ANNUAL REPORT 2023

WE ARE ON COURSE TO BUILDING UP SOUND FINANCIAL FUNDAMENTALS FOR STRONG RESILIENCY

AVAVATA IN MANANA





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 testifies our impeccable commitment to explore 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 2023.

This is a matter of immense pleasure to present the Annual Report of the Bank together with the Audited Financial Statements for the year ended December 31, 2023 of our bank. The Annual Report – 2023 of the Bank comprises Balance Sheet, Profit & Loss Account, Statement of Changes in Equity, Cash flow Statement along with the notes (as required to ensure fair disclosures) for kind information and record of our honorable members of the Board, respected Shareholders/stakeholders.

With best regards,

Sincerely yours,

Md. Waheed Imam EVP & 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. Chowdhury Mohammed Hanif Shoeb
Chairman, Audit Committee	Mr. N K A Mobin FCS, FCA
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
Statutory Auditor	ACNABIN, Chartered Accountants
e-TIN	768425977263
BIN	003610432-0202
Credit Rating Agency	Credit Rating Information & Services Limited (CRISL)
Website	www.citizensbankbd.com
SWIFT Code	CIZSBDDH
e-Mail	info@citizensbankbd.com
Call Center	16757
Trading Symbol	CZB



CORPORATE PROFILE



OUR CORE BUSINESS

Corporate

Citizens Bank PLC offers a wide array of products and services to corporate clients through a variety of financial services, including syndicate & structured finance, project finance, working capital finance, trade finance, workorder finance bank guarantees etc.

Retail & SME

Bank offers an innovative bucket of deposit, loan, card and other digital services in conformity with our mission and vision.

Treasury

Citizens Bank Treasury is responsible for facilitating and managing the local currency business as a whole for the Bank. The major function of Money Market Desk is to manage the local currency liquidity as well as ensuring regulatory requirement (CRR & SLR) on behalf of the bank. Furthermore, placement of fund in different tenors (maturity up to 1 year) in context of surplus liquidity striking balance between liquidity and profitability is also a role part of this desk.

Credit Rating

CRISL: The Bank has been awarded 'A-' in the long-term and 'ST-3' in the short-term by Credit Rating Information & Services Limited in August 2024. Banks rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.





VISION

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

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

Our bank will be the tech-savvy one ensuring a wel-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.

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

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

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



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.

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

To build up a strong risk management culture.

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

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.

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.

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

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.



Team – Our essence of success is togetherness.

Accountability – We take ownership of responsibility with transparency.

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



CODE OF CONDUCT AND ETHICAL GUIDELINES

The code of conduct sets the principles for the employees of all levels to keep uphold and promote the interests of this institution. The ultimate and firm objective of this Code of Conducts is to ensure integrity, high ethical standards, due skill, care and diligence of employees in all of their business and allied activities.

The Code of Conduct should be used as an important reference point for employees when they are personally resolving any ethical issue that they may encounter. The Code applies to all employees of Citizens Bank PLC. in their decisions and activities within the scope of employment, or when representing the Bank in any capacity.

Our Stakeholders

- Government and Regulators
- Investors, Beneficiaries, Analysts/Researchers and External Auditors
- Customers and Clients
- Staff and staff associations/clubs

Professional and Institutional Obligations

For attaining and upholding public attention and customer/users and stakeholders' confidence, Citizens Bank PLC. will make it sure that each of their employees perform their assigned job with utmost honesty and integrity, along with highest professional attitude and aptitude. Each member of all categories must be firm in their performance for the benefits of their organization and must avoid conflict of interest.

Responsibility

Citizens Bank PLC. shall preserve the lawful benefits and interests of their shareholders. Fulfill its responsibility towards customers to satisfy their needs efficiently. All banking Responsibility and other Community financial activities of Citizens Bank PLC. shall comply with the recognized/established legal, regulatory, as well as social/community norms, customs and values. Environmental and climatic protections are among the most pressing global challenges of the time. All of these are to be taken into account in all areas of lending/financing.

Property and Information of Bank

Key responsibility of Citizens Bank PLC. is to protect and safeguard the organization's property, not to use it for personal purposes/gain use. Citizens Bank PLC shall take reasonable care to keep secure its information from unauthorized disclosure and exchange. Any confidential information it receives on clients, or any details of the transactions of its clients shall be preserved with utmost security.

Conflicts of Interest

The conflict of interest is often a very strong hurdle on the way of implementation of national integrity strategy. When an employee thinks of his/her personal interest from his/her official position, a question of



conflict of interest arises. The statute allows him/her to serve his/her own gain, or interest at the cost of employing institution or the state. It is a statutory as well as an ethical obligation for an employee to keep himself/herself away the personal interest.

Acceptance of Gifts

No employee of the Bank shall, without prior permission of the competent authority, accepts by him/herself, or permit any of his/her family member to accept any gift from any person that make him/her obligated in official position to the gift providers.

Fair Treatment of Counter-parties

All relationships with external counter parties should be conducted in professional and impartial manner. Employee should commit to fair contract and payment terms with them in return of good service at a good price supplied; in a responsible manner. Negotiations with customers and potential customers shall be conducted in a professional manner and subsequently comparison of cost & benefit to be presented to the competent authority.

Anti-Money Laundering

Citizens Bank PLC. shall not do business with drug traffickers, money launderers and other criminals. Employees shall exercise requisite diligence in selecting those with customers/counter-parties while conducting business. They shall adhere to processes in place for checking the credit and character of customers and counter parties. These processes ensure customer's due diligence and ongoing monitoring of their customers to detect suspicious transactions during the entire period of the relationship.

Working Environment

Adequate attention is always accorded to the health and safety of the employees, i.e. deployment of both physical and technical surveillance on premises to minimize possible threats to security. All employees of the Bank are responsible to keep the workplace friendly, congenial, transparent, free from harassment & corruption etc. and ensure the cohesiveness among the colleagues.

Compliance with Laws, Rules and Regulations

Employees of Citizens Bank PLC. shall comply the laws, rules and regulations governing the Organization's business vis-à-vis regulatory bodies. No individual is expected to know the details of all applicable laws, rules and regulations, but individuals shall be knowledgeable about specific laws, rules and regulations that apply to their areas of duties and responsibility.

Fair Treatment of Customers

Treating customers fairly and without prejudice fosters good rapport and helps to build long-term sustainable business relationships. Moreover, in the advent of global financial crisis, both local and global law-makers and regulators are increasingly focusing on ensuring that Bank employ fair practices in dealing with customers.

Transparency and Accuracy of Financial, Tax and other Reporting

Banks shall ensure that their reports and communication is true, complete and accurate and shall not be misleading. Citizens Bank PLC. will maintain transparency in the business operations and dealings with clients, stakeholders and regulators.



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SHAREHOLDING COMPOSITION

SL	Name of Sponsor Shareholders	Number of Shares	% of Shareholdings
01	Arif Knitspin Limited represented by Mr. Mukhlesur Rahman	40,000,000	10.00%
02	Modele De Capital Ind. Ltd. represented by Mr. Masuduzzaman	40,000,000	10.00%
03	Pakiza Cotton Spinning Mills (Pvt) Ltd represented by Mr. Rakibul Islam Khan	40,000,000	10.00%
04	NRG Hometex Ltd represented by Ms. Tajkia Rahman	40,000,000	10.00%
05	Mr. Mohammad Abdul Salam	40,000,000	10.00%
06	Mr. Chowdhury Mohammed Hanif Shoeb	40,000,000	10.00%
07	Rahimaaziz Knitspin Ltd. represented by Mr. S M Shofiqul Hoq	40,000,000	10.00%
08	Mr. Anisul Huq	40,000,000	10.00%
09	Mr. Mohammed Iqbal	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







Mr. Masuduzzaman Director



Mr. Mukhlesur Rahman



Mr. Mohammed lqbal



Ms. Tajkia Rahman Director



Mr. Mohammad Abdul Salam Director



Mr. Chowdhury Mohammed Hanif Shoeb Director



Mr. S M Shofiqul Hoq



Mr. Sk. Md. Iftekharul Islam Director



Mrs. Zebunnessa Begum Huq Director



Mrs. Shafia Alam Director







Mr. Mohammad Masoom Managing Director & CEO







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 28 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.

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.





Masuduzzaman Director, Citizens Bank PLC

PROFILE OF THE **DIRECTORS**

Mr. Masuduzzaman is a renowned business person and one of the Sponsor Directors of Citizens Bank PLC. Having long 26 years' experience and exposers 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., 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. Masuduzzaman.

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 six 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.





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 11 (eleven) consecutive years.

Mukhlesur Rahman 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.

Mohammed Iqbal 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.

Tajkia Rahman Director, Citizens Bank PLC





Mohammad Abdul Salam

Director, Citizens Bank PLC

PROFILE OF THE **DIRECTORS**

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 46 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.







Chowdhury Mohammed Hanif Shoeb Director, Citizens Bank PLC

PROFILE OF THE **DIRECTORS**

Mr. Chowdhury Mohammed Hanif Shoeb is one of the Sponsor Directors of Citizens Bank PLC. having long 30 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.





Mr. S M Shofiqul Hoq is a representative of Rahimaaziz Knitspin Limited which is one of the Sponsor Directors of Citizens Bank PLC.

Mr. Hoq is the General Manager (Procurement) of Arif Knitspin Limited is a highly experienced professional in the textile industry. Being a graduate from University of Dhaka on Finance and Banking, he started his career in Arif Knitspin Limited as Assistant Manager in the year 2004 and subsequently became General Manger in the year 2017. He has expertise in foreign procurement and marketing.

S M Shofiqul Hoq Director, Citizens Bank PLC





Sk. Md. Iftekharul Islam Director, Citizens Bank PLC

PROFILE OF THE **DIRECTORS**

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.





Zebunnessa Begum Huq Director, Citizens Bank PLC

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.







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.

Shafia Alam Director, Citizens Bank PLC





N K A Mobin FCS, FCA Independent Director, Citizens Bank PLC

PROFILE OF THE **DIRECTORS**

Mr. N K A Mobin FCS, FCA, is an Independent Director of Citizens Bank PLC. He is the Managing Director & CEO and one of the sponsored Directors of Emerging Credit Rating Ltd. (ECRL) licensed by BSEC. Professionally a Chartered Accountant and the fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB) since 1992, he completed his article ship from Rahman Rahman Hug/KPMG, Chartered Accountants. He is currently the Council member and Vice President (Education & Examination) of ICAB. He is also the fellow member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He has 26 years job experience in the field of Finance, Accounting, Taxation, System Design, Implementation of computerized Accounting and Management (ERP) system in 4 multinational companies including Grameenphone Ltd. where he was the Director Finance, Administration and Company Secretary for 11 years. He is currently the Board member of MJL Bangladesh Ltd., Unique Hotel & Resorts Ltd. (Westin and Sheraton), Bangladesh Submarine Cables Company Ltd., Heidelberg Cement Bangladesh Limited and Peoples Leasing & Financial Services Ltd.





Mohammad Masoom Managing Director & CEO, Citizens Bank PLC

PROFILE OF THE **DIRECTORS**

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



Mr. Masuduzzaman Chairman Representative of Modele De Capital Ind. Ltd.





Mr. Chowdhury Mohammed Hanif Shoeb Member

Mr. Sk. Md. Iftekharul Islam Member





COMMITTEES CONSTITUTED UNDER THE BOARD OF DIRECTORS OF THE BANK



CITIZENS BANK PLC |

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TOWFIKA AFTAB CHAIRPERSON BOARD OF DIRECTORS



MESSAGE FROM THE CHAIRPERSON

DEAR RESPECTED SHAREHOLDERS

We have in the meanwhile by the grace of the Almighty stepped into the 2nd year after successful completion of our 1st anniversary of launching commercial operations as being a 61st Bank of the country. From the very inception we observed that our path of journey was rather bumpy due to adverse overall state of the socio-economic condition but we succeeded to navigate the situation without incurring any bad reputation in the banking industry. We shall have to remember that yet there is no scope of complacency as challenging situation always surrounds us but at the same time there is no valid reason for disappointment as we believed rigorous efforts and by upholding the very sound ethical standard and at the same breath by ensuring maximum extent of transparency in all our banking transaction we shall be able to fortify our position in the face of stiffly competitive emerging scenario.

I take the privilege on this auspicious occasion of our 3rd AGM to express my deep sense of gratitude's to my fellow colleagues on the Board for their unwavering cooperation and support that I received so far as being the Chairman of the Board of Directors. Personally, like all other Board members I earnestly desire to see Citizens Bank as one of the most trustworthy and acceptable Banks with sound fundamental and that will be possible by cultivating the good corporate governance practices in every way possible as well as by restraining any predatory lending activities which will prove to be detrimental to the interest of our beloved Bank.

On this auspicious occasion I would like to advise the management team of the Bank for building up good risk management culture wherein compliance factor will get supremacy to mitigate the inhering risk on different frontiers of banking transaction. Top of this we shall have to earn confidence of wider section of clienteles treating it as no less important than monetary capital.

It is gratifying to note that our Bank is now well poised to deliver all kinds of banking services including facilitation of import exports and all related cross-border foreign exchange related banking transactions including scouting of homebound remittances from the Bangladeshi diaspora. We are now on expansion mood and as part of which by this time we received licenses from Bangladesh bank for 3 more urban based branches and sub branches as part of our creation of our footprints in different potentially viable areas to broaden our clienteles base which I consider is pivotal for building up sustainably balanced business portfolio by deriving the benefit leveraging geographical and demographic dividends.

We want to give renewed focus on transforming our bank into the most preferred financial institution by attaching due importance on the following factors;

i. Good corporate governance wherein compliance issues will get preponderance.

ii. To ensure the financial welfare/wellbeing of our clienteles as we want to be always together.

iii. Maximum extent of transparency on all our banking transactions.

This is my firm conviction that the days ahead we shall march forward keeping peace with ever evolving.

I am confident that, in the forthcoming years, keeping pace with the ever changing electronic and digital advancements, our Bank will be able to provide vast array of innovative products in a very much customer friendly manner. Moreover, 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 professional zeal.

This is my firm conviction that our bank under the corporate leadership of its Managing Director and by dint of performance-oriented relentless efforts with professional outlook onboarding all other members of the team will definitely make it possible to reach our goal post.

Towfika Aftab Chairperson Board of Directors



MOHAMMAD MASOOM

MANAGING DIRECTOR & CEO

DEAR RESPECTED SHAREHOLDERS

This is my immense pleasure to share my impressions/insights regarding citizens bank as its Managing Director and CEO on the eve of the bank's stepping into 2nd year of journey in the midst of multifaceted challenges. We endeavored to navigate the situation with professional zeal keeping high on our agenda as to be a one of the most acceptable banks in the financial eco-system. I take this opportunity to convey my deep sense of gratitude's to the honorable members of the Board for their prudent and proactive support and broader policy guidelines.

Here it is gratifying to note that now we are well poised to deliver full range of banking services including foreign exchange related cross border transactions providing of services through alternative delivery channels, introduction of VISA credit cards and other superior value-added banking services meant for the clienteles across the different segments/sectors.

We in Citizens Bank are commitment bound to ensure good corporate governance along with the top notched priority to ensure optimum extent of compliance on 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/precarious situation.

From the day one of my joining at the very initial stage of this Bank the policy direction that I 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 provide mobile apps/internet and online customized Banking services with the bottom line objective to ensure optimum level of financial and overall well-being of the beneficiary clients offering wide array of financial products/ complete solutions customizing individual requirements.

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 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.

and the second

Mohammad Masoom Managing Director & CEO



SENIOR MANAGEMENT TEAM





Mohammad Masoom Managing Director & CEO



Md. Waheed Imam Company Secretary



Mohammad Saiful Islam, FCMA,ACA Chief Financial Officer & Head of HR



Md. Israil Hossain Head of CRMD and Acting CRO



Khan Md. Tief Rana Head of CARD & ADC



Mohammad Ali Azfar Quadry Head of OPS and GBD



Md. Humayun Kabir Head of ID & NRB





DIRECTORS' REPORT

We the members of the Board of the Bank have the pleasure to welcome you in the 3rd Annual General Meeting of the Bank and at the same time fined it as an opportunity to present before you the financial statements along with auditor's report for the year ended on 31st December 2023.

It is an admitted fact that the banks in general virtually take multidimensional risks and serve in the financial landscape, which is largely impacted by the movement of the socio-economic sate of conditions financial fundamentals of the domestic and beyond i.e. outside world in this era of rapid pace of globalization.

Global economic outlook

The global economy experienced remarkable recovery from the onslaught of COVID-19 pandemic, and subsequently Russia's invasion of Ukraine, having negative ramifications on the supply chain management resulted in the worldwide cost push inflation having adverse impact on the cost of living.

However, at the later stage by adopting befitting policy measures USA has succeed to tame the inflationary pressure as to bring it at the pre-pandemic level i.e. anchoring within the threshold of 2-3 percent.

With disinflation and steady growth, the likelihood of a hard lending has receded and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary and then assumed in the projections could imply temporarily higher growth but at the risk of a costlier adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers. On the downside, new commodity price spikes from geopolitical shocks including continued attacks in the Red Sea and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments.

Policymakers' near-term challenge is to control the inflationary pressure by following stringent monetary policy through expected level of adjustment of wage component and price hike of commodities and essentials. At the same time, in many cases, with inflation declining and economies better able to absorb effects of fiscal tightening, a renewed focus on fiscal consolidation to rebuild budgetary capacity to deal with future shocks, qoose-up revenues for meeting spending requirements in terms of set priorities. Targeted and carefully sequenced structural reforms would reinforce productivity growth and debt sustainability and accelerate convergence toward higher income levels. More efficient multilateral coordination is needed for, among other things, debt resolution, to avoid debt distress and create space for necessary investments, as well as to mitigate the effects of climate change.

Global growth, estimated at 3.1 percent in 2023, is envisaged to remain steady at 3.1 in 2024 before rising modestly to 3.2 percent in 2025. Advanced economies are expected to see growth decline slightly in 2024 before the expected level of upswing in 2025, as a corollary effect of recovery in the euro area from low growth in 2023 and a moderation of growth in the United States. Emerging market and developing economies are expected to experience stable growth through 2024 and 2025, with regional differences.



World trade growth is projected at 3.3 percent in 2024 and 3.6 percent in 2025, below its historical average growth rate of 4.9 percent. Rising trade distortions and geo-economics fragmentation are expected to continue to weigh on the level of global trade. Countries imposed about 3,200 new restrictions on trade in 2022 and about 3,000 in 2023, up from about 1,100 in 2019, according to Global Trade Alert data.

These forecasts are based on assumptions that fuel and nonfuel commodity prices will decline in 2024 and 2025 and that interest rates will decline in major economies. Annual average oil prices are projected to fall by about 2.3 percent in 2024, whereas nonfuel

commodity prices are expected to fall by 0.9 percent.

Asian regional outlook

Asia is forecast to expand at 4.4% in both 2024 and 2025, as plummeted from 4.9% in the year 2023. Inflation even though happens to be on the up-surging mood but moderating which creates base for optimism for financial market and consumers that the interest rates to be further slashed. The unemployment rate is expected to edge up over the next two years from the current 4.7%.

Better-than-expected growth in China and India helped propel the region in 2023. Asia has shown profound resilience in the face of a challenging global environment. Retail sales in China, Japan, Singapore and South Korea remain soft as consumer confidence is broadly low. Weak international demand has hampered exports but the wheels of manufacturing keep turning. Industrial production in emerging Asia maintains its expansion. In the next couple of years, Asia is forecast to drive global export growth as increasingly more advanced manufacturing is achieved. Supply chain reorganization, stemming at least partially from the geoeconomic uncertainty, is driving investment from inside and outside the region; this is providing a buffer from the global demand doldrums. Semiconductor fabrication is being spread across the continent as opposed to being held in a few select countries. Vietnam is expanding in both services and manufacturing as foreign direct investment continues to grow.

Inflation, though nearing long-run levels, is still elevated. Central banks are taking their time on cutting rates. Each is balancing interest rate differentials versus overshooting inflation targets, due to the US (RC) Federal Reserve's (Fed) delayed rate cuts. If central banks cut too fast compared to the Fed, then their debt becomes less attractive, causing domestic currencies to depreciate relative to the US dollar. While that may aid exports, it harms the purchasing power of consumers and businesses.

China, unlike other countries, did not experience rampant inflation, so rate cuts by the People's Bank of China have been purposeful to stimulate economic activity. The Reserve Bank of India, Bank Indonesia, Central Bank of Malaysia, Bank of Thailand, Central Bank of the Philippines and Monetary Authority of Singapore are among the major developing economy central banks holding policy rates in restrictive territory.

A brief overview of Bangladesh economy

Growth moderated in fiscal 2023 as monetary tightening in the advanced economies lowered external demand. Inflation rose significantly and the current account deficit narrowed. Despite macroeconomic headwinds, GDP expansion is expected to accelerate gradually this year and next with resilient exports and the government committed to structural reform. Inflation will gradually moderate,



while the current account turns into small surpluses. Reforms to enhance Bangladesh's competitiveness will be critical for the country's smooth graduation from least-developed country status.

Despite a number of external sector related difficulties, Bangladesh's economy exhibited a reasonably strong real GDP growth in FY23. This growth was achieved with a number of fiscal and monetary policy measures aimed at increasing investment and generating employment opportunities. The BBS has provisionally estimated a 6.03 percent real GDP growth rate for FY23, which was 7.10 percent in FY22.

The headline point-to-point CPI inflation had a slight decline from 9.63 percent at the end of Q1FY24 to 9.41 percent at the end of Q2FY24, but it remained high, peaking at 9.93 percent in October 2023. The decrease in headline inflation was attributed to a reduction in food inflation, which effectively offset the rise in non-food inflation at the end of Q2FY24. On the other hand, core inflation, which excludes food and fuel, declined to 6.64 percent at the end of Q2FY24.

Some of the milestones that are expected to take the economy forward:

Bangladesh and India launched the settlement of bilateral trade in the Indian rupee in July in an effort to cut over-reliance on the US dollar to carry out transactions and give some respite to importers since they will be able to open letters of credit in the currency to source a portion of the products from India.

The minimum wage board set Tk 12,500 as the minimum salary for the millions of garment workers in the country. Workers, however, had demanded Tk 23,000 in the minimum wage from Tk 8,000 fixed in 2018.

The Bank Company (Amendment) Bill 2023 was approved in June amid a huge outcry over the last-minute increase in the bank directors' tenure from nine years to 12 years, a move that would tighten their grip on the financial institutions. The number of members from a single family who can sit in the board simultaneously has been reduced to three from four. The third terminal at the Hazrat Shahjalal International Airport was inaugurated partially in October, which is expected to accelerate handling and air shipment of goods as the new facility may improve the capacity of the cargo village.

The exchange rate of the taka against the US dollar hit Tk 111 in the formal market on November 2 although some banks offered as much as Tk 124 per greenback to bring in remittance and overcome the ongoing foreign currency shortage. Bangladesh's foreign currency reserves fell to \$ 19.17 billion on December 13, way lower than the \$46.4 billion reached in 2020-21, the highest on record.

An overview of Banking sector

As a developing economy Bangladesh has encouraged to develop its banking industry to promote economic growth. Over the last three decades or so the country has seen spectacular expansion of the banking industry. The banking industry in Bangladesh has even gone a step further by promoting financial inclusion of the very poor in rural areas of which microfinance and microcredit are the policy instruments to achieve that objective. This has helped to expand the monetization of the rural economy, and as a consequence it has become more market-oriented. Such market orientation of the rural economy also facilitated continuous resource transfer from rural areas to urban areas.

It is found from the available statistics that the banking sector as a whole experienced upsurge in growth of deposits by 10.47% to Tk. 1,760,076 crore at the end of December 2023. On the other hand, the quantum of loans & advances increased by 10.63% to Tk. 1,561,697 crore at the end of December 2023. During the period under review Govt. borrowings from banking sector increased by 15.58% whereas loan to private sector increased 10.13%.

The upsurge of NPLs continue to be the grave concern for the banking sectors and its corrosive effect is well pervasive. As the report has it total disbursed loan as at end of march 2024 figured at 16,40,000 crore and out of which 1,82,000 crores got defaulted and that constitutes 11.11%.

On the other hand, if we consider rescheduled/restructured and written-off loans in

that case the NPLs posted at the staggering amount of 400,000 crore (apps).

Export (FoB) in 2022-2023 decreased by 6.26% compared to 2021-2022 period whereas during the same period import payments decreased by 13.11%. Despite higher decrease in import payment compared to export our foreign reserve decreased by 25.59% in December 2023 compared to December 2022. Homebound remittances slightly increased by 2.97% in 2023 compared to 2022 and amounted to USD 21.92.00 billion.

Rupee trade with India initiated: Bangladesh and India launched the settlement of bilateral trade in the Indian rupee in July in an effort to cut over-reliance on the US dollar to carry out transactions and give some respite to importers since they will be able to open letters of credit in the currency to source a portion of the products from India.

New bank company law passed: The Bank Company (Amendment) Bill 2023 was approved in June amid a huge outcry over the last-minute increase in the bank directors' tenure from nine years to 12 years, a move that would tighten their grip on the financial institutions. The number of members from a single family who can sit in the board simultaneously has been reduced to three from four.

Default loans hit an all-time high: Non-performing loans hit a new record in June as withdrawal of a relaxed central bank policy, slowdown in business sales and deliberate non-payments pushed up the volume of bad loans to Tk 1,56,039 crore.

Taka falls to new level: The exchange rate of the taka against the US dollar hit Tk 111 in the formal market on November 2 although some banks offered as much as Tk 124 per greenback to bring in remittance and overcome the ongoing foreign currency shortage.

Forex reserves nosedive: Bangladesh's foreign currency reserves fell to \$ 19.17 billion on December 13, way lower than the \$46.4 billion reached in 2020-21, the highest on record.

Interest rate ceiling withdrawn: The central bank scrapped the 9 percent interest rate cap in July and put in place the reference lending rate, known as the SMART (six-month moving average rate of Treasury

bill) to fix the lending rates.

Digital banking licenses awarded: The Bangladesh Bank issued letters of intent to companies in a development that can substantially enhance people's access to finance. Initially, Nagad Digital Bank and Kori Digital Bank have received licenses to launch the services.

Central bank rolls out bancassurance: On December 11, Bangladesh rolled out bancassurance as the central bank allowed banks to sell insurance products. Bancassurance is an arrangement between a bank and an insurer, allowing the former to sell products of the latter through its vast network of branches.

Taka Pay card launched: Bangladesh launched its first domestic card scheme — Taka Pay — to reduce reliance on international cards and save foreign currencies while travelling and carrying out foreign transactions. It will provide branded payment processing services for credit cards, debit cards, and prepaid cards that banks or financial institutions can then offer to their customers.

Financial performance highlights of Citizens Bank PLC

Citizens Bank PLC launched commercial operations on 3rd July 2022 after a staggering delay in the midst of multifaced challenges like the aftermath effect of Covid-19 pandemic and within the short time break Russian invasion on Ukraine caused supply chain disruptions and some sporadic stigmatic events in some banks created crisis of confidence among the depositors and the banking industry at large experienced withdrawal syndrome. However, subsequent proactive measures taken by the central bank proved to be instrumental to restore back the confidence level and the money outside the banking system started getting back. But still the confidence level has not turned around as expected.

In 2023, CZB focuses on introducing itself as an emerging new private commercial bank and gaining customer confidence through offering trusted customized banking services. In our way to become customers preferred financial solution provider we focus on efficient balance sheet management, digitalization for service excellence, mobilization of



stable deposits, and rationalizing costs. A brief review of financial performances of the Bank is as follows:

- Total assets increased by 99.38% compared to the previous year as 2023 was the first completed year after inauguration of commercial operation. At the initial stage of operation, we emphasized on building up sound deposit base considering it as the life blood for the banking financial institutions. The management faced the challenge to mobilize deposits and simultaneously to explore avenues for lending with a view to making our position prominent in the banking industry with the bottom line objective to close the year reflecting banking business dynamics in terms of numbers as reflected in our balance sheet. Despite the challenging situation we succeeded to make landmark achievement by entering into territory of breakeven point through generation of revenues thereby absorbing the capital expenditures incurred at the preopening stage.
- As a result of our efforts our deposit base came up to BDT 10,050.57 million securing 245.75% growth and our lending portfolio stood at BDT 4,383.57 million securing 344.47% growth compared to previous year. Advance Deposit ration reach up to 43.62% far below the regulatory limit. Even though, balance sheet wise we attained operating profit to the extent of BDT 33.14 million during the year 2023 but due to charging of general provision against unclassified loans & advances and transferring to Statutory Reserve @ 20% of our profit after provision but before tax caused declining effect on our retained earnings status.
- Interest income grew by 136.12% compared to the previous year but the net interest income growth was 20.22% due to maximum amount of available fund deployed as investment through our treasury wing rather than from the lending operation.

Capital adequacy status under Basel III

Risk Weighted Assets Ratio (CRAR) of the banks stood at 76.19% whereas the regulatory requirement is 12.50% (Minimum total capital ratio plus capital conservation buffer) as on 31 December 2023. For details please see "Disclosure on Risk Based Capital (Basel III)" section of this annual report.

Status of asset quality

As on 31 December 2023, NPL ratio of our bank was 0% as we do not have any NPL at the end of the year. Due to the sluggish economic growth and increasing trend of the NPL in the industry we are very cautious in expending our asset portfolio. Top of all that we have developed strong monitoring system to oversee the movement of asset quality with a view to restraining the growth of NPLs.

Appropriation of profit

After keeping of loan loss provision, provision against diminution in value of investments and income tax provision for the year ended 31 December 2023 bank's net loss for the year stood at BDT 15.48 million. It is noteworthy that as per Basel III our eligible capital increased by BDT 15.01 million.

Compliance system of the Bank

A well-established internal control system is sine qua non for ensuring expected level of compliance culture and its practice on all the frontiers of our banking operations. It is very much admitted fact that the banks virtually take multidimensional risks so sans expected level of risk management culture it is not possible to navigate the banking organizations in the right direction in the midst of challenges. Keeping this in view as a matter of policy priority we emphasize on building up internal control and compliance department manned with required professionals so that they can play critical important role as whistleblower and thereby to save the bank from any likely adverse situation. The Board related Audit Committee has been very much functional from the day of its constitution.

Risk management

The Risk Management Committee (RMC) of the Board reviews and monitors the overall risk management system of the Bank and updates to the Board from time to time. Risk management functions are subject to continuous scrutiny of Internal Control & Compliance Division (ICCD) and supervision of Risk Management Division (RMD) to ensure appropriateness and integrity of the risk management practices and mechanism. The risk management system of CZB has been described in "Risk Management Report" section of this annual report.

Financial reporting

- Proper books of account as required by law have been maintained by CZB.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements.
- Accounting estimates and underlying assumptions are made on reasonable ground applying prudent judgment, and are reviewed on an ongoing basis.
- The Financial Statements (FS) of the Bank are prepared in accordance with applicable International Financial Reporting Standards (IFRSs) and relevant circulars/instructions issued by Bangladesh Bank (BB) and any departure from IFRS due to BB regulation has been adequately disclosed in the notes to the FS.
- A discussion on related party transactions has been stated in Note-41 of the FS 2023.
- Being responsible for preparation and fair presentation of the FS, the management of the Bank asserts that the FS prepared by the management as at and for the year ended 31 December 2023 present fairly, in all material respects, its state of affairs, the results of its operations, cash flows and changes in equity.
- There is no doubt upon the Bank's ability to continue as a going concern. CZB has neither intention nor the need to liquidate or curtail materially the scale of its operations. Hence, the financial statements of the Bank have been prepared on going concern basis and the Bank will continue to operate for the foreseeable future.

Any empirical review of our performance during the year under review reveals the fact that we managed our balance sheet in a prudent manner and capital expenditures/other relevant cost that we incurred to implement our branch expansion plan as well as for building up supportive infrastructure (including IT platform) for being a full-fledged commercial bank with an array of financial products did not affect our capital base. The external and Bangladesh Bank auditors confirmed after their audit exercise on the basis of our relevant papers and documents that the audited balance sheet as on 31st December 2023 portrays the actual state of financial condition of the bank and fair disclosures have been made on the best efforts basis to ensure maximum extent of transparency.

We shall have to avoid predatory lending activities for the sake of restraining the growth of NPLs having adverse impact on the overall performance of the Bank.

In fine, I want to reiterate that our senior management shall remain alive to the cause of embedding good corporate governance culture in the Bank, which is undoubtedly ensure sustainable growth of the Bank with prominence in the financial landscape of the country.

On behalf of the Board of Directors,

Towfika Aftab Chairperson of the Board of Directors



PERFORMANCE AT A GLANCE

FINANCIAL HIGHLIGHTS

			Figure in million
Particulars	2023	2022	Change (%)
Performance during the year			
Net interest income	240.72	200.23	20.22%
Non interest income including investment income	221.50	71.42	210.13%
Other operating income	8.29	1.03	704.24%
Operating profit	33.14	21.47	54.34%
Profit after tax	(15.48)	(4.84)	(220.10%)
Net operating cash flow (NOCF)*	3,795.91	1,767.73	114.73%
Year-end financial position			
Loans and advances	4,383.57	986.25	344.47%
Total investment	2,680.92	1,524.55	75.85%
Deposits	10,050.57	2,906.91	245.75%
Shareholders' equity	4,003.60	4,019.18	(0.39%)
Total asset	14,570.52	7,307.87	99.38%
Ratios			
Capital to RWA ratio (CRAR) (as per Basel III)	76.19%	159.80%	(52.32%)
Cost to income ratio	92.96%	92.13%	0.91%



Four Year Financial Progression

Particulars	2023	2022	2021	2020
Balance sheet metrics				
Authorized capital	100,000.00	100,000.00	100,000.00	100,000.00
Paid up capital	40,000.00	40,000.00	40,000.00	-
Reserve and surplus	3.60	19.18	23.65	(20.32)
Shareholders' equity	4,003.60	4,019.18	4,023.65	(20.32)
Deposits	10,050.57	2,906.90	-	-
Other liabilities	491.35	381.78	310.36	45.83
Total liabilities and shareholders' equity	14,570.52	7,307.87	4,334.02	25.51
Total Investment	2,680.92	1,524.55	-	-
Investment in govt. securities	2,182.20	1,430.27	-	-
Investment in capital market including special fund	98.73	94.32	-	-
Loans and advances	4,383.57	986.25	-	-
Fixed assets	598.82	511.11	302.68	-
Total assets	14,570.52	7,307.87	4,334.02	25.51
Earning assets	13,353.39	6,490.19	3,981.40	-
Earning assets to total assets	91.65%	88.81%	91.86%	-
Liabilities to shareholders' equity (times)	2.64	0.82	0.08	-
Interest bearing assets	13,225.65	5,503.94	3,981.40	-
Income statement metrics				
Net interest income (excluding investment income	e) 240.72	200.23	219.49	1.32
Income from investments	197.65	71.42	-	-
Fees, commission, brokerage and other operating inc	come 23.85	0.03	-	-
Other operating income	8.29	1.03	-	-
Operating expense	437.37	251.21	133.70	35.19
Operating profit (profit before provision and tax)	33.14	21.47	85.78	(33.86)
Provision charged for loans, investment and other assets (net off w/off recovery)	31.01	18.19	_	_
Profit before tax (PBT)	2.13	3.29	85.78	(33.86)
Profit after tax (PAT)	(15.48)	(4.84)	43.97	(20.32)
Capital metrics				
Risk weighted assets (RWA)	5,303.73	2,519.26	1,314.38	-
Minimum capital requirement (MCR)	4,000.00	4,000.00	4,000.00	-
Tier-1 capital	4,003.33	4,018.82	4,023.65	-
Tier-2 capital	37.49	6.99	-	-
Total regulatory capital (Tier 1 and Tier 2)	4,040.82	4,025.81	4,023.65	-
Capital surplus	3.33	18.82	23.65	-
Tier - 1 capital to RWA	75.48%	159.52%	306.13%	-
Tier - 2 capital to RWA	0.71%	0.28%	0%	-
Capital to risk weighted assets ratio (CRAR)	76.19%	159.80%	306.13%	_



				igure in million
Particulars	2023	2022	2021	2020
Liquidity metrics				
High quality liquid assets (HQLA)	258.77	1,606.50	_	-
Short-term liabilities (not more than 12 months term)	1,041.44	1,538.90	-	-
Short-term liabilities to total deposit	103.62%	52.94%	-	-
High quality liquid assets to short-term liabilities	89.07%	104.39%	-	-
AD Ratio - DBO	43.62%	33.93%	_	-
Government securities to total loan ratio	49.85%	145.02%	-	-
Statutory liquidity ratio (SLR) (at close of the year)	31.07%	68.07%	-	-
Cash reserve ratio (CRR) (at close of the year)	4.54%	6.01%	-	-
Maximum cumulative outflow (MCO)	16.29%	15.43%	-	-
Liquidity coverage ratio (LCR) - DBO	334.74%	937.52%	_	-
Net stable funding ratio (NSFR) - DBO	113.37%	167.86%	_	-
Asset quality metrics				
Non performing/classified loans (NPLs)	_	-	_	-
NPL ratio	0.00%	0.00%	_	-
Total loans and advances to total assets	30.09%	13.50%	_	-
Total CMSME loan	1291.91	522.65	_	-
CMSME loan to total loans	29.47%	52.99%	-	-
General provision for loans and OBS exposures (cumulativ	e) 37.49	6.99	-	-
Total provision for loans and OBS exposure	37.49	6.99	-	-
Credit rating				
Credit rating agency	CRISL	CRISL	CRISL	CRISL
Long term	A-	BBB+	BBB	BBB
Short term	ST-3	ST-3	ST-3	ST-3
Outlook	Stable	Stable	Stable	Positive
Efficiency ratios				
Return on average equity (ROE)	-0.38%	-0.12%	2.20%	-
Return on average assets (ROA)	-0.04%	-0.02%	0.50%	-39.81%
Net profit margin (PAT/gross income)	-1.68%	-1.32%	20.03%	-1528.86%
Cost to income ratio	92.96%	92.13%	60.92%	2648.10%
Weighted average interest rate of loan (year-end)(A)	10.63%	8.95%	-	-
Weighted average interest rate of deposits (year-end)(E	3) 7.04%	5.15%	-	-
Spread(C = A - B)	3.59%	3.80%	_	-
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HORIZONTAL ANALYSIS

Balance Sheet

Particulars		2023		2022		2021	
	BDT mn	Change %	BDT mn	Change %	BDT mn	Change %	
Property and assets							
Cash in hand and Balance with B.B. and its agent Bank(s)	404.86	129.71%	176.25	133461.50%	0.13	-17.52%	
Balance with other Banks and Financial Institutions	6,288.90	59.64%	3,939.38	-1.06%	3,981.40	319434.26%	
Money at call and short notice	-	-100.00%	40.00	-	-	-	
Investments	2,680.92	75.85%	1,524.55	-	-	-	
Loans and advances	4,383.57	344.47%	986.25	-	-	-	
Fixed assets	598.82	17.16%	511.11	68.86%	302.68	-	
Other assets	213.45	63.79%	130.32	161.67%	49.80	106.65%	
Total assets	14,570.52	99.38%	7,307.87	68.62%	4,334.02	16892.14%	
Liabilities and equity							
Borrowing from banks, financial institutions and agents	25.00		-	-	_		
Deposits and other accounts	10,050.57	245.75%	2,906.91	-	-	-	
Other liabilities	491.35	28.70%	381.78	23.01%	310.36	577.20%	
Total liabilities	10,566.92	221.31%	3,288.69	959.63%	310.36	577.20%	
Shareholders' equity							
Paid-up capital	4,000.00	0.00%	4,000.00	0.00%	4,000.00	-	
Statutory reserve	18.24	2.39%	17.81	3.83%	17.16	-	
Other reserve	0.27	-27.35%	0.37	-	-	-	
Surplus in profit and loss account	(14.91)	-1585.61%	1.00	-84.55%	6.50	-131.98%	
Total shareholders' equity	4,003.60	-0.39%	4,019.18	-0.11%	4,023.65	-19905.34%	
Total liabilities and shareholders' equity	14,570.52	99.38%	7,307.87	68.62%	4,334.02	16886.82%	

Particulars		2023)22	2021	
Particulars	BDT mn	Change %	BDT mn	Change %	BDT mn Change %	
Property and assets						
Interest income	693.48	136.12%	293.70	33.81%	219.49 16427.63%	
Interest paid on deposits and borrowings	452.77	384.39%	93.47	-		
Net interest income	240.72	20.22%	200.23	-8.77%	219.49 16427.63%	
Non-interest income	229.79	217.16%	72.45	-		
Total operating income	470.51	72.55%	272.68	24.24%	219.49 16427.63%	
Total operating expenses	437.37	74.10%	251.21	87.88%	133.70 279.96%	
Profit before provisions	33.14	54.34%	21.47	-74.97%	85.78 -353.34%	
Provision for loans and off-balance sheet exposures	30.49	336.12%	6.99	-		
Other provision	0.51	-95.43%	11.19	-		
Total provisions	31.01	70.49%	18.19	-		
Profit before tax for the year	2.14	-35.01%	3.29	-96.17%	85.78 -353.34%	



VERTICAL ANALYSIS

Balance Sheet

Particulars	2023		2	2022		2021	
Particulars	BDT mn	Mix %	BDT mn	Mix %	BDT mr	n Mix%	
Property and assets							
Cash in hand and Balance with B.B. and its agent Bank(s)	404.86	2.78%	176.25	2.41%	0.13	0.00%	
Balance with other Banks and Financial Institutions	6,288.90	43.16%	3,939.38	53.91%	3,981.40	91.86%	
Money at call and short notice	-	0.00%	40.00	0.55%	-	0.00%	
Investments	2,680.92	18.40%	1,524.55	20.86%	-	0.00%	
Loans and advances	4,383.57	30.09%	986.25	13.50%	-	0.00%	
Fixed assets	598.82	4.11%	511.11	6.99%	302.68	6.98%	
Other assets	213.45	1.46%	130.32	1.78%	49.80	1.15%	
Total assets	14,570.52	100.00%	7,307.87	100.00%	4,334.02	100.00%	
Liabilities and equity							
Borrowing from banks, financial institutions and agents	25.00	0.17%	-	0.00%	0	0.00%	
Deposits and other accounts	10,050.57	68.98%	2,906.91	39.78%	0	0.00%	
Other liabilities	491.35	3.37%	381.78	5.22%	310.36	7.16%	
Total liabilities	10,566.92	72.52%	3,288.69	45.00%	310.36	7.16%	
Shareholders' equity							
Paid-up capital	4,000.00	27.45%	4,000.00	54.74%	4,000.00	92.29%	
Statutory reserve	18.24	0.13%	17.81	0.24%	17.16	0.40%	
Other reserve	0.27	0.00%	0.37	0.01%	-	0.00%	
Surplus in profit and loss account	(14.91)	-0.10%	1.00	0.01%	6.50	0.15%	
Total shareholders' equity	4,003.60	27.48%	4,019.18	55.00%	4,023.65	92.84%	
Total liabilities and shareholders' equity	14,570.52	100.00%	7,307.87	100.00%	4,334.02	100.00%	

Profit and loss account

Dantiaulaura		2023		2022		2021	
Particulars	BDT mn	Mix %	BDT mn	Mix %	BDT mn	Mix %	
Interest income	693.48	75.11%	293.70	80.21%	219.49	100.00%	
Interest paid on deposits and borrowings	452.77	49.04%	93.47	25.53%	-	0.00%	
Net interest income	240.72	26.07%	200.23	54.68%	219.49	100.00%	
Non-interest income	229.79	24.89%	72.45	19.79%	-	0.00%	
Total operating income	470.51	50.96%	272.68	74.47%	219.49	100.00%	
Total operating expenses	437.37	47.37%	251.21	68.61%	133.70	60.92%	
Profit before provisions	33.14	3.59%	21.47	5.86%	85.78	39.08%	
Provision for loans and off-balance sheet exposures	30.49	3.30%	6.99	1.91%	-	0.00%	
Other provision	0.51	0.06%	11.19	3.06%	-	0.00%	
Total provisions	31.01	3.36%	18.19	4.97%	-	0.00%	
Profit before tax for the year	2.14	0.23%	3.29	0.90%	85.78	39.08%	



ECONOMIC VALUE-ADDED STATEMENT

Economic value added (B-D)	(501,891,630)	(403,001,850)	(146,746,179)
Capital charge / cost of average equity (D=A x C)	517,413,761	416,351,903	190,715,834
Average cost of equity (based on weighted average rate of 10 years treasury bond issued by the Bangladesh Government) plus 2% risk premium	12.82%	10.33%	9.42%
Cost of equity (C)			
Net earnings (B)	15,522,132	13,350,054	43,969,655
Less: Written off interest suspense during the year	-	-	-
Add: Provision for loans & advances and other assets charged during the ye	ar 31,005,722	18,186,006	-
Profit after tax	(15,483,590)	(4,835,952)	43,969,655
Earnings			
Average capital deployed/shareholders' equity (A)	4,035,988,777	4,030,512,134	2,024,584,222
,	4,034,606,628	4,037,370,927	4,023,653,341
Add: Accumulated provision for loans & advances and other assets	31,005,722	18,186,006	-
Shareholders' equity	4,003,600,906	4,019,184,921	4,023,653,341
Particulars	2023	2022	2021
			Figure in millio

Figure in million



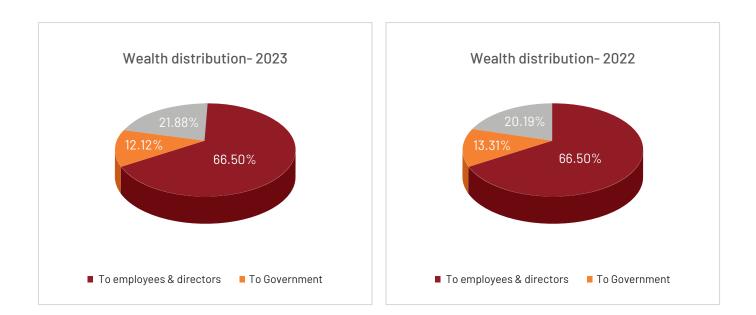
VALUE ADDED STATEMENT

		F	Figure in millio
Particulars	2023	2022	2021
Wealth creation			
Revenue from banking services	693,482,295	293,700,824	219,486,862
Less: Cost of services & supplies	576,324,455	151,066,809	95,924,486
	117,157,839	142,634,015	123,562,376
Non-banking income	229,790,287	72,453,003	72,453,003
Less: Provision for loans & other assets	31,005,722	18,186,006	-
Total wealth creation	315,942,405	196,901,013	196,015,379

Wealth distribution

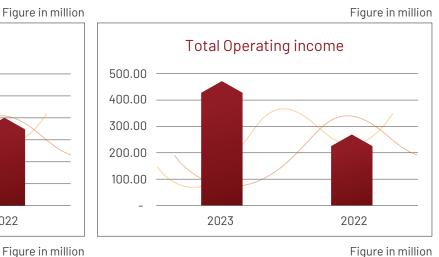
Employees & directors	208,526,058	130,932,244	82,943,935
Employees as salaries & allowances	207,610,858	130,475,444	82,732,335
Directors as fees	915,200	456,800	211,600
Government	38,281,773	26,211,005	47,661,197
Corporate tax	17,618,600	8,122,700	41,813,408
Service tax/value added tax	20,663,173	18,088,304	5,847,789
Retention for future business growth	69,134,574	39,757,764	65,410,247

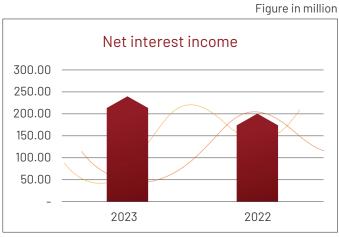
Total wealth distribution	315,942,405	196,901,013	196,015,379
Depreciation and amortization	84,618,164	44,593,716	21,440,592
Retained earnings	(15,483,590)	(4,835,952)	43,969,655
	03,104,374	55,757,704	05,710,277





KEY FINANCIALS IN GRAPHS





Operating expense

2023

500.00

400.00

300.00

200.00

100.00

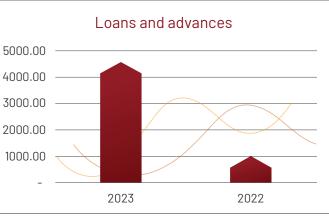
4,000.00

2,000.00

Figure in million

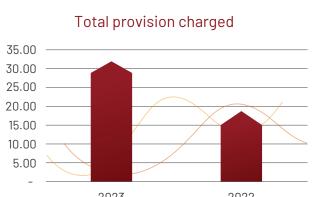








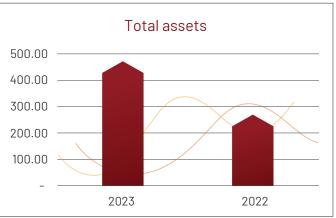
5000.00 4000.00

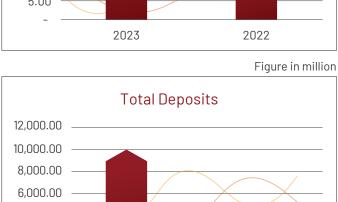


2022

Figure in million















Citizens Bank **ASSESSMENT & APPRECIATION**

Surveillance Rating (CRISL) Year 2024	INTERPRETATION
Long Term A-	Banks rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater 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
Date of Rating	August 22, 2024
Valid Till	August 21, 2025

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 resvere 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-41.
- 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 2023 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. ACNABIN, 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 2023.
- 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 2023 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.



RISK MANAGEMENT REPORT

Risk is the probability that an investment's actual return will be different than expected which includes the possibility of losing partial or full of the original investment. As such Citizens Bank PLC manages the risk through coordinated steps to keep the loss at a tolerable limit which includes but not limited to control and monitoring only.

Our risk management approach includes minimizing undue concentrations of exposure, limiting potential losses from stress events and ensuring the continued adequacy of all our financial resources. The risk strategy is determined taking into consideration bank's capital adequacy, expected level of profitability, market reputation, adequacy and experienced personnel, logistic support, macro and micro economic scenario, risk management practices etc. We focus on risk identification, risk mitigation and risk control, keeping it in mind that what cannot be measured that also cannot be controlled.

Through effective risk management, Citizens Bank PLC is on the path to fulfill its strategic objectives to be a sustainable, profitable, and complainant premier banking institution to its customers. In pursuit to fulfill compliance responsibilities, risk management division oversees the bank's risk management framework which underpins effective decision making while allowing enterprise wide emerging risks to be identified and managed in a way that is consistent with the bank's risk appetite.

The core objectives of the risk management in the Bank are enumerated below:

- To identify and analyze the material risks;
- To formulate the Risk Appetite of the Bank and ensure that business profile and plans are consistent with the risk appetite of the Bank;
- To ensure that business growth plans are properly supported by effective risk infrastructure;
- To manage risk profile to ensure that specific financial deliverables remain possible under a range of adverse business conditions;
- To help the senior management to improve the control and co-ordination of risk taking across the business.
- To analyze the self-resilience capacity of the Bank through Stress Testing report;
- To review and update risks on systematic basis as necessary at least annually, preferably twice a year, ensuring that adequate controls exist and that the related returns reflect these risks and the capital allocated to support them.

Effective risk management is one of the most crucial success factors for sustenance of a Bank. We are endeavoring to build up robust risk management culture wherein issue of compliance will get preponderance over all core risk areas.



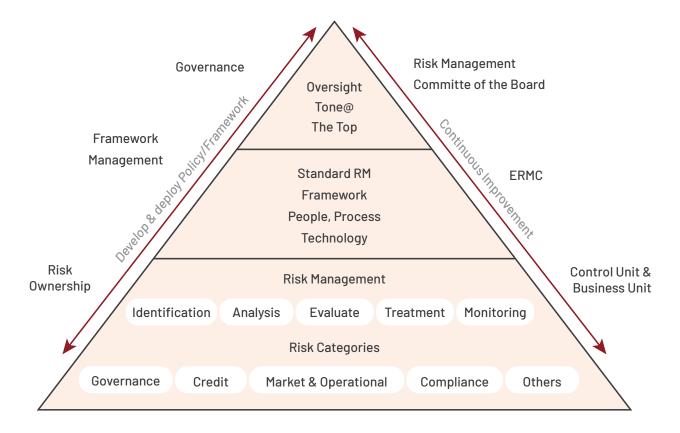
Layer of risk management structures:

The Bank has three level defense systems for effective risk management across the Bank noted as followings:



Risk Management Framework of the Bank

The overall risk management frameworks help the Bank to assign accountability and responsibility for the management and control of risk.



The risk landscape in the current business environment is changing dynamically with the dimensions of Cyber security, Information Security & Business Continuity, Data Privacy and Large Deal Execution figuring prominently in the risk charts of most organizations. To effectively mitigate these risks, we have deployed a risk management framework which helps proactively identify, prioritize and mitigate risks.

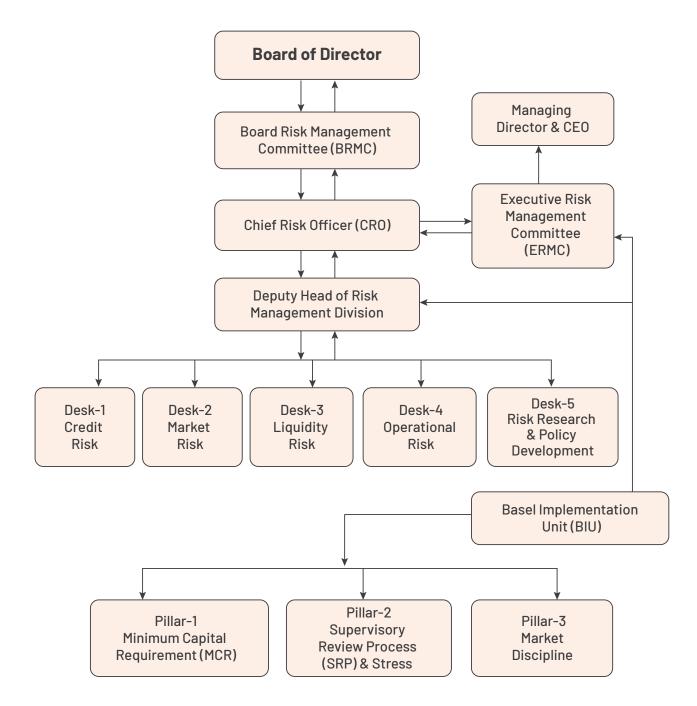


Bank's risk management framework is applied on an enterprise-wide basis and consists of three key elements:

- Risk governance
- Risk appetite
- Risk management tools

Risk Governance

Risk Management activities which are being reviewed by the Board Risk Management Committee is being communicated in the form of meeting minutes (including observation, decisions and recommendations) to the board of Directors. The Board of Directors approved risk management structure of the Bank which was constituted as per the guidance of Bangladesh Bank. BoD also approved Risk Management Policy guideline which was formulated in light of the guidance from Bangladesh Bank and CZB own capacity and risk parameter also being considered.



Board Risk Management Committee (BRMC)

A Board Risk Management Committee has been formed in the Bank to oversee the activities of Management level of Executive Risk Management Committees of the Bank as well as to oversee the implementation status of credit Risk, Foreign Exchange Risk, Interest Rate Risk, Market Risk, Operational Risk, Liquidity Risk, Risk Based Capital Requirement, Provisioning (required and Maintained) etc.

Disclosure of activities of the Board Risk Management Committee (BRMC) is as follows:

Particulars	During the year 2023 (In Number)
Number of Member of RMC	3
Number of RMC Meetings	4

Executive Risk Management Committee (ERMC)

A strong Risk Management Committee has been formed in the Bank comprising the heads of all the risk-taking organs, regular meeting in the committee is being arranged and organized by the Risk Management Division. The ERMC, from time to time, may invite top management or senior most executives to attend the meetings when necessary. The committee sits usually once a month or more when necessary. In the meeting of RMC, all the existing/identified and foreseeable/potential risks issues are discussed and recommendations to the concerned risk-taking organs is to address, measure and take the required steps to mitigate the risk factors. Disclosure of activities of Executive Risk management Committee (ERMC) is as follows:

Particulars	During the year 2023 (In Number)
Number of Member of ERMC	12
Number of ERMC Meetings	12

Risk Management Division (RMD)

As per guidelines of Bangladesh Bank, Citizens Bank PLC has established a separate Risk Management Division (RMD) headed by Chief Risk Officer (CRO). Risk Management Division of the bank is responsible for establishing Bank's risk management framework, and to ensure that the procedures for identification, monitoring, mitigating and managing risks are in place as per risk management guidelines, core Risk Management Guidelines of each area and Basel accord are also being complied effectively. The Bank's risk mitigating technique is not to wait for the risk but to take precautionary measures to mitigate the risk and lessen impact of the risk before incident happens. To supplement the stand of the Bank, RMD is extensively working on robust Risk Management practices and exchange of ideas about Risk Management for creating an acceptable risk management culture within the Bank.

Chief Risk Officer (CRO)

Chief Risk Officer (CRO) is responsible for ensuring intense and effective risk management across the Bank. The CRO works to ensure that the bank is compliant with rules, regulations, and reviews factors that could negatively affect the bank's objectives. According to the Basel Committee on Banking Supervision, CRO has been referred as an independent senior executive with distinct responsibility for the risk management function and the institution's comprehensive risk management framework across the entire organization.



Risk Appetite Statement

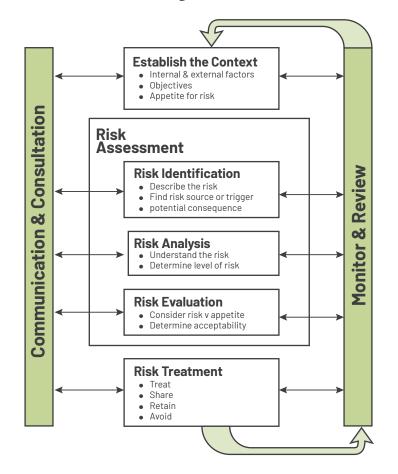
Risk appetite is the level of risk that an organization is prepared to accept in pursuit of its objectives, before action is deemed necessary to reduce the risk. CZB's risk appetite statement defines the amount of risk we are willing to assume in pursuit of our strategic and financial objectives. Our guiding principle is to practice sound risk management, supported by strong capital and funding positions, as we pursue our client-focused strategy. In defining our risk appetite, we take into consideration our vision, values and strategy, along with our risk taking/absorbing capacity. Application of risk appetite statement and monitoring of the key risk appetite measures help to ensure the bank stay within appropriate risk boundaries.

According to Bangladesh Bank's (BB) Risk Management Guidelines (2018) a Bank's risk exposures needs to be identified and categorized within 3 levels of thresholds. The 3 levels measure increasing level of risk exposure in ascending categorization in respect exposure severity. They are:

- **Risk Appetite:** The risk type and amount a organization is willing to accept in line with its business objectives and annual budget.
- **Risk Limit:** An additional measure to monitor actual risk exposures is to our maximum risk threshold. Exceeding risk limit means the organization is becoming closer to its risk tolerance.
- **Risk Tolerance:** This is the maximum amount of risk that an organization is willing to accept against each relevant risk and doesn't desire to exceed in normal scenario.

Risk Management Process

The Bank has developed a number of risk management policies and guidelines following the risk strategy of the Bank and Bangladesh Bank guidelines. The risk management process followed in CZB is as under:

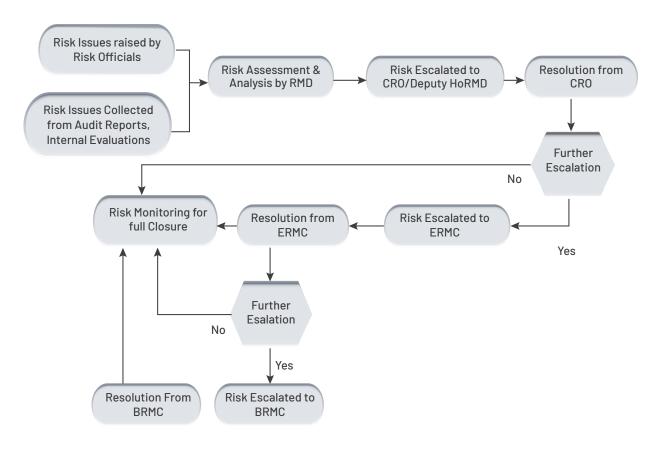


Risk Management Process

Risk Management Tools & Models



Risk escalation flowchart of the Bank





Risk Management Reporting

Risk Management Division of the Bank is continuously analyzing various risks for management information and reporting to competent authorities (both internal and external) on regular basis. The reporting includes monthly (monthly risk management report), quarterly (capital adequacy statement and stress testing report), half yearly (comprehensive risk management reporting), yearly (risk appetite statement of the Bank and Review report of Risk Management Policies and Effectiveness of Risk Management Functions).

Compliance status in risk management reporting

The RMD analyses and identifies the risk issues from the information and the activities of the bank on an ongoing basis especially at end month, quarter, semi-annual and annual basis. Accordingly, RMD prepares different reporting as followings:

SI. No.	Name of Report	Frequency	Compliance Status
1	Monthly Risk Management Report	Monthly	Complied
2	Quarterly Risk Management Report	Quarterly	Complied
3	Capital Adequacy Statement	Quarterly	Complied
4	Stress Testing & Gap Analysis	Quarterly	Complied
5	Comprehensive Risk Management Report	Half yearly	Complied
6	Internal Capital Adequacy Assessment Process(ICAAP)Statement	Yearly	Complied
7	Risk Appetite Statement	Yearly	Complied
8	Review report of Risk Management Policies and Effectiveness of Risk Management Functions	Yearly	Complied

Risk Based Capital Management

Supervisory Review Process (SRP), the second pillar of Basel accord covers a wide range of risks, including core risks, to ensure adequate capital against all risks. In fact, minimum capital is maintained against credit risk, market risk, and operational risk under pillar-1 of Basel III accord and SRP covers all other risks such as residual risk, concentration risk, reputation risk, strategic risk, settlement risk, environment and climate change risk etc. In Bank's point of view, risks are endless. So, Bangladesh Bank has detected some of the risky areas to measure the risks in a structured way which is known as SRP, which comes under the guideline of pillar-2 of Basel accord.

As per the Revised Process Document for SRP-SREP Dialogue on ICAAP (Implementation of 2nd Pillar of Basel III) the Bank has an exclusive body naming SRP Team in the 'Managerial Layer' which are constituted by the concerned head of Divisions of the bank and headed by Managing Director & CEO.

Liquidity ratios: The Basel Committee has further strengthened its liquidity framework by developing two minimum standards for funding liquidity. An additional component of the liquidity framework is a set of monitoring metrics to improve cross-border supervisory consistency. These standards have been developed to achieve two separate but complementary objectives. The first objective is to promote short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficient high-quality liquid resources to survive an acute stress scenario lasting for one month. The Committee developed the Liquidity Coverage Ratio (LCR) to achieve this objective. The second objective is to promote resilience over a longer time horizon by creating additional incentives for a bank to fund its activities with more stable sources of funding on an ongoing structural basis. The Net Stable Funding Ratio (NSFR) has a time horizon of one year and has been developed to provide a sustainable maturity structure of assets and liabilities. CZB had a very healthy liquidity throughout the year 2023.



Leverage Ratio and its Impact on business: In order to avoid building-up excessive on- and off-balance sheet leverage in the banking system, a simple, transparent, non-risk-based leverage ratio has been introduced. The leverage ratio is calibrated to act as a credible supplementary measure to the risk-based capital requirements. Moreover, introduction of Leverage ratio means Banks will have to have sufficient Tier-1 capital for its business expansion. The Bank had leverage ratio at 26.80% in December 2023 against regulatory requirement of 3%.

Internal Capital Adequacy Assessment Process (ICAAP) as per Pillar 2 of Basel III

The Bank has a structured management framework in the Internal Capital Adequacy Assessment Process (ICAAP) for the identification and evaluation of the significance of all risks that the Bank faces, which may have an adverse material impact on its financial position. As per Basel III framework, the Bank faces the following material risks which are taken into consideration in assessing / planning capital:

Ris	ks under Pillar 1 MCR	Risks under Pillar 2 SRP		
1	Credit Risk	1	Residual Risk	
2	Market Risk	2	Concentration Risk	
3	Operational Risk	3	Liquidity Risk	
		4	Reputation Risk	
		5	Strategic Risk	
		6	Settlement Risk	
		7	Evaluation of Core Risk Management	
		8	Environmental & Climate Change Risk	
		9	Other material risks	

Stress Testing

Stress testing is a risk management technique used to evaluate the potential effects of an institution's financial condition at a specific event and/or movement in a set of financial variables. It is an integral part of the capital adequacy framework. The focus of stress testing relates to exceptional but plausible events. This involves several shocking events. Each shocking event contains Minor, Moderate and Major Level of shocks.

The findings of stress testing are being reviewed in the meeting of the Risk Management Committee and the same also being reported to Bangladesh Bank and Board Risk Management Committee of the Bank for their guidance against the particulars risk areas. In view to finding of stress testing, guidance from Bangladesh Bank and Board RMC also being considered for assessing potential risks of the bank.

Step Forward

CZB follows a holistic approach when implementing framework of risk management practices. We also use dynamic tools to address different risks and continuously focus on improvements to get the better return. Besides, the Bank's focus will be staying robust at times of challenge and keeping well-informed of fast-paced changes. In addition to that, continuous monitoring and no compromise approach would be the guiding principle for the risk management of the Bank in the upcoming year.

We remain committed to maintaining resilience and safeguarding stakeholder's interests amidst an evolving risk landscape. To that end, Citizens Bank risk management team is continuing its effort to mitigate and avert any known and unknown risks.



SUSTAINABILITY

Sustainable Finance

Sustainable finance implies the process of taking environmental, social and governance (ESG) issues into consideration, while taking decision to finance the business entities across the different sectors/segments. The cardinal objective of sustainable finance is to maintain social and governance standard as well as adoption of sound lending practices to ensure stability and sustainability of the financial ecosystem.

Sustainable Banking

Citizens Bank PLC rolled out the commercial operation on 3rd July, 2022 with impeccable commitment to serve all strata of society and through careful customer segmentation that provide financial access and services across the continuum of socio-demographic groups. We in Citizens Bank PLC believes that sustainable should be broad based environmentally sound and interned will pave the way of shared prosperity towards build up egalitarian society. We intend to build up a solid business model capable of generating consistent revenue stream, satisfied customers, disciplined use of capital, rationalization of cost, prudent risk management and reinforcement of brand value to carve our place among the first ranking banks in this area of concern.

Sustainable Finance Unit

Bangladesh Bank vide SFD Circular No.02 dated December 01, 2016 has instructed all commercial scheduled Banks to constitute the Sustainable Finance Committee (SFC) & Sustainable Finance Unit ('SFU)' at the management level which must be approved by the Board Risk Management Committee of the Bank. As part of our compliance, we constituted the Sustainable Finance Committee (SFC) & Sustainable Finance Unit (SFU) which was approved by the Board Risk Management Committee of the Bank in its 1st meeting dated December 29, 2022.

SI.	Member	Position in the committee
01	Head of Business	Chairman
02	Chief Financial Officer	Member
03	Head of ICT Division	Member
04	Head of CRM and Acting CRO	Member
05	Head of ICC Division	Member
06	Head of HRD	Member
07	Head of Card Division	Member
08	Head of Credit Administration Division	Member
09	Head of Retail Banking Division	Member
10	Head of International Division	Member
11	Head of Operations and GB Division	Member
12	General Service & Logistics Division	Member
13	Deputy Head of RMD	Member Secretary

Sustainable Finance Committee:



Terms of Reference (ToR) for Sustainable Finance Committee:

- To perform the activities, related to authorizing, managing and evaluating the functions/activities of Sustainable Finance Unit (SFU) as mentioned SFD Circular No. 02 dated December 01, 2016 issued by Bangladesh Bank.
- To set yearly goals and targets for the Sustainable Finance Unit (SFU) and evaluate the achievement.
- To ensure the coordination and cooperation among all the departments of the Bank to ensure of desired result in these segments.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is now being considered as an acceptable instrument all over the world to foster and promote cause of equitable & sustainable pace of thereby decreasing the inequality of a society and arresting environmental degradation. In this context, Bangladesh Bank prescribed a time bound action plan for implementation of effective CSR Policy with efficiency by the Banks. Sustainable Finance Unit of the Bank presently oversees the CSR activities and Sustainable Finance of the Banks including the reporting in the prescribed formats for ensuring better disclosure.

CSR initiatives

We at Citizens Bank PLC are keen on adopting and supporting initiatives, activities and programs that deliver a positive and sustainable impact on our communities and which have become an integral part of our CSR strategy. Accordingly, our role has not been limited to merely supporting said initiatives, but we have become partners in social, charitable and philanthropic endeavors.

Expenditure as Corporate Social Responsibility (CSR) in 2023

Given that our bank has started its commercial operations from 3rd July, 2022, it has yet to achieve net profitability (after taxation). Given the predicament, our dedication to social responsibility forms an integral part of core values, the management have deemed it salient, to not ignore contributions to social development agendas.

To that end, the Bank contributed a total sum of Taka 2.60 million in 2023 for the purpose of CSR in a number of local initiatives. The detail of the contribution is appended below:

In million Taka

Particulars	2023
Education	0.10
Environment and Climate Change Mitigation & Adaption	2.50
Total	2.60

Education:

Towards educational development, the bank envisages a world where education is equitable, inclusive and accessible to everyone. In support of such vision, the bank has donated BDT 0.10 million (10 Lacs) to the Bangladesh Disabled Development Trust (BDDT), to support their initiatives to help the visually impaired with their training program on Braille System.

Environment and Climate Change Mitigation & Adaption:

In 2023, the bank has donated BDT 2.50 million (25 lacs) towards the Ashrayan Project 2, which is a government led initiative to provide housing for disadvantaged families. The project aims to improve the quality of lives of the families struggling to live properly without adequate housing. This project aims to help these vulnerable segments of the population, through social housing to aid in their mobility up the socio - economic ladder.





Pillar 3 Market Discipline Disclosures on Risk Based Capital (Basel III) for the year ended December 31, 2023

The purpose of Market discipline in the Revised Capital adequacy Framework is to complement the minimum capital requirements and the supervisory review process. The aim of introducing Market discipline in the revised framework is to establish more transparent and more disciplined financial market so that stakeholders can assess the position of a bank regarding holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets.

The Basel III framework sets out minimum capital requirement standards for banks to ensure that banks are adequately capitalized against the risks they face and are able to withstand losses during periods of stress conditions. The framework consists of three pillars:

Pillar 1: sets out the minimum capital requirements for credit, market and operational risk;

Pillar 2: covers the review process by banks and supervisors to assess whether banks' Pillar 1 capital is adequate to meet the risk exposures and whether there is any requirement to hold additional capital in respect of any risks not covered by Pillar 1; and

Pillar 3: encourages market discipline and transparency through appropriate disclosures on capital adequacy and risk management processes.

In addition to the three pillars noted above, Basel III introduced leverage ratio, and liquidity standards namely liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) which have greater business implications for banks. Under market discipline, Basel III demands more disclosures than that of the previous.

The Bank made the qualitative and quantitative disclosures in detail below in accordance with Pillar III Market Discipline as per Guidelines on Risk Based Capital Adequacy (RBCA) under Basel-III issued by Bangladesh Bank on December 21, 2014.

The following components have been disclosed hereunder as per the requirement of RBCA guidelines under Basel-III issued by Bangladesh Bank:

- a) Scope of Application
- b) Capital Structure
- c) Capital Adequacy
- d) Investment Risk
- e) Equities: Disclosures for Banking Book Positions
- f) Interest Rate Risk in the Banking Book (IRRBB)
- g) Market Risk
- h) Operational Risk
- i) Leverage Ratio
- j) Liquidity Ratio
- k) Remuneration



A. SCOPE OF APPLICATION

Qua	litative Disclosures	
a)	The name of the top corporate entity in the group to which this guideline applies	The Framework applies to Citizens Bank PLC (CZB) on 'solo' basis as there was no subsidiary as on the reporting date (December 31, 2023).
b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (i) that are fully consolidated; (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	The Citizens Bank PLC obtained license for operating business in Bangladesh on 15th December 2020. The bank rolled out its commercial operation on 3rd July 2022. The disclosure made in the following sections has addressed Citizens Bank PLC as a single entity (Solo Basis) as there was no subsidiary as on the reporting date (31st December 2023). Citizens Bank PLC is 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.
c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital to subsidiaries.	Not applicable for the Bank as there was no subsidiary of the Bank on the reporting date (December 31, 2023).
Qua	ntitative Disclosures	
d)	The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.	Not Applicable.



B. CAPITAL STRUCTURE

Qua	alitative Disclosures				
a)	Summary information on	The regulatory capital under Basel-III is co Concern Capital) and ii) Tier-2 (Gone Concern			
	the terms and conditions of the main features of all capital	Tier-1 Capital (Going Concern Capital) has two components of Tier 1 Capital which are Common Equity Tier 1 Capital and Additional Tier 1 Capital. It consists of highest quality capital items which are stable in nature and allows a bank to absorb losses on an ongoing basis.			
	instruments, especially in the	Common Equity Tier 1 Capital includes paid- general reserve and retained earnings etc. an			
	case of capital instruments	Additional Tier 1 Capital will include perper preference shares etc.	tual bond or non-cumulative		
	eligible for inclusion in CET 1, Additional Tier 1 or Tier 2;	Tier-2 Capital (Gone Concern Capital) lacks s the going concern capital but also bears loss a extent. General provision on unclassified loan debt/instruments issued by the Bank that m Tier 2 capital, Minority interest i.e. Tier subsidiaries to third parties.	bsorbing capacity to a certain s and advances, Subordinated eet the qualifying criteria for		
Qua	antitative Disclosures				
b)	The amount of Regulatory capital, with separate disclosure of:	The amount of Regulatory Capital of Citizens I is noted below: CET1 Capital	Bank PLC as of 31.12.2023 Amount in Million Tk.		
	CET1Capital	Particulars of Regulatory Capital	Solo (2023)		
	Additional Tier 1 Capital	Tier-I capital	4,003.33		
	Total Tier 1 Capital Tier 2 Capital	1) Common Equity Tier-1 Capital (CET-1)	4,003.33		
	Her Z Capital	Fully Paid-up capital	4,000.00		
c)	Regulatory Adjustments	Non- repayable share premium account	-		
0,	/Deductions from	Statutory reserve	18.24		
	capital	General reserve	-		
d)	Total eligible capital	Retained earnings	(14.91)		
u)	i otal eligible capital	Dividend equalization reserve	-		
		Minority interest in subsidiaries	-		
		Regulatory Adjustments	-		
		2) Additional Tier-1 Capital (AT-1)	_		
		3) Total Tier-1 capital (1+2)	4,003.33		
		Tier-2 capital	37.49		
		General provision	37.49		
		Subordinated debt	-		
		All other preference shares	_		
		Regulatory Adjustments	_		
			37 49		
		4) Total Tier-2 capital Total Eligible Capital	37.49 4,040.82		



C. CAPITAL ADEOUACY

activities

Qualitative Disclosures

g)

A summary	The Bank is presently following Standardized Approach for assessing
discussion of the	and mitigating Credit Risk, Standardized Rule Based Approach for
bank's approach	quantifying Market Risk and Basic Indicator Approach for Operational
for assessing the	Risk to calculate Minimum Capital Requirement (MCR) under Pillar-I of
adequacy of its	Basel-III framework as per the guidelines of Bangladesh Bank.

capital to support Assessing regulatory capital in relation to overall risk exposures of a current and future bank is an integrated and comprehensive process. The Bank focuses on strengthening risk management and control environment rather than increasing capital to coverup weak risk management and control practices. CZB has been generating most of its incremental capital from retained profit to support incremental growth of Risk Weighted Assets (RWA). Besides meeting regulatory capital requirement, the Bank maintains adequate capital to absorb material risks foreseen. Therefore, the Bank's Capital to Risk Weighted Assets Ratio (CRAR) remains consistently within regulatory limit during 2023 (76.19%). To ensure the adequacy of capital to support the future activities, the bank assesses capital requirements periodically considering future business growth. Risk Management Division (RMD) under guidance of the SRP team/ERMC (Executive Risk Management Committee), is taking active measures to identify, quantify, manage and monitor all risks to which the Bank is exposed to.

Ouantitative Disclosures

b)	Capital requirement		Amount in Million Tk.
	for Credit Risk	Particulars	Solo 2023
c)	Capital requirement	Capital requirement for Credit Risk	460.04
	for Market Risk	Capital requirement for Market Risk	21.84
	Conital requirement	Capital requirement for Operational Risk	48.13
d)	Capital requirement for Operational Risk	Minimum capital requirement (MCR) 10%	F 000 00*
e)	Total capital, CET1	of Risk Weighted Assets or Tk. 5,000.00 million which is higher.	5,000.00*
	capital, Total Tier 1	Total capital maintained	4,040.82
	capital and Tier 2	Capital shortfall over MCR	(959.18)
	capital ratio: • For the	Capital to Risk Weighted Assets Ratio (CRAR)	76.19 %
	consolidated	CET -1to Risk Weighted Assets (RWA) ratio	75.48 %
	group; and	Tier-1 Capital to RWA ratio	75.48 %
	 For stand alone 	Tier-2 Capital to RWA ratio	0.71 %
f)	Capital Conservation Buffer	Capital Conservation Buffer (2.50% of RWA)	132.59
	Available Capital	Capital Conservation Buffer maintained (%)	66.19 %
g)	under Pillar 2 Requirement	Available Capital under Pillar 2 Requirement	40.82

* It is noteworthy that Bangladesh Bank have permitted Citizens Bank PLC as per letter BRPD(LS-1)/745(74)/2023-728 dated January 24, 2023 to maintain a minimum capital of Tk. 4,000.00 million instead of Tk. 5,000.00 million until July 02, 2024.



D. CREDIT RISK

Oualitative Disclosures

- The general a) qualitative disclosure requirement with respect to credit risk, including:
 - Definitions of past due and impaired (for accounting purposes);
 - Description of approaches followed for specific and general allowances and statistical methods:
 - Discussion of the bank's credit risk management policy; and

Credit Risk:

Credit risk arises from the potential that a bank's borrower will fail to meet its obligations in accordance with agreed terms. credit risk also refers the risk of negative effects on the financial result and capital of the bank caused by borrower's default on its obligations to the bank.

Generally, credits are the largest and most obvious source of credit risk. However, credit risk could steam from both on-balance sheet and off-balance sheet activities. It may arise from either an inability or an unwillingness to perform in the pre-committed contracted manner. Credit risk comes from a bank dealing with individuals, corporate, banks and financial institutions or a sovereign.

The assessment of credit risk Involves evaluating both the probability of default by the borrower and the exposure or financial impact on the bank in the event of default.

Past Due/Over Due:

A claim that has not been paid as of its due date is termed as past due claim. Payment may be for repayment/renewal/rescheduling or as an installment of a loan. Loans will be treated as past due and or overdue in the following cases:

- Any Continuous Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date.
- Any Demand Loan if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date.
- In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue from the following day of the expiry date.
- The Short-term Agricultural and Micro-Credit if not repaid within the fixed expiry date for repayment will be considered past due/overdue after six months of the expiry date.

For loan classification and maintenance of specific and general provision, Bank follows relevant circulars and advices of Bangladesh Bank from time to time. Provisions and interest suspense are separately shown under other liabilities as per first schedule of Bank Company Act 1991 (amendment up to 2018), instead of netting off with loans. The summary of some objective criteria for loan classification and provisioning requirement is as below:



Approaches followed for specific and general allowances:

		Consumer Financing					
Particul ars	Short Term Agri Credit	Other than HF, LP	HF	LP	SMEF	Loans to BHs/MB s/SDs	All other Credit
UC	1.0%	5%	1%	2%	0.25%	1%	1%
SMA	1.0%	5%	1%	2%	0.25%	1%	1%
SS	5%	20%	20%	20%	20%	20%	20%
DF	5%	50%	50%	50%	50%	50%	50%
B/L	100%	100%	100%	100%	100%	100%	100%

NB: CF=CONSUMER FINANCING, HF=HOUSING FINANCE, LP=LOANS FOR PROFESSIONALS TO SET UP BUSINESS, UC=UNCLASSIFIED, SMA=SPECIAL MENTION ACCOUNT, SS=SUBSTANDARD, DF=DOUBTFUL, B/L=BAD/LOSS, BHs/ MBs,/SDs= LOANS TO BROKERAGE HOUSES/MERCHANT BANKS/STOCK DEALERS

Credit Assessment and Risk Management:

A through credit and risk assessment shall be conducted prior to the granting of credits and at least annually thereafter for all facilities. The results of this assessment to be presented in a credit proposal that originates from relationship manager/account officer and is approved by Head of Credit Division. The relationship manager/account officer shall be the owner of customer relationship and must be held responsible to ensure the accuracy of the credit proposal submitted for approval.

All proposals of credit facilities must be supported by a complete analysis of the proposed credit. A comprehensive and accurate appraisal of the risk in every credit exposure of the bank is mandatory. No proposal can be put up for approval unless there is a complete written analysis.

Approval Process:

The approval process must reinforce the segregation of Relationship Management/Marketing from the approving authority. The responsibility for preparing the Credit proposal shall attach with the RM within the corporate banking division. Credit proposal shall be recommended for approval by the RM team and forwarded to the approval team within CRM and approved by individual executive. There commendation of the Head of Corporate Banking is required prior to onward recommendation to CRM for approval.

Credit Administration:

The Credit Administration function is critical in ensuring that proper documentation and approvals are in place prior to the disbursement of credit facilities. For this reason, it is essential that the functions of Credit Administration be strictly segregated from Relationship Management/ Marketing in order to avoid the possibility of controls being compromised or issues not being highlighted at the appropriate level.

Credit Monitoring:

To minimize credit losses, monitoring procedures and systems should be in



		of a exce • Pas exc • Cre red red • Tim	a borrower eptions: st due princ cesses, and edit terms and ceived on a f ferred to CR nely correct	des an early indication of the o . The respective officials s ipal or interest payments, past breach of credit covenants; nd conditions are monitored, fi regular basis, and any covenan M and the RM team for timely f ive action is taken to address f gulator inspection /audit.	hall monitor the followin due trade bills, account nancial statements are t breaches or exceptions are ollow up;
Jua b)	ntitative Disclosures Total gross credit				Amount in Million Tł
~,	risk exposures	SI.	Major typ	es of loans	2023
	broken down by major types of	1	Cash cred	it and overdrafts	1,923.08
	credit exposure	2	Loans(Ge	neral)	2,460.49
		3	House bui	lding loan	-
		4	Loan against trust receipt		-
		5	Bills purchased and discounted		-
		6	Other Loans		-
			Total		4,383.57
c)	Geographical				Amount in Million Tk
	distribution of	Par	ticulars	Name of Division	2023
	exposures, broken down in	Reg	ion Based	Dhaka	4,332.17
	significant areas			Chittagong	36.30
	by major types of credit exposure.			Rajshahi	-
				Sylhet	-
				Khulna	-
				Mymensingh	-
				Rangpur	_
				Barisal	15.10
				Total	4,383.57
		Cou	ntry Based	Domestic	4,383.57



				Amount in Million Tk
d)	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	SI.	Major Industry Types	2023
		1	Agri and micro credit through NGO	1,124.77
		2	Commercial and trading	281.60
		3	Construction	50.51
		4	Cement and ceramic industries	-
		5	Chemical and fertilizer	286.66
		6	Crops, fisheries and livestock's	-
		7	Electronics and electrical goods	
		8	Food and allied industries	
		9	Consumer finance	97.35
		10	Metal and steel products	163.02
		11	Pharmaceutical industries	99.76
		12	Power and fuel	-
		13	Rubber and plastic industries	549.34
		14	Readymade garments industry	27.74
		15	Ship building & breaking industry	-
		16	Sugar and edible oil refinery	-
		17	Transport and e-communication	508.12
		18	Textile mills	3.61
		19	Other manufacturing or extractive industries	727.16
		20	Others	463.92
			Total	4,383.57
				Amount in Million T
)	Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Particulars		2023
		On demand		324.93
		In not more than 1 month		554.27
		In more than 1 month but not more than 3 months		371.57
		In more than 3 months but not more than 1 year		2,608.44
		In more than 1 year but not more than 5 years		431.77
		In more than 5 years		92.58
		То	tal	4,383.57



- By major industry f) or counterparty type:
 - Amount of impaired loans and if available, past due loans, provided separately;
 - Specific and general provisions; and
 - Charges for specific allowances and charge-offs during the period.

SIn. Major Industry Types 2023 1 Agri and micro credit through NGO _ 2 Commercial and trading _ 3 Construction _ 4 Cement and ceramic industries _ 5 Chemical and fertilizer _ 6 Crops, fisheries and livestock's 7 Electronics and electrical goods _ 8 Food and allied industries _ 9 Consumer finance _ 10 Metal and steel products _ 11 Pharmaceutical industries _ 12 Power and fuel _ 13 Rubber and plastic industries 14 Readymade garments industry _ 15 Ship building & breaking industry _ 16 Sugar and edible oil refinery _

Gross Non-Performing Assets (NPAs)

Textile mills

Others

Total

Transport and e-communication

Other manufacturing or extractive industries

17

18

19

20

Particulars	2023
Gross Non-Performing Assets (NPAs)	-
Nonperforming assets to outstanding loans and advances	-
Movement of Non-Performing Assets (NPAs):	-
Opening balance	-
Additions/ (Reductions)	-
Closing balance	-



Major industry type amount of impaired loans:

Amount in Million Tk.

_

_

_

_

_

Gross Non-Performing Assets (NPAs)	
Movement of specific provisions for NPAs:	2023
Opening balance	-
Provision made during the period	-
Write off	-
Write back of excess provisions	-
Closing balance	_

E. EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS

Qualitative Disclosures

- a) The general qualitative disclosure requirement with respect to equity risk, including:
 - differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and
 - discussion of important policies covering the valuation and accounting of equity holdings in the banking book. this includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.

Banking book positions consist of those assets which are bought for holding until they mature. The bank treats unquoted equities as banking book assets. Unquoted equities are not traded in the bourses or in the secondary market, they are shown in the balance sheet at cost price and no revaluation reserve is created against these equities.

Our investment in quoted shares are being monitored and controlled by the Investment Committee, are reflected in accounts through proper methodologies and accounting standards of the local & international.

As per Bangladesh Bank circular (ref: BRPD circular number -14 dated June 25, 2003), the quoted shares are valued as per market price in the stock exchange(s).

Provisions for shares are maintained for unrealized loss (gain net off) arising from diminution in value of investments. Provision for shares against unrealized loss (gain net off) has been made according to DOS circular number-04 dated 24 November 2011 and for mutual funds (closed-end) according to DOS circular letter no-3 dated 12 March 2015 of Bangladesh Bank.



Qua	antitative Disclosures				
b)	Value disclosed in the		An	nount in Millio	on Tk.
	balance sheet of investments, as well as the	Particulars	Amount	t (Solo) 2023	
	fair value of those		Cost Price	Market Pr	ice
	investments; for quoted securities, a comparison to	Unquoted Share	_	_	
	publicly quoted share values where the share price is materially different	Quoted Share	98.73	87.70	
c)	from fair value. The cumulative realized gains (losses) arising from sales and liquidations in	Particulars		Amount	in Million Tk. (Solo)
d)	the reporting period. Total unrealized gains 	The cumulative realized gas sales and liquidations in th			(1.66)
	(losses)	Total unrealized gains (los	ses)		(11.03)
	 Total latent revaluation gains (losses) 	Total latent revaluation ga	_		
 Any amounts of the above included in Tier 2 capital. 		Any amounts of the above	-		
e)	Capital requirements broken down by	Denticulare		Amount	in Million Tk.
	appropriate equity groupings, consistent with	Particulars	2023		
	the bank's methodology, as	Unquoted Share			- 17.54
well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.		Quoted Share			
	NTEREST RATE RISK IN THE	BANKING BOOK (IRRBB)			
a)	The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior	Interest rate risk affects the bank's financial condition due to adverse movements in interest rates of interest sensitive assets and liabilities. Interest Rate Risk is managed through use of Gap analysis of rate sensitive assets and liabilities and monitored through prudential limits and stress testing. The IRRBB is monitored in movements/changes on a monthly basis and the impact on Net Interest Income is assessed.			



Qua	litative Disclosures								
	of non-maturity deposits, and frequency of IRRBB	Interest rate risk is the risk might adversely affect a bank			-		arket	intere	est rates
measurement.		Re-pricing risk is often the m for a bank and is often gaug assets that mature or re-pr volume of liabilities that do so	ied by ice wi	com	parin	g the	volu	me of	a bank's
Qua	intative Disclosures								
b)	The increase (decline) in earnings or	Gap analysis: Duration Gap			А	moun	t in M	1illion ⁻	Tk.
	economic value (or relevant measure used	Particulars						Solo) 2023	
	by management) for upward and downward	Weighted average duration in years	ofass	ets([DA)			0.78	
	rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).	Weighted average duration of liabilities (DL) in years				0.29			
		Duration gap (DA-DL) in years				0.57			
		Change of market value of rates as of December 31, 20		due				nterest 1illion ⁻	
		Particulars 1%			6	2%	0	3%	
		Fall in Market Value of Equi	ty	-7.	66	-15.3	31	-22.97	,
		Interest Rate Risk in th Sensitivity Analysis:	e Ban	king	Воо				e Million T
		Particulars	3 mo	nths	6 m	onths	1 y	year	Above year
		Interest sensitive assets	7,516	6.70	87	1.60	1,74	43.20	518.00
		Interest sensitive liabilities	4,284	4.50	1,09	97.37	2,1	94.73	40.20
		Net gap	3,232	2.20	(22	5.77)	(45	51.53)	477.80
		Cumulative gap	3,232	2.20	3,00)6.43	2,5	54.90	3,032.7
		Interest rate changes	1%	6	1	%		1%	1%
		Yearly earnings impact	3.2	23	(0.	.23)	(0).45)	0.48
		Accumulated earnings impact	3.2	23	3	.01	2	2.55	3.03



/investment activities rates, foreign currency exchange rates, equity prices and prices. The financial instruments that are held with trading hedge against various risks, are purchased to make profit fr between the bids and ask price are subject to market risk. CZE to market risk mostly stemming from Government Treasu Bonds, foreign currency etc. Methods used to measure Market risk There are several methods used to measure market risk and the those methods which deem fit for a particular scenario. For interest risk from earnings perspective, the bank uses m analysis, duration gap analysis, sensitivity analysis and mar (MTM) method and for measuring foreign exchange risk. CZB uses standardized (Rule Based) method for Calculating ca against market risks for minimum capital requirement of the BaseI-III. Market Risk Management The Bank has its own Market Risk Management System whi Asset Liability Risk Management (ALM) and Foreign Exc Management under the core risk management guidelines. Policies and processes for mitigating market risk Risk Management and reporting is based on parameter Maturity Gap Analysis, Duration Gap Analysis etc. in line wit best practices. Policies and processes for mitigating market risk. Risk Profiles are analyzed and mitigating strategies are su the Asset Liability Committee. Policies and processes for mitigating market risk. Risk Profiles are analyzed and mitigating strategies are su the Asset Liability Committee. Policies and processes for mitigating market risk. Risk Profiles are analyzed and mitigating strategies are su the Asset Liability Committee. Policies and processes for mitigating strategies co atla goals. Risk			MARKET RISK	G. N
/investment activities rates, foreign currency exchange rates, equity prices and prices. The financial instruments that are held with trading hedge against various risks, are purchased to make profit fr between the bids and ask price are subject to market risk. CZE to market risk mostly stemming from Government Treasu Bonds, foreign currency etc. Methods used to measure There are several methods used to measure market risk and th those methods which deem fit for a particular scenario. For interest risk from earnings perspective, the bank uses manalysis, duration gap analysis, sensitivity analysis and mar (MTM) method and for measuring foreign exchange risk. CZB uses standardized (Rule Based) method for Calculating ca against market risks for minimum capital requirement of the Basel-III. Market Risk Management The Bank has its own Market Risk Management System whi Asset Liability Risk Management (ALM) and Foreign Exc. Management under the core risk management guidelines. Policies and processes • Risk Management and reporting is based on paramete Maturity Gap Analysis, Duration Gap Analysis etc. in line with best practices. • Risk Profiles are analyzed and mitigating strategies are su the Asset Liability Committee. • Foreign Exchange Net Open Position (NOP) limits (Day limit limit), deal-wise trigger limits. Stop-loss limit, Profit / Loss i cross currency trading are properly monitored and exceptit is regularly carried out. • AlcO analyzes market and determines strategies to atta goals. • Reconcillation of foreign currency transactions. Ouantitative Disclosures The capital requirements <u>Amount in Particulars 2</u> b) Th			alitative Disclosures	Qua
Market risk those methods which deem fit for a particular scenario. For interest risk from earnings perspective, the bank uses m analysis, duration gap analysis, sensitivity analysis and mar (MTM) method and for measuring foreign exchange risk. CZB uses standardized (Rule Based) method for Calculating ca against market risks for minimum capital requirement of the Basel-III. Market Risk Management system The Bank has its own Market Risk Management (ALM) and Foreign Exc Management under the core risk management guidelines. Policies and processes for mitigating market risk • Risk Management and reporting is based on paramete Maturity Gap Analysis, Duration Gap Analysis etc. in line with best practices. • Risk Profiles are analyzed and mitigating strategies are st the Asset Liability Committee. • Foreign Exchange Net Open Position (NOP) limits (Day limit limit), deal-wise trigger limits, Stop-loss limit, Profit / Loss i cross currency trading are properly monitored and exception is regularly carried out. b) The capital requirements for: The capital requirements: Amount in Particulars foreign exchange risk; Equity position risk; The capital requirements: Amount in Particulars	and commodity ading intent or to ofit from spreads k. CZB is exposed	Market risk arises due to changes in the market variables such rates, foreign currency exchange rates, equity prices and o prices. The financial instruments that are held with trading i hedge against various risks, are purchased to make profit fro between the bids and ask price are subject to market risk. CZB to market risk mostly stemming from Government Treasur Bonds, foreign currency etc.		a)
system Asset Liability Risk Management (ALM) and Foreign Exc. Policies and processes for mitigating market risk • Risk Management and reporting is based on parameter Maturity Gap Analysis, Duration Gap Analysis etc. in line with best practices. • Risk Profiles are analyzed and mitigating strategies are su the Asset Liability Committee. • Foreign Exchange Net Open Position (NOP) limits (Day limit limit), deal-wise trigger limits, Stop-loss limit, Profit / Loss i cross currency trading are properly monitored and exception is regularly carried out. • Holding equities is monitored regularly so that the investm within the limit as set by Bangladesh Bank. • ALCO analyzes market and determines strategies to atta goals. • Reconciliation of foreign currency transactions. Quantitative Disclosures b) The capital requirements for: interest rate risk; equity position risk; foreign exchange risk; The capital requirements: Particulars Amount in Particulars Interest rate risk; equity position risk; foreign exchange risk Equity position risk 1	o. For measuring ses maturity gap d mark to market ing capital charge	CZB uses standardized (Rule Based) method for Calculating cap against market risks for minimum capital requirement of the B		
for mitigating market risk Maturity Gap Analysis, Duration Gap Analysis etc. in line with best practices. Risk Profiles are analyzed and mitigating strategies are su the Asset Liability Committee. Risk Profiles are analyzed and mitigating strategies are su the Asset Liability Committee. Foreign Exchange Net Open Position (NOP) limits (Day limit limit), deal-wise trigger limits, Stop-loss limit, Profit / Loss i cross currency trading are properly monitored and exception is regularly carried out. Holding equities is monitored regularly so that the investm within the limit as set by Bangladesh Bank. ALCO analyzes market and determines strategies to atta goals. Reconciliation of foreign currency transactions. Quantitative Disclosures The capital requirements: Amount in Particulars for: Interest rate risk; equity position risk; Equity position risk foreign exchange risk; Foreign exchange risk	n Exchange Risk	The Bank has its own Market Risk Management System whic Asset Liability Risk Management (ALM) and Foreign Exch Management under the core risk management guidelines.	-	
b) The capital requirements for: interest rate risk; equity position risk; foreign exchange risk; Foreign exchange risk;		 Risk Management and reporting is based on parameter Maturity Gap Analysis, Duration Gap Analysis etc. in line with best practices. 		
b) The capital requirements for: interest rate risk; interest rate risk; equity position risk; foreign exchange risk;	are suggested by	 Risk Profiles are analyzed and mitigating strategies are such the Asset Liability Committee. 		
within the limit as set by Bangladesh Bank. ALCO analyzes market and determines strategies to attagoals. Reconciliation of foreign currency transactions. Quantitative Disclosures b) The capital requirements for: interest rate risk; The capital requirements: equity position risk; Equity position risk; foreign exchange risk; Foreign exchange risk	Loss in respect of	limit), deal-wise trigger limits, Stop-loss limit, Profit / Loss in cross currency trading are properly monitored and exceptio		
goals. goals. • Reconciliation of foreign currency transactions. Quantitative Disclosures b) The capital requirements for: interest rate risk; Interest rate risk; equity position risk; Equity position risk foreign exchange risk; Foreign exchange risk	estment remains			
Quantitative Disclosures b) The capital requirements for: interest rate risk; Particulars equity position risk; Equity position risk foreign exchange risk; Foreign exchange risk	o attain business	-		
b) The capital requirements for: interest rate risk; equity position risk; foreign exchange risk; b) The capital requirements: Particulars Interest rate risk Equity position risk Foreign exchange risk; c) Comparison comparison Comparison comparison Comparison Comparison comparison Comparison comparison Comp			Jantitative Disclosures	Oua
for: Particulars 2 interest rate risk; Interest rate risk Interest rate risk equity position risk; Equity position risk 1 foreign exchange risk; Foreign exchange risk 2		The capital requirements:		-
equity position risk;Equity position risk1foreign exchange risk;Foreign exchange risk2	ount in Million Tk. 2023	Amount m		U)
foreign exchange risk; Foreign exchange risk	1.71	Interest rate risk 1	interest rate risk;	
	17.54	Equity position risk 17	equity position risk;	
and	2.59	Foreign exchange risk 2	foreign exchange risk;	
	-	Commodity Risk	and	
Commodity risk Total 2	21.84	Total 21	Commodity risk	



Н. (OPERATIONAL RISK	
Qua	alitative Disclosures	
a)	Views of BOD on system to reduce Operational Risk	Operational risk is the risk which may arise directly or indirectly due to failure or breakdown of system, people and process. This definition includes legal risk, but excludes strategic and reputation risk. The Bank manages these risks through a control-based environment in which processes are documented, authorization is kept independent and transactions are reconciled and monitored. This is supported by a periodic process conducted by ICCD and monitoring external operational risk events, which ensure that the Bank stays in line with the international best practices.
	Performance gap of executives and staffs	CZB is an equal opportunity employer. It recognizes the importance of having the right people at right positions to achieve organizational goals. Our recruitment and selection are governed by the philosophy of fairness, transparency and diversity.
		The bank believes that training and knowledge sharing is the best way to reduce knowledge gap. Therefore, it arranges trainings on a regular basis for its employees to develop their expertise. The bank offers competitive pay package to its employees based on performance and merit. It always tries to develop a culture where all employees can apply his/her talent and knowledge to work for the organization with high ethical standards in order to add more value to the company and for the economy.
	Potential external events	• Russian invasion of Ukraine has already cast a dark shadow on global economy by threatening the global financial system to an unprecedented level.
		• Global inflationary pressure will increase further due to big jump in oil and commodity prices as the war has also threatened to disrupt the global supply chain making the world trade costlier.
		• Bangladesh is likely to face a series of troubles on both economic and geo-political fronts. Economic shock will be felt immediately whereas geo-political difficulty will be visible in the near future. Being globally exposed mostly through trade, the economic shock will be transmitted at a faster rate.
		• Bangladesh's export to Russia and its adjacent countries would hamper and at the same time the import prices of fertilizer's especially urea might increase due to the war.
		• Import cost would be higher due to global inflation which creates pressure on dollar prices.
		• Bank may face issue in managing affordable fund in mid/long run due to vulnerable market condition caused by slow growth, higher inflation.



	Policies and processes for mitigating operational risk	Operatio dealings Complia Bank and divisions inspectio	nal Risks. Bank stro and other banking nce Division of the E d External Auditors co at Head Office and su ons. Necessary contr	ngly follows KYC g operations. Th Bank, the inspect nduct inspection ubmit reports pres	with managing differen norms for its custome ne Internal Control and ion teams of Banglades on different branches and senting the findings of the I corrective actions have made in these reports.			
	Approach for calculating capital charge for operational risk	The Bank has adopted Basic Indicator Approach (BIA) to compute capital charge against operational risk under Basel III as per Bangladesh Bank Guidelines						
Qua	antitative Disclosures							
b)	The capital requirements for operational risk	Capital r	equirement for opera	tional risk	Amount in Million Tk			
		Partic	ulars		Solo 2023			
		The ca	pital requirements for o	perational risk	48.13			
		Basic In	ion of Capital Charge dicator Approach	-	Amount in Million Tk			
		Year	Gross Income (GI)	Average GI	15% of Average GI			
		2023	470.50	-	-			
		2022	272.68	-	-			
		2021	219.49	-	-			
		Total	962.66	320.89	48.13			
l. L	IQUIDITY RATIO							
Qua	alitative Disclosures							
a)	Views of BOD on system to reduce liquidity Risk	Liquidity risk is the risk of probability to be unable to meet short te financial demands by the bank. This may occur due to the inability convert a security or fixed asset to cash without a loss of capital and income in the process.						
		been gi Bank. I Reserve emphas requirer	ving utmost importar n order to reduce li e Ratio (CRR) and Stat ized on a regular bas ment Liquidity Covera	nce to minimizing quidity risk, strid utory Liquidity Re sis. Apart from th ge Ratio (LCR) and	Directors that has always g the liquidity risk of the ct maintenance of Cash eserve (SLR) is also being hese, as part of Basel-II I Net Stable Funding Ratic of the Board of Directors			



	Methods used to measure Liquidity risk	 The tools and procedures deployed by CZB to manage liqui risks are comprehensive. The measurement tools used to a liquidity risks are: Statutory Liquidity Requirement (SLR) Cash Reserve Ratio (CRR) Asset to Deposit Ratio (ADR) Structural Liquidity Profile (SLP) Maximum Cumulative Outflow (MCO) Liquidity Coverage Ratio (LCR) Net Stable Funding Ratio (NSFR) Liquid Asset to Total Deposit Ratio Liquid Asset to Short Term Liabilities 	•		
 Liquid Asset to Short refin Liabilities Liquidity risk management is a key banking fur of the asset and liability management process banks is the maturity transformation of short into long-term loans (assets) and this makes bat to liquidity risk. The Board of Directors of the Bank set policy a limits for liquidity risk management. Asset a Committee (ALCO) is responsible for both liquidity management. Ongoing liquidity management agenda of ALCO meeting, which takes The ALCO of the Bank monitors & manages liquin line with the business strategy. 			ess. The fundamental role of ort-term deposits (liabilities) s banks inherently vulnerable ey and different liquidity ratio et and Liability Management th statutory and prudential anagement is discussed as a ses place on a monthly basis.		
	Policies and processes for mitigating liquidity risk	We strictly follow the Bangladesh Bank instructions and po to prepare the structural liquidity profile and submit it to B Bank every month. We also place liquidity related informat meeting of the Board of Directors/Board Risk Management so that they can give necessary directives to adjust/prever branch of the limits set by the Board and the Bangladesh B	angladesh ion to the : Committee nt us from the		
Qua	ntitative Disclosures				
b)	Liquidity Coverage Ratio	Amount	in Million Tk.		
	Net Stable Funding Ratio (NSFR)	Particulars	2023		
	Stock of High-quality	Liquidity Coverage Ratio (LCR)	334.74%		
	liquid assets Total net cash outflows	Net Stable Funding Ratio (NSFR)	113.27%		
	over the next 30 calendar days	Stock of High-quality liquid assets	258.77		
	Available amount of	Total net cash outflows over the next 30 calendar days	77.30		
	stable funding	Available amount of stable funding	1,100.77		
1	Required amount of stable funding 1,100 Required funding 971				



Qua	litative Disclosures						
a)	Views of BOD on system to reduce excessive leverage	Leverage ratio is the ratio of Tier 1 of sheet exposures. It was introduced non-risk-based backstop limit, to requirements. CZB has embraced this as a credible supplementary measure and assess the ratio periodically. The should maintain its leverage ratio requirements which will eventually ind organization.	into the Basel III framework supplement risk-based ca statio along with Basel III guid to risk based capital requirer Board also believes that the o on and above the regula	as apita elin mer Ban ator			
	Policies and processes for managing excessive on and off- balance sheet leverage	The bank reviews its leverage position as per the Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III). In addition, the bank has Risk Appetite as per Credit Risk Management Policy and Risk Appetite Framework of the Bank. The Bank also employ Annual Budget Plan and Capital Growth Plan for managing excessive on and off-balance sheet leverage.					
	Approach for calculating exposure	The bank calculates the exposure under standardized approach as per the Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III).					
Qua	antitative Disclosures						
b)	Leverage Ratio		Amount in Million Tk.				
	On balance sheet exposure	Particulars	2023				
	Off balance sheet	Leverage Ratio	26.80%				
	exposure	On balance sheet exposure	14,570.52				
	Total exposure	Off balance sheet exposure	369.21				
		Total exposure	14,939.73				
K. F	REMUNERATION						
Qua	litative Disclosures						
a)	Information relating to the bodies that oversee remuneration. Disclosures should include:	Mainly, the Human Resources Divis line with its HR management stra Management Team (SMT) of the B the competent authority where the designation wise and the same is f	ategy under supervision of Se ank. The pay scale is approve e salaries and increments are f	enio d by			

	External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process. A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches. A description of the types	required restructuring and modification in proportion with the industry best practices as per requirement. The Bank has no External Consultant regarding 'remuneration' and its process. However, provision is there for acquiring expert opinion in case of settlement of employees' dues in case of death, penalty etc. if required, by the management.
	of employees considered as material risk takers and as senior managers, including the number of employees in each group.	
b)	Information relating to the design and structure of remuneration processes. Disclosures should include: An overview of the key features and objectives of remuneration policy.	The Bank is committed to maintain a fair and competitive remuneration structure and does not differentiate the pay structure by regions. We consider the members of the senior management, branch managers and the employees engaged in different functional divisions at Head Office (except the employees involved in internal control, risk management and compliance) as the material risk takers of CZB.
	Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made.	Remuneration and other associated matters are guided by the Bank's approved Service Rules as well as instruction and guidance from the Board from time to time in line with the industry's prevailing practice with the objectives of retention and hiring of experienced workforce focusing on justifiable growth of the Bank.
	A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.	



c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures should include:	Human Resources Division under guidance of the Senior Management Team (SMT), the Board and senior management reviews the issues of remuneration and its associated matters from time to time.
	An overview of the key risks that the bank takes into account when implementing remuneration measures.	The risk and compliance employees are carrying out the activities independently as per specific terms of references, job allocated to them. Regarding remuneration of the risk and compliance employees. Human Resources Division does not make any
	An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed).	difference with other mainstream/ regular employees and sets the remuneration as per the prevailing rule of the Bank primarily governed by the employees' service rule of the Bank.
	A discussion of the ways in which these measures affect remuneration.	
	A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.	
d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration. Disclosures should include:	The business risk including credit/default risk, compliance & reputational risk are mostly considered when implementing the remuneration measures for each employee/group of employees.
	An overview of main performance	Financial and Liquidity risks are also considered.
	An overview of main performance metrics for bank, top-level business lines and individuals.	Different set of measures are in practice based on the nature & type of business lines/segments etc. These
	metrics for bank, top-level business	Different set of measures are in practice based on the
	metrics for bank, top-level business lines and individuals. A discussion of how amounts of individual remuneration are linked to bank-wide and individual	Different set of measures are in practice based on the nature & type of business lines/segments etc. These measures are primarily focused on the business target/goals set for each area of operation, branch vis-à-vis the actual results achieved as of the reporting date. The most vital tools & indicators used for measuring the risks



e)	Description of the ways in which the bank seeks to adjust remuneration to take account of longer-term performance. Disclosures should include:	While evaluating the performance of each employee annually, all the financial and non-financial indicators as per pre-determined set criteria are considered; and accordingly, the result of the performance varies from one to another and thus affect the remuneration as well.
	A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of	No material change has been made during the year 2023 that could affect the remuneration.
	variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance. A discussion of the bank's policy and criteria for adjusting deferred	The Board sets the Key Performance Indicators (KPIs) while approving the business target/budget for each year for the bank and business lines/segments. The management sets the appropriate tools, techniques and strategic planning (with due concurrence/approval of the Board) towards achieving those targets. The most common KPIs are the achievement of loan, deposit & profit target with the threshold of NPL ratio, cost-income ratio, capital to risk weighted asset ratio (CRAR), ROE, ROA, liquidity position
	remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements.	(maintenance of CRR and SLR) etc. The remuneration of each employee is paid based on her/his individual performance evaluated as per set criteria. And, accordingly, the aggregate amount of remuneration of the Bank as a whole is linked/ impacted to the same extent.
		The Bank follows remuneration process as per set criteria with no in general adjustment in the event of weak performance metrics/scorecard.
		As per approved Service Rules, CZB does not have provision of any kind of variable remuneration.
f)	Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms. Disclosures should include:	At CZB we recognize the effort and performance of our employees based on our approved Service Rule which consists of base salary and different benefit packages mentioned earlier. Therefore, CZB does not use any form of variable remuneration in its remuneration process.
	An overview of the forms of variable remuneration offered (ie cash, shares and share-linked instruments and other forms.	
	A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description the factors that determine the mix and their relative importance.	



Qua	antitative Disclosures	1			
g)	Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	comr propo Polic	uch meeting as there is nittee. HR Division is ass osal on remuneration as y of the bank and get nece stors (BoD).	signed to per the F	initiate any chan People Manageme
h)	Number of employees having			Amour	nt in Million Tk.
,	received a variable remuneration		Particulars	Number	r Amount
a N g tł N a y	award during the financial year. Number and total amount of guaranteed bonuses awarded during the financial year. Number and total amount of sign-on awards made during the financial year. Number and total amount of severance payments made during the financial year.		Employees having received a variable remuneration award (Profit Bonuses)	N/A	N/A
			Guaranteed bonuses awarded (Festival Bonuses)	2	14.93
			Sign-on awards made	N/A	N/A
			Severance payments made (PF, GF, Leave Encashment)	N/A	N/A
i)	Total amount of outstanding deferred remuneration, split into cash, shares		Particulars	Amoun	t in Million Tk.
	and share-linked instruments and other forms.		Total amount of outstan deferred remuneration (GF etc.):	-	N/A
	Total amount of deferred remuneration paid out in the financial		Cash		N/A
	year.		Shares		N/A
			Share-linked instrument others	ts &	N/A
			Total amount of deferred remuneration paid out in 2023		N/A



)	Breakdown of amount of	Ar	nount in Million
	remuneration awards for the	Particulars	Amount
	financial year to show: - fixed and variable.	Breakdown of amount of remuneration:	N/A
	- deferred and non-deferred.	Fixed (Salary & allowances)	N/A
		Variable (Incentive Bonuses)	N/A
	-different forms used (cash, shares and share linked	Deferred (PF, GF)	N/A
	instruments, other forms).	Non-deferred	N/A
		Different forms used	N/A
		Cash	N/A
		Shares	N/A
		Share-linked instruments & others	N/A
	shares or performance units) and explicit adjustments (eg claw	Total amount of outstanding deferred remuneration and	
·		Amou	unt in Million Tk
		deferred remuneration and	
		retained remuneration exposed to ex post explicit and/or implicit adjustments	N/A
		Total amount of reduction during 2023 due to ex post	N/A
		explicit adjustments	
		Total amount of reduction during 2023 due to ex post implicit adjustments	N/A
	Total amount of reductions during the financial year due to ex post explicit adjustments.		
	explicit aujustments.		



CORPORATE BANKING

With the aim of the nation is set to ascend from Least Developed Country (LDC) status to a developing nation by 2026, with the ambitious objective of achieving developed country status by 2041. By embracing the forward-thinking initiative, "Smart Bangladesh" and "Cashless Bangladesh," the country is on the trajectory to become a digital leveraging avant-garde technology to propel economic growth, elevate living standards, and generate new opportunities for its populace.

The Business Division is actively engaged in onboarding high-caliber clientless across Corporate segments to ensure the Bank's sustainable growth by offering comprehensive banking solutions for institutional clients, spanning the public and private sectors. These segments include large corporates, mid-sized businesses, and various progressive institutional sectors. CZB Corporate Banking has been the reliable partner for the progress of its corporate clients providing a comprehensive range of all-out financial solutions. At the end of the year 2023, the Bank's loan portfolio stands at BDT438.36 crore, with a substantial portion attributed to the Corporate Business Division. The Business Division is fully furnished towards delivering high level of services to its clientless by providing tech-savvy and all-out financial solutions in alignment with the appropriate requirement.

Consequently, CZB is dedicated to delivering exemplary services to foster sustainable relationships that are mutually benefitable at the institutional levels. Corporate relationship units are committed to providing holistic support to all business segments, encompassing project finance, working capital finance, trade financing, and a diverse array of other business services. Our strategy to cultivate robust, enduring, and mutually beneficial partnerships with our clients, facilitated by our most proficient team members, has been pivotal in sustaining growth. A summary in brief of the Business Division's activities is delineated below:

CZB Corporate Banking stands as the preeminent provider of trustworthy financial solutions in Bangladesh, delivering integrated banking solutions to leading local and multinational corporates and conglomerates. Since inception, CZB has established itself as a reliable banker to some of the most prominent industrial entities of the country. The division engages with clients through a spectrum of banking requirements, including corporate banking facilities, cash management, and other structured solutions.

Aligned with the Bank's vision to be the preferred financial solution partner for clients, CZB Corporate Banking aspires to establish a significant presence across the nation's banking landscape. Our commitment extends beyond conventional lending, with the overarching goal of ensuring the financial welfare of our clients across various segments, fostering sustainable financial well-being, and stimulating business growth as a financier and lender. Our corporate slogan, "Today, Tomorrow, Together," epitomizes our unwavering dedication to support our valued clients through both prosperous and challenging times.

With a blend of efficient and seasoned Bankers from different arena, CZB Corporate Banking is dedicated to providing prompt and effective banking services to its valued clients. Citizens Bank has embarked on its journey amidst numerous challenges, yet its innovative products, resourceful services and time-bound initiatives to provide optimum level of services have enabled the Bank to sustainable growth even during turbulent geopolitical scenarios and instability across global radius. In response to the current economic challenges, CZB has emerged even stronger, well-positioned to drive the continued growth of Bank as well as Bangladesh's economy.

The primary responsibilities of the relationship units are to cultivate and maintain sustainable, mutually beneficial and profitable relationships with their customers by providing tailor-made best financing solutions as fit and proper based on the appropriate need of the clients. These solutions encompass working capital, long and short-term financing, Trade services businesses, Bank guarantee and syndication lending to meet the diverse financial needs of clients. The unit has actively participated in structured finance and aims to



offer a comprehensive range of services, including fund arrangement, all-out banking services and other innovative solutions to its corporate clientless. This dedicated team comprises highly skilled professionals with a unique blend of industry expertise, enabling them to adeptly address the complex challenges associated with each transaction.

MANAGING RISK IN CREDIT PORTFOLIO

The Bank follows an efficient and comprehensive risk management process and hence is responsible for managing the credit risk of the bank's total credit portfolio i.e. lending to different segments like Corporate, MSME, NGO, Retail, Agriculture and other Banks/Financial Institutions. The Bank has well-defined responsibility for management of all sorts of credit risks. The main objective of the Bank is to minimize negative impact through adopting proper measures in line with norms set by the Central Bank as well as in accordance with the credit policy as approved by the Board of Directors of the Bank and to limit credit risk exposures within acceptable level. A Credit Risk Management Committee has been constituted comprises the top executives from various divisions of the bank and as per recommendation of the committee, all credit proposals are disposed of under the decision of the delegated authority of the Bank. The Board of Directors of the Bank set credit policies and delegates authority to the Management of the Bank for setting procedures which together has structured the credit risk management framework in the Bank.

Diversification of Credit Portfolio with Strategic Focus

- To mitigate concentration risk, we emphasizes diversification in the bank's credit portfolio. By lending to a broad spectrum of industries and sectors, the bank reduces its exposure to adverse developments in any specific segment, thereby promoting stability in the face of economic fluctuations.
- Align business profiles and plans with risk appetite and ensure exposures to customers/groups are within regulatory guidelines and credit policy.
- Mitigate risk with appropriate measures, initiatives, disclosures and relevant supporting documents.
- Ensure compliance in respect of all regulatory norms and guidelines with utmost diligence.

Products and Services

Banking industry of Bangladesh has become steeply competitive having as many as 61 scheduled Banks are in operation at present. Hence, sustainable growth of any Bank depends upon introduction of innovative business products properly addressing the risk issues to cater the clients' specific requirement vis-a-vis to broaden the clientele base. In this scenario, as a coping strategy, banks are required to be more innovative with strategic mindset for exploring new opportunities for business expansion toward optimization of profitability. Bank's corporate slogan "Today-Tomorrow-Together" reinforces the necessity of innovating credit-oriented products in alignment with the requirements of the diversified sectors/segments. In order to compete with the market leaders, Citizens Bank designs new products with superior value-added features to deliver optimum benefits to the counterparty clients.

Key Initiatives in 2023

In 2023, major initiatives of the Credit Risk Management Division of Citizens Bank PLC include contributions in:

- Ensuring compliance with "Guidelines on Credit Risk Management (CRM) for Banks", "Guidelines on Environment and Social Risk Management (ESRM) for Banks and Financial Institutions in Bangladesh" and "Internal Credit Risk Rating System" of Bangladesh Bank and circulars of Bangladesh Bank.
- Disposal of 253 nos. of credit proposals out of which 240 nos. for amount of BDT 793.90 crore have been approved and 13 nos. for amount of BDT 85.71 crore have been declined.
- Actively supporting in developing/modifying loan products matching with the clients' requirements.



- Updating/Developing different proposal formats as well as credit related other formats to facilitate disposal of credit proposals from Branch and Head Office end for getting approval from the competent authority(ies).
- Modification of general as well as product category-wise terms, conditions and general covenants to be incorporated in the sanction advice which to be communicated with the borrowers for approved credit facilites.
- Ensuring the overall asset quality and sustainable growth of the bank.
- Accomplishing the goals of faster disposal of credit proposals, expansion of digital platforms and combating money laundering in 2023.

Focusing Way Forward

Bank anticipates 2024 to be another challenging year with the financial sectors already straddled with multi-faced problematic issues largely due to price fluctuations, current account deficits and stubbornly high inflation. The division plans to implement robust risk mitigation processes to ensure regulatory compliance with utmost diligence and maintain a high-quality asset portfolio while maximizing the interest income as well as commission and fee-based income. As being a new bank and considering the inherent strength level of our bank, we stay focused to measure an acceptable risk in terms of tolerance level and risk appetite across different sectors of the economy.

RETAIL BANKING

In order to proactively serve clients with emergency needs, Citizens Bank PLC offers a wide range of retail products, including personal loans, home loans, auto loans, etc. Our substantial rise in retail loans in 2023 was fueled by the expansion of the personal and home loan divisions, which both offered enticing value propositions. Besides, we purposefully targeted the payroll market, providing simpler financing options. Initiatives to improve capacity were implemented, and customized offerings were produced to appeal to a variety of clientele groups, raising consumer satisfaction. Maintaining a commitment to quality lending, Citizens Bank ensures healthy retail file sourcing by the dedicated resource of Retail Business Division, resulting lower percent of classified loans.

In order to cover a variety of client segments and increase customer satisfaction, capacity augmentation activities have been implemented along with customized offerings.

Card Services

In this stiffly competitive market scenario, especially in the banking landscape, we feel the imperative need to take proactive initiative for scouting the customers across the different segments to make our position viable amidst of challenges. As part of our priority; to make our presence prominent in the digital banking arena, we intend to focus on the Card & ADC business and have made significant headway by launching VISA-branded Debit, Prepaid and Credit cards for the constituents of different income brackets in March 2024 as an Associate Member of VISA International.

Citizens Bank introduced the VISA branded Platinum Credit Card as one of the most attractive tailor-made lifestyle products to cater to the financial needs of customers across the globe. Already Citizens Bank Card division is tied up with more than 100 renowned strategic partners from various segments, i.e. Hotel, Resort, Hospitals, Mobile brand shops, Restaurants, Travel agents, Electronic brand shops, and Lifestyle shops, where our cardholders can avail of exclusive discounts, EMI payment facilities, cashback facility in various merchant points and enjoy BOGO, B1G2 & B1G3 facilities in various reputed restaurants nationwide.



Key features of Citizens Bank VISA Card:

Credit Card:

- 1. Multicurrency single-account card
- 2. No hassle for limit conversion for international transaction
- 3. 100% Annual fee waiver for 1st year
- 4. 2nd year Card fee waiver with 10 successful transaction
- 5. 2 Free supplementary credit card facility
- 6. Up to 95% of the fund transfer facility at a minimal processing fee
- 7. 0% Pay comfort EMI facility in selective merchant point
- 8. Any POS EMI facility @ 10.10% PA
- 9. Free Add money facility in all MFS from Credit Card
- 10. Instant cash advance facility from all Q-Cash, NPSB & VISA accepted ATM network
- 11. Broadly accepted in all merchant points with the VISA logo across the globe

Debit Card & Prepaid Card:

- 1. Nationwide ATM Cash withdrawal charge-free
- 2. Instant transaction alert facility
- 3. International Prepaid Card facility, no bank account required to avail of this facility

It is also noteworthy that; to promote card-based transactions, we have launched a cashback offer for cardholders in collaboration with famous local brands named AARONG, AAGORA, MEENA BAZAR, UNIMART, SHOPNO on the occasion of event of Eid ul Fitr 2024.

Citizens Bank also offers 24/7 banking facility by deploying the latest ADC products like CRM & ATM facilities with all branch adjunct locations, where account holders can make instant deposits and withdraw money from accounts without visiting the bank counter.

At present the Citizens Bank Card Division is offering various attractive facilities to its cardholders and working hard to explore and offer various new avenues to products and services in the coming days to make our cardholder's passing moments enjoyable.

FOOTSTEPS BEYOND NATIONAL TERRITORY

The International Division of the Bank has taken different measures as it's relentless effort to expand international footprint, where the mentionable ones are establishing correspondent banking relationship with other Banks and Financial Institutions at home and abroad. By completing all the regulatory requirements, the Bank has obtained it's SWIFT BIC: CIZSBDDH and running the cross-border trade and treasury related transactions through this.

The bank has already established 51 RMA (Relationship Management Application) with some correspondent banks of India, China, Singapore, USA, UK, UAE and Bangladesh. Meanwhile the Bank has opened seven foreign currency accounts in the currency of USD, EURO and GBP with different Banks of UK, USA and India to accommodate the requirements of Import based and export-oriented clienteles across the different segments. A few more exchange houses are also being incorporated to disburse homebound remittances, i.e. Western Union, Ria Financial Services and NEC, Italy and such kind of arrangement with other prominent exchange houses has been under the active process. At present we have two Authorized Dealer Licenses of



which one for Head Office through which we centrally operating our trade finance related activities and the other for the Principal Branch. To ensure transparency and compliance in cross-border transactions, the bank is using Sanction Screening module to screen all transactions against UN, OFAC and other sanction lists and we are also extant in Bankers Almanac which is a global informative platform of all Banks.

Citizens Bank PLC is dedicated to facilitating and supporting both international and domestic trade transactions. By offering a comprehensive suite of trade finance products and services, we ensure that businesses can engage in global commerce with confidence and efficiency. We leverages extensive expertise, modern technology, and a deep understanding of global trade dynamics to meet the diverse needs of our clients through:

- Issuance of Import Letters of Credit & Export/Supply Letters of Credit (LCs).
- We as an intermediary to collect payment from the importer's/buyer's bank on behalf of the exporter/supplier.
- Trade Financing through Pre-shipment Financing and Post-shipment Financing.
- We facilitate the conversion of currencies for international trade transactions and offer hedging solutions to mitigate exchange rate risk.
- Issuing guarantees on behalf of clients to ensure performance or payment obligations in trade transactions.
- We provide financing solutions for the entire supply chain, including both suppliers and buyers, to improve cash flow and operational efficiency.

Providing fast and hassle-free services to our valuable clientele while ensuring proper compliance are our topmost priority. We are committed to uphold a high standard of professional integrity, objectivity, confidentiality, and competence among peer banks. Our endeavors directed not only for profitability but also to have significant contribution to socio-economic development of the country. Amidst of market volatility and scarcity of foreign currency, our attainment in 2023 being the first year of trade service operations were able to issue Import LC worth Tk. 433.17 million and Export worth of Tk. 235.79 million.

STEP FORWARD TO DIGITALIZATION

The bank has multiple advancements in its digital banking offerings. From day one, "Citizens Fast" is at service for our clients. Throughout the time, the bank has expanded its internet banking options, allowing clients to conduct transactions and open accounts with greater ease and without the need for branch visits. The internet banking also provides BEFTN, NPSB, MFS wallet transfer and utility bill pay services.

The bank has also implemented a centralized Core Banking System (CBS), facilitating 24/7 access to accounts through internet banking, mobile applications, and ATMs.

Citizens Bank remains steadfastly committed to information security. We leverage industry-leading security measures to safeguard your data against a comprehensive array of threats. This ensures the confidentiality, integrity, and availability of your information at all times.

Bank Focused on future innovation to integrate new tech for better customer experiences, operational efficiency, and robust security. The goal is to serve a secure, convenient, and streamlined digital banking experience for all. On this pathway we ensured:

- **IT Infrastructure and Systems** for DC (Data Center) and NDC (Near Data Center) of the Bank at rented colocations;
- Deployed and configured IT security-related software and devices;
- Implemented SWIFT System for worldwide financial communications;



- Deployed Short Code (16757) for Call Centre services;
- Customized and deployed "Citizens Fast" Internet Banking and Mobile Apps (in both Android and i-Phone).
- Soft Launching of e-KYC Solution for customer onboarding over web and android mobile app through opening of digital accounts;

Bangladesh enjoys a surge in online banking, but with it comes new security threats. Criminals target these systems. We understand this risk. Our bank uses the latest security technology, like firewalls and advanced antivirus software, to create a strong defense. This multi-layered approach protects your online transactions and keeps your money safe.

CZB recognizes the importance of keeping pace with the digital revolution. We are actively seeking and implementing innovative technologies to automate various aspects of banking operations and control systems. This includes enhancing our disaster recovery capabilities, upgrading security devices, and adhering to meticulous compliance standards. These initiatives ultimately aim to improve customer service and fortify our ICT systems in a secure manner.

Ensuring Cyber Security

In today's evolving digital landscape, the Cyber Security & MIS Division of Citizens Bank PLC safeguards our information systems, implements advanced security measures, fosters cyber awareness, and continuously enhances our technological capabilities.

In our ongoing efforts to enhance our cybersecurity, we are establishing a Security Operations Center (SOC) and planning to launch an employee cybersecurity awareness program with phishing simulation. We are conducting regular VAPT to ensure our systems are being secured. Our cybersecurity team regularly provides the Managing Director with a weekly risk report detailing the bank's IT security posture. Additionally, the cybersecurity team participated in Cyber Drill 2023 for the first time and ranked 33rd among 100 teams, surpassing many first and second-generation bank cybersecurity teams.

INTERNAL CONTROL AND COMPLIANCE SYSTEM

In the everchanging business environment along with the rapid pace of technological progression, the overall situation experiences predictable and unpredictable challenges that require us to take even more protective and preventive measures to mitigate the identifiable risk factors. It is an admitted fact that banks virtually take counter-party risks and whatever happens in the main street that got bearing on the wall street i.e. banking and financial landscape.

The core objectives of Internal Control and Compliance Division are as under:





Operational objectives: Ensuring performance for achieving the bank's vision and mission statements that aligned with the bank's values and code of conduct.

Reporting objectives: Ensuring timely, accurate and comprehensive reporting, comprising both financial and non-financial reporting, in compliance with the regulatory requirements.

Compliance objectives: Fostering of compliance culture is instrumental to mitigate the risk on different frontiers of our banking operations. It is an admitted fact that compliance issue entails cost but its payoff is significant to ensure sustainability of growth.

Internal Compliance Culture and Formation of ICCD

In 2023, ICCD operates its operations through 03 unit- Internal Audit, Monitoring and Compliance. The organogram of the ICCD has been developed in compliance with the regulatory guidelines as duly approved by the Board of the Directors. Citizens Bank PLC is committed to establish an appropriate and effective internal control environment in the bank. As per the guidelines of the BRPD circular of Bangladesh Bank issued from time to time, we have Audit Committee chaired by Independent Director to monitor the effectiveness of internal control system of the bank. The committee reviews the financial reporting process, the system of internal control & financial risks, the audit process, health report of the bank and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct. ICCD acts independently as a Division and responsible to the Audit Committee. The ICCD reports to the Senior Management of the bank regarding major findings/fault lines and observations, seeking necessary guidelines to streamline the issues as detected in course of their Audit and Inspections.

Internal Audit: To reduce the operational risk of the bank, Citizens Bank PLC conducts regular Audits/Inspections on the basis of affairs of the bank based on different manuals, instructions, rules and regulations and procedures laid down by the Bank and Bangladesh Bank and other regulatory authorities from time to time. Special Audit is also undertaken whenever special instructions are given by the Board of Directors, Executive Committee, Audit Committee, Risk Management Committee, Managing Director of the Bank.

Monitoring Unit: Monitoring Department is responsible to monitor the operational performance of various Branches/Divisions/Departments. The Department collects relevant data and analyzes those to assess the risk of individual units. In case, any major deviation is found, they recommend to the Head of

Internal Control and Compliance/Head of Audit and Inspection for sending an Audit & Inspection team for an extensive review.

Compliance Unit: The Compliance Department is responsible to ensure that Bank complies with all regulatory requirements while conducting its business. The Department maintains liaison with the regulators at all levels and notifies the other Departments regarding regulatory changes. The Department followed up with the Branches/Divisions/Departments for implementation/rectification of the findings/irregularities brought out in the Internal Audit Report/s. This Department is also responsible to arrange the timely submission of the compliance reports of the Bangladesh Bank Inspection Report.

In 2023 four (4) audit committee meeting was held where following major decisions was taken:

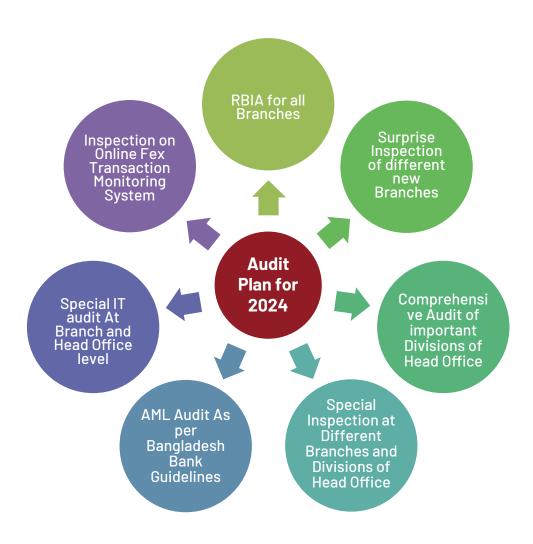
• Review of audited financial statements of Citizens Bank PLC for the year ended 31 December 2022 and necessary recommendation for approval by the Board.



- Review of Activities of Internal Control and Compliance Division (ICCD).
- Review of Audit Plan for the year 2023.
- Review & Approval of Inspection Report of Branches
- Approval of Branch Risk Assessment Matrix for the Branch Risk Rating for Risk Based Audit & Branch Audit Rating.
- Review of Internal Compliance Manual for further submission to the Board of Directors.
- Review of Report on Bangladesh Bank Inspection at Principal Branch.

Plan for the year 2024:

As like as the preceding years, our ICC Division formulate the activities plan within the purview of broader guidelines of Bangladesh Bank as well as in match with the directives of Senior Management, Board with a view to navigating the challenges by way of putting guardrails to secure and safeguard the interest of the bank through mitigating all the risks on different frontiers.





PREVENTION OF MONEY LAUNDERING AND COMBATING FINANCING OF TERRORISM

Citizens Bank PLC, as a matter, emphasized Policy Priority on restrained keeping this objective in view, we are giving renewed focused to ensure maximum extend of compliance with the directives given by the BFIU from time to time activities and adopted the policy of Zero tolerance.

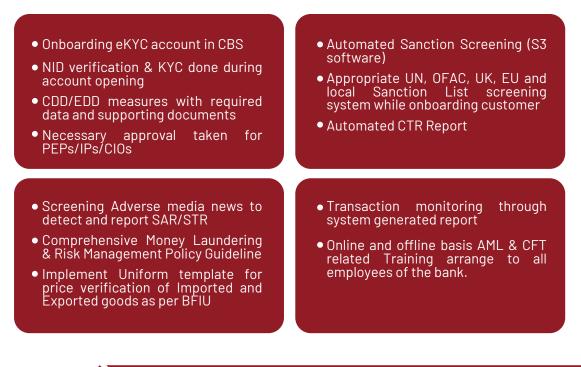
Here it is noteworthy that we have in the meanwhile imparted training to the maximum number of officers and executives for creating awareness regarding the rules and regulations as enacted the mentionable once are Money Laundering Prevention Act, 2012 (Amendment- 2015), Money Laundering Prevention Rules-2019, Anti-Terrorism Act, 2009 (Amendment 2012 & 2013), Anti-Terrorism Rules 2013, BFIU Circulars and instructions etc. so that they can handle the issues with professionals zeal and at the same time to enhance their capacity for exercising due diligence to save the Bank out of the hindrance activities related to Money Laundering and Terrorist Financing.

Regulator's Directives:

A good governance and implementation necessary Regulatory controls of Anti Money Laundering, Terrorist Financing and Proliferation Financing depend on the vibrant compliance culture of Banking overall operational activities. Citizens Bank PLC formed a Central Compliance Committee (CCC) to evaluate and assess the activities of AML & CFT Division from time to time and review the AML & CFT compliance policies, strategies and programs aligned with the policies and guidelines of the regulators and international best practices. As per BFIU provided master circular 26, dated 20 June, 2020, CZB's has assigned Bank's Chief Anti Money Laundering Compliance Officer (CAMLCO) at Head Office. In this regards, CAMLCO's roles and responsibilities has fixed and specified.

Furthermore, a Deputy CAMLCO had been assigned to operate as Head of AML & CFT Division at Head Office level while BAMLCOs look after the branches for ensuring due implementation of AML & CFT programs as per directives of Bangladesh Financial Intelligence Unit (BFIU). According to CCC as well as CAMLCO's and Managing Directors and CEO's guidance, AML & CFT Division of the Bank operates and monitors several AML & CFT programs across the Bank. As a matter of risk, we stay focused to mitigate the risk out of Money Laundering & CFT activities and considering its importance for affording the reputation of the Bank. Managing Director & CEO oversees the overall performance and activities of the concern Division/Departments to mitigate the risk factors emanate such kind of illicit and irregular activities

Summary of CZB's AML & CFT Policy Guidelines & Compliance Structure:



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REPORT OF THE MD & CEO AND CFO

Date: 28 March 2023

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, 2023.

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:

- The Financial Statements of Citizens Bank PLC for the year ended on December 31, 2023 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, 2023 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 Executive Vice President & CFO

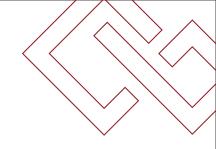
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Mohammad Masoom Managing Director & CEO





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 2023 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 and other explanatory information.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the financial position of the Bank as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note no. 2.1.

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), guidelines issued by Bangladesh Bank, and rules and regulations issued by Bangladesh Securities and Exchange Commission (BSEC), 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.

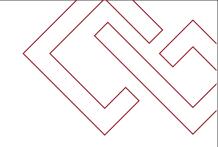
Key Audit Matters

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

Description of key Audit Matters	Our response to key audit matters
1. Measurement of provision for loans and advances	
Refer to note no. 13 and 33 to the financial statements	
 The process of estimating provision for loans and advances associated with credit risk is judgmental and complex. While estimating such provision certain judgmental factors need to be considered including: Future business performance of the borrower; Key assumptions relating to further business; Performance of the borrower; Market value of the collateral; Ability to repossess collateral; and Recovery rates. 	 We tested the design and operating effectiveness of key controls focusing on the following: Credit monitoring and provisioning process; Identification of loss events including early warning indicator and default warning indicators; and Review of quarterly Classification of Loans (CL);



Report on the Audit of the Financial Statements



Description of key Audit Matters	Our response to key audit matters	
Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued from time to time. As at 31 December 2023, the Bank reported total provision for loans and advances of BDT 35.18 million (December 2022: BDT 6.10 million.	 Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: Reviewed the adequacy of the provision requirements; Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; and Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. 	
2. Recognition of interest income from loans and advance	25	
Refer to note no. 7 and 20 to the financial statements		
Recognition of interest income has significant and wide influence on financial statements.	We tested the design and operating effectiveness of key controls over recognition and measurement of	
Recognition and measurement of interest income has involvement of complex IT environment.	interest from loans and advances. We have performed test of operating effectiveness	
We have identified recognition of interest income from loans and advances as a key audit matter because this is	on automated control in place to measure and recognize interest income.	
one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of interest by management to meet specific	We have also performed substantive procedure to check whether interest income is recognized completely and accurately.	
targets or expectations. At the year ended 2023, the Bank reported total gross interest income from loans and advances of BDT 343.90 million (January 2022 to December 2022: BDT 12.07 million).	We have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.	
3. Loans and advances		
Refer to note no. 7 to the financial statements		
Loans and advances are the main element of financial statements of the Bank. Interest income of the Bank is mainly dependent on the portfolio of loans and advances. Management performance is highly dependent on the target achievement of loans and advances. Loans and advances disbursement requires robust documentation followed by approval from appropriate level of authority.	We tested the design and operating effectiveness of key controls focusing on credit appraisal, loans and advances disbursement procedures and monitoring process of loans and advances. We have performed procedure to check whether the Bank has ensured appropriate documentation as per Bangladesh Bank regulations and the Bank's policy before disbursement of loans and advances.	



Report on the audit of the financial statements

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Description of key Audit Matters	Our response to key audit matters
We have identified loans and advances as key audit matter because there is an inherent risk of fraud in disbursement of loans and advances by management to meet specific targets or expectations.	In addition, we have performed procedure to check whether the loans and advances are recorded completely and accurately and that are existed at the reporting date.
At the year ended 2023, the Bank reported total gross loans and advances of BDT 4,383.56 million (December 2022: BDT 986.24 million).	Furthermore, we have assessed the appropriateness of disclosures against Bangladesh Bank guidelines.
4.Valuation of treasury bills and treasury bonds	
Refer to note no. 6.1, 6.1.1 and 6.1.2 to the financial stateme	ents
The classification and measurement of treasury bills (T-Bills) and treasury bonds (T-Bonds) require judgment and complex estimates.	We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and treasury bonds.
In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.	We have obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and treasury bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.
At year end the Bank reported total investment in treasury bill and treasury bond of BDT 2182.09 million (December 2022: BDT 1430.24 million).	We have tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.
	Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
5. Deferred tax liabilities	
Refer to note no. 13, 13.2 and 36.2 to the financial stateme	nts
Deferred tax liabilities arise from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. The determination of deferred tax liabilities involves	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of deferred tax and the assumptions

The valuation of deferred tax liabilities is inherently subjective and requires significant management judgment.

complex judgments and estimates by management.

used in estimating the Bank's future taxable income.

We have assessed the completeness and accuracy of the data used for the estimations of future taxable income.

We have involved tax specialist to assess key assumptions, controls, recognition and measurement of deferred tax assets.



Report on the audit of the financial statements

Description of key Audit Matters	Our response to key audit matters
The risk arises from the complexity of estimating future taxable income, considering potential changes in tax laws or rates, and evaluating the need for valuation allowances against deferred tax assets.	Finally, we have assessed the appropriateness and presentation of disclosures against IAS 12: Income Taxes.
As at 31 December 2023, the Bank reported net deferred tax liabilities of BDT 7.11 million (December 2022: BDT 10.03 million).	
6. Legal and regulatory matters	1
We focused on this area because the Bank operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. Overall, the legal provision represents the Bank's best estimation for existing legal matters that have a probable and estimable impact on the Bank's financial position.	We enquired those charged with governance to obtain their views on the status of all significant litigation and regulatory matters. We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel. We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. We also assessed the Bank's provisions and contingent liabilities disclosure.
7. IT systems and controls	I
Our audit procedures have focused on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included master data management, user access management and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring operating effectiveness of IT dependent application-based controls.	We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape



Report on the audit of the financial statements

Other Matter

The financial statements of the Bank as at and for the year ended 31 December 2022 were audited by A. Qasem & Co. Chartered Accountants, who expressed an unmodified opinion on those statements on 29 March 2023.

Other Information

Management is responsible for the other information. The other information comprises all of the information but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

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

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 no. 2.1, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (as amended up to date) and the Bangladesh Bank regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the 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.

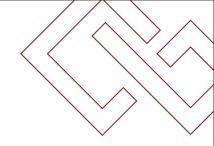
Those charged with governance are responsible for overseeing the Bank's financial reporting process.

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.



Report on the audit of the 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.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Bank Company Act, 1991 (as amended up to date) and the rules and regulations issued by Bangladesh Bank, we also report that:





Report on the audit of the financial statements

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities for the Audit of the Financial Statements section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
- (a) internal audit, internal control and risk management arrangements of the 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 records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (v) 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;
- (vi) the expenditures incurred were for the purpose of the Bank's business for the period;
- (vii) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as explained in notes 2.1.1 and 2.8 as well as related guidance issued by Bangladesh Bank;
- (viii) adequate provisions have been made for loans and advances and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk-weighted assets of the Bank and spent over 2808 person hours; and
- (xi) Capital to Risk-weighted Assets Ratio (CRAR) has been maintained adequately during the period based on provisions allowed by Bangladesh Bank against the requirement as explained in notes 14.2 and 14.3.

Signed for & on behalf of **ACNABIN** Chartered Accountants

Md. Moniquzzaman, FCA Partner ICAB Enrollment No. 787 DVC : 2403280787AS232362 Place: Dhaka



Citizens Bank PLC Balance Sheet As at 31 December 2023

Particulars	NOTE	2023 TAKA	2022 TAKA
PROPERTY AND ASSETS	7.0		170.050 (00
Cash Cash in hand (Including foreign currency) Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currency)	3.0 3.1 3.2	404,859,042 68,413,097 336,445,945	176,250,429 42,772,156 133,478,273
Balance with other Banks and Financial Institutions Inside Bangladesh Outside Bangladesh	4.0 4.1 4.2	6,288,895,994 6,265,342,317 23,553,677	3,939,383,165 3,939,383,165 -
Money at call and short notice	5.0	-	40,000,000
Investments Government Others	6.0 6.1 6.2	2,680,922,957 2,182,195,769 498,727,188	1,524,553,801 1,430,237,265 94,316,537
Loans and advances Loans, cash credit, overdrafts etc. Bills purchased & discounted	7.0 7.1	4,383,567,935 4,377,189,873 6,378,063	986,249,136 986,249,136 -
Fixed assets including premises, furniture and fixtures Other assets Non-banking assets	8.0 9.0 10.0	598,818,513 213,454,699 -	511,114,483 130,322,865 -
Total Assets		14,570,519,141	7,307,873,880
LIABILITIES AND CAPITAL			
Liabilities	11 0	25 000 000	
Borrowings from other banks, financial institutions & agents Deposits and other accounts Current accounts & other accounts Bills payable Savings deposits Fixed deposits Bearer Certificates of Deposit Other deposits	11.0 12.0	25,000,000 10,050,570,500 2,404,984,867 28,882,559 175,863,488 7,440,839,586 - -	- 2,906,905,548 1,199,480,593 71,960,728 78,120,363 1,557,343,864 - -
Other liabilities	13.0	491,347,734	381,783,410
Total Liabilities		10,566,918,234	3,288,688,959
Capital and Shareholders' Equity Paid up capital Share premium	14.2	4,000,000,000	4,000,000,000
Statutory reserve Dividend Equalization Fund	15.0	18,240,964	17,813,963
Revaluation Reserve on Govt. Securities Assets Revaluation reserve		267,108	367,532
Surplus/(Deficit) in profit and loss account/Retained Earnings Total shareholders' equity	17.0	(14,907,166) 4,003,600,906	1,003,426 4,019,184,921
Total Liabilities and Shareholders' Equity		14,570,519,141	7,307,873,880



Citizens Bank PLC Balance Sheet As at 31 December 2023

Off Balance Sheet Items	NOTE	2023 TAKA	2022 TAKA
Contingent liabilities Acceptances and endorsements Irrevocable letter of credits Letter of guarantees Bills for collection Other contingent liabilities Total Contingent liabilities	18.0	11,918,747 85,887,267 131,524,304 139,883,696 - 369,214,014	
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		369,214,014	-
Net Asset Value (NAV) Per Share		10.01	10.05

The annexed notes from 1 to 42 form an integral part of financial statements.

A,

Mohammad Masoom Managing Director and CEO

S. M. Shofiqul Hoq Director

N K A Mobin FCS, FCA Independent Director

Towfika Aftab Chairman

This is the Balance Sheet referred to in our separate report of even date.

Place: Dhaka Date: 28 March 2024 Signed for & on behalf of **ACNABIN** Chartered Accountants

Md Moniruzzaman FCA Partner ICAB Enrollment No. 787 DVC : 2403280787AS232362



Citizens Bank PLC Profit and Loss Account For the year ended 31 December 2023

Particulars	NOTE	2023 TAKA	2022 TAKA
Interest income	20	693,482,295	293,700,824
Interest paid on deposits and borrowing etc.	21	452,766,505	93,471,802
Net interest income		240,715,790	200,229,022
Investment income	22	197,647,162	71,385,420
Commission, exchange and brokerage	23	23,853,444	36,916
Other operating income	24	8,289,681	1,030,667
		229,790,287	72,453,003
Total operating income		470,506,077	272,682,025
Salaries and allowances	25	195,854,317	119,087,434
Rent, taxes, insurance, electricity etc.	26	19,904,898	8,039,620
Legal expenses		-	-
Postage, stamps, telecommunication etc.	27	11,151,418	2,964,401
Stationery, printing, advertisement etc.	28	28,427,510	22,464,221
Chief Executive's salary & fees	29	11,756,541	11,388,010
Directors' fees	30	915,200	456,800
Auditors' fee	71	345,000	172,500
Depreciation on and repairs to bank's assets Other expenses	31 32	84,618,164 84,392,297	44,593,716 42,042,569
Total operating expenses	32	437,365,346	251,209,271
Profit/(loss) before provisions		33,140,731	21,472,754
Provision for:			
Provision against loans and advances	33	28,187,972	6,991,861
Provision for investments	34	(164,329)	11,194,145
Off balance sheet items	33	2,305,316	-
Other provisions	35	676,763	-
Total provision		31,005,722	18,186,006
Profit/(loss) before taxes	70	2,135,010	3,286,748
Provision for Taxation:	36	00 570 570	7 001 707
Current tax expense Deferred tax expense/ (income)	36.1 36.2	20,530,579 (2,911,979)	7,661,303
•	30.2	17,618,600	461,397
Total provision for Taxation Net loss after taxes		(15,483,590)	8,122,700 (4,835,952)
Appropriations:		(15,405,550)	(4,000,002)
Statutory reserve	15	427,002	657,350
General reserve	10	-	-
Dividend etc.		-	_
		427,002	657,350
Retained earnings		(15,910,592)	(5,493,302)
Earnings Per Share (EPS)	37	(0.04)	(0.01)

The annexed notes from 1 to 42 form an integral part of financial statements.

Mohammad Masoom

Managing Director and CEO

S. M. Shofiqul Hoq Director

N K A Mobin FCS, FCA

Independent Director

This is the Profit & Loss account referred to in our separate report of even date.

Place: Dhaka Date: 28 March 2024

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Md Moninuzzaman FCA Partner ICAB Enrollment No. 787 DVC: 2403280787AS232362

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Towfika Aftab Chairman

Signed for & on behalf of **ACNABIN** Chartered Accountants

Statement of Changes in Equity Citizens Bank PLC

For the year ended 31 December 2023

Amount in Taka

Particulars	Paid up capital Share Premium	Share Premium	Statutory Reserve	Revaluation Reserve on Govt. Securities	Assets Revaluation reserve	Retained Earnings	Total shareholders' equity
Balance as at 1 January 2023	4,000,000,000	1	17,813,963	367,532	I	1,003,426	4,019,184,921
Shares Issued during the period		I	I	I	I	I	I
Net profit for the period	I	I	I	I	I	(15,910,592)	(15,910,592)
Dividend Equalization Fund	I	I	I	I	I	I	I
Ordinary Share issue	I	I	I	I	I	I	I
Share Premium	I	I	I	I	I	I	I
Statutory reserve	I	I	427,002	I	I	I	427,002
Revaluation reserve	I	I	I	(100,424)	I	I	(100,424)
Cash Dividends	I	I	I	I	I	I	I
Balance as at 31 December 2023	4,000,000,000	I	18,240,965	267,108	I	(14,907,166)	4,003,600,906

For the year ended 31 December 2022

Amount in Taka

Particulars	Paid up capital Share Premium	Share Premium	Statutory Reserve	Revaluation Reserve on Govt. Securities	Assets Revaluation reserve	Retained Earnings	Total shareholders' equity
Balance as at 1 January 2022 .	4,000,000,000	I	17,156,613	I	I	6,496,728	4,023,653,341
Shares issued during the period		I	I	I	I		
Net profit for the period	I	I	I	I	I	(5,493,302)	(5,493,302)
Dividend Equalization Fund	I	I	I	I	I	I	I
Ordinary Share issue	I	I	I	I	I	I	I
Share Premium	I	I	I	I	I	I	1
Statutory reserve	I	I	657,350	I	I	I	657,350
Revaluation reserve	I	I	I	367,532	I	I	367,532
Cash Dividends	I	I	I	I	I	I	I
Balance as at 31 December 2022	4,000,000,000	I	17,813,963	367,532	I	1,003,426	4,019,184,921

The annexed notes from 1 to 42 form an integral part of these financial statements.

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Managing Director and CEO Mohammad Masoom

CITIZENS BANK PLC ANNUAL REPORT 2023

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S. M. Shofiqul Hog Director

N K A Mobin FCS, FCA Independent Director

Towfika Aftab Chairman 3

Place: Dhaka Date: 28 March 2024

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Citizens Bank PLC

Cash Flow Statement For the year ended 31 December 2023

Particulars	NOTE	2023 TAKA	2022 TAKA
A. Cash flows from operating activities			
Interest receipts Interest payment Dividends receipts Fees & commissions receipts Recoveries on loans previously written off		664,085,480 (452,766,505) 2,836,820 13,296,761	279,575,547 (93,471,802) 95,000 1,067,583
Cash payments to employees Cash payments to suppliers Income tax paid Receipts from other operating activities Payment for other operating activities		(207,610,858) (39,906,974) (45,038,595) 194,565,383 (98,217,439)	(130,475,444) (25,478,047) (36,862,926) 68,822,920 (48,136,179)
Operating Cash flow before changes in operating assets and liabilities (i)		31,244,072	15,136,652
Increase/decrease in operating assets & liabilities Loans and advances to customers Other assets Deposits from other banks/borrowings Deposits from customers Other liabilities Cash utilized in operating assets & liabilities (ii) Net cash flows from operating activities (i+ii)		(3,397,318,799) (67,616,158) 25,000,000 7,143,664,952 60,940,002 3,764,669,997 3,795,914,069	(986,249,136) (213,172,937) - 2,906,905,548 45,111,997 1,752,595,471 1,767,732,123
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 Disposal of Fixed Assets Net cash used in investing activities		(751,958,505) - - (4,410,651) (400,000,000) - (115,813,154) 4,479,733 (1,267,702,577)	(1,430,237,265) - (94,316,537) - (70,773,600) 1,700,000 (1,593,627,401)
C. Cash flows from financing activities Proceeds from issue of ordinary shares Proceeds from issue of right shares Share Premium Dividend paid Net cash flows from financing activities		- - - - -	- - - - - -
Net increase in cash and cash equivalents Effects of the change of exchange rate on cash & cash equivalent Cash and cash equivalents at beginning of year		2,528,211,492 9,909,950 4,155,633,594	174,104,722
Cash and cash equivalents at end of the year	39	6,693,755,037	4,155,633,594
Cash and cash equivalents at end of the year: Cash in hand (including foreign currency) Balance with Bangladesh Bank and its agents bank(s) Balance with other banks and financial institutions Money at call and short notice	3.1 3.2 4.0 5.0	68,413,097 336,445,945 6,288,895,994 - 6,693,755,037	42,772,156 133,478,273 3,939,383,165 40,000,000 4,155,633,594
Net Operating Cash Flow Per Share (NOCFPS)	39	9.49	4.42

The annexed notes from 1 to 42 form an integral part of these financial statements.

Mohammad Masoom Managing Director and CEO

Place: Dhaka Date: 28 March 2024



S. M. Shofiqul Hoq Director

N K A Mobin FCS, FCA Independent Director

Towfika Aftab Chairman

Citizens Bank PLC Liquidity Statement As at 31 December 2023

						Amount in BDT
Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
Assets						
Cash	106,372,042	I	I	I	298,487,000	404,859,042
Balance with other Banks and Financial Institutions	4,888,895,994	1,400,000,000	I	I	I	6,288,895,994
Money at Call & Short notice		I	I			I
Investments	299,081,217	389,461,033	392,575,568	361,200,408	1,238,604,731	2,680,922,957
Loans and Advances	879,201,087	371,574,242	2,608,443,849	431,766,730	92,582,028	4,383,567,935
Premises and Fixed Assets	8,849,879	17,699,759	79,648,915	374,794,214	117,825,745	598,818,513
Other Assets	59,632,215	12,250,000	39,906,200	101,666,284	I	213,454,699
Non-Banking Assets	I	I	I	I	I	I
Total Assets	6,242,032,435	2,190,985,034	3,120,574,532 1,269,427,636	1,269,427,636	1,747,499,504	14,570,519,141
Liabilities Borrowing From Other Banks, Financial Institutions & Agents Deposit and Other Account Provision & Other Liabilities	2,324,912,336 9,753,558	25,000,000 2,469,878,236 39,181,362	5,096,843,414 44,983,515	- 135,175,200 239,912,080	- 23,761,314 157,517,218	25,000,000 10,050,570,500 491,347,734
Total Liabilities	2,334,665,894	2,534,059,598	5,141,826,930	375,087,280	181,278,532	181,278,532 10,566,918,234

The annexed notes from 1 to 42 form an integral part of these financial statements.

Net liquidity excess/(shortage)

For and on behalf of the Board of Directors of Citizens Bank PLC.

Managing Director and CEO Mohammad Masoom

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S. M. Shofiqul Hod L'Seer Director

N K A Mobin FCS, FCA Independent Director

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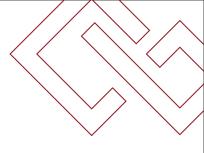
1,566,220,973 4,003,600,906

894,340,356

(343,074,564) (2,021,252,398)

3,907,366,540

Towfika Aftab Chairman



Place: Dhaka



Corporate Profile and Significant Accounting Policies

1.0 The Bank and its activities

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 it's 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 Bank Company Act, 1991 (as amended up to date) and directive as received from the Bangladesh Bank from time to time. The bank started its commercial operation from 3rd July 2022.

1.2 Principal Activities & Nature of operations

The primary objective of the Bank is to conduct all kind of banking business in Bangladesh. The bank offers services for all commercial banking needs of customers. The bank also provides a comprehensive range of financial service including treasury management, transaction service, foreign exchange and structured finance to corporate clients, inland and international remittance facility, government and financial institutions.

2.0 Significant accounting policies

2.1 Basis of preparation of financial statements

2.1.1 Statement of Compliance and basis of preparation

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 (IFRSs) 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 financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRSs), "First Schedule (Section 38) of the Bank Company Act 1991 (amended up to date) as amended by BRPD circular no. 14 dated 25 June 2003 etc. The Bank complied with the requirements of the following rules and regulations:

*The Bank Company Act, 1991 (Amended up to date);

*The Companies Act, 1994;

*International Financial Reporting Standards (IFRSs);

*Rules, regulations and circulars issued by the Bangladesh Bank from time to time;

*Income Tax Act Ordinance 1984;

*Value Added Tax and Supplementary Duty Act, 2012;

*Value Added Tax and Supplementary Duty Rules, 2016;

*Financial Reporting Act 2015;





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

i) Presentation of financial statements

IFRSs: 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 Bank Company Act, 1991 (amended up to date) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classification.

ii) Investments in Equity Instruments (Shares, Mutual funds, etc.)

IFRSs: As per requirements of IFRS 9 'Financial instruments', all equity investments (shares and mutual funds) are to be measured at fair value with value changes recognised in statement of profit or loss and other comprehensive income for the period, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income (OCI)'. If an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it through OCI with only dividend income recognised in profit or loss account.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, investments in quoted and unquoted shares are revalued on the basis of year-end market price and Net Assets Value (NAV) of last audited balance sheet respectively. As per instruction of another DOS circular letter no. 3 dated 12 March 2015, investment in mutual fund (closed end) is revalued 'at lower of cost and (higher of market value and 85% of NAV). As such, provision is made for any loss arising from diminution in value of investments (portfolio basis); otherwise investments are recognised at costs. The Bank reviews its investment in shares & mutual funds at each quarter-end on mark-to-market basis and has maintained a cumulative provision of BDT 11.03 million as of 2023 as per BB instructions (note 13).

iii) Revaluation gain/loss on government securities

IFRSs: As per IFRS 9 'Financial instruments', treasury bills (T-bills)/treasury bonds (T-bonds) are measured 'at fair value through other comprehensive income' where gains or losses shall be recognised in other comprehensive income (OCI), except for impairment gains or losses and foreign exchange gains and losses. The loss allowance arisen from impairment shall be recognised in OCI and shall not reduce the carrying amount of financial assets in the financial position. Interest calculated using the effective interest method shall be recognised in profit or loss account.

Bangladesh Bank: According to DOS circular no. 5 dated 26 May 2008 and subsequent clarification in DOS circular no. 5 dated 28 January 2009, amortisation gain/loss is charged to profit and loss account, mark-to-market loss on revaluation of government securities (T-bills/T-bonds) categorised as Held for Trading





(HFT) is charged to profit and loss account, but any unrealised gain on such revaluation is recognised to revaluation reserve account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method but income/gain is recognised through equity.

iv) Provision on loans and advances, off-balance sheet exposures including other commitments

IFRSs: As per IFRS 9 'Financial instruments', loans and advances shall be recognised and measured at amortised cost (net of any write down for impairment). When any objective evidence of impairment (a loss allowance for expected credit losses) exists for such financial assets, impairment assessment should be undertaken individually or portfolio basis (when assets are not individually significant).

Bangladesh Bank: As per Bangladesh Bank instructions vide different circulars, a general provision @ 0.25% to 2% under different categories of unclassified loans (standard/SMA loans). And specific provision @ 5% to 100% on classified loan accounts including certain reschedule loan account should be made on loans net off eligible securities (if any). Also, a general provision @ 0.5% - 1% should be provided for certain off-balance sheet exposures (including other commitments). Such provision policies are not specifically in line with those prescribed by IFRS 9.

The Bank charged to its profit and loss account a general provision of BDT 28.19 million against unclassified loans & advances in 2023 (note 13).

v) Other Comprehensive Income

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

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements 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.

vi) Financial instruments - presentation and disclosure

As per BB guidelines, in certain cases financial instruments are categorised, recognised, measured and presented differently from those prescribed in IFRS 7 'Financial instruments' - disclosure and IFRS 9 Financial instruments. As such some disclosures and presentation requirements of IFRS 7 and IFRS 9 cannot be fully made in these financial statements.

vii) Cash and cash equivalents

IFRSs:Cash and cash equivalent items should be reported as cash item as per IAS 7 'Statements of cash flows'.

Bangladesh Bank: Some highly liquid assets such as money at call and short notice, T-bills/T-bonds, prize bonds are not prescribed to be shown as cash and cash equivalents; rather shown as face item in the balance sheet. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with Bangladesh Bank.

viii) Cash Flow Statement

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







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

ix) Balance with Bangladesh Bank (cash reserve requirement)

IFRSs:Balance with Bangladesh Bank should be treated as other assets as it is not available for use in day-to-day operations as per IAS 7 Statement of cash flows.

Bangladesh Bank: Balance with Bangladesh Bank should be treated as cash and cash equivalents.

x) Off-balance sheet items

IFRSs:No concept of off-balance sheet items in any IFRS/IAS/IFRIC; so nothing to disclose as off-balance sheet items.

Bangladesh Bank: As per BRPD circular no.14 dated 25 June 2003, off-balance sheet items i.e. letter of credit (LC), letter of guarantee (LG), acceptance should be disclosed separately on the face of the balance sheet.

xi) Presentation of loans and advance net of provision

IFRSs: Loans and advances shall be presented at amortised cost net of any write down for impairment (expected credit losses that result from all possible default events over the life of the financial instruments.)

Bangladesh Bank: As per BRPD circular 14 dated 25 June 2003, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances.

xii) 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:

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

xiii) Disclosure of appropriation of profit

IFRSs: 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.

xiv) Foreign currency transactions

Foreign currency transactions have been converted into equivalent Taka currency at the ruling exchange rates on the respective date of such transactions as per IAS 21 "The Effects of Changes in Foreign Exchange Rates".

Assets and liabilities in foreign currencies as at 31 December 2023 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "balances with other banks and financial institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD (R) 717/2004-959 dated 21 November 2004.





Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting /crediting exchange gain or loss account.

Commitment

Commitments for outstanding forward foreign exchange contracts disclosed in financial statements of the Bank have been translated at contracted rates. Contingent liabilities / commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies have been expressed in Taka terms at the rates of exchange ruling on the balance sheet date.

xv) Provision for Startup Fund

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

Bangladesh Bank: The bank started commercial operation from 3rd July 2022 and net loss was Tk. 0.48 crore in 2022 and Tk. 1.55 crore in 2023 thus no amount transferred to startup fund in compliance with SMESPD circular 04 dated March 29, 2021 and SMESPD circular letter 05 dated April 26, 2021.

xvi)Non-banking asset

IFRS: No indication of Non-banking asset is found in any IFRS.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 and BRPD Circular no. 22 dated 20 September 2021, there must exist a face item named Non-banking asset.

2.1.2 Basis of measurement

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

- Government treasury bills and bonds designated as 'Held for Trading (HFT)' are mark-to-market weekly with resulting gain credited to revaluation reserve account but loss charged to profit and loss account.
- Government treasury bills and bonds designated as 'Held to Maturity (HTM)' are amortised yearly with resulting gain credited to amortisation reserve account but loss charged to profit and loss account.
- Land is recognised at cost at the time of acquisition and subsequently measured at fair value as per IAS 16 'Property, Plant & Equipment'.

2.1.3 Going concern basis of accounting

These financial statements have been prepared on the basis of assessment of the Bank's ability to continue as a going concern. CZB has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the Bank continued to exhibit a healthy trend for couple of years. The rating outlook of the Bank as denoted by both the rating agencies CRISL is 'stable'. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

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 (IASs) and International Financial Reporting Standards (IFRSs) management has required to make judgments, estimates and assumptions that a ect 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:

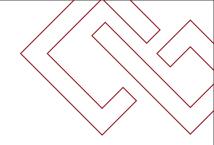
Income tax - as explained in Note 36.1 - income Tax

Deferred tax assets/liabilities - as explained in Note 36.2 & 13.2 - Defereed Tax Assets/Liabialities

Right of use of assets & lease obligation in Note 8.1 - Right of use of Assets & Lease obligation

Loan loss provision in Note 33.0 - Provision Loan Loss Provision





2.1.6 Disclosure on Basel-III

The Basel accord is a set of financial reforms that was developed by the Basel Committee on Banking Supervision (BCBS), with the aim of strengthening regulation, supervision and risk management within the banking industry. Due to the impact of the 2008 Global Financial Crisis on Banks, Basel-III was introduced to improve the banks' ability to handle shocks from financial stress and to strengthen their transparency and disclosure as well as liquidity standards.

It was agreed upon by the members of the Basel Committee on Banking Supervision in 2010-2011 and was scheduled to be introduced from 2013 until 2015. However, changes made from April 2013 extended implementation until March 32, 2018. The Basel III requirements were in response to the deficiencies in financial regulation that is revealed by the 2000's financial crisis. Basel III was intended to strengthen bank capital requirements by increasing bank liquidity and decreasing bank leverage. The global capital framework and new capital buffers require financial institutions to hold more capital and higher quality of capital than under Basel II rules. The new liquidity ratios ensure that adequate funding is maintained in case there are other severe banking crisis.

Key principal of Basel III

Capital conservation Buffer is designed to absorb losses during periods of financial and economic stress. Financial institutions will be required to hold a capital conservation buffer of 2.5% to withstand future periods of stress, bringing the total common equity requirement to 7% (4.5% common equity requirement and then 2.5% capital conservation buffer). The capital conservation buffer must be met exclusively with common equity. Financial institutions that do not maintain the capital conservation buffer faces restrictions ton pa-outs of dividends, share buybacks and bonuses.

Countercyclical Capital Buffer is a countercyclical buffer within a range of 0% and 2.5% of common equity or other fully loss absorbing capital is implemented according to the national circumstances. This buffer serves as an extension to the capital conservation buffer.

Higher Common Equity Tier 1 (CET1) constitutes an increase from 2% to 4.5%.

Minimum Total Capital Ratio is 10%. Tier 2 capital instruments are harmonized and tier 3 capital is abolished in the Basel III regime. With buffer Banks have to maintain 12.50% capital of Total Risk Weighted Asset of the Banks.

Leverage Ratio: Basel III introduced a minimum "leverage ratio". The leverage ratio was calculated by dividing Tier 1 capital by the bank's average total consolidated assets; the bank were expected to maintain a leverage ratio in excess of 3% under Basel III.

Liquidity requirements: Basel III introduced two required liquidity ratios:

Liquidity Coverage Ratio (LCR) ensures that sufficient level of high-quality liquid assets are available for one-month survival in a severe stress scenario.

Net Stable Funding Ratio (NSFR) promotes resilience over long-term time horizons by creating more incentives for financial institutions to fund their activities with more stable sources of funding on an ongoing structural basis.

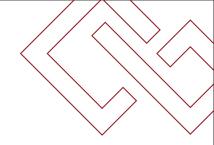
2.1.7 Contingent liabilities

Contingent liabilities which include certain guarantees and letters of credit pledged as collateral are possible obligations that may arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank. Contingent liabilities are recognized in the financial statements and disclosed in the face of balance sheet under off-balance sheet items as per the guidelines of BRPD circular No. 14 dated 25 June 2003.

2.1.8 Significant accounting policies

The accounting policies set out and presented in these financial statements have been applied consistently to all the periods otherwise instructed by Bangladesh Bank as the primary regulator. Significant accounting policies applied in these financial statements are presented separately with relevant notes.





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 Investments

All investments (other than government treasury securities) are initially recognised at cost including acquisition charges associated with the investment. Premiums are amortised and discount accredited using the effective or historical yield method. Accounting treatment of government treasury bills and bonds (categorised as HFT and HTM) are made in accordance with Bangladesh Bank DOS Circular letter no. 05, dated 26 May 2008 and subsequent clarifications DOS Circular letter no. 05 dated 28 January 2009.

Held to Maturity

Investments which have 'fixed or determinable payments' and are intended to be held to maturity are classified as 'Held to Maturity'. These are measured at amortised cost at each year end by taking into account any discount or premium in acquisition. Any increase or decrease in value of such investments are booked under equity and in the profit and loss statement respectively.

Held for Trading

Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management. After initial recognition, investments are mark to market weekly and any decrease in the present value is recognised in the Profit and Loss Account and any increase is booked to Revaluation Reserve Account through Profit and Loss Account as per DOS Circular no. 05 dated 28 January 2009.

Investment in quoted shares

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income. These are valued and reported at market price as per Bangladesh Bank's guidelines. Booking of provision for investment in securities (gain/loss net off basis) are made as per DOS Circular no.4 dated 14 November 2011.

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
"Govt. treasury securities - Held to Maturity (HTM)"	Cost	Amortised cost	Increase in value of such investments is booked to equity, decrease to profit and loss account.
"Govt. treasury securities - Heldfor Trading (HFT)"	Cost	Fair value	Loss to Profit and Loss Account, gain to Revaluation Reserve.
"Shares (Quoted) * for Trading (HFT)"	Cost	"Lower of cost or market value (overall portfolio)	Loss (net off gain) to profit and loss account. Unrealized gain is recognized through revaluation reserve.
Prize bond	Cost	Cost	None

* Provision for shares against unrealised loss (gain net off) has been taken into account according to DOS circular no. 4 dated 24 November 2011 and for mutual funds (closed-end) as per DOS circular letter no. 3 dated 12 March 2015 and for mutual funds (open-end) as per DOS circular letter no. 10 dated 28 June 2015 of Bangladesh Bank.

2.2.3 Loans and advances and provisions for loans and advances

a) Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not sell in the normal course of business.



b) At each balance sheet date and periodically throughout the year, the Bank reviews loans and advances to assess whether objective evidence that impairment of a loan or portfolio of loans has arisen supporting a change in the classification of loans and advances, which may result in a change in the provision required in accordance with BRPD circular no. 52 (29 December 2021), BRPD circular no. 50 (14 December 2021), BRPD circular no. 56 (10 December 2020), BRPD circular no. 52 (20 October 2020), BRPD circular no. 16 (21 July 2020), BRPD circular no. 03 (21 April 2019), BRPD circular no. 15 (27 September 2017), BRPD circular no. 16 (18 November 2014), BRPD circular no. 05 (29 May 2013), BRPD circular no.19 (27 December 2012), BRPD circular no.14 (23 September 2012), BRPD circular letter no.03 (02 February 2023) and circulars till 2023. The guidance in the circular follows a formulaic approach whereby specified rates are applied to the various categories of loans as defined in the circular. The provisioning rates are as follows:

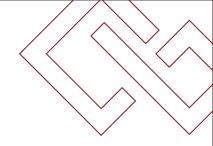
Types of loans	Provision					
and advances	STD	SMA	SS	DF	BL	
House building and professional	1.00%-2.00%	1.00%-2.00%	20.00%	50.00%	100.00%	
Other than housing finance & professionals to setup business	2.00%	2.00%	20.00%	50.00%	100.00%	
Provision for loan to broker house, merchant banks, stock dealers, etc	2.00%	2.00%	20%	50.00%	100.00%	
Short-term agri-credit and micro credit	1.00%	1.00%	5.00%	5.00%	100.00%	
Small and medium enterprise finance	0.25%	0.25%	20.00%	50.00%	100.00%	
Cottage, micro and small credit (CMSME)	0.25%	0.25%	5.00%	20.00%	100.00%	
Others	1.00%	1.00%	20.00%	50.00%	100.00%	

2.2.4 Fixed assets (property, plant and equipment)

Recognition and measurement

- As per IAS 16 Property and Equipment Items of fixed assets excluding land are measured at cost less accumulated depreciation and accumulated impairment losses, if any.
- Purchase of software that is integral to the related equipment is capitalised As part of that Equipment
- Cost includes expenditure that are directly attributable to the acquisition of asset and bringing to the location and condition necessary for it to be capable of operating in the intended manner.
- When significant parts of an item of fixed asset have different useful lives, they are accounted for as separate items (major components) of fixed assets.
- The gain or loss on disposal of an item of fixed asset is determined by comparing the proceeds from disposal with the carrying amount of the item of fixed asset, and is recognised in other income/other expenses in profit or loss.





Subsequent costs

The cost of replacing a component of an item of fixed asset is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced parts is derecognised. The costs of the day to day servicing of fixed assets are recognised in the profit and loss statement as incurred.

Depreciation

Depreciation on fixed assets are recognised in the profit and loss statement on straight line method over its estimated useful lives. In case of acquisition of fixed assets, depreciation is charged on fixed assets when they are ready to use till the date of disposal of the fixed asstes. Asset category wise depreciation rates for the current and comparative periods are as follows:

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

2.2.5 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:

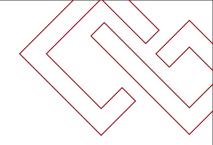
- Obtain substantially all the economic benefits from the use of asset (identifiable asset)
- The right to direct the use of asset

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 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.
- 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





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.

2.2.6 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 BRPD Circular no. 14 date 25 June 2001 and subsequently BRPD Circular no. 04 dated 12 April 2022.

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.

2.3.2 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 up to date), 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 Retained Earnings

The surplus amount after appropriation of yearly profit is kept in retained earnings.

2.6 Borrowings

Fund borrowed from Central Bank under Pre-Finance Scheme.

2.7 Deposits and other accounts

Deposits and other accounts include non interest-bearing current deposit redeemable at call, interest bearing on demand and short-term deposits, savings deposit and fixed deposit. These items are brought into financial statements are at the gross value of outstanding balance. Details are shown in note 12.

2.8 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 (IFRSs).

2.9 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 (IFRSs) 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 2023 as at 31 December 2023 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	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	IAS - 20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS - 21	Complied
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	Complied
Investments in Associates and Joint Ventures	IAS - 28	Not Applicable
Financial Reporting in Hyperinflationary Economics	IAS - 29	Not Applicable
Financial Instruments: Presentation	IAS - 32	Not Applicable
Earnings Per Share	IAS - 33	Complied
Interim Financial Reporting	IAS - 34	Complied
Impairment of Assets	IAS - 36	Not Applicable
Provisions, Contingent Liabilities and Contingent Assets	IAS - 37	Complied



Intangible assets	IAS - 38	Complied
Financial Instruments: Recognition and Measurement	IAS - 39	Not Applicable
Investment Property	IAS - 40	Not Applicable
Agriculture	IAS - 41	Not Applicable
First-time Adoption of International Financial Reporting	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	Not Applicable
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
Insurance Contracts	IFRS - 17	Not Applicable

2.10 Basis for valuation of liabilities and provisions

2.10.1 Provision for current taxation

Provision for current income tax has been made as per prescribed rate in the Finance Act, 2023 on the taxable income as per income tax law and IAS 12 Income Taxes.

2.10.2 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 13.2 & 36.2 in the financial statements.





2.10.3 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.

d) Worker's Profit Participation Fund (WPPF)

In consistent with widely accepted industry practice and in line section 11(1) of the Bank Company Act, 1991 (As amended up to date) and subsequent clarification given by Bank & Financial Institutions Division (BFID), Ministry of Finance, no provision has been made by the Bank in the reporting period against Workers' Profit Participation Fund (WPPF).

2.11 Revenue recognition

2.11.1 Interest income

Interest income is recognised on an accruals basis.

2.11.2 Investment income

Interest income on investments is recognised on accrual basis except treasury bills. Capital gains on investments in shares are also included in investment income. Capital gains are recognized when these are realised.

2.11.3 Fees and commission income

Fees and commission income on services provided by the Bank are recognised as and when the services are rendered. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of affecting the transactions.

2.11.4 Dividend income on shares

Dividend income from investment in shares is recognised when the Bank's right to receive dividend is established. It recognised when:

- a. It is probable that the economic benefits associated with the transaction will flow to the entity; and
- b. the amount of the revenue can be measured reliably.

2.11.5 Interest paid on deposits and borrowings

Interest paid on deposits, borrowings, etc. is accounted for on accrual basis according to the IAS 1 "Presentation of Financial Statements"





2.11.6 Other operating expenses

All other operating expenses are provided for in the books of the account on accrual basis according to the IAS 1 "Presentation of Financial Statements".

2.12 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

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.

2.13 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.

2.13.1 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.

2.13.2 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.





2.13.3 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.

2.13.4 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.

2.13.5 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.

2.14 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.

2.15 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.

2.16 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-41).

2.17 The Bank's compliance with related pronouncements by Bangladesh Bank:

i) Internal

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 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.

2.18 Audit Committee of the Board of Directors

i) Particulars of Audit Committee

The Audit Committee of the Board was constituted by the board of Directors of the Bank in accordance with the BRPD Circular No.11 Dated 27 October 2013 issued by Bangladesh Bank. Composition of the Audit Committee as on 31.12.2023 is as below:

SI. No	Name	Status with Bank	Status with Committee	Duration	Educational/ professional qualification
1	Mr. N K A Mobin FCS, FCA	Independent Director	Chairman	Since September 11, 2022	MBA, FCS, FCA
2	Mr. Mohammed Iqbal	Director	Member	Since September 11, 2022	MBA
3	Mr. S M Shofiqul Hoq	Director	Member	Since September 11, 2022	MBA





ii) Meeting held with Audit Committee

During the year 2023, the Audit Committee conducted 04 (four) meeting in which, among others, focused on the following activities (not an exhaustive test):

- Reviewed Internal Audit Plan for the year 2023
- Reviewed Draft Financial Statements and after discussing with the Extremal Auditors recommended it to the Board for their considerations.
- Reviewed the Management Letter issued by the External Auditors, Management responses, there to and corrective measures taken by the Bank to avoid recurrence of the lapses mentioned therein.
- Reviews quarterly and half-yearly Financial Statements 2023 of the Bank.
- Reviewed significant internal audit findings and advised corrective actions.

iii) Steps taken for implementation on effective internal control procedure of the Bank

The Committee placed its report regularly to the Board of Directors of the Bank mentioning its review results and recommendations on internal control system compliance of rule and regulations and establishment of good governance within the organization.

2.19 Approval of financial statements

These financial statements were reviewed by the audit committee of the Board of the Bank in its 5th Audit Committee meeting held on 27th March 2024 and was subsequently approved by the Board in its 20th meeting of Board of the Directors held on 28th March 2024.

2.20 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 2022.

Particulars	Date of Rating	Long term	Short term	Rating Valid till
Credit Rating Information and Services Ltd (CRISL)	21-Aug-2023	BBB+	ST-3	20-Aug-2024

2.21 Reporting period

The reporting period of these financial statements is stands from 01 January 2023 to 31 December 2023.

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



2023	2022
TĂKĂ	TĂKĂ

3.0 Cash

Cash and cash equivalents include notes and coins at vault and at ATM, unrestricted balances held with Bangladesh Bank and its agent banks, balance with other banks and financial institutions, money at call and on short notice and prize bonds which are not ordinarily susceptible to change in value.

Amount withdrawn/transferred by customers after end of year closing are properly addressed, reconciled and adjusted with ATM balance and customers' deposit to reflect the actual balance of ATM and deposits as of the reporting date.

Cash in hand (Including foreign currencies)(3.1)	68,413,097	42,772,156
Balance with Bangladesh Bank and its agent bank(s)	336,445,945	133,478,273
(Including foreign currencies)	404,859,042	
	404,859,042	176,250,429
3.1 Cash in hand:		
Local currency	68,413,097	42,772,156
Foreign currency	-	-
	68,413,097	42,772,156
3.2 Balance with Bangladesh Bank and its agent Bank(s)		
(including foreign currencies)		
Local currency	334,001,501	133,478,273
Foreign currencies	2,444,444	-
	336,445,945	133,478,273
Sonali Bank (An agent of Bangladesh Bank) - local currency	-	-
	336,445,945	133,478,273
3.a Cash Reserve Ratio (CRR):		
Pursuant to section 33 of Bank Company Act, 1991 (amended upto date), MPD circular no. 03 dated 09 April 2020 and BRPD circular letter no. 31 dated 18 June 2020 issued by Bangladesh Bank, CZB has been maintaining CRR @ 3.5% on daily basis, and @ 4.0% on bi- weekly basis. CRR requirement is calculated on the basis of weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. CRR of December 2023 is maintained on the basis of weekly ATDTL of October 2023). Reserve maintained by the bank as at 31 December is as follows:		
Average total demand and time liabilities of October (excluding inter-bank deposit) Daily basis:	7,372,163,000	2,229,462,000
-	258,026,000	78,031,000
Required reserve (3.50%)	200,020,000	1010011000
Required reserve (3.50%) Actual reserve held with Bangladesh Bank*	334,731,579	133,695,614
•		



Notes	to the Financial Statements	2023 TAKA	2022 TAKA
		TANA	ΤΑΝΑ
Weely	basis:		
Requi	red reserve (4.00%)	294,887,000	89,178,000
	I reserve held with Bangladesh Bank*	334,731,579	133,695,614
Surplu	IS	39,844,579	44,517,614
	Bi-weekly basis:		
	The bank maintained excess cash reserve of BDT 39.84 million in the last fortnight of 2023 calculated by summing up excess cash reserve maintained over required CRR on daily basis.		
3.b	Statutory Liquidity Ratio (SLR):		
	Pursuant to section 33 of Bank Company Act, 1991 (amended upto date), DOS cicular no. 1 dated 19 January 2014 and DOS circular letter no. 26 dated 19 August 2019 issued by Bangladesh Bank, EBL has been maintaining SLR @ 13% on weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. SLR of December 2023 is based on weekly ATDTL of October 2023). Reserve maintained by the Bank as at 31 December is as follows:		
Requi	ed reserve (13% of ATDTL)	958,381,000	289,830,000
	l reserve held	2,290,343,050	1,517,526,430
Surplu	IS	1,331,962,050	1,227,696,430
3.c	Actual reserve held		
	Excess cash reserve (3.c.1)	39,844,579	44,517,614
	Cash held	68,413,097	42,772,160
	Balance with Sonali Bank	-	-
	Unencumbered approved securities (HFT)	882,445,200	345,103,014
	Unencumbered approved securities (HTM)	1,299,640,169	1,085,133,650
		2,290,343,045	1,517,526,438
3.c.1	Excess cash reserve:		
	Balance with Bangladesh Bank *	334,731,579	133,695,614
	Less: Required cash reserve on bi-weekly average basis	294,887,000	89,178,000
	Excess of cash reserve as on the reporting date	39,844,579	44,517,614
	*As per Bangladesh Bank Local & Foreign Currency Statement.		
4.0	Balance with other Banks and Financial Institutions		
	Inside Papaladosh (4, 1)	6 265 3/2 317	3 030 307 10F
	Inside Bangladesh (4.1) Outside Bangladesh	6,265,342,317 23,553,677	3,939,383,165
	outside Darigiadesin	6,288,895,994	3,939,383,165
			0,000,000,100

Note	es to the Financial Statements	2023 TAKA	2022 TAKA
4.1	Inside Bangladesh		
	In Current Deposit Accounts with:		
	Trust Bank Limited	1,980,896	3,176,806
	EXIM Bank Limited	1,148,974	
		3,129,870	3,176,806
	In Special Notice Deposit Accounts with:		
	Sonali Bak Ltd.	12,912	14,513
	Agrani Bank Ltd.	266,114	5,355,703
	United Commercial Bank PLC	671,946	836,143
	Dutch Bangla Bank Limited	1,261,475	
		2,212,447	6,206,359
	In Fixed Deposit/Placement Accounts with:		
	BRAC Bank Limited	1,400,000,000	
	United Commercial Bank PLC	500,000,000	
	Agrani Bank Ltd.	000,000,000	2,600,000,000
	Midland Bank Ltd.	500,000,000	330,000,000
	Community Bank Bangladesh Ltd.	650,000,000	400,000,000
	SBAC Bank Limited	900,000,000	100,000,000
	NRB Bank Limited	500,000,000	
	NCC Bank Limited	700,000,000	
	Jamuna Bank Limited	500,000,000	
	EXIM Bank Limited	10,000,000	
	IPDC Finance Limited	600,000,000	600,000,000
		6,260,000,000	3,930,000,000
	Total	6,265,342,317	3,939,383,165
		0,200,012,011	
4.2	Outside Bangladesh		
	USD		
	Sonali Bangladesh UK Limited (SBUK)	225,829	-
	Habib American Bank, NY, USA	23,104,742	
		23,330,571	-
	EURO		
	EURU Sonali Bangladesh UK Limited (SBUK)	3,089	-
		3,089	
		0,003	-



Note	s to the Financial Statements	2023 TAKA	2022 TAKA
ACU			
Sonali	Bank - Kolkata	97,350	-
AB Ba	nk - Mumbai	122,668	-
		220,018	-
		07 557 077	
		23,553,677	-
4.3	Maturity grouping of balance with other banks and financial institutions		
	Up to 1 months	4,888,895,994	1,689,383,165
	More than 1 months to 3 months	1,400,000,000	2,250,000,000
	More than 3 months to 1 Year	-	_
	More than 1 year to 5 years	_	_
	More than 5 years	-	-
	,	6,288,895,994	3,939,383,165
5.0	Money at call on short notice	-	
	Midland Bank Ltd.	_	40,000,000
		-	40,000,000
6.0	Investments		
	Government securities (6.1)	2,182,195,769	1,430,237,265
	Other investments (6.2)	498,727,188 2,680,922,957	94,316,537 1,524,553,801
		2,000,922,997	1,524,555,601
6.1	Government Securities		
	Treasury Bills (6.1.1)	882,445,200	545,054,600
	Tresury Bonds (6.1.2)	1,299,640,169	885,182,065
	Prize Bonds	110,400	600
		2,182,195,769	1,430,237,265
6.1.1	Treasury Bills		
	Treasury Bills HFT	882,445,200	545,054,600
	Treasury Bills HTM	-	-
		882,445,200	545,054,600
6.1.2	Treasury Bonds		
	Treasury Bonds HFT	-	540,079,050
	Treasury Bonds HTM	1,299,640,169	345,103,015
		1,299,640,169	885,182,065



Note		2023	2022
	es to the Financial Statements	TAKA	TAKA
5.2	Other investments		
	Investment in quoted shares at cost		
	AAMRATECH	1,934,305	2,610,208
	AOL	10,017,647	-
	AOPLC	36,950	-
	BATBC	3,188,982	4,098,649
	BEXIMCO	23,933,780	23,933,780
	COPPERTECH	2,143,716	2,143,716
	ICICL	-	87,980
	LRBDL	2,131,693	-
	ORIONPHARM	33,314,717	26,030,000
	SQUARETEXT	3,523,870	3,523,870
	GP	4,803,102	4,883,347
	MPETROLEUM	13,698,425	5,973,077
	SQURPHARMA	-	21,031,910
		98,727,188	94,316,537
	Investment in Subordinated Bond Dutch Bangla Bank Limited	400,000,000	-
		400,000,000	
		100,000,000	
		498,727,188	94,316,537
		498,727,188	94,316,537
0	Loans and advances	498,727,188	94,316,537
0			
0	Loans, cash credits, overdrafts etc.	4,377,189,873	94,316,537 986,249,136
0			
	Loans, cash credits, overdrafts etc.	4,377,189,873 6,378,063	986,249,136 -
0	Loans, cash credits, overdrafts etc. Bills purchased and discounted Loans, cash credits, overdrafts etc.	4,377,189,873 6,378,063	986,249,136 -
	Loans, cash credits, overdrafts etc. Bills purchased and discounted Loans, cash credits, overdrafts etc. Inside Bangladesh	4,377,189,873 6,378,063 4,383,567,935	986,249,136 - 986,249,136
	Loans, cash credits, overdrafts etc. Bills purchased and discounted Loans, cash credits, overdrafts etc. Inside Bangladesh Loans - general	4,377,189,873 6,378,063 4,383,567,935 2,460,487,810	986,249,136 -
	Loans, cash credits, overdrafts etc. Bills purchased and discounted Loans, cash credits, overdrafts etc. Inside Bangladesh Loans - general Cash credit	4,377,189,873 6,378,063 4,383,567,935 2,460,487,810 513,617,486	986,249,136 _ 986,249,136 777,603,691 _
	Loans, cash credits, overdrafts etc. Bills purchased and discounted Loans, cash credits, overdrafts etc. Inside Bangladesh Loans - general	4,377,189,873 6,378,063 4,383,567,935 2,460,487,810 513,617,486 1,409,462,640	986,249,136 _ 986,249,136 777,603,691 _ 208,645,445
	Loans, cash credits, overdrafts etc. Bills purchased and discounted Loans, cash credits, overdrafts etc. Inside Bangladesh Loans - general Cash credit	4,377,189,873 6,378,063 4,383,567,935 2,460,487,810 513,617,486	986,249,136 _ 986,249,136 777,603,691 _
	Loans, cash credits, overdrafts etc. Bills purchased and discounted Loans, cash credits, overdrafts etc. Inside Bangladesh Loans - general Cash credit	4,377,189,873 6,378,063 4,383,567,935 2,460,487,810 513,617,486 1,409,462,640	986,249,136 _ 986,249,136 777,603,691 _ 208,645,445
	Loans, cash credits, overdrafts etc. Bills purchased and discounted Loans, cash credits, overdrafts etc. Inside Bangladesh Loans - general Cash credit Overdraft	4,377,189,873 6,378,063 4,383,567,935 2,460,487,810 513,617,486 1,409,462,640	986,249,136 - 986,249,136 777,603,691 - 208,645,445



Note	es to the Financial Statements	2023 TAKA	2022 TAKA
7.2	Residual maturity grouping of loans and advances (including bills purchased & discounted)		
	On demand	324,931,517	-
	In not more than 1 month	554,269,569	-
	In more than 1 month but not more than 3 months	371,574,242	-
	In more than 3 months but not more than 1 year	2,608,443,849	944,542,662
	In more than 1 year but not more than 5 years	431,766,730	34,037,545
	In more than 5 years	92,582,028	7,668,929
		4,383,567,935	986,249,136
7.3	Loans and advances to Directors, executives and others		
	Advance to Directors and their allied concerns	-	-
	Advances to Managing Director & CEO	-	-
	Advances to other executives and staffs	47,208,461	13,621,598
	Advances to customers (Group wise)	1,745,990,743	584,860,451
	Industrial loans and advances	2,590,368,731	387,767,088
		4,383,567,935	986,249,136
7.4	Large loan details (Loans extended to any customer exceeding 10% of the Bank's total capital)		
	Amount of outstanding loans and advances	1,886,780,638	-
	Number of clients	6	-
		1,886,780,647	-
funde outst	mount represents total loans and advances (comprising funded and non d facilities) to each customer exceeding BDT 401.92 million (limit / anding) which is equivalent to 10% of total capital of the bank as at 31 nber 2023.		

Name of Clients	Funded	Non-funded	Total Outstanding 31 December 2023
1) AA Synthetic Fibers Itd.	607,377,287	40,339,574	647,716,861
2) Gazi Auto Tyres	203,119,467	-	203,119,467
3) City Polymers Limited	412,721,869	-	412,721,869
4) Max Infrastructure Limited	50,511,986	100,115,338	150,627,324
5) RFL Plastics Limited	35,953,888	-	35,953,888
6) HR Lines Limited	506,846,139	-	506,846,139
7) National Development Engineers Ltd	-	-	-
8) Unique Cement Industries Ltd.	-	-	-
9) Akij Biax Films Limited	-	-	-
Total	1,816,530,638	140,454,912	1,956,985,550



Note	es to the Financial Statements	2023 TAKA	2022
		ТАКА	ΤΑΚΑ
.5	Industry-wise concentration of loans and advances (including bills purchased and discounted)		
	Agri and micro credit through NGO	1,124,773,587	411,492,268
	Commercial and trading	281,604,326	43,769,085
	Construction	50,511,986	50,051,702
	Cement and ceramic industries	-	-
	Chemical and fertilizer	286,658,778	-
	Crops, fisheries and livestocks	-	-
	Electronics and electrical goods	-	-
	Food and allied industries	-	-
	Consumer finance	97,347,060	43,027,971
	Metal and steel products	163,021,684	232,640,378
	Pharmaceutical industries	99,763,342	-
	Power and fuel		-
	Rubber and plastic industries	549,337,725	-
	Readymade garments industry	27,740,745	-
	Ship building & breaking industry	-	-
	Sugar and edible oil refinery	-	-
	Transport and e-communication	508,121,653	-
	Textile mills	3,606,887	_
	Other manufacturing or extractive industries	727,160,279	_
	Others	463,919,882	205,267,732
		4,383,567,935	986,249,136
5.1	Cluster base CMSME Financing		
	As of 31 December 2023 Citizens Bank PLC do not have any outstanding amount under Bangladesh Bank SMESPD circular no. 05 dated 14 August 2022.		
6	Sector - wise concentration of loans and advances (including bills purchased and discounted)		
	Government sector	-	-
	Public sector	-	
	Private sector	4,383,567,935	986,249,136
		4,383,567,935	986,249,136
7	Geographic location-wise concentration of loans and advances (including bills purchased and discounted)		
	Inside Bangladesh		-
	Dhaka Division	4,332,166,706	985,514,535
	Chattogram Division	36,298,157	734,602
	Sylhet Division	-	-
	Rajshahi Division	-	-
		_	-
	Khulna Division		
	Rangpur Division	-	-
	Rangpur Division Barishal Division	-	-
	Rangpur Division	- - 15,103,072 4,383,567,935	- - - 986,249,136



Notes to the Financial Statements

7.8 Classification status of loans and advances

a) Classification of loans and advances including bills purchased and discounted

	Year						
		2023				2022	
Status of loans and advances	Outsta	anding amount (Taka)		Tabal Outstanding		
	Main Operation	Off-shore Banking Unit	Total	Mix (%)	Total Outstanding amount (Taka)	Mix (%)	
Unclassified loans and							
advances Standard (including staff loans)	4,383,567,935	-	4,383,567,935	100%	986,249,136	100%	
Special mention account	-	-	-	0%	-	-	
Total unclassified loans and advances	4,383,567,935	-	4,383,567,935	100%	986,249,136	100%	
Classified loans and advances							
Substandard	-	-	-	0%	-	-	
Substandard MC	-	-	-	0%	-	-	
Doubtful	-	-	-	0%	-	-	
Bad/loss	-	-	-	0%	-	-	
Total classified loans and advances	-	-	-	0%	-		
Total loans and advances	4,383,567,935	-	4,383,567,935	100%	986,249,136	100%	

2023 TAKA 2022 TAKA

b) Classification and provisioning of loans and advances including bills purchased and discounted - Main Operation

Classification / Status of loans and advances	Amount of outstanding loans and advances as at 31 December 2023	Base for provision (Taka)	Percentage (%) of provision required as per Bangladesh Bank's directives	Amount of provision required as at 31 December 2023 (Taka)	Amount of provision required as at 31 December 2022 (Taka)
Unclassified loans and advances					
All unclassified loans (other than loans under	2,801,442,987	2,801,442,987		28,014,429.87	5,152,745
small and medium enterprise, consumer					
financing and short term agricultural credit)			1%		
Small and medium enterprise financing	1,291,908,281	1,291,908,281	0.25%	3,229,771	1,082,911
Consumer financing (other than housing	99,906,295	99,906,295		1,998,126	482,402
finance under consumer financing scheme)			2%		
Consumer Financing(for proffessionals)	2,501,181	2,501,181	2%	50,024	59,645
Consumer financing (for housing finance)	54,896,226	54,896,226	1%	548,962	-
Loans to BHs/MBs/SDs	132,054,958	132,054,958	1%	1,320,550	214,159
Short term agricultural credit	858,007	858,007	1%	8,580	-
Micro credit	-	-	1%	-	-
	4,383,567,935	4,383,567,935		35,170,442	6,991,861





Notes to the Financial Statements	2023 TAKA	2022 TAKA

Special mention account					
All unclassified loans (other than loans under small enterprise and consumer financing)	-	-	1%	-	
Small & Medium enterprise financing	-	-	0.25%	-	
Consumer financing (other than housing finance under consumer financing scheme)	-	-	2%	-	
Consumer Financing (Credit Card)	-	-	2%	-	
Consumer financing (for housing finance)	-		1%	-	
	-	-		-	-
Sub-total General Provision [A]	4,383,567,935	4,383,567,935		35,170,442	6,991,861
Special General Provision-Covid 19 (Calculated) [B] Classified loans and advances					
Sub Standard Small	-		5%		
Sub Standard Other	-		20%		
Sub Standard AG/MC	-		5%		
Doubtful Small	-		20%		
DoubtfulOther	-		50%		
Doubtful AG/MC	-		5%		
Bad /loss	-		100%		
Sub-total [C]	-	-		-	
Total provision required [A+B+C]	4,383,567,935	4,383,567,935		35,170,442	6,991,861
Total provision maintained [Note 13]				35,179,834	6,991,861
Total provision surplus				9,391	

The Note should read with **Note No. 13** where provision kept as per Bangladesh Bank Inspection Team for the year ended 31 December 2023.

b.1 Total provision required Main Operation (i) Off-shore Banking Unit (ii)	
Total provision maintained Main Operation (iii) Off-shore Banking Unit (iv)	

	35,179,834	6,991,861
Total provision surplus		
Main Operation (iii-i)	9,391	-
Off-shore Banking Unit (iv-ii)	-	-
	9,391	



35,170,442

35,170,442

35,179,834

_

-

6,991,861

6,991,861

6,991,861

_

-

Not	es to the Financial Statements	2023 TAKA	2022 TAKA
7.9	Particulars of loans and advances		
	i) Loans considered good in respect of which the bank is fully secured	1,730,211,114	173,073,765
	 Loans considered good for which the bank holds no other security than the debtor's personal security 	887,080,218	784,816,914
	 iii) Loans considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors. 	1,766,276,603	28,358,458
	iv) Loans adversely classified; for which no provision is created.	-	
		4,383,567,935	986,249,136
	 v) Loans due by directors or officers of the bank or any of them either jointly or severally with any other persons. 	47,208,461	13,621,598
	vi) Loans due by companies and firms in which the directors of the bank have interests as directors, partners or managing agent or in case of private companies as members.	8,387,500	-
	vii) Maximum total amount of advances, including temporary advances made at any time during the period to directors or managers or officers of the bank or any of them either severally or jointly with any other persons.	-	-
	viii)Maximum total amount of advances, including temporary advances, granted during the period to the companies or firms in which the directors of the bank have interests as directors, partners or managing agents or, in case of private companies as members.	-	-
	ix) Due from other banking companies	-	-
	x) Information in respect of classified loans and advances	-	-
	a) Classified loans for which interest/profit not credited to income		
	(i)(Decrease)/Increase of provision (specific)	-	-
	(ii) Amount of loans written of	-	-
	(iii) Amount recovered from loans written off	-	-
	b) Amount of provision kept against loans classified as bad/loss c) Amount of interest creditable to the interest suspense account	-	-
	xi)Cumulative amount of written off loans:	_	_
	Opening Balance	-	-
	Amount written off during the year:	_	-
	Principal amount	-	-
	Interest suspense	-	-
	Balance of written off loans and advances	-	-
		-	-
8.0	Fixed assets including land, building, furniture and fixtures		
	At Cost		
	Furniture and fixture	21,228,665	10,450,657
	Interior Decoration	45,759,914	9,877,736
	Office equipment	25,722,990	7,067,527
	Motor vehicles	67,163,671	49,224,367
	Computer & computer equipment's	76,478,839	61,580,948
	ATM Booth	6,669,000	2,279,000
	Imported computer software	36,653,374	27,862,797
	Right of use of assets	467,599,120	408,339,427
	Total Cost	747,275,573	576,682,459
	Accumulated depreciation and amortization Written down value at the end of the year	148,457,060 598,818,513	65,567,975 511,114,484
	A schedule of Fixed Assets is given in Annexure - B	000,010,010	TUT



			\checkmark
Note	es to the Financial Statements	2023 TAKA	2022 TAKA
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'.		
.0	Other Assets		
	Advance Rent Advance for Fixed Assets Advance Income Tax (Note-9.1) Excise Duty Receivable Dividend Receivable Stationaries Prepaid Expenses Deferred Tax Asset (Note-9.2)	16,575,120 14,459,092 100,738,723 3,034,100 2,807,459 5,340,433 1,204,591	760,656 29,656,830 55,700,127 799,500 2,467,500 1,226,821 967,506 -
	Balance with UCB Capital Management Receivable from MFS	556,611	853,023
	Interest Receivable (Note-9.3)	1,450,855 67,287,716	- 37,890,901
		213,454,699	130,322,865
.1	Advance Income Tax		
	Opening balance	55,700,127	18,837,202
	Paid during the year	45,038,595	36,862,926
	Closing balance	100,738,723	55,700,127
.2	Deferred tax assets		
		-	-
.3	Interest Receivable Interest receivable from government security Interest receivable from Ioans & advances Interest receivable from placement	34,472,069 930,704 31,884,943	15,032,231 - 22,858,670
0.0	Non-banking assets Non-banking asset (NBA) is acquired due to failure of borrower to repay the loan in time taken against mortgaged properties. NBA is recognised in the financial statements on the basis of third party valuation and in compliance with the NBA Policy guided by Bangladesh Bank (BRPD circular no. 22 dated 20 September 2021). As on the reporting date, the Bank has no NBA.`	67,287,716	37,890,901
1.0	Borrowing from other banks, financial institutions and agents: In Bangladesh	25,000,000	-
	Outside Bangladesh		
2.0	Deposit and other accounts		
	Local bank deposits	-	-
	Customer and other deposits (Note 12.1)	10,050,570,500	2,906,905,548
	Total deposit and other accounts	10,050,570,500	2,906,905,548



Note	s to the Financial Statements	2023 TAKA	2022 TAKA
12.1	Customer and other deposits		
12.1	Current accounts and other accounts	2,404,984,867	1,199,480,593
	Bills payable	28,882,559	71,960,728
	Saving deposits	175,863,488	78,120,363
	Fixed deposits	7,440,839,586	1,557,343,864
	Other deposits	-	_
	Total deposit and other accounts	10,050,570,500	2,906,905,548
12.2	Maturity analysis of deposits		
12.2	Payable on demand	204,891,546	1,349,561,697
	Up to 1 month	2,120,020,790	647,562,980
	Over 1 month but within 6 months	2,469,878,236	612,456,238
	Over 6 months but within 1 year	5,096,843,414	278,917,797
	Over 1 year but within 5 years	135,175,200	2,184,181
	Over 5 years but within 10 years	23,334,046	16,163,120
	Over 10 years	427,268	59,535
		10,050,570,500	2,906,905,548
12.3	Sector - wise concentration of Deposits and other accounts		
	Government sector	1,028,577,321	_
	Other public sector	1,589,127,013	-
	Private sector	7,432,866,167	2,906,905,548
		10,050,570,500	2,906,905,548
13.0	Other Liabilities		
	Provision for Current Tax	46,896,112	26,365,533
	Provision for Deferred Tax (13.2)	7,114,387	10,026,366
	Provision for Loans & Advances	35,179,834	6,991,861
	Provision for investments	11,029,816	11,194,145
	Provision for off-balance sheet exposure	2,305,316	-
	Other Provisions	676,763	-
	Accrued Expenses Payable (13.1)	35,568,678	13,413,692
	Lease liabilities (present value of lease payments)	352,576,831	313,791,814
		491,347,735	381,783,410
13.1	Accrued Expenses Payable		
	Accounts Payable against purchase & procurements	6,545,816	5,106,549
	Audit Fee Payable	230,000	172,500
	Privileged creditors (payable to government)	27,564,829	7,756,923
	Payable to Banglades Bank	24,888	14,546
	MFS Payable	1,191,745	363,174
	Insurance premium payable	11,400	-
		35,568,678	13,413,692



Note	s to the Financial Statements	2023 TAKA	2022 TAKA
13.2	Deferred tax liability		
	i. Temporary timing difference in written down value of fixed assets	-	-
	Carrying amount of fixed assets	205,556,890	135,663,275
	Tax base	197,079,447	116,547,990
	Taxable temporary difference	8,477,443	19,115,286
	Tax rate	40.00%	40.00%
	Deferred tax liability	3,390,977	7,646,114
	ii. Temporary timing difference for employee benefit fund	-	-
	Employees Provident fund, Gratuity, ESSF	9,308,524	5,950,629
	Tax base	-	-
	Taxable temporary difference	9,308,524	5,950,629
	Tax rate	40.00%	40.00%
	Deferred tax liability	3,723,410	2,380,252
	Total Deferred tax liability (i+ii)	7,114,387	10,026,366
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.	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
		4,000,000,000	4,000,000,000
	As per letter ref: BRPD(LS-1)/745(74)/2023-728 dated: 24 January 2023 Bangladesh Bank extended the timeframe upto July 2024 to rise paid up capital to Tk. 500.00 crore.		
14.3	Capital to risk-weighted asset ratio (CRAR)		
	As per the 'Revised Guidelines on Risk Based Capital Adequacy (RBCA)' issued by Bangladesh Bank in December 2014, all scheduled banks are required to calculate Capital to Risk Weighted Assets Ratio based on 'Solo' as well as 'Consolidated' basis since early 2015. Here, regulatory capital base is quite different from accounting capital. Regulatory capital consists of Tier-1 (Common Equity Tier 1 and Additional Tier 1) and Tier 2 capital. Assessing regulatory capital in relation to overall risk exposures of a bank is an integrated and comprehensive process. Besides regulatory capital requirement, the Bank maintains surplus capital which will act as buffer for absorbing all material risks and to support foreseen business growth activities.		



Notes to the Financial Statements2023 TAKA2022 TAKAIn terms of section 13(2) of the Bank Company Act, 1991 (Amendment up to date) and Bangladesh Bank BRPD Dircular no. 18 dated 21 December 2014, required capital of the Bank at the close of business on December 31, 2023 is Take 4,000,000,000 (as per letter ref: BRPD(LS-N)/745(74)/2023-728 dated: 24 January 2023 Bangladesh Bank extended the timeframe up to 2nd July 2024) as against available Total Tier-1 Capital of Take 4,003,333,798 and Total Tier-2 Capital available of Taka 37,485,149 that is, a total of Taka 4,040,818,947 thereby showing a surplus capital of Taka 40,818,947 at that date. Details are shown below:-Common Equity Tier -1 Capital Fully Paid-up Capital/Capital Deposited with BB Statutory reserve4,000,000,000 18,240,964-Non-repayable share premium accountGeneral ReserveRetained earnings(14,907,166)1,003,426Minority interest in SubsidiariesNon-Cumulative irredeemable Preferences sharesDividend Equalization AccountRegulatory adjustment: Goodwill and all other Intangible AssetsShortfall in provisions required against investment in sharesRemaining deficit on account of revaluation of investments in securitiesafter netting off from any other surplus on the securities. Beferred Tax Assets (DTA)Defined benefit pension fund assetsGoodwill and all other Intangible AssetsDividend Equalization Assets (DTA)-
In terms of section 13(2) of the Bank Company Act, 1991 (Amendment up to date) and Bangladesh Bank BRPD Circular no. 18 dated 21 December 2014, required capital of the Bank at the close of business on December 31, 2023 is Taka (4,000.000.00) (as per letter ref: BRPULS-11/Y45(74)/2022/32 728 dated: 24 January 2023 Bangladesh Bank extended the timeframe up to 2nd July 2024) as against available Total Tier-1 Capital of Taka 4,003,333,788 and Total Tier-2 Capital available of Taka 37,485,149 that is, a total of Taka 4,004,0818,947 thereby showing a surplus capital of Taka 40,818,947 at that date. Details are shown below:-Common Equity Tier -1 Capital Fully Paid-up Capital/Capital Deposited with BB Statutory reserve4,000,000,000 18,240,8644,000,000,000 4,000,000,000Statutory reserve Retained earningsNon-repayable share premium account General ReserveRetained earnings Minority interest in Subsidiaries Non-Cumulative irredeemable Preferences shares Dividend Equalization AccountRegulatory adjustment: Goodwill and all other Intangible Assets Shortfall in provisions required against Non Performing Loans (NPLs) Shortfall in provisions required against Non Performing Loans (NPLs) Shortfall in provisions required against Non Performing Loans (NPLs) Shortfall in provisions required against Non Performing Loans (NPLs) Condwill and all other Intangible Assets Shortfall in provisions required against Non Performing Loans (NPLs) Condwill and all other surplus on the securities. Condwill and all other surplus on the securities. Condwill and securities after netting off from any other surplus on the securities. Condwill and securities after netting off from any other surplus on the securities. Condwill and securities after nett
and Bangladesh Bank BRPD Circular no. 18 dated 21 December 2014, required capital of the Bank at the close of business on December 31, 2023 is Taka 4,000,000,000 (as per letter ref: BRPD(LS-1)/745(74)/2023-728 dated: 24 January 2023 Bangladesh Bank extended the timeframe upto 2nd July 2024) as against available Total Tier-I Capital of Taka 4,003,333,798 and Total Tier-2 Capital available fotal Tier-I Capital of Taka 4,0,818,947 at that date. Details are shown below: Common Equity Tier -I Capital Fully Paid-up Capital/Capital Deposited with BB Statutory reserve Non-repayable share premium account General Reserve Retained earnings Minority interest in Subsidiaries Non-Cumulative irredeemable Preferences shares Dividend Equalization Account Equalization Account of revaluation of investments in securities Equalization Assets (DTA) Deferred Tax Assets (DTA) Defined benefit pension fund assets Gain on sale related to securitization transactions Equalization transactions Equalization Transactions Equalization Transactions Equalization Transaction Equalization Transactions Equalization Transaction Equal
Common Equity Tier -1 Capital-Fully Paid-up Capital/Capital Deposited with BB4,000,000,000Statutory reserve18,240,964Non-repayable share premium account-General Reserve-Retained earnings(14,907,166)Minority interest in Subsidiaries-Non-Cumulative irredeemable Preferences shares-Dividend Equalization Account-Regulatory adjustment:-Goodwill and all other Intangible Assets-Shortfall in provisions required against Non Performing Loans (NPLs)-Shortfall in provisions required against investment in shares-Remaining deficit on account of revaluation of investments in securities-Deferred Tax Assets (DTA)-Defined benefit pension fund assets-Gain on sale related to securitization transactions-
Fully Paid-up Capital/Capital Deposited with BB4,000,000,0004,000,000,000Statutory reserve18,240,96417,813,963Non-repayable share premium accountGeneral ReserveRetained earnings(14,907,166)1,003,426Minority interest in SubsidiariesNon-Cumulative irredeemable Preferences sharesDividend Equalization AccountRegulatory adjustment:Soodwill and all other Intangible AssetsShortfall in provisions required against Non Performing Loans (NPLs)Shortfall in provisions required against investment in sharesRemaining deficit on account of revaluation of investments in securitiesafter netting off from any other surplus on the securitiesDefined benefit pension fund assetsGain on sale related to securitization transactionsGain on sale related to securitization transactions
Regulatory adjustment:Goodwill and all other Intangible Assets-Shortfall in provisions required against Non Performing Loans (NPLs)-Shortfall in provisions required against investment in shares-Remaining deficit on account of revaluation of investments in securities-after netting off from any other surplus on the securitiesDeferred Tax Assets (DTA)-Defined benefit pension fund assets-Gain on sale related to securitization transactions-
Goodwill and all other Intangible Assets-Shortfall in provisions required against Non Performing Loans (NPLs)-Shortfall in provisions required against investment in shares-Remaining deficit on account of revaluation of investments in securities-after netting off from any other surplus on the securitiesDeferred Tax Assets (DTA)-Defined benefit pension fund assets-Gain on sale related to securitization transactions-
Shortfall in provisions required against Non Performing Loans (NPLs)Shortfall in provisions required against investment in sharesRemaining deficit on account of revaluation of investments in securitiesafter netting off from any other surplus on the securitiesDeferred Tax Assets (DTA)Defined benefit pension fund assetsGain on sale related to securitization transactions
Shortfall in provisions required against investment in shares-Remaining deficit on account of revaluation of investments in securities-after netting off from any other surplus on the securitiesDeferred Tax Assets (DTA)-Defined benefit pension fund assets-Gain on sale related to securitization transactions-
Remaining deficit on account of revaluation of investments in securities-after netting off from any other surplus on the securitiesDeferred Tax Assets (DTA)-Defined benefit pension fund assets-Gain on sale related to securitization transactions-
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Deferred Tax Assets (DTA) Defined benefit pension fund assets Gain on sale related to securitization transactions
Defined benefit pension fund assetsGain on sale related to securitization transactions
Bain on sale related to securitization transactions – – –
nvestment in own CET-1 Instruments/Shares
Reciprocal crossholdings in the CET-1 capital of Banking, Financial and Insurance Entities
Any investment exceeding the approved limit under section 26(2) of Bank Company Act,
991
nvestments in subsidiaries which are not consolidated-50% of Investment - Other if any
otal Common Equity Tier-I Capital 4,003,333,798 4,018,817,389
Additional Tier-I Capital - - Total Tier-1 Capital 4,003,333,798 4,018,817,389
Additional Tier-I Capital





Notes to the Financial Statements	2023 TAKA	2022 TAKA
Tier -2 Capital		
General Provision/General Ioan-Ioss reserve	37,485,149	6,991,861
All other preference shares	-	
Subordinated debt/Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital (as per Annex 4 of Basel III Guidelines)	-	
Non-controlling interest	-	
HO borrowings in foreign currency received that meet the criteria of Tier 2 debt capital	-	
Other (if any item approved by Bangladesh Bank)	-	
Sub-Total	37,485,149	6,991,861
Regulatory adjustments:		
Revaluation Reserves for Fixed Assets, Securities & Equity Securities	-	-
Investment in own T-2 Instruments/Shares	-	-
Reciprocal crossholdings in the T-2 capital of Banking, Financial and Insurance Entities	-	-
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991. (50% of Investment)	-	-
Investments in subsidiaries which are not consolidated- 50% of Investment	-	-
Other (if any)	-	-
Total Tier-2 Capital Available	37,485,149	6,991,861
Maximum limit of Tier-2 Capital (Tier 2 Capital can be maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is Lower)	3,558,563,413	3,572,326,777
Excess amount over maximum limit of Tier 2 Capital		
Total admissible Tier 2 Capital	37,485,149	6,991,861
Total Eligible Capital	4,040,818,947	4,025,809,250
Total assets including off-Balance Sheet items	14,939,733,155	7,307,873,880
Total risk-weighted assets (RWA)	5,303,734,661	2,519,261,606
Total required capital (12.50% of Total RWA)	4,000,000,000	4,000,000,000
Capital Surplus / (Shortfall)	40,818,947	25,809,250
Capital to Risk Weighted Assets Ratio (CRAR)	76.19%	159.80%
15.0 Statutory reserve		
Balance at the beginning of the year	17,813,962	17,156,613
Add: Transferred from profit during the year	427,002	657,350
	18,240,964	17,813,962
16.0 Other reserve		
	-	-
Balance at the beginning of the year	-	-
Add: Transferred from profit during the year	-	-



Notes	s to the Financial Statements	2023 TAKA	2022 TAKA
Surplu	us in profit and loss account/ retained earnings		
Balan	ce at the beginning of the year	1,003,426	6,496,728
Profit	/(Loss) for the year	(15,483,590)	(4,835,952)
Trans	fer to statutory reserve	(427,002)	(657,350)
		(14,907,166)	1,003,426
18.0	Contingent liabilities		
	Acceptance and endorsements	11,918,747	-
	Letters of guarantee	131,524,304	-
	Irrevocable letters of credit	85,887,267	-
	Bills for collection	139,883,696	-
	Other contingent liabilities	-	-
		369,214,014	-
19.0	Profit and Loss Account		
	Income:		
	Interest, discount and similar income	888,047,677	362,470,267
	Dividend income	3,081,779	2,562,500
	Fees, commission and brokerage	23,853,444	36,916
	Income from non-banking assets	-	-
	Other operating income	8,289,681	1,084,144
	Profit less losses on interest rate changes	-	-
		923,272,582	366,153,827
	Expenses:		07 / 74 000
	Interest, fees and commission	452,766,505	93,471,802
	Administrative expenses Other operating expenses	268,009,884 85,065,343	164,400,486 42,264,494
	Depreciation on banking assets	84,290,118	44,544,291
		890,131,851	344,681,073
		33,140,731	21,472,754
20.0	Interest income		
	Interest Income from Loans & Advances	343,902,309	12,070,763
	Interest Income from SND with other Banks	102,343	293,307
	Interest Income from placement with banks and Financial Institutions	349,270,989	281,336,754
	Interest from Bangladesh Bank	206,653	
		693,482,295	293,700,824



Note	s to the Financial Statements	2023 TAKA	2022 TAKA
21.0	Interest paid on deposits and borrowings		
	Interest on deposit accounts	356,156,446	56,966,022
	Interest on Govt. Securities	71,169,840	28,654,505
	Interest on borrowings	25,440,219	7,851,275
		452,766,505	93,471,802
22.0	Investment income		
	Interest on treasury bills and bonds	193,637,821	68,769,443
	Interest on bond	927,562	-
	Dividend on shares	3,081,779	2,562,500
	Gain on trading shares (Realized)	0,001,770	53,477
		197,647,162	71,385,420
23.0	Commission, exchange and brokerage		
	Commission	5,007,080	36,916
	Exchange gain	18,846,364	_
	Brokerage fees	-	_
		23,853,444	36,916
24.0	Other operating income		
	Service Charge & Fees Income	8,289,681	1,030,667
		8,289,681	1,030,667
25.0	Salary & allowances (excluding those of Managing Director & CEO)		
	Basic salary of officers	93,336,092	57,736,459
	Other salary & allowances	79,049,683	46,793,800
	Festival bonus	14,937,921	9,324,449
	Provident fund contribution	8,530,621	5,232,726
		195,854,317	119,087,434
26.0	Rent, taxes, insurance, utilities etc.		
	Rents, rates and taxes - Premises	9,477,916	4,439,124
	Insurance premium	4,680,975	1,785,926
	Utilities	5,514,465	1,814,570
	Generator Fuel	231,542	-
	*As per IFRS 16 'Leases', the Bank recorded interest expense on lease liabilities (note 32)	19,904,898	8,039,620
	and depreciation on RoU assets (note 31) instead of charging rental expense (excluding VAT) of BDT 62.47 million in 2023 against rented premises treated as lease assets and shown in the balance sheet as RoU assets under note 8.		

			·
Note	s to the Financial Statements	2023 TAKA	2022 TAKA
27.0	Postage, stamp, telecommunication etc.		
	Postage	95,710	10,777
	Telephone - office	428,767	179,511
	Network link, Internet and Data Center maintenance cost	5,177,066	2,774,113
	SWIFT Charge	5,449,875	-
		11,151,418	2,964,401
28.0	Stationery, printing, advertisement etc.		
	Printing and stationery	10,893,230	6,703,481
	Advertisement	17,534,280	15,760,740
		28,427,510	22,464,221
29.0	Managing Director's salary and allowances		
	Basic salary	7,779,032	7,179,032
	Allowances	1,899,606	2,291,075
	Bonus (Festival)	1,300,000	1,200,000
	Bank's contribution to provident fund	777,903	717,903
		11,756,541	11,388,010
30.0	Directors' fees and expenses		
	Directors' fees	915,200	456,800
	Meeting expenses	-	-
		915,200	456,800
	Directors' fees includes fees for attending the meeting of the Board, Executive Committee, Audit Committee, Risk Management Committee. Each director of the Bank was paid BDT 8,000 (including VAT) per board or board committee meeting attended in 2022 as per BRPD circular letter no. 11 dated 4 October 2015.		
31.0	Repairs, maintenance and depreciation		
	Depreciation		
	Furniture and Fixture	2,823,463	241,377
	Interior Decoration	3,860,740	396,246
	Office Equipment	3,701,858	774,626
	Motor Vehicles	11,086,800	7,703,980
	Computer & Computer Equipment	14,792,123	11,343,457
	ATM Booth	1,270,900	141,450
	Computer Software	4,163,645	2,303,737
	Lease ROUA of Office Rent	42,590,589	21,639,419
	_	84,290,118	44,544,291
	Repairs, maintenance and spare parts	700.0/0	
	Repairs of Fixed Assets	328,046 328,046	49,425 49,425
		84,618,164	49,425
		04,010,104	77,030,/10



Note	s to the Financial Statements	2023 TAKA	2022 TAKA
32.0	Other expenses		
	Car tax, token, registration	2,211,775	1,395,605
	Business travelling and conveyance	17,211,258	12,116,804
	Petrol, Oil and Lubricant	778,685	698,601
	Bank charges	8,653,353	495,008
	Fees and subscriptions	1,390,000	883,750
	Entertainment and recreation	5,409,171	3,329,007
	Cleaning & Security service	16,566,298	3,230,462
	Recruitment and training expenses	160,745	118,135
	Professional fees	1,359,006	160,400
	Credit Rating Fees	215,000	-
	Interest expenses of Office Rent Lease	19,880,354	12,791,902
	Car Parking	-	28,000
	ADC Expenses	5,660,038	406,841
	Loss from Share Trading	933,530	-
	Exchange & Revaluation Loss	3,963,086	6,388,054
		84,392,297	42,042,569
33.0	Provision For loans and advances:		
00.0	For classified loans and advances	_	_
	For unclassified loans and advances	28,187,972	6,991,861
	For off balance sheet items	2,305,316	-
		30,493,288	6,991,861
7/ 0	Provision for diminution in value of Investments		
34.0		(10/ 700)	11,194,145
	Diminution in value of Investments	(164,329)	11 194 145
		(164,329)	11,194,145
35.0	Provision for Others		
35.0	Provision for Others Provision for Other Assets		
35.0		(164,329)	
35.0 36.0		(164,329) 676,763	
36.0	Provision for Other Assets	(164,329) 676,763	
	Provision for Other Assets Provision for Taxation Current tax expense	(164,329) 676,763 676,763	- -
36.0	Provision for Other Assets Provision for Taxation	(164,329) 676,763	
36.0	Provision for Other Assets Provision for Taxation Current tax expense	(164,329) 676,763 676,763 20,530,579	11,194,145
36.0 36.1	Provision for Other Assets Provision for Taxation Current tax expense Current year Deferred tax expense/(income)	(164,329) 676,763 676,763 20,530,579 20,530,579	11,194,145
36.0 36.1	Provision for Other Assets Provision for Taxation Current tax expense Current year	(164,329) 676,763 676,763 20,530,579	11,194,145



			\sim
Note	s to the Financial Statements	2023 TAKA	2022 TAKA
37.0	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 2023 as per IAS 33: Earnings per share.		
	Profit after taxation	(14,971,156)	(4,835,952)
	Profit attributable for distribution to ordinary shareholders	(14,971,156)	(4,835,952)
	Weighted average number of shares outstanding	400,000,000	400,000,000
	Earnings per share (EPS)	(0.04)	(0.01)
	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 2023.		
38.0	Net Asset Value (NAV) Per Share		
	Total Shareholders Equity [numerator]	4,003,600,906	4,019,184,921
	Number of ordinary shares outstanding [denominator]	400,000,000	400,000,000
	Net Asset Value (NAV) Per Share	10.01	10.05
39.0	Net Operating Cash Flow Per Share (NOCFPS)		
	Net cash from operating activities [numerator]	3,795,914,069	1,767,732,123
	Number of ordinary shares outstanding [denominator]	400,000,000	400,000,000
	Net operating cash flow per share (NOCFS)	9.49	4.42
40.0	Cash and cash equivalent		
	Cash in hand (Including foreign currency)	404,859,042	176,250,429
	Money at call	-	40,000,000
	Balance with other banks and financial institutions	6,288,895,994	3,939,383,165
		6,693,755,037	4,155,633,594

41.0 Related Party Transactions

While making any related party transactions the management always pays proper attention to economic efficiency and competitive pricing and necessary approval of Bangladesh Bank and other authorities had been obtained wherever applicable. Significant related party transactions of the Bank for the period 01 January to 31 December 2023 is given below:

Name of Organization	Relationship	Service Type	Transaction Amount (Tk.)
Modele De Capital Ind. Ltd.	Sponsor Shareholder	Office Rent	3,870,000
NRG Printing and Packaging Limited	Sponsor Shareholder	Import LC issue	26,940,800





Notes to the Financial Statements	2023 TAKA	2022 TAKA
42.a Reconciliation between Operating profit of the Bank and Cash flows from operating activities		
Profit before provision	33,140,731	21,472,754
Depreciation on fixed assets	84,290,118	44,544,291
Gain/loss on sale of fixed assets	-	-
Charges on loan losses	-	-
Adjustment of provision for loans and advances	-	-
Increase of interest & dividend receivable	(31,238,232)	(14,125,277)
Increase of interest payable	-	-
Increase of accrued expenses	-	-
Increase of advance expenses	-	-
Advance tax paid	(45,038,595)	(36,862,926)
Effects of the change of exchange rate on cash & cash equivalent	(9,909,950)	-
Operating profit before changes in operating assets and liabilities	31,244,072	15,028,842
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	(3,397,318,799)	(986,249,136)
Other assets	(67,616,158)	(213,065,128)
Deposits from other banks/Borrowings	25,000,000	
Deposits from customers	7,143,664,952	2,906,905,548
Other liabilities account of customers	_	-
Other liabilities	60,940,002	45,111,997
Net cash from operating activities	3,795,914,069	1,767,732,123

42.b Reconciliation of effective tax rate

Particulars	Effective Rate	31-Dec-2023	Effective Rate	31-Dec-2022
Profit before provision & tax		33,140,731		21,472,754
Income for separate consideration (dividend income)		(3,081,779)		(2,562,500)
Income taxes as per applicable tax rate	40.00%	12,023,581	40.00%	7,564,102
Factors affecting the tax charge in current year				
Inadmissible expenses	62.24%	20,626,004	51.93%	11,149,888
admissible expenses in the current year	-38.43%	(12,735,361)	-53.86%	(11,565,186)
Tax from reduced tax rates for dividend	1.86%	616,356	2.39%	512,500
Tax from reduced tax rates for capital gain		-		-
Effect of deferred tax income	-8.79%	(2,911,979)	2.15%	461,397
Total income tax expenses	56.88 %	17,618,600	42.60%	8,122,700



Citizens Bank PLC Highlights on the overall activities As at 31 December 2023

Annexure - A

		Amount in Taka unles	s otherwise specified
SI.No.	Particulars	2023 TAKA	2022 TAKA
1	Paid-up Capital	4,000,000,000	4,000,000,000
2	Total Capital	4,003,600,906	4,019,184,921
3	Capital (deficit) / surplus	40,818,947	25,809,250
4	Total Asset	14,570,519,141	7,307,873,880
5	Total Deposit	10,050,570,500	2,906,905,548
6	Total loans and advances	4,383,567,935	986,249,136
7	Total contingent liabilities and commitments	369,214,014	-
8	Credit deposit ratio	43.62%	33.93%
9	Percentage of classified loans against total loans and advances	-	-
10	Profit after tax and provision	(15,483,590)	(4,835,952)
11	Amount of classified loans during the year	-	-
12	Provisions kept against classified loans	-	-
13	Provision surplus against classified loans	-	-
14	Cost of fund	7.86%	12.34%
15	Interest earning assets	13,225,763,705	6,395,869,566
16	Non-interest earning assets	1,744,755,436	912,004,314
17	Return on Investments (ROI)[PAT/(Shareholders' equity + Borrowing)]	-0.38%	-0.12%
18	Return on Assets (ROA) [PAT/ Average assets]	-0.04%	-0.02%
19	Income from investment	197,647,162	71,385,420
20	Earnings Per Share (EPS)	(0.04)	(0.01)
21	Net Income Per Share	(0.04)	(0.01)
22	Price-Earning (P/E) Ratio (times)	Not applicable	Not applicable



Schedule of Fixed Assets **Citizens Bank PLC** As at 31 December 2023

Amount in Taka

Annexure - B

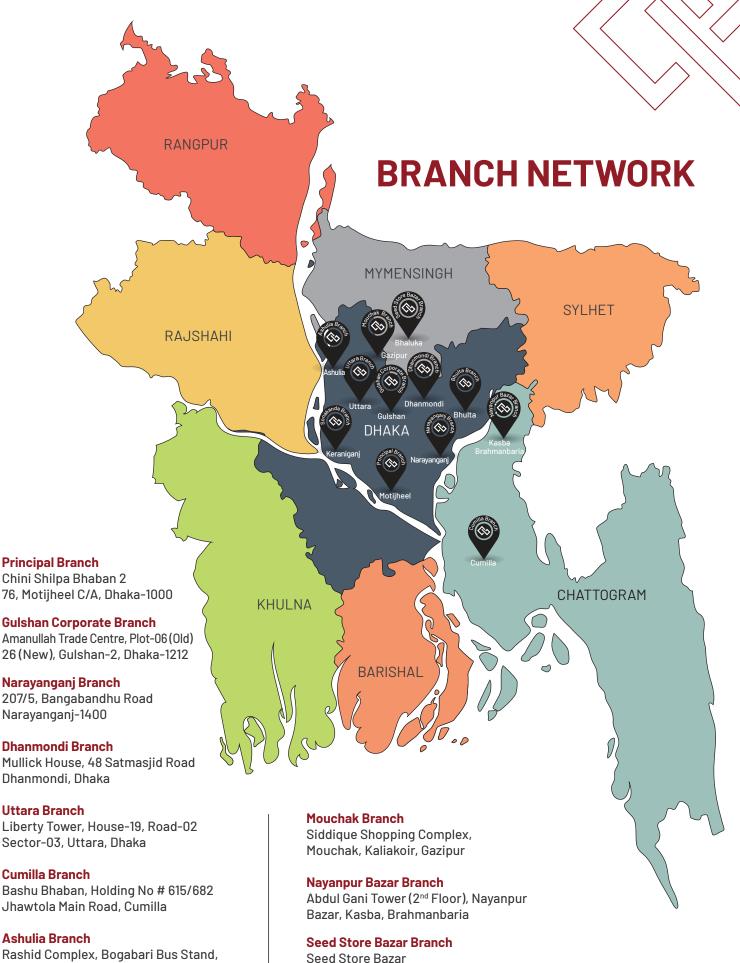
		Cost	st			Accumula	Accumulated Depreciation & Amortization	ation & Amo	ortization	
Particulars	Balance on 01 January 2023	Additions during the year	Disposals during the year	Disposals Balance at during the 31 December year 2023	Rate of dep.	Balance on 01 January 2023	Charge for the year	On disposals during the year	Charge for disposals 31 December the year during the 2023 year	Net book value at 31 December 2023
Furniture and Fixture	10,450,657	10,778,008		21,228,665	10%	625,686	2,823,463		3,449,149	17,779,516
Interior Decoration	9,877,736	35,882,178		45,759,914	15%	396,246	3,860,740		4,256,985	41,502,929
Office Equipment	7,067,527	18,655,463		25,722,990	15%	1,114,343	3,701,858		4,816,201	20,906,788
Motor Vehicles	49,224,367	22,419,037	4,479,733	67,163,671	20%	10,200,228	11,086,800 1,401,033	1,401,033	19,885,995	47,277,676
Computer & Computer Equipment's	61,580,948	14,897,892		76,478,839	20%	17,069,279	14,792,123		31,861,402	44,617,437
ATM Booth	2,279,000	4,390,000		6,669,000	10%	141,450	1,270,900		1,412,350	5,256,650
Computer Software	27,862,797	8,790,577		36,653,374	20%	2,872,802	4,163,645		7,036,447	29,616,927
Right of Use of Assets - Office Rent	408,339,427	59,259,693		467,599,120		33,147,941	42,590,589		75,738,530	391,860,590
At 31 December 2023	576,682,459	175,072,847	4,479,733	747,275,573		65,567,975	84,290,118 1,401,033	1,401,033	148,457,060	598,818,513

As at 31 December 2022

Rate of Depreciation

Amount in Taka **December 2022** 9,481,490 5,953,184 39,024,139 44,511,669 2,137,550 24,989,995 375, 191, 486 511,114,484 9,824,971 value at 31 Net book **31 December** 396,246 65,567,975 625,686 1,114,343 10,200,228 17,069,279 141,450 2,872,802 33,147,941 **Balance at** 2022 Accumulated Depreciation & Amortization disposals during the 259,722 259,722 i year ō Charge for 396,246 7,703,980 11,508,522 21,639,419 21,283,406 44,544,291 774,626 241,377 11,343,457 141,450 2,303,737 the year 339,717 5,725,822 569,065 01 January 384,309 2,755,970 Balance on 2022 Rate 20% dep. 10% 15% 15% 20% 10% 20% of 9,877,736 61,580,948 2,279,000 576,682,459 408,339,427 during the 31 December 10,450,657 49,224,367 7,067,527 27,862,797 Balance at 2022 Disposals 323,966,735 254,415,724 1,700,000 1,700,000 ı year Cost 18,134,646 Additions 9,877,736 6,912,185 2,568,748 183,642,124 during the 2,279,000 19,726,864 11,274,421 year 224,697,303 01 January 3,538,472 4,498,779 8,135,933 Balance on 32,789,721 50,306,527 2022 Right of Use of Assets - Office Rent Computer & Computer Equipment's Particulars At 31 December 2022 Furniture and Fixture Computer Software nterior Decoration Office Equipment Motor Vehicles ATM Booth





Bhaluka, Mymensingh.

Natun Sonakanda Bus Stand, Syedpur

(BSCIC) Area. Ruhitpur, Keranigonj, Dhaka.

Sonakanda Branch

Rashid Complex, Bogabari Bus Stand, Dhamsona, Ashulia, Savar, Dhaka

Bhulta Branch

Mahattom Shopping Center, Golakandil, Bhulta, Rupganj, Narayanganj



2ND ANNUAL GENERAL METTING



The 2nd Annual General Meeting of Citizens Bank PLC was held at its Head Office on September 30, 2023, presided over by Mrs. Towfika Aftab, Chairperson of the Board of Directors. Among others, Sponsor Shareholder, Mr. Anisul Huq, MP, and the Directors namely Mr. Mohammed Iqbal, Mr. Mukhlesur Rahman, Mr. Masuduzzaman, Ms. Tajkia Rahman (connected through zoom), Mr. Mohammad Abdul Salam, Mr. Chowdhury Mohammed Hanif Shoeb (connected through zoom), Mr. S M Shofiqul Hoq, Mr. Sk. Md. Iftekharul Islam, Mrs. Zebunnessa Begum Huq (connected through zoom), Mrs. Shafia Alam (connected through zoom), Sponsor Shareholder Mr. Rakibul Islam Khan, Independent Director Mr. N K A Mobin FCS, FCA attended the AGM. Mr. Mohammad Masoom, Managing Director & CEO of the bank was also present on the occasion.

BUSINESS REVIEW MEETING



Citizens Bank PLC. arranged 'Annual Business Review and way forward strategy meeting' at its head office at Motijheel on February 8, 2023.Mrs. Towfika Aftab, Chairperson of the bank was present as chief guest. Among others, Mr. Masuduzzaman, Director and Chairman, Executive Committee; Mr. Chowdhury Mohammed Hanif Shoeb, Director and Chairman, Risk Management Committee; members of the board of directors namely Mr. Mohammed Iqbal, Mr. Mukhlesur Rahman, Mr. Mohammad Abdul Salam, Mr. Sk. Md. Iftekharul Islam, Mr. S M Shafiqul Hoq, Independent Director Mr. N K A Mobin FCS, FCA attended the meeting. Mr. Mohammad Masoom, Managing Director & CEO of Citizens Bank presided over the meeting. Besides, divisional heads and branch managers were also present in the meeting.



INAUGURATION CEREMONY OF BRANCHES



Mrs. Towfika Aftab, Chairperson of Citizens Bank PLC. formally inaugurated Cumilla Branch at Jhawtola Road, Cumilla in presence of Mr. Sk. Md. Iftekharul Islam, Director and Mr. Mohammad Masoom, Managing Director & CEO and other senior executives of the bank. Besides, local businessmen across the different segments and elites/professionals of the Cumilla town were also present on the occasion.



Mr. Mohammad Masoom, Managing Director & CEO of Citizens Bank PLC. inaugurated commercial operations of Dhanmondi Branch at Satmosjid Road, Dhanmondi, Dhaka along with other senior executives of the bank. Besides, businessmen across the different segments and elites/professionals were also present on the occasion.



INAUGURATION CEREMONY OF BRANCHES



Mr. Mohammad Masoom, Managing Director & CEO of Citizens Bank PLC. inaugurated commercial operations of Uttara Branch at Uttara, Dhaka along with other senior executives of the bank. Besides, businessmen across the different segments and elites/professionals were also present on the occasion.



Mr. Mohammad Masoom, Managing Director & CEO of Citizens Bank PLC. virtually inaugurated commercial operations of Ashulia Branch, Mouchak Branch and Bhulta Brach along with other senior executives of the bank. Besides, businessmen across the different segments and elites/professionals were also present on the occasion.





Citizens Bank PLC. arranged "Annual Risk Conference - 2023 " attended by divisional heads, branch managers and other officials of the bank held at its head office at Motijheel on December 24, 2023. Mr. Mohammad Masoom, Managing Director and CEO of the bank presided over the conference.



Citizens Bank PLC has arranged a "Special Health Awareness Program" in collaboration with Asgor Ali Hospital for all the female employees of the bank commemorating "International Women's Day-2023" in resonance with the motto set for the year "DigitAll: Innovation and technology for gender equality". Mr. Mohammad Masoom, Managing Director & CEO, Citizens Bank PLC. inaugurated the program at bank's head office premises. Other high officials of the bank were also present on the occasion.

SIGNING CEREMONY



Mr. Mohammad Masoom, Managing Director & CEO, Citizens Bank PLC. has signed the participating agreement related to newly launched Export Facilitation Pre-finance Fund (EFPF) to the extent of TK.10,000 Crore with Bangladesh Bank and is seen exchanging the deed of agreement with Mr. Abdur Rouf Talukder, Honorable Governor, Bangladesh Bank. Mr. Abu Farah Md. Nasser, Deputy Governor of Bangladesh Bank was also present on the occasion.



Citizens Bank PLC and Bangladesh Bank have signed an agreement for Refinance Scheme Against Term Loans to Cottage, Micro, Small and Medium (CMSME) sector at Bangladesh Bank head office on April 3, 2023. Mr. Mohammad Masoom, Managing Director and CEO of Citizens Bank PLC and Mr. Mohammad Ashiqur Rahman, Director, SME & Special Programs Department, Bangladesh Bank signed the agreement on behalf of the respective organizations. Under this agreement Citizens Bank can extend term loan facilities under "Refinance Scheme to Cottage, Micro, Small and Medium Enterprises (CMSME) Sector." Other high officials of both the organizations were also present on the occasion.



SIGNING CEREMONY



Citizens Bank PLC and Bangladesh Bank have signed an agreement to collect Treasury Challan through Automated Challan System (ACS) at Bangladesh Bank head office on February 27, 2023. Mr. Mohammad Masoom, Managing Director and CEO of Citizens Bank PLC and Mr. Md. Mofizur Rahman Khan Chowdhury, Director, Accounts and Budgeting Department, Bangladesh Bank signed the agreement on behalf of the respective organization. Under this agreement all the branches of Citizens Bank will collect passport fees, value added tax (VAT), corporate and personal income tax and other government fees.



Notes:	
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156 | CITIZENS BANK PLC



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

Notice of the 3rd Annual General Meeting

The **3rd Annual General Meeting (AGM)** of the shareholders of **Citizens Bank PLC.** is scheduled to be held on **Saturday, September 14, 2024 at 12.00 pm,** in a hybrid way i.e. in person and digital platform (Zoom) at Citizens Bank PLC. Head Office Extension, Amanullah Trade Center, Plot # 06(Old), 26(New), Level-3, Gulshan Circle-2, Dhaka-12l2 to transact the following businesses:

AGENDA:

- To receive, consider and adopt the Profit and Loss Account of the Company for the period ended on 31st December 2023 and the Balance Sheet as of date along with Reports of Auditors and Directors thereon.
- 2. To appoint Auditors of the Conrpany and fixation of their remuneration for the term until the next Annual General Meeting (AGM).
- 3. To retire one third of the Directors and re-election within the purview of Schedule-(1), 79 & 81 of Companies Act 1994 and amendments made there under up to 2020.
- 4. To transact any other business with the permission of the chair.

By order of the Board

Md. Waheed Imam Company Secretary

Dated: August 22, 2024 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 singed 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.





PROXY FORM

I/We	of		
	being a Shareho	lder of Citizens Bank P	LC do hereby appoint
Mr./Ms	of		
		_ as my/our proxy to atte	end and vote for me/us
and on my/our behalf at the 2nd Annual Ger	neral Meeting of the Compa	any to be held on Saturda	y, 14 September, 2024
at 12.00 pm. at Head Office extension, Am	hanullah Trade Center, Plo	t#06 (Old), 26 (New) Lev	el-3, Gulshan Circle-2
Dhaka,1212 of Citizens Bank PLC.			
As witness my/our hands this	day of	202	4.
(Signature of the Shareholder(s))		(Signature of the pro	ху)
Folio No (if any):			Affix
No. of Shares:			Revenue Stamp of Tk. 20.00
Date:			

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 3rd Annual General Meeting of the Company to be held on Saturday, 14 September, 2024 at 12.00 pm. at Head Office extension, Amanullah Trade Center, Plot#06 (Old), 26 (New) Level-3, Gulshan Circle-2 Dhaka,1212 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



Head Office Chini Shilpa Bhaban-2, 76 Motijheel C/A, Dhaka-1000, Bangladesh