DIRECTORS' REPORT

Respected Shareholders,
Assalamu Alaikum

It is an immense pleasure and privilege on the part of the Board of Directors to place the Directors' Report and Auditors' Report together with the audited financial statements of Standard Islami Bank PLC. for the year ended December 31, 2025, for your valued consideration, adoption, and approval.

The Directors Report has been prepared in compliance with the Section 184 of the Companies Act 1994, BSEC's Notification, the Listing Regulations of Dhaka and Chittagong Stock Exchanges, the Guidelines of Bangladesh Bank and other applicable rules and regulations. Relevant disclosures and explanations relating to certain issues have been given by the Directors, which they consider important to ensure transparency and good governance practices. The Directors believe that the report will give valuable insights into the bank's performance and continuous growth amid stiff competition.

GLOBAL ECONOMIC OUTLOOK

The global economic outlook remains uncertain due to high macroeconomic volatility, changing trade policies, and ongoing fiscal pressures. Rising geopolitical tensions and financial risks have further increased global vulnerability. In 2025, a significant rise in United States tariffs created new trade tensions. However, since these measures did not expand into a wider global trade conflict, the immediate impact on international trade remained limited. Despite the tariff shock, global economic activity stayed relatively strong. This was supported by early shipment movements, higher inventory buildup, and steady consumer spending, helped by easing monetary conditions and generally stable labor markets. Looking ahead, continued policy support is expected to reduce the negative effects of higher tariffs. However, growth in global trade and overall economic activity is likely to slow down in the short term.

Global economic growth is estimated at 2.8 per cent in 2025 and is expected to decline slightly to 2.7 per cent in 2026, before rising to 2.9 per cent in 2027. Overall growth is projected to remain below the pre-pandemic average of 3.2 per cent recorded during 2010–2019. Economic growth in Europe, Japan, and the United States is expected to remain broadly stable but continue at a moderate pace, supported by ongoing monetary and fiscal measures. At the same time, several major developing economies such as China, India, and Indonesia are likely to maintain strong growth, driven by resilient domestic demand and targeted policy support. However, the outlook for many low-income and vulnerable countries remains less positive, with weaker growth prospects compared to larger economies.

The short-term economic outlook is shaped by both positive and negative factors. On the positive side, easing inflation and more accommodative monetary policies are expected to reduce borrowing costs and support domestic demand. In addition, rising wages in several major economies are likely to strengthen household spending and boost private consumption. On the negative side, policy uncertainty—although lower than earlier levels—still remains high and continues to affect business and consumer confidence. At the same time, high public debt and limited fiscal capacity are restricting governments' ability to adopt flexible economic policies and increase public investment. This may create challenges for long-term growth in many countries.

Rapid progress in artificial intelligence (AI) and clean energy technologies, along with the expansion of digital infrastructure and rising demand for critical minerals, is creating new opportunities for investment and innovation. However, these developments are mostly concentrated in a few large economies with strong financial resources and advanced technology. As a result, many countries are falling behind, widening existing global economic gaps. At the same time, risks remain in both financial markets and global trade. High asset prices and increasing borrowing levels raise the possibility of sudden financial market corrections. In addition, renewed trade disputes and geopolitical tensions could disrupt global supply chains, capital flows, and exchange rates, placing further pressure on more vulnerable economies.

Progress towards achieving the Sustainable Development Goals (SDGs) remains slow and uneven across countries. Weak global growth has also reduced the pace of economic improvement in many developing economies, including the least developed countries (LDCs), where per capita income growth has declined in recent years. The number of people living in extreme poverty (below USD 3 per day, based on 2021 purchasing power parity) returned to pre-pandemic levels in 2024 but fell only slightly in 2025. Extreme poverty is increasingly concentrated in sub-Saharan Africa and in countries affected by conflict and instability. Cost-of-living pressures remain high in many economies, as rising prices continue to reduce real incomes and make basic necessities less affordable. These challenges have had a greater impact on low-income households, rural populations, and women. Economic growth in 2025 was also accompanied by record-high carbon emissions and growing environmental pressures, highlighting the continued reliance on carbon-intensive development. Climate-related disasters are becoming more frequent and severe, disrupting agricultural output, increasing food prices, and creating additional fiscal burdens due to higher spending needs for emergency response and reconstruction.

BANGLADESH ECONOMY

Bangladesh's economy ended Fiscal Year 2024–25 (FY25) with a blend of progress and persistent challenges. Recent figures from the Bangladesh Bureau of Statistics (BBS) show that GDP growth in the third quarter rose modestly to 4.86 per cent, up from 4.48 per cent in the second quarter, suggesting a gradual improvement. Inflation also declined

slightly to 8.48 per cent in June. However, the annual average inflation rate remained elevated at 10.03 per cent, staying well above comfortable thresholds.

Although overall growth remains subdued, the economic outlook displayed early indications of recovery. Stronger export performance and higher remittance inflows contributed to stabilizing foreign exchange reserves and provided renewed support to economic activity.

Nevertheless, several structural weaknesses continue to restrain a stronger rebound. Sluggish private sector credit expansion, reduced imports of capital machinery, and declining investment have collectively dampened economic momentum. Moreover, deep-rooted challenges in the banking sector — including regulatory shortcomings and widespread investment irregularities — have further constrained recovery efforts. Continued reforms focused on strengthening financial governance and rebuilding public trust in the banking system will be crucial for accelerating growth and securing long-term economic stability.

ECONOMIC GROWTH

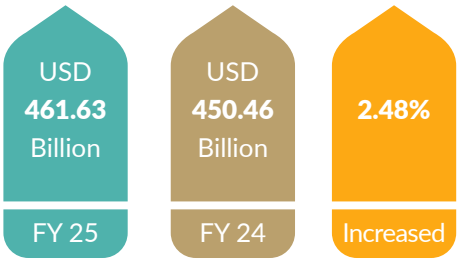
In terms of US Dollar, the value of GDP in current market price increased by 2.48 per cent to US$461.63 billion in FY25 from US$450.46 billion in the previous fiscal year. Per capita GDP stood at US$2,671 in FY25, compared to US$2,625 in FY24, showing an increase of 1.75 per cent. Per capita GNI also increased to US$2,820 in FY25 from US$2,738 in the previous fiscal year.

AGRICULTURE:

The agriculture sector, the most important sector in the economy, employs about 44.67 per cent of the country's total labor force in 2024. The share of the sector in GDP, according to the provisional estimate of the National Accounts Statistics, was 10.94 per cent in FY25, compared to 11.19 per cent in the previous fiscal year. The sector includes four sub-sectors namely:

i. Crops and horticulture,
ii. Animal farming,
iii. Forest and related services, and
iv. Fishing.

GDP in Current Market Price

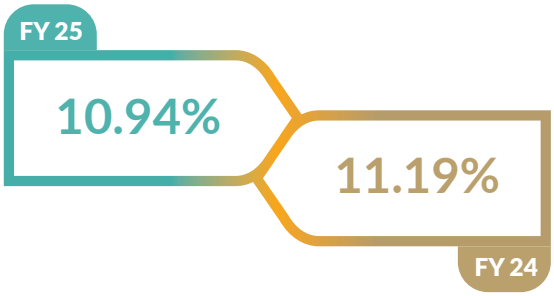


Despite the favorable natural factors and strong government support in terms of timely availability of inputs and finance, the agriculture sector achieved a lower growth rate of 1.79 per cent in FY25, compared to 3.30 per cent in FY24. Among its various components, crops & horticulture, animal farming and forest & related services sub-sectors recorded a growth of -0.39 per cent, 3.19 per cent and 5.04 per cent in FY25, compared to 4.0 per cent, 3.07 per cent and 4.99 per cent, respectively, in the previous fiscal year. On the other hand, fishing subsectors grew at 3.24 per cent in FY25, compared to 0.79 per cent in FY24.

INDUSTRY:

Latest available data indicate that the industry sector employed about 17.38 per cent of Bangladesh's labor force in 2024 and accounted for about 37.44 per cent of GDP in FY25, compared to 37.37 per cent in FY24. However, the sector registered a higher growth of 4.34 per cent in FY25, compared to 3.51 per cent in the previous fiscal year (FY24).

Share of Agriculture Sector in GDP



Slow start of a rebound is reflected in the manufacturing industries. The gradual easing of import restrictions, clearance of a backlog of letters of credit and easing of political situation are considered spurs behind the pickup in economic activity. As a result, the manufacturing subsector registered a higher growth of 5.68 per cent in FY25, compared to 3.16 per cent in the previous fiscal year (FY24). On the other hand, the share of the manufacturing sub-sector in GDP increased to 24.99 per cent in FY25 from 24.62 per cent in FY24. Within manufacturing, the large industry sub-sector grew higher at 6.17 per cent in FY25, compared to 1.02 per cent in FY24. The small, medium and micro industry grew at 4.92 per cent in FY25 against 4.66 per cent in FY24. The cottage industry grew by 5.62 per cent in FY25 compared to 6.92 per cent in the previous fiscal year (FY24). Besides, the share of the large industry sub-sector in GDP rose to 12.84 per cent in FY25 from 12.60 per cent in FY24. On the other hand, the share of small, medium and micro industry in GDP increased to 7.61 per cent from 7.56 per cent while that of cottage industry also increased to 4.53 per cent in FY25 from 4.46 per cent in FY24.

SERVICES:

The broad services sector includes the collective output of the sectors, such as: i) wholesale and retail trade, repair of motor vehicles and motorcycles, ii) transportation and storage, iii) financial and insurance activities, iv) real estate activities, v) professional, scientific and technical activities, vi) administrative and support service activities, vii) accommodation and food service activities, viii) information and communication, ix) public administration and defense: compulsory social security, x) human health and social work activities, xi) education, xii) arts, entertainment and recreation, and xiii) other service activities. Latest available data indicate that the services sector employed about 37.95 per cent of Bangladesh's labor force in 2024 and accounted for about 51.62 per cent of GDP in FY25 against 51.44 per

cent in FY24. Besides, the sector registered a lower growth of 4.51 per cent in FY25, compared to 5.09 per cent in the previous fiscal year (FY24).

CAPITAL MARKET:

Country's both the bourses — Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) — ended down on 27 July 2025 after gaining streak for nine consecutive sessions.

Stocks of the DSE ended down on 27 July 2025 as investors are still thinking of investing due to lack of confidence. Turnover stood at Tk.8.65 billion, decreased by 9.14 per cent from the previous trading day (Tk.9.52 billion). Out of the 399 issues traded, 117 closed higher, 232 ended lower, and 50 remained unchanged on the DSE trading floor.

The key index of the DSE, DSEX, went down by 0.69 per cent, or 37.21 points, closed at 5,354.83 points on 27 July 2025 compared with 5,392.04 points in the previous working day (24 July 2025). Two other indices of the DSE also ended lower on 27 July 2025 compared to the previous trading day. The DSE Shari'ah Index (DSES) went down slightly by 0.69 per cent or 8.13 point to finish at 1,164.56 from 1,172.69 and the DS30 Index, comprising blue chips, decreased by 31.62 points or 1.51 per cent to close at 2,058.15 from 2,089.77.

On the other hand, CSE ended lower on 27 July 2025 with the CSE All Share Price Index - CASPI – decreased by 49.57 points or 0.33 per cent to settle at 14,964.22 from 15,013.79 in the previous working day (24 July 2025) and the Selective Categories Index - CSCX - went down by 32.36 points or 0.35 per cent to close at 9,162.32 from 9,194.68. The port city bourse traded 6.58 million shares and mutual fund units with a turnover volume of Tk.109.77 million.

INVESTMENT AND SAVINGS

Historically, Bangladesh has remained a low-saving and low-investment country. The rate of growth of both savings and investment has also been slow. As proportion of GDP, gross investment recorded at 29.38 per cent in FY25 compared to 30.70 per cent in FY24. The share of private investment in GDP recorded at 22.48 per cent in FY25 against 23.96 per cent in FY24, whereas the share of public investment rose slightly to 6.90 per cent of GDP in FY25 from 6.74 per cent in FY24. The low level of investment, local and foreign, is largely due to the underdeveloped infrastructure and such other impediments as lack of adequate energy and weak transmission infrastructure, lack of consistency in policy and regulatory frameworks, scarcity of industrial land, corruption, and non-transparent and uneven application of rules and regulations. The government needs to address these impediments to attract more foreign direct investment (FDI) to the country to ensure the country's speedy development.

Domestic saving as proportion of GDP decreased by 0.71 percentage points to 23.25 per cent in FY25 from 23.96 per cent in FY24. The national savings ratio however increased to 29.01 per cent in FY25 from 28.42 per cent in FY24.

MONETARY AND CREDIT DEVELOPMENT

The Bangladesh Bank (BB) continued the policy rate (repo) at 10.00 per cent resulting in the standing lending facility (SLF) rate and standing deposit facility (SDF) rate (reverse repo) re-fixed at 11.50 per cent and 8.50 per cent respectively, maintaining the 150-basis points interest corridor with the policy rate, with effect from 27 October 2024.

The interest rate spread between the weighted average interest rate (WAIR) on advances and deposits of all banks registered at 5.82 per cent in June 2025, remaining unchanged since April 2025. Banks' advance rate and deposit rate came down to 12.08 per cent and 6.26 per cent in June 2025, respectively from 12.11 per cent and 6.29 per cent in May 2025.

According to BB data, broad money (M2) recorded a lower growth of 6.95 per cent at the end of June 2025 compared to 7.74 per cent growth at the end of June 2024. June's growth was below the central bank's target of 7.80 per cent in December 2025, set in the Monetary Policy Statement, July - December 2025 (MPS, H1FY26, Table 4, p.23). Domestic credit, on the other hand, grew by 7.97 per cent at the end of June 2025, while a higher growth rate of 9.80 per cent was recorded at the end of June 2024. Among components of domestic credit, private sector credit registered a lower growth of 6.49 per cent during the period between June 2025 and June 2024, compared with a higher growth of 9.84 per cent during the period between June 2024 and June 2023. Private sector credit growth was below the central bank's target of 7.20 per cent in December 2025 (MPS, H1FY26, Table 4, p.23). Public sector credit, on the other hand, recorded a higher growth of 13.09 per cent at the end of June 2025, compared with a lower growth of 9.66 per cent at the end of June 2024. June's growth was lower compared with BB's target of 20.40 per cent in December 2025 (MPS, H1FY26, Table 4, p.23). Within public sector credit, credit to government (net) recorded a growth of 14.83 per cent, and credit to other public sectors recorded a negative growth of 1.88 per cent, during the period under review.

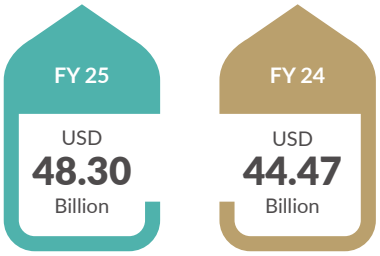
EXPORTS:

According to the latest data, export earnings in FY25 increased by 8.60 per cent to US$48.30 billion from US$44.47 billion in the previous fiscal year (FY24). This surge was mainly fueled as usual by the strong performance of both knitwear and woven garments, accounting for 43.81 per cent and 37.64 per cent, respectively, of total export earnings. Overall export earnings in FY25, however, were 96.60 per cent of the yearly target of US$50.00 billion. Of the total US$48.30 billion, the readymade garments (RMG) export rose by 8.88 per cent to US$39.34 billion in FY25 from US$36.13 billion in FY24. RMG including knit and woven items contributed the lion's share of 81.45 per cent in the period under review. A breakdown of the clothing sector's performance shows that the knitwear sub-sector fetched US$21.16 billion, earning increased year-on-year by 9.83 per cent from US$19.27 billion. Earnings from woven garment exports amounted to US$18.18 billion from US$16.86 billion, up by 7.84 per cent. In July-June of FY25, earnings from the other main 31 non-RMG sectors are: home textiles US$782.71 million, agricultural products US$990.43 million, jute and jute goods US$909.80 million, leather and leather products US$1,145.40 million, frozen and live fish US$441.93 million, chemical products US$368.46 million, pharmaceutical US$213.30 million, plastic products US$284.48 million, and engineering products US$545.30 million.

Export earnings from top twelve countries in FY25 are: United States of America (USA) US$8.69 billion, Germany US$5.29 billion, United Kingdom (UK) US$4.62 billion, Spain US$3.55

billion, France US$2.42 billion, Netherlands US$2.35 billion, Poland US$1.82 billion, India US$1.76 billion, Italy US$1.66 billion, Canada US$1.46 billion, Japan US$1.41 billion, and Denmark US$1.08 billion. All these twelve countries grew year-on-year in FY25.

Export



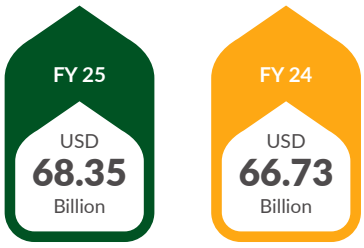
IMPORTS:

According to Bangladesh Bank data, total value of custom-based imports in FY25 increased by 2.44 per cent to US$68.35 billion from US$66.73 billion in FY24. This growth could mostly be attributed to the stability in the foreign exchange market coupled with improvements in the political situation which resulted in significant rise in intermediate goods import, especially goods related to readymade garments (RMG) and rise in food grains import.

During FY25, the composition of custom-based imports was notably skewed towards intermediate goods, which constituted 60.57 per cent of the total import and grew year-on-year by 2.73 per cent. Capital goods followed with a 13.97 per cent share but year-on-year witnessed a sharp decline of 10.21 per cent. Consumer goods, indicative of direct household consumption, accounted for 8.31 per cent and year-on-year rose by 15.29 per cent. While food grains represented the smallest segment at 3.37 per cent, emphasizing minimal dependency on imported staples during this timeframe but increased by 12.06 per cent year-on-year in FY25.

The settlement of import Letters of Credit (LCs) in FY25 increased year-on-year by 4.18 per cent to US$69.46 billion from US$66.67 billion. On the other hand, fresh opening of import LCs in FY25 increased year-on-year by 0.18 per cent and stood at US$69.01 billion against US$68.89 billion.

Import



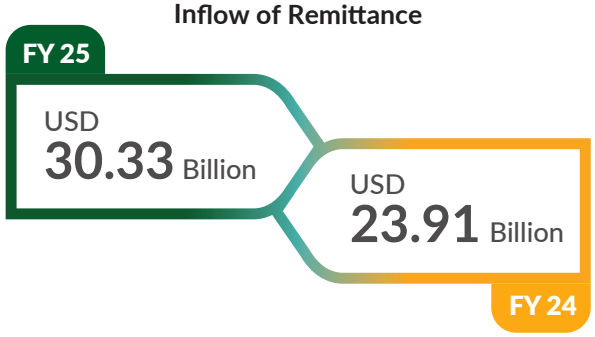
REMITTANCES:

According to the Bangladesh Bank (BB) data, the inflow of remittance in FY25 increased by 26.83 per cent to US$30.33 billion from US$23.91 billion in the previous fiscal year (FY24). This surge in remittances was due to some government measures including higher cash incentives, streamlined regulations, and efforts to boost formal transfer channels.

On the other hand, workers' remittances inflow in June 2025, the last month of the fiscal year, registered US$2.82 billion, which was 11.13 per cent higher compared to the same month of the previous fiscal year (US$2.54 billion). Moreover, the inflow of remittances could be attributed to gradual easing of political situations and stability in the foreign exchange market. However, the inward remittances were US$2.97 billion in the previous month (May 2025).

Among the remittances sending countries, USA holds the top position (US$4,732.68 million) of 15.61 per cent while KSA becomes the second (US$4,264.19 million) of 14.06 per cent and UAE holds the third (US$4,167.50 million) of 13.74 per cent share of the total remittances in FY25. The Gulf Cooperation Council (GCC) countries (KSA, UAE, Kuwait, Qatar, Oman, Bahrain) contributed 45.03 per cent, while among the European countries, the UK and Italy combined contributed 15.90 per cent of total remittances received in FY25

Inflow of Remittance



BALANCE OF PAYMENTS:

Country's current account balance shifted to a surplus of US$149 million in FY25 from a substantial deficit of US$6.60 billion in FY24. Deficit narrowed significantly in FY25 mainly due to a strong rise in remittance inflows. It marked a positive shift in the country's financial dealings with the rest of the world and came as a relief amid ongoing concerns about foreign currency reserves and overall economic stability. Remittances rose to US$30.33 billion in FY25, up by 26.83 per cent from US$23.91 billion in the previous fiscal year. Experts said that this increase was due to sending money through formal banking channels more, helped by government incentives and a rise in the number of Bangladeshi workers going abroad. Despite the high remittances, Bangladesh still posted a deficit in its primary income account, which includes payments like interest, dividends, and wages to foreign investors and workers. This deficit widened to US$5.04 billion from US$4.33 billion.

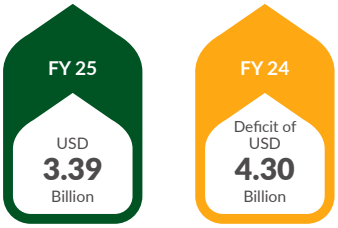
The trade deficit also shrank slightly to US$20.39 billion in FY25, down from US$22.43 billion a year earlier. Export earnings rose by 7.72 per cent to US$43.96 billion from US$40.81 billion, while import payments also increased by 1.76 per cent to US$64.35 billion from US$63.24 billion. However, the trade of services deficit increased to US$5.41 billion, compared with US$4.24 billion due to more spending on

international travel, transport, and business services.

Financial account, which records foreign investments and borrowing, showed a surplus of US$3.98 billion in FY25, down by 11.36 per cent from US$4.49 billion in FY24. Foreign investment disbursements fell to US$9.01 billion from US$9.92 billion, while repayments rose to US$2.55 billion from US$2.02 billion, reflecting more cautious borrowing due to rising global interest rates.

Bangladesh relishes some relief in external finances as its overall balance of payments (BoP) situation improved notably to US$3.39 billion in FY25 from deficit of US$4.30 billion in FY24, signaling improved external stability and healthier foreign exchange reserves. The foreign exchange reserves of June 2025 were sufficient to pay import cost of goods and services for 5.0 months which was higher than that of June 2024.

BALANCE OF PAYMENTS



OVERVIEW OF ISLAMIC BANKING SECTOR IN BANGLADESH:

INDUSTRY LANDSCAPE

Islamic banking remained a significant pillar of Bangladesh's financial system in 2025, operating under Shari'ah principles that emphasize ethical investment, asset-backed financing, and risk-sharing mechanisms. The sector comprises full-fledged Islamic banks alongside Islamic banking windows of conventional banks.

As of 2025, Islamic banking accounted for **approximately 22–23% of total banking deposits** and a substantial share of total banking assets in the country, reflecting sustained demand for Shari'ah-compliant financial services.

SECTOR CONSOLIDATION AND STRUCTURAL REFORM:

The year 2025 marked a transformative phase for the Islamic banking sector. In response to liquidity pressures, asset quality deterioration, and governance concerns in certain institutions, Bangladesh Bank undertook a major consolidation initiative to enhance financial stability and depositor protection.

Five Islamic banks named First Security Islami Bank PLC, Global Islami Bank PLC, Social Islami Bank PLC, Union Bank PLC, Export Import Bank of Bangladesh PLC. were merged to form a new state-supported entity: Sammilito Islami Bank PLC

The merger aimed to:

- Strengthen capital adequacy and solvency
- Protect depositor interests
- Restore market confidence
- Enhance regulatory oversight and governance standards

This consolidation reduced the number of standalone Islamic banks and marked one of the most significant restructuring initiatives in the country's banking history.

PERFORMANCE TRENDS IN 2025:

DEPOSIT GROWTH:

Islamic banks recorded moderate growth in deposits during the year. While growth remained positive, it was comparatively lower than that of conventional banks, leading to a marginal decline in overall market share.

INVESTMENT EXPANSION:

Investment portfolios continued to expand, supported by:

- Increased remittance inflows
- Growth in SME and retail financing
- Strong demand for trade and import financing
- Continued preference for Shari'ah-compliant products

LIQUIDITY AND ASSET QUALITY:

Sector-wide liquidity management improved toward the latter part of the year following regulatory intervention. However, asset quality challenges persisted in certain institutions undergoing restructuring.

REGULATORY DEVELOPMENTS

Bangladesh Bank intensified supervisory measures in 2025, focusing on:

- Strengthening Shari'ah governance frameworks
- Enhancing risk-based supervision
- Improving transparency and financial disclosures
- Tightening capital and liquidity monitoring

These initiatives are expected to strengthen institutional resilience and align Islamic banking operations more closely with international best practices.

OUTLOOK

Looking ahead, the Islamic banking sector is expected to gradually regain growth momentum supported by:

- Benefits of consolidation and recapitalization
- Strong demographic demand for Shari'ah-compliant finance
- Expansion in digital Islamic banking services
- Continued regulatory reform

With enhanced governance structures and strengthened balance sheets, Islamic banking remains well-positioned to contribute meaningfully to Bangladesh's financial inclusion, economic growth, and long-term financial stability.

BANKING SECTOR OUTLOOK 2025:

In 2025, Bangladesh's banking sector operated within a challenging yet gradually stabilizing macroeconomic environment. Economic growth moderated compared to previous years amid persistent global uncertainty, external sector pressures, and domestic structural adjustments. Inflation remained elevated during much of the year, although signs of easing emerged toward the later quarters. Exchange rate adjustments, higher import costs, and tightening liquidity conditions shaped the operating landscape for financial institutions.

Bangladesh Bank maintained a cautious and disciplined monetary stance throughout the year, prioritizing inflation control, exchange rate stability, and financial system resilience. The transition to a more market-based interest rate mechanism significantly influenced deposit and lending pricing dynamics, leading to increased competition for deposits and higher overall funding costs. Regulatory oversight was further strengthened through enhanced risk-based supervision, tighter capital monitoring, and governance reforms, reflecting the central bank's commitment to safeguarding systemic stability.

Asset quality remained a key concern for the sector. Elevated borrowing costs, slower business expansion, and pressures on certain trade- and import-dependent sectors contributed to stress in investment portfolios. As a result, non-performing investments remained under upward pressure in parts of the system. Banks responded by strengthening provisioning buffers and reinforcing credit risk management practices. While several well-capitalized institutions maintained capital adequacy ratios above regulatory thresholds, weaker institutions required restructuring and recapitalization measures.

Liquidity conditions tightened during the year due to relatively slower deposit growth and increased competition from government savings instruments. The rising cost of funds compressed net interest margins across the industry, affecting profitability. Additionally, higher provisioning requirements weighed on earnings performance. Nevertheless, institutions with diversified income streams, prudent asset-liability management, and strong governance frameworks were able to maintain operational stability and sustain reasonable profitability.

Digital transformation continued to reshape the banking landscape in 2025. Financial institutions accelerated investment in mobile banking, agent banking, and technology-driven service delivery channels to enhance customer experience and operational efficiency. Expansion of digital financial services supported financial inclusion, particularly in rural and underserved segments, while also contributing to cost optimization and improved service accessibility.

The Islamic banking segment remained a significant contributor to the overall banking system. During the year, sector consolidation marked a major structural development, including the formation of Sammilito Islami Bank PLC. through the merger of five Islamic banks. This initiative aimed to strengthen capital adequacy, restore depositor confidence, and enhance governance standards within the segment. The restructuring signaled regulatory commitment to maintaining stability and sustainability across the banking industry.

Looking ahead, the outlook for the banking sector remains cautiously optimistic. Gradual macroeconomic stabilization, strengthened regulatory oversight, and continued governance reforms are expected to support recovery momentum. However, sustained focus on asset quality management, capital strengthening, liquidity discipline, and technological innovation will remain critical to ensuring long-term resilience and sustainable growth.

BANKING SECTOR PROSPECTS IN 2026:

The prospects of Bangladesh's banking sector in 2025 remain cautiously optimistic despite prevailing macroeconomic and structural challenges. Following a period marked by inflationary pressure, exchange rate adjustments, and tighter liquidity conditions, the sector is gradually transitioning toward stabilization under strengthened regulatory oversight and monetary discipline.

Economic recovery momentum, supported by resilient remittance inflows, export performance, and continued infrastructure development, is expected to stimulate private sector credit demand. As business confidence improves, gradual recovery in industrial activity, trade financing, and SME expansion may contribute to renewed credit growth across the banking system.

Monetary policy reforms introduced by Bangladesh Bank, particularly the move toward a more market-based interest rate framework, are expected to improve transmission mechanisms and enhance financial discipline within the sector. Although higher funding costs may continue to exert pressure on margins in the short term, improved pricing transparency is likely to strengthen long-term sustainability and risk-based lending practices.

Asset quality remains a key focus area. While non-performing investment pressures persist in certain segments, enhanced supervision, stricter provisioning standards, and stronger governance frameworks are expected to gradually improve portfolio quality. Banks with robust risk management practices, diversified credit exposure, and prudent underwriting standards are well positioned to navigate this transition phase.

Digital transformation continues to create growth opportunities within the industry. Expansion of mobile financial services, agent banking networks, and technology-driven customer engagement platforms is deepening financial inclusion while improving operational efficiency. Investments in digital infrastructure are expected to reduce cost-to-income ratios and enhance service delivery in both urban and rural markets.

The Islamic banking segment also holds promising prospects, supported by sustained demand for Shari'ah-compliant financial solutions. Following sector consolidation, including the formation of Sammilito Islami Bank PLC, improved capitalization and governance reforms are anticipated to restore confidence and strengthen long-term resilience within the segment.

Looking ahead, the banking sector's prospects in 2026 will largely depend on sustained macroeconomic stability, continued regulatory vigilance, and strengthened corporate governance practices. Institutions that prioritize capital strength, liquidity discipline, technological advancement, and customer-centric innovation are expected to outperform and contribute meaningfully to Bangladesh's economic growth trajectory.

ANTI-MONEY LAUNDERING & COMBATING FINANCING OF TERRORISM

Money Laundering (ML) and Terrorist Financing (TF) are considered vital issues and threats all over the world as well as our country. To strengthen AML/CFT activities, the Government of Bangladesh enacted Money laundering Prevention Act, 2012 (Amended in 2015) and Anti-Terrorism Act-2009 (Amended in 2012 & 2013). In view of prevailing ML & TF scenario of the country, Bangladesh Financial Intelligence Unit (BFIU) has been issuing circulars/guidelines from time to time to strengthen AML & CFT compliance to protect the interest of banks as well as the country as a whole. The Bank also undertakes a series of activities for compliance of Anti-money Laundering (AML) and Combating Financing of Terrorism (CFT) in light of the above guidelines.

Anti-Money Laundering & Combating Financing of Terrorism compliance activities of the Bank are run by a separate AML & CFT Division at Head Office. In line with Bangladesh Financial Intelligence Unit (BFIU) directives, the Bank has formed Central Compliance Committee (CCC) comprising Heads from core business units to set out AML & CFT strategies and follow up the progress of implementation. Additional Managing Director (AMD) is assigned as Chief Anti Money Laundering Compliance Officer (CAMLCO) to supervise overall AML & CFT compliance initiatives. Deputy CAMLCO and Head of AML & CFT Division look after the day- to-day AML functions of Division and assists the CAMLCO in devising AML goals, policies and programs. As many as 138 BAMLCOs at Branches are deployed to carry out AML & CFT compliance programs of the Bank. The BAMLCOs are mainly responsible for ensuring KYC of customers, risk categorization of business, transaction monitoring, screening of sanctions lists, arranging AML training for all Branch personnel, record keeping as well as identifying and reporting of suspicious transaction/activity (STR/SAR). The Central Compliance Committee seeks decision and kind guidance from the Managing Director and CEO and the Board of Directors regarding ML & TF issues as and when required. The CCC also provides AML update/progress report to Senior Management/Board on a periodic basis.

As part of maintaining control and monitor the activities, Standard Islami Bank PLC. has reviewed, updated and implemented AML and CFT Risk Management Guidelines to widen its horizon and make it more representative to better handle AML and CFT issues.

ACTIVITIES ON AML & CFT DIVISION DURING THE YEAR 2025 INCLUDE

- A message was circulated from the desk of the Managing Director & Chief Executive Officer to all employees of the Bank emphasizing compliance of AML & CFT issues;
- Organized quarterly meeting by Central Compliance Committee (CCC) on AML issues and activities;
- Reviewed and updated KYC profile and Transaction Profile on periodical basis;
- Reporting of Cash Transaction Report (CTR) and Suspicious Transactions/Activity Report (STR/ SAR) to BFIU;
- Collection and review of the Self-Assessment and independent testing procedure reports from all of the Branches and took corrective measures as and when required;
- AML & CFT Division continuously communicate with branches for improving their AML & CFT compliance culture through identifying needs and directing branches as and when required and responding to queries of branches.
- AML & CFT Division through Standard Islami Bank Learning Centre has arranged several Training Programs Online (Hybrid System) & physically where total 564 participants received day long training on Prevention of Money Laundering and Combating Financing of Terrorism.
- As per requirement of AML & CFT Division, Standard Islami Bank Learning Centre has been regularly arranging training programs on AML/CFT for newly recruited Officers at the time of foundation program.
- Conducting refresher sessions round the year for updating knowledge of the Money Laundering Prevention and Anti-Terrorism with special focus on recent various Circulars of BFIU and current topics of country and world in this regard.
- Internal Audit & Inspection teams have conducted AML Inspection on our Branches to find out lapses in AML/ CFT issues.
- Surprise visits have also been done by AML & CFT Division to detect & rectify weakness in AML/CFT activities as well as conducted discussion meeting at branch premises to build up awareness among the employees.
- Follow up and monitoring of Audit reports (related to Anti-Money Laundering) as and when received from the Bank's Audit & Inspection Division and external auditors of the Bank.
- Sanction screening system E-AML Solution developed by ERA InfoTech Ltd. is in place for checking out the on-board of new customer. The day-to-day transactions are also monitored through sanction screening system and report to Bangladesh Bank as per regulations. Moreover to ensure strict compliance of Trade Based Money Laundering and combating terrorist financing. Bank has implemented fully automated SWIFT owned Sanction Screening system at our SWIFT Server to screen all incoming and outgoing transactions related to foreign trade. This screening solution has been procured from SWIFT, Belgium and the solution is considered as the most robust sanctions screening system. The solution will scrutinize all the SWIFT messages as per sanctioned list of OFAC, UN, EU, UK-HMT, HKMA and AUSTRAC.
- Distribute leaflets among customers to make them aware about money laundering and terrorist financing and also arrange to stick posters in every branch at a visible place.

TRAINING, RESEARCH & DEVELOPMENT

Training is the most vibrant part of the series of the talent hunt mechanism for sustainable development of any financial organization to outshine all of its peers. For development of employees' skill and professionalism, Standard Islami Bank has a well-equipped learning center at Head Office to ensure the sustainable banking business for the flourishing business and development of technology are the motto beneath the training.

Throughout the year- 2025 SBPLC arranges required training that includes Banking Foundation, Investment Risk Management, Foreign Exchange Operation & Risk Management, ICT/Technical skills development, core banking software, customer services, product and services, marketing & sales, relationship management, audit & compliance, AML & CFT, team building, Managerial and leadership, Ethics, Gender equality awareness, ESRM etc. The bank also arranges external training in order to develop employees with required banking and organizational skills.

SL.	Training Title	No. of Participants
1	Yearly Budget-2025 of SBPLC Review Meeting/ Workshop	40
2	Shari'ah Awareness Program	26
3	Workshop on "Standard Portal" Operating Procedure	528
4	Review Meeting/Workshop with Dhaka Based 40 Branches	37
5	Online Import & Export Monitoring System	37
6	AML & CFT Compliance Batch # 01	163
7	MTOs Day One in Banking Operations	39
8	Orientation Program of 11th Batch MTO	50
9	Shari'ah Awareness Programm	30
10	AML & CFT Compliance Batch # 02	286
11	New Website,Interface and Refund Module of A-Challan System	414
12	Foundation Training Course for 11th Batch MTOs	34
13	Foundation Training Course for TAO-2025 Batch # 01	30
14	Foundation Training Course for TAO-2025 Batch # 02	31
15	Shari'ah Compliance In Banking Operations	30
16	Live Streaming of Knowledge Sharing on SBPLC Deposit & Investment Products (8 Sessions)	2213
17	BACH(BACPS & BEFTN) & RTGS Operations	275
	Total	4263

SBPLC PLACED SPECIAL EMPHASIS ON:

- Developing leadership and managerial capabilities
- Enhancing Shari'ah-based banking knowledge and ethical practices
- Strengthening compliance and governance awareness
- Promoting digital banking competencies
- Improving service quality and customer relationship management

SBPLC will continue to serve as a cornerstone in building a competent, Shari'ah-compliant, and future-ready workforce capable of driving the Bank toward excellence.

EXTERNAL TRAINING PROGRAM CONDUCTED

SL.	Institutions	No. of Participants
1	Bangladesh Bank	31
2	Bangladesh Institute of Bank Management (BIBM)	16
3	Institute of Bankers, Bangladesh (IBB)	7
4	Central Shari'ah Board for Islamic Banks of Bangladesh (CSBIB)	7
5	Others (NBR, MOF, FAO, BAFEDA, Banks, BCI, etc.)	68
	Total	**129**

EXTERNAL TRAINING PROGRAM CONDUCTED

SL.	Training Course Title	No. of Participant
1	Gender Responsive Financial Services	2
2	Sustainability & Climate-Related Financial Disclosures	2
3	Duly Sorted Note Deposite in Bangladesh Bank	1
4	Application to Specific Letter Situation in Business Communication of Bank/NBFI	5
5	Cyber Security Awareness and Needs Analysis	1
6	Labor Law,Administration,HR,Occupational Health & Safety Matters	1
7	Unlocking Rural Financing Opportunities with Rural Invest	2
8	Diagnostic Mission on Islamic Banking in Bangladesh	5
9	CIB Business Rules and Online Reporting	1
10	Global Banking Commission Outlook, DSI, Compliance and Trade Finance Risk Management	2
11	Governance, Accounting and Reporting in Islamic Banking Products and Services	1
12	Artificial Intelligence in Banking	1
13	Operational Risk in Banks	1
14	Islamic Finance & CSB Fellow Conference-2025	5
15	Automated Challan System	7
16	Identifying Problems and Determining Solutions of E-Return System	2
17	Risk Management of Islamic Banks: Domestic and International Standads Practice	1
18	Automated Challan System	6
19	SWIFT Community Session	1
20	Financing for Agriculture	1

SL.	Training Course Title	No. of Participant
21	CIB Business Rules and Online Reporting System	1
22	Web-Based Reporting System	2
23	Foreign Direct Investment Promotion Project(FDIPP)Two Step Investment (TSL)	1
24	Leveraging ISO 20022 and the latest SWIFT Solutions	3
25	Harnessing Fx and Fixed Income for Dynamic Treasury Management	1
26	Financing Agro-Based Business	1
27	Secure the Future, Connecting the World	1
28	Ethics In Banking	1
29	Export Operation,Back to Back L/C Mechanism and Challenges of Export Finance	2
30	Prevention of Money Laundering & Combating the Financing of Terrorism	1
31	Prevention of Money Laundering & Combating the Financing of Terrorism	1
32	Internal Control & Compliance of Bank	3
33	Money and Banking (SBS-1,SBS-2,SBS-3) Data Reporting	1
34	Financing Inclusion and Central Banking: Bridging Gaps in the SAARC Region	1
35	Collecting Excise Duty through online Challan System	2
36	Prevention of Money Laundering & Combating the Financing of Terrorism	1
37	Prevention of Money Laundering & Combating the Financing of Terrorism	1
38	Role of Banks in Financing Social Business in Bangladesh	2
39	Prevention of Money Laundering & Combating the Financing of Terrorism	2
40	Collecting Excise Duty through online Challan System	1
41	Prevention of Money Laundering & Combating the Financing of Terrorism	1
42	International Trade Finance & Offshore Banking	1
43	Implementation of Customs & Vat Related Policy	1
44	SWIFT Awareness Programme	2
45	Online Foreign Exchange Transaction Reporting	1
46	IT Security and Awareness	1
47	Adaptation of AAOIFI standards and the draft SSC circular prepared by Bangladesh Bank	2
48	Prevention of Money Laundering & Combating the Financing of Terrorism	2
49	Cashless Bangladesh Udyog	4
50	Sustainable Finance in Banking	2
51	Islamic Banking Operations in Bangladesh	3
52	Implementation of Customs & VAT related Policy & law	1
53	Prevention of Money Laundering & Combating the Financing of Terrorism	1
54	Prevention of Money Laundering & Combating the Financing of Terrorism	1
55	SWIFT Awareness Program	3
56	From Policy to Impact: ESG as a catalyst for achieving SDGs	2
57	Cashless Bangladesh Initiatives	3
58	Prevention of Money Laundering & Combating the Financing of Terrorism	2
59	CIB Business Rules and Online Reporting System	1
60	Prevention of Money Laundering & Combating the Financing of Terrorism	1
61	Remittance Leadership Landscape: Opportunities of Bangladesh	1
62	Prevention of Money Laundering & Combating the Financing of Terrorism	1
63	Risk Based Shari'ah Audit nd Compliance in Islamic Banking & Finance	1
64	Implementation of ECL-Based Investment Classification and Provisioning under IFRS 9	2
65	Adopting of AI in Cyber Security Management of Banks:BD perspective	2
66	Sustainability Reporting and ClimateDisclosure in Bangladesh	2
67	Prevention of Money Laundering & Combating the Financing of Terrorism	2
68	Bangladesh Islamic Finance Summit & AAOIFI Capacity Building Week-2025	4
69	SBS-1 Reporting (DBU & OBU)	2
	Total	**129**

TOTAL PARTICIPANTS

SL.	Institutions	No. of Participants
1	In-house Training Program	4263
2	External Training Program	129
	Total	**4392**

NO. OF TRAINING RECEIVED (JOB GRADE WISE)

Institutions	No. of Participants
Up to Officer	3839
SO	166
EO	86
SEO	115
FAVP	67
AVP	42
SAVP	28
VP	30
SVP	6
EVP	11
SEVP	2
Total	**4392**

TOTAL TRAINING PROGRAM

Institutions	No. of Program
Inhouse	17
External	69
Total	**86**

TOTAL PARTICIPANTS

	Virtual	Physical
Inhouse	8	9
External	2	67
Total	**10**	**76**

TOTAL PARTICIPANTS

SL.	Institutions	No. of Participants
1	Foundation Training Course for 11th Batch MTOs	34
2	Foundation Training Course for TAO-2025 Batch # 01	30
3	Foundation Training Course for TAO-2025 Batch # 02	31
Total		**95**

INFORMATION & COMMUNICATION TECHNOLOGY

The integration of information technology in the banking industry has significantly enhanced operational efficiency, reduced transaction times, and lowered operating costs related to data collection, storage, and processing. Committed to customer satisfaction, the bank leverages technological advancements to deliver seamless and efficient services.

The bank's continuous technological development has greatly improved customer service and strengthened stakeholder trust. ICT now plays a crucial role in fostering customer-bank relationships, enhancing satisfaction levels, maintaining a competitive edge, and promoting innovative banking products through various established payment channels. Customers benefit from multiple banking options, allowing them to conduct transactions conveniently through different delivery channels.

Business clients also gain advantages, such as faster realization of receivables and the ability to make secure and instant payments to suppliers. The bank remains committed to leveraging technology to enhance customer experience. Its ICT Division is not only equipped with state-of-the-art technology but also supported by a highly skilled professional workforce. Additionally, to maintain a competitive edge, the bank pioneers multidimensional banking products and services that meet international standards and incorporate the latest technological advancements.

ICT INFRASTRUCTURE

The bank has thoroughly reviewed its existing ICT infrastructure and has taken strategic steps to acquire state-of-the-art IT equipment and solutions at an optimal cost, ensuring no compromise on quality or security. The bank's IT infrastructure has been designed to enhance data security, network protection, and the efficient utilization of hardware and software while addressing key aspects of IT security.

To effectively minimize and manage potential risks, the bank has reinforced its ICT security framework by implementing a centralized firewall and real-time security system (EDP). Additionally, it has strengthened service support agreements and optimized human resource allocation by ensuring clear segregation of duties for various ICT functions.

The core objectives of the bank's ICT infrastructure include:

- Establishing a secure and stable ICT platform
- Safeguarding against information security risks
- Mitigating risks associated with electronic banking infrastructure, including ATMs, POS machines, and mobile banking applications.

CORE BANKING SOLUTION

The bank consistently adopts cutting-edge technology in software selection, ensuring robust risk mitigation against system malfunctions, network failures, user knowledge gaps, cyber threats, and hacking attempts. By staying ahead in technological advancements, the bank enhances operational efficiency and customer confidence.

To provide seamless banking services, it utilizes the state-of-the-art Core Banking Solution (CBS), "Hikmah20," supporting both regular Islamic banking and foreign trade transactions. The CBS has been further upgraded to its latest version, introducing enhanced features, improved functionalities, and reinforced security measures to ensure safe and efficient online banking experiences for its customers.

CENTRALIZED CALL CENTER OPERATIONS & CUSTOMER SUPPORT SERVICES

During the reporting year, the ICT Division successfully established a modern Call Center facility to enhance customer engagement and service delivery. This newly introduced platform is equipped with advanced telephony systems, call management software, and real-time monitoring tools to ensure efficient handling of customer inquiries, complaints, and service requests. The Call Center operates with trained personnel and structured service protocols to maintain quality assurance and timely response. This initiative has significantly improved communication channels, strengthened customer satisfaction, and reinforced the Bank's commitment to technology-driven service excellence.

ANTI-VIRUS/MALWARE AND RANSOMWARE SOLUTION

To strengthen cybersecurity measures, an advanced Anti-virus, Malware, and Ransom ware protection solution with built-in AI and ML capabilities has been deployed across all end-user desktops. This implementation follows the successful upgrade of ESET AV software, ensuring enhanced threat detection, real-time monitoring, and proactive defense against evolving cyber threats. With this robust security framework, end users benefit from a safer digital environment, reduced vulnerability to hacking attempts, and a more resilient IT infrastructure.

AUTOMATED REMITTANCE CAPABILITY

The bank has significantly enhanced its automated remittance capabilities by integrating additional exchange houses, now

connecting with over 19 exchange partners. This expansion allows customers to remit money seamlessly and securely, whether directly to beneficiary bank accounts, to other banks via BEFTN and NPSB channels, or instantly to bKash and NAGAD wallets.

To further strengthen security and efficiency, the remittance solution has been upgraded with advanced encryption and compliance measures, ensuring seamless and fraud-resistant transactions. With a focus on customer convenience, the bank continues to innovate its digital remittance services, providing faster processing times, improved reliability, and an overall enhanced banking experience.

E-BILL PAYMENT SOLUTION

The bank has rolled out a comprehensive solution to streamline the collection of various utility bills, such as those from BGDCL, BREB, DNCC, NESCO, BRTA, WASA, TITAS, DPDC, DESCO, and more. By integrating certain systems directly with the billing systems of the respective organizations, manual input of usage units and bill amounts is no longer necessary. This automated process significantly reduces the likelihood of errors and enhances the efficiency of transactions.

Customers can now pay utility bills, taxes, and fees in a faster, more accurate manner, ensuring a seamless and hassle-free experience. The bank's commitment to leveraging technology also ensures that the process remains secure, convenient, and accessible, ultimately providing users with greater control and satisfaction when managing their payments.

DISASTER RECOVERY SITE

Maintaining a concurrent backup and ensuring its proper restoration is essential for effective disaster recovery. "Disaster Recovery" involves the process of bringing an integrated system back to full functionality after a service disruption. This includes repairing or replacing equipment, recovering and restoring files, and quickly resuming services for users. The efficiency and speed of disaster recovery are crucial for ensuring business continuity, as the ability to recover swiftly can significantly minimize operational downtime and data loss.

In a proactive move, the bank has relocated all disaster recovery (DR) infrastructure-such as servers, storage devices, routers, firewalls, and other IT assets-from the previous DR site (BD Peer Ltd., Uttara) to a newly approved site at Square Informatix Ltd., Kashimpur, Gazipur, situated over 35 km from the primary data center in Islam Chamber, Motijheel. This new DR site offers more advanced facilities and enhanced security protocols to safeguard the bank's critical data and transactions. In the event of any disruption at the primary data center, the bank is now better equipped to ensure continuity of services, protecting both its operations and customer trust.

NIKASH-BEFTN SOFTWARE

Electronic fund transfers will now be conducted through the Nikash-BEFTN software, developed by the Bangladesh Automated Clearing House (BACH). Bangladesh Bank has officially rolled out this electronic fund transfer program using Nikash-BEFTN, a solution developed in-house to streamline and enhance the efficiency of financial transactions.

Previously, government payments, including salaries and pensions for government officials, were settled in two BEFTN sessions. With the introduction of Nikash-BEFTN, settlements will now occur in three daily sessions, improving the speed and frequency of transactions. It's important to note that credit and debit transactions should be submitted in separate files, ensuring no overlap between the two types of transactions. For transactions involving both debits and credits, the return process must be completed within two sessions after the EFT settlement, ensuring faster reconciliation and reducing delays.

This shift represents a significant step forward in modernizing payment systems, offering increased efficiency, security, and the ability to process a larger volume of transactions daily, ultimately benefiting government employees and all participants in the financial ecosystem.

ATM NETWORK

The bank has successfully set up more than 120 ATMs across the country and issued a significant number of debit cards to its customers, enhancing access to banking services. To further expand its reach and provide greater convenience to clients, the bank is actively working on the rapid growth of its ATM network, targeting key locations that will best serve potential customers nationwide.

In addition to this, the bank has integrated its ATM network with the National Payment Switch of Bangladesh (NPSB), a collaborative initiative led by Bangladesh Bank. This integration brings all commercial banks onto a unified platform, enabling seamless interoperability of ATMs and debit cards for both issuing and acquiring. As a result, customers can now access an extensive network of over 6,500 ATMs, offering increased convenience, wider coverage, and a smoother banking experience. The bank's ongoing investment in expanding and modernizing its ATM infrastructure reflects its commitment to providing reliable and accessible financial services to a broader customer base across the country.

ICT RISK MANAGEMENT

The adoption of advanced technology in the banking sector necessitates that the bank not only identifies ICT-related risks but also actively manages and mitigates them through a well-defined and prudent risk management strategy.

Over time, the bank has implemented several key measures to address identified vulnerabilities and enhance overall security. In line with this, the bank continues to deploy a range of ICT security solutions, ensuring robust protection against emerging threats, such as those affecting networks, email systems, ATM operations, and other critical infrastructures. Recognizing that ICT risk management is a dynamic and evolving process, the bank regularly reviews and updates its risk management framework to stay ahead of potential risks. By analyzing threats and vulnerabilities continuously, the bank takes timely and appropriate action to mitigate risks, striving to maintain an optimal balance between security and operational efficiency. This proactive approach ensures the bank's resilience against cyber threats while safeguarding customer data and ensuring seamless banking operations.

TREASURY MANAGEMENT

During the year, the Treasury Division of the Bank continued to play a strategic role in maintaining financial stability, ensuring adequate liquidity, and optimizing returns within the approved risk appetite. In a challenging macroeconomic environment marked by liquidity pressures, Profit rate volatility, and regulatory tightening, the Division demonstrated resilience through prudent fund management and disciplined risk oversight.

The primary focus of Treasury remained on maintaining optimum liquidity while enhancing profitability through efficient deployment of funds. The Division tried to ensure compliance with all regulatory requirements of Bangladesh Bank including maintenance of CRR, SLR, and other statutory obligations.

LIQUIDITY & FUNDING MANAGEMENT

Throughout the year, the Treasury Division successfully managed short-term and long-term liquidity positions through active participation in market operations, interbank placements, and investment in government securities. Continuous monitoring of cash flows and funding gaps enabled the Bank to meet its obligations smoothly and efficiently.

ASSET-LIABILITY MANAGEMENT (ALM)

The Division strengthened its Asset-Liability Management framework by closely monitoring maturity gaps, Profit rate sensitivity, balance sheet structure, analyzing financial data and markets. Regular ALCO reviews supported strategic decision-making in pricing deposits and investments, thereby maintaining a balanced risk-return profile.

INVESTMENT & MARKET OPERATIONS

Treasury actively managed the investment portfolio in government securities and other approved instruments to ensure regulatory requirements, liquidity and stable income generation. Foreign exchange operations were conducted prudently to manage exchange rate exposure and support Foreign Exchange business of the Bank.

RISK GOVERNANCE & INTERNAL CONTROL

To ensure strong governance and transparency, treasury operations remained segregated into Front Office, Mid Office, and Back Office functions. This structure enhanced accountability, strengthened internal controls, and ensured compliance.

Through prudent liquidity management, disciplined investment strategies, and proactive risk monitoring, the Treasury Division contributed significantly to the Bank's financial performance and operational resilience during the year. The Division remains committed to strengthening its risk management practices and supporting the Bank's sustainable growth objectives in the coming year.

CARD DIVISION

PERFORMANCE FOR THE YEAR 2025 AND STRATEGIC PLANNING-2026

Since transitioning to a full-fledged Shari'ah-based model in January 2021, Standard Islami Bank PLC. (SBPLC) has focused on aligning its retail products with Islamic principles. Card Division has set ambitious targets for 2026 to achieve its strategic objective of becoming one of the prominent card issuers in Bangladesh.

2025 PERFORMANCE

In 2025, the division experienced success across key indicators.

- **Customer Acquisition:** Acquired 633 new Tijarah Card customers and 809 Prepaid Card customers achieving sustainable growth in card issuance compared to the previous year.
- **Investment Growth:** Total investment reached 91.27 crore Taka, an 1.15% increase from 2025.
- **Income Growth**: Total income from investment increased by 18.0% to 2.70 crore Taka, reflecting increased consumer engagement and usage.
- Reducing NPL through enhanced and closed monitoring.

2026 STRATEGIC PLANNING

The 2026 plan focuses on continued modest growth and operational efficiency.

Particulars	Target (Volume/ Amount)
Total Number of Credit Cards	17,000
Total Investment	95 crore
Total Income from Investment	4.0 crore

STRATEGIC INITIATIVES

- **Product Development:** Leverage new card products tailored towards millennials and small businesses, while enhancing existing features based on feedback.
- **Card Campaigns:** Conduct year-round promotional campaigns (Ramadan Card Sales Campaign, discounts, EMI, cashback) during major festivals to encourage card acquisition and increased transactions.
- **Intensive Recovery:** Form a dedicated, skilled recovery team to vigorously pursue bad investments and prevent existing ones from becoming NPL. By reducing the NPL amount, the division aims to improve its asset quality at a time when the industry faces challenges like debt-servicing costs and high financing conditions.
- **Branding and Communication:** Implement effective advertising through social, print, and electronic media to reach the mass audience with Islamic card offerings.
- **Branch Collaboration:** Encourage branches to identify cross-selling opportunities using personalized offers to meet strategic sales goals.

The positive performance indicators of 2025 demonstrate a sustainable growth. Building on this momentum, the 2026 strategic plan emphasizes disciplined expansion, enhanced product innovation, stronger recovery initiatives, and effective branding and branch collaboration. Through these focused efforts, the Card Division is well-positioned to achieve its targets, improve asset quality, and move closer to its goal of becoming one of the leading Islamic card issuers in Bangladesh.

ALTERNATE DELIVERY CHANNELS DEPARTMENT

Alternate Delivery Channel provides banking services directly to the customers where they can perform banking transactions through ATM, branch POS, Debit Card, NPSB, DigiBanking, Internet Banking, SMS Banking and Agent Banking. These channels have enabled the bank to reach a wide consumer-base across geographies. ADCs ensure the smooth flow of regular transactions and provide the bank with higher profits with lower operational expenses and transaction costs. Overview and financial highlights of the ADC services are mentioned below:

(I) BANKING THROUGH ATM

Standard Islami Bank has a well distributed ATM network across Bangladesh. SBPLC has already installed 123 ATMs at different locations of Bangladesh. SBPLC ATMs feature the latest in security technology and anti-fraud mechanisms for client's complete peace of mind and provides a quick and convenient way to withdrawal funds from any owned and NPSB ATMs at 24/7.

The below statistics provide the transactions occurred in ATMs during the year 2024 and 2025:

Particulars	2024	2025
Total No. of Transactions at SIB ATMs	9,39,323	9,49,959
Total Cash Withdrawal Amount at SIB ATMs	TK. 902,27,45,500.00	TK. 9,00,55,81,954.00
Total No. of Transactions (SBL Card at SIB ATMs)	5,01,309	5,28,840
Total Cash Withdrawal Amount (SBL Card at SIB ATMs)	TK. 476,66,99,500.00	TK. 5,10,39,87,954.00
Total No. of Transactions (NPSB Cards at SB ATMs)	4,38,014	4,21,119
Total Cash Withdrawal Amount (NPSB Cards at SIB ATMs)	TK. 425,60,46,000.00	TK. 3,90,15,94,000.00

(II) DEBIT CARD

SBPLC current/SND/savings account holders can enjoy the benefit of SBPLC Debit Card. It is a proprietary Debit card which can be used at SIB own ATM/POS Network & National Payment Switch of Bangladesh (NPSB) Network.

Particulars	As on 31st December 2024	As on 31st December 2025
Total No. of Debit Card	1,86,419	1,10,814
Income from Debit Card	TK. 25,602,704.00	TK. 25,448,950.00

(III) NATIONAL PAYMENT SWITCH BANGLADESH (NPSB)

Standard Islami Bank is successfully connected with National Payment Switch Bangladesh (NPSB). Now our customers have access over 10000+ ATM networks as well as 30000+ POS networks allowing ATM transactions (Cash Withdrawal, Mini Statement & Balance Inquiry) and POS retail purchase service.

NPSB Transaction Report (ATM & Retail Purchase)			
	Particulars	2024	2025
SIB Card at NPSB ATMs	No. of Transactions	5,06,743	4,65,593
	Amount of Transactions	TK. 358,47,45,600	TK. 3,31,68,40,600
NPSB Retail Purchase	No. of Transaction	1,28,921	73,992
	Amount of Transaction	TK. 463,55,48,261.16	TK. 24,67,27,918.53
Revenue growth rate	Income from NPSB Card	TK. 164,19,700.00	TK. 85,67,745.00
	NPSB Retail Purchase Income	TK. 8,39,940.35	TK. 3,30,623.79

(IV) BRANCH POS

SBPLC already deployed 138 units of Branch POS in different branch. POS terminals help customers carry out chequeless transactions at branch by swiping debit cards on the POS machine and this is advantageous when ATMs are not nearby. Below is the statistics of the transactions occurred in our branch POS during the year 2024 and 2025:

Particulars	2024	2025
No. of Transactions	1,28,921	1,55,087
Amount of Transactions	TK. 463,55,48,261.16	TK. 5,54,85,56,736.65

(V) SMS BANKING:

SMS Banking service provides instant notifications about all transactions as and when it happens. It helps SBPLC clients to keep a watch on their account round the clock. Below is the statistics of No of SMS transaction and earned revenue of 2024 & 2025:

Year	Total No. of Customer	Income from Service Charge (excluding VAT)
2024	7,55,650	Tk. 5,84,87,199.53
2025	8,14,721	Tk. 5,37,44,125.00

(VI) INTERNET BANKING:

We already started technology based innovative banking services like Internet Banking. By using our secured Internet Banking service anyone can check their account balance, print statement and fund transfer to any SBPLC accounts.

Particulars	2024	2025
Total No. of Accounts	13,249	12,611
No. of Transactions	289	238
Amount of Transactions	TK. 72,71,801.00	TK. 76,45,939.00
Income from Internet banking	Tk. 4,28,040.00	Tk. 3,96,875.00

(VII) DIGIBANKING MOBILE APPS

SBL DigiBanking is latest product of ADC Department. With this SBL DigiBanking App, customer can do banking at anytime from anywhere in the globe. By DigiBanking, our customer can perform fund transfer to any SBL account, other bank account, pay credit card bill, WASA bill, MFS transfer and can perform mobile recharge. Apart from this, anyone can identify the contact details of our branch, locate any branch, ATM, agent locations etc.

Digibanking Stats	2023	2024	2025
Total No. of Customers	18,782	34,457	49,912
No. of Transactions	2,75,718	4,41,435	6,99,139
Amount of Transactions	TK. 397,00,15,123.00	TK.709,07,89,289.89	TK.11,622,806,222.5
Income from Service Charge	TK. 19,27,400.00	TK. 23,97,737.19	TK. 5,255,266.32

(VIII) NPSB IBFT TRANSACTION:

IBFT (Interbank Fund Transfer) is an electronic service that allows users to instantly transfer money from their bank account to an account in a different bank. It enables secure, real-time, or near-real-time transactions via internet banking, mobile apps, and bank accounts. Similarly, customers of other participating banks can instantly funds transfer to SBPLC accounts through the NPSB IBFT network.

Particulars	2025
No. of Transactions	53,822
Amount of Transactions	TK. 2,648,370,040.33
Income from IBFT	TK. 1,44,750.60

(IX) AGENT BANKING

We are providing Agent banking services through our 11 outlets for the underserved & unbanked population in different remote locations. We have around 15,000 customers and total deposit amounting around 26.5 crore. Some good amount of utility bills are collected and remittance are disbursed through agent outlets.

(X) CALL CENTER

Recently we have established our 24/7 call center for better customer service for our customers. Customers can activate or block his card, enquire about his account or banking, place any banking requirement or submit a dispute or complain etc. anytime outside banking hour and from anywhere.

CONCLUSION

Now a days banks are investing in technology based services that is in Alternative Delivery Channels. Teenagers and young people (our future clients) prefer using digital services rather than branch banking. In the modern age of digitalization we need to cope with the trend. We also need to highlight our Alternative Delivery Channels and we are working on it.

GENERAL SERVICES DIVISION (GSD)

INTRODUCTION

General Services Division (GSD) is one of the vital divisions of Standard Islami Bank PLC. The responsibility of this Division is to ensure smooth banking operations through minimizing cost and maximizing services. After all, GSD is entrusted with the responsibility of providing continuous and seamless logistic support services to the Bank and ensuring high quality routine maintenance in all aspect to all the branches, ATM Booths and divisions of Head Office by introducing an effective procurement and delivery system.

ROLE OF GSD

1. Formulating different policies and guidelines related to GSD.
2. Procuring all kind of machineries, equipment, supplies and materials for the bank as per requirement following the procurement policy.
3. Planning for all types of interiors, exteriors and renovation works in a cost effective way keeping the branding in mind.
4. On-boarding outsourced service-providers & making contracts following the procurement policy.
5. Keeping the bank workable 24/7 through proper servicing and maintenance of machineries, equipment and building management.
6. Providing security to the assets of the bank through security management department.
7. Keeping the supply chain active for urgent supplies, security, printing and office stationeries.
8. Maintaining and providing transportation service.

GSD is comprised of five departments/Sections as follows:

1. Procurement Department.
2. Property Management/Estate Department.
3. General Services and Maintenance Department.
4. Security Management Department.
5. Transport Management Section.

ACTIVITIES OF GSD IN 2025

In order to reduce overall operational cost of the Bank, major achievements accomplished by GSD in the year 2025 are appended below:

1. **Cost Reduction Initiatives:** GSD had taken an all-out efforts to reduce the overhead cost of the bank through different measures. Some of those as under:
    a. **Negotiation with suppliers:** GSD has negotiated with different suppliers vigorously during each and every purchase throughout the year 2025 to reduce the cost.
    b. **Negotiation with Service Providers:** GSD has negotiated with different service providers during renewal of contracts in 2025 and able to keep the rates and conditions unchanged.
    c. **Negotiation with Landlords:** GSD has negotiated with the landlords during the renewal of the agreements to renew without enhancement of rent or keep the enhancement nominal. Mentionable that we have executed renewal agreements with the landlords of 22 branches in 2025. These are: 1) Gulshan, 2) Jubilee Road, 3) Panthapath, 4) Gulshan-1, 5) CEPZ, 6) Bahaddarhat, 7) Faridpur, 8) New Eskaton, 9) Sonargaon Janapath, 10) Sunamgonj, 11) Alamdanga, 12) Banti Bazar, 13) Kawran Bazar, 14) Kholamora, 15) Sheikh Mujib Road, 16) Principal, 17) Dhanmondi, 18) Takerhat Bazar, 19) Bhairab SME/Krishi, 20) Patherhat, 21) Panchlaish and 22) Kumira.
2. **Contribution in business growth:**
    a. **By Shifting Branch:** A well thoughtful plan has been applied to increase business by shifting branches to better location. In 2025, Bishwanath SME/Krishi, Chashara, Mohakhali and Rajshahi Branches are shifted.
    b. **By Renewing Rental Agreements:** Where the achievements are within the desired level, GSD has renewed the rental agreements of those branches to keep the business momentum.
3. **Major Purchases:** Receiving the requisition from the user end, GSD has surveyed the market, selected the eligible/enlisted vendors, negotiated through purchase committee and purchased following machineries and equipment for the bank following the approval of the Management and the honorable Board of Directors:
    a. **Generators:** GSD has purchased 04 units of 10 KVA Petrol Generator @Tk.3,36,000/- for 1) Shafipur, 2) Karnaphuli, 3) North Brook Hall Road, and 4) Basurhat Branch.
    b. **Air-conditioners:** GSD has purchased 46 units of Air-conditioners amounting total Tk.47.77 Lac for 25 Branches and Head Office.
    c. **IT equipment:** 10 units Online UPS, 01 unit NAS, 01 unit Vulnerability Assessment and Penetration Testing (VAPT), 30 units Switch and 15 units Router for IT Division and 20,000 units PIN Mailer for ADC Department, HO.
    d. **Renovation:** 04 branches, i.e. 1) Bishwanath SME/Krishi, 2) Chashara, 3) Mohakhali, and 4) Rajshahi are renovated in 2025.
    e. **Note Counting Machine:** Purchased 15 units of Note Counting Machines for 15 branches.
    f. **Wall Calendar, Desk Calendar & Dairy:** Purchased 60,000 pcs of Wall Calendar, 10,000 pcs Desk calendar and 5,000 pcs Dairy for the year 2026 for Head Office and Branches.
    g. **Guns & Ammunition:** Purchased 03 units Tomahawk Guns with (10X3)=30 cartridges for 02 branches i.e. 1) Khan Jahan Ali, and 2) Ashkona in 2025.
4. **Construction of Corporate Head Office Building Located at Gulshan:** The construction work of Corporate Head Office Building of Standard Islami Bank PLC. is in full swing under direct supervision by the management of the bank. A project implementation team from Bank is working on site being assisted by assigned Consultants. Currently numbers of contractors are working simultaneously in the Project. However, most of the contractors of the project have completed major portion of their works, excepting the interior contractor. Civil works have been almost done. Installation of HVAC system is 70%, work of Façade system is 95%, Fire safety works 50%, work of sub-station is 70%, and installation works of lift is 65% completed. Currently interior work is in progress in co-ordination with other works of the project.
5. **Team Work:** We have taken fruitful initiatives to keep the bank workable 24/7 through proper maintenance and servicing of all sorts of machineries & equipment, building management and continuous supervision and monitoring of Cleanliness and overall Security of Head Office, Branches and ATM Booths by working in groups and with the spirit of team work.
6. **Contribution in CSR:** GSD has purchased 500 pieces Blanket at the cost of Tk.1,22,500/- only in the year 2025 and handed over to TMSS through our Bogura Branch for distribution among the poor community of North Bengal.
7. **Conclusion:** GSD believe only in excellence in assigned job and that is possible with the whole hearted co-operation of all the members of this organization. We intent to leave no stone unturned to provide the best support to all stakeholders of the Bank.

INVESTMENT ADMINISTRATION DIVISION

Investment Administration and Documentation in Banks

1. INTRODUCTION

Investment administration in banks refers to the systematic process of managing, monitoring, and controlling investment activities to ensure compliance with regulatory guidelines, internal policies, and risk management standards. Proper documentation is a critical component of this process, as it provides legal validity, transparency, and accountability in all investment transactions.

Investment documentation refers to the collection of legal, financial, and administrative documents that formalize and support an investment transaction. It ensures that investments are properly recorded, authorized, executed, and monitored in accordance with regulatory requirements and institutional policies. Effective administration and documentation ensure that these investments are secure, profitable, and compliant with central bank regulations (e.g., Bangladesh Bank guidelines).

2. OBJECTIVES OF INVESTMENT ADMINISTRATION

The main objectives of investment administration is to handle the investment with regulatory process with the following objectives;

1. Ensuring compliance with regulatory requirements.
2. Minimizing investment risk.
3. Maintaining proper records of investment transactions.
4. Safeguarding bank assets.
5. Ensuring timely income realization (interest/dividend).
6. Monitoring portfolio performance.

3. REGULATORY FRAMEWORK

Investment administration in Bangladesh is primarily governed by:

- Bank Company Act, 1991 (amended)
- Bangladesh Bank Prudential Regulations
- BRPD (Banking Regulation and Policy Department) Circulars
- Guidelines on Investment Risk Management (IRM)
- Guidelines on Internal Control & Compliance (ICC)
- Risk-Based Capital Adequacy (Basel III) Guidelines
- Investment Classification and Provisioning Guidelines

4. INVESTMENT ADMINISTRATION PROCESS

a. **Investment Proposal Evaluation (Pre approval):**
   - Assessment of investment type and risk profile.
   - Analysis of return, liquidity, and maturity.
   - Approval from competent authority (Board/ Investment Committee).

b. **Approval and Sanction**
   - Investment decision based on risk-return analysis.
   - Compliance with investment policy and exposure limits.

c. **Execution of Investment documentation**
   - Documentation formalities to be completed as per sanction and guideline of controlling authority.
   - All to be preserved in safe custody as per norms of the bank.

d. **Record Keeping and Monitoring**
   - Recording investment details in the investment register/system.
   - Monitoring maturity dates, Profit payments, and market value.
   - Ensuring compliance with statutory liquidity ratio (SLR) requirements.

e. **Review and Reporting**
   - Periodic portfolio review.
   - Reporting to management and regulatory authorities.
   - Mark-to-market valuation where applicable.

5. IMPORTANCE OF PROPER DOCUMENTATION

a. **Legal Protection**

Proper documentation provides legal evidence of ownership and terms of investment. In case of disputes, documents serve as enforceable proof in court.

b. **Regulatory Compliance**

Financial institutions must comply with central bank regulations, securities laws, and accounting standards. Documentation ensures adherence to these requirements.

c. **Risk Management**

Documentation helps identify and control financial, operational, and legal risks. Clear terms reduce ambiguity and prevent future conflicts.

d. **Transparency and Accountability**

Accurate documentation promotes transparency in decision-making and ensures accountability among management and staff.

e. **Audit and Inspection Support**

Internal and external auditors rely on documentation to verify transactions. Proper records facilitate smooth audits.

f. **Financial Reporting Accuracy**

Well-maintained documents ensure accurate recording in financial statements, which is essential for stakeholders and regulators.

g. **Operational Efficiency**

Standardized documentation improves processing time and reduces errors in investment transactions. Also;

1. Provides legal protection in disputes.
2. Ensures regulatory compliance.

3. Facilitates audit and inspection.
4. Reduces operational risk.
5. Enhances transparency and accountability.

We may assume that—

- Good Appraisal + Bad Documentation = Bad Assets.
- Bad Appraisal + Good Documentation = Bad Assets.
- Good Appraisal + Good Documentation = Good or Strong Assets.

6. CONCLUSION

Investment administration and documentations are essential components of banking operations. They ensure that investment activities are conducted prudently, legally, and profitably. Strong documentation practices, regular monitoring, and adherence to regulatory guidelines are safeguard for the bank's investments and maintain financial stability.

INVESTMENT RISK MANAGEMENT (IRM)

1. INVESTMENT RISK MANAGEMENT DIVISION

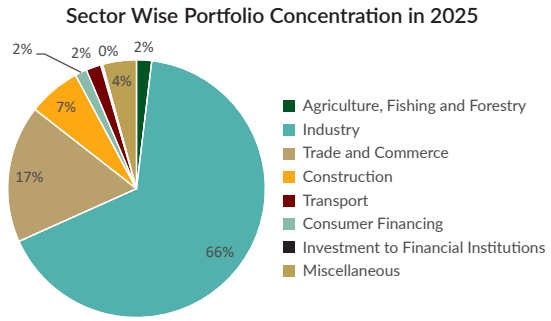
Investment Risk Management Division of SBPLC has been playing a very important role to protect the bank's assets through assessment and mitigation of investment risks ensuring compliance of regulatory requirement while supporting business growth. After mitigating different investment risks, investment proposals are placed before competent authority of the Bank for approval and finally formal sanctions are issued in favor of the Branch for execution of proper documentation before disbursement. The investment portfolio position of the Bank stands at the end of the year 2025 is described below.

1.1 Sector-Wise Investment Portfolio of the Bank as on 31.12.2025

(in BDT Crore)

SL No.	Name of Sector	Investment	Percentage (%)
1	Agriculture, Fishing and Forestry	390.00	1.90 %
2	Industry	13,595.21	66.39 %
3	Trade and Commerce	3,532.77	17.25 %
4	Construction	1,354.86	6.62 %
5	Transport	301.70	1.47 %
6	Consumer Financing	381.96	1.87 %
7	Investment to Financial Institutions	54.21	0.26 %
8	Miscellaneous	866.94	4.23 %
	Total	**20,477.65**	**100.00 %**

SBPLC Sector-Wise Investment Portfolio as on 31.12.2025 in Pie Chart:

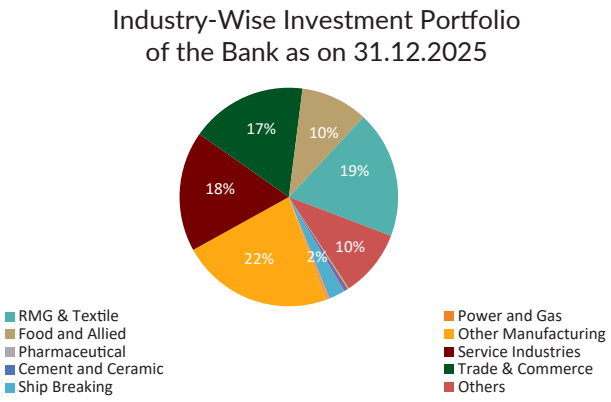


1.2 Industry-Wise Investment Portfolio of the Bank as on 31.12.2025

(in BDT Crore)

SL No.	Sector	Investment	Percentage (%)
1	RMG & Textile	3,857.07	18.84%
2	Food and Allied	2,042.89	9.98%
3	Pharmaceutical	35.05	0.17%
4	Cement and Ceramic	123.96	0.61%
5	Ship Breaking	494.26	2.41%
6	Power and Gas	125.95	0.62%
7	Other Manufacturing	4,586.69	22.40%
8	Service Indurties	3,644.00	17.80%
9	Trade & Commerce	3,532.77	17.25%
10	Others	2,035.01	9.94%
11	TOTAL	20,477.65	100.00%

SBPLC Industry--Wise Investment Portfolio as on 31.12.2025 in Pie Chart:

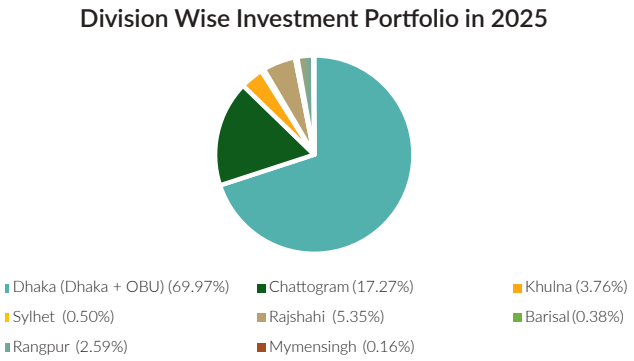


1.3 Geographical distribution of investment portfolio of the Bank as on 31.12.2025

Division-Wise (in BDT Crore)

SL No.	Name of Division	Investment (in BDT Crore)	Percentage (%)
1	Dhaka (Dhaka + OBU)	14,328.98	69.97%
2	Chattogram	3,537.28	17.27%
3	Khulna	769.62	3.76%
4	Sylhet	102.86	0.50%
5	Rajshahi	1,096.08	5.35%
6	Barisal	78.80	0.38%
7	Rangpur	530.63	2.59%
8	Mymensingh	33.40	0.16%
	TOTAL	**20,477.65**	**100.00%**

SBPLC Division-Wise investment portfolio as on 31.12.2025 in Pie Chart:

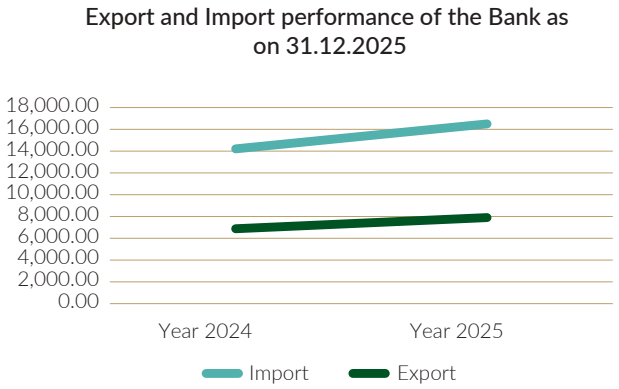


1.4 Export and Import performance of the Bank as on 31.12.2025

(In BDT Crore)

Particulars	Year 2024	Year 2025	Growth %
Import	14,247.34	16,547.00	16.14%
Export	6,894.93	7,909.93	14.72%

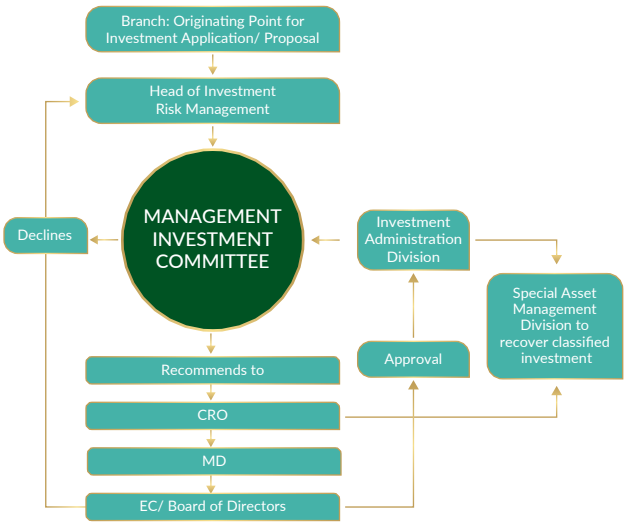
SBPLC Division-Wise investment portfolio as on 31.12.2025 in Pie Chart



2. INVESTMENT APPROVAL PROCESS

Being a 3rd generation private commercial bank, Standard Islami Bank PLC. deals with diversified investment portfolio across the country with diversified products under its policies & guidelines complying regulatory requirements. Certainly, the Board of Directors of the Bank is the supreme approval authority of any investment amount. However, the BOD has conferred delegation of its business power/authority in different extents to the Executive Committee (EC) of the Board of Directors of the Bank and different tiers of Management of the Bank for smooth operations of businesses.

Investment Management Process



3. INVESTMENT RISKS MITIGATION:

One of the most significant challenging areas of banking businesses is investment risk management (IRM). Standard Islami Bank PLC. has a vigilant concentration on mitigation of investment risks. The Investment Risk Management Division (IRMD) has been performing the following major activities to ensure mitigation of investment risks:

a. **Establishing Risk Management Environment:** Through proper and effective functioning of Management Investment Committee (MIC) of the bank, the Bank has established a sound risk management environment. All potential investment proposals are channeled through the committee. In 2025, a total of 54 nos. of MIC meeting took place where submitted investment proposals were precisely discussed, reviewed, reorganized and finally recommended with required revisions or declined. The committee recommended total 1317 nos. of investment proposals valuing Tk 32,883.61 Crore covering both funded & non-funded limits over the year. The committee declined & deferred total 42 nos. investment proposals valuing of Tk 2273 Crore during the year. The team of IRMD actively works in identification of investment risks based on expertise and experiences under the purview of Board's approved policies, guidelines and risk appetite statement and regulatory guidelines.

b. Establishing Compliance Culture: IRMD of the Bank has been persistently trying to enable best practices at all strata of investment from initiation to disbursement & timely adjustment through concerned stakeholders i.e. customers, branches, branch officials, Head Office Divisions & Departments and concerned officials.

c. **Operating under a Sound Investment Granting Process:** The IRMD defines investment requirements through assessing manufacturing capacity, credit worthiness, business transactions, collateral securities, Bangladesh Bank CIB reports, Internal Investment Risk Rating (IIRR), group liability, business performances, financial statements, External Credit Assessment Institution (ECAI) Rating, investment based money laundering issues etc. and evaluate whether the customers are under sound and well-defined investment-granting criteria. All investments are considered on an arm's length basis. In particular, investment already allowed to any sister/allied concerns or related companies and individuals is also analyzed with particular care.

d. **Maintaining an Appropriate Investment Administration:** Reviewing, measuring, observing and monitoring processes by IRMD are also in place. IRMD officials will keep control on existing investment customers of the Bank through the mentioned tasks to keep asset quality at standard level.

e. **Adequate controls:** To ensure adequate controls over investment risks, it is required to report the exceptions to policies, procedures and limits to the appropriate level of management timely.

f. **Ensuring compliance:** To ensure compliance, IRMD has satisfactorily complied with the Bangladesh Bank's audit findings, observations and related guidelines in 2025.

With strict determination of the SBPLC management, it is believed that there would be no exception to compliance with the policies, guidelines, rules and regulations of internal and external authorities in the days to come. Furthermore, IRMD will proactively act to uphold the position of the Bank with excellent services protecting the interest of the Bank, its customers and ensure sustainable return to SBPLC's sponsors & shareholders.

AGRICULTURE & RURAL INVESTMENT:

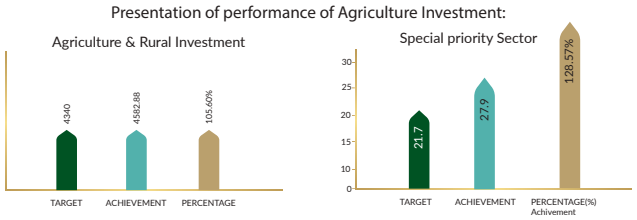
DRIVING RURAL DEVELOPMENT AND IMPROVING LIVING STANDARDS.

In Bangladesh, the agriculture sector is the main economic driving force. Agriculture holds immense importance in Bangladesh, serving as the backbone of the economy by providing substantial employment, ensuring food security for the majority of the population and contributing significantly to the nation's GDP, despite facing challenges like natural disasters and limited arable land. In alignment with the broader goals of the development agenda of the government of Bangladesh, the Bangladesh Bank (BB) formulates. **"The Agricultural and Rural Credit Policy and Program".** This initiatives is designed to ensure the smooth, timely and hassle free flow of funds into agricultural and rural economies, thereby directly benefiting the grass roots level farmers. To face the challenges of global needs and ensure food and nutrition security, Standard Islami Bank PLC. has taken many steps to make easy access of the marginal farmers in main stream lending system. The main sector of agriculture are as follows-

Performance at a glance against the agriculture & rural investment target set by Bangladesh Bank for the FY: July'2024-June'2025:

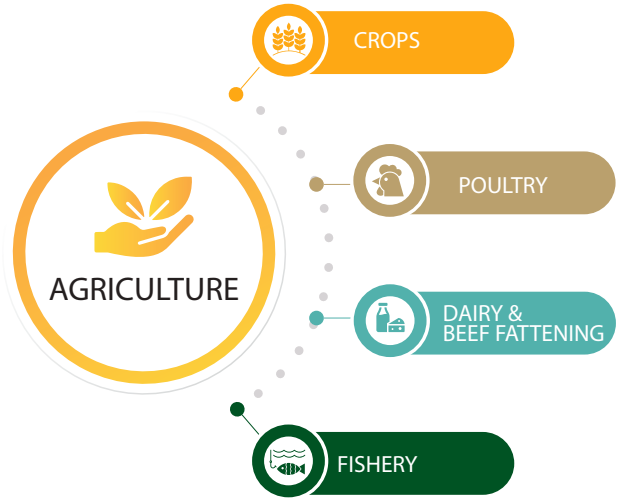
[Fig. in million]

Sl.	Particulars	Target & Achievement		Percentage (%) of Achievement
		Target	Achievement	
01.	Agriculture & Rural Investment	Tk.4340.00	Tk.4582.88	105.60%
02.	Special Priority Sector	Tk.21.70	Tk.27.90	128.57%



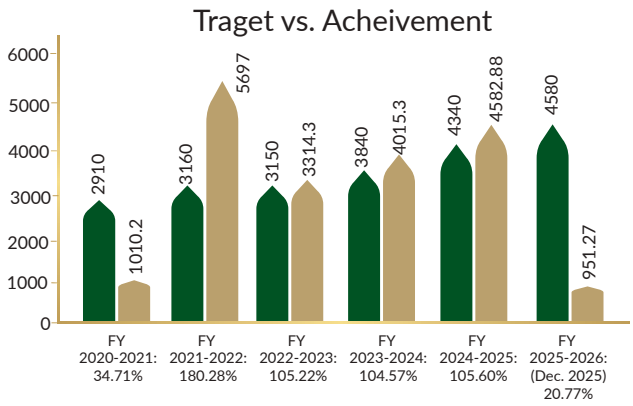
PRODUCTS UNDER AGRICULTURE & RURAL INVESTMENT ARE AS FOLLOWS:

Crops cultivation.	Beef Fattening farming.
Fish Farming.	Tools of Irrigation & Agriculture Equipment.
Poultry Farming.	Special Priority Sector: Oil seeds, pulse, spices & maize.
Dairy Farming.	Production of seed, Crops storage & Marketing.
Vegetable & Fruit cultivation.	Poverty Alleviation & Income generating activities.
Other sectors has mentioned in the Agriculture & Rural Credit Policy & Program published by Bangladesh Bank.	



FIVE YEARS HIGHLIGHTS: TARGET VS . ACHIEVEMENT

[Fig. in million]

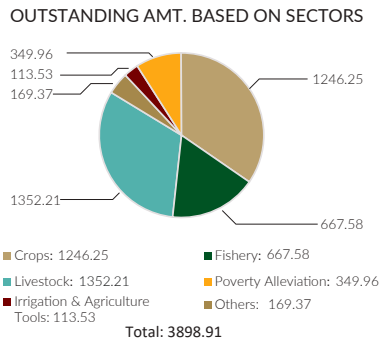


Note: Less achievement in the FY: 2020-2021 due to pandemic situation of COVID-19.

IMPORTANCE OF AGRICULTURE AND RURAL INVESTMENT IS BANK:

- The Honorable Board of Directors and the Management of Standard Islami Bank PLC. has been showing notable eagerness in any issue related to Agriculture and Rural Investment to ensure agricultural productivity.
- Standard Islami Bank PLC. has dedicated team under Agriculture & Rural Investment in Head Office level to ensure best service for agriculture financing.
- The bank has emphasized to disburse Agriculture & Rural Investment through own network instead of MFI/NGOs Linkage to ensure fund for the marginal farmer in lower rate of profit.
- Almost every fiscal year Standard Islami Bank PLC. has been achieving the target fixed-up by Bangladesh Bank.

OUTSTANDING POSITION OF AGRICULTURE INVESTMENT AS ON 31.12.2025:



MFIs/NGOs LINKAGE:

Following the independence of Bangladesh, numerous Micro Finance Institutions (MFIs)/Non-Government Organization (NGO) developed to actively participate in the nation's reconstruction through various social initiatives. The role of NGOs in the rural development of Bangladesh is undeniably beautiful and impactful. These organizations have emerged as beacons of hope, and working tirelessly to uplift & transform the lives of rural communities across the nation. The NGOs plays a significant role in association with Banks for the alleviation of poverty in rural areas of Bangladesh. Standard Islami Bank PLC. has financed a substantial amount to some renowned Microfinance Institutions (MFIs) under NGO linkage investment program to reach the clients in remote territory due to the limited area coverage of Branch network. Standard Islami Bank PLC. has business relationship with 13 nos. of MFIs among the top 20th MFIs in Bangladesh. The major focused area of NGOs in the society of Bangladesh are as follows-

Focused area of NGOs



INITIATIVES FOR THE YEAR 2025-2026:

- Marketing & publicity for financing under agriculture investment to be increased by hanging banner, poster in Branch's vicinity in easily visible site and attractive eye catching brochures/leaflets to be developed to draw the attention of the customers.
- Dependency on MFI/NGO linkage financing to be reduced gradually as per direction of Management & the Honorable Board of Directors of the Bank.
- Follow up & monitoring to be increased for timely recovery of Agriculture investment.
- Establish specialized teams at branches with expertise in agricultural investment.
- Branch Outreach: Deployment of extra workforce to reach remote farming communities.

RETAIL INVESTMENT

POWERING PROSPERITY THROUGH DEEPENING ENGAGEMENT

DISCIPLEND GROWTH THROUGH STRENGTHENING CLIENT PARTNERSHIP

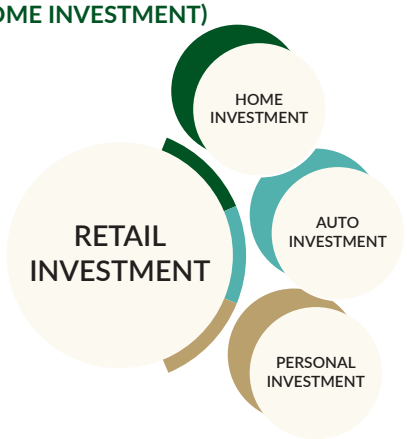
Building upon the solid foundation established in previous years, the 2025 fiscal year marked a significant step forward in our retail investment journey. Our commitment to providing Shari'ah-compliant, ethical, and transparent financial solutions remains the cornerstone of our operations, enabling us to empower individuals and families across Bangladesh to achieve their cherished life goals.

Our focus has evolved beyond simply acquiring new customers to nurturing long-term, multi-faceted relationships with them. This customer-centric approach has reinforced our vision to be a provider of well-structured Islamic consumer financing bank. This performance is a direct outcome of our disciplined client selection criteria, robust risk management frameworks, and the unwavering commitment of our branch network and head office teams to uphold the highest standards of Islamic banking.

MODES OF RETAIL INVESTMENT: SOLUTIONS FOR DIFFERENT STAGES OF LIFE

Standard Islami Bank PLC. continues to offer a comprehensive range of Shari'ah-compliant retail financing solutions, designed to cater to the distinct financial aspirations of our customers. Each product is structured ensuring a partnership-based approach that is fair, transparent, and free from interest (Riba). We are not just financiers; we are partners in our customers' journeys toward homeownership, mobility, and personal fulfillment.

FOUNDATIONS OF SECURITY AND FAMILY WELL-BEING (HPSM HOME INVESTMENT)



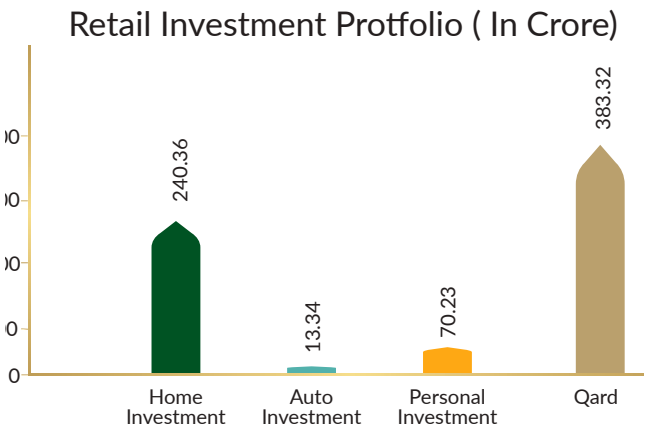
Our Home Investment portfolio remained a key driver of growth. We enhanced our offerings to make the dream of homeownership more accessible than ever. By providing competitive rental rates, we have helped numerous families lay the foundation for their future. Our focus on this segment has contributed to the socio-economic fabric of the communities we serve.

MOBILITY FOR MODERN LIFESTYLES (HPSM AUTO INVESTMENT)

In today's fast-paced world, reliable personal mobility is no longer a luxury but a necessity. Our HPSM Auto Investment product, based on the Shari'ah principle, provides a seamless and ethical pathway to vehicle ownership. In 2025, we witnessed professionals and businessmen seeking convenient and Shari'ah-compliant financing options. We practice streamlined application and approval process for auto investment, reducing turnaround time for eligible customers, thereby setting a new Standard for convenience and efficiency.

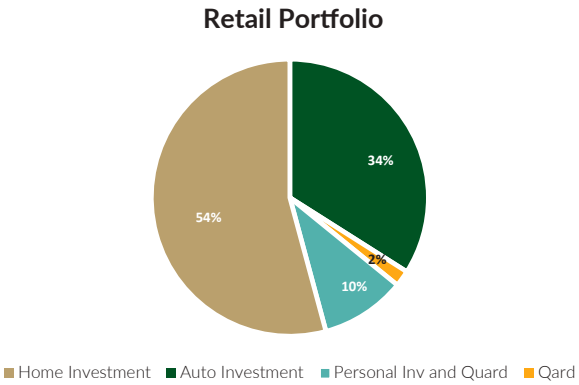
FULFILLING ASPIRATIONS WITH RESPONSIBILITY (HPSM PERSONAL INVESTMENT)

Our HPSM CIS Personal investment product is designed to provide for immediate, genuine needs, enabling individuals to finance their personal purposes. In line with our commitment to responsible financing, we maintain a strict and detailed client selection process, focusing on individuals, including government employee, teachers, medical professionals, private service holders and people with reputable source of income. Investment product is seen not as a debt, but as a trusted financial tool that empowers our customers to navigate life's important milestones.



PORTFOLIO OF RETAIL INVESTMENT

As on 31 December 2025, Total Retail investment portfolio is 707.25 crore. It comprises of Home investment 240.36 crore, Auto Investment 13.34 crore, Personal Investment of 70.23 crore and Qard facilities 383.32 crore. To grow our retail investment portfolio, we will maximize cross sell opportunities within our existing customer base and leveraging customer referrals to reach out to more customers. This will drive rapid growth while maintaining service excellence. Looking forward our strategy is to strengthen our presence in the home and auto finance segments. We will achieve this by diversifying our product offerings, utilizing technology to simplify processes and building stronger relationships through personal service



COMMITMENT TO SUSTAINABLE GROWTH AND EXCELLENCE

As we look ahead, Standard Islami Bank PLC. aims to prosper greatly in the landscape of Islamic retail investment in Bangladesh. Our performance reaffirms the strength of our strategy and the dedication of our team. We will continue to embrace innovation to enhance customer experience, deepen our relationships through personalized service, and expand our market presence while unwaveringly upholding the highest principles of Shari'ah. We are confident that by staying true to our core values of trust, integrity, and mutual growth, we will continue to deliver sustainable value to our stakeholders and set new benchmarks for excellence in Shari'ah-compliant consumer financing.

CMSME INVESTMENT

CMSME IN BANGLADESH: EMPOWERING ENTREPRENEURSHIP, STRENGTHENING NATIONAL PROSPERITY

Cottage, Micro, Small and Medium Enterprises (CMSME) remain the backbone of economic transformation in Bangladesh. The sector contributes significantly in employment generation, inclusive industrialization, grassroots entrepreneurship, and poverty reduction. With increasing urbanization, digitalization, and supply-chain expansion, CMSMEs are no longer peripheral economic actors — they are central drivers of sustainable growth.

Recognizing this, the Government of Bangladesh and the central bank, Bangladesh Bank, continue to prioritize CMSME development through policy incentives, refinance facilities, and financial inclusion programs.

CMSME DEVELOPMENT: ROLE OF STANDARD ISLAMI BANK PLC

Since its inception, Standard Islami Bank PLC. has treated CMSME financing not merely as a regulatory obligation, but as a strategic growth pillar. The Bank's nationwide branch network enables it to support entrepreneurs across both urban and semi-urban regions, contributing to balance regional economic development.

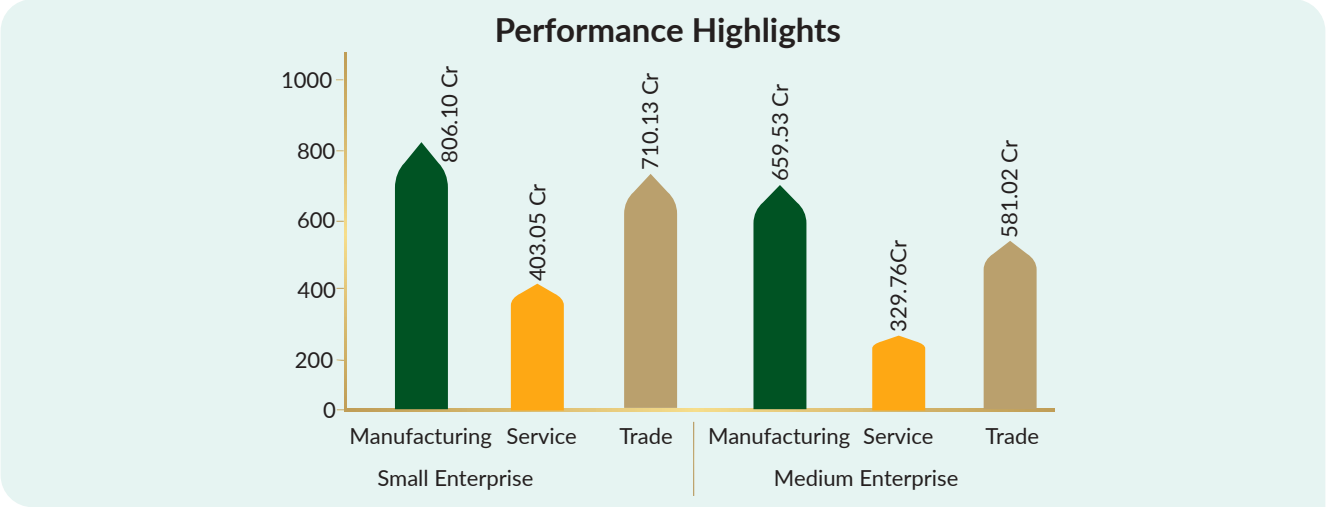


The SME IRM Division plays critical role by ensuring:

- Quality assessment and prudent risk management of CMSME investments
- Portfolio diversification to reduce sectorial concentration risk
- Compliance with regulatory guidelines and sustainable financing practices
- Timely credit decisions to support business continuity of clients

Through disciplined underwriting and close monitoring, the bank continues to maintain a balanced CMSME portfolio aligned with both growth and asset-quality objectives.

PERFORMANCE HIGHLIGHTS



The performance reflects a balanced approach pursuing growth while maintaining prudent risk.

- CMSME Portfolio Size as on 31.12.2025: Tk.3489.58 Crore which is more than 17% of the Bank's Total Investment Exposure
- Continued expansion of all segment of CMSMEs with a focus on productive sectors
- Active participation in refinance and guarantee schemes supported by Bangladesh Bank
- Strengthened monitoring and early-warning systems to safeguard asset quality
- Enhanced coordination between Branches and Head Office to expedite CMSME processing

KEY CHALLENGES IN CMSME FINANCING

Despite strong prospects, CMSME financing in Bangladesh continues to face structural constraints:

- Informal financial records and weak documentation culture among small entrepreneurs
- Volatility in input costs and supply chains affecting repayment capacity
- Limited collateral coverage in micro and small segments
- Rising cost of funds and pressure on lending spreads
- Need for stronger financial literacy among first-generation entrepreneurs

These realities require banks to adopt smarter risk models rather than simply tightening credit access.

STRATEGIC PLAN AND WAY FORWARD

To strengthen CMSME financing while safeguarding portfolio quality, the Division will focus on:

1. **Portfolio Expansion:** The bank is committed for expanding CMSME investments up to 30% of the Bank's total portfolio by 2030 with a strategic focus on productive and sustainable growth.
2. **Products & Policy:** Introducing need-based CMSME diversified products and periodically reviewing

investment policies to align with regulatory guidance evolving, market dynamics, and sector-specific risks.

3. **Process Automation & Digital File Management:** Gradually integrating automation in investment file processing, documentation tracking, and monitoring systems to reduce turnaround time, improve accuracy, and enhance transparency.
4. **Strengthening Branch Synergy & Capability Development:** Enhancing collaboration with branches alongside continuous training of branch and investment officials to improve pipeline quality, appraisal capability, sector understanding, processing efficiency, and proactive monitoring.
5. **Leveraging Refinance/Pre-Finance, and Inclusion Programs:** Expanding use of Central Bank and development partner refinance/guarantee schemes to reduce risk exposure, improve pricing competitiveness, and enhance financing access for priority segments including women entrepreneurs, micro industries, and emerging service-sector CMSME.
6. **Strengthening Sharia'h Compliance Framework:** Ensuring all CMSME investment structures, documentation, and monitoring mechanisms remain fully aligned with Shari'ah principles through closer coordination with the Shari'ah Supervisory Committee.
7. **Conclusion:** CMSMEs are catalysts of national prosperity. By combining disciplined risk management with responsible financing, Standard Islami Bank PLC. remains committed to supporting CMSMEs, entrepreneurial ecosystem and ensuring sustainable portfolio growth for the Bank.

FINANCIAL LITERACY WING

Financial Literacy means having basic knowledge and understanding about money management such as savings, budgeting, borrowing, investing and using banking services properly. It helps people make informed and responsible financial decisions in their daily lives. In Bangladesh, Financial literacy is very important for increasing financial inclusion and ensuring that people can safely use formal banking and digital financial services. It helps individuals especially women, youth, rural people and small entrepreneurs to manage their income wisely, avoid over-indebtedness and improve their economic condition. Under the guidance of Bangladesh Bank, banks and financial institutions are implementing various financial literacy programs across the country. These include awareness programs, school banking activities, workshop and community outreach initiatives. Our Bank is committed to promoting financial literacy as part of its responsibility towards sustainable development.

Bangladesh Bank issued a directive on financial literacy guidelines for banks and financial institutions (FIs) to help build a financially literate society in line with the **Sustainable Development Goals (SDGs).** According to **BB, FID Circular No.01, dated March 27, 2022,** all banks and financial institutions were instructed to establish a **Financial Literacy Wing (FLW)** in their respective head offices. The management of the bank has formed the Financial Literacy Wing (FLW) and instructed them to comply **relevant instructions, guidelines and circulars issued by Bangladesh Bank from time to time.** Standard Islami Bank is fully committed to promoting financial literacy as per Bangladesh Bank's guidelines. The bank has already taken several initiatives including celebrating Financial Literacy Day since the piloting year 2023, conducting financial literacy programs at divisional & district levels and running awareness campaigns through the Bank's website and social media platforms. Dedicated notice boards on financial literacy have also been established in almost all branches. Financial Literacy contents and related documents have been uploaded to the Bank's 'Financial Literacy' section on its website.

CELEBRATING FINANCIAL LITERACY DAY & WEEK 2025:

As per the Financial Literacy Guidelines of Bangladesh Bank and subsequent BB instruction Standard Islami Bank PLC. observed "Financial Literacy Day" on March 03, 2025 through online initiatives due to holly Ramadan. The Bank conducted awareness campaigns on women entrepreneurship , financial planning & consumer protection in its Official Facebook page and displayed a financial literacy day banner on its website to enhance public awareness. Standard Islami Bank PLC. Observed Financial Literacy Week from March 17, 2025 to March 23, 2025. Our Mymensing, Bogura and Dinajpur Branches arranged financial Literacy programs for young customers under the theme "Think before you follow, wise money Tomorrow," highlighting the importance of careful financial decisions and creating awareness about finfluencers, herd mentality, biased advice and peers or and social media pressure. The bank also supported the initiative through branch-level programs, campaign on its official Facebook page and displayed a dedicated banner for financial literacy week on its website.



CELEBRATION OF FINANCIAL LITERACY PROGRAM FOR YOUTH DURING CUSTOMER SERVICE FORTNIGHT:

Standard Islami Bank PLC. Organized Financial Literacy Programs for youth during the Customer Service Fortnight from September 01 to September 15, 2025 at 43(forty three) branches in the 43 districts. The sessions covered Financial Sector Services(banking products), digital financial services, personal finance management and planning, cyber security and counterfeit note recognition, investments and entrepreneurship development and sustainable development.

STANDARD ISLAMI BANK PLC. INITIATIVES

1. **Conducting Financial Literacy Programs:**

Standard Islami Bank PLC. Successfully conducted 64 (sixty four) financial literacy programs during the year 2025 at its branch premises in accordance with the Financial Literacy Guidelines. The participants actively took part in discussions on the theme of the year 2025 **'আর্থিক খাতে অংশগ্রহণ, নারীর অধিকার'**. A quiz competition on Financial Literacy was also arranged to encourage participant in the FL programs. A leaflets on the theme as well as financial literacy materials were distributed among the attendees during the program.

2. **Financial Literacy Notice Board:**

According to FLG, Standard Islami Bank PLC. promoted various financial literacy contents by installing an affordable, dedicated notice board at all agent banking outlets and bank's branches.

3. **Financial Literacy contents in the website:**

Financial Literacy contents and related documents have been uploaded to the Bank's 'Financial Literacy' section on its official website to ensure easy access for customers and general public.

4. **Financial Literacy Program in the year 2026:**

The bank has planned to conduct 16 (Sixteen) financial literacy programs in the year 2026 through its branches. The schedule of the FLPs has been duly approved by the management and circulated to all branches for implementation. The theme of the first half of the year 2026, 'আর্থিক সাক্ষরতায় সূচিত হোক নিরাপদ ক্যাশলেস লেনদেন' will be discussed in the FL programs.

The Management of Standard Islami Bank PLC. has been showing notable eagerness for any issue related to financial inclusion. The Bank remains fully committed to promoting financial literacy as per the Financial Literacy Guidelines.









LIABILITY MANAGEMENT DEPARTMENT

Liability Management is the process of managing company's assets and cash flow to reduce the risk of inability of paying liabilities on time or on demand. It's a strategic financial practice which helps a company's balance its books & ensure financial stability.

In financial institution like bank, Liability Management is a set of strategies and techniques that banks use to operate its activities by accepting deposits from the depositors and provide banking and other financial services to others. Deposit is a most important financial resource for commercial bank to meet the financial need of their customers. But present Economical condition of the country will be a great challenge to achieve financial goal where banks are facing optimum position of liquidity condition. Although, at first we are supposed to collect deposit from different sources and it is called the heart or blood of the bank. Liability Management Department provides a strategic approach to operate a bank's financial structure safely and mitigate risks of deposit cost in the banking sector as follows :

- **What is Liability Management :** The aim of Liability Management Department is find the optimum capital structure for Bank and determine the appropriate deposit mix like no cost, low cost and high cost deposit.
- **Managing liquidity :** Ensure adequate cash flow to meet-up fund operations.
- **Optimize Capital Structure:** Bank determine the right mix of liabilities such as deposits, short-term borrowings and long-term debt.
- **Monitoring & Managing Liquidity Risks:** Reduce expenses against profit on deposits by optimizing capital structures. To manage risk like profit rate risk, liquidity risk and operational risk is key responsibilities.
- **Marketing strategies:** It can through physically, direct mail, print media, video, website and social media. Now a day social media is a good platform to flourish & focus any news with cost-less.
- **Branch and digital delivery channels:** Delivery channels may be at branch level and digital banking both by making sure online portal is easy to use and makes alternate delivery Chanel is used potentiality for getting new account easily.
- **Pricing & Product Development:** Setting competitive profit rates on deposit products to attract new customers & retain existing ones.
- **Forecasting Cash flows:** Predicting future inflows & outflows of funds to anticipate potential liquidity requirements and make informed decisions about liability management strategies.
- **Brand building:** To building in customers trust, branding is most important.
- **Market Analysis:** Monitoring economic trends and market conditions to adjust liability strategies accordingly. Analyzing the financial marketing, it is important for deposit product which may be review time to time as well as offer progressive rates depending on the amount in an account and minimum charge for transfer of amount
- **Incentive schemes:** Frequently offer incentive schemes.
- **Relationship with clients:** We should try our level best to negotiate with our existing & new potential customers to associate with the platform of our Islami Banking umbrella.
- **Regulatory Compliance:** Ensure adherence to relevant banking regulations related to liability & capital adequacy.

The Head/Team member is/are responsible for overseeing and managing deposit operations within the bank. They are expected to provide strategic direction, ensure efficient and effective process and drive the growth of the deposit portfolio.

In this challenging year 2026 our vision may be, given more emphasize on retail business than corporate business and subsequently provide one stop service at branch level to our existing & new customers by inaugurating new platform through IT division under Islamic Banking umbrella for sustaining the profitable position of the bank.

SPECIAL ASSET MANAGEMENT DIVISION

NON-PERFORMING INVESTMENT, ITS CHALLENGES AND SOLUTIONS

The rise in classified investments in banking sector of the country is a growing concern, threatening the stability and sustainability of financial institutions. If not addressed urgently, the increasing volume of classified/stressed investments could severely damage investor's confidence and hamper economic growth. It is high time for banking industry including our Bank to take decisive action in managing distress investments for sustainable stability in the economy.

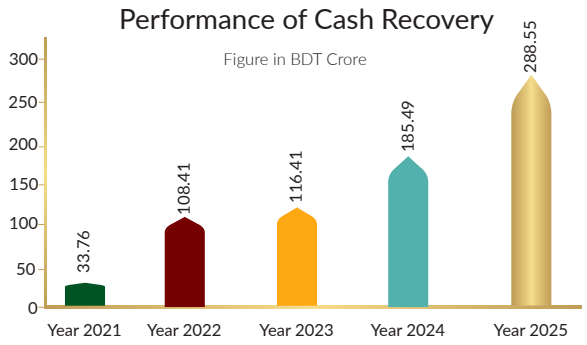
In this industry scenario, Standard Islami Bank PLC. has focused with top priority for minimization of non-performing investments. Distress Investment (classified, reschedule and restructured investments, special mentioned accounts, unclassified investments due to court writs, and written-off investments) portfolio of a bank negatively affect its financial stability by reducing profitability, increasing cost of funds, reducing new investment capacity, impairing capital adequacy, losing client confidence, impacting regulatory compliances as they often require higher provisions and higher capital charge. It also damages the bank's reputation, affecting investor confidence and limiting future growth opportunities.

Alhamdulillah, by our continuous efforts and cautious effective strategies has been taken by our Head Office and Branches enabled our Bank to achieve a significant growth in 2025 for cash recovery against Non-performing investment. In this regard, the Special Asset Management (SAM) Division of the Bank and Branch jointly has taken several initiatives including frequent visit to the customers, social pressures and legal measures to regularize/realize/reschedule/restructure the distress accounts by close monitoring and effective recovery strategies implementation.

Cash Recovary in last 05 years (2021-2025)

Figure in BDT Crore

Year	2021	2022	2023	2024	2025
From Classified Investment	30.73	75.21	110.97	172.17	276.44
From Written-off Investment	3.03	33.20	5.44	13.32	12.11
Total	**33.76**	**108.41**	**116.41**	**185.49**	**288.55**



From the above, it reveals that in 2025, Standard Islami Bank PLC. has performed better in cash recovery against distress investment compared with last couple of years. In 2026 we have taken a target which will set a significant milestone for recovery/regularization for the Bank.

CHALLENGES TO REDUCE THE DISTRESS INVESTMENTS:

Several global and local factors hinders in regularizing the stressed and classified investment portfolio of a bank. The Year 2025 was very sensitive and crucial when we have faced diverse types of obstacles and difficulties for different unexpected circumstances. We have to work in the year 2026 considering the said factors also-

- Increase of profit rate in investment accounts
- Need to comply the recent circular regarding Investment Classification and Provisioning
- Unfavorable impacts on domestic economy for the political unrest situation
- Financial ill-transaction of few Banks
- Limitations of logistic support and prolong legal process.

DISTRESS INVESTMENT PORTFOLIO MANAGEMENT:

The following strategies and culture we have adapted for involving all respective officials of branches and head office levels to reduce distress investment portfolio which will help us to achieve our target in 2026.

- **Enhanced Risk Assessment:** Implemented more robust investment evaluation processes can help us to identify high-risk investments early. Utilizing advanced data analysis and credit scoring models have improved decision-making.
- **Diversification of Investment Portfolio:** By diversifying investment offerings and not concentrating too heavily on high-risk sectors, we are reducing overall risk exposure.
- **Proactive Identification:** Identifying vulnerable customers early is crucial. The ideal scenario is to detect signs of financial distress before they default.
- **Financial Literacy Programs:** Educating customers about responsible investment taker, financial management, and investment repayment are reducing the likelihood of distress. We are promoting financial literacy.

- **Social Pressure and Community Engagement:** We have leveraged social dynamics by fostering community support for responsible client. Discussing with close relatives, family members and encouraging community leaders to advocate for financial responsibility that creating a cultural shift toward better repayment practices.
- **Proactive Investment Account Restructuring:** We are engaging customers in discussions about restructuring their investments before they become classified. Offering flexible repayment plans following BB circulars helping clients to manage their obligations more effectively.
- **Monitoring and Early Intervention:** We have established a system to monitor investment account performance regularly which are helping identify SMAs and classified accounts early, allowing for timely intervention. We are practicing this monitoring and early identify techniques on regular basis.
- **Support Services:** Offering additional services, such as financial counseling or access to resources for business improvement are assisting clients in managing their investments more effectively.
- **Legal Steps:** We are ensuring clear legal recourse to recover dues. This involves maintaining transparency in investment agreements and being prepared to take legal action when necessary. After taking legal action we have ensured proper follow-up till the end of the process by assigning dedicated officer.
- **Staff Training and Accountability:** Well-trained recovery officials are engaged to recover and impacted positively on stress portfolio, and establishing accountability for the officials of the Division for reducing the portfolio on a target basis.
- **Data Management and Handling:** In all circumstances, meticulous data management is of utmost importance in management of distress portfolio. We have managed accurate and up-to-date information pertaining to payments, collateral, real property records, contracts, contact details, and addresses. By focusing on proactive identification, swift response, and robust data management, Bank is effectively managing the portfolio, increasing the likelihood of successful recovery while safeguarding the financial well-being of the customers as well.

Ultimately, development of negotiation skills of respective investment recovery officer (RO) in line with existing banks policy and regulation is very important for the solutions of distress investment.

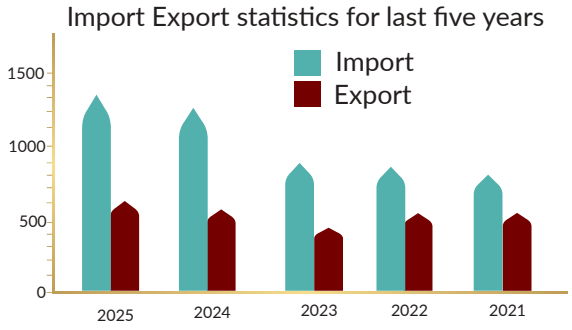
Distress investment is bearing significant challenges for our bank, affecting financial stability and the broader economy. By the implementation of proactive strategies and initiatives, we can reduce distress investment account exposure and support customers in overcoming financial difficulties. We believe we shall be able to keep the distress investment at minimum level in coming days and will achieve the recovery target set for the year 2026 and promoting sustainable growth of the Bank.

INTERNATIONAL TRADE:

The International Division of Standard Islami Bank PLC. has played a crucial role in ensuring smooth and efficient execution of the bank's international transactions while adhering to regulatory compliance in all aspects. Trade financing has remained a cornerstone of Standard Islami Bank's foreign exchange portfolio since the inception of the bank in 1999. The bank continues to play a pivotal role in the national economy by effectively managing foreign trade transactions, offering a comprehensive range of Trade Finance products through its 19 Authorized Dealer (AD) Branches and Offshore Banking Unit (OBU). Furthermore, the Central Trade Services Division, along with its CTG Hub, extends a wide array of foreign trade services to our 119 Non-AD branches.

Import Business: In 2025, the bank successfully facilitated import transactions amounting to USD 1,352.99 million, equivalent to BDT 165,469.95 million amid different challenges in our country. This reflects a notable growth of 9.79% compared to the previous year, where import business totaled USD 1,232.35 million, or BDT 142,473.47 million. Against the country's total import volume of USD 68.35 billion (Source: Bangladesh Bank), Standard Islami Bank PLC. secured a market share of approximately 1.98%, reflecting its solid position in Bangladesh's trade finance landscape.

Export Business: For the year 2025, Standard Islami Bank PLC. achieved an export volume of USD 651.31 million, equivalent to BDT 79,099.35 million. This represents an increase of 9.17% compared to the 2024 export volume of USD 596.60 million, or BDT 68,949.31 million. Against the national export earnings of USD 43.98 billion (Source: Bangladesh Bank), Standard Islami Bank handled USD 0.65 Billion, capturing 1.48% market share in 2025.



The continued growth in both the import and export sectors following five years emphasizes our unwavering commitment to facilitating international trade and strengthening our role in driving economic development.

FOREIGN CORRESPONDENTS

The scope of our foreign exchange business is significantly driven by the establishment of robust correspondent banking

relationships with reputed financial institutions globally, complemented by sufficient credit limits. Expanding our foreign exchange business remains a key objective and we are continuously enhancing our correspondent banking network to meet the growing demands of international trade.

Currently, we have established a strong global correspondent banking network, featuring 306 Relationship Management Applications (RMAs) with 179 renowned banks across 54 countries. Our commitment to excellence and our reputation have allowed us to secure a significant amount of credit lines from leading overseas banks. This credit support, combined with the facilities provided by our confirming banks, such as discounting services against our acceptance under the UPAS (Usance Payable at Sight) arrangement, plays a pivotal role in supporting our foreign trade business and fulfilling international payment obligations.

As we continue to strengthen our global presence, we are committed to fostering strategic banking relationships that facilitate the growth and expansion of our foreign exchange services, further positioning Standard Islami Bank PLC. as a reliable partner in international trade.

NOSTRO ACCOUNTS AND FOREIGN CURRENCY MANAGEMENT

At present, Standard Islami Bank PLC. maintains 21 nostro accounts in major international currencies, including US Dollar, Pound Sterling, Japanese Yen, Euro, Chinese RMB, and Dollar accounts under the Asian Clearing Union, with renowned international banks. These accounts play a crucial role in ensuring efficient foreign currency management and the timely settlement of our foreign currency obligations.

Our relationship with the regulatory body remains a cornerstone of our commitment to transparency, compliance and financial stability. As a leading institution in the industry, we recognize the crucial role that regulatory oversight plays in ensuring the resilience and integrity of the banking sector.

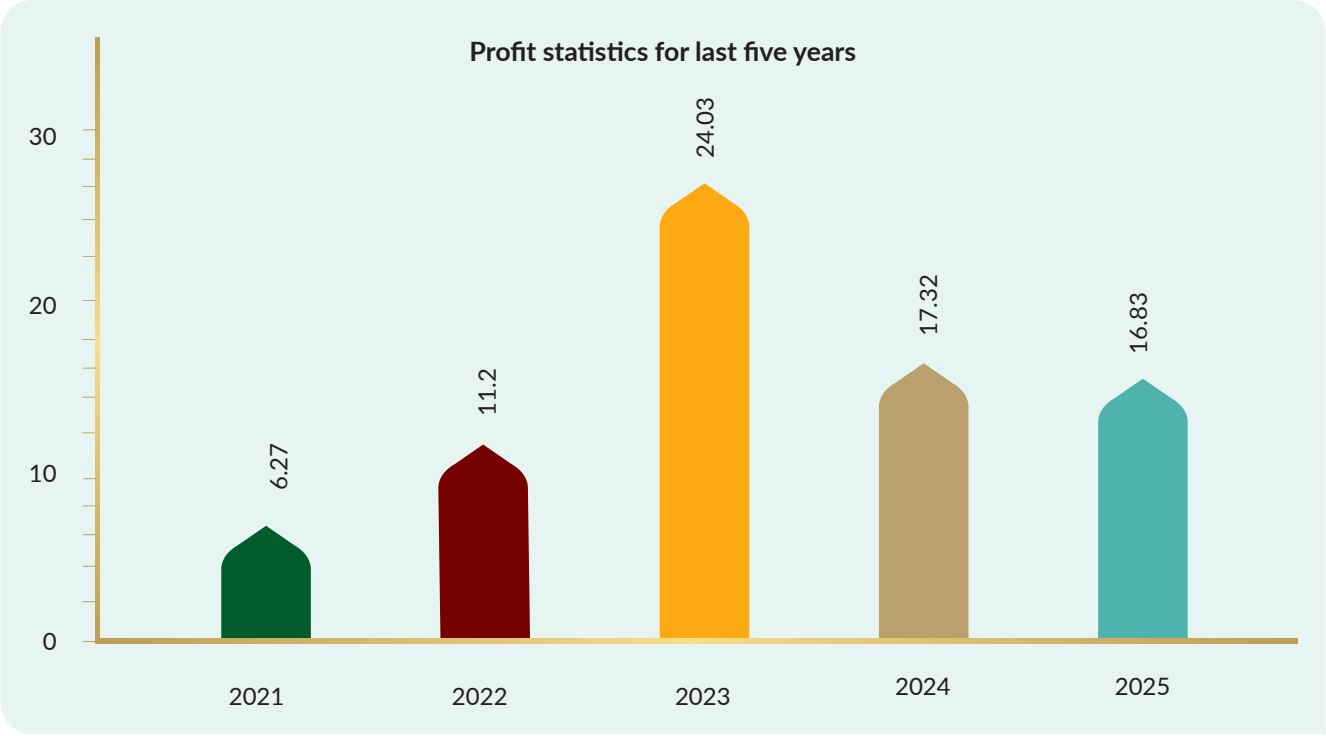
OFF-SHORE BANKING UNIT (OBU):

Offshore banking operations in Bangladesh Bank were first introduced in 1985 through an official circular. To broaden our trade finance services, we established our Offshore Banking Unit (OBU) in 2015. The OBU mainly conducts its activities by negotiating foreign bills under the Mudarabah UPAS arrangement, handling local bills under the Musharaka UPAS structure and extending term financing under the HPSM mode.

In 2025, the OBU purchased 749 bills with a total value of USD 77.42 million. By comparison, in 2024, it acquired 177 bills amounting to USD 38.28 million. The OBU's funding sources include SBPLC Head Office (HO), ID and several international banks such as Standard Chartered Bank, RAK Bank (UAE), ICICI Bank (India), United Bank Limited (UAE), Mashreq Bank PSC (UAE), and Bank Muscat (Oman), among others.

For 2025, the Offshore Banking Unit generated a total operating profit of USD 1.38 million, equivalent to BDT 16.83 crore.

The accompanying chart illustrates the OBU's profit performance over the past five years, reflecting steady and robust growth throughout the period.



REMITTANCE

INTRODUCTION:

Remittance plays a pivotal role in Bangladesh's economic development and remains one of the country's most important sources of foreign exchange earnings. It contributes significantly to economic growth, strengthens the balance of payments, enhances foreign exchange reserves, and supports national savings. For decades, wage earners' remittances have served as a vital source of external financing and capital accumulation for developing economies such as Bangladesh.

To maximize remittance inflows, transfers should be routed through formal channels, including authorized banks, exchange houses, and money transfer operators, while discouraging informal methods such as hundi and hawala. To encourage the use of formal channels, Bangladesh Bank introduced a remittance incentive scheme, which was later increased from 2% to 2.5% for beneficiaries.

Supported by these policy measures, remittance inflows have shown a strong upward trend, increasing from USD 21.28 billion in 2022 and USD 21.92 billion in 2023 to USD 28.89 billion in 2024. In 2025, Bangladesh received a record USD 32.81 billion in remittances, representing a 10.03% increase over the previous year. This growth reflects the continued contribution of expatriate Bangladeshis and the effectiveness of initiatives promoting formal remittance channels.

IMPORTANCE OF FOREIGN REMITTANCE IN BANGLADESH

Remittance is the second-highest source of foreign currency earnings for Bangladesh, second only to the ready-made garments industry. However, in terms of net earnings, remittance can be considered the highest, since a large portion of RMG earnings need to be spent on raw materials import.

IMPORT & EXPORT GAP:

USD in million

Items	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26*
Trade balance	-23778	-23778	-27384	-22432	**-20399**	-11554
Export f.o.b. (including EPZ)	36903	32071	43364	40807	43965	22124
Import f.o.b (including EPZ)	60681	54377	70748	63240	64364	33678

*Data from July 2025 – December 2025; Source: Bangladesh Bank

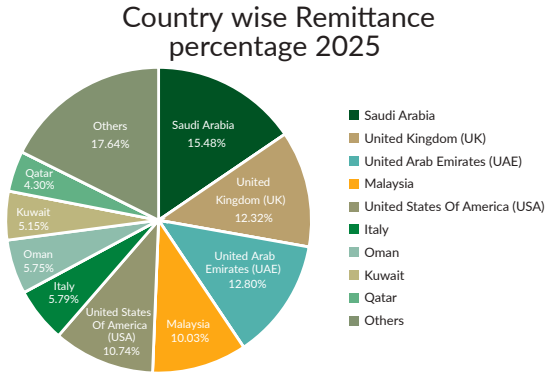
It is evident from the above chart that there is a big trade gap between import & export. As such, there is no way to underestimate the importance of remittance earnings in the growth of the Bangladesh economy to cover up the international trade gap.

HIGHLIGHTS OF REMITTANCE SECTOR IN RECENT YEARS:

- Government has increased cash incentive for foreign remittance receipts.
- Ease of documentation for availing cash incentives.
- Inclusion of mobile financial services for sending and receiving foreign remittance by expatriates.
- Automation of IT platform for payment of remittance by the Bank on real time basis. (NPSB)

COUNTRY-WISE REMITTANCE INFLOWS:

In 2025, Bangladesh received USD 5,081.38 million remittances from Saudi Arabia which was 15.48% of total remittances received at this period. The second and third highest remittance provider countries in this time period were UAE and UK with USD 4,199.28 million (12.80%) and USD 4,043.79 million (12.32%) respectively. Remittance inflows from Malaysia, USA, Italy, Oman, Kuwait, Qatar & other countries are 10.03%, 10.74%, 5.79%, 5.75%, 5.15%, 4.30% & 17.64% respectively in 2025.



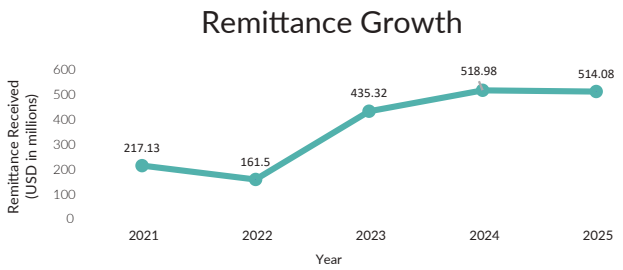
POSITION OF REMITTANCE INFLOW OF SBPLC:

Bank's Own Exchange Company:

SBPLC has the following two Money Transfer Companies in UK and USA, 100% owned subsidiary of Standard Islami Bank PLC.

1) Standard Exchange Co (UK) Ltd.: The Company started its operation at 101 Whitechapel Road, London E1 1DT, UK. in the month of August 2009.
2) Standard Co. (USA) Inc.: The Company started its operation on 1st March 2011 by opening its 1st branch (Main Branch) at 37-22 73rd Street – Suite # 2B, Jackson Heights, NY 11372, U.S.A. Now it has 7 branches in New York & California state.

In recent years, Standard Islami Bank PLC. has put an emphasis on increasing foreign remittance inflow which reflects on overall remittance growth over the years. The bar chart shows year by year growth of remittance inflow of SBPLC:



In 2025, Standard Islami Bank PLC. has received total foreign remittance of USD 514.08 million of which USD 121.85 million & USD 9.81 million came from it's subsidiaries – Standard Co. USA Inc. & Standard Exchange Co. UK Ltd. respectively, which are 23.7% and 1.91% of bank's total remittance inflow respectively.

TOP 5 BRANCHES IN TERMS OF HIGHEST REMITTANCE AMOUNT RECEIVED IN 2025

In Crore BDT

Branch	Banani	Green Road	Uttara Model Town	Khulna	Panthapath
Target	150.00	295.00	150.00	15.00	120.00
Target Achieved	178.71	124.28	113.37	92.45	66.81
Achievement (%)	119.14%	42.13%	75.58%	616.36%	55.67%

POSITION OF MARKET SHARE OF STANDARD ISLAMI BANK PLC

In 2025, Standard Islami Bank PLC. (SBPLC) facilitated foreign remittance inflows amounting to USD 514.08 million, representing 1.57% of Bangladesh's total inward remittance receipts. With this performance, the Bank ranked 22nd among all remittance-receiving banks in the country. While this achievement reflects the Bank's continued contribution to the national remittance landscape, it also highlights significant potential for future growth. By strengthening its remittance business and expanding its market share, SBPLC can further enhance its financial performance while contributing more substantially to Bangladesh's economic development through increased foreign currency inflows.

SBPLC'S SHARE OF REMITTANCE INFLOW IN BANGLADESH

Figure in Million USD

Year	Total in Bangladesh	SBPLC Earned	Share (%)
2021	22,076.83	217.13	0.67%
2022	21,286.66	161.50	0.61%
2023	21,925.64	435.32	1.72%
2024	26,891.47	518.98	1.52%
2025	32,814.09	514.08	1.57%

BRANCH BASED AWARENESS AND PROMOTIONAL ACTIVITIES

Branches shall undertake targeted awareness and promotional activities to enhance foreign remittance business, improve customer service, and strengthen relationships with expatriate customers and remittance beneficiaries

- One or more dedicated officials may be assigned for payment of remittance to the beneficiaries instantly.
- Separate & dedicated desk may be introduced in the branch level in the name of Expatriate Customer Service Desk with displayable hanging/Table plate.
- Quick & cordial services to be provided to the expatriate customers & their beneficiaries with smiling face & good behavior.
- Manager & remittance officer may regularly visit remittance intensive areas within their service region, meet with remittance beneficiaries and invite them to visit branch to open accounts and take remittance payment.
- Leaflet/Poster about remittance services should be distributed among mass people in remittance hub areas.
- Manager/remittance officer can take part in various community program and uphold the services of bank in front of mass people.
- Open NRB account for expatriate customer which will enable bank to receive foreign remittances directly into SBPLC's account.

FUTURE PLAN TO INCREASE FOREIGN REMITTANCE:

To enhance foreign remittance inflows, the Bank will focus on expanding remittance corridors, strengthening partnerships with global money transfer operators and exchange houses, leveraging digital payment channels, and ensuring faster, cost-effective, and customer-friendly remittance services.

1. **Explore new sending countries** – For instances Brunei, Japan, Korea, South Africa, Mauritius and European countries like Sweden, Greece, Germany, Spain, Belgium, Cyprus etc. would be new remittance earning hubs for Bangladesh.
2. **Increase of Cash Pick-up transactions:** At branch level cash pick-up transactions of Western Union, Money Gram, Ria Money, Instant Cash and others should be increased.
3. **API integration with other Exchange Houses for bKash Transactions:** It will help to process bKash transaction on real time basis even on bank holidays and weekends.
4. **Remittance Disbursement through NPSB** - This will enable real time transaction automatically.
5. **Tie-up with companies who are bringing money for e-commerce based business.**
6. Direct tie-up with global renowned MTOs like WU, MG, RIA, Merchantrade etc. It will give the bank world-wide reach.
7. Establish strategic partnership with selective send agents where market is too competitive-
   - Two way tie-up (A/C credit & C2C both)
   - Waive the receive commission/charge from the sender

- Deploy Bank officials at send agent locations in potential send countries like KSA, UAE, Oman, Malaysia, Singapore and South Africa etc.
- Carry out send & receive level promotion with strategic partners.

8. Process the remittance payment through NPSB: It will help to credit the account on real time basis.
9. Offering competitive exchange rate and responsive & high quality customer support are key to increase remittance volume now a days.

We are confident that if the above mentioned recommendations and suggestions are introduced and implemented in a phased and systematic manner, the remittance business of Standard Islami Bank PLC. will experience significant growth and achieve the desired target. Based on our assessment, the estimated annual inword remittance volume could potentially reach between USD 600 million to USD 800 million, In Sha Allah.

BRANCH MANAGEMENT & OPERATIONS DIVISION (BMOD)

"Branch Management & Operations: Better Coordination for better Synergy"

Branch Management and Operations Division (BMOD) was formed to cater the smooth Operation and customer services of the branches. We believe that rendering better Customer Service to client will increase the Business as well as the Reputation of the bank.

Also it is imperative to maintain the operation in Compliance with Bangladesh Bank directives and our banking policies and guidelines. Operational Efficiency also reduces the service (delivery) time and involvement of workforce.

Bank may face any operational disaster due to not following proper operation guidelines, which may result in Customer Complaints, penalty from regulators and even capital charge.

To ensure flawless and smooth services of the Bank, BMOD performs the below mentioned activities round the year:

A. **Branch Operations relating to General Banking:**
   a. Settlement of the Deceased Account.
   b. Bank's Lockers Management.
   c. Approval for issuance of Duplicate of all type of lost Instruments – MTDR, PO, DD etc.
   d. Reduction or Waive of Fees & Charges.
   e. Unclaimed Deposit Accounts Reporting.
   f. Post facto approval for Profit of Deposit Products (MRDP, MTDR and others).
   g. Correction of the Account Name requested by the Branch with justification.
   h. Dealing with Fake bank notes awareness as per BB Guideline.
   i. LIEN Confirmation of our Deposit Instruments i.e. MTDR & Other Deposit and Savings instruments to other Banks and FI's as per instruction of Bangladesh Bank.
   j. Circulate General/emergency Circulars of Bangladesh Bank and other regulatory bodies to our branches and provide feed-back of the same.

B. **Business Development:**
   a. Feasibility study of premises selection for new Branch, Sub-Branch, collection booth,
   b. Shifting of existing branch and closing of Branch,
   c. Permission for Opening Bank Accounts with Other Banks/Bangladesh Bank,
   d. Fixation of Bank's Schedule of Charges,
   e. Introduction of New Deposit Products.

C. **Cash Management & Other activities:**
   a. Vault Key and Branch Key Maintenance,
   b. Fixation of Vault, counter & transit Limits of all Branches.
   c. Maintenance of Insurance Coverage,
   d. Dealing of Sanchayapatra/Prize Bond,
   e. Weekly Cash Position (VSS) reporting to BB,
   f. Mutilated and Dirty Notes Statement duly collecting from Branches,
   g. Metal Coins Statement duly collecting from Branches and Reporting to Bangladesh Bank.

D. **Compliance of Regulatory Authorities :**
   a. National Board of Revenue (NBR)
   b. Customs & VAT
   c. Police/ CID.
   d. Other Govt. regulatory Agencies.

E. **Customer Services & Compliant Management Cell :**
   a. Receiving and solving complaint from FICSD, Bangladesh Bank (BB) and Customers
   b. Perform survey of Customer satisfaction on bank's services.
   c. Running customer awareness time to time.

F. **Vision-2026:**

Branches are the engine of growth in generating profit and they perform towards achieving the Annual Budget set by the Management. Our vision is to enhance the business development by providing unparalleled service and operational excellence to our customers through branches. With this objective in mind, we will expand our scope of work for 2026 as follows:

   a. Business Budget Monitoring & Support:
      i. The unit monitors the business budget distributed among the branches by the board.
      ii. One Point service center for Branches.
      iii. Steps to be taken for automation of reports and other banking service for smooth operation with the help of ICT.
      iv. The Unit assist the branches to get their problem solved by communicating other Division/Department of head office.
      v. Guide the branches to achieve their target with the cooperation from the competent authority.
      vi. Take initiative to reduce the lead time of operation by process reengineering and simplification.
   b. Digitalization and Automation: We will leverage cutting-edge technology to enhance our operational efficiency.

c. Customer-Centric Service Delivery: We will implement tools that enable branch staff with deeper insights into customer needs, preferences, and financial behaviors.

d. Innovation in Service and Product Delivery: We will expand our products and services to meet the growing needs of our diverse customer base.

e. Risk Management and Compliance: In an era of increasing regulatory complexity, we will continue to prioritize compliance and risk management.

If we can make an effective combination of all these activities, our bank will achieve a remarkable development which will be continued in the long run.

We hope the year 2026 will be a year of consolidation and operational efficiency.

INTERNAL CONTROL AND COMPLIANCE DIVISION

Internal control is a process, effected by an entity's Board of Directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations.
- Reliability of financial reporting.
- Compliance with applicable laws and regulations.

The Committee of Sponsoring Organizations (COSO) introduced Internal Control Framework consisting of the following components to help improving confidence in all types of data and information to create significant relationship between the risk and business landscapes:

- Control Environment – The control environment sets the tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.
- Risk Assessment–is the identification and analysis of risks to achievement of entity's objectives, forming a basis for determining how the risks should be managed.
- Control Activities–Control activities are the policies and procedures that help ensure management directives are carried out.
- Information and Communication–Pertinent information must be identified, captured and communicated in a form and timeframe that enables people to carry out their responsibilities.
- Monitoring – Monitoring internal control systems is a process that assesses the quality of the system's performance over time.

As per the instruction of Bangladesh bank, the bank has set Internal Control & Compliance (ICC) Division at head office to ensure the internal control process are in place as per bank's ICC policy guideline-2016. The Audit Committee of the Board of Directors of the Bank reviews the internal & external audit reports and guide the management to take effective measures in case of any deficiencies/lapses are found in the reports of internal control system. The senior management team (SMT) of the bank monitors the effectiveness of internal control system time to time.

As per the policy there are 03 (Three) lines of defense regarding internal control mechanism which are: 1) business lines (branches and concerned divisions) -first line of defense, 2) risk management and compliance (concerned divisions) -2nd line of defense and 3) internal audit-3rd line of defense.

Internal Control and Compliance (ICC) Division promotes operational efficiency and encourages compliance with policies and procedures, laws and regulations and supervisory requirement. The ICC Division comprises the following three Departments:

i) Audit and Inspection Department

ii) Monitoring Department

iii) Compliance Department

The Audit Committee of the Board of Directors approved 'Internal Audit Charter' in its 106th meeting held on 26.07.2022 to ensure independence, objectivity, authority, responsibility and accountability of Internal Audit activity aligned with International Professional Practice Framework, IIA (Institute of Internal Auditors in USA). ACB and Board also approved audit Checklist.

The Bank adopted Risk Based Internal Audit (RBIA) to assess its business risk, control risk and determine the frequency of Internal Audit of each auditable units.

During the year 2025, Comprehensive Audit and Inspection on branches with AML & CFT Compliance, divisions/ departments/units with subsidiaries and agent banking outlets, 2nd time Comprehensive audit of all high risk branches, Surprise Inspection on Cash & Cash equivalent items of branches, Audit on Cash Incentives on AD branches, and Online Reporting of Foreign Trade & Foreign Exchange Transactions of all AD branches and concerned divisions, ICT Audit on branches and different Divisions/Departments of Head Office with subsidiaries, Special investigation on different issues have been conducted.

The following table shows the position of Audit & Inspection completed during 2025 at a glance.

Year	Comprehensive Audit & Inspection		Surprise Inspection on Cash & Cash Equivalent Items	Special Audit & Investigation	Online Reporting of Foreign Exchange Transactions	Examination of Cash Incentive Payments	ICT Audit	AML & CFT Compliance	Agent Banking
	Branch	Div/Dept./ Subsidiary	Branch						
Achievement in 2025	138 (1st time) 06 (2nd Time)	18 Divisions	24 Branches	Compliance	19 AD Br. and 4 Divisions	9 AD Branches	60 Branches & 6 Div./Dept. /Subsidiaries.	138 Branches	11 outlets

In order to prevent fraud-forgery in all areas of banking operations, establish transparency and good governance, Fraud-Forgery Prevention & Management Policy 2025 for Standard Islami Bank PLC. maintaining international standard was prepared and presented before the Board after comprehensive review of the same by the Management and Audit Committee of Board. The Board in its 419th meeting held on 30.10.2025 approved the said policy with a view to mitigating the risks arising from fraud-forgery.

Audit Committee of Board conducted 06 (six) meetings in the year 2025 where all the significant risk areas as revealed in audit and investigation findings were presented and addressed and effective steps were taken as per directives of Audit Committee of Board to mitigate risks for protecting the interest of stakeholders and risk of the bank.

Compliance Department of ICCD has complied different inspection reports of Bangladesh Bank in 2025 such as: 7s (Seven) Special Inspection on Core risks, 20 (Twenty) Comprehensive inspection, 5 (Five) Inspection on Foreign Exchange Transactions, 04 (Four) comprehensive inspection on SME, and 09 (Nine) surprise inspection. And also ensured compliance of all Internal Audit Reports of 138 Branches and the rest other divisions are under compliance process.

Monitoring Department of ICCD ensures proper monitoring of operations of all branches and divisions/department/ units of Head Office through Quarterly Operations Report, Departmental Control Function Checklist, Online Transaction Monitoring, and preparation of Self-assessment on Anti-fraud Internal Control and Health Report of the Bank. An updated Departmental Control Function Checklist (DCFCL) in the context of Shari'ah Terminology and in alignment with the ICC guidelines of Bangladesh Bank was prepared and approved by the Board in its 419th meeting held on 30.10.2025.

The Department also presents memos on various issues of audit findings, departmental control function checklist and quarterly operations report before the Audit Committee of the Board of Directors (ACB) of the bank for their kind information and guidance. The Department communicated the directives of ACB to various divisions/departments/units and presented implementation status of advices/directives before them regularly to ensure compliance for smooth operation and mitigation risks of the bank.

Last but not the least, Standard Islami Bank PLC. is determined to exert all out efforts to develop strong control and compliance environment of the Bank.

SBL CAPITAL MANAGEMENT LIMITED

(A Subsidiary of Standard Islami Bank PLC)

After obtaining a full-fledged Merchant Banker license from the Bangladesh Securities and Exchange Commission (BSEC), Merchant Banking operations of the Standard Islami Bank PLC. (SBPLC) was initially launched through the Merc vtvvhant Banking Wing (MBW) in the year 2009. Later on, as per Directive of Bangladesh Bank, the Board of Directors of Standard Islami Bank PLC. formed a separate Subsidiary Company with authorized and paid-up capital of Tk. 500.00 crore and Tk. 150.00 crore respectively under Standard Islami Bank PLC. Limited named SBL Capital Management Limited (SCML). Thereafter the Registrar of Joint Stock Companies and Firms issued the Certificate of Incorporation and also the Certificate of Commencement of business in favor of the said company. The Bangladesh Securities and Exchange Commission (BSEC) then issued a full-fledged Merchant Banker license in the name of SBL Capital Management Limited. The operation of SBL Capital Management Limited was launched from January 2011 through taking over all activities of the erstwhile Merchant Banking Wing (MBW) of the Bank to this subsidiary. SCML, a subsidiary of Standard Islami Bank PLC. (owned 99.99%), has its Business Office at Miah Amanulla Bhaban, 63 Dilkusha C/A, Dhaka-1000.



PRODUCT & SERVICES:

The main objectives of the company for which it has been established are to carry out Merchant Banking activities including:

- Portfolio management
- Underwriting public issue of companies
- Issue management
- Corporate advisory services
- Investment Banking Services

BUSINESS POSITION OF SCML:

Sl.	Particulars	As on December 31, 2023	As on December 31, 2024	As on December 31, 2025
1	No. of Accounts	2293	2306	2311
3	Total Clients Portfolio value at cost price	Tk.417.17 crore	Tk. 356.17crore	Tk. 331.45crore
4	Total Clients Portfolio value at Market price	Tk.323.05 crore	Tk. 162.63crore	Tk. 142.46crore
5	Total Own Portfolio value at cost price	Tk.178.19 crore	Tk. 176.86 crore	Tk. 169.81 crore
6	Total Own Portfolio value at Market price	Tk.131.68 crore	Tk. 91.08 crore	Tk. 78.81 crore

FINANCIAL RESULTS OF PREVIOUS YEARS:

Figure in BDT crore

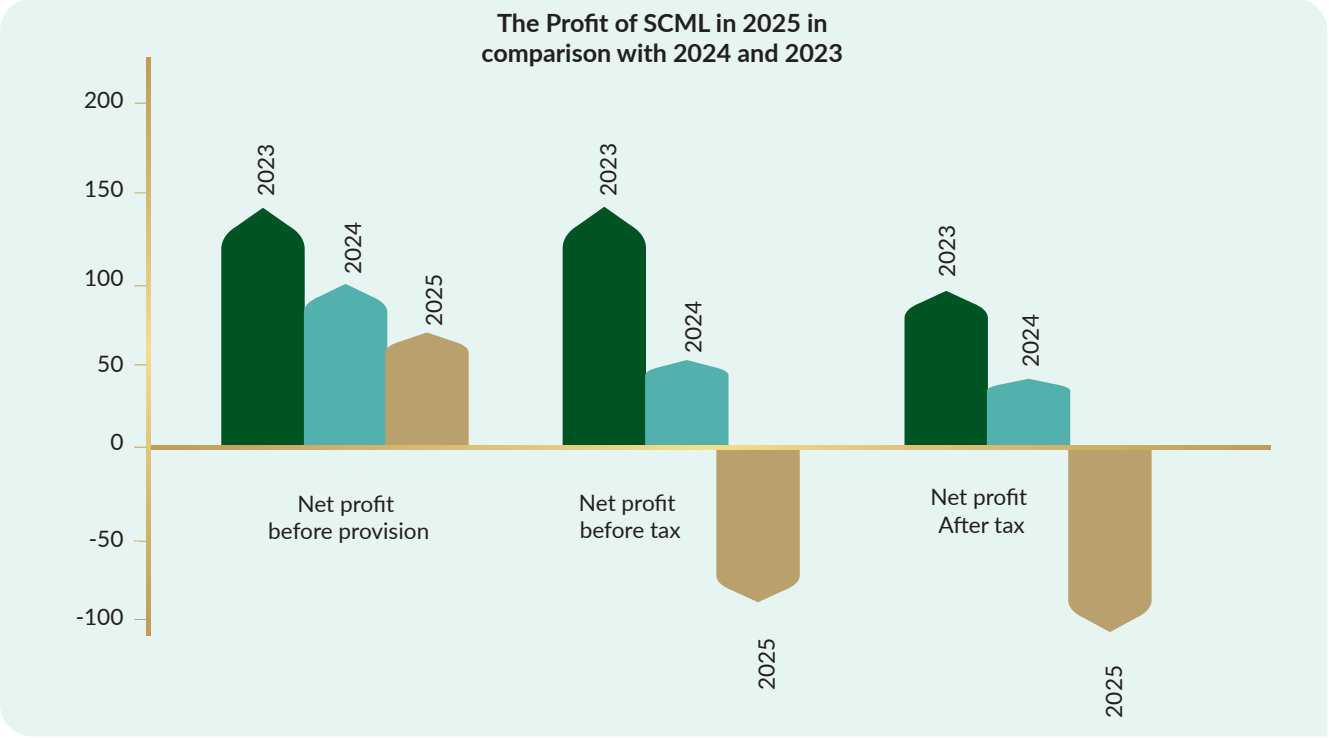
Particulars	As on December 31, 2023	As on December 31, 2024	As on December 31, 2025
Total Income	39.57	38.75	35.28
Total Expenditure	30.49	30.42	29.72
Profit Before Provision	9.08	8.34	5.56
Profit Before Tax	6.99	4.24	-7.19
Profit After Tax	5.09	2.25	-8.38

Particulars	As on December 31, 2023	As on December 31, 2024	As on December 31, 2025
Total Asset	678.18	719.18	744.20
Shareholders' Equity	150.22	150.19	141.81
Total Liabilities	527.95	568.99	602.39
Retain Earnings	0.22	0.19	-8.19
Earnings per share (Tk.)	3.40	1.50	-5.58
NAV per Share (Per Share Value Tk.100/-)	100.15	100.12	94.54

FINANCIAL RESULTS OF SBL CAPITAL MANAGEMENT LTD.:

Sl. No.	Particulars	2025	2024	Increase/ (Decrease)	%
1	Income	35.28	38.75	-3.47	-9.84%
2	Expense	29.72	30.42	-0.7	-2.36%
3	Operating Profit	5.56	8.34	-2.78	-50.00%
4	Net profit before tax	-7.19	4.24	-11.43	-158.97%
5	Net profit after tax	-8.38	2.25	-10.63	-126.85%
6	Retained earnings	-8.19	0.19	-8.37	-102.32%
7	EPS (Tk.)	-5.58	1.50	-7.08	-126.88%
8	NAV (Tk.)	94.54	100.12	-5.58	-5.90%

THE BELOW STATED BAR CHART SHOWS THE PROFIT OF SCML IN 2025 IN COMPARISON WITH 2024 AND 2023:



STANDARD BANK SECURITIES LIMITED

(A Subsidiary Company of Standard Islami Bank PLC.)

Standard Bank Securities Limited a wholly owned subsidiary of Standard Islami Bank PLC., was incorporated as a Public Limited Company under the Companies Act, 1994 vide certi¬ficate of C-105752/12 for commencement of business dated 26 November 2012. Standard Bank Securities Limited is corporate TREC holder of Dhaka Stock Exchange PLC. The company started its commercial operation in the month of June 2013. The principal place of business is newly located at 63 Dilkusha C/A, 3rd Floor, Motijheel, Dhaka-1000. The principal objectives of the company for which it was established are to carry on the business as stock broker and stock dealer in relation to shares and securities transactions, other services related to the Capital Market and other activities as mentioned in the Memorandum and Articles of Association of the company.

Standard Bank Securities Limited is dedicated to providing a high level of professional and personalized services to its all clients. The company intends to offer high level of quality product and services at a competitive rate to all clients. It has proven reputation in serving customers by maintaining strong compliance practices and extreme ethical standard.

Now the number of clients of SBSL is more than three thousand (approx.) and it comprises of local individual & institutional investors. SBSL also acts as Panel Broker of SBL Capital Management Limited. During the year 2025 the company earned operating profit of taka 2.47 Crore as against taka 4.84 Crore in 2024.



SBSL PRODUCTS:

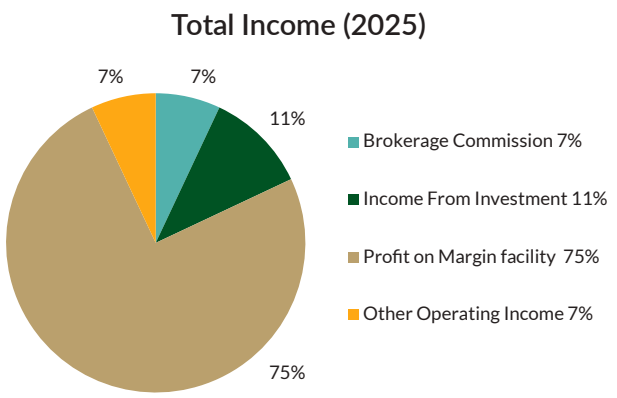
- Beneficiary Owners (BO) Account as Cash Account
- Beneficiary Owners (BO) Account as Margin Account.

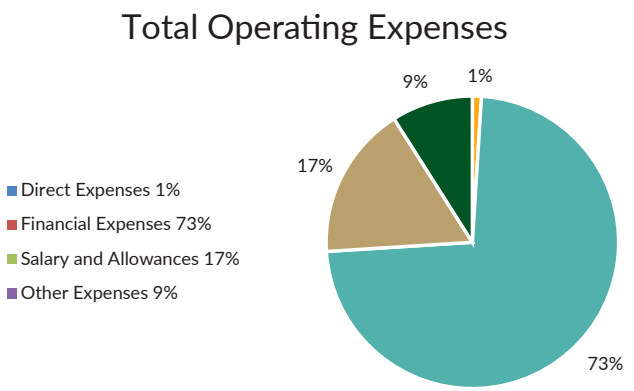
SBSL SERVICES:

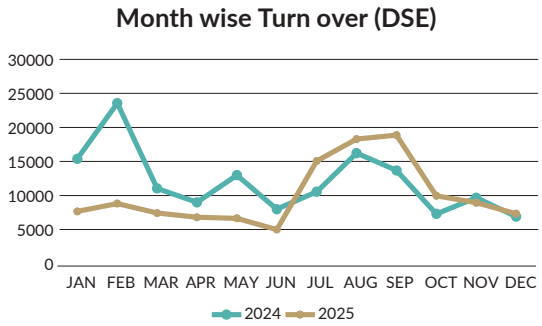
- Trade Execution through Dhaka Stock Exchange PLC.
- Full Service Depository participant
- IPO Application Services
- Margin Facility Service
- Online Trading Facility
- Daily Portfolio Services through e-mail
- Online banking facility at all SBPLC & AIBPLC branches

KEY FINANCIALS 2025:

Total Operating Income: SBSL shows its operating income among four basic segments. During the year 2025 the company earned Profit Tk. 7.19 Crore against Margin facility where as the same entity was 7.63 Crore Taka in 2024 After that the Income from Investment in Shares was 1.06 Crore Taka and Brokerage Commission 0.63 Crore Taka only, finally there was some amount of 0.70 Crore Taka only heading Other Operating Income and profit earned on Bank Deposit for the year of 2025.







Total Operating Expenses: In the year 2025 heighest expenses was Financial expenses Tk. 5.21 Crore only for Profit Expenses on Bai Muajjal General facility increased by 21% in 2025. After these the expense for Salary & Allowance was 1.22 Crore Taka and Other Administrative Expenses was an amount of Tk. 0.60 Crore and Direct Expenses was 0.08 Crore Taka. In the year 2025 the total operating expenses Tk. 7.11 crore where as the same entity was 6.40 Crore Taka in 2024 and Increased by 11% in 2025.

Monthwise Turnover: In the year 2025 faced a mixed trend traded value throughout the year and trading took place on 240 days which was 235 days in 2024. During the year 2025 the total trade value of DSE stood at Tk. 1,25,143 crore which marking a decreaseed by 16% than that of the previous year 2024. The monthwise trade volume with Dhaka Stock Exchange Limited for 2024 & 2025 is shown by drawing a graph. The Heighest level of average daily traded value was BDT 19,228 Cr in Sept 2025 and the lowest level was BDT 7017 Cr in May 2025.

Financial Growth: The year 2025 was a very challenging year for SBSL Due to unstablity of national economy and poor trade volume of DSE. But SBSL handle every situation over the year 2025 and generate an operating profit before tax and provisions of 2.47 Crore Taka, that was 4.84 Crore Taka for 2024, Last Five years performance are given below for better understanding.

Particulars/Year	2025	2024	2023	2022	2021
No. of new Clients	22	60	169	160	343
Margin facility to Clients (crore)	58.63	56.92	50.65	44.63	46.37
Operating Profit (crore)	2.47	4.84	6.28	6.93	6.32
Total Turnover–Trade (crore)	231.11	425.80	659.23	967.86	1615.59

BOARD OF DIRECTORS

The Board of the Bank consists of 16 Directors as on December 31, 2025 of high academic caliber and excellent professional knowledge, experience and skills together with the Managing Director as an Ex-officio member. All of the Directors were elected by the shareholder of the company. 16 (sixteen) Board meetings held during the year 2025.



The Board of Directors is the supreme authority in the Bank's affairs. To ensure the company's prosperity by collectively directing the company's affairs the Board approved different investment proposals, adopted policies and guidelines issued by Bangladesh Bank and gives directions for their due compliance and plans for the smooth growth of the business. The Board provided guidelines for technological development in consideration of the requirement of time and to face the challenges and competition. The Board also reviewed different policies & programs on a monthly basis in order to establish effective risk management in investment and other key areas of operations and provides guidelines to the Management for upholding and protecting the interest of the Bank. In addition to business and financial issues, boards of directors deal with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics.

COMMITTEES OF THE BOARD

The Bank has 3 (three) Board committees as set by the Bangladesh Bank namely (i) Executive Committee, (ii) Audit Committee and (iii) Risk Management Committee with an objective to monitor and manage Bank's operations, performance and strategy.

EXECUTIVE COMMITTEE

The Board delegated financial, business and administrative powers to the Executive Committee to decide or act in those cases as instructed by the Board of Directors, who are not specifically assigned to the full board through the Bank Company Act and other laws and regulations. The Committee is used to ensure the implementation of policies and guidelines by the Board and continuous efforts guide the Management to develop uniform and minimum acceptable investment standards for the Bank. During the year 2025 a total number of 4 (four) meetings were held of the Executive Committee.

AUDIT COMMITTEE

The Audit Committee constituted as under by the Board of Directors of the Bank in accordance with the BRPD circular letter no. 2 dated 11 February, 2024 issued by Bangladesh Bank. The Company Secretary of the Bank has been nominated as Secretary of the said Committee as per Bangladesh Bank Circular. During the year 2025, the Audit Committee conducted 6 (six) meetings.

RISK MANAGEMENT COMMITTEE

The risk management committee was formed to play an effective role in mitigating impending risks arising from strategies and policies formulated by the Board and to carry out the responsibilities efficiently. The Committee identified and assessed several risk factors. The committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision are being maintained against the risks identified. The present Risk Management Committee of the Bank is comprised of 3 (three) members. 4 (four) meetings of the Risk Management Committee were held during the year 2025.

During the year 2025 the amount of Tk. 27,20,000/- has been paid to the Directors including Independent Directors' as an honorarium for attending the meeting of Directors. It may be mentioned here that as per Bangladesh Bank's BRPD circular letter no. 2 dated 11 February, 2024 each director is entitled to get a maximum Tk. 10,000 (ten thousand) as an honorarium for attending each meeting.

COMPLIANCE OF SECTION 1.5(XXI) OF BANGLADESH SECURITIES AND EXCHANGE COMMISSION (BSEC) NOTIFICATION NO. BSEC/CMRRCD/2006-158/207/ADMIN/80 DATED 03 JUNE 2018. The pattern of shareholding position as on 31.12.2025

- Parent/Subsidiary/Associated Companies and other related parties: Nil
- Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details): Nil

SHAREHOLDING POSITION OF DIRECTORS

Sl	Name	Position	No Of Shares	(%) of Share Holding
1.	Mr. Mohammed Abdul Aziz	Chairman	22,383,262	2.01%
2.	Mr. A K M Abdul Alim	Vice-Chairman	22,475,387	2.01%
3.	Mr. Kazi Akram Uddin Ahmed	Director*	22,525,077	2.02%
4.	Mr. Kamal Mostafa Chowdhury	Director	25,639,184	2.30%
5.	Mr. Ashok Kumar Saha	Director	24,187,653	2.17%
6.	Mr. Ferozur Rahman	Director	23,120,479	2.07%
7.	Mr. Mohammad Manjur Alam	Director	22,318,203	2.00%
8.	Mr. S.A.MD Hossain	Director	30,385,326	2.72%
9.	Al-haj Mohammed Shamsul Alam	Director	22,634,918	2.03%
10.	Mr. Gulzar Ahmed	Director	22,339,467	2.00%
11.	Mr. Md. Zahedul Hoque	Director	22,340,847	2.00%
12.	Mr. Ferdous Ali Khan	Director	27,277,212	2.44%
13.	Mr. Ashit Kumar Saha	Director	23,619,662	2.12%
14.	Mr. Jhahedul Alam (Nominated by M/s Super Electronics)	Director	22,321,695	2.00%
15.	Mr. Golam Hafiz Ahmed	Independent Director	-	0.00%
16.	Mr. Khondoker Rumy Ehsanul Huq	Independent Director	-	0.00%
17.	Mr. Md. Habibur Rahman	Managing Director	-	0.00%

* He was retired and re-elected in 26th AGM of the Bank held on 14th August 2025, but Bangladesh Bank did not give approval for re-appointment till 31st December 2025.

SHAREHOLDING OF CEO, CFO, COMPANY SECRETARY & HEAD OF INTERNAL AUDIT

Sl	**Name**	Share Holdings
1.	Chief Executive Officer and his spouse & minor children	Nil
2.	Company Secretary and his spouse & minor children	Nil
3.	Chief Financial Officer and his spouse & minor children	Nil
4.	Head of Internal Audit and his spouse & minor children	Nil

SHAREHOLDING OF EXECUTIVES (TOP FIVE SALARIED PERSONS OTHER THAN CEO, CFO, CS AND HIA):

SL	Name	Position	Share Holdings
1	Mr. Md Siddiqur Rahman	AMD	65,389
2	Mr. Sk. Sirajul Kabir	SEVP	Nil
3	Mr. Mohammad Abul Hossain	SEVP	Nil
4	Mr. Muhammad Arifur Rahman	EVP	Nil
5	Mr. Mansoor Ahmed	EVP	Nil

BOARD MEETING AND ATTENDANCE

The board meeting usually holds at least once in every month, but in an emergency the meeting holds more than one. Directors who could not be able to attend the meeting(s) leave of absence were granted by the board as per their prayer. During the year 2025 total 16 meetings were held.

As per compliance of Section 1.5 (XX) of Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, the attendance record of Directors in 2025 are as follows:

SI	Name of The Directors	Designation	No. of Meetings Held	Present	Remarks
1	Mr. Mohammed Abdul Aziz	Chairman	16	16	
2	Mr. A K M Abdul Alim	Vice-Chairman	16	16	
3	Mr. Kazi Akram Uddin Ahmed	Director	16	5	He was retired and re-elected in 26th AGM of the Bank held on 14th August 2025, but Bangladesh Bank did not give any response till 31st December 2025.
4	Mr. Kamal Mostafa Chowdhury	Director	16	13	
5	Mr. Ashok Kumar Saha	Director	16	14	
6	Mr. Ferozur Rahman	Director	16	11	
7	Mr. Mohammad Manjur Alam	Director	16	1	
8	Mr. S.A. MD Hossain	Director	16	15	
9	Al-haj Mohammed Shamsul Alam	Director	16	16	
10	Mr. Gulzar Ahmed	Director	16	11	
11	Mr. Md. Zahedul Hoque	Director	16	13	
12	Mr. Ferdous Ali Khan	Director	16	12	
13	Mr. Ashit Kumar Saha	Director	16	11	
14	Mr. Jhahedul Alam (Nominated by M/s Super Electronics)	Director	16	12	
15	Mr. Golam Hafiz Ahmed	Independent Director	16	15	
16	Mr. Khondoker Rumy Ehsanul Huq	Independent Director	16	6	
17	Mr. Md. Abul Hossain	Director	16	2	Mr. Niranjan Chandra Debnath was appointed as MD of ICB in place of Mr. Md. Abul Hossain. But BB did not gave approval.
18	Mr. Md. Habibur Rahman	Managing Director	16	16	

EXECUTIVE COMMITTEE MEETING 2025

Sl	Name of The Directors	Designation	No. of Meetings Held	Present	Remark
1	Mr. Ferdous Ali Khan	Chairman	4	2	
2	Mr. Mohammed Abdul Aziz	Member	4	4	
3	Mr. Ferozur Rahman	Member	4	3	
4	Mr. Al-haj Mohammded Shamsul Alam	Member	4	4	
5	Mr. Md. Zahedul Hoque	Member	4	3	
6	Mr. Gulzar Ahmed	Past Member	4	1	One meeting was held during his tenure.

AUDIT COMMITTEE MEETING 2025

SL	Name of The Directors	Designation	No. of Meetings Held	Present	Remarks
1	Mr. Khondoker Rumy Ehsanul Huq	Chairman	6	4	
2	Mr. Golam Hafiz Ahmed	Member	6	6	
3	Mr. Gulzar Ahmed	Member	6	4	
4	Mr. S.A.MD Hossain	Member	6	6	

RISK MANAGEMENT COMMITTEE MEETING 2025

Sl	Name of the Directors	Designation	No. of Meetings Held	Attended	Remarks
1	Mr. Kazi Akram Uddin Ahmed	Chairman	4	1	Presided over 01 meeting & re-elected as Director in 26th AGM. However Bangladesh Bank did not give approval for reappointment.
2	Mr. S.A. MD Hossain	Member	4	4	Presided over 03 Meetings in absence of Mr. Kazi Akram Uddin Ahmed.
3	Mr. Mohammed Abdul Aziz	Member	4	4	
4	Al-haj Mohammed Shamsul Alam	Member	4	4	

Note: Leave of Absense was granted to the directors who could not attend the meeting due to prior engagement

DIRECTOR'S DECLARATION ON FINANCIAL STATEMENTS

- The Directors are responsible for the governance of the company and as part of preparation and presentation of the financial statements, based on the statutory audit, the directors confirm, to the best of their knowledge and belief that:
- The Financial Statements prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts as required by law have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards (IAS) / International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed.
- The system of internal control in the bank is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the bank's ability to continue as a going concern.

BOARD'S CLARIFICATIONS ON EMPHASIS OF MATTERS

Regarding the matter, the exposure was determined by the external auditor based on the historical classified and classifiable investment exposures across different categories from inception up to the reporting date. The exposure primarily arose from gaps between the expected and actual returns generated from certain investments. These gaps occurred due to a combination of regulatory concessions, adverse business conditions faced by clients, and prevailing economic challenges at different periods. Notwithstanding these circumstances, the Bank Management has undertaken comprehensive and proactive measures to regularize the underlying exposures through continuous monitoring, recovery initiatives, restructuring efforts where appropriate, and strengthened relationship management. These efforts are expected to improve asset quality and gradually reduce the associated provision requirement over time. 2) There were reasonable and realistic prospects for the recovery and improvement of the business conditions of the concerned clients. Accordingly, based on such considerations and available supporting grounds, the Bank recognized investment income against the related exposures. However, the Bank Management is giving special attention to maximizing recovery from these clients by undertaking intensified monitoring, regular follow-up, and targeted recovery initiatives. These enhanced recovery efforts are expected to strengthen the repayment position of the clients and improve the overall quality of the Bank's investment portfolio. 3) Based on the prevailing and prolonged volatility in the capital market, there were certain shortfalls between the expected and actual returns generated from the Bank's subsidiaries. As a result, the anticipated level of income from these investments could not be fully achieved. However, the Bank Management remains vigilant and is continuously monitoring the performance of its subsidiaries to ensure optimum returns on the funds deployed. Appropriate business strategies, performance oversight, and corrective measures are being undertaken to enhance profitability and maximize shareholder value.

ACKNOWLEDGEMENT AND VOTE OF THANKS

The Board expresses gratitude to the Almighty Allah for the success of the Bank in 2025. The Board extends thanks to the valued customers, patrons and well-wishers for their continued support and co-operation to the Bank. The Board also appreciates the dedicated services of the Senior Management Team, all executives and other employees of the Bank. The Board offers thanks to the Government of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), NBR, FRC, Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange PLC., Chittagong Stock Exchange PLC. and Central Depository Bangladesh Limited (CDBL) for their appreciable support and co-operation to the Bank. The Board also expresses its appreciation to Khan Wahab Shafique Rahman & Co., the Auditor of the Bank, for their efforts for timely completion of Audit. The Board of Directors also thanks both the print and electronic media personnel for giving media coverage to Bank's different activities and events. Finally, the Board thanks the respected Shareholders and assures them that it will continue to add to the Shareholders' wealth through further strengthening and development of the Bank in which they have placed their trust and confidence. We want to continue on doing the best and ensure prolonged development in the economy, society, lifestyle and thus every sphere of our country in line with our vision. Our sustainable banking operation is attributed to our prudent Board of Directors, effective Management, enthusiastic and skillful employees and trust bestowed upon us by our valuable clients and shareholders.

Sincerely

On behalf of the Board of Directors.



Mohammed Abdul Aziz
Chairman