

**Independent Auditors' Report
and
Audited Financial Statements
of
Citizens Bank PLC
As at and for the period
from 13 December 2020 to 31 December 2020**



★ Since 1953 ★

A. QASEM & Co.

Chartered Accountants

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**Independent auditors' report
To the shareholders of Citizens Bank PLC
Report on the audit of financial statements**

Opinion

We have audited the financial statements of Citizens Bank PLC ("the Bank"), which comprise the balance sheet as at 31 December 2020, and the profit and loss account, cash flow statement, statement of changes in equity for the period from 13 December 2020 to 31 December 2020 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the balance sheet of the Bank as at 31 December 2020, and of its profit and loss account, its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS) and comply with the Companies Act, 1994, the Banking Companies Act, 1991 (as amended up to date), rules and regulations issued by Bangladesh Bank and other applicable laws and regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 IFRS and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Banking Companies 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.

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 auditors' 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 auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Bank or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

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

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility 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 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 accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- (iv) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (v) the expenditures incurred were for the purpose of the Bank's business for the period;
- (vi) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (vii) the information and explanations required by us have been received and found satisfactory; and
- (viii) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 100 person hours for the audit of the books and account of the Bank;



A. Qasem & Co.
Chartered Accountants
Registration No. PF1015

Ziaur Rahman Zia, FCA
Partner
Enrolment Number: 1259
DVC: 2103311259AS535671

Place of issue: Dhaka
Dated: 29 March 2021

Citizens Bank PLC
Balance Sheet
As at 31 December 2020

Particulars	Note	2020 Taka
PROPERTY AND ASSETS		
Cash		159,730
Cash in hand		159,730
(Including foreign currency)		
Balance with Bangladesh Bank and its agent Bank(s)		-
(Including foreign currency)		
Balance with other Banks and Financial Institutions	3.0	1,246,192
Inside Bangladesh		1,246,192
Outside Bangladesh		-
Money at call and short notice		-
Investments		-
Government		-
Others		-
Loans and advances		-
Loans, cash credit, overdrafts etc.		-
Bills purchased & discounted		-
Fixed assets including premises, furniture and fixtures		-
Other assets	4.0	24,109,181
Non-banking assets		-
Total Property and Assets		25,515,104
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions & agents		-
Borrowings from Central Bank		-
Convertible Subordinate Bonds		-
Money at Call and Short notice		-
Deposits and other accounts		-
Current accounts & other accounts		-
Bills payable		-
Savings deposits		-
Fixed deposits		-
Other deposits		-
Other liabilities	5.0	45,831,418
Total Liabilities		45,831,418
Capital and Shareholders' Equity		
Paid up share capital		-
Share premium		-
Statutory reserve		-
Dividend Equalization Fund		-
Revaluation Reserve on Govt. Securities		-
Assets Revaluation reserve		-
Surplus/(Deficit) in profit and loss account/Retained Earnings	7.0	(20,316,314)
Total shareholders' equity		(20,316,314)
Total Liabilities and Shareholders' Equity		25,515,104



Citizens Bank PLC
Balance Sheet
As at 31 December 2020

Off Balance Sheet Items	Note	2020 Taka
Contingent liabilities		
Acceptances and endorsements		-
Irrevocable letter of credits		-
Letter of guarantees		-
Bills for collection		-
Other contingent liabilities		-
Total Contingent liabilities		-
Other Commitments		
Documentary credits and short term trade related transactions		-
Forward assets purchased and forward deposits placed		-
Undrawn note issuance and revolving underwriting facilities		-
Undrawn formal standby facilities, credit lines and other commitments		-
Total Other Commitments		-
Total Off-Balance Sheet items including contingent liabilities		-

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


Managing Director and CEO


Director


Director


Chairman

Auditors' report to the shareholders
See annexed report


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Partner
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Dated, Dhaka
29 March 2021



Citizens Bank PLC
Profit and Loss Account
For the period from 13 December 2020 to 31 December 2020

Particulars	Note	2020 Taka
Interest income	8.0	1,328,856
Interest paid on deposits and borrowing etc.		-
Net interest income		1,328,856
Investment income		-
Commission, exchange and brokerage		-
Other operating income		-
Total operating income		1,328,856
Salaries and allowances		202,310
Rent, taxes, insurance, electricity etc.		-
Legal expenses		-
Postage, stamps, telecommunication etc.		-
Stationery, printing, advertisement etc.		-
Chief Executive's salary & fees		62,903
Directors' fees		-
Auditors' fee		115,000
Depreciation on and repairs to bank's assets		-
Other expenses	9.0	34,809,167
Total operating expenses		35,189,380
Profit/(loss) before provisions		(33,860,524)
Provision for:		
Loans and advances		-
Diminution in value of investments		-
Off balance sheet items		-
Others		-
Total provision		-
Profit/(loss) before taxes		(33,860,524)
Provision for Tax:	10.0	
Current tax expense		-
Deferred tax expense/ (income)	10.1	(13,544,210)
Total provision for Tax		(13,544,210)
Net profit/(loss) after taxes		(20,316,314)
Appropriations:		
Statutory reserve		-
General reserve		-
Dividend etc.		-
Retained earnings		(20,316,314)
Earnings Per Share (EPS)		-

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Partner

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Dated, Dhaka
29 March 2021

Citizens Bank PLC
Statement of Changes in Equity
For the period from 13 December 2020 to 31 December 2020

Particulars	Paid up share capital	Share Premium	Statutory Reserve	Revaluation Reserve on Govt. Securities	Assets Revaluation reserve	Retained Earnings	Amount in Taka	
							Total	
Balance as at 13 December 2020	-	-	-	-	-	-	-	-
Shares Issued during the period	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	(20,316,314)	(20,316,314)	(20,316,314)
Dividend Equalization Fund	-	-	-	-	-	-	-	-
Ordinary Share issue	-	-	-	-	-	-	-	-
Share Premium	-	-	-	-	-	-	-	-
Statutory reserve	-	-	-	-	-	-	-	-
Revaluation reserve	-	-	-	-	-	-	-	-
Cash Dividends	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	-	-	-	-	-	(20,316,314)	(20,316,314)	(20,316,314)

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Dated, Dhaka
29 March 2021

Citizens Bank PLC
Cash Flow Statement

For the period from 13 December 2020 to 31 December 2020

Note	2020 Taka
A. Cash flows from operating activities	
Interest receipts	1,195,885
Interest payment	-
Dividends receipts	-
Fees & commissions receipts	-
Recoveries on loans previously written off	(265,213)
Cash payments to employees	(34,809,167)
Cash payments to suppliers	-
Income tax paid	-
Receipts from other operating activities	-
Payment for other operating activities	-
Operating Cash flow before changes in operating assets and liabilities (i)	(33,878,496)
Increase/decrease in operating assets & liabilities	
Loans and advances to customers	(1,932,000)
Other assets	-
Deposits from other banks/borrowings	-
Deposits from customers	37,216,418
Other liabilities	35,284,418
Cash utilised in operating assets & liabilities (ii)	1,405,922
Net cash (used)/flows from operating activities (i+ii)	<u>1,405,922</u>
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	<u>-</u>
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	1,405,922
Net increase/decrease in cash	-
Cash and cash equivalents at beginning of year	<u>1,405,922</u>
Cash and cash equivalents at end of the year	<u><u>1,405,922</u></u>

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


Managing Director and CEO


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Director


Chairman

Auditors' report to the shareholders
See annexed report


A. Qasem and Co.
Chartered Accountants



Dated, Dhaka
29 March 2021

Ziaur Rahman Zia, FCA
Partner
Enrollment No: 1259
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Citizens Bank PLC
Liquidity Statement
As at 31 December 2020

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
ASSETS :						
Cash	159,730	-	-	-	-	159,730
Balance with other Banks and Financial Institutions	1,246,192	-	-	-	-	1,246,192
Money at Call & Short notice	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Loans and Advances	-	-	-	-	-	-
Premises and Fixed Assets	-	-	-	-	-	-
Other Assets	-	1,932,000	132,972	13,544,210	-	15,609,181
Non-Banking Assets	-	-	-	-	-	-
Total Assets	1,405,922	1,932,000	132,972	13,544,210	-	17,015,104
LIABILITIES :						
Borrowing From Other Banks, Financial Institutions & Agents	-	-	-	-	-	-
Deposit and Other Account	-	-	-	-	-	-
Provision & Other Liabilities	96,206	115,000	37,120,212	-	-	37,331,418
Subordinated Debts	-	-	-	-	-	-
Total Liabilities	96,206	115,000	37,120,212	-	-	37,331,418
Net Liquidities	1,309,716	1,817,000	(36,987,240)	13,544,210	-	(20,316,314)

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


Managing Director and CEO


Director


Director


Chairman



Citizens Bank PLC
Notes to the Financial Statements
As at and for the period from 13 December 2020 to 31 December 2020

Corporate Profile and Significant Accounting Policies

1.0 Citizens Bank PLC

1.1 Legal form of Citizens Bank PLC

Citizens Bank PLC (the "Bank" or "CBP") was incorporated in Bangladesh with its registered office, suit: 303, Sena Kallyan Bhaban, Motijheel C/A, Motijheel, Dhaka, PO:1000 at the date of 13th December 2020 under the Companies Act, 1994 as a Public Limited Company and received its banking license from Bangladesh Bank on 15th December 2020 as a scheduled commercial bank. All types of commercial banking services will be provided by the Bank within the stipulations laid down by the Bank Companies Act, 1991 (as amended in 2013) and directive as received from the Bangladesh Bank from time to time. The Bank had not started its operation till to reporting period.

2.0 Significant accounting policies

2.1 Basis of preparation of financial statements

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

2.1.1 Statement of Compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting council (FRC) is formed and it is yet to issue financial reporting standards for public interest entities such as banks. The Bank Company Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. As the Financial Reporting Standards (FRS) is yet to be issued as per the provisions of the FRA, the consolidated and separate financial statements of the Group and the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS), "First Schedule (Section 38) of the Bank Company Act 1991 (Amended upto 2018) as amended by BRPD circular no. 14 dated 25 June 2003 and DFIM Circular no. 11, dated December 23, 2009, etc. The Bank complied with the requirements of the following rules and regulation:

*The Bank Companies Act, 1991 (Amended upto 2018);

*The Companies Act 1994;

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

*Income Tax Ordinance and Rules 1984;

*Value Added Tax and Supplementary Duty Act, 2012; and

*Financial Reporting Act 2015

In case any requirement of the Bank Companies Act, 1991 (Amended Upto 2018) and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Bank Companies Act, 1991 (Amended Upto 2018), and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRS are as follows:



i. Presentation of financial statements

IFRS: As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit and loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and Noncurrent 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 Companies Act, 1991 (Amended Up to 2018) 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 noncurrent classification

ii. Other Comprehensive Income

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

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

iii. Cash Flow Statement

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

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

iv. Disclosure of appropriation of profit

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

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

2.2 Basis of measurement

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

2.3 Preliminary Expenses

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

2.4 Directors responsibility on statements

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



2.5 Use of judgments and estimates

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

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

Income tax - as explained in note 10.00

Deferred tax assets/liabilities - as explained in note 10.01

2.6 Reporting period

The reporting period of these financial statements is stands from 13th December 2020 to 31 December 2020.

2.7 Approval of Financial Statements

The financial statements were approved by the Board of Directors on 29 March 2021.

2.8 General

- a) These financial statements are presented in Bangladesh Taka (Taka/Tk) which is the Bank's functional currency. Except as otherwise indicated, financial information presented in Taka has been rounded to the nearest integer.
- b) The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the Bank.



Notes to the Financial Statements

As at
31 December 2020
Taka

3.0 Balance with other Banks and Financial Institutions	
Inside Bangladesh (3.1)	1,246,192
Outside Bangladesh	-
	<u>1,246,192</u>
3.1 Inside Bangladesh	
United Commercial Bank, Principal Branch (001301000001492)	1,246,192
	<u>1,246,192</u>
4.0 Other Assets	
Advance Rent	1,932,000
Advance for Fixed Assets (Motor Vehicle Note: 4.1)	8,500,000
Advance Income Tax	132,972
Deferred Tax Asset	13,544,210
	<u>24,109,181</u>
4.1 Sponsor Directors paid money to M/s Car Selection to purchase 02 (two) nos cars for the Managing Director's use. The cars were registered in the Bank's name after the Balance Sheet date.	
5.0 Other Liabilities	
Liabilities against preliminary expenses (5.1)	45,620,212
Accrued Expenses Payable (5.2)	211,206
	<u>45,831,418</u>
5.1 Liabilities against preliminary expenses	
Borrowings from Sponsor Directors	35,000,000
Payable to Sponsor Directors for Car Tax, Insurance, Fitness	275,212
Payable to Sponsor Directors for fees and associated cost paid to BSEC for rising capital	845,000
Payable to Sponsor Directors for fees for Banking License	1,000,000
Payable to Sponsor Directors for Fixed Assets (Motor Vehicle)	8,500,000
	<u>45,620,212</u>
Liabilities against preliminary expenses mostly includes initial formation costs, including license cost and regulatory fees at RJSC, BSEC, General and Administrative expenses.	
5.2 Accrued Expenses Payable	
Provision for Expenses-Auditor's Fees	115,000
Salary payable	96,206
	<u>211,206</u>
6.0 Share Capital	
6.1 Authorized Capital	
Authorized Capital is the maximum amount of share capital that the bank is authorized by its Memorandum & article of association to issue to shareholders.	
1,000,000,000 ordinary shares of Tk. 10 each	<u>10,000,000,000</u>
6.2 Further note on Issued, Subscribed and Paid up Capital	
As of the reporting date, the money of Paid up Capital has not been credited to the Bank's Account. However, as required by Bangladesh Bank, the promoter deposited the money in in their respective bank for the subscription to the Paid-up Capital and the share money deposit was kept under lien as required by Bangladesh Bank and set aside for the capital of the Bank. The Bank received its Paid-up Capital on 09th February 2021 after waiver of lien mark as approved by Bangladesh Bank.	
7.0 Surplus in Profit and Loss Account/ Retained Earnings	
Balance at the beginning of the period	-
Dividend Equalization Fund	-
Less: Cash Dividend	-
Add: Retained Surplus (Deficit) for the period	(20,316,314)
Balance at the closing of the year	<u>(20,316,314)</u>



For the period from
13 Dec 2020 to 31
December 2020

Taka

8.0 Interest income

The amount represents bank interest income derived from the entity's bank account bearing no 001301000001492 maintaining with United Commercial Bank, Principal Branch from 28-Jul-2019 to the balance sheet date. The breakdown of the income is as follows:

Income arise for the period from 28-Jul-2019 to 12-Dec-2020	1,318,902
Income arise for the period from 13-Dec-2020 to 31-Dec-2020	9,954
	<u>1,328,856</u>

9.0 Other expenses

Preliminary expenses (9.1)	34,501,593
Stationary	14,963
Car tax, token, registration	275,212
Car Repair & Maintenance	17,400
	<u>34,809,167</u>

9.1 Preliminary expenses*

Banking License Fees	1,000,000
Registration costs at RJSC	9,223,657
Allotment cost for Paid-up Capital at Bangladesh Security and Exchange Commission	845,000
Excise Duty	27,000
Account Maintenance Fees	2,274
Stationary	128,572
Telephone / Mobile / Internet	121,386
Entertainment	15,732
Conveyance	13,290
Salaries and allowances	6,548,742
Rent, taxes, insurance, electricity etc.	4,734,048
Chief Executive's salary & fees (9.1.1)	11,841,893
	<u>34,501,593</u>

* Preliminary expenses covering from 28-07-2019 to 12-12-2020

9.1.1 Chief Executive's salary and fees

Basic salary	8,146,667
Medical Allowance	3,465,298
Other Allowance	229,928
	<u>11,841,893</u>

10.0 Provision for tax

10.1 Deferred tax income-credit balance

Deferred tax income (credit balance) has been created as per IAS 12.

Profit before taxes	(33,860,524)
Carryforward tax credit for unused tax losses @40%	<u>(13,544,210)</u>

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 carryforward loss or tax credit. Therefore deferred tax asset has been created for loss incurred for the reporting period ended 31 December 2020.

11.0 Related Party Transaction

As per IAS 24 *Related Party Disclosures* requires disclosures about transactions and outstanding balances with an entity's related parties. As of 31 December 2020, the bank owes BDT 4,56,20,212 to Sponsor Directors for the preliminary expenses on behalf of Citizens Bank PLC, mostly related to license and other regulatory fees and salary and other expenses.

