

**Habib Bank Limited - Bangladesh Branches**

**Independent Auditor's Report and Financial Statements  
as at and for the year ended 31 December 2023**



**Rahman Rahman Huq**  
**Chartered Accountants**  
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## 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 2023 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 2023, 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.

#### 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.





## **Independent Auditor's Report (continued)**

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with ISAs, we exercise professional 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;



**Independent Auditor's Report (continued)**

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



Ali Ashfaq, Partner, Enrolment no: 509  
Rahman Rahman Huq, Chartered Accountants  
Firm Enlistment Number: CAF-001-080

Dhaka, **12 MAR 2024**

DVC: **2403120509AS756527**





**Habib Bank Limited - Bangladesh Branches**  
**Balance Sheet**  
**As at 31 December 2023**

	Notes	31-Dec-23 Taka	31-Dec-22 Taka
<b><u>PROPERTY AND ASSETS</u></b>			
<b>Cash</b>	4	<b>845,768,076</b>	<b>572,667,040</b>
Cash in hand (including foreign currencies)		74,052,206	82,871,649
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		771,715,870	489,795,391
<b>Balance with other banks and financial institutions</b>	5	<b>118,496,316</b>	<b>22,360,810</b>
In Bangladesh		20,726,947	4,029,590
Outside Bangladesh		97,769,369	18,331,220
<b>Money at call and short notice</b>	6	<b>329,500,000</b>	<b>103,292,700</b>
<b>Investments</b>	7	<b>5,733,615,699</b>	<b>5,890,812,792</b>
Government		5,733,615,699	5,890,812,792
Others		-	-
<b>Loans and advances</b>	8	<b>5,319,184,882</b>	<b>5,191,915,486</b>
Loans, cash credits, overdrafts, etc.		5,319,184,882	5,191,024,486
Bills purchased and discounted		-	891,000
<b>Fixed assets including premises, furniture and fixtures</b>	9	<b>169,922,362</b>	<b>171,517,271</b>
<b>Other assets</b>	10	<b>1,384,336,296</b>	<b>1,333,303,857</b>
<b>Non-banking assets</b>		-	-
<b>Total assets</b>		<b>13,900,823,631</b>	<b>13,285,869,956</b>
<b><u>LIABILITIES and CAPITAL</u></b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>		-	<b>90,000,000</b>
<b>Deposits and other accounts</b>	11	<b>7,201,313,775</b>	<b>6,564,201,657</b>
Current accounts and other accounts		2,869,675,182	2,196,884,831
Bills payable		52,136,812	61,848,578
Fixed deposits		3,837,946,646	3,786,859,163
Savings bank deposits		441,555,135	518,609,085
<b>Other liabilities</b>	12	<b>1,991,894,364</b>	<b>2,109,970,090</b>
<b>Total liabilities</b>		<b>9,193,208,139</b>	<b>8,764,171,747</b>
<b>Capital/Shareholders' equity</b>	13	<b>4,707,615,492</b>	<b>4,521,698,209</b>
Capital fund		4,360,883,491	4,360,883,491
Reserve fund		75,414,968	53,174,703
Surplus in profit and loss account	14	271,317,033	107,640,015
<b>Total liabilities and shareholders' equity</b>		<b>13,900,823,631</b>	<b>13,285,869,956</b>



**Habib Bank Limited - Bangladesh Branches**  
**Balance Sheet**  
**As at 31 December 2023**

**OFF-BALANCE SHEET ITEMS**

**Contingent liabilities**

Acceptances and endorsements  
Letters of guarantee  
Irrevocable letters of credit  
Bills for collection  
Other contingent liabilities

Notes	31-Dec-23 Taka	31-Dec-22 Taka
15	4,038,697,557	5,311,183,100
	67,801,517	851,410,905
15.1	2,886,108,830	2,668,969,212
	667,295,901	524,960,877
	47,069,741	139,221,711
15.2	370,421,568	1,126,620,395

**Other Commitments**

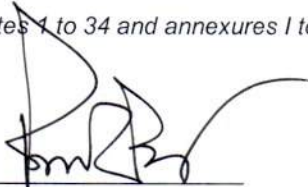
Documentary credits and short term trade-related transactions  
Forward assets purchased and forward deposits placed  
Undrawn note issuance and revolving underwriting facilities  
Undrawn formal standby facilities, credit lines and other commitments

	31,109,186	29,848,208
15.3	31,109,186	29,848,208
	-	-
	-	-
	-	-

**Total off-balance sheet items including contingent liabilities**

<b>4,069,806,743</b>	<b>5,341,031,308</b>
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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**

Country Manager

As per our report of same date



**Auditor**

Dhaka, **12 MAR 2024**

**Ali Ashfaq Partner**  
Enrolment Number: 509  
Rahman Rahman Huq  
Chartered Accountants  
KPMG in Bangladesh  
Firm Enlistment Number: CAF-001-080



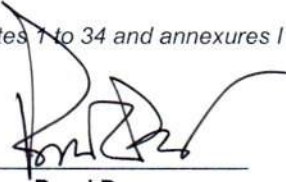
DVC: **2403120509AS756527**



**Habib Bank Limited - Bangladesh Branches**  
**Profit & Loss Account**  
**For the year ended 31 December 2023**

	Notes	2023 Taka	2022 Taka
Interest income	16	377,997,974	279,527,411
Less: Interest paid on deposits and borrowings etc.	17	280,901,195	215,115,731
<b>Net interest income</b>		<b>97,096,779</b>	<b>64,411,680</b>
Investment income	18	507,215,686	421,851,152
Commission, exchange and brokerage	19	56,020,015	63,138,626
Other operating income	20	6,313,727	5,648,624
		<b>569,549,428</b>	<b>490,638,402</b>
<b>Total operating income (A)</b>		<b>666,646,207</b>	<b>555,050,082</b>
<b>Less: Operating expenses</b>			
Salaries and allowances	21	183,034,648	176,477,837
Rent, taxes, insurance, electricity etc.	22	18,414,684	30,489,207
Legal expenses	23	12,463,557	5,160,744
Postage, stamp, telecommunication etc.	24	1,345,951	1,494,893
Stationery, printing, advertisements etc.	25	13,359,902	5,685,977
Chief Executive's salary and fees	26	38,522,627	27,247,516
Auditors' fees		1,677,500	1,141,137
Depreciation and repairs of bank's assets	27	63,398,890	48,697,642
Other expenses	28	63,885,714	53,144,237
<b>Total operating expenses (B)</b>		<b>396,103,473</b>	<b>349,539,190</b>
<b>Profit/(loss) before provision and taxes (C=A-B)</b>		<b>270,542,734</b>	<b>205,510,892</b>
Provision against loans and advances	29	26,163,538	1,027,451
Provision for off-balance sheet items	12.2	1,915,529	4,465,407
Provision for diminution in value of investments		-	-
Recovery of amounts previously written off		(5,500,000)	-
Other provisions		-	-
<b>Total provision (D)</b>		<b>22,579,067</b>	<b>5,492,858</b>
<b>Total profit before taxes (C-D)</b>		<b>247,963,667</b>	<b>200,018,034</b>
Less: Provision for taxation			
Prior year tax	12.4	10,000,000	10,700,469
Current tax	12.4	85,000,000	86,752,278
Deferred tax	10.2	(12,366,654)	-
		<b>82,633,346</b>	<b>97,452,747</b>
<b>Net profit after taxation</b>		<b>165,330,321</b>	<b>102,565,287</b>
<b>Appropriations:</b>			
Transferred to Start-Up Fund		1,653,303	1,025,653
<b>Retained surplus</b>		<b>163,677,018</b>	<b>101,539,634</b>

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**  
Country Manager

As per our report of same date

  
Auditor

Dhaka, **12 MAR 2024**

**Ali Ashfaq Partner**  
Enrolment Number: 509  
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**Habib Bank Limited - Bangladesh Branches**  
**Cash Flow Statement**  
**For the year ended 31 December 2023**

	Notes	2023 Taka	2022 Taka
<b>A. Cash flows from operating activities</b>			
Interest/Profit receipts in cash		363,426,519	256,535,161
Interest payments		(252,437,217)	(199,573,829)
Income from investments	18	507,215,686	421,851,152
Fee and commission receipts in cash	19	56,020,015	63,138,626
Cash payments to employees		(216,585,858)	(203,725,353)
Cash payments to suppliers		(95,518,672)	(85,217,246)
Recoveries on loans previously written off		5,500,000	-
Income tax paid		(82,312,932)	(40,510,240)
Receipts from other operating activities		5,563,546	4,398,593
Payments for other operating activities		(48,450,737)	(42,885,739)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>		<b>242,420,350</b>	<b>174,011,125</b>
<b>Increase/Decrease in operating assets and liabilities</b>			
Loans and advances to customers		(127,269,396)	(1,126,143,127)
Other assets		(143,690,797)	(77,645,481)
Deposits from other banks		37,688,775	7,490,754
Deposits from customers		599,423,346	1,332,131,610
Other liabilities		(29,247,744)	128,306,557
<b>Cash generated from operating assets and liabilities</b>		<b>336,904,184</b>	<b>264,140,313</b>
<b>Net cash from operating activities</b>		<b>579,324,534</b>	<b>438,151,438</b>
<b>B. Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(52,049,813)	(1,605,259)
Sale proceeds of property, plant and equipment		1,034,528	1,770,909
Sale/(Purchase) of securities		157,197,093	(1,262,283,905)
<b>Net cash from investing activities</b>		<b>106,181,808</b>	<b>(1,262,118,255)</b>
<b>C. Cash flows from financing activities</b>			
Borrowings from other banks		(90,000,000)	(90,000,000)
Remittance received from Head Office		-	-
<b>Net cash from/(used) in financing activities</b>		<b>(90,000,000)</b>	<b>(90,000,000)</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>		<b>595,506,342</b>	<b>(913,966,817)</b>
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>F. Cash and cash equivalents at the beginning of the year</b>		<b>698,389,850</b>	<b>1,612,356,667</b>
<b>G. Cash and cash equivalents at end of the year (D+E+F)</b>		<b>1,293,896,192</b>	<b>698,389,850</b>
<b>Cash and cash equivalents at end of the year</b>			
Cash in hand (Including foreign currencies)	4.1	74,052,206	82,871,649
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	4.2	771,715,870	489,795,391
Balance with other banks and financial institutions	5	118,496,316	22,360,810
Money at call and on short notice	6	329,500,000	103,292,700
Prize bonds	7	131,800	69,300
		<b>1,293,896,192</b>	<b>698,389,850</b>

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





**Habib Bank Limited - Bangladesh Branches**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2023**

(Amount in Taka)

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

**For the year ended 31 December 2022**

(Amount in Taka)

Particulars	Fund received from Head Office	Other reserve	Surplus in profit & loss account	Total
<b>Balance as at 1 January 2022</b>	<b>4,360,883,491</b>	<b>55,127,236</b>	<b>6,100,381</b>	<b>4,422,111,108</b>
Changes in accounting policy restated balance	-	-	-	-
Capital fund received from Head Office	-	-	-	-
Surplus/deficit on account of revaluation of properties	-	-	-	-
Surplus/deficit on account of revaluation of investment	-	(1,952,533)	-	(1,952,533)
Currency translation differences	-	-	-	-
Net profit for the year	-	-	102,565,287	102,565,287
Transferred to Start-Up Fund	-	-	(1,025,653)	(1,025,653)
<b>Balance as at 31 December 2022</b>	<b>4,360,883,491</b>	<b>53,174,703</b>	<b>107,640,015</b>	<b>4,521,698,209</b>

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



**Habib Bank Limited - Bangladesh Branches**  
**Liquidity Statement**  
**(Asset and Liability Maturity Analysis)**  
**As at 31 December 2023**

(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	74,052,206	-	-	-	-	74,052,206
Balance with Bangladesh Bank	488,115,870	-	-	-	283,600,000	771,715,870
Balance with other banks and financial institutions	118,496,316	-	-	-	-	118,496,316
Money at call and on short notice	110,000,000	-	219,500,000	-	-	329,500,000
Investment in treasury bills and others	131,800	444,395,778	871,315,745	199,258,980	4,218,513,396	5,733,615,699
Loans and advances to customers	794,689,294	1,975,991,783	1,603,174,564	910,382,866	34,946,375	5,319,184,882
Fixed assets including premises, furniture and fixtures	3,153,595	6,322,918	29,250,239	121,425,476	9,770,134	169,922,362
Other assets	11,948,385	135,162,904	11,814,861	1,225,410,146		1,384,336,296
Non-banking assets	-	-	-	-	-	-
Total assets (A)	1,600,587,466	2,561,873,383	2,735,055,409	2,456,477,468	4,546,829,905	13,900,823,631
Liabilities:						
Borrowing from other banks and financial institutions and agents	-	-	-	-	-	-
Deposits and other accounts	1,201,387,840	1,815,979,992	3,004,404,059	1,179,541,884	-	7,201,313,775
Other liabilities	53,180,764	71,835,244	90,277,009	210,186,583	1,566,414,764	1,991,894,364
Total liabilities (B)	1,254,568,604	1,887,815,236	3,094,681,068	1,389,728,467	1,566,414,764	9,193,208,139
Net liquidity excess/(shortage) (A-B)	346,018,862	674,058,147	(359,625,659)	1,066,749,001	2,980,415,141	4,707,615,492





**Habib Bank Limited - Bangladesh Branches**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December 2023**

**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 2023 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 (Treasury Back)**

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 bond 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 (Treasury Front)**

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 0.5% to 1% 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 must 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.



**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 2023.

**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 2023 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. 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.

**c. 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.

**d. 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 2023 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 2023 to 31 December 2023.

## 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 2.1)
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



**Notes to the financial statements as at and for the year ended 31 December 2023 (continued)**

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 2.1)
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:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for 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 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 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 2023, 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, passport endorsement, loan processing, loan syndication and locker facilities etc. Fee and commission income is recognised on the basis of realisation.

**3.5 Employee benefits**

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.

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.

**3.6 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.

**3.7 Provision for nostro accounts**

As per BRPD circular no. 04 dated 12 April 2022, if there is any entry unreconciled as at 31 December for 6 months or more, provision is maintained accordingly.

**3.8 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% (2022: 40%) as prescribed in Finance Act 2023 of the profit made by the Bank by considering taxable add-backs of income, allowances and disallowances of expenditures.

**3.9 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.

**3.10 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.

**3.11 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 fully implemented as instructed by Bangladesh Financial Intelligence Unit as per the BFIU Circular 25, dated January 8, 2020. Initiative has been taken to complete the eKYC process for existing eligible customers.
- New Customer KYC Risk Scoring Methodology integrated into the separate KYC system and bank's core banking system as per BFIU Circular 26, dated June 16, 2020.
- Trade KYC system implemented as per BFIU Circular 24, dated December 10, 2019.
- Robust Compliance monitoring plan developed and is being followed.
- A daylong AML CFT training session for HBL Bangladesh staff (Including Senior Management/ MANCOM) was conducted by Head Compliance and CAMLCO in 2023.
- Chief Anti-Money Laundering Compliance Officer (CAMLCO) conducted daylong classroom training sessions and webinar sessions on AML / CFT & TBML for the HBL BD staff and new joiner.
- As per the Bangladesh Bank report The AML (Anti-Money Laundering) has improved from 'Fair' to 'Satisfactory' for the first time.
- IA has performed Independent Testing Procedure (ITP) for all the branches and all the Branches have got 'Satisfactory' rating.

To enhance supervision and risk mitigation in AML/CFT arena, HBL undertook a global initiative under the umbrella of Business Transformation ("BT") project which is a multi-layer change initiative centered around four main pillars i.e., Governance, People, Process and Technology relating to Financial Crime Risk. As part of the project, HBL Bangladesh has already implemented Country Risk Rating Methodology which is prepared in line with Local regulatory and Global Requirement. HBL Bangladesh has already completed the integration of sanction screening with core banking system for real time automated customer onboarding sanction screening. HBL BD is working to automate 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 reviews on the HBL BD Branches and different departments in 2023 as per the approved plan 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.

**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.





### 3.12 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 19 June 2024. 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.

### 3.13 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 34.

### 3.14 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.

### 3.15 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 care, Environment and Climate Change Mitigation & Adaptation, emergency response during disaster and integrity awareness among general publics.

In 2023, HBL Bangladesh contributed to a number of areas such as contributed to a school for purchasing text book, supported for treatment of a number of specially abled students of a Rehabilitation center, donated for conducting Environmental Awareness Campaign for the school children, 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.

### 3.16 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.

### 3.17 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).





		31-Dec-23 Taka	31-Dec-22 Taka
<b>4</b>	<b>Cash</b>		
	Cash in hand (Note 4.1)	74,052,206	82,871,649
	Balance with Bangladesh Bank and its agent banks (Note 4.2)	771,715,870	489,795,391
		<b>845,768,076</b>	<b>572,667,040</b>
<b>4.1</b>	<b>Cash in hand</b>		
	Local currency	69,280,484	78,031,569
	Foreign currencies	1,442,722	1,357,580
	Cash in ATM	3,329,000	3,482,500
		<b>74,052,206</b>	<b>82,871,649</b>
<b>4.2</b>	<b>Balance with Bangladesh Bank and its agent banks</b>		
	Balance with Bangladesh Bank	432,650,869	248,890,599
	Local currency	339,065,001	240,904,792
	Foreign currencies	771,715,870	489,795,391
		<b>771,715,870</b>	<b>489,795,391</b>
<b>4.3</b>	<b>Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)</b>		
<b>4.3.1</b>	<b>Cash Reserve Ratio (CRR)</b>		
	<b>Fortnightly Bank's CRR maintenance</b>		
	Required reserve (4% of demand and time liabilities)	283,619,000	242,978,406
	Actual reserve maintained	447,137,950	249,652,000
	<b>Surplus</b>	<b>163,518,950</b>	<b>6,673,594</b>
<b>4.3.2</b>	<b>Statutory Liquidity Ratio (SLR)</b>		
	Required reserve (13% of demand and time liabilities)	921,761,000	789,677,000
	Actual reserve maintained (Note 4.3.3)	5,971,186,855	5,988,430,450
	<b>Surplus</b>	<b>5,049,425,855</b>	<b>5,198,753,450</b>
<b>4.3.3</b>	<b>Composition of actual reserve held</b>		
	Cash in hand	74,052,206	82,871,649
	Unencumbered approved securities	5,733,483,899	5,898,815,094
	Others	163,650,750	6,743,707
		<b>5,971,186,855</b>	<b>5,988,430,450</b>
<b>5</b>	<b>Balance with other banks and financial institutions</b>		
	In Bangladesh (Note 5.1)	20,726,947	4,029,590
	Outside Bangladesh (Note 5.2)	97,769,369	18,331,220
		<b>118,496,316</b>	<b>22,360,810</b>
<b>5.1</b>	<b>In Bangladesh</b>		
	<b>Current account</b>		
	Standard Chartered Bank Ltd	20,726,947	4,029,590
		<b>20,726,947</b>	<b>4,029,590</b>



		31-Dec-23 Taka	31-Dec-22 Taka
5.2	Outside Bangladesh (A+B)	97,769,369	18,331,220
5.2.1	<b>A. Non-group nostro</b>		
	<b>Current account</b>		
	National Bank of Pakistan, Tokyo, Japan	692,991	689,244
	Standard Chartered Bank, Kolkata	2,668,252	(3,456,181)
	Bangkok Bank Public Company Limited, Thailand	3,011,206	3,061,651
	Muslim Commercial Bank Ltd., Pakistan	839,285	789,904
	Development Credit Bank Ltd, Mumbai	7,512,731	846,923
		<b>14,724,465</b>	<b>1,931,541</b>
	<b>B. Group nostro</b>		
	<b>Current account</b>		
	Habib Bank Ltd, Urumqi	4,158	32,329
	Habib Allied International Bank plc, UK	244,848	80,802
	Habib Bank Ltd, Brussels	130,445	75,943
	Habib Bank Ltd, Bahrain	2,395,069	7,720,817
	Habib Bank Ltd, UAE	80,270,384	8,489,788
		<b>83,044,904</b>	<b>16,399,679</b>
	(Details are given in Annexure-III)		
5.3	<b>Maturity grouping of balance with other banks and financial institutions</b>		
	Repayable on demand	118,496,316	22,360,810
	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	-	-
		<b>118,496,316</b>	<b>22,360,810</b>
6	<b>Money at call and short notice</b>		
	HBL, Bahrain	219,500,000	103,292,700
	National Credit and Commerce Bank Ltd	110,000,000	-
		<b>329,500,000</b>	<b>103,292,700</b>
7	<b>Investments</b>		
	Government securities (Note 7.1)	5,733,483,899	5,890,743,492
	Prizebonds	131,800	69,300
		<b>5,733,615,699</b>	<b>5,890,812,792</b>
7.1	<b>Government securities</b>		
	Treasury bills (Note 7.1.1)	444,395,778	561,986,177
	Treasury bonds (Note 7.1.2)	5,289,088,121	5,328,757,315
		<b>5,733,483,899</b>	<b>5,890,743,492</b>
7.1.1	<b>Treasury bills</b>		
	91 days treasury bills	444,395,778	-
	182 days treasury bills	-	104,335,997
	364 days treasury bills	-	457,650,180
		<b>444,395,778</b>	<b>561,986,177</b>
7.1.2	<b>Treasury bonds</b>		
	2 years Bangladesh Government Treasury Bond	197,200,200	199,773,815
	5 years Bangladesh Government Treasury Bond	635,915,460	662,930,094
	10 years Bangladesh Government Treasury Bond	4,433,302,920	4,441,932,731
	15 years Bangladesh Government Treasury Bond	11,318,034	11,847,293
	20 years Bangladesh Government Treasury Bond	11,351,507	12,273,382
		<b>5,289,088,121</b>	<b>5,328,757,315</b>





	31-Dec-23 Taka	31-Dec-22 Taka
<b>7.1.3 Investments as per Bangladesh Bank circular:</b>		
Held for Trading (HFT)	1,123,489,854	1,493,398,479
Held to Maturity (HTM)	4,609,994,045	4,397,345,013
Prize bond	131,800	69,300
	<b>5,733,615,699</b>	<b>5,890,812,792</b>
<b>7.1.4 Maturity-wise grouping</b>		
On demand	131,800	69,300
Up to 3 months	444,395,778	120,467,161
More than 3 months but not more than 1 year	871,315,745	471,840,884
More than 1 year but not more than 5 years	199,258,980	1,102,630,619
More than 5 years	4,218,513,396	4,195,804,828
	<b>5,733,615,699</b>	<b>5,890,812,792</b>
<b>8 Loans and advances</b>		
Loans, cash credits, overdrafts, etc. (Note 8.1)	5,319,184,882	5,191,024,486
Bills purchased and discounted (Note 8.2)	-	891,000
	<b>5,319,184,882</b>	<b>5,191,915,486</b>
<b>8.1 Loans, cash credits, overdrafts, etc.</b>		
<b>In Bangladesh</b>		
Long Term loan	784,143,268	908,130,888
Loans against imported merchandise (LIM)	4,671,146	4,671,146
Trust receipts	89,302,662	264,100,643
Staff loans	46,133,644	52,252,067
Cash credit	40,807,357	40,807,357
Payment against documents	10,751,639	10,751,639
Short term loan	2,936,892,300	2,355,430,345
Overdrafts	1,406,482,866	1,554,880,401
	<b>5,319,184,882</b>	<b>5,191,024,486</b>
<b>Outside Bangladesh</b>	-	-
	<b>5,319,184,882</b>	<b>5,191,024,486</b>
<b>8.2 Bills purchased and discounted</b>		
<b>In Bangladesh</b>		
Inland bills purchased (IBP)	-	891,000
<b>Outside Bangladesh</b>		
Foreign bills purchased (FBP)	-	-
	-	<b>891,000</b>
<b>8.3 Maturity-wise grouping</b>		
Repayable on demand	449,060,037	484,703,785
Up to 1 month	345,629,257	221,875,595
Over 1 month but below 3 months	1,975,991,783	1,791,010,684
Over 3 month but below 1 year	1,603,174,564	1,484,451,748
Over 1 year but below 5 year	910,382,866	1,169,588,943
More than 5 years	34,946,375	40,284,731
	<b>5,319,184,882</b>	<b>5,191,915,486</b>
<b>8.4 Significant concentration</b>		
Advances to officer and staff of the bank	46,133,644	52,252,067
Advances to customers group	1,475,080,004	2,060,322,111
Industrial advances	3,797,971,234	3,079,341,308
	<b>5,319,184,882</b>	<b>5,191,915,486</b>



	31-Dec-23 Taka	31-Dec-22 Taka
<b>8.5 Industry-wise concentration</b>		
Automobile and transportation equipment	2,438,374	2,438,374
Metals and allied	184,406,756	189,893,391
Chemicals and pharmaceuticals	599,381,570	485,812,405
Textile	265,815,580	11,642,639
Foods, tobacco and beverages, sugar	1,024,821,454	1,208,938,634
General traders	220,063,257	356,414,743
Others	3,022,257,891	2,936,775,300
	<b>5,319,184,882</b>	<b>5,191,915,486</b>
<b>8.6 Geographical location-wise distribution</b>		
Sylhet division	78,737,865	76,898,427
Chattogram division	648,160,184	767,371,192
Dhaka division	4,592,286,833	4,347,645,867
	<b>5,319,184,882</b>	<b>5,191,915,486</b>
<b>8.7 Grouping as per classification rules</b>		
<b>Unclassified</b>		
Standard	4,945,811,621	4,676,444,023
Special mention account	20,559,383	26,306,099
<b>Total unclassified loans and advances</b>	<b>4,966,371,004</b>	<b>4,702,750,122</b>
<b>Classified</b>		
Sub-standard	-	-
Doubtful	-	-
Bad/Loss	352,813,878	489,165,364
<b>Total classified loans and advances</b>	<b>352,813,878</b>	<b>489,165,364</b>
<b>Total</b>	<b>5,319,184,882</b>	<b>5,191,915,486</b>
<b>8.8 Large loan disclosure</b>		
Total number of customers having facility of the 10% of the capital of the Bank.		
<b>No of Parties</b>	<b>4</b>	<b>4</b>
Funded	186,947,629	689,870,029
Non funded	2,680,505,689	2,218,016,739
<b>Total amount outstanding</b>	<b>2,867,453,318</b>	<b>2,907,886,768</b>
<b>8.9 Particulars of loans and advances</b>		
i. Loans considered good in respect of which the banking company is fully secured	1,824,366,901	1,757,751,608
ii. Loans considered good for which the banking company holds no security other than the debtors personal guarantee.	3,142,004,103	2,944,998,514
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.	-	-
	<b>4,966,371,004</b>	<b>4,702,750,122</b>





	31-Dec-23 Taka	31-Dec-22 Taka
Loans due by directors or Officers/Executive of the banking company or any of them taken either separately or jointly with any other persons	-	-
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	-	-
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	-	-
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	-	-
Due from banking companies	-	-
Amount of classified loans on which interest has not been charged	352,813,878	489,165,364
Cumulative amount of written off loans		
Opening balance	104,164,037	104,164,037
Add: Amount of debts written off for the current year	134,697,799	-
	238,861,836	104,164,037
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	104,164,037
Lawsuit filed against written off debts	233,164,312	103,966,513
<b>8.10 Bills purchased and discounted</b>		
Payable outside Bangladesh	-	-
Payable in Bangladesh	-	891,000
	-	891,000
<b>8.11 Maturity-wise grouping of bills purchased and discounted</b>		
On demand	-	-
Payable within 1 month	-	891,000
More than 1 month but less than 3 months	-	-
More than 3 months but less than 6 months	-	-
	-	891,000
<b>9 Fixed assets including premises, furniture and fixtures</b>		
Furniture and fixtures	39,772,514	11,510,965
Office equipment and electrical appliances	29,027,305	27,430,572
Computer	47,790,628	45,169,028
Software (Note 9.1)	7,452,860	7,452,860
Motor vehicles	16,582,000	6,817,000
ROU assets (Note 9.2)	212,023,498	245,760,048
	352,648,805	344,140,473
Less: Accumulated depreciation/Amortisation	182,726,443	172,623,202
	169,922,362	171,517,271



	31-Dec-23 Taka	31-Dec-22 Taka
<b>9.1 Intangible assets</b>		
Software	7,452,860	7,452,860
Less: Amortisation	7,005,591	6,671,820
	<b>447,269</b>	<b>781,040</b>
(Details are given in <b>Annexure-II</b> )		
<b>9.2 ROU assets</b>		
<b>Cost</b>		
Opening	245,760,048	113,026,510
Additions	21,808,058	141,364,530
Adjustment lease cancellation	(55,544,608)	(8,630,992)
<b>Total cost</b>	<b>212,023,498</b>	<b>245,760,048</b>
<b>Accumulated depreciation</b>		
Opening	91,357,332	65,487,077
Charge for the year	38,527,559	32,451,070
Adjustment lease termination	(36,322,879)	(6,580,815)
<b>Total accumulated depreciation</b>	<b>93,562,012</b>	<b>91,357,332</b>
<b>Carrying amount</b>	<b>118,461,486</b>	<b>154,402,716</b>
<b>10 Other assets</b>		
<b>Income generating</b>		
Interest receivable	125,323,837	110,827,431
Encashment of Sanchayapatra awaiting realisation	6,558,439	178,488
	<b>131,882,276</b>	<b>111,005,919</b>
<b>Non income generating</b>		
Advance deposits	150,000	298,300
Stationery and stamps on hand	1,029,138	1,186,427
Prepaid expenses	2,316,371	2,957,808
Advance security deposit	1,325,887	1,250,837
Advance tax (Note 10.1)	1,213,032,244	1,182,184,044
Deferred Tax (Note 10.2)	12,366,654	-
Others	20,467,478	29,900,685
Advance rent	-	-
Interest R/A Block	11,248	11,248
Receivable account BB working capital stimulus package	1,755,000	4,508,589
	<b>1,252,454,020</b>	<b>1,222,297,938</b>
	<b>1,384,336,296</b>	<b>1,333,303,857</b>
<b>10.1 Advance Tax</b>		
<b>Opening balance</b>	<b>1,182,184,044</b>	<b>1,031,814,425</b>
Add: Advance income tax paid during the year	55,611,861	14,078,864
Tax deducted at source during the year	26,701,071	24,000,376
<b>Addition during the year</b>	<b>82,312,932</b>	<b>38,079,240</b>
Adjustment/reconciled during the year	(51,464,732)	112,290,379
<b>Closing balance</b>	<b>1,213,032,244</b>	<b>1,182,184,044</b>





## 10.2 Deferred Tax Assets and Liabilities

				31-Dec-23 Taka	31-Dec-22 Taka
Particulars	Accounting base	Tax base	Deductible/( Taxable) temporary difference	Applicable Tax rate	Deferred Tax Assets/(Liabilities )
Fixed Assets excluding Assets under IFRS-16	51,460,876	77,997,133	26,536,257	40%	10,614,503
ROU Assets (Net)	11,077,201	-	(11,077,201)	40%	(4,430,880)
On specific loan provision kept against classified loans	19,350,171	-	19,350,171	40%	7,740,068
Revaluation reserve	75,414,968	-	(75,414,968)	15%	(11,312,245)
Carried forward of Tax Depreciation for onward set off	-	24,388,021	24,388,021	40%	9,755,208
<b>Deferred Tax Asset/(Liabilities) as of 31 December 2023</b>	<b>157,303,217</b>	<b>102,385,154</b>			<b>12,366,654</b>
<b>Deferred Tax Asset/(Liabilities) as of 31 December 2022</b>					<b>-</b>
<b>Deferred Tax Income/(Expenses) for 2023</b>					<b>12,366,654</b>

## 11 Deposits and other accounts

Current accounts and other accounts	(Note 11.1)	2,869,675,182	2,196,884,831
Fixed deposit	(Note 11.2)	3,837,946,646	3,786,859,163
Savings bank deposits	(Note 11.3)	441,555,135	518,609,085
Bills payable		52,136,812	61,848,578
		<b>7,201,313,775</b>	<b>6,564,201,657</b>

## 11.1 Current accounts and other accounts

Local currency current deposits		1,714,699,779	1,073,178,607
Foreign currency current deposits		151,802,215	91,863,829
Special notice time deposits		542,313,196	770,564,576
Business Value A/C*		6,512,009	5,826,465
Non Group vostro	(Annexure-IV)	204,535,833	166,847,058
Sundry deposits		10,555,658	13,802,617
Group vostro	(Note 11.4)	239,256,492	74,801,679
		<b>2,869,675,182</b>	<b>2,196,884,831</b>

*Business Value A/C is tagged with current accounts which was previously tagged with saving deposit BDT 5,826,465.*

## 11.2 Fixed deposit

Deposit from customers	<b>3,837,946,646</b>	<b>3,786,859,163</b>
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## 11.3 Savings Deposits

<b>441,555,135</b>	<b>518,609,085</b>
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## 11.4 Group vostro (Annexure-IV)

Habib Bank Ltd, Oman (BDT)	-	546,260
Habib Bank Ltd, UAE (BDT)	43,201	43,201
Habib Allied International Bank plc, UK (BDT)	446,803	446,953
Habib Bank Ltd, Sri Lanka (USD)	2,479,307	2,336,258
Habib Bank Ltd, Pakistan (ACU \$)	236,287,181	71,429,007
	<b>239,256,492</b>	<b>74,801,679</b>

(Details are given in Annexure-IV)

## 11.5 Maturity-wise grouping

Repayable - on demand	250,778,045	2,777,342,495
Up to 1 month	950,609,795	44,883,827
Over 1 month but below 3 months	1,815,979,992	772,052,825
Over 3 months but below 1 year	3,004,404,059	2,276,790,042
Over 1 year but below 5 years	1,179,541,884	693,132,468
Over 5 years but below 10 years	-	-
	<b>7,201,313,775</b>	<b>6,564,201,657</b>



		31-Dec-23 Taka	31-Dec-22 Taka
12	Other liabilities		
	Provision for loans and advances (Note 12.1)	328,685,933	415,216,875
	Provision for off-balance sheet items (Note 12.2)	27,357,936	25,442,407
	Interest suspense account (Note 12.3)	34,618,762	57,397,759
	Provision for taxation (Note 12.4)	1,277,284,959	1,233,749,691
	Accrual for audit fees	1,677,500	1,100,374
	Accrual for professional fees	2,299,939	1,684,500
	Lease liability (Note 12.5)	107,384,286	132,500,384
	Other liabilities (Note 12.6)	212,585,049	242,878,100
		<b>1,991,894,364</b>	<b>2,109,970,090</b>

## 12.1 Provision for loans and advances

## i Specific provision against classified loans and advances

Movement in specific provision:

Provision held at the beginning of the year

Transferred to general provision

Transfer to special general provision for Covid-19

Fully provided debts written off during the year

Specific provision for the year

Recoveries and provisions no longer required

Add: Net charge to profit and loss account during the year

Add: Transfer from general provision

Provision held at the end of the year

377,254,810	378,940,239
-	(9,823,033)
-	-
(112,694,480)	-
24,300,000	8,137,604
-	-
(88,394,480)	(1,685,429)
-	-
<b>288,860,330</b>	<b>377,254,810</b>

## ii General provision against unclassified loans and advances

Movement in general provision:

Provision held at the beginning of the year

Provision made during the year

Transfer to specific provision

Recoveries and provisions no longer required

Transfer to special general provision for Covid-19

Add: Net charge to profit and loss account during the year

Provision held at the end of the year

37,962,065	31,097,866
8,890,000	15,365,000
-	(8,500,801)
(7,026,462)	-
-	-
1,863,538	6,864,199
<b>39,825,603</b>	<b>37,962,065</b>

## iii Special general provision Covid-19

Movement in special general provision:

Provision held at the beginning of the year

Add: Provision made during the year

Add/(Less): Transfer from general provision

Less: Recoveries and provisions no longer required

Less: Transfer to specific provision

Net change in the Profit &amp; Loss and Provision held at the end of the

-	4,151,318
-	-
-	-
-	(4,151,318)
-	-
-	-
<b>328,685,933</b>	<b>415,216,875</b>

## Provision for

## Required

## Maintained

## Excess/(Shortage)

Un-classified loans and advances

37,965,948

39,825,603

1,859,655

Special general provision Covid-19

-

-

-

Classified loans and advances

277,456,404

288,860,330

11,403,926

**315,422,353****328,685,933****13,263,581**

## 12.2 Provision for off-balance sheet items

Movement in general provision:

Provision held at the beginning of the year

Amount provided during the year

Recoveries and provisions no longer required

Add: Net charge to profit and loss account during the year

Provision held at the end of the year

25,442,407	20,977,000
9,073,030	10,190,300
(7,157,501)	(5,724,893)
1,915,529	4,465,407
<b>27,357,936</b>	<b>25,442,407</b>

## Provision for

## Required

## Maintained

## Excess/(Shortage)

Off-balance sheet items

26,241,217

27,357,936

1,116,719





	31-Dec-23 Taka	31-Dec-22 Taka
<b>12.3 Interest suspense account</b>		
Balance at the beginning of the year	57,397,759	57,370,164
Add: Amount transferred to interest suspense account during the year	-	2,406,546
	<b>57,397,759</b>	<b>59,776,710</b>
Less: Amount recovered in interest suspense account during the year	(775,677)	(2,378,951)
Less: Amount written off during the year	(22,003,320)	-
Balance at the end of the year	<b>34,618,762</b>	<b>57,397,759</b>
<b>12.4 Provision for taxation</b>		
Balance of provision at the beginning of the year	1,233,749,691	1,026,437,565
Add: Provision made for prior years	10,000,000	10,700,469
Less: Prior years tax paid	-	(2,431,000)
Add: Provision made for the year	85,000,000	86,752,278
Adjustment/reconciled during the year	(51,464,732)	112,290,379
Balance at the end of the year	<b>1,277,284,959</b>	<b>1,233,749,691</b>
The tax status in details has been given in details in Annexure-VI.		
<b>12.5 Lease liability</b>		
Opening balance	132,500,384	50,045,849
Additions	21,808,058	108,268,133
Finance cost accrued during the period	9,087,171	8,173,538
Payment of lease liabilities	(34,201,869)	(32,000,786)
Adjustment lease cancellation	(21,809,458)	(1,986,350)
Closing balance	<b>107,384,286</b>	<b>132,500,384</b>
Non-current	80,725,061	101,125,678
Current	26,659,225	31,374,706
	<b>107,384,286</b>	<b>132,500,384</b>
<b>Maturity analysis of lease liabilities</b>		
Up to 1 month	2,099,437	2,521,163
1-3 months	4,541,645	5,096,970
3-12 months	20,018,142	23,756,573
1-5 years	80,725,062	101,125,678
Above 5 years	-	-
Total	<b>107,384,286</b>	<b>132,500,384</b>
<b>12.6 Other liabilities</b>		
Provision against BCCI claim *	9,299,260	9,299,260
Other payable	69,232,732	123,105,202
Accrued expenses	39,196,594	39,995,531
CSR provision	945,475	535,672
Start-Up fund	2,678,956	1,025,653
Routing account	379,667	28,954
Interest payable	90,852,365	68,887,828
	<b>212,585,049</b>	<b>242,878,100</b>
* This includes the amount provided as provision against the decreed amount of money suit no. 88/1994 filed by Eastern Bank Ltd, successor of BCCI Overseas Ltd.		
<b>13 Capital/shareholder's equity</b>		
Capital fund	4,360,883,491	4,360,883,491
Reserve fund	75,414,968	53,174,703
Retained earnings (surplus in profit and loss account)	271,317,033	107,640,015
	<b>4,707,615,492</b>	<b>4,521,698,209</b>



	31-Dec-23 Taka	31-Dec-22 Taka
<b>13.1 Capital adequacy ratio</b>		
<b>Tier-I Capital</b>		
Funds received from Head Office	4,360,883,491	4,360,883,491
Retained earnings	271,317,033	107,640,015
	<b>4,632,200,524</b>	<b>4,468,523,506</b>
Additional Tier-I	-	-
Total eligible Tier-I Capital	<b>4,632,200,524</b>	<b>4,468,523,506</b>
<b>Less: Regulatory adjustment</b>	<b>12,813,923</b>	<b>781,040</b>
Goodwill and all other intangible assets	447,269	781,040
Deferred Tax Assets (DTA)	12,366,654	-
	<b>4,619,386,601</b>	<b>4,467,742,466</b>
<b>Tier-II Capital</b>		
General provision against unclassified loans and advances	67,183,539	63,404,472
Other reserves	-	-
Total eligible Tier-II Capital	<b>67,183,539</b>	<b>63,404,472</b>
<b>Total regulatory capital as per Basel-III</b>	<b>4,686,570,140</b>	<b>4,531,146,938</b>
<b>13.2 Capital adequacy ratio</b>		
Total assets including off-balance sheet items	17,970,630,374	18,626,901,264
Total risk weighted assets	4,167,915,105	3,635,192,904
Capital to Risk weighted Assets Ratio (CRAR)	112.44%	124.65%
Common equity Tier-I to RWA	110.83%	122.90%
Tier-I capital to RWA	110.83%	122.90%
Tier-II capital to RWA	1.61%	1.74%
Minimum capital requirement	5,000,000,000	4,000,000,000
Actual capital maintained	4,686,570,140	4,531,146,938
Surplus capital as per Basel-III	(313,429,860)	531,146,938
* 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 2023, our paid-up capital was BDT 4,632,200,524 (capital fund + retained earnings).		
<b>14 Surplus in profit and loss account/retained earnings</b>		
Balance at the beginning of the year	107,640,015	6,100,381
Add: Profit/(loss) for the year after tax brought forward from profit and loss account	-	-
Less: Transferred to Start-up Fund	165,330,321	102,565,287
Less: Transferred to capital fund	(1,653,303)	(1,025,653)
Balance at the end of the year	<b>271,317,033</b>	<b>107,640,015</b>
<b>15 Contingent liabilities and commitments</b>		
Acceptances and endorsements	67,801,517	851,410,905
Letter of guarantees (Note 15.1)	2,886,108,830	2,668,969,212
Irrevocable letter of credit	667,295,901	524,960,877
Bills for collection	47,069,741	139,221,711
Other contingent liabilities (Note 15.2)	370,421,568	1,126,620,395
Other commitments (Note 15.3)	31,109,186	29,848,208
	<b>4,069,806,743</b>	<b>5,341,031,308</b>
<b>15.1 Letter of guarantees</b>		
Money for which the Bank is contingently liable in respect of guarantees given favouring:		
Government	219,892,549	293,352,831
Bank and other financial institutions	-	-
Others	2,666,216,281	2,375,616,381
	<b>2,886,108,830</b>	<b>2,668,969,212</b>
<b>15.2 Other contingent liabilities</b>		
Stock in hand	-	482,820,000
Acceptance under export (Receivable)	53,770,142	42,829,468
Other Contra	316,651,426	-
Other non-accruals	-	600,970,927
	<b>370,421,568</b>	<b>1,126,620,395</b>
<b>15.3 Other commitments</b>		
Documentary credits and short term trade-related transactions	31,109,186	29,848,208
	<b>31,109,186</b>	<b>29,848,208</b>



Notes to the financial statements as at and for the year ended 31 December 2023 (continued)

	2023 Taka	2022 Taka
<b>16 Interest income</b>		
Interest on term loans	247,009,825	157,158,990
Interest on overdraft	88,960,138	82,455,984
Interest on call loans	16,167,875	26,024,764
Interest on payment against documents (TR/PAD/IBP/FBP)	5,680,580	6,328,743
Interest on staff loans	2,357,529	2,760,312
Interest on balance with other Bank	17,068,985	4,177,680
Other interest income	753,042	620,938
	<b>377,997,974</b>	<b>279,527,411</b>
<b>17 Interest paid on deposit and borrowings etc.</b>		
Interest on savings deposits	15,016,395	13,934,947
Interest on fixed deposits	251,709,775	184,382,139
Interest on special notice deposits and short term deposits	2,960,016	7,496,746
Interest on borrowing	4,715,567	1,128,361
Interest expenses on lease liability (Note 17.1)	6,499,442	8,173,538
	<b>280,901,195</b>	<b>215,115,731</b>
<b>17.1 Interest expenses on lease liability</b>	9,087,171	8,173,538
Less: Derecognition of ROU Liabilities due to termination of lease agreement	(2,587,729)	-
	<b>6,499,442</b>	<b>8,173,538</b>
<b>18 Investment Income</b>		
Income on Govt. securities (treasury bills and treasury bonds)	507,215,686	421,851,152
	<b>507,215,686</b>	<b>421,851,152</b>
<b>19 Commission, exchange and brokerage</b>		
Commission on acceptances	1,300,326	1,288,748
Commission on bills	2,050,303	2,905,431
Commission on DD/TT/MT/PO	43,260	40,064
Commission on Letter of Guarantee	7,271,201	5,916,857
Commission on Letter of Credit	4,992,573	4,434,806
Commission on LIM,PAD	2,171,979	1,835,726
Commission on PSP/NSC	152,452	494,572
Exchange A/C on foreign currency	38,037,921	46,222,422
	<b>56,020,015</b>	<b>63,138,626</b>
<b>20 Other operating income</b>		
Postage charges recoveries	853,309	510,902
Telegram/Telex/Swift charges recoveries	-	330,000
Rent on savings deposit lockers	230,755	165,700
Handling and service charges	1,875,374	675,631
Incidental charges recoveries	621,843	679,280
Net profit on sale of fixed assets	750,181	1,250,031
Miscellaneous income	1,982,265	2,037,080
	<b>6,313,727</b>	<b>5,648,624</b>
<b>21 Salaries and allowances</b>		
Salaries	75,259,103	68,565,030
House allowance	35,499,771	33,054,910
Allowances	11,355,201	11,429,878
Bonus paid to employees	26,854,783	23,167,774
Bank's contribution to provident fund	5,974,577	8,458,745
Bank's contribution to gratuity fund	9,748,728	9,748,727
Conveyance allowances	1,541,776	1,677,968
Medical expenses	4,030,446	4,173,723
Leave salary	9,003,440	8,403,543
Others	3,766,823	7,797,539
	<b>183,034,648</b>	<b>176,477,837</b>

**Notes to the financial statements as at and for the year ended 31 December 2023 (continued)**

		<b>2023</b> <b>Taka</b>	<b>2022</b> <b>Taka</b>
<b>22</b>	<b>Rent, taxes, insurance, electricity, etc.</b>		
	Godown rent	-	52,900
	Lighting charges	4,743,062	4,098,056
	Insurance charges	7,131,164	5,109,120
	Rent on Bank premises	-	15,558,500
	VAT on rent	6,540,458	5,670,631
		<b>18,414,684</b>	<b>30,489,207</b>
Actual rent without VAT was BDT 43,603,069 and BDT 37,912,777 respectively in the year of 2023 and 2022.			
<b>23</b>	<b>Legal expenses</b>		
	Law charges	1,169,665	201,023
	Consultancy charges	11,293,892	4,959,721
		<b>12,463,557</b>	<b>5,160,744</b>
<b>24</b>	<b>Postage, stamp, telecommunication, etc.</b>		
	Telegram charges	4,449	3,739
	Postage, courier and SWIFT charges	1,341,502	1,491,154
		<b>1,345,951</b>	<b>1,494,893</b>
<b>25</b>	<b>Stationery, printing, advertisement, etc.</b>		
	Newspaper expenses	88,198	81,863
	Printing	1,771,615	430,970
	Stationery	1,922,876	1,264,051
	Business promotion	5,654,145	3,033,875
	CSR Expenses	945,475	-
	Advertisement charges	2,977,593	875,218
		<b>13,359,902</b>	<b>5,685,977</b>
<b>26</b>	<b>Chief executive's salary and fees</b>		
	Salaries	15,600,000	11,253,072
	Medical expenses	480,000	134,800
	House allowance/rent	7,800,000	5,626,536
	Others	14,642,627	10,233,108
		<b>38,522,627</b>	<b>27,247,516</b>
<b>27</b>	<b>Depreciation and repairs to bank's assets</b>		
<b>i)</b>	<b>Maintenance</b>		
	Software maintenance expenses	2,512,315	2,231,499
	Computer and office equipment maintenance	4,862,288	2,978,053
		<b>7,374,603</b>	<b>5,209,552</b>
<b>ii)</b>	<b>Depreciation</b>		
	Depreciation on Fixed Assets (Annexure-II)	17,496,728	11,037,020
	Depreciation on ROU Assets (Annexure-II)	38,527,559	32,451,070
		<b>56,024,287</b>	<b>43,488,090</b>
		<b>63,398,890</b>	<b>48,697,642</b>





**Notes to the financial statements as at and for the year ended 31 December 2023 (continued)**

	2023 Taka	2022 Taka
<b>28 Other expenses</b>		
Branch trade license fee	302,904	135,618
Work permit and visa charges	84,365	491,890
Clearing house charges	133,272	120,618
Training expenses	159,791	825,721
Conveyance charges	818,137	588,261
Water and diesel expenses	410,492	350,890
Telephone charges (office use)	927,546	970,504
Entertainment charges	1,338,676	801,779
Traveling expenses	5,221,150	1,301,562
Subscription	2,578,883	3,314,299
Motor car expenses	929,704	1,083,261
Office maintenance charges	4,750,171	4,005,291
Lease line rent (online) and e-mail expenses	3,586,926	3,735,107
VISA debit card maintenance fee	5,646,134	3,753,794
BL Tracking Fee	2,296,545	1,600,349
Car rental Service	4,736,189	3,962,301
Miscellaneous expenses	7,468,328	7,556,427
Support service cost	12,700,401	13,517,331
Outsourced charges	9,796,100	5,029,234
	<b>63,885,714</b>	<b>53,144,237</b>

**28.1 Electricity Cost**

	Jan'23 - Jun'23	Jul'22 - Dec'22
Electricity cost	1,920,995	2,375,519
	<b>1,920,995</b>	<b>2,375,519</b>

Electricity cost has been disclosed as per BRPD circular no 28 dated on 26 July 2022.

**29 Provision for loans and advances**

**Classified**

Specific provision charge to profit and loss account during the year

**Unclassified**

General provision charge to profit and loss account during the year

Special general provision Covid-19 charge to profit and loss account during the year

24,300,000	(1,685,430)
1,863,538	6,864,199
-	(4,151,318)
<b>26,163,538</b>	<b>1,027,451</b>



**30 New accounting standards or amendments for 2023 and forthcoming requirements**

(i) **New Currently effective requirements:** A number of new accounting standards and amendments to accounting standards are required to be applied by an entity with an annual reporting period beginning on 1 January 2023, which are as follows:

- IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies- Amendments to IAS 1 and IFRS Practice Statement 2
- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16: Property, Plant and Equipment).
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets)
- Definition of Accounting Estimate- Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities Arising from a Single Transaction- Amendments to IAS 12.

(ii) **Forthcoming requirements:** The list below includes the recent changes to the IFRS accounting standards that are required to be applied for an annual period beginning after 1 January 2023 and that are available for early adoption in annual periods beginning on 1 January 2023. The entity has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed interim financial statements.

- Non-current Liabilities with Covenants- Amendments to IAS 1
- Classification of Liabilities as Current or Non-current- Amendments to IAS 1.
- Lease Liability in Sale and Leaseback- Amendment to IFRS-16.

**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
30	30	27	3	90.00%	10.00%

**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 responsibility 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 2023, transactions with key management personnel of the Bank include the following:

Particulars	2023	2022
Salaries and other short-term employee benefits	79,424,798	52,139,343
Bonus paid or payable	8,621,109	12,183,191
<b>Total</b>	<b>88,045,907</b>	<b>64,322,534</b>

Loan to MANCOM members of the Bank amounted to Tk.11,663,577 as on 31 December 2023 (2022: Tk.18,316,736) 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.1,339,346,271 as on 31 December 2023 which was Tk.1,314,629,641 as of 31 December 2022 during 2023, interest payment against the deposits is Tk.102,852,507. Following is the details of transactions:

Name of the Party	Nature of Transaction	31-12-2023	31-12-2022
AGA KHAN EDUCATION SERVICE,BANGLADESH	DEPOSITS	379,303,927	342,789,491
AGA KHAN FOUNDATION	DEPOSITS	956,855,555	970,396,160
AGA KHAN FUND FOR ECONOMIC DEVELOPMENT	DEPOSITS	270,458	268,816
AKDN DIPLOMATIC OFFICE	DEPOSITS	2,916,331	1,175,174
<b>TOTAL</b>		<b>1,339,346,271</b>	<b>1,314,629,641</b>

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 2023 stands at Tk.17,632,325

HBL Bangladesh has kept short term placement in HBL, Bahrain and the balance of the same as on 31 December 2023 stands at 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 2023, the Bank contributed Tk.9,748,728 (2022: Tk.9,748,727) to the gratuity fund and Tk.5,974,577 (2022: Tk.9,169,627) to the provident fund. As on 31 December 2023, the provident fund had a balance of Tk.32,911,795 (in 2022: Tk.1,570,956) and the gratuity fund had a balance of Tk.36,823,502 (in 2022: Tk.38,351,837) 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 76 (2022: 99).
- (V) Highlights of the overall activities of the Bank have been presented in Annexure-I.





**Habib Bank Limited - Bangladesh Branches**  
**Highlights on the overall activities**  
As at and for the year ended 31 December 2023

**Annexure-I**

SI No.	Particulars	2023	2022
		BDT	BDT
1	Paid-up capital/Fund received from Head Office	4,360,883,491	4,360,883,491
2	Total regulatory capital	4,686,570,140	4,531,146,938
3	Capital (deficit)/surplus	(313,429,860)	531,146,938
4	Total assets	13,900,823,631	13,285,869,956
5	Total deposits	7,201,313,775	6,564,201,657
6	Total loans and advances	5,319,184,882	5,191,915,486
7	Total contingent liabilities and commitments	4,069,806,743	5,341,031,308
8	Credit deposit ratio	72.94%	78.27%
9	Percentage of classified loans against total loans and advances	6.63%	9.42%
10	Profit after tax and provision	165,330,321	102,565,287
11	Amount of classified loans during current year	352,813,878	489,165,364
12	Provisions kept against classified loans	288,860,330	377,254,810
13	Provision surplus against classified loans	11,403,926	17,111,085
14	Cost of fund	3.96%	3.57%
15	Interest earning assets	11,919,698,889	11,209,011,815
16	Non-interest earning assets	1,981,124,742	2,076,858,141
17	Return on Equity (ROE)	3.58%	2.29%
18	Return on Assets (ROA) [PAT/Average Assets]	1.22%	0.83%
19	Income from investment	507,215,686	421,851,152



**Habib Bank Limited - Bangladesh Branches**  
**Schedule of fixed assets including premises, furniture and fixtures**  
**As at 31 December 2023**

**A) Tangible Assets**

Annexure-II

Particulars	Cost				Rate	Depreciation				WDV as at 31 December 2023
	Balance as at 1 January 2023	Addition during the year	Adjustment / disposal during the year	Total as at 31 December 2023		Balance as at 1 January 2023	Charged for the year	Adjustment / disposal during the year	Total as at 31 December 2023	
Furniture & fixture	11,510,965	33,438,769	5,177,220	39,772,514	10%-20%	10,247,662	6,821,975	5,001,945	12,067,692	27,704,823
Office equipment & electrical appliance	27,430,572	5,842,544	4,245,811	29,027,305	10%-20%	23,870,282	2,139,692	4,214,330	21,795,645	7,231,661
Computers	45,169,028	3,003,500	381,900	47,790,628	20%-33.33%	33,659,107	7,631,665	381,892	40,908,880	6,881,748
Motor vehicle	6,817,000	9,765,000	-	16,582,000	10%	6,816,999	569,625	-	7,386,624	9,195,376
Right of use-assets	245,760,048	21,808,058	55,544,608	212,023,498		91,357,332	38,527,559	36,322,879	93,562,012	118,461,486
<b>Total</b>	<b>336,687,613</b>	<b>73,857,871</b>	<b>65,349,539</b>	<b>345,195,945</b>		<b>165,951,382</b>	<b>55,690,516</b>	<b>45,921,046</b>	<b>175,720,852</b>	<b>169,475,093</b>

**B) Intangible Assets**

Particulars	Cost				Rate	Amortisation				WDV as at 31 December 2023
	Balance as at 1 January 2023	Addition during the year	Adjustment / disposal during the year	Total as at 31 December 2023		Balance as at 1 January 2023	Charged for the year	Adjustment / disposal during the year	Total as at 31 December 2023	
Software	7,452,860	-	-	7,452,860	20%	6,671,820	333,771	-	7,005,591	447,269
<b>Total</b>	<b>7,452,860</b>	<b>-</b>	<b>-</b>	<b>7,452,860</b>	<b>-</b>	<b>6,671,820</b>	<b>333,771</b>	<b>-</b>	<b>7,005,591</b>	<b>447,269</b>
<b>As at 31 December 2023 (A+B)</b>	<b>344,140,473</b>	<b>73,857,871</b>	<b>65,349,539</b>	<b>352,648,805</b>	<b>-</b>	<b>172,623,202</b>	<b>56,024,287</b>	<b>45,921,046</b>	<b>182,726,443</b>	<b>169,922,362</b>
<b>As at 31 December 2022</b>	<b>222,307,448</b>	<b>142,969,789</b>	<b>21,136,764</b>	<b>344,140,473</b>	<b>-</b>	<b>147,700,823</b>	<b>43,488,090</b>	<b>18,565,711</b>	<b>172,623,202</b>	<b>171,517,271</b>





**Habib Bank Limited - Bangladesh Branches**  
**Balance with other banks - Outside Bangladesh (Nostro Account)**  
**As at 31 December 2023**

Annexure-III

Name of the bank	Account type	Foreign currency	2023			2022		
			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	693	109.56	75,943
Habib Bank Ltd, UAE	Nostro A/C	USD	731,393	109.75	80,270,384	82,192	103.29	8,489,788
Habib Bank Ltd, Urumqi	Nostro A/C	CNY	269	15.47	4,158	2,184	14.80	32,329
Habib Bank Ltd, Bahrain	Nostro A/C	USD	21,823	109.75	2,395,069	74,747	103.29	7,720,817
Habib Allied International Bank plc, UK	Nostro A/C	GBP	1,743	140.46	244,848	651	124.12	80,802
Sub-Total (A)					83,044,904			16,399,679
Non-Group Nostro								
National Bank of Pakistan, Tokyo, Japan	Nostro A/C	JPY	895,453	0.77	692,991	897,453	0.77	689,244
Muslim Commercial Bank Ltd., Pakistan	Nostro A/C	USD	7,647	109.75	839,285	7,647	103.29	789,904
Standard Chartered Bank, Kolkata	Nostro A/C	USD	24,312	109.75	2,668,252	(33,460)	103.29	(3,456,181)
Development Credit Bank Ltd., Mumbai	Nostro A/C	USD	68,453	109.75	7,512,731	8,199	103.29	846,923
Bangkok Bank Public Company Limited, Thailand	Nostro A/C	USD	27,437	109.75	3,011,206	29,641	103.29	3,061,651
Sub-Total (B)					14,724,465			1,931,541
Total (A+B)					97,769,369			18,331,220



**Habib Bank Limited - Bangladesh Branches**  
**Balance with other banks - Outside Bangladesh (Vostro Account)**  
**As at 31 December 2023**

**Annexure-IV**

Name of the bank	Account type	Foreign currency	2023			2022		
			FC amount	Exchange rate	Equivalent taka	FC amount	Exchange rate	Equivalent taka
<b>Group Vostro</b>								
Habib Bank Ltd, Oman (BDT)	Vostro A/C	BDT	-	-	-	546,260.47	-	546,260
Habib Bank Ltd, UAE (BDT)	Vostro A/C	BDT	43,201	1.00	43,201	43,200.98	-	43,201
Habib Bank Ltd, Sri Lanka (USD)	Vostro A/C	USD	22,591	109.75	2,479,307	22,618	103.29	2,336,258
Habib Bank Ltd, Pakistan (ACU \$)	Vostro A/C	USD	2,152,958	109.75	236,287,181	691,520	103.29	71,429,007
Habib Allied International Bank plc, UK (BDT)	Vostro A/C	BDT	446,803	1.00	446,803	446,953.24	-	446,953
<b>Sub-Total (A)</b>					<b>239,256,492</b>			<b>74,801,679</b>
<b>Non-Group Vostro</b>								
Dubai Islamic Bank Limited	Vostro A/C	USD	57,802	109.75	6,343,740	107,635	103.29	11,117,897
Habib Metropolitan Bank Limited	Vostro A/C	USD	553,750	109.75	60,774,093	392,159	103.29	40,507,112
Bank Islami Pak	Vostro A/C	USD	19,498	109.75	2,139,859	29,498	103.29	3,046,885
JS Bank Limited	Vostro A/C	USD	11,125	109.75	1,221,003	21,680	103.29	2,239,368
Silkbank Limited	Vostro A/C	USD	1,542	109.75	169,282	52,820	103.29	5,455,930
MCB Islamic	Vostro A/C	USD	102,764	109.75	11,278,331	114,609	103.29	11,838,260
The Bank Punjab Limited	Vostro A/C	USD	653,099	109.75	71,677,586	403,348	103.29	41,662,895
The Bank Of Khyber Limited	Vostro A/C	USD	435,910	109.75	47,841,088	436,514	103.29	45,088,689
Bank Al Falah Limited	Vostro A/C	USD	0.48	109.75	53	0.48	103.29	50
Albaraka Bank Limited	Vostro A/C	USD	28,162	109.75	3,090,798	57,022	103.29	5,889,972
<b>Sub-Total (B)</b>					<b>204,535,833</b>			<b>166,847,058</b>
<b>Total (A+B)</b>					<b>443,792,325</b>			<b>241,648,737</b>





**Habib Bank Limited - Bangladesh Branches**  
**Details of Large Loan**

**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
<b>Total (as at 31 December 2023)</b>		<b>186,947,629</b>		<b>2,680,505,689</b>		

**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	499,976,638	500,000,000	-	-	500,000,000
2	Bangladesh Steel Re-rolling Mills Ltd.	189,893,391	210,000,000	8,984,606	350,000,000	560,000,000
3	BANK OF CHINA LTD. CHINA	-	-	1,597,565,019	1,597,565,019	1,597,565,019
4	CHINA CONSTRUCTION BANK CORPORATION	-	-	611,467,114	611,467,114	611,467,114
<b>Total (as at 31 December 2022)</b>		<b>689,870,029</b>		<b>2,218,016,739</b>		



**Habib Bank Limited - Bangladesh Branches**  
Tax Status  
As at 31 December 2023

Income year	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)
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. 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	The case is pending at LTU for adjustment with refund of 2000,2002, 2004 & 2006.	16,831,327
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	We are going to file High Court reference against the Tribunal Order and it is under process.	157,099
2017	2018-2019	We received Tribunal Order. Revised assessment from the DCT has not yet been received.	12,422,627
2019	2020-2021	We have received the DCT's order and filled an appeal to Commissioner (Appeal). The hearing is yet to be started.	6,576,995
2021	2022-2023	Tax audit has just been started and yet to receive the assessment order.	-
2022	2023 - 2024	Tax audit has not been started yet.	-

**Notes:** We have completed all the legal proceedings for Income Year 1996, 1997, 1998, 1999, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014 & 2015.

