

**INDEPENDENT AUDITORS' REPORT
AND AUDITED FINANCIAL STATEMENTS
OF
Shimanto Bank PLC.
AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2025**



**Independent Auditors' Report
To the Shareholders of Shimanto Bank PLC.
Report on the Audit of the Financial Statements**

Opinion

We have audited the financial statements of Shimanto Bank PLC., which comprise the balance sheet as at 31 December 2025, and the profit and loss account, the statement of changes in equity and the cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Bank as at 31 December 2025, and of its financial performance and its 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 2.00.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interested 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

We draw attention to note 2.00 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.

Other information

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

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

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 Rules and Regulation issued by Bangladesh Bank and IFRS Accounting Standards as issued by the IASB as explained in note 2.00 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

Auditors' 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 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 the 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 Bank'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 Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's



report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Bank audit to obtain sufficient appropriate audit evidence regarding the financial information of the entity as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Bank 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 that there are no matters that were of most significance in the audit of the financial statements of the current period and therefore there are no such matters to communicate in our auditor's report.

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 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 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) 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 Financial Statements section in forming the above



opinion on the 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 Financial Statements and Internal Controls:

- (a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;
- (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank.
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 3,000 person hours;
- (xi) Capital to Risk-weighted Asset Ratio (CRAR), Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) as required by Bangladesh Bank has been maintained adequately as at 31 December 2025;
- (xii) 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

For and on behalf of

Zoha Zaman Kabir Rashid & Co.,
Chartered Accountants
FRC Enlistment No.: CAF-001-135

Muhammad Rezaul Islam FCA
Partner
Enrolment Number: 1750
DVC: 2604291750AS792079

Dated: Dhaka
29 April 2026

Shimanto Bank PLC.
Balance Sheet
As at 31 December 2025

Particulars	Notes	Amount in Taka	
		31-Dec-25	31-Dec-24
Property and Assets			
Cash	4.00	1,891,461,225	1,568,118,833
Cash in Hand (Including Foreign Currency)	4.01	578,264,554	493,272,800
Balance with Bangladesh Bank and its Agent Bank (s) (Including Foreign Currency)	4.02	1,313,196,671	1,074,846,033
Balance with Other Banks and Financial Institutions	5.00	688,511,128	826,131,019
In Bangladesh	5.01	582,008,157	582,885,511
Outside Bangladesh	5.02	106,502,971	243,245,508
Money at Call on Short Notice	6.00	747,880,000	880,000,000
Investments	7.00	10,968,962,428	7,774,761,545
Government	7.01	6,660,789,819	4,089,368,138
Others	7.02	4,308,172,609	3,685,393,407
Loans and Advances	8.00	25,094,320,926	20,341,282,630
Loans, Cash Credits, Overdrafts etc.	8.01	25,091,208,323	20,341,282,630
Bills Purchased and Discounted	8.02	3,112,603	-
Fixed Assets Including Premises, Furniture and Fixtures	9.00	328,660,954	384,778,210
Other Assets	10.00	1,778,116,829	1,237,627,258
Non-Banking Assets		-	-
Total Assets		41,497,913,490	33,012,699,495
Liabilities and Capital			
Liabilities			
Borrowings from Other Banks, Financial Institutions and Deposits and Other Accounts	11.00	15,505,550	33,500,890
Current Deposits and Other Accounts	12.00	32,761,212,055	25,354,108,807
Current Deposits and Other Accounts	12.01	947,471,997	926,782,826
Bills Payable	12.02	490,938,149	597,422,139
Savings Bank Deposit Accounts	12.03	2,179,808,098	1,886,658,703
Special Notice Deposits Accounts	12.04	5,900,522,214	4,921,445,991
Fixed Deposit Accounts	12.05	22,592,465,221	16,522,260,342
Other Deposits	12.06	650,006,376	499,538,806
Other Liabilities	13.00	3,768,761,311	1,853,027,201
Total Liabilities		36,545,478,916	27,240,636,898
Capital/Shareholders' Equity			
Total Shareholders' Equity		4,952,434,574	5,772,062,597
Paid-up Capital	14.02	5,250,000,000	5,000,000,000
Statutory Reserve	15.00	510,129,253	510,129,253
Retained Earnings	16.00	(818,193,792)	257,030,669
Other Reserves	17.00	10,499,113	4,902,675
Total Liabilities and Shareholders' Equity		41,497,913,490	33,012,699,495



Shimanto Bank PLC.
Balance Sheet
As at 31 December 2025

Particulars	Notes	Amount in Taka	
		31-Dec-25	31-Dec-24
Off-Balance Sheet Items			
Contingent Liabilities	18.00	3,382,604,674	1,915,874,185
Acceptances and Endorsements	18.01	473,109,692	252,079,536
Letters of Guarantee	18.02	2,396,902,137	1,347,205,696
Letters of Credit	18.03	428,816,093	190,368,226
Bills for Collection	18.04	83,776,752	126,220,727
Other Contingent Liabilities		-	-
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		-	-
Total Off-Balance Sheet Items including Contingent Liabilities		3,382,604,674	1,915,874,185
Net Asset Value (NAV) per Share [Restated: 2024]	41.00	9.43	10.99

The annexed notes from 1 to 47 form an integral part of these financial statements.

 Chairman
 Director
 Director
 Managing Director & CEO

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


 Muhammad Rezaul Islam FCA
 Partner
 Zoha Zaman Kabir Rashid & Co., Chartered Accountants
 Enrolment No: 1750
 FRC Enlistment No.: CAF-001-135
 DVC No : 2604291750AS792079

Dated, Dhaka
April 29, 2026



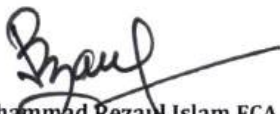
Shimanto Bank PLC.
Profit and Loss Account
For the year ended 31 December 2025

Particulars	Notes	Amount in Taka	
		Jan-Dec' 2025	Jan-Dec' 2024
Interest Income	20.00	2,637,860,383	2,133,549,810
Interest paid on Deposits and Borrowings etc	21.00	(1,934,269,937)	(1,400,831,075)
Net Interest Income		703,590,446	732,718,735
Investment Income	22.00	681,083,149	548,534,320
Commission, Exchange and Brokerage	23.00	41,534,861	24,070,347
Other Operating Income	24.00	160,046,817	139,177,535
		882,664,827	711,782,202
Total Operating Income (a)		1,586,255,273	1,444,500,937
Salaries and Allowances	25.00	432,093,720	391,311,650
Rent, Taxes, Insurance, Electricity etc.	26.00	64,886,652	57,637,842
Legal Expenses	27.00	6,340,712	2,853,880
Postage, Stamp, Telecommunication etc.	28.00	17,707,069	14,242,480
Stationery, Printings, Advertisements etc.	29.00	16,688,791	11,587,530
Chief Executive's Salary and Fees	30.00	5,882,278	10,823,636
Directors' Fees	31.00	3,400,464	1,860,049
Auditors' Fees	32.00	862,500	402,500
Charges on Loan Losses		-	-
Depreciation and Repairs of Bank's Assets	33.00	119,131,334	114,003,344
Other Expenses	34.00	169,368,897	132,902,051
		836,362,417	737,624,962
Total Operating Expenses (b)		836,362,417	737,624,962
Profit before Provision (c = (a-b))		749,892,856	706,875,975
Provision for:			
Provision for Loans and Advances	35.00	1,254,752,142	16,300,522
Provision for Diminution in Value of Investments	36.00	81,420	5,669,263
Other Provisions	37.00	389,921,660	12,820,636
		1,644,755,222	34,790,421
Total Provision (d)		1,644,755,222	34,790,421
Profit before Taxation (e=c-d)		(894,862,366)	672,085,554
Provision for Taxation (f)	38.00	(69,637,905)	274,726,931
Current Tax Expenses	38.01	291,861,897	286,072,471
Deferred Tax Expenses/(Income)		(361,499,802)	(11,345,540)
		(825,224,461)	397,358,623
Net Profit after Taxation (g=e-f)		(825,224,461)	397,358,623
Appropriations:	39.00		
Statutory Reserve	15.00	-	134,417,111
Start-Up Fund	13.08	-	3,973,586
Climate Risk Fund	13.09	-	2,305,692
		-	140,696,389
Retained Surplus		(825,224,461)	256,662,234
Earnings per Share (EPS) [Restated: 2024]	40.00	(1.57)	0.76

The annexed notes from 1 to 47 form an integral part of these financial statements.

 Chairman
 Director
 Director
 Managing Director & CEO

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


Muhammad Rezaul Islam FCA
 Partner
Zoha Zaman Kabir Rashid & Co., Chartered Accountants
 Enrolment No: 1750
 FRC Enlistment No.: CAF-001-135
 DVC No : 2604291750AS792079

Dated, Dhaka
April 29, 2026



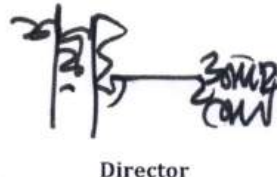
Shimanto Bank PLC.
Cash Flow Statement
For the year ended 31 December 2025

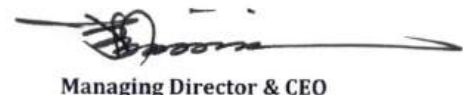
Particulars	Notes	Amount in Taka	
		Jan-Dec' 2025	Jan-Dec' 2024
A. Cash Flows from Operating Activities			
Interest Receipts in Cash		2,589,488,745	2,136,713,220
Interest Payments		(1,830,954,722)	(1,247,556,577)
Dividend Receipts		267,258,585	140,328,648
Income from Investment		359,838,864	299,779,188
Fees and Commission Receipts in Cash		41,534,861	24,070,347
Cash Payments to Employees		(437,975,998)	(402,135,286)
Cash Payments to Suppliers		(16,688,791)	(11,587,530)
Income Taxes Paid		(340,410,486)	(167,235,305)
Receipts from Other Operating Activities		156,891,732	119,835,894
Payments for Other Operating Activities	44.00	(266,384,179)	(212,959,015)
(I) Operating Profit before Changes in Operating Assets and Liabilities		522,598,611	679,253,583
Change in Operating Assets and Liabilities			
Loans and Advances to Customers		(4,753,038,296)	(4,326,491,536)
Other Assets	42.00	(6,355,925)	(30,389,229)
Deposits from Customers		7,289,101,296	6,527,765,817
Other Liabilities	43.00	243,546,613	210,573,553
(II) Cash Generated from Operating Assets and Liabilities		2,773,253,688	2,381,458,605
Net Cash Flow from/(used in) Operating Activities (A)=(I)+(II)		3,295,852,299	3,060,712,188
B. Cash Flows from Investing Activities			
Payments for Purchase of Government Securities		(2,565,604,743)	(1,793,064,505)
Proceeds from Sale of Other Securities		(622,779,202)	(448,569,549)
Purchase of Property, Plant and Equipment		(56,800,438)	(66,030,434)
Net Cash from/(used in) Investing Activities (B)		(3,245,184,383)	(2,307,664,488)
C. Cash Flows from Financing Activities			
Dividend Paid		-	-
Receipts from Issue of Ordinary Share		-	301,500,000
Net Cash Flow from/(used in) Financing Activities (C)		-	301,500,000
D. Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		50,667,916	1,054,547,700
E. Cash and Cash Equivalents at the beginning of the year		3,274,578,852	2,200,689,511
F. Effects of Exchange Rate Changes on Cash and Cash Equivalent		3,155,085	19,341,641
G. Cash and Cash Equivalents at the end of the year (*)		3,328,401,853	3,274,578,852
(*) Cash and Cash Equivalents at the end of the year:			
Cash in Hand (Including Foreign Currency)	4.01	578,264,554	493,272,800
Balance with Bangladesh Bank and its Agent Bank (s) (Including Foreign Currency)	4.02	1,313,196,671	1,074,846,033
Balance with other Banks and Financial Institutions	5.00	688,511,128	826,131,019
Money at Call on Short Notice	6.00	747,880,000	880,000,000
Prize Bonds		549,500	329,000
		3,328,401,853	3,274,578,852

The annexed notes from 1 to 47 form an integral part of these financial statements.


Chairman


Director


Director


Managing Director & CEO



Shimanto Bank PLC.
Statement of Changes in Equity
For the year ended 31 December 2025

Particulars	Amount in Taka				
	Paid-up Capital	Statutory Reserve	Other Reserve	Retained Earnings	Total Shareholders' Equity
Balance as at 01 January 2025	5,000,000,000	510,129,253	4,902,675	257,030,669	5,772,062,597
Net profit after tax for the year	-	-	-	(825,224,461)	(825,224,461)
Stock Dividend	250,000,000	-	-	(250,000,000)	-
Issue of Share Capital	-	-	-	-	-
Surplus on account of revaluation of investments	-	-	5,596,438	-	5,596,438
Start-Up Fund for the year of 2025	-	-	-	-	-
Climate Risk Fund for the year of 2025	-	-	-	-	-
Statutory Reserve	-	-	-	-	-
Balance as at 31 December 2025	5,250,000,000	510,129,253	10,499,113	(818,193,792)	4,952,434,574

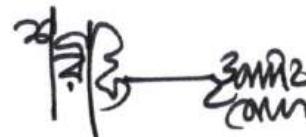
Particulars	Amount in Taka				
	Paid-up Capital	Statutory Reserve	Other Reserve	Retained Earnings	Total Shareholders' Equity
Balance as at 01 January 2024	4,530,000,000	375,712,142	7,030,311	168,868,435	5,081,610,888
Net profit after tax for the year	-	-	-	397,358,623	397,358,623
Stock Dividend	168,500,000	-	-	(168,500,000)	-
Issue of Share Capital	301,500,000	-	-	-	301,500,000
Surplus on account of revaluation of investments	-	-	(2,127,636)	-	(2,127,636)
Start-Up Fund for the year of 2024	-	-	-	(3,973,586)	(3,973,586)
Climate Risk Fund for the year of 2024	-	-	-	(2,305,692)	(2,305,692)
Statutory Reserve	-	134,417,111	-	(134,417,111)	-
Balance as at 31 December 2024	5,000,000,000	510,129,253	4,902,675	257,030,669	5,772,062,597


The annexed notes from 1 to 47 form an integral part of these financial statements.


Chairman




Director


Director


Managing Director & CEO

Shimanto Bank PLC.
Liquidity Statement
(Assets and Liabilities Maturity Analysis)
As at 31 December 2025

Particulars	Amount in Taka					
	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Assets						
Cash in Hand (Including Balance with Bangladesh Banks and its Agent Banks)	1,891,461,225	-	-	-	-	1,891,461,225
Balance with Other Banks and Financial Institutions	688,511,128	-	-	-	-	688,511,128
Money at Call on Short Notice	747,880,000	-	-	-	-	747,880,000
Investments	549,500	186,294,439	4,327,489,146	4,029,237,692	2,425,391,651	10,968,962,428
Loans and Advances	3,449,796,889	3,481,802,587	5,420,989,163	7,091,500,546	5,650,231,741	25,094,320,926
Fixed Assets Including Premises, Furniture and Fixtures	82,165,239	98,598,286	75,592,019	49,299,143	23,006,267	328,660,954
Other Assets	444,529,207	533,435,049	408,966,871	266,717,524	124,468,178	1,778,116,829
Non-Banking Assets	-	-	-	-	-	-
Total Assets (a)	7,304,893,188	4,300,130,360	10,233,037,199	11,436,754,905	8,223,097,837	41,497,913,490
Liabilities						
Borrowings from Other Banks, Financial Institutions and Agents	-	-	15,505,550	-	-	15,505,550
Deposits and Other Accounts	4,711,012,651	8,280,513,558	13,374,192,860	4,755,324,812	1,640,168,174	32,761,212,055
Other Liabilities	1,319,066,459	942,190,328	565,314,197	489,938,970	452,251,357	3,768,761,311
Total Liabilities (b)	6,030,079,110	9,222,703,886	13,955,012,607	5,245,263,782	2,092,419,531	36,545,478,916
Net Liquidity Surplus/Gap (a-b)	1,274,814,078	(4,922,573,526)	(3,721,975,408)	6,191,491,123	6,130,678,306	4,952,434,574

The annexed notes from 1 to 47 form an integral part of these financial statements.


Chairman


Director


Director


Managing Director & CEO



Shimanto Bank PLC.
Notes to the Financial Statements
As at and for the year ended 31 December 2025

1. The Bank and its activities

1.01 Legal form of the bank

Shimanto Bank PLC. (hereinafter referred to as "the Bank" or "SMBL") is a scheduled commercial bank established under the Banking Companies Act, 1991 (amended up to date) and incorporated as a Public Limited Company under the Companies Act, 1994 in Bangladesh on 14 July 2016 with the primary objective to carry on all kinds of banking business within and outside the boundary of Bangladesh. The Bank has Twenty Eight (28) branches and Eight (08) sub-branches operating in Bangladesh and the Bank has no overseas branch as at 31 December 2025.

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

1.02 Principal activities

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

2.00 Basis of preparation of financial statements and significant accounting policies

2.01 Statement of compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) was formed in 2017 and has since then adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as banks with effect from 2 November 2020.

The financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRSs), including IASs as adopted by the Financial Reporting Council (FRC) under the Financial Reporting Act 2015 (FRA) and the requirements of the Bank Company Act 1991 (as amended up to 2023), the rules and regulations issued by Bangladesh Bank (BB), the Companies Act 1994, Income Tax Act 2023, the Value Added Tax and Supplementary Duty Act 2012, the Value Added tax and Supplementary Duty Rules 2016. In case any requirement of the Bank Company Act 1991 (as amended up to 2023), and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs (including IASs), the requirements of the Bank Company Act 1991 (as amended up to 2023), and provisions and circulars issued by Bangladesh Bank regulations shall prevail.

Material departures from the requirement of IFRS are as follows:

i) Presentation of financial statements

IFRS: As per IAS 1 a complete set of financial statements comprises statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows, adequate notes comprising summary of accounting policies and other explanatory information. As per Para 60 of IAS 1, the entity shall also present current and non-current assets and current and non-current liabilities as separate classifications in its statement of financial position.

Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, changes in equity, liquidity statement) and certain disclosures therein are guided by the 'First Schedule' (section 38) of the Banking Companies Act, 1991 (amended up to 2023) 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, mutual fund and other securities

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

Bangladesh Bank: Provision for diminution of value of quoted shares, mutual funds (closed-end) and bonds has been made on 'portfolio basis' netting off gain following DOS circular letter no. 1 dated 24 May 2023 and provision for diminution of value of unquoted shares and mutual funds has been made on the basis of net worth (Assets - Liabilities) of shares and surrender price of mutual funds respectively.

In accordance with International Financial Reporting Standards (IFRS), the Bank had previously reported its investments in listed securities at market value. However, pursuant to Bangladesh Bank's directive (Reference No. DOS(RMMCMS)1154/33/2025-6286, dated October 10, 2025), the Bank is required to present the cost value of listed securities in the Balance Sheet. Accordingly, the listed securities are presented at cost value in Balance Sheet as of December 31, 2025 to comply with said instruction.

iii) Revaluation gains/losses on government securities

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

Bangladesh Bank: According to DOS circular no. 05 dated 26 May 2008 and subsequent clarification in DOS circular no. 05 dated 28 January 2008, HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

iv) Provision on loans and advances

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

Bangladesh Bank: As per BRPD circular No.15 (27 November 2024), BRPD circular No. 05 (25 June 2025) and BRPD circular No. 22 (13 October 2025) a general provision at 1% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Such provision policies are not specifically in line with those prescribed by IFRS 9.

v) Other comprehensive income and appropriation of profit

IFRS: As per the requirements of IAS 1 Presentation of Financial Statements, Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income Statement. IFRSs do not require appropriation of profit to be shown on the face of the statement of comprehensive income.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which are to be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.



vi) Financial instruments – presentation and disclosure

As per BB guidelines, in certain cases financial instruments are categorized, recognized, measured and presented differently from those prescribed in IFRS 9: Financial Instruments and IFRS 7 Financial Instruments: Disclosures. As such full disclosure and presentation requirements of IFRS 7 & IAS 32 cannot be made in the financial statements.

vii) Financial guarantees

IFRS: As per IFRS 9, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are 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 25 June 2003, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin. As per BRPD Circular no.01 dated 3 January 2018 and BRPD Circular no. 06 dated 25 April 2023, banks are advised to maintain general provision against outstanding off balance sheet exposures on the basis of exposures nature and duration as mentioned in note 3.02.05.

viii) Cash and cash equivalent

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

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

ix) Non-banking assets

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

Bangladesh Bank: As per BRPD Circular No. 14, dated 25 June 2003, there must exist a face item named Non-Banking Asset which has to be recognized as per BRPD Circular No. 22, dated 20 September 2021.

x) Cash flow statement

IFRS: Cash flow statement can be prepared either in direct method or indirect method as per IAS 7. The presentation method is selected to present cash flow information in a manner that is most suitable for the business or industry. Whichever method selected should be applied consistently.

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

xi) Presentation of intangible asset

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

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

xii) Balance with Bangladesh Bank: (Cash Reserve Requirement)

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



Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

xiii) Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

xiv) Loans and advances net of provision

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

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

xv) Income tax on income from treasury bills/bonds

IFRS: Current tax and deferred tax is computed considering the relevant tax law enacted in the country where the entity operates and should be recognised as per the requirements of IAS 12.

Bangladesh Bank: As per minutes of tripartite meeting held on 23 March 2022, income tax on interest from treasury bills/bonds is considered on accrual basis while making provision for income tax which was previously considered on cash basis. Accordingly, current tax expenses is recognised for income from treasury bills/bonds which was previously recognised as deferred tax.

2.02 Basis of measurement

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

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

Zero coupon bond at present value using amortization concept.

2.03 Functional and presentation currency

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

2.04 Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected. The most significant areas where estimates and judgements have been made are on provision for loans and advances, income tax, deferred tax, employee benefits and liquidity statement. Key estimates include:

- (i) Provision for loan and advances-as explained in note 3.02.04
- (ii) Provision for income tax-as explained in note 3.09
- (iii) Provision for gratuity-as explained in note 3.08
- (iv) Depreciation of fixed assets-as explained in note 3.01.04.03
- (v) Amortization of intangible assets-as explained in note 3.01.04.03
- (vi) Employee benefits-as explained in note 3.08
- (vii) Commitments -as explained in note 3.04
- (viii) Contingencies -as explained in note 3.04



2.05 Foreign currency transaction

According to IAS 21 The Effects of Changes in Foreign Exchange Rates transactions in foreign currencies are recorded in the functional currency at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Translation of foreign currency operations

The results of financial statements of any foreign operation (including subsidiaries, off-shore banking unit, etc.) whose functional currency is not Bangladeshi Taka are translated into Bangladeshi Taka as follows:

-assets and liabilities for each statement of balance sheet have been translated at the closing rate on the date of the balance sheet.

-income and expenses for the profit and loss account have been translated at average rate.

Foreign currency differences are recognised and accumulated in the foreign currency translation reserve.

2.06 Cash flow statement

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

2.07 Comparative information

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

2.08 Reporting period

These financial statements of the Bank cover a calendar year from 01 January 2025 to 31 December 2025.

2.09 Dividend

Dividend on ordinary shares is recognised as a liability and deducted from retained earnings when they are approved by shareholders at the Annual General Meeting (AGM) of the Bank.

2.10 Statement of changes in equity

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

2.11 Liquidity statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on the following basis:

Particulars	Basis
Cash, balance with other banks and financial institutions, money at call and short notice, etc.	Stated maturity/observed behavioural trend
Investments	Residual maturity term
Loan and advance/investment	Repayment /maturity schedule and behavioural trend (non-maturity products)
Fixed assets	Useful life
Other assets	Realisation/amortisation basis
Borrowing from other banks and financial institutions	Maturity/repayment term
Deposits and other accounts	Maturity/behavioural trend (non-maturity products)
Other long term liabilities	Maturity term
Provisions and other liabilities	Settlement/adjustment schedule basis



2.12 Going Concern

The accompanying financial statements have been prepared on a going concern assumption that the Bank will continue in operation over the foreseeable future.

3.00 Significant accounting policies

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

3.01 Assets and basis of their valuation

3.01.01 Cash and cash equivalents

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

3.01.02 Investments

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

Held to maturity (HTM)

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

Held for trading (HFT)

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

Investment in unquoted securities

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

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

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

Value of investment has been shown as under:

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



3.01.03 Loans, advances and provisions

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

Interest is calculated on daily product basis, but charged and accounted for quarterly on accrual basis. Interest on classified loans and advances is kept in interest suspense account as per BRPD circulars no. 15 dated November 27, 2014 Master Circular: Loan Classification and Provisioning. Interest is not charged on bad and loss loans and advances as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

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

General provisions @ 0.50% to 5% under different categories on unclassified loans (standard/SMA) and specific provisions @ 20%, 50% & 100% on classified (substandard/doubtful/bad loss) loans are made on the basis of quarter end review by the management and instructions contained in BRPD Circular no. 15, dated 27 November 2024 (Master Circular: Loan Classification and Provisioning), BRPD Circular no. 16, dated 18 July 2022 and BRPD Circular no. 29, dated 21 December 2025, subsequent circulars issued till 2025.

Types of loans and advances	Provision						
	STD-0	STD-1	STD-2	SMA	SS	DF	BL
Agricultural Credit	1.00%	1.00%	1.00%	5.00%	20.00%	50.00%	100.00%
CMSME Financing	0.50%	0.50%	0.50%	0.50%	20.00%	50.00%	100.00%
Credit Card	1.00%	1.00%	1.00%	5.00%	20.00%	50.00%	100.00%
Industrial Credit	1.00%	1.00%	1.00%	5.00%	20.00%	50.00%	100.00%
Service Sector Credit	1.00%	1.00%	1.00%	5.00%	20.00%	50.00%	100.00%
Trade & Commerce Sector	1.00%	1.00%	1.00%	5.00%	20.00%	50.00%	100.00%
Other Credit	1.00%	1.00%	1.00%	5.00%	20.00%	50.00%	100.00%
Consumer Financing	1.00%	1.00%	1.00%	5.00%	20.00%	50.00%	100.00%
Housing Finance	1.00%	1.00%	1.00%	5.00%	20.00%	50.00%	100.00%
Short Term Agri. Credit	0.50%	0.50%	0.50%	0.50%	20.00%	50.00%	100.00%

3.01.04 Property, plant and equipment and depreciation

3.01.04.01 Recognition and measurement

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

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

3.01.04.02 Subsequent costs

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

3.01.04.03 Depreciation

Depreciation is charged at the following rates on all fixed assets on the basis of estimated useful lives as determined by fixed asset policy of the Bank. Depreciation will be calculated from the month of acquisition. Depreciation of the assets will be charged from the month of acquisition (for full month) before depreciation run in the system and no depreciation will be charged for the month when the assets are disposed. In all cases depreciation on addition is calculated using the straight line method. Depreciation on assets begins when the assets are available for use.



Category of fixed assets	Rate	Estimated Useful Lives (Years)
Core Banking Software (CBS, Card Management, Trade, Treasury & AML)	10%	10
Software (Other than Subscription License)	20%	5
Software (Subscription License)	33.33%	Subscription Period
Furniture and Fixture	10%	10
Computer and Network Equipment	20%	5
Electromechanical Equipment	10%	10
Machineries and Equipment	20%	5
IT Equipment	33.33%	3
Right of Use Asset (Leased Asset)	Lease Tenor	40 or Lease Tenor
Building	2.50%	40
Land and Land Development	-	-
Vehicle	12.50%	8

3.01.04.04 Disposal of assets

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

3.01.05 Intangible assets

Recognition of intangible assets

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

Amortization of intangible assets

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

Impairment of fixed assets

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

3.01.06 Leased assets

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

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

The right to direct the use of asset

The Bank as a lessee (Note-9)

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



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

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

Measurement and recognition of leases as a lessee

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

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

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

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

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

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

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

3.01.07 Other assets

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

3.01.08 Non-banking assets

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

3.01.09 Inventories

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

3.02 Liabilities and provisions

3.02.01 Borrowings from other banks, financial institutions and agents

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

3.02.02 Deposits and other accounts

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



3.02.03 Other liabilities

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

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

3.02.04 Provision for loans and advances

Provision for classified loans and advances is made on the basis of quarter-end review by the management and instructions contained in BRPD circular no. 14 dated 23 September 2012 (amendment on 21 April 2019), BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 16 dated 18 November 2014 and other subsequent circulars till 2025. Details are stated in Note 13.01 to these

3.02.05 Provision for off-balance sheet exposures

As per BRPD circular no. 14 dated 23 September 2012 and subsequent circular reference no. 06 dated 25 April 2023, banks are advised to maintain general provision against outstanding off balances sheet exposures on the basis of exposures nature and duration, considering the exemption as provided through BRPD circular no.09 (27 May 2019), BRPD circular no.02 (25 February 2019), BRPD circular no.13 (18 October 2018), BRPD circular no.7 (21 June 2018), BRPD circular no.01 (03 January 2018) and BRPD circular letter no. BPRD (P-1)/661/13/2020-1403 (05 February 2020) and BRPD circular letter no. BPRD(P-1)/661/13/2019-354 (13 January 2020). Required rates of general provision are:

Nature of Exposure	Required rate of General Provision
Acceptances And Endorsements	1.0%
Letters of Guarantee	
Not Covered by Any Counter Guarantee	1.0%
Covered by Counter Guarantee of Government	0.0%
Covered by Counter Guarantee by	
BB rating -1	0.0%
BB rating -2	0.5%
BB rating 3 & 4	0.8%
Letters of Credit	
Short-term self-liquidating trade LC	0.5%
Other LCs including LC as guarantee or confirmation	1.0%
Bills For Collection	0.0%
Other Contingent Liabilities	
With an original maturity up to one year	0.5%
With an original maturity over one year	1.0%
Nature of Exposure	Required rate of General Provision
Other Commitments	
Unconditionally cancellable	0.0%
With certain drawdown	1.0%
Others with an original maturity up to one year	0.5%
Others with an original maturity over one year	1.0%
In addition to aforesaid minimum general provision, banks are also required to maintain additional provision against expired off-balance sheet exposures and exposures under litigation at following rates:	
Criteria	Required rate of Additional Provision
03 (three) months or beyond but less than 12 (twelve) months.	1.0%
12 (twelve) or beyond but less than 24 (twenty four) months.	2.0%
24 (twenty four) months or beyond	5.0%
Exposure under litigation	5.0%



3.02.06 **Provision for other assets**

According to Bangladesh Bank's BRPD circular no.04, dated 12 April 2022, other assets are required to be classified as unclassified, doubtful and bad/loss based on the basis of outstanding period and uncertainty of recovery. Based on classification status provision is required to be maintained @ 50.0% for doubtful and @ 100.0% for bad/loss.

3.02.07 **Provisions on balances with other banks and financial institutions (Nostro accounts)**

According to Bangladesh Bank's BRPD circular no.04, dated 12 April 2022, balance with nostro accounts are required to be categorised as unclassified, doubtful and bad/loss based considering uncertainty of adjustment and unadjusted period. Provision is required to be maintained @ 50.0% for doubtful and @ 100.0% for bad/loss. In compliance with Foreign Exchange Policy Department (FEPD) circular letter no. FEPD (FEMO) / 01/2005-677 dated 13 September 2005 of Bangladesh Bank, bank requires to review nostro accounts reconciliation and obtain certification from external auditor semi-annually. As a result, after reviewing by the Bank and receiving certification from external auditors, the bank discovered that nostro transactions had not been remain unadjusted for longer than six months and that no necessary provisions had been made.

3.03 **Share capital and reserves**

Authorized capital

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

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

Statutory reserve

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

Other reserve

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

3.04 **Contingent liabilities and assets**

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

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

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

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

3.05 **Revenue recognition**

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



Interest income

Interest on unclassified loans and advances is recognized as income on accrual basis, interest on classified loans and advances is credited to interest suspense account with actual receipt of interest there from credited to income as and when received as per instruction contained in BRPD circular no 14 dated 23 September 2012 (amendment on 21 April 2019), BRPD circular no 19 dated 27 December 2012 and BRPD circular no 56 dated (10 December 2020) and other subsequent circulars till 2025.

Fees and commission income

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

Interest and fees receivable on credit card

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

Investment income

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

Dividend income

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

3.06 Interest paid on borrowings and deposits

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

3.07 Other operating expenses

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

3.08 Employee benefits

Provident fund

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

Gratuity fund

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

Workers profit participation fund

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

3.09 Income tax

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



(i) Current tax

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

(ii) Deferred tax

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the profit and loss account as per IAS-12 "Income Taxes".

3.10 Offsetting

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

3.11 Earnings per share

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

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

3.12 Reconciliation of inter-bank account

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

3.13 Risk management and other related matters

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

Credit risk

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

The Bank follows the criteria for loan classification and provisioning requirement as stipulated in the BRPD circular no 14 dated September 23, 2012 (amendment on 21 April 2019) and BRPD circular no 05 dated May 29, 2013 and other subsequent circulars till 2025. Adequate provision has been kept which is stated in Note 13.01 to the financial statements.



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

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

Market risk

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

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

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

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

Operational risk

Operational Risk Unit under Internal Control & Compliance Division (ICCD) is primarily responsible for risk identification, measurement, monitoring, control, and reporting of operational risk. Internal Control (audit) Unit of ICCD also conducts risk-based audit at departmental and branch level throughout the year. Besides, 'Bank Risk Management Committee' (BRMC) which reports to MD & CEO also plays a supervisory role. Operational risks are analyzed through review of Departmental Control Function Check List (DCFCL). This is a self-assessment process for detecting high risk areas and finding mitigates of those risks. These DCFCLs are then discussed in monthly meeting of BRMC.

Information and communication technology risk

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

Asset liability risk management

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



Liquidity risk management

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

Interest rate risk management

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

Operation risk management

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

Internal control and compliance risk management

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

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

Money laundering risk management

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

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



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

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

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

Internal audit

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

Prevention of fraud

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

3.14 Preparation of Basel III Accord

Basel II

Pillar-I: Minimum capital requirement

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

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

Pillar-II: Supervisory review process (SRP)

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



- a. Residual risk
- b. Concentration risk
- c. Liquidity risk
- d. Reputation risk
- e. Strategic risk
- f. Settlement risk
- g. Evaluation of core risk management
- h. Environmental & climate change risk
- i. Other material risks

Pillar-III: Market Discipline

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

Basel III

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

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

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

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

Capital adequacy and stress testing

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

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

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



3.15 Related party disclosures

A party is related to the Entity if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the entity;
- (ii) the party is an associate or a joint venture;
- (iii) the party is a member of the key management personnel of the entity or its parent;
- (iv) the party is a close member of the family of any individual referred to in (i) or (iv);
- (v) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vi) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the entity.

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

The Bank has complied the following IASs & IFRSs as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) during the preparation of financial statements as at and for the year ended 31 December 2025.

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



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

* Subject to departure disclosed in note no. 2.01

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

3.17 Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2026:

Effective date	New Standards or Amendments
1 January 2026	Disclosures on classification and measurement of financial instruments based on IFRS 7 was amended in 2024 and will be incorporated into the 2026 Annual Report.
1 January 2027	IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements. IFRS 18 was issued in April 2024 and applies to an annual reporting period beginning on or after 1 January 2027.
1 January 2027	IFRS 19 specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. IFRS 19 was issued in May 2024 and applies to an annual reporting period beginning on or after 1 January 2027.

3.18 Events after the reporting period

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

3.19 Approval of financial statements

The financial statements were reviewed and subsequently approved by the Board of Directors in its 90th Board Meeting on 29 April 2026.

3.20 Materiality and aggregation

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

3.21 General

- The financial statements of the Bank are presented in Bangladesh Taka (BDT) which is the Bank's functional currency. All financial information presented in Taka has been rounded off to the nearest integer, except when otherwise indicated.
- These financial statements of the Bank cover one calendar year from 01 January 2025 to 31 December
- The expenses, irrespective of capital or revenue nature, accrued / due but not paid have been provided for in the books of the accounts.
- Figures of previous year have been rearranged whenever necessary to conform with the current year's presentation.



Shimanto Bank PLC.

Notes to the Financial Statements

For the year ended 31 December 2025

Particulars	Amount in Taka	
	31-Dec-25	31-Dec-24
4.00 Cash		
Cash in Hand (Including Foreign Currency) Note: 4.01	578,264,554	493,272,800
Balance with Bangladesh Bank and its Agent Bank (s) (Including Foreign Currency) Note: 4.02	1,313,196,671	1,074,846,033
	1,891,461,225	1,568,118,833
4.01 Cash in Hand (Including Foreign Currency)		
In Local Currency	572,448,891	477,475,907
In Foreign Currency	5,815,663	15,796,893
	578,264,554	493,272,800
4.02 Balance with Bangladesh Bank and its Agent Bank (s) (Including Foreign Currency)		
In Local Currency	1,259,854,971	1,060,070,380
In Foreign Currency	49,598,407	6,960,521
	1,309,453,378	1,067,030,901
Sonali Bank as Agent of Bangladesh Bank (Local Currency)	3,743,293	7,815,132
	1,313,196,671	1,074,846,033
4.03 Statutory Deposits		
Cash Reserve Requirement and Statutory Liquidity Ratio		
Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991 and MPD circular nos.01 & 02, dated June 23, 2014 and December 10, 2013 & DOS circular no.1 dated 19 January 2014 & MPD Circular no.01 dated April 03, 2018 & DOS circular letter no. 26 dated 19 August 2019 and MPD Circular no. 03 dated April 09, 2020, FE circular letter no. 07 dated 29 February 2024 and MPD circular No. 01 dated 04 March 2025 issued by Bangladesh Bank.		
The statutory cash reserve requirement is on the Bank's time and demand liabilities as per Bangladesh Bank MPD circular no. 03 dated 09 April, 2020 at the rate of 4% for bi-weekly and 3.5% for daily (CRR) has been calculated and maintained with Bangladesh Bank in current account while statutory liquidity ratio of 13.00% is required, on the same liabilities is also maintained in the form of treasury bills, bonds and debentures including foreign currency balance with Bangladesh Bank. Both the reserves are maintained by the Bank in excess of the statutory requirements, as shown below:		
(a) Cash Reserve Requirement (CRR)		
Daily Position as on the reporting date		
Required Reserve (3.50% of Total Time and Demand Liabilities)	881,672,000	883,038,000
Actual Reserve Maintained	1,256,742,411	1,056,205,885
Surplus	375,070,411	173,167,885
Bi-weekly as on the reporting date		
Required reserve (4.00% of Total Time and Demand Liabilities)	1,175,562,000	1,009,186,000
Actual Reserve Maintained	1,256,742,411	1,056,205,885
Surplus	81,180,411	47,019,885
(b) Statutory Liquidity Ratio (SLR)		
Required Reserve (13% of Total Time and Demand Liabilities)	3,820,577,000	3,279,855,000
Actual Reserve Maintained	7,323,978,077	4,637,379,003
Surplus	3,503,401,077	1,357,524,003
(c) Components of Statutory Liquidity Ratio (SLR)		
Cash in Hand	578,264,554	493,272,800
Balance with Sonali Bank PLC.	3,743,293	7,718,180
Excess Reserve of CRR (4.00% of bi-weekly)	81,180,411	47,019,885
HTM Securities	2,294,717,013	2,598,398,558
HFT Securities	4,365,523,306	1,427,490,580
Other Eligible Security	549,500	63,479,000
	7,323,978,077	4,637,379,003



Particulars	Amount in Taka		
	31-Dec-25	31-Dec-24	
4.04 Maturity Grouping of Cash			
On demand	1,891,461,225	1,568,118,833	
Upto 1 month	-	-	
Over 1 month but not more than 3 months	-	-	
Over 3 month but not more than 6 months	-	-	
Over 6 month but not more than 1 year	-	-	
Over 1 year but not more than 5 years	-	-	
Over 5 years	-	-	
	1,891,461,225	1,568,118,833	
5.00 Balance with other Banks and Financial Institutions			
Inside Bangladesh	Note: 5.01	582,008,157	582,885,511
Outside Bangladesh	Note: 5.02	106,502,971	243,245,508
		688,511,128	826,131,019
5.01 Inside Bangladesh:			
Current Account	Branch Name		
Sonali Bank PLC.	Rangpur Branch	110,089	46,053
Agrani Bank PLC.	Pragpur Branch	2,049,595	3,060,745
Agrani Bank PLC.	Shymnagar Branch	5,000	-
Sonali Bank PLC.	Teknaf Branch	830,032	77,812
		2,994,716	3,184,610
Savings Account			
AB Bank PLC.	Principal Branch	16,221,214	8,140,674
Trust Bank PLC.	Dhanmondi Branch	12,056,470	21,938,352
Eastern Bank PLC.	Gulshan Branch	2,704,905	1,591,023
Eastern Bank PLC.	Dhanmondi Branch	28,955	28,955
Sonali Bank PLC.	Local Office	1,897	1,897
		31,013,441	31,700,901
Fixed Deposit/ Term Placement			
Industrial and Infrastructure Development Finance Company PLC.-IIDFC		368,000,000	368,000,000
Phoenix Finance & Investment Ltd.		180,000,000	180,000,000
		548,000,000	548,000,000
		582,008,157	582,885,511
5.02 Outside Bangladesh:			
Habib American Bank		66,512,987	240,287,832
Axis Bank ACU		24,384,706	2,611,130
United Bank of India		15,605,278	346,546
		106,502,971	243,245,508
5.03 Maturity Grouping of Balance with other Banks and Financial Institutions			
Repayable on demand		688,511,128	826,131,019
Up to 3 months		-	-
Over 3 months but below 1 year		-	-
Over 1 year but below 5 years		-	-
Over 5 years		-	-
		688,511,128	826,131,019



Particulars	Amount in Taka	
	31-Dec-25	31-Dec-24
6.00 Money at Call on Short Notice		
With Banking Companies	Note: 6.01 650,000,000	100,000,000
With Finance Companies	Note: 6.02 -	780,000,000
With Banking Companies-USD	97,880,000	-
	747,880,000	880,000,000
6.01 With Banking Companies		
Meghna Bank PLC.	300,000,000	100,000,000
Midland Bank PLC.	250,000,000	-
United Commercial Bank PLC.	100,000,000	-
	650,000,000	100,000,000
6.02 With Finance Companies		
DBH Finance PLC.	-	380,000,000
IDLC Finance PLC.	-	100,000,000
IPDC Finance PLC.	-	300,000,000
	-	780,000,000
6.03 Maturity Grouping of Money at Call on Short Notice		
On demand	747,880,000	880,000,000
Upto 1 month	-	-
Over 1 month but not more than 3 months	-	-
Over 3 month but not more than 6 months	-	-
More than 6 months but less than 1 year	-	-
More than 1 year but less than 5 years	-	-
More than 5 years	-	-
	747,880,000	880,000,000
7.00 Investments		
Government Securities	Note: 7.01 6,660,789,819	4,089,368,138
Other Investments	Note: 7.02 4,308,172,609	3,685,393,407
	10,968,962,428	7,774,761,545
7.01 Government Securities		
Treasury Bills	Note: 7.01.01 4,327,489,146	1,376,454,900
Treasury Bonds	Note: 7.01.02 2,332,751,173	2,649,434,238
Government Islamic Bond (Sukuk)	Note: 7.01.03 -	63,150,000
Prize Bonds	549,500	329,000
	6,660,789,819	4,089,368,138
7.01.01 Treasury Bills		
91 days Treasury Bills	2,608,065,558	1,376,454,900
182 days Treasury Bills	242,711,898	-
364 days Treasury Bills	1,476,711,690	-
	4,327,489,146	1,376,454,900
7.01.02 Treasury Bond		
2 Years Treasury Bond	237,307,531	477,283,526
5 Years Treasury Bond	295,051,991	272,117,122
10 Years Treasury Bond	921,805,392	1,000,570,289
15 Years Treasury Bond	470,957,955	480,039,247
20 Years Treasury Bond	407,628,304	419,424,054
	2,332,751,173	2,649,434,238



Particulars	Amount in Taka		
	31-Dec-25	31-Dec-24	
7.01.03 Government Islamic Bond (Sukuk)			
2 Years	-	-	
5 Years	-	63,150,000	
	-	63,150,000	
7.01.04 Investment in Securities are Classified as per Bangladesh Bank Circular			
Held for Trading (HFT)	4,365,523,306	1,427,490,580	
Held to Maturity (HTM)	2,294,717,013	2,598,398,558	
	6,660,240,319	4,025,889,138	
As per DOS Circular NO. 01 dated 19 January 2014, the maximum limit of holding approved securities under held to maturity (HTM) is 110% of SLR for all nonprimary dealer banks and the Bank has invested in treasury bonds under HTM category as per said circular.			
7.02 Other Investments			
Investments in Share	Note 7.02.01	3,487,132,128	3,122,096,484
Investment in Zero Coupon Bond	Note 7.02.02	196,040,481	208,296,923
Investment in Mutual Fund	Note 7.02.03	35,000,000	45,000,000
Investment in Subordinate Bond	Note 7.02.04	590,000,000	310,000,000
Investments in Commercial Paper		-	-
		4,308,172,609	3,685,393,407
7.02.01 Investments in Shares			
Investment in Share (Special Fund)	Note: 7.02.01.01	170,000,216	169,802,261
Investment in Share (Regular Fund)	Note: 7.02.01.02	3,317,131,912	2,952,294,223
		3,487,132,128	3,122,096,484
7.02.01.01 Investment in Share (Special Fund)			
Quoted Share		170,000,216	169,802,261
Unquoted Share		-	-
		170,000,216	169,802,261
Quoted Share			
ACI PLC.		25,730	25,730
Bangladesh Steel Re-Rolling Mills Ltd.		1,473,001	1,473,001
BD Submarine Cable PLC.		2,049	2,049
GPH Ispat Ltd.		5,456,933	5,456,933
IFIC Bank PLC.		15,338,976	15,338,976
Mercantile Bank PLC.		3,568,425	3,568,425
Power Grid Company of Bangladesh PLC.		10,029,027	10,029,027
Bangladesh Export Import Company PLC.		7,413,487	7,413,487
Beximco Pharmaceuticals PLC.		47,015,376	47,015,376
IPDC Finance PLC.		420	420
LankaBangla Finance PLC.		10,590,258	10,590,258
LafargeHolcim Bangladesh PLC.		5,299,627	5,299,627
Summit Power Ltd.		4,297,180	4,297,180
British American Tobacco Bangladesh Company PLC.-BATBC		30,952,411	30,952,411
Confidence Cement PLC.		14,805,360	14,805,360
Square Pharmaceuticals PLC.		13,534,000	13,534,000
Bangladesh Shipping Corporation		197,954	-
		170,000,216	169,802,261

A schedule of Quoted Share (Special Fund) is given in Annexure-B-1



Particulars	Amount in Taka	
	31-Dec-25	31-Dec-24
7.02.01.0 Investment in Share (Regular Fund)		
a. Quoted Share	16,294,223	16,294,223
b. Unquoted Share (Preference Share)	3,300,837,689	2,936,000,000
	3,317,131,912	2,952,294,223
a. Quoted Share		
ACI PLC.	3,025,039	3,025,039
Bangladesh Export Import Company PLC.	13,474	13,474
Beximco Pharmaceuticals PLC.	5,499,643	5,499,643
GPH Ispat Ltd.	2,555,998	2,555,998
IFIC Bank PLC.	5,199,263	5,199,263
LafargeHolcim Bangladesh PLC.	806	806
	16,294,223	16,294,223
A schedule of Quoted Share (Regular Fund) is given in Annexure - B		
b. Unquoted Share (Preference Share)		
Envoy Textiles Ltd.	-	24,000,000
Impress Newtex Composite Textiles Ltd.	150,000,000	250,000,000
Premier Cement Mills PLC.	112,500,000	187,500,000
Esquire Accessories Ltd.	99,000,000	120,000,000
Anwar Ispat Ltd.	256,656,250	262,500,000
Paramount Textile PLC.	300,000,000	300,000,000
Hamid Spinning Mills Ltd.	250,000,000	250,000,000
Lab Aid	194,000,000	272,000,000
Confidence Infrastructure PLC.	281,600,000	320,000,000
Super Petro Chemical PLC.	280,000,000	350,000,000
Epylion Kniwears Ltd.	300,000,000	300,000,000
United Ashuganj Energy Ltd.	269,581,439	300,000,000
Nitol Motors Ltd.	187,500,000	-
Akij Ceramics Ltd	300,000,000	-
Your Fashion Sweater Ltd.	120,000,000	-
Transworld Ltd.	200,000,000	-
	3,300,837,689	2,936,000,000
	3,317,131,912	2,952,294,223
7.02.02 Investment in Zero Coupon Bond		
AFC Agro Biotech Ltd.	196,040,481	208,296,923
	196,040,481	208,296,923
7.02.03 Investment in Mutual Fund		
EBL AML 1st UF	35,000,000	45,000,000
	35,000,000	45,000,000
7.02.04 Investment in Subordinate Bond		
MTBL 4th Subordinate Bond	40,000,000	60,000,000
City Bank 4th Subordinate Bond	250,000,000	250,000,000
Brac Bank Social Subordinate Band	300,000,000	-
	590,000,000	310,000,000
8.00 Loans and Advances		
Loans, Cash Credits, Overdrafts etc.	Note-8.01	25,091,208,323
Bills Purchased and Discounted	Note-8.02	3,112,603
		25,094,320,926
8.01 Loans, Cash Credits, Overdrafts etc.		
Inside Bangladesh:		
Overdraft		2,799,787,172
Time Loan		9,847,673,725
Term Loan		12,393,863,671
Staff Loan	Note-8.01.01	49,883,755
		25,091,208,323
Outside Bangladesh:		
		-
		25,091,208,323
		20,341,282,630



Particulars	Amount in Taka	
	31-Dec-25	31-Dec-24
8.01.01 Staff Loan		
Home Loan	38,057,577	12,540,068
Car Loan	11,826,178	14,826,535
	49,883,755	27,366,603
8.02 Bills Purchased and Discounted		
Payable Inside Bangladesh	3,112,603	-
Payable Outside Bangladesh	-	-
	3,112,603	-
8.03 Maturity Grouping of Loans and Advances		
Repayable on demand	3,449,796,889	2,158,737,469
Upto 3 months	3,481,802,587	2,386,848,854
Over 3 months but below 1 year	5,420,989,163	7,709,714,670
Over 1 year but below 5 years	7,091,500,546	6,248,423,625
Over 5 years	5,650,231,741	1,837,558,012
	25,094,320,926	20,341,282,630
8.04 Loans and Advances under the Following Broad Categories		
Inside Bangladesh:		
Loans	22,294,533,754	17,445,825,878
Overdrafts	2,799,787,172	2,895,456,752
Cash Credits	-	-
	25,094,320,926	20,341,282,630
Outside Bangladesh:		
	-	-
	25,094,320,926	20,341,282,630
As per letter # 178/FRC/APR/2021/27(45) dated 09 December 2021 issued by the Financial Reporting Council (FRC) regarding the compliance of BRPD Circular Letter # 04 dated 04 January 2021 and BRPD Circular Letter # 35 dated 06 July 2021. The Bank collected the audited financial statements before sanction/renewal of new loan and verified those audited financial statements through DVS developed by ICAB.		
8.05 Net Loans and Advances		
Gross Loans and Advances	25,094,320,926	20,341,282,630
Less: Provision for Loans and Advances	1,563,470,662	308,768,520
Less: Interest Suspense	513,399,072	314,586,765
	23,017,451,192	19,717,927,345
8.06 Loans and Advances on the Basis of Significant Concentration		
a) Loans and advances to the institutions in which Directors have interest	-	-
b) Loans and advances to Chief Executive and other senior executives	66,801,021	21,976,214
c) Loans and advances to customer groups:	25,027,519,905	20,319,306,416
i) Real Estate Finance	523,978,161	407,221,491
ii) Car Loan	17,775,664	17,680,559
iii) Personal Loan	5,270,220,520	2,912,433,854
iv) Loan against Deposits (LAD)	256,484,052	463,100,660
v) Small and Medium Enterprises	3,567,627,176	2,402,666,558
vi) Special Program Loan (Bangladesh Bank Re-Financing Scheme)	3,584,224	196,925,562
vii) Staff Loan	77,069,261	66,587,618
viii) Industrial Loans, Advances and Leases	13,970,943,017	12,599,353,025
ix) Other Loans and Advances	1,339,837,831	1,253,337,089
	25,094,320,926	20,341,282,630



Particulars	Amount in Taka	
	31-Dec-25	31-Dec-24

8.07 Details of Large Loans and Advances

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

Total Capital of the Bank	5,211,822,771	5,984,156,163
Number of Clients	20	14
Amount of Outstanding Loans and Advances	8,785,932,030	8,734,001,164
Amount of Classified Loans and Advances	1,226,856,896	-
Measures taken for recovery	-	-

Name of the Borrower	Outstanding		Total	
	Funded	Non-Funded	31-Dec-25	31-Dec-24
Taufika Group	1,399,345,815	-	1,399,345,815	1,425,617,932
Genesis Group	984,738,463	74,580,375	1,059,318,838	1,001,011,352
Energypac	899,392,772	-	899,392,772	800,243,082
City Group	704,899,319	-	704,899,319	728,623,101
Property Development Ltd	432,768,386	473,237,474	906,005,860	830,473,819
Samuda Chemical Comp. Ltd	483,346,168	400,000,000	883,346,168	513,752,092
Akij Group	513,834,890	382,100,000	895,934,890	881,964,727
Runner Group	-	-	-	389,019,315
Sheltech Engineering Ltd.	194,743,227	314,973,455	509,716,682	485,944,537
Popular Diagnostic Centre Ltd.	635,438,695	-	635,438,695	359,904,392
Esquire Knit Composite PLC.	257,798,740	250,000,000	507,798,740	660,432,951
Paramount Textile PLC.	-	-	-	226,276,667
Sajida Foundation	-	-	-	166,537,164
National Dev. Engineers Ltd.	107,696,239	423,847,272	531,543,511	264,200,033
Epyllion Group	305,494,444	-	305,494,444	-
ACI Group	768,074,715	91,712,579	859,787,293	-
DBL Group	568,701,678	-	568,701,678	-
TK Group	102,648,522	-	102,648,522	-
Dekko Legacy Group	221,622,069	-	221,622,069	-
Standard Group	81,300,000	-	81,300,000	-
Rancon Group	124,087,889	111,797,360	235,885,249	-
	8,785,932,030	2,522,248,514	11,308,180,545	8,734,001,164

8.08 Sector-wise Concentration of Loans and Advances (Including Bills Purchased and Discounted)

Public Sector	-	-
Private Sector	25,094,320,926	20,341,282,630
	25,094,320,926	20,341,282,630



Particulars	Amount in Taka	
	31-Dec-25	31-Dec-24
8.09 Industry wise Loans and Advances		
Trade and Commerce	895,139,227	646,516,448
Industries		
i) Garments and Knitwear	2,181,718,488	1,304,528,161
ii) Textile	235,985,794	233,163,454
iii) Jute and Jute -Products	60,811,226	-
iv) Food Production and Processing Industry	2,047,061,993	1,653,036,311
v) Plastic Industry	105,522,361	100,952,500
vi) Leather and Leather Goods	-	-
vii) Iron, Steel and Engineering	929,203,080	944,572,931
viii) Pharmaceuticals and Chemicals	1,950,482,318	1,906,455,641
ix) Cement and Allied Industry	1,847,612,085	1,013,456,394
x) Telecommunication and IT	700,054	3,875,540
xi) Paper, Printing and Packaging	61,270,000	-
xii) Glass, Glassware and Ceramic Industry	-	-
xiii) Ship Manufacturing Industry	-	-
xiv) Electronics and Electrical Products	352,538,869	205,724,008
xv) Power, Gas, Water and Sanitary Service	669,853,825	596,013,367
xvi) Transport and Aviation	-	-
Agriculture	621,979,252	155,912,312
Housing	564,013,329	420,800,584
Loan to Subsidiaries Companies	-	-
Others	12,570,429,026	11,156,274,979
	25,094,320,926	20,341,282,630
8.10 Geographical Location-wise Portfolio Grouping		
Inside Bangladesh:		
Urban Branches		
Dhaka	19,952,934,702	17,066,082,047
Chittagong	2,551,543,395	2,228,684,034
Khulna	605,783,875	345,949,210
Mymensingh	172,527,326	117,203,928
Sylhet	163,880,135	58,052,603
Barisal	-	-
Rajshahi	303,375,023	-
Rangpur	369,628,810	144,751,920
	24,119,673,267	19,960,723,742
Rural Branches		
Dhaka	1,511,750	-
Chittagong	473,607,780	237,492,570
Khulna	174,397,816	63,715,639
Mymensingh	94,995,358	58,240,198
Sylhet	19,648,310	2,078,909
Barisal	-	-
Rajshahi	-	-
Rangpur	210,486,645	19,031,572
	974,647,659	380,558,888
	25,094,320,926	20,341,282,630
Outside Bangladesh:	-	-
	25,094,320,926	20,341,282,630



Particulars	Amount in Taka	
	31-Dec-25	31-Dec-24
8.11 Securities wise Loans and Advances		
a. Secured		
Collateral of Movable / Immovable Assets	8,361,366,547	4,438,521,958
Cash Collateral	55,093,197	12,769,380
Local Banks and Financial Institutions Guarantee	-	-
Foreign Banks Guarantee	-	-
Export Documents	10,765,416	15,092,521
Government Guarantee	-	-
FDR Shimanto Bank	245,797,682	237,229,520
FDR of Other Banks	-	-
Personal Guarantee	3,175,943,748	3,268,987,489
Other Securities	12,712,558,503	11,728,395,440
Government Bonds	-	216,614,829
	24,561,525,094	19,917,611,137
b. Unsecured	532,795,832	423,671,493
	25,094,320,926	20,341,282,630

8.12 Classification of Loans and Advances

Unclassified

Standard (UC)	21,651,220,186	19,297,429,812
Special Mention Accounts (SMA)	1,754,828,323	781,910,773
	23,406,048,509	20,079,340,585

Classified

Sub-Standard (SS)	90,052,164	114,548,344
Doubtful (DF)	87,714,114	30,494,340
Bad/Loss (BL)	1,510,506,139	116,899,361
	1,688,272,417	261,942,045
	25,094,320,926	20,341,282,630

8.13 Particulars of Required Provision for Loans and Advances

General Provision

Status of Loans and Advances	Base for Provision	Rate	Provision Amount	Provision Amount
Standard	21,651,220,186	Various*	199,124,520	760,481,322
Special Mention Account	1,685,512,733		422,009,987	7,509,436
Total	23,336,732,919		621,134,507	767,990,758

Specific Provision

Status of Loans and Advances	Base for Provision	Rate	Provision Amount	Provision Amount
Sub-Standard	87,466,512	20%	17,493,302	6,490,973
Doubtful	72,759,887	50%	36,379,944	6,932,044
Bad-Loss	888,462,909	100%	888,462,909	73,106,298
Total	1,048,689,308		942,336,155	86,529,315
Total Required Provision for Loans and Advances			1,563,470,662	854,520,074
Total Provision Maintained for Loans and Advances			1,563,470,662	308,768,520
Provision will be maintained in future*			-	545,751,554
Excess/(Short) Provision			-	-



Particulars	Amount in Taka		
	31-Dec-25	31-Dec-24	
8.14 Particulars of Loans and Advances			
(i) Loans considered good in respect of which the Bank is fully secured	2,609,136,923	2,021,970,050	
(ii) Loans considered good against which the Bank holds no security other than the debtors' personal guarantee	16,420,591,392	15,050,325,091	
(iii) Loans considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	6,064,592,611	3,268,987,489	
(iv) Loan adversely classified for which no provision is created	-	-	
	25,094,320,926	20,341,282,630	
(v) Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons	143,870,282	79,419,320	
(vi) Loans due from companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in case of private companies, as members	-	-	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the Bank or any of them either separately or jointly with any other persons	8,000,000	2,000,000	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	-	-	
(ix) Due from other banking companies	-	-	
(x) Information respect of classified loans and advances	-	-	
a) Classified loans on which interest has not been charged to income			
(1) Increase/ decrease of provision (Specific)	1,350,218,254	(3,378,996)	
(2) amount of loans written off	-	-	
(3) Amount recovered against loans previously written off;	-	-	
b) Amount of proviosn kept against loan classified as "bad/loss" on the date of preparing the balance sheet;	888,462,909	73,106,298	
c) Interest creditable to the interest suspense account	513,399,072	314,586,765	
(xi) Cumulative amount of written of loan			
Opening balance	-	-	
Amount written off during the year	-	-	
	-	-	
9.00 Fixed Assets including Premises, Furniture and Fixtures			
Freehold Assets	Note: 9.01	205,985,579	211,267,089
Intangible Assets	Note: 9.02	18,968,616	17,606,367
Lease Assets	Note: 9.03	103,706,759	155,904,754
		328,660,954	384,778,210
9.01 Freehold Assets			
Computer and Network		263,109,552	237,202,581
Furniture and Fixtures		204,102,937	194,631,647
Office Equipment		118,645,386	107,790,535
Vehicle		176,406	176,400
		586,034,281	539,801,163
Less: Accumulated Depreciation		380,048,702	328,534,074
		205,985,579	211,267,089



Particulars	Amount in Taka	
	31-Dec-25	31-Dec-24
9.02 Intangible Assets		
Software	95,378,626	84,811,306
Less: Accumulated Amortization	76,410,010	67,204,939
	18,968,616	17,606,367
9.03 Lease Assets		
Right of Used Assets	260,300,744	260,300,744
Less: Accumulated Depreciation	156,593,985	104,395,990
	103,706,759	155,904,754
A Schedule of Fixed Assets is given in Annexure-A		
10.00 Other Assets		
Income Generating		
Income Receivable from Investment	145,933,352	129,184,521
Interest Receivable from Calls and Placements	113,891,833	65,381,765
Interest Receivable from Loans and Advances	58,196	196,627
Dividend Receivable from Preference Share	148,218,892	110,384,899
Receivable on Cards	32,972,808	26,359,616
Dividend Receivable from Regular Fund Investment	54,256	196,096
Dividend Receivable from Special Fund Investment	1,139,229	1,736,353
Shanchaypatra Receivable	224,349	224,349
	442,492,915	333,664,226
Non-Income Generating		
Advance Rent	17,968,194	14,991,258
Advance Income Tax	865,797,543	803,843,621
Balance with EBL Securities PLC.	17,671	17,671
Balance with Lanka Bangla Securities PLC.	132,044	329,999
Advance VAT	-	6,367,899
Advance, Deposit and Prepayments	19,725,290	23,728,458
Stationery and Stamps	7,272,627	11,396,236
Branch Adjustment	-	-
Clearing Charges Adjustment	159,263	128,806
Suspense Account	-	-
Silver	-	-
Sundry Assets	8,322,584	-
Other Receivables	34,137,301	22,567,489
Deferred Tax Asset	382,091,397	20,591,595
	1,335,623,914	903,963,032
	1,778,116,829	1,237,627,258
10.01 Advance Income Tax		
Opening Balance	803,843,621	748,560,719
Add: Paid during the year	340,410,486	167,235,306
	1,144,254,107	915,796,025
Less: Adjustment for Income Year 2017	-	38,744,022
Less: Adjustment for Income Year 2018	-	73,208,382
Less: Adjustment during the year-2019	128,465,328	-
Less: Adjustment during the year-2020	149,991,236	-
	278,456,564	111,952,404
Closing Balance	865,797,543	803,843,621



Particulars	Amount in Taka	
	31-Dec-25	31-Dec-24
10.02 Advance, Deposit and Prepayments		
House Furnishing Allowance	2,264,410	1,951,015
Temporary Advance to Staff and Vendor	131,200	262,129
Prepaid/Deferred Expenses	17,329,680	21,515,315
	19,725,290	23,728,458
10.03 Stationery and Stamps		
VISA Plastic Card	3,262,657	7,956,957
Printing Stationary	3,602,300	3,238,939
Stamps (Judicial and Non-Judicial)	407,670	200,340
	7,272,627	11,396,236
10.04 Sundry Assets		
Protested Bill	4,840,447	-
Advance Legal Expense & Advertisement Expense	3,482,137	-
	8,322,584	-
11.00 Borrowings from Other Banks, Financial Institutions and Agents		
Inside Bangladesh	Note: 11.01	
Outside Bangladesh	Note: 11.02	
	15,505,550	33,500,890
	-	-
	15,505,550	33,500,890
11.01 Inside Bangladesh		
Bangladesh Bank Pre Finance Scheme-CMSME	8,200,000	12,300,000
Bangladesh Bank Fund for Corporate Refinancing	5,555,000	5,170,000
Bangladesh Bank Fund for Agriculture Refinancing	1,400,000	13,600,000
SME Foundation Revolving Fund Scheme	350,550	2,430,890
	15,505,550	33,500,890
11.02 Outside Bangladesh		
	-	-
11.03 Security against Borrowings from Other banks, Financial Institutions and Agents		
Secured (Treasury Bills)	-	-
Unsecured	15,505,550	33,500,890
	15,505,550	33,500,890
11.02 Maturity Grouping of Borrowings from Other Banks, Financial Institutions and Agents		
Payable on demand	-	-
Up to 1 month	-	-
Over 1 month but within 3 months	-	-
Over 3 months but within 1 year	15,505,550	33,500,890
Over 1 year but within 5 years	-	-
Over 5 years	-	-
	15,505,550	33,500,890
12.00 Deposit and Other Accounts		
Deposit from customer and others		
Current Deposits and Other Accounts	Note: 12.01	
Bills Payables	Note: 12.02	
Savings Bank Deposit Accounts	Note: 12.03	
Special Notice Deposits Accounts	Note: 12.04	
Fixed Deposit Accounts	Note: 12.05	
Other Deposits	Note: 12.06	
	947,471,997	926,782,826
	490,938,149	597,422,139
	2,179,808,098	1,886,658,703
	5,900,522,214	4,921,445,991
	22,592,465,221	16,522,260,342
	650,006,376	499,538,806
	32,761,212,055	25,354,108,807



Particulars	Amount in Taka	
	31-Dec-25	31-Dec-24
12.01 Current Deposits and Other Accounts		
Current Deposit	740,586,878	822,734,421
Foreign Currency Deposit	64,586,168	42,411,965
Security Deposit	3,891,486	4,315,734
Margin Deposit	138,407,466	57,320,706
	947,471,997	926,782,826
12.02 Bills Payables	490,938,149	597,422,139
12.03 Savings Bank Deposit Accounts		
SMBL Payroll Gold	6,384,821	5,566,015
SMBL Shopno	4,958,805	2,701,930
SMBL Payroll	26,944,939	20,729,912
BGB School Payroll Account	154,469,893	148,442,062
BGB School PF Account	113,078,536	100,004,621
BGB School Gratuity Account	22,108,347	18,431,011
Shimanto Student Account	12,447,632	13,647,053
SmbL Staff Salary Account	17,394,873	11,634,375
BGB Payroll Account	541,853,073	372,218,784
Shimanto Sanchay	1,245,761,853	1,192,649,796
Easy Account Savings	36,706	85,342
Upreme Savers Account	23,409,216	547,802
Nari Shonchoy	10,959,404	-
	2,179,808,098	1,886,658,703
12.04 Special Notice Deposits Accounts		
SMBL SND Account (SME)	743,853,566	623,245,140
SMBL SND Account (Corporate)	5,156,668,648	4,298,200,851
	5,900,522,214	4,921,445,991
12.05 Fixed Deposit Accounts		
Term Deposit Account	21,157,587,830	16,048,874,513
Scheme Deposit Accounts	634,877,391	473,385,829
Term Deposit from Bank	800,000,000	-
	22,592,465,221	16,522,260,342
12.05.01 Scheme Deposit Accounts		
Shimanto Student DPS	13,082,547	13,700,963
Shimanto DPS	517,270,960	432,992,410
Connect DPS	16,588,576	8,103,399
SMBL Millionaire, Multi-Millionaire Deposit Scheme	76,824,742	18,543,710
BGB DPS	2,638,652	45,347
SmbL Kotipoti Scheme	2,785,269	-
SmbL Nari Money Savers	2,974,196	-
SmbL Short Period Deposit Scheme	2,712,449	-
	634,877,391	473,385,829
12.05.02 Term Deposit from Bank		
Midland Bank PLC,	500,000,000	-
Community Bank Bangladesh PLC.	300,000,000	-
	800,000,000	-



Particulars	Amount in Taka	
	31-Dec-25	31-Dec-24
12.06 Other Deposits		
Interest Payable on Deposit	443,196,461	339,881,246
VAT Payable	7,637,863	5,706,693
Excise Duty Payable	30,777,103	23,891,209
Tax Payable (at source)	46,828,665	40,947,030
Other Deposit	121,566,284	89,112,627
	650,006,376	499,538,806
12.07 Maturity Analysis of Deposits and Other Account		
a) Maturity Analysis of Customer Deposits and Other Account		
Repayable on demand	1,438,410,146	1,539,419,332
Within 1 month	3,272,602,505	2,718,120,878
Over 1 month but within 6 months	11,492,771,416	7,784,453,002
Over 6 months but within 1 year	9,361,935,002	8,010,006,791
Over 1 year but within 5 years	4,755,324,812	3,921,285,035
Over 5 years but within 10 years	1,640,168,174	1,380,823,768
Over 10 years	-	-
	31,961,212,055	25,354,108,807
b) Maturity Analysis of Deposits from Banks		
Repayable on demand	-	-
Within 1 month	-	-
Over 1 month but within 3 months	800,000,000	-
Over 3 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years but within 10 years	-	-
Over 10 years	-	-
	800,000,000	-
	32,761,212,055	25,354,108,807
12.08 Sector wise Deposit		
Government	14,007,062,215	11,956,761,474
Private	17,406,320,195	12,196,337,983
Foreign Currency	64,586,168	42,411,965
Others	1,283,243,477	1,158,597,385
	32,761,212,055	25,354,108,807
12.09 Payable on Demand and Time Deposits		
a) Demand Deposits		
Current Deposits	878,994,343	880,055,126
Savings Deposits (9%)	196,182,729	169,799,283
Foreign Currency Deposits	64,586,168	42,411,965
Security Deposits	3,891,486	4,315,734
Sundry Deposits	650,006,376	499,538,806
Bills Payable	490,938,149	597,422,139
	2,284,599,251	2,193,543,054
b) Time Deposits		
Savings Deposits (91%)	1,983,625,369	1,716,859,420
Fixed Deposit Accounts	22,592,465,221	16,522,260,342
Special Notice Deposits	5,900,522,214	4,921,445,991
	30,476,612,804	23,160,565,753
	32,761,212,055	25,354,108,807



Particulars	Amount in Taka		
	31-Dec-25	31-Dec-24	
13.00 Other Liabilities			
Provision for Loans and Advances	Note - 13.01	1,563,470,662	308,768,520
Special General Provision- COVID-19	Note - 13.02	-	-
Provision for Off Balance Sheet Items	Note - 13.03	30,844,200	18,096,536
Provision for Other Investment		176,400,000	-
Provision for Placement with NBFIs		48,300,000	-
Provision for Other Assets	Note - 13.10	157,532,729	5,008,733
Provision for Current Tax	Note - 13.04	967,747,473	954,342,140
Provision for Deferred Tax	Note - 13.05	-	-
Other Payable		48,815,143	63,383,914
Interest Suspense	Note - 13.06	513,399,072	314,586,765
Provision for Diminution in Value of Investments	Note - 13.07	7,861,565	7,780,146
Provision for Start-up Fund	Note - 13.08	12,158,632	12,158,632
Provision for Climate Risk Fund	Note - 13.09	3,585,880	4,773,705
Interest Suspense-Invstment		84,337,706	-
Transactional Account		41,135,847	119,952
CIB Payable		570,053	-
Lease Liability		112,602,349	164,008,159
		3,768,761,311	1,853,027,201
13.01 Provision for Loans and Advances			
Movement of Specific Provision			
Opening Balance		89,277,220	92,656,216
Less: Fully provided debts written off during the year		-	-
Add: Recovery of amounts previously written off		-	-
Less: Transferred to General Provision		497,159,319	-
Add: Transfer from General Reserve		-	-
Add: Net charge to Profit and Loss Account		1,350,218,254	(3,378,996)
Closing Balance		942,336,155	89,277,220
Movement of General Provision			
Opening Balance		219,491,300	182,791,584
Add: Transfer from Specific Provisions		497,109,319	-
Add: Transfer from Special General Provision- COVID-19		-	17,020,197
Add: Net charge to Profit and Loss Account		(95,466,112)	19,679,518
Closing Balance		621,134,507	219,491,300
		1,563,470,662	308,768,520
13.02 Special General Provision- COVID-19			
Opening Balance		-	17,020,197
Less: Transfer to General Provision		-	17,020,197
Closing Balance		-	-
Total Provision Maintained		1,563,470,662	308,768,520
13.03 Provision for Off Balance Sheet Exposures			
Opening Balance		18,096,536	10,284,633
Add: Addition during the year		12,747,664	12,242,988
Less: Transfer during the year		-	4,431,085
Closing Balance		30,844,200	18,096,536

The Bank has made a provision of (Tk 2,87,00,11,830.77 @ 1.00% & Tk. 42,88,16,094.05 @ 0.50%) on off balance sheet exposure as per BRPD circular no. 06 dated 25 April 2023 from current year's profit. The total amount of provision of Tk. 3,08,44,200 is deemed sufficient on requirement and will be treated as Supplementary Capital of the Bank.



Particulars	Amount in Taka		
	31-Dec-25	31-Dec-24	
13.04 Provision for Current Tax			
Opening Balance	954,342,140	780,222,073	
Add: Provision made during the year	291,861,897	286,072,471	
Less: Settlement for Income Year- 2017		38,744,022	
Less: Settlement for Income Year- 2018		73,208,382	
Less: Settlement for Income Year- 2019	128,465,328	-	
Less: Settlement for Income Year- 2020	149,991,236	-	
Closing Balance	967,747,473	954,342,140	
13.04.01 Provision made during the year			
Current Year	264,854,605	273,123,430	
Income Year- 2017	-	3,768,926	
Income Year- 2018	-	9,180,115	
Income Year- 2019	13,863,766	-	
Income Year- 2020	13,143,526	-	
	291,861,897	286,072,471	
13.05 Deferred Tax Liability/(Asset)			
Temporary timing difference in written down value of fixed asset			
	Carrying Amount of Balance Sheet	Tax Base Amount	Deductible/ (Taxable) Temporary Difference
	Taka	Taka	Taka
Fixed Assets Net of Depreciation as on 31 Dec 2025	224,954,195	282,824,185	(57,869,990)
Right of Use Assets	103,706,759	-	103,706,759
Lease obligation	(112,602,349)	-	(112,602,349)
Cumulative Provision made against Loans and Advances classified as Bad Loss (BL)	(888,462,909)		(888,462,909)
Total	(672,404,304)	282,824,185	(955,228,489)
Fixed Assets Net of Depreciation as on 31 Dec 2024	220,770,051	272,249,038	(51,478,987)
Applicable Tax Rate @			40%
Deferred Tax Assets as on 31 December 2025			(382,091,397)
Deferred Tax Assets as on 31 December 2024			(20,591,595)
Deferred Tax Expenses/(Income) accounted for during the year 2025			(361,499,802)
Deferred tax has been calculated based on deductible/taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of International Accounting Standard (IAS)12 "Income Taxes" and BRPD circular no 11 dated 12 December 2011.			
13.06 Interest Suspense Account			
Opening Balance	314,586,765	77,498,783	
Add: Transfer during the year	432,390,851	328,437,643	
Less: Recovery during the year	233,578,544	91,349,661	
Less: Waiver during the year	-	-	
Less: Write off during the year	-	-	
Closing Balance	513,399,072	314,586,765	
13.07 Provision for Diminution in Value of Investments			
Opening Balance	7,780,146	2,110,883	
Addition during the year	81,420	5,669,263	
Closing Balance	7,861,566	7,780,146	



Particulars	Amount in Taka	
	31-Dec-25	31-Dec-24
13.08 Provision for Start-up Fund		
Opening Balance	12,158,632	8,185,046
Addition during the year	-	3,973,586
Closing Balance	12,158,632	12,158,632
AS per BB SMESPD Circular No. 04 dated 29 March 2021 and subsequent SMESPD Circular Letter No. 05 dated 26 April 2021, the bank has been maintaining a provision for startup fund @1% of net profit after tax each year since 2020.		
13.09 Provision for Climate Risk Fund		
Opening Balance	4,773,705	2,468,013
Addition during the year	-	2,305,692
Less: Disbursement during the year	1,187,825	-
Closing Balance	3,585,880	4,773,705
13.10 Provision for Other Assets		
Interest Receivable- Investment in Preference Share	25,798,617	5,008,733
Interest Receivable- Investment in Zero Coupon Bond	63,500,366	-
Interest Receivable- Investment in Placements	61,427,882	-
Protested Bill	4,840,447	-
Advance against Legal & Advertisement	1,741,069	-
Shanchaypatra Receivable	224,349	-
	157,532,729	5,008,733
14.00 Share Capital		
14.01 Authorised Capital		
1,000,000,000 ordinary shares of Taka 10 each	10,000,000,000	10,000,000,000
14.02 Issued, Subscribed and Paid-up Capital		
Balance at the beginning of the year	5,000,000,000	4,530,000,000
Add: Stock dividend of 2024 issued in 2025	250,000,000	168,500,000
Add: Issue of Ordinary Share	-	301,500,000
	5,250,000,000	5,000,000,000

14.02.01 Bonus Issue

On 15th July 2025, 5.00% stock dividend approved by the shareholders in it's 9th Annual General Meeting of the Bank. The stock dividend was distributed on 06 August 2025 accordingly.

14.03 Percentage of Shareholding

Particulars	Capital		% of Holdings	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
Sponsors and public Government	5,250,000,000	5,000,000,000	100	100
	-	-	-	-
Total	5,250,000,000	5,000,000,000	100	100

14.04 Classification of Shareholding

Range of holding of shares	No. of shareholders	No. of Shares	Shareholdings %	
			31-Dec-25	31-Dec-24
Upto 500	6	6	0.000001%	0.000001%
501 to 5,000	0	-	0.00%	0.00%
5,001 to 10,000	0	-	0.00%	0.00%
10,001 to 20,000	0	-	0.00%	0.00%
20,001 to 30,000	0	-	0.00%	0.00%
30,001 to 40,000	0	-	0.00%	0.00%
40,001 to 50,000	0	-	0.00%	0.00%
50,001 to 100,000	0	-	0.00%	0.00%
100,001 to 1,000,000	0	-	0.00%	0.00%
Over 1,000,000	1	524,999,994	99.999999%	99.999999%
	7	525,000,000	100.00%	100.00%



Particulars	Amount in Taka	
	31-Dec-25	31-Dec-24

14.05 Names of the Directors and their shareholding as at 31 December 2025

Name of the Director	Status	No of Share	
		31-Dec-25	31-Dec-24
BGB Welfare Trust	Sponsor	524,999,994	499,999,993
Major General Mohammad Ashrafuzzaman Siddiqui, OSP, BSP, SUP, BGBM, ndc, psc, MPhil	Chairman	1	1
Brig Gen Imtaj Uddin, ndc, psc	Director	1	
Brig Gen Md Sohrab Hossain Bhuiyan, PBGM, ndc, psc, G+	Director	1	1
Brig Gen Mohammad Shariful Islam, BGBM, psc	Director	1	
Col Md Moinul Islam Mollah, PBGMS, psc	Director	1	1
Col Mohammad Nazrul Islam, BGBM, BGBMS, psc	Director	1	-
Mr. Abu Hena Mohd. Razee Hasan	Independent Director	-	-
Mr. Ahmed Kamal Khan Chowdhury	Independent Director	-	-
Brig Gen Md Nurul Amin, BGBMS, PhD, MPH	Ex-Director	-	-
Brig Gen Khandaker Shafiquzzaman, BGBM, psc	Ex-Director	-	1
Brig Gen Md Shahadat Sikder, BGBMS, ndc, afwc, ps	Ex-Director	-	1
Col Mohammad Shariful Islam, psc	Shareholder	-	1
Brig Gen Md Nurul Amin, BGBMS, PhD, MPH	Ex-Director	-	1
		525,000,000	500,000,000

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

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

Tier - I Capital (Going Concern Capital)

Common Equity Tier 1 Capital (CET 1)

Paid-up Capital	5,250,000,000	5,000,000,000
Statutory Reserve	510,129,253	510,129,253
Surplus in Profit and Loss Account/ Retained Earnings	(818,193,792)	257,030,669
	4,941,935,461	5,767,159,922

Less: Regulatory Adjustment

Deferred Tax Assets	382,091,397	20,591,595
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Total Common Equity Tier 1 Capital (CET-1)

	4,559,844,064	5,746,568,327
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Additional Tier 1 Capital (AT-1)

	-	-
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(i) Total Tier - I Capital

	4,559,844,064	5,746,568,327
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Tier - II Capital (Gone Concern Capital)

General Provision including Off-Balance Sheet Exposure	651,978,707	237,587,836
Asset Revaluation Reserve (50%)	-	-
Revaluation Reserve for HTM and HFT Securities	-	-
Non-Convertible Subordinated Bond	-	-
	651,978,707	237,587,836

Regulatory Adjustment (if any)

	-	-
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(ii) Total Tier - II Capital

	651,978,707	237,587,836
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A. Total Eligible Capital (i+ii)

	5,211,822,771	5,984,156,163
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Particulars	Amount in Taka		
	31-Dec-25	31-Dec-24	
B. Risk Weighted Assets			
Credit risk			
Balance Sheet Business	17,093,524,893	12,084,872,957	
Off- Balance Sheet Business	1,017,253,043	724,126,415	
	18,110,777,936	12,808,999,372	
Market Risk	298,160,943	284,002,514	
Operational Risk	2,376,294,900	1,951,818,595	
Total Risk-Weighted Assets	20,785,233,779	15,044,820,481	
C. Required Capital Based 10% of RWA i.e Taka 2,785,233,779 or 5,000,000,000 (Tk 5,000,000,000 for 2024) whichever is higher	5,000,000,000	5,000,000,000	
D. Capital Surplus / (Shortfall) [A-C] (Except Capital Conservation Buffer 2.5%)	211,822,771	984,156,163	
Total Capital Adequacy Ratio (%)	25.07%	39.78%	
Capital Requirement	Required	Held	Held
Tier - I Capital (Going Concern Capital)	8.50%	21.94%	38.20%
Tier - II Capital (Gone Concern Capital)	4.00%	3.14%	1.58%
Total	12.50%	25.07%	39.78%
15.00 Statutory Reserve			
Opening Balance	510,129,253	375,712,142	
Add: Transfer during the year from profit and loss account	-	134,417,111	
Closing Balance	510,129,253	510,129,253	
As per Section 24 of Banking Companies Act 1991(amended up to date), 20% of pre tax profit has been transferred to Statutory Reserve.			
16.00 Retained Earnings			
Opening Balance	257,030,669	168,868,435	
Add: Net Profit after Tax for the year	(825,224,461)	397,358,623	
Less: Stock Dividend	250,000,000	168,500,000	
Less: Transferred to Statutory Reserve	-	134,417,111	
Less: Transfer Start-up Fund	-	3,973,586	
Less: Transfer to Climate Risk Fund	-	2,305,692	
Closing Balance	(818,193,792)	257,030,669	
17.00 Other Reserves			
Opening Balance	4,902,675	7,030,311	
Add: Amortization Gain- T Bond HTM	-	-	
Add: Revaluation Reserve -T Bill HTM	-	-	
Add: Revaluation Reserve -T Bond HFT	5,928,800	2,127,636	
Less: Revaluation Reserve -T Bill HFT	(332,362)	-	
Closing Balance	10,499,113	4,902,675	



Particulars	Amount in Taka		
	31-Dec-25	31-Dec-24	
18.00 Contingent Liabilities			
Acceptances and Endorsements	Note - 18.01	473,109,692	252,079,536
Letters of Guarantee	Note - 18.02	2,396,902,137	1,347,205,696
Letters of Credit	Note - 18.03	428,816,093	190,368,226
Bills for Collection	Note - 18.04	83,776,752	126,220,727
		3,382,604,674	1,915,874,185
18.01 Acceptances and Endorsements			
Acceptance Local BTB Usance LC		311,070,758	187,683,452
Acceptance Foreign BTB Usance LC		106,300,396	58,083,518
Shipping Guarantee		52,102,343	6,312,566
Acceptance EPZ BTB Usance LC		3,636,195	-
		473,109,692	252,079,536
18.02 Letters of Guarantee			
Payment Guarantee-Local		1,110,780,404	854,655,404
BID Bond-Local		612,981,500	29,067,000
Performance Guarantee-Local		658,640,233	463,283,292
Other Guarantee (Warranty , Surety , Retention etc)		200,000	200,000
Customs Guatantee-Local		300,000	-
Advanced Payment Guarantee-Local		14,000,000	-
		2,396,902,137	1,347,205,696
18.03 Letters of Credit			
Local BTB Usance LC		28,119,164	56,259,561
Foreign Cash Sight LC		271,886,937	106,393,846
Foreign BTB Usance LC		18,616,634	27,714,819
Foreign Usance LC		23,350,222	-
EPZ BTB Usance LC		924,006	-
Other Local LC		85,919,130	-
		428,816,093	190,368,226
18.04 Bills for Collection			
Local Bills for Collection		83,776,752	126,220,727
		83,776,752	126,220,727



Particulars	Amount in Taka		
	Jan-Dec' 2025	Jan-Dec' 2024	
19.00 Income Statement			
Income:			
Interest, Discount and Similar Income	Note: 20.00	2,637,860,383	2,133,549,810
Dividend Income	Note: 22.01	305,016,028	220,666,366
Fee, Commission and Brokerage	Note: 23.00	41,534,861	24,070,347
Gains Less Losses Arising from Government Securities		9,334,000	227,210
Gains Less Losses Arising from Investment Securities /Trading Shares		366,733,121	327,640,743
Other Operating Income	Note: 24.00	160,046,817	139,177,535
		3,520,525,210	2,845,332,011
Expenses:			
Interest Pain on Deposits, Borrowings etc.	Note: 21.00	1,934,269,937	1,400,831,075
Auditors' Fees	Note: 32.00	862,500	402,500
Administrative Expenses		441,376,462	403,995,335
Other Operating Expenses		274,992,121	219,223,782
Depreciation and Amortization on Banking Assets	Note: 33.00	119,131,334	114,003,344
		2,770,632,354	2,138,456,036
Operating Profit/ (Loss)		749,892,856	706,875,975
20.00 Interest Income			
Interest on loans and Advances:			
Corporate Loan		1,524,884,832	1,155,180,631
SME Loan		490,452,760	336,856,580
Retail Loan		482,276,938	366,854,693
Agriculture Loan		19,388,468	15,033,950
Staff Loan		2,052,876	1,340,922
		2,519,055,874	1,875,266,776
Interest on Calls, Placements and Balance with Other Banks:			
Calls and Placements		110,336,412	244,330,072
Balance with Other Banks		8,468,097	13,952,962
		118,804,509	258,283,034
		2,637,860,383	2,133,549,810
21.00 Interest Paid on Deposits and Borrowings etc.			
Interest Paid on Deposits:			
Short Notice Deposit		111,237,023	181,112,286
Savings Deposits		38,912,050	30,239,835
Term Deposit		1,774,765,378	1,179,579,036
		1,924,914,451	1,390,931,157
Interest paid for borrowings:			
Interest on Money at Call and Short Notice		212,292	-
Interest on Repurchase Agreement (Repo)		1,057,488	-
Interest on Re-Finance and Pre-Finance from Bangladesh Bank		1,036,814	710,996
Interest Expenses of Lease Liabilities		7,048,892	9,188,922
		9,355,486	9,899,918
		1,934,269,937	1,400,831,075



Particulars	Amount in Taka		
	Jan-Dec' 2025	Jan-Dec' 2024	
22.00 Investment Income			
Dividend on Shares	Note: 22.01	304,495,454	220,666,366
Gain from Sale of Govt. Securities		9,334,000	227,210
Capital Gain from Special Fund Investment		40,000	-
Gain/(Loss) on Repo		480,574	-
Income from Bond	Note: 22.02	33,964,771	52,640,630
Interest on Treasury Bills and Bonds		354,317,581	296,761,653
Gain/(Loss) on revaluation on Treasury Bills and Bonds		(21,549,231)	(21,761,539)
		681,083,149	548,534,320
22.01 Dividend on Shares			
Dividend from Special Fund Investment		2,244,531	4,134,889
Dividend from Preference Share		302,218,911	216,335,331
Dividend from Capital Market (Regular Fund)		32,012	196,146
		304,495,454	220,666,366
22.02 Income from Bond			
Interest on Subordinate Bond		30,318,603	28,057,610
Interest on Zero Coupon Bond		3,646,168	24,583,020
		33,964,771	52,640,630
23.00 Commission, Exchange and Brokerage			
Commission from Issue of Letters of Credit		7,981,894	4,787,956
Commission from Issue of Letters of Guarantee		22,116,191	15,674,821
Other Commission and Service Charges		11,436,776	3,607,570
		41,534,861	24,070,347
24.00 Other Operating Income			
Income from Cash Disbursement Services (CDS)		61,954,696	42,122,926
Exchange Gain on Foreign Currencies		11,523,721	22,972,479
Income from Account Maintenance		21,969,227	21,247,897
Card Income		53,072,867	39,243,207
Other Income-Misc. and Supervision Charge		11,526,306	13,591,026
		160,046,817	139,177,535
25.00 Salary and Allowances			
Basic Salary		154,774,427	131,347,521
Allowances		140,168,890	120,469,417
Provident Fund		15,405,515	12,973,398
Gratuity Fund		15,300,000	23,137,796
Bonus		26,925,284	37,669,682
Contractual Staffs Salary and Wages		79,519,604	65,713,836
		432,093,720	391,311,650
26.00 Rent, Taxes, Insurance, Electricity etc.			
Rent, Rates and Taxes - Premises	Note: 26.01	33,062,725	29,671,893
Electricity, Gas, Water, etc.		14,696,773	14,030,169
Insurance		17,127,154	13,935,780
		64,886,652	57,637,842
26.01 Rent, Rates and Taxes - Premises			
Rent - Premises		32,269,883	28,984,262
Rent-ATM		792,842	687,631
		33,062,725	29,671,893



Particulars	Amount in Taka	
	Jan-Dec' 2025	Jan-Dec' 2024
26.01.01 Rents, Rates and Taxes		
Rent, Rates and Taxes - Premises	91,725,321	85,683,828
Rent-ATM	792,842	687,631
Less: Rent exp. reversal due to depreciation and interest exp. under IFRS 16	59,455,438	56,699,566
	33,062,725	29,671,893
27.00 Legal Expenses		
Legal and Professional Expenses	6,277,112	2,835,436
Notary, Court Fees and Licensing	63,600	18,444
	6,340,712	2,853,880
28.00 Postage, Stamp, Telecommunication etc.		
Telephone	787,950	626,232
Postage, Stamp and Courier	2,065,136	1,761,412
Internet	3,309,769	2,140,521
Branch Connectivity Charges	11,544,214	9,714,315
	17,707,069	14,242,480
29.00 Stationery, Printing, Advertisements etc.		
Printing	5,604,478	3,989,996
Stationery	9,953,141	6,840,944
Publicity and Advertisement	1,131,172	756,590
	16,688,791	11,587,530
30.00 Chief Executive's Salary and Fees		
Basic Salary	3,060,129	4,803,806
Allowances	1,975,149	3,749,830
Festival Bonus	847,000	2,270,000
	5,882,278	10,823,636
31.00 Directors' Fees		
Directors' Fees	1,350,500	985,800
Independent Director Remuneration	1,437,500	550,000
Meeting Expenses	612,464	324,249
	3,400,464	1,860,049
Directors' fees represent fees paid for attending the meeting of the Board, Risk Management Committee and Audit Committee meeting @ Tk 8,000 per director per meeting as per BRPD circular no. 11 dated 4 October 2015. Independent director of the bank is paid as remuneration Tk. 50,000 as per BRPD circular no. 03 dated February 2024.		
32.00 Auditors' Fees		
External Audit Fee	862,500	402,500
	862,500	402,500
33.00 Depreciation and Repairs of Bank's Assets		
Depreciation :		
Furniture and Fixture	19,189,701	17,851,159
Office Equipment (Machinery, Electromechanical and IT)	10,081,839	8,269,146
Vehicle	6,415	6,415
Computer and Network Equipment	24,632,428	23,291,180
Right of Use Assets (ROU) as per IFRS 16	52,197,995	52,197,995
Software	9,205,071	9,327,236
	115,313,449	110,943,131
Repairs:		
Computer Accessories	488,500	1,103,000
Electricity and Lighting	504,685	53,024
Furniture and Fixture	978,251	636,988
Motor Vehicles	193,959	223,056
Building and Decoration	178,307	223,540
Equipment	1,474,183	820,605
	3,817,885	3,060,213
	119,131,334	114,003,344



Particulars	Amount in Taka	
	Jan-Dec' 2025	Jan-Dec' 2024
34.00 Other Expenses		
Bank Charges	27,126,985	24,782,512
Books and Periodicals	25,207	18,860
Regulatory Charges	13,833,058	1,218,497
Entertainment	2,839,531	2,194,542
Traveling Expenses	1,172,922	1,722,184
Local Conveyance	1,078,981	525,358
Staff Training and Development	1,272,972	191,326
Recruitment Expenses	142,215	69,369
Campaign Expnese	836,316	522,661
Car and Fuel Expenses	19,884,560	15,233,026
Office Maintenances	3,681,562	2,676,694
IT Enabled Service	13,619,298	12,273,711
Software Maintenance	14,246,292	11,915,605
ATM Maintenance	1,325,830	1,060,540
Annual General Meeting	822,958	707,901
Business Development/Promotional Expenses	2,600,194	1,957,760
Miscellaneous Expenses	1,187,188	175,678
Spare Parts	3,214,799	2,990,093
Card Expenses	44,531,548	29,049,257
Donations, Subscription and Memberships	10,528,975	18,122,200
Branch Opening Expenses	100,569	576,221
Events and Occasional Expenses	253,969	652,664
Purchase of Utensils	214,219	173,685
Expenses for Cash Disbursement Services	4,487,743	4,091,707
Loss on Sale of Bank's Property	341,006	-
	169,368,897	132,902,051
35.00 Provision for Loans and Advances		
General Provision	(95,466,112)	19,679,518
Specific Provision	1,350,218,254	(3,378,996)
	1,254,752,142	16,300,522
36.00 Provision for Diminution in Value of Investments		
Provision for Diminution in Value of Investments	81,420	5,669,263
	81,420	5,669,263
37.00 Other Provisions		
Off-Balance Sheet Items	12,697,664	7,811,903
Provision Other Assets	152,523,996	5,008,733
Provision for Other Investment	176,400,000	-
Provision for Placement with NBFIs	48,300,000	-
	389,921,660	12,820,636
38.00 Provision for Taxation		
Current Tax	291,861,897	286,072,471
Deferred Tax	(361,499,802)	(11,345,540)
	(69,637,905)	274,726,931
38.01 Current Tax		
During the Year 2025	264,854,605	273,123,430
Income Tax Year 2017	-	3,768,926
Income Tax Year 2018	-	9,180,115
Income Tax Year 2019	13,863,766	-
Income Tax Year 2020	13,143,526	-
	291,861,897	286,072,471



Particulars	Amount in Taka	
	Jan-Dec' 2025	Jan-Dec' 2024
39.00 Appropriations		
Retained Earnings - Brought Forward	257,030,669	168,868,435
Less: Stock Dividend	(250,000,000)	(168,500,000)
Add: Net Profit after Tax for the year	(825,224,461)	397,358,623
	(818,193,792)	397,727,058
Transferred to		
Statutory Reserve	-	(134,417,111)
Start-Up Fund	-	(3,973,586)
Climate Risk Fund	-	(2,305,692)
	-	(140,696,389)
Retained Earnings	(818,193,792)	257,030,669
40.00 Earnings Per Share (EPS)		
Net Profit after Taxation (Numerator)-(a)	(825,224,461)	397,358,623
Number of Ordinary Shares Outstanding (Denominator)-(b)	525,000,000	525,000,000
Basic Earnings per Share-(a/b)	(1.57)	0.76
Bonus Fraction	-	-
Earnings per Share (EPS) [Restated: 2024]-(a/b)	(1.57)	0.76
41.00 Net Asset Value (NAV) per Share		
Net Asset Value Attributable to Shareholders-(a)	4,952,434,574	5,772,062,597
Number of Ordinary Share Outstanding at the end of the year-(b)	525,000,000	525,000,000
Net Asset Value (NAV) per Share [Restated: 2024]-(a/b)	9.43	10.99
42.00 Changes in Other Assets		
Opening balance:		
Advance Rent	14,991,258	10,028,963
Advance VAT	6,367,899	7,015
Advance, Deposit and Prepayments	23,728,458	33,679,026
Inventory	11,396,236	4,306,213
Shanchaypatra Receivable	224,349	224,449
Receivable on Cards	26,359,616	10,841,642
Clearing Charges Adjustment	128,806	100,276
Other Receivables	22,763,585	16,373,269
Balance with EBL Securities PLC.	17,671	18,571
Balance with Lanka Bangla Securities PLC.	329,999	339,224
	106,307,878	75,918,648
Closing Balance:		
Advance Rent	17,968,194	14,991,258
Advance VAT	-	6,367,899
Advance, Deposit and Prepayments	19,725,290	23,728,458
Inventory	7,272,627	11,396,236
Receivable on Cards	32,972,808	26,359,616
Shanchaypatra Receivable	224,349	224,349
Clearing Charges Adjustment	159,263	128,806
Other Receivables	34,191,557	22,763,585
Balance with EBL Securities PLC.	17,671	17,671
Balance with Lanka Bangla Securities PLC.	132,044	329,999
	112,663,803	106,307,877
Net Cash Changes in Other Assets	(6,355,925)	(30,389,229)



Particulars	Amount in Taka	
	Jan-Dec' 2025	Jan-Dec' 2024
43.00 Changes in Other Liability		
Opening balance:		
Other Payable	78,598,681	70,109,718
Interest Suspense	314,586,765	77,498,783
Interest Suspense-Invstment	-	-
Transactional Account	119,952	49,436
Lease Liability	164,008,159	199,082,067
	557,313,557	346,740,004
Closing Balance:		
Other Payable	48,815,143	78,598,681
Interest Suspense	513,399,072	314,586,765
Interest Suspense-Invstment	84,337,706	-
CIB Payable	570,053	-
Transactional Account	41,135,847	119,952
Lease Liability	112,602,349	164,008,159
	800,860,170	557,313,557
Net Cash Changes in Other Liability	243,546,613	210,573,553
44.00 Payments for Other Operating Activities		
Rent, Taxes, Insurance, Electricity, etc.	64,886,652	57,637,842
Postage, Stamps, Telecommunication, etc.	17,707,069	14,242,480
Repairs of Bank's Assets	3,817,885	3,060,213
Auditors' Fees	862,500	402,500
Legal Expenses	6,340,712	2,853,880
Directors' Fees	3,400,464	1,860,049
Other Expenses	169,368,897	132,902,051
	266,384,179	212,959,015
45.00 Number of Employees and Support Staffs		
	Figure in Number	
	31-Dec-25	31-Dec-24
Regular		
Officer and Executives	328	305
Contractual		
Officer	87	49
Support Staffs and Security	273	243
Total	688	597

The number of employees including contractual engaged for the whole year or part there of who received a total yearly remuneration of Tk. 36,000/- or above were 688 for the year 2025 (2024 : 597)



46. Disclosure on Audit Committee

a) Particulars of Audit Committee:

The audit committee of the Board was duly constituted by the Board of Directors of the Bank in accordance with the BRPD Circular Letter No-2 on 11th February 2024 issued by Bangladesh Bank, the current Committee is Constituted with the following 03 (Three) members of the Board:

SL. No.	Name of the Director	Status with the Bank	Status with the Committee	Educational Qualification
1	Mr. Ahmed Kamal Khan Chowdhury	Independent Director	Chairman	BSS, MSS (Economics), MBA (Finance)
2	Col Mohammad Nazrul Islam, BGBM, BGBMS, psc	Director	Member	BSc, MBA, BSc in CSE
3	Mr. Abu Hena Mohd. Razee Hassan	Independent Director	Member	MSS (Economics); MA (Development Economics)

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

SL. No.	Meeting no.	Holding Date
1	37th	4th February, 2025
2	38th	28th April, 2025
3	39th	25th June, 2025
4	40th	12th November, 2025
5	41st	8th December, 2025

c) Review by the Audit Committee and Recommendation thereof:

Internal Control:

- Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;
- Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS);
- Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;
- Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management.

Internal Audit:

- Audit committee will monitor whether internal audit working independently from the management.
- Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process;
- Examine the efficiency and effectiveness of internal audit function;
- Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.

External Audit:

- Review the performance of the external auditors and their audit reports;
- Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not; and
- Make recommendations to the board regarding the appointment of the external auditors.

Compliance with existing laws and Regulations:

Review whether the laws and regulations framed by the regulatory authorities (central bank and other bodies) and internal regulations approved by the board are being complied with.

Other Responsibilities:

- Submit compliance report to the board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities;
- External and internal auditors will submit their related assessment report, if the committee solicit;
- Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis;
- Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- Developing, recommending and reviewing annually the company's human resources and training policies.



47. Related Party Disclosures

i) Name of Directors and their interest in different entities as on December 31, 2025

SL No.	Name	Name of the firms/Companies in which they have interest	Status with the Bank	Status in the interested entities
1	BGB Welfare Trust	Border Guard Bangladesh	Sponsor	Not Applicable
2	Major General Mohammad Ashrafuzzaman Siddiqui, OSP, BSP, SUP, BGBM, ndc, psc, MPhil	1. Border Guard Bangladesh; 2. BGB Welfare Trust	Chairman	1. Director General; 2. Chairman
3	Brig Gen Imtaj Uddin, ndc, psc	1. Border Guard Bangladesh; 2. BGB Welfare Trust	Director	1. Additional Director General (HQ); 2. Vice Chairman-Trustee Board;
4	Brig Gen Md Sohrab Hossain Bhuiyan, BGBM, PBGM, ndc, psc, G+	1. Border Guard Bangladesh; 2. BGB Welfare Trust	Director	1. Additional Director General (GS); 2. Member-Trustee Board;
5	Brig Gen Mohammad Shariful Islam, BGBM, psc	Border Guard Bangladesh;	Director	Bureau Chief-Border Security Bureau
6	Col Md Moinul Islam Mollah, PBGMS, psc	Border Guard Bangladesh;	Director	Deputy Director General (Air)
7	Col Mohammad Nazrul Islam, BGBM, BGBMS, psc	Border Guard Bangladesh;	Director	Deputy Director General (Comm)
8	Mr. Abu Hena Mohd. Razee Hasan	Not Applicable	Independent Director	Not Applicable
9	Mr. Ahmed Kamal Khan Chowdhury	1. Concorde Group; 2. SSL Group; 3. Redshift Trading & Consulting Limited	Independent Director	1. Adviser; 2. Adviser; 3. Chairman

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

SL No.	Name	Address	Designation	No. of Shares holding as on Dec-31, 2025
1	BGB Welfare Trust	Shimanto Shomvar, Dhanmondi, Dhaka	Sponsor	524,999,994
2	Major General Mohammad Ashrafuzzaman Siddiqui, OSP, BSP, SUP, BGBM, ndc, psc, MPhil	Director General, Border Guard Bangladesh	Chairman	1
3	Brig Gen Imtaj Uddin, ndc, psc	Additional Director General (HQ), HQ BGB	Director	1
4	Brig Gen Md Sohrab Hossain Bhuiyan, PBGM, ndc, psc, G+	Additional Director General (GS), BGB	Director	1
5	Brig Gen Mohammad Shariful Islam, BGBM, psc	Bureau Chief-Border Security Bureau	Director	1
6	Col Md Moinul Islam Mollah, PBGMS, psc	Deputy Director General (Air), HQ BGB	Director	1
7	Col Mohammad Nazrul Islam, BGBM, BGBMS, psc	Deputy Director General (Comm)	Director	1
Total				525,000,000



- iii) Share issued to Directors & Executives without consideration or exercisable at discount Nil
- iv) Related party Transactions:

During the year ended 31 December 2025, the Bank has transaction with the following organizations in which the directors had interest:

Name of the Company/Person	Name of the relationship	Nature of the transaction	Amount of Transaction made during the year	
			2025	2024
BGB Welfare Trust	Common Director	Stock Dividend	250,000,000	168,500,000

v) Lending policies in respect of related party

- a) Amount of transaction regarding loans and advances, deposits, guarantees and commitment as on 31 December 2025

SL. No	Name of the Party	Nature of Transaction	Product	Amount
1	Border Guard Bangladesh; it's Units	Deposit	Current	70,800,999
		Deposit	FDR	6,930,641,317
		Deposit	SND	3,696,657,304
2	BGB Welfare Trust	Deposit	FDR	325,954,397
		Deposit	SND	72,905,689
3	Shimanto Poribar Kolyan Samity (Shipoks)	Deposit	FDR	4,383,825
		Deposit	SND	836,449
4	Birshreshtha Munshi Abdur Rouf Public College	Deposit	FDR	128,378,682
		Deposit	SND	116,420,917
5	Birshreshtha Noor Mohammad Public College	Deposit	FDR	93,806,890
		Deposit	SND	274,934,052
6	Shimanto Square Market	Deposit	FDR	703,909
		Deposit	SND	81,803,142
7	Shimanto Shamvar Market	Deposit	SND	182,240,600
8	BGB School and Others	Deposit	Current	4,557,033
		Deposit	FDR	111,946,865
		Deposit	SND	111,697,319
9	Dipto Shimanto	Deposit	FDR	48,500,000
		Deposit	SND	6,420,189
10	Shimanto Logistics & Transport Service (SLTS)	Deposit	FDR	49,288,077
		Deposit	SND	6,419,403
11	SSL Group	Deposit	Current	55,041
12	Mr. Abu Hena Mohd. Razee Hasan	Deposit	Savings	789,380

b)	Amount of transactions regarding principal items of deposits, expenses and commission	Nil
c)	Amount of provision against loans and advances given to related party	Nil
d)	Amount of guarantees and commitments arising from other off-balance sheet exposures	Nil

- vi) Disclosure of transaction regarding Directors and their related concerns Nil
- vii) Business other than banking business with any related concern of the Directors as per Section 18 (2) of Bank Companies Act 1991 (amended up to date)



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

SL. No	Name of the Party	Nature of Contract	Name of the Branch/ATM	Area of the Branch (SFT)	Amount
1	Border Guard Bangladesh; it's Units-Shimanto Tohobil	Lease Agreement-Office Space	Principal	5,902	12,854,556
2	Border Guard Bangladesh; it's Units-Shimanto Logistics & Transport Service (SLTS)	Lease Agreement-Service Charge	Principal	-	708,240
3	Border Guard Bangladesh; it's Units-Shimanto Tohobil	Lease Agreement-Office Space & ATM Space	Lalmonirhat	2,070	300,564
4	Border Guard Bangladesh; it's Units-Shimanto Tohobil	Lease Agreement-Office Space	Sylhet	2,800	1,053,658
5	Border Guard Bangladesh; it's Units-Shimanto Tohobil	Lease Agreement-ATM Space	Halishahar	200	29,994
6	Border Guard Bangladesh; it's Units-Shimanto Tohobil	Lease Agreement-ATM Space	BGTC	200	29,994
7	Border Guard Bangladesh; it's Units-Shimanto Logistics & Transport Service (SLTS)	Lease Agreement-Office Space	Hazaribagh	2,494	823,020
8	Border Guard Bangladesh; it's Units-Shimanto Logistics & Transport Service (SLTS)	Lease Agreement-Godown Space	Central Godown	1,141	376,517
9	Border Guard Bangladesh; it's Units-Shimanto Shamvar Market (Tohobil)	Lease Agreement-Office Space	Head Office	36,000	29,646,000
10	Border Guard Bangladesh; it's Units	Lease Agreement-Office Space	HO Archive	3,783	3,623,158
11	Border Guard Bangladesh; it's Units-Mymensingh Sector	Lease Agreement-Office Space	Mymensingh	2,984	1,853,064

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

i)	Shimanto Logistics & Transport Service (SLTS) Rooftop signboard for Principle Branch	Yearly Rent	91,515
ii)	Shimanto Square Market Main Signboard	Yearly Rent	78,796
iii)	BGB Welfare trust, Security and Support Staff Service	Yearly Expenses	78,688,667
iv)	Dipto Shimanto	Donation	3,600,000

viii)	Investments in the securities of Directors and their related concern	Nil
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47.01 Events after the Reporting Period

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

- (a) Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period; and
(b) Non-adjusting events after the reporting period, are those that are indicative of conditions that arose after the reporting period.

The details about the event after the reporting period:

The Board of Directors in its 90th Board meeting held on April 29, 2026 has recommended no dividend and final approval of the Shareholders at the next Annual General Meeting of the Bank.


Chairman


Director


Director


Managing Director & CEO



Shimanto Bank PLC.
Highlights on the overall activities.
As at 31 December 2025

Sl #	Particulars	Indicators	2025	2024
1	Paid-Up Capital	BDT	5,250,000,000	5,000,000,000
2	Total Capital	BDT	5,211,822,771	5,984,156,163
3	Capital (Deficit)/ Surplus	BDT	211,822,771	984,156,163
4	Total Assets	BDT	41,497,913,490	33,012,699,495
5	Total Deposits	BDT	32,761,212,055	25,354,108,807
6	Total Loans and Advances	BDT	25,094,320,926	20,341,282,630
7	Total Contingent Liabilities and Commitments	BDT	3,382,604,674	1,915,874,185
8	Credit-Deposit Ratio	%	76.60%	80.23%
9	Percentage of Classified Loan against Total Loans and Advances	%	6.73%	1.29%
5	Profit after Tax and Provision	BDT	(825,224,461)	397,358,623
11	Amount of Clasified Loans During Current Year	BDT	1,688,272,417	261,942,045
12	Provision Kept against Classified Loans	BDT	1,563,470,662	89,277,220
13	Provision Surplus/Deficit	BDT	-	-
14	Cost of Fund	%	10.13%	9.78%
15	Interest Earning Assets	BDT	37,499,674,482	29,822,175,194
16	Non-Interest Earning Assets	BDT	3,998,239,008	3,190,524,301
17	Return on Investments (ROI)	%	7.27%	8.24%
18	Return on Assets (ROA)	%	-2.22%	1.36%
19	Return on Equity (ROE)	%	-15.39%	7.32%
20	Income from Investments	BDT	681,083,149	548,534,320
21	Earnings per Share (Restated-2024)	BDT	(1.57)	0.76
22	Net Income per Share (Restated-2024)	BDT	(1.57)	0.76
23	Price Earning Ratio	Times	N/A	N/A
24	Net Asset Value (NAV) per Share [Restated: 2024]	BDT	9.43	10.99



Shimanto Bank PLC.
Schedule of Fixed Assets of the Bank
As at 31 December 2025

Name of Assets	Amount in Taka								Written Down Value
	Cost				Depreciation/ Amortization				
	Opening Balance	Addition during the year	Disposal/ (Adjustment) During the year	Closing Balance	Opening Balance	Depreciation During the year	Disposal/ (Adjustment) During the year	Closing Balance	
Freehold Assets									
Computer & Network	237,202,581	25,906,971	-	263,109,552	161,287,272	24,632,428	-	185,919,700	77,189,852
Furniture and Fixtures	194,631,647	11,398,055	1,926,765	204,102,937	95,126,337	19,189,701	1,468,890	112,847,147	91,255,790
Office Equipment	107,790,535	11,792,479	937,628	118,645,386	71,958,497	10,081,839	926,865	81,113,471	37,531,915
Vehicle	176,400	6	-	176,406	161,968	6,415	-	168,383	8,023
Sub Total	539,801,163	49,097,511	2,864,393	586,034,281	328,534,074	53,910,382	2,395,755	380,048,702	205,985,579
Intangible Assets									
Software	84,811,306	10,567,320	-	95,378,626	67,204,939	9,205,071	-	76,410,010	18,968,616
Sub Total	84,811,306	10,567,320	-	95,378,626	67,204,939	9,205,071	-	76,410,010	18,968,616
Lease Assets-Premises									
Right of Used Assets	260,300,744	-	-	260,300,744	104,395,990	52,197,995	-	156,593,985	103,706,759
Sub Total	260,300,744	-	-	260,300,744	104,395,990	52,197,995	-	156,593,985	103,706,759
Total as on 31 December 2025	884,913,213	59,664,831	2,864,393	941,713,651	500,135,003	115,313,448	2,395,755	613,052,697	328,660,954
Total as on 31 December 2024	818,882,779	66,030,434	-	884,913,213	389,191,872	110,943,131	-	500,135,003	384,778,210



Shimanto Bank PLC.
Investment in Shares of the Bank
As at 31 December 2025

Sl. No.	Name of the Company	Amount in Taka						
		Face Value	No. of Shares including bonus share	Cost of Holding	Average Cost Per Share	Market rate per share as at 31 December 2025	Total market value as at 31 December 2025	Unrealized Profit/ (Loss) as at 31 December 2025
1	ACI PLC.	10	12,790	3,025,039	236.52	194.20	2,483,818	(541,221)
2	Bangladesh Export Import Company PLC.	10	105	13,474	128.32	110.10	11,561	(1,914)
3	Beximco Pharmaceuticals PLC.	10	30,027	5,499,643	183.16	103.30	3,101,789	(2,397,854)
4	GPH Ispat Ltd.	10	53,725	2,555,997	47.58	15.90	854,228	(1,701,769)
5	IFIC Bank PLC.	10	430,607	5,199,263	12.07	4.60	1,980,792	(3,218,471)
6	LafargeHolcim Bangladesh PLC.	10	10	806	80.60	47.00	470	(336)
Sub-Total				16,294,222			8,432,658	(7,861,565)



Shimanto Bank PLC.
Investment in Shares of the Bank
As at 31 December 2025

Sl. No.	Name of the Company	Amount in Taka						
		Face Value	No. of Shares including bonus share	Cost of Holding	Average Cost Per Share	Market rate per share as at 31 December 2025	Total market value as at 31 December 2025	Unrealized Profit/ (Loss) as at 31 December 2025
1	ACI PLC.	10	108	25,730	238.24	194.20	20,974	(4,756)
2	Bangladesh Steel Re-Rolling Mills Ltd.	10	15,221	1,473,001	96.77	75.10	1,143,097	(329,904)
3	BD Submarine Cable PLC.	10	10	2,049	204.91	127.00	1,270	(779)
4	GPH Ispat Ltd.	10	110,775	5,456,933	49.26	15.90	1,761,323	(3,695,610)
5	IFIC Bank PLC.	10	1,068,177	15,338,976	14.36	4.60	4,913,614	(10,425,362)
6	Mercantile Bank PLC.	10	214,200	3,568,425	16.66	7.40	1,585,080	(1,983,345)
7	Power Grid Company of Bangladesh PLC.	10	155,000	10,029,027	64.70	26.50	4,107,500	(5,921,527)
8	Bangladesh Export Import Company PLC.	10	52,500	7,413,487	141.21	110.10	5,780,250	(1,633,237)
9	Beximco Pharmaceuticals PLC.	10	230,768	47,015,376	203.73	103.30	23,838,334	(23,177,042)
10	IPDC Finance PLC.	10	10	420	42.03	19.00	190	(230)
11	LankaBangla Finance PLC.	10	275,845	10,590,258	38.39	12.20	3,365,309	(7,224,949)
12	LafargeHolcim Bangladesh PLC.	10	70,000	5,299,627	75.71	47.00	3,290,000	(2,009,627)
13	Summit Power Ltd.	10	100,000	4,297,180	42.97	12.20	1,220,000	(3,077,180)
14	British American Tobacco Bangladesh Company PLC.-BATBC	10	48,255	30,952,411	641.43	248.90	12,010,670	(18,941,741)
15	Confidence Cement PLC.	10	119,116	14,805,360	124.29	49.20	5,860,507	(8,944,853)
16	Square Pharmaceuticals PLC.	10	59,000	13,534,000	229.39	199.50	11,770,500	(1,763,500)
17	Bangladesh Shipping Corporation	10	1,800	197,954	109.97	110.00	198,000	46
Sub-Total				170,000,215			80,866,618	(89,133,597)

As per DOS circular no. 4 dated April 08, 2025 provision for diminution value of investment under special fund is exempted upto December 31, 2026.



Shimanto Bank PLC.
Balance with Other Banks-Outside Bangladesh (Nostro Account)
As at 31 December 2025

Name of the Bank	Account Type	Currency Type	2025			2024		
			FC	Exchange	Equivalent	FC	Exchange	Equivalent
			Amount	Rate		Amount	Rate	Taka
Habib American Bank	CD	US \$	543,629	122.35	66,512,987	2,019,225	119.00	240,287,832
Axis Bank ACU	CD	US \$	199,303	122.35	24,384,706	21,942	119.00	2,611,130
United Bank of India	CD	US \$	127,546	122.35	15,605,278	2,912	119.00	346,546
Total			870,478		106,502,971	2,044,079		243,245,508

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

