



# Annual Report 2024



**SABINCO**

*: Development Financing Institution*

Saudi-Bangladesh Industrial and Agricultural Investment Company Ltd.

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



ANNUAL REPORT  
2024



**SABINCO**

*: Development Financing Institution*



## TABLE OF CONTENTS

Notice of the 41 <sup>st</sup> Annual General Meeting (AGM)	5	Corporate Social Responsibilities (CSR) Activities	40-46
Corporate Information	6	Highlights & Graphical Data	47-60
Our Vision & Mission	7	Financial Highlights	48
Our Objectives & Core Values	8	Value Added Statement	49
Our Business	9	Five Years Performance Data	51
Milestone Achievements	10	Project Photographs	61-66
Corporate Profile	12	Financial Statements	67
Shareholding Structure	13	Independent Auditors' Report	68
Board of Directors	15	Balance Sheet	75
Management Committees	16	Profit and Loss Account	76
Management Team	17	Cash Flow Statement	77
Risk Management	18	Statement of Changes in Equity	78
Corporate Governance	23	Liquidity Statement	79
Sustainable Finance Activities	26	Notes to the Financial Statements	80
Financial Literacy	28		
40 <sup>th</sup> Annual General Meeting (AGM)	29-30		
Chairman's Message	32-33		
Directors' Report	35-39		



# SABINCO

: Development Financing Institution

Saudi - Bangladesh Industrial and Agricultural  
Investment Company Ltd.



## NOTICE OF THE 41<sup>st</sup> ANNUAL GENERAL MEETING (AGM)

With reference to the Article 27 of the Articles of Association of the Company, notice is hereby given that the 41<sup>st</sup> Annual General Meeting of Saudi-Bangladesh Industrial and Agricultural Investment Company Limited will be held on 21 June, 2025 at 12:00 Noon at the Registered Office of the Company at 79, Nikunja-2, Dhaka-1229, Bangladesh to transact the following business:

### AGENDA

1. Confirmation of minutes of the 40th Annual General Meeting held on 18 May, 2024.
2. Consideration and adoption of the Directors' Report on the performance of the Company during the year 2024.
3. Consideration and adoption of the Audited Accounts of the Company together with the Report of Auditors thereon, for the period from 1st January to 31st December 2024.
4. Appropriation of Profit and Declaration of dividend, if any.
5. Approval of Annual Remuneration to Directors in terms of the Article 48 of the Articles of Association.
6. Appointment of Messrs Zoha Zaman Kabir Rashid & Co., Chartered Accountants as Auditors of the Company for the year 2025 and fixation of their remuneration.

It may be mentioned that in terms of Article 38 of the Articles of Association of the Company "Every shareholder shall be entitled to attend the General Meeting in person or authorize another shareholder. The authorization shall be ratified by the competent authorities. Such instrument shall be deposited at the registered office at least 72 hours before the time for holding the meeting."

By the order of the Board

**(Mohammad Abul Hasnat)**  
Acting Company Secretary &  
Assistant Vice President (Legal Affairs)

Dhaka  
20 May, 2025



## CORPORATE INFORMATION

<b>Registered Name</b>	: Saudi-Bangladesh Industrial and Agricultural Investment Company Limited (SABINCO).
<b>Corporate Office</b>	: 79, Nikunja-2, Dhaka-1229, Bangladesh.
<b>Legal Entity</b>	: Private Limited Company.
<b>Date of Incorporation</b>	: 24 June, 1984 under the Companies Act 1913.
<b>License Details</b>	: Bangladesh Bank License No. BCD (Non-Banking)/ Dhaka/4/95 dated 07 February 1995.
<b>Auditors</b>	: Zoha Zaman Kabir Rashid & Co., Chartered Accountants.
<b>Legal Advisors</b>	: Dr. Kamal Hossain & Associates, Ms. Sadia Rowshan Jahan, Advocate, Supreme Court of Bangladesh.
<b>Tax Advisor</b>	: K.M. Hasan & Co., Chartered Accountants.
<b>Memberships</b>	: ADFIMI - Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank and FICCI - Foreign Investors Chamber of Commerce and Industry, Bangladesh.
<b>Bankers</b>	: Standard Chartered Bank and The City Bank Ltd.
<b>Website</b>	: <a href="http://www.sabinco.com.bd">www.sabinco.com.bd</a>
<b>E-mail</b>	: <a href="mailto:sabinco@sabincobd.com">sabinco@sabincobd.com</a>

# OUR VISION & MISSION

## Vision:

Position SABINCO as the leading Non-Bank Financial Institution in the country.

## Mission:

- ◆ Provide superior customer service and competitive pricing.
- ◆ Strictly adhere to credit norms, exercise due diligence and ensure effective management of risk, and
- ◆ Prudence and efficiency as the guiding principles in carrying out business.

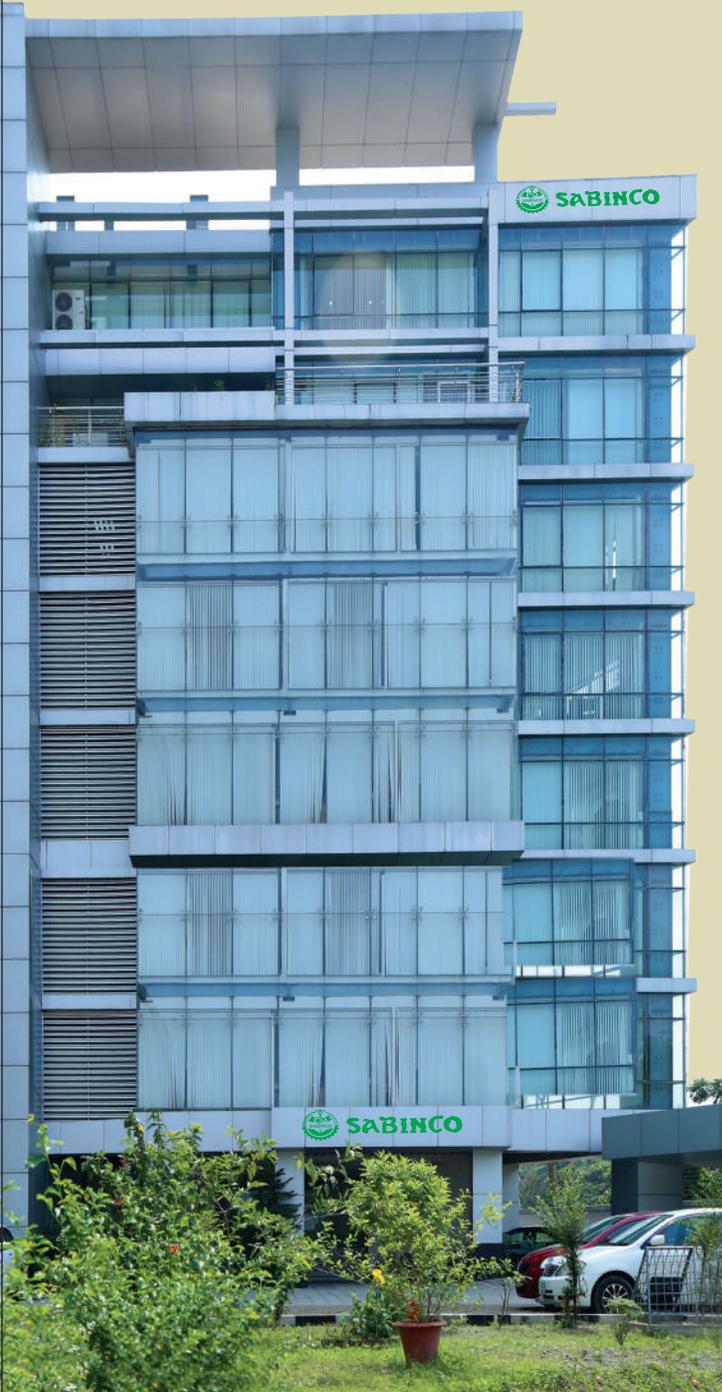


## OUR OBJECTIVES

“ SABINCO’s objectives are to make investments in the industrial and agro-based industrial fields in the People’s Republic of Bangladesh on commercial basis ”

## OUR CORE VALUES

- ◆ Responsibility and accountability
- ◆ Customer Focus
- ◆ Value Creation
- ◆ Team Work
- ◆ Transparency
- ◆ Trust and Respect
- ◆ Honesty and Integrity



## OUR BUSINESS:

- ◆ SABINCO has so far approved 154 ventures in various industrial sectors of the country.
- ◆ We have extended 'wholesale financing' to a leading financial institution and a leading NGO for reinvesting in the SME and micro finance sectors.
- ◆ Projects so far financed are in the various sectors viz. Agriculture, Cement, Electronics & Electrical, Food Production & Processing & Rice Mills, Glass & Ceramics, Iron Steel & Engineering, Pharmaceuticals & Chemicals, Power, Textiles, Telecom & IT, Wood, Furniture & Fixtures.
- ◆ Of 154 projects financed, 114 projects have already fully settled their loan liabilities. Thus, the total count of live projects is 40.
- ◆ As on 31 December 2024 total loan and investment stands as under:

**Total Loan outstanding:  
Taka 4,630.74 million**

**Total Investments:  
Taka 436.67 million**

**Total Loan and Investments:  
Taka 5,067.41 million**

# MILESTONE/ ACHIEVEMENTS

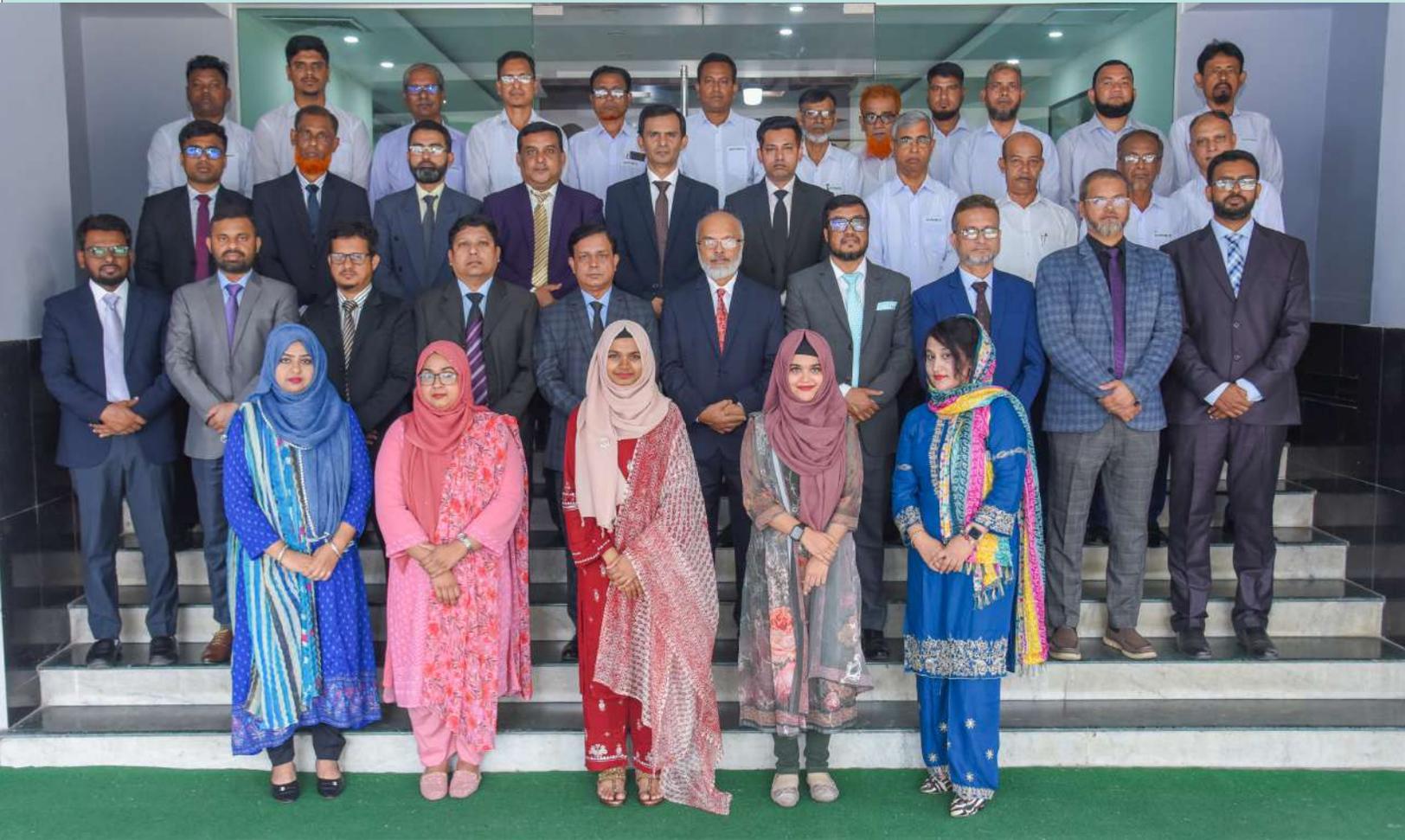
- SABINCO, a non-depository Financial Institution, was established in 1984.
- SABINCO has so far approved/facilitated 154 industrial ventures/investments and made commitment of Taka 25,473 million, in the private sector in Bangladesh from its own financial resources.
- SABINCO since inception has been contributing in employment generation and industrial enterprises promotion.
- SABINCO has played a pivotal role in the development of the Fisheries sector in Bangladesh by financing the first Balanced Fish and Poultry Feed Mill in the country and introducing the industrial scale Fish-Farming (grow out).
- The first commercial shrimp hatchery (Black Tiger) in the country was financed by SABINCO.
- SABINCO promoted two pioneering clinker-based cement manufacturing industries in 1990 and 1991 which acted as a catalyst in the establishment of private sector cement industry in the country.
- SABINCO has so far approved Taka 2,812 million in 21 power projects having total capacity of 1,468 MW in syndication with other lenders since 2005.
- **SABINCO's cumulative dividend payment to its shareholders, surpassed the paid up and authorized capital of Taka 2,106.08 million in 2014.**

## MILESTONE/ ACHIEVEMENTS

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- SABINCO continues to make significant contribution to the National exchequer as income tax (1995-2011) and dividend since inception as mentioned below:
    - Taka 1,345.26 million paid as Income Tax to the Government of the People's Republic of Bangladesh for the period 1995-2011 (Not covered by tax exemption privileges).
    - Taka 2,122.85 million paid as Dividend, to the Government of the People's Republic of Bangladesh.
    - US \$ 27.66 million (Taka 2,122.85 million) remitted to the Government of the Kingdom of Saudi Arabia as Dividend.
  - SABINCO, in June 2012, completed its own office building at Nikunja-2, Dhaka-1229.
  - Automation fully operational since 2017 - SABINCO's new automation solution consisting of SAGE ERP (Enterprise Resource Planning) integrated with a locally developed Loan Management System (LMS), today provides efficient and cost-effective solution as compared to investments made by peers for this capacity.
-

## CORPORATE PROFILE



Based on the MOU concluded between the brotherly Governments of the Kingdom of Saudi Arabia and the People's Republic of Bangladesh, SABINCO was established in 1984, with the objective of making investments in the Industrial and Agro-based Industrial sectors in Bangladesh on a commercial basis.

Since 1995, the Company has been operating as a non-depository non-bank Financial Institution under a license of Bangladesh Bank.

The Subscribed and Paid-up Capital of the Company is Taka 2,106.08 million (Equivalent to US\$ 60.00 million), equally subscribed by both the Governments.

# SHAREHOLDING STRUCTURE



Government of the  
Kingdom of  
**Saudi Arabia**

50%

Government of the  
People's Republic of  
**Bangladesh**

50%

Total: 100%

# BOARD OF DIRECTORS



# BOARD OF DIRECTORS



**Dr. Md. Khairuzzaman Mozumder**

Deputy Chairman, SABINCO  
&  
Secretary  
Finance Division  
Ministry of Finance  
Government of the People's Republic  
of Bangladesh



**Sultan Abdulrauf**

Chairman, SABINCO  
&  
Chief Executive Officer  
SAUDI ENAYA  
Government of the Kingdom of  
Saudi Arabia



**Mohammed M. AlMalki**

Director, SABINCO  
&  
Chief Executive Officer (CEO)  
Madr Investment Company  
Government of the Kingdom of  
Saudi Arabia



**Md. Shahriar Kader Siddiky**

Director, SABINCO  
&  
Secretary  
Economic Relations Division  
Ministry of Finance  
Government of the People's Republic  
of Bangladesh



**Majid Alghamdi**

Director, SABINCO  
&  
Asstt. Deputy Minister of Tourism  
Destinations  
Ministry of Tourism  
Riyadh  
Government of the Kingdom of  
Saudi Arabia



**M. Saifullah Panna**

Director, SABINCO  
&  
Secretary  
Chief Adviser's Office  
Government of the People's Republic  
of Bangladesh

## Audit Committee

Sultan Abdulrauf  
Dr. Md. Khairuzzaman Mozumder  
Mohammed M. AlMalki  
Md. Shahriar Kader Siddiky  
Majid Alghamdi  
M. Saifullah Panna

## Executive Committee

Dr. Md. Khairuzzaman Mozumder  
Mohammed M. AlMalki  
Mohiuddin Mohammed Zuhair

# Management Committees

## Management Committee (ManCom):

**Mohiuddin Mohammed Zuhair,**  
**Mozammel Hoque,**  
**Md. Kamruzzaman,**  
**Md. Abdul Hannan,**  
**Syed Anwar Hossain,**  
**Mohammad Abul Hasnat,**

Acting Managing Director & EVP (Internal Control)  
Executive Vice President (Investment)  
Senior Vice President (Accounts)  
Assistant Vice President (IT)  
Assistant Vice President (Admin. & HR)  
Acting Company Secretary & AVP (Legal Affairs)

## Asset Liability Management Committee (ALCO):

**Mohiuddin Mohammed Zuhair,**  
**Mozammel Hoque,**  
**Md. Kamruzzaman,**  
**Idrish Mia,**

Acting Managing Director & EVP (Internal Control)  
Executive Vice President (Investment)  
Senior Vice President (Accounts)  
Assistant Vice President (Accounts)

## Integrity Committee:

**Mohiuddin Mohammed Zuhair,**  
**Mozammel Hoque,**  
**Rajib Kumar Roy,**  
**Md. Abdul Hannan,**

Acting Managing Director & EVP (Internal Control)  
Executive Vice President (Investment)  
Senior Vice President (Investment)  
Assistant Vice President (IT)

# Management Team

**Mohiuddin Mohammed Zuhair**

Acting Managing Director & Executive Vice President (Internal Control)

**Mozammel Hoque**

Executive Vice President (Investment)

**Md. Kamruzzaman**

Senior Vice President (Accounts)

**Rajib Kumar Roy**

Senior Vice President (Investment)

**Md. Abdul Hannan**

Assistant Vice President (IT)

**Idrish Mia**

Assistant Vice President (Accounts)

**Md. Saruare Alam**

Assistant Vice President (Internal Control)

**Syed Anwar Hossain**

Assistant Vice President (Admin & HR)

**Md. Sabbir Qader**

Assistant Vice President (Taken Over Project)

**Mohammad Abul Hasnat**

Acting Company Secretary & Assistant Vice President (Legal Affairs)

**Marufa Jahan**

Assistant Vice President (Accounts)

**Mohammed Mokbul Morshed Khan**

Assistant Vice President (Internal Control)

**Obaidul Haque**

Principal Officer (Accounts)

**Ummay Afroza Khanam**

Principal Officer (IT)

**A.B.M. Abdul Kader**

Principal Officer (Internal Control)

**Hassanuzzaman**

Principal Officer (Monitoring)

**Jerin Shams**

Principal Officer (Monitoring)

**Rabeya Amin Rythom**

Principal Officer (Legal Affairs)

**Tahmina Sultana**

Principal Officer (Investment)



**RISK**

Management



# Risk Management

Risk Management is a discipline at the core of every financial institution and encompasses all the activities that affect its investment risk profile. The objective of Risk Management is to identify measure and control various risks prevailing over operation of the Financial Institution.

Risk is inherent uncertainty about future outcomes of business/investment events which can be either positive or negative. Risk is the probability that both the expected and unexpected events may impact adversely on the Financial Institution's capital or earnings. Financial Institutions are invariably faced with different types of risks that may have a negative effect on their business.

Due to complex and competitive business environment, challenges of Financial Institutions are increasing. FIs are continuously exploring innovative and effective ways to increase revenues, maintain necessary capital ratios, improve margins, strengthen balance sheets and enhance efficiencies. Economic volatility, issues involving data security and troubled assets are reasons for additional concern for the Financial Institutions.

Therefore, in response to competitive and

ever evolving dynamic business environment, it has become necessary to manage risks towards ensuring sustained long-term survival and continued smooth operation.

Risk management is a constant challenge for all Financial Institutions. Risk Management entails four key processes i.e. risk identification, risk measurement, risk control and risk monitoring.

## **Risk Identification:**

To manage risks, identification of existing risks or risks that may arise from both existing and new business initiatives (for example, risks inherent in lending activity include credit, liquidity, interest rate and operational risks) is very important for the organization. Risk identification is a continuing process which may occur at both the transaction and portfolio level.

## **Risk Measurement:**

After identification of risk, it is required to measure the risk to determine their impact on the institution's profitability and capital. This can be done using available techniques ranging from simple to sophisticated models.



Accurate and timely assessment of risk is essential for effective risk management systems. An institution that does not have a risk measurement system has limited ability to control or monitor risk levels. Risk measurement will have to be done periodically in order to make sure that the measurement tools it uses are accurate. Good risk measurement systems assess the risks of both individual transactions and portfolios.

### **Risk Control:**

After measuring risk, an institution may establish and communicate risk limits through policies, standards and procedures that define responsibility and authority. Institutions may also apply various mitigating tools in minimizing exposure to various risks. Institutions may have a process to authorize exceptions or changes to risk limits when warranted.

### **Risk Monitoring:**

An effective management information system (MIS) must be in place to monitor risk levels and facilitate timely review of risk positions and exceptions. Monitoring reports must be frequent, timely, accurate and informative and be distributed to appropriate individuals to ensure action, when needed.

The key elements of an effective risk management framework are:

- a) Active Board and senior management

- oversight;
- b) Appropriate policies, procedures and limits;
- c) Adequate risk measurement, monitoring and management information systems; and
- d) Comprehensive internal controls.

SABINCO's business activities are guided by the Board approved "Core Risk Management Guidelines". In addition, an analytical report titled "Risk Management Paper" incorporating all risk areas is prepared on a quarterly basis. This report is discussed in details at SABINCO's Risk Management Forum and necessary corrective actions are implemented.

We are continuously striving to mitigate risk arising from operational activities by adopting various policies and guidelines, such as, Credit Risk Management Guidelines, Assets Liabilities Management Guidelines, Internal Control and Compliance Guidelines, Information and Communication Technology Guidelines, Anti-money Laundering and Combating with Terrorist Financing Guidelines, Customer Services and Complaint Management Guidelines. SABINCO adheres to these policy guidelines. Apart from internal policy guidelines, instructions and rules and regulations of Bangladesh Bank are being followed in letter and spirit. Management's consistent commitment to sound risk management, has resulted in SABINCO's strong capital and liquidity position.

### **Risks Mitigation:**

#### **a. Credit Risk**

This arises mainly from lending, settlement and other financial transactions. Credit risk comprises counterparty risk, settlement risk and concentration risk.

Credit risk is undoubtedly one of the most crucial issues in the field of financial risk management. Being a Financial

Institution, SABINCO needs to manage the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions.

SABINCO practices standard credit norms and principles for credit/investment approval and monitoring. SABINCO has already formulated Credit Risk Management Guidelines and is being updated as and when required. To mitigate the credit risk, SABINCO takes the following approaches:

1. Maintaining credit portfolio mix;
2. Limiting single borrower/sectoral/product exposure;
3. Credit/investment assessment;
4. Credit/investment risk grading;
5. Environmental and social risk rating;
6. Review of CIB Report;
7. Risk based pricing;
8. Verifying security documents;
9. Credit approval from appropriate authority as per limit set by CRM Guidelines;
10. Credit monitoring and recovery;
11. Verifying Credit approval/disbursement compliance issues by Internal Auditors;
12. Reporting to Board of Directors/Regulators;
13. Review of Credit Risk Management Policy Guidelines (as and when required).

Internal Committees to address Credit/investment Risk:

1. Credit Committee
2. Trade Committee
3. CRM Committee

### **b. Market Risk:**

Market Risk relates to value of future cash flows of the financial instruments which will fluctuate due to change in different market variables, namely:

- I. Interest Rate Risk
- II. Equity Position Risk
- III. Foreign Exchange Risk

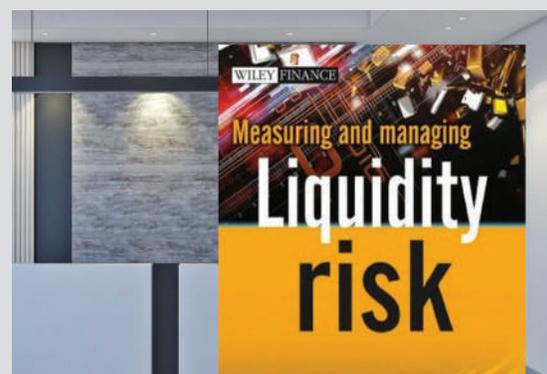


In order to minimize the market risk, SABINCO has put in place a system of regular review of the lending and deposit rates and trading portfolio. The Asset Liability Management Committee (ALCO) of SABINCO reviews the balance sheet gap on a regular basis and determines the applicable interest rates depending upon the movement in the market interest rates.

### **c. Liquidity Risk**

Liquidity risk arises when the FI, despite being solvent, fail to maintain or generate sufficient cash resources to meet payment obligations, or can only do so at a loss.

To manage liquidity, SABINCO ensures adequate liquidity to meet its liabilities when due, under both normal and stressed situations, without inflicting unacceptable losses or tarnishing SABINCO's credibility. After analyzing the overall liquidity and funding profile of Balance Sheet, necessary funds are being deployed to support ongoing business activities.





The key measure for mitigating risk is the advances to match different maturity profiles, projection of payments, assets and liabilities maturity analysis.

#### **d. Operational Risk**

Operational risk is the risk of loss arising from inadequate or failed internal processes, people and systems or from external events. This includes information and legal risk but excludes reputational and strategic risk.

Supporting policies have already been adopted by SABINCO which deal with management of various areas of operational risk and are (a) Internal Control and Compliance Guidelines (b) Information and Communication Technology Guidelines and (c) Anti-money Laundering and Combating with Terrorist Financing Guidelines.

#### **e. Technology Risk**

Customers may suffer service disruptions, or they may incur losses arising from system defect such as failures, faults, in computer operations, or illegal or unauthorized use of computer system or IT security threats.

SABINCO has required system and processes to protect its Information Technology (IT) system and network infrastructure from possible physical

break-ins, security breaches and other disruptions caused by increased use of technology. Computer break-ins could affect the security of information stored in and transmitted through these computer systems and network infrastructure. SABINCO has established Information and Communication Technology Policy and for ensuring smooth functioning continues to upgrade and modernize the IT platform/system automation.

#### **f. Industry Risk**

Industry risk is the possibility that a specific industry may fail to perform up to the level or even at par. Industry risk also refers to the risk of increased competition from foreign and domestic sources impacting on revenues, profit margins, market share etc. which could have an adverse effect on the business and financial condition.

Since inception, SABINCO has been absolutely client focused. Accordingly, SABINCO has formulated Customer Services and Complaint Management Guidelines and steps have been taken to enhance customer satisfaction by upgrading skills, systems and technology to meet such challenges.

SABINCO is attempting to add quality assets on competitive terms and also taken steps to broaden its product offering.



# Corporate Governance

Fairness, transparency, accountability and responsibility are the minimum standard of acceptable corporate behavior. Good corporate governance practices enable the organization to increase efficiency, minimize risk, improve the standard of lending, invigorate the management and protect the rights of shareholders/stakeholders.

SABINCO recognizes the importance of Corporate Governance and has established policies to provide direction and framework for oversight and management of the activities of the organization.

All the business decision are undertaken within the defined policy framework. Independent group and sub-group have been constituted across the organization to facilitate evaluation, monitoring and reporting of various risks.

SABINCO strictly abides by the policies and pursues due diligence in all areas of operation towards fulfilling the Company's objectives.

Duties and responsibilities are appropriately delineated between the Board and Management for checks and balances, to ensure smooth business operation.

The Board provides strategic and policy decisions to attain pre-determined goals and objectives of the organization. The Board approves the annual budget and reviews the same from time to time so as to provide direction as per changing requirement.

For establishing effective risk management in credit and other key areas of operation the Policies and Manuals of the various segments of business are also reviewed by the Board. The Board also ensures that adequate internal control systems are in place and are consistently complied with.



As a locally incorporated financial organization, SABINCO is also guided, in its corporate governance practices, by the regulatory authority (i.e. the Bangladesh Bank) ensuring full compliance to all the rules and regulations of the regulator.

Internal Control and Compliance Department of SABINCO is also structured as per the guidelines of Bangladesh Bank. This department ensures proper compliance of all regulatory instructions and internal policies and procedures in the day to day operations.

A well-structured risk management system is in place to identify, measure, monitor, and control various risks in accordance with explicit and well-defined policies and procedures. The Risk Management Team maintains co-ordination with the representatives of the various functions to implement risk management policies and practices.

SABINCO also has a Board approved code of conduct for the employees of the Company and all the employees are required to maintain code of conduct properly and demonstrate highest ethical standards.

For quick disposal of credit proposal, the Board has delegated authority to the Executive Committee to take necessary decision and approve business proposal within certain limit.

The Board has also delegated required financial power to the Management.

### **Board of Directors:**

According to clause 43 of the Articles of Association, the Board of Directors of SABINCO comprises of six members including the Chairman and the Deputy Chairman.

The Chairman and two of the Directors are nominated by the Government of the Kingdom of Saudi Arabia while the Deputy Chairman and two Directors are nominated by the Government of the People's Republic of Bangladesh.

A total of 7(seven) Board meetings were held during the year 2024, wherein besides project financing, several important decisions were taken.

### **Audit Committee:**

SABINCO has a Board Audit Committee which plays an important role. The Board Audit Committee oversee all financial reporting

process and disclosures, reviewing the adequacy of internal control system and findings of internal investigations.

The committee also reviews the audit report relating to core business operations and the taken over projects and compliance with all laws and regulations.

### **Executive Committee:**

The Executive Committee (EC) of the Board approves credit proposals as per approved policy of the Board. EC also reviews the policy and guidelines issued by Bangladesh Bank in respect of credit risk and other operational activities in the industry.

While submitting the credit proposals for approval, SABINCO Management ensures due diligence of adherence of the Board approved policy and risk management.

### **Internal Control and Compliance:**

A sound internal control system plays an important role in contributing to the effectiveness of the organization in its business operation in an efficient manner. This ensures sound financial reporting and control procedures as well as compliance with relevant laws and regulations.

SABINCO has established an appropriate and effective internal control policy in line with the requirement of the organization. An independent Internal Control and Compliance Department has also been established and the aim of this department is to provide reasonable assurance regarding the reliability of the financial reporting, compliances with laws, regulations and internal policies, consistency of Company's procedures and protecting its resources.

As a tool of internal control, this Department undertakes periodic and special audit in accordance with audit plan to assess and improve the accuracy and reliability of the accounting and financial information and also to find out the weaknesses and defects in the control processes and report to the competent authority for corrective measures to protect the Company's interest.

Besides, the Internal Control and Compliance Department is also entrusted with the responsibility of administering the "Anti Money Laundering" regime within the Company as required by the Central Bank.





# Sustainable Finance Activities

## Green Banking:

Green environment is one of the most important issues world is witnessing today where people from all over the world are increasingly becoming concerned about environment pollution. Governments around the world are working towards balanced development where each country will be able to develop its economy with least negative consequences on the environment.

Bangladesh as a part of the global family is considered as one of the most vulnerable and severely affected countries due to the adverse consequences of environmental pollution. Bangladesh has enacted several legislative measures for different industries to minimize the damage on its environment. Green banking is one of the important policies developed by Bangladesh Bank for the financial sector.

Green Banking is in effect eco-friendly banking to prevent environmental degradation. Green banking involves a two-pronged approach. Firstly, green banking focuses on the green i.e. environmental-friendly transformation of internal operations of all Banks and FIs. It means all the Banks and Financial Institutions should adopt appropriate ways of utilizing renewable energy, automation and other measures to minimize carbon footprint from banking activities.



Secondly, all Banks and Financial Institutions should adhere to environmentally responsible financing that supports green initiatives and projects, by assessing environmental risks of projects, prior to making financing decision.

In line with the instructions from the Central Bank, within the ambit of green banking policy, SABINCO has formulated its own Green banking policy duly approved by Board and taken following initiatives:

- ❑ Developed its internal Green Banking policy and Green Office Guide to institutionalize various aspects across the organization. Besides, SABINCO has also incorporated the Environment and Social Risk Management (ESRM) in Credit Risk Management Policy. SABINCO complies with the Environmental and Social Due Diligence (ESDD) checklist while approving projects.

- ❑ Installed Solar Panel in its own building to meet a part of its electricity consumption from Solar Energy.
- ❑ SABINCO usually prefers financing Green and Environment friendly Projects.

SABINCO envisages financing environment friendly green projects like Solar Energy, ETP, Bio Gas Plant, Auto Brick etc. While approving other industrial projects, SABINCO encourages the borrower to install necessary effluent/waste treatment system to safeguard the environment. Promoting green projects will eventually reduce environmental risks and ecological degradation, thus ensuring sustainable development.



## Financial Literacy

In line with Bangladesh Bank guidelines, SABINCO has taken initiatives to promote Financial Literacy and formed Financial Literacy Wing. SABINCO conducted training and awareness program for the marginalized people regarding Financial Literacy.



# 40<sup>th</sup> ANNUAL GENERAL MEETING (AGM)



# 40<sup>th</sup> ANNUAL GENERAL MEETING (AGM) in progress





# CHAIRMAN'S MESSAGE

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Dear Shareholders,

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

A very warm welcome and many felicitation to you all for participating in the 41<sup>st</sup> Annual General Meeting of SABINCO. On behalf of the Board of Directors, I would like to express my sincere thanks and heartfelt gratitude to all of you for your interest, support and patronage in achieving SABINCO's continued success.

The global economy reflects the uncertainty facing the world recently, but, it also highlights a desire among many nations to back to a more stable path -through collaboration and determination. Despite the problem, the GDP growth of Bangladesh has been estimated at 5.82% for FY 2023-2024.

The World Bank has forecasted 4.1 percent growth during the FY 25 for Bangladesh economy with subdued investment and industrial activity amid heightened political uncertainty. Growth is projected to 5.4 percent in FY 26 in anticipating of political stability, successful reforms in the financial sector, an improved business climate and trade. Point-to-point inflation in December 2024 reached 10.89 percent. The gross foreign exchange reserve stood at US\$ 26.21 billion.

With the guidance and stewardship of the Board of Directors, Management was able to deliver satisfactory financial performance during 2024. Today SABINCO enjoys the benefit of a strong Balance Sheet with diversified revenue base. As on 31 December 2024 the total Assets and total Equity of the Company stood at Taka 9,545.90 million and Taka 7,970.67 million respectively. Besides, the Company earned a satisfactory Net Profit of Taka 501.10 million during 2024.

During the year under review, business focus and strategy of the Company remained concentrated on sustainable business growth, new business initiatives and its implementation. During the year 2024, the Company made new financing commitment of Taka 1,870 million and disbursed Taka 1,407.43 million. Besides, an amount of Taka 2,296 million has been awaiting disbursement to 9 projects/investment.

Efforts of the company continued relentlessly as before towards recovering the dues and as a result of this drive, the recovery was at 75 percent at the end of 2024.

The Company continues to pay significant amount as dividend to both the shareholding Governments.

Compliance, integrity and good governance are the key guiding principle of SABINCO. SABINCO's Corporate Governance has been designed to embody transparency and accountability across the enterprise. I therefore firmly believe that strong supervision and control measures will ensure sustainable growth in the coming years.

SABINCO has also been proactively engaged in Corporate Social Responsibilities (CSR) activities focusing in the areas of education, health care and helping the disadvantaged.

I would like to convey my indebtedness and thanks to my fellow members of the Board for their co-operation and support for the overall performance of SABINCO and my gratitude to both the Governments of the Kingdom of Saudi Arabia and the People's Republic of

Bangladesh for their collective wisdom and continued support.

I also convey my thanks and good wishes to the Management and all the employees who have contributed to the continued growth and success of the Company.

I conclude with my sincere and special thanks to our respected shareholders, valued customers, patrons, well-wishers, Bangladesh Bank and other regulators for their guidance, support and co-operation.

With warm regards,

Sincerely yours



**(Sultan Abdulrauf)**

Chairman



# DIRECTORS' REPORT



# DIRECTORS' REPORT



**Dear Shareholders,**



The Board of Directors of Saudi-Bangladesh Industrial and Agricultural Investment Company Limited (SABINCO) take this opportunity to welcome you all to the 41<sup>st</sup> Annual General Meeting of the Shareholders and have immense pleasure to present before you the 41<sup>st</sup> Annual Report on the Performance of the Company together with the Audited Balance Sheet and Profit and Loss Account for the year ended on 31<sup>st</sup> December 2024 in compliance to Section 183 of the Companies Act 1994 and Article 67 of the Articles of Association of the Company.

## **Global Economy:**

Global growth is estimated at 2.7 percent in 2024 and projected to remain same in the year 2025. As inflation is closer to targets and monetary easing supports activities Global growth is stabilizing. These may give rise to a broad-based, moderate expansion over the year 2025-26, at 2.7 percent per year, as trade and investment firm.

However, growth prospects may not be sufficient to offset the effect of successive negative shocks. Policy uncertainty and adverse trade policy shifts represent key downside risks to the outlook. Conflicts and geopolitical tensions, higher inflation, more

extreme weather events related to climate change and weaker growth in major Economies may be the other sources of risks.

Disinflation and stronger demand in major economies may result in increase in global activity. Global policy efforts are required to protect trade, address debt vulnerabilities, and combat climate change. Moreover, for longer-term growth and to meet development goals, interventions that mitigate the impact of conflicts, lift human capital, bolster labor force inclusion, and confront food insecurity will be critical.

## **United States:**

In the United States, growth for 2024 is estimated at 2.8 percent. US economy growth was projected to slow as inflation gradually declines toward target level and growth is expected to 2.3 percent in 2025. Last year, activity was stronger than expectation, mainly in consumer spending.

## **Euro Area:**

In the euro area, growth was 0.7% in 2024. Growth was weaker in last year due to reduced consumption, investment, and industrial activity, which partly depicts the impact of high energy prices on export competitiveness and consumption.

Manufacturing and industrial production is expected to remain weak. However, economy is projected to grow by 1.0% in 2025.

### **Japan:**

In Japan, output was estimated to have stagnated in 2024. This slow down narrates the effect of longer-than-expected auto plant shutdowns and low recovery in consumption amid subdued consumer confidence, though there was a pickup in wage growth. Over 2025, growth is projected to rise to 1.2 percent. Capital investment and consumer spending is expected to improve.

### **China**

Growth in China declined to an estimated 4.9 percent in 2024, slowest pace in over three decades excluding pandemic-affected years. Investment in infrastructure and manufacturing were resilient, manufacturing benefitted due to external demand. Exports recovered due to global trade recovery, however, weak domestic demand impacted imports. Growth is projected to decline further in 2025 at 4.5 percent. Consumption may remain weak due to labor market conditions, subdued consumer confidence, and declining property prices.

### **Global Trade:**

Global trade in goods and services grew by an estimated 2.7 percent in 2024. Growth in goods trade accelerated in the second half of the year. Goods trade expanded steadily in EMDEs, but remained weak in most advanced economies, except for the United States. According to Global services purchasing Managers' Index (PMI) recovery in services trade has stabilized, reflecting a slowdown in the growth of travel services. Trade

policy uncertainty and trade-restrictive measures remain high. However, global trade growth is projected to pick up to an average of 3.1 percent in 2025-26.

### **Commodity Markets:**

Commodity prices has fallen by about 3 percent in 2024 and projected to decline further by 6 percent in 2025. The price of Brent crude oil averaged \$80/bbl in 2024, about 3 percent lower than a year earlier, reflecting adequate supply against modest consumption growth, which offset the impact of geopolitical tensions. Brent crude oil prices may decrease further, to an average of \$72/bbl in 2025 and \$71/ bbl in 2026, anticipating increasing supply among non-OPEC+ producers coupled with modest growth of global oil demand.

Base metal prices (excluding iron ore) increased by 6 percent in 2024, driven by aluminum and copper, mainly reflecting tight supply conditions. Gold prices surged to record highs, reflecting strong demand. However, iron ore prices dropped due to sufficient supplies and weaker steel demand, particularly from the real estate sector in China. Food commodity prices decreased by 8 percent in 2024 due to strong supplies.

Source: *World Bank Group: Global Economic Prospects, January 2025*

### **Bangladesh Economy:**

The World Bank has forecasted 4.1 percent growth during the FY 25 for Bangladesh economy with subdued investment and industrial activity amid heightened political uncertainty. Growth is projected to 5.4 percent in FY 26 in anticipating of political stability, successful reforms in the financial sector, an improved business climate and trade.

The year 2024 was a challenging year for the Bangladesh economy. However, Bangladesh economy managed a modest growth of 5.82% in FY 2023-2024. The per capita national income estimated at US\$ 2,784 in FY 2023-24.

Bangladesh has also achieved an increase in life expectancy at birth, currently at 72.3 years, and literacy at 77.9%, while infant mortality has reduced significantly at 27 per 1000 live births.

The gross foreign exchange reserve stands at US\$ 26.21 billion mark (December 2024). Bangladesh Bank has adopted a tight monetary policy stance for the second half of FY25, which prioritizes containing inflation, stabilizing the foreign exchange market while building foreign exchange reserves of Bangladesh Bank and addressing the rapidly rising non-performing loans in banks and financial institutions. Point-to-point inflation in December 2024 reached at 10.89 percent.

Service is the largest sector in terms of percentage contribution to GDP, which comprises 51.04 percent of the gross domestic product. Service sector growth in 2023-2024 was 5.80 percent in comparison to 5.37 percent in 2022-2023. It includes all services activities such as trade service, transport, storage, information and communication, real estate, public administration and defense, education, health, financial intermediations.

Industrial sector contributed around 37.95 percent of the country's gross domestic product and the growth of this sector in 2023-2024 was 6.66 percent in comparison to 8.37 percent in 2022-2023. Growth in industrial sector came from electricity, gas & water supply, mining & quarrying and the manufacturing sector.

Agriculture continues to make a substantial contribution to the Bangladesh Economy, which comprises 11.02 percent of the country's GDP. The country is situated in one of the most fertile regions on the earth, with the principal cash crops being rice, jute, tea, wheat, cotton and sugarcane.

The RMG & Knitwear industry, the largest industrial sector of the country, employing around 4 million people and contributed around 81.29% of Bangladesh's total export earnings of US\$ 44.47 billion in the Fiscal year 2023-24.

Bangladesh has huge potentials for investment because of its geographical location. It has easy connectivity with East & South Asia that includes two emerging economic giants of the world: China and India. The southern side opening to the Bay of Bengal facilitates navigation across the world to explore the benefits of the untapped blue economy. Thus, Bangladesh can be a hub of regional connectivity and attract investments.

Bangladesh Government is emphasizing to create a favorable investment climate through setting up economic zones. The initiative to establish economic zones aims at encouraging industrialization, generating employment opportunities, augmenting production and ensuring export promotion and diversification.

The Government has also taken a massive plan for increasing electricity generation capacity. Current installed power generation capacity of the country stands at 30,889 MW.

### **Operational Activities:**

#### **BUSINESS REVIEW:**

SABINCO continues to make its presence in the economic

development of the country through financing in different sectors. SABINCO continued to record overall satisfactory financial and operational performance during 2024.

Our loan portfolio remained well diversified among some 14 sectors. The financed projects are in Industry (Textiles, Food Production & Processing & Rice Mills, Iron Steel & Engineering, Cement, Wood, Furniture & Fixture, Glass, Glassware & Ceramics, Power, Gas & Petroleum), Agriculture (Poultry & Livestock, Fisheries & Others), Financial Corporation (Financial Institution, NGO) and Service (Telecom & IT and Others).

Total investments by SABINCO in terms of loan, equity and bond stood at Taka 5,067.41 million at the end of 2024 against Taka 4,072.02 million at the end of 2023. As on 31 December 2024 the total assets of SABINCO stood at Taka 9,545.90 million.

### **Capital Market Operation:**

The Market broad index which was 6,242.87 (DSEX) at the beginning of the year, closed at 5,216.44 points at the end of the year and the market capitalization, which was Taka 7,808.23 billion in January 2024, closed at Taka 6,626.20 billion in December 2024.

During the year under report, SABINCO received cash dividend of Tk. 0.85 million but did not have any tradable shares at its share portfolio.

### **Taken Over Projects:**

SABINCO has in its portfolio three taken over projects under its direct Management, which include two Black Tiger shrimp culture projects and one fish & Poultry feed mill. The net worth evaluation of these projects has been completed and tenders were

floated for disposal of all three taken over projects (SBFFL, GFCL & S&M Shrimp).

Disposal of GFCL & S&M Shrimp is in final stage. However, SBFFL could not be disposed as the offered price did not meet Board's expectation. So, the disposal process of SBFFL needs to be initiated again.

### **Status of Recoveries:**

At the end of 2024, SABINCO had 40 projects in its portfolio. During the year 2024, total collectible dues were Taka 1,226.70 million from various projects and investment, of which an amount of Taka 922.86 million was recovered, which is 75% of the total dues.

### **Resources:**

### **SHAREHOLDERS' EQUITY:**

Shareholders' equity includes the paid-up capital, general reserve, statutory reserve, revaluation reserve and retained earnings. The Authorized and Paid-up capital of SABINCO remains unchanged at Taka 2,106.08 million or equivalent to US Dollar 60 million divided into 20,000 shares of US Dollar 3,000 each as at 31 December 2024, of which each Government subscribed 10,000 shares in the capital of the Company.

As per Financial Institution Regulation 1994, 20 percent of the Profit is required to be transferred to Statutory Reserve and with this latest allocation; the Statutory Reserve increased from Taka 1,403.29 million to Taka 1,503.51 million.

So far SABINCO has built-up General Reserve of Taka 1,629.42 million from its profits.

The total Shareholder's Equity as on 31 December 2024 stood at Taka

7,970.67 million compared to Taka 7,619.57 million for the previous year.

### Cash Resources:

SABINCO had deposits of Taka 1,815.93 million and US\$ 0.253 million as on 31 December 2024, as compared to Taka 2,403.62 million and US\$ 0.312 million as on 31 December 2023 (previous year).

### Operational Results:

SABINCO during 2024 also continued to maintain more than the required provision against loans, investments and other related exposures, amounting to Taka 663.78 million in 2024, the amount of provision was Taka 601.18 million in 2023.

Net profit for 2024 stood at Taka 501.10 million as compared to Taka 343.31 million during 2023.

Thus, the earnings per share stood at Taka 25,055 in 2024, while Return on Investment and Return on Asset stood at 6.29% and 5.38% respectively.

### Appointment of Auditors:

Pursuant to Clause 33 of Finance Company Act 2023, and as per Articles 75 and 76 of the Articles of Association of the Company, Statutory Auditors are to be appointed annually at the Annual General Meeting.

The existing auditors, M/s. Zoha Zaman Kabir Rashid & Co., Chartered Accountants, being eligible, have offered themselves for reappointment as Statutory Auditors for the year 2025 at a fee of Tk. 300,000 (including 15% VAT).

### Employees and Establishments:

The total strength of employees of the Company during the year stood at 39

– 22 officers and 17 staff.

### Appropriations:

SABINCO earned a net Profit of Taka 501,095,492 during the year 2024.

Further, as per the requirement of the Financial Institution Regulation 1994, 20% of the net profit amounting to Taka 100.22 million is proposed to be transferred to Statutory Reserve. Additionally, an amount of Taka 250.88 million is being proposed to be retained as Retained Surplus and Taka 150 million as cash dividend, payable to the shareholders.

In view of the above propositions, the available Profit of Taka 501,095,492 is recommended to be apportioned as under:

	<b>Taka</b>
Statutory Reserve	100,220,000
General Reserve	--
Proposed Dividend	150,000,000
Retained Surplus	250,875,492
<b>Total Appropriation</b>	<b>501,095,492</b>

Sincerely,

On behalf of the Board of Directors



**(Sultan Abdulrauf)**  
Chairman

# CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES



SABINCO is fully aware and conscious of its responsibilities to our Customers, Employees, Stakeholders and the Environment in which we operate our business. We remain focused on offering a sound, environmentally safe and responsible service that contributes to the economic progress of the country as a whole.

On a Sustainable basis,  
**SABINCO** continues to undertake several CSR  
activities supporting

**health care, education and**

**helping the distressed people**

of our society from the harsh elements of nature.



These initiatives have been in conjunction with following reputable organizations operating in various fields; thereby ensuring that benefits accrues to those for whom it is intended:

## CENTRE FOR THE REHABILITATION OF THE PARALYSED (CRP)

**Centre for the Rehabilitation of the Paralyzed (CRP)** is a non-profit, non-government organization which treats and rehabilitates disabled people regardless of their economic means.

### Some initiatives of CRP



# HICARE

**Society for Education and Care of Hearing Impaired Children of Bangladesh (HICARE)** was established with a view to educate the hearing impaired children for learning speech and language under auditory oral method with an ultimate goal to integrate them in the mainstream education system.

## Some initiatives of HICARE



## ANJUMAN MUFIDUL ISLAM

**Anjuman Mofidul Islam** is an organization rendering humanitarian services to the distressed people by way of providing free ambulance, medical treatment, running orphanages and rendering funeral services for unclaimed deceased.

### Some initiatives of Anjuman Mofidul Islam



## Environment and Climate Change Adaptation



SABINCO installed one unit of water treatment plant at Amtola under Dacope upazilla, Khulna to provide fresh drinking water for around 440 people in the areas affected by climate change impact such as salinity of water, lack of pure drinking water etc. SABINCO also installed four units LED solar street light at Digholia, Khulna for the wellbeing of the people.



CSR Activities





**Financial Highlights**

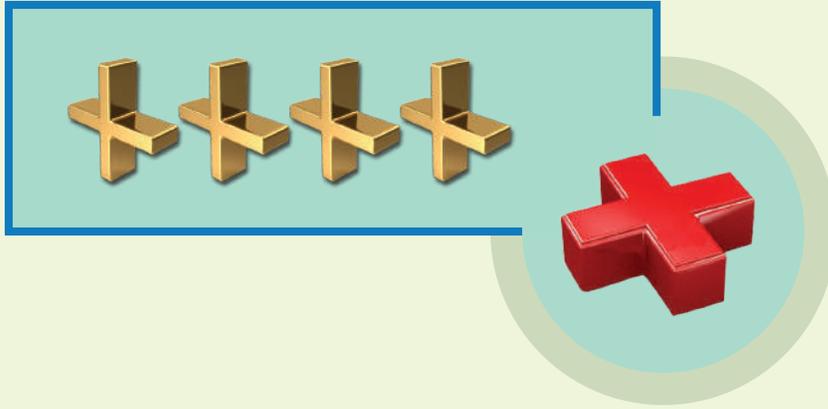
**Financial Performance**

**Graphical Presentation**

# Financial Highlights

as at 31 December 2024

Particulars	Amount in Taka	
	2024	2023
Paid up Capital	2,106,084,305	2,106,084,305
Total Capital	7,059,275,513	6,681,275,830
Capital surplus/(deficit)	6,059,275,513	5,681,275,830
Total assets	9,545,899,707	9,088,796,345
Total loans and advances	4,630,743,914	3,685,946,695
Total contingent liabilities and commitments	-	-
Percentage of classified loans against total loans and advances	12.54%	20.25%
Profit after tax	501,095,492	343,308,532
Amount of classified loans	580,754,057	746,368,036
Provisions kept against classified loans	239,711,834	248,156,243
Total provision surplus/(deficit)	20,941	17,051,957
Interest earning assets	6,876,832,380	6,470,448,913
Non-interest earning assets	2,669,067,327	2,618,347,432
Return on investment (ROI)	6.29%	4.51%
Return on Assets (ROA)	5.38%	3.82%
Income from investment	4,673,769	4,994,269
Net income per share	25,055	17,165
Price earning ratio	16	22
Earning Per Share (EPS)	25,055	17,165
Net Asset Value Per Share (NAVPS)	398,533	380,979
Net Operating Cash Flow Per Share (NOCFPS)	(19,549)	26,818



# Value Added Statement

For the year ended December 31, 2024

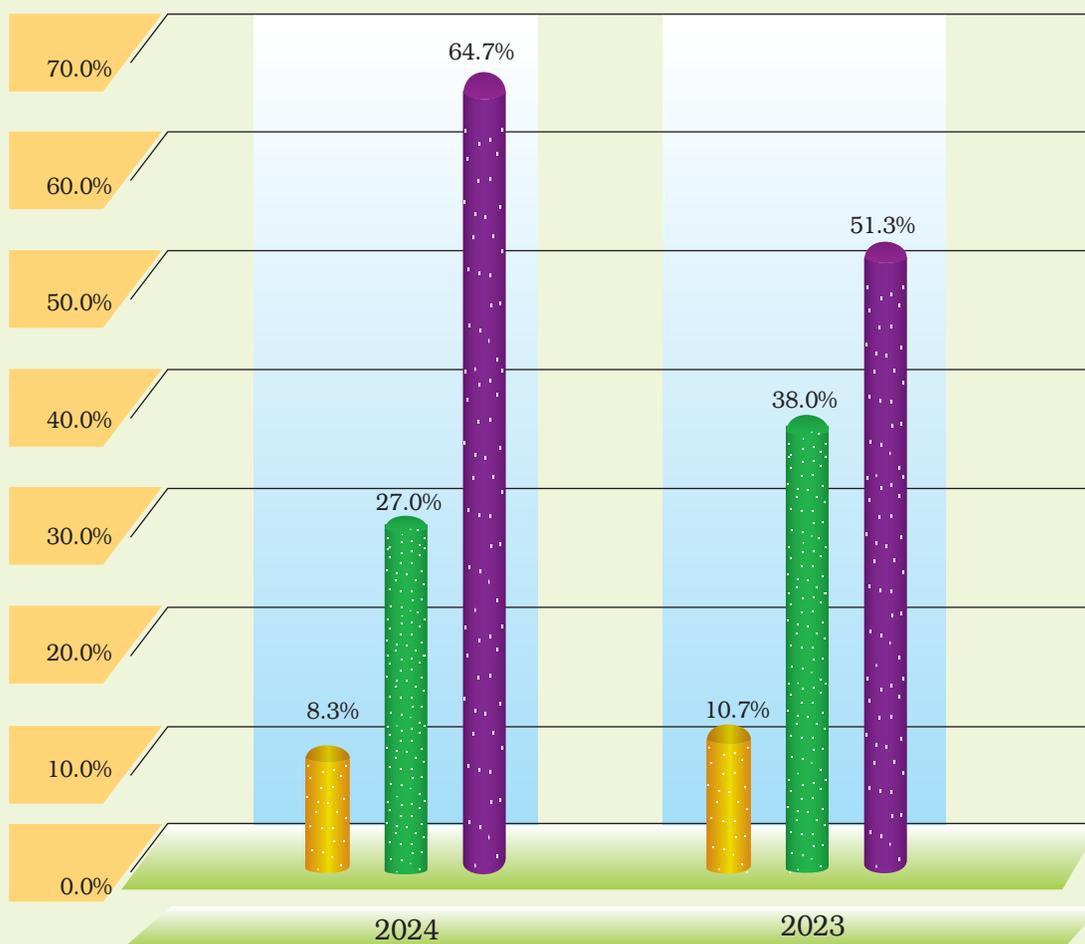
Value added statement represents the value created by SABINCO during the reporting period through utilization of its resources and shows how it has been distributed among the major stakeholders (shareholders, Government and Employees) of the company. A part of added value has been retained in the company for future investment and expansion of the company.

Amount in Taka

Particulars	31 December 2024	31 December 2023
<b>Value Added</b>		
Net Interest Income	639,782,847	440,502,722
Other Income	8,288,655	9,689,652
Provision	62,600,000	32,766,208
Operating expenses excluding salary & allowances and depreciation	28,870,352	22,420,305
<b>Total Value Added</b>	<b>556,601,150</b>	<b>395,005,861</b>
<b>Distribution of value addition:</b>		
Employees as salary & allowances	46,192,840	42,410,187
Government as taxes	---	---
Shareholders as dividend	150,000,000	150,000,000
Retained in the business as capital and revenue reserve	351,095,492	193,308,532
Depreciation	9,312,818	9,287,142
<b>Total Distribution</b>	<b>556,601,150</b>	<b>395,005,861</b>

# Distribution of Value Addition:

■ Employees ■ Shareholders ■ Retained in the business

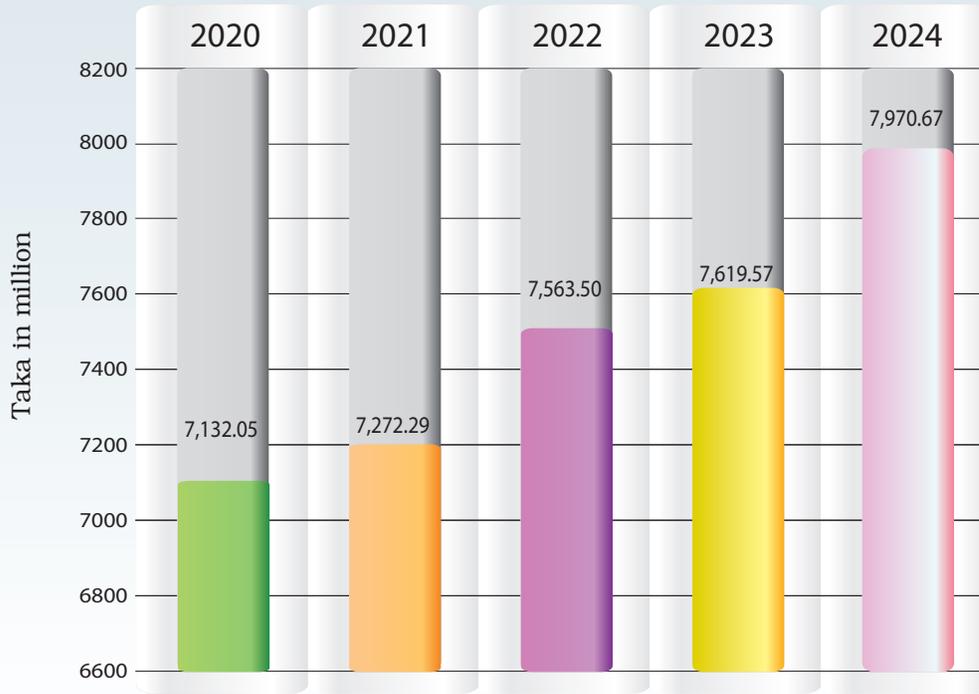


# Five Years Performance Data

Taka in million

Particulars	2020	2021	2022	2023	2024
Paid up Capital	2,106.08	2,106.08	2,106.08	2,106.08	2,106.08
Shareholders' Equity	7,132.05	7,272.29	7,563.50	7,619.57	7,970.67
Loans and Advances	3,503.04	3,770.80	3,856.97	3,685.95	4,630.74
Investment	713.36	500.63	416.08	386.08	436.67
Fixed Assets	2,090.75	2,088.16	2,079.18	2,069.94	2,060.88
Total Assets	8,490.98	8,654.80	8,864.88	9,088.80	9,545.90
Interest Income	301.35	368.56	496.95	440.50	639.78
Investment Income	77.74	50.23	8.31	4.99	4.67
Other Income	6.60	6.18	18.98	4.70	3.62
Total operating Income	385.69	424.97	524.24	450.19	648.07
Total operating Expenses	70.58	74.74	83.03	74.12	84.38
Profit before tax	315.11	350.23	441.21	343.31	501.10
Net Profit after tax	315.11	350.23	441.21	343.31	501.10
Core Capital (Tier I)	5,163.46	5,303.69	5,594.90	5,650.98	6,002.07
Supplimentary Capital (Tier II)	1,031.39	1,031.39	1,029.82	1,030.30	1,057.20
Total Capital (Tier I + Tier II)	6,194.85	6,335.08	6,624.72	6,681.28	7,059.27
Total Loans and Advances	3,503.04	3,770.80	3,856.97	3,685.95	4,630.74
Non performing/classified loans (NPLs)	256.88	256.88	256.88	746.37	580.75
Return on Equity (ROE)	4.45%	4.86%	5.95%	4.52%	6.43%
Return on Assets (ROA)	3.76%	4.09%	5.04%	3.82%	5.38%
Cash Dividend	210	150	150	150	150

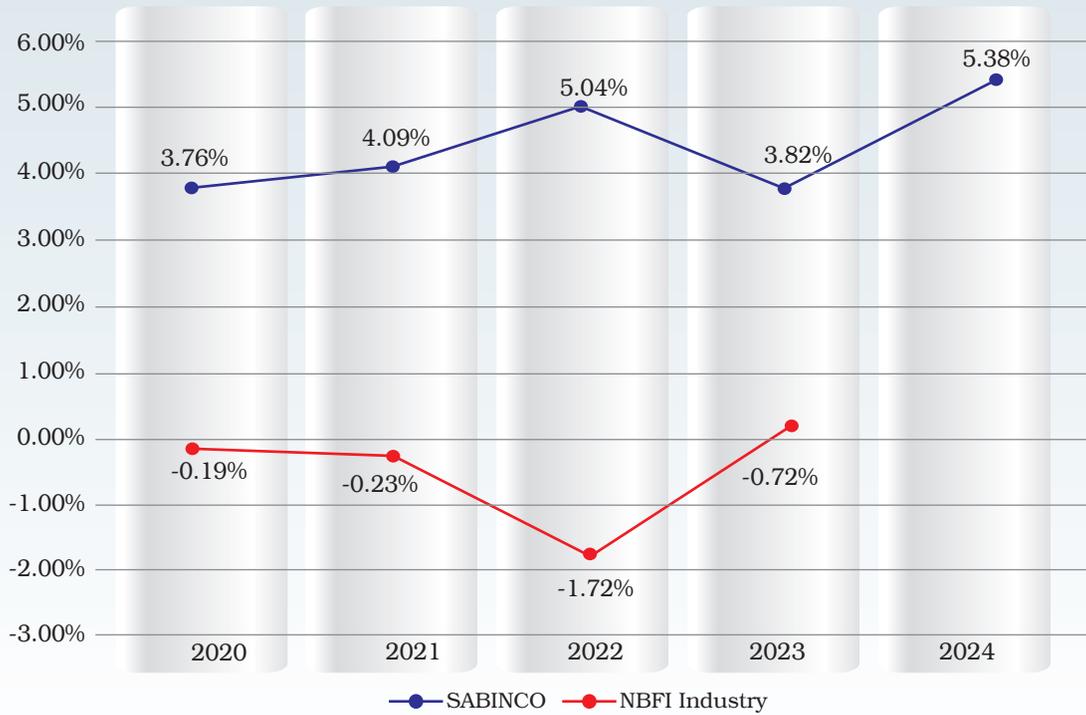
# Shareholders' Equity



# Profits



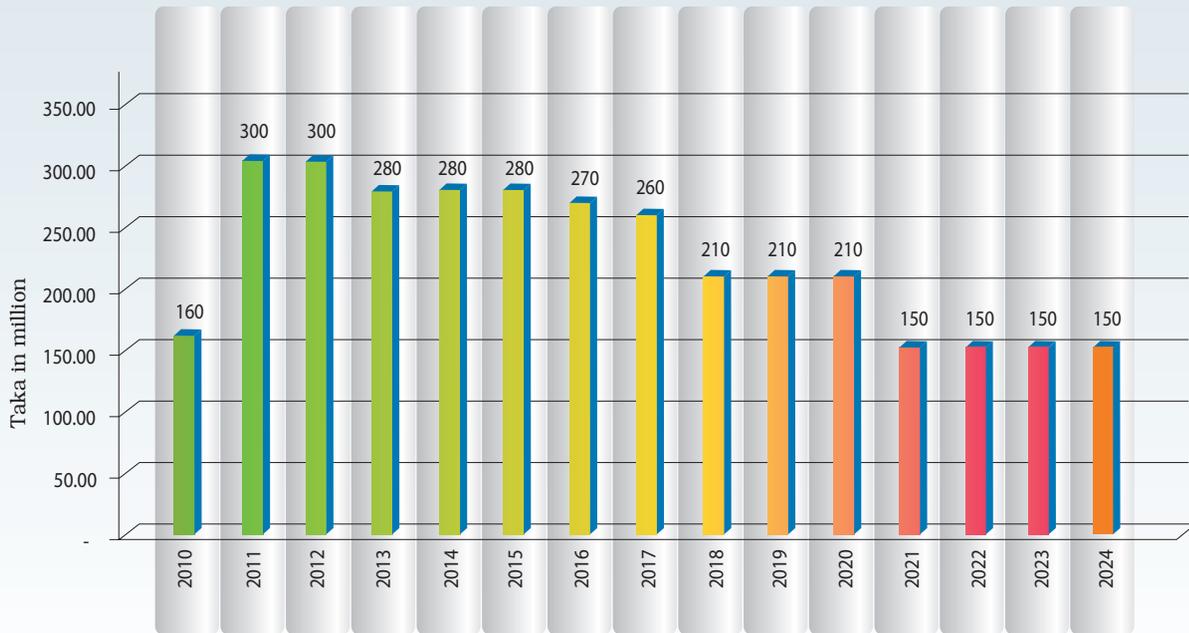
# Return on Assets



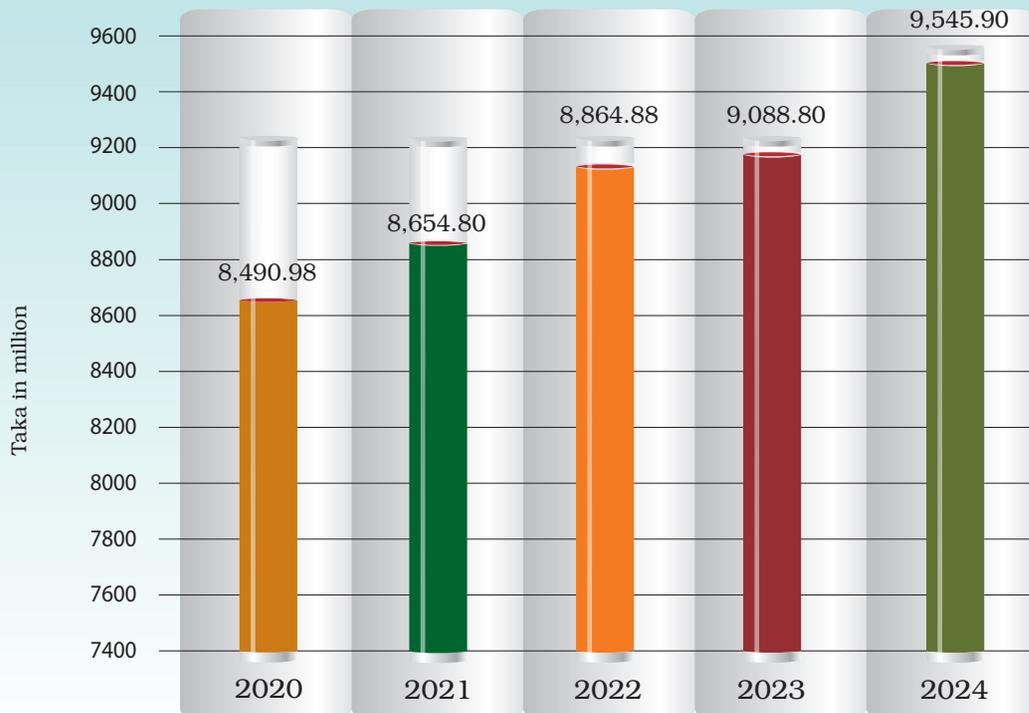
# Return on Equity



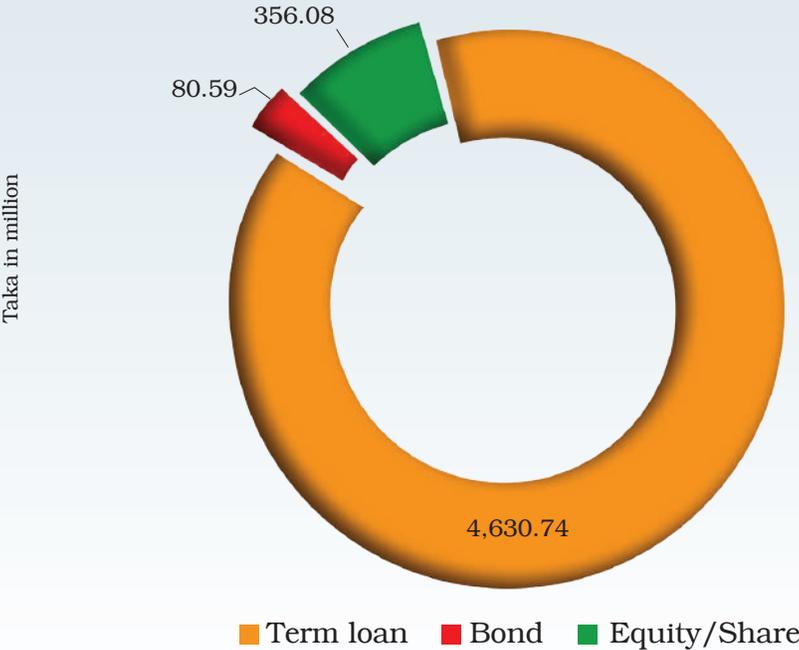
# Dividend



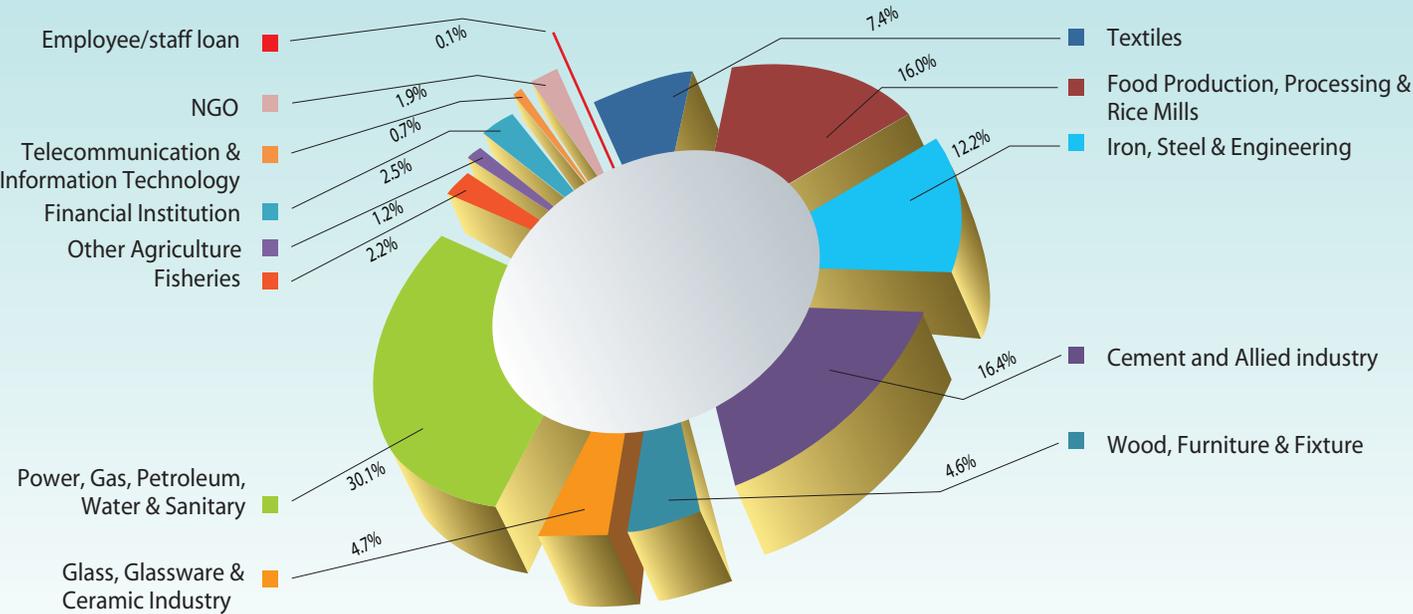
# Total Assets



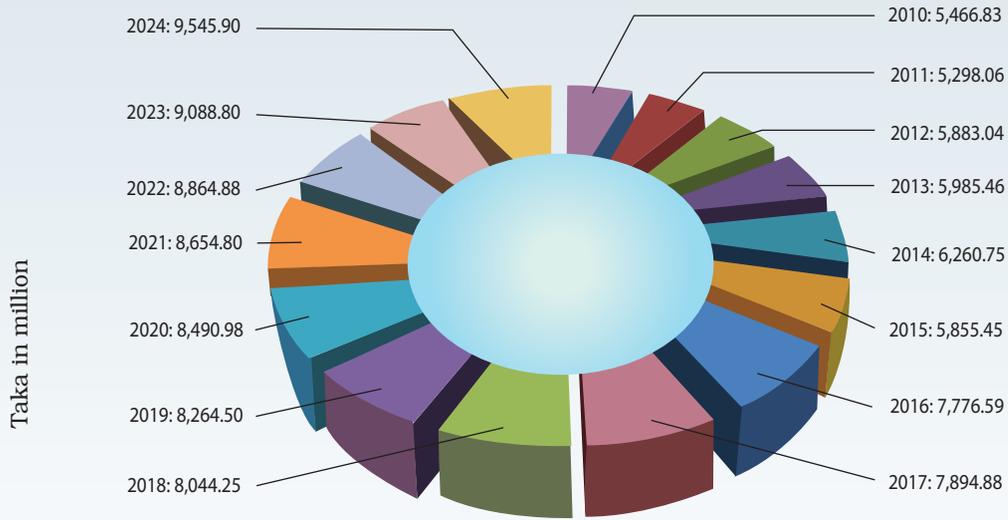
# Portfolio Mix



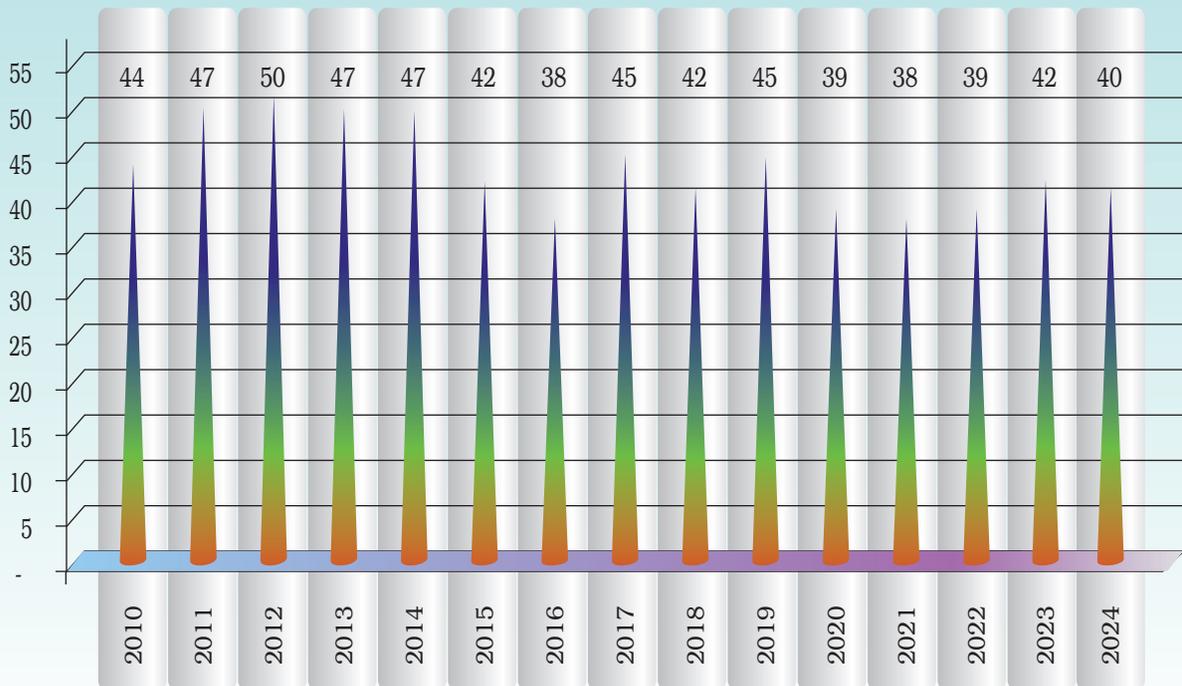
## Sector-Wise Exposure [Term Loan %]



# Balance sheet size



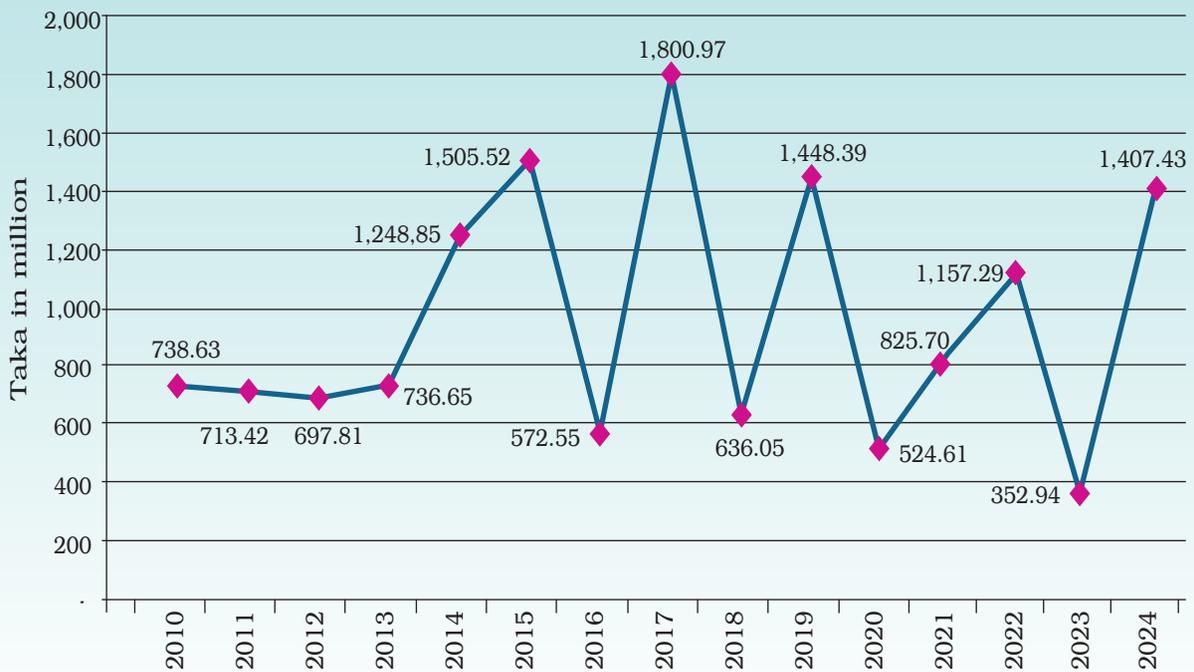
# Total Net Active Projects



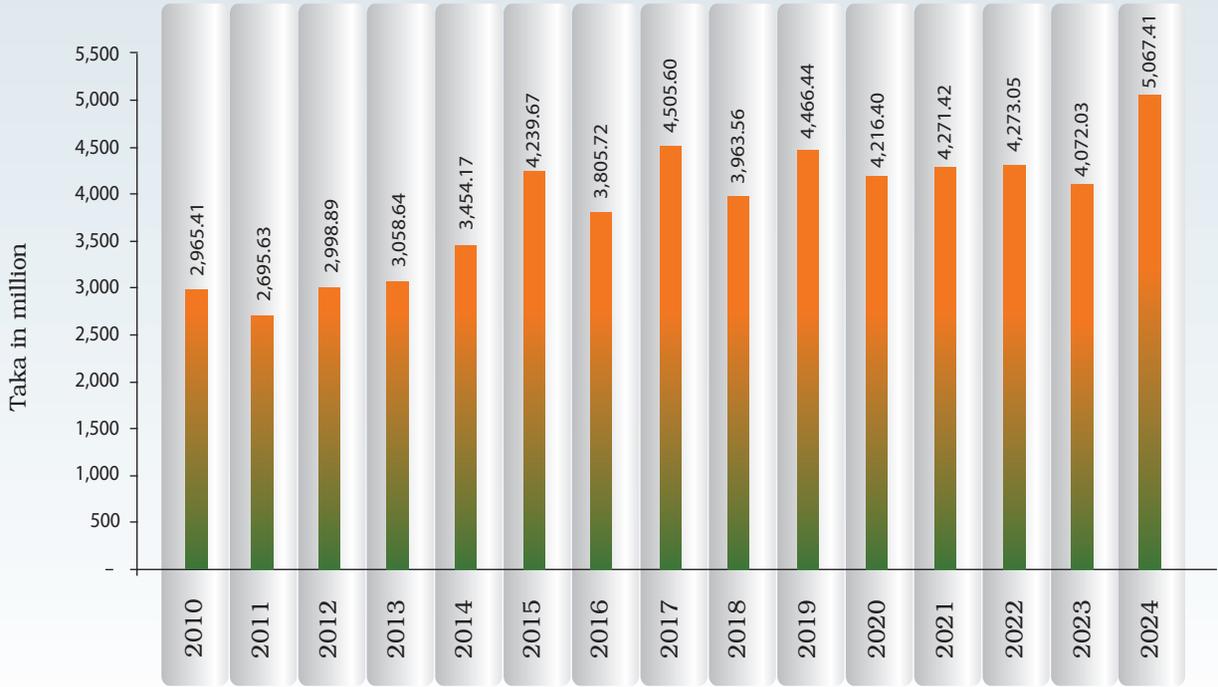
# Year-wise Approval



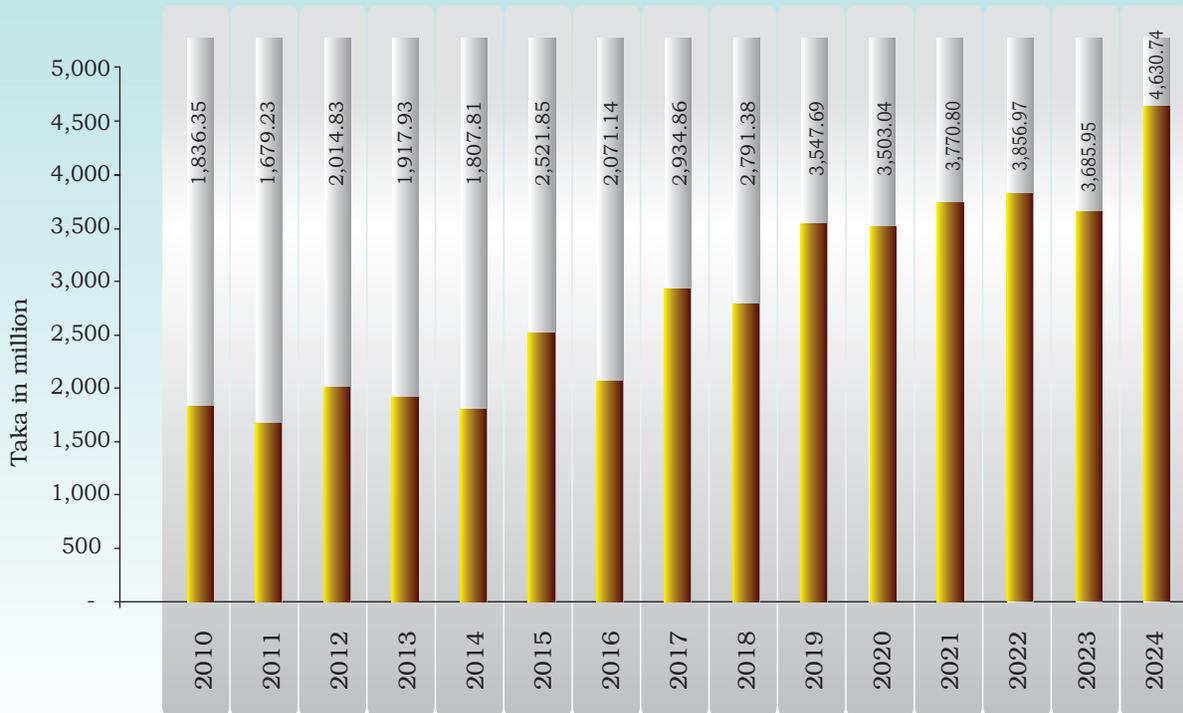
# Year-wise Disbursement



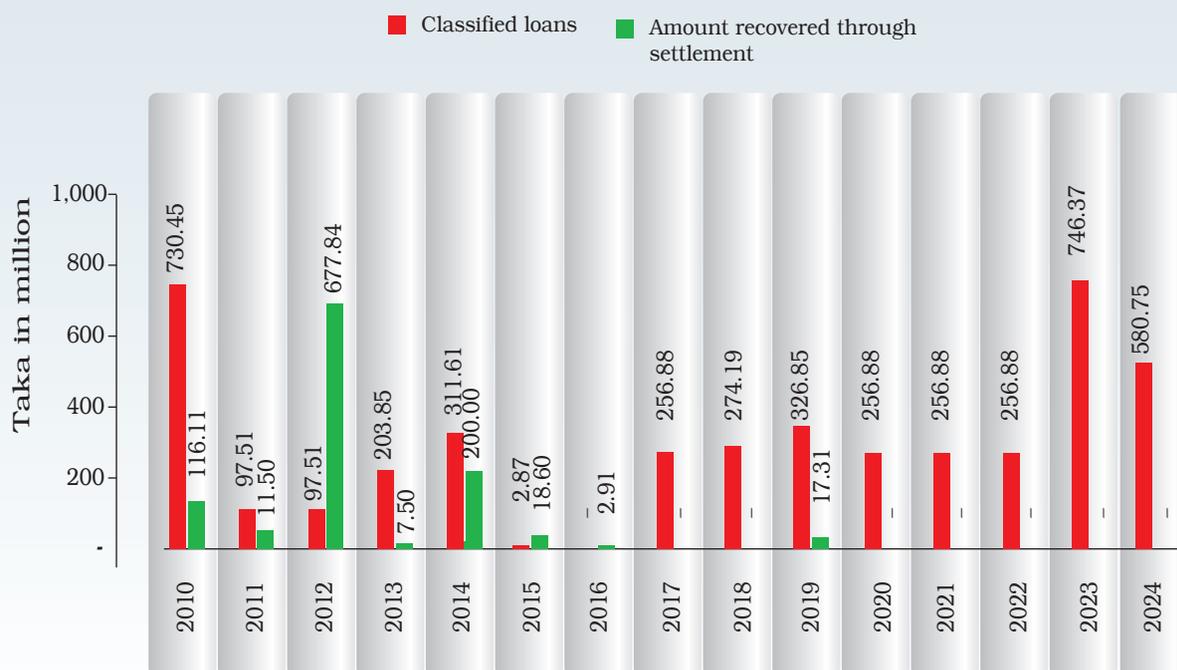
# Total Investment



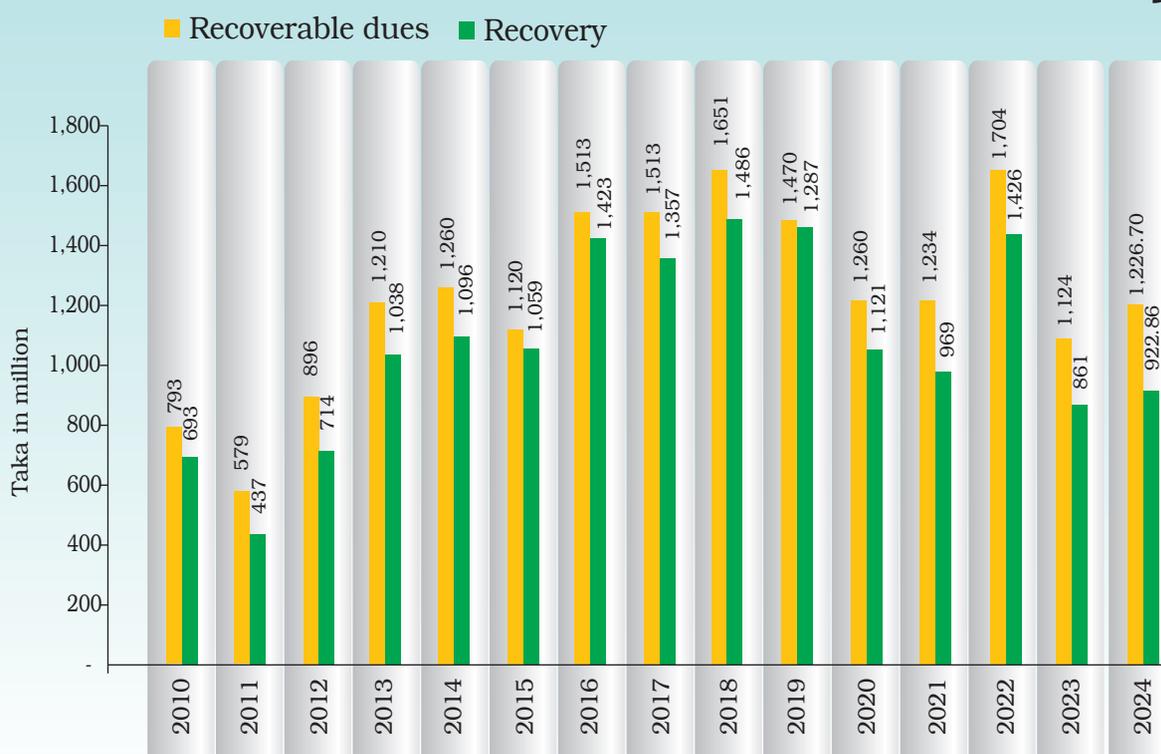
# Loan Outstanding



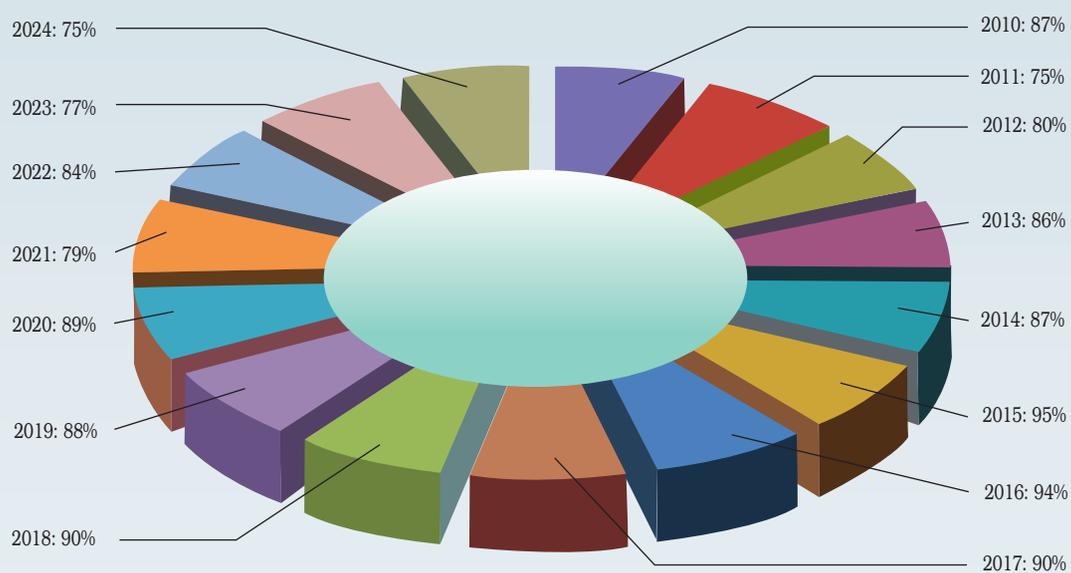
# Classified Loans & Recovery



# Recoverable dues & Recovery



# Recovery as % of target





Few Photographs of  
**Financed Projects**



## Fervent Multiboard Industries Ltd.

Jamalpur Sadar, Jamalpur



Factory under construction



Inside View

# Chandpur Power Generations Limited

Chandpur Sadar, Chandpur



Factory View



Inside View



# Modern Syntex Ltd.

Mirsarai, Chattogram



Factory View



Inside View

# BSRM Wires Limited

Mirsarai, Chattogram



Factory View



Inside View



# Mymensingh Agro Limited

Kaliganj, Gazipur



Finished Products



Inside View



# Financial Statements

# INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF  
SAUDI-BANGLADESH INDUSTRIAL AND  
AGRICULTURAL INVESTMENT COMPANY LTD. (SABINCO)

## Report on the Financial Statements

### Opinion

We have audited the financial statements of Saudi-Bangladesh Industrial and Agricultural Investment Company Limited which comprise the statement of financial position as at 31 December 2024 and the statement of profit and loss and other comprehensive income, the statement of changes in Shareholders' equity and the statement of cash flow statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in the material respects, financial position of Saudi – Bangladesh Industrial and Agricultural Investment Company Ltd. and as at 31 December 2024 and of its financial performance for the year then ended in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRSs) and comply with the Finance Company Act, 2023, the Rules and Regulations issued by Bangladesh Bank, the Act, 1994 and other applicable Laws and Regulations.

### Basis for Opinion

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

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below our description of how audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements of our report, including in relation to these matters.

Description of key matters	Our response to key audit matters
<b>Measurement of provision for loans, advances, and leases</b>	
<p>The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex. For the individual analysis for large exposure, provision calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous, databases, assumptions, and estimates.</p> <p>At year end 2024 the reported total gross loans, advanced and leases amounting to BDT 4,630,743,914 (2023: amounting to BDT 3,685,946,695 and provision for loans and advances maintained was BDT 312,617,731. (2023: amounting to BDT 294,157,949).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>● Tested the Credit appraisal, loan disbursement procedures, monitoring and provisioning process.</li> <li>● Identification of loss events, including early warning and default warning indicators.</li> <li>● Reviewed quarterly Classification of Loans (CL);</li> </ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following.</p> <ul style="list-style-type: none"> <li>● Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines.</li> <li>● Assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</li> <li>● Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> <li>● Finally compared the amount of loan provision and loan classification disclosed in the financial statements with the quick summary report prepared by Bangladesh Bank.</li> </ul>
See note no 6 & 10.01 to the financial statements	
<b>Investment in shares</b>	
<p>As at the end of 2024, the Company held investments in shares, government bonds amounting to BDT 80,587,500 (2023: BDT 2,500), and other investments totaling BDT 356,079,060 (2023: BDT 386,079,060). Provision for investments in shares was maintained at BDT 351,166,176 (2023: BDT 307,025,958).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>● Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines.</li> <li>● Testing the design and operating effectiveness of relevant controls over investment valuation and provisioning.</li> <li>● Assessed the methodologies on which the provision amounts are based, recalculated</li> </ul>

	<p>the provisions, and tested the completeness and accuracy of the underlying information.</p> <ul style="list-style-type: none"> <li>● Reviewing supporting documentation, including data of Dhaka Stock Exchange and financial information of investee companies.</li> <li>● Testing the design and operating effectiveness of relevant controls over investment valuation and provisioning.</li> </ul>
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See note no 5 & 10.01 to the financial statements.

**Revenue**

<p>Interest Income amounting to BDT 639,782,847 &amp; Investment Income amounting to BDT 4,673,769 &amp; other operating income amounting to BDT 3,291,357 is recognized in the Statement of Profit or Loss and Other Comprehensive Income of the Company. This was an area of focus for our audit and significant audit effort was directed. Against this background, the proper application of the accounting standards is considered to be complex and to a certain extent based on estimates and assumptions made by management.</p>	<p>Our audit procedures included obtaining our understanding of the process of interest income, investment income, profit on investment ascertaining the balance and the interest charged over the financial year. Additionally,</p> <ul style="list-style-type: none"> <li>● Carried out cut-off testing to ensure the income was recognized in correct period.</li> <li>● Reviewed the carrying balance of the total figure.</li> <li>● Our audit approach was a combination of test of internal control and substantive procedures.</li> <li>● We also tested journal entries recognized to revenue focusing on unusual or irregular transactions.</li> <li>● Verify loan interest income by tracing it to supporting documentation, including loan agreements, deposit instruments, interest schedules, and related loan records.</li> <li>● Examine FDR (Fixed Deposit Receipt) interest income by checking the related instruments and confirming the interest amounts with the FDR statements.</li> <li>● Review and verify the calculation of accrued interest to ensure accuracy and compliance with applicable accounting policies, by checking the applicable interest rates, time periods.</li> <li>● In addition, we performed substantive analytical to understand how the revenue has trended over the year among other parameters, we performed a detailed</li> </ul>
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	<p>testing on transactions around the year—end, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized to revenue focusing on unusual or irregular transactions.</p> <p>Evaluate the Company’s work to implement “IFRS-15” and assessed whether accounting principles comply with the new accounting standard.</p>
<p>See note no 16, 17 &amp; 19 to the financial statements.</p>	
<p><b>Legal and regulatory matters</b></p>	
<p>We focused on this area because the company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceeding such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and others contingent liabilities.</p> <p>Overall, the legal provisions represent the company’s best estimate for existing legal matters that have a probable and estimable impact on the company’s financial position</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the company’s key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the company’s provisions and contingent liabilities disclosure.</p>
<p><b>IT systems and controls</b></p>	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p>	<p>We tested the design and operating effectiveness of the Company’s IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Company’s periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>

## Reporting on other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

## Auditors' Responsibilities for the Audit of the Financial Statement

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

### **As part of an audit in accordance with ISAs, we exercise professional 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.

- ◆ 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 Company'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 Company 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.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We also provide those charged with governance with a statement that we have completed with relevant ethical requirements regarding independence and to communicate with them all relationships and matters that may reasonably be thought to bear on our independence and where applicable related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statement of our current period and are therefore the key audit matters. We describe these matters in our auditors' 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 Securities and Exchange Rules 1987, the Finance Company Act, 2023 and the rules and regulations issued by Bangladesh Bank, we also report that:

- a) 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;
- b) In our opinion, proper books of account as required by law have been kept by the Company as far as it appeared from our examination of those books;
- c) The consolidated balance sheet, consolidated profit and loss account, consolidated cash flow statement, consolidated statement of changes in shareholders' equity and together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- d) The expenditures incurred were for the purpose of the Company's business for the year;
- e) The financial statement of the Company has been drawn up in conformity with the

Finance Company Act, 2023 except the liquidity statement and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;

- f) Adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- g) The financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- h) The records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- i) Statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- j) Nothing has come to our attention that the Company has adopted any unethical means i.e., 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- k) Proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- l) Based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- m) We have reviewed over 80% of the risk weighted assets of the Company and we have spent around 1380 person hours for the audit of the books and accounts of the Company;
- n) The Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning, and calculation of interest suspense;
- o) the Company has complied with Finance Company Act, 2023 in preparing these financial statements; and
- p) All other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Place: Dhaka  
Dated: May 15, 2025



**Md. Iqbal Hossain FCA**  
Senior Partner, Enrolment No.: 596 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants  
**DVC: 2505290596AS413732**

# Balance Sheet as at 31 December 2024

Particulars	Notes	Amount in Taka	
		31.12.2024	31.12.2023
<b>Property and Assets</b>			
<b>Cash:</b>	3.00	<b>36,550,629</b>	<b>39,357,769</b>
Cash in Hand		28,814	33,134
Balance with Bangladesh Bank (including foreign currencies)		36,521,815	39,324,635
<b>Balances with other Banks and Financial Institutions:</b>	4.00	<b>1,809,421,906</b>	<b>2,398,420,658</b>
In Bangladesh		1,809,421,906	2,398,420,658
Outside Bangladesh		-	-
Money at call and short notice		-	-
<b>Investments:</b>	5.00	<b>436,666,560</b>	<b>386,081,560</b>
Government		80,587,500	2,500
Others		356,079,060	386,079,060
<b>Loans and Advances:</b>			
Term Loan	6.00	4,630,743,914	3,685,946,695
Fixed Assets (including land, building, furniture & fixture and equipments)	7.00	2,060,875,122	2,069,938,964
Other Assets	8.00	571,641,576	509,050,699
<b>Total Property and Assets</b>		<b>9,545,899,707</b>	<b>9,088,796,345</b>
<b>Liabilities and Capital</b>			
<b>Liabilities:</b>			
Borrowings from other Banks	9.00	-	-
Other Liabilities	10.00	1,575,232,992	1,469,225,122
<b>Total Liabilities</b>		<b>1,575,232,992</b>	<b>1,469,225,122</b>
<b>Capital/Shareholders' Equity:</b>			
Paid up Capital	11.00	2,106,084,305	2,106,084,305
Statutory Reserve	12.00	1,503,514,600	1,403,294,600
General Reserve	13.00	1,629,423,744	1,629,423,744
Revaluation Reserve	14.00	1,968,594,197	1,968,594,197
Retained Surplus	15.00	763,049,869	512,174,377
<b>Total Shareholders' Equity</b>		<b>7,970,666,715</b>	<b>7,619,571,223</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>9,545,899,707</b>	<b>9,088,796,345</b>
<b>Net Asset Value Per Share (NAVPS)</b>	<b>24.00</b>	<b>398,533</b>	<b>380,979</b>

The accompanying notes from 1.00 to 26.00 form an integral part of the financial statements.

  
(Mohiuddin M. Zuhair)  
Acting Managing Director

  
(Md. Shahriar Kader Siddiky)  
Director

  
(Dr. Md. Khairuzzaman Mozumder)  
Deputy Chairman

  
(Sultan Abdulrauf)  
Chairman

Subject to our separate report of even date.

Dated: Dhaka, May 15, 2025



**Md. Iqbal Hossain FCA**  
Senior Partner, Enrolment No.: 596  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants  
**DVC: 2505290596AS413732**

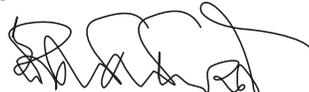
# Profit and Loss Account

for the year ended 31 December 2024

Particulars	Notes	Amount in Taka	
		2024	2023
<b>Operating Income</b>			
Interest Income	16.00	639,782,847	440,502,722
Interest paid on deposits & borrowings		-	-
<b>Net Interest Income</b>		<b>639,782,847</b>	<b>440,502,722</b>
Income from Investment	17.00	4,673,769	4,994,269
Fees, Commission & Brokerage	18.00	323,529	-
Other Operating Income	19.00	3,291,357	4,695,383
<b>Total Operating Income</b>		<b>648,071,502</b>	<b>450,192,374</b>
Salary and Allowances		40,788,270	35,698,355
Rent, Taxes, Insurance, Electricity, etc.		3,701,391	3,122,300
Legal expenses		444,471	100,805
Postage, Stamp, Telecommunication, etc.		232,436	228,961
Stationery, Printing, Advertisement		1,337,960	361,495
Managing Director's salary & benefits		5,404,570	6,711,832
Directors' Fees and Expenses	20.00	8,286,170	7,988,482
Audit Fee		300,000	230,000
Depreciation and repairs of assets	21.00	9,736,203	10,384,125
Other expenses	22.00	14,144,539	9,291,279
<b>Total Operating Expenses</b>		<b>84,376,010</b>	<b>74,117,634</b>
<b>Profit/(Loss) before provision</b>		<b>563,695,492</b>	<b>376,074,740</b>
Provision for Loans		18,459,782	32,766,208
Provision for diminution in the value of investments		44,140,218	-
Other provisions		-	-
<b>Total Provisions</b>		<b>62,600,000</b>	<b>32,766,208</b>
<b>Profit/(loss) before tax</b>		<b>501,095,492</b>	<b>343,308,532</b>
<b>Provision for Tax:</b>			
Current Tax		-	-
Deferred Tax		-	-
		-	-
<b>Net Profit after Taxation</b>		<b>501,095,492</b>	<b>343,308,532</b>
<b>Appropriations:</b>			
Statutory Reserve		100,220,000	69,000,000
General Reserve			-
		100,220,000	69,000,000
<b>Retained surplus</b>		<b>400,875,492</b>	<b>274,308,532</b>
<b>Earnings Per Share (EPS)</b>	23.00	<b>25,055</b>	<b>17,165</b>

The accompanying notes from 1.00 to 26.00 form an integral part of the financial statements.

  
(Mohiuddin M. Zuhair)  
Acting Managing Director

  
(Md. Shahriar Kader Siddiky)  
Director

  
(Dr. Md. Khairuzzaman Mozumder)  
Deputy Chairman

  
(Sultan Abdulrauf)  
Chairman

Subject to our separate report of even date.

Dated: Dhaka, May 15, 2025



**Md. Iqbal Hossain FCA**  
Senior Partner, Enrolment No.: 596  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants

# Cash Flow Statement

for the year ended 31 December 2024

Particulars	Notes	Amount in Taka	
		2024	2023
<b>A. Cash flows from operating activities</b>			
Interest receipts		603,274,915	396,640,158
Dividend receipts		849,754	995,589
Fees and commission receipts		323,529	-
Recovery of loan previously written off		-	-
Cash payments to employees		(46,192,840)	(42,410,187)
Cash payments to suppliers		(3,902,345)	(3,399,125)
Income taxes paid		(50,828,309)	(30,939,394)
Receipts from other operating activities		7,115,372	7,087,464
Payments for other operating activities		(30,931,712)	(19,389,005)
<b>Operating profit before changes of operating assets and liabilities (i)</b>		<b>479,708,364</b>	<b>308,585,500</b>
<b>Increase/(decrease) in operating assets and liabilities</b>			
Loans and advances		(868,585,092)	228,061,610
Other assets		(2,095,188)	(293,275)
Other liabilities		-	-
Cash utilized in operating assets and liabilities (ii)		<b>(870,680,280)</b>	<b>227,768,335</b>
<b>Net cash flows from operating activities (i+ii)</b>		<b>(390,971,916)</b>	<b>536,353,835</b>
<b>B. Cash flows from investing activities</b>			
Receipts/(payment) from sale of shares/bonds		(50,585,000)	30,000,000
Fixed assets		(248,976)	(50,694)
<b>Net cash used for investing activities</b>		<b>(50,833,976)</b>	<b>29,949,306</b>
<b>C. Cash flows from financing activities:</b>			
Repayment of borrowing		-	-
Dividend paid		(150,000,000)	(150,000,000)
<b>Net cash used for financing activities</b>		<b>(150,000,000)</b>	<b>(150,000,000)</b>
<b>D. Net increase/(decrease) in cash &amp; cash equivalent (A+B+C)</b>		<b>(591,805,892)</b>	<b>416,303,141</b>
E. Effects of exchange rate changes on Foreign Currency		-	-
F. Cash and Cash equivalents at the beginning of the year		2,437,778,427	2,021,475,286
<b>Cash and cash equivalents at the end of the year (D+E+F)</b>		<b>1,845,972,535</b>	<b>2,437,778,427</b>
<b>Cash and cash equivalents at end of the year:</b>			
Cash in hand and balance with Bangladesh Bank		36,550,629	39,357,769
Balance with other banks		1,809,421,906	2,398,420,658
		<b>1,845,972,535</b>	<b>2,437,778,427</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>25.00</b>	<b>(19,549)</b>	<b>26,818</b>

The accompanying notes from 1.00 to 26.00 form an integral part of the financial statements.

  
(Mohiuddin M. Zuhair)  
Acting Managing Director

  
(Md. Shahriar Kader Siddiky)  
Director

  
(Dr. Md. Khairuzzaman Mozumder)  
Deputy Chairman

  
(Sultan Abdurauaf)  
Chairman

Subject to our separate report of even date.

Dated: Dhaka, May 15, 2025



**Md. Iqbal Hossain FCA**  
Senior Partner, Enrolment No.: 596  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants

# Statement of Changes in Equity

for the year ended 31 December 2024

Particulars	Amount in Taka					Total
	Paid-up Capital	Statutory Reserve	General Reserve	Revaluation Reserve	Retained Surplus	
Balance at 01 January 2024	2,106,084,305	1,403,294,600	1,629,423,744	1,968,594,197	512,174,377	7,619,571,223
Dividend paid	-	-	-	-	(150,000,000)	(150,000,000)
Net profit after tax	-	-	-	-	501,095,492	501,095,492
Appropriation made during the year	-	100,220,000	-	-	(100,220,000)	-
<b>Balance at 31 December 2024</b>	<b>2,106,084,305</b>	<b>1,503,514,600</b>	<b>1,629,423,744</b>	<b>1,968,594,197</b>	<b>763,049,869</b>	<b>7,970,666,715</b>

The accompanying notes from 1.00 to 26.00 form an integral part of the financial statements.

  
(Mohiuddin M. Zuhair)  
Acting Managing Director

  
(Md. Shahrar Kader Siddiky)  
Director

  
(Dr. Md. Khairuzzaman Mozumder)  
Deputy Chairman

  
(Sultan Abdullauf)  
Chairman

Subject to our separate report of even date.



**Md. Iqbal Hossain FCA**

Senior Partner, Enrolment No.: 596

**Zoha Zaman Kabir Rashid & Co.**

Chartered Accountants

Dated: Dhaka, May 15, 2025

# Liquidity Statement

(Assets and Liability maturity Analysis) As at 31 December 2024

Particulars	Amount in Taka					
	Upto 1 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years	Total
<b>Assets</b>						
Cash in hand	28,814	-	-	-	-	28,814
Balance with Bangladesh Bank (including foreign currencies)	7,274,574	-	29,247,241	-	-	36,521,815
Balance with Other Banks	1,809,421,906	-	-	-	-	1,809,421,906
Investments	2,500	-	-	356,079,060	80,585,000	436,666,560
Loans and Advances	10,248,829	125,136,286	484,521,822	2,846,614,146	1,164,222,831	4,630,743,914
Fixed Assets (including land, furniture & fixtures and equipments)	427	-	7,246	1,260,475	2,059,606,974	2,060,875,122
Other Assets	45,934,872	-	1,136,100	524,570,604	-	571,641,576
<b>Total Assets (A)</b>	<b>1,872,911,922</b>	<b>125,136,286</b>	<b>514,912,409</b>	<b>3,728,524,285</b>	<b>3,304,414,805</b>	<b>9,545,899,707</b>
<b>Liabilities</b>						
Borrowings from Other Banks	-	-	-	-	-	-
Other liabilities	670,999	442,905	1,323,446	880,809,352	691,986,290	1,575,232,992
<b>Total Liabilities (B)</b>	<b>670,999</b>	<b>442,905</b>	<b>1,323,446</b>	<b>880,809,352</b>	<b>691,986,290</b>	<b>1,575,232,992</b>
<b>Net Liquidity difference (C) = A - B</b>	<b>1,872,240,923</b>	<b>124,693,381</b>	<b>513,588,963</b>	<b>2,847,714,933</b>	<b>2,612,428,515</b>	<b>7,970,666,715</b>

The following assumptions have been applied in preparing the maturity analysis:

- (i) Investments are on the basis of their expected timing of Cash flows.
- (ii) Loans and advances are on the basis of their maturity.
- (iii) Fixed assets including land & land development, furniture and fixtures are on the basis of their useful life.
- (iv) Other assets are on the basis of their adjustment.
- (v) Other liabilities are on the basis of their adjustment.

# Notes to the Financial Statements

## for the year ended 31 December 2024

### 1.00 Background of SABINCO:

Saudi Bangladesh Industrial and Agricultural Investment Company Limited (SABINCO) is a joint venture Industrial Finance and Investment Company owned by the Governments of Saudi Arabia and Bangladesh.

The Company was incorporated under the Companies Act 1913 (now 1994) on 24th June 1984 with its headquarter in Dhaka and commenced operation in 1986. In 1995, it was granted a license to operate as a Non Banking Financial Institution (NBFI) by Bangladesh Bank.

The company has a paid up capital of USD 60 million equivalent to Taka 2,106.08 million with following shareholdings:

Government of the Kingdom of Saudi Arabia - 50%

Government of the People's Republic of Bangladesh - 50%

The company has a six-member Board of Directors to which the Government of Saudi Arabia nominates the Chairman and two members, while the Deputy Chairman and two other members are nominated by the Government of Bangladesh.

SABINCO offers both loan and equity-based products and it also acts as financial intermediary and advisor. SABINCO has promoted several medium and large-scale industrial projects in the manufacturing, agro based and infrastructure sectors some of which were first of its kind in Bangladesh.

SABINCO played a pioneering role in the Bangladesh economy by creating new industrial sub sectors like industrial scale fish farming, fishery and poultry supporting industries, private sector cement factory, export-oriented fruit and vegetables processing unit etc.

SABINCO also extends financing in the Telecom & IT, Electronics & Electrical, Textiles, Iron, Steel & Engineering and Power Sector and thereby expanding its financing depth and horizon.

### 1.01 Objective of the Company:

The objective of the company is to make investment in manufacturing, agro-processing, infrastructure and utility service projects/industries in Bangladesh on commercial basis through loans & advances and equity participation. The company has sanctioned 158 (2023:154) projects up to December 2024.

### 2.00 Summary of significant Accounting Policies and basis of preparation of the financial statements

### 2.01 Statement of compliance

The Financial Statements have been prepared on the basis of going concern concept

and accrual method under historical cost convention in accordance with International Financial Reporting Standards (IFRS), the Finance Company Act, 2023, the Companies Act, 1994 and other applicable laws and regulations.

In the event any requirement of the Finance Company Act, 2023 and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Finance Company Act, 2023 and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRS are as follows:

#### **i) Investment in shares and securities**

IFRS: As per requirements of IAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" 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 revaluation reserve respectively.

Bangladesh Bank: As per FID circular 08 dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision is required to be made for any loss arising from the diminution in value of the investment; otherwise, investments are recognized at cost.

#### **ii) Provision on loans and advances/ investments**

IFRS: As per IAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per FID circular No. 8 dated 3 August 2002 and FID circular No. 3 dated 3 May 2006 a general provision at 1% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also, provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue.

#### **iii) Recognition of interest in suspense**

IFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per IAS 39 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognized in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per FID circular No. 8 dated 3 August 2002, once a loan is classified, interest on such loans are not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest suspense account, which is presented as liability in the balance sheet.

#### **iv) Other comprehensive income**

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

#### **v) Financial instruments presentation and disclosure**

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in IAS 39. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

#### **vi) Cash and cash equivalent**

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', T-bills, Prize bond are not shown as cash and cash equivalent. Money at call and on short notice is shown as face item in statement of financial position and T-bills, Prize bonds are shown under Investment.

#### **vii) Non-banking assets**

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

Bangladesh Bank:

As per the requirements of DFIM circular No. 11 dated December 23, 2009, there must exist a face item named non-banking asset.

#### **viii) Cash flow statement**

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

Bangladesh Bank: As per DFIM Circular 11 dated 23 December 2009, cash flow is the mixture of direct and indirect methods.

#### **ix) Balance with Bangladesh Bank: (Cash Reserve Requirement)**

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

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

## **2.02 Functional and presentation currency**

The financial statements are presented in Bangladesh Taka (BDT), which is the company's functional currency. All values are rounded to the nearest BDT except when otherwise indicated.

## **2.03 Foreign Currency Translation**

- (i) Transactions in foreign currencies are translated into Taka at the foreign exchange rates prevailing on the Transaction date.
- (ii) Monetary assets and liabilities in foreign currencies are expressed in taka at the rates of exchange prevailing on the Balance Sheet date.

## **2.04 Comparative information**

As guided in paragraph 36 and 38 of IAS 1 Presentation of Financial Statements, Comparative Information in respect of the previous year have been presented in all numerical information in the financial statements and the narrative and descriptive information where, it is relevant for understanding of the current year's financial statements.

## **2.05 Reporting Period**

The reporting period of the financial statements begins from 1st January 2024 to 31st December 2024.

## **2.06 Cash Flow Statement**

Cash Flow Statement is prepared in accordance with IAS-7 (direct method) "Cash Flow Statement " and format provided by the Bangladesh Bank vide DFIM Circular No-11 dated 23 December 2009 as applicable for preparation of Cash Flow Statement.

## **2.07 Statement of changes in equity**

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth.

## **2.08 Liquidity statement (Assets & Liability Maturity Analysis)**

The Liquidity Statement of assets and liabilities as on the reporting date has been prepared on residual maturity term, which has been given on the statement.

## **2.09 Assets and basis of their evaluation**

### **2.09.1 Cash and cash equivalents**

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value and are used by the company management for its short-term commitment.

### **2.09.2 Loans & Advances**

- i) Loans and advances are stated at gross amount. Provision and interest suspense against loans and advances are shown separately as liability.

- ii) Interest on loans and advances is calculated and charged on monthly, quarterly, half yearly and in some instances on an annual basis.
- iii) Interest on loan is recognized as income only when it is realized in cash.
- iv) As per Bangladesh Bank directives, interest on loans and advances, which are classified as Bad/loss, is not accounted for. A separate memorandum record is maintained for such interest.
- v) Provisions for loans and advances are made on the basis of Bangladesh Bank FID Circular No.11 of 2005 and FID Circular No.03 of 2006:

<b>General Provision on:</b>	<b>Rate</b>
Unclassified (SME)	0.25%
Unclassified	1%
Special Mention Account (SMA)	5%
Sub Standard	20%
Doubtful	50%
Bad	100%

### 2.09.3 Investment

- i) Income from dis-investment in shares is accounted for as and when it is received.
- ii) Dividend is recognized as income when it is received/realized.
- iii) Value of Investments has been considered as follows:

Government securities-Prize Bonds	At cost Price
Investment in shares-Quoted	At cost Price
Investment in shares-Unquoted	At cost Price

Provision has been made at an estimate on the value of shares and bonds due to fluctuations of market value in terms of economic conditions that exists in the market. Necessary provisions are being made to cover the losses, if any, as per regulatory guidelines.

### 2.09.4 Recognition of Fixed Assets:

All property and equipment are classified and grouped according to the nature of individual assets and the major categories of assets are land, building, furniture and fixture, motor vehicles and equipment. Recognition of fixed assets has been made based on probable future economic benefits associated with the assets.

Fixed Assets are shown in the carrying amount as per IAS16 and such Fixed Assets have been stated at cost less accumulated depreciation i.e. at written down value.

Gain or loss on sale of fixed assets is recognized in profit and loss account.

### 2.09.5 Depreciation of fixed assets:

Depreciation on fixed assets has been charged on straight line method. Depreciation has been charged from the date of acquisition of assets during the accounting year on daily basis.

Depreciation has been calculated at the following rates:

Types of Assets	Rate of Depreciation
Building	5.0%
Furniture and fixture	12.5%
Motor vehicles	25.0%
Office and electrical equipment	20.0%

## 2.09.6 Intangible assets and amortization of intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives based on the management best estimates of 5 year. Subsequent expenditure on software is capitalized only when it increases the future economic benefits in the specifications to which it relates. All other expenditure is treated as expense when incurred.

## 2.10 Liabilities and basis of their valuation

### 2.10.1 Employees benefit plans

The company operates a non-funded gratuity scheme and contributory provident fund.

#### **Gratuity fund:**

SABINCO operates a non-funded gratuity scheme, provision for which is made annually covering its all eligible employees according to the relevant provision of "Service Rules".

#### **Provident fund:**

The company maintains a contributory provident fund recognized by National Board of Revenue. The fund is administered by a Board of Trustee and it is funded equally by the employer and employees @ 10% of their basic salary.

### 2.10.2 Taxation

Income tax expense represents the sum of the tax currently payable along with the deferred tax. It is be noted that, SABINCO is exempted from the payment of taxes vide the provision of SRO 103-AIN/2012 dated 19.04.2012, Article 26 (Specific Provisions), with effective date of 01 October, 2011.

In this connection, reference is made to the Articles VII & XI of the bilateral agreement "An agreement for the establishment of the Saudi Bangladesh Industrial and Agricultural Investment Company Limited", wherein the Company was exempted from payment of tax for an initial period of ten years from the date of the first balance sheet of the Company that showed profit, which commenced on 01 January 1985 expired on 31 December 1994.

After the expiry of the tax holiday period the Company continued to pay taxes (for the next twenty-two years) up to the assessment year 2017-2018, though the income of the Company was fully exempted once again from taxation as per the provision of SRO 103-AIN/2012 dated 19.04.2012, Article 26 (Specific Provisions), with effective date of 01 October, 2011.

The Company in the meantime has applied to the appropriate tax authority seeking refund of Tk.1,186,780,618 which was inadvertently paid by SABINCO during the assessment year 2013-2014 to 2017-2018. Tax provision (current and deferred) has not been created against income for this year 2024.

Income year	Assessment year	Tax paid
2012	2013-2014	346,859,002
2013	2014-2015	268,511,858
2014	2015-2016	241,577,287
2015	2016-2017	174,611,850
2016	2017-2018	155,220,621
<b>Total</b>		<b>1,186,780,618</b>

Given the above elaboration SABINCO therefore is not required to make any further tax provisions (both current and deferred) and accordingly no tax provision has been created for the year 2024.

### 2.10.3 Provision and accrued expenses

Provision and accrued expenses are recognized in the financial statements based on obligation in view of past event for which an outflow of economic benefit will be required to settle the obligation and a reliable estimate has been made for the amount of obligation.

### 2.11 Statutory reserve

In fulfillment of requirement of Financial Institutions Regulations, 1994, 20% of profit is being transferred to statutory reserve.

### 2.12 Revenue recognition

The revenues during the year are recognized on an accrual basis (other than interest on loan, interest on bond and dividend), which comply with the conditions of revenue recognition as provided in IFRS 15: Revenue from contracts with customer.

### 2.13 Compliance report on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

The following Accounting and Reporting Standards are applicable for Saudi Bangladesh Industrial and Agricultural Investment Company Limited (SABINCO) which are followed in preparing the Financial Statements of the Company.

Sl. No.	Name of the IAS	IAS No.	Status
01	Presentation of Financial Statements	01	Applied *
02	Inventories	02	Not Applicable
03	Statement of Cash Flows	07	Applied
04	Accounting Policies, Changes in Accounting estimates and Errors	08	Applied
05	Events after the Reporting Period	10	Applied
06	Construction Contract	11	Not Applicable
07	Income Taxes	12	Applied
08	Property, Plant and Equipment	16	Applied
09	Leases	17	Not Applicable
10	Employee Benefits	19	Applied
11	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
12	The Effects of Changes in Foreign Exchange Rates	21	Applied
13	Borrowing Costs	23	Not Applicable
14	Related Party Disclosures	24	Applied
15	Accounting and Reporting by Retirement Benefit Plans	26	Applied
16	Separate Financial Statements	27	Not Applicable
17	Investments in Associates and Joint Ventures	28	Not Applicable
18	Financial Instruments: Presentation	32	Applied
19	Earnings per Share	33	Applied
20	Interim Financial Reporting	34	Not Applicable
21	Impairment of Assets	36	Not Applicable
22	Provision, Contingent Liabilities and Contingent Assets	37	Applied
23	Intangible Assets	38	Applied
24	Financial Instruments: Recognition and Measurement	39	Applied
25	Investment Property	40	Not Applicable
26	Agriculture	41	Not Applicable

\* As the regulatory requirements differ with the standards, relevant disclosures are made in accordance with Bangladesh Bank's requirements.

Name of the IFRS	IFRS No	Status
First Time adoption of IFRS	1	Not Applicable
Share Based Payment	2	Not Applicable
Business Combinations	3	Not Applicable
Insurance Contracts	4	Not Applicable
Non-current Assets held for sales and discontinued operations	5	Not Applicable
Exploration for and Evaluation of Mineral Resources	6	Not Applicable
Financial Instruments: Disclosures	7	Applied
Operating Segments	8	Not Applicable
Financial Instruments	9	Applied
Consolidated financial statements	10	Not Applicable
Joint Arrangements	11	Not Applicable
Disclosure of interest in other entities	12	Applied
Fair value measurement	13	Applied
Revenue from contracts with customer	15	Applied

	Amount in Taka	
	31-Dec-24	31-Dec-23
<b>3.00 Cash:</b>		
In hand ( Local currency)	28,814	33,134
<b>Balance with Bangladesh Bank:</b>		
Local Currency	7,274,574	5,605,263
Foreign Currency-		
US\$ 246,334.04	29,247,241	-
US\$ 307,939.47	-	33,719,372
	<b>36,550,629</b>	<b>39,357,769</b>
<b>4.00 Balance with Other Banks:</b>		
<b>In Bangladesh:</b>		
<b>Local Currency Accounts with-</b>	<b>179,655,201</b>	<b>149,768,391</b>
Standard Chartered Bank- SND Account	466,247	316,919
The City Bank Ltd.- SND Account	179,188,954	149,451,472
<b>Foreign Currency Current Account with-</b>		
Standard Chartered Bank-		
US\$ 6,464.65 equivalent to	767,548	-
US\$ 3,708.43 equivalent to	-	406,073
<b>Fixed Deposit Accounts( Local currency) with-</b>	<b>1,628,999,157</b>	<b>2,248,246,194</b>
Dhaka Bank PLC.	299,309,710	246,682,424
Southeast Bank PLC.	477,370,016	402,372,640
IDLC Finance PLC.	258,221,030	660,678,530
Mercantile Bank PLC.	402,167,647	361,953,264
DBH Finance PLC.	191,930,754	576,559,336
	<b>1,809,421,906</b>	<b>2,398,420,658</b>

	Amount in Taka	
	31-Dec-24	31-Dec-23
<b>5.00 Investments</b>		
Government Securities	80,587,500	2,500
Other Investments ( <i>Note - 5.01</i> )	356,079,060	386,079,060
	<b>436,666,560</b>	<b>386,081,560</b>
<b>5.01 Other Investments:</b>		
Ordinary shares (listed companies) (5.02)	128,762,160	128,762,160
Ordinary shares (Un-listed companies) (5.03)	153,316,900	153,316,900
Preference shares (5.04)	74,000,000	74,000,000
Bond (5.05)	-	30,000,000
	<b>356,079,060</b>	<b>386,079,060</b>
<b>5.02 Ordinary shares (listed companies : Note - 5.07)</b>		
Opening Balance	128,762,160	128,762,160
Add: Additions	-	-
	<b>128,762,160</b>	<b>128,762,160</b>
Less: Disposal	-	-
<b>Closing Balance</b>	<b>128,762,160</b>	<b>128,762,160</b>
<b>5.03 Ordinary shares (un-listed companies : Note - 5.07)</b>		
Opening Balance	153,316,900	153,316,900
Add: Additions	-	-
	<b>153,316,900</b>	<b>153,316,900</b>
Less: Disposal	-	-
<b>Closing Balance</b>	<b>153,316,900</b>	<b>153,316,900</b>
<b>5.04 Preference share (Note - 5.07)</b>		
Opening Balance	74,000,000	74,000,000
Add: Additions	-	-
	<b>74,000,000</b>	<b>74,000,000</b>
Less: Disposal	-	-
<b>Closing Balance</b>	<b>74,000,000</b>	<b>74,000,000</b>
<b>5.05 Bond</b>		
Opening Balance	30,000,000	60,000,000
Add: Additions	-	-
	<b>30,000,000</b>	<b>60,000,000</b>
Less: Disposal	30,000,000	30,000,000
<b>Closing Balance</b>	<b>-</b>	<b>30,000,000</b>
<b>5.06 Maturity grouping of investments</b>		
On demand	2,500	2,500
Less than 3 months	-	-
More than 3 months but less than 1 year	-	30,000,000
More than 1 year but less than 5 years	356,079,060	356,079,060
Above 5 years	80,585,000	-
	<b>436,666,560</b>	<b>386,081,560</b>

		Amount in Taka	
		31-Dec-24	31-Dec-23
<b>5.07 Cost and market value of investments as of 31 December 2024</b>			
	<b>No. of shares</b>	<b>Cost price</b>	<b>Market price</b>
<b>Listed</b>		<b>128,762,160</b>	-
Mita Textiles Ltd.	532,820	52,322,829	-
Dynamic Textile Industries Ltd.	891,300	64,715,698	-
National Oxygen Ltd.	8	800	-
Dhaka Fisheries Ltd.	300	30,000	-
Gachihata Aquaculture Farms Ltd.	100,000	10,000,000	-
Meghna Vegetable Oil Industries Ltd.	100	19,557	-
Maq paper Ltd.	4,000	673,276	-
Texpic Industries Ltd.	10,000	1,000,000	-
	<b>No. of shares</b>	<b>Cost price</b>	<b>NAV</b>
<b>Non-listed (A+B)</b>		<b>153,316,900</b>	<b>239,365,015</b>
<b>A. Taken Over Project (TOP)</b>		<b>147,862,500</b>	-
Saudi Bangla Fish Feed Ltd.	739,400	70,262,500	-
S&M Shrimp Culture Ltd.	250,000	19,100,000	-
Gazi Fish Culture Ltd.	600,000	58,500,000	-
<b>B. Others</b>		<b>5,454,400</b>	<b>239,365,015</b>
Quality Feeds Ltd.	491,300	4,913,000	239,365,015
Bright Tubes Ltd.	5,414	541,400	-
<b>Preference Shares:</b>			
<b>Total (A+B)</b>		<b>74,000,000</b>	-
<b>A. Taken Over Project (TOP)</b>		<b>74,000,000</b>	-
Gazi Fish Culture Ltd.	500,000	50,000,000	-
S&M Shrimp Culture Ltd.	240,000	24,000,000	-
<b>B. Others</b>		-	-
	-	-	-
<b>6.00 Loans and Advances</b>			
<b>In Bangladesh</b>			
Term Loans		4,627,334,122	3,682,328,748
Staff Loans		3,409,792	3,617,947
		<b>4,630,743,914</b>	<b>3,685,946,695</b>
<b>6.01 Loans and Advances</b>			
Opening Balance		3,685,946,695	3,856,965,961
Add: Addition		1,833,839,014	656,244,739
		<b>5,519,785,709</b>	<b>4,513,210,700</b>
Less: Repayments/adjustments		889,041,795	827,264,005
<b>Closing Balance</b>		<b>4,630,743,914</b>	<b>3,685,946,695</b>
<b>6.02 Maturity-wise Grouping</b>			
On demand		10,248,829	10,165,318
Less than 3 months		125,136,286	119,803,963
More than 3 months but less than 1 year		484,521,822	576,898,718
More than 1 year but less than 5 years		2,846,614,146	2,177,231,922
Above 5 years		1,164,222,831	801,846,774
		<b>4,630,743,914</b>	<b>3,685,946,695</b>

	Amount in Taka	
	31-Dec-24	31-Dec-23
<b>6.03 Significant Concentration-wise Grouping:</b>		
Loans and Advances to Directors and their allied concern	-	-
Advances to Chief-Executive and other Senior Executives	-	-
Advances to Customers (Group-wise):		
Medium enterprise	359,009,585	579,357,666
Large enterprise	4,268,324,537	3,102,971,082
	4,627,334,122	3,682,328,748
Advances to other staff	3,409,792	3,617,947
	<b>4,630,743,914</b>	<b>3,685,946,695</b>

**Disclosure on large loan:**

The company did not sanction/ disburse any loan to any individual, or enterprise or any organization exceeding 15% of the total Capital of the company.

<b>6.04 Sector-wise loans and advances-Term Loan</b>		
<b>Industry</b>	<b>4,236,917,962</b>	<b>3,071,564,507</b>
Textiles	342,716,861	377,710,380
Food Production, Processing & Rice Mills	741,949,324	432,444,444
Iron, Steel & Engineering	566,177,432	655,802,973
Cement and allied industry	759,957,015	146,307,555
Wood, Furniture & Fixture	215,026,449	-
Glass, Glassware & Ceramic Industry	215,600,000	-
Power, Gas, Petroleum, Water & Sanitary	1,395,490,881	1,459,299,155
<b>Agriculture</b>	<b>153,141,778</b>	<b>152,404,518</b>
Poultry & Livestock	87,805	112,492
Fisheries	99,755,846	99,828,244
Other Agriculture	53,298,127	52,463,782
<b>Financial Corporation</b>	<b>115,859,459</b>	<b>216,944,800</b>
Financial Institution	115,859,459	216,944,800
<b>Services</b>	<b>31,414,923</b>	<b>31,414,923</b>
Telecommunication & Information Technology	31,406,575	31,406,575
Other Services	8,348	8,348
<b>NGO</b>	<b>90,000,000</b>	<b>210,000,000</b>
Shakti Foundation For Disadvantaged Women	90,000,000	210,000,000
<b>Consumer Finance</b>	<b>3,409,792</b>	<b>3,617,947</b>
Employee/staff loan	3,409,792	3,617,947
	<b>4,630,743,914</b>	<b>3,685,946,695</b>

<b>6.05 Geographical location -wise grouping</b>		
Dhaka	1,998,985,685	1,724,308,820
Chattogram	1,379,924,319	1,516,674,155
Khulna	325,324,709	325,421,794
Sylhet	442,584,625	67,078,144
Mymensingh	483,924,576	52,463,782
Rajshahi	-	-
	<b>4,630,743,914</b>	<b>3,685,946,695</b>

	Amount in Taka	
	31-Dec-24	31-Dec-23
<b>6.06 Grouping as per classification rules :</b>		
Unclassified Loans i.e Standard Loans (including staff loans)	4,049,989,857	2,922,882,049
Special Mention Account	-	16,696,610
Classified Loans:		
Sub-Standard	-	236,564,489
Doubtful	-	-
Bad/Loss	580,754,057	509,803,547
	<b>4,630,743,914</b>	<b>3,685,946,695</b>
<b>6.07 Particulars of loans and advances</b>		
(a) Debts considered good in respect of which the company is fully secured.	4,049,989,857	2,939,578,659
(b) Debts considered good for which the company holds no other security than the debtor's personal security.	-	-
(c) Debts considered good which is secured by the personal liabilities of one or more parties in addition to the personal security of the debtors.	-	-
(d) Loans classified but provision not maintained against such loan.	-	-
(e) Debts due by directors or officers of the company or any of them either severally or jointly with any other persons.		
(f) Debts due by companies or firms in which the directors or officers of the company are interested as Directors, partners or Managing Agents or in the case of private companies, as members.	-	-
(g) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the company or any of them either severally or jointly with any other persons.		
(h) Due from other banking companies.	-	-
(i) Classified loans for which interest/profit not charged:		
a) Decrease/ increase in provisions Amount realized against loan previously written off."	71,349,161	71,349,161
b) Total amount of provisions created as of the date of preparing the Balance sheet against classified bad/loss loans	239,711,834	248,156,243
c) Interest creditable to interest suspense account	268,652,084	216,290,843
(j) Cumulative amount of the written off loan	720,451,672	720,451,672
Amount written off during the current year	-	-
The amount of written off loan for which law suit filed	536,876,245	536,876,245

	Amount in Taka	
	31-Dec-24	31-Dec-23
<b>7.00 Fixed Assets</b>		
<b>Cost</b>	<b>2,199,147,292</b>	<b>2,200,482,204</b>
Land & Land Development	2,000,000,000	2,000,000,000
Building	149,011,648	149,011,648
Motor vehicles	16,669,714	16,669,714
Office & Electrical equipment	26,832,233	28,047,848
Furniture & fixtures	3,269,061	3,388,358
Intangible Assets-Software	3,364,636	3,364,636
<b>Less: Accumulated depreciation</b>	<b>138,272,170</b>	<b>130,543,240</b>
Building	89,413,304	81,942,309
Motor vehicles	15,859,744	14,203,618
Office & Electrical equipment	26,389,440	27,721,186
Furniture & fixtures	3,245,046	3,311,491
Intangible Assets-Software	3,364,636	3,364,636
Written down value at the end of the year	<u>2,060,875,122</u>	<u>2,069,938,964</u>

**7.01 Fixed assets**

Amount in Taka

Particulars	at Cost			Depreciation				Written Down value at 31-Dec-24		
	Balance as at 01-Jan-24	Addition during the year	Disposal during the year	Balance as at 31-Dec-24	Rate	Balance as at 01-Jan-24	Charged for the year		Disposal during the year	Balance as at 31-Dec-24
Land & Land Development	2,000,000,000	-	-	2,000,000,000	0%	-	-	-	-	2,000,000,000
Building	149,011,648	-	-	149,011,648	5%	81,942,309	7,470,995	-	89,413,304	59,598,344
Motor vehicles	16,669,714	-	-	16,669,714	25%	14,203,618	1,656,126	-	15,859,744	809,970
Office & Electrical equipment	28,047,848	248,976	1,464,591	26,832,233	20%	27,721,186	132,845	1,464,591	26,389,440	442,793
Furniture & fixtures	3,388,358	-	119,297	3,269,061	12.50%	3,311,491	52,852	119,297	3,245,046	24,015
Intangible Assets-Software	3,364,636	-	-	3,364,636	20%	3,364,636	-	-	3,364,636	-
<b>as on 31-Dec-24</b>	<b>2,200,482,204</b>	<b>248,976</b>	<b>1,583,888</b>	<b>2,199,147,292</b>		<b>130,543,240</b>	<b>9,312,818</b>	<b>1,583,888</b>	<b>138,272,170</b>	<b>2,060,875,122</b>
<b>as on 31-Dec-23</b>	<b>2,200,431,510</b>	<b>50,694</b>	<b>-</b>	<b>2,200,482,204</b>		<b>121,256,098</b>	<b>9,287,142</b>	<b>-</b>	<b>130,543,240</b>	<b>2,069,938,964</b>

		Amount in Taka	
		31-Dec-24	31-Dec-23
<b>8.00</b>	<b>Other Assets</b>		
	Advance income tax	515,031,400	464,203,091
	Deposits	220,100	220,100
	Other Receivables	1,136,100	294,682
	Accrued interest	45,934,872	36,267,492
	Prepaid Expenses	239,085	239,085
	Deferred tax (Note-8.01)	6,931,804	6,931,804
	Capital Work in Progress	2,148,215	894,445
		<b>571,641,576</b>	<b>509,050,699</b>
<b>8.01</b>	<b>Deferred Tax:</b>		
	In fulfillment of the requirement of International Accounting Standard (IAS) 12, deferred tax has been recognized by the company based on taxable temporary difference in the carrying amounts of the assets and its tax base up to 31.12.2016.		
<b>9.00</b>	<b>Borrowings from other banks</b>		
	a) (i) Borrowings inside Bangladesh	-	-
	(ii) Borrowings outside Bangladesh	-	-
		<b>-</b>	<b>-</b>
	b) (i) Borrowings with security	-	-
	(ii) Borrowings without security	-	-
		<b>-</b>	<b>-</b>
	c) (i) Borrowings payable on demand	-	-
	(ii) Borrowings others	-	-
		<b>-</b>	<b>-</b>
<b>10.00</b>	<b>Other Liabilities</b>		
	Provision for loans and investment in shares ( <b>Note - 10.01</b> )	663,783,907	601,183,907
	Interest suspense account ( <b>Note - 10.02</b> )	470,985,313	421,613,738
	Provision for tax ( <b>Note - 10.03</b> )	396,165,264	396,165,264
	Liabilities for expenses ( <b>Note - 10.04</b> )	30,639,733	36,603,438
	Other creditors	4,125,000	4,125,000
	Deferred tax liabilities	9,533,775	9,533,775
		<b>1,575,232,992</b>	<b>1,469,225,122</b>
<b>10.01</b>	<b>Provisions for loans, investment in shares and other assets:</b>		
	<b>i) Provision for loans:</b>		
	<b>a) for classified loans</b>		
	Opening Balance	248,156,243	111,156,243
	Add: Addition during the year	-	137,000,000
		<b>248,156,243</b>	<b>248,156,243</b>
	Less: Adjustment made during the year	8,444,409	-
	<b>Closing Balance</b>	<b>239,711,834</b>	<b>248,156,243</b>
	<b>b) for unclassified loans</b>		
	Opening Balance	46,001,706	45,527,237
	Add: Addition during the year	26,904,191	474,469
		<b>72,905,897</b>	<b>46,001,706</b>
	Less: Adjustment made during the year	-	-
	<b>Closing Balance</b>	<b>72,905,897</b>	<b>46,001,706</b>
	<b>Total provision for loans (a+b)</b>	<b>312,617,731</b>	<b>294,157,949</b>

	Amount in Taka	
	31-Dec-24	31-Dec-23
<b>ii) Provision for investment in shares:</b>		
Opening Balance	307,025,958	280,903,676
Add: Addition during the year	44,140,218	26,122,282
	<b>351,166,176</b>	<b>307,025,958</b>
Less: Adjustment made during the year	-	-
<b>Closing Balance</b>	<b>351,166,176</b>	<b>307,025,958</b>
<b>iii) Provision for doubtful assets:</b>		
Opening Balance	-	19,975,353
Add: Addition during the year	-	6,403,249
	-	<b>26,378,602</b>
Less: Adjustment made during the year	-	26,378,602
<b>Closing Balance</b>	-	-
<b>Total provisions</b>	<b>663,783,907</b>	<b>601,183,907</b>
<b>Required Provision :</b>		
Provision for loans	312,596,790	277,105,992
Provision for investment in shares	351,166,176	307,025,958
Provision for doubtful assets	-	-
<b>Total</b>	<b>663,762,966</b>	<b>584,131,950</b>

#### 10.02 Interest suspense account

	IDCP	Overdue interest		
Opening Balance	245,260,698	176,353,040	421,613,738	395,417,886
Addition during the year	37,840,822	388,395,943	426,236,765	303,115,429
<b>Total</b>	<b>283,101,520</b>	<b>564,748,983</b>	<b>847,850,503</b>	<b>698,533,315</b>
Repayment/adjustment during the year	25,633,713	351,231,477	376,865,190	276,919,577
<b>Closing Balance</b>	<b>257,467,807</b>	<b>213,517,506</b>	<b>470,985,313</b>	<b>421,613,738</b>

#### 10.03 Provision for tax

Opening Balance	396,165,264	396,165,264
Add: Provision for the year	-	-
	<b>396,165,264</b>	<b>396,165,264</b>
Less: Adjustment for previous years tax	-	-
<b>Closing Balance</b>	<b>396,165,264</b>	<b>396,165,264</b>

The above provision is for the year up to 31.12.2016.

#### 10.04 Liability for Expenses

Liabilities for general & administrative expenses	2,437,350	2,487,475
Provision for gratuity	28,202,383	34,115,963
	<b>30,639,733</b>	<b>36,603,438</b>

	US\$	US\$
<b>11.00 Share Capital</b>		
Authorized: 20,000 ordinary shares of US\$3,000 each	60,000,000	60,000,000
Issued, subscribed and paid up: 20,000 ordinary shares of US\$3,000 each	60,000,000	60,000,000
These are subscribed by the following shareholders:		
<b>Name of the shareholders</b>		<b>Equivalent to</b>
	<b>US\$</b>	<b>Taka</b>
Government of Kingdom of Saudi Arabia	30,000,000	1,078,928,400
Government of Bangladesh	30,000,000	1,027,155,905
	<b>60,000,000</b>	<b>2,106,084,305</b>
	<b>Amount in Taka</b>	
	<b>31-Dec-24</b>	<b>31-Dec-23</b>

#### 11.01 Capital adequacy Ratio:

Capital adequacy ratio has been calculated as per DFIM circular no 14 of 28 December 2011 issued by Bangladesh Bank.

<b>Tier-1 (Core Capital)</b>	<b>6,002,072,518</b>	<b>5,650,977,026</b>
Paid-up Capital	2,106,084,305	2,106,084,305
Statutory Reserve	1,503,514,600	1,403,294,600
General Reserve	1,629,423,744	1,629,423,744
Retained Surplus	763,049,869	512,174,377
<b>Tier-2 (Supplementary Capital):</b>	<b>1,057,202,995</b>	<b>1,030,298,804</b>
General provision maintained against unclassified loans	72,905,897	46,001,706
Revaluation Reserve	984,297,098	984,297,098
<b>A) Total Capital (Tier 1 + Tier 2)</b>	<b>7,059,275,513</b>	<b>6,681,275,830</b>
<b>B) Total Risk Weighted Assets</b>	<b>6,965,623,088</b>	<b>6,700,188,582</b>
C) Required capital (10% on Total RWA or MCR, whichever is higher)	1,000,000,000	1,000,000,000
D) Surplus (A-C)	6,059,275,513	5,681,275,830
E) Capital Adequacy Ratio	101.34%	99.72%
F) Core Capital to RWA	86.16%	84.34%
G) Supplementary Capital to RWA	15.18%	15.38%

#### 12.00 Statutory Reserve

Opening Balance	1,403,294,600	1,334,294,600
Addition during the year	100,220,000	69,000,000
<b>Closing Balance</b>	<b>1,503,514,600</b>	<b>1,403,294,600</b>

#### 13.00 General Reserve

Opening Balance	1,629,423,744	1,629,423,744
Addition during the year	-	-
<b>Closing Balance</b>	<b>1,629,423,744</b>	<b>1,629,423,744</b>

	Amount in Taka	
	31-Dec-24	31-Dec-23
<b>14.00 Revaluation Reserve</b>		
Opening Balance	1,968,594,197	1,968,594,197
Addition during the year	-	-
<b>Closing Balance</b>	<b>1,968,594,197</b>	<b>1,968,594,197</b>

In terms of International Accounting Standard (IAS) 16: Property, Plant and Equipment, the company had revalued its 1.5 acres of land located at 79, Nikunja-2, Dhaka-1229 in 2016 by Jorip O Paridarshan Company Ltd., an independent professionally qualified valuation firm. The surplus on revaluation of land has been credited to Revaluation Reserve.

<b>15.00 Retained Surplus</b>		
Balance at the beginning of the year	512,174,377	525,099,637
Cash Dividend for last year	(150,000,000)	(150,000,000)
Net Profit after taxation	501,095,492	343,308,532
Transferred to Provision for Doubtful investment	-	(137,233,792)
<b>Profit available for distribution</b>	<b>863,269,869</b>	<b>581,174,377</b>
Appropriation :		
Statutory Reserve	(100,220,000)	(69,000,000)
General Reserve	-	-
<b>Balance at the end of the year</b>	<b>763,049,869</b>	<b>512,174,377</b>

#### Worker's Profit Participation Fund (WPPF)

In respect of Worker's Profit Participation Fund, Ministry of Finance and Bangladesh Bank have reviewed the law and proposed to the Ministry of Labor to exclude Banks and Non-Banking Financial Institutions from the requirement of the law regarding the provision of Worker's Profit Participation Fund and accordingly Ministry of Finance issued a letter on 14 February 2017 to the Ministry of Labor to waive Banks and Non-Banking Financial Institutions from the purview of the requirements of the Bangladesh Labor Act, 2006 as amended in 2013.

However, SABINCO maintain adequate general reserve and retained earnings required for Worker's Profit Participation Fund from the year 2014 to 2024.

<b>16.00 Interest income</b>		
Interest on loans and advances	376,865,190	276,919,577
Interest on employees advances	176,169	187,235
Interest on deposits with other banks	262,741,488	163,395,910
	<b>639,782,847</b>	<b>440,502,722</b>
<b>17.00 Income from Investment</b>		
Dividend on investment in shares	849,754	995,589
Profit/(Loss) on sale of investment in shares	-	-
Interest on bond	3,824,015	3,998,680
	<b>4,673,769</b>	<b>4,994,269</b>
<b>18.00 Fees, Commission &amp; Brokerage</b>		
Project examination, syndication and management fees	323,529	-
Documentation fees and others	-	-
	<b>323,529</b>	-

	Amount in Taka	
	31-Dec-24	31-Dec-23
<b>19.00 Other Operating Income</b>		
Profit on sale of fixed assets	208,500	-
Exchange gain/(loss)	2,729,057	3,055,777
Miscellaneous income	353,800	1,639,606
	<b>3,291,357</b>	<b>4,695,383</b>
<b>20.00 Directors' fees and Expenses</b>		
Directors' fees	710,945	446,400
Annual remuneration	1,484,125	1,612,500
Travelling	6,091,100	5,929,582
	<b>8,286,170</b>	<b>7,988,482</b>
<b>21.00 Depreciation and repairs of assets</b>		
Depreciation (Note-7.01)	9,312,818	9,287,142
Repairs of Assets	423,385	1,096,983
	<b>9,736,203</b>	<b>10,384,125</b>
<b>22.00 Other Expenses</b>		
Liveries	161,232	127,707
Repair and maintenance	1,719,229	2,170,095
Fuel, oil and lubricants	532,880	602,890
Travelling and conveyance	225,434	208,911
Consultancy fees	958,854	649,544
Donation and subscription	303,887	224,800
Periodicals, news papers and books	39,797	45,737
Entertainment expenses	312,276	264,645
Meeting expenses	394,337	387,045
Bank charges	1,435,795	1,094,330
Employees welfare and recreation	888,940	200,000
Business development expenses	284,680	274,953
Training expenses	52,455	55,000
Gratuity	5,334,293	1,484,722
CDBL Charges	450	900
CSR Contribution	1,500,000	1,500,000
	<b>14,144,539</b>	<b>9,291,279</b>
<b>23.00 Earnings per share</b>		
Earnings Per Share (EPS) as shown in the face of Profit and Loss Account is calculated in accordance with International Accounting Standards (IAS) No. 33 "Earnings Per Share".		
Basic earnings per share has been calculated as follows:		
Earnings attributable to ordinary shareholders (Net Profit after Tax)	501,095,492	343,308,532
Number of ordinary shares outstanding during the year	20,000	20,000
<b>Basic earnings per share (in Taka)</b>	<b>25,055</b>	<b>17,165</b>

No diluted earnings per share is required to be calculated for the period, as there was no convertible securities for dilution during the period.

	Amount in Taka	
	31-Dec-24	31-Dec-23
<b>24.00 Net Asset Value Per Share (NAVPS)</b>		
Paid up Capital	2,106,084,305	2,106,084,305
Statutory Reserve	1,503,514,600	1,403,294,600
General Reserve	1,629,423,744	1,629,423,744
Revaluation Reserve	1,968,594,197	1,968,594,197
Retained Surplus	763,049,869	512,174,377
<b>Net Asset Value (NAV)</b>	<b>7,970,666,715</b>	<b>7,619,571,223</b>
Number of ordinary shares outstanding during the year	20,000	20,000
<b>Net Asset Value Per Share (NAVPS)</b>	<b>398,533</b>	<b>380,979</b>
<b>25.00 Net Operating Cash Flow Per Share (NOCFPS)</b>		
Net Cash Flow from Operating Activities	(390,971,916)	536,353,835
Number of ordinary shares outstanding during the year	20,000	20,000
<b>Net Operating Cash Flow per share</b>	<b>(19,549)</b>	<b>26,818</b>

## 26.00 General

### 26.01 Payment in terms of foreign currency

During 2024, the company incurred an expenditure of US\$ 0.063 million in terms of foreign currency for making payments as TA/DA and subscriptions etc.

### 26.02 Remuneration paid to the Directors

During 2024, the company remitted US\$ 7,500 to Ministry of Finance, KSA as annual remuneration of Saudi Directors while US \$5,000 equivalent in Taka currency was paid to the local Directors.

### 26.03 Payment of Directors for attending Board Meeting

During the period under review Taka 710,945 was paid to the Directors as fee for attending the Board of Directors meeting, Executive Committee meeting and Audit Committee meeting.

### 26.04 Date of authorization for issue

The financial statements were authorized for issue by the Board of Directors in its meeting held on 15 May 2025.

### 26.05 Subsequent events

The Board of Directors recommended Taka 150 million cash dividend for the year 2024. The dividend proposal is subject to shareholders' approval at the forthcoming annual general meeting. Except for the fact stated above, no material events have occurred between the Balance Sheet date and the date when the Financial Statements were authorized for issue by the Board of Directors of the Company which would require adjustment to, or disclosure in, the financial statements or notes thereto.

### 26.06 Employees information

A total number of 39 (2023:38) employees were employed in SABINCO as on 31 December 2024. All the employees received salary more than Tk. 36,000 p.a. during the period 2024.

**26.07** Till December 2024, the company has an undisbursed commitment of TK.1,896.08 million.

**26.08** SABINCO had provided term loan to the borrowers in accordance with the terms of the loan agreement and due to the failure of some of the sponsors to repay the loan liabilities; SABINCO was forced to take the responsibility of managing three projects, which is permitted by the memorandum of association of the company. Other than these three projects there are no other related parties, which are required to be reported.

**26.09** Highlights on the overall activities of the company have been detailed in annexure.



**(Mohiuddin M. Zuhair)**  
Acting Managing Director



**(Md. Shahriar Kader Siddiky)**  
Director



**(Dr. Md. Khairuzzaman Mozumder)**  
Deputy Chairman



**(Sultan Abdulrauf)**  
Chairman

Dated: Dhaka, May 15, 2025





**Saudi - Bangladesh Industrial and Agricultural Investment Company Ltd.**

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