

**AUDITOR'S REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
OF
SOCIAL ISLAMI BANK PLC AND ITS
SUBSIDIARIES
FOR THE YEAR ENDED 31 DECEMBER 2024**



কাজী জহির খান এন্ড কোং
KAZI ZAHIR KHAN & CO.
Chartered Accountants
In Practice Since 1981



ABACUS
WORLDWIDE

Home Town Apartments (Flat-C, Level - 15), 87, New Eskaton Road, Dhaka 1000.

KWSR Khan
Wahab
Shafique
Rahman & Co.
SINCE 1968

mgeworldwide
SINCE 1968

Rupali Bima Bhaban (5th & 6th Floor), 07, Rajuk Avenue, Motijheel, Dhaka - 100

**Independent Auditor's Report
To the Shareholders of Social Islami Bank PLC.
Report on the Audit of the consolidated and separate Financial Statements**

Qualified Opinion

We have audited the consolidated financial statements of Social Islami Bank PLC. and its subsidiaries (the "Group") as well as the separate financial statements of Social Islami Bank PLC. (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2024 and the consolidated and separate profit or loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the *basis for qualified opinion* section of our report, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2024 and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as explained in note 2 and comply with the Bank Company Act, 1991 (as amended up to date), the Companies Act 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and Regulations.

Basis for Qualified Opinion

The Bank was required to maintain provisions for investments and others amounting to Taka 23,158.06 crore as per Bangladesh Bank letter no. DBI-7/4(2)/2025-346 dated 29 April 2025. The Bank maintained Taka 1,502.62 crore in provisions and paid Taka 78.18 crore which is included in profit paid on borrowings (ref note: 22). However, Bangladesh Bank, through letter no. DOS (CAMS)1157/41(Dividend)/2025-3109 dated 21 May 2025, permitted finalization of the 2024 financial statements without provisioning the remaining amount.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated and separate Financial Statements section of our report. We are independent of the Group and the Bank 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) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to the following matters:

- a) The Bank reported Taka 3,169.67 crore as investment income for the year ended 31 December 2024, which includes Taka 185.29 crore or 5.85% of the total investment income which were charged on the irregular investment clients identified by Bangladesh Bank vide letter no. DBI-7/4(2)/2024-334, dated- 08 April 2024 and those irregular investment clients remain non-performing investment as on 31 December 2025, as disclosed in note 21.
- b) As disclosed in note 3.4, the bank could not maintain its CRR and SLR on multiple occasions. Though as at 31 December 2024, the Bank reported positive CRR & SLR by taking special liquidity support from Bangladesh Govt. Special Islamic Bond, Islami Bank liquidity facility (IBLF), Special liquidity Support from Bangladesh Bank, Overdraft from Bangladesh Bank and Foreign Currency borrowed from other Banks amount to Taka 9,084.75 crore.
- c) As per BSEC directive no. BSEC/CMRRCD/2009-193/217/Admin/90 dated 21 May 2019, sponsors and directors, excluding independent directors, must jointly hold at least 30% of the paid-up capital. As of the reporting date, the Bank's sponsor/director shareholding was 11.62%, falling short of this requirement.
- d) Disclosure regarding related party transactions is yet to be adequately made as per IAS 24.

Our opinion is not modified in respect of these matters.

Material Uncertainty

We draw your attention to note 2.2.2 and 16.5 of the financial statements where the Bank reported a CRAR of 6.43%, which deteriorates to negative 33.95% after considering the deferred provision shortfall noted in Emphasis of Matter (a), resulting in a total capital shortfall of Taka 22,850.14 crore against the regulatory requirement of 12.50%. The Bank also faced prolonged non-compliance with CRR and SLR requirements, a sharp rise in Non-Performing Investments exceeding 60%, a 16.64% decline in customer deposits, increased placement liabilities of Taka 9,085 crore, and an IDR ratio of 121.15% against the regulatory cap of 92.5%. Considering consecutive backing from the Bangladesh Bank, our opinion has not been further modified:



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated and separate financial statements for the year ended 31 December 2024. These matters were addressed in the context of the audit of the consolidated and separate financial statements, and in forming the Auditors' opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our 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 section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description of key audit matters	Our response to key audit matters
<p>Measurement of provision for Investments</p> <p>The process for estimating the provision for Investments portfolio associated with credit risk is significant, judgmental and complex.</p> <p>The Bank calculates provision for Investments by considering various factors such as rate of provision, Investment category, expiry date, Outstanding Balance, Interest suspense amount, value of eligible collateral as per BRPD circular no. 14 dated 23 September 2012 and its subsequent amendments.</p> <p>To minimize COVID-19 impact, Bangladesh Bank issued several circulars for providing deferral facility to aggrieved customers and directed the banks to keep an extra provision (Special General Provision-COVID-19) for those borrowers who have availed the deferral facilities.</p> <p>As per BRPD Circular No. 58 dated December 31, 2024, the Special General Provision for COVID-19 has been repelled and Banks may transfer the special general provision to general or specific provision. Accordingly, Social Islami Bank PLC. has transferred the special general provision Taka 47.34 crore to specific provision.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Review of quarterly Classification of Investment; • Follow Bangladesh Bank's circular and guidelines. <p>Our substantive procedures in relation to the provision for Investments portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed general and specific provisions kept by the bank; • Assessed the methodologies on which the provision amounts based, checked the calculations of the provisions and tested the completeness and accuracy of the underlying information • Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.



While estimating such provision certain judgmental factors need to be considered including:

- Future business performance of the borrower;
- Key assumptions relating to further business performance of the borrower;
- Market value of the collateral;
- Ability to repossess collateral; and
- Recovery rates etc.

Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued from time to time.

Due to high level of judgement involved and using some manual process in estimating the provision for Investments, we considered this to be a key audit matter.

For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows.

Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.

At the year end the Bank reported total gross Investments of Taka 383,165 million (2023: Taka 360,816 million) and total provision for Investments excluding off balance sheet item Taka 209,128 million (2023: Taka 12,814 million). We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:

- Finally, compared the amount of provision requirement as determined by Bangladesh Bank to the actual amount of provision maintained.



<ul style="list-style-type: none"> Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012, BRPD circular no. 03 dated 21 April 2019, BRPD circular no. 17 dated 28 September 2020, BRPD circular no. 56 dated 10 December 2020, BRPD Circulars no. 3 dated 31 January, 2021, BRPD Circulars no. 5 dated 24 March, 2021 and no, 51 dated 29 December 2021 and BRPD Circular letter No. 53 dated 30 December 2021 and BRPD Circular No. 14 dated 22 June 2022 and BRPD Circular no. 51 dated 18 December 2022. 	
<p>See note no 7, 7.8 and 14.1 to the financial statements</p>	
<p>Recognition of investment income</p>	
<p>Recognition of investment income has significant and wide influence on financial statements. Recognition and measurement of investment income has involvement of complex IT environment.</p> <p>We identify recognition of investment income from Investments as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of investment income by management to meet specific targets or expectations.</p> <p>The bank has reported investment income of Taka 31,697 million which is 25.56% higher than the previous year (2023: Taka 25,244 million). As such, EPS has been decreased 146.35% as compared to last year.</p> <p>The Bank has reported Taka 1,298 million as commission, exchange and brokerage which is 53.62% lower than previous year (2023: Taka 2,797 million).</p> <p>Accordingly, this has been considered as key audit matter.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of investment income on Investments. We performed test of operating effectiveness on automated control in place to measure and recognise investment income. We have also performed substantive procedure to check whether investment income is recognised completely and accurately. We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p> <p>Finally, we also conducted substantive analytical procedures to assess reasonableness of investment income recognized during the year with reference to the product wise outstanding investment balances.</p> <p>We performed several analytical and substantive procedures to check whether the calculations relating to the investment income, profit paid on deposits and borrowings etc. and the EPS are accurate or not.</p>
<p>See note no 21 & 24 to the financial statements</p>	



Liquidity concern and significant Increase in Borrowing from Bangladesh Bank	
<p>At several point of time in the reporting year, the bank encountered significant liquidity challenge.</p> <p>It resulted the bank to seek external financing as borrowing from Bangladesh Bank. The year ended balance has come to Taka 90,847 million (2023: Taka 43,280 million) which includes Taka 3,449 million as Bangladesh Government Islamic Bond, Taka 12,430 million as Islami Bank liquidity facility (IBLF), Taka 40,000 million as Special liquidity Support Tranch-1, Taka 33,979 million as Overdraft from Bangladesh Bank and Taka 990 million as Borrowing from other bank FC. The profit rate of all of the borrowings is determined under Mudaraba Principle.</p> <p>Cash in hand, including balances with Bangladesh Bank and its agent bank, decreased by 41%, from Taka 3,415.82 crore in 2023 to Taka 2,024.08 crore in 2024. To address liquidity pressure, the Bank availed special liquidity supports totalling Taka 9,084.75 crore through aforesaid facilities. Despite these measures, the Bank failed to maintain the required CRR for 319 days and SLR for 355 days during the year. While the CRR was met at year-end using special liquidity support, the SLR remained non-compliant. Additionally, customer deposits declined by 16.64% from the previous year. These factors indicate heightened liquidity risk, which we considered a key audit matter.</p>	<p>Our audit procedures in connection of the borrowing are as follows:</p> <ul style="list-style-type: none"> Assessed the effectiveness of the bank's management of liquidity risk in light of the current economic conditions and market volatility, as well as any changes in the bank's liquidity profile, such as changes in funding sources etc. Assessed whether the borrowing has been appropriately disclosed in the financial statements. Checked ledger and other documents provided by regulator on sample basis as part of audit procedure.
<p>See note no 3, 10 & 11 to the financial statements</p>	
Significant Foreign Exchange Income	
<p>During the year under audit, the bank has recorded a significant foreign exchange Income i.e., Taka 777 million (2023: Taka 2,165 million).</p>	<p>Our audit procedures in connection of this are as follows:</p> <ul style="list-style-type: none"> Assessed the adequacy of the bank's accounting policies and procedures for recognizing and measuring



<p>In the case of the bank, this is largely due to external market forces, mostly the rise in the exchange rate of the USD has resulted in such exchange gains.</p> <p>Since, this exchange gains is a significant financial matter that has an impact on the bank's profitability and earnings per share (EPS), we considered the matter as key audit matter.</p>	<p>exchange gains and losses, to evaluate whether the bank's accounting policies and procedures comply with applicable accounting standards and industry best practices.</p> <ul style="list-style-type: none"> • Conducted substantive procedure to assess whether the exchange gains are properly disclosed and explained. • Evaluated the materiality and sustainability of the exchange gain, particularly in relation to the bank's overall financial performance and earnings per share (EPS).
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

See note no 24 to the financial statements

Impairment assessment of unquoted investment

<p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.</p>	<p>We have assessed the process and controls put in place by the company to ensure all major investment decisions are undertaken through a proper due diligence process.</p> <p>We tested a sample of investment valuation as at 31 December 2024 and compared our results to the recorded value.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

See note no 7 to the financial statements

Investments

<p>Investments are the main element of financial statements of the Bank. Income of the Bank is mainly dependent on the portfolio of Investments. Management performance is highly dependent on the target achievement of Investments. Investment disbursement requires robust documentation followed by approval from appropriate level of authority. We have identified Investments as key audit matter because there is an inherent risk of fraud in disbursement of Investments by management to meet specific targets or</p>	<p>We tested the design and operating effectiveness of key controls focusing on credit appraisal, investment disbursement procedures and monitoring process as well as the percentage of non-performing Investments. We have performed procedure to check whether the Bank has ensured appropriate documentation as per Bangladesh Bank regulations and the Bank's policy before disbursement of Investments. In addition, we have performed procedure to check whether the Investments is recorded completely</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



<p>expectations.</p> <p>In addition, the bank reported non-performing investment of Taka 236,580 million 1268% higher than the previous year (2023: Taka 17,289 million), which is 61.74% of the total Investments.</p>	<p>and accurately and that are existed at the reporting date. Furthermore, we have assessed the appropriateness of disclosure against Bangladesh Bank guidelines.</p>
<p>See note no 7.7 and Highlights of accounts to the financial statements</p>	
<p>Valuation of treasury bills and treasury bond</p>	
<p>The classification and measurement of Treasury Bills and Treasury Bonds require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of Treasury Bills and Treasury Bonds is determined using complex valuation techniques that may take into consideration direct or indirect unobservable market data and complex pricing models that require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design, and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p>See note no 6.1.1 and 6.1.2 to the financial statements</p>	
<p>Implementation of IFRS 16 Leases</p>	
<p>IFRS 16 modifies the accounting treatment of operating lease at inception, with the recognition of a right of use (ROU) on the list asset and of a liability for the lease payments over the lease contract term. With respect to operating leases of premises used by the Bank, at inception of the lease, the lessor receives a right of using the premises, in exchange of a lease debt, using an implicit discount rate.</p>	<p>In responding to the identified key audit matter, we complete the following audit procedures;</p> <p>Assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 Leases impact on the financial statements of the Bank;</p>



<p>Our key audit matter was focused on all leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of the transitional impact and specific assumptions applied to determine the discount rates for lease are inappropriate.</p>	<p>Assessed the appropriateness of the discount rates applied in determining lease liabilities;</p> <p>Verified the accuracy of the underlying lease data by agreeing to original contract and checked the accuracy of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment; and assessed whether the disclosures within the financial statements are appropriate in light of the requirements of IFRS.</p>
<p>See note no 14 to the financial statements</p>	
<p>Measurement of deferred tax liabilities (DTL)</p>	
<p>At the year end of 31 December 2024, the Bank reported total deferred tax liabilities of Taka 463 million (31 December 2023: Taka 468 million) and deferred tax expenses of Taka 3 million (31 December 2023 Taka 4 million) of deferred tax expense.</p> <p>Significant judgment is required in relation to deferred tax assets, as their recoverability is dependent on forecasts of future profitability over a number of years.</p> <p>Accordingly, this area has been considered as key audit matter.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of DTLs and the assumptions used.</p> <p>We also assessed the completeness and accuracy of the data used. We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTL's. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
<p>See note no 15, 38 to the financial statements</p>	
<p>IT Systems and controls</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>Our areas of audit focus included user access management, developer access to the production environment and changes to</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>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.</p>



<p>the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p>	<p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>
-----------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Legal and regulatory matters

<p>We focused on legal and regulatory matters because the Group and the Bank operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. 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 and other contingent liabilities</p>	<p>We obtained an understanding of the Group and The Bank'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 enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provision, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p> <p>Our results: Based on the procedure performed, we have considered the bank's legal affairs and communicated with the legal advisors and panel lawyers to assess the bank's legal & regulatory positions.</p>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Other Matters

We have sought balance confirmations for cash & balance with Bangladesh, Bank's & NBFIs, placements, investments in shares & securities, deposits and bonds. However, no responses have been received to date. The consolidated financial statements include the audited financial statements of SIBL Securities Ltd. and SIBL Investment Ltd. which were audited by



Kazi Zahir Khan & Co., Chartered Accountants, who issued modified opinion.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate 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 consolidated and separate financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate 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 consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, best on the work we have performed, 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 consolidated and separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the group and also separate financial statements of the Bank 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. The Bank Company Act, 1991 (as amended up to date), and the Bangladesh Bank regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate 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 auditors' report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 bank audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our



independence, and where applicable, 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 consolidated and separate financial statements of the current year 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.

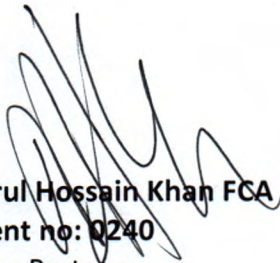
Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 (as amended up to date), the Securities and Exchange Rules, 2020, the Bank Companies Act, 1991 (as amended up to date), the Financial Reporting Act 2015 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made do verification thereof; except those mention in our basis for qualified opinion section of our report.
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities {other than matters disclosed in these financial statements};
- (iii) financial statements of Social Islami Bank PLC's subsidiaries namely, SIBL Securities Ltd. and SIBL Investment Ltd. have been audited by Kazi Zahir Khan & Co., Chartered Accountants. All these entities have been properly reflected in the consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;



- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) provisions have been made for Investments and others based on the financial statements for the year ended on 31 December 2024 which are in our opinion, doubtful of recovery as per Bangladesh Bank approval given vide letter no DBI-7/4(2)/2025-346, dated-29 April 2025 and DOS (CAMS)1157/41(Dividend)/2025-3109 dated 21 May 2025, which is inadequate. See our *basis for qualified opinion* paragraph of our report;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the Risk Weighted Assets (RWA) of the Bank and spent over 9,650 person hours; and
- (xii) Capital to Risk Weighted Assets Ratio (CRAR) as required by Bangladesh Bank has not been maintained during the year.


Md. Nurul Hossain Khan FCA
Enrolment no: 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants
DVC No.

29/05/2025
2505290240AS300C16

Place of Issue:
Date of Issue:


Md. Abu Sina FCA
Enrolment no: 0619
Senior Partner
Khan Wahab Shafique Rahman & Co.
Chartered Accountants
DVC No: 2505290619AS574921

