roles and Responsibilities of the Executive Committee

The Committee performs duties and takes decisions in all other matters as directed by the Board, except those areas which are specifically vested in the full Board as per the Bank Company Act or any other related laws and regulations. It can take all necessary decisions or give approval within the authority delegated by the Board of Directors. All the decisions taken by the committee are ratified at the Board Meeting.

Meeting of the Executive committee (EC)

In compliance with BRPD Circular No. 02 dated 11 February 2024, the Committee holds regular meeting as and when required. The memorandum of any meeting is distributed to the Committee Members at least 02 (Two) days before the meeting for effective participation and contribution by the participants.

All the recommendations/observations of the Committee shall be recorded in the form of minutes. If a note of dissent is conveyed on any matter, it is properly recorded in the minutes.

Audit Committee (AC)

Audit committee (AC) is formed for smooth carrying out of overall supervision duties of the Board of Directors as well as playing an effective role in the implementation of strategies and action plans formulated by the Board for the proper execution of functions of the bank company. It reviews the financial reporting process, internal control system, audit procedures, monitoring process and principles of conducting business to ensure that the activities of the organization are being conducted in accordance with the existing laws and regulations imposed by the regulatory authorities. The committee is functioning as per BRPD Circular No. 02 dated 11 February 2024, BRPD Circular Letter No. 21 Dated: 12 May 2024, and BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018. It has its own Terms of Reference (ToR) and is empowered to investigate/question any of the employees and retain external counsel as required.

It is worth mentioning that, the Board approves the objectives, strategies and overall business plans of the bank and the audit committee assists the Board in fulfilling its oversight responsibilities. It reviews the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct. Moreover, the head of internal audit always has direct access to the audit committee and can express his issues in front of the committee.

Organizational structure

In compliance with the instructions of BRPD Circular No. 02 dated 11 February 2024 the committee is formed with the members nominated by the Board of Directors from themselves excepting the Chairperson of the Board. The AC consisted of 04 (four) members as on 31 December 2025 including 03 (three) independent directors as against maximum limit of 05 (five) members and no member of the Executive Committee has been included as a member of the Audit Committee as per the provisions of above-mentioned circular. All the members of the audit committee are financially literate with having the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement, where most of them have accounting or related financial management background and 10 (ten) years of such experience and at least 10 years of such experience.

The Chairman of the Audit Committee is elected amongst the independent directors. The members may be appointed for every 03 (three) years as a single term. No Independent Director will hold the position of chairman in the committee for two consecutive terms. The company secretary of the bank will perform the duties of the secretary of the audit committee.

Qualifications of the Member

Complying with the provisions of BRPD Circular No. 02 dated 11 February 2024, and BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, the committee consists of members who devotes sufficient time to contribute effectively and efficiently to the functions of the committee having qualifications such as integrity, dedication, sound understanding of the Bank Company Act, and different laws and regulations related to banking activities, auditing, banking business, bank management, various risk issues, and responsibilities & duties as a committee member, where all the members are financially literate means they have the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement.

Preference is given to the person who is with practical experience in banking activities, especially people with educational qualifications in accounting, cost accounting, finance, banking, management, and economics.

Role of Audit Committee

In compliance with BRPD Circular No. 02 dated 11 February 2024, BRPD Circular Letter No. 21 Dated: 12 May 2024, and BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 the Audit committee plays following key roles:

- The committee oversees the financial reporting process and monitors the choice of accounting policies and principles.

- It monitors the Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report and reviews the adequacy of the internal audit function.
- The committee oversees the hiring and performance of external auditors and holds meetings with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption. It also oversees the determination of audit fees based on scope and magnitude, level of expertise deployed, and time required for effective audit and evaluate the performance of external auditors.
- The committee reviews Management Letters or Letters of Internal Control weakness issued by statutory auditors.
- It reviews, along with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.
- The committee reviews the Management's Discussion and Analysis before disclosing it in the Annual Report. It also reviews the statement of all related party transactions submitted by the management.
- It oversees whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in the relevant offer document or prospectus approved by the Commission.

Responsibilities of the Audit Committee (AC)

As per BRPD Circular No. 02 dated 11 February 2024 the committee performs following responsibilities:

- **Internal Control:** The committee evaluates the capability of the management authority in establishing an appropriate compliance culture, and installing full supervision and control over the activities of the officers/employees. It reviews all the measures taken by the management authority and provides necessary instructions in developing an appropriate Management Information System (MIS). It also scrutinizes whether the recommendations made by the internal and external auditors are being followed & implemented properly or not.

  Moreover, the Audit Committee regularly informs the Board about corrective measures taken in respect of any irregularities, fraud, internal control weaknesses, or similar areas identified by the internal, external auditors, and inspection team of the regulatory authority. Further to that, if any inconsistency is found by the audit committee in its review, the committee gives directions to the management authority in taking corrective measures, and the same will be duly informed to the board.

- **Disclosure of Financial Statements:** The committee verifies whether complete and proper information has been disclosed in the annual financial statements and whether the standards prescribed for the preparation of the financial statements have been complied with in accordance with the rules/conventions/provisions and accounting standards prevailing in the country as well as the accounting standards prescribed by Bangladesh Bank for this purpose.

  Before finalizing the financial statements, the Audit Committee engages in a discussion on it with the inspection team of Bangladesh Bank, external auditors, and management authority.

- **Internal Audit:** The committee monitors whether the internal audit is functioning independently from the management or not, and ensures the independence of the internal audit function from the management. It reviews the internal audit function and organizational structure, and ensures that there is no unjustified impediment or restriction to obstruct the audit process. The committee examines the efficiency and effectiveness of internal audit and recommends necessary action accordingly. It also gives necessary instructions on the management of bank operations, examining whether the management authority is properly considering the observations/recommendations made by the internal auditors regarding the management of banking activities & elimination of irregularities discovered.

- **External Audit:** The audit committee reviews the auditing activities and audit reports done by the external auditors of the bank. It examines whether the management authority has properly considered the observations/recommendations made by the external auditors regarding the management of the banking operations, and the fraud-forgery as well as regularization of the irregularities discovered by them. It also makes recommendations to the Board regarding the appointment of external auditors from the enlisted external auditors for conducting the auditing activities of the Bank.

- **Compliance with Existing Laws and Regulations:** The committee will review whether the banking laws and regulations, policies, and guidelines made by the regulatory authorities (central bank and other bodies) and the internal policies approved by the board of the bank are being properly complied with or not.

- **Other Responsibilities:** The Audit Committee is responsible to the Board; the duties of the committee are clearly set forth in writing. It submits the compliance report to the Board of Directors on a quarterly basis regarding the regularization of irregularities, fraud-forgeries discovered by the internal auditor, the external auditor, and the inspection team of Bangladesh Bank and instructions mentioned in any other observation. The committee performs other oversight functions as desired by the Board of Directors and evaluates its own performance on a regular basis. Moreover, the Audit Committee assists the Board in ensuring that the financial statements reflect a true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.

Roles & Responsibilities of the Audit Committee while performing the functions of Nomination and Remuneration Committee (NRC)

In compliance with the BRPD Circular Letter No. 21 dated: 12 May 2024, the committee performs the following key roles & responsibilities:

- The committee assists the Board in the formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences, and independence of directors and top-level executives (i.e., AVP and Above Positions) as well as a policy for the formal process of considering remuneration of directors and top-level executives.
- It is independent and responsible or accountable to the Board and to the shareholders.
- It oversees, among others, the following matters and makes a report with recommendations to the Board:

  - Formulating the criteria for determining qualifications, positive attributes, and independence of a director and recommend a policy to the Board relating to the remuneration of the directors and top-level executives, considering the following:
    - ✓ The level and composition of remuneration are reasonable and sufficient to attract, retain, and motivate suitable directors to run the company successfully.
    - ✓ The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
    - ✓ Remuneration to directors and top-level executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
  - Devising a policy on Board's diversity, taking into consideration age, gender, experience, ethnicity, educational background, and nationality.
  - Identifying persons who are qualified to become directors and who may be appointed in top-level executive positions in accordance with the criteria laid down and recommend their appointment and removal to the Board.
  - Formulating the criteria for the evaluation of the performance of independent directors and the Board.
  - Identifying the company's needs for employees at different levels and determining their selection, transfer or replacement, and promotion criteria.
  - Developing, recommending, and reviewing annually the company's human resources and training policies.

Reporting requirements of the Audit Committee

As per instruction of BSEC notification no. BSEC/CMRRCD/2006-158/207/Admin/80 Dated: 3 June 2018 on 'Corporate Governance Code' the Audit Committee of the Bank has the following reporting requirements:

- **Reporting to the Board of Directors:** The committee reports on its activities & findings to the Board of Directors.
- Reporting to the Authorities: Anything of a material impact on the financial condition and results of operation if discovered & discussed by the committee with the Board of Directors and the management for rectification but such rectification was unreasonably ignored, the committee shall report such findings to the regulatory authorities, upon reporting of such matters to the Board of Directors for three times or completion of a period of 06 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.

  No such reporting happened during the year 2025 as no issue of a material impact was discovered by the committee.
- Reporting to the Shareholders and General Investors: A report of the Audit Committee signed by its Chairman on activities carried out by the Committee is disclosed in the annual report of the Bank for the Shareholders and General Investors.

Meeting of the Audit Committee (AC)

In compliance with BRPD Circular No. 02 dated 11 February 2024, the Committee holds regular meeting where there is an instruction of holding at least 4 (four) meetings in a year. The memorandum of any meeting is distributed to the Committee Members at least 02 (Two) days before the meeting for effective participation and contribution by the participants.

All the recommendations/observations of the Committee shall be recorded in the form of minutes.
The quorum of the Audit Committee meeting constitutes with at least 1 (one) independent director.

Risk Management Committee (RMC)

As per the BRPD Circular No. 02 dated 11 February 2024, The Risk Management Committee (RMC) is formed to play an effective role in mitigating the existing & possible risks in the implementation of the strategy and action plan formulated by the Board of Directors of the bank company and to smoothly/properly carry out the duties and responsibilities of the Board in this regard. The committee monitors whether the risk mitigation measures/approaches are being appropriately implemented or not by the management authority and required capital and provisions are being maintained or not against the risks and provides necessary instructions to mitigate the risks after identifying and assessing credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, information and communication technology risk, operational risk, interest rate risk, liquidity risk and other risks.

Organizational Structure

In compliance with the instructions of BRPD Circular No. 02 dated 11 February 2024 the committee is formed with the members nominated by the Board of Directors from themselves. The RMC consisted of 04 (four) members as on 31 December 2025 as against maximum limit of 05 (five) members as per the above-mentioned circular. All members including the chairman may be appointed for every 03 (three) years as a single term and the company secretary of the bank will perform the duties of the secretary of the committee.

Qualifications of the Member:

Complying BRPD Circular No. 02 dated 11 February 2024 the committee consists of members having qualifications such as integrity, dedication, sound understanding of the Bank Company Act, different laws & regulations related to banking activities, banking business, bank management, various risk issues, and responsibilities & duties as a committee member. Moreover, who devotes sufficient time to contribute effectively and efficiently to the functions of the committee are appointed in the committee with priority.

Roles and Responsibilities of the Risk Management Committee

As per the BRPD Circular No. 02 dated 11 February 2024 the Risk Management Committee performs the following key roles & responsibilities along with other:

- Risk Assessment and Control Strategy
- Construction of organizational structure
- Review and Approval of Risk Management Policy
- Storage of data & Reporting system
- Monitoring the implementation of overall Risk Management Policy
- Quarterly submission of summary of decisions and recommendations of the committee to the board of directors;

Meeting of the Risk Management Committee (RMC)

In compliance with BRPD Circular No. 02 dated 11 February 2024, the Committee holds regular meeting where there is an instruction of holding at least 4 (four) meetings in a year. The memorandum of any meeting is distributed to the Committee Members at least 02 (Two) days before the meeting for effective participation and contribution by the participants.

All the recommendations/observations of the Committee shall be recorded in the form of minutes.

Directors' Remuneration and Other Financial Benefits

The Bank pays remuneration and financial benefits such as honorarium for meeting attendance, monthly remuneration for independent directors, accommodation and travel expenses (in applicable case) to directors after deducting applicable tax complying BRPD Circular No. 02 dated 11 February 2024, BRPD Circular No. 03 dated 14 February 2024, and BRPD Circular Letter No. 56 dated 30 December 2024 as well as instructions of National Board of Revenue (NBR) strictly.

Training for the Directors

Bangladesh Bank emphasizes on training up the Board of Directors on the Banking laws and other relevant rules and regulations to ensure proper performance of duties & responsibilities by the directors. The BRPD Circular No. 02 dated 11 February 2024 encourages trainings on banking related Acts, relevant laws and regulations and amended banking regulations/policies for the directors. All the Directors participated in a training session organized by the Bank with the resource persons from Bangladesh Bank in the year 2014, since then we deliver relevant books, notifications, circulars on laws, rules & regulations to the board members especially to the newly appointed ones for making them well cognizant on banking Acts, regulations/policies and relevant laws & regulations.

Complying Bangladesh Secretarial Standards

SBAC Bank PLC is fully committed to comply all the existing 06 (six) secretarial standards prescribed by Institute of Chartered Secretaries of Bangladesh as required by the existing laws and regulations.

Appraisal and Evaluation of Board of Directors and Managing Director & CEO

There are a few schemes for annual appraisal of the Board's performance till date, but the company is abiding by the Code of Conduct which was formulated by the Board.

The performance of Managing Director and CEO is evaluated by the Board of Directors on a regular interval. On the basis of yearly evaluation of achievement of strategic Priorities & execution of action plan, the performance of the CEO/Management is evaluated.

Management Committee/Senior Management Team (SMT)

SBAC Bank PLC. has a Management Committee which has recently been renamed as Senior Management Team (SMT) to review, discuss and decide on important business issues. In addition to the regular roles and responsibilities, the Committee also governs all related policies and practices in pursuance of short and long-term objectives of the Bank. SMT plays an independent role, operating as an overseer; and if required, makes recommendations to the Board of Directors for its consideration and final approval of any policy.

The role of the Committee is to assist the Board of Directors to ensure that bank is run with good governance. It performs all the functions necessary to fulfill its roles towards the organizational goals.

Certification of Managing Director (MD) and Chief Financial Officer (CFO) Regarding Financial Statements

As per instruction of BSEC notification no. BSEC/CMRRCD/2006-158/207/Admin/80 Dated: 3 June 2018 on 'Corporate Governance Code' the Managing Director (MD) and Chief Financial Officer (CFO) reviews the yearly financial statements each year and certify that financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading, and these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws. This certification also declare that no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members.

In compliance with the above notification, the certification of the MD and CFO is disclosed in the Annual Report each year.

Annexure-C

COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE of BSEC

[As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, BSEC/CMRRCD/2009-193/66/PRD/148 dated 16 October 2023 and BSEC/CMRRCD/2009-193/76/PRD/151 dated 04 April 2024 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1 (1)	Size of the Board of Directors The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		The Board comprises of 17(Seventeen) Directors.
1(2) (a)	Independent Directors At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s):	√		There are 04 (Four) Independent Directors (ID) out of 17 (Seventeen) Directors.
	Provided that the Board shall appoint at least 1 (one) female independent director in the Board of Directors of the company;		√	"As per BSEC Notification No. BSEC/CMRRCD/2009-193/76/PRD/151 dated 04 April 2024, every listed company is required to appoint at least one (1) female Independent Director on its Board. Subsequently, through Notification No. BSEC/ICAD/CGD/2023/106/Part-I/373 dated 29 July 2025, the compliance deadline was extended up to

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
				31 December 2025. However, SBAC Bank PLC has not yet appointed a female Independent Director even after the expiry of the extended deadline. On 04 January 2026, the Bank applied to the Bangladesh Securities and Exchange Commission (BSEC) seeking a further extension of time to comply with this requirement."
1(2) (b)	Without contravention of any provision of any other laws, for the purpose of this clause "independent director" means a director-			
	(i) who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		04 (Four) Independent Directors has no shareholding in the company.
	(ii) who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company. or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company	√		
	(iii) who has not been an executive of the company in immediately preceding 2 (two) financial years	√		
	(iv) who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
	(v) who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange:	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	(vi) who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
	(vii) who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
	(viii) who is not independent director in more than 5 (five) listed companies:	√		
	(ix) who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or advance or obligation to a bank or a financial institution; and	√		
	(x) who has not been convicted for a criminal offence involving moral turpitude:	√		
1(2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM):	√		
	Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	√		The responsibility of the NRC has been vested on the Audit Committee as per the BRPD Circular Letter No. 21 dated 12 May 2024 of Bangladesh Bank.
1(2) (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		There is no such vacancy in the reporting year.
1(2) (e)	(e) The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only:	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e. three years from his or her completion of consecutive two tenures (i.e. six years):	√		
	Provided further that the independent director shall not be subject to retirement by rotation as per the 18 no. clause of Companies Act, 1994.			
	Explanation: For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.			
1(3) (a)	Qualification of Independent Director) Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business.	√		
1(3) (b)	Independent director shall have following qualifications:			
	(i) Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or	NA		Not Applicable
	(ii) Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	√		
	Explanation: Top level executive includes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administrative and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	(iii) Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law:	NA		Not Applicable
	Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or			
	(iv) University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		
	(v) Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		
1(3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3) (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	N/A		Not Applicable
1(4) (a)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive officer The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	√		Chairperson of the Board and MD or CEO are different individuals.
1(4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		Roles and responsibilities as per Bangladesh Bank and service rules of the Bank.
1(4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		There is no such absence in the reporting year.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5) The Directors' Report to Shareholders				
1(5) (i)	An industry outlook and possible future developments in the industry;	√		Industry information and future growth prospects should be prioritize in the Director's Report.
1(5) (ii)	The segment-wise or product-wise performance;	√		
1(5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		Being a service-oriented Banking Company, Interest Income, Interest Expense, Operating Profit and Net Profit is disclosed as per BRPD Circular No. 14 dated 25 June 2003.
1(5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		There is no incident of any extraordinary activities in the reporting period.
1(5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	√		The proceeds of IPO had been fully utilized as per the schedule as published in the prospectus.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	√		There is no deteriorating result till now after the IPO of the Bank.
1(5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		
1(5) (x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5) (xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		There is no such cases in the reporting year.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1(5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		Bangladesh Bank has issued DOS Circular No. 01 dated 13 March 2025 regarding the Dividend declaration.
1(5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		Bangladesh Bank has issued DOS Circular No. 01 dated 13 March 2025 regarding the Dividend declaration.
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5) (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5) (xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5) (xxiii) (c)	Executives; and	√		
1(5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details); Explanation: For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.	√		There is no Shareholders holding ten percent (10%) or more voting interest in the company.
1(5) (xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5) (xxiv)(a)	a brief resume of the director;	√		
1(5) (xxiv)(b)	nature of his / her expertise in specific functional areas;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5) (xxiv)(c)	(c) names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5) (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per **Annexure-B** and **Annexure-C**	√		
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(6)	Meetings of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)(a)	Code of Conduct for the Chairperson, other Board members and Chief Executive officer The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
2. Governance of Board of Directors of Subsidiary Company				
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	√		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company	√		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
3. Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).-				

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(1)(a)	Appointment The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	-		The previous Company Secretary had been duly appointed by the Board of Directors. Following his resignation, the current officer has been serving as Acting Company Secretary in charge of the role for the time being. However, the appointment of the current Acting Company Secretary has not yet been approved by the Board of Directors, although the Company has already disseminated the appointment to the Commission.
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission:	N/A		
3(1)(e)	Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	N/A		
3(1)(f)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(g)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2)	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:			
	Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
3(3)(a)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO) The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
4	Board of Directors' Committee For ensuring good governance in the company, the Board shall have at least following subcommittees:			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.	NA		The responsibility of the NRC has been vested on the Audit Committee as per the BRPD Circular Letter No. 21 dated 12 May 2024 of Bangladesh Bank.
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	N/A		There is no such case in the reporting year.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(2)(e)	The company secretary shall act as the secretary of the Committee	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):			
	Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		Shall be invited to remain present in the 13th Annual General Meeting (AGM).
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	√		Seven (07) meetings held during the reporting year.
	Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;			
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		In practice.
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process;	√		The role of the Audit Committee as per Bangladesh Bank Guidelines and service rules of the Bank.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(b)	monitor choice of accounting policies and principles;	√		Do
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		Do
5(5)(d)	oversee hiring and performance of external auditors;	√		Do
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		Do
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		Do
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		Do
5(5)(h)	review the adequacy of internal audit function;	√		Do
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		Do
5(5)(j)	review statement of all related party transactions submitted by the management;	√		Do
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		Do
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		Do
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	√		Do

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(6)	Reporting of the Audit Committee			
5(6)(a)(i)	Reporting to the Board of Directors The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:- (a) report on conflicts of interests; (b) suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; (c) suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and (d) any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	√		There is no such event identified during the reporting year.
5(6)(b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier	√		Do
5 (7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company	√		
6	Nomination and Remuneration Committee (NRC).-			
6(1)(a)	Responsibility to the Board of Directors The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	√		The responsibility of the NRC has been vested on the Audit Committee as per the BRPD Circular Letter No. 21 dated 12 May 2024 of Bangladesh Bank.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		Do
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		Do
6(2)(a)	Constitution of the NRC The Committee shall comprise of at least three members including an independent director;	√		Do
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;	√		Do
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		Do
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		Do
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		Do
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	√		Do
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		Do
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		Do
6(2)(h)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company	√		Do

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 01 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		Do
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		Do
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders; Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	√		Do
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		Do
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		Do
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		Do
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		Do
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		Do
6(5)(b)	(b) NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	√		Do

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following: (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully; (b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (c) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		Do
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		Do
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		Do
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		Do
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		Do
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		Do
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		Do
7	External / Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: - (i) appraisal or valuation services or fairness opinions; (ii) financial information systems design and implementation; (iii) book -keeping or other services related to the accounting records or financial statements; (iv) broker -dealer services; (v) actuarial services; (vi) internal audit services or special audit services; (vii) any service that the Audit Committee determin es; (viii) audit or certification services on compliance of corporate governance as required under condition No. 9(1); and (ix) any other service that creates conflict of interest.	√		As disclosed by the external auditor (Aziz Halim Khair Choudhury Chartered Accountants).

7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		As disclosed by the auditor.
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		Shall be invited to remain present in the 13th Annual General Meeting (AGM).
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		The Company's official website (sbacbank.com) linked with the Stock Exchange website.
8(2)	The company shall keep the website functional from the date of listing	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

BANGLADESH BANK CHECKLIST FOR CORPORATE GOVERNANCE COMPLIANCE REPORT

To ensure good governance i.e. corporate governance in bank management, Bangladesh Bank (BB) issued three circulars in 2024 covering three broad areas as follows:

(a) BRPD Circular No. 02 dated 11 February 2024, BRPD Circular Letter No. 21 dated 12 May 2024 & BRPD Circular Letter No. 56 dated 30 December 2024: Formation and responsibilities of Board of Directors (BoD).

(b) BRPD Circular No. 03 dated 14 February 2024 & BRPD Circular Letter No. 33 dated 18 July 2024: Appointment of Independent Directors of a Bank-Company and their Duties, Responsibilities and Honorarium.

(c) BRPD Circular No. 05 dated 27 February 2024 & BRPD Circular Letter No. 38 dated 22 August 2024: Appointment & Responsibilities of Managing Director/Chief Executive Officer of a bank-company.
The Summary of the BB guidelines and SBACBL Compliance thereto are presented below:

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
Formation and responsibilities of Board of Directors (BoD):				
1.	Formation of Board of Directors (BoD): The Board of Directors of a Bank Company shall consist of shareholder directors, representative directors on behalf of shareholder institutions, and independent directors. An Alternate Director shall also be a member of the Board of Directors where and when applicable, i.e. in case of absence of any regular director.			
(a)	There shall be a maximum of 20 (Twenty) members in the Board of a Bank Company with at least 03 (Three) independent directors therein, whereas the number of independent directors must not be lesser than 02 (Two) in case the Board consists less than 20 (Twenty) directors.	√		
(b)	There may be a maximum of 03 (Three) directors from a single family and a maximum of 02 (Two) representative directors from organizations where the family has interest or control.	√		
(c)	No organization or company can nominate more than 01 director in the Board of a Bank.	√		
(d)	No director shall hold the post of directorship for more than 12 (Twelve) consecutive years and will not be eligible for reappointment until the elapse of 03 years from such expiry of his or her directorship.			
(e)	In any Annual General Meeting (AGM) except the 1st AGM, one-third of the directors of a Bank company will retire as per seniority and will be eligible for reappointment through election in compliance with the article 80 of first schedule of the companies act, 1994.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
1.1	Qualifications and competencies to be appointed as Director:			
(a)	The minimum age of the concerned person should be 30 (thirty) years with at least 10 (Ten) years of management or business or professional experience, whereas no work experience shall be considered or counted until the person attains the age of 18 (eighteen) years.	√		
(b)	He or She has not been convicted of a criminal offense or has not been involved in or is not involved in any fraud-forgery, financial crime or other illegal activity. Moreover, there is no adverse observation or comment in the judgment of any court in any civil or criminal case against him/ her.	√		
(c)	He or She has not been convicted of any violation of rules, regulations, and policies of any Regulator of Financial Sector.	√		
(d)	He or She was not associated with any company/ establishment whose registration/ license has been canceled or the establishment has been wound up.	√		
(e)	The concerned person is not in default for the loan taken from any bank or financial institution in his or her own name or in the name of an organization where he or she has interest.	√		
(f)	He or She is not employed as a director or advisor/consultant or in any other gainful position in any other banking company, financial institution, insurance company or any subsidiary company of such companies.	√		
(g)	He or She is not employed as an external auditor, legal adviser, adviser, consultant or in any other gainful position with the same banking company.	√		
(h)	He or She was never declared as bankrupt by the court.	√		
(i)	He is not a tax defaulter either personally or for his sole proprietorship or partnership.	√		
(j)	If he or she was employed at any position in the concerned bank company and 05 (five) years have not passed after the end of employment, the concerned person is not eligible for appointment as director.	√		
(k)	If the concerned person is listed as a willful defaulter by any bank company or by any financial institution established under the Finance Company Act, 2023, he or she will not be eligible to be a director of any bank until 05 (five) years have elapsed after being released from the said listing.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
1.2	**Appointment of New Director(s):**			
	As per section 15(4) of the Bank Company (Amendment) Act, 2023, prior approval must be obtained from Bangladesh Bank for the appointment/re-appointment of Director/Directors nominated/appointed in the Board Meeting and elected/approved/re-elected in the Annual General Meeting (AGM) of any Bank Company other than a specialized bank. The appointment/re-appointment of Directors/Directors of the Bank Company shall be effective from the date of approval by Bangladesh Bank. For taking the said prior approval, the Bank should apply to Bangladesh Bank under the signature of the Chief Executive Officer/Managing Director within 07 (Seven) working days of the concerned Board Meeting/Annual General Meeting.	√		
2.	**Vacation of the Office of Director:**			
(a)	The office of a Director shall be vacated as per the provision of Section 108(1) of the Companies Act, 1994. Further, if a Director fails to repay the loan within two months of receiving notice through Bangladesh Bank for an advance or loan taken from a bank or financial institution, his or her directorship shall be vacated as per the provisions of Section 17 of the Bank Company Act, 1991. Moreover, if any false declaration/information is provided to Bangladesh Bank at the time of appointment as a Director or if his or her qualification is found deficient, his or her Directorship will be vacated/appointment will be rescinded.	√		Not applicable (No Such Case arose)
(b)	If the office of a Director is vacated as per section 17 of Bank Company Act, the person will not be eligible to become a Director of the Bank or any other Bank or any Financial Institution for one year from the date of repayment of the total amount due to the Bank/Financial Institution. The dues will be adjusted with the shares held by the concerned Director in that bank company and he or she can't transfer his or her shares until the repayment of all the liabilities with the Bank or Financial Institution, and If the Director on notice under section 17 of Bank Company Act resigns from his office while the proceedings of the notice are in progress, such resignation shall not be effective.	√		Not applicable (No Such Case arose)
(c)	If any Director of a Bank Company is listed as a willful defaulter, Bangladesh Bank can declare his directorship as vacant subject to the provisions of Section 27(kha) of the Bank Company (Amendment) Act, 2023.	√		Not applicable (No Such Case arose)

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
3.	Removal from the post of director and appointment of director for special needs:			
(a)	In accordance with the provision of section 15(4) of the Bank Company (Amendment) Act, 2023, prior approval of Bangladesh Bank shall be obtained to remove any director of a Bank Company other than specialized bank from his or her post. For this purpose, the reasons & ground of the removal in detail and the copy of the decision taken by the Board with a list of the directors should be submitted to Bangladesh Bank. Such removal shall be effective from the date of approval by Bangladesh Bank.	√		Not applicable (No Such Case arose)
(b)	As per the provision of Section 46 and 47 of the Bank Company (Amendment) Act, 2023, Bangladesh Bank can remove any director or the chairman of a Bank company, and dissolve the Board for being engaged in activities contrary to the interest of depositors or for misappropriation of funds through related party transaction or money laundering or terrorist-financing or engaging in activities against public interest.	√		Not applicable (No Such Case arose)
(c)	Bangladesh Bank may remove any director of a Bank Company under provisions of section 45 of the Bank Company Act, 1991 mentioning specific reasons for such removal to prevent activities contrary to the interest of depositors or detrimental to the interests of the bank company or in the public interest.	√		Not applicable (No Such Case arose)
(d)	Bangladesh Bank, under the power conferred by section 45 of the Bank Company Act, 1991, can appoint any person as a Director subject to the competence and fitness to be appointed or form a new Board of a Bank Company to protect the interest of that bank or the depositors or for specific/special needs or in the public interest.	√		Not applicable (No Such Case arose)
4.	**Appointment of Alternate Director** A Director of a Bank Company may appoint an alternate director due to his or her staying abroad for a period of at least 03 (Three) months continuously. However, in this case, the Board of Directors of a Bank can appoint 01 (One) Alternate Director for a period of 03 (Three) consecutive months for once a year, subject to compliance with the provisions of section 101 of the Companies Act, 1994.			
(a)	Documents/information to be submitted by the concerned Bank to Bangladesh Bank in the prescribed forms within 07 (Seven) days of taking the decision of appoint of alternate director.	√		
(b)	The concerned Bank shall notify Bangladesh Bank immediately within 10 (Ten) working days of returning home of the original Director mentioning the date of return.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
(c)	In the case of appointment of Alternate Director, the concerned Bank Company must ensure collection and preservation of documentary evidences regarding the traveling abroad & return home of the original director. In case of any exception in this regard, the chief executive officer (CEO) of the bank must inform it to Bangladesh Bank immediately in writing.	√		
(d)	Any loan defaulter or any person if declared ineligible to be a Director of a Bank Company as per the Bank Company Act or the Companies Act or any other law or rules or order shall not be appointed as an alternate director.	√		
(e)	An Alternate Director cannot be appointed in any committee constituted with the Board of Directors of the bank as he or she is appointed for a temporary period.	√		
(f)	If a person takes any loan facility from any bank company, he or she will not be eligible to be appointed as an Alternate Director of that Bank.	√		
(g)	During the tenure of holding office of alternate director, no loan facility shall be provided in the name of the alternate director or in favor of the organization related to his or her interest and in case of previous loan facility, the extension of time or limit of the loan, the waiver of any interest or the exemption of interest charging therein cannot be allowed. Moreover, all the rules & regulations or prohibitions applicable to the Original Director imposed by the laws, rules or directives regarding loan facility shall also applicable to him during his or her tenure as alternate director.	√		
5.	**Information regarding Directors** Banks are advised to take the following steps regarding directors information:			
(a)	Each Bank Company should properly maintain up-to-date list of its directors.	√		
(b)	A copy of the list of Directors shall be sent to Banking Regulation & Policy Department (Division-II) of Bangladesh Bank, and all Banks as well as Financial Institutions immediately after the appointment or release/removal of the director or at the end of his or her term.	√		
(c)	A list of Directors along with their photos should be displayed on the respective bank's website and shall be updated regularly.	√		
(d)	After the nomination/appointment or release/removal of the chairman of a Bank Company or at the end of his or her tenure, the updated information should be sent to the Banking Regulation & Policy Department (Division-II) of Bangladesh Bank.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
(e)	The updated information of the directors of a Bank Company must be submitted to the Bangladesh Bank's EDW Portal through Rational Input Template (RIT) within 10 (Ten) days after the end of each quarter. Moreover, in case of appointment of any Director or any change in the Board of Directors, the respective Bank Company should submit the said information to Bangladesh Bank's EDW Portal through RIT.	√		
6	**Responsibilities and Duties of the Board of Directors:** To ensure good governance in the bank management it is essential that the Board of Directors, and Management Authorities have specific demarcation of responsibilities and authorities over the affairs of the bank. So, the Section 15 (kha) & (ga) of the Bank Company Act make the Board of Directors responsible for formulating and ensuring implementation of policies for the bank company, risk management, internal audit & control and ensuring their compliance.			
6.1	**Responsibilities and Authorities of the Board of Directors:**			
(a)	**Action Planning and Strategic Management:** i. The Board of Directors shall determine the objectives and goals of the Bank and formulate strategies and action plans to achieve the goals on an annual basis. It shall specifically engage itself in the affairs of making strategies consistent with the determined goals and objectives and in the issues relating to structural change and reformation for improvement of institutional efficiency and other relevant policy matters. The Board will monitor the progress of implementation of the Action Plan on a quarterly basis.	√		
	ii. The Board of Directors shall include in the Annual Report an analytical review regarding the success/failure in achieving the business and other targets set out in the Annual Action Plan and shall apprise the shareholders of its opinions/recommendations on the future course of actions and strategies to be followed. It shall determine the Key Performance Indicators (KPIs) for the Chief Executive Officer (CEO) &officers immediate two tiers below the CEO, and shall evaluate the same from time to time.	√		
(b)	**Credit and risk management:** (i) The policies, strategies, procedures etc. with respect to loan/investment proposal evaluation, loan/investment sanction and disbursement as well as recovery, loan rescheduling and write-off shall be formulated with the approval of the Board of Directors under the existing laws, rules and regulations. The Board shall specifically allocate the power of sanctioning loans/investments; and such allocation should desirably be made among the CEO and his subordinate executives as much as possible. No director shall directly or indirectly influence or interfere with the bank officers/employees in approving loan proposals.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
	(ii) The Board of Directors shall formulate policies regarding risk management. It shall monitor on quarterly basis whether the said policy is being properly followed, review the concerned report of the Risk Management Committee and duly record the same in the minutes of the Board meeting. The Board of Directors will oversee whether the guidelines of Bangladesh Bank on key risk management are being properly followed or not.	√		
	Internal control management: The Board of Directors shall continuously supervise/monitor the internal control system of the bank to achieve/maintain satisfactory qualitative standard of its credit/investment portfolio. The Board of Directors shall ensure the establishment of such internal control system in the banking company so that the internal audit function is conducted independently of the management. It shall review on a quarterly basis the report submitted by the Audit Committee regarding the implementation of the recommendations of the inspection report of Internal Audit, External Auditor, and Bangladesh Bank.	√		
	Human resources management and development: i. Policies related to recruitment, promotion, transfer, administrative disciplinary and punitive measures, human resource development including motivation etc. and service rules shall be framed and approved by the Board of Directors. The Board chairman or the directors must not interfere in any way in all administrative affairs including recruitment, promotion, transfer, and disciplinary measures as executed under the approved service rules. No member of the Board of Directors shall be included in the recruitment and promotion committees for recruitment or promotion at different levels. Provided that the appointment, promotion, transfer and disciplinary action of immediate two tiers below the CEO shall be conferred on the Board. However, the service rules of the bank and the relevant policies approved by the board must be properly complied in the case of such recruitment, promotion and administrative disciplinary measures.	√		
	ii. The Board of Directors shall lay special emphasis on training for skill development of the officers/employees of the Bank, and adoption of modern electronic & information technology, and appropriate management information system (MIS) and the same shall be included in the annual action plan.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
(d)	iii. The Board of Directors shall formulate Code of Conduct and Code of Ethics for all levels of officers and employees, which shall be followed properly by all. It will establish high ethical standards to build a culture of compliance in the Bank. In order to encourage the officials/employees to follow the principles of integrity, the reward policy announced by Bangladesh Bank in this regard should be properly implemented.	√		
(e)	**Financial management:** i. The annual budget and statutory financial statements of the Bank shall be prepared with the approval of the Board of Directors. The Board shall review/inspect on quarterly basis the Bank's income, expenditure, liquidity resources, overdue/non-performing loans, capital base & adequacy, maintenance of loan loss provision, and measures taken including legal proceedings for recovery of defaulted loans.	√		
	ii. In order to conduct purchase and procurement activities properly following the prevailing laws and regulations, the related policies will be approved by the Board of Directors and the Board shall accordingly delegate the power of execution of such expenditures. The maximum possible execution power of various expenditures shall be vested to the Chief Executive Officer (CEO) and his subordinates subject to budget availability. However, decisions regarding purchase of land, buildings or structures for business purposes, construction and purchase of vehicles must be approved by the Board.	√		
	iii. The Board of Directors shall review from time to time whether the Asset-Liability Committee (ALCO) has been formed and whether the committee is performing properly as per the guidelines of Bangladesh Bank.	√		
(f)	**Appointment of Managing Director/Chief Executive Officer (CEO):** One of the major responsibilities of the Board of Directors is to appoint an honest, efficient, experienced and competent Chief Executive Officer (CEO) or Managing Director in Bank management in order to strengthen the financial base of the bank and attain the trust of the depositors. The Board of Directors shall appoint a suitable Managing Director/Chief Executive Officer (CEO) with the prior approval of Bangladesh Bank following the relevant policies issued by Bangladesh Bank from time to time regarding the appointment of Managing Director/Chief Executive Officer of the Bank.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
(g)	**Further responsibilities and duties of the Board:** The Board of Directors should ensure proper following and compliance of any other responsibilities and duties imposed on the Board by Bangladesh Bank.	√		
6.2	**Rights and Responsibilities of the Chairman and other Directors:** The chairman and other Directors have following Rights and Responsibilities:			
(a)	One of the members of the Board of Directors shall be elected as Chairman for a term of 02 (two) years. He/she shall be eligible for re-election to the post of Chairman subject to the tenure of his or her directorship.	√		
(b)	The chairman of the Board of Directors or the chairman of any committee formed by the Board or any Director does not have individual authority to exercise any policy-making or executive power and therefore he/she cannot participate in or interfere into the administrative or managerial and routine affairs of the bank.	√		
(c)	The chairman of the Board of Directors or the Chairman of any other committee formed by the Board of Directors can inspect any branch or financing activities of the Bank under the inspection responsibility of the Board.	√		
(d)	The chairman may call for any information relating to the management of the Bank or direct an inquiry into any matter and can present the obtained information or investigation report in the Board Meeting/Executive Committee Meeting and take necessary measures through the Chief Executive Officer (CEO) as per the decision of the Board, if necessary. However, if any complaint is raised about the CEO, it must be informed to Bangladesh Bank through the Board along with the statement of the CEO.	√		
(e)	The Chairman of the Board of Directors may be provided with an office room, a personal secretary/assistant, a peon/MLSS, a telephone in the office, a mobile phone for using inside the country and a vehicle for the business interests of the Bank by decision of the Board. The vehicle of the chairman shall be provided following the policy issued by Bangladesh Bank from time to time.	√		
7.	**Formation of committees from the Board of Directors:** The Board of Directors of every banking company shall form an Executive Committee (EC), an Audit Committee (AC) and a Risk Management Committee (RMC) consisting members from the Directors. Apart from the three mentioned committees, no other permanent or temporary committee or sub-committee can be formed by the Board.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
7.1	**Executive committee:** An Executive Committee of the Board shall be formed for the purpose of continuing the urgent and day-to-day or routine activities between the meetings of the Board of Directors. The Executive Committee shall perform its duties according to the terms of reference determined by the Board of Directors.			
(a)	**Organizational structure:**			
	(i) Members of the committee will be nominated by the Board of Directors from themselves.	√		
	(ii) The Executive Committee (EC) will comprise of maximum 07 (seven) members.	√		
	(iii) One of the members of the committee will be elected as the chairman for a period of 03 (three) years as one term.	√		
	(iv) Members of the committee shall be appointed for every 03 (three)-year as one term.	√		
	(v) Chairman of the Board of Directors can be the Chairman of Executive Committee.	√		
	(vi) The executive committee shall not be included with more than one member of a particular family.	√		
	(vii) Company secretary of the bank will be the secretary of the executive committee.	√		
(b)	**Qualifications of the Members:**			
	(i) Integrity, dedication, and opportunity of the concerned director to devote sufficient time in the functions of the committee shall be considered while appointing a director to the committee.	√		
	(ii) Directors who can contribute effectively and efficiently to the functions of the committee should be appointed as members of the committee.	√		
	(iii) The committee members should have a sound understanding of the Bank Company Act, and different laws & regulations related to banking activities, banking business, bank management, various risk issues, and responsibilities & duties as a committee member.	√		
(c)	**Duties and Responsibilities of the Executive Committee:**			
	(i) The Executive Committee shall perform duties and take decisions in all other matters as directed by the Board, except those areas which are specifically vested in the full Board as per the Bank Company Act or any other related laws and regulations.	√		
	(ii) The Committee can take all necessary decisions or give approval within the authority delegated by the Board of Directors.	√		
	(iii) All the decisions taken by the committee has to be ratified at the next Board Meeting.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
7.2	**Audit Committee:** An audit committee will be formed for smooth carrying out of overall supervision duties of the Board of Directors as well as playing an effective role in the implementation of strategies and action plans formulated by the Board for the proper execution of functions of the bank company. The committee shall review the financial reporting process, internal control system, audit procedures, monitoring process and principles of conducting business to ensure that the activities of the organization are being conducted in accordance with the existing laws and regulations imposed by the regulatory authorities.			
(a)	**Organizational structure:**			
	(i) Members of the committee will be nominated by the Board of Directors from themselves.	√		
	(ii) The Audit Committee shall consist of a maximum of 05 (five) members, including at least 02 (two) independent directors.	√		
	(iii) The Chairman of the Audit Committee shall be elected amongst the independent directors.	√		
	(iv) The tenure of the Chairman of Audit Committee shall be 03 (three) years i.e. One term, and no independent director shall serve as Chairman of the Committee for two consecutive terms.	√		
	(v) No member of the Executive Committee shall be included as a member of the Audit Committee	√		
	(vi) Members of the Committee can be appointed for every 03 (three)-year as one term.	√		
	(vi) The company secretary of the bank will perform the duties of the secretary of the audit committee.	√		
(b)	**Qualifications of the Member:**			
	(i) Integrity, dedication, and opportunity of the concerned director to devote sufficient time in the functions of the committee shall be considered while appointing a director to the committee.	√		
	(ii) Directors who can contribute effectively and efficiently to the functions of the committee should be appointed as members of the committee.	√		
	(iii) The committee members should have a sound understanding of the Bank Company Act, and different laws and regulations related to banking activities, auditing, banking business, bank management, various risk issues, and through knowledge regarding responsibilities & duties as a committee member.	√		
	(vi) Preference should be given to the person with practical experience in banking activities, especially people with educational qualifications in accounting, cost accounting, finance, banking, management, and economics.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
(c)	**Roles and Responsibilities of the Audit Committee:**			
	(i) Internal Control: 1. The committee will evaluate whether the management authority has been able to establish an appropriate compliance culture regarding the internal control system of the bank, and whether the officers/employees of the bank have been given clear directions about their responsibilities and duties and whether full supervision and control is maintained over their activities.	√		
	2. The audit committee will review all the measures taken by the management authority and provide necessary instructions in developing an appropriate Management Information System (MIS) regarding the banking activities including building & using of the ICT platform of the bank.	√		
	3. The Audit Committee shall review whether the management authority is properly following & implementing the recommendations made by the internal and external auditors of the Bank regarding the internal control strategy/structure from time to time and shall give necessary directions in this regard.	√		
	4. The Audit Committee shall regularly inform the Board about corrective measures taken in respect of any irregularities, fraud, internal control weaknesses or similar areas identified by the internal, external auditors and inspection team of the regulatory authority. Further, if any inconsistency is found by the audit committee in its review, the committee will give directions to the management authority in taking corrective measures and the same will be duly informed to the board.	√		
	(ii) Disclosure of Financial Statements: 1. The audit committee shall verify whether complete and proper information has been disclosed in the annual financial statements and whether the standards prescribed for the preparation of the financial statements have been complied with in accordance with the rules/conventions/provisions and accounting standards prevailing in the country as well as the accounting standards prescribed by Bangladesh Bank for this purpose.	√		
	2. Before finalizing the financial statements, the Audit Committee will engage in a discussion on it with the inspection team of Bangladesh Bank, external auditors and management authority.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
	(iii) Internal Audit: 1. The Audit Committee will monitor whether the internal audit is functioning independently from the management or not and it shall ensure the independence of internal audit function from the management;	√		
	2. The Audit Committee shall review the internal audit function and organizational structure. The committee shall also ensure that there is no unjustified impediment or restriction to obstruct the audit process.	√		
	3. The Audit Committee shall examine the efficiency and effectiveness of internal audit and recommend necessary action accordingly.	√		
	4. The Audit Committee shall give necessary instructions on the management of bank operations examining whether the management authority is properly considering the observations/recommendations made by the internal auditors regarding the management of banking activities & elimination of irregularities discovered.	√		
	(iv) External Audit 1. The audit committee will review the auditing activities and audit reports done by the external auditors of the bank.	√		
	2. The audit committee shall examine whether the management authority have properly considered the observations/recommendations made by the external auditors regarding the management of the banking operations, and the fraud-forgery as well as regularization of the irregularities discovered by them.	√		
	3. The Committee shall make recommendations to the Board regarding the appointment of external auditors from the external auditors enlisted by Bangladesh Bank from time to time for conducting the auditing activities of the Bank.	√		
	(v) Compliance with existing laws and regulations: The audit committee will review whether the banking laws and regulations, policies and guidelines made by the regulatory authorities (central bank and other bodies) and the internal policies approved by the board of the bank are being properly complied or not.	√		
	(vi) Other Responsibilities: 1. The Committee shall submit the compliance report to the Board of Directors on a quarterly basis regarding the regularization of irregularities, fraud-forgeries discovered by the internal auditor, the external auditor and the inspection team of Bangladesh Bank and instructions mentioned in any other observation.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
	2. The internal and external auditors shall submit their assessment report on the relevant matters when sought by the Committee.	√		
	3. Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.	√		
(d)	**Roles & Responsibilities of the Audit Committee while performing the functions of Nomination and Remuneration Committee (NRC)** In compliance with the BRPD Circular Letter No. 21 dated: 12 May 2024, the committee performs the following key roles & responsibilities:			
	(i) The committee assists the Board in the formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences, and independence of directors and top-level executives (i.e., AVP and Above Positions) as well as a policy for the formal process of considering remuneration of directors and top-level executives.	√		
	(ii) It is independent and responsible or accountable to the Board and to the shareholders.	√		
	(iii) It oversees, among others, the following matters and makes a report with recommendations to the Board: 1. Formulating the criteria for determining qualifications, positive attributes, and independence of a director and recommend a policy to the Board relating to the remuneration of the directors and top-level executives, considering: (a) The level and composition of remuneration are reasonable and sufficient to attract, retain, and motivate suitable directors to run the company successfully, (b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and (c) Remuneration to directors and top-level executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.	√		
	2. Devising a policy on Board's diversity, taking into consideration age, gender, experience, ethnicity, educational background, and nationality.	√		
	3. Identifying persons who are qualified to become directors and who may be appointed in top-level executive positions in accordance with the criteria laid down and recommend their appointment and removal to the Board.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
	4. Formulating the criteria for the evaluation of the performance of independent directors and the Board.	√		
	5. Identifying the company's needs for employees at different levels and determining their selection, transfer or replacement, and promotion criteria.	√		
	6. Developing, recommending, and reviewing annually the company's human resources and training policies.	√		
7.3	**Risk Management Committee:** A risk management committee will be formed to play an effective role in mitigating the existing & possible risks in the implementation of the strategy and action plan formulated by the Board of Directors of the bank company and to smoothly/properly carry out the duties and responsibilities of the Board in this regard. The committee will monitor whether the risk mitigation measures/approaches are being appropriately implemented or not by the management authority and required capital and provisions are being maintained or not against the risks and will provide necessary instructions to mitigate the risks after identifying and assessing credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, information and communication technology risk, operational risk, interest rate risk, liquidity risk and other risks.			
(a)	**Organizational Structure:**			
	(i) Members of the committee will be nominated by the Board of Directors from themselves.	√		
	(ii) The Risk Management Committee shall consist of a maximum of 05 (five) members.	√		
	(iii) One of the members shall be elected as the chairman of the committee for 03 years as one term.	√		
	(iv) Members of the committee can be appointed for every 03 (three)-year as one term.	√		
	(v) The company secretary of the bank will perform the duties of the secretary of the risk management committee.	√		
(b)	**Qualifications of the Member:**			
	(i) Integrity, dedication, and opportunity of the concerned director to devote sufficient time in the functions of the committee shall be considered while appointing a director to the committee.	√		
	(ii) Directors who can contribute effectively and efficiently to the functions of the committee should be appointed as members of the committee.	√		
	(iii) The committee members should have a sound understanding of the Bank Company Act, and different laws and regulations related to banking activities, banking business, bank management, various risk issues, and through knowledge regarding responsibilities & duties as a committee member.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
(c)	**Roles and Responsibilities of the Risk Management Committee:**			
	i) Risk Assessment and Control Strategy: It is the responsibility of the Risk Management Committee to formulate appropriate strategies and ensure its implementation for the assessment & control of risks in various operations of the Bank. The risk management committee will monitor the risk management policies and procedures of the bank and make amendment if necessary. It will review the existing risk management process to ensure effective control system and provide direction to the management authority to take necessary measures.	√		
	ii) Construction of organizational structure: It is the responsibility of the Risk Management Committee to ensure appropriate organizational structure for controlling the risks of the bank. The committee will supervise whether the instructions given in the policies & guidelines on credit risk, foreign exchange risk, internal control & compliance risk, money laundering risk, information & communication technology risk as well as other risks are being complied or not and provide necessary guidance to management authorities where required.	√		
	iii) Review and Approval of Risk Management Policy: The Committee shall review the Risk Management Policy & Guidelines of the Bank at least once per year, Propose amendments as required and place to the Board of Directors for final approval. Moreover, it will review lending limit along with other limits at least once annually and take measures for amendment if required.	√		
	iv) Storage of data & Reporting system: The risk management committee will examine and approve the data storage and reporting system prepared by the bank management authority. The committee will ensure that the said process is being implemented properly or not. The Committee shall record the minutes of its meetings including proposals, recommendations and summaries in a prescribed manner and inform the Board of Directors.	√		
	v) Monitoring the implementation of overall Risk Management Policy: The risk management committee will supervise whether the overall risk management policy of the bank is being properly implemented or not. The committee will oversee whether necessary steps have been taken to deal with credit risk, market risk, operational risk and other risks.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
	vi) Other responsibilities: 1. A summary of the committee's decisions and recommendations will be presented to the board of directors on a quarterly basis; 2. The committee shall comply with the instructions issued by the regulatory authorities from time to time regarding various risks related to banking activities; and 3. The Chief Risk Officer (CRO), Internal and External auditors will submit their assessment reports on the relevant matters whenever required by the Committee.	√		
8.	**Holding of Meeting of Board of Directors and Its Committees:**			
(a)	The memorandum of any meeting should be distributed to the Board of Directors or the Committee Members at least 02 (Two) days before the meeting for effective participation and contribution by the participants.	√		
(b)	No issue outside the agenda shall be considered in the meeting.	√		
(c)	Under no circumstances an outsider can attend in the Board Meeting and the Meeting of the committees of the Board.	√		
(d)	If a note of dissent is conveyed on any matter, it should be recorded in the minutes.	√		
(e)	The meetings of the Board of Directors and its committees shall be held at the head office/the city where head office of the Bank is located. However, if there is a need to hold a meeting at any convenient place outside the city of head office or outside of Dhaka, an application must be made to Bangladesh Bank for taking prior approval before 07 (seven) working days of the meeting regarding the number/list of persons likely to attend the meeting and the estimated cost. Any unnecessary expenses for holding such meeting should be avoided.	√		
8.1	**Board of Directors Meeting:**			
(a)	The meeting of the Board of Directors of the Bank may normally be held once in a month or more than once if required.	√		
(b)	The quorum for a meeting of the Board of Directors should be determined according to the Articles of Association (AOA) or Memorandum of Association (MOA) of the bank company.	√		
(c)	Apart from the Directors, only the Managing Director and the Company Secretary of the Bank shall present in the meeting of the Board of Directors. In case of special need, any officer of the bank can present in a meeting being invited by the Board or any of its committees only when a matter related to him/her is being presented (not for the full time).	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
8.2	**Committees Meeting:**			
(a)	The Executive committee (EC) can arrange its meeting at any time if required.	√		
(b)	The EC may invite Chief Executive Officer (CEO), Chief Risk Officer (CRO) or any other officer of the Bank to participate in the Committee meeting if required.	√		
(c)	The Audit Committee (AC) shall hold at least 4 (four) meetings in a year and any more meeting whenever required.	√		
(d)	The AC may invite the Chief Executive Officer (CEO), the officer responsible for Internal Audit or any other officer of the Bank to participate in the Committee meeting if required.	√		
(e)	The Risk Management Committee (RMC) shall hold at least 4 (four) meetings in a year and any more meeting whenever required.	√		
(f)	The RMC may invite Chief Executive Officer (CEO), Chief Risk Officer (CRO) or any other officer of the Bank to participate in the Committee meeting if required.	√		
(g)	All the recommendations/observations of the Committee shall be recorded in the form of minutes.	√		
9.	**Remuneration and other financial benefits payable to Directors:**			
(a)	The maximum remuneration payable to each director for attending a meeting of the Board of Directors or its Committees shall be Tk.10,000 (Ten thousand).	√		
(b)	Regardless of the number of board and committee meetings held in a given month based on necessity, directors shall be entitled to honorarium for attending a maximum of 06 (six) meetings in total of the Board of Directors and the Executive Committee, 01 (one) meeting of the Audit Committee, and 01 (one) meeting of the Risk Management Committee per month.	√		
(c)	Each Independent Director shall receive a fixed remuneration of Tk. 50,000 (Fifty thousand) per month (subject to deduction of applicable tax) in addition to the above-mentioned remuneration for attending meetings.	√		
(d)	The Bank shall ensure compliance with the instructions of National Board of Revenue (NBR) regarding deduction of tax applicable on the remuneration of directors for attending the meetings.	√		
(e)	Directors shall be entitled to accommodation and travel expenses for a maximum of 02 (Two) days for traveling to the head office of the Bank from anywhere inside the country to attend the meeting of the Board of Directors or its Committees.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
(f)	In such case where Non-Resident Bangladeshi or foreign nationals (dual citizens) perform the duties of directors, they will be entitled a maximum of 03 (three) days accommodation bill and allowance for round air-trip for attending each meeting of a maximum of 04 (four) Board meetings in a year.	√		
(g)	All Directors shall submit receipts of actual expenses (e.g. Travel Ticket, Air Ticket, Accommodation Bill Payment Receipt/Voucher etc.) for payment of travel expenses and accommodation bills and the submitted proofs shall be preserved by the bank.	√		
10.	**Training of the Directors:**			
	Training on Banking related Acts, relevant laws and regulations and amended Banking regulations/policies can be arranged inside the country for the directors.	√		
Appointment of Independent Director and His Duties & Responsibilities				
Independent Director of Bank Company is a person who is independent of the management & shareholders of a Bank Company having no real or apparent interest with the Bank or with any Bank- related person and gives his opinion only in the interest of that Bank.				
1.	**Number of Independent Directors:**			
	A Bank Company shall have a maximum of 20 (Twenty) directors including at least 03 (Three) independent directors, while the number of independent directors shall be at least 02 (Two) in case the total number of directors is less than 20 (Twenty).	√		
2.	**Experience and Eligibility:** The person nominated as Independent Director of a Bank Company requires to have following Experience and Eligibility along with the qualifications & competencies needed to be a Director-			
(a)	The minimum age of the concerned person shall be 45 (forty five) years and the maximum age shall be 75 (seventy five) years to perform as an independent director.	√		
(b)	He must hold a Bachelor's or Master's degree in Economics, Banking, Finance, Business Administration, Law, or Accounting from a recognized university. However, in the case of appointing a former Managing Director/Chief Executive Officer of a bank company, or a Chartered Accountant or Cost and Management Accountant engaged in the accounting profession as an independent director, a Bachelor's or Master's degree in any discipline may be considered.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
(c)	Teachers with experience in Business Administration, Law, or Information Technology from the Faculty of Business Studies of public, private, or autonomous universities; individuals engaged in the legal profession; experienced bankers; and experienced officials from the Ministry of Commerce, Financial Institutions Division and Finance Division of the Ministry of Finance, Ministry of Industries, and Ministry of Law may be given preference.	√		
(d)	Any person with real interest or apparent interest in any Bank or Bank-related person in past, present and future cannot be an Independent Director of the Bank.	√		
(e)	No member of the family of the person nominated for appointment as an Independent Director in a Bank Company shall hold any share of the concerned bank and shall be engaged in any profitable position of that Bank Company.	√		
(f)	An individual nominated for appointment as an independent director cannot simultaneously hold a directorship in any other bank company, financial institution established under the Finance Company Act, 2023, insurance company, or any subsidiary of such entities. Furthermore, the individual shall not serve as a director of any company or institution that exercises control, joint control, or significant influence over the concerned bank company, financial institution, or insurance company.	√		
(g)	The person nominated as Independent Director has not been involved in any illegal activities in banking or in the performance of his professional duties.	√		
(h)	The person has not stopped payment of his dues to any creditor nor has he been exempted from repayment by way of negotiation with or concession from the creditor nor is he a defaulter of loan.	√		
(i)	The person was not associated with the ownership of any company/ establishment whose registration/ license has been canceled or the establishment has been wound up.	√		
3.	**Responsibilities, Duties and Accountabilities of Independent Director**			
(a)	He shall ensure proper compliance of the Bank Company Act, and other relevant laws & regulations regarding the management of the Bank.	√		
(b)	He shall duly report to Bangladesh Bank regarding any contravention of the Bank Company Act or any other law/regulation by the Board of Directors.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
(c)	He shall participate in the Board meeting and give his deliberate opinion on all agenda raised in the meeting. Any memorandum raised by an Independent Director shall be considered with due importance by the Board of Directors.	√		
(d)	If he is included in any committee of the Board of Directors as per BRPD Circular No. 02 dated 11th February 2024, he will faithfully carry out the duties & responsibilities with devotion, and comply with the instructions of the circular as a member of the respective committee.	√		
(e)	If the opinion of the Independent Director is not given due importance in the Board or in its committees or if any kind of inconsistency is observed in the management of the bank, he shall inform in writing to the Department of Off-site Supervision, and Banking Regulation & Policy Department of Bangladesh Bank.	√		
(f)	If any complaint is proved against the Independent Director or any adverse observation against him due to his negligence of duty is found in any inspection conducted by Bangladesh Bank, action will be taken against him as per the Bank Company Act.	√		
(g)	The Chairman of Audit Committee of the Bank should be elected from the Independent Directors. The tenure of the Chairman of Audit Committee shall be 03 (three) years i.e. One term, and no independent director shall serve as Chairman of the Committee for two consecutive terms.	√		
(h)	He shall always try to safeguard the interests of the depositors and general shareholders (other than directors).	√		
4.	**Tenure and Removal of Independent Director**			
(a)	Generally the Independent Director shall be appointed for one term of 03 (three) years, and at the end of the term he may be nominated for the re-appointment for another term subject to the provisions of Section 15 of the Bank Company Act.	√		
(b)	The Board of Directors may request the Bangladesh Bank to remove an Independent Director mentioning specific reasons.	√		Not applicable (No Such Case arose)
(c)	An Independent Director himself can resign from the Post of Independent Director by giving 07 (seven) days notice.	√		Not applicable (No Such Case arose)
(d)	Bangladesh Bank may remove any Independent Director mentioning specific reasons.	√		Not applicable (No Such Case arose)

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
Appointment & Responsibilities of Managing Director (MD)/Chief Executive Officer (CEO)				
Qualification and suitability for appointment or re-appointment of Managing Director(MD) or Chief Executive Officer (CEO):				
1.	To be appointment or re-appointment to the post of Managing Director or CEO one shall have the following qualifications and suitability as per BRPD Circular No. 05 dated 27 February 2024 along with the qualifications & competencies needed for a Director and Independent Director as per BRPD Circular No. 02 & 03 dated 11 & 14 February 2024 respectively, those are applicable to him-			
1.1	**Character and moral purity:**			
(a)	He was not associated as an official of any company or financial institution whose registration/license has been canceled due to his direct or indirect offense.	√		
(b)	He has not been removed/dismissed/downgraded or released from his post due to misappropriation of money, corruption, fraud-forgery and moral turpitude while he was chairman or director or official or employee of any company or organization.	√		
(c)	He has not been removed/dismissed/downgraded or released from his post while holding the position of chief executive or chairman or director or official or employee of any Bank-Company or any other financial institution.	√		
(d)	There is no adverse observation against him in off-site or on-site inspection of Bangladesh Bank.	√		
(e)	He possesses such qualifications & competencies required for a Director and Independent Director as per BRPD Circular No. 02 & 03 dated 11 & 14 February 2024 respectively, those are applicable to him.	√		
1.2	**Financial Transparency/Integrity:**			
(a)	He has not stopped payment of his dues to any creditor nor has he been exempted from repayment by way of negotiation with or concession from the creditor nor is he a defaulter of loan.	√		
(b)	He has never been declared as bankrupt by the court and he is not a tax defaulter also.	√		
(c)	He has not been involved in any illegal activities while performing his professional duties in a Bank-Company or Financial Institute.	√		
1.3	**Educational Qualification, Suitability, and Experience:**			
(a)	He should be a holder of minimum post-graduate degree from a recognized university. Higher academic or professional education in economics, accounting, finance, banking, management or business administration will be considered as additional qualification of the concerned person.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
(b)	He shall not have third division or class at any stage of his educational career. In case of result published in Grading system, If GPA is less than 3.00 in case of SSC or equivalent and HSC or equivalent examination, and if CGPA is less than 2.50 in 4.00 point scale and less than 3.00 in 5.00 point scale in case of CGPA given by any authorized university, that will not be acceptable. The result (Class/Division/GPA) in case of degree obtained from abroad must be approved and equated by the appropriate authority.	√		
(c)	He should have proven performance and reputation in the immediate preceding posts.	√		
(d)	He should have leadership qualities.	√		
(e)	He cannot be a Director of any Bank-Company or Financial Institution or Insurance Company established under the Finance Company Act, 2023 or any institution controlled by such companies or cannot be employed in any profitable position in the said institutions.	√		
(f)	He cannot be engaged in any other Business or profession.	√		
(g)	He shall not have any Business Interest in the concerned Bank.	√		
(h)	He shall not have any engagement with any organization owned or controlled by any director of the bank or where the director has interest.	√		
(i)	No member of his family shall be included in the Board of Directors of the concerned bank.	√		
(j)	The concerned person should have at least 02 (Two) years' experience as a diligent official in the immediate below position of MD or CEO of a Bank with at least 20 (Twenty) years of experience in the Banking profession.	√		
1.4	**Age Limit:**			
	The minimum age of the concerned person shall be 45 (Forty five) years and any person above the age of 65 (Sixty five) years shall not hold the post of Managing Director or CEO of any Banking-Company.	√		
1.5	**Tenure of appointment:**			
	The term of appointment of the Managing Director (MD) or Chief Executive Officer (CEO) shall normally be 03 (Three) years, but he shall be eligible for re-appointment. In case of re-appointment, if less than 03 (Three) years left to exceed the maximum age limit of 65 years, then he can be appointed for that remaining period only. However, recommendation of Bangladesh Bank regarding his tenure after interviewing the candidate must be considered as final and be followed.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
1.6	**Performance Indicators on Appointment or Re-appointment:**			
	Specific target for the reduction of non-performing loan and the recovery of written-off loan should be assigned, and time to time progress therein should be monitored while appointing or re-appointing the Managing Director or CEO of a Bank-Company. Besides, performance indicators for financial and managerial progression i.e. Other performance indicators to be included for his performance at the said post. Furthermore, any special responsibilities or targets assigned by Bangladesh Bank on him from time to time in the interest of the depositors or in the interest of the Bank or the public will also be included as performance indicators in the case of his appointment/re-appointment.	√		
1.7	**Evaluation Report:** In case of re-appointment of the Managing Director or Chief Executive Officer (CEO), an evaluation report shall be submitted to Bangladesh Bank by the Chairman with the approval of the Board of Directors of the Bank. In this case the following issues should be taken into consideration-			
(a)	Achievement of pre-assigned target of recovery of default loan.	√		
(b)	The extent to which the predetermined target of recovery of written-off loan has been achieved.	√		
(c)	Progress report on fulfillment of responsibilities/ achievement of targets as assigned by Bangladesh Bank from time to time during the period of appointment.	√		
(d)	Details of achievement of target regarding improvement of specific financial, business, and managerial performance.	√		
(e)	Details of the improvement in key financial indicators such as CAMELS of the bank.	√		
1.8	**Interviewing and prior approval of Bangladesh Bank to appoint the Managing Director or CEO:**			
(a)	According to the provisions of sub-sections (4) and (5) of section 15 of the Bank Company Act, prior written approval of Bangladesh Bank must be obtained before the appointment or re-appointment of the Managing Director or Chief Executive Officer (CEO) of the bank company.	√		
(b)	Required documents and information (as per BRPD Circular No. 05, dated 27 February 2024) must be submitted to Bangladesh Bank before 02 (Two) months of appointment or re-appointment of the Managing Director or CEO.	√		
(c)	The Bank-Company shall appoint/re-appoint someone as its Managing Director or CEO based on the recommendation made through interviewing by the committee formed by Bangladesh Bank and chaired by its Deputy Governor assigned for the purpose.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
2.	**Fixation of Salary, Allowances, and Determination of other Benefits:**			
	The instructions of BRPD Circular No. 05 dated 27 February 2024 shall be strictly followed in case of fixation of salary, allowances and determination of other benefits of the Managing Director or Chief Executive Officer and submission of proposal to Bangladesh Bank in this regard.	√		
3.	**Incentive Bonus:**			
	The Managing Director or CEO of the Bank shall be entitled to Incentive Bonus subject to the payment of Incentive Bonus in favor of Officers/Employees of the Bank. However, such Incentive Bonus payable in favor of him shall not exceed Tk. 15 (Fifteen) lakhs per year. Provided further that, no other official of the Bank shall be entitled to Incentive Bonus in excess of the limit prescribed for the Managing Director or CEO.	√		
4.	**Honorarium for attending the Board Meeting:**			
	The Managing Director or Chief Executive Officer CEO is a salaried official of the Bank and shall not be entitled to any honorarium for attending the meeting of the Board or any committee of the Board.	√		
5.	**Traveling outside Bangladesh**			
	For essential overseas travel by the Managing Director/Chief Executive Officer, such travel may be undertaken without prior approval from Bangladesh Bank, provided it is in accordance with the bank's own foreign travel policy and approved by the Board of Directors or the appropriate authority. In this case, at least 10 (ten) working days prior to departure, the name, designation, office phone number, cell phone number, and email address of the officer assigned to act on behalf of the Managing Director/Chief Executive Officer during their absence must be informed in writing to the Banking Regulation and Policy Department (Division-2).	√		
6.	**Responsibilities, Duties and Authorities of the Managing Director (MD) or Chief Executive Officer (CEO):** The Managing Director (MD) or Chief Executive Officer (CEO) of Bank Company shall perform the duties and responsibilities and exercise the Authorities as follows:			
(a)	**Performing Trust and Fiduciary Duty** The Managing Director (MD) or Chief Executive Officer (CEO) must have proper knowledge and understanding of the following trust & fiduciary duty to protect the best interests of the depositors, and the banking company, namely-			
	(i) Duty of Care: He/she shall follow all the Acts, rules and regulations related to banking business. Furthermore, He shall act prudently, avoiding all forms of ignoring or negligence, so as not to cause any financial or other loss to the bank and depositors because of him.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
	(ii) Duty of Loyalty: He/she shall perform his or her duties in good faith, being loyal to the Bank Company and avoiding conflict of interest so that the interests of the Bank and depositors are protected instead of his or her own or any other person's interest.	√		
	(iii) He/she shall exercise the Authorities conferred on him for the purposes for which he is authorized.	√		
(b)	**Financial, Business and Administrative Responsibilities, Duties and Authorities:**			
	(i) The MD or CEO shall perform his or her duties and responsibilities in accordance with the financial, business and administrative powers assigned on him by the Board of Directors of the Bank.	√		
	(ii) He shall be responsible for the implementation of business plan of the Bank and shall be accountable for achieving of business objectives through sound administrative and financial management.	√		
	(iii) If any misinterpretation is made or incompatible instructions is given by the honorable Board members regarding the Bank Company Act and other related laws, regulations, and circulars & directives of Bangladesh Bank during the discussion of any matter raised by the Bank Management while presenting a memorandum in Board meeting or committee meeting, the MD or CEO shall inform the Board in writing of the specific Explanation of the relevant laws/ regulations/circulars/directives.	√		
	(iv) In case of violation of the Bank Company Act or any other law, rule, directive, custom & practice by the members or any member of the Board in the Board meeting or Committee meeting, the MD or CEO shall inform Bangladesh Bank such contravention in writing or orally, as the case may be.	√		
	(v) The responsibility & authority of appointment & promotion of all other officers & employees except those of immediate two tiers below the MD or CEO shall be vested in the MD or CEO. He shall perform these responsibilities in all related cases as per the service-rule based on the Board approved policies. He cannot perform any action or take any decision on the basis of emotion or nepotism while performing his duties.	√		

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
	(vi) The Authority of appointment, transfer, promotion of and disciplinary action against all other officers & employees except those of immediate two tiers below the MD or CEO shall be vested in the MD or CEO, which shall be exercised by him as per the service-rule approved by the Board of Directors of the Bank. Further, he may nominate any officer for training, seminar, workshop etc. under the HR policy approved by the Board. If there is any restriction imposed regarding the nomination of any of the officers or employees by the government for training outside Bangladesh or for any other reason, he is bound to comply with the said restriction.	√		
	(vii) The Managing Director (MD) or Chief Executive Officer (CEO) shall assume any other responsibility if the Board assigns within the purview of the Rules, Regulations, Acts and Articles of the Bank.	√		
7.	**Releasing, Dismissal or Removal of Managing Director (MD) or Chief Executive Officer (CEO), and Filling of Vacancy:**			
(a)	The Managing Director (MD) or Chief Executive Officer (CEO) shall not be removed or the contract shall not be terminated before it expires if he has not involved himself with any act considered as Gross Aberration.	√		Not applicable (No Such Case arose)
(b)	If the Board of Directors of the bank wants to terminate the contract of the CEO or remove him before the expiry of the contract, such a proposal must be sent to Bangladesh Bank for approval, stating the specific reasons. If Bangladesh Bank approves such a proposal after considering all the issues, it will come into effect one month after the approval. But if such proposal is rejected by Bangladesh Bank, the CEO concerned shall remain in the office for the remaining period of his contract.	√		Not applicable (No Such Case arose)
(c)	If the CEO requests to resign for personal or any other reason before the expiry of the contract, such request should be sent to Bangladesh Bank with the recommendation of the Board of Directors. The decision of the Bangladesh Bank in this regard will be deemed as final considering the recommendation of the committee of Bangladesh Bank made after taking the personal hearing/interviewing of the said CEO.	√		
(d)	In pursuance of the provisions of Section 45 or 46 of the Bank Company Act, Bangladesh Bank may release/dismiss/remove the MD or CEO of any Bank-Company at any time for mentioning specific reason.	√		Not applicable (No Such Case arose)

SL. No.	Particulars	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		complied	Not complied	
(e)	In case the position becomes vacant due to voluntary resignation or expiry of the term of the MD or CEO or for any other reason, as per the provisions of Section 15Ka(1) of the Bank Company Act, the Bank shall immediately fill the vacancy by a competent official from the immediate below position of MD or CEO should be appointed as acting Managing Director or Chief Executive Officer (if there are more than one eligible officials in the same position, in that case the most senior officer) for a maximum period of 03 (Three) months according to the decision of the Board of Directors, and Bangladesh Bank must be communicated about the said appointment in writing along with the resume and other details of the acting MD or CEO. The acting MD or CEO so appointed shall perform the overall duties of the Managing Director or Chief Executive Officer of the Bank.	√		Not applicable (No Such Case arose)
(f)	The post of MD or CEO of a Bank-Company shall not be kept vacant for more than 03 (Three) consecutive months, and if the vacancy is not filled within the said period, Bangladesh Bank may appoint an administrator in that bank as per the provisions of Section 15Ka(3) of the Bank Company Act.	√		Not applicable (No Such Case arose)

STATEMENT OF APPOINTMENT, RE-APPOINTMENT EMPLOYMENT, & OTHER ENGAGEMENTS OF THE DIRECTORS

This Disclosure has been given as per the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMMCD/2009-193/09/Admin/117, dated 22 March 2021

As on December 31, 2025

Name of the Director	First Appointment Date	Last Re-appointment Date	The Primary Employment and Other Engagement including Directorship
Engr. Md. Moklesur Rahman	20/02/2013	09/09/2025	Contech Construction Ltd. Pre Stressed Pole Ltd. B&T Cables Ltd. B&T Cold Storage Ltd. B&T Development Ltd. B&T Meter Ltd. Tushar Ceramics Ltd. B&T Transformers Ltd. Nexus Securities Ltd. BD Game Studio Ltd Smart Meter
Anwar Hussain	20/02/2013	04/07/2024	SAFAH CNG Refuelling Station Ltd. HAR Industries Ltd. Abdul Gaffar & Co. (Pvt.) Ltd. Asuka CNG Filling Station Ltd. AGI Corporation AGI Flex Ltd.
Hafizur Rahman Babu	20/02/2013	04/07/2024	Joytun Securities International Ltd. Joytun Developers Ltd. S.B. Agro Fertilizer Industries Ltd. Sheikh Cement Mills Ltd. Gold Hill Properties Ltd. Sheikh Jute Mills Ltd. M/S. Sheikh Brothers M/S. Hafizur Rahman Babu Sheikh Shipping Lines Ltd. Sheikh Agro Food Industries Arising Trade International Ltd. M/S. Sheikh Brothers Enterprise
Mohammed Ayub	30/12/2015	04/07/2024	Ayub & Co. Ltd. Pioneer Enterprise United Enterprise Pacific Enterprise M/S. Ishmam Enterprise
Mushfiqur Rahman Nominated by M/S. Contech Construction Ltd.	12/01/2022	09/09/2025	Contech Construction Ltd. Pre-stressed Pole Ltd. B & T Cables Ltd.

Name of the Director	First Appointment Date	Last Re-appointment Date	The Primary Employment and Other Engagement including Directorship
			B & T Cold Storage Ltd.
			B & T Development Ltd.
			B & T Meter Ltd.
			B & T Poles Ltd.
			Tushar Ceramics Ltd.
			B & T Tranformers Ltd.
			Nexus Securities Ltd.
			BD Game Studio Ltd.
			BD Game Studio
Mohammad Nazmul Huq Nominated by Vicar International	07/02/2022	09/09/2025	Vicar International
			Vicar Electricals Ltd.
			Vicar Concrete Products Ltd.
			Arrow Technology Ltd.
Mohmmad Mahbubor Rahman FCMA Nominated by Intec Solution	13/04/2023	04/07/2023	Imperial Resources Ltd.
Shohel Ahmed Nominated by Meter D Tech.	02/11/2023	04/07/2024	Build ing Dreams Ltd.
			Papiro Ltd.
			Power -Add
			SQ Agriculture Ltd.
			SQ Distribution Ltd.
			SQ Electrical Ltd.
			SQ Light Ltd.
			SQ Nafis Crop Care Ltd.
			SQ Properties Ltd.
			SQ Resources Ltd.
			SQ Trading & Engineering
			SQ Wire & C able Co. Ltd .
			SQ Wood Preservatives
			Techno Electricals Ltd.
			Vicar Concrete Products
			Vicar Electricals Ltd.
			Imperial Media Limited
Mr. A.K.M. Delwer Hussain FCMA Nominated by Techno Electricals Ltd.	09/09/2025	-	-
Maj. Gen. Shahedul H aque, psc (Retd.) Nominated by TBO Trade Ltd.	09/09/2025	-	-
Imrul Anwar (Nominated by T&A International Ltd.)	09/09/2025	-	Kojima Lyric Garments Ltd.
			M.F.T Enterprise
			T&A International Ltd.
Maj. Abu Fateh Md Bashirur Rahman (Retd.) (Nominated by NY Trading Ltd.)	09/09/2025	-	Axoter Multibiz Company
Professor Mohammad Moqbul Hossain Bhuiyan	22/06/2021	09/06/2024	Professor, Department of Management Information System (MIS), University of Dhaka.
Ziaur Rahman Zia FCA	31/01/2022	04/03/2025	RS Technologies Limited
Md. Maksudur Rahman Sarker FCMA	09/06/2024	-	Professor & Chairman, Department of Accounting, University of Dhaka
Md. Abu Saem FCA	04/03/2025	-	

REPORT OF THE AUDIT COMMITTEE OF THE BOARD

The Audit Committee has the pleasure of presenting to the Shareholders / Members the report for the year ended December 31, 2025, prepared in Compliance with paragraph 5(7) of Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 titled as Corporate Governance Code.

The Audit Committee (AC) is acting as a bridge among the Board of Directors to protect the interest of the stakeholders. The AC undertakes its responsibilities to engage in systematic and continuous review, monitoring and assessment of organizational performance against evolving regulatory requirements. Its roles and responsibilities were defined in line with the Corporate Governance Circulars of Bangladesh Bank and the Notifications of Bangladesh Securities and Exchange Commission (BSEC).

Main Objectives of Audit Committee

- To assist the Board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plans set by the Board.
- To review the financial reporting process and effectiveness of the internal control process.
- To assess the effectiveness of overall processes and procedures for monitoring compliance with laws and regulations, code of business conduct and to check the compliance status of the inspection report of Bangladesh Bank.

Constitution of Audit Committee

As per BRPD Circular No.02 dated February 11, 2024 and Corporate Governance Code of BSEC the composition of the Audit Committee of a bank shall comply with the followings:

- Members of the committee shall be selected from among the directors of the board.
- Audit Committee of the board shall comprise maximum 05 (five) members including at least 2 (two) members from independent directors;
- A Chairman/Chairperson of the Audit Committee shall be elected from among the independent directors;
- The tenure of the Chairman/Chairperson of the Audit Committee shall be 03 (three) years. No independent director shall serve as the Chairman/ Chairperson of the Audit Committee for two consecutive terms;
- Audit Committee shall be constituted with those members of the Board, who are not Executive Committee Members.
- Members may be elected for a term of 03 (three) years.
- Company Secretary of the Bank shall be the secretary of the Committee.

The present Audit Committee (AC) of the Board was duly reconstituted by the Board of Directors of the Bank in its 201st meeting held on October 14, 2025 in compliance with BRPD Circular No. 02 dated February 11, 2024 and Corporate Governance Codes issued by Bangladesh Securities and Exchange Commission (BSEC). The previous Audit Committee was reconstituted by the Board of Directors in its 164th and 159th meeting held on May 14, 2023 and February 28, 2023 respectively.

The Audit Committee of the Bank reconstituted on October 14, 2025

SL.	Name	Status with the Bank	Status with the committee	Educational Qualification	No. meetings held in 2025	No. meetings attended in 2025
1	Prof. Md. Maksudur Rahman Sarker FCMA	Independent Director	Chairman	Masters Finance & Accounting	07	07
2	Professor Mohammad Moqbul Hossain Bhuiyan	Independent Director	Member	M. Com (Management), MBA	07	07
1	Mr. Mohammad Mahbubor Rahman FCMA	Director	Member	M. Com (Accounting)	07	05
1	Mr. Ziaur Rahman Zia FCA	Independent Director	Member	M. Com (Accounting)	07	06

Roles and responsibilities of Audit Committee

The roles and responsibilities of AC have been defined in line with the relevant provisions of Corporate Governance Guidelines / Notification issued by Bangladesh Bank and Bangladesh Securities and Exchange Commission and other best practices of governance. Some important roles and responsibilities are highlighted below:

Internal Control

- Evaluate whether the bank management is adhering to appropriate risk management, compliance, governance practices and have a clear understanding of their respective roles and responsibilities;
- Review whether arrangements made by the management for developing and maintaining a suitable Management Information System (MIS);
- Monitor whether suitable suggestions made by internal and external auditors to improve internal control practices have been duly implemented by the management.
- Review the existing risk management policy and procedures to improve the health and efficiency of the investment portfolio;
- Review the corrective measures taken by the management relating to fraud-forgery, deficiency in internal control or other similar issues detected by internal and external auditors and Bangladesh Bank and inform the Board regularly.

Financial reporting

- Review, before submission to the Board for approval, periodic financial statements to determine whether they are complete and consistent with applicable accounting and reporting standards set by respective governing bodies and regulatory authorities.
- Consult with management and external / statutory auditors to review annual financial statements or any other ad-hoc financial reports before their finalization.

Internal Audit

- Evaluate whether internal audit functions are truly independent.
- Review the activities, structure, and style of internal audit functions to ensure that no unjustified restrictions or limitations are imposed.
- Review and assess the annual internal audit plan.
- Review the efficiency and effectiveness of the internal audit function.
- Review and ensure those appropriate recommendations made by internal auditors to remove irregularities, if any, are duly acted upon by concerned personnel in running the affairs of the Bank.

Internal Audit

- Make recommendations to the Board, to be put to shareholders for approval in the AGM, concerning the appointment, re-appointment and removal of the Bank's external auditors. The committee shall oversee the selection process of new auditors and shall investigate any issue that might have led auditors to resign.
- Oversee the relationship with the external auditors including:
    - Recommendation of remuneration, i.e., fees for audit or non-audit services.
    - Annually assessing their independence and objectivity, taking into account relevant professional and regulatory requirements.
    - Ensuring that there are no relationships such as family, employment, investment, financial or business between the auditor and the bank with exception to circumstances under the ordinary course of business.
- The Committee meets the external auditor at least once a year, without management being present; to discuss their remit and any issues arising from the audit.
- Review the findings and recommendations made by the external auditors regarding irregularities, if any, detected are duly acted upon by the management.

Compliance with existing laws and regulations

Review whether the laws and regulations framed by the regulatory authorities (Central Bank, BSEC, and other bodies) and internal circular/instructions/policy/regulations approved by the Board and management have been duly complied with.

Miscellaneous

The Audit Committee submits a 'Compliance Report' on quarterly basis to the Board mentioning any errors and irregularities, fraud and forgery, and other anomalies pointed by internal and external auditors of the Bank.

Meeting of the committee

The Committee held 7 (Seven) meetings in 2025 against minimum requirement of 4 (four) meetings in a year. The committee, from time to time invited the Managing Director, the Head of Internal Control & Compliance Department discussed and reviewed the findings and suggestions on various issues by the auditors and advised the management to take necessary measures. All recommendations/ observations of the committee were recorded in minutes. The meetings held in 2025 were as under:

S/N	Meetings	Date of Meeting
01.	62nd Audit Committee Meeting	23 January 2025
02.	63rd Audit Committee Meeting	30 April 2025
03.	64th Audit Committee Meeting	27 May 2025
04.	65th Audit Committee Meeting	28 July 2025
05.	66th Audit Committee Meeting	12 October 2025
06.	67th Audit Committee Meeting	29 October 2025
07.	68th Audit Committee Meeting	15 December 2025

Major Activities of Audit Committee in 2025

The major areas focused by the Audit Committee of the Board during 2025 are outlined below:

- Reviewed the annual financial statements of the Bank as on / for the year ended 31 December 2024 as certified by the External Auditor before submission to the Board for consideration.
- Reviewed the unaudited quarterly (Q1, Q2 and Q3) financial statements of the Bank for the year 2025 before submission to the Board for consideration.
- Appointment of external auditors of the Bank for the year 2025.
- Review the Management Report.
- Review the quarterly statement of willful defaulting borrowers.
- Review the Annual Integrated Health Report.
- Reviewed the compliance status of Self Assessment of Anti-Fraud Internal Controls under DOS Circular Letter No. 10 dated 09 May 2017 of Bangladesh Bank.
- Reviewed and approved the 'Annual Audit Plan' for the year 2025.
- Reviewed the overall effectiveness of the control system of SBAC Bank PLC.
- Reviewed the Comprehensive Inspection Report, Special Inspection Report, Inspection Reports of SBAC Bank's Branches issued by Bangladesh Bank and subsequent compliance by management thereof.
- Reviewed the compliance status of core risks of the Bank and related risk level of its branches, departments of the Bank.

The Minutes of the Audit Committee meetings containing various suggestions and recommendations to the management are duly placed to the Board for ratification on regular basis.

The Audit Committee expresses its sincere gratitude to the Members of the Board of Directors of the Bank, Management and the Auditors for their cooperation while performing the duties and responsibilities of the Committee.

On behalf of the Audit Committee,

Professor Md. Maksudur Rahman Sarker FCMA
Chairman
Audit Committee of the Board

REPORT OF THE SHARI'AH SUPEVISORY COMMITTEE OF SBAC BANK PLC.

for the year ended on 31st December, 2025

In the Name of Allah, the Beneficent, the Merciful. All praise is due to Almighty Allah, the Lord of the Universe and peace and blessing of Allah be upon the Prophet Muhammad (May Allah bless him and grant him peace) and upon his all other descendants and companions.

To the Shareholders of the SBAC Bank PLC.,

Assalamu Alaikum Wa-Rahmatullahi Wa-Barakatuh.

In compliance with the terms of reference of the By-Laws of the Shari'ah Supervisory Committee, we submit the following Report on the Islamic Banking operations of the SBAC Bank PLC. for year ended on 31st December, 2025.

During the year 2025, the Shari'ah Supervisory Committee of the SBAC Bank PLC., met in several Sessions and gave opinion on various Shari'ah related issues placed before it by the Management. The SBAC Bank PLC. is responsible for ensuring that they conduct its Islamic Banking business in accordance with the Shari'ah rules and principles. It is our responsibility to form an independent opinion, based on our review of the Islamic Banking operations and to report to you.

We have reviewed the principles and the contracts relating to the transactions and applications introduced by the SBAC Bank PLC. in its Islamic Banking operations during the period from 1st January, 2025 to 31st December, 2025.

We have conducted our review on the basis of Shari'ah audit and inspection reports of the Muraqib (Shari'ah Auditor). In addition to our fatwas, the Muraqib also followed the Internal Control & Compliance guidelines on Islamic Banking issued by the Bangladesh Bank. Shari'ah non-compliance risk rating of concerned Windows was 'Low' during the year under report. The Shari'ah Supervisory Committee reviewed the Shari'ah Audit Reports and provided guidelines it deemed necessary for proper Shari'ah compliance.

We also conducted our review which included, on a test basis of each type of transaction, the relevant documentation and procedures adopted by the Islamic Banking of the SBAC Bank PLC. We planned and performed the review so as to obtain the information and explanation which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that SBAC Bank's Islamic Banking has not violated Shari'ah rules and principles.

In our opinion

a) The contracts, transactions and dealings entered into by the SBAC Bank's Islamic Banking during the year ended on 31st December, 2025 that we have reviewed are in compliance with the Shari'ah rules and principles;
b) Distribution of profit to the Mudaraba Depositors conforms to the basis that had been approved by us in accordance with the Shari'ah rules and principles;
c) Earnings which are prohibited by Shair'ah rules and principles have not been included in the income;
d) Transactions with the conventional part of the Bank have been made complying Shari'ah principles.
e) Zakah is not applicable for Window based Islamic Banking of the SBAC Bank PLC.

During the year under report, the Shari'ah Supervisory Committee has advised the Bank on the following Issues:

a) Bank had taken various steps for creating awareness among the employees and the customers about Shari'ah compliance during the whole years and its should be continue in coming year ;
b) To continue arranging regular training & workshop on Islamic Banking for the officials of the Bank and for their Customer Service Officers to increase professional skills for better Shari'ah compliance;
c) To take effective steps for implementation of the recommendations given by the Shari'ah Supervisory Committee.
d) Activities for network expansion for Islamic Banking services nationwide already going on. Bank should continue the process in coming year.

The Shari'ah Supervisory Committee expresses appreciation to the Board of Directors of the Bank and to the Managing Director & CEO and his team for their spontaneous cooperation and support during the year 2025.

May Allah Subhanahu Wata'la gives us strength to achieve His satisfaction through implementation of Shari'ah principles in every sphere of our life!

Maulana Md. Abdur Razzak
Chairman
Shari'ah Supervisory Committee

SUBSIDIARY OVERVIEW

SBAC BANK INVESTMENT LIMITED

SBAC Bank Investment Limited, a private limited company, registered under the Companies Act 1994 and licensed by the Registrar of Joint Stock Companies and Firms (RJSC). It operates as a fully owned subsidiary of SBAC Bank PLC., and is dedicated to providing comprehensive services related to capital market operations.

The company is governed by a Board of Directors comprising eight highly experienced professionals, each with a proven track record in financial services, corporate finance, and capital markets. Their collective industry expertise forms the backbone of SBAC Bank Investment Limited's strategic direction and operational excellence.

With a focus on precision and market accessibility, SBAC Bank Investment Limited provides premier stock brokerage services for both individual and institutional clients. As a fast-growing TREC holder of the Dhaka Stock Exchange PLC, the company facilitates seamless equity trading through advanced order management systems (SBACTradeEx) and personalized trading support.

Rooted in strong corporate values and client-centric practices, the company is driven by the belief in building long-term partnerships and delivering value-added services. SBAC Bank Investment Limited is poised to play a pivotal role in the development and future growth of Bangladesh's capital market through innovation, integrity, and professional excellence.

Distinctive Strengths of SBAC Bank Investment Limited

SBAC Bank Investment Limited is uniquely positioned to deliver high-impact financial services, backed by several strategic advantages that set it apart in the capital market industry:

- **Robust Capital Base:** The Company boasts a strong financial foundation, with an authorized share capital of BDT 50 crore and a paid-up capital of BDT 40 crore, ensuring long-term stability and growth potential.
- **Expert Leadership:** Governed by a Board of Directors comprising seasoned professionals with extensive experience in money markets, capital markets, financial planning, and trade & commerce. Their collective expertise drives strategic decision-making and ensures sound governance.
- **Collaborative Work Culture:** SBAC Bank Investment Limited fosters a supportive and cooperative working environment, encouraging teamwork, innovation, and operational efficiency across all levels of the organization.
- **Skilled Human Capital:** The Company is staffed with qualified professionals and industry experts, whose technical knowledge and market insights ensure the delivery of superior financial services.
- **Modern Infrastructure & Technology:** SBAC Bank Investment Limited features a sophisticated Order Management System (OMS) designed for high-speed execution and real-time market access. Through the both SBAC TradeEx mobile app and web-based platform, investors can seamlessly manage trading, portfolios, and monitor live market data from anywhere home and abroad.

Major Objectives of SBAC Bank Investment Limited

SBAC Bank Investment Limited operates with a clear set of strategic objectives designed to support the growth and development of Bangladesh's capital market. Its key goals include:

- **Comprehensive Market Operations:** To engage in broking and dealing of stocks, shares, bonds, debentures, commercial papers, and other financial instruments—either on its own portfolio or on behalf of clients—within the country's stock market.
- **TREC-Based Brokerage Services:** To operate as a TREC (Trading Right Entitlement Certificate) holder of the Stock Exchange and carry out the business of brokers, jobbers, or dealers in a wide range of financial instruments including securities, commodities, bonds, obligations, debenture stocks, and Treasury Bills. These activities may be conducted either through joint ventures with foreign stakeholders or solely with local partners.
- **Strategic Investment Activities:** To buy, sell, hold, or invest in securities issued or guaranteed by companies registered in Bangladesh or abroad. The company seeks to generate both short-term and long-term investment returns, while managing risks effectively.
- **Provision of Margin Facilities:** To provide margin loan facilities to investors in accordance with applicable laws and regulatory frameworks, thereby supporting investor access and liquidity in the market.

- **Investor Education & Acquisition:** To actively acquire new clients and educate them on the opportunities within the capital market, along with providing guidance on relevant laws, rules, and best practices to ensure informed investment decisions.

Mission

The company has its mission in the following broad categories:

- To exceed clients' expectations through rendering the most caring and friendly and standard services.
- To be the leading source of capital market research.
- Be the most ethical and compliant capital market player.
- To participate actively in the development of capital market of Bangladesh.
- To be the best in product development and innovation and market making.
- Operate state of the art technologies for efficient operations and superior customer service.
- To contribute economic development of the country.

Vision

To be the most innovative leading capital market solution provider in terms of efficiency, excellence, transparency, and professionalism having a most significant market share.

Our Values

Quality: What we do, we ensure quality in services by using state-of-the-art technologies, ensuring efficiency, excellence, transparency, and professionalism when delivering services.

Integrity: Integrity is the foundation on which we build strong relationships with clients. It distinguishes us from others in the industry. From integrity it comes trust, and trust allows clients to work effectively with their merchant bank.

Stability: The diversity of our business, approaches to our differentiated service, and focus on our strengths create stability for our clients. This means a high-quality and consistent commitment to our professionals, markets and businesses.

Trust: We build trust among our clients through our every action, co-operation, skills & expertise and professionalism when serving them using modernized technology-based facilities.

Accountability: Ensuring responsibility to our customers and compliance with all related rules & regulations that will ensure accountability to all the stakeholders.

Respect: we treat everyone with respect and courtesy in our day-to-day operations and emphasize on building a long-term relationship with all the concerned parties by this way.

A Relationship-Based Approach: We values most on establishing a meaningful, long-term relationship with clients– where we truly understand and facilitate them grow their businesses or meet their investment objectives. Our success is dependent largely on whether we can sustain a relationship with our clients over times.

Focused Expertise: We prioritize on focused expertise and set our sights on being the most knowledgeable one in our service areas. We are aiming to build a business by providing in-depth experience in the products and services, sectors and markets where we excel and can provide greater value to our clients.

Customer Focus: Customer is the key to our success. So, we always focus on the preferences of our customers when designing our products & services. Our Customer Focus attitude helps as in bringing newer dimensions to our offerings.

Service Excellence: Customer delight is our passion. We use customer satisfaction to accelerate our growth. We value on giving customized as well as personalized services to our clients for ensuring service excellence.

Responsible Corporate Citizen: We are tax-abiding citizen. We conform to all laws, rules, norms, sentiments and values of the land.

Core Products of SBAC Bank Investment Limited
The Company has following core products mainly:

- General Brokerage
- Wholesale Brokerage
- Dealing
- Margin
- DP services
- Research service
- Value Added Service

Product Types of SABC Bank Investment Limited

SBAC Bank Investment Limited aims to offer below types of products for its clients and its own Dealer Account:

1. Individual Trading Account

SBAC Bank Investment Limited Offers Individual Trading Accounts designed to cater to a broad spectrum of retail investors across its branch network. With a commitment to excellence and a client-first philosophy, the company ensures seamless trading experiences supported by a knowledgeable and responsive team. As the retail investor base continues to grow, SBAC Bank Investment Limited is focused on delivering best-in-class services that foster long-term client relationships and support sustainable revenue growth.

Key Features

- A dedicated team of experienced executives and traders provide personalized assistance and market guidance to individual investors.
- Enjoy attractive commission structures and competitive interest rates on margin loans, making investing more accessible and cost-effective.
- Ensures timely execution of buy and sell orders, backed by a reliable trading infrastructure.
- A client-centric approach focused on delivering superior service quality, quick responses, and personalized investment support.
- Recognized for maintaining high standards of regulatory compliance, ensuring secure and trustworthy trading experiences.

2. Institutional and Corporate Account

SBAC Bank Investment Limited offers tailored trading and investment solutions to meet the sophisticated needs of institutional and corporate clients—including successful entrepreneurs, business leaders, Merchant Banks, Asset Management Companies (AMCs), Non-Banking Financial Institutions (NBFIs), and large corporate houses, both local and international.

Understanding the unique dynamics and expectations of this high-value client segment, SBAC Bank Investment Limited delivers high-performance trading services through a team of seasoned relationship managers and expert traders, backed by deep market intelligence from its Research Department. The result is a strategic partnership that empowers clients to achieve their investment goals with precision, efficiency, and confidence.

Key Features

- Customized trading support for Merchant Banks, AMCs, NBFIs, and corporate clients, offered at preferential commission rates.
- Timely and accurate trade execution to meet the demands of top-tier institutional clients.
- Strategic deployment of resources to help clients meet and exceed their investment and trading objectives.
- Regular engagement with panel brokers and High Net-Worth Institutional (HNI) clients to incorporate feedback and fine-tune services for premium delivery.
- Implementation of industry-leading standards and practices to maintain excellence in service delivery and compliance.
- Actively looking for new institutional clients and business opportunities by reaching out and building strong relationships.
- Comprehensive post-trade support and settlement services to ensure a seamless client experience.
- Providing expert investment ideas and market insights based on in-depth research to help you in making smart and confident decisions.
- Ensure all necessary documents for trading agreements and trade executions are properly prepared and maintained.
- Meticulous attention to regulatory requirements and strict confidentiality protocols to safeguard client interests.

3. Premium Account

The Premium Brokerage Account at SBAC Bank Investment Limited offers a personalized and high-priority service experience, tailored for discerning investors who seek expert guidance and exclusive opportunities. Clients benefit from direct access to a dedicated team of specialists, including experienced relationship managers, traders, and risk advisors—ensuring responsive support and customized investment strategies.

Our premium clients receive cutting-edge investment ideas, timely market insights, and risk-managed solutions that focus on achieving sustainable portfolio growth.

Key Features

- Access a full suite of investment and wealth management services—all in one place.
- Enjoy personalized attention and seamless service from a team of experts assigned specifically to your account.
- Get preferential access to high-potential investment options before they're broadly available.
- Benefit from reduced trading fees and a customized pricing structure tailored to your trading volume and relationship value.

4. Dealer Account

SBAC Bank Investment Limited actively manages a Dealer Account to strategically invest in the capital market using its own funds. With financial backing from the Board of Directors, this account aims to capture market opportunities and generate capital gains through informed trading and timely share transactions. It plays a key role in strengthening the company's proprietary trading capabilities and enhancing overall market presence.

Key Features

- Comprehensive investment and wealth management solutions under one platform for efficient operations.
- A skilled vand experienced team exclusively managing the Dealer Account to ensure optimal performance and capital growth.
- Preferential entry into high-potential investment avenues, enabling the Dealer Account to capitalize on timely market movements.

SBAC Bank Investment Limited at a glance

Corporate Information

Name of the Company	SBAC Bank Investment Limited
Legal Form	A private limited company registered in Registrar of Joint Stock Companies and Firms (RJSC) under the Companies Act 1994.
Date of Incorporation	21-03-2021
Nature of Business	Stock Brokerage
website	www.sbacbsl.com
Stock Summary	
Authorized Capital	Tk. 50,00,00,000.00 (Fifty Crore)
Paid-up Capital	Tk. 40,00,00,000.00 (Forty Crore)
Face Value per Share	Tk. 10.00
Contact Information	
Registered Office	Head Office, BSC Tower, 2-3 Rajuk Avenue, Motijheel C/A, Dhaka-1000.
E-mail	sbacinvestment@sbacbank.com

Board of Directors (As on 30/04/2026)

Sl. No.	Name of Directors	Designation
01	Mr. Ziaur Rahman Zia FCA	Chairman
02	Professor Mohammad Moqbul Hossain Bhuiyan	Independent Director
03	Professor Md. Maksudur Rahman Sarker FCMA	Independent Director
04	Mr. S. M. Mainul Kabir	Director
05	Mr. Md. Altaf Hossain Bhuyan	Director
06	Mr. Md. Abdul Mannan	Director
07	Mr. Dewan Arifur Rahman	Director
08	Mr. S. M. Nashir Uddin	Managing Director & CEO

লেনদেন হোক আরও সহজে !

বাংলাপে ডিজিটাল ওয়ালেট

BanglaPay

SBAC BANK

Money Transfer

NPSB Transfer

Transfer to MFS

Account Blance Check

Credit Card Bill Pay

Cash out from Branch by QR

Utility Bill Pay

Mobile TOP-UP

- যেকোন ব্যাংক হিসাবে টাকা স্থানান্তর
- চেক ছাড়াই কিউআর কোডে যেকোন শাখা থেকে ক্যাশ উত্তোলন
- গ্যাস, বিদ্যুৎ, পানিসহ অন্যান্য ইউটিলিটি বিল পরিশোধ
- ক্রেডিট কার্ডের বিল পরিশোধ
- মোবাইল ব্যাংকিং হিসাবে টাকা লেনদেন
- যেকোন মোবাইল অপারেটরে টপআপ

এছাড়াও রয়েছে আরও অনেক ফিচার....!

এসবিএসি ব্যাংকের সেবা পেতে BanglaPay অ্যাপ ডাউনলোড করতে স্ক্যান করুন

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এসবিএসি ব্যাংক পিএলসি.

FINANCIAL STATEMENTS

এসবিএসি ব্যাংক পিএলসি.

[As per condition no.1(5) (xxvii)}]

Declaration by the Managing Director & CEO and Chief Financial Officer (CFO)

28 April 2026

The Board of Directors
SBAC Bank PLC.
Head Office, 2-3 Rajuk Avenue, Motijheel, Dhaka –1000.

Dear Sir:

Subject: Declaration on Financial Statements for the year ended on 31 December 2025.

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of SBAC Bank PLC. for the year ended on 31 December 2025 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

(i) We have reviewed the financial statements for the year ended on 31 December 2025 and that to the best of our knowledge and belief:

(a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

(b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Md. Masoodur Rahman FCA
Chief Financial Officer

S. M. Mainul Kabir
Managing Director & CEO

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SBAC BANK PLC.

Report on the Audit of the Consolidated and Separate Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of SBAC Bank PLC and its subsidiary (the Group) as well as the separate financial statements of SBAC Bank PLC (the Bank), which comprise the consolidated and separate balance sheets as at 31 December 2025, and consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our qualified opinion, except for the effects of the matters described in the "Basis for Qualified Opinion" section of our report, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2025, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Rules and Regulation issued by Bangladesh Bank and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as explained in note 2.

Basis for Qualified Opinion

1. As at 31 December 2025, the Bank's total loans and advances amounted to BDT 9,445.81 crore, including classified loans and advances of BDT 1881.49 crore. The required provision against classified, unclassified loans and advances, and off-balance sheet exposure was BDT 1,379.40 crore, against which the Bank has maintained a provision of BDT 355.83 crore only, resulting in a provision shortfall of BDT 1,023.57 crore.

However, Bangladesh Bank, vide its letter no. BSD-5/106/2026-403 dated 28 April 2026, has permitted the Bank to finalize its financial statements for the year ended 31 December 2025 without adjusting the total provision shortfall of BDT 1023.57 crore.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of thefinancial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Bangladesh. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

i) As disclosed in Note 5.3 to the financial statements, the Bank has fixed deposits amounting to BDT 181.09 crore placed with various Non-Bank Financial Institutions (NBFIs), an amount of BDT 158.66 crore has matured long ago and is considered doubtful of recovery. The required provision against these fixed deposits is BDT 158.66 crore; however, the Bank has not maintained any provision as at 31 December 2025, resulting in a provision shortfall of BDT 158.66 crore.

ii) As per Section 13(2) of the Bank Company Act, 1991 (as amended in 2023) and Bangladesh Bank BRPD Circular No. 18 dated 21 December 2014 relating to Basel III compliance, the Bank's required capital as at 31 December 2025 was BDT 1,135.00 crore against which it maintained total eligible capital of BDT 1,216.84 crore, resulting in a reported capital surplus of BDT 81.84 crore at the reporting date. However, considering the provision shortfall of BDT 1,023.57 crore, the Bank would have incurred a capital shortfall. The Bank is required to maintain a minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 12.50% (including Capital Conservation Buffer); against this requirement, the Bank reported a CRAR of 13.40% as at 31 December 2025. Had the aforesaid provision shortfall been fully recognised, the CRAR would have fallen below the minimum regulatory requirement prescribed by the Bangladesh Bank.

iii) We draw attention to note 2 to the financial statements, where management has explained the basis of preparation of financial statements, including compliance with Rules and Regulations issued by Bangladesh Bank on classification of loans and advances, and required impairment provision. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans and advances	
The process for estimating the provision for customer loans associated with credit risk is significant and complex. For the individual analysis for large exposure, provisions calculation considers the estimates of future business performance and the market value of collateral provided for availing loan facilities. For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates. At year end the Group and the Bank reported total gross loan of BDT 9,466.95 crore (2024: BDT 8,884.83 crore) and BDT 9,445.81 crore (2024: BDT 8,864.18 crore) respectively and the Bank maintained provision for loans and advances of BDT 331.64 crore (2024: BDT 487.17 crore).	We tested the design and operating effectiveness of key controls, focusing on the following: • Loan appraisal, disbursement, and monitoring procedures, and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of loans and advances (loans-CL) submitted to Bangladesh Bank; • Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: ✓ Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines and; ✓ Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; ✓ Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. Finally, compared the amount of provision requirement as determined by Bangladesh Bank Bank Supervision Division–5 (BSD-5) team to the actual amount of provision maintained with the deferral permission.
See note no 8, 8.1, 8.10 and 13.3 to the financial statements	
Valuation of treasury bill and treasury bond	
The classification and measurement of T-Bill and T-Bond require judgment and complex estimates. In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds issued by Bangladesh Bank is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.	We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data. Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
Recognition of interest income	
Recognition and measurement of interest income involve a complex IT environment as well as require critical estimates and judgment. Since interest income from loans and advances is one of the key performance indicators of the Bank there is an inherent risk of fraud and error in the recognition of interest income.	We tested the design and operating effectiveness of key controls over the recognition and measurement of interest on loans and advances focusing on the following: Reviewing transfer of interests to the income account in line with the Bangladesh Bank's guideline;

	Reviewed the grounds for approval for the transfer of interest to the income account. Additionally, for selected customers and loan files on sample basis we have also performed substantive test of details including recalculation and cut off testing to check accuracy of interest income.
See note no 21 to the financial statements	
Deferred tax assets	
As at 31 December 2025, the Bank reported net deferred tax assets of BDT 11.77 crore (December 2024: BDT 10.97 crore) Significant judgment is required in relation to the measurement of deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.	We obtained an understanding, evaluated the design, and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of deferred tax assets and the assumptions used in estimating the Group and the Bank's future taxable income. We have assessed the completeness and accuracy of the data used for the estimation of future taxable income. We have involved tax specialist to assess key assumptions, controls, recognition, and measurement of deferred tax assets. Finally, we have assessed the appropriateness and presentation of disclosures against IAS 12: Income Taxes.
See note no 10.5 to the financial statements	
IT systems and controls	
Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively	We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.
Legal and regulatory matters	
We focused on this area because the Bank and its subsidiaries (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions that have been established and other contingent liabilities.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.

Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.	We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. We also assessed the Bank's provisions and contingent liabilities disclosure. Bangladesh Bank, through letter BSD-5/106/2026-403 dated 28 April 2026, instructed the Bank to finalize the financial statements keeping provision shortfall of BDT 1,023.57 crore.

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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with Rules and Regulation issued by Bangladesh Bank and IFRS Accounting Standards as issued by the IASB as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Group and the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect 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 exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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 describe these matters in our auditor's report unless law or regulation 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 consequences 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 Companies Act 1994, the Bank Company Act 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;

(iii) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(iv) the balance sheet and profit and loss account of the Bank dealt with by the report are in agreement with the books of account and returns;

(v) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

(vi) except for the facts mentioned in our basis for qualified opinion paragraph and emphasis of matter paragraph, for adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;

(vii) based on our checking of sample, no advance or loan in excess of the amount determined by Bangladesh Bank from time to time has been sanctioned or allowed;

(viii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls:

  (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;

  (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities;

(ix) financial statements for the year ended 31 December 2025 of subsidiary company of the Bank namely SBAC Bank investment Limited have been audited by Aziz Halim Khair Choudhury (Auditor of the parent company), Chartered Accountants. These accounts have been properly reflected in the consolidated financial statements;

(x) the information and explanations required by us have been received and found satisfactory;

(xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 5,500 person hours;

(xii) The Capital to Risk-weighted Asset Ratio (CRAR) of the Bank has been reported at 13.40% as at 31 December 2025. However, had the aforesaid provision shortfall been fully recognised, the CRAR would have fallen below the minimum regulatory requirement prescribed by the Bangladesh Bank. However, Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) as required by Bangladesh Bank has been maintained adequately as at 31 December 2025;

(xiii) As part of our going concern assessment, we reviewed maturity mismatch between assets

and liabilities which may adversely affect the Bank's subsequent liquidity position; and

(xiv) Non-banking assets have been accounted in conformity with Bangladesh Bank guidelines.

Signed for and on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants
FRC Enlistment No.: CAF-001-508

Golam Fazlul Kabir FCA
Partner
ICAB Enrolment No. 1721
DVC: 2604301721AS657928

Dhaka
Date: 29 April, 2026

CONSOLIDATED BALANCE SHEET

As at 31 December 2025

Particulars	Note	Amount in taka	
		2025	2024
PROPERTY AND ASSETS			
Cash			
Cash in hand (including foreign currencies)	3	1,471,570,525	1,267,888,913
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4	4,892,766,545	4,975,269,548
		6,364,337,070	**6,243,158,461**
Balance with other banks and financial institutions	5		
In Bangladesh		2,008,922,619	2,116,853,847
Outside Bangladesh		1,152,416,257	644,244,789
		3,161,338,876	**2,761,098,636**
Money at call on short notice	6	950,000,000	400,000,000
Investments in shares & securities:	7		
Government		21,876,312,258	20,305,664,967
Others		1,997,921,644	2,183,299,756
		23,874,233,902	**22,488,964,723**
Loans, advances and lease / investments	8		
Loans, cash credit, overdrafts etc. / investments		93,621,713,172	87,823,879,492
Bills purchased and discounted		1,047,831,413	1,024,415,138
		94,669,544,585	**88,848,294,630**
Fixed assets including premises, furniture and fixtures	9	1,379,925,797	1,410,057,855
Other assets	10	2,630,096,830	2,457,366,309
Non-banking assets		-	-
TOTAL ASSETS		**133,029,477,059**	**124,608,940,614**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	1,525,061,874	3,244,269,510
Deposits and other accounts	12		
Current / Al-wadeeah current deposits and other accounts		11,519,328,157	13,282,036,522
Special notice / mudaraba special notice deposits		10,544,044,031	9,996,163,188
Bills payable		6,474,789,186	4,704,270,150
Savings bank / mudaraba savings deposits		7,171,556,774	6,705,506,870
Fixed / mudaraba term deposits		54,048,633,808	48,040,819,136
Other deposits		17,978,415,833	14,006,219,462
		107,736,767,789	**96,735,015,328**
Subordinated bonds		-	-
Other liabilities	13	12,552,924,942	13,514,560,229
TOTAL LIABILITIES		**121,814,754,605**	**113,493,845,067**
Capital/ Shareholders' equity			
Paid up capital	14.3	8,241,916,500	8,241,916,500
Statutory reserve	15	2,740,280,820	2,698,839,922
General reserve		-	-
Non-controlling (Minority) interest	16	435,754	435,278
Other reserve (revaluation reserve on Govt. Securities)	16.1	146,448,284	33,701,866
Capital reserve	16.2	3,911,627	3,838,128
Foreign currency translation reserve	16.3	517,575	20,688,460
Start-up Equity Investment fund	16.4	25,918,915	25,853,896
Surplus in profit and loss account	17	55,292,979	89,821,497
TOTAL SHAREHOLDERS' EQUITY		**11,214,722,454**	**11,115,095,547**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**133,029,477,059**	**124,608,940,614**

Particulars	Note	Amount in taka	
		2025	2024
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18		
Acceptance and endorsements		2,725,067,070	3,876,410,459
Letters of guarantee		15,285,097,233	16,529,890,978
Irrevocable letters of credit		4,016,567,015	4,951,327,649
Bills for collection		5,437,027,247	5,721,995,462
Other contingent liabilities		-	-
Total		**27,463,758,565**	**31,079,624,548**
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claims against the Bank not acknowledged as debt			-
Total		**-**	**-**
Total off-balance sheet items including contingent liabilities		**27,463,758,565**	**31,079,624,548**
Net asset value per share (NAV)	42	**13.61**	**13.49**

Accompanying notes form an integral part of these financial statements.

Director **Director** **Director** **Managing Director & CEO**

Signed in terms of our separate report of even date.

Signed for and on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants
FRC Enlistment No.: CAF-001-508

Golam Fazlul Kabir FCA
Partner
ICAB Enrolment No. 1721
DVC: 2604301721AS657928

Dhaka
Date: 29 April, 2026

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2025

Particulars	Note	Amount in taka	
		2025	2024
Interest income / profit on investment	21	8,607,259,713	8,590,425,928
Less: Interest / profit paid on deposits, borrowings etc.	22	7,669,932,724	6,650,153,173
Net interest income		**937,326,989**	**1,940,272,755**
Income from innvestment in shares / securities	23	2,156,878,697	2,332,387,931
Commission, exchange and brokerage	24	735,417,198	1,141,820,275
Other operating income	25	214,526,242	266,694,511
		3,106,822,137	**3,740,902,717**
Total operating income		**4,044,149,126**	**5,681,175,472**
Salary and allowances	26	1,981,330,848	1,960,612,428
Rent, taxes, insurance, electricity etc.	27	194,178,074	221,487,878
Legal and professional expenses	28	4,949,540	3,521,101
Postage, stamp, telecommunication etc.	29	26,374,988	6,951,398
Stationery, printing, advertisement etc.	30	58,969,264	56,454,067
Chief executive's salary and fees	31	11,633,824	13,320,000
Directors' fees	32	6,218,355	2,922,000
Auditors' fees	33	1,728,450	994,750
Charges on loan losses		-	-
Depreciation and repair of bank's assets	34	413,367,598	407,277,901
Other expenses	35	237,584,207	286,112,869
Total operating expenses		**2,936,335,148**	**2,959,654,392**
Profit before provision		**1,107,813,978**	**2,721,521,080**
Provision for loans and advances / investments	36		
Specific provision		435,837,409	1,159,688,472
Special general provision - COVID-19		-	(75,066,248)
General provision (including off balance sheet items)		393,015,677	337,018,889
		828,853,086	1,421,641,113
Provision for diminution in value of investments in shares	36.1	61,697,998	198,459,556
Other provision (Provision against other Asset)	36.2	1,558,489	28,000,000
Total provision		**892,109,573**	**1,648,100,669**
Total Profit before taxes		**215,704,405**	**1,073,420,411**
Provision for taxation	37		
Current tax		216,609,440	986,894,222
Deferred tax		(7,956,409)	(26,615,277)
		208,653,031	**960,278,945**
Net profit after taxation		**7,051,374**	**113,141,466**
Appropriations			
Statutory reserve	15	6,436,835	112,406,475
General reserve		-	-
Capital reserve	16.2	73,499	568,208
Startup fund	16.4	65,019	-
Retained surplus	17	476,021	166,783
		7,051,374	**113,141,466**
Earnings per share (EPS)	41	**0.01**	**0.14**

Accompanying notes form an integral part of these financial statements.

Director **Director** **Director** **Managing Director & CEO**

Signed in terms of our separate report of even date.

Signed for & on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants

Golam Fazlul Kabir FCA
Partner
ICAB Enrolment No: 1721
DVC: 2604301721AS657928

Dhaka
Date: 29 April, 2026

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

Particulars	Note	Amount in taka	
		2025	2024
A) Cash flows from operating activities			
Interest / profit receipts in cash		8,772,855,303	8,582,309,580
Interest / profit payments		(7,568,444,068)	(6,416,647,163)
Dividend receipts		51,875,738	92,831,724
Income from investments		1,618,775,932	1,409,239,124
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		567,889,715	222,437,157
Cash payments to employees		(1,999,208,534)	(1,976,854,428)
Cash payments to suppliers		(327,720,768)	(316,330,762)
Income taxes paid		(780,868,221)	(669,592,787)
Receipts from other operating activities		214,526,242	266,694,512
Payments for other operating activities		(237,584,207)	(286,112,868)
Operating cash flow before changes in operating assets and liabilities		**312,097,133**	**907,974,089**
Increase / decrease in operating assets and liabilities			
Net proceeds from trading securities		(3,278,113,095)	2,413,338,010
Loans and advances to other banks		(550,000,000)	(400,000,000)
Loans and advances to customers		(7,033,381,165)	135,921,610
(Increase) / decrease of other assets	38	(66,051,369)	109,534,901
Deposits from other banks		(847,089,392)	68,206,001
Deposits from customers		11,747,353,197	2,953,340,559
Increase / (decrease) of other liabilities account of customers		-	-
Increase / (decrease) of trading liabilities		-	-
Increase / (decrease) of other liabilities	39	(120,213,177)	93,516,719
		(147,495,000)	**5,373,857,800**
Net cash flow from operating activities		**164,602,132**	**6,281,831,889**
B) Cash flows from investing activities			
Proceeds from sale of Government securities		120,124,999,586	24,097,444,222
Payments for Purchase of Government securities		(117,866,667,282)	(30,045,586,306)
Purchase of property, plant and equipment		(326,755,988)	(272,103,980)
Sale proceeds of property, plant and equipment		-	-
Net cash flow from investing activities		**1,931,576,316**	**(6,220,246,064)**
C) Cash flows from financing activities			
Borrowing from other banks, financial institutions and agents		(1,719,207,636)	(18,713,851)
Dividends paid		-	(164,838,330)
Receipts from issue of ordinary share		-	-
Net cash flow from financing activities		**(1,719,207,636)**	**(183,552,181)**
D) Net increase / (decrease) in cash (A+B+C)		**376,970,812**	**(121,966,356)**
E) Effects of exchange rate changes on cash and cash-equivalent		**144,448,037**	**926,845,760**
F) Cash and cash-equivalents at beginning period		**9,004,257,097**	**8,199,377,693**
G) Cash and cash-equivalents at end of period (D+E+F)		**9,525,675,946**	**9,004,257,097**
H) Cash and cash-equivalents at end of period			
Cash in hand including foreign currencies	3	1,471,570,525	1,267,888,913
Balances with Bangladesh Bank and its agent bank(s) including foreign	4	4,892,766,545	4,975,269,548
Balances with other Banks and Financial institutions	5	3,161,338,876	2,761,098,636
		9,525,675,946	**9,004,257,097**
Net operating cash flow per share (NOCFPS)	43	**0.20**	**7.62**

Accompanying notes form an integral part of these financial statements.

Director **Director** **Director** **Managing Director & CEO**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

'Amount in taka'

Particulars	Paid Up Capital	Statutory Reserve	Other Reserve	Capital reserve	F.C. Translation Reserve	Retained Earnings	Non-controlling interest	Start-up Equity Investment fund	Total
Balance as on 01 January 2025	8,241,916,500	2,698,839,922	33,701,866	3,838,128	20,688,460	89,821,497	435,278	25,853,896	**11,089,241,651**
Net profit for the period	-	-	-	-	-	7,051,374	-		**7,051,374**
Transfer to statutory reserve	-	41,440,898	-	-	-	(41,440,898)	-		-
Transfer to statup fund	-	-	-	-	-	(65,019)	-	65,019	-
Revaluation of Govt. treasury bills, bonds and other investments	-	-	112,746,418	-	-	-	-		**112,746,418**
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	-	(20,170,884)	-	-		**(20,170,884)**
Transferred to capital reserve	-	-	-	73,499		(73,499)	-		-
Non-controlling (Minority) interest	-	-	-	-	-	(476)	476		-
Proposed dividend	-								-
Stock dividend issued	-	-	-	-	-	-			-
Cash dividend paid	-	-	-	-	-	-	-		-
Balance as on 31 December 2025	**8,241,916,500**	**2,740,280,820**	**146,448,284**	**3,911,627**	**517,575**	**55,292,979**	**435,754**	**25,918,915**	**11,214,722,454**

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

Director **Director** **Director** **Managing Director & CEO**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

'Amount in taka'

Particulars	Paid Up Capital	Statutory Reserve	Other Reserve	Capital reserve	F.C. Translation Reserve	Retained Earnings	Non-controlling interest	Start-up Equity Investment fund	Total
Balance as on 01 January 2024	8,241,916,500	2,486,942,756	22,049,131	3,269,920	12,710,366	353,983,902	435,111	25,853,896	**11,121,307,686**
Net profit for the period	-	-	-	-	-	113,141,466	-		**113,141,466**
Transfer to statutory reserve	-	211,897,166	-	-	-	(211,897,166)	-		**-**
Transfer to statup fund	-	-	-	-	-	-	-	-	**-**
Revaluation of Govt. treasury bills,	-	-	11,652,735	-	-	-	-		**11,652,735**
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	-	7,978,094	-	-		**7,978,094**
Transferred to capital reserve	-	-	-	568,208		(568,208)	-		**-**
Non-controlling (Minority) interest	-	-	-	-	-	(167)	167		**-**
Proposed dividend	-								**-**
Stock dividend issued	-	-	-	-	-	-			**-**
Cash dividend paid	-	-	-	-	-	(164,838,330)	-		**(164,838,330)**
Balance as on 31 December 2024	**8,241,916,500**	**2,698,839,922**	**33,701,866**	**3,838,128**	**20,688,460**	**89,821,497**	**435,278**	**25,853,896**	**11,115,095,547**

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

Director **Director** **Director** **Managing Director & CEO**

Consolidated Liquidity Statement (asset and liabilities maturity analysis)

As at 31 December 2025

'Amount in taka'

Particulars	Within one month	Within one to three months	Within three to twelve months	Within one to five years	More than five years	Total
Assets:						
Cash in hand (including foreign currencies)	1,471,570,525	-	-	-	-	**1,471,570,525**
Balance with Bangladesh Bank and its agent Banks	705,383,665	-	-	-	4,187,382,880	**4,892,766,545**
Balance with other banks & financial institutions	1,350,438,876	400,000,000	1,410,900,000		-	**3,161,338,876**
Money at call on short notice	950,000,000	-	-	-	-	**950,000,000**
Investments in shares & securities	673,315,073	1,072,646,074	2,315,093,423	992,690,489	18,820,488,842	**23,874,233,902**
Loans, advances and lease / investments	13,754,816,852	18,730,567,370	30,328,921,141	18,435,481,855	13,419,757,367	**94,669,544,585**
Fixed assets including premises, furniture and fixtures	30,921,597	61,843,194	278,294,372	895,651,369	113,215,266	**1,379,925,797**
Other assets	743,251,844	1,834,140,956	1,369,500	30,440,530	20,894,000	**2,630,096,830**
Non-Banking assets	-	-	-	-	-	**-**
Total Assets	**19,679,698,432**	**22,099,197,594**	**34,334,578,435**	**20,354,264,243**	**36,561,738,355**	**133,029,477,060**
Liabilities:						
Borrowing from Bangladesh Bank,other banks, financial institutions and agents	348,332,693	528,142,412	458,443,464	52,133,303	138,010,002	**1,525,061,874**
Deposits and other accounts	15,372,882,639	19,072,680,966	30,767,009,845	16,686,879,008	25,837,315,331	**107,736,767,789**
Provisions and other liabilities	40,295,813	418,280,806	1,557,433,069	1,025,802,888	9,511,112,367	**12,552,924,942**
Total Liabilities	**15,761,511,145**	**20,019,104,184**	**32,782,886,378**	**17,764,815,199**	**35,486,437,700**	**121,814,754,605**
Net liquidity surplus	**3,918,187,287**	**2,080,093,410**	**1,551,692,058**	**2,589,449,044**	**1,075,300,655**	**11,214,722,454**
Cumulative liquidity surplus	**3,918,187,287**	**5,998,280,697**	**7,549,972,755**	**10,139,421,798**	**11,214,722,453**	

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

Director **Director** **Director** **Managing Director & CEO**

BALANCE SHEET
As at 31 December 2025

Particulars	Note	Amount in taka	
		2025	2024
PROPERTY AND ASSETS			
Cash			
Cash in hand (including foreign currencies)	3.1	1,471,530,190	1,267,878,734
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4.1	4,892,766,545	4,975,269,548
		6,364,296,735	**6,243,148,282**
Balance with other banks and financial institutions	5.1		
In Bangladesh		1,990,120,648	2,105,932,755
Outside Bangladesh		1,152,416,257	644,244,789
		3,142,536,905	**2,750,177,544**
Money at call on short notice	6	950,000,000	400,000,000
Investments in shares & securities:	7.1		
Government		21,876,312,258	20,305,664,967
Others		1,768,553,694	1,950,124,851
		23,644,865,952	**22,255,789,818**
Loans, advances and lease / investments	8.1		
Loans, cash credit, overdrafts etc. / investments		93,410,266,512	87,617,423,647
Bills purchased and discounted		1,047,831,413	1,024,415,138
		94,458,097,925	**88,641,838,785**
Fixed assets including premises, furniture and fixtures	9.1	1,362,942,123	1,393,091,194
Other assets	10.1	2,989,238,303	2,814,657,181
Non-banking assets		-	-
TOTAL ASSETS		**132,911,977,942**	**124,498,702,804**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11.1	1,525,061,874	3,244,269,510
Deposits and other accounts	12.1		
Current / Al-wadeeah current deposits and other accounts		11,519,328,157	13,282,036,522
Special notice / mudaraba special notice deposits		10,571,329,880	10,016,968,849
Bills payable		6,474,789,186	4,704,270,150
Savings bank / mudaraba savings deposits		7,171,556,774	6,705,506,870
Fixed / mudaraba term deposits		54,048,633,808	48,040,819,136
Other deposits		17,978,415,833	14,006,219,462
		107,764,053,638	**96,755,820,989**
Subordinated bonds		-	-
Other liabilities	13.1	12,448,205,768	13,423,033,031
TOTAL LIABILITIES		**121,737,321,280**	**113,423,123,530**
Capital/ Shareholders' equity			
Paid up capital	14.3	8,241,916,500	8,241,916,500
Statutory reserve	15	2,740,280,820	2,698,839,922
General reserve		-	-
Other reserve (revaluation reserve on Govt. Securities)	16.1	146,448,284	33,701,866
Foreign currency translation reserve	16.3	517,575	20,688,460
Start-up Equity Investment fund	16.4	25,918,915	25,853,896
Surplus in profit and loss account	17.1	19,574,567	54,578,630
TOTAL SHAREHOLDERS' EQUITY		**11,174,656,661**	**11,075,579,274**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**132,911,977,942**	**124,498,702,804**

Particulars	Note	Amount in taka	
		2025	2024
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18		
Acceptance and endorsements		2,725,067,070	3,876,410,459
Letters of guarantee		15,285,097,233	16,529,890,978
Irrevocable letters of credit		4,016,567,015	4,951,327,649
Bills for collection		5,437,027,247	5,721,995,462
Other contingent liabilities		-	-
Total		**27,463,758,565**	**31,079,624,548**
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claims against the Bank not acknowledged as debt			-
Total		**-**	**-**
Total off-balance sheet items including contingent liabilities		**27,463,758,565**	**31,079,624,548**
Net asset value per share (NAV)	42.1	**13.56**	**13.44**

Accompanying notes form an integral part of these financial statements.

Director **Director** **Director** **Managing Director & CEO**

Signed in terms of our separate report of even date.

Signed for and on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants
FRC Enlistment No.: CAF-001-508

Golam Fazlul Kabir FCA
Partner
ICAB Enrolment No. 1721
DVC: 2604301721AS657928

Dhaka
Date: 29 April, 2026

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2025

Particulars	Note	Amount in taka	
		2025	2024
Interest income / profit on investment	21.1	8,565,552,982	8,579,880,310
Less: Interest / profit paid on deposits, borrowings etc.	22.1	7,670,335,229	6,667,980,840
Net interest income		**895,217,753**	**1,911,899,470**
Income from innvestment in shares / securities	23.1	2,150,145,373	2,327,899,717
Commission, exchange and brokerage	24.1	709,500,306	1,116,803,605
Other operating income	25.1	214,252,803	266,557,204
		3,073,898,482	**3,711,260,526**
Total operating income		**3,969,116,235**	**5,623,159,996**
Salary and allowances	26.1	1,957,075,532	1,937,402,321
Rent, taxes, insurance, electricity etc.	27.1	188,274,775	219,997,628
Legal and professional expenses	28.1	4,527,053	3,363,448
Postage, stamp, telecommunication etc.	29.1	26,003,388	6,634,748
Stationery, printing, advertisement etc.	30.1	58,692,939	56,132,298
Chief executive's salary and fees	31	11,633,824	13,320,000
Directors' fees	32.1	5,798,355	2,614,000
Auditors' fees	33.1	1,653,700	920,000
Charges on loan losses		-	-
Depreciation and repair of bank's assets	34.1	410,699,218	404,924,567
Other expenses	35.1	230,632,376	279,085,050
Total operating expenses		**2,894,991,160**	**2,924,394,060**
Profit before provision		**1,074,125,075**	**2,698,765,936**
Provision for loans and advances / investments	36		
Specific provision		435,837,409	1,159,688,472
Special general provision - COVID-19		-	(75,066,248)
General provision (including off balance sheet items)		393,015,677	337,018,889
		828,853,086	1,421,641,113
Provision for diminution in value of investments in shares	36.1	36,697,998	185,959,556
Other provision (Provision against other Asset)	36.2	1,369,500	28,000,000
Total provision		**866,920,584**	**1,635,600,669**
Total Profit before taxes		**207,204,491**	**1,063,165,267**
Provision for taxation	37		
Current tax		208,672,849	977,385,423
Deferred tax		(7,970,212)	(26,626,631)
		200,702,637	**950,758,792**
Net profit after taxation		**6,501,854**	**112,406,475**
Appropriations			
Statutory reserve	15	6,436,835	112,406,475
General reserve		-	-
Startup fund	16.4	65,019	-
Retained surplus	17.1	-	-
		6,501,854	**112,406,475**
Earnings per share (EPS)	41.1	**0.01**	**0.14**

Accompanying notes form an integral part of these financial statements.

Director **Director** **Director** **Managing Director & CEO**

Signed in terms of our separate report of even date.

Signed for & on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants

Golam Fazlul Kabir FCA
Partner
ICAB Enrolment No: 1721
DVC: 2604301721AS657928

Dhaka
Date: 29 April, 2026

CASH FLOW STATEMENT

For the year ended 31 December 2025

Particulars	Note	Amount in taka	
		2025	2024
A) Cash flows from operating activities			
Interest receipts in cash		8,731,148,572	8,569,098,700
Interest payments		(7,568,846,573)	(6,486,455,461)
Dividend receipts		49,531,344	92,831,724
Income from investments		1,618,775,932	1,409,239,124
Recoveries on loans and advances previously written-off		-	-
Fees and commission receipts in cash		541,972,823	197,420,487
Cash payments to employees		(1,974,507,711)	(1,953,323,138)
Cash payments to suppliers		(321,146,575)	(313,224,373)
Income taxes paid	10.2	(776,136,668)	(660,713,224)
Receipts from other operating activities		214,252,803	266,557,204
Payments for other operating activities		(230,632,376)	(279,085,050)
Operating cash flow before changes in operating assets and liabilities		**284,411,572**	**842,345,993**
Increase / decrease in operating assets and liabilities			
Sale / purchase of trading securities		(3,286,308,981)	2,412,931,679
Loans and advances to other banks		(550,000,000)	(400,000,000)
Loans and advances to customers		(7,028,390,350)	262,933,799
(Increase) / decrease of other assets	38.1	(57,905,312)	73,581,617
Deposits from other banks		(847,089,392)	68,206,001
Deposits from customers		11,753,833,384	2,872,442,454
Increase / (decrease) of other liabilities account of customers		-	-
Increase / (decrease) of trading liabilities		-	-
Increase / (decrease) of other liabilities	39.1	(114,308,650)	160,632,078
		(130,169,301)	**5,450,727,628**
Net cash flow from operating activities		**154,242,271**	**6,293,073,621**
B) Cash flows from investing activities			
Proceeds from sale of securities		120,124,999,586	24,097,444,222
Payments for Purchase of securities		(117,866,667,282)	(30,045,586,306)
Purchase of property, plant and equipment		(324,307,165)	(273,810,665)
Sale proceeds of property, plant and equipment		-	-
Net cash flow from investing activities		**1,934,025,139**	**(6,221,952,749)**
C) Cash flows from financing activities			
Borrowing from other banks, financial institutions and agents		(1,719,207,636)	(18,713,851)
Dividends paid		-	(164,838,330)
Receipts from issue of ordinary share		-	-
Net cash flow from financing activities		**(1,719,207,636)**	**(183,552,181)**
D) Net increase / (decrease) in cash (A+B+C)		**369,059,774**	**(112,431,309)**
E) Effects of exchange rate changes on cash and cash-equivalent		**144,448,040**	**926,845,760**
F) Cash and cash-equivalents at beginning period		**8,993,325,826**	**8,178,911,375**
G) Cash and cash-equivalents at end of period (D+E+F)		**9,506,833,640**	**8,993,325,826**
H) Cash and cash-equivalents at end of period			
Cash in hand including foreign currencies	3.1	1,471,530,190	1,267,878,734
Balances with Bangladesh Bank and its agent bank(s) including	4.1	4,892,766,545	4,975,269,548
Balances with other Banks and Financial institutions	5.1	3,142,536,905	2,750,177,544
		9,506,833,640	**8,993,325,826**
Net operating cash flow per share (NOCFPS)	43.1	**0.19**	**7.64**

Accompanying notes form an integral part of these financial statements.

Director **Director** **Director** **Managing Director & CEO**

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

'Amount in taka'

Particulars	Paid Up Capital	Statutory Reserve	Other Reserve	F.C. Translation Reserve	Retained Earnings	Start-up Equity Investment fund	Total
Balance as on 01 January 2025	8,241,916,500	2,698,839,922	33,701,866	20,688,460	54,578,630	25,853,896	11,075,579,274
Net profit for the period	-	-	-	-	6,501,854		6,501,854
Transfer to statutory reserve	-	41,440,898	-	-	(41,440,898)		-
Transfer to startup fund	-	-		-	(65,019)	65,019	-
Revaluation of Govt. treasury bills, bonds and other	-	-	112,746,418	-	-		112,746,418
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	(20,170,884)	-		(20,170,884)
Proposed dividend	-						-
Stock dividend issued		-	-	-			-
Cash dividend paid	-	-	-	-	-		-
Balance as on 31 December 2025	**8,241,916,500**	**2,740,280,820**	**146,448,284**	**517,575**	**19,574,567**	**25,918,915**	**11,174,656,661**

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

'Amount in taka'

Particulars	Paid Up Capital	Statutory Reserve	Other Reserve	F.C. Translation Reserve	Retained Earnings	Start-up Equity Investment fund	Total
Balance as on 01 January 2024	8,241,916,500	2,486,942,756	22,049,131	12,710,366	318,907,651	25,853,896	11,108,380,300
Net profit for the period	-	-	-	-	112,406,475		112,406,475
Transfer to statutory reserve	-	211,897,166	-	-	(211,897,166)		-
Transfer to startup fund	-	-		-	-	-	-
Revaluation of Govt. treasury bills, bonds and other	-	-	11,652,735	-	-		11,652,735
Foreign currency translation gain/loss not recognized in the income statement	-	-	-	7,978,094	-		7,978,094
Proposed dividend	-			-			-
Stock dividend issued	-	-	-	-	-		-
Cash dividend paid	-	-	-	-	(164,838,330)		(164,838,330)
Balance as on 31 December 2024	**8,241,916,500**	**2,698,839,922**	**33,701,866**	**20,688,460**	**54,578,630**	**25,853,896**	**11,075,579,274**

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

Director **Director** **Director** **Managing Director & CEO**

LIQUIDITY STATEMENT (ASSET AND LIABILITIES MATURITY ANALYSIS)

As at 31 December 2025

Particulars	Within one month	Within one to three months	Within three to twelve months	Within one to five years	More than five years	Total
Assets:						
Cash in hand (including foreign currencies)	1,471,530,190	-	-	-	-	**1,471,530,190**
Balance with Bangladesh Bank and its agent Banks	679,589,665	-	-	-	4,213,176,880	**4,892,766,545**
Balance with other banks & financial institutions	1,331,636,905	400,000,000	1,410,900,000	-	-	**3,142,536,905**
Money at call on short notice	950,000,000	-	-	-	-	**950,000,000**
Investments in shares & securities	443,947,123	1,072,646,074	2,315,093,423	992,690,489	18,820,488,842	**23,644,865,952**
Loans, advances and lease / investments	13,754,816,852	18,730,567,370	30,117,474,481	18,435,481,855	13,419,757,367	**94,458,097,925**
Fixed assets including premises, furniture and fixtures	30,780,066	61,560,132	277,020,596	880,366,062	113,215,266	**1,362,942,123**
Other assets	732,843,701	2,198,531,102	1,369,500	35,600,000	20,894,000	**2,989,238,303**
Non-Banking assets	-	-	-	-	-	**-**
Total Assets	**19,395,144,502**	**22,463,304,678**	**34,121,858,000**	**20,344,138,407**	**36,587,532,355**	**132,911,977,942**
Liabilities:						
Borrowing from Bangladesh Bank,other banks, financial institutions and agents	348,332,693	528,142,412	458,443,464	52,133,303	138,010,002	**1,525,061,874**
Deposits and other accounts	15,372,882,639	19,072,680,966	30,794,295,694	16,686,879,008	25,837,315,331	**107,764,053,638**
Provisions and other liabilities	40,295,813	308,402,162	1,557,433,069	1,025,802,888	9,516,271,837	**12,448,205,769**
Total Liabilities	**15,761,511,145**	**19,909,225,540**	**32,810,172,227**	**17,764,815,199**	**35,491,597,171**	**121,737,321,281**
Net liquidity surplus	**3,633,633,357**	**2,554,079,139**	**1,311,685,774**	**2,579,323,208**	**1,095,935,183**	**11,174,656,661**
Cumulative liquidity surplus	**3,633,633,357**	**6,187,712,496**	**7,499,398,270**	**10,078,721,477**	**11,174,656,661**	

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

Director **Director** **Director** **Managing Director & CEO**

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2025

1 General information

1.1 Status of the bank

SBAC Bank PLC. (the "Bank") was incorporated in Bangladesh as a public limited company with limited liability by shares as on February 20, 2013 under the Companies Act 1994 to carry out banking business. The registered office of the Bank is BSC Tower, 2-3 Rajuk Avenue, Motijheel, Dhaka-1000, Bangladesh. It obtained license from Bangladesh Bank for carrying out banking business on March 25, 2013 under the Bank Companies Act 1991. The Bank has been carrying out its business in Bangladesh through its 90 (Ninety) branches; 32 (thirty Two) sub-branches all over Bangladesh and one (01) Off-shore banking unit in head office. The Bank went for initial public offering in 2021 and its share is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited from 11 August 2021 as a publicly traded company. The Bank's name was amended to "SBAC Bank PLC." from South Bangla Agriculture and Commerce Bank Ltd under Bank Company's Act 1991 section 31 vide BRPD letter ref BRPD(LS-1)/745(68)/2024-985 dated 31 January, 2024.

1.2 Nature of business

Principal activities

The principal activities of the Bank are to carry on all kinds of commercial banking business in Bangladesh i.e. accepting customer deposits, lending to retail, small and medium enterprise (SME) and corporate customers, trade financing, lease financing, project financing, issuing letters of credit, interbank borrowing and lending, dealing with government securities etc. In addition to the traditional banking system, the Bank started Islamic Sariah base banking business through Islamic banking windows (IBW) in 10 branches of the Bank during 2025.

Off-shore Banking Unit (OBU)

The Off-shore Banking Unit (OBU) of the Bank is the separate business entity governed by the applicable rules & regulations and guidelines of Bangladesh Bank. The Bank obtained the permission for conducting the activities of OBU under reference letter no. BRPD (03)/744(127)/2020-5140 dated 15 July 2020 of Bangladesh Bank. The Bank started the operation of OBU on 22 October 2020. The number of OBU was one as at 31 December 2025, located at International Division, Head Office, SBAC Bank PLC., Dhaka.

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

Agent Banking Outlet

The Bank has started agent banking operation in 2022 with a view to reach unbanked population particularly in the geographically dispersed areas and offer banking services to potential customers who are currently out of traditional banking periphery. The Bank has 33 agent outlets across the country. This service includes offering all types of deposit accounts and other banking services including bills payments, inward foreign remittance, fund transfer etc.

Information regarding subsidiary

The Bank has 01 (one) subsidiary, SBAC Bank Investment Limited.

SBAC Bank Investment Limited

SBAC Bank Investment Limited, a subsidiary company of the Bank, incorporated as a private company, limited by shares, registered with the Registrar of Joint Stock Companies and Firms vide certificate of incorporation no. C-169950/2021 dated 21 March 2021 under the Companies Act 1994. SBAC Bank Investment Limited got the Trading Right Entitlement Certificate (TREC) no. Nibondhon/DSE/TREC#267/2021/294 dated 01 September 2021 of Dhaka Stock Exchange Limited (DSE). The primary activity of the company is to act as a stock broker & dealer to execute buy and sell order and to maintain its own portfolio as well as customers' portfolio under the discretion of customers. The Financial Statements of the company for the year ended 31 December 2025 are shown in Annexure - J.

2 Basis of preparation of financial statements and significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the Bank as at 31 December 2025 have been prepared on going concern basis under historical cost convention and in accordance with the “First Schedule” of the Bank Companies Act, 1991 as amended by BRPD Circular No. 14 dated 25th June 2003, other Circulars of Bangladesh Bank, International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987, and other laws and rules applicable for Banks in Bangladesh. The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed and issued financial reporting standards for public interest entities such as banks. The Bank Companies Act 1991 has been amended to require banks to prepare

their financial statements under such financial reporting standards. As per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as approved by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. In case of any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of other regulatory authorities and IFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank prevailed. Material departures from the requirements of IFRS are as follows:

i) Presentation of Financial statements

IFRS: As per IAS 1 financial statements shall comprise statement of financial position, comprehensive income statement, changes in equity, statement of cash flows, adequate notes comprising summery of accounting policies and other explanatory information. As per para 60 of IAS 1, the entity shall also present current and non-current assets and liabilities as separate classifications in its statement of financial position.

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

ii) Investment in shares and securities (Equity Shares, Mutual Funds etc.)

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

Bangladesh Bank: As per Banking Regulation and Policy Department (BRPD) circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per net assets value of last audited balance sheet respectively. And as per DOS Circular Letter No. 10 date 28 June 2015 investments in mutual fund (open-end) is revalued at lower of cost and higher of market value and 95% of NAV. As per DOS Circular No. 01 date 10 February 2020 any investment under the special fund for investment in capital market is not revalued i.e. presented at cost. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

iii) Revaluation gains/losses on Government securities

IFRS: As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account.

Bangladesh Bank: According to Department of Offsite Supervision (DOS) Circular # 05, dated 26 May 2008 and subsequent clarification in DOS Circular # 05, dated 28 January 2009 of Bangladesh Bank, Government securities (Treasury Bill / Treasury Bond) are classified in Held for Trading (HFT) and Held to Maturity (HTM). HFT securities are revalued on the basis of mark to market and any gain on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserve as a part of equity and any loss on revaluation of securities which have not matured as at balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortization of discount is recognized in the profit and loss account. HTM securities which have not matured as at balance sheet date are measured at amortized cost method and gains or losses on amortization are recognized in other reserve as a part of equity.

iv) Provision on loans and advances/investments

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

Bangladesh Bank: As per BRPD circular letter no. 53 (22 December 2022), BRPD circular letter no. 52 (20 October 2020), BRPD circular No. 16 (21 July 2020), BRPD circular no.24 (17 November 2019), BRPD circular no.6 (19 May 2019), BRPD circular no.4 (16 May 2019), BRPD circular no.3 (21 April 2019), BRPD circular no.15 (27 September 2017), BRPD circular no.16 (18 November 2014), BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013 & BRPD circular no. 16 dated 18 November 2014, a general

provision at 0.25% to 2% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on time past due. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

However, if there is any stay order issued by the Honorable High Court Division of the Supreme Court of Bangladesh against any non-performing loans for reporting such loans as unclassified category, the Bank maintains at least general provision for such loans under unclassified loan category as per Bangladesh Bank guidelines. Where Bangladesh Bank suggests any additional provision to be maintained for such loans, the Bank complies with that.

v) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

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

vi) Other comprehensive income and appropriation of profit

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

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

vii) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

viii) Financial guarantees

IFRS: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD Circular No. 14 dated 25th June 2003, financial guarantees such as letters of credit, letters of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin. As per BRPD Circular No.01 dated 03 January 2018 and BRPD Circular No.14 dated 23 September 2012, the Bank is required to maintain provision at 1% against gross off-balance sheet exposures (which includes undrawn loan commitments). However, general provision is maintained against such guarantees complying with the BRPD Circular No. 06 Dated 25 April, 2023.

ix) Cash and cash equivalents

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

Bangladesh Bank: Some cash and cash equivalent items such as money at call on short notice, treasury bills with maturity of more than three months and prize bond are not shown as cash and cash equivalents. Money at call on short notice is shown separately in the balance sheet. Treasury bills with maturity of more than three months and prize bond are shown under investment in the balance sheet.

x) Repo and reverse repo transactions

IFRS: As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognised at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per Department of Off-Site Supervision (DOS) Circular letter no. 06 dated 15 July 2010 and subsequent clarification in DOS circular no. 02 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transaction and the financial asset is derecognised in the seller's book and recognised in the buyer's book. However, as per Debt Management Department (DMD) circular letter no. 7 dated 29 July 2012, non primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) program, whereby such banks may enter collateralized repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognize the asset.

xi) Non-banking asset

IFRS: No indication of Non-banking assets is found in any IFRS.

Bangladesh Bank: As per BRPD 14, there is a separate balance sheet item named Non-banking assets existed in the standard format.

xii) Cash flow statement

IFRS: The cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD Circular No. 14 dated 25th June 2003, cash flow is the mixture of direct and indirect methods.

xiii) Balance with Bangladesh Bank: (Cash Reserve Requirement)

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

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

xiv) Presentation of intangible assets

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

Bangladesh Bank: There is no regulation for intangible assets in BRPD Circular No. 14 dated 25th June 2003.

xv) Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD Circular No. 14 dated 25th June 2003, off balance sheet items (e.g. Letters of credit, Letters of guarantee etc.) must be disclosed separately on the face of the balance sheet.

xvi) Loans and advances net of provision

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

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

xvii) Disclosure of appropriation of profit

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.

2.2 Going concern basis of accounting

The accompanying financial statements have been prepared on going concern assumption that the Bank will continue its operation over the foreseeable future. The bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materiality the scale of any of its operations. Key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the bank continued to demonstrate a healthy trend. The rating outlook of the Bank as reported by all the rating agencies is 'Stable'.

2.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Bank and its one subsidiary, SBAC Bank Investment Limited, made up to the end of the financial year as on 31 December 2025. The consolidated financial statements have been prepared in accordance with IFRS 10 "Consolidated Financial Statements" using purchase method. The consolidated financial statements have been prepared by using uniform accounting policies for like transactions and other events in similar circumstances.

Subsidiary

Subsidiary is an enterprise which is controlled by the parent company. Control exists when the parent company has the power, directly and indirectly, to govern the financial and operating policies of an enterprise from the date of control commences until the date that control ceases. The financial statements of subsidiary are included in the consolidated financial statements from the date that the control effectively commences until the date that it control effectively ceases.

Transactions eliminated on consolidation

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit and Loss resulting from transactions is also eliminated on consolidation.

2.4 Use of estimates and judgment

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

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

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

a. Provisions on loans and advances
b. Income tax provision
c. Deferred Tax
d. Useful life of fixed assets and right of use assets
e. Defined benefit obligation-gratuity
f. Lease liabilities

2.5 Consistency

In accordance with IFRS framework for the presentation of financial statements together with IAS-1 and IAS-8, the Bank discloses its information consistently from one period to the next. Where selecting and applying new accounting policies, changes in accounting policies, correction of errors, the amount involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8. However, for changes in the accounting estimates the related amount is recognized prospectively in the current period and in the next period or periods.

2.6 Foreign currency transactions

a) Functional and presentation currency

Items included in the financial statements of each entity in the group are measured using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. The financial statements of the group and the Bank are presented in Bangladeshi Taka which is the Bank's functional and presentation currency.

b) Foreign currencies translation

Foreign currency transactions are converted into equivalent BDT using the prevailing exchange rates on the dates of respective transactions as per IAS-21, "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into BDT at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into equivalent BDT. Assets and liabilities of off-shore Banking Unit (OBU) are translated at the exchange rate prevailing at the balance sheet date. Income and expenses in the profit and loss account of OBU are translated at an average rate approximating the exchange rates at the year end. Resulting exchange differences are recognized as a separate component of equity.

As per IAS 21, Foreign Currency Transactions i.e. both the foreign currency denominated monetary and non-monetary items of the OBUs are translated at historical rate because the OBUs are considered as an integral part of the Bank's operation not a foreign operation due to specific regulations governing the OBU and its unique nature.

c) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance sheet date.

d) Transaction gains and losses

The resulting exchange transaction gains and losses are included in the profit and loss account.

2.7 Cash flow statement

The cash flow statement has been prepared in accordance with IAS 7, Cash Flow Statements considering the requirements specified in BRPD circular No. 14 dated 25 June 2003 issued by the Banking Regulation and Policy Department of Bangladesh Bank.

2.8 Statement of changes in equity

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth during the year.

2.9 Statement of liquidity

The liquidity statement of assets and liabilities as on the reporting date has been prepared either on the basis of their maturity schedule or residual maturity term as provided in the statement.

2.10 Reporting period

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

2.11 Investment in Govt. Securities

In accordance with Bangladesh Bank guideline the Bank has classified investment into the following categories :

- Held to Maturity (HTM)
- Held for Trading (HFT)

In accordance with DOS circular No.05 (26 May 2008) and DOS circular 5 (28 January 2009) treasury securities held for Statutory Liquidity Ratio (SLR) compliance could be classified as either HTM or HFT. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity. Coupon interest on HTM securities is recognised in profit and loss account. HFT securities are revalued on the basis of mark to market on weekly basis and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account.

2.12 Investment in quoted / unquoted securities

The investment in quoted shares are revalued as per market price in the stock exchange(s). The Bank's investments in shares (unquoted) are recorded at cost and income thereon is accounted for when the right to receive payment is established. Provisions are made for any loss arising from diminution in value of investments. Bonus share in their own self will have no value as the fair value of each shareholder's interest should be unaffected by the bonus issue, hence no accounting entries are passed in the book for bonus share received.

2.13 Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not sell in the normal course of business. Loans and advances are measured at amortised cost. These are stated gross, with accumulated specific and general provisions for loans and advances being shown under other liabilities.

2.14 Provisions on loans and advances

The provision of loans and advances have been made as per BRPD circular No-15 dated November 27, 2024.

Banks should maintain provision at the following rates for all categories of loans:

Particulars		Rate of provision
General Provision	STD-0, STD-1, STD-2	0.5% for CMS and Short Term Agriculture Loan 1% of all other loan outstanding
	SMA	0.5% for CMS and Short Term Agriculture Loan 5% for All other Loans
Specific Provision	SS	20% of base for provision
	DF	50% of base for provision
	BL	100% of base for provision

2.15 Property, plant and equipment

Property, plant & equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Bank and the cost of the assets can be reliably measured.

a) All fixed assets are stated at cost less accumulated depreciation as per IAS-16 “Property, Plant and Equipment”. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance, is normally charged off as revenue expenditure in the period in which it is incurred.

b) Depreciation is charged for the period at the following rates using straight-line method on all fixed assets:

Category of fixed assets	Rate
Motor vehicles	20%
Machinery & equipment	20%
Furniture & Fixture	10%
Interior Decoration	10%
Computer & Accessories	20%
Software	20% or remaining usable
Other tools	20%
Right of use assets	Remaining lease periods

c) For additions during the period, depreciation is charged from the month those have been booked and for disposal depreciation is charged up to the previous month of disposal.

d) On disposal of fixed assets, the book value of the assets are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the book value of the asset and net sale proceeds.

e) Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset have been capitalized as part of the cost of the asset as per IAS 23.

2.16 Intangible asset

An intangible asset is to be recognized only if it is probable the future economic benefits attributable to the asset will flow to the bank and the cost of the asset can be measured reliably. Recognition & measurement of intangible asset are guided by IAS 38 – "Intangible Asset". Due to following BRPD circular no. 14 dated 25th June 2003 intangible assets are not disclosed in a separate line rather in is reported under fixed assets. However, separate line item along with the rate of amortization is identifiable in the detail schedule of fixed assets.

2.17 Provisions for other assets

BRPD circular No.04 dated 12 April 2022 requires provision as per following rates :

Particulars	Outstanding Period	Rate
Advance for revenue expenses	more than 6 months but less than 12 months	50%
	more than 12 months	100%
Advance for capital expenses	more than 12 months	100%
Legal expenses realizable form customers	from transaction date	50%
	more than 12 months	100%
Protested Bills	from transaction date	100%
Unadjusted debit entries in inter-branch transaction	more than 1 year but less than 2 years	50%
	more than 2 years	100%
Unadjusted debit entries in nostro account	more than 6 months but less than 12 months	50%
	more than 12 months	100%
Accrued Interest on loans and advances, investments and other accrued income	more than 6 months but less than 12 months	50%
	more than 12 months	100%
Security Deposits (not collected from expiry date)	more than 1 year but less than 2 years	50%
	more than 2 years	100%
Unadjusted sanchayapatra & wage earners' bond	more than 1 year but less than 2 years	50%
	more than 2 years	100%
Unadjusted army pension fund & civil pension fund	from transaction date but less than 2 years	100%
Other Assets	more than 6 months but less than 12	50%
	more than 12 months	100%

2.18 Non banking assets

There are no assets acquired in exchange for loan during the period of financial statements.

2.19 Securities purchased under re-sale agreement

Securities purchased under re-sale agreements are treated as collateralized lending and recorded at the consideration paid and interest accrued thereon. The amount lent is shown as an asset either as loans and advances to customers or loans to other banks.

The difference between purchase price and re-sale price is treated as interest received and accrued evenly over the life of Repo agreement.

2.20 Reconciliation of inter-bank and inter-branch account

Accounts with regard to inter-bank are reconciled regularly and there are no differences which may affect the financial statements significantly. Un-reconciled entries / balances in the case of inter-branch transactions as on the reporting date are Nil.

2.21 Statutory reserve

Bank Company Act, 1991 requires the Bank to transfer 20% of its current year's profit before tax to reserve until such reserve equals to its paid up capital.

2.22 Other reserve

Other reserve comprises investment revaluation reserve and fixed assets revaluation reserve. When carrying amount of an item of property, plant and equipment is increased as a result of revaluation, the increased amount is classified directly to equity under heading of assets revaluation reserve as per IAS 16 – "Property, Plant and Equipment". As per Bangladesh Bank DOS circular no. 5 dated 26th May 2008, revaluation gain arising from revaluation of government securities under HFT category is kept directly in equity under revaluation gain account which is disclosed with other reserve while preparing the financial statements.

2.23 Non-controlling (minority) interest in subsidiary

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

2.24 Deposits and other accounts

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

2.25 Borrowings from other banks, financial institutions and agents

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

2.26 Employees benefits

a. Short term benefits

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

b. Provident fund

The benefits of provident fund are given to the employees of the Bank in accordance with the Provident Fund Rules as per section 2(52) of Income Tax Act 2023. The Provident Fund was recognized by National Board of Revenue on 12th May 2015. Separate bank account is maintained to manage the fund. All confirmed employees of the Bank contribute 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount to the Fund. Interest earned from the investments of fund is credited to the members' accounts on yearly basis.

c. Gratuity

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

d. Workers Profit Participation Fund and Welfare Fund

SRO-336-AIN/2010 dated 5-10-2010 issued by the 'Ministry of Labour and Employment' declares the status of business of certain institutions and companies along with Bank & insurance companies as "Industrial Undertakings" for the purposes of Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) which deals with the workers' participation in company's profit by way of 'Workers Participation Fund' and 'Welfare Fund'. This Act requires the "Industrial Undertakings" to maintain provision for workers' profit participation fund @ 5% on net profit. Since this requirement contradicts with the 'Section 11' of the 'Bank Company Act 1991 (as amended up to 2018)', Banks in Bangladesh took up the issue collectively and sought opinion from 'Association of Bankers Bangladesh Limited (ABB)' on the same. ABB wrote a letter to the 'Ministry of Finance' of Government of People's Republic of Bangladesh on 09.03.2016 to draw attention of the honorable Finance Minister regarding relevance and applicability of Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) for Bank Companies and to obtain a direction on the issue. The 'Ministry of Finance' revealed their opinion that WPPF should not be relevant for Bank Companies and therefore, it should not be applied there. They also sought for an opinion on this issue from Bangladesh Bank. Subsequently, Bangladesh Bank agreed on all the logics and legal opinion collected by the ABB and expressed their consensus with them on 29.11.2016. In this backdrop, the 'Ministry of Finance' has given their instruction, vide letter no. 53.00.0000.311.22.002.17.130 dated 14.02.2017, for not applying Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) in Bank Companies. Therefore, no provision in this regard has been made in the financial statements for the year ended on December 31, 2025.

e. Other benefits

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

2.27 Provision for liabilities

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

2.28 Provision for Off-balance sheet items:

Off-balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines. Provision against off-balance sheet exposures (L/Cs and Guarantees etc) is made in accordance with the BRPD Circular No. 06 dated 25 April 2023.

2.29 Provision for current taxation

Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates as prescribed in the Income Tax Act 2023 and relevant Statutory Regulatory Orders (SRO) and any adjustment to tax payable in respect of previous years. As per the Finance Act 2025 the current income tax rate applicable for the banks is 37.50%. The estimation of current tax provision involves making judgments regarding admissibility of certain expenses as well as estimating the amount of other expenses for tax purposes.

2.30 Provision for deferred tax

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

2.31 Revenue recognition

The various types of revenue are recognised by the Bank under the following ways:

2.31.1 Interest income (conventional banking)

In terms of the provision of the IFRS 9 – "Financial Instruments" the interest income is recognized on accrual basis. In accordance with BRPD circular No.14 (23 September 2012) as amended by BRPD circular No. 19 (27 December 2012) interest accrued on sub-standard loans and doubtful loans are credited to an "Interest Suspense Account" which is included within "Other liabilities". Interest from loans and advances ceases to be accrued when they are classified as bad/loss. The interest is then kept in a memorandum account. Interest received on sub-standard loans, doubtful loans and bad/loss loans are retained in the "Interest Suspense Account" until the loan is no longer considered to be impaired.

2.31.2 Profit on investment (Islamic banking)

Income from general investments is accounted for on accrual basis except investments under Musharaka, Mudaraba, Bai-Salam, Bai-as-Sarf and Ijarah modes, where the investment income is accounted for on realization basis. The Wing does not charge any rent during the gestation period of investment against Hire Purchase under Shirkatul Melk (HPSM) mode but it fixes the sale price of the assets at a higher level in such a way to cover its expected rate of return. Such income is recognized on realization basis.

2.31.3 Investment income

Income on investments is recognized on accrual basis. Investment income includes discount on treasury bills and interest on treasury bonds. Capital gain on investments in shares is also included in investment income. Capital gain is recognized when it is realized.

2.31.4 Fees and commission income

The Bank earns fees and commission from a diverse range of services provided to its customers. Fees and commission income is recognized on realization basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

2.31.5 Dividend income on shares

Dividend income from an investment is recognised when the Bank's right to receive payment is established (declared and approved by the shareholders in the Annual General Meeting of the investee).

2.31.6 Interest paid on borrowings and deposits (conventional banking)

Interest paid on borrowings and deposits is calculated on daily basis and recognized on accrual basis.

2.31.7 Profit shared on deposits (Islamic banking)

Profit on deposits are recognized on accrual basis. Mudaraba depositors of the IBW share income derived from investing activities deploying the Mudaraba funds. Income under these categories includes profit, dividend, capital gain, rent, exchange gain and any other gain derived from deployment of Mudaraba funds.

2.31.8 Management and other expenses

Expenses incurred by the Bank are recognized on accrual basis.

2.32 Risk management

2.32.1 Internal Control and Compliance Management

Operational loss may arise from error and fraud due to weakness of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance Division undertakes periodic and special audit of the branches and departments at Head Office for review of the operation and compliance with statutory requirements. The Audit Committee of the Board reviews the reports of the Internal Control and Compliance Division.

2.32.2 Foreign Exchange Risk Management

Foreign exchange risk is defined as the potential change in earnings arising due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements.

Treasury Department independently conducts the transactions and the Back Office of treasury is responsible for verification of the deals and recording of their entries in the books of account. All foreign exchange transactions are revalued at Mark to Market rate at the month end. All Nostro accounts are reconciled on monthly basis and outstanding entries are reviewed on regular basis.

2.32.3 Credit Risk Management

Credit Risk is defined as potential loss arising from the failure of a counter-party to meet financial obligations as per contractual agreement with the Bank. Bank manages credit risk meticulously. The Bank extends credit facilities to different clients in different sectors after ensuring due diligence and mitigating risk factors as per guidelines set by Bangladesh Bank, the Board of Directors and Management Credit Committee of the Bank.

The Bank has segregated duties of the executives/officers involved in credit related activities. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, two separate units have been formed namely Credit Risk Management Division, Credit Administration Division. Credit Risk Management Division is entrusted with the duties of maintaining asset quality, assessing risks involved in lending, sanctioning credit and formulating policies/strategies for lending operation. Credit Risk Grading (CRG) is also made for individual borrowers.

2.32.4 Asset Liability Management

The Asset Liability Committee (ALCO) of the Bank monitors market risks and liquidity risks of the Bank. The market risks emanate from potential change in earnings due to change in rate of interest, foreign exchange rates which are not of trading nature. ALCO reviews liquidity requirements of the Bank, the maturity of assets and liabilities, deposit and lending, pricing strategies and the liquidity

contingency plan. The primary objective of the ALCO is to monitor and avert significant volatility in Net Interest Income (NII), return on assets, investment value and exchange earnings. The ALCO also monitors the Capital Adequacy Ratio on monthly/quarterly basis.

2.32.5 Money Laundering Risk Management

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has a designated Chief Anti Money Laundering Compliance Officer at Head Office and Branch Anti Money Laundering Compliance Officers at branches, who independently review the transactions of the accounts to verify suspicious transactions. Manuals for prevention of money laundering have been compiled and transaction profile has been introduced. Training has been continuously imparted to all categories of officers and executives for developing awareness and skills for identifying suspicious activities.

2.32.6 Information and Communication Technology Security Risk Management

Transformation of business processes in response to technology-driven customers' needs and services has brought in tremendous change in information technology platform in the bank. The bank has adopted measures to protect the information and communication platform from unauthorized access, modification, virus, disclosure and destruction in order to ensure business continuity, data safety and security thereby protecting customers' interest at large.

2.32.7 Internal Audit Management

Internal audit is an independent, objective assurance and consulting activity designed to add value and to detect human errors and non-compliance with Internal Control Procedures. The bank has formed an Internal Audit Department under Internal Control & Compliance Division which are conducting internal audit on a regular basis of every branch and division at Head Office and report the findings to the Audit Committee of the Board of Directors. The Audit Department takes necessary steps to regularize the irregularities detected at the time of audit.

2.32.8 Fraud and Forgeries Management

The Internal Control and Compliance Division takes initiatives for preparing guidelines / instructions on a regular basis to prevent and detect frauds & forgeries. The ICCD communicate the guidelines / instructions to the branches and divisions at Head Office on a regular basis. The division is constantly monitoring and supervising for compliance with the guidelines / instructions so that the occurrence of fraud & forgeries comes to nil.

2.32.9 Operational Risk

Operational risk can be defined as the possibilities of losses resulting from inadequacy or failed internal processes, systems and people or from external events.

Operational risk includes legal and regulatory risk, business process and change risk, fiduciary or disclosure breaches, technology failure, financial crime and environmental risk. It exists in some form in every Bank business and function. Operational risk can not only result in financial loss, but also regulatory sanctions and damage to the Bank's reputation. SBAC Bank PLC. is successful at managing operational risk with a view to safeguarding client assets and preserving shareholder value.

SBAC Bank PLC manages operational risks in the following manner:
I. Risks are identified with reference to the relevant policy manuals, processes, and practices;
II. Departmental Control Function Check List (DCFCL) is in place for evaluation of control;
III. Review of safety and control measures of premises and equipment;
IV. Management of technological and information security risks; and
V. Ensuring the Bank's business continuity while facing unforeseen crisis under a business continuity and disaster management plan.

2.32.10 Legal risk

In SBAC Bank PLC legal risks are covered by recognizing potential losses from litigation or possible litigation at an early stage and by formulating solutions for reducing, restricting and avoiding such risks and creating adequate provision there- against.

2.32.11 Business risk

Business risk covers the risk of losses arising from lower non-interest income and higher expenses from the budgeted amount. The business risk is resulted from the market condition, greater customer expectation and / or technological development that may be significantly different from the assumptions made at the time of planning.

Business risk in SBAC Bank PLC. is managed by setting clear targets for specific business units, in terms of business volume, income, cost, cost-income ratio, quality of assets etc. with an ongoing process of continuous improvement.

2.32.12 Reputational Risk

Reputational risk is defined as the risk of losses, falling business volume or income as well as reduced value of the company arising from business events that may reduce the confidence of the customers & clients, shareholders, investors, counterparties, business partners, credit rating agencies, regulators and general public in SBAC Bank PLC.

The branches and operational divisions are directly responsible for reputational risks arising from their business operations. Reputational risks may also arise from a deficiency in managing other risks. All risk must therefore be managed effectively in order to uphold the Bank's reputation. The management ensures that SBAC Bank PLC is aware of any changes in market perceptions as soon as possible. Accordingly, all business policies and transactions are subjected to careful consideration. SBAC Bank PLC takes necessary precautions to avoid business policies and transactions that may result in significant tax, legal or environmental risks. Reputational risk is also factored into major credit decisions that may lead to credit proposal being declined.

2.32.13 Liquidity risk

Liquidity risk is the risk that we may not meet our financial obligation as they become due. Liquidity risks also include our inability to liquidate any asset at reasonable price in a timely manner. It is the policy of the Bank to maintain adequate liquidity at all times in both local and foreign currencies. Liquidity risks are managed on a short, medium and long-term basis. There are approved limits for credit/ deposit ratio, liquid assets to total assets ratio, maturity mismatch, commitments for both on-balance sheet and off-balance sheet items and borrowing from money market to ensure that loans and investments are funded by stable sources, maturity mismatches are within limits and that cash inflow from maturities of assets, customer deposits in a given period exceeds cash outflow by a comfortable margin even under a stressed liquidity scenario.

2.32.14 Interest rate risk

Interest rate risk is the potential impact on the Bank's earnings and net asset value due to changes in market interest rates. Interest rate risk is the result of mismatches of interest rate re-pricing of financial assets and liabilities. SBAC Bank PLC uses the following tools for measuring the interest rate risk:

Gap analysis

Under this system, a gap i.e. the difference between the amount of financial assets and the amount of liabilities is calculated at a pre- determined time bucket. The interest rate factor is then applied on the assessed financial value of Gap for measuring the earning impact due to movement of interest rate.

Duration analysis

Duration is the time-weighted average maturity of the present value of the cash flows from on balance sheet assets and liabilities. It measures the relative sensitivity of the value of these instruments to changing interest rates and therefore reflects on the economic value i.e. the present value of shareholders' equity of the Bank.

2.32.15 Risk Factors and Risk Management

The Bank is following comprehensive Core Risks Management guidelines issued by Bangladesh Bank. Credit Risk Grading is done for all commercial exposures to mininize credit risks. Bank's Asset Liability Committee is entrusted with the responsibility of managing short-term & long-term liquidity. ALM guidelines have also been implemented. The Bank has established its KYC & operation control procedures for prevention of Money Laundering. The Bank has strengthened the internal control system and audit division to guard against lapses, fraud and forgeries. A comprehensive ICT policy has been formulated as per Bangladesh Bank guidelines and approved by the board of directors to minimize ICT risks which is followed meticulously.

2.33 Earnings per share (EPS)

Earnings per share (EPS) have been calculated in accordance with IAS 33 – "Earnings per Share", which is shown on the face of the Profit & Loss Account. This has been calculated by dividing the net profit after tax by the weighted average number of ordinary shares outstanding as on 31 December 2025. This represent the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighted factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year.

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

2.34 Off-setting financial assets and financial liabilities

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

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

2.35 Leases

IFRS 16 Leases is effective for the annual reporting periods beginning on or after 1 January 2019. IFRS 16 defines that a contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Under IFRS 16, an entity

shall be recognizing a right-of-use (ROU) asset (i.e. the right to use the office building, branches, service centre, call centre, warehouse, etc.) and a corresponding lease liability. The asset and the liability are initially measured at the present value of unavoidable lease payments. The depreciation of the lease asset (ROU) and the interest on the lease liability is recognized in the profit or loss account over the lease term replacing the previous heading 'lease rent expenses'.

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

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

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

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

The Bank has defined 'low value asset' which are to be excluded from IFRS 16 requirement and considered lease of 'Generator space' and 'ATM Booths and other installations' as low value asset. The Bank recognises lease payments associated with these leases as an expense. On transaction to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities recognized under IFRS 16 was 8%.

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

2.36 Dividend policy

The Bank's policy is to maximize the shareholders' wealth. As a result, the bank tries to allocate optimum dividend to the shareholders for each operational year, after payment of income tax, transfer of fund to regulatory reserve, provision for loans and advances, etc. Final dividend is recognized when it is approved by the shareholders in the Annual General Meeting. The payment of dividend is made within the time prescribed by the Bangladesh Securities and Exchange Commission.

2.37 Credit Rating of the Bank

As per the BRPD instruction circular no.6 dated 5 July 2006, the Bank has done its credit rating by Credit Rating Information and Services Limited (CRISL) based on the financial statements dated 31 December 2024 and financial statements dated 31 March 2025.

Particulars	Date of Rating	Long term	Short term	Rating Valid
Credit Rating Information and Services Limited (CRISL)	25 June 2025	A	ST-2	24 June 2026

2.38 Accounting standards adopted

The Institute of Chartered Accountants of Bangladesh (ICAB) is the official standard setting body as well as the regulator of accounting profession of the country. ICAB has adopted most of the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs). The Bank has applied all the applicable IASs and IFRSs for preparation and presentation of these financial statements except described in note no. 2.1.

Name of IASs / IFRSs	IASs / IFRSs	No.	Status
Presentation of Financial Statements	IAS	1	*Complied
Inventories	IAS	2	Not Applicable
Statement of Cash Flows	IAS	7	*Complied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS	8	Complied
Events after the Reporting Period	IAS	10	Complied
Income Taxes	IAS	12	Complied
Property, Plant and Equipment	IAS	16	Complied
Employee Benefits	IAS	19	Complied
Accounting for Government Grants and Disclosures of Government Assistance	IAS	20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS	21	Complied
Borrowing Costs	IAS	23	Not Applicable
Related Party Disclosures	IAS	24	Complied
Accounting and Reporting by Retirement Benefit Plans	IAS	26	Not Applicable
Separate Financial Statements	IAS	27	Complied
Investments in Associates and Joint	IAS	28	Not Applicable
Financial Reporting in Hyperinflationary Economies	IAS	29	Not Applicable
Financial Instruments : Presentation	IAS	32	*Complied
Earnings Per Share	IAS	33	Complied
Interim Financial Reporting	IAS	34	Complied
Impairment of Assets	IAS	36	Complied
Provisions, Contingent Liabilities and Contingent Assets	IAS	37	*Complied
Intangible Assets	IAS	38	Complied
Financial Instruments : Recognition and Measurement	IAS	39	*Complied
Investment Property	IAS	40	Not Applicable
Agriculture	IAS	41	Not Applicable
First-time Adoption of International Financial Reporting Standards	IFRS	1	Complied
Share-based Payment	IFRS	2	Not Applicable
Business Combinations	IFRS	3	Complied
Non-current Assets Held for Sale and Discontinued Operations	IFRS	5	*Complied
Exploration for and Evaluation of Mineral Resources	IFRS	6	Not Applicable
Financial Instruments : Disclosures	IFRS	7	*Complied
Operating Segments	IFRS	8	Complied
Financial Instruments	IFRS	9	*Complied
Consolidated Financial Statements	IFRS	10	Complied
Joint Arrangements	IFRS	11	Not Applicable
Disclosure of Interests in Other Entities	IFRS	12	Complied
Fair Value Measurement	IFRS	13	*Complied
Regulatory Deferral Accounts	IFRS	14	Not Applicable
Revenue from Contracts with Customers	IFRS	15	Complied
Leases	IFRS	16	Complied
Insurance Contracts	IFRS	17	Not Applicable
Presentation and Disclosures in Financial	IFRS	18	Not Applicable
Subsidiaries without Public Accountability: Disclosures	IFRS	19	Not Applicable

* Subject to departure disclosed in note no. 2.1.

2.39 New accounting standards not yet adopted

The Bank has consistently applied the accounting policies as set out above to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2022 have been considered. However, these amendments have no material impact on the financial statements of the Bank.

A number of standards and amendments to standards are effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements.

(a) IFRS 17 Insurance contract
IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements.

2.40 Information about business segments

Segments information is presented in respect of group's business. Business segments report consists of products and services whose risks and returns are defend from those of other business segments. These Segments comprise conventional banking, Islamic banking, offshore banking and SBAC Bank Investment Ltd. Business segment report shown in Annexure-E.

Inter segment transactions, generally based on inter branch fund transfer measurements as determined by the management. Income, expenses, assets liabilities are specifically identified with individual segments. Based on such allocation segment balance sheet as at 31 December 2025 and segment profit and loss account for the year ended 31 December 2025 have been prepared.

2.41 Utilization of IPO fund

There was no Initial Public Offering (IPO) during the year ended 31 December 2025. As there are no pending proceeds for utilization from prior years, no auditor's certificate on IPO fund utilization was required for the current period.

2.42 Approval of the Financial Statements

The Board of Directors of the Bank, in its 210th meeting held on 29 April 2026, approved the financial statements of the Bank for the year ended 31 December 2025 and signed these statements on same date.

2.43 Restatement of Financial Statements due to Correction of Prior Period Errors

During the year, the Bank identified certain errors in the previously issued financial statements for the year ended 31 December 2024, primarily arising from the omission of the financial statements of the Off Shore Banking Unit, along with certain other discrepancies.

In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Bank has corrected these errors retrospectively. Accordingly, the comparative figures for the prior year have been restated to reflect the impact of such corrections, ensuring that the financial statements are presented fairly in all material respects.

Notes	Particulars	Amount in taka	
		2025	2024
3.	**Cash in hand (including foreign currencies) - Consolidated**		
	SBAC Bank PLC. (note 3.1)	1,471,530,190	1,267,878,734
	SBAC Bank Investment Limited	40,335	10,179
		1,471,570,525	**1,267,888,913**
3.1	**Cash in hand (including foreign currencies) of the Bank**		
	Local currency	1,452,813,215	1,248,604,934
	Foreign currencies	18,716,975	19,273,800
		1,471,530,190	**1,267,878,734**
4.	**Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) - Consolidated**		
	SBAC Bank PLC. (note 4.1)	4,892,766,545	4,975,269,548
	SBAC Bank Investment Limited	-	-
		4,892,766,545	**4,975,269,548**
4.1	**Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) of the Bank**		
	Bangladesh Bank		
	In local currency	4,522,791,792	4,294,948,893
	In foreign currencies	369,974,753	680,320,655
		4,892,766,545	4,975,269,548
	Sonali Bank PLC (as Agent of Bangladesh Bank) - local currency	-	-
		4,892,766,545	**4,975,269,548**

4.2 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of the Bank Company Act, 1991 (amended up to 2023) and of instructions contained in DOS Circular No. 01 dated 19 January, 2014 and MPD Circular No. 01 dated 04 March, 2025 for conventional and islamic banking and FE Cricular No. 11 dated 30 January 2025 for off-shore banking unit.

The Cash Reserve Requirement, calculated at the rate of 3.00% for conventional and islamic banking on daily basis and 4.00% for conventional and islamic banking on bi-weekly basis, based on the Bank's average time and demand liabilities of two months earlier of the reporting month (i.e. for December based on October), has been maintainded with Bangladesh Bank in current account. The Statutory Liquidity Ratio, calculated at the rate of 13% for conventional banking and off-shore banking unit and 5.50% for islamic banking based on the Bank's average time and demand liabilities of two months earlier of the reporting month (i.e. for December based on October), have been maintained in the form of unencumbered treasury bills and bonds, cash in hand and daily excess of Cash Reserve.

4.2.1	**Total average demand and time liabilities**		
	Total average demand and time liabilities of October		
	Conventional banking	104,684,572,000	100,752,538,000
	Islamic banking	644,861,000	592,148,000
	Off-shore banking unit	-	-
		105,329,433,000	**101,344,686,000**
4.2.2	**Cash Reserve Requirement (CRR) and maintained**		
	Required reserve		
	Conventional banking	4,187,382,880	3,457,667,402
	Islamic banking	25,794,000	20,519,000
	Off-shore banking unit	-	-
	Total required reserve	**4,213,176,880**	**3,478,186,402**
	Actual reserve maintained		
	Balance with Bangladesh Bank - local currency :		
	For conventional banking and OBU	4,454,309,008	4,247,808,983
	For islamic banking	33,099,816	30,000,000
		4,487,408,824	**4,277,808,983**
	Surplus / (deficit) (conventional banking and OBU)	**266,926,128**	**790,141,581**
	Surplus / (deficit) (islamic banking)	**7,305,816**	**9,481,000**
	Maintained ratio (conventional banking and OBU)	**4.25%**	**4.22%**
	Maintained ratio (islamic banking)	**5.13%**	**5.07%**

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

4.2.3	**Statutory Liquidity Ratio (SLR) requirement and maintained (conventional banking and off-shore banking unit)**		
	Required reserve		
	Conventional banking	**13,608,994,360**	**12,842,764,636**
	Off-shore banking unit	-	-
	Total required reserve	**13,608,994,360**	**12,842,764,636**

Notes	Particulars	Amount in taka	
		2025	2024
	Available for maintenance :		
	Cash in hand (including foreign currencies)	1,471,530,190	1,263,888,159
	Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	-	-
	Excess of CRR requirement	266,926,128	790,141,581
	Unencumbered approved securities (treasury bills and bonds, debentures etc.)	20,735,075,607	20,263,278,267
		22,473,531,925	22,317,308,007
	Surplus / (deficit)	**8,864,537,565**	**9,474,543,371**
	Maintained Ratio	**21.47%**	**22.15%**
4.2.4	**Statutory Liquidity Ratio (SLR) requirement and maintained (islamic banking)**		
	Required reserve	**35,467,000**	**24,076,000**
	Available for maintenance :		
	Cash in hand (including foreign currencies)	6,587,079	3,990,575
	Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	-	-
	Excess of CRR requirement	7,305,816	9,481,000
	Unencumbered approved securities (treasury bills and bonds, debentures etc.)	134,409,600	39,999,600
		148,302,495	**53,471,175**
	Surplus / (deficit)	**112,835,495**	**29,395,175**
	Maintained Ratio	**23.00%**	**9.03%**
5.	**Balance with other banks and financial institutions - Consolidated**		
	In Bangladesh		
	SBAC Bank PLC. (note 5.1)	1,990,120,648	2,105,932,755
	SBAC Bank Investment Limited	46,087,820	31,726,754
		2,036,208,468	2,137,659,509
	Less : Inter company transactions	27,285,849	20,805,662
		2,008,922,619	2,116,853,847
	Outside Bangladesh		
	SBAC Bank PLC. (note 5.1)	1,152,416,257	644,244,789
	SBAC Bank Investment Limited	-	-
		1,152,416,257	644,244,789
		3,161,338,876	**2,761,098,636**
5.1	**Balance with other banks and financial institutions of the Bank**		
	In Bangladesh		
	Main Operation (note 5.2)	2,010,858,805	2,105,932,755
	Off-shore Banking Unit	1,130,764	97,587,524
	Less: Inter bank transactions between on-shore banking unit and OBU	(21,868,921)	(97,587,524)
		1,990,120,648	2,105,932,755
	Outside Bangladesh		
	Main Operation (note 5.2)	1,152,416,257	644,244,789
		3,142,536,905	**2,750,177,544**
5.2	**Balance with other banks and financial institutions - on-shore banking unit**		
	In Bangladesh (note 5.3)	2,010,858,805	2,105,932,755
	Outside Bangladesh (note 5.4)	1,152,416,257	644,244,789
		3,163,275,062	**2,750,177,544**
5.3	**In Bangladesh**		
	Balance with other banks :		
	In current deposit accounts with		
	Sonali Bank Limited	91,552,243	141,655,587
	Dutch Bangla Bank Limited	-	-
	Eastern Bank Limited	116,013	2,813,337
		91,668,256	**144,468,924**
	In special notice deposit accounts with		
	Janata Bank Limited	39,471,818	100,934,480
	Eastern Bank Limited	27,073,317	25,097,190
	Sonali Bank Limited	-	-
	Mercantile Bank Limited	407,459	407,459
	Bank Asia Limited	1.31	26
	Standard Bank Limited	90,181	89,485
	Jamuna Bank Limited	14,827	14,827
	Al-Arafa Islami Bank Limited	-	-
	Trust Bank Limited	20,500,917	21,397,172
	Union Bank Limited	1,028	3,037
	IFIC Bank Limited	14,363	16,176
	Rupali Bank Limited	3,979	3,979
		87,577,891	**147,963,831**

Notes	Particulars	Amount in taka	
		2025	2024
	In fixed deposit accounts with		
	CITIZEN Bank PLC	-	-
	NCC Bank Ltd.	-	-
		-	-
	Balance with financial institutions :		
	Phoenix Finance Limited	195,800,000	195,800,000
	International Leasing & Financial Services Limited	578,500,000	578,500,000
	Industrial & Insfructure Development Finance Company Limited	11,400,000	14,000,000
	Fareast Finance and Investment Limited	257,500,000	257,500,000
	FAS Finance Limited	264,300,000	264,300,000
	Premier Leasing and Finance Limited	130,500,000	130,500,000
	Union Capital Limited	172,900,000	172,900,000
	Bangladesh Finance and Investment Company Limited	200,000,000	200,000,000
	Bay Leasing & Investment Limited	-	-
		1,810,900,000	**1,813,500,000**
	Placement of fund with SBAC Bank Off-shore Banking Unit	20,712,658	-
		2,010,858,805	**2,105,932,755**

As per BRPD Circular Letter no. BRPD(P-1)/661/13/2024/-97 dated 03 January 2024, Banks are exempted from keeping further provision against the balance with Financial Institutions.

5.4 Outside Bangladesh

In demand deposit accounts (non-interest bearing) with

Particulars	Currency	2025			2024		
		Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka	Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka
Habib American Bank, NY	USD	5,421,350	122.30	663,006,153	1,027,307	120.00	123,276,860
Koomin Bank, Seoul	USD	482,538	122.30	59,012,119	260,185	120.00	31,222,273
Mashreq Bank PSC, New York	USD	1,606,673	122.30	196,488,681	2,838,689	120.00	340,642,706
Sonali Bank (UK) Ltd.	USD	423,522	122.30	51,794,819	107,801	120.00	12,936,136
AB Bank, Mumbai	ACU	653,795	122.30	79,956,104	313,853	120.00	37,662,409
AXIS Bank Ltd., Mumbai	ACU	213,332	122.30	26,089,505	155,985	120.00	18,718,247
Habib Metropolitan Bank Ltd.,	ACU	3,804	122.30	465,160	3,803	120.00	456,430
Sonali Bank Ltd. Kolkata	ACU	279,505	122.30	34,182,230	216,305	120.00	25,956,595
United Bank of India, Kolkata	ACU	145,446	122.30	17,787,372	214,775	120.00	25,772,959
Yes Bank Ltd.	ACU	47,166	122.30	5,768,226	24,829	120.00	2,979,542
Sonali Bank (UK) Ltd.	GBP	16,057	165.18	2,652,182	41,158	150.95	2,074,846
Sonali Bank (UK) Ltd.	EURO	24,872	143.95	3,580,335	24,872	125.12	3,112,136
Aktif Yatirim Bankasi A.S.	EURO	-	143.95	-	-	-	-
Banca UBAE SPA	EURO	12,735	143.95	1,833,244	11,390	125.12	1,425,147
Bank of HUZHOU Co Ltd. China	CNY	400,820	17.48	7,006,125	899,990	16.44	14,796,370
National Bank of Pakistan, Tokyo	JPY	3,566,507	0.78	2,794,002	4,225,377	0.76	3,212,133
				1,152,416,257			**644,244,789**
In demand deposit accounts (interest bearing)				-			-
Total Outside Bangladesh				**1,152,416,257**			**644,244,789**

Notes	Particulars	Amount in taka	
		2025	2024
5.5	**Maturity grouping of balance with other banks and financial institutions of the Bank**		
	On demand	1,244,084,513	788,713,713
	Within one month	87,552,392	147,963,831
	Within one to three months	400,000,000	400,000,000
	Within three to twelve months	1,410,900,000	1,413,500,000
	Within one to five years	-	-
	More than five years	-	-
		3,142,536,905	**2,750,177,544**
6.	**Money at call on short notice**		
	With banks	950,000,000	400,000,000
	With non bank financial institutions	-	-
		950,000,000	**400,000,000**
7.	**Investments in shares & securities - Consolidated**		
	Government :		
	SBAC Bank PLC. (note 7.1)	21,876,312,258	20,305,664,967
	SBAC Bank Investment Limited	-	-
		21,876,312,258	**20,305,664,967**
	Other :		
	SBAC Bank PLC. (note 7.1)	1,768,553,694	1,950,124,851
	SBAC Bank Investment Limited	229,367,950	233,174,905
		1,997,921,644	**2,183,299,756**
		23,874,233,902	**22,488,964,723**
7.1	**Investments in shares & securities of the Bank**		
	Government securities		
	Treasury bills		
	91-day treasury bills	188,369,227	2,109,339,080
	182-day treasury bills	-	-
	364-day treasury bills	1,872,955,000	-
	30-day Bangladesh Bank bills	-	-
		2,061,324,227	**2,109,339,080**
	Treasury bonds		
	2-Year treasury bonds	139,438,189	19,689,160
	3-Year treasury bonds	-	-
	5-Year treasury bonds	853,252,300	21,396,046
	10-Year treasury bonds	3,326,201,130	1,327,644,626
	15-Year treasury bonds	8,076,840,247	7,919,417,122
	20-Year treasury bonds	7,128,707,465	8,631,461,833
	Ijarah Sukuk bonds	288,740,000	274,330,000
		19,813,179,331	**18,193,938,787**
	Total treasury bills and bonds	**21,874,503,558**	**20,303,277,867**
	Prize bonds	1,808,700	2,387,100
	Total Government securities	**21,876,312,258**	**20,305,664,967**
	Other investments (note 7.4)	1,768,553,694	1,950,124,851
		23,644,865,952	**22,255,789,818**
7.2	**Classification of investments in shares & securities of the Bank as per Bangladesh Bank Circular**		
	Government treasury bills and bonds		
	Held for Trading (HFT)	5,878,038,414	2,404,147,574
	Held to Maturity (HTM)	15,707,725,144	17,624,800,293
	Re-measured	-	-
	Ijarah Sukuk bonds	288,740,000	274,330,000
	Total treasury bills and bonds	**21,874,503,558**	**20,303,277,867**
	Prize bonds	1,808,700	2,387,100
	Total Government securities	**21,876,312,258**	**20,305,664,967**
	Other investments (note 7.4)	1,768,553,694	1,950,124,851
		23,644,865,952	**22,255,789,818**

Notes	Particulars	Amount in taka	
		2025	2024
7.3	**Maturity grouping of investments in shares & securities of the Bank**		
	On demand	1,808,700	2,387,100
	Within one month	442,138,423	487,531,213
	Within one to three months	1,072,646,074	975,062,425
	Within three to twelve months	2,315,093,423	498,061,904
	Within one to five years	992,690,489	1,557,905,288
	More than five years	18,820,488,842	18,735,016,888
		23,644,865,952	**22,255,964,818**
7.4	**Other investments (Annexure - C)**		
	In quoted shares	1,440,619,929	1,432,191,086
	In quoted mutual funds	91,852,397	91,852,396
	In unquoted shares	6,081,368	6,081,369
	In preferrence shares	230,000,000	420,000,000
		1,768,553,694	**1,950,124,851**

7.5 Disclosure for REPO and Reverse REPO transactions

In terms of the instructions contained in DOS Circular No. 6 dated 15 July 2010, the disclosure requirements for REPO and Reverse REPO transactions of the Bank are furnished below :

7.5.1 Disclosure regarding outstanding REPO as on 31 December 2025

Sl. No.	Name of the counterparty	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
1	Bangladesh Bank	06 November 2025	04 February 2026	790,000,000
2	Bangladesh Bank	23 December 2025	06 January 2026	1,096,633,969

7.5.2 Disclosure regarding outstanding Reverse REPO as on 31 December 2025

Sl. No.	Name of the counterparty	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
1	Pubali Bank	30 December 2025	05 January 2026	1,872,660,000.00

7.5.3 Disclosure regarding overall transactions of REPO and Reverse REPO for the year ended 31 December 2025

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
	Taka	Taka	Taka
Securities sold under repo :			
i) with Bangladesh Bank	153,854,064	3,309,859,877	245,759,765
ii) with other banks & FIs	191,125,200	994,195,330	163,167,798
Securities purchased under reverse repo			
i) with Bangladesh Bank	-	-	-
ii) with other banks & FIs	71,906,117	1,872,660,000	16,603,103

8.	**Loans, advances and lease / investments - Consolidated**		
	Loans , cash credit, overdrafts etc. / investments :		
	SBAC Bank PLC. (note 8.1)	93,410,266,512	87,617,423,647
	SBAC Bank Investment Limited	385,337,736	276,339,568
		93,795,604,248	**87,893,763,215**
	Less : Inter-company transaction	173,891,076	69,883,723
		93,621,713,172	**87,823,879,492**
	Bills purchased and discounted :		
	SBAC Bank PLC. (note 8.1)	1,047,831,413	1,024,415,138
	SBAC Bank Investment Limited	-	-
		1,047,831,413	**1,024,415,138**
		94,669,544,585	**88,848,294,630**
8.1	**Loans, advances and lease / investments of the Bank**		
	Loans , cash credit, overdrafts etc. / investments (note 8.2) :		
	On-shore banking unit	93,410,266,512	87,617,423,647
	Off-shore banking unit	-	-
		93,410,266,512	**87,617,423,647**
	Bills purchased and discounted (note 8.3) :		
	On-shore banking unit	1,026,928,656	1,024,415,138
	Off-shore banking unit	20,902,757	-
		1,047,831,413	**1,024,415,138**
		94,458,097,925	**88,641,838,785**

Notes	Particulars	Amount in taka	
		2025	2024
8.2	**Loans , cash credit, overdrafts etc. / investments of the Bank**		
	In Bangladesh:		
	Overdrafts / bai murabaha	**28,101,351,586**	**24,349,843,609**
	Cash credit / bai murabaha :		
	General cash credit / bai murabaha	3,992,716,096	5,045,857,339
	Agriculture cash credit / bai murabaha	104,619,714	137,778,199
	SME cash credit	7,366,729,225	8,693,215,032
	General cash credit under stimulus finance	56,491,591	56,491,246
	SME cash credit / bai murabaha under stimulus finance	12,626,382	13,746,673
		11,533,183,008	**13,947,088,489**
	Loans, lease and investments :		
	Loans against trust receipt / murabaha post import	1,393,454,772	1,968,712,712
	Export packing credit	30,854,061	162,997,329
	Payment against document	121,596,285	179,260,342
	Time loans	3,172,253,196	4,014,338,845
	EDF loans	166,557,929	523,167,085
	Demand loans / murabaha	4,503,375,166	4,105,952,408
	Lease finance	454,352,764	804,079,068
	House building finance / HPSM real estate	903,680,171	1,084,304,785
	General term loans	32,960,191,124	27,884,695,226
	SME term loans	7,016,139,869	5,763,252,243
	Agriculture term loans	1,045,063,156	688,589,839
	Short term micro credit	306,499,269	681,061,126
	Personal loans	43,885,825	64,275,645
	Auto loans / HPSM vehicles	42,266,338	64,759,454
	Credit Card	416,681,097	401,635,773
	Block account for rescheduled loan	607,496,712	274,808,225
	Staff loans / HPSM	591,384,184	654,601,444
		53,775,731,918	**49,320,491,549**
		93,410,266,512	**87,617,423,647**
	Outside Bangladesh	-	-
		93,410,266,512	**87,617,423,647**
8.3	**Bills purchased and discounted of the Bank**		
	Inside Bangladesh		
	Inland bills purchased and discounted	1,016,725,924	965,751,316
	Outside Bangladesh		
	Foreign bills purchased and discounted	31,105,489	58,663,822
		1,047,831,413	**1,024,415,138**
8.4	**Maturity grouping of loans, advances and lease / investments including bills purchased and discounted**		
	On demand	6,786,883,595	6,368,981,111
	Within one month	6,967,933,257	6,538,882,637
	Within one to three months	18,730,567,370	17,577,232,335
	Within three to twelve months	30,117,474,481	28,262,990,428
	Within one to five years	18,435,481,855	17,300,316,717
	More than five years	13,419,757,367	12,593,435,557
		94,458,097,925	**88,641,838,785**
8.5	**Loans, advances and lease / investments including bills purchased and discounted are classified into following broad categories**		
	(a) Loans, advances and lease / investments (note 8.2)		
	In Bangladesh		
	Loans	53,775,731,918	49,320,491,549
	Cash credit	11,533,183,008	13,947,088,489
	Overdraft	28,101,351,586	24,349,843,609
		93,410,266,512	**87,617,423,647**
	Outside Bangladesh	-	-
		93,410,266,512	**87,617,423,647**
	(b) Bills purchased and discounted (note 8.3)		
	In Bangladesh	1,016,725,924	965,751,316
	Outside Bangladesh	31,105,489	58,663,822
		1,047,831,413	**1,024,415,138**
		94,458,097,925	**88,641,838,785**

Notes	Particulars	Amount in taka	
		2025	2024

8.6 Loans, advances and lease / investments including bills purchased and discounted on the basis of significant concentration

i.	Loans, advances and lease / investments to Directors of the bank	1,123,602,000	781,494,574
ii.	Loans, advances and lease / investments to CEO and other senior executives	404,009,172	534,866,802
iii.	Loans, advances and lease / investment to staffs other than in sl. no. ii	187,375,013	200,045,738
iv.	Loans, advances and lease / investments to customers' group	92,743,111,741	87,125,431,671
		94,458,097,925	**88,641,838,785**

v. Disclosure on large loans

Disclosure on large loans i.e. loan sanctioned to any individual or enterprise or any organization of a group amounting to 10% or more of the Bank's total capital and classified amount therein and measures taken for recovery of such loan have been furnished as under. Mentionable that, total capital (Tier I + Tier II) of the Bank solo basis was Taka 12,168,418,365 as at 31 December 2025 and Taka 11,769,895,681 as at 31 December 2024.

(a) Number of the clients to whom loans and advances sanctioned more than 10% of the Bank's total capital	12	18
(b) Amount of outstanding loans and advances to the clients mentioned in v (a) above	19,656,362,766	19,850,541,221
(c) Amount of classified loans and advances out of the amount mentioned in v (b) above	-	-
(d) Measures taken for recovery of the amount mentioned in v (c) above	-	-

8.7 Geographical location-wise loans, advances and lease / investments including bills purchased and discounted

Urban		
Dhaka Division	56,878,643,873	52,972,522,562
Chattogram Division	11,073,714,284	9,759,800,085
Khulna Division	5,077,770,985	5,406,535,745
Rajshahi Division	2,798,011,244	3,270,282,147
Barishal Division	1,496,225,656	1,234,396,373
Sylhet Division	1,067,210,998	381,776,128
Rangpur Division	2,037,402,436	1,811,235,819
Mymensingh	307,625,676	226,264,322
	80,736,605,152	**75,062,813,181**
Rural		
Dhaka Division	5,614,611,506	5,622,099,903
Chattogram Division	2,720,970,790	2,885,349,269
Khulna Division	4,197,106,186	3,949,482,079
Rajshahi Division	125,957,474	-
Barishal Division	208,755,718	683,684,938
Sylhet Division	562,803,306	350,714,645
Rangpur Division	291,287,795	87,694,770
	13,721,492,774	**13,579,025,604**
	94,458,097,925	**88,641,838,785**

8.8 Industry-wise loans, advances and lease / investments including bills purchased and discounted

Agriculture, fisheries and forestry	2,248,738,668	3,100,363,730
Agro base processing industries	7,912,679,022	6,606,022,850
Small & medium enterprise financing (SMEF)	30,546,465,513	32,131,262,489
RMG & textile industries	3,279,332,488	2,153,691,177
Hospitals, clinics & medical colleges	513,748,485	444,657,013
Trade & commerce	9,832,836,751	13,216,452,176
Transport and communications	250,927,332	237,443,013
Rubber & plastic industries	1,663,717,527	1,604,218,083
Iron, steel & aluminium industries	3,792,937,117	2,264,266,818
Printing &Packaging industries	71,233,366	67,208,528
Other manufacturing industries	9,125,758,021	8,492,833,915
Housing & construction industries	826,827,461	4,191,510,803
Consumer credit	17,193,021,760	5,962,462,474
Others	7,199,874,414	8,169,445,716
	94,458,097,925	**88,641,838,785**

8.9 Broad economic sector-wise segregation of loans, advances and lease / investments including bills purchased and discounted

Government and autonomous bodies	-	-
Other public sector	-	-
Private sector	94,458,097,925	88,641,838,785
	94,458,097,925	**88,641,838,785**

Notes	Particulars	Amount in taka	
		2025	2024

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

Particulars	Amount of outstanding loans and advances as at	Base for Provision	Rate	Amount of required provision as at 31 December 2025	Amount of required provision as at 31 December 2024
I) General provision :					
a) Consumer finance	17,608,154,495	17,608,154,495	1.00%	176,374,291	9,019,323
a) Consumer finance(SMA)	86,694,671		(1 to 5%	4,334,734	-
b) Staff loans	591,384,184	591,384,184	0.00%	-	11,302,203
c) Housing finance	583,778,363	583,778,363	1.00%	6,375,856	-
c) Housing finance(SMA)	85,754,835	85,754,835	1.00%	4,287,742	66,882,533
d) Loans to professional	-	-	2.00%	-	5,419,106
e) Small & medium enterprise finance	21,042,153,524	21,042,153,524	(0.5% to 1%)	305,510,768	28,998,765
f) Small & medium enterprise finance(SMA)	2,184,548,747	2,184,548,747	(1 to 5%	100,346,667	418,786,276
g) Loans to BH, MB, SD, etc.	-	-	1.00%	-	-
h) Agricultural and micro credit	2,230,416,448	2,230,416,448	(0.5% to 1%)	732,542.72	
i) Agricultural and micro credit(SMA)	11,470,566	11,470,566	(0.5% to 1%)	543,942	
j) Others	29,009,206,965	29,008,975,305	1.00%	250,592,877	
k) Others (SMA)	2,209,597,499	2,209,597,499	5.00%	96,036,186	
	75,643,160,296	**75,556,233,966**		**945,135,604**	**540,408,206**
II) Specific provision :					
a) Unclassified	-	1,291,415,105	100.00%	1,291,415,105	459,862,421
b) Unclassified	-	-	100.00%	-	3,868,840,184
c) Sub-standard	556,319,091	466,277,126	20.00%	93,255,425	3,178,292
d) Sub-standard (other)	-	-	20.00%	-	39,901,197
e) Doubtful	1,015,122,235	816,828,688.49	50.00%	408,414,344	67,090
f) Doubtful (CMS)	-	-	50.00%	-	28,804,041
g) Doubtful (other)	-	-	50.00%	-	2,259,117
h) Bad / loss	17,243,496,302	10,813,933,659	100.00%	10,813,933,659	6,486,818,930
	18,814,937,629	**13,388,454,579**		**12,607,018,534**	**10,889,731,272**
Total provision required	**94,458,097,925**	**88,944,688,544**		**13,552,154,138**	**11,430,139,478**
Total provision maintained				**3,316,403,985**	**4,871,749,221**
Provision to be maintained (deficit)				**10,235,750,153**	**6,558,390,257**

* As per Bangladesh Bank letter reference no. BSD-5/106/2026-389 dated 26 April 2026 and external auditors, the Bank's total provision requirement against loans and advances is Tk 1,355.21crore against which Bank maintains provision ot TK. 331.64 crore and The Bank Supervision Department-5 of Bangladesh Bank through letter reference no. BSD-5/106/2026-403 dated 28 April 2026, allowed finalization of Financial Statements for the year 2026 without adjustment of the rest provision.

8.11 Classification of loans, advances and lease / investments including bills purchased and discounted

Unclassified loans and advances		
Main Operation		
i) Standard	71,044,191,222	72,293,531,525
ii) Special mention account (SMA)	4,578,066,317	2,015,684,332
	75,622,257,539	**74,309,215,857**
Off-shore Banking Unit		
i) Standard	20,902,757	-
ii) Special mention account (SMA)	-	-
	20,902,757	**-**
	75,643,160,296	**74,309,215,857**
Classified loans and advances		
Main Operation		
Sub-standard	556,319,091	573,971,698
Doubtful	1,015,122,235	575,750,423
Bad / loss	17,243,496,302	13,182,900,807
	18,814,937,629	**14,332,622,928**
Off-shore Banking Unit		
Sub-standard	-	-
Doubtful	-	-
Bad / loss	-	-
	-	-
	18,814,937,629	**14,332,622,928**
Total	**94,458,097,925**	**88,641,838,785**

Notes	Particulars	Amount in taka	
		2025	2024
8.12	**Particulars of loans, advances and lease / investments including bills purchased and discounted**		
	i) Loans considered good in respect of which the banking company is fully secured	88,538,581,815	83,087,070,022
	ii) Loans considered good for which the banking company holds no security other than the debtor's personal guarantee	994,938,536	933,688,566
	iii) Loans considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	4,924,577,574	4,621,080,197
	iv) Loans adversely classified; provision not maintained there against	-	-
		94,458,097,925	**88,641,838,785**
	v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other person	1,714,986,184	1,516,407,114
	vi) Loan due from companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in case of private companies as members	1,123,602,000	781,494,574
	vii) Maximum total amount of advances, including temporary advances made at any time during the period to directors or managers or officers of the banking companies or any of them either separately or jointly with any other persons	1,714,986,184	1,516,407,114
	viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firm in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members	1,123,602,000	781,494,574
	ix) Due from other banking companies	-	-
	x) Classified loans and advances :		
	(a) Amount of classified loan on which interest/profit not credited to income	18,814,937,629	14,332,622,928
	(b) (Decrease)/increase in specific provision during the year	(1,960,092,991)	1,159,688,472
	(c) Amount of loan written off during the year	4,031,049,685	-
	(d) Amount realized against loan previously written off	-	-
	(e) Amount of provision kept against loan classified as bad/loss as on the Balance Sheet date	2,371,268,380	4,331,341,015
	(f) Amount of interest credited to the interest suspense accounts	5,217,990,288	4,236,436,754
	xi) Cumulative amount of the written off loan	4,031,049,685	-
	xii) Amount written off in the year	4,031,049,685	-
	xiii) Amount of written off loan for which lawsuit has been filed for recovery	1,648,340,901	-
8.13	**Bills purchased and discounted**		
	In Bangladesh	1,016,725,924	965,751,316
	Outside Bangladesh	31,105,489	58,663,822
		1,047,831,413	**1,024,415,138**
8.14	**Bills purchased and discounted on the basis of the residual maturity grouping**		
	Within one month	422,145,601	412,711,758
	Within one to three months	278,413,508	272,191,699
	Within three to six months	154,375,914	150,926,019
	More than six months	192,896,389	188,585,662
		1,047,831,413	**1,024,415,138**

8.15 Disclosure of Document Verification System (DVS)

As per Financial Reporting Council (FRC) letterno.178/FRC/APR/2021/27(16) dated 07 December 2021 regarding compliance of BRPD Circular Letter No. 04 and 05 dated 04 January 2021 and 06 July 2021 respectively.

Particulars	Compliance of BRPD Circular Letter No. 04*		Compliance of BRPD Circular Letter No. 35**	
	Number	%	Number	%
Complied Files	282	85%	218	77%
Total Files	332	100%	282	100%

* BRPD Circular Letter No. 04 : Regarding collection of Audited Financial Statements & Statutory Audit Report for Loan Sanction / Renewal.

** BRPD Circular Letter No. 35 : Regarding Audited Financial Statements verified with Document Verification System (DVS) of The Institute of Chartered Accountants of Bangladesh (ICAB).

The Bank has obtained the master access on the Document Verification System (DVS) of The Institute of Chartered Accountants of Bangladesh (ICAB) on 21 September 2022 and started implementing the compliance.

Notes	Particulars	Amount in taka	
		2025	2024
9.	**Fixed Assets including premises, furniture and fixtures - Consolidated**		
	SBAC Bank PLC. (note 9.1)	1,362,942,123	1,393,091,194
	SBAC Bank Investment Limited	16,983,674	16,966,661
		1,379,925,797	**1,410,057,855**
9.1	**Fixed Assets including premises, furniture and fixtures of the Bank (Annexure - B)**		
	Motor vehicles	77,406,153	77,406,153
	Machinery and equipments	403,808,123	393,076,003
	Furniture and fixtures	146,738,694	142,910,173
	Interior decoration	419,234,259	414,397,352
	Computers and accessories	506,402,348	470,091,982
	Softwares	222,736,956	214,588,422
	Other tools	66,367,644	63,384,032
	Right of use assets (Lease assets)	1,850,913,769	1,912,275,965
		3,693,607,946	**3,688,130,082**
	Less : Accumulated depreciation	2,330,665,823	2,295,038,888
	Net book value	**1,362,942,123**	**1,393,091,194**
10.	**Other Assets - Consolidated**		
	Income generating other assets		
	SBAC Bank PLC. (note 10.1)	399,600,000	399,600,000
	SBAC Bank Investment Limited	-	-
		399,600,000	**399,600,000**
	Non-income generating other assets		
	SBAC Bank PLC. (note 10.1)	2,589,638,303	2,415,057,181
	SBAC Bank Investment Limited	45,617,997	42,309,128
		2,635,256,300	**2,457,366,309**
		3,034,856,300	**2,856,966,309**
	Less : Inter-company transaction	404,759,470	399,600,000
	Total other assets	**2,630,096,830**	**2,457,366,309**
10.1	**Other Assets of the Bank**		
	Income generating other assets		
	Investment in shares of SBAC Bank Investment Limited	399,600,000	399,600,000
		399,600,000	**399,600,000**
	Non-income generating other assets		
	Advance income tax (note 10.2)	1,987,941,157	1,947,124,879
	Stock of stationeries and stamps (note 10.3)	17,381,679	18,498,869
	Advance rent, advertisement, etc. (note 10.4)	5,291,157	6,479,852
	Accrued interest, commission and dividend receivable	245,625,062	177,735,742
	Advance and security deposits	4,390,655	4,390,655
	Protested bills	57,863,500	56,494,000
	Central clearing, EFT, NPSB adjustment account	-	1,411
	Deferred tax asset (note 10.5)	117,677,310	109,707,098
	Suspense accounts (note 10.6)	153,467,783	94,624,675
		2,589,638,303	**2,415,057,181**
		2,989,238,303	**2,814,657,181**
10.2	**Advance income tax**		
	Opening balance	1,947,124,879	1,704,913,349
	Add : Paid during the year	776,136,668	660,713,224
	Less : Adjustment during the year	735,320,390	418,501,694
	Closing balance	**1,987,941,157**	**1,947,124,879**
10.2.1	**Assessment year wise break up of advance income tax**		
	2023 - 2024	-	584,303,857
	2024 - 2025	716,157,531	565,981,567
	2025 - 2026	940,978,075	796,839,455
	2026 - 2027	330,805,551	-
		1,987,941,157	**1,947,124,879**

Notes	Particulars	Amount in taka 2025	2024
10.3	**Stock of stationeries and stamps**		
	Stock of printing stationeries	4,411,079	8,187,386
	Stock of security stationeries	8,336,029	6,152,339
	Stock of stamps	4,634,571	4,159,144
		17,381,679	**18,498,869**
10.4	**Advance rent, advertisement, etc.**		
	Advance rent	5,269,616	6,479,852
	Prepaid advertisement	21,541	-
		5,291,157	**6,479,852**
10.5	**Deferred tax asset / (liability)**		
	Opening balance	109,707,098	83,080,467
	Add : Deferred tax income / (expenses) for the year (note 10.5.1)	7,970,212	26,626,631
		117,677,310	**109,707,098**
10.5.1	**Detailed calculation of deferred tax assets / (liability)**		
	In terms of instructions contained in BRPD Circular No. 11 dated 12 December 2011 and provision of IAS 12 - Taxation, the detail calculation of deferred tax (assets) / liability of the Bank is furnished as under :		
	i) **Temporary timing difference in written down value (WDV) of fixed assets :**		
	Written down value of fixed assets- Property, plant and equipment as per Tax (Tax Base) as on the balance sheet date	548,173,920	585,930,452
	Written down value (carrying amount) of fixed assets -Property, plant and equipment	308,832,884	364,466,013
		239,341,036	221,464,439
	ii) Temporary timing difference for right of use assets (tax base nil)	1,054,109,239	1,028,625,181
		(814,768,203)	(807,160,742)
	ii) Temporary timing difference for PV of lease liability (tax base nil)	1,128,574,362	1,099,713,002
	Total amount of temporary timing difference in asset /(liability)	**313,806,159**	**292,552,260**
	Effective tax rate	37.50%	37.50%
	Net Deferred tax assets /(liability) at year end	**117,677,310**	**109,707,098**
	Net Deferred tax assets /(liability) at opening	109,707,098	83,080,467
	Deferred tax income /(expenses) for the year (note 37)	**7,970,212**	**26,626,631**
10.6	**Suspense accounts**		
	Sundry debtors	138,187,400	57,566,144
	Receivable from Stock Brokers	5,583,896	7,870,926
	Advance for bKash merchant payment	-	2,444,571
	Advance for SSL merchant payment	-	138,873
	Advance against expenses	1,447,827	2,324,035
	Advance against fixed assets (note 10.6.1)	8,248,660	24,280,126
		153,467,783	**94,624,675**
10.6.1	**Advance against fixed assets**		
	Advance against fixed assets has been made for which final bill has not being received :		
	Machineries, equipments and computer accessories	8,248,660	24,280,126
		8,248,660	**24,280,126**
11.	**Borrowings from other banks, financial institutions and agents - Consolidated**		
	SBAC Bank PLC. (note 11.1)	1,525,061,874	3,244,269,510
	SBAC Bank Investment Limited	173,891,076	69,883,723
		1,698,952,950	**3,314,153,233**
	Less : Inter-company transaction	173,891,076	69,883,723
		1,525,061,874	**3,244,269,510**
11.1	**Borrowings from other banks, financial institutions and agents of the Bank**		
	On-shore banking unit (note 11.2)	1,525,061,874	3,244,269,510
	Off-shore banking unit	20,738,157	-
	Less : Inter bank transactions between on-shore banking unit and OBU	(20,738,157)	-
		1,525,061,874	**3,244,269,510**

Notes	Particulars	Amount in taka	
		2025	2024
11.2	**Borrowings from other banks, financial institutions and agents (on-shore baning unit)**		
	a) In Bangladesh		
	Secured		
	Refinance from Bangladesh Bank		
	Agro based industries	14,934,029	41,876,513
	Green industries	33,541,662	42,546,389
	Small enterprise enterpreneurs	42,579,999	42,930,108
	10 Taka account	6,357,291	6,189,803
	Bangladesh Bank stimulus fund	32,156,660	32,156,660
	Export Development Fund (EDF)	166,557,918	523,063,379
	Pre Finance	438,934,315	615,031,658
	Borrowing from Bangladesh Bank - ALS	790,000,000	1,940,475,000
		1,525,061,874	3,244,269,510
	Unsecured	-	-
		1,525,061,874	**3,244,269,510**
	b) Outside Bangladesh	-	-
		1,525,061,874	**3,244,269,510**

As at the reporting date of these financial statements, the Bank had pledged Treasury Bonds amounting total Tk. 100,50,18,352 as security against borrowing from Bangladesh Bank - ALS and balance with Bangladesh Bank (local & foreign currency) against liability of refinance facility availed from Bangladesh Bank under the Agro based industries financing, Green industries financing, Small & Medium Enterprising Financing, 10 Taka Account Fund and Export Development Fund by the Bank. [Note 11.2]

11.3	**Residual maturity grouping of borrowings from other banks, financial institutions and agents**		
	On demand	-	-
	Within one month	348,332,693	741,009,368
	Within one to three months	528,142,412	1,123,519,218
	Within three to twelve months	458,443,464	975,248,399
	Within one to five years	52,133,303	110,903,360
	More than five years	138,010,002	293,589,165
		1,525,061,874	**3,244,269,510**
12.	**Deposits and other accounts - Consolidated**		
	Current / Al-wadeeah current deposits and other accounts		
	SBAC Bank PLC.	11,519,328,157	13,282,036,522
	Less : Inter-company transactions	-	-
		11,519,328,157	**13,282,036,522**
	Special notice / mudaraba special notice deposits		
	SBAC Bank PLC.	10,571,329,880	10,016,968,849
	Less : Inter-company transactions	27,285,849	20,805,661
		10,544,044,031	**9,996,163,188**
	Bills payable		
	SBAC Bank PLC.	6,474,789,186	4,704,270,150
		6,474,789,186	**4,704,270,150**
	Savings bank / mudaraba savings deposits		
	SBAC Bank PLC.	7,171,556,774	6,705,506,870
		7,171,556,774	**6,705,506,870**
	Fixed / mudaraba term deposits		
	SBAC Bank PLC.	54,048,633,808	48,040,819,136
	Less : Inter-company transactions	-	-
		54,048,633,808	**48,040,819,136**
	Other deposits		
	SBAC Bank PLC.	17,978,415,833	14,006,219,462
	SBAC Bank Investment Ltd.	-	-
		17,978,415,833	**14,006,219,462**
		107,736,767,789	**96,735,015,328**
12.1	**Deposits and other accounts of the Bank**		
	Current / Al-wadeeah current deposits and other accounts (note : 12.2)	11,519,328,157	13,282,036,522
	Special notice / mudaraba special notice deposits	10,571,329,880	10,016,968,849
	Bills payable	6,474,789,186	4,704,270,150
	Savings bank / mudaraba savings deposits	7,171,556,774	6,705,506,870
	Fixed / mudaraba term deposits	54,048,633,808	48,040,819,136
	Other deposits (note : 12.3)	17,978,415,833	14,006,219,462
		107,764,053,638	**96,755,820,989**

Notes	Particulars	Amount in taka	
		2025	2024
12.2	**Current / Al-wadeeah current deposits and other accounts**		
	Current / Al-wadeeah current deposits	5,210,862,725	6,186,955,095
	Foreign currency deposits (net off inter bank transactions between on-shore banking unit and OBU)	38,881,457	31,221,617
	Non resident foreign currency account	10,653,061	13,105,576
	Resident foreign currency account	19,582,854	19,710,252
	Exporters' retention quota accounts	151,057,886	108,575,484
	Non resident Taka account	11,761,693	11,940,513
	Foreign currency held against BTB L/Cs	897,053,988	1,564,735,002
	Margin against L/Cs	1,312,076,392	1,607,974,395
	Margin against L/Gs	1,977,260,606	1,843,515,553
	Margin on LDBP	83,400	83,400
	Margin on Loans	199,536,078	187,641,599
	Security deposit	27,011,264	26,956,040
	Sundry deposits - excise duty	165,362,100	160,643,650
	Sundry deposits - local bills	10,019,569	89,553,357
	Sundry deposits - Sanchayapatra	2,500,000	300,000
	Sundry deposits - risk fund	15,497,922	37,886,945
	Sundry deposits - foreign correspondents charge	69,660,273	85,622,710
	Sundry deposits - advance installment on Lease	1,883,740	1,967,672
	Sundry deposits - Tax Deducted at source	194,293,184	254,803,532
	Sundry deposits - VAT collected at source	11,771,092	12,419,081
	Sundry deposits - VAT deducted Service Bills	17,463,459	15,738,941
	Sundry deposits - card settlement account	54,871,397	10,265,071
	Sundry deposits -Other & Mobile App	75,983,147	67,708,824
	Interest payable on deposits	1,044,200,870	942,712,213
		11,519,328,157	**13,282,036,522**
12.3	**Other deposits**		
	Monthly savings scheme / mudaraba monthly savings deposits	5,078,560,802	4,790,765,814
	Monthly Benefit Scheme Deposits	6,749,472,136	3,639,057,231
	Double Benefit Scheme Deposits	3,386,413,707	2,978,662,929
	Triple Benefit Scheme	669,567,017	752,681,423
	Lakhpoti Savings Scheme Deposits	168,144,707	162,065,134
	Surokkha Millionaire Scheme Deposits	1,550,505,909	1,439,320,575
	Kotipoti Scheme Deposits	374,796,486	241,534,267
	Mudaraba Hajj deposits	955,069	2,132,089
		17,978,415,833	**14,006,219,462**
12.4	**Segregation of deposits and other accounts**		
	Other than inter-bank deposits	106,958,173,297	95,102,851,256
	Inter-bank deposits (Note 12.5)	805,880,341	1,652,969,733
		107,764,053,638	**96,755,820,989**
12.5	**Details of inter-bank deposits**		
	In Current Deposit Account		
	Mercantile Bank Limited	2,745,570	2,586,304
	Southeast Bank Ltd	1,700	1,950
	Trust Bank Limited	418,250	418,250
		3,165,520	**3,006,504**
		3,165,520	**3,006,504**
	In Short Notice Deposit Account		
	Modhumoti Bank Ltd	164,626	10,150,890
	Janata Bank Limited	2,820,194	162,339
		2,984,821	**10,313,229**
	In Fixed Deposit Account		
	NCC Bank Limited	-	120,000,000
	JAMUNA Bank PLC	-	360,000,000
	NRB BANK PLC.	399,950,000	-
	Bengal Commercial Bank Limited	-	99,950,000
	CITIZENS Bank PLC	399,780,000	599,750,000
	MIDLAND Bank PLC	-	360,000,000
	Rajshahi Krishi Unnayan Bank (RAKUB)	-	99,950,000
		799,730,000	**1,639,650,000**
		805,880,341	**1,652,969,733**

Notes	Particulars	Amount in taka	
		2025	2024
12.6	**Residual maturity grouping of deposits and other accounts**		
	On demand	3,665,834,570	3,197,097,124
	Within one month	11,707,048,069	10,521,760,001
	Within one to three months	19,072,680,966	17,141,654,371
	Within three to six months	17,693,853,423	15,902,427,163
	Within six to twelve months	13,100,442,271	11,774,079,056
	Within one to five years	16,686,879,008	14,997,404,559
	More than five years	25,837,315,331	23,221,398,715
		107,764,053,638	**96,755,820,989**
12.7	Unclaimed deposits for ten years and more held by the bank	**1,103,067**	**3,207,659**
12.8	As on the reporting date of these financial statements, there were no valuable items unclaimed for ten years or more held by the bank.		
12.9	**Payable on demand and time deposits**		
	a) Demand deposits		
	Current deposits	5,210,862,725	6,089,367,571
	Savings deposits (9%)	645,440,110	603,495,618
	Foreign currency deposits (non interest bearing)	1,117,229,246	1,834,935,455
	Security deposits	27,011,264	26,956,040
	Sundry deposits	5,152,463,229	5,318,836,943
	Bills Payable	6,474,789,186	4,704,270,150
		18,627,795,760	**18,577,861,777**
	b) Time deposits		
	Savings deposits (91%)	6,526,116,664	6,102,011,252
	Fixed deposits	54,048,633,808	48,040,819,136
	Special notice deposits	10,571,329,880	10,016,968,849
	Deposits under schemes	17,978,415,833	14,006,219,462
	Non resident Taka deposits	11,761,693	11,940,513
		89,136,257,878	**78,177,959,212**
		107,764,053,638	**96,755,820,989**
12.10	**Sector-wise break-up of deposits and other accounts**		
	Government	4,068,419,444	2,722,792,710
	Deposit money banks	805,880,341	1,652,969,733
	Other public	13,037,343,000	10,167,326,304
	Foreign currency	1,117,229,246	1,834,935,455
	Private	88,735,181,607	80,377,796,787
		107,764,053,638	**96,755,820,989**
13.	**Other liabilities - Consolidated**		
	SBAC Bank PLC. (note 13.1)	12,448,205,768	13,423,033,031
	SBAC Bank Investment Limited	109,878,644	91,527,198
		12,558,084,412	13,514,560,229
	Less : Inter-company transactions	5,159,470	-
		12,552,924,942	**13,514,560,229**
13.1	**Other liabilities of the Bank**		
	Sundry creditors	52,867,244	196,037,254
	Provision for expenses	86,159,090	71,910,828
	Unearned profit (Markup)	218,319,580	16,073,924
	Provision for taxation (note 13.2)	1,752,864,141	2,279,511,682
	Provision on loans & advances (note 13.3)	3,316,403,985	4,871,749,221
	General provision on Off Balance Sheet exposures (note 13.4)	241,867,313	253,599,391
	Provision against other assets (note 13.5)	57,863,500	56,494,000
	Present value of lease liability (note 13.6)	1,128,574,362	1,099,713,002
	Interest suspense account (note 13.7)	5,217,990,288	4,236,436,754
	Provision for diminution in value of investments (note 13.8)	367,549,339	330,851,341
	Dividend Account Balance (13.9)	7,746,926	10,655,634
		12,448,205,768	**13,423,033,031**

Notes	Particulars	Amount in taka	
		2025	2024
13.2	**Provision for taxation**		
	Opening balance	2,279,511,682	2,081,792,606
	Add : Provision made for the year (Note 37)	208,672,849	977,385,423
		2,488,184,531	3,059,178,029
	Less : Adjustment during the year	735,320,390	779,666,347
	Closing balance	**1,752,864,141**	**2,279,511,682**

13.2.1 Status of income tax assessment

Accounting Year	Assessment Year	Status
up to 2022	up to 2023-2024	Assessment completed & no tax liability
2023	2024-2025	Return submitted & assessment pending
2024	2025-2026	Return submitted & assessment pending
2025	2026-2027	Return will be submitted

13.3	**Provision for loans and advances**		
	A. General provision on loans and advances - Main Operation		
	Opening balance	540,402,060	216,625,396
	General provision for the year	404,538,683	323,776,664
	Less : Provision no more required	-	-
	Provision held at the year end	**944,940,743**	**540,402,060**
	B. Specific provision against loans and advances - Main Operation*		
	Opening balance	**4,331,347,161**	**3,171,658,689**
	Less : Fully provided debt written-off (for final settlement)	2,395,930,400	-
	Add : Recoveries of amounts previously written-off	-	-
	Add : Specific provision for the year	435,837,409	1,159,688,472
	Less : Specific provision no more required as loans	-	-
	Specific provision against loans and advances for during the year	**435,837,409**	**1,159,688,472**
	Add : Net charge to profit and loss account	-	-
	Provision held at the end of the year	**2,371,254,170**	**4,331,347,161**
	C. General provision on loans and advances - OBU		
	Opening balance	-	1,027,359
	General provision for the year	209,072	-
	Less : Provision no more required	-	1,027,359
	Provision held at the year end	**209,072**	**-**
	Total (A + B + C)	**3,316,403,985**	**4,871,749,221**

*** The total specific provision is related to Loans & Advances which has been classified as Bad & Loss**

13.4	**General provision on off balance sheet exposures (note 18.4)**		
	Opening balance	253,599,391	239,329,807
	Add : Provision made for the year		14,269,584
	Less : Provision no more required	11,732,078	-
		241,867,313	**253,599,391**
13.5	**Provision against other assets**		
	Opening balance	56,494,000	28,494,000
	Add : Provision made for the year	1,369,500	28,000,000
	Less : Provision no more required	-	-
		57,863,500	**56,494,000**

Notes	Particulars	Amount in taka	
		2025	2024

13.6 Present value of lease liability

The bank recognised lease liability which is present value of lease payments to be made over the lease terms from the date of commencement or 01 January 2020 (initial recognition). The lease payments has been discounted @ 6.00% now it is considered 8.00%.

13.7 Interest suspense account

Balance as on 1 January	4,236,436,754	2,178,771,361
Add : Amount transferred to "interest suspense" account during the year	2,701,185,892	2,583,657,390
Less : Amount recovered from "interest suspense" account during the year	84,699,843	525,991,997
Less : Amount written-off during the year	1,634,932,515	-
Balance as on 31 December 2025	**5,217,990,288**	**4,236,436,754**

13.8 Provision for diminution in value of investments

Opening balance	330,851,341	144,891,785
Add : Provision made for the year (note 36.1)	36,697,998	185,959,556
Less : Provision no more required	-	-
	367,549,339	**330,851,341**

13.9 Dividend Account Balance

For 2020*	2,727,506	2,727,506
For 2021	1,852,252	1,852,453
For 2022	1,814,083	2,359,207
For 2023	1,353,085	3,716,468
	7,746,926	**10,655,634**

* Dividend for 2020 has become unclaimed as on 31 December 2025.

14. Share capital

14.1 Authorized share capital

2,000,000,000 ordinary shares of Tk. 10/- each	20,000,000,000	20,000,000,000

14.2 Issued, subscribed and paid up share capital

824,191,650 ordinary shares of Tk. 10/- each	8,241,916,500	8,241,916,500

14.3 Paid up capital

The paid up capital of the Bank was raised in the following manner :

From the sponsor shareholders		
By issuing 408,960,000 ordinary shares of Taka 10 each	4,089,600,000	4,089,600,000
From Initial Public Offering		
By issuing 100,000,000 ordinary shares of Taka 10 each	1,000,000,000	1,000,000,000
Stock dividend		
Stock dividend @ 0.06 against 1 existing share of Tk 10 each for the year 2015	245,376,000	245,376,000
Stock dividend @ 0.15 against 1 existing share of Tk 10 each for the year 2016	650,246,400	650,246,400
Stock dividend @ 0.135 against 1 existing share of Tk 10 each for the year 2017	673,005,020	673,005,020
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2018	565,822,740	565,822,740
Stock dividend @ 0.10 against 1 existing share of Tk 10 each for the year 2019	622,405,010	622,405,010
Stock dividend @ 0.04 against 1 existing share of Tk 10 each for the year 2020	313,858,200	313,858,200
Stock dividend @ 0.01 against 1 existing share of Tk 10 each for the year 2021	81,603,130	81,603,130
	8,241,916,500	**8,241,916,500**

Notes	Particulars	Amount in taka	
		2025	2024

14.4 Group-wise shareholding position

Particulars	2025			2024		
	No. of shares	Percentage (%) of holding	Taka	No. of shares	Percentage (%) of holding	Taka
Sponsor / Directors	596,869,869	72.42%	5,968,698,690	562,048,306	68.19%	5,620,483,060
Financial	97,436,599	11.82%	974,365,990	137,538,883	16.69%	1,375,388,830
Foreign Investors	5,252	0.00%	52,520	5,252	0.00%	52,520
Non-resident Bangladeshi	295,073	0.04%	2,950,730	415,516	0.05%	4,155,160
General Shareholders	129,584,857	15.72%	1,295,848,570	124,183,693	15.07%	1,241,836,930
Total	**824,191,650**	**100.00%**	**8,241,916,500**	**824,191,650**	**100.00%**	**8,241,916,500**

14.5 Range-wise shareholdings as on 31 December 2025

Range of holding of shares	No of share holders	Percentage % of share holding	No of shares	Taka
Less than 500	44,628	0.751%	6,192,465	61,924,650
500 - 5,000	6,476	1.327%	10,937,352	109,373,520
5,001 - 10,000	1,066	0.899%	7,411,286	74,112,860
10,001 - 20,000	694	1.150%	9,478,029	94,780,290
20,001 - 30,000	230	0.668%	5,508,348	55,083,480
30,001 - 40,000	99	0.414%	3,408,990	34,089,900
40,001 - 50,000	73	0.401%	3,307,975	33,079,750
50,001 - 100,000	173	1.415%	11,660,817	116,608,170
100,001 - 1,000,000	119	3.120%	25,712,967	257,129,670
1,000,001 and above	57	89.855%	740,573,421	7,405,734,210
Total	**53,615**	**100.00%**	**824,191,650**	**8,241,916,500**

14.6 Capital to Risk Weighted Assets Ratio

As per Section 13(2) of the Bank Companies Act, 1991 (Amended upto 2018) and instructions contained in BRPD Circular Letter No. 11 dated 14 August 2008, BRPD Circular No. 10 dated 10 March 2010, BRPD Circular No. 35 dated 29 December 2010, BRPD Circular No. 07 dated 31 March 2014, BRPD Circular No. 18 dated 21 December 2014, BRPD Circular Letter No. 05 dated 31 May 2016 [Guidelines on Risk Based capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)], the total capital (eligible regulatory capital) (consolidated) of the Bank as of 31 December 2025 stood at Taka 12,193,937,744 (Tier-I Capital Taka 11,006,920,616 and Tier-II Capital Taka 1,187,017,128) against the risk based capital requirement of Taka 11,402,451,583. As a result, there was a capital surplus (consolidated) of Taka 791,486,161 in risk based capital adequacy as on 31 December 2025.

14.7 Details of capital adequacy ratio are furnished below - Consolidated :

A. Total common equity Tier - I capital		
Paid up capital	8,241,916,500	8,241,916,500
Statutory reserve	2,740,280,820	2,698,839,922
Retained earnings	55,292,979	90,136,046
Non-controlling (minority) interest	435,754	435,278
	11,037,926,054	**11,031,327,746**
Less : Regulatory Adjustments	31,005,438	26,449,046
	11,006,920,616	**11,004,878,700**
B. Additional Tier - I capital	-	-
C. Total Tier - I Capital (A + B)	**11,006,920,616**	**11,004,878,700**
D. Tier - II capital		
General provision on unclassified loans and off-balance sheet exposures	1,187,017,128	794,001,451
50% of Revaluation reserve as on 31 December 2014	22,014,417	22,014,417
	1,209,031,545	816,015,868
Less : Regulatory Adjustments:		
Revaluation reserve for HFT securities	22,014,417	22,014,417
	1,187,017,128	**794,001,451**
E. Total capital (C + D)	**12,193,937,744**	**11,798,880,151**
F. Total risk weighted assets (RWA)	**91,219,612,662**	**85,827,792,191**

Notes	Particulars	Amount in taka	
		2025	2024
	G. Minimum capital requirement (MCR) with Capital Conservation Buffer (CCB) [12.50% of risk weighted assets]	**11,402,451,583**	**10,728,474,024**
	H. Surplus/(shortfall) of capital (E - G)	**791,486,161**	**1,070,406,127**
	I. Total Exposure	**142,334,029,677**	**134,542,034,488**
	Capital to risk weighted assets ratio (CRAR) (E/F X 100)	**13.37%**	**13.75%**
	Common equity Tier-I to risk weighted assets ratio (A/F X 100)	**12.07%**	**12.82%**
	Tier-I capital to risk weighted assets ratio (C/F X 100)	**12.07%**	**12.82%**
	Tier-II capital to risk weighted assets ratio (D/F X 100)	**1.30%**	**0.93%**
	Leverage ratio (C/I X 100)	**7.73%**	**8.18%**
14.8	**Total risk weighted assets (RWA) - Consolidated**		
	A. Credit risk weighted assets		
	On-Balance Sheet	69,335,079,306	63,231,476,922
	Off-Balance Sheet	8,537,297,614	10,680,256,487
		77,872,376,920	**73,911,733,409**
	B. Market risk weighted assets	4,177,936,885	2,749,322,926
	C. Operational risk weighted assets	9,169,298,857	9,166,735,856
	Total risk weighted assets (RWA)	**91,219,612,662**	**85,827,792,191**
14.9	**Details of capital adequacy ratio are furnished below - Solo :**		
	A. Total common equity Tier - I capital		
	Paid up capital	8,241,916,500	8,241,916,500
	Statutory reserve	2,740,280,820	2,698,839,922
	Retained earnings	19,574,567	50,899,192
		11,001,771,887	**10,991,655,614**
	Less : Regulatory Adjustments	20,370,650	15,761,384
		10,981,401,238	**10,975,894,230**
	B. Additional Tier - I capital	-	-
	C. Total Tier - I Capital (A + B)	**10,981,401,238**	**10,975,894,230**
	D. Tier - II capital		
	General provision on unclassified loans and off-balance sheet exposures	1,187,017,128	794,001,451
	50% of Revaluation reserve as on 31 December 2014	517,575	22,014,417
		1,187,534,703	816,015,868
	Less : Regulatory Adjustments:		
	Revaluation reserve for HFT securities	517,575	22,014,417
		1,187,017,128	**794,001,451**
	E. Total capital (C + D)	**12,168,418,365**	**11,769,895,681**
	F. Total risk weighted assets (RWA)	**90,800,361,649**	**85,274,635,537**
	G. Minimum capital requirement (MCR) with Capital Conservation Buffer (CCB) [12.50% of risk weighted assets]	**11,350,045,206**	**10,659,329,442**
	H. Surplus/(shortfall) of capital (E - G)	**818,373,159**	**1,110,566,239**
	I. Total Exposure	**142,234,984,936**	**134,552,684,651**
	Capital to risk weighted assets ratio (CRAR) (E/F X 100)	**13.40%**	**13.80%**
	Common equity Tier-I to risk weighted assets ratio (A/F X 100)	**12.09%**	**12.87%**
	Tier-I capital to risk weighted assets ratio (C/F X 100)	**12.09%**	**12.87%**
	Tier-II capital to risk weighted assets ratio (D/F X 100)	**1.31%**	**0.93%**
	Leverage ratio (C/I X 100)	**7.72%**	**8.16%**
14.10	**Total risk weighted assets (RWA) - Solo**		
	A. Credit risk weighted assets		
	On-Balance Sheet	69,206,281,072	63,021,698,682
	Off-Balance Sheet	8,537,297,614	10,680,256,487
		77,743,578,686	**73,701,955,169**
	B. Market risk weighted assets	3,954,008,289	2,511,682,014
	C. Operational risk weighted assets	9,102,774,674	9,060,998,354
	Total risk weighted assets (RWA)	**90,800,361,649**	**85,274,635,537**

Notes	Particulars	Amount in taka	
		2025	2024
15.	**Statutory reserve**		
	As per Section 24(1) of the Bank Companies Act, 1991, an amount equivalent to 20% of profit before taxes for the year has been transferred to the statutory reserve fund.		
	Opening balance	2,698,839,922	2,486,942,756
	Add : Transferred from profit during the year	6,436,835	112,406,475
	Add : Transferred from previous year profit	35,004,063	99,490,691
	Closing balance	**2,740,280,820**	**2,698,839,922**
16.	**Non-controlling (Minority) interest**		
	Share capital	400,000	400,000
	Retained earnings	35,754	35,278
		435,754	**435,278**
16.1	**Other reserve (revaluation reserve on Govt. Securities)**		
	Opening balance	33,701,866	22,049,131
	Add : Amortization / revaluation gain	3,527,015,649	11,652,735
		3,560,717,515	33,701,866
	Less : Adjustment of amortization / revaluation gain against sale / maturity	3,414,269,231	-
	Closing balance	**146,448,284**	**33,701,866**
16.2	**Capital reserve**		
	Opening balance	3,838,128	3,269,920
	Add : Addition during year	73,499	568,208
	Closing balance	**3,911,627**	**3,838,128**
16.3	**Foreign currency translation reserve**		
	Opening balance	20,688,460	12,710,366
	Add : Addition during year	2,123	7,978,094
		20,690,583	20,688,460
	Less : Adjustment during the year	20,173,008	-
	Closing balance	**517,575**	**20,688,460**
16.4	**Startup fund**		
	Opening balance	25,853,896	25,853,896
	Add : Transferred during the year	65,019	-
		25,918,915	**25,853,896**

As per SMESPD Circular no. 4 dated 29 March 2021 and SMESPD Circular no. 5 dated 26 April 2021, 1% of net profit after tax is required to transfer to the fund. Later, pursuant to SMESPD Circular No. 02 dated 09 July 2025, the presentation was revised, requiring the fund to be reported as a Start-up Equity Investment Fund, separate from other liabilities. Accordingly, the Bank has reclassified the start-up fund from Other Liabilities to Equity in the financial statements.

17.	**Surplus in profit and loss account - Consolidated**		
	Opening balance	**89,821,497**	**353,983,902**
	Less : Cash dividend paid	-	(164,838,330)
	Less : transferred to statutory reserve	(35,004,063)	(99,490,691)
		54,817,434	**89,654,881**
	Net profit during the year	7,051,374	113,141,466
	Less : Transferred to statutory reserve	(6,436,835)	(112,406,475)
	Less: Transferred to capital reserve	(73,499)	(568,208)
	Less: Transferred to start up fund	(65,019)	-
		476,021	**166,783**
		55,293,455	**89,821,664**
	Less : Non-controlling (Minority) interest	(476)	(167)
	Closing balance	**55,292,979**	**89,821,497**
17.1	**Surplus in profit and loss account of the Bank**		
	Opening balance	**54,578,630**	**318,907,651**
	Less : Cash dividend paid	-	(164,838,330)
	Less : transferred to statutory reserve	(35,004,063)	(99,490,691)
		19,574,567	**54,578,630**
	Net profit during the year	6,501,854	112,406,475
	Less : Transferred to statutory reserve	(6,436,835)	(112,406,475)
	Less: Transferred to start up fund	(65,019)	-
		-	**-**
	Closing balance	**19,574,567**	**54,578,630**
18.	**Contingent liabilities - Consolidated**		
	SBAC Bank PLC.		
	Acceptances and endorsements	2,725,067,070	3,876,410,459
	Letters of Guarantee (note 18.1)	15,285,097,233	16,529,890,978
	Irrevocable letters of credit (note 18.2)	4,016,567,015	4,951,327,649
	Bills for collection (note 18.3)	5,437,027,247	5,721,995,462
	Other contingent liabilities	-	-
		27,463,758,565	**31,079,624,548**
	SBAC Bank Investment Limited	-	-
		27,463,758,565	**31,079,624,548**

Notes	Particulars	Amount in taka	
		2025	2024
18.1	**Letters of guarantee**		
	Money for which the bank is contingently liable in respect of guarantees issued favoring:		
	Directors	-	-
	Government	12,664,117,125	13,695,462,464
	Banks and other financial institutions	-	-
	Others	2,620,980,108	2,834,428,514
		15,285,097,233	**16,529,890,978**
18.2	**Irrevocable letters of credit**		
	Local		
	Irrevocable letters of credit (sight)	2,996,464,202	3,106,249,920
	Irrevocable letters of credit (usance)	6,434,031	7,374,081
	Irrevocable letters of credit - back to back	697,263,409	949,303,946
		3,700,161,642	**4,062,927,947**
	Foreign		
	Irrevocable letters of credit (sight)	-	-
	Irrevocable letters of credit (usance)	158,482,847	281,455,067
	Irrevocable letters of credit - back to back	157,922,526	606,944,635
		316,405,373	**888,399,702**
		4,016,567,015	**4,951,327,649**
18.3	**Bills for collection**		
	Outward local bills	18,630	18,630
	Local documentary bills for collection	3,456,287,606	3,890,795,248
	Foreign documentary bills for collection	1,980,721,011	1,831,181,584
		5,437,027,247	**5,721,995,462**

18.4 Particulars of required provision on off-balance sheet exposures

Particulars	Base for Provision	Rate (%)	Required provision	
			2025 Taka	2024 Taka
Acceptances and endorsements	2,725,067,070	1.00%	38,298,671	38,764,105
Letters of Guarantee (note 18.1)	15,285,097,233	1.00%	152,850,972	165,298,910
Irrevocable letters of credit (note 18.2)	4,016,567,015	0.5% - 5%	50,717,670	49,536,376
Bills for collection (note 18.3)	5,437,027,247	0.00%	-	-
Other contingent liabilities	-	1.00%	-	-
Total	**27,463,758,565**		**241,867,313**	**253,599,391**
Total Provision Maintained			241,867,313	253,599,391
Exces / (Short) provision maintained			**-**	**-**

19.	**Particulars of profit and loss account of the Bank**		
	Income		
	Interest, profit, discount and similar income (note 21.1)	8,565,552,982	8,579,880,310
	Dividend income (note 23.1)	54,431,344	92,831,724
	Fees, commission and brokerage (note 24.1)	401,337,262	462,323,934
	Gains less losses arising from dealing in securities (note 23.1)	-	-
	Gains / (Loss) arising from investment securities (note 23.1)	2,095,714,029	2,235,067,993
	Gains / (Loss) arising from dealing in foreign currencies (note 24.1)	308,163,044	654,479,671
	Income from non-banking assets	-	-
	Other operating income (note 25.1)	214,252,803	266,557,204
	Profit less losses in interest rate changes	-	-
		11,639,451,464	**12,291,140,836**
	Expenses		
	Interest, profit, fee and commission (note 22.1)	7,670,335,229	6,667,980,840
	Losses on loans and advances	-	-
	Administrative expenses (note 20)	2,309,902,548	2,288,850,576
	Other operating expenses (note 35.1)	230,632,376	279,085,050
	Depreciation on bank's assets (note 34.1)	354,456,236	356,458,434
		10,565,326,389	**9,592,374,900**
	Profit before provision	**1,074,125,075**	**2,698,765,936**

Notes	Particulars	Amount in taka	
		2025	2024
20.	**Administrative expenses**		
	Salary and allowances (note 26.1)	1,957,075,532	1,937,402,321
	Rent, taxes, insurance, electricity etc. (note 27.1)	188,274,775	219,997,628
	Legal & professional expenses (note 28.1)	4,527,053	3,363,448
	Postage, stamp, telecommunication etc. (note 29.1)	26,003,388	6,634,748
	Stationery, printing, advertisement etc. (note 30.1)	58,692,939	56,132,298
	Chief executive'ss salary and fees (note 31)	11,633,824	13,320,000
	Directors' fees and other benefits (note 32.1)	5,798,355	2,614,000
	Audit fees (note 33.1)	1,653,700	920,000
	Repair of bank's assets (note 34.1)	56,242,982	48,466,133
		2,309,902,548	**2,288,850,576**
21.	**Interest income / profit on investment - Consolidated**		
	SBAC Bank PLC. (note 21.1)	8,565,552,982	8,579,880,310
	SBAC Bank Investment Limited	60,881,306	66,273,333
		8,626,434,288	8,646,153,643
	Less : Inter company transactions	19,174,575	55,727,715
		8,607,259,713	**8,590,425,928**
21.1	**Interest income / profit on investments of the Bank**		
	Interest on loans and advances / profit on investments		
	Cash credit	1,190,946,617	1,219,659,139
	Secured overdraft / bai murabaha	2,901,176,970	2,582,639,183
	General overdraft	114,813,927	162,993,310
	Local bills purchased	151,625,971	152,207,684
	Foreign bills purchased	11,600,033	19,404,042
	Import finance / murabaha	242,057,117	315,873,860
	Export finance	18,031,476	31,417,475
	Other demand loans	837,028,289	1,092,859,827
	Lease finance / HPSM	116,832,055	103,728,068
	House building loans / HPSM	138,405,753	180,755,256
	General term loans / bai murabaha	1,907,365,081	1,881,184,003
	SME loans / bai murabaha	502,584,668	400,766,242
	Consumer credit scheme	13,082,965	11,134,997
	Credit card	56,001,472	48,969,226
	Agriculture & rural credit / bai murabaha	275,073,027	300,234,329
	Staff loans / HPSM	30,824,990	29,746,426
		8,507,450,411	**8,533,573,067**
	Interest on money at call and short notice	15,350,792	5,366,083
	Interest on FDR with other banks and financial instititutions	39,981,311	35,328,989
	Interest on SND with other banks	1,477,228	2,946,909
	Interest Income - Off-shore Banking Unit	1,389,682	2,665,262
		8,565,649,424	**8,579,880,310**
	Less : Inter bank transactions	96,442	-
		8,565,552,982	**8,579,880,310**
22.	**Interest / profit paid on deposits, borrowings etc.-Consolidated**		
	SBAC Bank PLC. (note 22.1)	7,670,335,229	6,667,980,840
	SBAC Bank Investment Limited	18,772,070	37,900,048
		7,689,107,299	6,705,880,888
	Less : Inter company transactions	19,174,575	55,727,715
		7,669,932,724	**6,650,153,173**
22.1	**Interest / profit paid on deposits, borrowings etc. of the Bank**		
	Interest / profit paid on deposits		
	Savings bank / mudaraba savings deposits	367,903,910	316,904,517
	Special notice / mudaraba special notice deposits	270,774,501	235,300,495
	Monthly savings schemes / mudaraba monthly savings deposits	578,132,170	528,055,320
	Monthly benefit schemes	571,616,858	278,399,270
	Special deposit schemes	395,168,950	447,037,696
	Fixed /mudaraba term deposits	4,848,870,996	3,913,944,603
		7,032,467,385	**5,719,641,901**
	Interest on call borrowing	42,181,153	51,569,805
	Interest on credit lines	11,635,460	7,322,786
	Interest on Bangladesh Bank Re-financing facilities	14,473,164	28,707,679
	Interest on borrowing under REPO	569,578,067	860,738,669
	Interest Expenses - Off-shore Banking Unit	96,442	-
		7,670,431,671	**6,667,980,840**
	Less : Inter bank transactions	96,442	-
		7,670,335,229	**6,667,980,840**
23.	**Income from innvestment in shares / securities - Consolidated**		
	SBAC Bank PLC. (note 23.1)	2,150,145,373	2,327,899,717
	SBAC Investment Limited	6,733,324	4,488,214
		2,156,878,697	**2,332,387,931**

Notes	Particulars	Amount in taka	
		2025	2024
23.1	**Income from innvestment in shares / securities of the Bank**		
	Dividend on shares	54,431,344	92,831,724
	Income on treasury bills, bonds and debentures		
	Interest / profit on treasury bonds	1,614,930,684	1,564,580,178
	Interest / profit on treasury bills	225,630,331	169,344,885
	Interest on reverse REPO	6,799,827	-
	Gains / (loss) on trading of government securities	242,342,337	486,082,189
		2,089,703,179	**2,220,007,252**
	Gains / (loss) on sale of shares	6,010,850	15,060,741
		2,095,714,029	2,235,067,993
	Gains / (Loss) arising from investment securities	**2,150,145,373**	**2,327,899,717**
24.	**Commission, exchange and brokerage - Consolidated**		
	SBAC Bank PLC. (note 24.1)	709,500,306	1,116,803,605
	SBAC Investment Limited	25,916,892	25,016,670
		735,417,198	**1,141,820,275**
24.1	**Commission, exchange and brokerage of the Bank**		
	Fees, commission and brokerage		
	Commission on bills & remittance	7,883,436	7,301,788
	Commission on letters of credit	104,803,287	141,939,341
	Commission on letters of guarantee	230,224,858	257,353,254
	Commission on acceptances	40,354,882	47,302,010
	Other commission	18,070,799	8,427,541
		401,337,262	462,323,934
	Gains / (Loss) arising from dealing in foreign currencies	308,163,044	654,479,671
		709,500,306	**1,116,803,605**
25.	**Other operating income - Consolidated**		
	SBAC Bank PLC. (note 25.1)	214,252,803	266,557,204
	SBAC Investment Limited	294,650	137,307
		214,547,453	266,694,511
	Less : Inter company transactions	21,211	-
		214,526,242	**266,694,511**
25.1	**Other operating income of the Bank**		
	Banking service charge	170,091,419	217,876,499
	Card operation charge	31,242,087	27,892,136
	Locker rent	196,050	107,000
	Miscellaneous income	12,723,247	20,681,569
		214,252,803	**266,557,204**
26.	**Salaries and allowances - Consolidated**		
	SBAC Bank PLC. (note 26.1)	1,957,075,532	1,937,402,321
	SBAC Investment Limited	24,255,316	23,210,107
		1,981,330,848	**1,960,612,428**
26.1	**Salaries and allowances of the Bank**		
	Basic salary	649,568,450	587,718,731
	House rent allowance	298,999,466	288,838,546
	Conveyance allowance	58,760,847	58,012,760
	Medical allowance	87,554,050	88,355,227
	Other allowances	332,963,568	331,003,271
	Festival bonus	114,940,289	192,537,461
	Bank's contribution on provident fund	57,897,140	56,032,942
	Gratuity	152,865,026	132,473,896
	Casual labourer & wages (gross)	159,644,883	163,948,611
	Salary to casual labourer & wages	25,599,617	21,463,325
	Commission to security service providor	18,282,196	17,017,551
		1,957,075,532	**1,937,402,321**
27.	**Rent, taxes, insurance, electricity etc. - Consolidated**		
	SBAC Bank PLC. (note 27.1)	188,274,775	219,997,628
	SBAC Investment Limited	5,903,299	1,490,250
		194,178,074	**221,487,878**
27.1	**Rent, taxes, insurance, electricity etc. of the Bank**		
	Rent - Office Premises, ATM Booths and other installations	10,596,623	15,683,286
	Rates and taxes	46,382,229	69,945,633
	Utilities	64,129,166	62,660,064
	Insurance	67,166,757	71,708,645
		188,274,775	**219,997,628**

As per IFRS 16, an entity shall recognize its right-of-use (ROU) asset (i.e. the right to use the office building, branches, service centers, etc.) and a corresponding lease liability. The depreciation of the lease asset (ROU) and the interest on the lease liability is recognized in the profit or loss account over the lease term replacing the previous heading 'lease rent expenses'. Actual rent paid during the year was Taka 28,60,25,287.

Notes	Particulars	Amount in taka	
		2025	2024
28.	**Legal and professional expenses - Consolidated**		
	SBAC Bank PLC. (note 28.1)	4,527,053	3,363,448
	SBAC Investment Limited	422,487	157,653
		4,949,540	**3,521,101**
28.1	**Legal and professional expenses of the Bank**		
	Legal expenses	817,289	1,402,767
	Professional fees	3,709,764	1,960,681
		4,527,053	**3,363,448**
29.	**Postage, stamp, telecommunication etc. - Consolidated**		
	SBAC Bank PLC. (note 29.1)	26,003,388	6,634,748
	SBAC Investment Limited	371,600	316,650
		26,374,988	**6,951,398**
29.1	**Postage, stamp, telecommunication etc. of the Bank**		
	Postage	1,440,373	2,247,919
	Telephone, fax etc.	18,158,238	4,386,829
	Internet & SWIFT	6,404,777	-
		26,003,388	**6,634,748**
30.	**Stationery, printing, advertisement etc. - Consolidated**		
	SBAC Bank PLC. (note 30.1)	58,692,939	56,132,298
	SBAC Investment Limited	276,325	321,769
		58,969,264	**56,454,067**
30.1	**Stationery, printing, advertisement etc. of the Bank**		
	Office stationery	17,861,126	16,796,702
	Printing stationery	26,674,117	21,642,532
	Petty stationery	4,511,282	6,729,565
	Security stationery	3,790,811	2,598,231
	Advertisement	5,855,603	8,365,268
		58,692,939	**56,132,298**
31.	**Chief executive's salary and fees of the Bank**		
	Basic salary	5,458,656	7,200,000
	House rent allowance	2,160,780	1,800,000
	House maintenance / furnishing allowance	788,666	600,000
	Festival bonus	1,020,000	1,200,000
	Incentive Bonus	-	1,200,000
	Other allowances	2,205,722	1,320,000
		11,633,824	**13,320,000**
32.	**Directors' fees - Consolidated**		
	SBAC Bank PLC. (note 32.1)	5,798,355	2,614,000
	SBAC Investment Limited	420,000	308,000
		6,218,355	**2,922,000**
32.1	**Directors' fees of the Bank**		
	Meeting attendance fees including VAT	3,179,000	2,614,000
	Independent Directors Remuneraion	2,619,355	-
		5,798,355	**2,614,000**
33.	**Auditors' fees - Consolidated**		
	SBAC Bank PLC. (note 33.1)	1,653,700	920,000
	SBAC Investment Limited	74,750	74,750
		1,728,450	**994,750**
33.1	**Auditors' fees of the Bank**		
	Audit fees (annual audit)	1,438,000	800,000
	VAT on audit fees	215,700	120,000
		1,653,700	**920,000**
34.	**Depreciation and repairs & maintenance - Consolidated**		
	SBAC Bank PLC. (note 34.1)	410,699,218	404,924,567
	Depreciation / amortization	354,456,236	356,458,434
	Repairs & maintenance of bank's assets	56,242,982	48,466,133
	SBAC Investment Limited	2,668,380	2,353,334
	Depreciation / amortization	2,431,810	2,032,334
	Repairs & maintenance of assets	236,570	321,000
		413,367,598	**407,277,901**

Notes	Particulars	Amount in taka	
		2025	2024
34.1	**Depreciation and repairs & maintenance of Bank's Assets**		
	Depreciation / amortization		
	Motor vehicles	7,951,830	7,864,746
	Machinery and equipments	23,442,909	24,544,254
	Interior decoration	31,544,888	32,742,197
	Furniture & fixtures	8,473,011	14,757,127
	Computer and peripherals	42,387,758	43,359,192
	Software	3,602,110	5,338,970
	Office tools and accessories	5,401,056	6,006,886
	Depreciation on right of use assets (lease assets)	231,652,674	221,845,062
		354,456,236	356,458,434
	Repairs & maintenance of bank's assets	56,242,982	48,466,133
		410,699,218	**404,924,567**
35.	**Other expenses**		
	SBAC Bank PLC. (note 35.1)	230,632,376	279,085,050
	SBAC Investment Limited	6,973,042	7,027,819
		237,605,418	286,112,869
	Less : Inter company transactions	21,211	-
		237,584,207	**286,112,869**
35.1	**Other expenses of the Bank**		
	Entertainment expenses	37,597,655	42,741,189
	Training & workshop expenses	1,956,275	5,541,941
	Travel and daily allowance	13,974,003	8,643,324
	Fuel and lubricants expenses - bank's vehicles	2,464,630	2,973,655
	Subscriptions to trade associations	8,169,963	7,823,467
	Donations & CSR	10,872,703	53,661,159
	Business promotion and development	19,604,265	14,982,173
	Books, magazines & news papers etc.	765,528	718,963
	Local conveyance	6,370,005	6,376,326
	Cash carrying expenses	6,196,759	5,453,880
	Cartage and freight	94,968	285,510
	Washing and cleaning	4,565,132	4,321,909
	Other bank charges paid	16,985,037	17,519,518
	Expenses on AGM	1,126,983	168,009
	Branch & head office inauguration expenses	60,800	7,304,330
	Antivirus and other software	15,182,544	14,809,100
	Expenses on managers' conference	4,812,696	8,380,913
	Miscellaneous expenses	6,905,699	5,881,748
	Interest on lease liability	72,926,731	71,497,936
		230,632,376	**279,085,050**
36.	**Provision for Loans and advances / investment**		
	Specific provision for the year	435,837,409	1,159,688,472
	Special general provision - COVID-19	-	(75,066,248)
	General provision on loans and advances / investment	404,538,683	323,776,664
	General provision on loans and advances - OBU	209,072	(1,027,359)
	General Provision for off balance sheet exposures	(11,732,078)	14,269,584
		393,015,677	337,018,889
		828,853,086	**1,421,641,113**
36.1	**Provision for diminution in value of investments in shares**		
	SBAC Bank PLC.	36,697,998	185,959,556
	SBAC Bank Investment Limited	25,000,000	12,500,000
		61,697,998	**198,459,556**
36.2	**Other provision (provision against other assets)**		
	SBAC Bank PLC.	1,369,500	28,000,000
	SBAC Bank Investment Limited	188,989	-
		1,558,489	**28,000,000**
37.	**Provision for taxation**		
	Current tax		
	SBAC Bank PLC.	208,672,849	977,385,423
	SBAC Bank Investment Limited	7,936,591	9,508,799
		216,609,440	**986,894,222**
	Deferred tax expense / (income)		
	SBAC Bank PLC. (note 10.5.1)	(7,970,212)	(26,626,631)
	SBAC Bank Investment Limited	13,803	11,354
		(7,956,409)	**(26,615,277)**
		208,653,031	**960,278,945**
37.1	**Current tax expense of the Bank**		
	Regular tax	87,813,277	949,033,650
	Minimum tax on gross receipt u/s 163(5)	119,581,096	73,730,853
	Minimum tax on tax deducted at source u/s 163(2)(b)	208,672,849	132,866,805
	Higher of above	**208,672,849**	**949,033,650**
	Effective current tax rate	**19.43%**	**35.17%**

Factors affecting the tax charged in current year

As per the Income Tax Act 2023, the bank has to pay minimum tax therefore no temporary and permanent factors are affecting the tax charged in current year.

Notes	Particulars	Amount in taka	
		2025	2024
38.	**(Increase) / decrease of other assets - Consolidated**		
	Closing -		
	Stock of stationeries and stamps	17,381,679	18,498,869
	Advance rent, advertisement, etc.	5,291,157	6,479,852
	Advance & Security deposits	4,390,655	4,390,655
	Central clearing, EFT, NPSB adjustment account	-	1,411
	Suspense accounts	153,467,783	94,624,675
	Protested bills	57,863,500	56,494,000
	Security Deposit with Exchange	30,000,000	30,000,000
	CDBL Security Deposit	200,000	200,000
	Account receivables	10,408,143	-
	Advance against Office Rent	340,000	580,000
		279,342,917	**210,689,462**
	Opening -		
	Stock of stationeries and stamps	18,498,869	18,877,997
	Advance rent, advertisement, etc.	6,479,852	17,791,377
	Advance & Security deposits	4,390,655	4,370,655
	Central clearing, EFT, NPSB adjustment account	1,411	1,411
	Suspense accounts	94,624,675	211,555,045
	Protested bills	56,494,000	28,494,000
	Security Deposit with Exchange	30,000,000	30,000,000
	CDBL Security Deposit	200,000	200,000
	Account receivables	2,022,086	36,607,878
	Advance against Office Rent	580,000	820,000
		213,291,548	**348,718,363**
		(66,051,369)	**109,534,901**
38.1	**(Increase) / decrease of other assets of the Bank**		
	Closing -		
	Stock of stationeries and stamps	17,381,679	18,498,869
	Advance rent, advertisement, etc.	5,291,157	6,479,852
	Advance & Security deposits	4,390,655	4,390,655
	Central clearing, EFT, NPSB adjustment account	-	1,411
	Suspense accounts	153,467,783	94,624,675
	Protested bills	57,863,500	56,494,000
	Investment in subsidiary	399,600,000	399,600,000
		637,994,774	**580,089,462**
	Opening -		
	Stock of stationeries and stamps	18,498,869	18,877,997
	Advance rent, advertisement, etc.	6,479,852	17,791,377
	Advance & Security deposits	4,390,655	4,370,655
	Central clearing, EFT, NPSB adjustment account	1,411	1,411
	Suspense accounts	94,624,675	213,029,639
	Protested bills	56,494,000	28,494,000
	Investment in subsidiary	399,600,000	399,600,000
		580,089,462	**653,671,079**
		(57,905,312)	**73,581,617**
39.	**Increase / (decrease) of other liabilities - Consolidated**		
	Closing -		
	Sundry creditors	52,867,244	187,549,922
	Central clearing, EFT, NPSB adjustment account	-	8,487,331
	Present value of lease liability	1,128,574,362	1,099,713,002
	Account payable	19,824,937	27,958,497
	Interest retention fund (restricted)	2,229,032	-
		1,203,495,575	**1,323,708,752**
	Opening -		
	Sundry creditors	187,549,922	46,222,581
	Central EFT adjustment account	8,487,331	2,036,919
	Present value of lease liability	1,099,713,002	1,107,326,570
	Account payable	27,958,497	74,605,963
	Interest retention fund (restricted)	-	-
		1,323,708,752	**1,230,192,033**
		(120,213,177)	**93,516,719**
39.1	**Increase / (decrease) of other liabilities of the Bank**		
	Closing -		
	Sundry creditors	52,867,244	187,549,922
	Central clearing, EFT, NPSB adjustment account	-	8,487,331
	Present value of lease liability	1,128,574,362	1,099,713,002
		1,181,441,606	**1,295,750,255**
	Opening -		
	Sundry creditors	187,549,923	25,754,688
	Central EFT adjustment account	8,487,331	2,036,919
	Present value of lease liability	1,099,713,002	1,107,326,570
		1,295,750,256	**1,135,118,177**
		(114,308,650)	**160,632,078**

Notes	Particulars	Amount in taka	
		2025	2024
40.	**Reconciliation between Operating profit of the Bank and Cash flows from operating activities - Consolidated**		
	Profit before provision	**1,107,813,978**	**2,721,521,080**
	Depreciation on fixed assets	356,888,046	356,458,434
	(Gain) / loss on sale of fixed assets	-	-
	(Increase) / decrease of interest receivable	(62,989,467)	(332,802,287)
	Increase / (decrease) of interest payable	101,488,657	233,506,010
	Increase / (decrease) of expenses payable	14,933,593	21,865,565
	(Increase) / decrease of dividend receivable	(4,900,000)	-
	Advance tax paid	(780,868,221)	(669,592,787)
	Gain on Trading of Govt Securities	(242,342,337)	(486,082,189)
	Gain from sale of shares	(10,399,634)	(17,516,619)
	Effects of exchange rate changes on cash and cash-equivalent	(167,527,483)	(919,383,118)
	Operating profit before changes in operating assets and liabilities	**312,097,133**	**907,974,089**
	Increase / decrease in operating assets and liabilities		
	Sale / purchase of trading securities	(3,278,113,095)	2,413,338,010
	Loans and advances to other banks	(550,000,000)	(400,000,000)
	Loans and advances to customers	(7,033,381,165)	135,921,610
	Increase / decrease of other assets	(66,051,369)	109,534,901
	Deposits from other banks	(847,089,392)	68,206,001
	Deposits from customers	11,747,353,197	2,953,340,559
	Increase / decrease of other liabilities	(120,213,177)	93,516,719
		(147,495,000)	**5,373,857,800**
	Net cash from operating activities	**164,602,132**	**6,281,831,889**
40.1.	**Reconciliation between Operating profit of the Bank and Cash flows from operating activities of the Bank**		
	Profit before provision	**1,074,125,075**	**2,698,765,936**
	Depreciation on fixed assets	354,456,236	356,458,434
	(Increase) / decrease of interest receivable	(62,989,320)	(335,454,366)
	Increase / (decrease) of interest payable	101,488,657	181,525,379
	Increase / (decrease) of expenses payable	14,248,262	22,289,882
	(Increase) / decrease of dividend receivable	(4,900,000)	-
	Advance tax paid	(776,136,668)	(660,713,224)
	Gain on Trading of Govt Securities	(242,342,337)	(486,082,189)
	Gain from sale of shares	(6,010,850)	(15,060,741)
	Effects of exchange rate changes on cash and cash-equivalent	(167,527,483)	(919,383,118)
	Operating profit before changes in operating assets and liabilities	**284,411,572**	**842,345,993**
	Increase / decrease in operating assets and liabilities		
	Sale / purchase of trading securities	(3,286,308,981)	2,412,931,679
	Loans and advances to other banks	(550,000,000)	(400,000,000)
	Loans and advances to customers	(7,028,390,350)	262,933,799
	Increase / decrease of other assets	(57,905,312)	73,581,617
	Deposits from other banks	(847,089,392)	68,206,001
	Deposits from customers	11,753,833,384	2,872,442,454
	Increase / decrease of other liabilities	(114,308,650)	160,632,078
		(130,169,301)	**5,450,727,628**
	Net cash from operating activities	**154,242,271**	**6,293,073,621**
41.	**Basic Earning per share (EPS) - Consolidated**		
	a) Net profit after tax attributable to the shareholdes of parent company	7,051,850	113,141,633
	b) weighted average number of ordinary shares	824,191,650	824,191,650
	Earnings per share (a ÷ b)	**0.01**	**0.14**
41.1	**Basic Earning per share (EPS) of the Bank**		
	a) Net profit after tax	6,501,854	112,406,475
	b) weighted average number of ordinary shares	824,191,650	824,191,650
	Earnings per share (a ÷ b)	**0.01**	**0.14**

41.2 Current year's financial results i.e. Earning Per Shares (EPS) has been decreased over last year due to the net interest income and non interest income were lower than that of previous year.

Notes	Particulars	Amount in taka	
		2025	2024

41.3 Diluted earning per share

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

42. Net asset value (NAV) per share - Consolidated

a) Net asset value attributable to the shareholdes of parent company	11,214,286,700	11,114,660,269
b) Number of outstanding shares	824,191,650	824,191,650
Net asset value (NAV) per share (a÷b)	**13.61**	**13.49**

42.1 Net asset value (NAV) per share of the Bank

a) Net asset value	11,174,656,661	11,075,579,274
b) Number of outstanding shares	824,191,650	824,191,650
Net asset value (NAV) per share (a÷b)	**13.56**	**13.44**

43. Net operating cash flow per share (NOCFPS) - Consolidated

a) Net cash flow from operating activities	164,602,132	6,281,831,889
b) Weighted average number of share	824,191,650	824,191,650
Net operating cash flow per share (a÷b)	**0.20**	**7.62**

43.1 Net operating cash flow per share (NOCFPS) of the Bank

a) Net cash flow from operating activities	154,242,271	6,293,073,621
b) Weighted average number of share	824,191,650	824,191,650
Net operating cash flow per share (a÷b)	**0.19**	**7.64**

43.2 The net operating cash flow has been dicreased due to decrease in the net interst income; disbursement of loans and advances to the customers of the bank; and more investments in trading securities during the year.

44. Events after the balance sheet date

No material event

45. Disclosure on audit committee of the Board

The Audit Committee of the Board was duly reconstituted by the Board of Directors of the Bank in its 201st meeting held on 14 October 2025 compliance with BRPD Circular No. 11 dated 27 October 2013 of Bangladesh Bank and Corporate Governance Guidelines (BSEC/CMRRCD/2006-158/207/Admin/80) dated June 03, 2018 of Bangladesh Securities and Exchange Commission (BSEC). The members of the Audit Committee of the Board as on 31 December 2025 is as under:

Name of the Member	Status with the Bank	Status in the Committee	Educational Qualification
Professor Md. Maksudur Rahman Sarker FCMA	Independent Director	Chairman	MBA
Prof. Mohammad Moqubul Hossain	Independent Director	Member	M. Com
Mr. Ziaur Rahman Zia FCA	Independent Director	Member	M. Com
Mr. Mohammad Mahbubor Rahman FCMA	Director	Member	M. Com

The Audit Committee of the Board convened 07 (seven) meetings during the period further in which, among others, the following salient issues were discussed:

a) The Committee reviewed the inspection reports of different branches including divisions of Head Office of the Bank conducted and submitted by the Bank's Internal Control & Compliance Division and Bangladesh Bank and gave necessary instructions to the management for proper and prompt rectification/ solution of the irregularities/ objections stated therein.

b) The Committee reviewed the Management Letter / Report for the year 2025 submitted by the external auditors of the Bank.

c) The Committee reviewed the Quarterly, Half-yearly and Annual Financial Statements of the Bank.

d) The Committee reviewed the Yearly Report on overall position as on 31 December 2025 as submitted by Internal Control & Compliance Division under the Risk Based Internal Audit system of the Bank.

e) The Committee reviewed the introduction of modern, efficient Internal Control & Compliance system to mitigate the risks.

f) The Committee reviewed the overall performance of Internal Control & Compliance Division.

g) The Committee reviewed and approved the Annual Financial Statements for the year ended 31 December 2025 in its 70th meeting dated 29 April 2026.

46. Number of employees

As per the Schedule XI of the Companies Act, 1994, the number of employees (including contractual employees) engaged for the whole year or part thereof who received more than total remuneration of Tk 36,000 per annum or Tk 3,000 per month were 1,282 as at 31 December 2025 compared to 1,237 as at 31 December 2024.

47. General

i) Figures appearing in these financial statements have been rounded off to the nearest Taka.

ii) Figures of 2024 have been rearranged as per current year's presentation.

Director **Director** **Director** **Managing Director & CEO**

Annexure - A

RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial and operating decisions. Related party information is given below:

i) Directors' interest in different entities:

SL No.	Name of the Director	Status with the Bank	No. of shares and percentage (%) share holding in the Bank	Name of the firms/companies/others (Trade Commerce, Financial, Agriculture & others) in which directors of the bank are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) of holding/ interest in the concern	Remarks
1	Engr. Md. Moklesur Rahman	Chairman	35169778 & 4.27%	1. Contech Construction Ltd.	65.00%	
				2. Pre Stressed Pole Ltd.	65.00%	
				3. B&T Cables Ltd.	70.00%	
				4. B&T Cold Storage Ltd.	6.67%	
				5. B&T Development Ltd.	25.00%	
				6. B&T Meter Ltd.	55.00%	
				7. Tushar Ceramics Ltd.	25.00%	
				8. B&T Transformers Ltd.	33.33%	
				9. Nexus Securities Ltd.	20.00%	
				10. BD Game Studio Ltd.	20.00%	
				11. Smart Meter	100.00%	
2	Mr. Hafizur Rahman Babu	Director	26377333 & 3.20%	1. Joytun Securities International Ltd.	85.12%	
				2. Joytun Developers Ltd.	50.00%	
				3. S.B. Agro Fertilizer Industries Ltd.	33.34%	
				4. Sheikh Cement Mills Ltd.	18.99%	
				5. Gold Hill Properties Ltd.	15.00%	
				6. Sheikh Jute Mills Ltd.	16.67%	
				7. M/S. Sheikh Brothers	100.00%	
				8. M/S. Hafizur Rahman Babu	100.00%	
				9. Sheikh Shipping Lines Ltd.	33.34%	
				10. Sheikh Agro Food Industries	100.00%	
				11. Arising Trade International Ltd.	80.00%	
				12. M/S Sheikh Brothers Enterprise	100.00%	
3	Mr. Anwar Hussain	Vice-Chairman	16580861 & 2.01%	1. SAFAH CNG Refuelling Station Ltd.	8.33%	
				2. HAR Industries Ltd.	30.00%	
				3. Abdul Gaffar & Co. (Pvt.) Ltd.	30.40%	
				4. Asuka CNG Filling Station Ltd.	25.00%	
				5. AGI Corporation	100.00%	
				6. AGI Flex Ltd.	50.00%	
4	Mr. Mohammed Ayub	Director	29399511 & 3.57%	1. Ayub & Co. Ltd.	80.00%	
				2. Pioneer Enterprise	100.00%	
				3. United Enterprise	100.00%	
				4. Pacific Enterprise	20.00%	
				5. M/S Ishmam Enterprise	20.00%	
5	Mr. Mushfiqur Rahman	Director	35169778 & 4.27%	1. Contech Construction Ltd.	27.50%	Nominated by : M/S. Contech Construction Ltd. Share held by the company
				2. Pre Stressed Pole Ltd.	10.00%	
				3. B&T Cables Ltd.	10.00%	
				4. B&T Cold Storage Ltd.	2.22%	
				5. B&T Development Ltd.	25.00%	
				6. B&T Meter Ltd.	15.00%	
				7. B&T Poles Ltd.	50.00%	
				8. Tushar Ceramics Ltd.	50.00%	
				9. B&T Transformers Ltd.	33.33%	
				10. Nexus Securities Ltd.	40.00%	
				11. BD Game Studio Ltd.	80.00%	
				12. BD Game Studio	100.00%	
6	Maj. Gen. (Retd.) Shahedul Haque, Psc.	Director	27703293 & 3.36%	N/A	N/A	Nominated by : TBO Trade Ltd. Share held by the company

SL No.	Name of the Director	Status with the Bank	No. of shares and percentage (%) share holding in the Bank	Name of the firms/companies/others (Trade Commerce, Financial, Agriculture & others) in which directors of the bank are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Percentage (%) of holding/ interest in the concern	Remarks
7	Mr. A.K.M. Delwar Hussain FCMA	Director	34373481 & 4.17%	N/A	N/A	Nominated by : Techno Electricals Ltd. Share held by the company
8	Maj.(Retd.) Abu Fateh Md Bashirur Rahman	Director	16486086 & 2.00%	1. Axoter Multibiz Company	100.00%	Nominated by : NY Trading Ltd. Share held by the company
9	Mr. Mohammad Nazmul Huq	Director	34821563 & 4.22%	1. Vicar International 2. Vicar lelectricals Ltd. 3. Vicar Concrete Products 4. Arrow Tecnology ltd.	80.00% 15.00% 10.00% 15.00%	Nominated by : Vicar Internationa Share held by the company
10	Mr. Mohammad Mahbubor Rahman FCMA	Director	17584889 & 2.13%	1. Imperial Resources Ltd.	10.00%	Nominated by : Intec Solution Share held by the company
11	Mr. Shohel Ahmed	Director	17584888 & 2.13%	1. Techno Electricals Ltd. 2. SQ Wire & Cable Co. Ltd 3. SQ Trading & Engineering 4. SQ Light Ltd. 5. Building Dreams Ltd. 6. SQ Wood Preservatives 7. Power-Add 8. Vicar Electricals Ltd. 9. Vicar Concrete Products 10. SQ Distribution Ltd. 11. SQ Electrical Ltd. 12. SQ Resources Ltd. 13. Papiro Ltd. 14. SQ Agriculture Ltd. 15. SQ Nafis Crop Care Ltd. 16. SQ Properties ltd. 17. Imperial Media Ltd.	16.89% 29.63% 35.00% 35.00% 10.00% 10.00% 10.00% 85.00% 80.00% 40.00% 10.00% 33.33% 20.00% 30.00% 20.00% 30.00% 70.00%	Nominated by : Meter D Tech. Share held by the company
12	Mr. Imrul Anwar	Director	35169778 & 4.27%	1. Kojima Lyric Garments Ltd. 2. MFT Enterprise 3. T & A International Ltd.	12.50% 50.00% 24.75%	Nominated by : T & A Internationa Ltd. Share held by the company
13	Mr. Md. Abu Saem FCA	Independent Director	0	N/A	N/A	
14	Professor Md. Maksudur Rahman Sarker FCMA	Independent Director	0	N/A	N/A	
15	Professor Mohammad Moqbul Hossain Bhuiyan	Independent Director	0	N/A	N/A	
16	Mr. Ziaur Rahman Zia FCA	Independent Director	0	1. RS Technologies Limited	50.00%	

ii) Significant contract where bank is a party and wherein Directors have interest : NIL

iii) Shares issued to Directors and executives without consideration or exercisable at discount: NIL

iv) Related party transactions:

A. loan to directors

(Amount in Crore taka)

Name of the Borrower	Director	Outstanding as at 31 December 2025	Outstanding as at 31 December 2024
Anwar Hussain	Mr. Anwar Hussain	0.22	0.42
		0.51	0.58
Mohammad Imran	Brother of Mr. Anwar Hussain (Director)	0.22	0.42
		0.56	0.64
Safah Cng Refueling Station Ltd.	Mr. Anwar Hussain	0.53	0.53
Agi Flex Limited	Mr. Anwar Hussain & Mr. Mohammad Imran	2.99	0
Abdul Gaffar And Co. (Pvt). Ltd.		-	0
Bmit Solutions Ltd	Mr. Abu Jafar Mohammod Shofiuddin	18.09	15.44
Tushar Ceramics Ltd	Mr. Engr. Moklesur Rahman Mr. Mushfiqur Rahman (Nominated by M/S. Contech Construction Ltd.)	Limit Cancelled	4.89
B & T Cables			5.23
B & T Transformers			0.01
Nb Internationals	Mr. Naimul Hauqe; Brother of Mohammad Nazmul Huq (Nominated by Tcchno Electricals Ltd)	0.22	0.38
Nb Filling Station		2.76	2.76
Sbac Bank Investment Limited	Subsidiary Company	20.39	-
Total		**46.49**	**31.3**

B. Loan to Ex-Directors

(Amount in Crore taka)

Name of the Borrower	Director	Outstanding as at 31 December 2025
Hazi Shakhawat Anwara Eye Hospital	Mrs. Tahmina Afroz & (Ex-Director) Mr. Shakhawat Hossen (Ex-Director)	16.54
M R Trading Co.*	Mr. Al-Haj Mizanur Rahman (Ex-Director)	16.32
Modern Diagnostic Centre Ltd.	Mr. Anwar Hossain	34.83
Famous Iberchem Flavours & Fragrances Ltd.	Mr. Mohammad Nawaz (Ex-Director)	1.07
		3.62
Khulna Builders Ltd.	S.M. Amzad Hossain & Begum Sufia Amzad (Ex-Director)	3.03
M M Fisheries	Mrs. Kamrun Nahar (Ex Director) & Mr. Motiur Rahman (Ex Director)	6.35
	Total	**81.76**

* Bangladesh Bank informed through their letter that since FA No. 259/2017 filed by Mr. Mizanur Rahman regarding his directorship in the bank is pending in the Hon'ble High Court, the Board of Directors of the bank may take a decision at its own discretion regarding the approval, extension and renewal of the credit limit distributed in favor of MR Trading Co., an institution related to his interests.

C. Credit Card issued to directors

Representing Director	Nature of intersest in the Bank	Approved limit (in BDT.)	Outstanding as at 31 December 2025 BDT	Outstanding as at 31 December 2025 USD
Engr. Md. Moklesur Rahman	Chairman, Board of	10.00 Lac	21,264	-
Mr. Anwar Hussain	Member, Board of Directors	10.00 Lac	-	12.15
Mr. Mushfiqur Rahman	Member, Board of Directors	10.00 Lac	-	-
Mr. Md Emdadul Hoque	Member, Board of Directors	10.00 Lac	45,188	-
Ms. Mayesha Maliha	Daughter of Chairman	10.00 Lac	-	-
Mrs. Fadia Naz	Spouse of Director	10.00 Lac	2,537	14.51
Mr. Mohammad Imran	Brother of Director	10.00 Lac	2,733	5,142.61
Ms. Munira Banu	Sister of Director	5.00 Lac	55,627	526.75
Mr. Md Toyamur Islam Rasel	Reltive of Ex-Chairman	5.00 Lac	128,363	-
Mr. Md Abul Hossen	Brother of Ex-Chairman	5.00 Lac	43,135	-
Dr. Sayed Hafizur Rahman	Ex-Independent Director	10.00 Lac	1,396,059	-
Mr. Marzanur Rahman	Son of Ex-Director	10.00 Lac	1,014,433	-
Mr. Mostafizur Rahman	Son of Board of Directors	5.00 Lac	847,676	-

v) Lending policies to related parties:

Related parties are allowed loans and advances as per the guidelines of Bangladesh Bank and credit policy of the bank.

vi) Businessotherthan bankingbusinesswith any relatedconcernof the directorsas per section8 (2) of the BankingCompanies Act 1991:

a) Lease agreement made with the directors / related concerns:

Nature of contract	Branch Name	Remarks	Representing Director and Nature of intersest in the Bank
Lease agreement	Head Office, Level # 10, Sun Moon Star Tower	Lease period : 12 Years starting from 05 October 2021 Rental space 31,154 sft Monthly rent Tk 50.00 per sft	Mr. Mizanur rahman Ex Director Board of Directors
Lease agreement	Tejgaon Link Road Branch	Lease period : 9 Years starting from 29 August 2021 Rental space 5,237.47 sft Monthly rent Tk 180.00 per sft	Mrs Kamrun Nahar Wife of Engr. Md. Moklesur Rahman. Chairman Board of Directors
Lease agreement	Katakhali Branch	Lease period : 09 Years July 2023 Rental space : 4,000 sft Monthly rent Tk 17.50 per sft	SM Amzad hossain, Ex Chairman Board of Directors

vii) Investment in securities of the Directors and their related concern: NIL

viii) Business with subsidiary (SBAC Bank Investment Ltd.)

Nature of Transaction	Outstanding Amount (Taka)
Investments in subsidiary (SBAC Bank Investment Ltd.)	399,600,000
Special Notice Deposits	27,285,849
Secured Overdraft - General	173,891,076
Interest Paid on SND Deposits	402,505
Interest on Loans and Advances	18,772,070
Receivable from Stock Broker	5,159,470
Bank Charge	21,211

ix) The Managing Director & CEO is considered as key management personnel and related remuneration are disclosed in Note 31.

Schedule of Fixed Assets

as at 31 December 2025

Annexure - B

'Amount in taka'

Particulars	Cost				Accumulated Depreciation				Net book value as at 31 December 2025
	Balance as at 01 January 2025	Additions during the period	Disposals during the period	Balance at 31 December 2025	Balance as at 01 January 2025	Charge for the period	On disposal during the period	Balance as at 31 December 2025	
Tangible Assets :									
Motor vehicles	77,406,153	-	-	**77,406,153**	57,871,883	7,951,830	-	**65,823,713**	**11,582,440**
Machinery and equipments	393,076,003	10,732,120	-	**403,808,123**	328,156,770	23,442,909	-	**351,599,679**	**52,208,444**
Furniture and fixtures	142,910,173	3,828,521	-	**146,738,694**	97,216,451	8,473,011	-	**105,689,462**	**41,049,232**
Interior decoration	414,397,352	4,836,907	-	**419,234,259**	265,505,252	31,544,888	-	**297,050,140**	**122,184,119**
Computers and accessories	470,091,982	36,310,366	-	**506,402,348**	405,580,907	42,387,758	-	**447,968,665**	**58,433,683**
Other tools	63,384,032	2,983,612	-	**66,367,644**	50,142,684	5,401,056	-	**55,543,740**	**10,823,904**
Intangible Assets :									
Softwares	214,588,422	8,148,534	-	**222,736,956**	206,583,784	3,602,110	-	**210,185,894**	**12,551,062**
Right of use assets (Lease assets)	1,912,275,965	331,771,465	393,133,661	**1,850,913,769**	883,981,157	241,375,134	328,551,761	**796,804,530**	**1,054,109,239**
At 31 December 2025	**3,688,130,082**	**398,611,525**	**393,133,661**	**3,693,607,946**	**2,295,038,888**	**364,178,696**	**328,551,761**	**2,330,665,823**	**1,362,942,123**
At 31 December 2024	**3,394,277,193**	**293,852,889**	**-**	**3,688,130,082**	**1,935,470,844**	**359,568,044**	**-**	**2,295,038,888**	**1,393,091,194**

Rate of Depreciation

Depreciation is charged for the period at the following rates using straight-line method on all fixed assets :

Particulars	Rate
Motor vehicles	20%
Machinery and equipments	20%
Furniture and fixtures	10%
Interior decoration	10%
Computers and accessories	20%
Other tools	20%
Softwares	20% or remaining usable periods
Right of use assets (Lease Assets)	Remaining lease period

Investment in Shares

Annexure - C

As at 31 December 2025

Sl. No.	Name of Company	Face Value	No. Of Share	Total Book Value	Average cost per share	Market value per share as on 31 December 2025	Total Market Value
Quoted Shares							
1	ACI Limited	10.00	36,828	9,279,201	251.96	194.60	7,166,729
2	The ACME Laboratories Limited	10.00	78,410	6,959,413	88.76	70.90	5,559,269
3	Anwar Galvanizing Ltd.	10.00	20,000	3,740,002	187.00	85.00	1,700,000
4	aamra networks limited	10.00	194,970	12,232,359	62.74	17.90	3,489,963
5	ADN Telecom Limited	10.00	65,476	9,495,657	145.03	57.80	3,784,513
6	British American Tobacco Bangladesh Company Limited	10.00	34,000	19,618,945	577.03	248.60	8,452,400
7	Bangladesh Export Import Company Ltd.	10.00	193,415	27,722,307	143.33	110.10	21,294,992
8	BSC	10.00	36,000	4,452,174	123.67	111.10	3,999,600
9	Bangladesh Submarine Cables PLC	10.00	24,845	5,262,280	211.80	126.60	3,145,377
10	Beximco Pharmaceuticals Ltd.	10.00	91,838	16,561,642	180.34	102.10	9,376,660
11	C & A Textiles Limited	10.00	293,000	3,465,223	11.83	2.40	703,200
12	Chartered Life Insurance Company Limited	10.00	223,133	19,200,282	86.05	55.60	12,406,195
13	Confidence Cem	10.00	145,222	7,828,235	53.91	49.20	7,144,922
14	DBH Finance PLC.	10.00	134,422	8,165,599	60.75	34.60	4,651,001
15	Dhaka Bank PLC.	10.00	157,500	1,925,564	12.23	11.30	1,779,750
16	Delta Life Insurance Company Ltd.	10.00	416,188	77,220,396	185.54	68.00	28,300,784
17	Dragon Sweater and Spinning Limited	10.00	100,000	1,955,660	19.56	8.40	840,000
18	Eastern Insurance Company Ltd.	10.00	144,151	17,645,798	122.41	49.50	7,135,475
19	eGeneration PLC.	10.00	518,396	25,164,653	48.54	19.80	10,264,241
20	Grameenphone Ltd.	10.00	14,777	4,999,069	338.30	257.90	3,810,988
21	GPH Ispat Ltd.	10.00	1,082,732	57,140,856	52.77	16.00	17,323,712
22	Genex Infosys PLC	10.00	81,181	11,155,974	137.42	26.90	2,183,769
23	Investment Corporation Of	10.00	4,036	593,962	147.17	36.20	146,103
24	IDLC Finance PLC.	10.00	31,500	1,589,597	50.46	35.70	1,124,550
25	IFAD Autos PLC.	10.00	153,093	7,447,041	48.64	21.60	3,306,809
26	LafargeHolcim Bangladesh PLC	10.00	326,205	28,743,358	88.11	46.70	15,233,774
27	Linde Bangladesh Limited	10.00	13,000	23,981,173	1,844.71	750.10	9,751,300
28	Matin Spinning Mills PLC	10.00	47,654	3,673,904	77.10	45.20	2,153,961
29	Maksons Spinning Mills Limited	10.00	500,347	16,505,847	32.99	4.80	2,401,666
30	Mozaffar Hossain Spinning Mills Ltd.	10.00	279,718	8,388,407	29.99	13.30	3,720,249
31	MJLBD	10.00	83,827	8,220,604	98.07	90.50	7,586,344
32	Nialco Alloys Ltd.	10.00	12,000	673,949	56.16	22.10	265,200
33	Mostafa Metal Industries Limited	10.00	200,000	3,986,220	19.93	6.40	1,280,000
34	Meghna Petroleum Limited	10.00	124,468	27,318,286	219.48	192.40	23,947,643
35	Navana Pharmaceuticals PLC	10.00	20,000	2,395,752	119.79	51.90	1,038,000
36	Nahee Aluminum Composite Panel	10.00	193,678	14,859,305	76.72	18.30	3,544,307
37	National Credit and Commerce Bank PLC.	10.00	1,904,776	26,508,958	13.92	12.20	23,238,267
38	Premier Cement Mills PLC	10.00	169,334	9,869,581	58.28	39.20	6,637,893
39	Padma Oil	10.00	20,145	4,030,469	200.07	168.20	3,388,389
40	Popular Life	10.00	302,300	16,239,072	53.72	41.50	12,545,450
41	The Premier Bank PLC.	10.00	300,000	4,362,600	14.54	4.00	1,200,000
42	Rahima Food Corporation Limited	10.00	51,623	17,832,061	345.43	158.70	8,192,570
43	Robi Axiata PLC.	10.00	702,975	30,375,831	43.21	28.20	19,823,895
44	Renata PLC	10.00	4,480	5,445,956	1,215.62	391.80	1,755,264
45	S. Alam Cold Rolled Steels Ltd.	10.00	57,400	2,158,538	37.61	14.60	838,040
46	Square Pharma PLC.	10.00	98,313	20,879,273	212.38	198.60	19,524,962
47	Square Textiles PLC.	10.00	500	35,202	70.40	48.50	24,250
48	S. S. Steel Limited	10.00	199,981	3,289,208	16.45	4.10	819,922
49	Titas Gas Transmission & Dist. Co. Ltd.	10.00	48,898	2,005,728	41.02	15.50	757,919
Sub-total				**642,601,299**			**338,760,265**

Sl. No.	Name of Company	Face Value	No. Of Share	Total Book Value	Average cost per share	Market value per share as on 31 December 2025	Total Market Value
Quoted Shares (Special Fund)							
1	Aamra Technologies Limited	10.00	307,065	16,242,111	52.89	11.60	3,561,954
2	ADN Telecom Limited	10.00	143,000	20,635,544	144.30	57.80	8,265,400
3	Asia Pacific General Insurance Co. Ltd.	10.00	240,000	17,311,248	72.13	30.50	7,320,000
4	Apex Tannery Limited	10.00	42,452	6,208,932	146.26	58.60	2,487,687
5	Aman Feed Limited	10.00	260,051	10,168,462	39.10	22.80	5,929,163
6	ACI Formulations Limited	10.00	50,000	9,244,715	184.89	127.90	6,395,000
7	Bashundhara Paper Mills Limited	10.00	499,958	44,336,575	88.68	25.10	12,548,946
8	Beximco Pharmaceuticals Ltd.	10.00	60,000	14,250,558	237.51	102.10	6,126,000
9	Central Insurance Company Ltd.	10.00	227,168	14,209,358	62.55	40.00	9,086,720
10	Eastland Insurance PLC.	10.00	200,000	8,958,000	44.79	18.50	3,700,000
11	Genex Infosys PLC	10.00	234,000	23,210,109	99.19	26.90	6,294,600
12	Grameenphone Ltd.	10.00	80,000	28,225,448	352.82	257.90	20,632,000
13	IDLC Finance PLC.	10.00	1,136,124	67,485,766	59.40	35.70	40,559,627
14	IFAD Autos PLC.	10.00	617,340	29,943,459	48.50	21.60	13,334,544
15	IPDC Finance PLC.	10.00	551,250	31,089,949	56.40	18.90	10,418,625
16	Lub-rref (Bangladesh) Limited	10.00	181,170	9,075,711	50.10	9.90	1,793,583
17	LankaBangla Finance PLC.	10.00	300,000	13,221,000	44.07	12.30	3,690,000
18	Linde Bangladesh Limited	10.00	17,025	30,358,129	1,783.15	750.10	12,770,453
19	Mercantile Bank PLC.	10.00	1,927,800	30,561,221	15.85	7.50	14,458,500
20	Monno Ceramic Industries Ltd.	10.00	5,000	609,763	121.95	81.70	408,500
21	Matin Spinning Mills PLC	10.00	105,723	8,245,411	77.99	45.20	4,778,680
22	Nahee Aluminum Composite Panel Ltd.	10.00	442,927	34,019,451	76.81	18.30	8,105,564
23	National Credit and Commerce Bank PLC.	10.00	2,805,152	39,857,563	14.21	12.20	34,222,854
24	National Housing Finance PLC	10.00	633,050	34,384,870	54.32	22.50	14,243,625
25	Premier Cement Mills PLC	10.00	105,726	7,322,107	69.26	39.20	4,144,459
26	Popuplar life		134,351	7,214,662	53.70	41.50	5,575,567
27	Power Grid Company of Bangladesh Ltd.	10.00	255,589	15,109,016	59.11	26.70	6,824,226
28	Reliance Insurance Ltd.	10.00	94,481	9,760,832	103.31	65.20	6,160,161
29	S. Alam Cold Rolled Steels Ltd.	10.00	212,500	8,320,203	39.15	14.60	3,102,500
30	Singer Bangladesh Limited	10.00	200,904	36,992,454	184.13	84.50	16,976,388
31	Shahjibazar Power Co. Ltd.	10.00	38,634	3,513,728	90.95	47.20	1,823,525
32	Square Textiles PLC.	10.00	150,000	10,636,740	70.91	48.50	7,275,000
33	Square Pharmaceuticals PLC.	10.00	302,049	67,592,525	223.78	198.60	59,986,931
34	Standard Insurance Limited	10.00	375,044	34,564,055	92.16	39.60	14,851,742
35	Summit Power Limited	10.00	944,907	41,585,357	44.01	12.30	11,622,356
36	United Finance PLC.	10.00	250,000	4,477,950	17.91	11.50	2,875,000
37	United Commercial Bank PLC	10.00	656,122	9,075,611	13.83	10.40	6,823,669
Sub-total				**798,018,631**			**399,173,549**
Total Quoted Shares				**1,440,619,929**			**737,933,814**

Sl. No.	Name of Company	Face Value	No. Of Share	Total Book Value	Average cost per share	Market value per share as on 31 December 2025	Total Market Value
Unquoted Shares							
1	SWIFT		6	3,581,371		-	3,581,371
2	Sandhani AML SLIC Fixed Income	10.00	228,519	2,499,997			2,499,997
Total unquoted shares				**6,081,368**			**3,581,371**
Preference Shares							
1	Impress-Newtex Composite Textile Limited	10.00	30,000,000	150,000,000		10.00	150,000,000
2	Color City Limited	10.00	20,000,000	80,000,000		10.00	80,000,000
Total preference shares				**230,000,000**			**230,000,000**

Mutual Fund (Quoted)

Sl. No.	Name of Company	Face Value	No. of Share	Total Book Value	Average cost per share	Market value per share as on 31 December 2025	Total Market Value	Net Asset Value
1	Prime Bank 1st ICB AMCL Mutual Fund	10.00	697,670	5,136,874	7.36	4.30	2,999,981	5,483,686
2	EBL First Mutual Fund	10.00	4,725,555	45,721,162	9.68	2.90	13,704,110	30,905,130
3	First Janata Bank Mutual Fund	10.00	4,400,000	40,994,360	9.32	2.60	11,440,000	27,368,000
Total Mutual Fund				**91,852,397**			**28,144,091**	**63,756,816**
Total Investments in Shares				**1,768,553,694**			**999,659,275**	

Calculation of required provision against investment in shares :

Sl. No.	Particulars	Cost Value	Value Considered for Maintaining Provision	Required Provision	Remarks
1	Quoted shares	642,601,299	338,760,265	303,841,033	
2	Quoted shares (Special Fund)	798,018,631	399,173,549	-	No provision required as per DOS Circular No. 01 dated 10 February 2020.
3	Mutual fund	91,852,397	28,144,091	63,708,306	Considered 85% of net assets value as per DOS Circular No. 03 dated 12 March 2015 & DOS Circular no. 10 dated 28 June 2015
4	Unquoted shares	6,081,368	3,581,371	-	
5	Preference shares	230,000,000	230,000,000	-	
Total		**1,768,553,694**		**367,549,339**	

Annexure - D

STATEMENT OF LARGE LOAN EXPOSURES

More than 10% of Bank's Capital (Funded & Non-funded)

'Amount in crore taka'

Sl. No.	Group Name	Limit as on 31 December 2025			Outstanding as on 31 December 2025		
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	AHSAN GROUP	243.47	-	243.47	256.06	-	256.06
2	ALPHA ACCESSORIES & AGRO EXPORT LTD.	169.52	1.06	170.58	252.90	1.06	253.96
3	PROVITA FEED LTD.	181.70	-	181.70	202.39	-	202.39
4	AMAN GROUP	162.71	-	162.71	182.04	-	182.04
5	AL-AMIN POULTRY FEED & N.R. TRADING	162.89	35.00	197.89	161.17	-	161.17
6	HABIB STEELS LIMITED	125.44	-	125.44	153.75	-	153.75
7	ABDUL MONEM SUGAR REFINERY LTD.	101.02	30.00	131.02	102.54	47.06	149.60
8	ENERGYPAC GROUP	136.90	-	136.90	143.82	-	143.82
9	CSS CORPORATION (BD) LIMITED	106.53	40.00	146.53	125.67	-	125.67
10	MASIHATA SWEATERS LIMITED	110.99	94.83	205.82	107.28	15.53	122.81
11	EASTERN CORPORATION	84.80	-	84.80	118.04	-	118.04
12	GLORY SPINNING LIMITED & ARC CONSTRUCTION COMPANY	100.82	31.52	132.34	72.17	24.15	96.32
Total		**1,686.79**	**232.41**	**1,919.20**	**1,877.84**	**87.80**	**1,965.64**

FINANCIAL REPORTING BY SEGMENTS

For the year ended on 31 December 2025

Annexure - E

i) Business segment income statement

Particulars	Bank (Solo)					SBAC Bank Investment Ltd.	Inter company transaction	Consolidated
	On-shore Banking (Conventional)	Islamic Banking Window	Off-shore Banking Unit	Inter transaction between units	Total			
Interest income / profit on investment	8,536,695,780	27,467,520	1,389,682	-	8,565,552,982	60,881,306	19,174,575	8,607,259,713
Interest / profit paid on deposits, borrowings etc.	(7,546,623,951)	(53,063,497)	(96,442)	(70,551,339)	(7,670,335,229)	(18,772,070)	(19,174,575)	(7,669,932,724)
Net interest income	**990,071,829**	**(25,595,977)**	**1,293,240**	**(70,551,339)**	**895,217,753**	**42,109,236**	**-**	**937,326,989**
Income from innvestment in shares / securities	2,146,950,531	3,194,842	-	-	2,150,145,373	6,733,324	-	2,156,878,697
Commission, exchange and brokerage	773,542,322	6,509,323	-	(70,551,339)	709,500,306	25,916,892	-	735,417,198
Other operating income	214,039,757	213,046	-	-	214,252,803	294,650	21,211	214,526,242
Total operating income	**4,124,604,439**	**(15,678,766)**	**1,293,240**	**(141,102,678)**	**3,969,116,235**	**75,054,102**	**21,211**	**4,044,149,126**
Salary and allowances	(1,957,075,532)	-	-	-	**(1,957,075,532)**	(24,255,316)	-	(1,981,330,848)
Rent, taxes, insurance, electricity etc.	(188,274,775)	-	-	-	**(188,274,775)**	(5,903,299)	-	(194,178,074)
Legal and professional expenses	(4,527,053)	-	-	-	**(4,527,053)**	(422,487)	-	(4,949,540)
Postage, stamp, telecommunication etc.	(26,003,388)	-	-	-	**(26,003,388)**	(371,600)	-	(26,374,988)
Stationery, printing, advertisement etc.	(58,692,939)	-	-	-	**(58,692,939)**	(276,325)	-	(58,969,264)
Chief executive's salary and fees	(11,633,824)	-	-	-	**(11,633,824)**	-	-	(11,633,824)
Directors' /Shariah supervisory committee's fees	(5,732,355)	(66,000)	-	-	**(5,798,355)**	(420,000)	-	(6,218,355)
Auditors' fees	(1,653,700)	-	-	-	**(1,653,700)**	(74,750)	-	(1,728,450)
Depreciation and repair of bank's assets	(410,178,385)	(520,833)	-	-	**(410,699,218)**	(2,668,380)	-	(413,367,598)
Other expenses	(230,536,956)	(95,420)	-	-	**(230,632,376)**	(6,973,042)	(21,211)	(237,584,207)
Total operating expenses	**(2,894,308,907)**	**(682,253)**	**-**	**-**	**(2,894,991,160)**	**(41,365,199)**	**(21,211)**	**(2,936,335,148)**
Profit before provision	**1,230,295,532**	**(16,361,019)**	**1,293,240**	**(141,102,678)**	**1,074,125,075**	**33,688,903**	**-**	**1,107,813,978**
Provision for loans and advances / investments	(822,577,034)	(6,066,980)	(209,072)	-	**(828,853,086)**		-	(828,853,086)
Other provision	(38,067,498)	-	-	-	**(38,067,498)**	(25,188,989)	-	(63,256,487)
Total provision	**(860,644,533)**	**(6,066,980)**	**(209,072)**	**-**	**(866,920,584)**	**(25,188,989)**	**-**	**(892,109,573)**
Total Profit before taxes	**2,090,940,065**	**(22,427,999)**	**1,502,312**	**(141,102,678)**	**207,204,491**	**8,499,914**	**-**	**215,704,405**
Provision for taxation	(200,702,637)	**-**	**-**	**-**	**(200,702,637)**	**(7,950,394)**	**-**	(208,653,031)
Net profit after taxation	**1,890,237,428**	**(22,427,999)**	**1,502,312**	**(141,102,678)**	**6,501,854**	**549,520**	**-**	**7,051,374**

ii) Business segment balance sheet

Particulars	Bank (Solo)					SBAC Bank Investment Ltd.	Inter company transaction	Consolidated
	On-shore Banking (Conventional)	Islamic Banking Window	Off-shore Banking Unit	Inter transaction between units	Total			
Assets								
Cash in hand (Including foreign currencies)	1,464,943,111	6,587,079	-	-	1,471,530,190	40,335	-	1,471,570,525
Balance with Bangladesh Bank and its agent bank(s)	4,859,666,729	33,099,816	-	-	4,892,766,545	-		4,892,766,545
Balance with other banks and financial institutions	3,163,275,062	-	1,130,764	(21,868,921)	3,142,536,905	46,087,820	27,285,849	3,161,338,876
Money at call on short notice	950,000,000	-	-	-	950,000,000	-	-	950,000,000
Investments in shares & securities	23,510,456,352	134,409,600	-	-	23,644,865,952	229,367,950	-	23,874,233,902
Loans, advances and lease / investments	94,081,345,531	355,849,637	20,902,757	-	94,458,097,925	385,337,736	173,891,076	94,669,544,585
Fixed assets	1,353,830,365	9,111,758	-	-	1,362,942,123	16,983,674	-	1,379,925,797
Other assets	2,901,217,318	88,020,985	-	-	2,989,238,303	45,617,997	404,759,470	2,630,096,830
Non-banking assets	-	-	-	-	-	-	-	-
TOTAL ASSETS	**132,284,734,468**	**627,078,875**	**22,033,521**	**(21,868,921)**	**132,911,977,942**	**723,435,512**	**605,936,395**	**133,029,477,059**
Liabilities								
Borrowings from other banks, FIs and agents	1,525,061,874	-	20,738,157	(20,738,157)	1,525,061,874	173,891,076	173,891,076	1,525,061,874
Deposits and other accounts	107,143,927,833	621,256,569	-	(1,130,764)	107,764,053,638	-	27,285,849	107,736,767,789
Other liabilities	12,423,119,077	24,877,619	209,072	-	12,448,205,768	109,878,644	5,159,470	12,552,924,942
TOTAL LIABILITIES	**121,092,108,785**	**646,134,188**	**20,947,229**	**(21,868,921)**	**121,737,321,280**	**283,769,720**	**206,336,395**	**121,814,754,605**
Total shareholders' equity	11,192,625,682	(19,055,313)	1,086,292	-	11,174,656,661	439,665,794	399,600,000	11,214,722,454
TOTAL LIABILITIES & EQUITY	**132,284,734,467**	**627,078,875**	**22,033,521**	**(21,868,921)**	**132,911,977,942**	**723,435,514**	**605,936,395**	**133,029,477,059**

Annexure - F

CONSOLIDATED FINANCIAL HIGHLIGHTS ON THE OVERALL ACTIVITIES OF THE BANK

For the year ended 31 December 2025

''Amount in taka'

Sl. No.	Particulars	2025	2024
01	Paid up capital	8,241,916,500	8,241,916,500
02	Total regulatory capital (Tier I +II)	12,193,937,744	11,798,880,151
03	Capital surplus/(deficit)	791,486,161	1,070,406,127
04	Total assets	133,029,477,059	124,608,940,614
05	Total deposits	107,736,767,789	96,735,015,328
06	Total loans and advances	94,669,544,585	88,848,294,630
07	Total contingent liabilities and commitments	27,463,758,565	31,079,624,548
08	Advance deposits ratio (%) - Traditional Banking*	82.87%	85.45%
09	Advance deposits ratio (%) - Islamic Banking*	55.38%	52.89%
10	Classified loans to advance ratio (%)	19.87%	16.13%
11	Profit after tax and provision	7,051,374	113,141,466
12	Classified loans and advances at the end of the year	18,814,937,629	14,332,622,928
13	Provision kept against classified loans and advances	2,371,254,170	4,331,347,161
14	Surplus/(deficit) provision against loans and advances	(10,235,750,153)	(6,558,390,257)
15	Cost of fund including operating cost (%)	9.45%	9.80%
16	Interest earning assets	100,579,397,105	97,182,800,500
17	Non interest earning assets	32,450,079,954	27,426,140,114
18	Return on investments (ROI) [Income from Investment/ Average Investments]	9.30%	11.38%
19	Return on Assets (ROA) [PAT/Average assets]	0.01%	0.09%
20	Return on Equity (ROE) [PAT/Average shareholders equity]	0.06%	0.99%
21	Net Asset Value per Share (NAV) [Shareholders equity/No. of Ordinary Share]	13.61	13.49
22	Income from investments	2,156,878,697	2,332,387,931
23	Earnings per share	0.01	0.14
24	Net income per share	0.01	0.14
25	Price - earnings ratio (times)	712.94	57.25

* Advance deposit ratio calculation is made as per Bangladesh Bank guidelines.

Annexure - G

HIGHLIGHTS ON THE OVERALL ACTIVITIES OF THE BANK

For the year ended 31 December 2025

'Amount in Taka'

Sl. No.	Particulars	2025	2024
01	Paid up capital	8,241,916,500	8,241,916,500
02	Total capital (Tier I +II)	12,168,418,365	11,769,895,681
03	Capital surplus/(deficit)	818,373,159	1,110,566,239
04	Total assets	132,911,977,942	124,498,702,804
05	Total deposits	107,764,053,638	96,755,820,989
06	Total loans and advances	94,458,097,925	88,641,838,785
07	Total contingent liabilities and commitments	27,463,758,565	31,079,624,548
08	Advance deposits ratio (%) - Traditional Banking*	82.87%	85.45%
09	Advance deposits ratio (%) - Islamic Banking*	55.38%	52.89%
10	Classified loans to advance ratio (%)	19.92%	16.13%
11	Profit after tax and provision	6,501,854	112,406,475
12	Classified loans and advances at the end of the year	18,814,937,629	14,332,622,928
13	Provision kept against classified loans and advances	2,371,254,170	4,331,347,161
14	Surplus/(deficit) provision against loans and advances	(10,235,750,153)	(6,558,390,257)
15	Cost of fund including operating cost (%)	9.45%	9.80%
16	Interest earning assets	100,367,950,445	96,976,344,655
17	Non interest earning assets	32,544,027,497	27,522,358,149
18	Return on investments (ROI) [Income from Investment/ Average Investments]	9.37%	11.49%
19	Return on Assets (ROA) [PAT/Average assets]	0.01%	0.09%
20	Return on Equity (ROE) [PAT/Average shareholders equity]	0.06%	0.98%
21	Net Asset Value per Share (NAV) [Shareholders equity/No. of Ordinary Share]	13.56	13.44
22	Income from investments	2,150,145,373	2,327,899,717
23	Earnings per share	0.01	0.14
24	Net income per share	0.01	0.14
25	Price - earnings ratio (times)	773.25	57.61

* Advance deposit ratio calculation is made as per Bangladesh Bank guidelines.

ISLAMIC BANKING WINDOWS

BALANCE SHEET

As at 31 December 2025

Annexure - H

Particulars	Notes	Amount in taka	
		2025	2024
PROPERTY AND ASSETS			
Cash in hand			
Cash in hand (including foreign currencies)	3	6,587,079	3,990,575
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4	33,099,816	30,000,000
		39,686,895	**33,990,575**
Balance with other banks and financial institutions	5		
In Bangladesh		-	-
Outside Bangladesh		-	-
		-	**-**
Placement with banks & other financial institutions	6	-	-
Investments in shares & securities	7		
Government		134,409,600	39,999,600
Others		-	-
		134,409,600	**39,999,600**
Investments	8		
General investments etc.		355,849,637	290,956,899
Bills purchased and discounted		-	-
		355,849,637	**290,956,899**
Fixed assets including premises, furniture and fixtures	9	9,111,758	3,382,590
Other assets	10	88,020,985	190,203,250
Non - banking assets		-	-
Total assets		**627,078,875**	**558,532,914**
LIABILITIES AND CAPITAL			
Liabilities			
Placements from other banks, financial institutions	11	-	-
Deposits and other accounts	12		
Al-wadeeah current deposits and other deposit accounts		36,582,614	28,455,141
Mudaraba savings deposits		26,287,889	32,557,172
Mudaraba term deposits		460,292,156	447,494,874
Mudaraba special notice deposits		1,485,148	15,180,731
Bills payable		51,027	5,051,027
Other mudaraba deposits		96,557,735	16,100,806
		621,256,569	**544,839,751**
Other liabilities	13	24,877,619	5,073,673
Total liabilities		**646,134,188**	**549,913,424**
Capital / Shareholders' equity			
Paid up capital		-	-
Statutory reserve		-	-
Revaluation gain / (loss) on investments		-	-
Revaluation reserve		-	-
Other reserve		-	-
Surplus in profit and loss account / Retained earnings	14	(19,055,313)	8,619,490
Total Shareholders' equity		**(19,055,313)**	**8,619,490**
Total liabilities and Shareholders' equity		**627,078,875**	**558,532,914**
OFF- BALANCE SHEET EXPOSURE			
Contingent liabilities	15		
Acceptances and endorsements		-	-
Letters of guarantee		1,359,000	5,359,000
Irrevocable letters of credit		9,141,309	445,347
Bills for collection		-	-
Other contingent liabilities		-	-
		10,500,309	**5,804,347**
Other commitments			
Documentary credits and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities , credit lines and other commitments		-	-
Other commitments		-	-
		-	**-**
Total Off-Balance Sheet exposure including contingent liabilities		**10,500,309**	**5,804,347**

Islamic Banking Windows

PROFIT AND LOSS ACCOUNT

For the period ended 31 December 2025

Particulars	Notes	Amount in taka	
		2025	2024
Investment income	16	27,467,520	31,000,970
Profit paid on deposits	17	53,063,497	31,881,088
Net investment income		**(25,595,977)**	**(880,118)**
Income from investment in shares / securities	18	3,194,842	1,459,595
Commission, exchange and brokerage	19	6,509,323	5,789,840
Other operating income	20	213,046	367,194
Total operating income (A)		**(15,678,766)**	**6,736,511**
Salaries and allowances		-	-
Rent, taxes, insurance, electricity, etc.		-	-
Legal expenses		-	-
Postage, stamp, telecommunication, etc.		-	-
Stationery, printing, advertisements, etc.		-	-
Chief Executive's salary and fees		-	-
Directors' fees & expenses		-	-
Auditor's fees		-	-
Shariah supervisory committee's fees and expenses	21	66,000	140,400
Depreciation and repair of Bank's assets	22	520,833	1,305,068
Zakat expenses		-	-
Other expenses	23	95,420	44,239
Total operating expenses (B)		**682,253**	**1,489,707**
Profit / (loss) before provision and tax (C=A-B)		**(16,361,019)**	**5,246,804**
Provision for investments			
General provision	13.1	3,162,418	-
Specific provision	13.1	2,845,074	-
		6,007,492	**-**
Provision for Off Balance sheet item	13.2	59,488	
Provision for diminution in value of investments		-	-
Total provision (D)		**6,066,980**	**-**
Total profit before taxes (C-D)	14	**(22,427,999)**	**5,246,804**

Islamic Banking Windows

CASH FLOW STATEMENT

For the period ended 31 December 2025

	Particulars	Amount in taka	
		2025	2024
A)	**Cash flows from operating activities**		
	Investment income receipt in cash	27,467,520	31,000,969
	Profit paid on deposits	(59,223,543)	(28,462,177)
	Dividend receipts	-	-
	Income from investments in shares and securities	2,901,261	2,179,304
	Recoveries on investments previously written-off	-	-
	Fees and commission receipts in cash	6,509,323	2,125,622
	Cash payments to employees	-	(140,400)
	Cash payments to suppliers	-	-
	Income taxes paid	(535,646)	48,446
	Receipts from other operating activities	213,046	8,304,744
	Payments for other operating activities	(95,420)	(4,509,782)
	Cash generated from operating activities before changes in operating assets and liabilities	**(22,763,459)**	**10,546,726**
	Increase / (decrease) in operating assets and liabilities		
	Net proceeds from trading securities	-	-
	Investments to other banks	-	-
	Investments to customers	(64,892,738)	(6,184,362)
	Increase / decrease of other assets	108,147,810	(103,158,846)
	Deposits from other banks	-	-
	Deposits from customers	94,771,439	99,680,045
	Increase / decrease of other liabilities account of customers	-	-
	Increase / decrease of trading liabilities	-	-
	Increase / decrease of other liabilities	(3,659,927)	3,530,386
		134,366,584	(6,132,777)
	Net cash flow from operating activities	**111,603,125**	**4,413,949**
B)	**Cash flows from investing activities**		
	Proceeds from sale of Government securities	(94,410,000)	-
	Payments for Purchase of Government securities	-	-
	Purchase of property, plant and equipment	(6,250,001)	-
	Sale proceeds of property, plant and equipment		
	Net cash flow from investing activities	**(100,660,001)**	**-**
C)	**Cash flows from financing activities**		-
	Borrowing from other banks, financial institutions and agents	-	
	Dividends paid / Profit transferred	(5,246,804)	-
	Receipts from issue of ordinary share	-	-
	Net Cash flow from financing activities	(5,246,804)	-
D)	Net increase / (decrease) in cash and cash equivalents **(A+ B + C)**	**5,696,320**	**4,413,949**
E)	Effects of exchange rate changes on cash and cash equivalents		-
F)	Cash and cash equivalents at beginning of the year	33,990,575	29,576,626
G)	**Cash and cash equivalents at end of the year (D+E+F)**	**39,686,895**	**33,990,575**
	Cash and cash equivalents at end of the year		
	Cash in hand (including foreign currencies)	6,587,079	3,990,575
	Prize bond	-	-
	Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	33,099,816	30,000,000
		39,686,895	**33,990,575**

Islamic Banking Windows

STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2025

Particulars	Amount in Taka				
	Paid-up Capital	Statutory reserve	Revaluation reserve	Retained earnings	Total
Balance as at 01 January 2025	-	-	-	8,619,490	**8,619,490**
Prior period adjustment	-	-	-	-	**-**
Net profit for the year	-	-	-	(22,427,999)	**(22,427,999)**
Transfer to statutory reserve	-	-	-	-	**-**
Transfer to Convention Banking	-	-	-	(5,246,804)	**(5,246,804)**
Revaluation of Govt. treasury bills, bonds and other investments	-	-	-	-	**-**
Issue of share capital	-	-	-	-	**-**
Balance as at 31 December 2025	**-**	**-**	**-**	**(19,055,313)**	**(19,055,313)**

STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2024

Particulars	Amount in Taka				
	Paid-up Capital	Statutory reserve	Revaluation reserve	Retained earnings	Total
Balance as at 01 January 2024	-	-	-	17,269,578	**17,269,578**
Prior period adjustment	-	-	-	-	**-**
Net profit for the year	-	-	-	5,246,804	**5,246,804**
Transfer to statutory reserve	-	-	-	-	**-**
Transfer to Convention Banking	-	-	-	(13,896,892)	**(13,896,892)**
Revaluation of Govt. treasury bills, bonds and other investments	-	-	-	-	**-**
Issue of share capital	-	-	-	-	**-**
Balance as at 31 December 2024	**-**	**-**	**-**	**8,619,490**	**8,619,490**

Islamic Banking Windows

NOTES TO THE FINANCIAL STATEMENTS

as at and 31 December 2025

01 Islami Banking Wing and its activities

Status

The Islamic Banking Wing (IBW) of SBAC Bank PLC. (the Bank) started its operation on July 05, 2021 with permission from Bangladesh Bank vide letter no. BRPD(P-3)745(68)/2021/-4872 dated June 13, 2021. The Islamic Banking Wing of the Bank is operating its business through 10 (ten) windows in 10 (ten) branches of the Bank.

Principal activities

The Bank offers all kinds of banking services to its customers through the Islamic Baning Windows in the branches complying Shariah Principles following the provisions of the Banking Companies Act, 1991 (as amended up to 2018), Bangladesh Bank's directives and directives of other regulatory authorities. In Islamic Banking Windows, deposits are collected under Al-wadeeah and Mudaraba principles and investments are made following Bai-Murabaha, Bai-Salam, Bai-as-Sarf, Hire purchase under Shirkatul Melk, Ijarah principles.

02 Significant accounting policies

The accounting policies set out in the financial statements of the Bank have been applied consistently to all the periods presented in these financial statements and have been applied consistently by the wing.

02.01 Going concern

When preparing financial statements, management makes an assessment of the entity's ability to continue as a going concern. The Wing prepares financial statements on a going concern basis.

02.02 Reporting period

As per IFRS and Bangladesh Bank guidelines the financial statements of the IBW cover one calendar year from 01 January to 31 December.

02.03 Revenue

As per IFRS 15, revenue should be recognised on accrual basis, but due to the unique nature of Islamic Banking, income from investments under Bai-Murabaha, Bi-Salam,Bai-Istisna, HPSM, Ijarah, Quard, IDBP and FDBP modes are accounted for on realization basis as per AAOIFI and Bangladesh Bank guidelines.

02.04 Investment Income

Income from general investments is accounted for on accrual basis except investments under Musharaka, Mudaraba, Bai-Salam, Bai-as-Sarf and Ijarah modes, where the investment income is accounted for on realization basis. The Wing does not charge any rent during the gestation period of investment against Hire Purchase under Shirkatul Melk (HPSM) mode but it fixes the sale price of the assets at a higher level in such a way to cover its expected rate of return. Such income is recognized on realization basis.

Profit/Rent/Compensation accrued on classified investments are suspended and accounted for as per circulars issued by Bangladesh Bank in this regard from time to time. At the time of recovery or regularization of those investments the related income which was suspended and shown as a liability is taken as investment income (except compensation) as per circulars issued by Bangladesh Bank. As a result, all the transferred amount to investment income from suspense during the year has already been included in the investment income of the Wing.

Profit on deposits with other banks & financial institutions is accounted for on accrual basis.

02.05 Sharing of investment income

In case of investment, Mudaraba fund gets preference over cost free fund. The investment income earned through deployment of Mudaraba Fund is shared by the IBW of the Bank and the Mudaraba depositors at the pre-agreed ratio.

02.06 Income on Investments in Securities

Income on investments in securities is recognised on accrual basis.

02.07 Profit Suspense/Compensation Account & Shari'ah Non-Compliance Income

Profit/compensation accrued on classified investments is suspended and accounted for as per circulars issued by the Bangladesh Bank.

Moreover, income which is irregular (doubtful) as per Shari'ah is also not included in the distributable income of the Wing. The entity (Wing) charges compensation on unclassified overdue investments. Such compensation is not permissible as regular income of the Bank as per Shari'ah.

02.08 Profit shared on deposits

Profit on deposits are recognized on accrual basis.

Mudaraba dipositors of the IBW share income derived from investing activities deploying the Mudaraba funds. Income under these categories includes profit, dividend, capital gain,rent, exchange gain and any other gain derived from deployment of Mudaraba funds.

Particulars		Amount in taka	
		2025	2024
3.	**Cash in hand**		
	In hand		
	In local currency	6,587,079	3,990,575
	In foreign currency	-	-
		6,587,079	**3,990,575**
4.	**Balance with Bangladesh Bank and its agents**		
	Balance with Bangladesh Bank		
	In local currency	33,099,816	30,000,000
	In Foreign currency	-	-
		33,099,816	**30,000,000**
	Balance with Sonali Bank (as agent of Bangladesh Bank)- local currency	-	-
		33,099,816	**30,000,000**
4.1.1	**Cash Reserve Requirement (CRR) : 4.00% of average demand and time liabilities**		
	Required reserve	**25,794,000**	**20,519,000**
	Actual reserve maintained		
	Balance with Bangladesh Bank - local currency	**33,099,816**	**30,000,000**
	Surplus / (deficit)	**7,305,816**	**9,481,000**
	Maintained ratio	**5.13%**	**5.07%**
4.1.2	**Statutory Liquidity Ratio (SLR) : 5.50% of average demand and time liabilities**		
	Required reserve	**35,467,000**	**24,076,000**
	Available for maintenance :		
	Cash in hand (including foreign currencies)	6,587,079	3,990,575
	Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)		
	Excess of CRR requirement	7,305,816	9,481,000
	Unencumbered approved securities (treasury bills and bonds, debentures etc.)	134,409,600	39,999,600
		148,302,495	**53,471,175**
	Surplus / (deficit)	**112,835,495**	**29,395,175**
	Maintained Ratio	**23.00%**	**9.03%**
	Total average time and demand liabilities	**644,861,000**	**592,148,000**
5.	**Balance with other banks and financial institutions**		
	In Bangladesh	-	-
	Outside Bangladesh	-	-
		-	**-**
6.	**Placement with banks & other financial institutions**	-	-
7.	**Investments in share & securities**		
	Government (note 7.1)	134,409,600	39,999,600
	Others	-	-
		134,409,600	**39,999,600**
7.1	**Government**		
	Ijarah Sukuk Bond	**134,409,600**	**39,999,600**
8.	**Investments**		
	General investment (note 8.1)	355,849,637	290,956,899
	Bills purchaseed and negotiated (note 8.2)	-	-
		355,849,637	**290,956,899**
8.1	**General investment**		
	Inside Bangladesh		
	BAI Murabaha - commercial	15,131,315	211,308,316
	BAI Murabaha - agricuture	3,277,361	3,626,109
	BAI Murabaha - SME	462,941,710	1,948,356
	QUARD	388,150	-
	Household Durable Investment Scheme	2,217,166	3,237,333
	HPSM (Staff)	42,043,685	44,820,883
	HPSM (car)	2,809,930	2,976,933
	HPSM (Residential)	4,542,961	4,267,955
	HPSM (real estate)	40,816,939	34,844,938
		574,169,217	**307,030,823**
	Outside Bangladesh	-	-
		574,169,217	**307,030,823**
	Less: Profit receivable on Murabaha, Bai-Muajjal etc. (Mark-up profit or unearned income)	218,319,580	16,073,924
		355,849,637	**290,956,899**

Particulars		Amount in taka	
		2025	2024
8.2	**Bills purchaseed and negotiated**		
	Payable Inside Bangladesh	-	-
	Payable Outside Bangladesh	-	-
		-	-
		355,849,637	**290,956,899**
9.	**Fixed assets including premises, furniture and fixtures**		
	Property, Plant & Equipment		
	Furniture & Fixtures	149,784	149,784
	Machineries and Equipments	5,190	5,190
	Computer and Peripherals	247,100	247,100
	Software	12,500,000	6,250,000
	Total fixed assets at cost	**12,902,074**	**6,652,074**
	Less: Accumulated depreciation	3,790,316	3,269,484
	Net book value at the end of the year	**9,111,758**	**3,382,590**
10.	**Other assets**		
	Stationeries	1,333,885	1,308,909
	Stamps	9,060	9,260
	Accrued profit	397,561	103,980
	Advance Income Tax	805,321	269,675
	Suspense	-	7,143,547
	Receiveable from convetional banking	85,475,158	181,367,879
		88,020,985	**190,203,250**
11.	**Placements from other banks, financial institutions**		
	In Bangladesh	-	-
	Outside Bangladesh	-	-
		-	-
12.	**Deposits and other accounts**		
	Al wadeeah current deposits and other accounts	36,582,614	28,455,141
	Mudaraba savings deposits	26,287,889	32,557,172
	Mudaraba term deposits	460,292,156	447,494,874
	Mudaraba special notice deposits	1,485,148	15,180,731
	Bill Payable	51,027	5,051,027
	Other mudaraba deposits	96,557,735	16,100,806
		621,256,569	**544,839,751**
13.	**Other liabilities**		
	Sundry Creditors	51,443	-
	Provision against investments (note 13.1)	8,275,170	2,267,678
	Provision against off balance sheet exposures (note 13.2)	105,003	45,515
	Expense Payable	16,213,705	2,760,479
	Others	232,298	-
		24,877,619	**5,073,673**
13.1	**Provision against investments**		
	A. General provision against investments		
	Opening balance	2,267,678	2,267,678
	Add : General provision for the year	3,162,418	-
	Less : Provision no more required		
	Provision held at the year end	**5,430,096**	**2,267,678**
	B. Specific provision against classified investments		
	Opening balance	-	-
	Less : Fully provided debt written-off (for final settlement)	-	-
	Add : Recoveries of amounts previously written-off	-	-
	Add : Specific provision for the year	2,845,074	-
	Less : Specific provision no more required as loans realized/regularized	-	-
	Add : Net charge to profit and loss account	-	-
	Provision held at the end of the year	**2,845,074**	**-**
		8,275,170	**2,267,678**
13.2	**Provision against off balance sheet exposures**		
	Opening balance	45,515	45,515
	General provision for the year	59,488	-
	Less: Provision no more required	-	-
	Provision held at the year end	**105,003**	**45,515**

Particulars	Amount in taka	
	2025	2024
14. Surplus in profit and loss account / Retained earnings		
Opening balance	8,619,490	17,269,578
Add : Net profit/(loss) during the year	(22,427,999)	5,246,804
Less : Transferred to Conventional Banking	5,246,804	13,896,892
Closing balance	**(19,055,313)**	**8,619,490**
15. Contingent liabilities		
Acceptances and endorsements	-	-
Letters of guarantee	1,359,000	5,359,000
Irrevocable Letters of Credit	9,141,309	445,347
Bills for collection	-	-
Others	-	-
	10,500,309	**5,804,347**
16. Investment income		
Income from general investment		
Bai-Murabaha	12,026,255	21,473,623
Bai-Murabaha SME	5,408,842	390,011
Bai-Muajjal	-	-
Bai-Salam (packing credit)	-	-
Murabaha HDIS	4,792	26,580
Hire purchase	10,027,631	9,110,756
Other investments		
Sub-total (i)	**27,467,520**	**31,000,970**
Profit on placement with other islamic banks		
In Bangladesh	-	-
Out side Bangladesh	-	-
Sub-total (ii)	**-**	**-**
Grand total (i+ii)	**27,467,520**	**31,000,970**
17. Profit paid on deposits		
a)Profit paid on deposits:		
Mudaraba savings deposits	615,571	894,218
Mudaraba special notice deposits	184,279	443,839
Mudaraba Scheme deposits	4,060,147	957,159
Mudaraba term deposits	48,203,500	29,585,872
Others deposits	-	-
	53,063,497	**31,881,088**
18. Income from investment in shares / securities		
Profit earned from Ijarah Sukuk Bond	3,194,842	1,459,595
Others	-	-
	3,194,842	**1,459,595**
19. Commission, exchange and brokerage		
Commission on L/Cs-sight	48,963	92,875
Commission on L/Gs	42,000	124,590
Commission on acceptance	-	-
Commission Received from Cross GL	2,719,036	3,664,124
Exchange	3,698,608	1,906,367
Other commission	715	1,884
	6,509,323	**5,789,840**
20. Other operating income		
Service and other charges	197,043	292,122
Miscellaneous earnings	16,003	75,072
	213,046	**367,194**
21. Shariah supervisory committee's fees and expenses		
Meeting attendance fees	66,000	140,400
	66,000	**140,400**
22. Depreciation and repair of Bank's assets		
Depreciation		
Fixed assets	520,833	1,305,068
Leased assets	-	-
	520,833	**1,305,068**
Repairs		
Repair & Maintenance	-	-
	-	-
	520,833	**1,305,068**
23. Other expenses		
Entertainment	21,250	31,704
Local Conveyance	-	1,400
Miscellaneous expenses	74,170	11,135
	95,420	**44,239**

Annexure - I

BALANCE SHEET (OFF-SHORE BANKING UNIT)

As at 31 December 2025

Particulars	Notes	2025		2024	
		Amount in USD	Amount in Taka	Amount in USD	Amount in Taka
			PROPERTY AND ASSETS		
Cash					
Cash in hand (Including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		-	-	-	-
		-	**-**	**-**	**-**
Balance with other banks and financial institutions	3				
In Bangladesh		9,265	1,130,764	816,632	97,587,524
Outside Bangladesh		-	-	-	-
		9,265	**1,130,764**	**816,632**	**97,587,524**
Money at call on short notice		-	-	-	-
Investments:					
Government		-	-	-	-
Others		-	-	-	-
		-	**-**	**-**	**-**
Loans and advances	4				
Loans, cash credit, overdrafts etc.		171,264	20,902,757	-	-
Bills purchased and discounted		-	-	-	-
		171,264	**20,902,757**	**-**	**-**
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	5	-	-	-	-
Non-banking assets		-	-	-	-
TOTAL ASSETS		**180,529**	**22,033,521**	**816,632**	**97,587,524**
LIABILITIES AND CAPITAL					
Liabilities					
Borrowingsfrom other banks, financial institutions and agents	6	169,915	20,738,157	-	-
Deposits and other accounts					
Current accounts and other accounts		-	-	-	-
Bills payable		-	-		-
Savings bank deposits		-	-	-	-
Term deposits		-	-	-	-
		-	**-**	**-**	**-**
Subordinated bonds		-	-	-	-
Other liabilities	7	1,713	209,072	-	-
TOTAL LIABILITIES		**171,628**	**20,947,229**	**-**	**-**
Capital/ Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
General reserve		-	-	-	-
Foreign currency translation gain/(loss)	8	-	517,575	-	20,688,460
Profit and loss account - retained earnings	9	8,900	568,717	816,632	76,899,064
TOTAL SHAREHOLDERS' EQUITY		**8,900**	**1,086,292**	**816,632**	**97,587,524**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**180,529**	**22,033,521**	**816,632**	**97,587,524**
OFF-BALANCE SHEET ITEMS					
Contingent liabilities					
Acceptance and endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit		-	-	-	-
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
Total		**-**	**-**	**-**	**-**
Other commitments					
Documentary credits and short term trade-related transactions		-	-	-	-
Forward assets purchased and forward deposits placed		-	-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-	-
Undrawn formal standby facilities, credit lines and		-	-	-	-
		-	-	-	-
Claims against the Bank not acknowledged as debt		-	-	-	-
Total		**-**	**-**	**-**	**-**
Total off-balance sheet items including contingent liabilities		**-**	**-**	**-**	**-**

PROFIT AND LOSS ACCOUNT (OFF-SHORE BANKING UNIT)

For the year ended 31 December 2025

Particulars	Notes	2025		2024	
		Amount in USD	Amount in Taka	Amount in USD	Amount in Taka
Interest income	10	11,405	1,389,682	24,430	2,665,262
Less: Interest paid on deposits and borrowings etc.		791	96,442	-	-
Net interest income		**10,613**	**1,293,240**	**24,430**	**2,665,262**
Investment income		-	-	-	-
Commission, exchange and brokerage		-	-	-	-
Other operating income		-	-	-	-
		-	-	-	-
Total operating income		**10,613**	**1,293,240**	**24,430**	**2,665,262**
Salary and allowances		-	-	-	-
Rent, taxes, insurance, electricity etc.		-	-	-	-
Legal and professional expenses		-	-	-	-
Postage, stamp, telecommunication etc.		-	-	-	-
Stationery, printing, advertisement etc.		-	-	-	-
Chief executive's salary and fees		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fees		-	-	-	-
Charges on loan losses		-	-	-	-
Depreciation and repair of bank's assets		-	-	-	-
Other expenses		-	-	-	-
Total operating expenses		**-**	**-**	**-**	**-**
Profit before provision		**10,613**	**1,293,240**	**24,430**	**2,665,262**
Provision for loan					
Specific provision		-	-	-	-
General provision (including off balance sheet	7.1	1,713	209,072	(10,784)	(1,027,359)
		1,713	209,072	(10,784)	(1,027,359)
Other provisions		-	-	-	-
Total provision		**1,713**	**209,072**	**(10,784)**	**(1,027,359)**
Total Profit before taxes		**8,900**	**1,084,169**	**35,214**	**3,692,621**
Provision for taxation					
Current tax		-	-		-
Deferred tax		-	-	-	-
		-	-	-	-
Net profit after taxation	9	**8,900**	**1,084,169**	**35,214**	**3,692,621**

CASH FLOW STATEMENT (OFF-SHORE BANKING UNIT)

For the year ended 31 December 2025

Particulars	2025		2024	
	Amount in USD	Amount in Taka	Amount in USD	Amount in Taka
A) Cash flows from operating activities				
Interest receipts in cash	11,405	1,389,682	24,430	2,665,262
Interest payments	(791)	(96,442)	-	-
Dividend receipts	-	-	-	-
Income from investments	-	-	-	-
Recoveries on loans and advances previously written-off	-	-	-	-
Fees and commission receipts in cash	-	-	-	-
Cash payments to employees	-	-	-	-
Cash payments to suppliers	-	-	-	-
Income taxes paid	-	-	-	-
Receipts from other operating activities	-		-	-
Payments for other operating activities	-	-	-	-
Operating cash flow before changes in operating assets and liabilities	**10,613**	**1,293,240**	**24,430**	**2,665,262**
Increase / decrease in operating assets and liabilities				
Statutory deposits	-	-	-	-
Sale of trading securities	-	-	-	-
Purchase of trading securities	-	-	-	-
Loans and advances to other banks	-	-	-	-
Loans and advances to customers	(171,264)	(20,902,757)	2,008,277	220,408,382
Increase / decrease of other assets	-	-	-	-
Deposits from other banks	-	-	-	-
Deposits from customers		-	-	-
Increase / decrease of other liabilities account of customers	-	-	-	-
Increase / decrease of trading liabilities	-	-	-	-
Increase / decrease of other liabilities	-	-	-	-
	(171,264)	**(20,902,757)**	**2,008,277**	**220,408,382**
Net cash flow from operating activities	**(160,651)**	**(19,609,516)**	**2,032,707**	**223,073,644**
B) Cash flows from investing activities				
Proceeds from sale of Government securities	-	-	-	-
Payments for Purchase of Government securities	-	-	-	-
Purchase of property, plant and equipment	-	-	-	-
Sale of property, plant and equipment	-	-		-
Net cash flow from investing activities	**-**	**-**	**-**	**-**
C) Cash flows from financing activities				
Borrowing from other banks, financial institutions and agents	169,915	20,738,157	(1,931,863)	(212,021,947)
Dividends paid	-	-	-	-
Profit transferred to main operation	(816,632)	(97,587,524)		
Net cash flow from financing activities	**(646,717)**	**(76,849,367)**	**(1,931,863)**	**(212,021,947)**
D) Net increase / (decrease) in cash (A+B+C)	**(807,367)**	**(96,458,883)**	**100,844**	**11,051,697**
E) Effects of exchange rate changes on cash and cash-equivalent	-	2,123		7,978,094
F) Cash and cash-equivalents at beginning period	816,632	97,587,524	715,788	78,557,733
H) Cash and cash-equivalents at end of period (D+E+F)	**9,265**	**1,130,764**	**816,632**	**97,587,524**
I) Cash and cash-equivalents at end of period				
Cash in hand including foreign currencies	-	-	-	-
Balances with Bangladesh Bank and its agent bank(s) including foreign currencies	9,265	1,130,764	-	-
Balances with other Banks and Financial institutions			816,632	97,587,524
	9,265	**1,130,764**	**816,632**	**97,587,524**

NOTES TO THE FINANCIAL STATEMENTS (OFF-SHORE BANKING UNIT)

As at and for the year ended 31st December 2025

1. Status of the unit

The Off-shore Banking Units (OBU) of SBAC Bank PLC. are governed by the applicable rules & regulations of Bangladesh Bank. The Bank obtained the permission for conducting the activities of OBU under reference letter no. BRPD (03)/744(127)/2020-5140 dated 15 July 2020 of Bangladesh Bank. The Bank started the operation of OBU on 22 October 2020. The number of OBU was one as at 31 December 2025, located at International Division, Head Office, Dhaka.

1.2 Nature of business

The principal activities of Bank are to carry on all kinds of banking business in accordance with applicable rules and regulations of Bangladesh Bank for operations of Off-shore Banking Unit in Bangladesh.

2 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

The financial statements of Bank have been prepared under historical cost convention and in accordance with the Bank Companies Act.1991 as amended under sub-section 38(4) of the Act, relevant Bangladesh Bank Circulars, International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other rules and regulations applicable in Bangladesh.

2.2 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, actual results may differ from these estimates.Estimates and underlying assumptions are reviewed on an ongoing basis.

Revision of accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.3 Functional and presentation currency

The functional currency of OBU is US Dollar (USD). Transactions are recorded in the functional currency (USD). The financial statements are presented both in USD and equivalent Bangladesh Taka (BDT). For preparation of financial statements, all the balance sheet items are converted into equivalent BDT using the closing mid rate of exchange of the Bank i.e. USD 1 = BDT 122.05, while the revenue items are converted into BDT using the mid rate closing date of every months' exchange of the Bank i.e. USD 1 = BDT 121.85. Resulting exchange differences are recognized as foreign currency translation gain / (loss).

2.4 Foreign currency transactions

Amounts in foreign currency are translated in accordance with the principles set forth in IAS 21 - “The Effects of Changes in Foreign Exchange Rates”.

2.5 Loans and advances

a) Loans and advances are started at gross amount. While the provision and interest suspense against loans and advances are shown separately as other liabilities.

b) Interest income is calculated on daily product basis and accounted for on quarterly rest on accrual basis until the loans and advances are defined as classified accounts as per Bangladesh Bank guidelines. As per Bangladesh Bank directives, interest on loans and advances classified as bad/loss is not accounted for. A separate memorandum record is maintained for such interest on bad/loss loans.

c) Provision for loans and advances is made on the basis of the year end review by the management of the Bank in line with the instructions contained in BRPD Master Circular No. 14 dated 23 September 2012, BRPD Circular No. 19 dated 27 December 2012, BRPD Circular No. 05 and 06 dated 29 May 2013, BRPD Circular No. 15 dated 23 December 2013, BRPD Circular No. 16 dated 18 November 2014, BRPD Circular No. 08 dated 02 August 2015, BRPD Circular No. 01 dated 20 February 2018, BRPD circular No. 24 (17 November 2019), BRPD circular No.6 (19 May 2019), BRPD circular No. 4 (16 May 2019), BRPD circular No. 3 (21 April 2019), BRPD circular No. 16 (21 July 2020) and BRPD circular No. 52 (20 October 2020), issued by Bangladesh Bank.

2.6 Provision for taxation

Offshore Banking Unit (OBU) is an integral business unit of the Bank. The income from OBU is included in the separate financial statement of the Bank and tax has been provided on total income of the Bank including income from OBU. Hence provision for tax has not been calculated for OBU portion separately.

2.7 Revenue recognition

The revenues of the OBU during the year have been recognized in terms of the provision of International Financial Reporting Standards 15, ‘Revenue from Contracts with Customers’ as outlined below:

2.7.1 Interest income

Interest income from loans and advances is recognized on accrual basis.

2.7.2 Fees and commission income

Fees and commission income arising from different services provided by the Units are recognaized on cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

2.7.3 Interest paid on deposits and borrowings

Interest paid on deposits, borrowings etc. are accounted for on accrual basis.

2.8 Cash flow statement

Cash flow statement has been prepared in accordance with the International Accounting Standard (IAS) 7, 'Statement of Cash Flow' under Direct method as recommended in the BRPD Circular No. 14 dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh bank.

2.9 Cash and cash equivalents

Cash and cash equivalents includes notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificalt risk of changes in their fair value and are used by the unit management for its short-term commitments.

2.10 Reporting period

These financial statements of the OBU cover period from 1 January to 31 December 2025

2.11 General

i) Figures appearing in these financial statements have been rounded off to the nearest USD and BDT.

Particulars	2025		2024	
	Amount in USD	Amount in Taka	Amount in USD	Amount in Taka
3. Balance with other banks and financial institutions				
In Bangladesh (note 3.1)	9,265	1,130,764	816,632	97,587,524
Outside Bangladesh	-	-	-	-
	9,265	**1,130,764**	**816,632**	**97,587,524**
3.1 Balance with other banks and financial institutions				
SBAC Bank PLC	**9,265**	**1,130,764**	**816,632**	**97,587,524**
4. Loans and advances				
Loans , cash credit, overdrafts etc.	171,264	20,902,757	-	-
Bills purchased and discounted	-	-	-	-
	171,264	**20,902,757**	**-**	**-**
4.1 Net loans and advancesincludingbills purchasedand discounted				
Total loans and advances including bills purchased and discounted	171,264	20,902,757	-	-
Less: Provision against loans and advances (specific and general)	-	-	-	-
Less: Cumulative balance of interest suspense account	-	-	-	-
	171,264	**20,902,757**	**-**	**-**
4.2 Residual maturity grouping of loans and advances including bills purchased and discounted				
Payable				
On demand	-	-	-	-
Within one month	-	-	-	-
Within one to three months	-	-	-	-
Within three to twelve months	-	-	-	-
Within one to five years	-	-	-	-
More than five years	-	-	-	-
	-	-	-	-
4.3 Classification status of loans and advances including bills purchased and discounted				
Unclassified loans and advances (including staff loans)				
i) Standard	-	-	-	-
ii) Special mention account (SMA)	-	-	-	-
	-	-	-	-
Classified loans and advances				
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Bad / loss	-	-	-	-
	-	-	-	-
Total	**-**	**-**	**-**	**-**

4.4 Classification and provisioning of loans and advances including bills purchased and discounted

Classification / Status of loans and advances	Amount of outstanding loans and advances as at 31 December 2025		Base for Provision (Taka)	Percentage (%) of provision required as per Bangladesh Bank	Amount of provision required as at 31 December 2025 (USD)	Amount of provision required as at 31 December 2025 (Taka)
	USD	Taka				
Unclassified loans and advances						
Small & medium enterprise financing	-	-	-	0.25%	-	-
Other than small medium enterprise financing	171,264	-	-	1.00%	1,713	209,028
Special mention account				1.00%	-	-
Total unclassified loans and advances	**171,264**	**-**	**-**		**1,713**	**209,028**
Classified loans and advances						
Sub-standard	-	-	-	20.00%	-	-
Doubtful	-	-	-	50.00%	-	-
Bad / loss	-	-	-	100.00%	-	-
Total classified loans and advances	**-**	**-**	**-**		**-**	**-**
Total	**171,264**	**-**	**-**		**1,713**	**209,028**
Total provision maintained					**1,713**	**209,028**
Total provision surplus / (deficit)					-	**-**

Notes	Particulars	2025		2024	
		Amount in USD	Amount in Taka	Amount in USD	Amount in Taka
4.5	**Geographical location-wise loans and advances including bills purchased and discounted**				
	Dhaka Division	-	-	-	-
	Chattogram Division				
		-	-	-	-
5.	**Other assets**				
	Interest accrued on loans and advances but not collected	-	-	-	-
		-	-	-	-
6.	**Borrowings from other banks, financial institutions and agents**				
	a) In Bangladesh				
	Borrowings from SBAC Bank, Head Office	169,915	20,738,157	-	-
	b) Outside Bangladesh	-	-	-	-
		169,915	**20,738,157**	**-**	**-**
7.	**Other liabilities**				
	Accumulated provision on loans and advances (note 7.1)	1,713	209,072	-	-
		1,713	**209,072**	**-**	**-**
7.1	**Accumulated provision on loans and advances**				
	General provision on loans and advances				
	Opening balance	-	-	10,784	1,027,359
	Add : Provision made during the year	1,713	209,072	-	-
	Less; Adjustment made during the year	-	-	(10,784)	(1,027,359)
	Closing balance	**1,713**	**209,072**	**-**	**-**
8.	**Foreign currency translation gain/(loss)**				
	Opening balance	-	20,688,460	-	12,710,366
	Add : Addition during year	-	2,123	-	7,978,094
		-	20,690,583	-	20,688,460
	Less : Adjustment during the year	-	20,173,008	-	-
	Closing balance	**-**	**517,575**	**-**	**20,688,460**
9.	**Profit and loss account - retained earnings**				
	Opening balance	816,632	76,899,064	781,418	73,206,443
	Net profit / (loss) during the year	8,900	1,084,169	35,214	3,692,621
	Less: Profit transferred to main operation	(816,632)	(77,414,516)		
	Closing balance	**8,900**	**568,717**	**816,632**	**76,899,064**
10.	**Interest income**				
	Interest on loans and advances	11,405	1,389,682	24,430	2,665,262
		11,405	**1,389,682**	**24,430**	**2,665,262**

Annexure-J

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of SBAC Bank Investment Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SBAC Bank Investment Limited (the "Company"), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as explained in note 3 and other applicable laws and regulations.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises all the information but doesn't include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS, as explained in note 2, the Companies Act 1994, and other applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules, 1987, we also report the following:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books; and

c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.

d) Capital to total risk requirement ratio as required by BSEC has been maintained by the company adequately; and

e) The expenditure incurred for the purposes of the company's business.

Signed for & on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants

Dhaka
Date: 07 April, 2026

Gloam Fazlul Kabir FCA
Partner
ICAB Enrolment No: 1721
DVC: 2604131721AS446314

SBAC Bank Investment Limited

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

Particulars	Notes	Amount in Taka	
		31 December 2025	31 December 2024
ASSETS			
Non - current assets			
Property, plant and equipment	4.00	6,348,886	6,278,998
Intangible asset	5.00	10,634,788	10,687,663
Security deposit with exchange	6.00	30,000,000	30,000,000
		46,983,674	**46,966,660**
Current assets			
Short-term investment	7.00	229,367,950	233,174,905
Receivable from margin loan	8.00	385,337,736	276,339,568
Accounts receivables	9.00	10,408,143	2,022,086
Advances, deposits and prepayments	10.00	5,209,856	10,287,043
Cash and cash equivalents	11.00	46,128,155	31,736,933
		676,451,840	**553,560,534**
Total assets		**723,435,514**	**600,527,194**
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	12.00	400,000,000	400,000,000
Capital reserve	13.00	3,911,627	3,838,128
Retained earnings	14.00	35,754,167	35,278,146
		439,665,794	**439,116,274**
Liabilities			
Non current liabilities			
Retirement benefits and obligations (Gratuity)	15.00	1,029,471	1,054,978
Deferred tax liability	16.00	101,303	87,500
Provision	17.00	77,595,203	52,406,214
		78,725,977	**53,548,692**
Current liabilities			
Short-term loan	18.00	173,891,076	69,883,723
Account payables	19.00	19,824,937	27,958,497
Interest Retention Fund(Restricted)	20.00	2,229,032	-
Liabilities for expenses	21.00	1,223,804	512,966
Provision for current tax	22.00	7,874,894	9,507,043
		205,043,743	**107,862,229**
Total shareholders' equity and liabilities		**723,435,514**	**600,527,194**
Net asset value per share		**10.99**	**10.98**

The annexed notes 1 to 29 form an integral part of these financial statements

Chairman **Director** **Managing Director & CEO**

Signed in terms of our report of even date

Signed for & on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants

Gloam Fazlul Kabir FCA
Partner
ICAB Enrollment No. # 1721
DVC: 2604131721AS446314

Dhaka
07 Apr, 2026

SBAC Bank Investment Limited
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2025

Particulars	Notes	Amount in Taka	
		From 1 Jan to 31 Dec 2025	From 1 Jan to 31 Dec 2024
Operating income	23.00	73,765,159	38,903,144
Less: Operating expenses	24.00	(4,136,346)	(3,548,609)
Gross Profit		**69,628,814**	**35,354,535**
Less: Administrative expenses	25.00	(37,228,851)	(31,711,723)
Net operating income		**32,399,963**	**3,642,812**
Add: Other income	26.00	1,288,941	19,112,333
Net Profit/(Loss) before provision & tax		**33,688,903**	**22,755,145**
Less:Provision for diminution in value of investments		(25,000,000)	(12,500,000)
Less:General provision		(188,989)	-
Net Profit/(Loss) before tax		**8,499,914**	**10,255,145**
Provision for income tax			
Income tax expenses	27.00	(7,936,591)	(9,508,799)
Deferred tax expenses	16.00	(13,803)	(11,354)
Net Profit/(Loss) after tax		**549,520**	**734,992**
Other comprehensive income/(Loss)		-	-
Total comprehensive income for the year		**549,520**	**734,992**
Appropriations			
Capital reserve		73,499	568,209
Retained surplus		476,021	166,783
		549,520	**734,992**
Total number of shares outstanding		**40,000,000**	**40,000,000**
Earnings per share (EPS)		**0.01**	**0.02**

The annexed notes 1 to 29 form an integral part of these financial statements

Chairman **Director** **Managing Director & CEO**

Signed in terms of our report of even date

Signed for & on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants

Gloam Fazlul Kabir FCA
Partner
ICAB Enrolment No: 1721
DVC: 2604131721AS446314

Dhaka
07 Apr, 2026

SBAC Bank Investment Limited

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

Particulars	Share Capital	Capital Reserve	Retained Earnings	Total
Balance as on January 01, 2025	**400,000,000**	**3,838,128**	**35,278,146**	**439,116,274**
Other comprehensive income	-	-	-	-
Profit/(Loss) during the year	-	-	549,520	**549,520**
Transferred to capital reserve	-	73,499	(73,499)	-
Dividend during the year	-	-	-	-
Total shareholders' equity as at 31 December 2025	**400,000,000**	**3,911,627**	**35,754,167**	**439,665,794**
Balance as on 01 January, 2024	**400,000,000**	**3,269,919**	**35,111,363**	**438,381,282**
Other comprehensive income	-	-	-	-
Profit/(Loss) during the year	-	-	734,992	**734,992**
Transferred to capital reserve	-	568,209	(568,209)	-
Dividend during the year	-	-	-	-
Total shareholders' equity as at 31 December 2024	**400,000,000**	**3,838,128**	**35,278,146**	**439,116,274**

The annexed notes form an integral part of these financial statements

Chairman **Director** **Managing Director & CEO**

SBAC Bank Investment Limited

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

Particulars	Amount in Taka	
	From 1 Jan 2025 to 31 Dec 2025	From 1 Jan 2024 to 31 Dec 2024
A. Cash flows from operating activities		
Brokerage commission	25,916,892	25,016,670
Interest income	40,820,294	9,304,340
Investment(Dealer) income	6,733,324	4,488,214
Other operating income	294,650	93,920
Other income/(loss)	1,288,941	20,570,666
Adjustment for:	-	-
Employees' benefit paid	(24,255,316)	(23,210,107)
Operating & administrative expenses paid	(14,678,070)	(10,017,890)
Liabilities for expenses(net)	685,331	(494,459)
Changes in accounts receivable	(8,386,057)	33,127,459
Changes in accounts payable	(5,904,528)	(46,647,197)
Advance rent & security deposit(CDBL)	240,000	240,000
Income tax paid	(4,731,553)	(9,508,799)
Net cash Used in operating activities	**18,023,907**	**2,962,817**
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(2,343,824)	(325,649)
Addition of intengible asset	(105,000)	-
Security deposit with exchange	-	-
Acquisition cost of DSE TREC	-	-
Investments in listed shares	3,806,955	4,308,044
Investments in FDR	-	349,950,000
Margin loan & others	(108,998,169)	90,111,884
Net cash used in investing activities	**(107,640,038)**	**444,044,279**
C. Cash flows from financing activities		
Issue of share capital	-	-
Long term loan	-	-
Short term loan	104,007,353	(493,981,595)
Dividend	-	-
Net cash flow from financing activities	**104,007,353**	**(493,981,595)**
D. Net cash inflow from total activities (A+B+C)	**14,391,222**	**(46,974,499)**
E. Add: Opening cash and cash equivalents	31,736,933	78,711,432
Cash and cash equivalents (D+E)	**46,128,155**	**31,736,933**

The annexed notes form an integral part of these financial statements

Chairman **Director** **Managing Director & CEO**

SBAC Bank Investment Limited

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

1.00 Company and its activities

1.01 Legal status and nature of the Company

SBAC Bank Investment Limited (herein after referred to as "the company") is one of the brokerage firms domiciled in Bangladesh which has been constituted as a private limited company incorporated under the Companies Act 1994 incorporation no. C-169950/2021 dated 21 March 2021. SBAC Bank Investment Limited is the TREC holder (Trading Right Entitlement Certificate) of Dhaka Stock Exchange PLC. (DSE) bearing TREC No- 267 dated 01 September 2021.The registered office of the company is BSC Tower, 2-3 Rajuk Avenue, Motijheel, Dhaka-1000, Bangladesh. The company is a subsidiary of SBAC Bank PLC., a Banking Institution incorporated in Bangladesh under the Bangladesh Bank.

1.02 Principal activities and nature of operation

The principal activities of the Company are to act as a TREC holder of Dhaka Stock Exchange PLC. and to carry on the business of broker, jobbers or dealers in stocks, shares, securities, bonds, debentures. The Company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of company in shares, stocks and fixed income securities, etc.

2.00 Basis of preparation and significant accounting policies

2.01 Statement of compliance

"The financial statements of SBAC Bank Investment Limited have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), Companies Act 1994 and other applicable laws in Bangladesh.

As required, SBAC Bank Investment Limited also complies with the applicable provisions of the following major laws/ statutes:

-Securities and Exchange Rules, 1987

-Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorized representatives) Rules 2000

-Dhaka Stock Exchange Limited (DSE) Rules

-Negotiable Instrument Act, 1881; and Other applicable laws and regulations"

2.02 Basis of measurement

These financial statements have been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs).

2.03 Components of financial statements

The financial statements comprise of :

a) Statement of Financial Position as at December 31, 2025;

b) Statement of Profit or Loss and other Comprehensive Income for the year ended December 31, 2025

c) Statement of Changes in Equity for the year ended December 31, 2025;

d) Statement of Cash Flows for the year ended December 31, 2025; and

e) Notes to the Financial Statements.

2.04 Functional and presentational currency

The financial statements are presented in Bangladesh Taka (BDT/Taka/Tk.) currency, which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest Taka.

2.05 Use of estimates and judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the year end. Provisions and accrued expenses are recognized in the financial statements in line with International Accounting Standard (IAS) 37: “Provisions, Contingent Liabilities and Contingent Assets” when :

i. The Company has a legal or constructive obligation as a result of past event.

iii. A reliable estimate can be made for the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which from the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the year in which the estimates are revised.

2.06 Consistency

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, SBAC Bank Investment Ltd. applies the accounting disclosure principles consistently from one year to the next. Where selecting and applying new accounting policies, changes in accounting policies applied, corrections of errors, the amounts involved are accounted for and retrospectively accordance with the requirement of IAS 8.

2.07 Going concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern assumption in preparing the financial statements. The current credit facilities and adequate resources of the company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.08 Date of authorization

These financial statements have been authorized for issue by the Board of Directors on 07 April, 2026.

2.09 Reporting period

The financial year of the Company has been determined to be from 01 January to 31 December each year. However, these financial statements also cover the period from 01 January 2025 to 31 December 2025.

2.10 Statement of cash flows

Cash and cash equivalents consist of cash in hand, bank balances and short-term liquid investments that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

Cash flow statement has been prepared in accordance with the International Accounting Standards (IASs) 7, "Cash flow statement" under direct method.

2.11 Comparative information

Comparative information has been presented from 01 January 2024 to 31 December 2024.

2.12 Investment in stock exchanges for TREC Holder Certificate

In accordance with section 8 of the Exchanges Demutualization Act, 2013, both stock exchange membership have been converted into shares through the issuance of two completely de-linked assets to the former members in the Exchange, namely (a) fully paid-up shares and (b) trading right. Exchanges shall have the authority to issue Trading Right Entitlement Certificate (TREC), as per the Exchanges Demutualization Act, 2013 and as outlined in the scheme, to provide the right to trade any securities enlisted in Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) to eligible brokers and dealers. Such TRECs will be totally separated from the ownership of the exchange as there is no obligation for TREC holders to be or remain shareholders of the exchange.

3.00 Significant accounting policies:

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

3.01 Property, plant and equipment

3.1.1 Recognition and measurement

Property, plant and equipment are stated at cost or revalued amount, if any, less accumulated depreciation in compliance with International Accounting Standard (IAS)-16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its location and condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.1.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of Profit or Loss and Other Comprehensive Income as incurred.

3.1.3 Depreciation & amortization

The Depreciation charge for each period is recognized in profit or loss unless it is included in the carrying amount of another asset. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The residual value and the useful life is reviewed at least at each financial year-end and, if expectation differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate. Depreciation has been charged on straight line method on all property, plant and equipment that asset is put into use and no depreciation is charged when the assets are disposed off. Rates of depreciation considering the useful lives of respective assets are as follows:

Nature of Assets	Rate
Furniture and Fixtures	10%
Electrical Equipment	20%
Office decoration and renovation	10%
IT Equipment	30%
Network Accessories	30%

3.1.4 Disposal of fixed assets

"On disposal of property, plant and equipment, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of comprehensive income, which is determined with reference to the net book value of the assets and net sales proceeds.

3.2 Intangible assets

An intangible asset shall only be recognised if it is probable that future economic benefits that are attributable to the assset will flow to the Company and the cost of the asset can be measured reliably in accordance with IAS 38: Intangible Assets. Accordingly, these assets are stated in the statement of financial position at cost less accumulated amortization. The main item included in intangible assets is investment in DSE for obtaining the TREC license from which the company will receive future economic benifits through use the TREC license.

3.2.1 Recognition and measurement

The only item in intangible assets is computer software and is measured at cost less accumulated amortization and impairment loss, if any.

3.2.2 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates.

3.2.3 Amortization

The company's intangible asset(TREC Licenses Cost) has indifinite useful life.Hence, the asset is not amortised but software cost has been amortized @ 15% pa.

3.3 Impairment

The carrying value of the Company's assets other than inventories, are reviewed at closing 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 the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the profit and loss account. The Company has no such assets.

3.4 Cash and cash equivalents:

Cash and cash equivalents include cash in hand, cash at bank and fixed deposits which are held and are available for use by the Company without any restriction. There is insignificant risk of change in the value of the above items.

3.5 Accounts receivable

Accounts receivables are stated at nominal values as reduced by the appropriate allowances for estimated doubtful amounts. No such receivables are accounted for if the loans are classified as bad and loss. Receivable include the amount receivable both from DSE against daily transaction settlement and dividend income from investments and receivable from FDR etc.

3.6 Provision for tax

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any, in accordance with provisions of Income Tax Ordinance, 1984. It is measured using tax rates enacted or substantively enacted at the reporting date. Applicable tax rate for the Company for the year 2025 will be declared by Finance Act 2025. For the purpose of these financial statements, management has assumed that the existing tax rates will be applicable for Income year 2025 as well, which are mentioned below:

Regular business tax rate	**Rates**	
Brokerage House	27.50%	
Other business tax rate:	**Rates**	
Dividend income	20.00%	
Capital gain on sale of fixed assets	15.00%	
Capital gain on sale of marketable securities	15.00%	Flat 15% tax on capital gains above BDT 50 lac from the sale of shares of companies listed on the stock exchanges

Deferred tax

The Company accounts for deferred tax as per International Accounting Standard (IAS) 12: "Income Taxes". Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It 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 date of reporting of the financial statements.

The Company provides disclosures based on the classes of assets and liabilities related to the temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax liabilities are recognized for all taxable temporary differences and it is probable that temporary differences will not reverse in the foreseeable future. Both the Deferred tax assets and liabilities are reviewed at each reporting date considering the probability of benefit or detriment realizable. Applicable tax rate for deferred tax is 27.50%.

3.7 Revenue recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise and in accordance with the International Financial Reporting Standard (IFRS)-15 “Revenue from Contracts with Customers”.

3.8 Interest income

Interest income is recognized on the loan balance of portfolio clients on daily accrual basis and charged to clients’ balance on monthly basis. Interest income on FDR is recognised on accrual basis.

3.9 Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are not adjusting events have been disclosed in the notes when material.

3.10 Investment in Shares

Investment in quoted shares are initially recognised at cost plus transaction cost that are directly attributable to the acquisition of the shares. After initial recognistion, investment in quoted shares has been presented at cost at repoting date. However, adequate provision has made if market value consider as down trend of the reported cost but no unrealised gain is recognised in the profit and loss account.

3.11 Related party disclosure

As per International Accounting Standard (IAS) 24: "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties.

3.12 Lease

IFRS 16, issued in January 2016 replaces existing leases guidance and effective for reporting period beginning on or after 1 January 2019. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

3.13 Employees benefits

Gratuity

The Employees’ Gratuity Fund has been approved and is now recognized by the National Board of Revenue (NBR).The amount of gratuity shall be calculated at the rate of 2 (two) months’ last drawn basic pay for each completed years of service.

3.14 General:

i) Figures have been rounded off to the nearest integer.
ii) Previous year's figures whenever considered necessary have rearranged in order to current year presentation.

Notes	Particulars		Amount in Taka	
			31 December 2025	31 December 2024
4.00	**Property, plant and equipment**			
	Opening value		10,712,756	10,387,107
	Add: Addition during the year		2,343,824	325,649
	Less: Disposal during the year		-	-
			13,056,580	**10,712,756**
	Less: Accumulated depreciation (Annexure-A)		(6,707,694)	(4,433,759)
	Writen down value		**6,348,886**	**6,278,998**
	The above amount are shown in the Property, plant and equipment schedule annexure -A.			
5.00	**Intangible asset**			
	Opening balance		11,000,000	11,000,000
	Add: Addition during the year		105,000	-
	Less: Accumulated amortization (Annexure-A)		(470,213)	(312,338)
	Closing value		**10,634,788**	**10,687,663**
	Acquisition cost of DSE TREC Tk. 10,000,000/-(One Crore) only includes in intangible asset.			
6.00	**Security deposit with exchange**			
	Security deposit with DSE		30,000,000	30,000,000
			30,000,000	**30,000,000**
7.00	**Short-term investment**			
	Investment in shares(Annexure-B)		229,367,950	233,174,905
			229,367,950	**233,174,905**
	Investment in securities at cost		229,367,950	**233,174,905**
	Investment in securities at market value		111,964,298	**118,820,456**
	Unrealized gain/(loss)		**(117,403,653)**	**(114,354,448)**
8.00	**Receivable from margin loan**			
	Clients account	8.01	385,337,736	276,339,568
			385,337,736	**276,339,568**
8.01	**Clients account**			
	Margin loan		385,229,089	276,262,020
	Due to CDBL Charge/ BO renewal fees & others		108,648	77,548
			385,337,736	**276,339,568**
9.00	**Accounts receivables**			
	Dhaka Stock Exchange (DSE)			
	Broker	10,408,143		
	Dealer	-	10,408,143	2,022,086
	Interest receivable on FDR		-	-
			10,408,143	**2,022,086**
10.00	**Advances, deposits and prepayments**			
	CDBL security deposit		200,000	200,000
	Advance income tax	10.01	4,669,856	9,507,043
	Advance against office rent		340,000	580,000
	Other Advance		-	-
			5,209,856	**10,287,043**

Notes	Particulars		Amount in Taka	
			31 December 2025	31 December 2024
10.01	**Advance income tax**			
	Opening balance		9,507,043	12,275,016
	Add: Addition during the year	10.02	4,669,856	9,507,043
			14,176,899	**21,782,059**
	Less: Adjustment during the year		(9,507,043)	(12,275,016)
	Closing Balance		**4,669,856**	**9,507,043**
10.02	**Addition during the year**			
	For brokerage & dealer income		3,901,644	4,833,572
	For dividend income		462,110	512,731
	For interest income from bank deposit		306,102	434,694
	For FDR interest		-	3,726,046
			4,669,856	**9,507,043**
11.00	**Cash and cash equivalents**			
	Cash in hand	11.01	40,335	10,179
	Cash at Bank	11.02	46,087,820	31,726,754
			46,128,155	**31,736,933**
11.01	**Cash in hand**			
	Cash in hand -Clients		-	-
	Petty cash-Head Office		24,110	48
	Petty cash-Banani branch		16,225	10,131
			40,335	**10,179**
11.02	**Cash at Bank**			
	Pubali Bank PLC.-Customer A/c 2905102001673		18,509,021	10,368,041
	Pubali Bank PLC. -Dealer A/c 2905102001681		292,950	553,051
	SBAC Bank PLC. -Customer A/c 0067130000159		22,895,356	17,000,231
	SBAC Bank PLC.-Operational A/c 0067130000088		4,390,493	3,805,431
			46,087,820	**31,726,754**
12.00	**Share capital**			
	Authorized capital			
	50,000,000 Ordinary Share of Tk 10/- each		**500,000,000**	**500,000,000**
	Issued, subscribed, & paid-up capital			
	40,000,000 ordinary share of Tk 10/- each		**400,000,000**	**400,000,000**

Total share holding position as on December 31, 2025

Name of the Shareholders	% of Share-holdings	No. of Shares	Total Amount (Tk)
SBAC Bank PLC	99.90%	39,960,000	399,600,000
SBAC Bank Foundation	0.10%	40,000	400,000
Total	**100.00%**	**40,000,000**	**400,000,000**

13.00	**Capital reserve**			
	Opening capital reserve		3,838,128	3,269,919
	Add: Addition during the year		73,499	568,209
			3,911,627	**3,838,128**
	Less: Adjustment during the year		-	-
	Closing balance		**3,911,627**	**3,838,128**

Notes	Particulars		Amount in Taka	
			31 December 2025	31 December 2024
14.00	**Retained earnings**			
	Opening balance		35,278,146	35,111,363
	Add: Profit/(loss) during the year		549,520	734,992
			35,827,666	**35,846,355**
	Less: Transferred to capital reserve		73,499	**568,209**
			35,754,167	**35,278,146**
	Less: Dividend during the year		-	-
	Closing balance		**35,754,167**	**35,278,146**
15.00	**Retirement benefit obligations**			
	Opening balance		**1,054,978**	**1,125,120**
	Add: Addition during the year		1,029,471	1,054,978
			2,084,448	**2,180,098**
	Less: Transferred to gratuity fund account		(1,054,978)	**(1,125,120)**
			1,029,471	**1,054,978**
16.00	**Deferred tax liability**			
	Carring value (WDV as per accounts)		6,983,674	6,966,660
	Tax base value		6,615,299	6,616,660
	Income tax liabilities		**368,375**	**350,000**
	Tax rate		27.50%	25.00%
	Closing differed tax liability (Assets)		**101,303**	**87,500**
	Opening differed tax liability		87,500	76,146
	Deffered tax expenses/(Income)		**13,803**	**11,354**
17.00	**Provision**			
	Provision for unrealized loss (dealer's portfolio)	17.01	73,742,912	48,742,912
	General provision	17.03	3,852,291	3,663,302
			77,595,203	**52,406,214**
17.01	**Provision for unrealized loss (dealer's portfolio)**			
	Opening Balance		48,742,912	36,242,912
	Add: Provision made during the year		25,000,000	12,500,000
			73,742,912	**48,742,912**
	Less: Adjustment during the year		-	-
	Closing balance		**73,742,912**	**48,742,912**
17.02	**Provision Shortfall (dealer's)**			
	Required Provision		117,403,653	114,354,448
	Provision maintained		73,742,912	48,742,912
	Provision Shortfall		**43,660,741**	**65,611,537**
17.03	**General provision**			
	Opening balance		3,663,302	3,663,302
	Add: Provision made during the year		188,989	-
			3,852,291	**3,663,302**
	Less: Adjustment during the year		-	-
	Closing Balance		**3,852,291**	**3,663,302**
18.00	**Short-term loan**			
	SBAC Bank PLC. (OD-GEN)		173,891,076	69,883,723
			173,891,076	**69,883,723**

Notes	Particulars	Amount in Taka	
		31 December 2025	31 December 2024

SBAC Bank PLC.

Nature of facility	Limit(lac)	Expiry Date	pricing	purpose
OD(General)	2000	13.09.2026	14.95%	To provide credit margin to the client of the company for trading securities as per margin rules by BSEC as well as dealer investment.

19.00	**Account payables**				
	Clients account			19,704,502	23,016,252
	Dhaka Stock Exchange PLC.				
	Broker	120,435			
	Dealer	-		120,435	1,935,202
	*Suspense A/c	35,000			
	Less: Transferred to income	35,000		-	35,000
	Dhaka Stock Exchange (IPO application)			-	-
	CCA interest payable to customer		**19.01**	-	2,972,043
				19,824,937	**27,958,497**

* treated as other income, as no claim has been made during the last 3 years

19.01	**CCA interest payable to customer(upto 31 Dec 2024)**	**2,972,043**	**-**
	Contribution to DSE Investors' Protection Fund) 25%	743,011	
		2,229,032	**-**
	Transferred to Interest Rention Fund(75%)	2,229,032	
		-	-

As per Gazette Notification dated July 03,2025,Bangladesh Securities & Exchange Commission Notification No. BSEC/CMRRCD/2001-80(2nd part)/88/PRD/154(Amended) dated June 01,2025)25% of the bank interest earned on the Consolidated Customer Account must be transferred to the Investors' Protection Fund of the respective Stock Exchange(s).

20.00	**Interest Retention Fund(Restricted)**		
	Transferred from CCA Interest	2,229,032	-
		2,229,032	**-**
21.00	**Liabilities for expenses**		
	CDBL charge	143,749	87,158
	Business associates incentives	787,321	347,683
	DSE Mobile App Expenses	-	3,375
	Audit Fees	74,750	74,750
	DSE Investor Protection Fund(25 % of CCA Interest)	109,728	-
	OMS Service Charge Payable	108,256	-
		1,223,804	**512,966**
22.00	**Provision for current tax**		
	Opening balance	9,507,043	12,275,016
	Add: Provision during the year	7,874,894	9,507,043
		17,381,937	**21,782,059**
	Less: Adjustment during the year	(9,507,043)	**(12,275,016)**
	Closing Balance	**7,874,894**	**9,507,043**

Notes	Particulars		Amount in Taka	
			31 December 2025	31 December 2024
23.00	**Operating income**			
	Brokerage commission	23.01	25,916,892	25,016,670
	Interest income	23.02	40,820,294	9,304,340
	Investment(Dealer) income	23.03	6,733,324	4,488,214
	Other operating income	23.04	294,650	93,920
			73,765,159	**38,903,144**
23.01	**Brokerage commission**			
	Brokerage commission income		32,956,028	30,902,913
	Less: Brokerage commission expenses		(7,039,136)	(5,886,243)
			25,916,892	**25,016,670**
23.02	**Interest income**			
	Interest income from margin loan		59,592,365	47,204,387
	less: Interest expenses of OD credit facility		(18,772,070)	(37,900,048)
			40,820,294	**9,304,340**
23.03	**Investment(Dealer) income**			
	Gain from sale of shares		4,388,930	1,574,621
	Dividend income		2,344,394	2,913,593
			6,733,324	**4,488,214**
23.04	**Other operating income**			
	BO account opening & maintenance fees		294,650	92,650
	IPO fees/commission		-	1,270
			294,650	**93,920**
24.00	**Operating expenses**			
	OMS Service Charge		260,576	-
	Howla charge		250	50
	Laga charge		2,605,606	2,368,702
	CDBL settlement, transfer & other charges		1,269,914	1,179,857
			4,136,346	**3,548,609**
25.00	**Administrative expenses**			
	Salary & allowances		18,697,923	17,329,471
	Festival bonus		1,597,460	2,403,097
	Employer's contribution to provident fund		624,561	701,501
	Retirement benefit obligation (Gratuity)		1,029,471	1,054,978
	Car maintenance allowances		1,413,500	868,749
	Leave fare assistance(LFA)		852,401	852,311
	Closing Entertainment Allowance		40,000	-
	Office rent		5,602,306	1,380,000
	Service Charge(Rent)		211,115	
	Electricity bill		89,878	110,250
	Audit fees		74,750	74,750
	Printing & stationery		276,325	321,769
	Repairs & maintenance		22,820	16,260
	Excise duty		135,000	273,000
	RJSC expenses		16,087	6,203
	TWS charge-DSE		-	10,000

Notes	Particulars			Amount in Taka	
				31 December 2025	31 December 2024
	Cleaning expenses			-	2,800
	General expenses			96,002	106,927
	Web hosting expenses			142,753	31,150
	Entertainment			704,488	575,608
	Investor protection fund			5,529	18,561
	Conveyance expense			101,864	54,116
	Commission charge on bank guarantee			-	213,675
	Director's remuneration			420,000	308,000
	Bandwidth charge(internet & connectivity)			371,600	313,650
	Registration and renewal			1,640,532	423,166
	Professional fee			271,400	141,450
	Bank charge and others			22,302	16,513
	Advertisement expenses			14,175	-
	Interest expenses to customers on CCA			-	1,658,433
	Loan processing fee			-	23,000
	Telephone & mobile Expenses			-	6,000
	Software maintenance expenses			213,750	321,000
	Water & sewerage			60,000	60,000
	Business Expenses			20,000	-
	Stamp & Notary Exps.			-	3,000
	Holiday Allowance			12,900	-
	IT & Electronic Accessories Expense			16,149	-
	Depreciation			2,273,935	1,882,334
	Amortization			157,875	150,000
				37,228,851	**31,711,723**
26.00	**Other income/(loss)**				
	Interest received-FDR[SBAC 0067242003542]			-	17,171,897
	Bank Interest Income from CCA:				
	SBAC 0067130000159		313,826		552,849
	PBL 2905102001673		1,009,510		1,206,852
			1,323,336		
	Contribution to Investor Protection Fund-DSE	**26.01**	**238,519**	1,084,817	
	Bank interest income [SBAC 0067130000088]			88,679	102,921
	Bank interest income[PBL 2905102001681]			30,642	34,427
	Cheque clearing fee income			14,000	12,500
	Mobile App Fee			34,000	30,875
	* Other income			36,803	12
				1,288,941	**19,112,333**

* Other income includes Tk. 35,000 transferred from the suspense account, as no claim has been made during the last three years.

Notes	Particulars	Amount in Taka	
		31 December 2025	31 December 2024
26.01	**Contribution to Investors' Protection Fund**		
	Total Bank Interest Income from CCA	**1,323,336**	
	Tax Deducted as Source	(282,237)	
	Bank Charge	(17,022)	
	Excise Duty	(70,000)	
	Net Bank Interest Earned from CCA	**954,077**	
	25 % Contribution to Investors' Protection Fund-DSE	**238,519**	
	(As per Gazette notification dated July 03,2025 , Bangladesh Securities & Exchange Commission Notification No. BSEC/CMRRCD/2001-80(2nd part)/88/PRD/154(Amended) dated June 01,2025)		
27.00	**Income tax expenses**		
	A. Regular Tax		
	On regular income(other than capital gain & Dividend)@ 27.50%	7,412,784	4,566,733
	On capital gain@0%(As gain below Tk. 50 Lac)	-	157,462
	On dividend income	462,110	512,731
		7,874,894	**5,236,926**
	B. Minimum Tax @.60% on gross reciept	**450,325**	**348,093**
	On gross receipt on business income	442,591	233,419
	On other income	7,734	114,674
	C. Tax deducted at sources	**4,669,856**	**9,507,043**
	Tax paid(through DSE)	3,901,644	4,833,572
	On interest income from bank deposit	306,102	434,694
	On dividend income	462,110	512,731
	Tax on FDR interest	-	3,726,046
	Current income tax (Higher of A, B & C)	**7,874,894**	**9,507,043**
	Tax paid with return in this year	**61,697**	**1,756**
	Total income tax for the year	**7,936,591**	**9,508,799**

28.00 Related parties

Parent company

SBAC Bank PLC. owns 99.90% shares of the Company. Thus, SBAC Bank PLC. holds the controlling interest in the Company.

29.00 Related party transactions

Name of the party	Nature of Transaction	Relationship	Amount
SBAC Bank PLC.	Issue of share capital	Parent	399,600,000
SBAC Bank PLC.	Deposit in 2(two) SND Account	Parent	27,285,849
SBAC Bank PLC.	Interest received from SND account	Parent	88,679
SBAC Bank PLC.	OD (Gen) Facility	Parent	173,891,076
SBAC Bank PLC.	Client's payable	Parent	5,159,470
SBAC Bank PLC.	Bank charges & Excise duty	Parent	101,211
SBAC Bank PLC.	Interest on OD	Parent	18,772,070

SBAC Bank Investment Limited

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENTS

(Tangible assets)

As at December 31, 2025

Annexure - A

Particulars	Cost				Rate	Depreciation				Written down value at 31 December 2025
	Balance at 01 January 2025	Addition during the year	Disposals during the year	Balance at 31 December 2025		Balance at 01 January 2025	Charged for the year	Adjustment for disposals	Balance at 31 December 2025	
Furniture & Fixtures	453,390		-	453,390	10%	113,348	45,339	-	158,687	294,704
Electrical Equipment	2,208,824	96,500		2,305,324	20%	990,047	451,415		1,441,461	863,863
Office Decoration & Renovation	4,875,398	-	-	4,875,398	10%	1,122,040	487,540	-	1,609,580	3,265,818
IT Equipment	2,786,984	2,060,000	-	4,846,984	30%	1,926,456	1,145,095	-	3,071,551	1,775,433
Network & Accessories	388,160	187,324	-	575,484	30%	281,869	144,547	-	426,415	149,069
Total	**10,712,756**	**2,343,824**	**-**	**13,056,580**		**4,433,759**	**2,273,935**	**-**	**6,707,694**	**6,348,886**

SCHEDULE OF INTANGIBLE ASSETS

As at December 31, 2025

Particulars	COST				Rate	Amortization				Written down value at 31 December 2025
	Balance at 01 January 2025	Addition during the year	Disposal during the year	Balance at 31 December 2025		Balance at 01 January 2025	Amortized during the year	Adjustment during the year against Disposal	Balance at 31 December 2025	
Acquisition Cost of DSE TREC	10,000,000	-		10,000,000		-		-	-	10,000,000
Software License	1,000,000	105,000	-	1,105,000	15%	312,338	157,875	-	470,213	634,788
Total	**11,000,000**	**105,000**	**-**	**11,105,000**		**312,338**	**157,875**	**-**	**470,213**	**10,634,788**

SBAC Bank Investment Limited

SCHEDULE OF INVESTMENT IN SHARES

As at 31 December 2025

"Annexure-B"

Name of the Company	Total Quantity as on December 31, 2025	Free Share	Avg. Cost	Total Cost	Market Rate	Market Value	Unrealized Gain /Loss
AAMRANET	693	693	54.08	37,477	17.90	12,405	(25,072)
ADVENT	50,000	50,000	30.19	1,509,265	13.30	665,000	(844,265)
AMANFEED	44,352	44,352	37.86	1,678,949	22.80	1,011,226	(667,724)
AMCL(PRAN)	2,000	2,000	272.02	544,036	202.50	405,000	(139,036)
AOPLC	3,694	3,694	10.00	36,940	9.80	36,201	(739)
APEXTANRY	72,492	72,492	145.00	10,511,144	58.60	4,248,031	(6,263,113)
BDWELDING	30,000	30,000	26.63	798,897	17.70	531,000	(267,897)
BEXIMCO	51,937	51,937	128.61	6,679,545	110.10	5,718,264	(961,281)
BPML	30,000	30,000	79.66	2,389,770	25.10	753,000	(1,636,770)
DOREENPWR	43,909	43,909	66.00	2,897,972	27.80	1,220,670	(1,677,302)
EMERALDOIL	135,318	135,318	115.79	15,668,904	14.40	1,948,579	(13,720,325)
GENEXIL	112,564	112,564	95.57	10,757,685	26.90	3,027,972	(7,729,714)
IBBLPBOND	6,000	6,000	1,078.59	6,471,515	615.00	3,690,000	(2,781,515)
IFADAUTOS	379,263	379,263	49.30	18,699,097	21.60	8,192,081	(10,507,016)
LRBDL	55,000	55,000	41.93	2,306,354	9.90	544,500	(1,761,854)
MHSML	220,585	220,585	32.13	7,086,470	13.30	2,933,781	(4,152,689)
MIRACLEIND	25,000	25,000	45.65	1,141,278	31.60	790,000	(351,278)
MONNOCERA	10,500	10,500	112.02	1,176,221	81.70	857,850	(318,371)
NAHEEACP	259,546	259,546	77.63	20,147,310	18.30	4,749,692	(15,397,618)
NAVANAPHAR	15,604	15,604	108.18	1,687,991	51.90	809,848	(878,143)
NHFIL	572,045	572,045	34.06	19,484,024	22.50	12,871,013	(6,613,012)
PHOENIXFIN	600,000	600,000	16.45	9,868,920	2.60	1,560,000	(8,308,920)
PRIMELIFE	35,000	35,000	75.19	2,631,752	33.00	1,155,000	(1,476,752)
RAHIMAFOOD	2,000	2,000	238.83	477,653	158.70	317,400	(160,253)
RDFOOD	60,000	60,000	53.44	3,206,400	19.60	1,176,000	(2,030,400)
SALAMCRST	137,574	137,574	34.93	4,804,772	14.60	2,008,580	(2,796,192)
SKTRIMS	54,350	54,350	35.05	1,904,913	7.90	429,365	(1,475,548)
STYLECRAFT	15,204	15,204	95.81	1,456,631	47.20	717,629	(739,003)

Name of the Company	Total Quantity as on December 31, 2025	Free Share	Avg. Cost	Total Cost	Market Rate	Market Value	Unrealized Gain /Loss
WEBCOATS	3,500	3,500	10.00	35,000	11.50	40,250	5,250
ACIFORMULA	39,000	39,000	185.46	7,232,928	127.90	4,988,100	(2,244,828)
ADNTEL	17,230	17,230	146.85	2,530,270	57.80	995,894	(1,534,376)
AIL	1,100	1,100	71.14	78,256	40.70	44,770	(33,486)
ASIAPACINS	1,267	1,267	53.03	67,186	30.50	38,644	(28,542)
BSC	47,000	47,000	149.60	7,031,205	111.10	5,221,700	(1,809,505)
BXPHARMA	18,045	18,045	171.91	3,102,177	102.10	1,842,395	(1,259,783)
DBH	20,573	20,573	54.91	1,129,758	34.60	711,826	(417,932)
IDLC	65,100	65,100	50.64	3,296,980	35.70	2,324,070	(972,910)
JHRML	155,689	155,689	81.76	12,728,899	41.90	6,523,369	(6,205,530)
MARICO	505	505	2,597.42	1,311,697	2,673.50	1,350,118	38,420
MATINSPINN	5,000	5,000	80.23	401,134	45.20	226,000	(175,134)
PARAMOUNT	53,908	53,908	64.94	3,500,516	43.10	2,323,435	(1,177,081)
PEOPLESINS	223,835	223,835	37.92	8,488,044	35.90	8,035,677	(452,367)
PHENIXINS	25,985	25,985	39.73	1,032,283	27.20	706,792	(325,491)
RUNNERAUTO	112,221	112,221	51.63	5,794,520	36.70	4,118,511	(1,676,009)
SPCL	97,492	97,492	79.10	7,711,354	47.20	4,601,622	(3,109,732)
SQUARETEXT	64,267	64,267	72.44	4,655,315	48.50	3,116,950	(1,538,366)
SQURPHARMA	5,000	5,000	203.91	1,019,535	198.60	993,000	(26,535)
UNITEDFIN	120,095	120,095	17.98	2,159,008	11.50	1,381,093	(777,915)
Total				**229,367,950**		**111,964,298**	**(117,403,653)**

SBAC Bank Investment Limited

STATEMENT SHOWING COMPUTATION OF CAPITAL ADEQUACY

As at December 31, 2025

"Annexure-C"

A. Total Capital Computaion				December 31,2025	Remarks
Components	Amount	Haircut %	Haircut Amount	Eligible Amount	
Paid-up-Capital	400,000,000	0%	-	400,000,000	
Capital reserve	3,911,627	0%	-	3,911,627	
Ratained earnings	35,754,167	0%	-	35,754,167	
Sum of core capital				**439,665,794**	
General provision	3,852,291	20%	770,458	3,081,833	
Specific provision					
Margin loan	-	30%	-	-	
Investment in marketable securities	73,742,912	30%	22,122,874	51,620,038	
Sum of supplementary capital				**54,701,871**	
Total capital				**494,367,665**	

B. Total risk requirement computation

Paticulars	Amount	Risk Factor	Applicable Amount	Remarks
Operational Risk Requirement(ORR):				
Based on Average annual gross income(See clause b) of sub-rule(7.1) of rule 7)	38,404,219	5%	1,920,211	
Position Risk Requirement(PRR)			-	
i. Proprietary positions in Equity securities			-	
Value of "A" category securities	99,564,039	10%	9,956,404	
Value of "B/G/N/." category securities	86,249,988	12%	10,349,999	
Value of "Z" category instruments	37,082,409	15%	5,562,361	
ii. Proprietary positions in strategic investment			-	
Value of "A" category securities		10%	-	
Value of "B/G/N/." category securities		12%	-	
Value of "Z" category instruments		15%	-	
ii. Proprietary positions in MFs & CISs:			-	
Value of listed funds		10%	-	
ii. Proprietary positions in Debt Instruments &ABSs:				
Value of listed Debt Instruments	6,471,515	5%	323,576	
Counterparty Risk Requirement			-	
i. Exposure of credit facilities to Clients	385,229,089	8%	30,818,327	
Liability Risk Requirement(LRR)			-	
i.Annual Revenue Reported in last year	35,354,535	0.20%	70,709	
Total risk requirement			**59,001,587**	

C. Capital Adequacy Ratio (CAR)= Total Capital (TC) / Total Risk Requirement (TRR) X 100 = 837.89

i.e 8.38 times

এজেন্ট ব্যাংকিং
গ্রামে গঞ্জে সবখানে

SBAC BANK

এসবিএসি ব্যাংক

এজেন্ট ব্যাংকিং এখন
গ্রামে গঞ্জে সবখানে

এজেন্ট ব্যাংকিংয়ে আর্থিক পরিষেবাসমূহ:

- সঞ্চয়ী ও চলতি হিসাব খোলা
- ডিপিএস হিসাব খোলা
- এফডিআর খোলা
- স্কুল ব্যাংকিং হিসাব খোলা
- ব্যালেন্স অনুসন্ধান
- ইউটিলিটি বিল পরিশোধ
- নগদ জমা ও উত্তোলন
- মিনি ব্যাংক স্টেটমেন্ট
- ফান্ড ট্রান্সফার
- বৈদেশিক রেমিট্যান্স উত্তোলন

সেবা গ্রহণে কোনো বাড়তি চার্জ নেই

PRODUCTS, SERVICES & DISTRIBUTION NETWORK

CONVENTIONAL BANKING PRODUCTS & SERVICES

Wholesale Banking

Term Finance	Working Capital
Term Loan	Secured Over Draft (SOD)- General
Project Finance	Secured Over Draft (SOD)
Lease Finance	Short Term Loan
Home Loan	Time Loan
Term Loan to MFI	Corporate Express Loan
Corporate Express Loan	Cash Credit (Hypo.)

SME Banking

Loan Products		
SME-Term Loan	CMSME Stimulus Loan	Bank Guarantee
Letter of Credit (Sight/deferred/UPAS)	Lease Finance –Commercial Lease	Performance Guarantee
SME- CC(Hypo.)	Lease Finance –for Machineries & Equipment	FDBP (EPZ)
SME-SOD (General)	Lease Finance for Auto Mobiles	FDBP
SME-SOD(Export)	PAD	Bid Bond Guarantee
SME-Export Packing Credit (EPC)	Loan against TR	SOD (Work Order)
SME-SOD (PO)	SBAC CCS-Home Appliance	IDBP
SBAC Vehicle Financing	SME Shurokkha	Agriculture Term Loan
Export EDF Loan	SME OD (Gen) under Women Entrepreneur	SBAC Commercial Vehicle Financing
SBAC Ashroy	-	SME Term under Women Entrepreneur
SME Time under Women Entrepreneur	-	SME CC (Hypo) under Women Entrepreneur

Retail Banking

Deposit Products		
Current Account- (A basic Account for business individuals and entities which facilitates to carry out day-to day business transactions)	**Special Notice Deposit (SND)-** (A basic transactional account containing daily basis interest that facilitates carrying out business transactions of large volume)	**Savings Account-** (A basic Account under retail liability product segment which facilitates customers to set aside a portion of their liquid funds while earning a monetary return)
Surokkha Sonchoyi Hisab(SSH)- (A special savings account with higher benefits along-with insurance coverage availability)	**Student Savings Account-** (A special savings accounts for students below 18 years)	**SBAC Senior Citizen Savings A/C-** (A special savings account with higher benefits for the customers of aged over 55 years)
10/50/100 Privilege Savings Account- (A special type of savings account with higher benefits to selected customer as per Bangladesh Bank Policy)	**SBAC Payroll -** (A special type of deposit account designed for the employees of corporate bodies with attractive facilities)	**SBAC Probashi-** (A special type of deposit account designed for wage earners and their family members with attractive interest rate and other facilities)
SBAC Fast Account- (e -KYC based intere st bearing savings Bank account for individuals)	**SBAC Fixed Deposit-** (A special Term Deposit scheme which makes deposit growth over a certain short period of time.)	**Double Benefit Scheme (DBS)-** (Double Benefit Scheme is a time specified deposit scheme for clients where the deposited money will be double at maturity)

Deposit Products		
Triple Benefit Scheme (TBS)- (Triple Benefit Scheme is a time specified deposit scheme for clients where the deposited money will be Triple at maturity)	**Monthly Benefit Scheme (MBS)-** (A special deposit scheme which allows interest income on monthly basis and refund the Principal Amount at maturity)	**Monthly Savings Scheme-** (A special type of monthly installment-based deposit scheme for savings purpose and to build up a sizable fund afterthe contracted period.)
Lakhopoti Savings Scheme- (Special type of monthly installment-based deposit scheme for savings purpose and to build up a sizable fund after the contracted period.)	**Surokkha Millionaire Scheme-** (Special type of monthly installment-based deposit scheme for savings purpose and to build Tk. 01 million after the contracted period with insurance coverage availability	**Kotipoti Scheme Deposit-** (Special type of monthly installment-based deposit scheme for savings purpose and to build Tk. 01 Crore after the contracted period.)
SBAC Samriddhi- (A distinct type of CD Account for non -individuals that bears daily basis attractive rate of Interest.)	SBAC Ucchasha- (A special type of interest - bearing Savings Account for the students who intends to go abroad for higher education and their parents.)	SBAC Parua- (This is an attractive interest - bearing Savings Account, exclusively for the students of 18+ years of age)

Off-Shore Banking Unit (OBU)

Term Loan
Working Capital
Trade Finance (Local Bill Discounting, Foreign Bill Discounting, UPAS)

Trade Finance

Export Finance	Non-Funded Trade Finance	Import Finance
Back-to-Back L/C	L/C Opening (Sight/Deferred/UPAS)	Loan against Trust Receipt (LTR)
Export Bill Discounting (FDBP & IDBP)	L/C Advising	EDF Loan
SOD-Export	L/C Transfer	Performance Guarantee
Export Packing Credit	Foreign Bank Guarantee	Bid Bond Guarantee
SOD-General	Shipping Guarantee	Payment Guarantee

SBAC Services

Utility Bills Collection Service: - Dhaka Water Supply and Sewerage Authority (WASA) - Titas Gas Transmission and Distribution Company Limited - Bakhrabad Gas Distribution Company Limited - Dhaka Power Distribution Company Ltd. (DPDC) - Dhaka Electric Supply Company Limited (DESCO) - Bangladesh Rural Electrification board (Pally Bidyut) - Northern Electricity Supply Company Limited (NESCO) - Power Development Board (PDB)
BRTA Fees Collection
Govt. Challan Receive by Automated Challan System
e-GP Services
Student File Services
Hajj Pre-Registration Fees Collection

SBAC ISLAMIC BANKING

SBAC Bank PLC commenced its Islamic Banking operations on 05 July, 2021 by opening 10 (ten) Islamic Banking Windows across the country, covering major regions such as Dhaka, Chattogram, Sylhet, Rajshahi, Khulna and Barishal.

The operations of SBAC Islamic Banking Operation are completely different from those of Conventional Banking. Islamic Banking activities are conducted through a separate Core Banking Software (CBS), namely Flora Bank Insaf. The Bank is strongly committed to the principles of Islamic Shariah, which strictly prohibit usurious transactions in any of its Islamic Banking operations.

1. Deposit Collection and Profit Distribution Management:

SBAC Islamic Banking follows the Al-Wadiah and Mudaraba principles for the mobilization of funds from the depositors. Under Al-Wadiah principle, Current Accounts are opened, which do not share any profit. According to this principle, deposits are collected or accepted in the respective accounts for safe keeping and refundable on demand. The depositors do not bear any risk of loss arising from the investment process.

On the other hand, under the Mudaraba principle, different types of savings accounts such as MSD, SND, MTDR, Recurring Deposits Accounts, etc. are opened. Mudaraba is a partnership contract in which the depositors act as Rabb-ul-Maal (providers of capital) and the Bank acts a Mudarib (entrepreneur or manager).

SBAC Bank Islamic Banking distributes profit to Mudaraba depositors using the Weighted Average Method i.e. profit is shared based on amount and tenure. Different weightages are assigned for different types and tenures of deposits. These weightages are determined based on the nature of the account and its duration. As a result of applying these weightages, different profit rates are generated for different deposit categories and tenures, and these rates are paid to the Mudaraba depositors. The profit distribution framework consists of a two-tier income distribution mechanism. Tier one involves the appropriation of the Bank's management fee from the funded income according to a predetermined ratio (for example, 35%) of the distributable funded income. The remaining distributable funded income (for example, 65%) is then allocated for distribution among the Mudaraba depositors.

2. Investment Operation

There are generally three types of investment mechanisms in Islamic banking: Bai (buying and selling), Ijarah (leasing), and Sharika (partnership). The major Bai-based modes are Bai-Murabaha, Bai-Muajjal, Bai-Salam, and Bai-Istisna. The Ijarah-based modes include Leasing, Hire Purchase, and Hire Purchase under Shirkatul Meelk (HPSM). The Sharika-based modes include Mudaraba and Musharaka.

All of these products, except Mudaraba and Bai-Muajjal are currently in practice. However, the investment portfolio of SBAC Islamic Banking is presently concentrated mainly on Bai-Murabaha and HPSM products.

3. Income or Revenue Calculation Principle

The Bank earns income or revenue from various sources such as investment income, commissions, fees, etc. To recognize all types of income, the Bank strictly follows the rules and principles of Islamic Shariah, especially in the recognition of various commissions and fees. The commissions and fees are recognized on an actual basis.

In the case of income from investments, the Bank follows the markup-based profit calculation principle for Bai products and the rental or outstanding basis profit accrual mechanism for HPSM products. If the HPSM product has a provision for a gestation period to make the asset usable, no rental is charged during this period. In such cases, income generation begins after the gestation period.

4. Shariah Supervisory Committee

The SBAC Bank has a strong and independent Shariah Supervisory Committee comprised of renowned Fuqaha and Islamic scholars, in accordance with the Bangladesh Bank's "Guidelines for Conducting Islamic Banking-2009." Every product and service offered by Islamic Banking is reviewed, approved, and overseen by this highly respected and independent Shariah Supervisory Committee.

5. Islamic Banking Windows

SBAC Bank PLC started its Islamic Banking business by launching Islamic Banking Windows in 10 of its branches on June 30, 2021, and began providing Islamic banking services to its customers from July 05, 2021. The 10 branches providing Islamic banking services through Islamic Banking Windows are as follows:

S/N	Name of Branch	District	Division
01.	Principal Branch	Dhaka	Dhaka
02.	Banani Branch	Dhaka	Dhaka
03.	Imamgonj Branch	Dhaka	Dhaka
04.	Agrabad Branch	Chattogram	Chattogram
05.	Khulna Branch	Khulna	Khulna
06.	Katakhali Branch	Bagerhat	Khulna
07.	Bhomra Branch	Satkhira	Khulna
08.	Barishal Branch	Barishal	Barishal
09.	Islampur Branch	Sylhet	Sylhet
10.	Rajshahi Branch	Rajshahi	Rajshahi

6. Expansion Plan

The Bank is planning to expand its Islamic Banking business by opening full-fledged Islamic Banking branches (by converting one or two conventional banking branches and opening one new branch) and establishing more Islamic Banking windows across the country. The necessary steps in this regard are underway. The Bank has also already introduced online Islamic Banking services from its conventional branches.

7. Introducing new product & services

In order to provide better and more comprehensive customer services, the Bank is going to introduce some new products and services under Islamic Banking, and the process will continue based on market conditions and customers' demand. At present, three investment products—namely Quard (PO) under e-GP, MIDB, and Bank Guarantee—are going to be added to the existing investment products.

BRANCH & SUB-BRANCH LIST

BRANCH

1

ABDULLAHPUR BRANCH
Anowar Hossain Plaza
(Ground Floor), Abdullahpur
Bus Stand, Abdullahpur Bazar
South Keranigonj, Dhaka
Phone: 01787-693667
Routing No: 270270123

2

ADDABAZAR BRANCH
School Road, Adda Bazar
Union: Adda, Upazila: Barura
District: Cumilla
Phone: 01787693714-5.
Routing No: 270190074

3

AGRABAD BRANCH
96, Agrabad C/A,
Chattogram.
Phone: 02-333316183-85
Routing No: 270150135

4

AMIN BAZAR BRANCH
M A Hossain Tower
(3rd Floor), Begunbari,
Aminbazar Union,
Savar, Dhaka
Phone: 01787693720
Routing No: 270260133

5

ASHULIA BRANCH
Raj Residence Tower
(1nd Floor), Bogabari Bazar
Bus Stand, Ashulia, Baipail,
Savar, Dhaka
Phone: (02) 7789414-15
Routing No: 270260225

6

BABUBAZAR BRANCH
A.K.Adil Famous Tower,
Plot-2, 2/A, K.P.Ghosh Street,
Armanitola, Babubazar,
Dhaka-1100
Phone: 02 47391228 (Direct)
02 47391229(PABX)
Routing No: 270270552

7

BABURHAT BRANCH
First Lane, Manchester City
(1st Floor), Shekerchar Bazar
Baburhat, Narsingdi
Phone: 02 9446060
Routing No: 270680100

8

BANANI BRANCH
Suvastu Suraiya Trade Center
(1st & 2nd Floor) 57, Kemal
Ataturk Avenue, Block: B,
Road No. 21, Banani, Dhaka-1213
Phone: 02-55033370-72
Routing No: 270260438

9

BANARI PARA BRANCH
261, Santo-Shisto Complex
(1st Floor) , Banaripara
Bazar, Banaripara, Barishal
Phone: +880 1712-192741
Routing No: 270060254

10

BANGLA BAZAR BRANCH
Patwary Plaza, Bangla Bazar,
Sonaimuri, Noakhali.
Phone: 01787-693764
Routing No: 270750193

11

BARISHAL BRANCH
BS Tower, 461 Bir Shreshtha
Captain Mohiuddin Jahangir
Sarak (In Front of Barishal
Central Jail), Barishal-8200, Barishal.
Phone: 02-478863532,
02-478866508
Routing No: 270060283

12

BASHUNDHARA BRANCH
RANGS Business Center
(1st Floor), KA-218/1-2,
Pragati Sarani, Dhaka.
Phone: 02-8415451-52
Routing No: 270261132

13

BENAPOLE BRANCH
490, Rahman Chamber,
Jashore -Benapole Highway
Road, Benapole, Sharsha,
Jashore
Phone: 02 247776-08
Routing No: 270410288

14

BHAIRAB BRANCH
Nath Tower, Holding 116/2,
Hospital Road, Press Club
Lane, Word No. 1, Bhairab,
Kishoreganj
Phone: 01787693908
Routing No: 270480197

15

BHANDARIA BRANCH
N.Haque & Sons Market(Ist
Floor), Reserved Pukur Par,
Bhandaria, Pirojpur
Phone: 8802478891960
Routing No: 270790137

16

BHATIARY BRANCH
Sahab Mia Tower, Bhatiary,
Sitakund, Chattogram
Phone: 031-2781270-71
Routing No: 270151213

17

BHOLA BRANCH
Moyful Garden (1st Floor),
Bangla Schoola More,
Sadar Road, Bhola Sadar,
Bhola
Phone: 61482-02478893482
Routing No: 270090103

18

BHOMRA BRANCH
C & F Association Building,
Second Floor, Bhomra Land
Port, Bhomra , Satkhira
Phone: 02477745414
02477745415 02477745416
Routing No: 270871364

19

BHULTA BRANCH
Purbachal New Garden City
(2nd Floor), Bhulta,
Rupganj, Narayanganj
Phone: 01710579066
Routing No: 270670228

20

BIJOY NAGAR BRANCH
Sky Lark Point (1st Floor),
24/A. Shaheed Nazrul Islam
Sarani, Dhaka-1000 (previously
known as Motijheel Branch)
Phone: 02-8392638-39,
01787693620, 01787693862
Routing No: 270274240

21

BIRGANJ BRANCH
Datta Plaza (1st Floor),
Sujalpur, Birganj, Dinajpur
Phone: 01787693674
Routing No: 270280371

22

BOGURA BRANCH
Talukder Ratul Plaza
(2nd & 3rd Floor) Borogola,
Bogura
Phone: 01787693801
Routing No: 270100372

23

CHALAKCHOR BRANCH
Chalakchar Bus Stand,
Chalakchar, Monohordi,
Narsingdi
Phone: 01409-262673
Routing No: 270680313

24

CHUKNAGAR BRANCH
Holding#240 (1st Floor)
Satkhira Road, Chuknagar
Bazar, Dumuria, Khulna-9252
Phone: +880 1787-693931
Routing No: 270470552

25

COX'S BAZAR BRANCH
Coral Reef Plaza, Holding 940
Word No 10, Main Road,
Coxbazar Sadar, Coxbazar
Purosova, Coxbazar
Phone: 01787693826
Routing No: 270220252

26

CUMILLA BRANCH
Evergreen Khadi Museum
(1st Floor), A.K. Fazlul
Haque Road,Monohorpur,
Cumilla
Phone: 02334404328(Direct)
02334404327(PABX)
Routing No: 270191152

27

DARUS SALAM ROAD BRANCH
5/H, Sanghita Bhaban, Darus
Salam Road, Mirpur-1, Dhaka
Phone: 02-58050510
02-58050509
Routing No: 270262902

28

DHANMONDI BRANCH
House No. 55/A (1st Floor),
Road No. 4/A, Sat Masjid
Road, Dhanmondi, Dhaka-1209
Phone: 02 223365264,
02 223365267
Routing No: 270261187

29

DIGRAJ BRANCH
Shaheen Super Market
(1st Floor), Digraj Bazar,
Mongla, Bagerhat
Phone: 88 04662 75208-10
Routing No: 270010404

30

DINAJPUR BRANCH
Moniza Khatun Complex,
Buti Babur More, South
Munshipara, Dinajpur
Phone: 8801787693613
Routing No: 270280676

31

EPZ BRANCH CHATTOGRAM
397, Amin Tower, Bandertila,
Chattogram
Phone: +880 1787-693877
Routing No: 270156797

32

FALTITA BRANCH
Faltita Bazar, Mulghar,
Fakirhat, Bagerhat
Phone: 01711507244
Routing No: 270010091

33

FATIKCHHARI BRANCH
S A Center, College Road
Bibirhat, Fatikchari,
Chattogram
Phone: 880302256345
Routing No: 270152746

34

FENI BRANCH
41, Fahad Bhaban, 1st
Floor (Beside Z U
Hospital) SSK Road, Feni
Phone: 02334475176 (Direct),
02334473144
Routing No: 270300527

35

GAZIPUR BRANCH
Tajpur Tower (Tangail Road)
Gazipur Chowrasta, Gazipur
Phone: 02-9294506
Routing No: 270330526

36

GHONAPARA BRANCH
Ghonapara Mor, Gobra,
Gopalganj Sadar, Gopalganj
Phone: 01787693953
Routing No: 270350098

37

GULSHAN BRANCH
Glass House (1st Floor),
Holding No-38, Gulshan
Avenue Main Road, Ward no-19,
Dhaka North City Corporation
Gulshan, Dhaka.
Phone: 02-222283091-94, Ext-127
Routing No: 270261729

38

HASNABAD BRANCH
Star City Market (2nd floor),
Hasnabad, South Keranigonj,
Dhaka.
Phone: 01787693676
Routing No: 270272563

39

HEMAYETPUR BRANCH
Hazi Ashraf Shopping Complex
Tower, Hemayetpur, Savar,
Dhaka-1340
Phone: +88 02 44065011,
Ext-100-105
Routing No: 270262052

40

HOSSAINPUR BRANCH
Mach Mohol Road, Hossainpur
Pourosova, Kisorganj
Phone: 01725631767
Routing No: 270480405

41

IMAMGONJ BRANCH
Crown Enamel Bhaban
(2nd Floor), 59, Mitford
Road , Imamgonj, Dhaka
Phone: 02-7342223,
7343360
Routing No: 270272800

42

ISLAMPUR BRANCH
Siddique Mansion, 1st Floor
Islampur Bazar, Islampur
Dhaka.
Phone: 02-996542068
Routing No: 270271187

43

JASHORE BRANCH
36 (Old), 84 (New)
Rabindranath Road
(1st Floor), Jashore.
Phone: 042172124
Routing No: 270410941

44

JIBONNAGAR BRANCH
Tarafder New Market,
(1st Floor), Jibannagar,
Chuadanga.
Phone: 8802477789729
Routing No: 270180589

45

JUBILEE ROAD BRANCH
Ali Building, 837, Jubilee
Road, Enayet Bazar,
Chattogram
Phone: 02-333356694-96
Routing No: 270153640

46

KALIGANJ BRANCH
Rahmania Super Market
(1st Floor), Holding# 52,
Kaliganj Bazar Road,
Kaliganj, Jhenaidah-9350
Phone: 8802477748486
Routing No: 270440795

47

KATAKHALI BRANCH
Katakhali More, Khulna-Mongla
Road, Fakirhat, Bagerhat-9370
Phone: 02-477755911
Routing No: 270010059

48

KDA C/A BRANCH
A-51, Mojid Sarani, Shib
Bari More, Khulna
Phone: 880-41-2830917
Routing No: 270470086

49

KERANIGONJ BRANCH
Aktar Tower, Bridze Road,
South Kadamtoli Aganagar,
South Keranigonj, Dhaka
Phone: (02) 7764456-57
Routing No: 270273641

50

KHAN JAHAN ALI MAZAR BRANCH
1st Floor, Khan Jahan Ali
Mazar Mor, Village: Ron-Bijoypur,
Union: Shat Gambuj,
Bagerhat.
Phone: 01787693661
Routing No: 270010141

51

KHARABAD BAINTOLA BRANCH
Sundarban Shopping Center,
Kharabad Baintola, Batiaghata
Khulna.
Phone: 01787-693781
Routing No: 270470060

52

KHATUNGONJ BRANCH
Achiya Mansion, 282,
Khatungonj, Chattogram
Phone: 031-623755,
031-633044
Routing No: 270154278

53

KHULNA BRANCH
Chamber Mansion, 1st Floor
5 KDA C/A, Jashore Road,
Khulna
Phone: 02-2477727227,
02-477730174
Routing No: 270471548

54

KUSHTIA BRANCH
262/2 Nurul Islam Tower,
N.S Road, Kushtia Sadar,
Kushtia-7000
Phone: 8802477782766
Routing No: 270500943

55

LOBONCHORA BRANCH
74/4-Ka Modina Tower,
Banda Bazar, Labonchora,
Shipyard-9201, Khulna
Phone: 041-722372-73
Routing No: 270471814

56

LOHAGARA BRANCH
Ice Park (2nd Floor),
Lohagara, Chattogram
Phone: 8802334458990
Routing No: 270150685

57

MALIGRAM BRANCH
Maligram Bazar, Bhanga,
Faridpur.
Phone: 01714 084 822
Routing No: 270291128

58

MAWNA BRANCH
Hazi Abdul Khaleque Master
Super Market, Mulaid, Telihati,
Sreepur, Gazipur.
Phone: (0447) 8984788
Routing No: 270331004

59

MEHENDIGONJ BRANCH
Amin Bhaban, 1st Floor,
Swarnoker Potti, Pater Hat
Bondor, Mehedniganj, Barishal.
Phone: 01711993144
Routing No: 270061361

60

MIRPUR BRANCH
Galaxy Hospital Bhaban.
(1st Floor), Plot-29, 30,
Block-Kha, Section-06
Mirpur-10, Dhaka
Phone: 88 02 48040409-12
Routing No: 270262986

61

MODUNAGHAT BRANCH
Kutub Market, 1st Floor,
South Madarsha, Hathazari,
Chattogram
Phone: 031-671542
Routing No: 270154757

62

MOHAKHALI BRANCH
4, Bir Uttam A.K Khandakar
Road, Mohakhali C/A,
Dhaka-1200
Phone: 02-55041041-3
Routing No: 270263198

63

MORRELGANJ BRANCH
Sapla Supar Market,
Bazer Main Road,
Morrelganj, Bagerhat.
Phone: 2477754213
Routing No: 270011032

64

MOUCHAK BRANCH
44, Scout Gate-1,
Mouchak Bazar, Kaliakoir,
Gazipur-1751
Phone: 01787693843
Routing No: 270330126

65

MOYNAMOTI BRANCH
Mostafa Palace and Hazi
Faruk Plaza, Nischintopur,
Moynamoti Cantonment,
Cumilla.
Phone: +8802334403730,
+8802334403740
Routing No: 270192827

66

MYMENSINGH BRANCH
Akil & Brothers, 19,
Borobazar, Mymensingh.
Phone: 8802996661477
Routing No: 270611753

67

NARAYANGANJ BRANCH
Holding No. 71 (Old),
99 (New) B.B Road,
Ukilpara, Narayanganj
Phone: 88 02 7647593
88 02 47650791
Routing No: 270671180

68

NARSINGDI BRANCH
Iddris Mansion, H/N-155,
Sutta Patti Road, W/N:
04,Narsingdi\nSadar,
Narsingdi.
Phone: 01787693787
Routing No: 270680850

69

NASIRABAD BRANCH
89/304, Yakub Trade Centre
(1st Floor), East Nasirabad,
Chattogram
Phone: 88 02 334453879
Routing No: 270155530

70

NATORE BRANCH
Taranga Shopping Complex
(1st & 2nd Floor), 555
Kanaikhali, Natore Sadar,
Natore-6400.
Phone: +8802587736030
(D), +8802588873030
Routing No: 270691094

71

NAWABPUR BRANCH
Dawood Center (1st & 2nd
Floor), 42, Nawabpur Road,
Dhaka-1100
Phone: 02-41051915-18
Routing No: 270274729

72

NAZIPUR BRANCH
Harirampur, Dhamoirhat
road, Nazipur, Patnitala,
Naogaon
Phone: 07428-63141
07428-63142
Routing No: 270641244

73
PALASHBARI BRANCH
Zannat Lodge (1st Floor),
Kalibari Bazar Road, Palashbari,
Gaibandha
Phone: 025899 84313
Routing No: 270321098

74
PANTHAPATH BRANCH
Salim Center, 19/2 West
Panthapath, Dhaka-1205
Phone: 02-48117052
Routing No: 270263619

75
PRAGATI SARANI BRANCH
Manama MS Toren,
Holding No-GA-99/3/
A&B, Pragati Sarani,
Middle Badda, Dhaka-1212
Phone: 8802222298248
Routing No: 270263701

76
PRINCIPAL BRANCH
Zaman Chamber, 47 Dilkusha
C/A, Dhaka-1000
Phone: (02)-223357376,
(02)-223357347,
(02)-223357348
Routing No: 270275357

77
RAJSHAHI BRANCH
A.R.C Bijoy Tower (1st &
2nd Floor), Holding #30,
Ranibazar, Rajshahi
Phone: (0721)-773375,7
73653, 773395, 773693
Routing No: 270811937

78
RAMGANJ BRANCH
Ruby Plaza, 173, Baipas Road,
Ramgonj, Lakshmipur
Phone: 88 01711116916
8801787693863
Routing No: 270511037

79
RANGPUR BRANCH
Paper Palace Tower, 1st
Floor, Payra Chattar,
Central Road, Sadar,
Rangpur
Phone: 01787-693643
Routing No: 270851450

80
SARBOLOKKHONA BRANCH
House 26(1st Floor),
Bagher Bita Bazar,
Sarbolokkhana, Monohardi,
Narsingdi
Phone: 01787-693938
Routing No: 270680155

81
SATKHIRA BRANCH
Holding #44/46 (Gr. Floor),
Sultanpur, Satkhira Sadar,
Satkhira
Phone: (0471)-63806,
63804, 63810
Routing No: 270871098

82
SBAC CORPORATE BRANCH
BSC Tower, (2nd - 3rd
Floor) 2-3 Rajuk Avenue,
Motijheel, Dhaka-1000
Phone: 01787693652
Routing No: 270270628

83
SHIBU MARKET BRANCH
Kutub Ail, Khijirpur,
Fatullah, Narayangonj
Phone: 7635122, 7635123
Routing No: 270671551

84
SHYAMNAGAR BRANCH
469, Moti moral Supar
Market (1st Floor),
Badghata, Shyamnagar,
Satkhira
Phone: (04726)-44182,
44063
Routing No: 270871214

85
SYLHET BRANCH
Sylmart Complex,
11-Noya Sorok, Zinda
Bazar, sylhet
Phone: 0821-726297
Routing No: 270913556

86
TAKERHAT BRANCH
352, Bankpara (Near of
Fish Market),Takerhat
Bazar, Madaripur
Phone: 88 02 478812091
Routing No: 270540761

87
TANGAIL BRANCH
Ekota Tower (1st & 2nd
floor), Holding: 570-01,
Main Road, Tangail Sadar,
Tangail.
Phone: 01787693841
Routing No: 270932290

88
TEJGAON LINK ROAD BRANCH
1st Floor, Shanta Western
Tower, 186, Bir Uttam Mir
Shawkat Ali Road, Tejgaon
I/A, Dhaka.
Phone: 02-8878995
Routing No: 270264526

89
UTTARA BRANCH
Nandan Dipty, Holding No-5,
Ward No-1, Sector-3,
Rabindra Sharani Road,
Uttara, Dhaka-1230.
Phone: 41090748, 41090750
41090759
Routing No: 270264634

90
VELANAGAR BRANCH
Mahbub Molla Concord
Tower, (1st Floor), Jail
Khana Moor, Narsingdi
Sadar, Narsingdi
Phone: 02-9452487, 9452488
Routing No: 270681396

SUB-BRANCH

1

AFTABGANJ SUB-BRANCH
Aftabganj, 9 no kushdaha Union, Nababganj Dinajpur
Phone: 01787693935
Routing No: 270280676

2

BAGERHAT SUB-BRANCH
Mitha Pukur Par, Standard Bank Building (1st floor), Bagerhat Sadar, Bagerhat
Phone: 01916747174
Routing No: 270010141

3

BARURA SUB-BRANCH
Kazi Tower, 502 Borura Uttar Bazar, Barura,Cumilla
Phone: 01811315531
Routing No: 270190074

4

BIRAMPUR SUB-BRANCH
Niyamot Plaza, Holding- 405, Road:- Dhaka-Dinajpur Highway, PO:-Blrampur-5266, Thana- Birampur, District: Dinajpur
Phone: 01787693643
Routing No: 270280676

5

BOTESHWAR SUB-BRANCH
Hasin Complex, Boteswor, Khadimpara Union, Sylhet.
Phone: 01711300556
Routing No: 270911787

6

CHARFESSON SUB-BRANCH
Haji Mozibol Haque Supar Market, sadar Road Sharif Para, Charfesson Pourosova, Bhola
Phone: 01716400907
Routing No: 270090103

7

DANIA SUB-BRANCH
62, Barnamala Adarsha School Road, Dania, Kadamtoli, Dhaka 1236.
Phone: +88 02 223341549
Routing No: 270272563

8

DHUPCHANCHIA SUB-BRANCH
Dhupchanchia CO Office Road, Walton Plaza (1st Floor), Dhupchanchia, Bogura
Phone: 01711344240
Routing No: 270100372

9

FAKIRHAT SUB-BRANCH
Khan Zahid Hasan Supar Market, Fakirhat Bazer, Fakirhat, Bagerhat
Phone: 01777636336
Routing No: 270010091

10

GOPALPUR SUB-BRANCH
Munshi Super Market, Jutta Potti Road, Word No. 4, Gopalganj Sadar
Phone: 01714747065
Routing No: 270350098

11

GOPALPUR SUB-BRANCH
Niketon (Ground Floor), Holding: 145, Gopalpur Bazar Road, (Beside Railway Station), Gopalpur,Lalpur, Natore
Phone: 01717854356
Routing No: 270691094

12

HATIRPUL SUB-BRANCH
Taher Plaza (1st Floor), 158, C R Dutta Road,Dhaka
Phone: 01763200100
Routing No: 270263619

13

INDIRA ROAD SUB-BRANCH
Rahaman Plaza, 21 Indira Road Farmgate, Dhaka
Phone: +880 1787-693811
Routing No: 270263619

14

JATRABARI SUB-BRANCH
99, Shahid Faruk Road, Jatrabari, Dhaka
Phone: 02-223343452
02-223343457
Routing No: 270274729

15

KALAROA SUB-BRANCH
Ali Super Market,Shahid Muktijoddha Sara
Ward no: 02, Pouroshava: Kalaroa, Kalaroa, Satkhira
Phone: 01711309159
Routing No: 270871098

16

LAXMIPUR SUB-BRANCH
Holding #188; Word # 06; Grater Road; Laxmipur; Rajpara, Rajshahi.
Phone: 01741778042
Routing No: 270811937

17

MADHABDI SUB-BRANCH
Holding No. 209, Bank Road, Madhabdi, Narsingdi
Phone: 01758282073
Routing No: 270680100

18

MONGLA SUB-BRANCH
Pouro Market,Sheikh Abdul Hai Shorok,Ward no:05, Mongla, Mongla, Bagerhat
Phone: 01727245155
Routing No: 270010404

19

MULADI SUB-BRANCH
Al Amin Tower, Holding no: 2391, Sadar Road, Muladi Pourashava, Muladi, Barishal
Phone: 01787693850
Routing No: 270060283

20

PACCHOR SUB-BRANCH
Babor Ali Sarker Building Pacchor Girls High School Road, Pacchor Bazar Madbererchar, Shibchar, Madaripur
Phone: 01714790820
Routing No: 270291128

21

PADUAR BAZAR BISHWA ROAD SUB-BRANCH
Noman Complex, H#640 Laksam Road, Cumilla
Phone: 01811315531
Routing No: 270191152

22

PIRGANJ SUB-BRANCH
Hazi Tower (1st Floor), Holding: 912-16, Shahid Ziaur Rahman Sarak, Word No: 7 Pirganj Pourasova, Pirganj Thakurgaon
Phone: 01554528036
Routing No: 270280371

23

PIROJPUR SUB-BRANCH
71/1, Jahanara Manson Hospital road
Phone: 01818386233
Routing No: 270790137

24

RAYENDA BAZAR SUB-BRANCH
Kapuri Garments Potti, Rayenda Bazar, Sarankhola, Bagerhat
Phone: 0465-656418
Routing No: 270011032

25

REAZUDDIN BAZAR SUB-BRANCH
Abdullah Tower (1st and 2nd Floor), Abdullah Siddiqui Road, Kotowali Chattagram
Phone: 01787693608
Routing No: 270153640

26

RUPATOLI SUB-BRANCH
Sikdar Tower, Rupatoli Sarak, Barisal City Corporation, Barishal
Phone: (0431)2177718 2177714
Routing No: 270060283

27

SHAHI EIDGAH SUB-BRANCH
RTM Al Kabir Technical University, RTM Point
TB Gate, East Shahi Eidgah Sylhet
Phone: 01711667511
Routing No: 270913556

28

SHERPUR SUB-BRANCH
Mohammad Ali Complex
Dhaka - Bogura Highway
Sherpur, Bogura
Phone: 01798111583
Routing No: 270100372

29

TANBAZAR SUB-BRANCH
Easteem Bhaban, 38 S.M. Maleh Road, Tanbazar, Narayanganj
Phone: 01913691726
Routing No: 270671180

30

THERMAX SHILPO SUB-BRANCH
Thermax Yarn Dyed Fabrics Ltd. Compound, Karardi Putia, Shibpur, Narsingdi
Phone: 01913335253
Routing No: 270681396

31

TRUNK ROAD SUB-BRANCH
Shiraji Bhaban Holding: 356, Trunk Road, Word No: 10, Feni Pourosova, Feni
District: Dinajpur
Phone: 8801787693785
Routing No: 270300527

32

YUSUF MARKET SUB-BRANCH
Sarker Shooping Complex, Yusuf Ali Market (1st Floor), Dhanik, Ashulia, Dhaka.
Phone: 01722801705
Routing No: 270260225

SBAC BANK

কেনাকাটা হোক আরও সহজে !

এসবিএসি কার্ড-এ

24/7
16327

SUPLEMENTARY INFORMATION

GLIMPSES OF DIVERSIFIED SECTORAL FINANCING

BSRM Industrial Complex

Production plant of BSRM

Factory Building Oriental Fashion Ltd.

Production undergoing at Oriental Fashion Ltd.

Top Tex Sweater Ltd.

Production undergoing at Top Tex Sweater Ltd.

Beverage production unit of Habiganj Industrial Park

Production going on at Habiganj Agro

GLIMPSES OF
OUR MAJOR EVENTS

Annual Business Conference
BIZCON 2026

SBAC Bank's steping into 14 Years

Annual Risk Conference-2025

Blanket Distribution by Hon'ble Director
Maj. Abu Fateh Md Bashirur Rahman (Retd.)

International Women's Day Celebration
by SBAC Bank PLC.

Meeting of the
Shariah Supervisory Committee

Agreement Signing with
Mana Bay Water Park

Agreement Signing with
United Healthcare

Tarrunner Utshob-2025
Celebrated by SBAC Bank Family

Participation at Career Fair
at University of Dhaka

Participation at the Hult Prize
Organized at BUET

Completion of MTO Training by
SBAC Bank Training Institute

SBAC Bank PLC.

Head Office: BSC Tower, 2-3 Rajuk Avenue, Motijheel C/A, Dhaka-1000, Bangladesh.

PROXY FORM

I/We.....Of (Address).....being a Member(s) of SBAC Bank PLC. and entitled to participate & vote at the AGM, hereby appoint Mr./Mrs./Ms /Miss.....Of (Address).....as my/our Proxy to participate and vote on my/our behalf at the 13th AGM of the Company to be held through Hybrid System in combination of both Online (Virtual/Digital) Platform using Link: https://sbacbank.bdvirtualagm.com and Physical Presence at RAOWA Convention Center, VIP Road, Mohakhali, Dhaka-1206, Bangladesh, at 11:00 AM (BST) on Monday, June 15, 2026 or at any adjournment thereof.

Signed this .....day of ....., 2026.

Signature of Proxy .....

Signature of Member .....

Folio No./ BO ID No. .....

No. of Shares held .....

Stamp(s) of Tk. 100/-

N.B: This Proxy Form, duly completed (as recorded with the Bank) and signed (in accordance with the specimen signature recorded with Bank), must be sent through email at cs@sbacbank.com / deposited at the Registered Office of the Company no later than 72 (seventy two) hours before commencement of the AGM. Proxy is invalid if not signed and stamped as explained above.

ATTENDANCE SLIP

I hereby record my participation at the 13th AGM of the Company to be held through Hybrid System in combination of both Online (Virtual/Digital) Platform using Link: https://sbacbank.bdvirtualagm.com and Physical Presence at RAOWA Convention Center, VIP Road, Mohakhali, Dhaka-1206, Bangladesh, at 11:00 AM (BST) on Monday, June 15, 2026 or at any adjournment thereof.

Name of Member/Proxy (In Block Letters) : .....

Folio No./ BO ID No. : .....

No. of Shares held : .....

Signature of the Member/Proxy : .....

Date : .....

SBAC Bank PLC.

Head Office:
BSC Tower, 5th-16th Floor, 2-3 Rajuk Avenue, Motijheel C/A, Dhaka 1000, Bangladesh.
Phone: +88(02) 41052811-814, 09611-016327 (From Overseas), 16327 (24/7 Hotline)
Web: sbacbank.com, SWIFT: SBACBDDH