

ANNUAL REPORT 2021



TODAY . TOMORROW . TOGETHER



CITIZENS BANK

REMEMBRANCE



Jahanara Huq

First Designated Chairperson

On this auspicious occasion of 1st Annual General Meeting of the Bank, we remember with profound sense of gratitude Late Jahanara Huq, our most respected first designated Chairperson for her inspirational guardianship at the very inception.



CITIZENS BANK

TODAY · TOMORROW · TOGETHER

The logo of Citizens Bank is formed with a typography of 'Citizens Bank' in a clean and subtle font and an icon above the logo that creates an infinity sign with the letter's 'C' & 'B' being the acronym of our bank's generic name. The logo underpins of our firm commitment to unlock the immense possibilities of the financial eco-system with the spirit of togetherness all along.

LETTER OF TRANSMITTAL

All Sponsor Shareholders of Citizens Bank PLC
Bangladesh Bank
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms

Dear Sir(s)

Annual Report of Citizens Bank PLC for the year ended on 31st December 2021.

We are pleased to present a copy of Annual Report of the Bank together with the Audited Financial Statements as on December 31, 2021 of Citizens Bank PLC. The Annual Report - 2021 of the Bank comprises Balance Sheet, Profit & Loss Account, Statement of Change in Equity, Cash flow Statement along with the notes to the accounts for your kind information and record.

With best regards

Sincerely yours,



Md. Waheed Imam
SVP & Company Secretary



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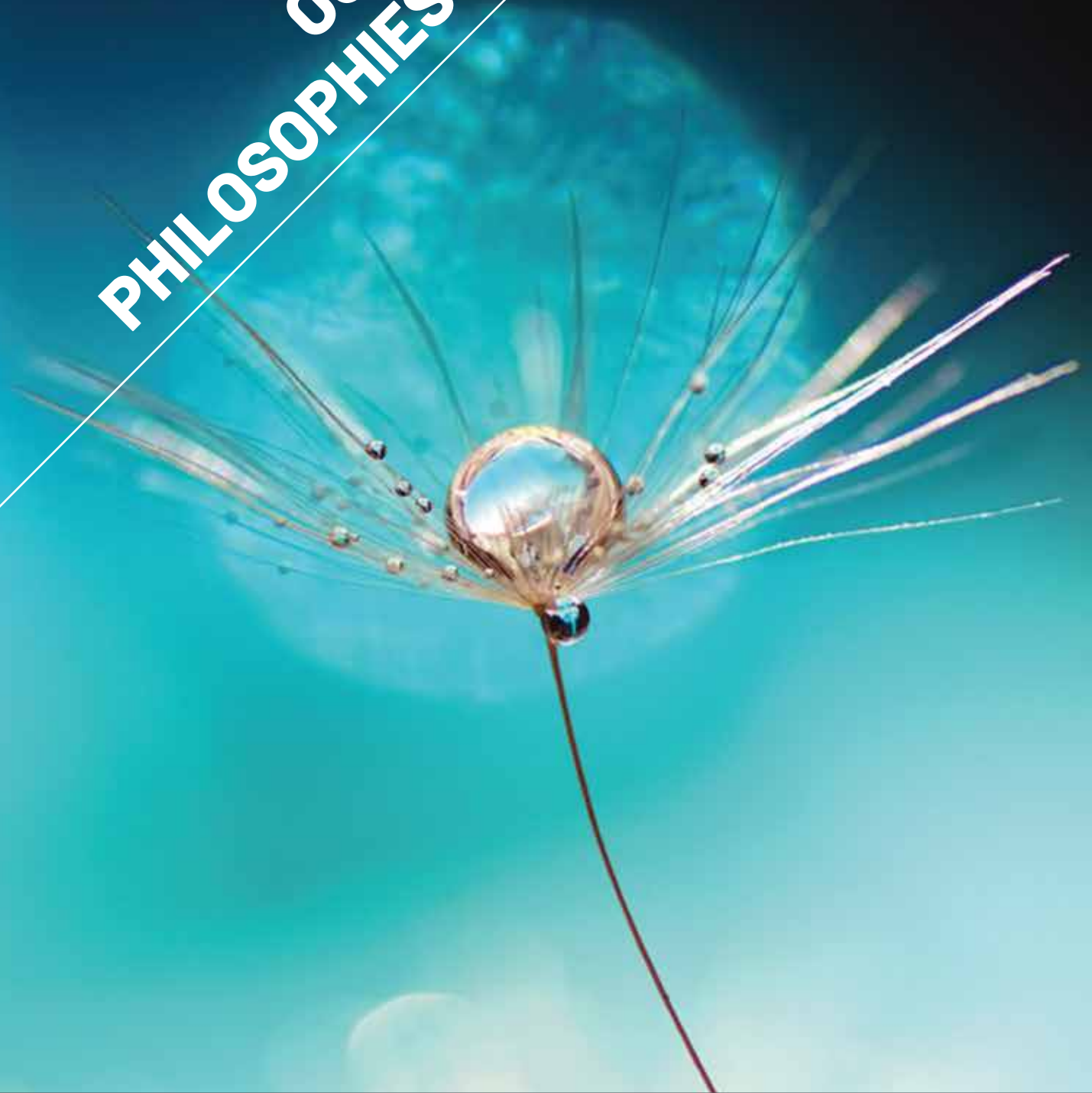
CORPORATE PROFILE



Name of the Company	Citizens Bank PLC
Legal Status	Public Limited Company
Date of Incorporation	December 13, 2020
Date of Commencement of Business	December 13, 2020
Registration No.	C-166595/2020 on December 13, 2020
Authorized Capital	Tk. 1000.00 Crore
Paid up Capital	Tk. 400.00 Crore
Chairman	Mrs. Towfika Aftab
Chairman, Executive Committee	Mr. Masuduzzaman, Representative of Modele De Capital Ind. Ltd.
Chairman, Risk Management Committee	Mr. Mohammad Abdul Salam
Managing Director	Mr. Mohammad Masoom
Company Secretary	Mr. Md. Waheed Imam
Chief Financial Officer	Mr. Mohammad Saiful Islam, FCMA, ACA
Registered Office	Chini Shilpa Bhaban-2, 76 Motijheel C/A, Dhaka - 1000, Bangladesh
Auditors	M/s. A. Qasem & Co., Chartered Accountants
e-TIN	768425977263
BIN	003610432-0202
Credit Rating Agency	Credit Rating Information & Services Limited
Website	www.citizensbankbd.com
SWIFT Code	CIZSBDDH
e-Mail	info@citizensbankbd.com
Trading Symbol	CZB



**OUR
PHILOSOPHIES**



VISION



To be the most preferred bank of first ranking choice in the industry.



To become one of the finest banking financial institutions in terms of Compliance status on all the regulatory issues.



Our underlying motto is to ensure financial welfare of our valued clients across the different segments through a wide range of financial products & services.



To ensure sustainability of performance in all the core areas of banking operations.



To protect and promote the interest of our most valued depositors as their safest custodian.

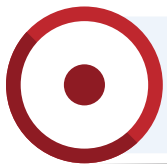


Maximization of the value of investment of our shareholders and uphold their interest at any cost.

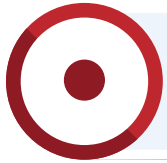


Our bank will be the tech-savvy one ensuring a well-equipped, structured and secured ICT system. We believe the accepted level of convergence of process, people and technology will create an enabling environment for success.

MISSION



To explore and exploit all the avenues by leveraging the existing and emerging opportunities as well as adoption of updated fin-tech to provide hassle free customized banking services in a very cost efficient manner.



To carve a competitive and distinctive position in the banking industry.



We aspire to acquire and uphold the trust of our constituents/ stake holders by maintaining the highest possible ethical standard.



To build up sound, well diversified, sustainably performing Credit Risk portfolio with constant effort to restrain the growth of NPLs treating it as the corrosive factor for the financial health of the bank.



To build up a strong risk management culture.



We shall continue our relentless efforts to protect, promote and uphold the interest of our clients/depositors, towards creation of economic value proposition and shall always remain systemically responsible for our promoters and shareholders as well as other stakeholders.

CORE VALUES



Integrity – We say what we do; we do what we say.



Team – Our essence of success is togetherness.



Respect – We want to be courteous and cordial for all our stakeholders.



Accountability – We take ownership of responsibility with transparency.



Community – We are involved in every spheres of overall wellbeing of our society and nation at large and intend to be the proud partner of it.

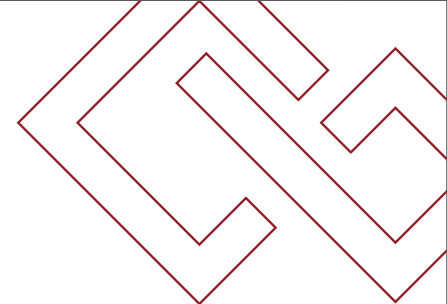


Service – We intend to deliver excellent & customized financial services/solutions.

SHAREHOLDING COMPOSITION

Sl. No.	Name of Sponsor Shareholders	Number of Shares	% of Shareholdings
01	Mr. Anisul Huq	40,000,000	10.00%
02	Mr. Mohammed Iqbal	40,000,000	10.00%
03	Arif Knit Spin Limited represented by Mr. Mukhlesur Rahman	40,000,000	10.00%
04	Modele De Capital Ind. Ltd. represented by Mr. Masduzzaman	40,000,000	10.00%
05	Pakiza Cotton Spinning Mills (Pvt) Ltd represented by Mr. Rakibul Islam Khan	40,000,000	10.00%
06	NRG Hometex Ltd represented by Ms. Tajkia Rahman	40,000,000	10.00%
07	Mr. Mohammad Abdul Salam	40,000,000	10.00%
08	Mr. Chowdhury Mohammed Hanif Shoeb	40,000,000	10.00%
09	Rahimaaziz Knitspin Ltd. represented by Mr. Md. Rafiqul Islam	40,000,000	10.00%
10	Mr. Sk. Md. Iftekharul Islam	20,000,000	5.00%
11	Mrs. Zebunnessa Begum Huq	10,000,000	2.50%
12	Mrs. Towfika Aftab	5,000,000	1.25%
13	Mrs. Shafia Alam	5,000,000	1.25%
Total Number of Shares & % Shareholding		400,000,000	100.00%

BOARD COMPOSITION



Name of Members	Designation
Mrs. Towfika Aftab	Chairperson
Mr. Mohammed Iqbal	Director
Mr. Mukhlesur Rahman Representative of Arif Knit Spin Limited	Director
Mr. Masduzzaman Representative of Modele De Capital Ind. Ltd.	Director
Mr. Rakibul Islam Khan Representative of Pakiza Cotton Spinnings Mills (Pvt) Ltd.	Director
Ms. Tajkia Rahman Representative of NRG Hometex Ltd.	Director
Mr. Mohammad Abdul Salam	Director
Mr. Chowdhury Mohammed Hanif Shoeb	Director
Mr. Md. Rafiqul Islam Representative of Rahimaaziz Knitspin Ltd.	Director
Mr. Sk. Md. Iftekharul Islam	Director
Mrs. Zebunnessa Begum Huq	Director
Mrs. Shafia Alam	Director
Mr. Mohammad Masoom	Managing Director & CEO



**BOARD OF
DIRECTORS**



PROFILE OF THE DIRECTORS



Towfika Aftab

Chairperson, Citizens Bank PLC

Mrs. Towfika Aftab one of the sponsor Directors of Citizens Bank PLC., who had been unanimously elected as the chairman of the Bank. She obtained master's degree in political science and LLB from Dhaka University.

Being a Lawyer by profession, she has been serving the country for last 26 years with utmost loyalty, honesty and sincerity. In recognition of her immense contribution to promote the cause of human rights she was appointed as honorable member of National Human Rights Commission in 2019 by His excellency honorable President of Bangladesh.

She carried out onerous responsibility as a govt. appointed legal prosecutor of Bangabandhu and four national leaders murder cases.

To provide the legal assistance to the deprived and helpless prisoners she founded by her own initiative a charitable and nonpolitical organization named as Legal Assistance to Helpless Prisoners and Persons (LAHP). Under her dynamic and proactive advocacy as many as 1000 prisoners got released on bail until December, 2019.

Mrs. Aftab has been the founder chairman of Athnica School and College for the long fifteen years which happens to be the well-established academic institution of high standard dedicated to implement the English version education program befitting the demand of the modern time.

She is also renowned for her social works and has been associated in many charitable activities countrywide and also closely linked up with Inner Wheel, a widely recognized international Women's voluntary organization.

PROFILE OF THE DIRECTORS



Mohammed Iqbal

Director, Citizens Bank PLC

Mr. Mohammed Iqbal a leading businessman in the readymade garments sector of our country who happens to be one of the Sponsor Directors of Citizens Bank PLC. Mr. Iqbal has a good reputation for his dynamic & proactive role to promote the interest of the country's export-oriented garments industry.

He is currently Chairman & Managing Director of BHIS Fashions Limited, CN Knit Wears Limited and Bright Apparels Limited.

PROFILE OF THE DIRECTORS



Mukhlesur Rahman

Director, Citizens Bank PLC

Mr. Mukhlesur Rahman is a nominated director of Arif Knitspin Limited a prominent concern of NR Group.

Mr. Mukhlesur Rahman is one of the leading and pioneer businessmen in the garments and textiles sector of the country. In recognition of his enormous contribution to promote the readymade garments export of the country he had received President's Export Trophy and the National Export Trophy by the Government of the People's Republic of Bangladesh for 9(nine) consecutive years.

PROFILE OF THE DIRECTORS



Masduzzaman

Director, Citizens Bank PLC

Mr. Masduzzaman is a renowned business person and one of the Sponsor Directors of Citizens Bank PLC. Having long 24 years' experience and exposures in the country's RMG sector. He has expertise in areas ranging from business innovation to trade facilitation, policy negotiation, market development, business operation and strategic management with in depth knowledge in fact finding and analytics.

Being an entrepreneur, he has created many businesses from start up to millions USD in annual exports through dynamic leadership, quick decision making, innovative strategies and international recognition and access. His diversified life embraces with skill and success that has been flourishing in many other aspects in social restoration and humanitarian ground along with sports and entertainments. His profound CSR activities and vision towards the community established him as a dynamic change maker with outstanding inspiring abilities. Combining all achievements of him shaped his business excellence and brought him

recognition as a country resource person for business stakes and national endeavors for export growth and strategies.

He is the founder Managing Director of Modele De Capital Ind. Ltd., Goumati Knitwears Ltd., Rhine Dress Ltd., Sadia Fashion Wears Ltd. Besides he is also the Proprietor of the backward linkage industries for textiles namely Embro Arch, Ocean Color, Step To...Rainbow, Atlantic Accessories, Sadia Packaging & Accessories and Keyama Color. His commitment to the country inspired him to create a luxury fashion brand SOLASTA, premium facility for food lovers 'Court Dandy' and supreme Coffee Station 'Café Sao Paulo'. He is also the founder of Safer Holdings Limited, an upcoming infrastructure development company. It is mentionable that, as many as 13,000 employees of different categories are employed in different enterprises own by Mr. Masduzzaman.

He takes keen interest to promote the games and sports of the country and provides significant financial support to the different sports and games-oriented organizations.

- He became Commercially Important Person (CIP) by the Government for five consecutive times in recognition outstanding feat of performance in the arena of exports.
- Ex-Vice President of Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA).
- Ex-Director, France Bangladesh Chamber of Commerce & Industries (BFCCI).
- Senior Vice Chairman to Cricket Committee of Dhaka Metropolis (CCDM) formed by Bangladesh Cricket Board (BCB).
- Director & (Chairman Cricket Committee) of the Mohammedan Sporting Club, country's largest sporting club.
- President of the Mohammadpur Cricket Club.

He holds the memberships of following elite clubs as well:

- Uttara Club, Dhaka
- Dhaka Club, Dhaka
- Army Golf Club, Dhaka

Personally, he is a very religious person and leads a harmonious life.

PROFILE OF THE DIRECTORS



Rakibul Islam Khan

Director, Citizens Bank PLC

Mr. Rakibul Islam Khan is a very young, energetic and forward-looking entrepreneur and in the leading string of the different enterprises of Pakiza Group viz. Pakiza Cotton Spinning Mills (Pvt) Ltd., Pakiza Apparels Ltd., Pakiza Woven Fashion Ltd., Pakiza Technovation Ltd., Pakiza Spinning Mills Ltd., Pakiza Textile Ltd., Pakiza Garden Print, etc. Mr. Islam is the nominated director of Pakiza Cotton Spinning Mills Ltd. Presently, he is the Managing Director of Pakiza Knit Composite Ltd.

Mr. Islam achieved his Bachelor of Science in Textile Engineering from Ahsanullah University of Science & Technology. He attained outstanding results both in the 'O' and 'A' levels from a reputed English Medium School.

PROFILE OF THE DIRECTORS



Tajkia Rahman

Director, Citizens Bank PLC

Ms. Tajkia Rahman is a nominated director of NRG Hometex Limited a leading-edge concern in the area of home textiles.

Ms. Tajkia Rahman completed schooling in Australia along with her graduation from Macquarie Graduate School of Management, New South Wales, Australia.

After completion of her studies, she started her career as a Director and Chairperson of NRG Hometex Limited and A.R.Vortex Spinning Limited and her contribution to accelerate the growth of the company has been well acclaimed.

PROFILE OF THE DIRECTORS



Mohammad Abdul Salam

Director, Citizens Bank PLC

Mr. Mohammad Abdul Salam is a Sponsor Director of Citizens Bank PLC. He is a self-motivated and resourceful businessman in the spinning sector with over 44 years of progressive experience. He has got proven ability to develop and strengthen management teams in order to maximize company profitability, efficiency and productivity. He has got extensive exposure in the yarn manufacturing, textiles and agri sector. His flagship company M/S. Multazim Spinning Mills Ltd. is one of the bulk manufacturers of yarn and supply of fabrics to the different export-oriented concerns. Mr. Salam is in the leading string of following companies:

1. Matam Fibre Mills Ltd.
2. Matam Multi Fibre Mills Ltd.
3. Echo Cotton Mills Ltd.
4. A.S.F. Real Estate Ltd.
5. Multazim Textiles Mills Ltd.

He has contributed enormously to promote backward linkage industries of the country for boosting up export earnings significantly through value added products.

PROFILE OF THE DIRECTORS



Chowdhury Mohammed Hanif Shoeb

Director, Citizens Bank PLC

Mr. Chowdhury Mohammed Hanif Shoeb is one of the Sponsor Directors of Citizens Bank PLC. having long 28 years' experience and exposures in the country's textiles sector. Mr. Shoeb comes of a very respected muslim family of Narayangonj.

Mr. Chowdhury is the CEO & Managing Director of good number of enterprises of Salma Group and the group has occupied a distinctive position as the bulk importer of Raw Cottons and the leading-edge yarn producer of the country. The huge success of Salma Group bears the ample testimony of his dynamic leadership and progressive mindset.

Mr. Chowdhury is also directly involved with different social welfare oriented and philanthropic organizations. He is directly associated as an active member of Federation of Bangladesh Chambers of Commerce & Industries (FBCCI), Bangladesh Textile Mills Association (BTMA), Dhaka Club Ltd., Gulshan Club Ltd., Kurmitola Golf Club, Army Golf Club, Narayangonj Club Ltd., etc.

PROFILE OF THE DIRECTORS



Md. Rafiqul Islam

Director, Citizens Bank PLC

Mr. Md. Rafiqul Islam is a nominated Director of Rahimaaziz Knitspin Limited. Mr. Islam is the Chairman of M/S. M.R Box Limited and the Finance Director of N.R. Group.

He has long over three decades of exposures in the arena of carton manufacturing for the export-oriented concerns retaining a significant market share in the supply chain of cartons.

He is also associated with different philanthropic and welfare-oriented organizations.

PROFILE OF THE DIRECTORS



Sk. Md. Iftekharul Islam

Director, Citizens Bank PLC

Barrister Sk. Md. Iftekharul Islam is one of the Sponsor Directors of Citizens Bank PLC. He is a very young and forward-looking person having strategic bent of mind to provide time befitting policy guidelines. Mr. Islam did his BBA (major in HRM) from North South University. He obtained LLB Honor's from University of London and completed Bar-At-Law degree from Cardiff University, Wales, UK. By this time, he has proved himself as a very prolific legal professional. And now he is an active member of Serajul Huq's Associates being the most reputed law chamber of the country. He takes keen interest on different issues related to banking and finance.

PROFILE OF THE DIRECTORS



Mrs. Zebunnessa Begum Huq is the sponsor Director of Citizens Bank PLC. She is a business entrepreneur by profession and Chairman of Axim Bangladesh Limited. She has good reputation as an agile and proactive entrepreneur having business acumen and exposures in the ICT sector of the country.

Zebunnessa Begum Huq

Director, Citizens Bank PLC

PROFILE OF THE DIRECTORS



Shafia Alam

Director, Citizens Bank PLC

Mrs. Shafia Alam is a Sponsor Director of Citizens Bank PLC. She is a proactive entrepreneur and one of the Directors of Rhine Dress Limited, a 100 percent export-oriented Garments Factory.

She is also associated with different social welfare oriented and philanthropic organizations.

PROFILE OF THE DIRECTORS



Mohammad Masoom

Managing Director & CEO, Citizens Bank PLC

Mr. Mohammad Masoom, Managing Director and Chief Executive Officer of Citizens Bank PLC. has got over three decades of hands on experience in the banking sector and he served country's leading banks and financial institutions in important positions. He has to his credit extensive expertise and exposures in different core risk areas of bank management having good reputation for professional acumen/strategic bent of mind. Prior to joining Citizens Bank he served in the Midland Bank as Additional Managing Director. He also served as Managing Director & CEO of Bangladesh Finance. Besides he served in Mercantile Bank as Deputy Managing Director prior to joining Bangladesh Finance.

Mr. Masoom obtained B.S.S. (Hon's) and M.S.S. in Public Administration from University of Dhaka. He also completed Post Graduation Diploma (PGD) in development planning from Academy for Planning and Development under the Ministry of Planning and also secured post-graduation in Human Resource Management (HRM) from erstwhile BMDC now Bangladesh Institute of Management (BIM). He participated in "Trainers Training Program" conducted by Bangladesh Bank and selected as trainer for conducting outreach training programs. He also participated in the significant number of professional training programs and seminars on different areas of banking and core risks management both at home and abroad. He used to contribute articles to the national dailies on different issues related to banking and finance.

COMMITTEES CONSTITUTED UNDER THE BOARD OF DIRECTORS OF THE BANK

EXECUTIVE COMMITTEE

SL	NAME OF MEMBERS	DESIGNATION
01	Mr. Masduzzaman Representative of Modele De Capital Ind. Ltd.	Chairman
02	Mrs. Towfika Aftab	Member
03	Mr. Mukhlesur Rahman Representative of Arif Knit Spin Limited	Member
04	Mr. Chowdhury Mohammed Hanif Shoeb	Member
05	Mr. Sk. Md. Iftekharul Islam	Member

COMMITTEES CONSTITUTED UNDER THE BOARD OF DIRECTORS OF THE BANK

RISK MANAGEMENT COMMITTEE

SL	NAME OF MEMBERS	DESIGNATION
01	Mr. Mohammad Abdul Salam	Chairman
02	Mr. Mohammed Iqbal	Member
03	Ms. Shafia Alam	Member
04	Mr. Md. Rafiqul Islam Representative of Rahimaaziz Knitspin Ltd.	Member
05	Mr. Sk. Md. Iftekharul Islam	Member

Towfika Aftab, Chairperson, Board of Directors



MESSAGE FROM THE CHAIRPERSON

DEAR RESPECTED SHAREHOLDERS,

This is a matter of immense pleasure for me to say a few words regarding Citizens Bank at the very crucial moment, when the management has taken all necessary preparations to launch the commercial operation. At the very outset, I express my deep sense of gratitude to the members of the board of directors and the shareholders for electing me to the highly responsible office of the chairman of the board of directors of the bank. I also recall inspirational guardianship that I received from Mrs. Jahanara Huq, our most respected initial chairperson, whom we lost from our midst on April 18, 2020.

We are passing through the critical patch of time following the outbreak of Covid-19 pandemic and overall situation is very much challenging. In spite of the constraints and adverse externalities we have made significant headway towards launching commercial operation.

Our overarching priority is to turn the Citizens Bank into one of the most acceptable and preferred financial institution of the country. In sync with our objective we want to prioritize on three critically important components as, I consider, to be the spring board for our success and growth with sustainability.

- A. Good corporate governance with renewed focus on compliance issues.
- B. To stay focused on the financial welfare/wellbeing of our clientele as we want to be always together.
- C. Transparency and corresponding accountability on all the frontiers of business operation.

I am confident that, in the coming years, keeping pace with the ever changing electronic and digital advancement, our Bank will be able to provide vast array of innovative products in a very much customer friendly manner. On top of that, we shall be relentless in our efforts to explore the avenues of our banking services by way of strengthening our relationships with the targeted segment of customers through delivering right financial solutions coupled with professionalism.

I would like to make special mention here about the Board of Directors and Shareholder who are very much successful in their respective businesses/industrial undertakings having seamless track record of long credible experience and exposures. So, I believe that, the Board will play a meaningful role through providing prudent policy support and guidance to navigate the Bank in the right direction in the face of challenges.

It is my firm conviction that the Bank under the corporate leadership of its managing director and the tested management team will make a successful footprint into the country's banking and financial landscape.



Towfika Aftab
Chairperson
Board of Directors

Mohammad Masoom

Managing Director & CEO



MESSAGE FROM THE MD & CEO

Dear Respected Shareholders,

This is my proud privilege to say a few words as the Managing Director & CEO of Citizens Bank PLC. Citizens Bank happens to be the fifth generation Bank in the private sector and emerged as a commercial schedule Bank in the midst of multifaceted challenges and most notable one, the onslaught of Covid-19 pandemic, which undoubtedly poses threat for the country at large.

Here it is noteworthy that, there exist as many as sixty-one Scheduled Banks including Citizens Bank being the last in the row in the Banking industry and the controversy looms large regarding the essentiality of so many Banks in terms of size and scale of the economy.

We in Citizens Bank are commitment bound to ensure good corporate governance along with staying compliant on all regulatory issues; above all good risk management practices shall be the integral part of our organic culture which eventually will pave us the way to carve the distinctive position in the banking industry in the midst of stiffly competitive market scenario and attendant challenges.

From the day one of my joining at the very initial stage of this Bank the policy direction that I have received from the honorable members of the Board and sponsors bears the testimony that this Bank has got the ingrained penchant to be a well governed one and the management has the discretionary professional role to play as to convert this Bank as one of the most credible Banks in the financial eco-system.

Any challenging situation demands exceptional and innovative role to play not only to survive in a sustainable manner but also to outpace others in the race of growth and progression. Citizens Bank intends to adopt the innovative strategies not by words but by action to carve its space in the highly competitive environment. Our corporate slogan "Today, Tomorrow, Together" has got the underlying message to convey that we don't like to be the conventional lender but we dedicatedly want to be the partner in progress of our counter party borrowers as we nurture the belief that if our counter-parties/valued clienteles grow in their respective businesses that will commensurately galvanize the health of our Bank i.e. we shall grow together not necessarily in solicitude.

We want to be a tech-savvy Bank with proper convergence of financial services and fintech by building up time worthy and demand driven digital platform. We shall provide mobile apps-based, internet and online/web-based Banking services as to becoming one of the most preferred financial service providers.

Citizens Bank nurtures the vision as to be the trusted custodian of hard-earned savings of our most valued clienteles and also to maximize the returns on their hard-earned savings/deposits for ensuring optimum extent of financial wellbeing.

We contemplate to adopt strategically different model with the bottom line objective to reach out our services with an array of diversified and customized financial products to the increased numbers of clienteles across the different socio-economic segments.

We are firmly committed to contribute towards boosting up country's trade and industrial activities by exploring all the available avenues on our path of progressive journey ahead.



Mohammad Masoom
Managing Director & CEO

SENIOR MANAGEMENT TEAM



Mr. Mohammad Masoom
Managing Director & CEO



Mr. Mohammad Iqbal
SEVP, Head of Business & Corporate



Mr. Mohammad Wahidur Rahman Chowdhury
EVP, Branch In-charge
Principal Branch



Mr. Md. Waheed Imam
SVP, Company Secretary



Mr. Mohammad Saiful Islam, FCMA, ACA
SVP, Chief Financial Officer (CFO)



Mr. Kazi Md. Ehasanuzzaman
SVP, Chief Technology Officer (CTO)



Mr. Md. Israil Hossain
FVP, Head of CRM



Mr. Md. Safiul Hasan Khadem
VP, Head of ICCD



Mr. Mohammad Wasiuddin
SAVP, Head of AML



Mr. Md. Zubayed Ur Rahman
AVP, Head of HRD



Mr. Mohammad Ali Azfar Quadry
AVP, Head of Operation & General Banking



Mr. Md. Masum Billah
AVP, Head of CAD



Mr. Sohag Miah
AVP, Head of Retail Business



Mr. Mdohammad Monjur Alam
AVP, Head of Treasury & Market Risk (Front)



Mr. Md. Humayun Kabir
AVP, Head of International Division



DIRECTORS' REPORT



DIRECTORS' REPORT

Honorable Shareholders,

I personally feel privileged to welcome all our shareholders in the first ever Annual General Meeting of the Bank and to place the Audited Financial Statement together with Auditors' Report as well as Directors Report for the year ended on 31st December, 2021 before this august gathering of the Directors/Shareholders who have created foundation for this Bank.

We are going to hold our Annual General Meeting at the time when all our preparations are afoot to lunch commercial operations of the Bank.

It is also the matter of pleasure that our commercial operation to be started through Principal Branch at Motijheel and subsequently two more urban based branches at Gulshan and Narayanganj to be inaugurated in quick succession. Besides, we are contemplating to make our footprint in rural areas through launching operation of three branches within short time break.

I take this opportunity to express my deep sense of gratitude to all my colleagues in the Board and the Shareholders for their unswerving co-operation and support and above all, the patience that they have shown because of inordinate delay to roll-out commercial operations.

Bangladesh Economy

It is very much discernible that right after the recovery from the COVID-19 induced crisis, we are again facing new challenges and headwinds because of supply chain disruptions and increasing inflationary pressure, not only inside the country, but also, it's a worldwide phenomenon. Bangladesh economy has proved to be resilient as it bounced back after withstanding the aftermath impact of pandemic and the governments time worthy initiative had made it possible to bring 67.5% of the population under the coverage of inoculation. Despite the challenges and hurdles, the GDP growth clocked at 6.9% during the financial year 2021-22.

We are again now at cross roads because of abrupt surge of commodity prices worldwide following the invasion of Ukraine by Russia. For a developing country like us, we are very much be-settled with the challenges and our government has taken all necessary measures to rein in the inflationary pressure by taking raft of measures including

ensuring of fiscal discipline and consolidation as well as adoption of prudent monetary policy actions by Bangladesh Bank.

A glimpse of Banking Sector

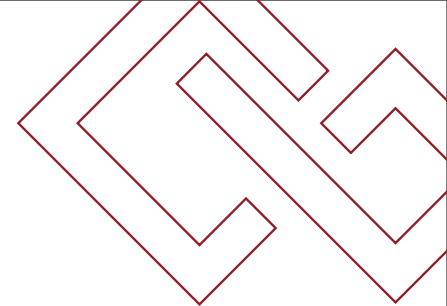
We happen to be 61 scheduled banks in a row including our one and at present there are as many as 10,945 branches and 13,932 ATM booths of the different banks across the country.

Deposit in Banks increased 9.06% in March 2022 compared to March 2021 and stood at BDT 1,41,66.8 billion Domestic credit recorded an increase of 14.0 percent at the end of March 2022 against the increase of 11.4 percent at the end of March 2021. Advance Deposit Ratio (ADR) in the banking system remains well below the allowable limit set by BB up to end of December 2021. The spread between the weighted average interest rate on advances and deposits of all banks and NBFIs decreased to 3.08 percent and 3.0 percent respectively in February of FY22 as compared to 3.1 percent and 3.0 percent respectively in January of FY22. The weighted average interest rate on deposits of all banks increased slightly to 4.0 percent whereas that of NBFIs decreased to 7.4 percent in February of FY22 compared to January of FY22.

Export earnings which was 18.43 percent higher than the target set for the period. The upward trend in export for the last few months continued due to increasing demand for readymade garment products. Total value of custom based import during July-February of FY22 remarkably increased by USD 18.7 billion or 46.7 percent to USD 58.8 billion against USD 40.1 billion during July-February of FY21. Import surged due to increased demand for import of raw materials and capital goods along with higher prices in global market. Receipts of workers' remittances during July-March of FY22 decreased substantially by USD 3.3 billion or 17.7 percent to USD 15.3 billion against USD 18.6 billion during July-March of FY21. The foreign exchange reserves in March, 2022, was USD 44.1 billion found in a comfortable position to pay import payment obligation of 6 months taking consideration the average of the previous 12 months' import payments' spree.

The market capitalization decreased to BDT 5,394.2 billion at the end of March 2022 from BDT 5,437.2 billion at the end of February 2022. Total turnover at

DIRECTORS' REPORT



the end of March, 2022 was lower at BDT 185.4 billion as compared to BDT 221.0 billion at the end of February, 2022.

Bangladesh Bank (BB) adopted accommodative monetary policy in response to the COVID-19 pandemic in FY20, reducing the cash reserve ratio to 4.0 percent (from 5.5 percent) and the repo rate to 4.8 percent (from 6 percent) and increasing the advance-to-deposit ratio (ADR) to 87.0 percent (from 85 percent).

Vision of Citizens Bank PLC

To be the most preferred bank of first ranking choice in the industry. To become one of the finest banking financial institutions in terms of compliance status on all the regulatory issues. To be purpose driven institution geared to transformation of challenges into opportunities. Our underlying motto is to ensure financial welfare of our valued clients across the different segments through wide range of financial products and services. To ensure sustainability of performance in all the core areas of banking operations. To protect and promote the interest of our most valued depositors as their safest and most credential custodian. Maximization of the value of investment of our shareholders and uphold their interest at any cost. Our bank will be the teach-savvy one ensuring well equipped, structured and secured ICT system. We believe expected level of convergence of process, people and technology will create better synergy towards sustainable institutional growth.

To explore and exploit all the avenues by leveraging the existing and emerging opportunities as well as adoption of updated fin-tech to provide hassle free customized banking services in a very cost-efficient manner. To carve a competitive and distinctive position in the banking industry. We aspire to acquire and uphold the trust of our constituents/stake holders by maintaining the highest possible ethical standard. To build up sound, well diversified, sustainably performing Credit Risk portfolio with constant effort to restrain the growth of NPLs treating it as the corrosive factor for the financial health of the bank. To build up strong risk management culture. We shall continue our relentless efforts to protect, promote and uphold the interest of our clients/depositors, towards creation of economic value proposition and shall always remain systemically responsible

for our promoters and shareholders as well as others stakeholders.

We believe the maintenance of highest possible standard of good corporate governance coupled with maximum extent of transparency that will constitute the significant pillar of our success. It is our cardinal objective to build up sound and sustainable base of customers across the different segments. We as part of our policy perception prioritize our concrete contribution to the cause of financial inclusion by the way making it easier for the disadvantaged/least privileged ones to avail of banking facilities. In this direction, we intend to ensure allocative value of our institutional limited resources with particular focus to finance small and micro enterprises acknowledging their enormous contribution to the country's GDP growth through creation of employment opportunities significantly as well as by providing backward-linkage supports to the mainstream industrial/manufacturing undertakings.

Insha'Allah by dint of our concerted efforts, dedication and sincerity of purpose we shall reach to our destined goal to make this banking financial institution one of the finest ones in all respects. I am well aware; the path of our journey will be bumpy but through our relentless efforts we shall definitely carve distinctive position in the Banking and financial ecosystem of the country.

Towfika Aftab
Chairperson
Board of Directors.

DIRECTORS' STATEMENT OF RESPONSIBILITIES

The Board of Directors (BoD) has to ensure that the Financial Statements of the Bank is prepared in accordance with applicable International Financial Reporting Standards (including International Accounting Standards), relevant provisions of the Companies Act 1994, Bank Company Act 1991, rules and regulations of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), listing rules of relevant stock exchanges and other applicable laws, rules and regulations. Section 184 of Companies Act 1994, compelled us to have a separate section as 'Directors' Report' in Annual Report that contains, among others, a review of the following issues:

- a) the state of the company's affairs: detailed performance and position presented in directors report.
- b) the amount, if any, which the Board proposes to carry to any reserve in such balance sheet: 20% of before tax and provision has been transferred to statutory reserve as per section 24 of Bank Company Act 1991.
- c) the amount, if any, which the Board recommends should be paid by way of dividend: None
- d) material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the balance sheet related and the date of the report: None

To comply with the BSEC Corporate Governance Code dated 03 June 2018 the Directors of the Bank in their report would like to emphasize on the following issues:

- A brief review of the Industry and possible future developments in the industry.
- A brief description of operating performance.
- Basis for related party transactions and a statement of all related party transactions has been shown in note-40.
- Utilization of proceeds from public issues, rights issues and/ or through any other instruments.
- Remuneration provided to directors has been presented in the Note-30.
- The financial statements prepared by the management as at and for the year ended 31 December 2021 present fairly, in all material respects, its state of affairs, the results of its

operations, cash flows and changes in equity. The external auditors i.e. A.Qasem & Co, Chartered Accountants also provided their opinion on the same by issuing an unqualified audit report.

- Proper books of account as required by law have been kept by Citizens Bank PLC.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements of the Bank and the accounting estimates are based on reasonable and prudent judgment.
- Details description including disclosure of departures has been presented in Note 2.1.1 to the Financial Statements 2021.
- There is no significant doubts upon the Bank's ability to continue as a going concern.
- The certification of MD & CEO and CFO has been presented at the beginning of Financial Reports section of this annual report.

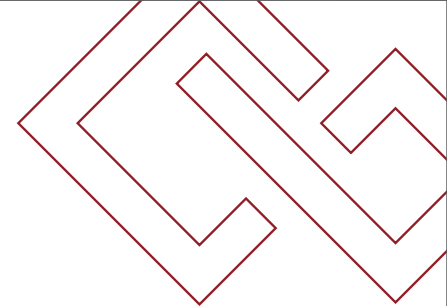
The Directors, to the best of their knowledge and information, hereby confirm that the Annual Report 2021 together with the Directors' Report and the Financial Statements have been prepared in compliance with applicable governing acts, rules, regulations, guidelines and laws of various regulatory bodies including Bangladesh Bank.

On behalf of the Board of Directors



Towfika Aftab
Chairperson
Board of Directors.

REPORT OF THE MD & CEO AND CFO



Date: 24 February 2022

The Board of Directors

Citizens Bank PLC
Chini Shilpa Bhaban-2, 76 Motijheel C/A
Dhaka - 1000, Bangladesh

Subject: Declaration on Financial Statements for the year ended on December 31, 2021.

Dear Sirs,

In adherence to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- 1) The Financial Statements of Citizens Bank PLC for the year ended on December 31, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
 - 2) The estimates and judgments related to the financial statements were made with prudence to ensure disclosure revealing disfacinate view;
 - 3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
 - 4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
 - 5) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. In this regard, we also certify that, we have reviewed the financial statements for the year ended on December 31, 2021 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- B. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Mohammad Saiful Islam, FCMA, ACA
Senior Vice President & CFO

Mohammad Masoom
Managing Director & CEO



Citizens Bank

ASSESSMENT & APPRECIATION

Surveillance Rating (ECRL)	INTERPRETATION
Year 2021	
Long Term BBB	Banks rated in this category are adjudged to offer moderate degree of safety for timely repayment of financial obligations. This level of rating indicates that a bank is under-performing in some areas. These entities are however, considered to have the capability to overcome the above-mentioned limitations with special care and cautious operation. Risk factors are more variable in periods of economic stress than those rated in the higher categories.
Short Term ST-3	Good Grade Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
Outlook Stable	Positive
Date of Rating	December 13, 2021
Valid Till	December 12, 2022



FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF CITIZENS BANK PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Citizens Bank PLC (the "Bank"), which comprise the balance sheet as at 31 December 2021, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the balance sheet as at 31 December 2021, and of its profit and loss account and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), requirements of 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 opinion.

Key audit matters

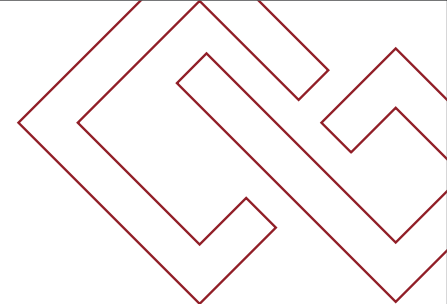
Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the current period. These matters were addressed in the context of the audit of the financial statements, and in forming the auditor's opinion thereon, and we do not provide a separate opinion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

Risk	Our response to the risk
Interest income recognition	
<p>Recognition of interest income has significant influence on financial statements and performance of the Bank.</p> <p>We identify recognition of interest income from Balance with other Banks 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 interest income by management to meet specific targets or expectations.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest income on Balance with other Banks.</p> <p>We performed test of control in place to measure and recognize interest income.</p> <p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately.</p> <p>We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no- 20 to the financial statements	

Risk	Our response to the risk
Implementation of IFRS 16 Leases	
<p>IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a right of use (ROU) on the leased asset and of a liability for the lease payments over the lease contract term. With respect to operating leases of premises used by the</p>	<p>In responding to the identified key audit matter, we completed 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>

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF CITIZENS BANK PLC

Report on the audit of the financial statements



Risk	Our response to the risk
Implementation of IFRS 16 Leases	
<p>Bank, at inception of the lease, the lessor receives a right of using the premises, in exchange of a lease rent, using an implicit discount rate.</p> <p>Our key audit matter was focused on whether all leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of right of use assets and corresponding lease liability and specific assumptions applied to ensure that the discount rate for lease is appropriate.</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</p> <p>Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of IFRS.</p>
Income Taxes	
<p>Income taxes is considered as a key audit matter because of the judgements and estimates involved and the amount of income taxes is material to the financial statements as a whole.</p> <p>The management makes judgments and estimates in connection with tax issues and tax exposures resulting in the recognition of deferred tax assets or liabilities as well as tax provisions.</p>	<p>We performed audit procedures on the calculation and valuation of current tax and deferred tax. Procedures included assessment of correspondence with tax authorities and evaluation of tax exposures.</p> <p>In addition, we evaluated the appropriateness of the recognition principles and the sufficiency of the given disclosures.</p>
See note no- 35 to the financial statements	

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 auditor's 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 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, 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 Bank in accordance with IFRSs as explained in note 2 and comply with the Banking Companies Act, 1991 (as amended), 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) Bank and other applicable Laws and Regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bangladesh Bank guidelines 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.

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF CITIZENS BANK PLC

Report on the audit of the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank's audit. We remain solely responsible for our audit opinion.

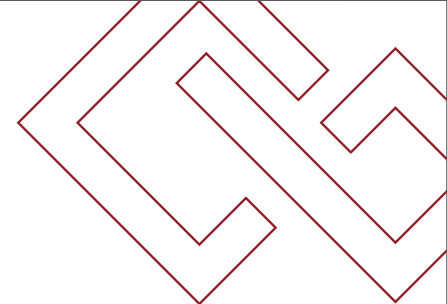
We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF CITIZENS BANK PLC

Report on the audit of the financial statements



Report on other legal and regulatory requirements

In accordance with the Companies Act, 1994, the Banking Companies Act, 1991(as amended), and the rules and regulations issued by Bangladesh Bank, the Securities and Exchange Rules 1987, 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 purposes of our audit and made due verification thereof;
- ii. to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank;
- iii. in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- iv. the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- v. the expenditures incurred and payments made were for the purpose of the Bank's business for the period;
- vi. the financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- vii. the information and explanations required by us have been received and found satisfactory;
- viii. we have reviewed over 80% of the risk weighted assets of the Bank and spent over 500 person hours; and
- ix. capital to risk-weighted asset ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the period.

A. Qasem & Co.

Chartered Accountants

RJSC Firm Registration Number: 2-PC7202

Ziaur Rahman Zia, FCA

Partner

Enrolment number: 1259

DVC: 2202281259AS112439

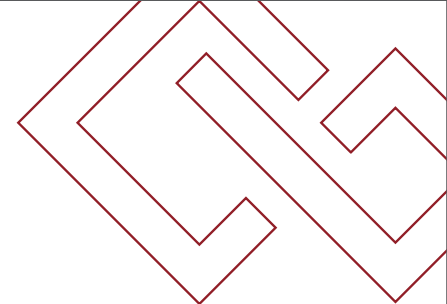
Place: Dhaka

Date: 24 February 2022

Citizens Bank PLC
Balance Sheet
As at 31 December 2021

PARTICULARS	NOTE	2021 TAKA	2020 TAKA
PROPERTY AND ASSETS			
Cash		131,962	159,730
Cash in hand	3.0	131,962	159,730
(Including foreign currency)			
Balance with Bangladesh Bank and its agent Bank(s)		-	-
(Including foreign currency)			
Balance with other Banks and Financial Institutions		3,981,396,910	1,246,192
Inside Bangladesh	4.1	3,981,396,910	1,246,192
Outside Bangladesh			
Money at call and short notice		-	-
Investments		-	-
Government		-	-
Others		-	-
Loans and advances		-	-
Loans, cash credit, overdrafts etc.		-	-
Bills purchased & discounted		-	-
Fixed assets including premises, furniture and fixtures	8.0	302,683,329	-
Other assets	9.0	49,803,849	24,109,181
Non-banking assets		-	-
Total Assets		4,334,016,049	25,515,104
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions & agents		-	-
Borrowings from Central Bank		-	-
Convertible Subordinate Bonds		-	-
Money at Call and Short notice		-	-
Deposits and other accounts		-	-
Current accounts & other accounts		-	-
Bills payable		-	-
Savings deposits		-	-
Fixed deposits		-	-
Bearer Certificates of Deposit		-	-
Other deposits		-	-
Other Liabilities	13.0	310,362,708	45,831,418
Total Liabilities		310,362,708	45,831,418
Capital and Shareholders' Equity			
Paid up share capital	14.2	4,000,000,000	-
Share premium		-	-
Statutory reserve	15.0	17,156,613	-
Dividend Equalization Fund		-	-
Revaluation Reserve on Govt. Securities		-	-
Assets Revaluation reserve		-	-
Surplus/(Deficit) in profit and loss account/Retained Earnings	17.0	6,496,728	(20,316,314)
Total Shareholders' Equity		4,023,653,341	(20,316,314)
Total Liabilities and Shareholders' Equity		4,334,016,049	25,515,104

Citizens Bank PLC
Balance Sheet
As at 31 December 2021



Off Balance Sheet Items	NOTE	2021 TAKA	2020 TAKA
Contingent liabilities			
Acceptances and endorsements		-	-
Irrevocable letter of credits		-	-
Letter of guarantees		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total Contingent liabilities		-	-
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Other Commitments		-	-
Total Off-Balance Sheet items including contingent liabilities		-	-
Net Asset Value (NAV) Per Share		10.06	

These Financial Statements should be read in conjunction with the annexed notes.

Auditors' report to the shareholders
See annexed report

A. Qasem & Co.
Chartered Accountants

RJSC Firm Registration Number: 2-PC7202



Zaur Rahman Zia, FCA

Partner

Enrolment number: 1259

DVC: 2202281259AS112439

Place: Dhaka

Date: 24 February 2022



Managing Director and CEO



Director



Director



Chairman


Citizens Bank PLC
Profit and Loss Account
For the year ended 31 December 2021

Particulars	NOTE	2021 TAKA	2020 TAKA
Interest income	20	219,486,862	1,328,856
Interest paid on deposits and borrowing etc.		-	
Net interest income		219,486,862	1,328,856
Investment income		-	-
Commission, exchange and brokerage		-	-
Other operating income		-	-
Total operating income		219,486,862	1,328,856
Salaries and allowances	25	72,906,792	202,310
Rent, taxes, insurance, electricity etc.	26	6,882,904	-
Legal expenses		-	-
Postage, stamps, telecommunication etc.	27	1,751,108	-
Stationery, printing, advertisement etc.	28	2,695,220	14,963
Chief Executive's salary & fees	29	9,825,543	62,903
Directors' fees	30	211,600	-
Auditors' fee		115,000	115,000
Depreciation on and repairs to bank's assets	31	21,440,592	17,400
Other expenses	32	17,875,040	34,776,805
Total operating expenses		133,703,799	35,189,380
Profit/(loss) before provisions		85,783,063	(33,860,524)
Provision for:			
Loans and advances		-	-
Diminution in value of investments		-	-
Off balance sheet items		-	-
Others		-	-
Total provision		-	-
Profit/(loss) before taxes		85,783,063	(33,860,524)
Provision for Taxation:	35		
Current tax expense	35.1	18,704,230	-
Deferred tax expense/ (income)	35.2	23,109,178	(13,544,210)
Total provision for Taxation		41,813,408	(13,544,210)
Net profit/(loss) after taxes		43,969,655	(20,316,314)
Appropriations:			
Statutory reserve	15	17,156,613	-
General reserve		-	-
Dividend etc.		-	-
		17,156,613	-
Retained earnings		26,813,042	(20,316,314)
Earnings Per Share (EPS)	36	0.11	

These Financial Statements should be read in conjunction with the annexed notes.

Auditors' report to the shareholders
See annexed report

A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration Number: 2-PC7202


Zeur Rahman Zia, FCA
Partner
Enrolment number: 1259

DVC: 2202281259AS112439
Place: Dhaka
Date: 24 February 2022



Managing Director and CEO



Director



Director



Chairman

Citizens Bank PLC
Statement of Changes in Equity
For the year ended 31 December 2021

(Amount in Taka)

Particulars	Paid up share capital	Share Premium	Statutory Reserve	Revaluation Reserve on Govt. Securities	Assets Revaluation reserve	Retained Earnings	Total
Balance as at 1 January 2021	-	-	-	-	-	(20,316,314)	(20,316,314)
Shares Issued during the period	4,000,000,000	-	-	-	-	-	4,000,000,000
Net profit for the period	-	-	-	-	-	26,813,042	26,813,042
Dividend Equalization Fund	-	-	-	-	-	-	-
Ordinary Share issue	-	-	-	-	-	-	-
Share Premium	-	-	-	-	-	-	-
Statutory reserve	-	-	17,156,613	-	-	-	17,156,613
Revaluation reserve	-	-	-	-	-	-	-
Cash Dividends	-	-	-	-	-	-	-
Balance as at 31 December 2021	4,000,000,000	-	17,156,613	-	-	6,496,728	4,023,653,341

These Financial Statements should be read in conjunction with the annexed notes.

Auditors' report to the shareholders
See annexed report

A. Qasem & Co.
Chartered Accountants
RJCSC Firm Registration Number: 2-PC7202

Ziaur Rahman Za
Ziaur Rahman Za, FCA
Partner
Enrolment number: 1259

DVC: 2202281259AS112439
Place: Dhaka
Date: 24 February 2022

[Signature]
Managing Director and CEO

[Signature]
Director

[Signature]
Director

[Signature]
Chairman


Citizens Bank PLC
Cash Flow Statement
For the year ended 31 December 2021

Particulars	NOTE	2021 Taka	2020 Taka
A. Cash flows from operating activities			
Interest receipts		195,721,238	1,195,885
Interest payment		-	-
Dividends receipts		-	-
Fees & commissions receipts		-	-
Recoveries on loans previously written off		-	-
Cash payments to employees		(82,732,335)	(265,213)
Cash payments to suppliers		-	-
Income tax paid		-	-
Receipts from other operating activities		-	-
Payment for other operating activities		(22,678,501)	(34,809,167)
Operating Cash flow before changes in operating assets and liabilities (i)		90,310,402	(33,878,496)
Increase/decrease in operating assets & liabilities			
Loans and advances to customers		-	-
Other assets		(52,446,582)	(1,932,000)
Deposits from other banks/borrowings		-	-
Deposits from customers		-	-
Other liabilities		20,867,853	37,216,418
Cash utilized in operating assets & liabilities (ii)		(31,578,728)	35,284,418
Net cash (used)/flows from operating activities (i+ii)		58,731,674	1,405,922
B. Cash flows from investing activities			
Treasury bills		-	-
Bangladesh Bank Bills		-	-
Treasury bonds		-	-
Encumbered Securities		-	-
Sale/ (Investment) in shares		-	-
Investment in Bonds		-	-
Redemption of Bond		-	-
Acquisition of fixed assets		(78,608,725)	-
Disposal of Fixed Assets		-	-
Net cash used in investing activities		(78,608,725)	-
C. Cash flows from financing activities			
Proceeds from issue of ordinary shares		4,000,000,000	-
Proceeds from issue of right shares		-	-
Share Premium		-	-
Dividend paid		-	-
Net cash flows from financing activities		4,000,000,000	-
Net increase/decrease in cash		3,980,122,949	1,405,922
Cash and cash equivalents at beginning of year		1,405,922	-
Cash and cash equivalents at end of the year	39	3,981,528,872	1,405,922

These Financial Statements should be read in conjunction with the annexed notes.

Auditors' report to the shareholders
See annexed report

A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration Number: 2-PC7202


Zeaur Rahman Zia, FCA
Partner
Enrolment number: 1259

DVC: 2202281259AS112439
Place: Dhaka
Date: 24 February 2022


Managing Director and CEO


Director


Director


Chairman

Citizens Bank PLC
Liquidity Statement
As at 31 December 2021

(Amount in Taka)

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
ASSETS :						
Cash	131,962	-	-	-	-	131,962
Balance with other Banks and Financial Institutions	81,476,910	3,923,685,624	-	-	-	4,005,162,534
Money at Call & Short notice	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Loans and Advances	-	-	-	-	-	-
Premises and Fixed Assets	-	-	-	-	302,683,329	302,683,329
Other Assets	834,057	-	6,366,966	18,837,202	-	26,038,225
Non-Banking Assets	-	-	-	-	-	-
Total Assets	82,442,929	3,923,685,624	6,366,966	18,837,202	302,683,329	4,334,016,049
LIABILITIES :						
Borrowing From Other Banks, Financial Institutions & Agents	-	-	-	-	-	-
Deposit and Other Account	-	-	-	-	-	-
Provision & Other Liabilities	11,034,994	29,915,016	36,845,000	-	232,567,699	310,362,708
Subordinated Debts	-	-	-	-	-	-
Total Liabilities	11,034,994	29,915,016	36,845,000	-	232,567,699	310,362,708
Net Liquidity Gap	71,407,935	3,893,770,608	(30,478,034)	18,837,202	70,115,630	4,023,653,341

Net result of the Liquidity Statement represents the 'Shareholders' Equity' of the Bank. These Financial Statements should be read in conjunction with the annexed notes.

Auditors' report to the shareholders
See annexed report

A. Qasem & Co.
Chartered Accountants
RJCSC Firm Registration Number: 2-PC7202

Ziaur Rahman Zia
Ziaur Rahman Zia, FCA
Partner
Enrolment number: 1259

DVC: 2202281259AS112439
Place: Dhaka
Date: 24 February 2022

Shahidul Islam
Managing Director and CEO

Shahidul Islam
Director

Shahidul Islam
Director

Shahidul Islam
Chairman

Citizens Bank PLC

Notes to the Financial Statements

As at and for the period from 1 January 2021 to 31 December 2021

Corporate Profile and Significant Accounting Policies

1.0 Citizens Bank PLC

1.1 Legal Form of Citizens Bank PLC

Citizens Bank PLC (the "Bank" or "CZB") was incorporated in Bangladesh with its registered office, Chini Shilpa Bhaban-2, 76 Motijheel C/A, Dhaka-1000 at the date of 13th December 2020 under the Companies Act, 1994 as a Public Limited Company and received its banking license from Bangladesh Bank on 15th December 2020 as a scheduled commercial bank. All types of commercial banking services will be provided by the Bank within the stipulations laid down by the Banking Companies Act, 1991 (as amended in 2013) and directive as received from the Bangladesh Bank from time to time. The Bank had not started its operation till to reporting period.

2.0 Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not include any adjustments should the Bank be unable to continue as a going concern.

2.1.1 Statement of Compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed and it is yet to issue financial reporting standards for public interest entities such as banks. The Banking Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. As the Financial Reporting Standards (FRS) is yet to be issued as per the provisions of the FRA, the consolidated and separate financial statements of the Group and the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS), "First Schedule (Section 38) of the Banking Companies Act 1991 (Amended upto 2020) as amended by BRPD circular no. 14 dated 25 June

2003 and DFIM Circular no. 11, dated December 23, 2009, etc. The Bank complied with the requirements of the following rules and regulation:

- *The Companies Act 1994;
- *Rules, regulations and circulars issued by the Bangladesh Bank from time to time;
- *Income Tax Ordinance and Rules 1984;
- *Value Added Tax and Supplementary Duty Act, 2012;
- *Financial Reporting Act 2015;
- *The Securities and Exchange Ordinance 1969;
- *The Securities and Exchange Rules 1987;

In case any requirement of the Banking Companies Act, 1991 (as amended) and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Banking Companies Act, 1991 (as amended), and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRS are as follows:

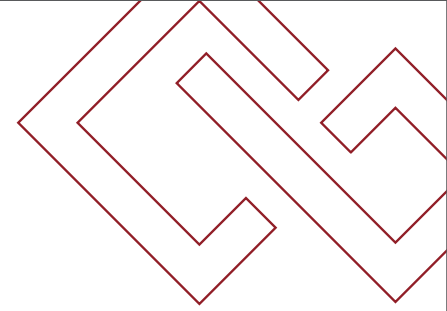
i. Presentation of Financial Statements

IFRS: As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit and loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

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

ii. Other Comprehensive Income

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



Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income as a component of financial statements. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

iii. **Cash Flow Statement**

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

Bangladesh Bank: As per BRPD Circular no. 14 dated 25 June 2003 Cash Flow Statement is the mixture of direct and indirect methods.

iv. **Liquidity Statement**

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

- i) Balance with other banks and financial institutions are on the basis of their maturity term;
- ii) Fixed assets are on the basis of their useful life;
- iii) Other assets are on the basis of their realization / amortization;
- iv) Borrowing are as per their repayment terms;
- v) Provisions and other liabilities are on the basis of their payment / adjustments schedule.

v. **Disclosure of Appropriation of Profit**

IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, an appropriation of profit should be disclosed in the face of profit and loss account.

2.1.2 **Basis of Measurement**

The financial statements have been prepared on the historical cost basis.

2.1.3 **Preliminary Expenses**

Preliminary expenses represent expenses incurred prior to incorporation to the Bank.

2.1.4 **Directors Responsibility on Statements**

The Board of Directors take the responsibility for the preparation and presentation of these financial statements.

2.1.5 **Use of Judgments and Estimates**

In preparing these consolidated financial statements in conformity with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) management has required to make judgments, estimates and assumptions that affect the application of bank's accounting policies and the reported amounts of assets liabilities, income and expenses. Actual results may differ from these estimates.

The most critical estimates and judgments are applied to the following:

Income tax - as explained in note 35.00

Deferred tax assets/liabilities - as explained in note 9.1 & 13.2.1

Right of use of assets & lease obligation in Note 8.1

2.2 **Assets and Basis of their Valuation**

2.2.1 **Cash and Cash Equivalents**

Cash and cash equivalents include notes and coins in hand and highly liquid financial assets which are subject to insignificant risk of changes in their fair value and are used by the Bank management for its short-term commitments.

2.2.2 **Property, Plant and Equipment**

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Bank and the cost of the assets can be reliably measured.

i) All fixed assets are stated at cost less accumulated depreciation as per IAS 16 Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

ii) The Bank recognizes, in the carrying amount of an item of fixed assets, the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the bank and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance, is normally charged off as revenue expenditure in the period in which it is incurred.

iii) Depreciation is charged for the year at the following rates on straight line method on all fixed assets and no depreciation is charged on land:

Category of fixed assets	Depreciation Rate
Furniture and Fixture	10.00%
Office Equipment	15.00%
Motor Vehicles	20.00%
Computer & Computer Equipment's	30.00%
Computer Software	10.00%

iv) For addition during the year, depreciation is charged for the remaining days of the year.

2.2.3 Leases

IFRS 16 Leases, defines a lease as "A contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration". In order for such a contract to exist the user of the asset needs to have the right to:

- Obtain substantially all the economic benefits from the use of asset (identifiable asset)
- The right to direct the use of asset

The Bank as a lessee (Note 8)

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

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

Measurement and recognition of leases as a lessee

At lease commencement date, the Bank recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Bank, an estimate of any costs to dismantle and remove the asset at the end of the lease and any

lease payments made in advance of the lease commencement date (net of any incentives received).

The Bank depreciates the right-of-use assets on a straight-line basis over the remaining useful life of the asset. The Bank also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Bank measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Bank's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed) amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is premeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

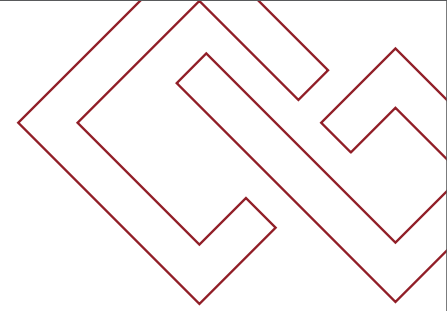
When the lease liability is premeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The Bank has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included other liabilities.

2.2.4 Other Assets

Other assets include mainly advance office rent, payment of advance income tax has not been closed yet and all other financial assets, fees and other unrealized income receivable, advance for operating expenditure and stocks of stationery and stamps etc. Any part of uncollectible other assets is subject to making provision based on their ageing as per Bangladesh Bank Circular no. 14 date 25 June 2001.

2.3 Share Capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other



financial assets.

2.3.1 Authorized Capital

Authorized capital is the maximum amount of share capital that the Bank is Authorized by its Memorandum and Articles of Association.

2.3.1 Paid up Capital

Paid up capital represents total amount of shareholders' capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the Bank, ordinary shareholders are ranked after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.4 Statutory Reserve

As per section 24 of Banking Companies Act 1991 (as amended), the Bank requires to transfer 20% of its current year's profit before tax to statutory reserve until such reserve equals to its paid up capital.

2.5 Other Liabilities

Other liabilities comprise items such as provision for taxes and accrued expenses etc. Individual item

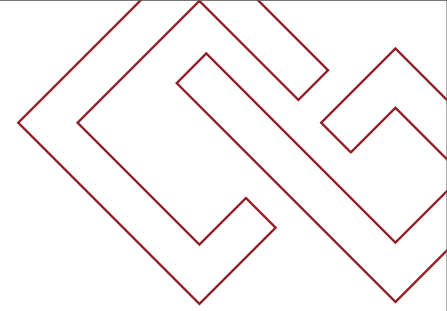
wise liabilities are recognized as per the guidelines of Bangladesh Bank and International Financial Reporting Standards (IFRS).

2.6 Compliance Report on International Financial Reporting Standards (IFRSs)

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed and it is yet to issue financial reporting standards for public interest entities such as banks. The Banking Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as approved by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. Subject to the departures mentioned above, the Bank has complied with all the applicable Accounting and Financial Reporting Standards for preparation and presentation of the financial statements of the Bank as at 31 December 2021 as noted below:

International Accounting Standards (IASs)	IAS Number	Status of compliance
Presentation of Financial Statements	IAS - 1	Complied
Inventories	IAS - 2	Complied
Statement of Cash Flows	IAS - 7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS - 8	Complied
Events After the Reporting Period	IAS - 10	Complied
Income Taxes	IAS - 12	Complied
Property, Plant and Equipment	IAS - 16	Complied
Employee Benefits	IAS - 19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	IAS - 20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS - 21	Not Applicable
Borrowing Costs	IAS - 23	Not Applicable
Related Party Disclosures	IAS - 24	Complied
Accounting and Reporting by Retirement Benefit Plans	IAS - 26	Complied
Separate Financial Statements	IAS - 27	Not Applicable
Investments in Associates and Joint Ventures	IAS - 28	Not Applicable
Financial Reporting in Hyperinflationary Economics	IAS - 29	Not Applicable
Financial Instruments: Presentation	IAS - 32	Complied
Earnings Per Share	IAS - 33	Complied
Interim Financial Reporting	IAS - 34	Complied
Impairment of Assets	IAS - 36	Complied
Provisions, Contingent Liabilities and Contingent Assets	IAS - 37	Complied
Intangible assets	IAS - 38	Complied
Financial Instruments: Recognition and Measurement	IAS - 39	Complied
Investment Property	IAS - 40	Not Applicable
Agriculture	IAS - 41	Not Applicable

International Financial Reporting Standards (IFRSs)	IFRS Number	Status of compliance
First-time Adoption of International Financial Reporting Standards	IFRS - 1	Not Applicable
Share-based Payment	IFRS - 2	Not Applicable
Business Combinations	IFRS - 3	Not Applicable
Insurance Contracts	IFRS - 4	Not Applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS - 5	Not Applicable
Exploration for and Evaluation of Mineral Resources	IFRS - 6	Not Applicable
Financial Instruments : Disclosures	IFRS - 7	Complied
Operating Segments	IFRS - 8	Complied
Financial instruments	IFRS - 9	Complied
Consolidated Financial Statements	IFRS - 10	Not Applicable
Joint Arrangements	IFRS - 11	Not Applicable
Disclosure of Interests in other Entities	IFRS - 12	Not Applicable
Fair Value Measurement	IFRS - 13	Complied
Regulatory deferral accounts	IFRS - 14	Not Applicable
Revenue from contracts with customers	IFRS - 15	Complied
Leases	IFRS - 16	Complied



2.6 Basis for Valuation of Liabilities and Provisions

2.6.1 Provision for Current Taxation

Provision for current income tax has been made as per prescribed rate in the Finance Act, 2021 on the taxable income as per income tax law and IAS 12 Income Taxes.

2.6.2 Deferred Taxation

Deferred tax assets or liabilities are recognized by the Bank on deductible or taxable temporary differences between the carrying amount of assets and liabilities used for financial reporting and the amount used for taxation purpose as required by IAS 12 Income Taxes and BRPD Circular No.11 dated 12 December 2011. Deferred tax assets is recognized for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which they can be used. Deferred tax assets and liabilities are reviewed at each reporting period and are measured at the applicable tax rate as per tax laws that are expected to be applied when the assets is realized and liability is settled. Any unrecognized deferred tax assets or liabilities are reassessed at each reporting period and recognized only if that has become probable that future taxable profit or loss will be available against which they can be used or settled. Details of deferred tax assets or liabilities and amount recognized in profit and loss account for deferred tax income or expense are given in note 9.1 & 13.2.1 in the financial statements.

2.6.3 Benefits to the Employees

The benefits accrued for the employees of the Bank as on reporting date have been accounted for in accordance with the provisions of IAS 19 Employee Benefit. Basis of enumerating the benefit schemes operated by the Bank are outlined below:

a) Provident fund

Provident fund benefits are given to the permanent employees of the Bank in accordance with Bank's service rules. The Fund is operated by a Board of Trustees consisting seven members (06 members from management and other 01 members from the Board of Directors) of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members' account on yearly basis.

b) Gratuity fund

As of the reporting date the Board has approved the employee Gratuity scheme effective from January 2021 and no payment is made till reporting date as none has been eligible for the said fund.

c) Social Security Superannuation Fund (ESSF)

As per approved service rule of the bank contribution towards Social Security Superannuation Fund (ESSF) has been made out of employees salary on monthly basis and bank contribution also been transferred.

2.7 Revenue Recognition

2.7.1 Interest Income

Interest on balance with banks & NBFIs is recognized as income on accrual basis.

2.8 Risk Management

Risk is inherent to the banking business and Bank adds shareholders' value by converting opportunities into profit. The Bank evaluates its opportunities in terms of risk-reward relationship. The risks that are taking by the Bank are reasonable, controlled, within its financial resources and credit competence.

In CZB, risk is managed through a clear organizational structure, risk management and monitoring process that are closely aligned with the activities of the Bank's risk management policy and process as well as in line with the guidelines provided by the country's central bank, Bangladesh Bank.

The Bank's risk management policy and process is composed with all the structure, policies, process and strategies within the Bank so that it does not conflict with other risk management policies. The essential elements of an effective risk management framework are:

1. Clearly defined roles and responsibilities to avoid conflict of interest between business lines.
2. Developing a risk culture where everyone will understand the impact of risk before taking any business decision.
3. Robust risk management and governance by the board for understanding the risks taken by the Bank for safety and protection of the assets.

2.9 Core Risk Management

BRPD circulars no. 17 dated 07 October 2003 and BRPD circular no. 04 dated 05 March 2007 require banks to put in place an effective risk management system. The risk management system of the bank covers the following risk areas.

2.9.1 Asset Liability Management

Banks are exposed to the several risks such as Liquidity Risk, Interest Rate Risk, Foreign Exchange Risk, Credit Risk and Operational Risk etc. Monitoring and controlling of these risks is vital to the survival of a financial institution. Asset-Liability Management is a tool to oversee whether different balance sheet risks are properly identified, appropriate policies and procedures are well established to control and limit these risks.

Asset-Liability Committee (ALCO) reviews country's overall economic position, the Bank's liquidity position, key performance ratios, interest rate risk, deposit and advance growth, cost of deposit & yield on advances, deposit & lending pricing strategy and different forecasted balance sheet risks of the Bank.

2.9.2 Operational Risk

Operational risk can be defined as the possibilities of losses resulting from inadequacy or failed internal processes, systems and people or from external events.

Operational risk includes legal and regulatory risk, business process and change risk, fiduciary or disclosure breaches, technology failure, financial crime and environmental risk. It exists in some form in every Bank business and function. Operational risk can not only result in financial loss but also regulatory sanctions and damage to the Bank's reputation. CZB gives highest priority at managing operational risk with a view to safeguarding client assets and preserving shareholder value.

2.9.3 Compliance Risk

The success of CZB is largely dependent on the trust and confidence of our existing and potential customers, our shareholders, our staff, our regulators and the general public in our integrity and ethical standard. The confidence largely depends on meticulous compliance with applicable legal and regulatory requirements and internal policies of CZB. The confidence also depends on conformity with generally accepted market norms and

standards in our business operations. The Board of Directors is primarily responsible for compliance with all applicable norms and regulations. The Board discharges its responsibilities itself and through delegation of authorities to Executive Committee, Audit Committee and Risk Management Committee of the Board. The objective is to identify any compliance risks at an early stage that may undermine the integrity and the success of CZB and to mitigate the risks in most appropriate way

2.9.4 Business Risk

Business risk covers the risk of losses arising from lower non-interest income and higher expenses from the budgeted amount. The business risk is resulted from the market condition, greater customer expectation and / or technological development that may be significantly different from the assumptions made at the time of planning.

CZB deals with Business risk by setting clear targets for specific business units, in terms of business volume, income, cost, cost-income ratio, quality of assets etc. with an ongoing process of continuous improvement.

2.9.5 Legal Risks

In CZB, legal risks are covered by recognizing potential losses from litigation or possible litigation at an early stage and by formulating solutions for reducing, restricting and avoiding such risks and creating adequate provision there- against.

2.10 Earnings Per Share

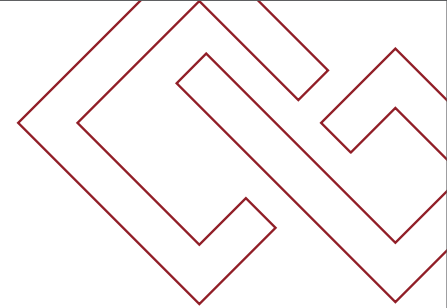
Basic earnings per share has been calculated in accordance with IAS 33 "Earnings per Share" which has been shown on the face of the profit and loss account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

2.11 Events After the Reporting Period

Where necessary, all the material events after the reporting period have been considered and appropriate adjustment / disclosures have been made in the financial statements. As of the date no such event occurred.

2.12 Related Party Transaction

Related party transaction is a transfer of resources, services or obligation between related parties, regardless of whether a price is charged. Detail of related parties transaction are given in (note-40).



2.13 The Bank's Compliance with Related Pronouncements by Bangladesh Bank:

i) Internal Control

The objective of internal control is to ensure that management has reasonable assurance that (i) operations are effective, efficient and aligned with strategy (ii) financial reporting and management information is reliable, complete and timely accessible (iii) the entity is in compliance with applicable laws and regulations as well as its internal policies and ethical values including sustainability and (iv) assets of the company are safeguarded and frauds or errors are prevented or detected.

Citizens Bank PLC has established an effective internal control system whose primary aim is to ensure the overall control of risks and provide reasonable assurance that the objectives set by the Bank will be met. It has designed to develop a high level risk culture among the personnel of the Bank, establish efficient and qualified operating model of the Bank, ensure reliability of internal and external information including accounting and financial information, secure the Banks operations and assets, and comply with laws, regulatory requirements and internal policies.

ii) Internal Audit

Internal Audit is the continuous and systematic process of examining and reporting on the activities of an organization undertaken by the specially assigned staff(s). Internal Auditor works as the Eyes and Ears of the management. It may therefore be used to bridge the gap between management and shop floor. It can assure the management that the Internal Controls are adequate and in operations, the policies and systems laid down are being adhered to and accounting records provided by the lower level are correct.

Internal Audit Mechanism is used as an important element to ensure good governance of CZB. Internal Audit Activity of CZB is effective and it provides senior management with a number of important services. These include detecting and preventing fraud, testing internal control, and monitoring compliance with own policies and procedures, applicable rules and regulations, instructions/guidelines of regulatory authority etc.

iii) Fraud and Forgeries

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

2.14 Approval of Financial statements

These financial statements were approved as on 24th February 2022 through "Resolution by Circulation" as per Article of Association (clause-133) and will be ratified subsequent meeting of the Board of Directors.

2.15 Credit Rating of the Bank

As per the BRPD instruction circular no.6 dated 5 July 2006, the Bank has done its credit rating by CRISL based on the financial statements dated 31 December 2020.

Date of Rating	13-Dec-2021
Long term	BBB
Short term	ST-3
Rating Valid till	12-Dec-2022

2.16 Reporting Period

The reporting period of these financial statements is stands from 1st January 2021 to 31 December 2021.

2.17 General

a) These financial statements are presented in Bangladesh Taka (Taka/Tk) which is the Bank's functional currency. Except as otherwise indicated, financial information presented in Taka has been rounded to the nearest integer.

b) The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the Bank.

c) Figures of previous year have been rearranged whenever necessary to conform to current years presentation.



Notes to the Financial Statements		As at 31 December 2021 Taka	As at 31 December 2020 Taka
3.0 Cash			
	Cash in hand (Including foreign currencies)(3.1)	131,962	159,730
	Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	-	-
		131,962	159,730
3.1 Cash in hand:			
	Local currency	131,962	159,730
	Foreign currency	-	-
		131,962	159,730
3.2	Cash Reserve Requirement and Statutory Liquidity Ratio should be calculated and maintained in accordance with section 33 of Banking Companies Act, 1991 and MPD circular nos. 1 & 2, dated June 23, 2014 and December 10, 2013 & DOS circular no.1 dated 19 January 2014 and MPD Circular no. 1 dated April 03, 2018. The Cash Reserve Requirement is calculated on the Bank's weekly average total demand and time liabilities of a base month which is two months back of the reporting month. As on 31st December 2021 Citizens Bank PLC does not have any demand and time liabilities thus not required to maintain any CRR or SLR.		
4.0 Balance with other Banks and Financial Institutions			
	Inside Bangladesh (4.1)	3,981,396,910	1,246,192
	Outside Bangladesh	-	-
		3,981,396,910	1,246,192
4.1 Inside Bangladesh			
	In Current Deposit Accounts with:		
	Banks	-	-
	Non-Bank Financial Institutions (NBFIs)	-	-
	In Special Notice Deposit Accounts with:		
	Banks	81,476,910	1,246,192
	Non-Bank Financial Institutions (NBFIs)	-	-
		81,476,910	1,246,192
	In Fixed Deposit/Placement Accounts with:		
	Banks	3,899,920,000	-
	Non-Bank Financial Institutions (NBFIs)	-	-
		3,899,920,000	-
4.2 Maturity grouping of balance with other banks and financial institutions			
	More than 1 months to 3 months	81,476,910	1,246,192
	More than 3 months to 1 Year	3,899,920,000	-
	More than 1 year to 5 years	-	-
	More than 5 years	-	-
		3,981,396,910	1,246,192
5.0 Money at call on short notice			
	Banks	-	-
	Non-Bank Financial Institutions (NBFIs)	-	-
6.0 Investments			
	Government securities	-	-
	Other investments	-	-
		-	-
7.0 Loans and advances			
	Loans, cash credits, overdrafts etc.	-	-
	Bills purchased and discounted	-	-
		-	-

Notes to the Financial Statements		As at 31 December 2021 Taka	As at 31 December 2020 Taka
8.0	Fixed assets including land, building, furniture and fixtures		
	At Cost		
	Furniture and fixture	3,538,472	-
	Office equipment	4,498,779	-
	Motor vehicles	32,789,721	-
	Computer & computer equipment's	50,306,527	-
	Imported computer software	8,135,933	-
	Right of use of assets	224,697,303	-
	Total Cost	323,966,735	-
	Accumulated depreciation and amortization	21,283,406	-
	Written down value at 31 December 2021	302,683,329	-
8.1	Right of Use (RoU) assets comprise of lease liabilities which is the present value of lease payments against rented premises less incentive plus initial direct payment and dismantling cost etc. Any contractual obligation for use of any rented/leased premises or assets for a period exceeding twelve months and/or exceeding the threshold for low value asset and substantially risks and benefits related to ownership of those rented premises/assets transfer to the bank are recognized as RoU assets as per IFRS 16 'Leases'.		
9.0	Other Assets		
	Advance Rent	805,007	1,932,000
	Advance for Fixed Assets	6,366,966	8,500,000
	Advance Income Tax	18,837,202	132,972
	Deferred Tax Asset (Note-9.1)	-	13,544,210
	Balance with UCB Capital Management	29,050	-
	Interest receivable from FDR with Agrani Bank Ltd.	23,765,624	-
		49,803,849	24,109,181
9.1	Deferred tax assets		
	Deferred tax assets arises from carry forward tax credit		
	Loss before taxes	-	33,860,524
	Tax rate	40.00%	40.00%
	Deferred tax assets	-	13,544,210
	Deferred tax (income)	-	(13,544,210)
	Opening deferred tax assets	13,544,210	-
	Adjustment for carry forward of losses	(13,544,210)	
	Closing balance of deferred tax assets	-	(13,544,210)
10.0	Non-banking assets	-	-
11.0	Borrowing from other banks, financial institutions and agents:	-	-
12.0	Deposit and other accounts		
	Current accounts and other accounts	-	-
	Bills payable	-	-
	Saving deposits	-	-
	Fixed deposits	-	-
	Other deposits	-	-
	Total deposit and other accounts	-	-
13.0	Other Liabilities		
	Liabilities against preliminary expenses (13.1)	36,845,000	45,620,212
	Accrued Expenses Payable (13.2)	50,514,978	211,206
	Provision for taxation	18,704,230	-
	Lease liabilities (present value of lease payments)	204,298,500	-
		310,362,708	45,831,418
13.1	Liabilities against preliminary expenses		
	Borrowings from Sponsor Directors	35,000,000	35,000,000
	Payable to Sponsor Directors for Car Tax, Insurance, Fitness	-	275,212
	Payable to Sponsor Directors for fees and associated cost paid to BSEC for rising capital	845,000	845,000
	Payable to Sponsor Directors for fees for Banking License	1,000,000	1,000,000
	Payable to Sponsor Directors for Fixed Assets (Motor Vehicle)	-	8,500,000
		36,845,000	45,620,212



Notes to the Financial Statements		As at 31 December 2021 Taka	As at 31 December 2020 Taka
13.2	Accrued Expenses Payable		
	Accounts Payable against purchase & procurements	20,660,707	-
	Utility Bills Payable	142,000	-
	Salary Payable	5,006,622	96,206
	Audit Fee Payable	115,000	115,000
	Rating Fee Payable	115,000	-
	Tax & VAT Payable	840,578	-
	Provident Fund	4,420,392	-
	ESSF	5,867,309	-
	Gratuity Fund	2,000,000	-
	Recurring Expenses Payable	510,402	-
	Security Deposit Payable	1,272,000	-
		40,950,009	211,206
13.2.1	Deferred tax liability		
	i. Temporary timing difference in written down value of fixed assets		
	Carrying amount of fixed assets	89,494,548	-
	Tax base	76,002,211	-
	Taxable temporary difference	13,492,337	-
	Tax rate	40.00%	-
	Deferred tax liability	5,396,935	-
	ii. Temporary timing difference for employee benefit fund		
	Employees Provident fund, Gratuity, ESSF	10,420,085	-
	Tax base	-	-
	Taxable temporary difference	10,420,085	-
	Tax rate	40.00%	-
	Deferred tax liability	4,168,034	-
	Total Deferred tax liability (i+ii)	9,564,969	-
14.0	Share Capital		
14.1	Authorized Capital		
	Authorized Capital is the maximum amount of share capital that the bank is authorized by its Memorandum & Article of Association to issue to shareholders. 1,000,000,000 ordinary shares of Tk. 10 each	10,000,000,000	10,000,000,000
14.2	Issued, subscribed and fully paid up capital		
	400,000,000 ordinary shares of Taka 10 each issued for cash	4,000,000,000	-
		4,000,000,000	-
14.3	Capital to risk-weighted asset ratio (CRAR)		
	Common Equity Tier -1 Capital		
	Paid up capital	4,000,000,000	-
	Statutory reserve	17,156,613	-
	Retained earnings	6,496,728	-
	Less Regulatory adjustment:	-	-
		4,023,653,341	-
	Tier -2 Capital	-	-
	A. Total regulatory capital	4,023,653,341	-
	B. Total risk weighted assets (RWA)	1,314,378,348	-
	C. Minimum capital requirement (MCR)	4,000,000,000	-
	D. Surplus/(deficiency)[A - C]	23,653,341	-
	E. Capital to Risk-Weighted Asset Ratio (CRAR) (A/B)*100	306.13%	-
15.0	Statutory reserve		
	Balance at the beginning of the year	-	-
	Add: Transferred from profit during the year	17,156,613	-
		17,156,613	-



Notes to the Financial Statements		1 January 2021 to 31 December 2021	For the period from 13 Dec 2020 to 31 December 2020
25.0	Salary & allowances (excluding those of Managing Director & CEO)		
	Basic salary of officers	31,457,008	202,310
	Other salary & allowances	26,266,569	-
	Festival bonus	5,400,065	-
	Provident fund contribution	2,783,150	-
	Social Security Super Annuation	5,000,000	-
	Gratuity	2,000,000	-
		72,906,792	202,310
26.0	Rent, taxes, insurance, utilities etc.		
	Rents, rates and taxes - Premises	4,318,285	-
	Insurance premium	1,287,978	-
	Utilities	1,276,641	-
		6,882,904	-
<p>*As per IFRS 16 'Leases', the Bank recorded interest expense on lease liabilities (note 32) and depreciation on RoU assets (note 31) instead of charging rental expense (excluding VAT) of BDT 18.52 million in 2021 against rented premises treated as lease assets and shown in the balance sheet as RoU assets under note 8.</p>			
27.0	Postage, stamp, telecommunication etc.		
	Telephone - office	132,176	-
	Network link, Internet and Data Center maintenance cost	1,618,932	-
		1,751,108	-
28.0	Stationery, printing, advertisement etc.		
	Printing and stationery	2,180,074	14,963
	Advertisement	515,146	-
		2,695,220	14,963
29.0	Managing Director's salary and allowances		
	Basic salary	6,700,000	62,903
	Allowances	1,388,608	-
	Bonus (Festival)	1,100,000	-
	Bank's contribution to provident fund	636,935	-
		9,825,543	62,903
30.0	Directors' fees and expenses		
	Meeting attendance fees	211,600	-
	Other expenses (refreshment, conveyance etc.)	-	-
		211,600	-
31.0	Repairs, maintenance and depreciation		
	Depreciation		
	Furniture and Fixture	384,309	-
	Office Equipment	339,717	-
	Motor Vehicles	2,755,970	-
	Computer & Computer Equipment	5,725,822	-
	Computer Software	569,065	-
	Lease ROUA of Office Rent	11,508,522	-
		21,283,406	-
	Repairs, maintenance and spare parts		
	Motor Vehicles	157,186	17,400
		157,186	17,400
		21,440,592	17,400
32.0	Other expenses		
	Preliminary expenses (32.1)	-	34,501,593
	Car tax, token, registration	-	275,212
	Business travelling and conveyance	6,576,000	-
	Petrol, Oil and Lubricant	472,060	-
	Bank charges	238,200	-
	Fees and subscriptions	1,764,529	-
	Entertainment and recreation	522,414	-
	Cleaning service	321,650	-
	Security service	399,045	-

Notes to the Financial Statements		1 January 2021 to 31 December 2021	For the period from 13 Dec 2020 to 31 December 2020
	Recruitment and training expenses	41,639	-
	Professional fees	327,746	-
	Credit Rating Fees	115,000	-
	Interest expenses of Office Rent Lease	7,009,557	-
	Car Parking	87,200	-
		17,875,040	34,776,805
32.1	Preliminary expenses		
	Banking License Fees	-	1,000,000
	Registration costs at RJSC	-	9,223,657
	Allotment cost for Paid-up Capital at Bangladesh Security and Exchange Commission	-	845,000
	Excise Duty	-	27,000
	Account Maintenance Fees	-	2,274
	Stationary	-	128,572
	Telephone / Mobile / Internet	-	121,386
	Entertainment	-	15,732
	Conveyance	-	13,290
	Salaries and allowances	-	6,548,742
	Rent, taxes, insurance, electricity etc.	-	4,734,048
	Chief Executive's salary & fees	-	11,841,893
		-	34,501,593
	* Preliminary expenses covering from 28-07-2019 to 12-12-2020		
33.0	Provision For loans and advances:		
	For classified loans and advances	-	-
	For unclassified loans and advances	-	-
	For off balance sheet items	-	-
		-	-
34.0	Provision for diminution in value of Investments		
	Diminution in value of Investments	-	-
		-	-
35.0	Provision for Taxation		
35.1	Current tax expense		
	Current year	18,704,230	-
	Adjustment for prior year	-	-
		18,704,230	-
35.2	Deferred tax expense/(income)		
	Net deferred Tax liability/(asset) originated for temporary differences	9,564,969	(13,544,210)
	Adjustment of deferred tax of 2020 for carry forward of loss to 2021	13,544,210	-
		23,109,178	(13,544,210)
36.0	Earnings per share		
	Earnings per share (EPS) has been computed by dividing the profit after tax (PAT) by the weighted average number of ordinary shares outstanding as on 31 December 2021 as per IAS 33: Earnings per share.		
	Profit after taxation	43,969,655	(20,316,314)
	Profit attributable for distribution to ordinary shareholders	43,969,655	(20,316,314)
	Weighted average number of shares outstanding	400,000,000	-
	Earnings per share (EPS)	0.11	
	As per IAS 12 deferred tax asset shall be recognized for the carry forward of unused tax losses or tax credits to the extent that it is probable that future taxable profit will be available to set off the carry-forward loss or tax credit. Therefore deferred tax asset has been created for loss incurred for the reporting period ended 31 December 2021.		
37.0	Net Asset Value (NAV) Per Share		
	Total Shareholders Equity [numerator]	4,023,653,341	(20,316,314)
	Number of ordinary shares outstanding [denominator]	400,000,000	-
	Net Asset Value (NAV) Per Share	10.06	



Notes to the Financial Statements

38.0 Net Operating Cash Flow Per Share (NOCFPS)

Net cash from operating activities [numerator]
 Number of ordinary shares outstanding [denominator]
Net operating cash flow per share (NOCFPS)

1 January 2021
to
31 December 2021

For the period from
13 Dec 2020 to
31 December 2020

58,731,674	1,405,922
400,000,000	-
0.15	
131,962	159,730
3,981,396,910	1,246,192
3,981,528,872	1,405,922

39.0 Cash and cash equivalent

Cash in hand (Including foreign currency)
 Balance with other banks and financial institutions

40.0 Related Party Transaction

SL	Name	Relationship	Nature of Transaction	Outstanding as on 31/12/2021
1	Mrs. Towfika Aftab	Sponsor Director	Preliminary Expenditure	845,000
2	Mr. Chowdhury Mohammed Hanif Shoeb	Sponsor Director	Preliminary Expenditure	5,000,000
3	Mr. Mohammed Iqbal	Sponsor Director	Preliminary Expenditure	1,000,000
4	Mr. Mohammad Abdul Salam	Sponsor Director	Preliminary Expenditure	5,000,000
5	Arif Knit Spin Limited Represented by Mr. Mukhlesur Rahman	Sponsor Director	Preliminary Expenditure	5,000,000
6	Pakiza Cotton Sinning Mills (Pvt) Ltd, Represented by Mr. Rakibul Islam Khan	Sponsor Director	Preliminary Expenditure	5,000,000
7	NRG Hometex Ltd, Represented by Ms. Tajkia Rahman	Sponsor Director	Preliminary Expenditure	5,000,000
8	Rahimaaziz Knitspin Ltd., Represented by Mr. Md. Rafiqul Islam	Sponsor Director	Preliminary Expenditure	5,000,000
9	Modele De Capital Ind. Ltd. Represented by Mr. Masduzzaman	Sponsor Director	Preliminary Expenditure	5,000,000
Total				36,845,000

Notes to the Financial Statements

41.0 Reconciliation between Operating profit of the Bank and Cash flows from operating activities

	1 January 2021 to 31 December 2021	For the period from 13 Dec 2020 to 31 December 2020
Profit before provision	85,783,063	(33,860,524)
Depreciation on fixed assets	21,283,406	-
Gain/loss on sale of fixed assets	-	-
Charges on loan losses	-	-
Adjustment of provision for loans and advances	-	-
Increase of interest receivable	(23,765,624)	-
Increase of interest payable	7,009,557	-
Increase of accrued expenses	18,806,097	211,206
Increase of advance expenses	(27,408,360)	-
Advance tax paid	(18,704,230)	(132,972)
<i>Operating profit before changes in operating assets and liabilities</i>	63,003,909	(33,782,290)
Increase/(decrease) in operating assets and liabilities		
Statutory deposits	-	-
Purchase /sale of trading securities	-	-
Loans and advances to other banks	-	-
Loans and advances to customers	-	-
Other assets	3,230,977	(10,432,000)
Deposits from other banks	-	-
Deposits from customers	-	-
Other liabilities account of customers	-	-
Other liabilities	(7,503,212)	45,620,212
Net cash from operating activities	58,731,674	1,405,922

Citizens Bank PLC

Highlights on the overall activities

As at 31 December 2021

		Amount in Taka unless otherwise specified	
No	Particulars	2021 TAKA	2020 TAKA
1	Paid-up Capital	4,000,000,000	-
2	Total Capital	4,023,653,341	-
3	Capital (deficit)/surplus	23,653,341	-
4	Total Asset	4,334,016,049	25,515,104
5	Total Deposit	-	
6	Total loans and advances	-	
7	Total contingent liabilities and commitments	-	
8	Credit deposit ratio	-	
9	Percentage of classified loans against total loans and advances	-	
10	Profit after tax and provision	43,969,655	(20,316,314)
11	Amount of classified loans during current year	-	
12	Provisions kept against classified loans	-	
13	Provision surplus against classified loans	-	
14	Cost of fund	-	
15	Interest earning assets	3,981,396,910	1,246,192
16	Non-interest earning assets	352,619,139	24,268,911
17	Return on Investment (ROI)[PAT/(Shareholders' equity + Borrowing)]	1.09%	-
18	Return on Assets (ROA)[PAT/ Average assets]	0.50%	-39.81%
19	Income from investment	-	-
20	Earnings Per Share (EPS)	0.11	-
21	Net Income Per Share	0.11	
22	Price Earning Ratio (P/E)	Not applicable	Not applicable

Citizens Bank PLC Schedule of Fixed Assets As at 31 December 2021

Particulars	Cost			Accumulated Depreciation & Amortization					Net book value at 31 December 2021
	Balance on 01 January 2021	Additions during the year	Disposals during the year	Balance at 31 December 2021	Balance on 01 January 2021	Charge for the year	On disposals during the year	Balance at 31 December 2021	
Furniture and Fixture	-	3,538,472	-	3,538,472	-	384,309	-	384,309	3,154,162
Office Equipment	-	4,498,779	-	4,498,779	-	339,717	-	339,717	4,159,062
Motor Vehicles	-	32,789,721	-	32,789,721	-	2,755,970	-	2,755,970	30,033,751
Computer & Computer Equipment's	-	50,306,527	-	50,306,527	-	5,725,822	-	5,725,822	44,580,705
Computer Software	-	8,135,933	-	8,135,933	-	569,065	-	569,065	7,566,868
Right of Use of Assets - Office Rent	-	224,697,303	-	224,697,303	-	11,508,522	-	11,508,522	213,188,781
At 31 December 2021	-	323,966,735	-	323,966,735	-	21,283,406	-	21,283,406	302,683,329

EVENTS OF THE BANK



The Statutory Meeting of Citizens Bank PLC was held on 12th June, 2021 through digital platform. Mrs. Towfika Aftab, Chairman of the Board of Directors of the Bank presided over the meeting attended by all other Directors & Sponsor. Mr. Mohammad Masoom, Managing Director & CEO of the Bank was present in the meeting. Besides, Mr. Subrata Ghosh, representative of external auditor, A. Qasem & Co. was also present. After necessary review, the Statutory Report as placed was approved unanimously by the members of the Board & Sponsor of Citizens Bank PLC.

Citizens Bank PLC (CBPLC) signed an agreement with LEADS Corporation Limited, for availing their core banking solution titled as "BankUltimus". Mr. Mohammad Masoom, Managing Director & CEO of Citizens Bank PLC. and Mr. Anisur Rahman Khan, Managing Director (CC) of LEADS Corporation, signed the agreement on behalf of their respective organizations. Among others, Mohammad Iqbal, SEVP & Head of Business, Md. Waheed Imam, Company Secretary and Kazi Md. Ehasanuzzaman, SVP & CTO of CBPLC and Mohammed Ashrafuzzaman, Divisional Head of SSD & CSSD of LEADS were present on the occasion.



EVENTS OF THE BANK



Citizens Bank PLC signed an agreement with IT Consultants Ltd. for joining Q-Cash platform at Citizens Bank Head Office on November 29, 2021. Mr. Mohammad Masoom, Managing Director & CEO of Citizens Bank PLC and Mr. Osman Haidar, Director, Business of IT Consultants Ltd. signed and exchanged the agreement on behalf of their respective organizations. Among others, Mr. Md. Wahidur Rahman Chowdhury, EVP & Principal Branch Manager, Mr. Waheed Imam, SVP & Company Secretary, Mr. Mohammad Saiful Islam, FCMA, SVP & Chief Financial Officer and Mr. Kazi Md. Ehasanuzzaman, SVP & CTO of Citizens Bank and Mr. Zubaer Ahmad, Senior Business Consultant of IT Consultants Ltd. were present on the occasion.

Citizens Bank PLC (CBPLC) recently signed an agreement with Credit Rating Information and Services Limited (CRISL), for availing their credit rating service. Mr. Mohammad Masoom, Managing Director & CEO of Citizens Bank PLC. and Mr. Muzaffar Ahmed, FCMA, FCS President and CEO of Credit Rating Information and Services Limited (CRISL), signed the agreement on behalf of their respective organization. Among others, Mr. Mohammad Iqbal, SEVP & Head of Business, Mr. Mohammad Saiful Islam, FCMA, SVP & CFO, Mr. Md. Waheed Imam, Company Secretary and Mr. Mr. Mohammad Wahidur Rahman Chowdhury, EVP & Principal Branch Manager of CBPLC and Md. Abdur Rahman Banerjee, Head of Business Development, CRISL were present on the occasion.



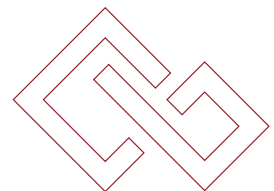
Citizens Bank PLC signed an agreement with SSL Wireless for mobile airtime recharge and online (e-commerce) merchant payment solution at Citizens Bank Head Office on November 08, 2021. Mr. Mohammad Masoom, Managing Director & CEO of Citizens Bank PLC and Mr. Ahmed Kamal Khan Chowdhury, Group Advisor of SSL Wireless signed and exchanged the agreement on behalf of their respective organizations. Among others, Mr. Mohammad Iqbal, SEVP & Head of Business, Mr. Mohammad Wahidur Rahman Chowdhury, EVP & Principal Branch Manager and Mr. Kazi Md. Ehasanuzzaman, SVP & CTO of Citizens Bank and Mr. Reazul Islam, CEO and Mr. Mohiuddin Tawfik, Head of Banking & Financial Services of SSL Wireless were present on the occasion.

EVENTS OF THE BANK



Citizens Bank arranged a discussion meeting through digital platform at Head office premises commemorating the 46th martyrdom anniversary of our father of the nation Bangabandhu Sheikh Mujibur Rahman. Mr. Mohammad Masoom, Managing Director & CEO chaired the meeting in attendance of the members of senior management team highlighted the enormous contributions and sacrifices made by our beloved father of the nation and Bangamata Sheikh Fazilatunnesa Mujib and all other martyred members of the family.

Citizens Bank PLC. has arranged Tree Plantation Program on the occasion of 46th martyrdom anniversary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman. Mr. Mohammad Masoom, Managing Director & CEO of Citizens Bank PLC inaugurated a Tree Plantation Program at Citizens Bank Head office premises on the occasion of 46th martyrdom anniversary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman. Other senior officials of the Bank were also present on the occasion.





Registered Office: Chini Shilpa Bhaban-2, 76 Motijheel C/A
Dhaka-1000, Bangladesh.

Notice of the 1st Annual General Meeting

The 1st ever Annual General Meeting (AGM) of Citizens Bank PLC. is scheduled to be held on Saturday, June 11, 2022 at 12.00 pm, in a hybrid way i.e, in person and digital platform (Zoom) Head Office, Dhaka to transact the following businesses:.

AGENDA:

1. To Receive, consider and adopt the Profit and Loss Account of the Company for the period ended on 31st December 2020 and the Balance Sheet as of date along with Reports of Auditors and Directors thereon.
2. To Receive, consider and adopt the Profit and Loss Account of the Company for the period ended on 31st December 2021 and the Balance Sheet as of date along with Reports of Auditors and Directors thereon.
3. To Appoint Auditors of the Company for the term until the year 2022 and fixation of their remuneration.
4. To confirm the appointment of Independent Director Mr. N. K. A Mobin FCS. FCA.
5. To bring changes, amendments of the title of the Bank as Citizens Bank PLC. instead of Citizens Bank Limited and accordingly necessary modification with respect to the title of the company to be imparted as and where required of the M & AA.
6. To transact any other business with the permission of the chair.
7. Retirement of all the Directors and re-election within the purview of Schedule-(1), 79 & 81 of Companies Act 1994 and amendment made there under up to 2020.

By order of the Board

Md. Waheed Imam
Company Secretary

Dated: May 19, 2022
Dhaka, Bangladesh

NOTES:

- a. The Member (Sponsors) whose names appear in the Register of the Company shall attend the AGM.
- b. Any Members (Sponsors) of the Company entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote on his/her behalf.
- c. The Proxy Form duly filled in and signed by the Member (Sponsor) and stamped, must be submitted at the Registered Office of the Company at least 48 (Forty-Eight hours before the meeting)
- d. Members (Sponsors) are requested to notify the Provision of the Articles of Association of the Company and the relevant rules/circulars of the regulatory authorities.
- e. The 2nd term tenor of M/S A. Qasem & Co. as the auditors expired and also the issue of re-appointment for 3rd term to be considered and approved in the Annual General Meeting (AGM).



PROXY FORM

I/We _____ of _____

being a Shareholder of Citizens Bank PLC do hereby appoint
Mr./Ms. _____ of _____

_____ as my/our proxy to attend and
vote for me/us and on my/our behalf at the 1st Annual General Meeting of the Company to be held on Saturday, 11
June, 2022 at 12.00 pm. at Head Office of Citizens Bank PLC.

As witness my/our hands this _____ day of _____ 2022.

(Signature of the Shareholder(s))

(Signature of the proxy)

Folio No (if any): _____

No. of Shares: _____

Date: _____

Affix
Revenue Stamp
of Tk. 20.00

Note: The proxy form should reach the Registered Office of the Company not less than 48 hours before the time
fixed for the meeting.

Signature Verified

Authorized Signatory
Citizens Bank PLC

Note: Signature must agree with the recorded signature.



ATTENDANCE SLIP

I/We hereby record my/our attendance at the 1st Annual General Meeting of the Company to be held on Saturday, 11
June, 2022 at 12.00 pm. at Head Office of Citizens Bank PLC.

Folio No: _____

No. of Shares: _____

Name of the Member/proxy: _____

Signature: _____

Date: _____

Note: Please present this slip at the reception desk. Non Shareholder & Children will not be allowed at the meeting.



CITIZENS BANK

Head Office, Chini Shilpa Bhaban-2
76, Motijheel C/A, Dhaka, Bangladesh.