

Independent Auditor's Report and
Audited Financial Statements
of
National Bank of Pakistan Bangladesh Branches
As at and for the year ended 31 December 2025

Independent Auditors' Report
To the Management of National Bank of Pakistan Bangladesh Branches

Opinion

We have audited the financial statements of National Bank of Pakistan, Bangladesh Branches (the Bank), which comprise balance sheets as at 31 December 2025, and profit and loss accounts, statements of changes in equity and cash flow statement for the year then ended, and notes to the statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with Rules and Regulation issued by Bangladesh Bank and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as explained in Note # 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interested entities in Bangladesh. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we are drawing attention to the following matters:

1. As of December 31, 2025, the total amount of bad/loss loans and advances stands at BDT 13,575,382,332, out of total loans and advances of BDT 13,717,378,446. In comparison, as of December 31, 2024, the bad/loss loans and advances amounted to BDT 13,540,373,234, out of total loans and advances of BDT 13,718,179,170. As of December 31, 2025, the bad/loss loans and advances represent 98.96% of total loans and advances of BDT 13,717,378,446 and 41.00% of total assets of BDT 33,106,659,348. For the previous year, as of December 31, 2024, bad/loss loans and advances were 98.70% of total loans and advances of BDT 13,718,179,170 and 40.91% of total assets of BDT 33,095,987,890. This substantial amount of bad/loss loans and advances raises significant concerns regarding the risk of going concern. However, we have received a 'Support Letter' from the National Bank of Pakistan - Head Office, assuring that financial support for this Branch Operation to be extended for the foreseeable future should any threats to its status as a going concern arise;

2. An amount of BDT 425,573,163 has been presented under Other Assets since 2014. Our review indicates that this balance represents accrued interest on classified Loans and Advances, which was erroneously recognized and continuously carried under Other Assets instead of being treated recorded under within the Loans and Advances portfolio. Under applicable financial reporting and BRPD circular requirements, accrued interest on classified Loans and Advances should not be recognized as Other Assets but should be recorded under Loans and Advances. The said balance should therefore be reclassified from Other Assets to Loans and Advances and maintain provision accordingly. Had the correction been appropriately recorded: (i) Other Assets would decrease by BDT 425,573,163 and Loans and Advances would increase by BDT 432,448,763; (ii) Opening Retained Earnings would decrease by BDT 432,448,763 and Provision against Loans and Advances would increase by BDT 432,448,763;
3. As per Section 26 (2) of the Bank Company Act, 1991 (as amended in 2023) and Bangladesh Bank's BRPD Circular No. 01 dated 16 January 2022, the Bank's total exposure (Funded and Non-funded) to a single borrower or group is restricted to 25% of its capital, a maximum of 15% for funded and 10% for non-funded exposures. However, multiple exposures were found to exceed the above regulatory thresholds.

Under paragraph 1(B)(iii) of BRPD Circular # 01 dated 16 January 2022, a Large Loan is defined as an exposure to a single person/counterparty or a group that is equal to or greater than 10% of the capital as defined in paragraph 1(A) of the same circular. Further, under paragraph 2(B)(i) of the circular, the Bank is permitted to maintain a large loan portfolio up to a specified percentage of its total loans and advances, determined based on the ratio of classified loans to total outstanding loans. As of 30 September 2025, the Bank was allowed to maintain large loans up to 30% of its total loans and advances. However, the Bank's large loan portfolio exceeded this permissible limit, which constitutes a departure from the requirements of the aforementioned circular; and
4. The Bank has recognized deferred tax assets despite concerns regarding their deductibility in the future, given the outlook for future taxable profits. The rationale for recognizing these deferred tax assets is disclosed by the Bank in Note No. 11.1.1 of the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Bank, being branches of the National Bank of Pakistan, is not required to publish a separate Annual Report and hence there is no other information to be audited.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Rules and Regulation issued by Bangladesh Bank and IFRS Accounting Standards as issued by the IASB as explained in Note # 2 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Bank Company Act 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- (iii) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (iv) the balance sheet and profit and loss account of the Bank dealt with by the report are in agreement with the books of account and returns;
- (v) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (vi) An amount of BDT 425,573,163 has been presented under Other Assets since 2014. Our review indicates that this balance represents accrued interest on classified Loans and Advances, which was erroneously recognized and continuously carried under Other Assets instead of being treated recorded under within the Loans and Advances portfolio. Under applicable financial reporting and BRPD circular requirements, accrued interest on classified Loans and Advances should not be recognized as Other Assets but should be recorded under Loans and Advances. The said balance should therefore be reclassified from Other Assets to Loans and Advances and maintain provision accordingly. Had the correction been appropriately recorded: (i) Other Assets would decrease by BDT 425,573,163 and Loans and Advances would increase by BDT 432,448,763; (ii) Opening Retained Earnings would decrease by BDT 432,448,763 and Provision against Loans and Advances would increase by BDT 432,448,763;
- (vii) Based on our checking of sample, no advance or loan in excess of the amount determined by Bangladesh Bank from time to time has been sanctioned or allowed;
- (viii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities for the Audit of the Financial Statements section in forming the above opinion on the financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls:
 - (a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;

- (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 8,000 person hours;
- (xi) Capital to Risk-weighted Asset Ratio (CRAR), Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) as required by Bangladesh Bank has been maintained adequately as at 31 December 2025;
- (xii) As part of our going concern assessment, we reviewed maturity mismatch between assets and liabilities which may adversely affect the Bank's subsequent liquidity position; and
- (xiii) The Bank has been awarded ownership of a few mortgaged properties vide verdict under section 33(7) of the Artha Rin Adalat Act, 2003. Such properties have not been recognized as non-banking assets as the value measurements of the properties are in process.

For and on behalf of

Mahamud Sabuj & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-049



Md. Mahamud Hosain FCA
Managing Partner
Enrolment Number: 0833
DVC: 2604230833AS537651

Place: Dhaka, Bangladesh

Date: 23 APR 2026

**NATIONAL BANK OF PAKISTAN
BANGLADESH BRANCHES
BALANCE SHEET
AS AT 31 DECEMBER 2025**

Particulars	Notes	Amount in BDT	
		31-Dec-25	31-Dec-24
PROPERTY AND ASSETS			
Cash		841,576,824	790,603,365
Cash in hand (including foreign currencies)	3	4,064,498	11,203,042
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)	4	837,512,326	779,400,323
Balance with other banks & financial institutions	5	35,904,551	88,663,218
In Bangladesh		-	-
Outside Bangladesh		35,904,551	88,663,218
Money at call on short notice	6	-	-
Investments (in shares / securities)	7	14,313,152,175	14,420,286,229
Government		14,313,152,175	14,420,286,229
Others		-	-
Loans & advances		13,717,378,446	13,718,179,170
Loan, cash credit, overdrafts etc.	8	12,447,427,846	12,448,228,570
Bills purchased & discounted	9	1,269,950,600	1,269,950,600
Fixed assets including premises, furniture & fixtures	10	45,313,644	33,021,514
Other assets	11	4,145,385,684	4,045,234,394
Non banking assets	12	-	-
TOTAL ASSETS		33,098,711,325	33,095,987,890
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions & agents	13	-	-
Deposits & other accounts	14	16,092,174,002	15,824,925,150
Current deposits & other accounts, etc.	14.1	15,566,944,141	14,909,966,092
Bills payable	14.2	12,572,002	33,827,741
Savings bank deposits	14.3	95,867,467	91,042,836
Fixed deposits	14.4	277,616,106	583,254,458
Scheme deposits	14.5	109,676,800	177,080,221
Bearer certificate of deposits	14.6	-	-
Other deposit (short term deposit)	14.7	29,497,485	29,753,803
Other liabilities	15	9,475,157,827	9,442,289,365
TOTAL LIABILITIES		25,567,331,830	25,267,214,516
Capital / Shareholders' Equity			
Capital fund	16	14,577,927,703	14,577,927,703
Statutory reserve		-	-
Other reserves	17	19,121,657	22,964,053
Surplus/(deficit) in profit and loss account	18	(7,065,669,865)	(6,772,118,382)
TOTAL SHAREHOLDERS' EQUITY		7,531,379,495	7,828,773,374
TOTAL LIABILITIES AND & SHAREHOLDERS' EQUITY		33,098,711,325	33,095,987,890



Particulars	Notes	Amount in BDT	
		31-Dec-25	31-Dec-24

OFF-BALANCE SHEET ITEMS

Contingent liabilities

Acceptances & endorsements
Letter of guarantee
Letter of credit
Bills for collection
Other contingent liabilities

19	119,793,510	101,118,221
	-	-
19.1	29,959,447	29,959,447
19.2	77,144,063	51,493,000
19.3	12,690,000	12,690,000
19.4	-	6,975,774

Other commitments

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

19.5	15,289,931,050	14,271,935,750
	-	-
	15,289,931,050	14,271,935,750
	-	-
	-	-

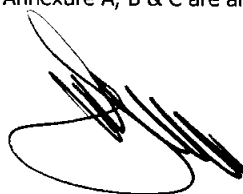
TOTAL OFF-BALANCE SHEET ITEMS

15,409,724,560	14,373,053,971
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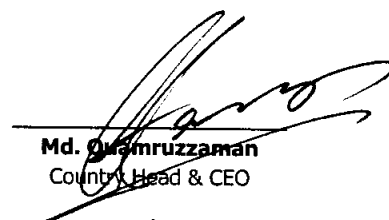
The accompanying notes 1 to 49 and Annexure A, B & C are an integral part of these financial statements.



Md. Ataur Rohoman Joardder
Head of Finance



S.M. Jawwad Raza Naqvi
Deputy General Manager

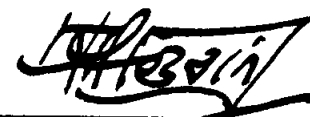


Md. Quamruzzaman
Country Head & CEO

Mahamud Sabuj & Co.,
Chartered Accountants
FRC Registration # CAF - 001 - 049

Dated, Dhaka.

23 APR 2026



Md. Mahamud Hosain FCA
Managing Partner

ICAB Enrolment Number: 0833

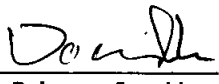
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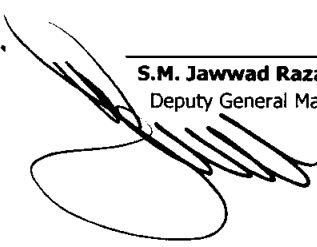
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**NATIONAL BANK OF PAKISTAN
BANGLADESH BRANCHES
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2025**

Particulars	Notes	Amount in BDT	
		2025	2024
Interest income	21	3,801,933	2,576,599
Interest paid on deposits and borrowings etc	22	(1,383,480,728)	(1,179,609,579)
Net interest income		(1,379,678,795)	(1,177,032,980)
Investment income (in shares /securities)	23	1,501,770,395	1,342,737,752
Commission & exchange income	24	(136,488,932)	8,795,491
Other operating income	25	(134,118)	497,721
Total operating income		(14,531,451)	174,997,985
Salary & allowances	0.00 26	78,492,560	66,095,434
Rent, taxes, insurances, lighting etc.	27	6,369,472	5,599,928
Legal & other professional expenses	28	31,748,325	23,981,570
Postage, stamps and telecommunication etc.	29	388,815	480,088
Stationery, printing, advertisement etc.	30	927,055	1,225,345
Chief executive's salary & allowances	31	7,433,718	7,483,302
Director's fees	32	-	-
Audit fees	33	1,654,533	420,000
Charges on loan losses / write off loans & advances	34	-	-
Depreciation and repairs of bank's assets	35	35,312,995	36,243,607
Other expenses	36	24,016,720	23,321,153
Total operating expenses		186,344,193	164,850,427
Profit/(Loss) before provisions		(200,875,644)	10,147,558
Provision for loans and advances	37	-	(33,429,072)
Provision for off balance sheet exposure	38	-	-
Provision for dimension in value of investment	39	-	-
Other provision	40	-	-
Total provisions		-	(33,429,072)
Profit/(loss) before taxes		(200,875,644)	43,576,630
Provision for income tax	15.2	18,902,384	7,948,024
Deferred tax expenses/(income)	41	73,773,455	3,665,963
Net profit/(loss) after taxation		(293,551,483)	31,962,642
Appropriation			
Statutory reserve		Not Applicable	Not Applicable
General reserve		Not Applicable	Not Applicable
Dividends		Not Applicable	Not Applicable
Retained surplus/(deficit)		(293,551,483)	31,962,642
Earning Per Share (EPS)	48	Not Applicable	Not Applicable

The accompanying notes 1 to 49 and Annexure A, B & C are an integral part of these financial statements.


Md. Ataur Rohoman Joardder
Head of Finance

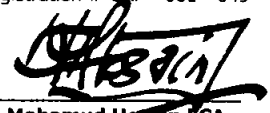

S.M. Jawwad Raza Naqvi
Deputy General Manager


Md. Qasimuzzaman
Country Head & CEO

Mahamud Sabuj & Co.,
Chartered Accountants
FRC Registration # CAF - 001 - 049

Dated, Dhaka.

23 APR 2026


Md. Mahamud Hossain
Managing Partner
ICAB Enrolment Number: 0833
DVC:

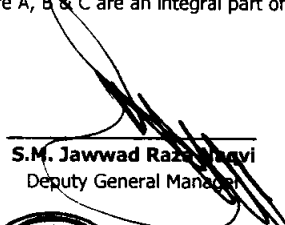
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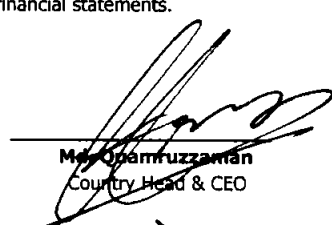
**NATIONAL BANK OF PAKISTAN
BANGLADESH BRANCHES
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

Particulars	Notes	Amount in BDT	
		2025	2024
A) Cash flows from operating activities			
Interest receipt in cash		1,438,928,434	1,315,498,902
Interest payments		(1,383,480,728)	(1,084,467,882)
Fee & commission receipt in cash	24	(136,488,932)	8,795,491
Cash payments to employees		(85,926,278)	(73,578,736)
Cash payments to suppliers	43	(12,050,108)	(10,242,557)
Income taxes paid		-	-
Receipts from other operating activities	25	(760,112)	376,344
Payments for other operating activities	44	(55,116,193)	(47,784,523)
Cash from Operating profit before changes in operating assets and liabilities		(234,893,918)	108,597,038
Increase / (Decrease) in operating assets/ liabilities			
Statutory deposits		-	-
Purchase/ Sale of trading securities		-	-
Loans and advances to other banks		-	-
Loans and advances to customers		800,724	69,594,779
Other assets (item wise)	45	(173,924,745)	(83,212,966)
Deposits from other banks		-	-
Deposits received from /returned to customers		267,248,852	(118,914,082)
Other liabilities account of customers		-	-
Trading liabilities		-	-
Other liabilities	46	(35,643,748)	(86,993,003)
Cash generated from changes in operating assets and liabilities		58,481,083	(219,525,272)
Net cash (used in) / received from operating activities		(176,412,835)	(110,928,234)
B) Cash flows from investing activities			
Proceeds from sale of securities (net of interest income)		19,068,218,719	11,492,726,948
Payment for purchase of securities		(18,861,531,406)	(11,547,677,934)
Purchase/ sale of property, plant & equipment		(1,388,111)	(6,775,845)
Purchase/ sale of subsidiaries		-	-
Net cash (used in) investing activities		205,299,203	(61,726,831)
C) Cash flows from financing activities			
Receipt from issue of loan capital & debt securities		-	-
Payment for redemption of loan capital & debt securities		-	-
Receipt from issuing ordinary share/receipt from head office		-	-
Lease payment		(30,671,576)	(31,858,376)
Dividend paid		-	-
Net cash received from financing activities		(30,671,576)	(31,858,376)
D) Net increase / (decrease) in cash		(1,785,209)	(204,513,441)
E) Effects of exchange rate changes on cash & cash equivalent		-	-
F) Cash & cash equivalents at the beginning of the period		879,266,584	1,083,780,025
G) Cash and cash equivalents at the end of the period	47	877,481,375	879,266,584

The accompanying notes 1 to 49 and Annexure A, B & C are an integral part of these financial statements.


Md. Ataur Rohoman Joardder
Head of Finance


S.M. Jawwad Raza
Deputy General Manager


Md. Ommuzzaman
Country Head & CEO



Dated, Dhaka.

23 APR 2026

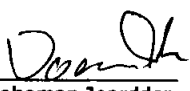
**NATIONAL BANK OF PAKISTAN
BANGLADESH BRANCHES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**

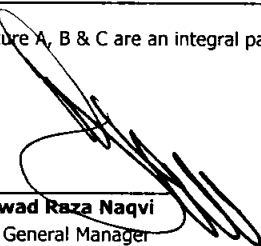
Particulars	Fund deposited with Bangladesh Bank	Other reserve	Profit & loss account	Total
Balance as at 01 January 2025	14,577,927,703	22,964,053	(6,772,118,382)	7,828,773,374
Changes in accounting policy	-	-	-	-
Surplus/deficit on account of revaluation of properties	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	(3,842,396)	-	(3,842,396)
Adjustment of revaluation of investments	-	-	-	-
Currency translation difference	-	-	-	-
Net gain and losses not recognized in the income statement	-	-	-	-
Net profit/(loss) for the year	-	-	(293,551,483)	(293,551,483)
Revaluation of foreign currency	-	-	-	-
Dividend	-	-	-	-
Fund received from head office	-	-	-	-
Transfer to/from profit & loss A/C	-	-	-	(0)
Balance as at 31 December 2025	14,577,927,703	19,121,657	(7,065,669,865)	7,531,379,495

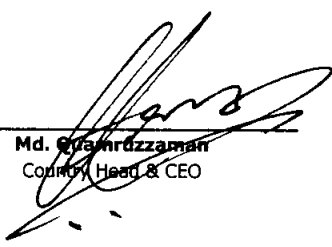
Balance as at 01 January 2024	14,163,513,703	30,875,545	(6,812,029,048)	7,382,360,200
Changes in accounting policy restated balance	-	-	-	-
Surplus/deficit on account of revaluation of properties	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	(7,911,492)	-	(7,911,492)
Adjustment of revaluation of investments	-	-	-	-
Currency translation difference	-	-	-	-
Net gain and losses not recognized in the income statement	-	-	-	-
Net profit/(loss) for the periods (restated)	-	-	31,962,642	31,962,642
Revaluation of foreign currency	-	-	-	-
Dividend	-	-	-	-
Issue of share capital/received from head office	414,414,000	-	-	414,414,000
Transfer to/from profit & loss A/C	-	-	7,948,024	7,948,024
Balance as at 31 December 2024	14,577,927,703	22,964,053	(6,772,118,382)	7,828,773,374

Other Reserves	2025	2024
General reserves	-	-
Retained earnings	-	-
Investment loss offsetting reserves	-	-
Share premium	-	-
Asset revaluation reserve	-	-
Dividend equalization A/C	-	-
Increase in HTM securities	2,340,452	6,797,459
Gain in revaluation of treasury bills & bonds HFT	16,781,205	16,166,594
Exchange equalization A/C	-	-
Total	19,121,657	22,964,053

The accompanying notes 1 to 49 and Annexure A, B & C are an integral part of these financial statements.


Md. Ataur Rohoman Joardder
Head of Finance


S.M. Jawwad Raza Naqvi
Deputy General Manager


Md. Syedurazzaman
Country Head & CEO

Dated, Dhaka.

23 APR 2026

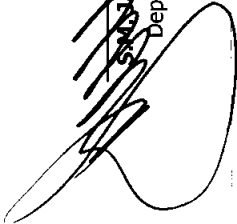


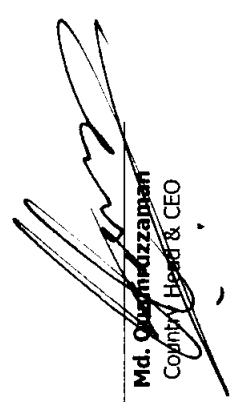
**NATIONAL BANK OF PAKISTAN
BANGLADESH BRANCHES
LIQUIDITY STATEMENT
ASSETS & LIABILITIES MATURITY ANALYSIS
AS AT 31 DECEMBER 2025**

Particulars	Up to 1 Months	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Assets						
Cash in hand	841,576,824	-	-	-	-	841,576,824
Balance with other banks & financial institutions	35,904,551	-	-	-	-	35,904,551
Money at call on short notice	-	-	-	-	-	-
Investments (in shares & securities)	34,500	8,303,304,764	1,314,149,913	2,904,755,659	1,790,907,340	14,313,152,175
Loan & advances	13,635,074,175	17,847,753	16,460,854	47,995,663	-	13,717,378,446
Fixed assets including premises, furniture & fixtures	3,776,137	7,552,274	33,985,233	-	-	45,313,644
Other assets	-	-	780,824,267	3,364,561,417	-	4,145,385,684
Non-banking assets	-	-	-	-	-	-
Total assets	14,516,366,187	8,328,704,791	2,145,420,267	6,317,312,740	1,790,907,340	33,098,711,325
Liabilities						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	-	-	-	-	-	-
Deposits	8,173,088,684	7,473,488,917	362,865,507	53,233,409	-	16,062,676,517
Other accounts	29,497,485	-	-	-	-	29,497,485
Provision & other liabilities	-	108,332,185	-	9,366,825,643	-	9,475,157,827
Total liabilities	8,202,586,169	7,581,821,101	362,865,507	9,420,059,051	-	25,567,331,830
Net liquidity gap	6,313,780,018	746,883,690	1,782,554,760	(3,102,746,312)	1,790,907,340	7,531,379,495

The accompanying notes 1 to 49 and Annexure A, B & C are an integral part of these financial statements.


Md. Ataur Rohoman Joardder
Head of Finance


Md. Saadur Raza Naqvi
Deputy General Manager


Md. Qasimuzzaman
Country Head & CEO



Dated, Dhaka.
23 APR 2026

**National Bank of Pakistan Bangladesh Branches
Notes to the Financial Statements
As at and for the year ended 31 December 2025**

1 Status and nature of business

a) Status of the Bank

National Bank of Pakistan (NBP) was established under the National Bank of Pakistan Ordinance, 1949 and is listed on all the stock exchanges in Pakistan. Both of its registered and head office is situated at I.I. Chundrigger Road, Karachi. It has been operating its banking activities in Bangladesh at Dhaka since August 1994, at Chattogram since April 2004, at Sylhet since March 2008 and at Gulshan since April 2008. Sylhet branch has been closed from 01 October 2021.

b) Nature of business

The principal activities of the Bank in Bangladesh are to provide all kinds of commercial banking services to its customers.

2 Basis of preparation

2.1 Statement of compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is to be formed and it is to issue financial reporting standards for public interest entities such as banks. The Bank Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as required by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

Accordingly, the financial statements of the Bank are continued to be prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Bank Company Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, Securities and Exchange Rules 2020. In case any requirement of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRS are as follows:

a) Presentation of financial statements

IFRSs: As per IAS 1 Presentation of Financial Statements, financial statements shall comprise a statement of financial position as at the end of the period, a statement of profit or loss and other comprehensive income for the period, a statement of changes in equity for the period, a statement of cash flows for the period and notes – comprising significant accounting policies and other explanatory information. As per IAS 1, the entity shall also present current



and non-current assets and liabilities as separate classifications in its statement of financial position.

Bangladesh Bank: The presentation of these financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the First Schedule (section-38) of the Bank Company Act, 1991 (as amended up to date) and BRPD Circular No. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classification.

Investment in shares & securities

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, investments in quoted shares and unquoted shares are revalued at the year-end at the market price and as per the book value of the last audited balance sheet, respectively. As per DOS circular no. 01 dated May 24, 2023, provision for diminution of value of quoted equity shares, bonds, debentures, perpetual instruments and mutual funds has been made on netting off gain and provision for diminution of value of unquoted equity shares and mutual funds (open-end) have made on the basis of net worth (Assets-Liabilities) of shares and surrender price of mutual funds respectively. A provision for Non-convertible cumulative preference share/bond is required where dividends are not received as per agreement.

b) Revaluation gain & loss on government securities

IFRSs: As per the requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account.

Bangladesh Bank: As per DOS Circular no. 05, dated 26 May 2008, and subsequent clarification in DOS Circular no. 05, dated 28 January 2009, DOS Circular no. 02, dated 19 January 2012, and latest DOS Circular letter No 27 dated 04 December 2023, Government securities/bills are classified into Held for Trading (HFT) and Held to Maturity (HTM). HFT securities are revalued on the basis of weekly mark-to-market and at year-end, any gains on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserves as a part of equity. Any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities, including amortization of discount, is recognized in the profit and loss account. HTM securities which have not matured as of the balance sheet date are amortized at year-end, and gains or losses on amortization are recognized in other reserves as part of equity.



But the HTM securities are also revaluated if they are reclassified to the HFT category with the necessary approval.

c) **Provision on loans & advances**

IFRSs: As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD Circular No. 15 dated 27 November 2024, and BRPD Circular Letter No. 29 dated 21 December 2025, general provision at 0.50% to 5% under different categories of unclassified loans has to be maintained regardless of objective evidence of impairment. And, specific provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue status. Also, a general provision to be maintained on off-balance sheet exposure as per BRPD Circular No. 6 dated 25 April 2023. These provisions are not specifically in line with those prescribed by IFRS 9.

d) **Other comprehensive income and appropriation of profit**

IFRSs: As per the requirement of IAS 1, Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

Bangladesh Bank: Bangladesh bank has issued templates for financial statements through BRPD circular 14 dated 25 June 2003. The templates of financial statements issued by Bangladesh Bank do not include OCI nor are the elements of OCI allowed to be included in a single comprehensive income statement. As such the Bank does not prepare an OCI statement. However, the elements of OCI, if any, are shown in the statement of changes in equity.

e) **Financial instruments presentation & disclosure**

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in *IFRS 7 Financial Instruments Disclosures* and *IFRS 9 Financial Instruments*. As such some disclosures and presentation requirements of *IAS 7* and *IFRS 9* cannot be fully made in these financial statements.

f) **Repo and reverse repo transactions**

IFRSs: As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date



(repo), the arrangement is treated as a loan and the underlying asset continues to be recognised at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per DOS Circular Letter No 2 dated 23 January 2013 and DOS Circular Letter No 6 dated 15 July 2010, when a bank sells a financial asset and simultaneously enters into agreement to repurchase the asset (or a similar asset) at a fixed price on future date (Repo or stock lending), the arrangement is accounted for as normal sales transactions and the financial asset is derecognised in the seller's book and recognised in the buyer's book.

g) **Financial guarantee**

IFRSs: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per the requirement of BRPD Circular No. 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin.

h) **Cash & cash equivalent**

IFRSs: As per *IAS 7 Statement of Cash Flows*, cash comprises cash on hand and demand deposits and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Cash and cash equivalent items should be reported as cash items.

Bangladesh Bank: As per BRPD Circular No. 14 dated 25 June 2003, a few highly liquid assets such as Money at call on Short Notice, Treasury Bills, Bangladesh Bank Bills and Prize Bonds are not shown as cash and cash equivalents items in the Balance Sheet; rather, these are shown in the face of the balance sheet as separate items. However, in the cash flow statement, these items are shown as cash equivalents besides cash in hand, balance with BB and other banks.

i) **Recognition of interest in suspense**

IFRSs: Loans and advances to customers are generally classified at amortized cost as per IFRS 9 and interest income is recognized by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortized cost of these loans and advances.



Bangladesh Bank: As per BRPD Circular No. 15 dated 27 November 2024, once a loan is classified, interest on such loans is not allowed to be recognized as income; the corresponding amount needs to be credited to the interest suspense account, which is presented as a liability in the balance sheet.

j) **Non-banking assets**

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

Bangladesh Bank: As per BRPD Circular No. 14 dated 25 June 2003 there must exist a face item named Non-banking asset and the holding period of non-banking assets is mentioned in the Bank Company Act 1991 (as amended up to date).

k) **Cash flow statement**

IFRSs: As per the requirement of IAS 7, the Statement of Cash Flows can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular 14 dated 25 June 2003, the cash flow statement is a mixture of the direct and indirect method.

l) **Balance with Bangladesh Bank (cash reserve requirement)**

IFRSs: Balance with Bangladesh Bank maintained for CRR purpose should be treated as other assets as it is not available for use in day-to-day operations of the entity as per *IAS 7 Statement of Cash Flows*.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, the balance with Bangladesh bank is treated as "Cash and cash equivalent".

m) **Presentation of intangible assets**

IFRSs: Intangible assets must be identified, recognized and presented in the face of the balance sheet and disclosure must be given as per *IAS 38 Intangible Assets*.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, there is no regulation on intangible assets.

n) **Off-balance sheet items**

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

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



o) **Loans & advances/investments net off provision**

IFRSs: Loans & advances/investments should be presented by netting off provision.

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

p) **Recognition of derivatives**

IFRSs: As per *IAS 39*, all derivatives including forward contracts are initially recognized at fair value (as measured in accordance with *IFRS 13*) which is generally the transaction price. Subsequent to initial recognition, derivatives are classified as "fair value through profit & loss" and changes in fair value are recognized in profit and loss account.

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

2.2 Reporting Period

These financial statements of the Bank cover 01 (one) calendar year from 01 January to 31 December.

2.3 Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

Key estimates are made for loan loss provision, provision for current and deferred tax.

2.4 Going concern

The financial statements, namely Balance Sheet, Profit & Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and relevant notes and disclosure thereto, have been prepared on going concern basis under historical cost convention, and in accordance with First Schedule of the Bank Company Act 1991 (amended in 2013), amended by BRPD circular no. 14 dated 25 June 2003.

2.5 Basis of measurement

The financial statements of the Bank have been prepared on the basis of historical cost except for the following:

Investments have been initially recognized at cost, including acquisition charges associated with the investment. Government Treasury Bills and Bonds (categorized as HFT or/and HTM) are accounted for as per Bangladesh Bank DOS circular letter no. 05 dated 26 May 2008, DOS circular no. 05 dated 28 January 2009, DOS Circular no. 05 dated 19 January 2012 and Circular Letter no. 27 dated 04 December 2023.



- a) Investments which are intended to be held till maturity are classified as "Held to Maturity". These are measured at amortized cost at each year-end by taking into account any discount or premium on acquisition. Premiums are amortized and discounted/ accredited, using the effective or historical yield method. Any increase or decrease in the value of such investments is accounted for in equity.
- b) These are investments primarily held for selling or trading. After initial recognition, investments are marked to market weekly, and any decrease in the present value is recognized in the Profit and Loss Account, and any increase is booked to the Revaluation Reserve Account as per Bangladesh Bank DOS Circular no. 05 dated 28 January 2009.

The value of investments has been enumerated as follows:

Items	Applicable accounting value
Government treasury bills-HTM	Amortized value
Government treasury bills-HFT	Market value
Government treasury bonds-HTM	Amortized value
Government treasury bonds-HFT	Market value
Prize bond	At cost

2.6 Branch consolidation

The Bank is working in Bangladesh as a foreign branch of National Bank of Pakistan, incorporated in Pakistan and does not have any subsidiaries in Bangladesh; as such IFRS 10 "*Consolidated Financial Statements*" does not have any impact on these financial statements. To have an overall financial position in a single set of financial statements of Bangladesh operations, consolidated record for the statement of affairs and income and expenditure of the branches were maintained at the Controlling Office, 80 Gulshan Avenue, Dhaka of the Bank based on which these financial statements have been prepared.

2.7 Functional and presentation currency

Financial statements of the Bank are presented in Taka, which is the Bank's functional and presentational currency. The functional currency for Off-Shore banking unit is US Dollar.

2.8 Foreign currency transaction

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per IAS 21 "*The Effects of Changes in Foreign Exchange Rates*". Foreign currencies balances held in USD are converted into Taka at mid-rate of the bank on the closing date of every week and on the reporting date.

- a) Foreign currency transactions are converted into Taka currency at the exchange rates prevailed on the dates of such transactions.



- b) Assets and liabilities outstanding on 31 December 2025 in foreign currency have been converted into Taka currency at the following rates:

Country	Currency	Mid-rate (Equivalent Taka)
U. S. A	USD 1	121.50
ACU Dollar	USD 1	121.50
U. K	GBP 1	164.0919
JAPAN	JPY 1	0.80755
EUROPE	EURO 1	142.84

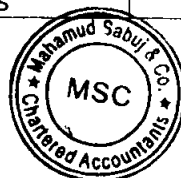
Gains and losses of transactions are dealt with through exchange account in profit and loss account except balance held with Bangladesh Bank in foreign currency against "Capital Fund".

2.9 Loans & advances

- a) Loans and Advances are stated at gross amount and before off setting specific and general provisions against them.
- b) Interest on Loans and Advances is calculated on a daily product basis but charged and accounted for quarterly on an accrual basis.

Provision for Loans and Advances is made on the basis of year-end instructions contained in Bangladesh Bank BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 19 dated 27 December 2012, BRPD Circular No. 5 dated 29 May 2013, BRPD Circular No. 16 dated 18 November 2014, BRPD Circular No. 8 dated 02 August 2015, BRPD Circular No. 12 dated 20 August 2017, BRPD Circular No. 15 dated 27 September 2017, BRPD Circular No. 01 dated 20 February 2018, BRPD Circular No.16 dated 21 July 2020 and BRPD Circular letter No.52 dated 20 October 2020, BRPD Circular No. 16, dated 18 July 2022, BRPD Circular Letter No. 33, dated 03 August 2022, BRPD Circular Letter No. 03, dated 02 February 2023, BRPD Circular No.9 dated 08 April 2024, BRPD Circular Letter No. 58, dated 31 December 2024 respectively at the following rates:

Category/status of Loans and Advances	Rates	
	Bangladesh Bank's Requirement	Maintained by the Bank
General provisions for unclassified loans and advances:		
All unclassified loans (Other than loans under small and medium enterprise and consumer financing, special mention account and staff loans)	1%	1%
Staff loan	0%	0%
Credit Card	1%	1%
Small and medium enterprise financing	0.5%	0.5%
Consumer Finance (House Financing)	1%	1%
Consumer financing (Other than housing financing)	1%	1%
Special mention account	5%	5%
Loan to Short-term Agricultural and Micro-Credits	0.5%	0.5%



Category/status of Loans and Advances	Rates	
	Bangladesh Bank's Requirement	Maintained by the Bank
Specific provision for classified loans and advances:		
Substandard	20%	20%
Doubtful	50%	50%
Bad/Loss	100%	100%
Provision for classified loan to short-term agricultural and Micro-Credit:		
Substandard	5%	5%
Doubtful	5%	5%
Bad/Loss	100%	100%
Provision for classified loans to Cottage, Micro and Small Credits under CMSME:		
Substandard	5%	5%
Doubtful	20%	20%
Bad/Loss	100%	100%

Reference may be made to note # 7.13.

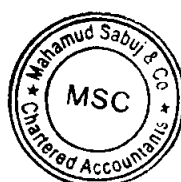
- c) Loans and Advances are written off to the extent that (i) there is no realistic prospect of recovery and (ii) the status of the loan account is to be classified as Bad & Loss. These write-offs, however, will not undermine/affect the claim amount against the borrowers. Detailed memorandum records for all such written-off accounts are meticulously maintained and followed up.

2.10 Provision for off-balance sheet exposure

In compliance with Bangladesh Bank guidelines, contingent liabilities have been disclosed under off-balance sheet items. As per BRPD Circular No. 14 dated 23 September 2012 and BRPD Circular No. 06 dated April 25, 2023, the bank has been maintaining provision @ 1% to 5% against certain off-balance sheet exposures.

2.11 Fixed assets

- a) Property, plant & equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Bank and the cost of the assets can be reliably measured. Subsequently, these are stated at cost less accumulated depreciation as per IAS-16 *Property, Plant and Equipment*. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.
- b) The depreciation of fixed assets has been charged as per Head Office circular No. 34/2006 dated May 09, 2006 in order to comply with the requirements of International Accounting standards. Depreciation is charged from the month the assets are brought into use and no depreciation is charged from the month the assets are sold/ disposed of. The method and rate of depreciation are as follows:



Particulars	Method of depreciation	Existing rate
Building (Freehold & leasehold)	On book value	5%
Furniture & fixture (Office)	On book value	10%
Library book	On book value	30%
Furniture & fixture (For executive)	On cost	20%
Computer (Hardware & Software)	On cost	33.33%
Electric & office equipment	On book value	20%
Sign board	On cost	20%
Motor Vehicles	On cost	20%

- c) Repairs and maintenance costs are charged to profit and loss account when incurred.

2.12 Intangible assets

- An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of assets can be measured reliably.
- Software represents the value of computer application software licensed for use of the Bank, other than software applied to the operation software system of computers. Intangible assets are carried at its cost, less accumulated amortization and any impairment losses. Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditures that are incurred in customizing the software for its intended use.
- Expenditure incurred on software is capitalized only when it enhances and extends the economic benefits of computer software beyond their original specifications and lives and such cost is recognized as capital improvement and added to the original cost of software.
- Software is amortized using the straight-line method over the estimated useful life commencing from the date of the application. Software is available for use over its useful economic life.

2.13 Impairment of Assets

The Bank assesses at the end of each reporting period if events or changes in circumstances indicate that the carrying value of an asset may be impaired, whether there is any indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the bank makes an estimate of the asset's recoverable amount. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered as impaired and is written down to its recoverable amount by debiting to the profit & loss account.

Fixed assets are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying amount of an asset may be impaired.



2.14 Other assets

Provision for other assets

Other assets have been classified as per BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank and necessary provisions have been made thereon accordingly as per BRPD Circular No. 04 dated 12 April 2022 and for item not covered under the circular, adequate provision have been made considering their recoverability.

2.15 Leases

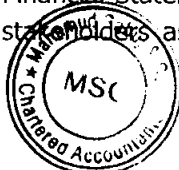
IFRS 16 Leases is effective for the annual reporting periods beginning on or after 1 January 2019. IFRS 16 defines that a contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 significantly changes how a lessee accounts for operating leases. Under previous IAS 17, an entity would rent an office building or a branch premises for several years with such a rental agreement being classified as operating lease would have been considered as an off-balance sheet item. However, IFRS 16 does not require a lease classification test and hence all leases shall be accounted for as on balance sheet item except for some limited exceptions i.e. short-term lease and leases for low value items.

Under IFRS 16, an entity will recognize a right-of-use (ROU) asset (i.e. the right to use the office building, branches, service center, call center, warehouse, etc.) and a corresponding lease liability. The asset and the liability are initially measured at the present value of unavoidable lease payments. The depreciation of the lease asset (ROU) and the interest on the lease liability is recognized in the profit or loss account over the lease term replacing the previous heading 'lease rent expenses'.

While implementing IFRS 16, the Bank observed that IFRS 16 is expected to have impact on various regulatory capital and liquidity ratios as well as other statutory requirements issued by various regulators. In addition, there are no direction from National Board of Revenue (NBR) regarding treatment of lease rent, depreciation on ROU assets and interest on lease liability for income tax purposes and applicability of VAT on such items. Finally, paragraph 5 of IFRS 16 provide the recognition exemptions to short-term leases and leases for which the underlying asset is of low value. Although, paragraphs B3 to B8 of the Application Guidance (Appendix B) of IFRS 16 provide some qualitative guidance on low value asset, but this guidance is focused towards moveable asset and immovable asset like rental of premises (i.e. real estate) is not covered on that guidance, nor any benchmark on quantification guidance on low value items have been agreed locally in Bangladesh.

Nevertheless, as first step the Bank has defined 'low value asset' which are to be excluded from IFRS 16 requirement. Thereafter, the Bank has reviewed lease arrangements for 'office premises' for consideration under IFRS 16.

As per the preliminary assessment of leases for 'office premises', the Bank has concluded that the potential impact of these lease items in the Balance Sheet and Profit and Loss Account of the Bank is not considered to be material. Therefore, considering the above implementation issues the Bank has not taken IFRS 16 adjustments on the basis of overall materiality as specified in the materiality guidance in the 'Conceptual Framework for Financial Reporting' and in 'International Accounting Standard 1 Presentation of Financial Statements'. However, the Bank would continue to liaison with regulators and related stakeholders as well as observe the market practice for



uniformity and comparability, and take necessary action in line with any guideline and market practice.

In 2024, the Bank completed an assessment for all the rental agreements and recognized Right-of-use assets and leases liabilities for all leases under the scope of IFRS 16 Leases. On this transition, the weighted average incremental borrowing rate applied to lease liabilities recognized under IFRS 16 was 7.75%, 8.50%, 9.50% respectively.

a) Bank as Lessor

Amount due from lessees under the finance leases are recorded as receivables at the amount of the Bank's net investment in the leases. Finance lease income is allocated to accounting periods as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

b) Bank as Lessee

For any new contracts entered into on or after 1 January 2019, the Bank considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Bank assesses whether the contract meets two key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Bank;
- the Bank has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Bank has the right to direct the use of the identified asset throughout the period of use. The Bank assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

2.16 Non-banking assets

The Bank has been awarded ownership of a few mortgaged properties vide verdict under section 33(7) of the Artha Rin Adalat Act, 2003. Such properties have not been recognized as non-banking assets as the value measurements of the properties are under process.

2.17 Reporting period

The financial statements cover from 01 January 2025 to 31 December 2025.

2.18 Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. Advance tax paid and provision for tax of the bank is presented on net basis as a liability item if the liability is higher than asset and as an asset item if the asset is higher than liability.

2.19 Receivable

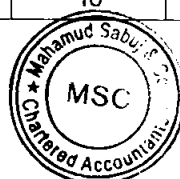
Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.



2.20 Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is to be formed and it is to issue financial reporting standards for public interest entities such as banks. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS), International Accounting Standard (IAS) as required by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. While preparing the financial statements, the Bank applied most of IAS and IFRS as adopted by ICAB. Details are given below:

Sl. No.	Name of IAS	IAS	Status
1	Presentation of Financial Statements	1	Applied with some departures (note # 2.1)
2	Inventories	2	N/A
3	Statements of Cash Flows	7	Applied with some departures (note # 2.1)
4	Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
5	Events after the Reporting Period	10	Applied
7	Income Taxes	12	Applied
8	Property, Plant and Equipment	16	Applied
9	Employee Benefits	19	Applied with some departures-note # 2.32 (b)
10	The Effects of Changes in Foreign Exchange Rate	21	Applied
11	Borrowing Cost	23	Applied
12	Related Party Disclosures	24	Applied
13	Accounting and Reporting by Retirement Benefit Plans	26	Applied
14	Separate Financial Statements	27	Not Applicable
15	Investment in Associates	28	Not Applicable
16	Interest in Joint Ventures	31	Not Applicable
17	Financial Instruments: Presentation	32	Applied with some departures (note # 2.1)
18	Earnings per Share	33	Not Applicable
19	Interim Financial Reporting	34	Not Applicable
20	Impairment of Assets	36	Applied
21	Provisions, Contingent Liabilities and Contingent Assets	37	Applied
22	Intangible Assets	38	Applied
23	Financial Instruments: Recognition and Measurement	39	Applied with some departures (note # 2.1)
24	Investment Property	40	Not Applicable



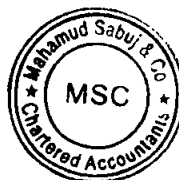
Sl. No.	Name of IAS	IAS	Status
25	Agriculture	41	Not Applicable

Sl. No.	Name of IFRS	IFRS	Status
1	First-time Adoption of International Financial Reporting Standards	1	Not Applicable
2	Share-Based Payment	2	Not Applicable
3	Business Combinations	3	Not Applicable
4	Non-current assets Held for Sale and Discontinued Operations	5	Not Applicable
5	Exploration for and Evaluation of Mineral Resources	6	Not Applicable
6	Financial Instruments: Disclosures	7	Applied with some departures (note # 2.1)
7	Operating Segments	8	Applied
8	Financial Instruments	9	Applied with some departures (note # 2.1)
9	Consolidated Financial Statements	10	Not Applicable
10	Joint Arrangements	11	Not Applicable
11	Disclosure of Interest in Other Entities	12	Not Applicable
12	Fair Value Measurement	13	Applied with some departures (note # 2.1)
13	Regulatory Deferral Accounts	14	Not Applicable
14	Revenue from Contracts with Customers	15	Applied
15	Leases	16	Applied
16	Insurance Contract	17	Not Applicable

2.21 Revenue recognition

Interest income

1. The interest receivable is recognized on an accrual basis.
2. Interest on unclassified loan and advance is calculated on an accrual basis and on a daily product basis, but charged and accounted for quarterly and in some cases yearly on an accrual basis.
3. Commissions and discounts on bills purchased and discounted are recognized at the time of realization.



a) **Investment income**

Income on investments other than shares in different limited companies has been accounted for on an accrual basis.

b) **Fees and commission income:**

Fees and commissions arise on services provided by the bank and are recognized on a cash receipts basis. Commissions charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

2.22 Liquidity statement

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

Particulars	Basis of Use
Cash, balance with other banks and financial institutions, money at call and short notice, etc.	Stated maturity/observed behavioral trend.
Investments	Residual maturity term.
Loans and advances	Repayment/maturity schedule and behavioral trend (non-maturity products).
Fixed assets	Useful life.
Other assets	Realization/amortization Basis.
Borrowing from other banks, financial institutions and agents	Maturity/ repayment term.
Deposits and other accounts	Maturity and behavioral trend (non-maturity products).
Provision and other liability	Settlement/adjustment schedule basis

2.23 Statement of cash flow

Cash flow statement has been prepared in accordance with the BRPD Circular No. 14, dated June 25, 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

2.24 Statement of changes in equity

Statement of changes in equity has been prepared in accordance with *IAS-1, "Presentation of Financial Statements"* and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated June 25, 2003.



2.25 Taxation

(i) Current tax

Provision for current income tax has been made as per the prescribed rate in the Finance Ordinance, 2025, on the taxable income as per the Income Tax Act, 2023, and International Accounting Standard (IAS) 12: "Income Taxes".

(ii) Deferred tax

Deferred tax liabilities are the amounts of income tax payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of taxable temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax basis. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the profit and loss account. Disclosures of Deferred Tax have been made on the basis of the instructions contained in Bangladesh Bank BRPD Circular No. 11 dated 12 December 2011.

2.26 Deposits and other accounts

Deposits and other accounts include deposit accounts redeemable at cost, term deposit, savings deposit and bills payable. These terms are brought to financial statements at the gross value of the outstanding balance.

2.27 Investment

Value of investment has been calculated as follows:

Items	Applicable accounting value
Government treasury bill and bonds under HTM portfolio.	At amortized cost basis.
Government treasury bill and bonds under HFT portfolio.	Valued at mark to market on a weekly basis.

2.28 Reconciliation of inter-bank/inter-branch account

Accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there are no material differences which may affect the financial statements significantly. Un-reconciled entries / balances in the case of inter-branch transactions as on the reporting date are not material.

2.29 Accounting for provision, contingent liabilities and contingent assets:

The Bank recognizes provision only when it has a legal or constructive obligation as a result of a past event and it is provable that an outflow of economic benefit will be required to settle the obligations, in accordance with the *IAS 37 Provision, Contingent Liabilities and Contingent Assets*.



2.30 Contingent liabilities

A contingent liability is:

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or

A present obligation that arises from past events but is not recognized because:

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

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

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

2.31 Borrowings from other banks, financial institutions and agents

Borrowed funds include call money deposits, borrowings, re-finance borrowings and other term borrowings from banks, financial institutions and agents. These are stated in the balance sheet at amounts payable. Interest paid / payable on these borrowings is charged to the profit & loss account.

2.32 Retirement benefits to the employee:

a) Provident Fund

Contributory provident fund benefit is given to the staffs of the bank who complete consecutive five years of his/her service with the bank. All confirmed permanent employee of the bank are contributing 10% of their basic salary as subscription of the fund. The bank also contributes equal amount of the employees' contribution to the fund. The provident fund of NBP, Bangladesh Branch is recognized with National Board of Revenue (NBR) vide letter No. vobi/ta.onu(NBR)/briku/2018-2019/511(3) dated 28 October 2018.

b) Gratuity/pension fund

Gratuity fund is given only to that employee of the bank at the time of his/her retirement or release from the bank who completes consecutive five years of confirmed / permanent service with the bank. He /she will receive the following amount as Gratuity payment:

- i) Last drawn one-month basic salary for each completed years of confirmed / permanent service with the bank for the employees who have completed five years but less than fifteen years of confirmed / permanent service with the bank;



- ii) One and half times of last drawn basic salary for each completed years of confirmed / permanent service with the bank for the employees who have completed ten years or more of his confirmed / permanent service with the bank.

The gratuity fund of the NBP Bangladesh Branches is recognized from NBR vide letter no.08.01.0000.035.02.061.2018/391 dated 06 February 2019.

2.33 Workers' profit participation fund (WPPF)

SRO-336-AIN/2010 dated 5 October 2010 issued by the 'Ministry of Labour and Employment' declares the status of business of certain institutions and companies along with Bank & insurance companies as "Industrial Undertakings" for the purposes of Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) which deals with the workers' participation in company's profit by way of 'Workers Participation Fund' and 'Welfare Fund'. This Act requires the "Industrial Undertakings" to maintain provision for workers' profit participation fund @ 5% on net profit. Since this requirement contradicts with the 'Section 11' of the 'Bank Company Act 1991 (as amended up to 2013)', Banks in Bangladesh took up the issue collectively and sought opinion from 'Association of Bankers Bangladesh Limited (ABB)' on the same. ABB wrote a letter to the 'Ministry of Finance' of Government of People's Republic of Bangladesh on 09.03.2016 to draw attention of the honorable Finance Minister regarding relevance and applicability of Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) for Bank Companies and to obtain a direction on the issue. The 'Ministry of Finance' revealed their opinion that WPPF should not be relevant for Bank Companies and therefore, it should not be applied there. They also sought for an opinion on this issue from Bangladesh Bank. Subsequently, Bangladesh Bank agreed on all the logics and legal opinion collected by the ABB and expressed their consensus with them on 29.11.2016. In this backdrop, the 'Ministry of Finance' has given their instruction, vide letter no. 53.00.0000.311.22.002.17.130 dated 14.02.2017, for not applying Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) in Bank Companies. Therefore, no provision in this regard has been made in the financial statements for the year ended on December 31, 2025.

2.34 Provision for Off-balance sheet exposures

In compliance with Bangladesh Bank guidelines, contingent liabilities have been disclosed under off-balance sheet items. As per BRPD Circular No. 14 dated 23 September 2012 and BRPD Circular No. 06 dated April 25, 2023, the bank has been maintaining provision @ 1% to 5% against certain off-balance sheet exposures.

2.35 Start Up Fund

SMESPD (SME and Special Programs Department) Circular No 05 (26 April 2021), and SMESPD (SME and Special Programs Department) Circular No 02 (09 July 2025) issued by Bangladesh Bank, instructs Banks to maintain a 'Start Up Fund' by transferring 1% money from yearly net profit. The Bank has not made any provision for a start-up fund, as the Bank got the waiver from the Bangladesh Bank.



2.36 Risk management

The risk of the Bank is defined as the possibility of losses, financial or otherwise. National Bank of Pakistan has established policies in compliance with Bangladesh Bank's guidelines covering major areas such as (a) Credit risk management, (b) Foreign exchange risk management, (c) Asset liability management, (d) Money laundering prevention, (e) Internal control & compliance and (f) Information and communication technology risk. The prime objective of the risk management is that the Bank takes well calculative business risks while safeguarding the Bank's capital, its financial resources and profitability from various risks.

(a) Credit risk management

Credit risk is one of the major risks that any bank has to face. This can be described as the potential loss arising area due to the failure of counter party to perform as per contractual agreement with the bank. Bank's credit risk management activities have been designed to mitigate the credit risks efficiently and properly.

All responsibilities are separated to the officers/executives involved in credit related activities. Credit approval, administration, monitoring and recovery functions have been segregated. The credit proposals are originated from the Relationship Managers' level and those are reviewed and analyzed by the Credit Risk Department. The essence of the Credit Risk Management Policy is to ensure that the risks are mitigated by taking adequate security, proper documentation and by regular supervision of extended facilities.

(b) Foreign exchange risk management

Foreign exchange risk is defined as the potential change in earnings arising due to change in market prices. The foreign exchange risk of the bank is the minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. No dealing on banks account was conducted during the year.

Treasury department independently conducts the transactions and back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are valued at Market-to-Market rate as determined by Bangladesh Bank at the month-end. All Nostro Accounts are reconciled on monthly basis and outstanding entry beyond 30 days is reviewed by the management for its settlement.

(c) Asset's liability management

The Asset Liability Committee (ALCO) of the Bank monitors market risk and liquidity risks of the bank. The market risk is defined as potential change in earnings due to change in rate of interest, foreign exchange rates which are not of trading nature. Asset Liability Committee (ALCO) reviews liquidity requirement of the bank, the maturity of assets and liabilities, deposit and lending, pricing strategy and the liquidity contingency plan. The primary objective of the ALCO is to monitor and avert significant volatility in Net Interest Income (NIM), investment value and exchange earnings.



(d) Prevention of money laundering

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention in money laundering. For mitigating the risks, the bank has a designated Chief Compliance Officer who independently reviews the transactions of the accounts to verify suspicious transactions. Manuals for prevention of money laundering have been established and transaction profile has been introduced. Training has been continuously given to all the category of officers and executives for developing awareness and skill for identifying suspicious activities.

The Bank has implemented an enterprise-wide AML (Anti-Money Laundering) and CFT (Combating the Financing of Terrorism) compliance program, which covers all the activities of the Bank and is reasonably designed to comply with applicable laws and regulations. It is the policy of the Bank to take all reasonable and appropriate steps to prevent persons engaged in money laundering, fraud, or other financial crime, including the financing of terrorists or terrorist operations, from utilizing the Bank's products and services. The Bank makes every effort to remain in full compliance with all applicable AML and CFT laws, rules and standards in the jurisdictions in which it does business.

In order to facilitate compliance with AML and CFT requirements, the Bank has hired a Senior Executives as the CAMLCO (Chief Anti-Money Laundering Compliance Officer) and a team of employees with experience on AML and CFT requirements under law, as well as money laundering detection and prevention, to oversee AML and CFT program of the Bank.

(e) Information communication technology

ICT risk management is embedded in internal control and Compliance Policy of the Bank which are widely used for managing the union between business process and information system effectively. However, this control emphasizes both business and technological regulation and monitoring which in turn support business requirement and governance and at the same time ensure that ICT risk are properly identified and managed. According to Central Bank ICT Guideline, the Bank ICT policies have been prepared and reviewed on regular basis based on which operating procedures for all ICT functions are carried out, Besides, in other to assure the appropriate usage of resources and information, the Bank IT Audit Policy ensures that the IT systems are properly protected and is free from unauthorized access illegal tempering and malicious actions and all these actions are continuously monitored and supervised by Bank's IT auditor.

2.37 Internal control

The MANCOM of NBP Bangladesh has roles as stipulated in the 'Banking Companies (amended) Act 2013'. Accordingly, the MANCOM have worked on maintaining sound corporate governance and diligently discharged their responsibilities. The ICCD have adopted significant policies for internal control and risk management and implemented risk based internal audits as per 'sections 15 Kha& 15 Ga of the Banking Companies (amended) Act 2013' for ensuring that the Bank is appropriately and effectively managed and controlled. The MANCOM has reviewed the policies and manuals of various segments of businesses in order to establish an effective internal control system, which is adequate for achieving sustainable growth through orderly and efficiently conduct of business. The ICCD has also checked the control procedures for ensuring the



safeguarding of the Bank's asset, the prevention and detection of fraud and error, the adequacy and completeness of accounting records, timely preparation of financial information and the efficient management of risks.

2.38 Risk Management and other related matters

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

a) Liquidity risk

The object of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Bank is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance. Management of liquidity and funding is carried out by Treasury Department under approved policy guidelines. Treasury front office is supported by a very structured Mid office and Back office. The Liquidity management is monitored by Asset Liability Committee (ALCO) regularly. A written contingency plan is in place to manage extreme situation.

b) Market risk

The exposure of market risk of the Bank is restricted to foreign exchange risk, interest rate risk and equity risk.

c) Interest rate risk

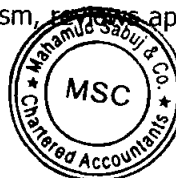
Interest rate risk may arise either from trading portfolio or non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills. The short-term movement in interest rate is negligible or nil. Interest rate risk of non-trading business arises from mismatches between the future yield of an asset and its funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

d) Operational risk

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance Division undertakes periodical and special audit of the branches and divisions at the Head Office for review of the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division.

e) Monitoring activities and corrective measures

To ensure effective Internal control system in line with risk management framework of the Bank, the ICCD of the bank runs a strong monitoring unit. This unit ensures effectiveness of internal control on perpetual basis through set control mechanism, reviews approved tools and processes



i.e., Departmental Control Function Check List (DCFCL), Quarterly Operations Report (QOR), Loan Documentation Check List (LDCL), and Self-Assessment Anti-Fraud Internal Control Check list etc. For any identified operational risks/lapses, this unit takes necessary steps for risk mitigation and escalates to the higher management/MANCOM of the NBP BD Ops for risk mitigation or absorption with specific recommendations. Moreover, International Compliance Division, Compliance Group, Head Office, Pakistan also monitors the activities of NBP BD Ops.

f) Preventing of money laundering and terrorist financing

NBP BD Operations performs a series of activities in identifying, assessing, mitigating and monitoring risks related to Money Laundering (ML) and Terrorist Financing (TF). Bank has established a control framework for strict compliance with all regulatory directives issued from Bangladesh Financial Intelligence Unit with regard to AML & CFT. For prevention of Money Laundering and Terrorist Financing, the bank has revised Central Compliance Committee (CCC) with 8 department heads and Chief Manager, Dhaka Main Branch to ensure collective participation of different departments in comprehensive AML and CFT program. Under direction of CCC and dedicated Chief Anti Money Laundering Compliance Officer (CAMLCO), AML Department implements and monitors different AML & CFT programs across bank. In addition to nominating Branch Anti-Money Laundering Compliance Officer (BAMLCO) at branches, we have nominated Department Anti-Money Laundering Compliance Officer (DAMLCO) at crucial departments to oversee AML/CFT compliance at root level. NBP ND Ops has implemented manual transaction monitoring and automated sanction screening system to corroborate AML/CFT compliance program. To increase awareness among employees, NBP BD Ops has adopted training programs for its employees.

g) Information and communication technology risk

NBP, BD Ops follows ICT Security Guideline of Bangladesh Bank while framing ICT Security policies and procedures for the Bank. For demonstrating its commitment to protecting the confidentiality, integrity, and availability of IT systems and data in a professional manner NBP, BD Ops is doing its ISO 27001:2022 Standard Compliance Certification from an international accreditation organization. To protect sensitive ICT infrastructures from cyber criminals/fraudsters, the NBP, BD ICT division has implemented standard physical and logical security procedures (e.g., Data Center, Disaster Recovery Site, Power Rooms, Server Rooms, etc.). NBP, BD has advanced logical ICT security measures in place for all systems, such as an access control system, intrusion detection, an access log, and monthly security assessments. NBP, BD has installed a SIEM (Security Information and Event Management) solution to better monitor security occurrences. Internal and external vulnerability assessments and penetration testing are undertaken on a regular basis to detect security flaws and set controls for mitigation. Business Continuity Management (BCM) is in place at NBP, BD to handle any man-made or natural calamity. Through retail and corporate channels, the Information Security team has also taken steps to raise cyber security awareness among all NBP, BD officials and customers. We have a separate information system audit in place to identify control weaknesses which is conducted by Head Office, Karachi IS audit specialists regularly."

2.39 Internal audit

Internal Audit is the continuous and systematic process of examining and reporting on the activities of an organization undertaken by the specially assigned staff(s). Internal Auditor works

as the Eyes & Ears of the management. It can assure the management that the controls are adequate and in operations, the policies and system laid down are being adhered to and the accounting records provided at the operation level are correct.

Internal Audit mechanism is used as an important tool to ensure good governance of the bank. Internal Audit Activity of the bank is found effective and it provides senior management with a number of important services. These include detecting and preventing fraud, testing internal control, monitoring and compliance in respect of internal policies & procedures, applicable laws & regulations, instruction/guidelines of regulatory authority.

The Bank, being quite small in size and operation, the management posted one person as Head of Audit for Bangladesh Operations. In addition, time to time review from the Group internal audit team is also conducted.

2.40 Fraud and Forgeries

The increasing wave of fraud and forgery cases in the banking sector in recent time calls for concerted steps in identifying ways for reducing or preventing frauds and forgeries by analyzing the causes and effect of frauds and forgeries, and prescribing effective control strategies for salvaging frauds in the banking sector. The Bank does always pay due attention on anti-fraud internal controls for prevention of fraud and forgery. The Bank has already implemented some strategies like Financial Control Strategy, Personnel Control Strategy, Accounting Control Strategy, Credit Control Strategy, Cost Control Strategy, Administrative Control strategy, Process Control Strategy etc. in order to strengthening the control system further. Although it is not possible to eliminate all frauds because of the inherent limitations of Internal Control System, the Management has taken all the measures to keep the operational risk in a very minimum level. Internal Control and Compliance Division (ICCD) assesses and evaluates the effectiveness of Bank's anti-fraud internal control measures, recommends for further improvement in the implementation of aforesaid strategies and reports to the Bangladesh Bank on effectiveness of controls at the end of each quarter following their prescribed format.

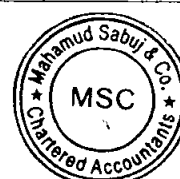
2.41 Audit committee

According to BRPD Circular no 11 dated 27 October 2013, all banks are advised to constitute an audit committee comprising members of the Board. The audit committee will review amongst other the financial reporting process, the system of internal control and management of financial risks and the internal audit process.

Being a branch of a foreign bank, the Bank does not have a local Board of Directors from whom to select the audit committee. At the local country level, the Bank has Management Committee (MANCOM) which is empowered to oversee the overall control issues of the Bank. In addition, the Bank is subject to audit by the internal auditors from the Head Office.

The Bank's Management Committee during the year ended 31 December 2025 has comprised of following senior employees:

Name of the Persons	Designations	Educational and Professional Qualification
Md. Quamruzzaman	Country Head & CEO	B.Com(Hons),M.Com(Marketing), University of Dhaka,, MBA (Canada)



Name of the Persons	Designations	Educational and Professional Qualification
Syed Muhammad Jawwad Raza Naqvi	VP/DGM-Credit & Operations	MS, MBA (Islamia University, Bhawalpur, Pakistan), AIBP
Ahmed Munawar	Chief Manager, Dhaka Main Branch	MBA (Finance), M.sc (Physics, JAIBP
Mohammad Ataur Rohoman Joardder	Head of Finance & Treasury	B.Com(Hons),M.Com(Accounting) , University of Dhaka, CA- Application Level, JIBB, ITP
Mahfuzul Islam	Head of HRD & ARD	MBA, MA (University of Dhaka), CFA

2.42 Approval of financial statements

These financial statements were reviewed by the audit committee in the meeting held on 23 April 2026 and subsequently approved by the MANCOM NBP BD operation in the meeting of same date.

2.43 Event after reporting period

As per IAS-10: Events after the reporting period, events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and date when the financial statements are authorized for issue. Two types of events can be identified: are those period

- Those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- Those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period)
- Nothing occurred after reporting date which is reportable as events after reporting date.

2.44 Related party disclosures

- National Bank of Pakistan (NBP) was established under the National Bank of Pakistan Ordinance, 1949 and is listed on all the stock exchanges in Pakistan. Both of its registered and head office is situated at I.I. Chundrigger Road, Karachi. NBP BD Operations are the branch offices of National Bank of Pakistan (NBP), Karachi, Pakistan. There is no party and no related party transaction during the year 2025.

b) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24 Related Party Disclosures, Bangladesh Bank. National Bank of Pakistan (NBP) was established under the National Bank of Pakistan Ordinance, 1949 and is

listed on all the stock exchanges in Pakistan. Both of its registered and head office is situated at I.I. Chundrigger Road, Karachi. NBP BD Operations are the branch offices of National Bank of Pakistan (NBP), Karachi, Pakistan. There are no related party transactions other than inter-branch transactions with other branches for the year ended 31 December 2025.

2.45 General

- a) The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the bank.
- b) Wherever considered necessary previous year's figures have been rearranged to conform to current year's presentation.
- c) Figures appearing in these financial statements have been rounded off to the nearest BDT.



Notes to the financial statements
As at and for the year ended 31 December 2025

Note	Amount in BDT	
	31-Dec-25	31-Dec-24
3 Cash in hand (including foreign currencies)		
In local currency	3,815,423	11,077,567
In foreign currency	249,075	125,475
	4,064,498	11,203,042
3.1 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)		
Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991 and MPD circular nos. 01 & 02, dated June 23, 2014 and December 10, 2013 & DOS circular no.1 dated 19 January 2014 & MPD Circular no.01 dated April 03, 2018 & DOS circular letter no. 26 dated 19 August 2019 and MPD Circular no. 03 dated April 09, 2020.		
4% Cash Reserve Requirement (CRR) is required on the Banks average time and demand liabilities which Bank maintained with Bangladesh Bank in current account and 13% Statutory Liquidity Ratio, including CRR, on the same liabilities has also been maintained by the Bank in the form of treasury bills and bonds including balance with Bangladesh Bank. Both the reserve are maintained by the Bank as per statutory requirements, as shown below:		
3.2 CRR: 4% of average demand and time liabilities		
Required Reserve	639,032,000	629,448,000
Required Percentage (%)	4%	4%
Actual Reserve	721,242,000	684,482,155
Actual Percentage (%)	4.66%	4.42%
Surplus/ (Deficit)	0.66%	0.42%
3.3 SLR: 13% excluding CRR of average demand and time liabilities		
Required reserve	2,076,855,000	2,045,706,000
Required percentage (%)	13%	13%
Actual reserve	14,399,392,680	14,486,551,230
Actual percentage (%)	92.95%	93.51%
Surplus / (Deficit)	79.95%	80.51%
4 Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)		
a) In Bangladesh Bank	837,512,326	779,400,323
In local currency	720,594,085	684,482,155
In foreign currency	116,918,241	94,918,168
b) In agent bank		
In local currency	-	-
In foreign currency	-	-
	837,512,326	779,400,323
5 Balance with other banks & financial institutions		
In Bangladesh (Note # 5.1)		
In short term deposit	-	-
Outside Bangladesh (Note # 5.2)	35,904,551	88,663,218
In current account	35,904,551	88,663,218
In term deposit	-	-
	35,904,551	88,663,218
5.1 In Bangladesh		
Name of the bank		
Bangladesh Bank	-	-
5.2 Outside Bangladesh		
Bank name	Branch name	
Standard Chartered Bank, India	Mumbai	1,124,322
HSBC New York (Regular)	New York	-
HSBC New York (Special)	New York	-
NBP Bahrain (Regular)	Bahrain	-
NBP Bahrain (Special)	Bahrain	-
NBP (Regular)	New York	-
NBP (Special)	New York	-
NBP Karachi	Karachi	7,447,247
NBP Tokyo (Regular)	Tokyo	51,214
NBP Tokyo (Special)	Tokyo	-
NBP Frankfurt (Exchange position)	Frankfurt	17,962,599
NBP- EPZ REG. USD ACC.	EPZ, Karachi	9,051,224
UBL UK	London	267,946
		88,663,218
		35,904,551

Annexure -A may kindly be seen for details of currency-wise amount and exchange rates.

Note

Amount in BDT

	31-Dec-25	31-Dec-24
5.3 Maturity grouping of balance with other banks and financial institutions		
Repayable on demand	35,904,551	88,663,218
With a residual maturity of:		
Not more than 3 months	-	-
Over 3 months but not more than 1 year	-	-
Over 1 year but not more than 3 years	-	-
More than 3 years	-	-
	35,904,551	88,663,218
5.4 Segregation of balance with other banks and financial institutions	-	-
6 Money at call on short notice	-	-
6.1 Classification of money at call on short notice		
Commercial banks (Note # 6.1.1)	-	-
Financial institutions (public & private)	-	-
6.1.1 Commercial banks		
a) Leading on call	-	-
b) Placement on term basis	-	-
6.2 Maturity grouping of money at call on short notice		
Repayable on demand	-	-
With a residual maturity of:		
Upto 1 month	-	-
More than 1 month but less than 3 months	-	-
More than 3 month but less than 1 year	-	-
More than 1 year but less than 2 years	-	-
7 Investments (in shares / securities)		
Government securities		
a) Government securities (Note # 7.1)	14,313,117,675	14,420,252,229
i. Held for trade	12,307,084	11,692,473
ii. Held for maturity	14,300,810,591	14,408,559,756
b) Prize bonds	34,500	34,000
c) Other investments	-	-
i. Shares	-	-
ii. Debentures & Bonds	-	-
iii. Others Investments	-	-
iv. Gold	-	-
v. Others	-	-
Total (a+b+c)	14,313,152,175	14,420,286,229
7.1 Comparable statement		
28 days treasury bill	-	-
90 days treasury bill	195,806,758	3,417,978,376
182 days treasury bill	8,620,705,402	2,047,670,951
364 days treasury bill	-	-
2 Yrs BGT-bond	-	-
5 Yrs BGT- bond	700,485,633	1,101,791,086
10 Yrs BGT bond	1,434,564,627	4,477,252,303
15 Yrs BGT bond	1,448,672,555	1,450,323,944
20 Yrs BGT bond	1,912,882,700	1,925,235,570
	14,313,117,675	14,420,252,229
7.2 Maturity grouping of investments		
Repayable on demand	34,500	34,000
With a residual maturity of:		
Upto 1 month	-	-
More than 1 month but less than 3 months	8,303,304,764	5,465,649,327
More than 3 month but less than 1 year	1,314,149,913	3,441,770,709
More than 1 Year	4,695,662,999	5,512,832,194
	14,313,152,175	14,420,286,229



Note

Amount in BDT

8 Loans & advances (loans, cash credit & overdrafts etc)

In Bangladesh

Cash credit
Loan against import merchandise
Loan against trust receipt
Loan against cash Incentive
Overdraft
Demand loan
Term loan
Packing credit

31-Dec-25 31-Dec-24

-	-
7,540,787	7,540,787
550,052,552	550,052,552
-	-
3,709,740,034	3,710,540,758
594,612,119	594,612,119
7,575,506,375	7,575,506,375
9,975,978	9,975,978
12,447,427,846	12,448,228,570

Inside Bangladesh

Bills purchased and discounted (Note # 9)

1,269,950,600 1,269,950,600

Total loans and advances

13,717,378,446 13,718,179,170

8.1 Residual maturity grouping of loans and advances including bills purchased and discounted

Repayable on demand

With a residual maturity of:

Not more than 3 months
Over 3 months but not more than 1 year
Over 1 year but not more than 5 years
More than 5 years

-	-
13,652,921,929	13,653,717,848
16,460,854	16,461,815
47,995,663	47,999,507
-	-
13,717,378,446	13,718,179,170

8.2 Cash and other approved collateral including approved securities against

Total outstanding loans and advances as at 31 December 2025

12,019,635,171 12,019,635,171

8.3 Countrywise classification of loans and advances (excluding bill purchased and discounted)

Inside Bangladesh
Outside Bangladesh

12,447,427,846	12,448,228,570
-	-
12,447,427,846	12,448,228,570

8.4 Loans and advances on the basis of significant concentration including bill purchased and discounted

a) Loans and advances to directors of the bank
b) Loans and advances to chief executive and other senior executives
c) Loans and advances to customer group
d) Others

-	-
-	-
13,717,378,446	13,718,179,170
-	-
13,717,378,446	13,718,179,170

8.5 Loans and advances allowed to each customer exceeding 10% of Bank's total

Number of customers
Classified amount thereon
Measures taken for recovery

4 4
5,753,080,298 5,753,080,298
Yes Yes

Customer wise outstanding (funded & non funded) as on 31.12.2025 are as follows

Cotton Group
Hard Trade Group
Koba Group
Ibrahim Group

2,893,547,113	2,867,931,266
565,093,873	565,093,873
545,859,656	545,859,656
1,825,723,719	1,825,723,719
5,830,224,361	5,804,608,514

8.6 Industry wise loans and advances

a) Textile industries
b) Food & allied industries
c) Pharmaceuticals industries
d) Leather, chemical, cosmetics industries etc
e) Cement & ceramic industries
f) Service industries (CNG)
g) Plastic industries
h) Telecommunication & mobile industry
i) Others

5,301,863,219	5,301,863,219
194,075,250	194,075,250
-	-
269,175,164	269,175,164
-	-
-	-
-	-
481,380,735	481,380,735
7,470,884,079	7,471,684,803
13,717,378,446	13,718,179,170



Note

Amount in BDT

8.7 Geographical location wise loans and advances

a) In Bangladesh

Dhaka Division
Chittagong Division
Sylhet Division
Khulna Division
Rajshahi Division
Rangpur Division

b) Outside Bangladesh

31-Dec-25	31-Dec-24
13,717,378,446	13,718,179,170
12,747,520,349	12,748,321,072
509,200,000	509,200,000
47,164,000	47,164,000
109,938,244	109,938,244
303,555,854	303,555,854
-	-
-	-
13,717,378,446	13,718,179,170

8.8 Classification of loans and advances

(including bills purchased and discounted)

a) Unclassified

Superior
Good
Acceptable
Marginal/Watchlist
Special mention account

b) Classified

Sub-standard
Doubtful
Bad/Loss

Total

141,996,114	177,805,936
-	-
-	-
-	-
141,996,114	177,805,936
-	-
13,575,382,332	13,540,373,234
-	-
-	-
13,575,382,332	13,540,373,234
13,717,378,446	13,718,179,170

8.9 Particulars of required provision for loans and advances and off balance sheet exposure

8.9.1 Particulars of required provision for loans and advances funded

As per CL Report submitted to Bangladesh Bank as at 31 December 2025

Status	Outstanding	Base for provision	Rate (%)	Required Provision (2025)	Required Provision (2024)
a) Unclassified-General Provision					
Small and medium enterprise	3,542,136	-	1.8%	61,987	688,659
Credit	-	-	2.5%	-	-
Others	138,453,978	-	-	1,741,495	4,153,619
Special mention account	-	-	5%	-	-
Classified -Specific Provision					
Sub- standard	-	-	20%	-	-
Doubtful	-	-	50%	-	-
Bad/loss	13,575,382,332	7,233,965,783	100%	7,233,965,783	7,228,714,418
	13,717,378,446	7,233,965,783		7,235,769,265	7,233,556,697

As per instruction of Bangladesh Bank circular letter no. 52/2021 Dated 29 December 2021 & 53/2021 Dated December 2021 regarding loan classification & Provisioning, General provision is extra required for 1.5% (BDT 53,132.04) on SME & 2% on specific account (BDT 356,955.07) on other than SME under General provision on loan and Advances for Covid-19



Note

Amount in BDT

8.9.2 Particulars of required provision for loans and advances

31-Dec-25 31-Dec-24

Status	Outstanding	Base for provision	Rate (%)	Required Provision (2025)	Required Provision (2024)
a) Unclassified-General provision					
Small and medium enterprise	3,542,136	-	0.50%	17,711	688,659
			1.50%	53,132	-
Agricultural loans & advances		-	-	-	-
Others	138,453,978	-	1.00%	1,384,540	4,153,619
COVID-19			2%	356,955	-
Special mention account	-	-	5%	-	-
Classified -Specific Provision					
Sub- standard	-	-	20%	-	-
Doubtful	-	-	50%	-	-
Bad/loss	13,575,382,332	7,233,965,783	100%	7,233,965,783	7,228,714,418
Total	13,717,378,446	7,233,965,783		7,235,778,121	7,233,556,697

8.9.3 Particulars of required provision for off balance sheet exposure

Status	Base for provision	Rate (%)	Required Provision (2025)	Required Provision (2024)
b) General provision				
Letter of credit	77,144,063	6%	4,628,644	1,029,860
Letter of guarantee*	28,487,683	6%	1,709,261	569,754
Total	105,631,746		6,337,905	1,599,614

Required provision for loans and advances (Funded + Non-Funded)

Loans & advances and off balance sheet exposure (a + b)

Further required provision

Provision maintained for loans and advances and off balance sheet exposure

Surplus / (Shortfall) of provision against total loans & advances (Funded+Non Funded)

7,242,116,025	7,235,156,311
-	-
7,512,869,195	7,512,869,195
270,753,170	277,712,884

8.10 Particulars of loans and advances

i) Debts considered good in respect of which the bank is fully secured.	10,816,824,904	10,816,824,904
ii) Loans considered good against which the banking company holds no security other than the debtors personal guarantee.	2,844,211,770	2,844,211,770
iii) Debts considered good and secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors.	57,142,496	57,142,496
iv) Debts considered doubtful / adversely classified or bad but not provided for	-	-
v) Debts due by directors or officers of the banking company or anyone of	-	-
vi) Debts due by companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies, as members.	-	-
vii) Debts considered good for which the bank holds no other security than the debtors' personal security.	-	-
viii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.	-	-
ix) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in case of private companies, as members.	-	-
x) Due from banking companies	-	-
xi) Classified loans and advances	-	-
a) Classified loans and advances on which no interest is credited to income	13,575,382,332	13,540,373,234
b) Provision on classified loans and advances	7,233,965,783	7,228,714,418
c) Provision kept against loan classified as bad debts	7,233,965,783	7,418,102,721
d) Interest credited to interest suspense account	1,704,077,548	1,704,077,548
xii) Cumulative amount of written off loan	-	-
Opening balance	-	-
Amount written off during the year	-	-
The amount of written off loan for which law suit has been filed	-	-



Note

Amount in BDT

9 Bills purchased and discounted

Payable in Bangladesh
Payable outside Bangladesh

31-Dec-25	31-Dec-24
1,269,950,600	1,269,950,600
-	-
1,269,950,600	1,269,950,600

9.1 Residual maturity grouping of bill purchased and discounted

With a residual maturity of:

Repayable within 1 (one) month
Over 1 month but less than 3 months
Over 3 months but less than 6 months
6 months or more

1,269,950,600	1,269,950,600
-	-
-	-
-	-
1,269,950,600	1,269,950,600

10 Fixed assets including premises, furniture & fixtures

Cost

Furniture and fixture
Electrical installation
Computer & computer equipments
Office equipment & machines
Motor vehicles
Software (Intangible Assets)
New furnishing limit to executive

Total cost

Less: Accumulated depreciation

25,526,890	25,464,190
17,201,583	17,146,333
57,863,647	56,868,566
9,406,007	9,214,277
13,911,274	13,911,274
24,070,455	23,931,855
2,896,209	2,896,209
150,876,065	149,432,704
135,847,096	133,534,199
15,028,969	15,898,505

Lease assets -Premises

Right-of-use assets
Less:Accumulated depreciation

40,592,825	39,289,816
10,308,149	22,166,807
30,284,676	17,123,009

Net book value at end of the year

45,313,644	33,021,514
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* Details are in Annexure -B.

11 Other assets

Classification of other assets

a) Income generating other assets

Office Equipment

i) Income Tax paid at sources

In Bangladesh

Outside Bangladesh

ii) Stationary, stamps, printing materials etc.

iii) Advance rent and advertisement

iv) Interest accrued on investment but not collected, commission
and brokerage receivable on shares and debenture
and other income receivables

v) Security deposit

vi) Preliminary, formation and organizational expenses, renovation,

vii) Branch adjustment (NBP General Account)

ix) Receivable against sanchoypatra

x) Receivable from Bangladesh Bank

xi) Other (Note # 11.01)

341,352,145	232,786,132
-	-
1,256,474	1,275,152
918,992	2,236,677
-	-
-	-
-	-
416,600	372,600
-	-
6,466,202	6,459,000
-	-
98,600,000	98,600,000
3,696,375,272	3,703,504,833
4,145,385,684	4,045,234,394

b) Non-Income generating other assets:

Total other assets

4,145,385,684	4,045,234,394
----------------------	----------------------

11.1 Others

Deferred tax assets (Note # 11.1.1)

Sundries receivable (Note # 11.1.2)

Forward equalisation A/C

Adjusting A/C debit balance (Note # 11.1.3)

Sundries

2,916,807,479	2,990,580,934
425,573,163	425,573,163
-	-
353,994,629	287,350,735
-	-
3,696,375,272	3,703,504,833



Note

Amount in BDT

31-Dec-25	31-Dec-24
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11.1.1 Deferred tax assets

Opening balance
Deferred tax income / (expense)- net
Closing balance

2,990,580,934	2,994,246,898
73,773,455	3,665,964
2,916,807,479	2,990,580,934

In terms of instructions contained in BRPD Circular No. 11 dated 12 December 2011 and provision of International Accounting Standard (IAS) - 12, "Taxation", is duly taken into consideration while computing the above deferred tax assets. As the above deferred tax assets are mainly resulted due to specific provision made against classified loans & advances, so necessary consideration has been made in respect to "Loan write off policy" of Bangladesh Bank and "Carry forward policy of business loss" as per Income Tax Act 2023. The Bank has also considered past operating results in dealing with recovery of NPLs and also the future projections and current efforts of the Management to recovery the classified loans and advances.

After a long period of time, the Bank has made a profit during the year 2021 and continued in the year 2022 as well. And the same trend continues in 2023. The Bank believes that it can continue the same profit in the future because the Bank has already kept adequate provisions following the guidelines of Bangladesh Bank. As mentioned in note # 8.08 The Bank has already appointed some valuation firm to revalue the collateral securities (comprising mostly of land) taken from the loan parties. In cases, the value of the collateral securities increases which is most likely in the future the Bank will be required to keep less provision. This will ultimately increase the profit of the Bank. Also, the Bank has been chasing the default loanes and appointed lawyers to recover the money either by mutual understanding or through a court settlement.

In addition to the above, interest on deposits has significantly decreased due to the decrease in the deposit rate, and the Bank has already settled a significant portion of the fixed deposit, which reduces the cost of the fund, which will ultimately increase the profit of the Bank. Due to the aforementioned reasons, the Bank believes that it can recover deferred tax assets with taxable income.

11.1.2 Sundries receivable includes interest receivable on IBP,B/E, LTR etc.

425,573,163 425,573,163

11.1.3 Adjusting A/C debit balance (Income receivable)

Interest on treasury bond
Interest receivable on agro loan
Interest on STD account
Interest on IFIC & Bangladesh Bank
Interest receivable on placement as call
Other receivable

353,994,629	287,350,735
-	-
-	-
-	-
-	-
-	-
353,994,629	287,350,735

12 Non banking assets

- -

13 Borrowings from other banks, financial institutions & agents

- -

In Bangladesh

Secured

- -

Outside Bangladesh

- -

Unsecured

- -

Repayable on demand

- -

Total

- -

13.1 Maturity grouping of borrowing from banks & financial institution and agents

With a residual maturity of

Not more than 1 month
Over 1 month but not more than 6 months
Over 6 months but not more than 1 year
More than 1 year but not more than 5 years
Unclaimed deposit 10 years or more

-	-
-	-
-	-
-	-
-	-

14 Deposits & other accounts

16,092,174,002 15,824,925,150

14.1 Current deposits & other accounts, etc.

Cash credit account
Current account
Marginal deposit account
Foreign currency accounts
FDR Interest & other interest A/C

-	-
114,661,134	97,981,462
17,501,499	17,433,014
15,314,872,210	14,698,531,232
21,854,191	16,879,526

Note	Amount in BDT	
	31-Dec-25	31-Dec-24
NBP, Head Office, Karachi (Vostro)	98,055,107	79,140,857
	15,566,944,141	14,909,966,092
14.2 Bills payable		
Payment order	12,572,002	33,827,741
	12,572,002	33,827,741
14.3 Savings bank deposits		
	95,867,467	91,042,836
14.4 Fixed deposits		
Inter bank deposit (Note # 14.4.1)	-	200,000,000
Sundry deposit	277,616,106	383,254,458
	277,616,106	583,254,458
14.4.1 Inter bank deposits		
Bank Al Falah Limited	-	-
Trust Bank Limited	-	200,000,000
	-	200,000,000
14.5 Scheme deposits		
	109,676,800	177,080,221
14.6 Bearer certificate of deposits		
	-	-
14.7 Other deposit (short term deposit)		
	29,497,485	29,753,803
Total deposits & other accounts	16,092,174,002	15,824,925,150
14.8 Maturity grouping of current account and other account		
Repayable on demand	1,979,397	1,979,397
With a residual maturity of		
Not more than 1 month	-	-
Over 1 month but more than 6 months	8,113,282,738	8,655,966,092
Over 6 months but not more than 1 year	7,332,427,657	6,254,000,000
More than 1 year but not more than 5 years	121,233,746	-
Unclaimed deposit 10 years or more	-	-
	15,566,944,141	14,909,966,092
14.9 Maturity grouping of inter bank deposit		
Total deposit & other accounts	-	-
With a residual maturity of		
Repayable within 1 month	-	-
Over 1 month but within 6 months	-	200,000,000
Over 6 months but not more than 1 year	-	-
Over 1 year but not more than 5 years	-	-
Over 5 years but within 10 years	-	-
Unclaimed Deposits for 10 years or more	-	-
	-	200,000,000
14.10	The Bank has obtained various foreign currency (FC) deposits from its overseas network for an aggregate amount of BDT 15,309,000,000 at 31 December 2025. Corresponding SWAP arrangements have also been structured with a number of third party banks to repurchase these foreign currency deposits. As per section 39(a) of IAS 21- "The Effects of Changes in Foreign Exchange Rates, assets and liabilities for each statement of financial position has been translated at the closing rate at the date of that statement of Financial position.	



Note

Amount in BDT

15 Other liabilities

Provision for loan and advances (funded only) (Note # 15.1)
Provision for taxation (Note # 15.2)
Provision for off balance sheet exposure (Note # 15.3)
Adjusting account credit (Note # 15.04)
Interest suspense account (Note # 15.1.C)
Provision for gratuity (Note # 15.5)
Vat and Tax Payable
Withholding tax (employees salary)
Lease liability (Note #15.6)
Provision for other assets
Cash incentive

31-Dec-25	31-Dec-24
7,505,210,193	7,509,535,373
75,971,336	63,004,714
7,659,002	3,333,822
70,680,449	76,460,235
1,704,077,548	1,704,077,548
49,164,635	39,517,997
29,990,146	24,435,820
832,441	832,441
25,110,489	14,629,828
6,459,000	6,459,000
2,588	2,588
9,475,157,827	9,442,289,365

No provision is made for good borrowers because our borrowers do not meet the conditions prescribed in BRPD circular Nos. 03 dated 15 February 2016 and 06 dated 19 March 2015 issued by Bangladesh Bank.

15.1 Provision on loans & advances

a) Specific provision against classified loans & advances

Provision held at the beginning of the year
Fully provided debts written off
Provision against recoveries of classified loans & advances
Net charge to profit & loss account/ Trasfer to General Provision
Provision held at the end of the year

7,404,223,725	7,437,652,797
-	-
-	-
(170,257,942)	(33,429,072)
7,233,965,783	7,404,223,725

While calculating the specific provision on loans and advances, the Bank followed the rules prescribed by Bangladesh Bank (The Central Bank of Bangladesh). As per the guideline of Bangladesh Bank, NBP BB is required to conduct classification-activities quarterly. These activities must include periodic revaluations of collateral, no less frequently than one year for movables and no less frequently than three years for immovables.

b) Movement of general provision (1% on unclassified loans & advances

Provision held at the beginning of the year
Addition during the year/ Tranfer from Specific provision
Provision transferred for classified loans and advances/ Transferred to General Provision of Off balance sheet exposure

105,311,648	105,311,648
170,257,942	-
(4,325,180)	-
271,244,410	105,311,648
7,505,210,193	7,509,535,373

Balance at the end of the year

Total provision for loans & advances (a+b)

c) Movement of interest in suspense against classified loans & advances

Balance at the beginning of the year
Amount transferred to suspense account during the year
Amount recovered from suspense account during the year
Amount written off/waived during the year

1,704,077,548	1,740,391,784
-	-
-	(36,314,236)
-	-
1,704,077,548	1,704,077,548

Balance at the end of the year

15.2 Provision for income tax

Opening balance
Add: Provision made during the year *

63,004,714	70,952,739
18,902,384	(7,948,024)
81,907,098	63,004,714
5,935,762	-
75,971,336	63,004,714

Less: Payments during the year

Balance as at the year end

15.2.1 Details of provision for corporate tax & advance corporate tax

A. Advance Tax

Balance of income tax on 1st January
Addition in year
Adjusted during the year *

232,786,133	174,421,085
108,566,012	66,313,072
-	(7,948,024)
341,352,145	232,786,133

B. Provisions

Balance of income tax on 1st January
Provision made during the year *
Less: Payments during the year

63,004,714	70,952,739
18,902,384	(7,948,024)
5,935,762	-
75,971,336	63,004,714
(265,380,808)	(169,781,418)

Net balance deficit / (surplus) at the year end (B-A)



Note

Amount in BDT

	31-Dec-25	31-Dec-24
* Considering the excess provision carried forward from previous years, the current year's minimum tax liability of BDT 18,902,384 (calculated at 1.0% of gross receipts) has been adjusted against the existing provision for income tax expenses. Consequently, this amount has been recognized as a prior-year income adjustment in "Surplus/(deficit) in profit and loss account" and reversed from the provision for income tax under liabilities. Additionally, Bangladesh Bank has deducted tax at source on Treasury Bills (T-Bills) and Treasury Bonds (T-Bonds), with an equivalent amount recorded as Advance Income Tax (AIT). This treatment aligns with the requirements of IAS 12 (Income Taxes) and applicable tax regulations.		
15.2.2 Provision for corporate tax*	18,902,384	7,948,024
15.3 Provision for off balance sheet exposure	7,659,002	3,333,822
Movement:		
Opening Balance	3,333,822	3,333,822
Transferred from General Provision of Unclassified Loan	4,325,180	-
Closing Balance	7,659,002	3,333,822
15.4 Adjusting account credit		
Provision for expenses	(5,619,962)	1,323,357
Provision for interest on call money, fcy & swap	74,434,878	74,434,878
Provision for audit and credit rating	1,865,533	702,000
	70,680,449	76,460,235
15.5 Provision for gratuity		
Opening Balance	39,517,997	42,163,278
Provision made during the year	9,880,398	-
Paid during the year	2,049,122	1,284,073
Balance	47,349,273	40,879,204
Remeasurement gain/loss as per Actuarial Valuation	1,361,207	(1,361,207)
Closing Balance	48,710,480	39,517,997
15.6 Lease liability		
Current	25,110,489	14,629,828
Non-current	-	-
	25,110,489	14,629,828

16 Capital fund

Under Section 13(4) of Banking Companies Act, 1991 and Bangladesh Bank Circular No. BRPD 11 dated 14 August 2008 the required capital and reserves of the bank at the close of the business on 11 August 2011 should be Tk. 4 billion. Preliminary Expenses for branch incorporation of BDT 12,980,500 received from National Bank of Pakistan, Head Office Karachi has been shown as additional capital of the Bangladesh Branch which is approved by the Bangladesh Bank vide Circular No. BRPD (P) 720/98-1369 Dated 26-04-98. The bank also provided BDT 57,400,000 and BDT 329,980,500 as on 30-09-2002, BDT 191,970,790 as on 31-03-2004, BDT 489,740,302 in the year 2009, BDT 2,091,575,000 in the year 2011, BDT 911,950,000 in the year 2013, BDT 6,157,250,000 in the year 2014 and BDT 1,633,800,000 in the year 2015 and BDT 420,000,000 in 2019 and BDT 920,505,000 in 2020 and include additional Tier1(AT-1) - capital for BDT 414,414,000 as on 02.05.2024. As per BRPD Circular letter # 18 dated 15 June 2023(BRPD(R-1)(law review)717/2023-4628 dated 15 June 2023) minimum required paid up capital of a bank is BDT 500.00 crore (as on 31.12.2025 there is a surplus of regulatory capital BDT 42,254,252) . The constituents of the Capital of the Bank as of 31 December 2025 is presented below:

Particulars	USD	Rate		
a) Capital fund received from H.O	178,321,315	76.87	13,707,948,109	13,707,948,109
b) Amount in local currency				
Fund for Preliminary expenses			12,980,500	12,980,500
Additional Tier 1 (AT1) Capital			414,414,000	414,414,000
c) Profit retained/converted as capital			442,585,094	442,585,094
Total capital fund			14,577,927,703	14,577,927,703

16.1 Capital (Equity) adequacy ratio (CAR)/Capital to Risk Weighted Asset's Ratio (CRAR)

According to section 13(3) of the Banking Companies Act 1991, as amended by BRPD Circular No. 11 (14 August 2008) and BRPD Circular No. 24 (03 August 2010) all banks are required to maintain a capital that is higher of BDT 5.00 billion or the minimum capital requirement calculated as 10% of risk weighted assets (RWA). In case of foreign bank working in Bangladesh, the stated amount needs to be deposited with Bangladesh Bank which can be in the form of cash or in unencumbered approved securities. The maintained capital by the Bank is significantly higher, currently it is maintaining 36.10% which is higher than the required capital of 10% of the RWA of the Bank at 31 December 2025. As per BRPD Circular letter # 18 dated 15 June 2023 (BRPD(R-1)(law review)717/2023-4628 dated 15 June 2023) minimum required paid up capital of a bank is BDT 500.00 crore (as on 31.12.2025 there is a surplus of regulatory capital BDT 42,254,252). The details calculation of the CRAR are as follows:



Note

Amount in BDT

	31-Dec-25	31-Dec-24
Total risk weighted assets as on 31 December 2025	13,967,331,016	13,895,821,656
10% Of risk weighted assets	1,396,733,102	1,389,582,166
Required equity	5,000,000,000	5,000,000,000
A) Core capital (Tier - I)		
i) Paid up capital (Statutory Capital)		
a) Fund from HO & kept with Bangladesh Bank	14,150,533,203	14,150,533,203
b) ADDITIONAL TIER 1 (AT1) CAPITAL	414,414,000	414,414,000
ii) Profit retained as capital	-	-
iii) Retained earnings	(7,065,669,865)	(6,772,118,382)
iv) Adjustment for deferred tax	(2,748,906,998)	(2,818,879,034)
Sub total-A	4,750,370,340	4,973,949,787
B) Supplementary capital (Tier - II)		
i) General provision	271,244,410	91,432,652
ii) Provision for off balance sheet exposure	7,659,002	3,333,822
iii) Revaluation reserve for fixed assets, securities & equity securities	-	-
iv) Exchange equalization account	-	-
v) Fund for Preliminary expenses remitted by HO	12,980,500	12,980,500
Sub Total-B	291,883,912	107,746,974
Grand Total (A+B)	5,042,254,252	5,081,696,761
Capital Surplus / (Shortfall) against total minimum	42,254,252	81,696,761
Capital adequacy ratio on the basis of the RWA	36.10%	36.57%
17 Other reserves		
Increase in HTM securities	2,340,452	6,797,459
Gain on revaluation on treasury bills/bonds	16,781,205	16,166,594
Exchange equalization A/C	-	-
	19,121,657	22,964,053
18 Surplus/(deficit) in profit and loss account		
Balance of profit/(loss) brought forward from previous years	(6,772,118,382)	(6,812,029,048)
Transfer to capital fund	-	-
Reversed of provision for nostro accounts	-	-
Reversal of prior year income tax provision	-	7,948,024
Net Profit/(loss) after tax for the year	(293,551,483)	31,962,642
	(7,065,669,865)	(6,772,118,382)
19 Contingent liabilities	119,793,510	101,118,221
19.1 Letter of guarantee		
Letter of guarantee (local)	29,959,447	29,959,447
Letter of guarantee (foreign)	-	-
Foreign counter guarantee	-	-
* Details in Note # 19.6	29,959,447	29,959,447
19.2 Letter of credit		
Back to back L/C	77,144,063	51,493,000
Back to back bills	-	-
Back to back bills (EDF)	-	-
Banks liabilities PAD (DEF)	-	-
	77,144,063	51,493,000
19.3 Bills for collection		
Outward bills for collection	12,690,000	12,690,000
Outward foreign bills for collection	-	-
Inward bills for collection	-	-
Inward foreign bills for collection	-	-
	12,690,000	12,690,000
19.4 Other contingent liabilities		
Acceptance of Constituents LC	-	6,975,774
Bangladesh savings certificates	-	-
	-	6,975,774



Note

Amount in BDT

31-Dec-25	31-Dec-24
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19.5 Other commitments

- i) Documentary credits and short term trade related transactions
- ii) Forward asset purchased and forward deposit placed
- iii) Undrawn formal standby facilities, credit lines and commitments to lend:
 - Under one year
 - One year and over
 - Other exchange contracts

-	-
15,289,931,050	14,271,935,750
-	-
-	-
-	-
15,289,931,050	14,271,935,750

19.6 Letter of guarantee

- (i) Claim against the Bank which is not acknowledged as debt
- (ii) Money for which the Bank is contingently liable in respect of guarantees given favouring:
 - Directors
 - Government
 - Bank and other financial institutions
 - Others

-	-
-	-
-	-
-	-
-	-
29,959,447	29,959,447
29,959,447	29,959,447



Note

Amount in BDT

20 Income statement

Income

Interest, discount and similar income
Dividend income
Fees, commission and brokerage
Gains less losses arising from dealing securities
Gains less losses arising from investment securities
Gains less losses arising from dealing in foreign currencies
Income from non-banking assets
Other operating income
Profit less losses on interest rate changes

2025	2024
1,505,572,328	1,345,314,351
-	-
(136,488,932)	8,795,491
-	-
-	-
-	-
-	-
(134,118)	497,721
-	-
1,368,949,277	1,354,607,564

Expenses

Interest, fee and commission
Losses on loans and advances
Administrative expenses
Other operating expenses
Depreciation on banking assets

1,383,480,728	1,179,609,579
-	-
127,014,478	105,285,667
24,016,720	23,321,153
35,312,995	36,243,607
1,569,824,921	1,344,460,006

Profit before tax and provision

(200,875,644)	10,147,558
----------------------	-------------------

21 Interest income

Loans & advances
Money at call on short notice
Interest on other accounts
Discount on credit bills negotiated
Interest on foreign bank accounts
Interest on Bangladesh Bank accounts

-	269,455
-	-
1,073,973	-
-	-
-	3,792
2,727,960	2,303,352
3,801,933	2,576,599

22 Interest paid on deposits and borrowings etc

Interest paid on savings deposit
Interest paid on fixed deposits
Interest paid on short term deposits
Interest paid on call deposits
Interest paid on NBP general A/C
Interest paid on scheme deposit
Interest paid on others

2,766,852	4,084,879
36,216,677	77,849,390
11,986,151	19,678,608
525,694	-
-	-
1,343,866	1,891,942
1,330,641,488	1,076,104,761
1,383,480,728	1,179,609,579

23 Investment income (in shares / securities)

Interest on treasury bill
Interest on treasury bonds
Interest on Bangladesh Bank bills

872,085,602	431,508,462
629,684,793	911,229,291
-	-
1,501,770,395	1,342,737,752

24 Commission & exchange income

Commission
Exchange gain/(loss)

399,873	440,005
(136,888,805)	8,355,486
(136,488,932)	8,795,491

25 Other operating income

Locker rent
Gain from lease modification
Miscellaneous earnings

-	-
625,994	121,378
(760,112)	376,344
(134,118)	497,721



Note

Amount in BDT

26 Salary & allowances

Basic pay
Allowances
Bonus
Banks contribution to provident fund
Banks contribution to gratuity fund
Remeasurement (gain)/loss on gratuity *
Group insurance
Salary of temporary staff

2025	2024
22,802,800	24,309,007
33,924,139	31,709,332
3,616,472	4,664,392
1,750,631	2,669,320
10,202,205	335,141
1,361,207	(1,361,207)
1,056,043	-
3,779,063	3,769,450
78,492,560	66,095,434

* As per IAS 19, remeasurement gains and losses on defined benefit obligations should be recognized in Other Comprehensive Income (OCI). However, since the Bangladesh Bank's prescribed financial reporting format (BRPD Circular 14 dated 25 June 2003) does not include OCI, the remeasurement gain/loss on gratuity has been adjusted with salary expenses to align with regulatory requirements. While this approach differs from IAS 19, it ensures adherence to regulatory guidelines.

27 Rent, taxes, insurances, lighting etc.

Rent & taxes
Insurance
Electricity and lighting etc

2,424,000	2,975,000
-	-
3,945,472	2,624,928
6,369,472	5,599,928

28 Legal & other professional expenses

Legal expenses
Other professional expenses
Credit rating fees

18,038,785	20,318,320
13,342,040	3,340,750
367,500	322,500
31,748,325	23,981,570

29 Postage, stamps and telecommunication etc.

Postage & stamp
Telephone (office)
Telephone (residence)

223,962	301,346
126,103	129,042
38,750	49,700
388,815	480,088

30 Stationery, printing, advertisement etc.

Office & security stationery
Publicity & advertisement

735,856	722,738
191,199	502,608
927,055	1,225,345

31 Chief executive's salary & allowances

(General manager's salary and fees)
Basic salary
Bonus
Allowance
Pension fund

3,495,780	3,495,780
582,630	582,630
3,355,308	3,404,892
-	-
7,433,718	7,483,302

32 Director's fees

-	-
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33 Audit fees

1,654,533	420,000
------------------	----------------

34 Charges on loan losses / write off loans & advances

Waiver of loans & advances

-	-
---	---



Note

Amount in BDT

35 Depreciation and repairs of bank's assets

Depreciation

Furniture & fixtures
Computer & computer equipments
Office equipment & electrical installation
Depreciations of others
Motor vehicles
Software (Intangible Assets)
Depreciations -Right of use assets
New furnishing limit to executives

Repair

2025	2024
1,041,515	1,004,903
935,685	676,978
305,447	323,319
-	-
-	-
-	-
29,492,605	30,614,956
-	123,858
31,775,252	32,744,013
3,537,744	3,499,593
35,312,995	36,243,607

36 Other expenses

Outside chamber entertainment
Inside chamber entertainment
Local conveyance
Computer expenses
Software maintenance
Fuel expenses
Books & newspapers
Travelling expenses
Honorarium to staff
Sundry expenses
SWIFT expenses
Tax & insurance of motor car
Cash carrying charge
Overtime allowances
Courier charges
Computer stationery & accessories
Water & sewerage
Security expenses
Office gas expenses
Photocopy expenses
Write off
Correspondence charges
Loss on revaluation on treasury bond
Cash remittance
Loss on fixed asset disposal
Clearing house maintenance charge
Medical attendance
General insurance
Rented premises repair
Donation
Interest expense (lease)
Training expenses

1,290,754	850,302
-	-
1,855,712	1,488,968
2,544,782	2,142,728
5,059,327	3,889,028
-	-
25,599	21,106
2,586,360	1,268,274
-	-
5,931,291	8,182,672
2,757,031	2,181,094
169,549	401,883
75,509	55,384
-	-
45,192	348,959
-	-
339,909	286,985
-	-
33,190	37,290
-	-
-	-
-	-
900	58
-	276,236
-	336,947
-	122,200
-	-
1,247,057	1,349,859
54,560	81,180
24,016,720	23,321,153

37 Provision for loans and advances

Provision for loans and advances(funded exposures)

-	(33,429,072)
-	(33,429,072)

38 Provision for off balance sheet exposure

Provision for off balance sheet*

-	-
-	-

* Created for Covid 19

39 Provision for dimension in value of investment

40 Other provision

Provision for other asset

-	-
-	-



Note

Amount in BDT

41 Deferred tax expenses/(income)

Opening deferred tax assets / (liabilities)
Closing deferred assets / (liabilities)
Deferred tax expenses/(income)

2025	2024
2,990,580,934	2,997,912,861
2,916,807,479	2,994,246,898
73,773,455	3,665,963

42 Litigation pending against banks

Number of litigation pending against the bank.

13	14
-----------	-----------

43 Cash payments to suppliers*

Stationery, printing, advertisement etc.
Postage, stamp & telecommunications
Computer expenses
Software maintenance
SWIFT expenses
Water & sewerage
Office gas expenses

927,055	1,225,345
388,815	480,088
2,544,782	2,142,728
5,059,327	3,889,028
2,757,031	2,181,094
339,909	286,985
33,190	37,290
12,050,108	10,242,557

* Previous year's figures have been rearranged where found appropriate to conform to current year's

44 Payments for other operating activities*

Outside chamber entertainment
Inside chamber entertainment
Local conveyance
Fuel expenses
Books & newspapers
Travelling expenses
Honorarium to staff
Sundry expenses
Tax & insurance of motor car
Cash carrying charge
Cash remittance
Loss on fixed asset disposal
Clearing house maintenance charge
Medical attendance
General insurance
Rented premises repair
Interest expense (lease)
Training expenses
Rent, taxes, insurance, electricity etc.
Legal expenses & other professional fees
Auditors fees
Repairs
Adjustment for non-cash item

1,290,754	850,302
-	-
1,855,712	-
-	-
25,599	21,106
2,586,360	1,268,274
-	-
5,931,291	9,671,640
169,549	401,883
75,509	55,384
-	-
-	-
900	58
-	276,236
-	336,947
-	122,200
1,247,057	1,349,859
54,560	81,180
6,369,472	5,599,928
31,380,825	23,659,070
420,000	420,000
3,537,744	3,499,593
170,863	170,863
55,116,193	47,784,523

* Previous year's figures have been rearranged where found appropriate to conform to current year's

45 Increase/(decrease) of other Assets

Stationery, stamps, printing materials etc.
Advance rent and advertisement
Interest accrued on investment but not collected, Commission and brokerage receivable on shares and debenture and other income receivable
Security deposit
Branch adjustment (NBP general account)
Suspense account
Receivable from Bangladesh Bank
Others

1,256,474	1,275,152
918,992	2,236,677
-	-
416,600	372,600
6,466,202	6,459,000
-	-
98,600,000	98,600,000
1,120,919,937	945,710,031
1,228,578,205	1,054,653,460
(173,924,745)	(83,212,966)

Increase/(decrease) of other assets:

Note

Amount in BDT

46 Increase/ (decrease) of other liabilities

Adjusting account credit (Note # 15.4)
Net balance due to head office and other branch
Others

2025	2024
70,680,449	76,460,235
-	-
9,475,157,827	9,434,341,341
9,475,157,827	9,510,801,575
(35,643,748)	(86,993,003)

Increase/(decrease)of other liabilities

47 Cash and Cash Equivalent

Cash in hand (local currency)
Cash in hand (foreign currency)
Balance with Bangladesh Bank
Balance with other banks & financial institution

3,815,423	11,077,567
249,075	125,475
837,512,326	779,400,323
35,904,551	88,663,218
877,481,375	879,266,583

48 Earnings per share (EPS)

Not Applicable

Not Applicable

49 Related party disclosures

- i) Significant contracts where Bank is party and wherein directors have interest
ii) Shares issued to directors and executives without consideration or exercisable at discount
iii) Related party transactions

Not Applicable

Not Applicable

Not Applicable

Not Applicable

NBP-BD engages in interbranch interest-bearing loan transactions with Head Office and other foreign branches, as authorized by the Head Office and Bangladesh Bank. The outstanding balances with these branches and the interest paid during the year have been disclosed below.

(a) Balances with related parties (current deposits)

Amount in BDT

Name of Related parties	Nature of Relationship	Nature of Accounts	Balance as at 31 December 2025
NBP TCMG, HO, Karachi	Head Office	Vostro	98,055,107
NBP TCMG, HO, Karachi	Head Office	Foreign Currency Account	-
NBP Bahrain	Affiliated Branch	Foreign Currency Account	15,309,000,000

(b) Nostro Balances with Related Parties

Refer to Annexure-A.

(c) Interest paid during the period

Name of Related parties	Nature of Accounts	Interest paid in 2025
NBP TCMG, HO, Karachi	Foreign Currency Account	104,330,732
NBP Bahrain Branch	Foreign Currency Account	276,055,367

(d) Compensation of Key Management Personnel

Refer to note: 31.

- iv) Lending policies to related parties
v) Lending to related parties is attested as per requirements
vi) Loan and advances to directors and their related concern
vii) Business other than banking business with any related concern of the directors as per Section 18(2) of the Banking Companies Act 1991
viii) Investment in the securities of directors and their related concern
ix) Assets pledged as security for liabilities
x) Listing of pledged collaterals

Not Applicable

Not Applicable

Not Applicable

Not Applicable

Not Applicable

Not Applicable

Not Applicable

Not Applicable

Not Applicable

Not Applicable

Not Applicable

Not Applicable

Not Applicable

Not Applicable

Md. Ataur Rohoman Joardder
Head of Finance

S.M. Jawwad Raza Naqvi
Deputy General Manager

Md. Qamruzzaman
Country Head & CEO

**National Bank of Pakistan
Bangladesh Branches
Balance with other Banks outside Bangladesh (Nostro Account)
As at 31 December 2025**

Annexure-A

Name of the Bank	PC Bank A/C Number	A/C Type	Currency	2024			2025		
				FC Amount	Ex. Rate	Equivalent BDT	FC Amount	Ex. Rate	Equivalent BDT
Standard Chartered, Calcutta	9010704000	CD	ACU \$	9,254	118.00	1,091,934	9,254	121.50	1,124,322
HSBC, Mumbai	9010705000	CD	ACU \$	-	-	-	-	-	-
HSBC, New York (Regular)	9010707000	CD	USD	-	-	-	-	-	-
HSBC, New York (Special)	9010708000	CD	USD	-	-	-	-	-	-
NBP, New York (Regular)	9011602011	CD	USD	-	-	-	-	-	-
NBP, New York (Special)	9011602012	CD	USD	-	-	-	-	-	-
NBP, EPZ, Karachi (Regular)	9010602006	CD	USD	545,058	118.00	64,316,839	74,496	121.50	9,051,224
NBP, Karachi	9011602021	CD	ACU \$	61,294	118.00	7,232,717	61,294	121.50	7,447,247
NBP, Head Office, Karachi (Vostro)	9020407003	CD	ACU \$	-	-	-	-	-	-
NBP, Tokyo (Regular)	9011602031	CD	JPY	63,419	0.75	47,406	63,419	0.81	51,214
NBP, Tokyo (Special)	9011602032	CD	JPY	-	-	-	-	-	-
NBP, Frankfurt (Regular)	9011602041	CD	EURO	128,757	122.19	15,732,985	125,757	142.84	17,962,599
NBP, Frankfurt (Special)	9011602042	CD	EURO	-	-	-	-	-	-
NBP, London (Regular)	9011602051	CD	GBP	1,633	147.80	241,337	1,633	164.09	267,946
NBP, London (Special)	9011602052	CD	GBP	-	-	-	-	-	-
ICICI, Calcutta	9010706000	CD	USD	-	-	-	-	-	-
Total in BDT:						88,663,218			35,904,551



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**National Bank of Pakistan
Bangladesh Branches
Fixed Asset Schedule
As at 31 December 2025**

Annexure B
Amount in BDT

Particulars	Cost					Rate of Dep.	Depreciation				Written down value as on 31-Dec-25	Written down value as on 31-Dec-24	
	Cost as on		Addition during the year	Disposal/ adjustment during the year	Cost as on		Accumulated Dep.	Dep. Charged during the year	Disposal/ adjustment during the year	Total dep. as on 31-Dec-25			
	01-Jan-25	2			31-Dec-25								5
1													
Furniture & Fixture		25,464,190	62,700	-	25,526,890	10%	14,615,928	1,041,515	-	15,657,442	9,869,448	10,848,262	
Electric Installation (Except Computer)		17,146,333	55,250	-	17,201,583	20%	16,378,136	174,691	-	16,552,827	648,756	768,197	
Computer & Computer Equipment		56,868,566	995,081	-	57,863,647	33.33%	53,306,374	935,685	-	54,242,059	3,621,588	3,562,192	
Office Equipment		9,214,277	191,730	-	9,406,007	20%	8,494,431	161,006	-	8,655,436	750,570	719,846	
Motor Vehicle		13,911,274	-	-	13,911,274	20%	13,911,267	-	-	13,911,267	7	7	
Software (Intangible Assets)		23,931,855	138,600	-	24,070,455	33.33%	23,931,854	-	-	23,931,854	138,601	1	
New Furnishing Limit to executive		2,896,209	-	-	2,896,209	20%	2,896,209	-	-	2,896,209	-	-	
Right-of-use assets		39,289,816	42,654,272	(41,351,263)	40,592,825	N/A	22,166,807	29,492,605	(41,351,263)	10,308,149	30,284,676	17,123,009	
Balance as on 31 December 2025		188,722,519	44,097,633	(41,351,263)	191,468,889		155,701,006	31,805,502	(41,351,263)	146,155,245	45,313,644	33,021,514	
Balance as on 31 December 2024		181,001,485	27,671,728	(19,950,693)	188,722,520		140,934,911	32,744,012	(17,977,917)	155,701,006	33,021,514	42,197,625	



**National Bank of Pakistan - Bangladesh Branches
Disclosures under Pillar III of Basel III for the year ended 31 December 2025**

1. Disclosure policy:

Following disclosures have been made by National Bank of Pakistan Bangladesh Branches ("the Bank") as per its approved policy
The major highlighted regulations of the Bangladesh Bank are:

- To comply with international best practices and make the Bank's Capital more risk-absorbent.
- To maintain minimum capital requirement by the Bank against credit, operational and market risks.
- To maintain capital adequacy ratio as per requirement of the Bangladesh Bank's.
- To adopt the approved credit rating agencies as external credit assessment institutions (ECAI).
- To adopt standardised approach for both credit and market risks and basic indicator approach for operational
- To submit capital adequacy returns to Bangladesh Bank on a quarterly basis.

2. Scope of applications

Qualitative disclosure

The risk based capital adequacy framework applies to National Bank of Pakistan, Bangladesh Operations, on "Solo Basis" as the Bank has no subsidiaries or significant equity investments in any other separate entity rather operating in Bangladesh as a Branch of foreign bank, National Bank of Pakistan is a state owned bank, incorporated in Pakistan.

Quantitative disclosure

The Bank's capital as at 31.12.2025 stood BDT 5,042.25 Million. Though the Capital Adequacy Ratio (CAR)//Capital to Risk Weighted Asset Ratio (CRAR) is 36.10 % much more above than the minimum requirement of 10% of Risk Weighted assets. The maintained capital by the Bank is significantly higher, currently it is maintaining 36.10% which is higher than the required capital of 10% of the RWA of the Bank at 31 December 2025. As per BRPD Circular letter # 18 dated 15 june 2023(BRPD(R-1)(law review)717/2023-4628 dated 15 june 2023) minimum required paid up capital of a bank is BDT 500.00 crore(as on 31.12.2025 there is a surplus of regulatory capital BDT 42,254,252).

3. Disclosures framework

Disclosures framework and requirement are in line with the Basel-III guidelines and subsequent amendment there on issued by the Bangladesh Bank.

3 Capital structure

Qualitative disclosure

The Bank's total capital as of 31 December 2025 was BDT 5,042.25 million out of which 94.21% i.e BDT 4,750.37 million was under Tier-I, highest quality of Capital elements. and remaining 5.79% i.e. BDT 291.88 million was under Tier-II. The main features of our Tier-I capital is BDT 14,150.53 million kept with Bangladesh Bank as per section 13 (4) of Banking Companies Act 1991 and the remaining (9,814.58) million is the retained loss due to specific provision against classified portfolio as at 31 December 2025. The Bank's Tier-II capital consists of general provision of BDT 271.24 million of UC loans ,BDT 7.66 Mln general provision for Off BS and remaining BDT 12.98 Million preliminary expenses approved as capital as at 31 December 2025. The proportion of Tier-I & Tier-II capital as per BASEL III guideline has been duly maintained.

Quantitative Disclosure	Amounts in Million BDT
A) Amount of Tier-1 capital	
Fully paid-up capital/ capital deposited with BB	14,150.53
Non-repayable share premium account	-
Statutory reserve	-
General reserve	-
Retained earnings	(7,065.67)
Minority interest in subsidiaries	-
Non-cumulative irredeemable preferences shares	-
Dividend equalisation account	-
Additional Tier-1 capital	414.41
	7,499.28



B) Amount deducted from Tier-1 capital

- Goodwill
- Shortfall
- Others

	-
	(2,748.91)

C) Net total of Tier-1 Capital (A+B)

4,750.37

D) Total amount of Tier 2 capital, net of deductions from Tier 2 capital

	291.88
--	--------

E) Total eligible capital (C+D)

	5,042.25
--	----------

3 Capital adequacy

Qualitative disclosure of capital adequacy

The Bank was adequately capitalized throughout the year. Quarterly Capital reporting under Basel-III guidelines has been made accordingly. Bank is in the process of preparation its own Internal Capital Adequacy Assessment Process (ICAAP) documents. The Bank's management is well involved in Capital Adequacy issues.

The Bank's Capital Adequacy Ratio (CAR) /Capital to Risk Weighted Asset Ratio (CRAR) as at 31 December 2025 is 36.10% as against the minimum requirement of 10% as of 31 December 2025 as per BRPD circular no. 10 dated 10 March 2012. Tier-I capital was 94.21% of risk weighted assets (RWA) against minimum requirement of 5% of RWA.

Quantitative disclosure of capital adequacy	Amounts in Million BDT
---	------------------------

A) Amount of regulatory capital to meet unforeseen losses

Amount of minimum capital required to meet credit risk
Amount of minimum capital required to meet market risk
Amount of minimum capital required to meet operational risk

	1,053.49
	15.31
	327.94
	1,396.73

Minimum Capital Requirement (MCR)

5,000.00

B) Actual capital maintained:

Total tier I capital
Total tier II capital
Total tier III capital

	4,750.37
	291.88
	-
	5,042.25

C) Additional capital over MCR maintained by the Bank

	42.25
--	-------

% of capital adequacy required

Tire I
Total

	10.00%
	10.00%

% of capital adequacy maintained

Tire I
Total

	34.01%
	36.10%

3 Credit Risk

Qualitative Disclosures

The general qualitative disclosure requirement with respect to credit risk includes the following:

Definition of past due and impaired (for accounting purposes) assets

According to the Bangladesh Bank's Guidelines on Risk Based Capital Adequacy, claims that are past due for 90 days or more are clubbed under this past due category. Apart from Basel III requirement bank is maintaining its past due loan in accordance with the BRPD 14 dated September 23, 2012 on loan classification and provisioning.

Description of approaches followed for specific allowances and statistical methods.

The Bank is following the standardised approach in line with Bangladesh Bank guidelines and no other statistical model is used apart from the supervisory procedures prescribed by the Bangladesh Bank in this regard.

Bank's credit risk management policy

Credit risk is one of the major risks faced by the bank. This can be described as potential loss arising from the failure of counterparty to perform as per contractual agreement with the bank. The failure may result from unwillingness of the counterparty or decline in his/her financial condition. Therefore bank's credit risk management activities have been designed to address all these issues.

The bank has segregated duties of the officers/executives involved in credit related activities. Credit approval, administration, monitoring and recovery function have been segregated.

Credit risk has been considered as one of the most significant risks in terms of sustainability, regulatory and capital requirements, which National Bank of Pakistan, Bangladesh Operations is exposed to. Bank's policy is to develop a high quality and diversified credit portfolio comprising of corporate, SME and retail / personal customers in Bangladesh towards better credit risk management. Credit risk management focuses on the quality of customer's individual loans as well as the overall loans and advances portfolio, examining and reporting the underlying trends, concentrations and ensuring a sustainable credit risk culture throughout its Bangladesh Operations. Credit risk management system of the Bank also closely monitors the changes in economic and market conditions and guides business and functional management at all levels on their credit portfolio.

Thus the scope of credit risk management and identification practices need to follow the procedures below:
To identify and manage credit risk, the Bank engages in procedures such as-

- i. Set up and follow well defined strategy for credit origination and relationship management.
- ii. Follow Credit risk analysis and mitigation strategy both at pre and post approval level.
- iii. Follow defined Loan documentation and credit administration procedures.
- iv. Methodically approach Recovery and management of problem loans.
- v. Establish best practise for Portfolio management.
- vi. Convey credit status through reporting.
- i. Set up and follow well defined strategy for credit origination and relationship management.

The Bank uses internal lending guidelines and procedures to ensure that all lending officers understand the Bank's appetite for risk in servicing counter party requirements, and thus facilitates evaluation and approval of individual credit transactions. The Bank has standard methods of analyzing various risk aspects involved in extending credit, considering risk areas such as business risk, financial risk, management risk, security risk, etc besides continuously reviewing the exposures and concentrations of the customer, group, industry, geography and lending types. Outcome of these risk analyses is used to establish internal credit risk grading for each borrower.

Maintenance of specific provision

National Bank of Pakistan, Bangladesh Operations strictly complies with its internal credit procedure prepared in line with prevailing Bangladesh Bank's guidelines including BRPD circular no. 05 dated 05 June 2006 and also made necessary amendmend as per BRDP Circular No 14 Dated September 23, 2012 concerning management of non-performing loans, loan classification and provisioning.

In line with above guidelines, the Bank reviews the loans and advances throughout the year so as to assess them in order to maintain the provision required thereagainst at the end of the each quarter during the year.

Provisioning rates

The specific provisioning rates on loans and advances is being maintained as guided by BRPD circular no. 14 dated 23 September 2012 and other subsequent amendments of the same.

Base for provision

Provision is to be made at the prescribed rate on the net loan amount after deduction of the amount of interest in suspense and the allowable value of eligible securities from the outstanding balance of classified accounts in line with the above guidelines.

Moreover, BRPD circular no. 14, dated 23 September 2012 also warrants further provisioning based on our qualitative judgments in case where any uncertainty or doubts arises in respect of recovery of any continuous loan, demand loan or fixed term loan, which will also require the Bank to classify such loans on the basis of qualitative judgment.

Quantitative disclosure		Amounts in Million BDT
Total exposures of credit risk		
A. Funded		
a) Domestic		25,836.79
b) Overseas (Nostro Balances)		35.90
		25,872.69
B. Non-Funded		
a) Domestic		29.66
b) Overseas		-
		29.66
C. Distribution of risk exposure by claims		
a) Cash and cash equivalents		4.06
b) Claims on Bangladesh Government and Bangladesh		15,150.66
c) Claims on other sovereigns and central banks*		-
d) Claims on Bank for international settlements, International Monetary Fund and European Central Bank		-
e) Claims on multilateral development banks (MDBs)		-
f) Claims on public sector entities (other than Govt. of Bangladesh) in Bangladesh		-
g) Claims on banks & NBFIs:		-
Maturity over 3 months		-
Maturity less than 3 months		35.90
h) Claims on corporate (excluding equity exposure):		138.45
i) Claims under credit risk mitigation		-

j) Claims categorised as retail portfolio & small enterprise (excluding consumer finance)	3.54
k) Consumer finance	-
l) Claims fully secured by residential property	-
m) Claims fully secured by commercial real estate	-
n) Past due loans/NPL	6,341.42
o) Investments in premises, plant and equipment and all other fixed assets	45.31
p) Claims on fixed assets under operating lease	-
q) All other assets	-
i) Claims on GoB & BB (advance income tax)	349.30
ii) Staff loan/Investments	-
iii) Other assets	3,804.03
r) Off-balance sheet items:-	
Claims on Banks:	
Maturity over 3 months	-
Maturity less than 3 months	-
Claims on corporate	29.66
Retail portfolio and small enterprises	-
	25,902.36
D. Details of exposure under credit risk mitigation (CRM)	
• Claims secured by financial collateral	-
• Net exposure after the application of haircuts	-
• Claims secured by eligible guarantee	-
	13,575.38
E. Gross non-performing assets (NPAs)	
Total loans and advances	13,717.38
Non-performing loans and advances including SMA	
Special mentioned account (SMA)	-
Sub-standard (SS)	-
Doubtful (DF)	-
Bad/loss (BL)	13,575.38
Total non-performing loans and advances	13,575.38
Non-performing assets (NPAs) to outstanding loans and advances (Excluding SMA)	98.96%
G. Movement of non-performing assets (NPAs)	
Opening balance	13,540.37
Addition during the year	35.01
Reduction during the year	-
Closing balance	13,575.38
H. Movement of specific provisions for NPAs	
Opening balance	7,404.22
Add: Provisions made during the period	(170.26)
Less :Write-off	-
Less: Write-back of excess provisions	-
Closing balance	7,233.97
I. Industry wise loans and advances	
1. Textile industries	5,302
2. Food & allied industries	194
3. Pharmaceuticals industries	-
4. Leather, chemical, cosmetics industries etc	269
5. Cement & ceramic industries	-
6. Service industries(CNG)	-
7. Plastic industries	-
8. Telecommunication & mobile industry	481
9. Others	7,471
J. Geographical location wise loans and advances	13,717.38
In Bangladesh	
Dhaka Division	12,747.52
Chittagong Division	509.20
Sylhet Division	47.16
Khulna Division	109.94
Rajshahi Division	303.56
Rangpur Division	-
Outside Bangladesh	13,717.38



K. Residual maturity grouping of loans and advances including bills purchased and discounted

Repayable on demand

-

With a residual maturity of :

Not more than 3 months

13,652.92

Over 3 months but not more than 1 year

16.46

Over 1 year but not more than 5 years

48.00

More than 5 years

-

13,717.38

L. Loans & advances (loans, cash credit & overdrafts etc)

In Bangladesh:

Cash credit

-

Loan against import merchandise

7.54

Loan against trust receipt

550.05

Loan against cash Incentive

-

Overdraft

3,709.74

Demand loan

594.61

Term loan

7,575.51

Packing credit

9.98

12,447.43

Inside Bangladesh

Bills purchased and discounted (Note # 9)

1,269.95

1,269.95

Total loans and advances

13,717.38

***The information provided from page number 55 to 59 has been made in line with the last LCR and NSFR report submitted to Bangladesh Bank, not based on these financial statements.**

3 Assets

Qualitative disclosure

Assets of the Bank includes both banking book assets and trading book assets. Trading book assets consist of foreign currency in hand, balances of nostro accounts and investment in treasury bills/bonds under Held for Trading (HFT) while all other assets of balance sheet such as loans and advances, investment in treasury bills/bonds under Held to Maturity (HTM), money at call and short notice and all fixed assets are the part of banking book assets. Assets are also divided in earning assets and non earning assets. The Balance Sheet size of the National Bank of Pakistan, Bangladesh Operations as on 31 December 2025 increased by 0.03% compared to 31 December 2024. All the fixed assets of the Bank are properly insured. Apart from the credit portfolio of traditional banking activities and fixed assets, the Bank has significant amount of investment in treasury bonds.

Earning assets:

Following assets are included as earning assets as these are generating revenue for the Bank:

- Loans and advances/credit portfolio;
- Investments;

Foreign currency held with Bangladesh Bank and overseas correspondent banks from which we earned interest.

Non-earning assets:

Non-earning assets are those assets from which do not generate revenue. Following are the components of non-earning assets:

- Cash in hand and balance with Bangladesh Bank and it's agent bank in local currency
- Fixed assets
- Other assets

Foreign currency held with overseas correspondent banks' current account from which we do not earned any interest.

Overall loans and advances as at 31 December 2025 stood at 13,717.38 million registering 0.01% decreased compared with 31 December 2024. Overall investments as at 31 December 2025 stood at BDT 14,313.15 million registering 0.74% negative growth compared with 31 December 2024.

Assets are monitored on a regular basis to cope with unexpected risk. Assets Liability Committee (ALCO) monitors and reviews the behaviour patterns of the assets. Assets are classified as per the directives of Bangladesh Bank.

Assets are classified as per directives and guidelines time to time issued by Bangladesh Bank. Classified loans and advances of the Bank as at 31 December 2025 was BDT 13,575.38 million which is 98.96% of total loan portfolio. Classified loans and advances have Increased by BDT 35.01 million compared to the year 2024. Adequate specific provision has been kept against such classified loans and advances as per Bangladesh Bank guidelines.

Quantitative Disclosures	Amounts in Million BDT
i) Banking book assets	
A. Cash in hand and balance with Bangladesh Bank excluding foreign currency (FC)	724.41
B. Balance with other banks excluding FC	724.41
C. Money at call and on short notice	-
D. Investment (HTM)	
a. Government	14,300.81
b. Qualifying (banks, etc)	-
c. Equities	-
d. Others	-
E. Loans and advances	
a. Past Due	-
SMA	-
SS	-
DF	-
BL	13,575.38
b. Unclassified	142.00
F. Risk weighted assets (RWA)	
a. Below 100% RWA	-
b. 100% RWA	-
c. Above 100% RWA	-
G. Rating Status	
a. Rated assets	-
b. Unrated assets	-
H. Other assets including fixed assets	4,190.70
i) Total banking book assets	4,190.70
ii) Trading book assets	
1. Foreign currencies held in hand	0.25
2. Foreign currencies held in Bangladesh Bank and nostro account	152.82
3. Investment (trading)	
a. Govt. (part of govt. HTM if held above the required SLR amount)	12.34
ii) Total trading book assets (1+2+3)	165.41
Total assets (i+ii)	33,098.71

4 **Equities: Disclosures for banking book position**

Qualitative disclosure

The Bank has no investment in quoted shares.

4 **Interest rate risk in the banking book (IRRBB)**

Qualitative disclosure

Interest rate risk refers to fluctuations in Bank's net interest income and the value of its assets and liabilities arising from internal and external factors. External factors cover general economic conditions.

Internal factors include the composition of the Bank's assets and liabilities, quality, maturity, interest rate and re-pricing period of deposits, borrowings, loans and investments. Rising or falling interest rates impact the Bank depending on Balance Sheet positioning. Interest rate risk is prevalent on both the assets as well as the liability sides of the Bank's Balance Sheet.

4 **Market risk**

Market risk in trading book

Views of board of directors on market risk

Market risk is the risk of adverse revaluation or movement of any financial instrument as a consequence of changes in market prices or rates. Market risk exists in all trading, banking and investment portfolios but for the purpose of this report, it is considered as a risk specific to trading book of the Bank. The major types of market risk as specified in the Risk Based Capital Adequacy (RBCA) are as follows:

- Interest rate risk
- Equity position risk
- Foreign exchange risk and
- Commodity risk

Among the above list, the main types of market risk faced by the Bank are interest rate risk and foreign exchange risk. The management of Bangladesh operations has given significant attention to market risk in trading book to assess the potential impact on the Bank's business due to the unprecedented volatility in financial markets.

Methods used to measure market risk

According to Bangladesh Bank guideline, National Bank of Pakistan, Bangladesh Operation is presently following the standardised approach for market risk under Basel III.

Market risk management system and policies and processes for mitigating market risk

The Bank has an independent market risk framework to assess, manage and control the risk management function, which is responsible for measuring market risk exposures in accordance with prescribed policies, and monitoring and reporting these exposures against the approved limits on a daily basis according to Bank's appetite for market risk.

Interest rate risk

Interest Rate Risk (IRR) is a major source of market risk and is unavoidable in any financial institution where the re-pricing of assets and liabilities are not identically matched. The ALCO of Bangladesh Operations manages the potential impact, which might be caused by the volatility of changes in the market interest rates and yield curves.

The securities (Treasury bills/bonds) acquired with the intention to trade by taking advantage of short-term price and interest rate movement is classified under the trading book. The marked to market (MTM) of securities in the trading book is done at market value as per the Bangladesh Bank guidelines.

Foreign exchange risk

All foreign exchange exposures and related risks are reviewed by the ALCO monthly, which provides additional guidance to treasury dealing room in managing the risks. This is to ensure that any adverse exchange rate movements on the results of the Bank due to un-hedged foreign exchange positions are restrained within acceptable parameters.

In addition to daily revaluation of spot position and monthly revaluation of forward positions the treasury uses Value at Risk (VaR) to assess the market risk. VaR provides a single number to the management that reflects the maximum loss, which can occur within a confidence level over a certain period of time.

Quantitative disclosure	Amounts in Million BDT
The capital requirements for:	
A. Interest rate risk	-
B. Equity position risk	-
C. Foreign exchange risk	15.31
D. Commodity risk	-
	15.31

4 Operational risk

Qualitative disclosure

The Management of National Bank of Pakistan has strong corporate governance and bank operational risk is well monitored as a part of risk management process. A sound internal process to assess the operational risk through a robust Internal Control mechanism is in place.

Operational risk Management process applied are as follows:

Risk based Audit has been rolled out to keep operational lapses at a minimum level in our all Branches by reinforcing Internal Audit throughout the year by ICC- Internal audit team, Regional Office as well as Head Office Pakistan Inspection team as a continuous process via on line and on site auditing through periodic basis.

In addition following mitigating steps are taken:

- Clear management reporting lines for each business units and branches with empowerment and accountability
- Appropriate segregation of duties
- Due diligence process in establishing customer relationship
- Regular staff rotation/transfers
- Regular system generated reporting to identify exceptional transactions
- Blanket Insurance cover against potential losses from internal & external events.

Performance gap of executives and staffs are being reviewed at the Management Committee Meeting and Audit Committee meeting and also in operation meeting held on monthly basis. Mitigation steps are decided and implemented accordingly.

Potential external events: Counter-party Risk are well monitored with enhanced due diligence. External threats Like, Payment gateway Control, Access Control/ Firewall etc. has been put in place and effectively working.

Operational Manuals are in place and Operating Instructions are being circulated regarding operational process with a view to mitigation of operational risk. Business Continuity Plan/ Disaster recovery site have been already worked out and are in place. HO team in in the process to finalize the details of BCP.

Presently the bank is maintaining adequate capital to mitigate its operational risk as per RBCA guideline by following the "Basic Indicator Approach".

Quantitative Disclosure	Amounts in Million BDT
The capital requirements for operational risk	327.94

4 Liquidity ratio

Qualitative disclosure

Liquidity Risk is the risk that the bank does not have sufficient financial resources to meet its obligations as they fall due or will have to do so at excessive cost. The risk arises from mismatch in the timing of cashflows.

The objective of liquidity framework is to allow the Bank to withstand very severe stresses. It is designed to adaptable to change the business modes, markets, regulators. The liquidity risk management framework requires:

- * Liquidity to manage by Bank on stand-alone basis with no reliance on the Bangladesh Bank;
- *to comply with all regulatory limits;
- *to maintain positive stressed cash flow;
- *monitoring the contingent funding commitments;
- *monitoring the structural term mismatch between maturing assets and liabilities;
- *maintenance of robust and practical liquidity contingency plan;
- *maintain diverse sources of funding and adequate back up lines;

Liquidity management of the Bank is centered on the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) based on BASEL III. The Bank has ALM (Asset liability management) desk to manage this risk. There are others tools like SLR,CRR,AD Ratio,MCO,MTF etc

The Bank has adopted Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio for liquidity risk management. LCR ensures that Bank maintains enough high liquidity unencumbered liquid assets to meet its liquidity needs for 30 calendar time-line whereas NSFR ensures availability of stable funding is greater than required funding over 1 year period.

Bank has Asset Liability Management Committee (ALCO) to monitor the liquidity risk on a monthly basis.

Quantitative Disclosure	Amounts in Million BDT
Liquidity coverage ratio (%)	629.24%
Net stable funding ratio (%)	27.65%
Stock of high liquid assets	853.88
Total net cash outflows over the next 30 calendar days	215.22
Available amount of stable funding	5,862.18
Required amount of stable funding	21,201.39

4 Leverage ratio

Qualitative disclosure

Leverage ratio is the ratio of tier 1 capital to total on and off-balance sheet exposures. The leverage ratio was into the BASEL-III framework as a non-risk based backstop limit, to supplement risk-based capital requirements.

In order to avoid building up excessive on and off balance sheet leverage in the banking system, a simple transparent, non risk based leverage ratio has been introduced by the Bangladesh Bank. The leverage ratio acts as a credible supplementary measure to the risk based capital requirements. The leverage ratio is intended to achieve the following objectives:

- constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy
- reinforce the risk based requirements with an easy to understand and non-risk based measure.

The Bank has calculated the regulatory leverage ratio as per the guideline of Basel-III. The numerator, capital measure is calculated using the new definition of Tier I capital applicable from 01 January 2015. The denominator, exposure measure is calculated on the basis the Basel III leverage ratio framework as adopted by the Bangladesh Bank. The exposure measure generally follows the accounting value

Quantitative disclosure

Leverage ratio	2025 BDT
On balance sheet exposure	20.52%
Off balance sheet exposure	25,872.69
Total Deduction from on and off balance sheet exposure/regulatory adjustments made to Tier 1 capital	30.93
Total exposure	2,748.91
	23,154.72



4 Remuneration

NBP BD operations focuses to attract , retain and motivate top talents to meet its objectives. Bank has a competitive pay and benefits packages to fulfill its objectives

Banks rewards strategy aims to reward success. In order to ensure alignment between remuneration and Bank's business strategy, individual remuneration is determined through assessment of performance delivered against both annual and long term objectives.

NBPs reward package consists of the following key elements:

Fixed Pay:

The purpose of the fixed pay is to attract and retain employees by paying market competitive pay for the role, skills, and experience required for the business. This includes basic salary, LFA and other allowances in accordance with local market practices.

Benefits :

NBP Bangladesh operations provided benefits in accordance with local market practice. There are medical insurance and life insurance policy for employees

***Key Features of NBP BD Operations remuneration framework include:**

*assessment of performance with reference to clear and relevant objectives

*the use of discretion to assess the extent to which performance has been achieved.

Quantitative disclosures:

Number of meeting held by main body overseeing remuneration during the financial year
Remuneration paid to the main body overseeing remuneration during the financial
Number of employees having received a variable remuneration award during the financial year

Nil
Nil
Nil

Guaranteed bonuses awarded during financial year:

Number of employees
Total amount of guaranteed bonuses

58
4,199,102.43

Sign-on awards made during the financial year:

Number of employees
Total amount of sign-on awards

Nil
Nil

Severance payments during the financial year :

Number of employee
Total amount of severance payment
Total amount of outstanding deferred remuneration (In cash)
Total amount of deferred remuneration paid out in the financial year
Breakdown of amount of remuneration awards for the financial year
Fixed and variable
Variable pay
Deferred
Non-deferred

Nil
Nil
Nil
Nil
Nil
Nil
Nil
Nil
Nil



**National Bank Of Pakistan
Bangladesh Branches
Financial Highlights
For the year ended 31 December 2025**

Particulars	Amount in BDT	
	2025	2024
Paid up capital/capital fund	14,577,927,703	14,577,927,703
Total equity/capital	5,042,254,252	5,121,607,428
Total assets	33,098,711,325	33,095,987,890
Total deposits	16,092,174,002	15,824,925,150
Total loans and advances	13,717,378,446	13,718,179,170
Total contingent liabilities and commitments	15,409,724,560	14,373,053,971
Credit deposit ratio	85.24%	86.69%
Percentage of classified loans against total loans & advances	98.96%	98.70%
Profit after tax and provision	(293,551,483)	31,962,642
Total amount of classified loans & advances	13,575,382,332	13,540,373,234
Provision kept against classified loans & advances	7,233,965,783	7,370,794,653
Provision surplus/ (deficit)	270,753,170	277,712,884
Cost of fund	8.67%	7.43%
Interest earning assets	28,182,705,498	28,322,046,785
Non-interest earning assets	4,916,005,827	4,773,941,105
Return on investment (ROI)	10.45%	9.31%
Return on assets (ROA)	-0.89%	0.10%
Income from investment	1,501,770,395	1,342,737,752
Earning per share	Not Applicable	Not Applicable
Net income per share	Not Applicable	Not Applicable
Price earning ratio	Not Applicable	Not Applicable

