HBL HABIB BANK
হাবিব ব্যাংক

Habib Bank Limited, Bangladesh Branches

Auditor's Report and Audited Financial Statements For the year ended 31 December 2024

Independent Auditor's Report
To the Management of Habib Bank Limited-Bangladesh Branches

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Habib Bank Limited-Bangladesh Branches ("the Bank"), which comprise the balance sheet as at 31 December 2024 and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the financial position of the Bank as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion

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

Other Matters

The financial statements of Habib Bank Limited-Bangladesh Branches for the year ended 31 December 2023, were audited by another auditor who expressed an unmodified opinion on those statements on 12 March 2024.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRSs as explained in note no. 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The 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.

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

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

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

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

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) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities section in forming the above opinion on the financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:

(a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;

(b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities {other than matters disclosed in these financial statements};

(iii) in our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books;

(iv) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(v) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(vi) the expenditures incurred were for the purpose of the Bank's business for the year;

(vii) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

(viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;

(ix) the information and explanations required by us have been received and found satisfactory;

(x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 980 person hours; and

(xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Sabbir Ahmed

Sabbir Ahmed FCA, Partner
ICAB Enrolment no: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants
FRC Enlistment No: CAF-001-057

Dhaka, 23 February, 2025
DVC: 2502230770AS376917

Balance Sheet
As at 31 December 2024

	Notes	31-Dec-24 Taka	31-Dec-23 Taka
Property and assets			
Cash	4	**1,041,429,545**	**845,768,076**
Cash in hand (including foreign currencies)		73,083,461	74,052,206
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		968,346,084	771,715,870
Balance with other banks and financial institutions	5	**68,125,214**	**118,496,316**
In Bangladesh		5,050,665	20,726,947
Outside Bangladesh		63,074,549	97,769,369
Money at call and short notice	6	**300,000,000**	**329,500,000**
Investments	7	**6,842,695,575**	**5,733,615,699**
Government		6,842,367,775	5,733,483,899
Others		327,800	131,800
Loans and advances	8	**5,538,021,148**	**5,319,184,882**
Loans, cash credits, overdrafts, etc.		5,538,021,148	5,319,184,882
Bills purchased and discounted		-	-
Fixed assets including premises, furniture and fixtures	9	**162,242,166**	**169,922,362**
Other assets	10	**1,046,868,943**	**1,384,336,296**
Non-banking assets		-	-
Total assets		**14,999,382,591**	**13,900,823,631**
Liabilities and capital			
Liabilities			
Borrowings from other banks, financial institutions and agents		**520,000,000**	-
Deposits and other accounts	11	**7,765,749,980**	**7,201,313,775**
Current and other accounts		3,154,682,256	2,869,675,182
Bills payable		56,578,659	52,136,812
Fixed deposits		4,114,436,843	3,837,946,646
Savings deposits		440,052,222	441,555,135
Other liabilities	12	**1,777,284,422**	**1,991,894,364**
Total liabilities		**10,063,034,402**	**9,193,208,139**
Capital/Shareholders' equity	13	**4,936,348,189**	**4,707,615,492**
Capital fund		4,619,833,870	4,360,883,491
Other reserve		58,823,859	75,414,968
Surplus in profit and loss account	14	257,690,460	271,317,033
Total liabilities and shareholders' equity		**14,999,382,591**	**13,900,823,631**
Off-balance sheet items			
Contingent liabilities		**4,164,464,473**	**4,038,697,557**
Acceptances and endorsements		250,516,508	67,801,517
Letters of guarantee	15.1	2,284,345,040	2,886,108,830
Irrevocable letters of credit		526,408,473	667,295,901
Bills for collection		79,795,249	47,069,741
Other contingent liabilities	15.2	1,023,399,203	370,421,568
Other Commitments		**19,877,141**	**31,109,186**
Documentary credits and short term trade-related transactions	15.3	19,877,141	31,109,186
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	15	**4,184,341,614**	**4,069,806,743**

The notes 1 to 34 and annexures I to VI form an integral part of these financial statements.

Parul Das
Chief Financial Officer

Muhammad Selim Barkat
Regional General Manager

As per our report of same date

Sabbir Ahmed

Sabbir Ahmed FCA, Partner
ICAB Enrolment No: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 23 February, 2025
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Profit and Loss Account
For the year ended 31 December 2024

	Notes	2024 Taka	2023 Taka
Interest income	16	576,270,070	377,997,974
Less: Interest paid on deposits and borrowings etc.	17	439,229,443	280,901,195
Net interest income		**137,040,627**	**97,096,779**
Investment income	18	661,191,910	507,215,686
Commission, exchange and brokerage	19	32,492,500	56,020,015
Other operating income	20	3,999,071	5,460,418
		697,683,481	**568,696,119**
Total operating income (A)		**834,724,108**	**665,792,898**
Less: Operating expenses			
Salaries and allowances	21	231,615,415	183,034,648
Rent, taxes, insurance, electricity etc.	22	19,700,050	18,414,684
Legal expenses	23	7,314,550	12,463,557
Postage, stamp, telecommunication etc.	24	1,110,811	492,642
Stationery, printing, advertisements etc.	25	12,781,690	13,359,902
Chief Executive's salary and fees	26	40,196,666	38,522,627
Auditors' fees		1,180,648	1,677,500
Depreciation and repairs of bank's assets	27	63,776,080	63,398,890
Other expenses	28	74,010,718	63,885,714
Total operating expenses (B)		**451,686,628**	**395,250,164**
Profit/(loss) before provision and taxes (C=A-B)		**383,037,480**	**270,542,734**
Provision against loans and advances	29	36,880,232	26,163,538
Provision for off-balance sheet items	12.2	(4,784,452)	1,915,529
Provision for diminution in value of investments		-	-
Recovery from written off loans		-	(5,500,000)
Other provisions		1,200,000	-
Total provision (D)		**33,295,780**	**22,579,067**
Total profit before taxes (C-D)		**349,741,700**	**247,963,667**
Less: Provision for taxation			
Prior year	12.4	619,502	10,000,000
Current year	12.4	169,165,900	85,000,000
Deferred	10.2	(67,845,526)	(12,366,654)
		101,939,876	82,633,346
Net profit after taxation		**247,801,824**	**165,330,321**
Appropriations:			
Transferred to Start-Up Fund		2,478,018	1,653,303
Retained surplus		**245,323,806**	**163,677,018**

The notes 1 to 34 and annexures I to VI form an integral part of these financial statements.

Parul Das
Chief Financial Officer

Muhammad Selim Barkat
Regional General Manager

As per our report of same date

Sabbir Ahmed

Sabbir Ahmed FCA, Partner
ICAB Enrolment No: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 23 February, 2025
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Cash Flow Statement
For the year ended 31 December 2024

		Notes	2024 Taka	2023 Taka
A.	**Cash flows from operating activities**			
	Interest/Profit receipts in cash		524,757,252	363,426,519
	Interest payments		(400,231,551)	(252,437,217)
	Income from investments	18	661,191,910	507,215,686
	Fee and commission receipts in cash	19	32,492,500	56,020,015
	Cash payments to employees		(263,384,256)	(216,585,858)
	Cash payments to suppliers		(83,847,146)	(95,518,672)
	Recoveries on loans previously written off		-	5,500,000
	Income tax paid		(85,358,890)	(82,312,932)
	Receipts from other operating activities		3,796,337	5,563,546
	Payments for other operating activities		(77,095,905)	(48,450,737)
	Cash generated from operating activities before changes in operating assets and liabilities		**312,320,251**	**242,420,350**
	Increase/Decrease in operating assets and liabilities			
	Loans and advances to customers		(218,836,266)	(127,269,396)
	Other assets		(33,078,994)	(143,690,797)
	Deposits from other banks		97,405,123	37,688,775
	Deposits from customers		467,031,082	599,423,346
	Other liabilities		112,173,236	(29,247,744)
	Cash generated from operating assets and liabilities		**424,694,181**	**336,904,184**
	Net cash from operating activities		**737,014,432**	**579,324,534**
B.	**Cash flows from investing activities**			
	Purchase of property, plant and equipment		(32,204,412)	(52,049,813)
	Sale proceeds of property, plant and equipment		256,223	1,034,528
	Sale/(Purchase) of securities		(1,109,079,876)	157,197,093
	Net cash from investing activities		**(1,141,028,065)**	**106,181,808**
C.	**Cash flows from financing activities**			
	Borrowings from other banks		520,000,000	(90,000,000)
	Remittance received from Head Office		-	-
	Net cash from/(used) in financing activities		**520,000,000**	**(90,000,000)**
D.	Net increase in cash and cash equivalents (A+B+C)		115,986,367	595,506,342
E.	Effects of exchange rate changes on cash and cash equivalents		-	-
F.	Cash and cash equivalents at the beginning of the year		1,293,896,192	698,389,850
G.	**Cash and cash equivalents at end of the year (D+E+F)**		**1,409,882,559**	**1,293,896,192**
	Cash and cash equivalents at end of the year			
	Cash in hand (Including foreign currencies)	4.1	73,083,461	74,052,206
	Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4.2	968,346,084	771,715,870
	Balance with other banks and financial institutions	5	68,125,214	118,496,316
	Money at call and on short notice	6	300,000,000	329,500,000
	Prize bonds	7	327,800	131,800
			1,409,882,559	**1,293,896,192**

The notes 1 to 34 and annexures I to VI form an integral part of these financial statements.

Statement of Changes in Equity
For the year ended 31 December 2024

(Amount in Taka)

Particulars	Fund received from Head Office	Other reserve	Surplus in profit & loss account	Total
Balance as at 1 January 2024	**4,360,883,491**	**75,414,968**	**271,317,033**	**4,707,615,492**
Transferred to Capital	258,950,379		(258,950,379)	-
Actuarial gain/(loss)		(4,139,119)		(4,139,119)
Surplus/deficit on account of revaluation of investment	-	(12,451,990)	-	(12,451,990)
Net profit for the year	-	-	247,801,824	247,801,824
Transferred to Start-Up Fund	-	-	(2,478,018)	(2,478,018)
Balance as at 31 December 2024	**4,619,833,870**	**58,823,859**	**257,690,460**	**4,936,348,189**

For the year ended 31 December 2023

(Amount in Taka)

Particulars	Fund received from Head Office	Other reserve	Surplus in profit & loss account	Total
Balance as at 1 January 2023	**4,360,883,491**	**53,174,703**	**107,640,015**	**4,521,698,209**
Surplus/deficit on account of revaluation of investment	-	22,240,265	-	22,240,265
Net profit for the year	-	-	165,330,321	165,330,321
Transferred to Start-Up Fund	-	-	(1,653,303)	(1,653,303)
Balance as at 31 December 2023	**4,360,883,491**	**75,414,968**	**271,317,033**	**4,707,615,492**

The notes 1 to 34 and annexures I to VI form an integral part of these financial statements.

Liquidity Statement (Asset and Liability Maturity Analysis)
As at 31 December 2024

(Amount in Taka)

Particulars	Maturity					Total
	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	
Assets:						
Cash in hand	73,083,461	-	-	-	-	73,083,461
Balance with Bangladesh Bank	659,546,084	-	-	-	308,800,000	968,346,084
Balance with other banks and financial institutions	68,125,214	-	-	-	-	68,125,214
Money at call and on short notice	-	-	300,000,000	-	-	300,000,000
Investment in treasury bills and others	78,772,406	704,980,032	1,101,679,958	4,431,194,150	526,069,029	6,842,695,575
Loans and advances to customers	1,219,267,074	1,685,827,046	1,850,881,330	732,131,894	49,913,804	5,538,021,148
Fixed assets including premises, furniture and fixtures	3,065,299	5,882,037	25,526,201	118,332,080	9,436,549	162,242,166
Other assets	1,724,635	188,291,563	2,000,193	854,852,552	-	1,046,868,943
Non-banking assets	-	-	-	-	-	-
Total assets (A)	**2,103,584,173**	**2,584,980,678**	**3,280,087,682**	**6,136,510,676**	**894,219,382**	**14,999,382,591**
Liabilities:						
Borrowing from other banks and financial institutions and agents	120,000,000	400,000,000	-	-	-	520,000,000
Deposits and other accounts	1,267,808,469	2,240,881,193	3,063,915,678	1,193,144,640	-	7,765,749,980
Other liabilities	149,357,001	105,405,320	102,872,561	130,722,018	1,288,927,522	1,777,284,422
Total liabilities (B)	**1,537,165,470**	**2,746,286,513**	**3,166,788,239**	**1,323,866,658**	**1,288,927,522**	**10,063,034,402**
Net liquidity excess/(shortage) (A-B)	**566,418,703**	**(161,305,835)**	**113,299,443**	**4,812,644,018**	**(394,708,140)**	**4,936,348,189**

Notes to the Financial Statements
As at and for the year ended 31 December 2024

1.0 Reporting entity - The Bank and its activities

1.1 Legal status and nature of the entity

Habib Bank Limited ("HBL")-Bangladesh Branches ("the Bank") is the branch of Habib Bank Limited, a banking company incorporated in Pakistan with its head office at HBL Tower, Karachi, Pakistan. The Bank has been conducting banking business in Bangladesh since 1976 after obtaining necessary permissions from Bangladesh Bank vide licence no. BL/DA/690/76 dated 3 June 1976. At present, the Bank has five (5) branches in Bangladesh out of which three (3) branches in Dhaka (Main branch, Uttara branch and Motijheel branch), one (1) branch in Chattogram and one (1) branch in Sylhet.

1.2 Principal activities

The principal activities of the Bank are to provide conventional banking services to its customers through deposits, loans and advances, trade financing, remittance facilities through its branches, alternate distribution channels namely, ATM booths, VISA debit cards and internet banking in Bangladesh.

2 Basis of preparation of financial statements and 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 date), the rules and regulations issued by Bangladesh Bank (BB), the Companies Act 1994, Income Tax Act 2023, 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 date), 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 date), and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRSs are as follows:

2.1 Material departures from the requirements of IFRS

i) Presentation of financial statements

IAS: As per IAS 1 financial statements shall comprise statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows, notes comprising summary of significant accounting policies, other explanatory information and comparative information. As per 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 the prescribed format (i.e. balance sheet, profit and loss account, cash flows statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the "First Schedule" (section 38) of the Bank Company (amendment) Act, 2013 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.

Bank's methodology: The financial statements of the Bank are made up to 31 December 2024 and are prepared under the historical cost convention and in accordance with the "First Schedule (Sec-38) of the Bank Company (amendment) Act, 2013, BRPD Circular no. 14 dated 25 June 2003, other Bangladesh Bank circulars, International Accounting Standards and International Financial Reporting Standards adopted by the Institute of Chartered Accountants of Bangladesh, Companies Act 1994 (as amended up to date), the Income Tax Act 2023, Value Added Tax and Supplementary Duty Act 2012, the Financial Reporting Act 2015, other laws and rules applicable in Bangladesh. In case of the requirement of Bangladesh Bank differs with those of IAS/IFRS, the requirement of Bangladesh Bank have been applied".

ii) Investment in shares and securities

IFRS: As per requirements of IFRS 9 'Financial instruments', all equity investments are to be measured at fair value with value changes recognised in the statement of profit or loss and other comprehensive income for the period, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income (OCI)'. If an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it through OCI with only dividend income recognised in profit or loss account.

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

iii) Revaluation gains/losses on Government securities

IFRS: Government securities refer primarily to various debt instruments including bonds and bills. As per requirements of IFRS 9: Financial Instruments, bonds can be categorised as "Amortised Cost (AC)" or "Fair Value Through Profit or Loss (FVTPL)" or "Fair Value through Other Comprehensive Income (FVOCI)". Bonds designated as amortised cost are measured at amortised cost method, and interest income is recognised through profit and loss account. Any changes in fair value of bonds designated as FVTPL is recognised in the profit and loss account. Any changes in fair value of bonds designated as FVOCI is recognised in other reserves, as a part of equity.

As per requirements of IFRS 9, bills can be categorised either as "Fair Value Through Profit or Loss (FVTPL)" or "Fair Value through Other Comprehensive Income (FVOCI)". Any change in fair value of bills is recognised in the profit and loss account or other reserves as a part of equity respectively.

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

According to DOS circular letter no. 27, dated 04th December 2023, for any bond held in HFT has a loss from weekly mark-to-market revaluation can be adjusted with Revaluation Reserve from the same Bond. If no Revaluation Reserve is not available for that particular bond, the revaluation loss will be charged to profit and loss account. In no circumstance revaluation loss of one band can be adjusted with Revaluation Reserve of another Bond.

iv) Provision on loans and advances, off-balance sheet exposures, including other commitments

IFRS: As per IFRS 9: Financial instruments, loans and advances shall be recognised and measured at amortised cost (net of any write down for impairment). When any objective evidence of impairment (a loss allowance for expected credit losses) exists for such financial assets, impairment assessment should be undertaken individually or portfolio basis (when assets are not individually significant).

Bangladesh Bank: As per Bangladesh Bank instructions vide different circulars, a general provision at 0.25% to 5% under different categories of unclassified loans (standard/SMA loans) and specific provision at 5% to 100% on classified loan accounts, including certain reschedule loan account should be made on loans net off eligible securities (if any). Also, a general provision from 0% to 1% should be provided for certain off-balance sheet exposures (including other commitments). Such provision policies are not specifically in line with those prescribed by IFRS 9.

v) Other comprehensive income and appropriation of profit

IAS: As per 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 (OCI) statement. IFRSs do not require the appropriation of profit to be shown on the face of the statement of comprehensive income.

Bangladesh Bank: 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. Furthermore, the above templates require disclosure of appropriation of profit on the face of profit and loss account.

vi) Financial instruments - presentation and disclosure

As per BB guidelines, in certain instances, financial instruments are categorised, recognised, measured and presented differently from those prescribed in IFRS 7: Financial instruments - disclosure and IFRS 9: Financial instruments. As such, some disclosures and presentation requirements of IFRS 7 and IFRS 9 cannot be fully complied with these financial statements.

vii) Repo and Reverse Repo transactions

IFRS: Repo is calculated under IFRS 9. When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (Repo or stock lending), the arrangement is accounted for as a collateralised borrowing and the underlying asset continues to be recognised in the financial statements. This transaction will be treated as borrowing, and the difference between selling price and repurchasing price will be treated as interest expense. The same rule applies to the opposite side of the transaction (Reverse Repo).

Bangladesh Bank: As per DOS circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS circular no. 2 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (Repo or stock lending), the arrangement is accounted for as a normal sales transaction and the booking of the financial asset transferred from seller's book to buyer's book.

viii) 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, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are 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, etc. will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin. However, a general provision at 0% to 0.75% is maintained against such guarantee.

ix) Recognition of interest in suspense

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

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 03 dated 21 April 2019, once a loan is classified (other than bad loss), interest on such loans are not allowed to be recognised as income, instead the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

x) Cash and cash equivalents

IAS: Cash and cash equivalents items should be reported as cash items as per IAS 7.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, balance with Bangladesh Bank is part of cash and cash equivalent regardless of any restriction. Some cash and cash equivalents items such as money at call and on short notice, treasury bills, Bangladesh Bank bills, 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 bond are shown in investments.

xi) Non-banking asset

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

Bangladesh Bank: As per BRPD circular no.14 dated 25 June 2003, a face item named non-banking asset shall exist.

xii) Cash flow statement

IAS: The cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, cash flow is the combination of direct and indirect methods.

Bank's methodology: Cash flow statement is prepared in accordance with *IAS 7: Statement of Cash Flows* under direct method and indirect method as recommended in BRPD circular no. 14 dated 25 June 2003 issued by Bangladesh Bank.

xiii) Balance with Bangladesh Bank (Cash Reserve Ratio-CRR)

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: As per BRPD circular no.14 dated 25 June 2003, balance with Bangladesh Bank is treated as cash and cash equivalents.

xiv) Presentation of intangible asset

IAS: An intangible assets must be identified and recognised, presented in the face of the balance sheet and the disclosure must be given as per IAS 38.

Bangladesh Bank: There is no regulation for intangible assets in BRPD circular no. 14 dated 25 June 2003, hence, it is shown in fixed assets.

C M Y K

HBL HABIB BANK
হাবিব ব্যাংক

Habib Bank Limited, Bangladesh Branches

Auditor's Report and Audited Financial Statements For the year ended 31 December 2024

Notes to the Financial Statements
As at and for the year ended 31 December 2024

xv) Off-balance sheet items

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

Bangladesh Bank: As per BRPD circular no. 14 dated 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.

Bank's methodology: Off-balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank's guidelines. BRPD Circular no. 06 dated 25 April 2023, BRPD Circular no. 7 dated 21 June 2018 and BRPD Circular no. 13 dated 18 October 2018 requires a general provision for off-balance sheet exposures except bills for collections to be calculated at 0% to 5% which has been followed by the bank properly on the following off-balance sheet Items:

a. Acceptance and endorsements
b. Irrevocable letter of credit
c. Letter of guarantee

xvi) Presentation of loans and advances net of provision

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

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

Bank's methodology: Loans and advances have been shown at gross amounts at 31 December 2024.

xvii) Disclosure of appropriation of profit

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

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

xviii) Recognition of derivatives

IFRS: As per IFRS 9, all derivatives including forward contracts are initially recognised at fair value (as measured in accordance with IFRS 13) which is generally the transaction price. Subsequent to initial recognition, derivatives are classified as "Fair Value through Profit and Loss" and changes in fair value are recognised in profit and loss accounts.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, derivative contracts are disclosed outside of balance sheet exposures.

xix) Disclosures related to financial instruments
IFRS 7: Financial Instruments - Disclosures applies to financial and non-financial institutions and therefore also applies to investment funds, private equity funds, real estate funds and investment managers. The extent of disclosure required depends on the extent of the fund used of financial instruments and its exposure to risk.

Since it is not specifically mentioned in the Bangladesh Bank circulars/guidelines, disclosure requirements as per IFRS 7 has not been fulfilled.

xx) Deferred taxation

The bank has kept provision of taxation based on the expected tax payable or receivable on the taxable income or loss for the year applying the applicable tax rate. The bank management has reviewed the impact of deferred tax as per IAS 12 given impact in the financial statement as on 31 December 2024 and accordingly accounted for Financial Statements. The Bank Management will have a periodic review of the deferred tax.

xxi) Provision on undrawn loan commitments

IFRS: As per IFRS 9 bank shall recognise credit losses on undrawn loan commitments such as Letter of Credit (L/C), Letter of Guarantee (L/G) etc. as the present value of the difference between the contractual cash flow that are due by the customer if the commitment is drawn down and the cash flows that bank expects to receive.

Bangladesh Bank: As per BRPD Circular no. 7 dated 21 June 2018, BRPD Circular no. 06 dated 25 April 2023 and BRPD Circular no. 13 dated 18 October 2018, the Bank is required to maintain provision at 0% to 5% rate against off-balance sheet exposures (which includes all types of undrawn loan commitments).

xxii) Name of the financial statements

IAS: As per IAS 1, complete set of financial statements consists statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes, comprising significant accounting policies and other explanatory information.

Bangladesh Bank: The forms of financial statements and directives for preparation thereof of the bank companies in Bangladesh are guided by BRPD Circular no. 14 dated 25 June 2003 and subsequent amendments thereof from time to time. BRPD circular no. 14 states the statement of financial position as balance sheet and statement of profit or loss and other comprehensive income as profit and loss account.

2.2 Basis of measurement
The financial statements of the Bank have been prepared on accrual basis under historical cost convention except for the following:

Government treasury bills and bonds designated as 'Held for Trading (HFT)' which are measured at present value using mark to market concept. Revaluation gains if any are credited to revaluation reserve account as but loss charged to profit and loss account as per DOS circular no. 5 dated 26 May 2008 and DOS circular no.5 dated 28 January 2009.

Government treasury bills and bonds designated as 'Held to Maturity (HTM)' are premeasured at present value using amortisation concept as per DOS circular no. 5 dated 26 May 2008 and DOS circular no. 5 dated 28 January 2009. Amortisation loss is accounted for on cut-off date and the same is accounted for as income of the year on maturity.

2.3 Use of estimates and judgments
The preparation of the financial statements in conformity with IASs/IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods, if affected. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

a. Provisions for loans and advances
The Bank assesses its loans and advances for objective evidence of impairment on a quarterly basis or immediately if required and particularly at year end. While the primary criteria set out in BRPD circular no. 14 dated 23 September 2012, for determining whether a loan is impaired is objective, being based on borrower's ability to make timely repayments, loans and advances may also be classified based on qualitative judgment. This involves making assessments regarding the economic environment in which borrowers operate in addition to making judgments about a borrower's financial situation and net realisable value of any underlying collateral.

b. Provisions for expenses
A provision is recognized in the balance sheet when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation in compliance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

c. Taxation

The estimation of current tax provision involves making judgments regarding admissibility of certain expenses as well as estimating the amount of other expenses for tax purposes. In addition, the recognition of deferred tax assets requires the Bank to estimate the extent to which it is probable that future taxable profits will be available against which the deferred tax assets may be utilised.

d. Depreciation
Depreciation is provided on a straight line basis over the estimated useful life of each item of property, plant and equipment. The determination of useful life involves the use of estimates regarding expected use of the assets, expected physical wear and tear, technical or commercial obsolescence and legal or similar limits on the use of the asset.

e. Lease liabilities

The lease liability is initially measured at the present value of the lease payments, discounted at the Bank's incremental borrowing rate. The Bank determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the rental assets leased.

The lease liability is remeasured when there is a change in future lease payments or the changes in discount rate. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets and lease liabilities.

f. Post employment benefits-asset/(liability) from gratuity

The determination of Bank's asset/(liability) from gratuity involves the use of estimates regarding demographic variables (such as employee turnover and mortality) and financial variables (such as future increases in salaries and medical costs) that will influence the cost of the benefit.

g. Consolidation

The Bank is a branch and does not have any subsidiaries. So, this standard does not have any impact on these financial statements.

2.4 Foreign currency transactions

Functional and presentation currency

These financial statements have been presented in Bangladesh Taka, which is the Bank's functional currency. Except otherwise indicated, financial information presented in Taka has been rounded to the nearest integer.

Foreign currency transaction and translation

Foreign currency transactions have been converted into equivalent Taka currency at the ruling exchange rates on the respective date of such transactions as per *IAS 21: The Effects of Changes in Foreign Exchange Rates*.

Assets and liabilities in foreign currencies as at 31 December 2024 have been converted into Taka currency at the spot rate for the day taken from Bangladesh Bank.

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

Translation gains and losses

Gains or losses arising out of translation of foreign exchange have been included in the profit and loss statement.

2.5 Cash flow statement
Cash Flow Statement is prepared principally in accordance with *IAS 7: Statement of Cash Flows* and 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 year. Cash flows during the period have been classified as operating activities, investing activities and financing activities.

2.6 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.

2.7 Reporting period

These financial statements cover one calendar year from 1 January 2024 to 31 December 2024.

2.8 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. The Bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. Key financial parameters (including liquidity, asset quality, provision sufficiency and capital adequacy) of the bank continued to demonstrate a healthy trend for a couple of years. Besides, the management is not aware of any other material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

2.9 Compliance with International Financial Reporting Standards (IFRS)

Name of the standards	IFRS Ref.	Implementation status by the Bank
First-time Adoption of International Financial Reporting Standards	IFRS-1	Not applicable
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	Applied with some departures (note
Operating Segments	IFRS-8	Not applicable
Financial Instruments	IFRS-9	Applied with some departures (note 2.1)
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	Applied with some departures (note 2.1)
Regulatory Deferral Accounts	IFRS-14	Not applicable
Revenue from contract with customers	IFRS-15	Applied
Leases	IFRS-16	Applied
Insurance Contracts	IFRS-17	Not applicable
Presentation of Financial Statements	IAS-1	Applied with some departures (note 2.1)
Inventories	IAS-2	Not applicable
Statement of Cash Flows	IAS-7	Applied with some departures (note 2.1)
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events After the Reporting Period	IAS-10	Applied
Construction Contracts	IAS-11	Not applicable
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied
Employee Benefits	IAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Not applicable
The Effects of Changes in Foreign Exchange Rates	IAS-21	Applied
Borrowing Costs	IAS-23	Applied
Related Party Disclosures	IAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Not applicable
Separate Financial Statements	IAS-27	Not applicable
Investments in Associates and Joint Ventures	IAS-28	Not applicable
Financial Reporting in Hyperinflationary Economies	IAS-29	Not applicable
Financial Instruments: Presentation	IAS-32	Applied with some departures (note
Earnings Per Share	IAS-33	Not applicable
Interim Financial Reporting	IAS-34	Not applicable
Impairment of Assets	IAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Intangible Assets	IAS-38	Applied
Investment Property	IAS-40	Not applicable
Agriculture	IAS-41	Not applicable

In order to comply with certain specific rules and regulations of Bangladesh Bank which are different to IAS/IFRSs, some of the requirements specified in these IAS/IFRSs are not applied. Refer to note 2.1 for such recognition and measurement differences that are most relevant and material to the Bank.

3.0 Significant accounting policies

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements and have been applied consistently by the Bank.

3.1 Assets and basis of their valuation

3.1.1 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and normally those with less than three months maturity from the date of acquisition and include cash and balances at central bank and balances with other banks and financial institutions.

3.1.2 Investments

Investment in securities

All investments in securities (bills and bonds) are initially recognised at purchase price excluding commission and accrued coupon interest. Investments are segregated in two broad categories. These are Held to Maturity (HTM) and Held for Trading (HFT).

Held to Maturity

Debt securities that the Bank hold until maturity are categorised as HTM. Such securities are reported at amortised cost.

Held for Trading

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

Revaluation

HFT securities are revalued each week using mark to market concept and HTM securities are amortised once a year according to Bangladesh Bank guidelines. The HTM securities are also revalued if these are reclassified to HFT category with the ALCO and other regulatory approval. Value of investment has been shown as under:

Government treasury bills and bonds (HFT) : At present value (using mark to market concept)
Government treasury bills and bonds (HTM) : At present value (using amortisation concept)
Prize bonds and other bonds : At cost
Debentures : At cost

3.1.3 Loans and advances

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

b) Interest is accrued daily as per the parameter set in the core banking system through shadow accounts. This accrual is system generated entry. The interest receivable is reversed at the time of adjustment. Interest on classified loans and advances is kept in interest suspense account as per BRPD circular no. 14 dated 23 September 2012 on Master Circular: Loan Classification and Provisioning, and BRPD circular no. 19 dated 27 December 2012. 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.

c) Commission and discounts on bills purchased and discounted are recognised at the time of realisation.

d) Provision for loans and advances/investments is made based on the arrear in equivalent month and reviewed by the management following instructions contained in Bangladesh Bank BRPD circular no. 53 dated 30 December 2021, BRPD circulars no. 14 dated 23 September 2012 and its subsequent modifications on 5 March 2013, BRPD circular no. 5 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 8 dated 2 August 2015, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 1 dated 20 February 2018, BRPD circular no. 7 dated 21 June 2018 and BRPD circular no. 3 dated 21 April 2019, BRPD circular no. 4 dated 19 March 2020, BRPD circular no. 11 dated 3 May 2020, BRPD circular no. 12 dated 10 June 2020, BRPD circular no 13 dated 15 June 2020, BRPD circular no. 17 dated 28 September 2020, BRPD circular no. 23 dated 4 May 2020, BRPD circular no. 56 dated 10 December 2020, BRPD circular no. 3 dated 31 January 2021, BRPD circular no. 5 dated 24 March 2021, BRPD circular no. 27 dated 27 June 2021, BRPD circular no. 50 dated 14 December 2021, BRPD circular no. 51 dated 29 December 2021, BRPD circular no. 52 dated 29 December 2021, BRPD circular no. 53 dated 30 December 2021, BRPD Circular no. 09 dated 7 April 2022, BRPD Circular no. 14 dated 22 June 2022, BRPD Circular no. 16 dated 18 July 2022, BRPD Circular no. 33 dated 3 August 2022, BRPD Circular no. 51 dated 18 December 2022, BRPD Circular no. 52 dated 21 December 2022, BRPD Circular no. 53 dated 22 December 2022 and BRPD Circular no. 6 dated 25 April 2023.
Rates of provision on loans and advances/investments are given below:

Types of loans and advances		Provision				
		Unclassified		Classified		
		Standard	SMA	SS	DF	BL
Consumer	Housing finance	1%	1%	20%	50%	100%
	Loans for professionals to set up business and credit card	2%	2%	20%	50%	100%
	Other than housing finance and professionals to setup business	2% - 5%	2% - 5%	20%	50%	100%
Provision for loans to brokerage house, merchant banks, stock dealers, etc.		1%	1%	20%	50%	100%
Short-term agro-credit and micro credit		1.00%	1.00%	5%	5%	100%
Small and medium enterprise finance		0.25%	0.25%	20%	50%	100%
Others		1%	1%	20%	50%	100%

e) Loans and advances are written off as per BRPD circular no. 1 dated 6 February 2019 of Bangladesh Bank. Such write off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such written off accounts are meticulously maintained and followed up.

3.1.4 Fixed assets (property, plant and equipment)

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.
The cost of an items of property, plant and equipment comprises:
(a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
(b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
(c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for the purpose other than to produce inventories during that period.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the entity and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation
Depreciation on addition shall be charged from the month of acquisition whereas no depreciation shall be charged in the month of deletion.

Category of asset	Rate of depreciation
Furniture and fixtures	10%-20%
Major repairs and renovation	20%
Office equipment and electrical appliances	10%-20%
Computer	20%-33.33%
Motor vehicles	10%
Software	20%

Gain or loss on sale of property, plant and equipment is recognised in profit or loss statement as per provision of *IAS 16: Property, plant and equipment*.

3.1.5 Leases
As a lessee:
The Bank recognizes a right-of-use (ROU) asset and a lease liability from the initial application date i.e. 1 January 2020 or the commencement date of a lease contract. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the initial application date or commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Bank by the end of the lease term or the cost of the right-of-use asset reflects that the Bank will exercise a purchase option. In that case the right-of-use assets will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the initial application date or commencement date, discounted at the Bank's weighted average rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

i) Determining whether an arrangement contains a lease
At inception of an arrangement, the Bank determines whether the arrangement is or contains a lease.

At inception or reassessment of an arrangement that contains a lease, the Bank separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair value. If the Bank concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Bank's incremental borrowing rate.

ii) Leased assets
Leases of property, plant and equipment that transfer to the Bank substantially all of the risks and the rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to the asset.

Assets held under other leases are classified as operating leases and are not recognized in the Bank's statement of financial position.

iii) Lease payments
Payments made under operating lease are charged to profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expenses, over the term of the lease.
Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.1.6 Other assets

Other assets include all other financial assets and include fees and other unrealised income receivable, advance for operating and capital expenditure and stocks of stationery and stamps.

3.2 Liabilities and provisions

3.2.1 Borrowings from other banks, financial institutions and agents
Borrowed funds generally include call money borrowings and other borrowings from banks, financial institutions and agents, refinance from Bangladesh Bank etc. These items are brought to financial statements at the gross value of the outstanding balance.

3.2.2 Deposits & Other Accounts
Deposits and other accounts include non interest-bearing current deposits redeemable at call, interest bearing on demand and short-term deposits, savings deposits and fixed deposits. These items are reported in the financial statements at the gross value of the outstanding balance.

3.2.3 Other liabilities
As per *IAS 37: Provisions, Contingent Liabilities and Contingent Assets,* the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.
Other liabilities comprise items such as provision for loans and advances, provision for taxes, interest payable, interest suspense, accrued expenses, lease liabilities etc. Other liabilities are recognised in the balance sheet according to the guidelines of Bangladesh Bank, income tax laws and internal policy of the Bank.

3.3 Reserve
Statutory reserve
As per Section 24(1) of the Bank Company (amendment) Act, 2013, Banks which are incorporated outside Bangladesh do not require to set aside any reserve out of their profits.
Revaluation reserve

Revaluation reserve arises from the revaluation of treasury bills and bonds (HFT & HTM) in accordance with the Bangladesh Bank DOS circular no. 5 dated 26 May 2008.

As per DOS circular letter no. 27 dated 4 December 2024, Revaluation loss on a particular HFT security may be adjusted with the revaluation reserve created from the gain of the said security previously. If any reserve does not exist against the security, the revaluation loss will be accounted for directly in P/L.

3.4 Revenue recognition
Interest income

Interest is accrued daily as per the parameter set in the core banking system through shadow accounts. This accrual is system generated entry. The interest receivable is reversed at the time of adjustment. Interest on loans and advances ceases to be taken into income when such advances fall under classification. It is then kept in interest suspense account. Interest on classified loans and advances is accounted for on a cash receipt basis.

Investment income

Investment income includes discount on treasury bills, interest on treasury bonds, debentures and fixed deposits with other banks. Income on investment is recognised on accrual basis. Investment income also includes capital gain on Govt. securities as well as loss arising from the revaluation of securities or any other transaction as per Bangladesh Bank guidelines.

Fee and commission income

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

3.5 Interest on borrowing and other deposits

Interest paid on deposits and other accounts except fixed deposit is accrued on a daily basis, but credited to customer account on half yearly basis. Interest on fixed deposit is accrued on a daily basis and credited to customer account on maturity of fixed deposit. Interest on borrowing from other banks is accrued on a daily basis and paid through Bangladesh Bank account on maturity.

All interest expenses are recognized on accrual basis.

3.6 Employment benefits
a) Post employment benefits
i) Recognized Provident Fund (RPF)
There is a Recognized Provident Fund (RPF) in which each confirmed employee contributes at 10% of their basic salary which is matched by an equal amount of contribution by the Bank, upon completion of probation period. The accumulated provident fund balance including interest thereon are paid to the members at the time of their separation from the employment of the Bank in accordance with Provident Fund trust deed and rules. During separation, in case if the employee served the Bank for 2 or more years, then s/he is entitled to the bank's contribution as well.
ii) Gratuity Fund (GF)
The Bank operates a funded gratuity scheme which has been approved by the National Board of Revenue as a recognized gratuity fund. Employees are entitled to gratuity benefit after completion of minimum five (5) years of service with the Bank. The gratuity is calculated on the basis of last basic pay and is payable at the rate of one month's basic pay for every completed year of service who has completed five (5) years or more but less than ten (10) years, and at the rate of one and half month's basic pay for every completed year of service who has completed ten (10) years or more. The Bank's expense related to gratuity is estimated on a yearly basis and the amount is transferred to the fund and charged to expenses of the Bank.
iii) Workers Profit Participation Fund (WPPF)
Work-rs Profit Participation and Welfare Fund (WPPF) Establishment of Workers' Profit Participation and Welfare Fund (WPPF) is a matter of Banking and Financial Institutions Sector as a whole. Ministry of Finance through its letters no. 53.00.0000.311.22.002.17-130 dated February 14, 2017 and no. 53.00.0000.311.22.002.17-140 dated February 25, 2018 expressed its opinion that Chapter 15 on "Participation in Company Profits by Workers" in the Bangladesh Labor Act 2006 and amendments made therein on July 22, 2013 should not be applicable for Banks and Financial Institutions and requested to the Ministry of Labor and Employment to take necessary steps in this regard as well as not to apply the said chapter of Labor Act 2006 for Banks and Financial Institutions. Therefore, like other Banks and Financial Institutions, HBL did not recognize the WPPF.
b) Short term employee benefits
Short-term employee benefits are employee benefits which fall due wholly within twelve months after the end of the period in which the employee renders the related service, including salaries, bonuses and other allowances.

3.7 Provision for off-balance sheet exposures

In compliance with Bangladesh Bank guidelines off-balance sheet items have been disclosed under contingent liabilities. As per BRPD Circular no. 7 dated 21 June 2018, BRPD Circular no. 06 dated 25 April 2023 and BRPD Circular no. 13 dated 18 October 2018, the Bank is required to maintain provision at 0% to 5% against off-balance sheet exposures. The other contingent liabilities are excluded from the base for provision of off-balance sheet items as they do not fall under category of off-balance sheet items as defined by the Bangladesh Bank circular in this regard.

3.8 Provision for nostro accounts
As per BRPD circular no. 04 dated 12 April 2022, if there is any entry unreconciled as at year end for 6 months or more, provision is maintained accordingly.

3.9 Taxation
Income tax expense comprises current and prior years' taxes (where applicable). Income tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.
Provision for income tax has been made at 40% (2023: 40%) as prescribed in Finance Act 2024 of the profit made by the Bank by considering taxable add-backs of income, allowances and disallowances of expenditures.
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.
Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Details are shown in note 10.2.

3.10 Impairment
The carrying amounts of the Bank's non-financial assets, other than deferred tax assets, are required to review at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount. In HBL Bangladesh, fixed assets are reviewed at the time of year end physical verification and depreciation is charged to figure-out the written down value of the fixed assets on monthly basis.

3.11 Offsetting

Neither any asset nor any liability has been set-off against another asset or liability as on balance sheet date to make separate disclosure in the financial statements.

3.12 Pledge of bank assets against any loan or guarantee

The Bank has not pledged any of its assets as security against any kind of loans taken from any individual or institutions or against any guarantee given to a third party.

3.13 Risk Management at Habib Bank Limited - Bangladesh Branches
The possibility of losses, financial or otherwise, is defined as risk. The assets and liabilities of Habib Bank Limited-Bangladesh Branches are managed so as to minimise, to the degree prudently possible, the Bank's exposure to risk, while at the same time attempting to provide a stable and steadily increasing flow of net interest income, an attractive rate of return on an appropriate level of capital and a level of liquidity adequate to respond to the needs of depositors and borrowers and earning enhancement opportunities.

The Risk Management Department of the Bank covers all core risk areas of banking i.e. i) Credit risk management, ii) Foreign exchange risk management, iii) Assets liability management, iv) Prevention of money laundering, v) Internal control and compliance, and vi) Information and communication technology risk.

i. Credit risk management

Credit risk is the risk of loss due to the failure of a borrower/counterparty to meet its credit obligations in accordance with agreed contract terms. Credit risk makes up the largest part of bank's risk exposures. The bank's credit process is guided by centrally established credit policies, rules and guidelines continuing a close-to-the market approach with an aim to maintain a well-diversified portfolio of credit risk which produces a reliable and consistent return.

Bank's credit policies and credit administration process manual forms the core to controlling credit risk in various activities. Risk Management department with support from Business (Corporate Banking) unit and Credit Administration Department (CAD), is entrusted with the responsibility of implementing processes for credit risk identification, assessment, measurement, monitoring and control. Business unit has the responsibility to originate the proposals for new business and continuation of existing business in line with bank's policy guidelines. Risk Management performs an independent appraisal of these proposals including highlighting key risks, reviewing and finalising the credit rating, and then submits these proposals with Risk Manager's comments for approval. Credit approvals are done as per the approved delegation of authority. CAD is responsible for managing the credit administration activities, credit documentation and independently monitoring the compliance with the sanctioned terms and conditions. The credit policy, credit procedures manual and credit administration internal process manual delineate specific responsibilities of each department-Business, Risk and CAD.

The Bank monitors credit risk broadly at two levels-account level and portfolio level. While account monitoring aims to identify weak accounts at an early stage to facilitate corrective actions, portfolio monitoring aims at managing risk concentration in the portfolio as well as identifying stress in certain sectors/industries. The Bank has established an Early Alert process to identify, monitor and act on early signs of weakness in the credit quality of the clients. In this connection, an Early Alert Committee has been formed that meets quarterly to identify the weak accounts and to take actions as appropriate.

ii. Foreign exchange risk

Foreign exchange risk refers to the risk that a bank may suffer losses as a result of adverse exchange rate movements during a period in which it has an open position, either in the form of a balance sheet item (asset or liability account), or an off-balance sheet item.

Front line business managers are concerned with the consequences of potential exchange rate movements on the domestic currency equivalent value for all foreign currency positions. The goal of foreign exchange risk management is to minimize the losses that may occur due to adverse exchange rate movements of currencies in which the Bank has an open position.

According to Bangladesh Bank guidelines and Treasury & Global Markets Policy of HBL, treasury functions are divided in three parts, namely (i) Treasury front office, (ii) Treasury back office and (iii) Treasury mid office. Foreign exchange risk is managed by treasury front office in coordination with the independent Risk Management Team. The monitoring of Foreign Exchange Exposure Limit (FEEL) is a regulatory requirement, which is being complied with.

Following limits are being maintained by treasury front office to minimize foreign exchange risk:

1. Foreign Exchange Exposure Limits (FEEL) sanctioned by Global ALCO
2. Net open position limit prescribed by Bangladesh Bank.
3. Intraday limits
4. Settlement limits
5. Dealers trading limits
6. Dealers stop loss limits
7. Counter party limits

Treasury Mid Office (TMO) is a specialized unit created with a view to implement robust market risk management practices as prescribed by Bangladesh Bank and internal policy guidelines. To minimize foreign exchange risk treasury mid office analyses market trend and monitors treasury dealings and exposure and reports to local and global Risk Management departments. TMO also monitors all limits as adopted in policy in line with Bangladesh Bank and Head Office guidelines.

Treasury back office is responsible for settlement of all deals done by the front office, its transactions and reporting to Global Treasury and Bangladesh Bank in accordance with the policies and guidelines.

iii. Asset liability management risk

Asset/liability management is the process of managing the use of assets and cash flows to reduce the bank's risk of loss from not paying a liability on time. Well-managed assets and liabilities increase business profits. The asset/liability management process is typically applied to bank loan portfolios and deposit plans. It also involves the economic value of equity.

The concept of asset/liability management focuses on the timing of cash flows because the bank management must plan for the payment of liabilities. The process must ensure that assets are available to pay debts as they become due and that assets or earnings can be converted into cash. The asset/liability management process applies to different categories of assets on the balance sheet. Asset/liability management reduces the risk that a company may not meet its obligations in the future.

The success of bank loan portfolios and maturity profile of deposits depend on asset/liability management processes. Banks track the difference between the interest paid on deposits and interest earned on loans to ensure that they can pay interest on deposits and to determine what a rate of interest to charge on loans. Liability management is the process of managing the use of assets and cash flows to reduce the bank's risk of loss from not paying a liability on time. Well-managed assets and liabilities involve a process of matching offsetting items that can increase business profits. The asset-liability management process is typically applied to bank loan portfolios that may offer fixed-term products such as CDs and loans but also demand deposits and lines of credit.

Asset Liability Committee (ALCO) of Habib Bank Limited-Bangladesh Branches conducts ALCO meeting on Monthly basis. ALCO monitors on following risk: Credit risk, Liquidity risk, Foreign exchange risk, Interest rate risk and Operating risk.

iv. Prevention of money laundering
Compliance and Operational standards have always been at the center of HBL's priorities in Bangladesh and globally. We acknowledge that we must constantly work to identify and understand the potential risks of money laundering and terrorist financing and implement appropriate processes to mitigate and ultimately alleviate such risks.

Following is the highlight of the improvements:
- e KYC system, New Customer KYC Risk Scoring Methodology, Trade KYC system is fully implemented as instructed by Bangladesh Financial Intelligence Unit through different circulars.
- Robust Compliance monitoring plan developed and is being followed.
- Chief Anti-Money Laundering Compliance Officer (CAMLCO) conducted classroom training sessions and webinar sessions on AML / CFT & TBML for the HBL BD staff.
- IA has performed Independent Testing Procedure (ITP) for all the branches and all the Branches have got 'Satisfactory' rating.
- Automation of Sanction screening and Delta Screening process (Portfolio Screening) have already been implemented.
- The transaction monitoring system has already been upgraded and new scenarios have already been implemented.
- Internal Audit has issued the INTERNAL AUDIT REPORT - HBL Bangladesh 2023-2024 covering the period of May 01, 2022, to Sep 30, 2023, with better rating "B- Some improvement required" with minimum number of issues at Compliance area.

HBL Bangladesh has already completed the integration of sanction screening with core banking system for real time automated customer onboarding sanction screening. HBL BD has implemented the automation of the Delta Screening process/ Portfolio screening. HBL BD has also upgraded the Transaction monitoring system. New scenarios have already been implemented.

As part of the Branch Monitoring, HBL BD Compliance Assurance is reviewing the AML CFT areas of the branches along with the other critical operational activities in line with 2nd Line of Defense responsibilities. The compliance team has already completed a good number of reviews on the HBL BD Branches and different departments in 2024 (January-December, 2024) and already shared the report with the Branches and relevant stakeholders. HBL BD Compliance Assurance team is also following up on the issue resolution, having periodic meetings, and discussing the sustainability plan.

The HBL BD Compliance team will ensure that the objectives of the Board for governance of compliance related matters are achieved by the Management. Providing strategic direction in the implementation, enhancement, execution and communication of the AML and Sanctions Programs in HBL businesses within scope, as required by law, regulation, regulatory proceeding, or external or internal examination or audit. The compliance team will assist and facilitate in implementing policies, processes, and procedures to manage compliance risk. Being advised of and reviewing as appropriate changes to Compliance and AML and Sanctions related policies, programs, procedures, and directives. To strengthen the Governance process and ensure the quality of the Quarterly AML Meeting at the Branch level, HBL BD Compliance team has already started joining the meetings and actively participating in the meeting. HBL BD Compliance team will continue the Monthly AML meeting with the Functional Compliance Officer (FCO). As part of the Governance process, observations raised by the Bangladesh bank inspection team, Bangladesh Financial Intelligence Unit and External Audit teams are reviewed and continuously followed-up by HBL BD Compliance team and raised in different management forums. Head office is also tracking and monitoring closures. HBL BD Compliance team ensures that all the circulars and guidelines circulated / published by Bangladesh Bank and BFIU are properly disseminated to the stakeholders and monitored for compliance through relevant Governance forums. HBL BD will follow the regulatory instructions to increase public awareness.

HBL Bangladesh has taken interim measures which among other things include AML/CFT training through face-to-face and electronically to increase knowledge base and productivity of the staff. HBL BD prepares the training plan for each year and arranges the trainings as per the schedule, which is also a continuous process of increasing the awareness among the HBL BD Staff. HBL BD will continue the effort to assist the first line of defense to strengthen their knowledge on Regulatory requirements.

v. Internal control and compliance risk

Internal Control Unit (ICU) department was transformed to Risk, Compliance and Control Unit (RCCU) operating under second line of defence. RCCU was established in January 2021 under the umbrella of Enterprise Risk Management (ERM) function of Risk Management department of the Bank. It conducts reviews of branches and functions for strengthening overall control environment as per its plan and checks adherence to policies, procedures, and regulatory requirements through various types of risk-based reviews. Outcomes of the reviews and identified irregularities with suitable recommendations are conveyed to stake holders/management concerned for which appropriate management action plans are also obtained. Noted observations and gaps are then tracked and followed up until their rectification and regularization.

The Internal Audit (IA) activities at HBL Bangladesh are conducted by the Group Internal Audit team of HBL. The IA Function of HBL is organized in line with the guidelines of the Institute of Internal Audit (IIA) and acts as an independent third line of defence. The Internal Audit function is headed by the Chief Internal Auditor who reports directly to the Board Audit Committee of HBL.

The Internal Audit reviews undertaken are based on a risk based audit approach after taking into account key regulatory requirements and expectations. Through these audits, IA reviews the effectiveness of the Bank's risk management, governance and internal control processes. Any deficiencies or observations noted during these reviews are highlighted to the management as part of the Internal Audit Report with agreed action plan and resolution target date. The audit observations are followed up on periodic basis with the management till resolution.

vi. Information and communication technology risk
The Bank has separate IT department locally apart from central IT at Head office, Karachi to manage local IT infrastructure. To ensure smooth banking business of Bangladesh operations, HBL Bangladesh looks after local IT management, local software management, vendor management, IT governance and compliance of IT policy, user support and services management whereas core systems (e.g. Core Banking and related Core Systems) are centralised in Head Office, Karachi, Pakistan.

HBL Bangladesh IT department maintains performance level agreement and service level agreement with business lines for service quality assurance which describes all the IT services with target service up time and response time for troubleshooting or any IT related requests. Network management is another major part of HBL Bangladesh IT that ensures smooth and secured data transmission among branches as well as Head Office, Karachi, Pakistan. For tracking on service issue, HBL Bangladesh IT uses Incident Management system to log the incident and for monitoring and governance Head Office central incident management team publish report monthly. Local IT department reviews and ensures appropriate controls and security standards are in place and in compliance with group IT and regulatory requirements. Moreover, risk assessment, vulnerability assessment and penetration testing on various IT systems are performed to identify and mitigate operational risks.

HBL Bangladesh has internet banking for corporate users along with 2FA authentications for fund transfer between HBL to HBL. HBL Bangladesh IT has developed strong communication structure with central bank for secure transaction through Real Time Gross Settlement (RTGS) and National Payment Switch Bangladesh (NPSB). Moreover, HBL Bangladesh payment system is PCI DSS complaint. HBL Bangladesh IT ensures infrastructure e.g. virtual servers, network switches/routers, firewalls, windows, PC/Laptop, ATM etc. are upgraded time to time to maintain its standard and security and smooth customer service. Network are segregated for branches and external bodies (Bangladesh Bank, Election commission office, bKash Ltd.) to ensure proper network security of the bank. Also, Port-Security and VLANs have been created for departments of the bank to impose control and security on LAN. HBL Bangladesh performs disaster recovery testing yearly to ensure disaster recovery site readiness.

HBL HABIB BANK
হাবিব ব্যাংক

Habib Bank Limited, Bangladesh Branches

Auditor's Report and Audited Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements
As at and for the year ended 31 December 2024

3.14 Credit rating of the bank

Pursuant to the Bangladesh Bank's BRPD Circular No. 6 dated 5 July 2006 and in order to safeguard the interest of investors, depositors, creditors the bank has completed the credit rating by Credit Rating Information and Services Limited (CRISL). Credit Rating Information and Services Limited assigned "AA-" (Pronounced double A minus) rating to HBL Bangladesh in the Long term and "ST-2" rating in short term which is valid till 11 June 2025. Commercial banks rated in this category are adjudged to possess good financials, healthy and sustainable franchises and a first rate operating environment. Rating in this category is characterized with commendable position in terms of liquidity, internal fund generation and access to alternative sources of fund.

3.15 Related party transaction

The Bank, not being incorporated in Bangladesh, operates in Bangladesh under the banking license issued by Bangladesh Bank and therefore, the key management personnel of the bank for the purposes of IAS 24 are defined as those persons having authority and responsibility for planning, directing and coordinating the bank, being members of the board of directors of the parent company, its senior management and close members of their families and companies they control or have significant influence. Details of related transaction presented in note 33.

3.16 Audit committee

The Bank being a branch of a foreign bank does not have a local Board of Directors from whom to select an Audit Committee. HBL Bangladesh has obtained a dispensation from Bangladesh Bank that the Bank does not need an Audit committee as it is incorporated outside Bangladesh vide letter no: BRPD (R-2) 651/9(47) Kha/2015-1682 dated 2 March 2015. The Internal Audit Head undertakes the audit related activities at HBL Bangladesh and the Audit Reports are presented to HBL Group Board Audit Committee. Moreover, HBL Bangladesh has a Risk Control & Compliance Unit and QAC Team in Compliance which perform periodic review for different Management office functions and branches.

3.17 Corporate social responsibilities

Habib Bank Limited (HBL) Bangladesh continually exercise the CSR initiatives towards the wellbeing of the country. The contribution mostly made for education, health, environment and climate change mitigation & adaptation, emergency response during disaster and integrity awareness among general publics.

In 2024, HBL Bangladesh contributed to a number of areas such as contributed /supported for treatment of a number of individuals, donated to an institution of specially abled students for their wellbeing, and arranged distribution of blanket for the cold affected people in a specific area of the country. Furthermore, HBL Bangladesh ensured the continuity of its in-house responsibility towards its employees through enhancing safety measures and medical facilities for the employees and their dependents.

As a responsible Banking Organization, HBL Bangladesh will keep continue its right time initiatives towards all the potential areas.

3.18 Green banking and sustainability finance

Habib Bank Limited - Bangladesh Branches follow green office guidelines for its day to day activities such as using energy saving (LED) bulbs, operating air conditioning at low power consumption mood, reducing paper printing and sharing account statements with customer through electronic media etc. The Bank expects to increase green activities including green financing in coming years. The Bank is engaged in sustainable financing to agricultural sector through Micro Finance Institutions (MFIs) and expects to increase the financing in coming years.

3.19 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 authorised for issue. Two types of events can be identified:

(a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

(b) those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

4 Cash

		31-Dec-24 Taka	31-Dec-23 Taka
Cash in hand	(Note 4.1)	73,083,461	74,052,206
Balance with Bangladesh Bank and its agent banks	(Note 4.2)	968,346,084	771,715,870
		1,041,429,545	**845,768,076**

4.1 Cash in hand

	31-Dec-24 Taka	31-Dec-23 Taka
Local currency	66,532,987	69,280,484
Foreign currencies	1,344,974	1,442,722
Cash in ATM	5,205,500	3,329,000
	73,083,461	**74,052,206**

4.2 Balance with Bangladesh Bank and its agent banks

	31-Dec-24 Taka	31-Dec-23 Taka
Balance with Bangladesh Bank		
Local currency	650,281,614	432,650,869
Foreign currencies	318,064,470	339,065,001
	968,346,084	**771,715,870**

4.3 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)

4.3.1 Cash Reserve Ratio (CRR)

Fortnightly Bank's CRR maintenance

	31-Dec-24 Taka	31-Dec-23 Taka
Required reserve (4% of demand and time liabilities)	308,780,000	283,619,000
Actual reserve maintained	710,255,981	447,137,950
Surplus	**401,475,981**	**163,518,950**

4.3.2 Statutory Liquidity Ratio (SLR)

		31-Dec-24 Taka	31-Dec-23 Taka
Required reserve (13% of demand and time liabilities)		1,003,535,000	921,761,000
Actual reserve maintained	(Note 4.3.3)	7,317,255,016	5,971,186,855
Surplus		**6,313,720,016**	**5,049,425,855**

4.3.3 Composition of actual reserve held

	31-Dec-24 Taka	31-Dec-23 Taka
Cash in hand	73,083,461	74,052,206
Unencumbered approved securities	6,842,367,775	5,733,483,899
Others	401,803,780	163,650,750
	7,317,255,016	**5,971,186,855**

5 Balance with other banks and financial institutions

		31-Dec-24 Taka	31-Dec-23 Taka
In Bangladesh	(Note 5.1)	5,050,665	20,726,947
Outside Bangladesh	(Note 5.2)	63,074,549	97,769,369
		68,125,214	**118,496,316**

5.1 In Bangladesh

	31-Dec-24 Taka	31-Dec-23 Taka
Current account		
Standard Chartered Bank Ltd	5,050,665	20,726,947
	5,050,665	**20,726,947**

5.2 Outside Bangladesh (A+B)

	31-Dec-24 Taka	31-Dec-23 Taka
	63,074,549	**97,769,369**

5.2.1 A. Non-group nostro

	31-Dec-24 Taka	31-Dec-23 Taka
Current account		
National Bank of Pakistan, Tokyo, Japan	223,083	692,991
Standard Chartered Bank, Kolkata	1,480,080	2,668,252
Bangkok Bank Public Company Limited, Thailand	3,309,812	3,011,206
Muslim Commercial Bank Ltd., Pakistan	4,021,733	839,285
J.P. Morgan, New York	45,012,317	
Development Credit Bank Ltd, Mumbai	1,120,128	7,512,731
	55,167,153	**14,724,465**
B. Group nostro		
Current account		
Habib Bank Ltd, Urumqi	499,481	4,158
Habib Allied International Bank plc, UK	316,075	244,848
Habib Bank Ltd, Brussels	-	130,445
Habib Bank Ltd, Bahrain	2,731,814	2,395,069
Habib Bank Ltd, UAE	4,360,026	80,270,384
	7,907,396	**83,044,904**

(Details are given in **Annexure-III**)

5.3 Maturity grouping of balance with other banks and financial institutions

	31-Dec-24 Taka	31-Dec-23 Taka
Repayable on demand	68,125,214	118,496,316
Up to 1 month	-	-
Over 1 month but below 3 months	-	-
Over 3 months but below 1 year	-	-
Over 1 year but below 5 years	-	-
	68,125,214	**118,496,316**

6 Money at call and short notice

	31-Dec-24 Taka	31-Dec-23 Taka
HBL, Bahrain	300,000,000	219,500,000
National Credit and Commerce Bank Ltd	-	110,000,000
	300,000,000	**329,500,000**

7 Investments

		31-Dec-24 Taka	31-Dec-23 Taka
Government securities	(Note 7.1)	6,842,367,775	5,733,483,899
Prizebonds		327,800	131,800
		6,842,695,575	**5,733,615,699**

7 1 Government securities

		31-Dec-24 Taka	31-Dec-23 Taka
Treasury bills	(Note 7.1.1)	1,692,538,782	444,395,778
Treasury bonds	(Note 7.1.2)	5,149,828,993	5,289,088,121
		6,842,367,775	**5,733,483,899**

7.1.1 Treasury bills

	31-Dec-24 Taka	31-Dec-23 Taka
91 days treasury bills	98,462,231	444,395,778
182 days treasury bills	242,712,996	-
364 days treasury bills	1,351,363,555	-
	1,692,538,782	**444,395,778**

7.1.2 Treasury bonds

	31-Dec-24 Taka	31-Dec-23 Taka
2 years Bangladesh Government Treasury Bond	226,746,994	197,200,200
5 years Bangladesh Government Treasury Bond	192,565,815	635,915,460
10 years Bangladesh Government Treasury Bond	4,708,760,369	4,433,302,920
15 years Bangladesh Government Treasury Bond	10,914,064	11,318,034
20 years Bangladesh Government Treasury Bond	10,841,751	11,351,507
	5,149,828,993	**5,289,088,121**

7.1.3 Investments as per Bangladesh Bank circular:

	31-Dec-24 Taka	31-Dec-23 Taka
Held for Trading (HFT)	1,861,652,326	1,123,489,854
Held to Maturity (HTM)	4,980,715,449	4,609,994,045
Prize bond	327,800	131,800
	6,842,695,575	**5,733,615,699**

7.1.4 Maturity-wise grouping

	31-Dec-24 Taka	31-Dec-23 Taka
On demand	327,800	131,800
Up to 3 months	783,424,638	444,395,778
More than 3 months but not more than 1 year	1,101,679,958	871,315,745
More than 1 year but not more than 5 years	4,431,194,150	199,258,980
More than 5 years	526,069,029	4,218,513,396
	6,842,695,575	**5,733,615,699**

8 Loans and advances

		31-Dec-24 Taka	31-Dec-23 Taka
Loans, cash credits, overdrafts, etc.	(Note 8.1)	5,538,021,148	5,319,184,882
Bills purchased and discounted	(Note 8.2)	-	-
		5,538,021,148	**5,319,184,882**

8.1 Loans, cash credits, overdrafts, etc.

	31-Dec-24 Taka	31-Dec-23 Taka
In Bangladesh		
Long Term loan	614,737,469	784,143,268
Loans against imported merchandise (LIM)	4,671,146	4,671,146
Trust receipts	170,335,089	89,302,662
Cash credit	40,807,357	40,807,357
Payment against documents	10,751,639	10,751,639
Short term loan	3,712,809,857	2,936,892,300
Overdrafts	931,759,932	1,406,482,866
Staff loans	52,148,659	46,133,644
	5,538,021,148	**5,319,184,882**
Outside Bangladesh	-	-
	5,538,021,148	**5,319,184,882**

8.2 Bills purchased and discounted

	31-Dec-24 Taka	31-Dec-23 Taka
In Bangladesh		
Inland bills purchased (IBP)	-	-
Outside Bangladesh	-	-
Foreign bills purchased (FBP)	-	-
	-	-

8.3 Maturity-wise grouping

	31-Dec-24 Taka	31-Dec-23 Taka
Repayable on demand	50,830,825	449,060,037
Up to 1 month	1,168,436,249	345,629,257
Over 1 month but below 3 months	1,685,827,046	1,975,991,783
Over 3 month but below 1 year	1,850,881,330	1,603,174,564
Over 1 year but below 5 year	732,131,894	910,382,866
More than 5 years	49,913,804	34,946,375
	5,538,021,148	**5,319,184,882**

8.4 Significant concentration

	31-Dec-24 Taka	31-Dec-23 Taka
Advances to staff of the bank	52,148,659	46,133,644
Advances to customers group	1,726,023,435	1,475,080,004
Industrial advances	3,759,849,054	3,797,971,234
	5,538,021,148	**5,319,184,882**

8.5 Industry-wise concentration

	31-Dec-24 Taka	31-Dec-23 Taka
Automobile and transportation equipment	108,342,216	2,438,374
Metals and allied	511,294,386	184,406,756
Chemicals and pharmaceuticals	720,708,635	599,381,570
Textile	524,023,897	265,815,580
Foods, tobacco and beverages, sugar	747,785,327	1,024,821,454
General traders	222,101,631	220,063,257
Others	2,703,765,056	3,022,257,891
	5,538,021,148	**5,319,184,882**

8.6 Geographical location-wise distribution

	31-Dec-24 Taka	31-Dec-23 Taka
Dhaka division	4,393,731,893	4,592,286,833
Chattogram division	1,064,843,155	648,160,184
Sylhet division	79,446,100	78,737,865
	5,538,021,148	**5,319,184,882**

8.7 Grouping as per classification rules

	31-Dec-24 Taka	31-Dec-23 Taka
Unclassified		
Standard	5,171,733,849	4,945,811,621
Special mention account	14,895,324	20,559,383
Total unclassified loans and advances	**5,186,629,173**	**4,966,371,004**
Classified		
Sub-standard	-	-
Doubtful	-	-
Bad/Loss	351,391,975	352,813,878
Total classified loans and advances	**351,391,975**	**352,813,878**
Total	**5,538,021,148**	**5,319,184,882**

8.8 Disclosure on large loan

Total number of customers having facility of the 10% of the capital of the Bank.

		31-Dec-24 Taka	31-Dec-23 Taka
No of groups		**7**	**4**
Funded		1,678,269,735	186,947,629
Non funded		1,987,846,812	2,680,505,689
Total amount outstanding	(Annexure - V)	**3,666,116,547**	**2,867,453,318**

8.9 Particulars of loans and advances

		31-Dec-24 Taka	31-Dec-23 Taka
i.	Loans considered good in respect of which the banking company is fully secured	1,697,833,248	1,824,366,901
ii.	Loans considered good for which the banking company holds no security other than the debtors personal guarantee.	3,488,795,926	3,142,004,103
iii.	Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor.	-	-
iv.	Loans adversely classified; provision not maintained there against.	-	-
		5,186,629,174	**4,966,371,004**
v.	Loans due by directors or Officers/Executive of the banking company or any of them taken either separately or jointly with any other persons	-	-
vi.	Loans due from companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in case of private companies as members	-	-
vii.	Maximum total amount of advances including temporary advance made at any time during the year to directors or executives or manager or officers of the banking company or any of them taken severally or jointly with any other persons	-	-
viii.	Maximum total amount of advances, including temporary advances made at any time during the year to the companies or firms in which the directors of the banking company are interested as directors, partners, managing agents or in case of private companies as members	-	-
ix.	Due from banking companies	-	-
x.	Amount of classified loans on which interest has not been charged	351,391,975	352,813,878
xi.	Cumulative amount of written off loans		
	Opening balance	233,361,836	104,164,037
	Add: Amount of debts written off for the current year	-	134,697,799
		233,361,836	**238,861,836**
	Less: Adjustment of previous year	-	-
	Less: Recovery against write off loans	-	5,500,000
	Less: Recovery lawyer charge from the write off customer	-	-
	Closing Balance	**233,361,836**	**233,361,836**
	Lawsuit filed against written off debts	**233,164,312**	**233,164,312**

8.10 Bills purchased and discounted

	31-Dec-24 Taka	31-Dec-23 Taka
Payable outside Bangladesh	-	-
Payable in Bangladesh	-	-
	-	-

8.11 Maturity-wise grouping of bills purchased and discounted

	31-Dec-24 Taka	31-Dec-23 Taka
On demand	-	-
Payable within 1 month	-	-
More than 1 month but less than 3 months	-	-
More than 3 months but less than 6 months	-	-
	-	-

9 Fixed assets including premises, furniture and fixtures

		31-Dec-24 Taka	31-Dec-23 Taka
Furniture and fixtures		40,732,253	39,772,514
Office equipment and electrical appliances		28,263,638	29,027,305
Computer		73,982,377	47,790,628
Software	(Note 9.1)	9,952,250	7,452,860
Motor vehicles		16,582,000	16,582,000
ROU assets	(Note 9.2)	216,936,480	212,023,498
		386,448,998	**352,648,805**
Less: Accumulated depreciation/Amortisation		224,206,832	182,726,443
		162,242,166	**169,922,362**

9.1 Intangible assets

	31-Dec-24 Taka	31-Dec-23 Taka
Software	9,952,250	7,452,860
Less: Amortisation	7,668,382	7,005,591
	2,283,868	**447,269**

(Details are given in **Annexure-II**)

9.2 ROU assets

	31-Dec-24 Taka	31-Dec-23 Taka
Cost		
Opening	212,023,498	245,760,048
Additions	17,987,076	21,808,058
Adjustment lease cancellation	(13,074,094)	(55,544,608)
Total cost	**216,936,480**	**212,023,498**
Accumulated depreciation		
Opening	93,562,012	91,357,332
Charge for the year	36,971,238	38,527,559
Adjustment lease termination	(13,074,094)	(36,322,879)
Total accumulated depreciation	**117,459,156**	**93,562,012**
Carrying amount	**99,477,324**	**118,461,486**

10 Other assets

		31-Dec-24 Taka	31-Dec-23 Taka
Income generating			
Interest receivable		176,757,102	125,323,837
Encashment of Sanchayapatra awaiting realisation		-	6,558,439
		176,757,102	**131,882,276**
Non income generating			
Advance deposits		150,000	150,000
Stationery and stamps on hand		1,025,837	1,029,138
Prepaid expenses		3,411,197	2,316,371
Advance against rent		1,405,441	1,325,887
Advance tax	(Note 10.1)	774,640,371	1,213,032,244
Deferred Tax	(Note 10.2)	80,212,180	12,366,654
Others		7,511,815	20,467,478
Interest R/A Block		-	11,248
Receivable account BB working capital stimulus package		1,755,000	1,755,000
		870,111,841	**1,252,454,020**
		1,046,868,943	**1,384,336,296**

10.1 Advance Tax

	31-Dec-24 Taka	31-Dec-23 Taka
Opening balance	**1,213,032,244**	**1,182,184,044**
Add: Advance income tax paid during the year	53,318,352	55,611,861
Tax deducted at source during the year	32,040,538	26,701,071
Addition during the year	**85,358,890**	**82,312,932**
Adjustment/reconciled during the year	(523,750,763)	(51,464,732)
Closing balance	**774,640,371**	**1,213,032,244**

10.2 Deferred Tax Assets and Liabilities

Particulars	Accounting base	Tax base	Deductible/ (Taxable) temporary difference	Applicable Tax rate	Deferred Tax Assets/ (Liabilities)
Fixed Assets excluding Assets under IFRS-16	62,764,842	89,285,611	26,520,769	40%	10,608,308
ROU Assets (Net)	5,787,573	-	(5,787,573)	40%	(2,315,029)
On specific loan provision kept against classified loans	193,904,903	-	193,904,903	40%	77,561,961
Revaluation reserve	62,962,978	-	(62,962,978)	15%	(9,444,447)
Carried forward of Tax Depreciation for onward set off		9,503,467	9,503,467	40%	3,801,387
Deferred Tax Asset/(Liabilities) as of 31 December 2024	**325,420,297**	**98,789,078**			**80,212,180**
Deferred Tax Asset/(Liabilities) as of 31 December 2023	157,303,217	102,385,154			**12,366,654**
Deferred Tax Income/(Expenses) for 2024					**67,845,526**

11 Deposits and other accounts

		31-Dec-24 Taka	31-Dec-23 Taka
Current and other accounts	(Note 11.1)	3,154,682,256	2,869,675,182
Fixed deposit	(Note 11.2)	4,114,436,843	3,837,946,646
Savings deposits	(Note 11.3)	440,052,222	441,555,135
Bills payable		56,578,659	52,136,812
		7,765,749,980	**7,201,313,775**

11.1 Current and other accounts

		31-Dec-24 Taka	31-Dec-23 Taka
Local currency current deposits		1,672,867,754	1,714,699,779
Foreign currency current deposits		247,825,531	151,802,215
Special notice deposits		681,275,831	542,313,196
Business value A/C		10,595,511	6,512,009
Non-Group vostro	(Annexure-IV)	301,940,956	204,535,833
Sundry deposits		46,001	10,555,658
Group vostro	(Note 11.4)	240,130,672	239,256,492
		3,154,682,256	**2,869,675,182**

11.2 Fixed deposit

	31-Dec-24 Taka	31-Dec-23 Taka
Deposit from customers	**4,114,436,843**	**3,837,946,646**

11.3 Savings Deposits

	31-Dec-24 Taka	31-Dec-23 Taka
	440,052,222	**441,555,135**

11.4 Group vostro (Annexure-IV)

	31-Dec-24 Taka	31-Dec-23 Taka
Habib Bank Ltd, UAE (BDT)	43,201	43,201
Habib Allied International Bank plc, UK (BDT)	446,803	446,803
Habib Bank Ltd, Sri Lanka (USD)	2,724,802	2,479,307
Habib Bank Ltd, Pakistan (ACU $)	236,915,866	236,287,181
	240,130,672	**239,256,492**

(Details are given in **Annexure-IV**)

11.5 Maturity-wise grouping

	31-Dec-24 Taka	31-Dec-23 Taka
Repayable - on demand	267,931,846	250,778,045
Up to 1 month	999,876,623	950,609,795
Over 1 month but below 3 months	2,240,881,193	1,815,979,992
Over 3 months but below 1 year	3,063,915,678	3,004,404,059
Over 1 year but below 5 years	1,193,144,640	1,179,541,884
Over 5 years but below 10 years	-	-
	7,765,749,980	**7,201,313,775**

12 Other liabilities

		31-Dec-24 Taka	31-Dec-23 Taka
Provision for loans and advances	(Note 12.1)	365,554,917	328,685,933
Provision for off-balance sheet items	(Note 12.2)	31,872,744	27,357,936
Provision for other assets		1,200,000	
Interest suspense account	(Note 12.3)	34,618,762	34,618,762
Provision for taxation	(Note 12.4)	923,319,598	1,277,284,959
Accrual for audit fees		1,127,000	1,677,500
Lease liability	(Note 12.5)	93,689,750	107,384,286
Net deficit of defined benefit scheme	(Note 12.7)	4,139,119	-
Other liabilities	(Note 12.6)	321,762,532	214,884,988
		1,777,284,422	**1,991,894,364**

12.1 Provision for loans and advances

		31-Dec-24 Taka	31-Dec-23 Taka
i	**Specific provision against classified loans and advances**		
	Movement in specific provision:		
	Provision held at the beginning of the year	288,860,330	377,254,810
	Transferred to general provision	-	-
	Fully provided debts written off during the year	-	(112,694,480)
	Specific provision for the year	26,748,984	24,300,000
	Recoveries and provisions no longer required		-
	Add: Net charge to profit and loss account during the year	26,748,984	(88,394,480)
	Add: Transfer from general provision	-	-
	Provision held at the end of the year	**315,609,314**	**288,860,330**
ii	**General provision against unclassified loans and advances**		
	Movement in general provision:		
	Provision held at the beginning of the year	39,825,603	37,962,065
	Provision made during the year	25,630,000	8,890,000
	Transfer to specific provision		-
	Recoveries and provisions no longer required	(15,510,000)	(7,026,462)
	Add: Net charge to profit and loss account during the year	10,120,000	1,863,538
	Provision held at the end of the year	**49,945,603**	**39,825,603**
		365,554,917	**328,685,933**

Provision for	**Required**	**Maintained**	**Excess/ (Shortage)**
Un-classified loans and advances	41,760,564	49,945,603	8,185,039
Classified loans and advances	269,178,787	315,609,313	46,430,526
	310,939,351	**365,554,916**	**54,615,565**

12.2 Provision for off-balance sheet items

	31-Dec-24 Taka	31-Dec-23 Taka
Movement in general provision:		
Provision held at the beginning of the year	27,357,936	25,442,407
Amount provided during the year	14,240,915	9,073,030
Recoveries and provisions no longer required	(9,726,107)	(7,157,501)
Add: Total charge to profit and loss account during the year*	4,514,808	1,915,529
Provision held at the end of the year	**31,872,744**	**27,357,936**

Provision for	**Required**	**Maintained**	**Excess/ (Shortage)**
Off-balance sheet items	26,683,101	31,872,744	5,189,643

Net charge to Profit & Loss during 2024 stands BDT (4,784,452). This amount results from totaling i) total charge to profit & loss account during the year of BDT 4,514,808 (as stated above) & ii) the provision released amount of BDT (9,299,260) which was booked under 'provision against other liability head'.

12.3 Interest suspense account

	31-Dec-24 Taka	31-Dec-23 Taka
Balance at the beginning of the year	34,618,762	57,397,759
Add: Amount transferred to interest suspense account during the year	-	-
	34,618,762	**57,397,759**
Less: Amount adjusted in interest suspense account during the year	-	(775,677)
Less: Amount written off during the year	-	(22,003,320)
Balance at the end of the year	**34,618,762**	**34,618,762**

12.4 Provision for taxation

	31-Dec-24 Taka	31-Dec-23 Taka
Balance of provision at the beginning of the year	1,277,284,959	1,233,749,691
Add: Provision made for prior years	619,502	10,000,000
Add: Provision made for the year	169,165,900	85,000,000
Adjustment/reconciled during the year	(523,750,763)	(51,464,732)
Balance at the end of the year	**923,319,598**	**1,277,284,959**

The tax status in details has been given in details in Annexure-VI.

12.5 Lease liability

	31-Dec-24 Taka	31-Dec-23 Taka
Opening balance	107,384,286	132,500,384
Additions	13,187,076	21,808,058
Finance cost accrued during the period	7,921,194	9,087,171
Payment of lease liabilities	(34,802,806)	(34,201,869)
Adjustment lease cancellation	-	(21,809,458)
Closing balance	**93,689,750**	**107,384,286**
Non-current	25,549,300	80,725,061
Current	68,140,450	26,659,225
	93,689,750	**107,384,286**
Maturity analysis of lease liabilities		
Up to 1 month	2,189,703	2,099,437
1-3 months	4,040,025	4,541,645
3-12 months	19,319,572	20,018,142
1-5 years	58,451,482	80,725,062
Above 5 years	9,688,967	-
Total	**93,689,749**	**107,384,286**

12.6 Other liabilities

	31-Dec-24 Taka	31-Dec-23 Taka
Other payable	102,573,849	78,531,992
Accrued expenses	44,519,577	41,496,533
CSR provision	-	945,475
Start-Up fund*	5,156,974	2,678,956
Routing account	47,583,069	379,667
Interest payable	121,929,063	90,852,365
	321,762,532	**214,884,988**

*Pursuant to the SMESPD Circular no 4 dated 29 March 2021, Section 'Kha', all scheduled banks in Bangladesh are instructed to create own 'start-up fund' for disbursement of loan to 'start-up entrepreneurs'. As per the subsequent amendment through SMESPD Circular no 5 dated 26 April 2021, for five years from 2021 banks shall maintain start-up fund to disburse in favor of 'Start-up entrepreneurs' through mandatory transfer of 1% net profit as per the audited financial statements. A new account heading named 'start-up fund' shall be created and disclosed in balance sheet under 'other liabilities'.

12.7 Total expense recognized in the profit and loss account relating to the defined benefit plan

	31-Dec-24 Taka	31-Dec-23 Taka
Current service cost	9,101,692	-
Interest cost	2,672,539	-
Expected returns on plan assets	-	-
Past service cost	-	-
	11,774,231	-

12.7.1 Net asset/(liability) recognized on the balance sheet in respect of the defined benefit plan

	31-Dec-24 Taka	31-Dec-23 Taka
Habib Bank Limited, Bangladesh Branches Employees Gratuity Fund	(4,139,119)	-
	(4,139,119)	-

12.7.2 Defined benefit plans

The reconciliation of the net liability under the Bank's defined benefit plan is set out below together with the return on plan assets used to measure the net defined benefit plan cost in each year.

	31-Dec-24 Taka	31-Dec-23 Taka
i) Fair value of plan assets:		
Balance with Bank	40,731,064	-
Treasury bills/bonds	7,000,000	-
	47,731,064	-
ii) Defined benefit obligation:		
Present value of funded obligations	51,870,183	-
Present value of unfunded obligations	-	-
	51,870,183	-
Net (liabilities)/assets (i-ii)	**(4,139,119)**	-

12.7.3 Summary

	31-Dec-24 Taka	31-Dec-23 Taka
Fair value of plan assets	47,731,064	-
Defined benefit obligations	51,870,183	-
Net assets/ (liabilities)	**(4,139,119)**	-
Actuarial gains/(losses)	(4,139,119)	-
Return on plan assets greater/(lesser)than discount rate	-	-
Actuarial gains/(losses) recognized directly in equity	**(4,139,119)**	-

13 Capital/shareholder's equity

	31-Dec-24 Taka	31-Dec-23 Taka
Capital fund	4,619,833,870	4,360,883,491
Other reserve	58,823,859	75,414,968
Retained earnings (surplus in profit and loss account)	257,690,460	271,317,033
	4,936,348,189	**4,707,615,492**

13.1 Capital adequacy ratio

	31-Dec-24 Taka	31-Dec-23 Taka
Tier-I Capital		
Funds received from Head Office	4,619,833,870	4,360,883,491
Retained earnings	257,690,460	271,317,033
Actuarial gain/(loss)	(4,139,119)	-
	4,873,385,211	**4,632,200,524**
Additional Tier-I	-	-
Total eligible Tier-I Capital	**4,873,385,211**	**4,632,200,524**
Less: Regulatory adjustment	**82,496,048**	**12,813,923**
Goodwill and all other intangible assets	2,283,868	447,269
Deferred Tax Assets (DTA)	80,212,180	12,366,654
	4,790,889,163	**4,619,386,601**
Tier-II Capital		
General provision against unclassified loans and advances	81,818,347	67,183,539
Other reserves	-	-
Total eligible Tier-II Capital	**81,818,347**	**67,183,539**
Total regulatory capital as per Basel-III	**4,872,707,510**	**4,686,570,140**

13.2 Capital adequacy ratio

	31-Dec-24 Taka	31-Dec-23 Taka
Total assets including off-balance sheet items	19,183,724,205	17970630374
Total risk weighted assets	5,225,796,163	4,167,915,105
Capital to Risk weighted Assets Ratio (CRAR)	93.24%	112.44%
Common equity Tier-I to RWA	91.68%	110.83%
Tier-I capital to RWA	91.68%	110.83%
Tier-II capital to RWA	1.57%	1.61%
Minimum capital requirement	5,000,000,000	5,000,000,000
Actual capital maintained	4,872,707,510	4,686,570,140
Surplus capital as per Basel-III	(127,292,490)	(313,429,860)

* Banking Regulation & Policy Division II (BRPD) of Bangladesh Bank has approved the timeline for raising shortfall amount of paid up capital of Habib Bank Limited (Bangladesh branch) to a minimum of BDT 500cr. within 31 December 2025 by converting the retained earnings into paid-up capital through its letter ref. no. BRPD (R-1)(Law Review) 717/2023-9652 dated on 14 November 2023. As of 31 December 2024, our paid-up capital was BDT 4,797,312,150 (capital fund + retained earnings excluding deferred tax).

13.3 Other reserve

	31-Dec-24 Taka	31-Dec-23 Taka
i) Revaluation reserve on Govt. Securities		
Balance at the beginning of the year	75,414,968	53,174,703
Add/(Less): Adjustment from revaluation reserve	(12,451,990)	22,240,265
Balance at the end of the year	**62,962,978**	**75,414,968**
ii) Actuarial gain/(loss)		
Balance at the beginning of the year	-	-
Charge/(adjustment) for the year	(4,139,119)	-
Balance at the end of the year	**(4,139,119)**	-
Total	**58,823,859**	**75,414,968**

14 Surplus in profit and loss account/retained earnings

	31-Dec-24 Taka	31-Dec-23 Taka
Balance at the beginning of the year	271,317,033	107,640,015
Add: Profit/(loss) for the year after tax brought forward from profit and loss account	247,801,824	165,330,321
Less: Transferred to Start-up Fund	(2,478,018)	(1,653,303)
Less: Transferred to capital fund	(258,950,379)	-
Balance at the end of the year	**257,690,460**	**271,317,033**

15 Contingent liabilities and commitments

		31-Dec-24 Taka	31-Dec-23 Taka
Acceptances and endorsements		250,516,508	67,801,517
Letter of guarantees	(Note 15.1)	2,284,345,040	2,886,108,830
Irrevocable letter of credit		526,408,473	667,295,901
Bills for collection		79,795,249	47,069,741
Other contingent liabilities	(Note 15.2)	1,023,399,203	370,421,568
Other commitments	(Note 15.3)	19,877,141	31,109,186
		4,184,341,614	**4,069,806,743**

15 1 Letter of guarantees

Money for which the Bank is contingently liable in respect of guarantees given favouring:

	31-Dec-24 Taka	31-Dec-23 Taka
Government	434,377,277	219,892,549
Bank and other financial institutions	-	-
Others	1,849,967,763	2,666,216,281
	2,284,345,040	**2,886,108,830**

15.2 Other contingent liabilities

	31-Dec-24 Taka	31-Dec-23 Taka
Acceptance under export (Receivable)	76,323,023	53,770,142
Other Contra	947,076,180	316,651,426
Other non-accruals	-	-
	1,023,399,203	**370,421,568**

15.3 Other commitments

	31-Dec-24 Taka	31-Dec-23 Taka
Documentary credits and short term trade-related transactions	19,877,141	31,109,186
	19,877,141	**31,109,186**

16 Interest income

	31-Dec-24 Taka	31-Dec-23 Taka
Interest on term loans	394,690,051	247,009,825
Interest on overdraft	127,167,534	88,960,138
Interest on call loans	9,417,572	16,167,875
Interest on payment against documents (TR/PAD/IBP/FBP)	11,504,890	5,680,580
Interest on staff loans	2,330,880	2,357,529
Interest from placement	30,831,103	17,068,985
Other interest income	328,040	753,042
	576,270,070	**377,997,974**

17 Interest paid on deposit and borrowings etc.

		31-Dec-24 Taka	31-Dec-23 Taka
Interest on savings deposits		22,597,858	15,016,395
Interest on fixed deposits		368,907,014	251,709,775
Interest on special notice deposits and short term deposits		15,909,370	2,960,016
Interest on borrowing		23,894,007	4,715,567
Interest expenses on lease liability	(Note 17.1)	7,921,194	6,499,442
		439,229,443	**280,901,195**

17.1

	31-Dec-24 Taka	31-Dec-23 Taka
Interest expenses on lease liability	7,921,194	9,087,171
Less: Derecognition of ROU Liabilities due to termination of lease agreement	-	(2,587,729)
	7,921,194	**6,499,442**

18 Investment Income

	31-Dec-24 Taka	31-Dec-23 Taka
Income on Govt. securities (treasury bills and treasury bonds)	626,271,861	533,033,072
Capital Gain/(Loss) on Govt. securities	34,920,049	(25,817,386)
	661,191,910	**507,215,686**

19 Commission, exchange and brokerage

	31-Dec-24 Taka	31-Dec-23 Taka
Commission on acceptances	2,341,359	1,300,326
Commission on bills	2,246,039	2,050,303
Commission on DD/TT/MT/PO	30,317	43,260
Commission on Letter of Guarantee	8,416,271	7,271,201
Commission on Letter of Credit	9,646,493	4,992,573
Commission on LIM,PAD	506,623	2,133,729
Commission on PSP/NSC	3	152,452
Cash Incentives	582,000	38,250
Exchange gain/loss	8,723,395	38,037,921
	32,492,500	**56,020,015**

20 Other operating income

	31-Dec-24 Taka	31-Dec-23 Taka
Locker fee	109,400	230,755
Handling and service charges	200,065	1,875,374
Incidental charges	567,315	621,843
Profit on sale of fixed assets	202,734	750,181
Miscellaneous income	2,919,557	1,982,265
	3,999,071	**5,460,418**

21 Salaries and allowances

	31-Dec-24 Taka	31-Dec-23 Taka
Salaries	87,751,633	75,259,103
House allowance	43,876,044	35,499,771
Allowances	13,654,809	11,355,201
Bonus paid to employees	40,886,068	26,854,783
Bank's contribution to provident fund	8,058,740	5,974,577
Bank's contribution to gratuity fund	11,774,231	9,748,728
Conveyance allowances	1,513,134	1,541,776
Medical expenses	4,524,420	4,030,446
Electricity and gas charges	-	
Leave salary	12,441,677	9,003,440
Others	7,134,659	3,766,823
	231,615,415	**183,034,648**

22 Rent, taxes, insurance, electricity, etc.

	31-Dec-24 Taka	31-Dec-23 Taka
Electricity charges	5,333,936	4,743,062
Insurance charges	6,577,620	7,131,164
Rent on Bank premises	1,359,875	-
VAT on rent	6,428,619	6,540,458
	19,700,050	**18,414,684**

Actual rent without VAT was BDT 42,857,461 and BDT 43,603,069 respectively in the year of 2024 and

23 Legal expenses

	31-Dec-24 Taka	31-Dec-23 Taka
Law charges	392,870	1,169,665
Consultancy charges	6,921,680	11,293,892
	7,314,550	**12,463,557**

24 Postage, stamp, telecommunication, etc.

	31-Dec-24 Taka	31-Dec-23 Taka
Telegram charges	3,224	4,449
Postage, courier and SWIFT charges	1,107,587	488,193
	1,110,811	**492,642**

25 Stationery, printing, advertisement, etc.

	31-Dec-24 Taka	31-Dec-23 Taka
Newspaper expenses	108,028	88,198
Printing	676,627	1,771,615
Stationery	2,313,004	1,922,876
Business promotion	5,528,928	5,654,145
CSR Expenses	610,000	945,475
Advertisement charges	3,545,103	2,977,593
	12,781,690	**13,359,902**

26 Chief executive's salary and fees

	31-Dec-24 Taka	31-Dec-23 Taka
Salaries	15,600,000	15,600,000
Medical expenses	480,000	480,000
House allowance/rent	7,800,000	7,800,000
Others	16,316,666	14,642,627
	40,196,666	**38,522,627**

27 Depreciation and repairs to bank's assets

			31-Dec-24 Taka	31-Dec-23 Taka
i)	**Maintenance**			
	Annual maintenance expenses for Software		2,471,508	2,512,315
	Maintenance for fixed assets		3,486,376	4,862,288
			5,957,884	**7,374,603**
ii)	**Depreciation**			
	Depreciation on Fixed Assets	(Annexure-II)	20,846,958	17,496,728
	Depreciation on ROU Assets	(Annexure-II)	36,971,238	38,527,559
			57,818,196	**56,024,287**
			63,776,080	**63,398,890**

HBL HABIB BANK
হাবিব ব্যাংক
Habib Bank Limited, Bangladesh Branches

Auditor's Report and Audited Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements
As at and for the year ended 31 December 2024

28 Other expenses

Branch trade license fee	215,198	302,904
Work permit and visa charges	13,704	84,365
Clearing house charges	119,570	133,272
Training expenses	615,574	159,791
Conveyance charges	701,405	818,137
Water and diesel expenses	286,759	410,492
Telephone charges (office use)	663,976	927,546
Entertainment charges	4,418,706	1,338,676
Traveling expenses	3,844,606	5,221,150
Subscription	2,372,005	2,578,883
Motor car expenses	1,531,863	929,704
Branch maintenance charges	4,266,981	4,750,171
Lease line rent (online) and e-mail expenses	3,655,780	3,586,926
VISA debit card maintenance fee	9,866,762	5,646,134
BL Tracking Fee	1,165,639	2,296,545
Car rental Service	5,903,276	4,736,189
Miscellaneous expenses	6,745,948	7,468,328
Support service cost	14,352,357	12,700,401
Outsourced charges	13,270,609	9,796,100
	74,010,718	**63,885,714**

29 Provision for loans and advances

Classified		
Specific provision charge to profit and loss account during the year	26,748,984	24,300,000
Unclassified		
General provision charge to profit and loss account during the year	10,131,248	1,863,538
	36,880,232	**26,163,538**

30 Adoption of new and revised Standards

a) New and amended IFRS Standards that are effective for the current year

The following are the amendments that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- IFRS 16 Leases- Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 Presentation of Financial Statements- Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements
- IFRS S1 General Requirements for Disclosure of Sustainability- related Financial Information
- IFRS S2 Climate-related Disclosures

b) New and revised IFRS Standards in issue but not yet effective

At the date of authorization of these financial statements, the Bank has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and in some cases had not yet been adopted by the Bank.

- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 Amendments to IAS 1
- Amendments to IAS 7 and IFRS 7
- Classification of Liabilities as Current or Non-current Liabilities with Covenants Supplier Finance Arrangements
- Amendments to IFRS 16 Lease Liability in a Sale and Leaseback
- Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

The Board does not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Bank in future periods.

31 Events after the reporting period

No material events which have occurred after the reporting period which could affect the values stated in the financial statements.

32 Loan file compliance regarding updated Financial Statements and DVC

According to FRC letter no. 178/FRC/FPR/2021/27(21) dated 7 December 2021, the compliance status of BRPD circular no. 04 dated 04 January 2021 and BRPD circular letter no. 35 dated 06 July 2021 as follows:

Number of borrower	BRPD Circular 4 and 35 applicable for no. of borrower	Financial statements including DVC	Financial statements excluding DVC	% of DVC	% of without DVC
32	32	27	5	84.38%	15.63%

33 Related party disclosures

33.1 Related parties

The related parties of the Bank include Habib Bank Ltd. (Group), other group entities, key management personnel of HBL group, and the Bank as well as close family members and its post-employment benefit & contribution plans.

The Bank, not being incorporated in Bangladesh, operates in Bangladesh under the banking licence issued by Bangladesh Bank and therefore, the key management personnel of the Bank for the purpose of IAS 24 are defined as those persons having authority and responsibilty for planning, directing, controlling the Bank, being members of the Country Management Committee (MANCOM) of the Bank, and close members of their families and companies they control, or significantly influence, or for which significant voting power is held.

33.2 Related party transactions

33.2.1 Transactions with Key Management Personnel

During 2024, transactions with key management personnel of the Bank include the following:

Particulars	2024	2023
Salaries and other short-term employee benefits	94,058,621	79,424,798
Bonus paid or payable	11,075,669	8,621,109
Total	**105,134,290**	**88,045,907**

Loan to MANCOM members of the Bank amounted to Tk.3,285,389 as on 31 December 2024 (2023: Tk.11,663,577) at rates applicable to employees of the Bank. No impairment losses have been recorded against balances outstanding during the period with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relatives at the period end.

33.2.2 Transactions with group entities

The Bank provides and receives certain banking and financial services to / from entities within the Group. Some branches of Habib Bank maintain Vostro accounts with Habib Bank Bangladesh for interbranch transaction settlement. As at year end, the balance with group vostro accounts are given in the Note No.11.4

HBL Bangladesh maintains interest bearing nostro accounts with other Habib Bank branches. As at year end, the balance with all nostro accounts are given in the Note no. 5.2.1. The disclosure of the year end balance is considered to be the most meaningful information to represent transactions during the year.

HBL Bangladesh has taken fund from the other group entities in the form of deposits and outstanding balance stands at Tk.955,753,522 as on 31 December 2024 which was Tk.1,339,346,271 as of 31 December 2023. During 2024, interest payment against the deposits is Tk.75,164,625. Following is the details of transactions:

Name of the Party	Nature of Transaction	31-12-2024	31-12-2023
Aga Khan Education Service,Bangladesh	DEPOSITS	530,724,531	379,303,927
Aga Khan Foundation	DEPOSITS	420,012,825	956,855,555
Aga Khan Fund For Economic Development	DEPOSITS	273,636	270,458
AKDN Diplomatic Office	DEPOSITS	4,742,530	2,916,331
TOTAL		**955,753,522**	**1,339,346,271**

Aga Khan Education Services, Bangladesh, one of the group entities has been availing non-funded facility from HBL Bangladesh and balance of the facility as on 31 December 2024 stands at Tk.116,116,455 (as of 31.12.2023 the facility balance was Tk.17,632,325)

HBL Bangladesh has kept short term placement in HBL, Bahrain and the balance of the same as on 31 December 2024 stands at Tk. 300,000,000 (as on 31 December 2023, the balance of Placement was Tk.219,500,000) .

33.2.3 Transactions with post employment benefit plans

The Bank has two post-employment benefit plans, a provident fund which is of the nature of a defined contribution scheme and a funded gratuity scheme which is of the nature of a defined benefit plan. The Bank contributes to the provident fund in accordance with the requirement of the Trust Deed of the fund while its contributions to the gratuity scheme are determined by a professional actuary.

The responsibility for management and administration of these plans resides with the Trustees of these schemes. The trustees are selected among the employees of the Bank. The Bank does not charge these schemes any fees for management or administrative purpose.

In 2024, the Bank contributed Tk.11,774,231 (2023: Tk.9,748,728) to the gratuity fund and Tk.7,682,109 (2023: Tk.5,974,577) to the provident fund. As on 31 December 2024, the provident fund had a balance of Tk.13,847,631 (in 2023: Tk.32,911,795) and the gratuity fund had a balance of Tk.40,731,064 (in 2023: Tk.36,823,502) deposited with the Bank.

34 Others

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

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

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

(iv) The number of employees engaged for the whole year who received a total remuneration of Taka 36,000 or above were 81 (2023: 76).

(V) Highlights of the overall activities of the Bank have been presented in Annexure-I.

Highlights on the overall activities
As at and for the year ended 31 December 2024

Annexure-I

Sl No.	Particulars	2024 BDT	2023 BDT
1	Paid-up capital/Fund received from Head Office	4,619,833,870	4,360,883,491
2	Total regulatory capital	4,872,707,510	4,686,570,140
3	Capital (deficit)/surplus	(127,292,490)	(313,429,860)
4	Total assets	14,999,382,591	13,900,823,631
5	Total deposits	7,765,749,980	7,201,313,775
6	Total loans and advances	5,538,021,148	5,319,184,882
7	Total contingent liabilities and commitments	4,184,341,614	4,069,806,743
8	Credit deposit ratio	68.31%	72.94%
9	Percentage of classified loans against total loans and advances	6.35%	6.63%
10	Profit after tax and provision	247,801,824	165,330,321
11	Amount of classified loans during current year	351,391,975	352,813,878
12	Provisions kept against classified loans	315,609,313	288,860,330
13	Provision surplus against classified loans	46,430,526	11,403,926
14	Cost of fund	5.57%	3.96%
15	Interest earning assets	13,365,796,046	11,919,698,889
16	Non-interest earning assets	1,633,586,545	1,981,124,742
17	Return on Equity (ROE)	5.14%	3.58%
18	Return on Assets (ROA) [PAT/Average Assets]	1.71%	1.22%
19	Income from investment	661,191,910	507,215,686

Schedule of fixed assets including premises, furniture and fixtures
As at 31 December 2024

A) Tangible Assets

Annexure-II

	Cost					Depreciation				
Particulars	Balance as at 1 January 2024	Addition during the year	Adjustment / disposal during the year	Total as at 31 December 2024	Rate	Balance as at 1 January 2024	Charged for the year	Adjustment / disposal during the year	Total as at 31 December 2024	WDV as at 31 December 2024
Furniture & fixture	39,772,514	3,221,722	2,261,983	40,732,253	10%-20%	12,067,692	7,274,700	2,208,513	17,133,879	**23,598,374**
Office equipment & electrical appliance	28,694,555	309,160	740,077	28,263,638	10%-20%	21,462,895	2,241,909	740,069	22,964,735	**5,298,903**
Computers	48,123,378	26,174,140	315,141	73,982,377	20%-33.33%	41,241,630	9,691,058	315,132	50,617,556	**23,364,821**
Motor vehicle	16,582,000	-	-	16,582,000	10%	7,386,624	976,500	-	8,363,124	**8,218,876**
Right of use-assets	212,023,498	17,987,076	13,074,094	216,936,480		93,562,012	36,971,238	13,074,094	117,459,156	**99,477,324**
Total	**345,195,945**	**47,692,098**	**16,391,295**	**376,496,748**		**175,720,853**	**57,155,405**	**16,337,808**	**216,538,450**	**159,958,298**

B) Intangible Assets

	Cost					Amortisation				
Particulars	Balance as at 1 January 2024	Addition during the year	Adjustment / disposal during the year	Total as at 31 December 2024	Rate	Balance as at 1 January 2024	Charged for the year	Adjustment / disposal during the year	Total as at 31 December 2024	WDV as at 31 December 2024
Software	7,452,860	2,499,390	-	9,952,250	20%	7,005,591	662,791	-	7,668,382	**2,283,868**
Total	**7,452,860**	**2,499,390**	**-**	**9,952,250**	-	**7,005,591**	**662,791**	**-**	**7,668,382**	**2,283,868**
As at 31 December 2024 (A+B)	**352,648,805**	**50,191,488**	**16,391,295**	**386,448,998**	-	**182,726,444**	**57,818,196**	**16,337,808**	**224,206,832**	**162,242,166**
As at 31 December 2023	**344,140,473**	**73,857,871**	**65,349,539**	**352,648,805**	-	**172,623,202**	**56,024,287**	**45,921,046**	**182,726,443**	**169,922,362**

Balance with other banks - Outside Bangladesh (Nostro Account)
As at 31 December 2024

Annexure-III

Name of the bank	Account type	Foreign currency	2024			2023		
			FC amount	Exchange rate	Equivalent BDT	FC amount	Exchange rate	Equivalent BDT
Group Nostro								
Habib Bank Ltd, Brussels	Nostro A/C	EUR	-	-	-	1,070	121.89	130,445
Habib Bank Ltd, UAE	Nostro A/C	USD	36,334	120.00	4,360,026	731,393	109.75	80,270,384
Habib Bank Ltd, Urumqi	Nostro A/C	CNY	30,380	16.44	499,481	269	15.47	4,158
Habib Bank Ltd, Bahrain	Nostro A/C	USD	20,937	120.00	2,512,427	21,823	109.75	2,395,069
Habib Bank Ltd, Bahrain	Nostro A/C	EUR	1,754	125.09	219,387	-	-	-
Habib Allied International Bank plc, UK	Nostro A/C	GBP	2,094	150.91	316,075	1,743	140.46	244,848
Sub-Total (A)					**7,907,396**			**83,044,904**
Non-Group Nostro								
National Bank of Pakistan, Tokyo, Japan	Nostro A/C	JPY	293,453	0.76	223,083	895,453	0.77	692,991
Muslim Commercial Bank Ltd., Pakistan	Nostro A/C	USD	33,514	120.00	4,021,733	7,647	109.75	839,285
Standard Chartered Bank, Kolkata	Nostro A/C	USD	12,334	120.00	1,480,080	24,312	109.75	2,668,252
Development Credit Bank Ltd., Mumbai	Nostro A/C	USD	9,334	120.00	1,120,128	68,453	109.75	7,512,731
J.P. Morgan, New York	Nostro A/C	USD	375,103	120.00	45,012,317	-	-	-
Bangkok Bank Public Company Limited, Thailand	Nostro A/C	USD	27,582	120.00	3,309,812	27,437	109.75	3,011,206
Sub-Total (B)					**55,167,153**			**14,724,465**
Total (A+B)					**63,074,549**			**97,769,369**

Balance with other banks - Outside Bangladesh (Vostro Account)
As at 31 December 2024

Annexure-IV

Name of the bank	Account type	Foreign currency	2024			2023		
			FC amount	Exchange rate	Equivalent taka	FC amount	Exchange rate	Equivalent taka
Group Vostro								
Habib Bank Ltd, UAE (BDT)	Vostro A/C	BDT	43,201	1.00	43,201	43,200.98	1.00	43,201
Habib Bank Ltd, Sri Lanka (USD)	Vostro A/C	USD	22,707	120.00	2,724,802	22,591	109.75	2,479,307
Habib Bank Ltd, Pakistan (ACU $)	Vostro A/C	USD	1,974,299	120.00	236,915,866	2,152,958	109.75	236,287,181
Habib Allied International Bank plc, UK (BDT)	Vostro A/C	BDT	446,803	1.00	446,803	446,803.24	1.00	446,803
Sub-Total (A)					**240,130,672**			**239,256,492**
Non-Group Vostro								
Dubai Islamic Bank Limited	Vostro A/C	USD	48,403	120.00	5,808,419	57,802	109.75	6,343,740
Habib Metropolitan Bank Limited	Vostro A/C	USD	695,851	120.00	83,502,118	553,750	109.75	60,774,093
Bank Islami Pak	Vostro A/C	USD	287,056	120.00	34,446,767	19,498	109.75	2,139,859
JS Bank Limited	Vostro A/C	USD	25,126	120.00	3,015,096	11,125	109.75	1,221,003
Silkbank Limited	Vostro A/C	USD	1,542	120.00	185,092	1,542	109.75	169,282
MCB Islamic	Vostro A/C	USD	37,399	120.00	4,487,842	102,764	109.75	11,278,331
The Bank Punjab Limited	Vostro A/C	USD	443,591	120.00	53,230,860	653,099	109.75	71,677,586
The Bank Of Khyber Limited	Vostro A/C	USD	971,559	120.00	116,587,021	435,910	109.75	47,841,088
Bank Al Falah Limited	Vostro A/C	USD	0.48	120.83	58	0.48	109.75	52
Albaraka Bank Limited	Vostro A/C	USD	5,647	120.00	677,683	28,162	109.75	3,090,798
Sub-Total (B)					**301,940,956**			**204,535,833**
Total (A+B)					**542,071,628**			**443,792,325**

Details of Large Loan

No of clients: 10
Client wise break up is as follows:

Annexure-V

SL	Name of the borrower	Funded o/s	Funded limit	Non-funded o/s	Non funded limit	Total limit
1	BRAC	-	500,000,000	-	-	500,000,000
2	Bank Of China Ltd. China	-	-	908,991,393	908,991,393	908,991,393
3	Crown Cement Plc.	402,963,464	600,000,000	-	500,000,000	1,100,000,000
4	Pran Dairy Limited	444,954,455	550,000,000	219,191,258	240,000,000	790,000,000
5	Bangladesh Steel Re-Rolling Mills Ltd.	511,294,386	510,000,000	-	350,000,000	860,000,000
6	Gazipore & Mirzapore Tea Estates (Bd) Limited (Inner Limit Of Mm Ispahani)	50,485,564	50,000,000	-	-	50,000,000
7	Ispahani Foods Limited (Inner Limit Of Mm Ispahani)	16,719	100,000,000	-	-	100,000,000
8	Ispahani Tea Limited (Inner Limit Of Mm Ispahani)	-	100,000,000	-	-	100,000,000
9	M. M. Ispahani Limited	268,555,147	475,000,000	-	150,000,000	625,000,000
10	China Construction Bank Corporation	-	-	859,664,161	859,664,161	859,664,161
Total (as at 31 December 2024)		**1,678,269,735**		**1,987,846,812**		

No of clients: 4
Client wise break up is as follows:

SL	Name of the borrower	Funded o/s	Funded limit	Non-funded o/s	Non funded limit	Total limit
1	BRAC	2,540,873	500,000,000	-	-	500,000,000
2	Bangladesh Steel Re-rolling Mills Ltd.	184,406,756	210,000,000	253,522,500	350,000,000	560,000,000
3	BANK OF CHINA LTD. CHINA	-	-	1,777,290,464	1,777,290,464	1,777,290,464
4	CHINA CONSTRUCTION BANK CORPORATION	-	-	649,692,725	649,692,725	649,692,725
Total (as at 31 December 2023)		**186,947,629**		**2,680,505,689**		

Tax Status As at 31 December 2024

Annexure-VI

Income year	Assessment Year	Status	Tax Payable/ (Refundable)
1991	1992-1993	High Court Order was not arrived at LTU. The reassessment based on the Court Order will be started after receiving the Order by LTU.	(2,837,530)
1992	1993-1994	The case is settled at High Court. But Court Order was not arrived at LTU. The reassessment based on the Court Order will be started after receiving the Order by LTU.	(1,007,361)
1993	1994-1995	The case is settled at High Court. But Court Order was not arrived at LTU. The reassessment based on the Court Order will be started after receiving the Order by LTU.	1,007,361
1994	1995 - 1996	Assessment order of Appellate Tribunal was received.	(2,651,221)
1995	1996 - 1997	Assessment order of Appellate Tribunal was received and the refundable amount was adjusted with AY 1997-98	(1,455,211)
1999	2000-2001	Request to adjust this liability with the refund amount related to AY:1995-96 (1994) BDT 2,651,221	784,926
2000	2001-2002	All legal proceedings have been exhausted.HBL Bangladesh is now pursuing for tax clearance certificate.	(1,381,932)
2001	2002-2003	The case is pending at High Court. High Court has not fixed the hearing date yet. We are following up with the lawyer on continuous basis.	5,227,591
2002	2003-2004	The case is pending at LTU for adjustment. A letter has been submitted to LTU for adjustment with liability of financial year 2005.	(1,428,509)
2003	2004-2005	All legal proceedings have been exhausted. The payable amount has been adjusted with the refundable amount of AY: 1995-1996.	1,550,333
2004	2005-2006	The case is pending at LTU for adjustment. A letter has been submitted to LTU for adjustment with liability of financial year 2005.	(5,772,871)
2005	2006-2007	A letter submitted to adjust the refund of Tk. 1,428,509 for FY :2002 and Tk. 3,848,299 for FY: 2006 with the Tax liability of Taka 9,676,521	9,676,521
2006	2007-2008	The case is pending at LTU for adjustment. A letter has been submitted to LTU for adjustment with liability of financial year 2005.	(3,848,299)
2016	2017-2018	High Court reference against the Tribunal Order has been filed.	157,099
2017	2018-2019	We received assessment order from the DCT based on Tribunal order.	10,393,613
2022	2023 - 2024	The AY 2023-2024 has been selected for audit. But the audit procedures not yet started.	-
2023	2024- 2025	Return has been submitted as per u/s 180. No action has been taken by the LTU yet.	-

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Government of the People's Republic of Bangladesh
Office of the Inspector General
Bangladesh Police
Police Headquarters, Dhaka.

Invitation for Local Tender (OTM) (National)

Memo No-ICT/44.01.0000.437.07.069.24/52 **Date: 04/03/2025**

Sealed tenders are hereby invited from well-reputed and experienced firms in their official pad for Maintenance of existing Network devices With Con Service and License renewal (Core Firewall, Core Router, Internet Router, Core Switch & Server Switch) in FY 2024-2025.

1	**Ministry/Division**	**Ministry of Home Affairs**
2	**Agency**	**Bangladesh Police**
3	**Procuring Entity Name**	**AIG(ICT), Bangladesh Police, Police Headquarters, Dhaka.**
4	**Invitation for**	**Maintenance of existing Network device With Con Service and License renewal (Core Firewall, Core Router, Internet Router, Core Switch & Server Switch)**
5	**Invitation Ref. No.**	**ICT/44.01.0000.437.07.069.24/52(2024-2025)**
6	**Date**	**04 March 2025**
KEY INFORMATION		
7	Procurement Method	**Open Tendering Method (OTM).**
FUNDING INFORMATION		
8	Budget and source of funds	**Revenue Budget (GOB)-3258103-Computer**
PARTICULAR INFORMATION		
9	**Tender Publication date**	**05/03/2025**
10	**Tender last selling date**	**19/03/2025**
11	**Tender closing date and time**	**20/03/2025 at 11:00 hrs**
12	**Tender opening date and time**	**20/03/2025 at 11:30 hrs**
NAME & ADDRESS OF THE OFFICE		
13	**Name & address of the office**	**Police Headquarters, 6 Phoenix Road, Fulbaria, Dhaka 1000**
	Selling tender document	**AIG(ICT), Bangladesh Police, Police Headquarters, Dhaka.**
	Receiving tender document	**AIG(ICT), Bangladesh Police, Police Headquarters, Dhaka.**
	Opening tender document	**NCCOM Building (2nd Floor) Hall of Harmony Conference Room, Police Headquarters, 6 Phoenix Road, Fulbaria, Dhaka 1000**
14	**Place/date/time of pre-tender meeting (optional)**	**16/03/2025 at 11:30 hrs. NCCOM Building (2nd Floor) Hall of Harmony Conference Room, Police Headquarters, 6 Phoenix Road, Fulbaria, Dhaka.**
INFORMATION FOR TENDERER		
15	**Eligibility of tender**	**The bidder shall have 1) Valid trade license 2) Current income tax certificate, 3) VAT registration and 4) Shall be Financially solvent. 5) Shall have the legal capacity to enter into the contract 6) Must not be blacklisted and bankrupt 7) Other requirements described in the standard tender document (PG-3).**
16	BRIEF DESCRITION OF Service	

Item No	Identification of Item	Quantity	Price of tender document (Non-refundable)	Tender security in Taka	Tender Completion Time.
1.	**Maintenance of existing Network devices With Con Service and License renewal (Core Firewall, Core Router, Internet Router, Core Switch & Server Switch)**	**1 Lot**	**5,000/- (Five Thousand) Taka only**	**2,50,000/- (Two Lac Fifty Thousand) Taka only**	**90 (Ninety) days**

Procuring Entity Details:		
17	**Name of official inviting tender**	**Md. Jalal Uddin Fahim, PPM-Sheba**
18	**Designation of the official inviting tender**	**AIG(ICT), Bangladesh Police, Police Headquarters, Dhaka.**
19	**Address of official inviting tender**	**Room No-207,NCCOM Building (1st Floor) Police Headquarters, 6 Phoenix Road, Fulbaria, Dhaka 1000**
20	Contact details of official inviting the tender	**Tel: 02-223355312 , E-mail: aigict@police.gov.bd**
	SPECIAL INSTRUCTIONS	
	a) No tender will be received after the deadline of submission time & date.	
	b) The procuring entity reserves the right to reject all tenders or annul the tender process without assigning any reason.	
	c) The Procuring entity also reserves the right to omit, increase and/or decrease the quantity of any item(s) from the tender.	
	d) If not possible to receive/open the tender on the schedule date for any unavoidable circumstance, the same tender will be received/ opened on the next working date at the same time & same venue.	
	e) Evaluation will be on the basis of total price.	
	f) The Procurement will be performed according to the Public Procurement Act-2006 and Public Procurement Rules- 2008.	

04-03-25

Md. Jalal Uddin Fahim, PPM-Sheba
BP-8310126794
AIG(ICT)
Bangladesh Police
Police Headquarters, Dhaka.
Tel: 02-223355312
E-mail: aigict@police.gov.bd

(10″X4)

Government of the People's Republic of Bangladesh
Ministry of Road Transport and Bridges
Dhaka Transport Coordination Authority (DTCA)
DTCA Building, Tejgaon, Dhaka 1208
Website: www.dtca.gov.bd

Request for Expressions of Interest (EOI) for Individual Technical Consultant (Urban Transport)

1	Ministry/Division	Road Transport and Highways Division
2	Agency	Dhaka Transport Coordination Authority (DTCA)
3	Name of the Procuring Entity	Executive Director, DTCA
4	Expressions of Interest for Selection of	Individual Consultant, Time-based
5	EOI Ref. No.	35.02.0000.013.11.003.24-17
6	Date (dd/mm/yy)	04 /03/2025
KEY INFORMATION		
7	Procurement Sub-Method	Selection of Individual Consultants (SIC)
FUNDING INFORMATION		
8	Budget and Source of funds	Revenue Budget, GOB
PARTICULAR INFORMATION		
9	EOI Closing Date and time	27/03/2025, 12:00 PM
INFORMATION FOR APPLICANT		
10	Brief Description of the Tasks: -The consultant will assist TMPTI wing in identifying and developing new project concept, Terms of Reference (ToR), Proposal for Feasibility Study (PFS), and Technical Assistance Project Proposal (TAPP) as per recommendations in Strategic Transport Plan (STP) (2016-2035) and STP (2025-2045) (to be gazetted in 2025) as assigned to him/her. -The consultant will technically assist in traffic surveys/ data collection, data management, mapping, report production, presentation, and review existing plans, policies, rules, and acts of urban transport. -The consultant will assist in reviewing policy papers, concept papers, technical summaries, meeting minutes and presentations, review technical documents and prepare recommendations as assigned to him/her by AED (TMPTI), DTCA. Detailed scope of services and qualifications are provided in Request for Application (RFA), which may be obtained from the DTCA website or the office of the undersigned during normal office hours.	
11	Qualifications and Experiences in brief: The applicant should 1. Have at least bachelor degree in Civil Engineering/ Urban and Regional Planning or in other relevant subjects. Masters in Transport Planning /Transportation Engineering or other relevant subjects will be given preference. 2. Has minimum seven (07) years of working experience in consultancy services of which minimum three (03) years in transport planning. Experience in government projects will be given preference. Detailed scope of services and qualifications are provided in Request for Application (RFA)	
12	Other Details: Interested applicants shall obtain further information in Request for Application (RFA) provided by the office of the undersigned which may be obtained in any working day before the closing date. Applicants are requested to submit their Expressions of Interest (EOI) in accordance with the standard application form provided in RFA. Applicants shall have to submit EOI with their CV and attachments along with a forwarding letter in a sealed envelope labeled with "Expressions of Interest (EOI) for Individual Technical Consultant (Urban Transport)" to the address of the undersigned on or before the closing date.	
PROCURING ENTITY DETAILS		
13	Name of the Official Inviting EOI	Neelima Akhter
14	Designation of the Official Inviting EOI	Executive Director
15	Address of the Official Inviting EOI	Room No. 905, Level: 9, DTCA Building, Tejgaon, Dhaka 1208
16	Contact Details of the Official Inviting EOI	Tel: 02-226603684 (Office) E-mail: ed@dtca.gov.bd

The procuring entity reserves the right to accept or reject all EOI's.

Neelima 4.3.25

(Neelima Akhter)
Executive Director
Dhaka Transport Coordination Authority (DTCA)

(10″X4)