

**Independent Auditors' Report  
and  
Audited Financial Statements  
of  
Citizens Bank PLC**

**As at and for the year ended 31 December 2022**

## Independent Auditors' Report to the shareholders of Citizens Bank PLC

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Citizens Bank PLC (the "Bank"), which comprise the balance sheet as at 31 December 2022, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the balance sheet of the Bank as at 31 December 2022, and of its profit and loss account, cash flow statement for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and comply with the Companies Act, 1994, the Bank Company Act, 1991 (as amended up to date), the 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 (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), requirements of Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

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

Risk	Our response to the risk
<b>Interest income recognition</b>	
<p>Recognition of interest income has significant influence on financial statements and performance of the Bank.</p> <p>We identify recognition of interest income from loans and advances, and investments as key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of interest income by management to meet specific targets or expectations.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest income on loans and advances, and investments.</p> <p>We performed test of control in place to measure and recognize interest income.</p> <p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately.</p> <p>We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p>
<b>See note no. - 20 &amp; 22 to the financial statements</b>	

Risk	Our response to the risk
<b>Measurement of provision for loans and advances</b>	
<p>The process for calculating the provision for loans and advances associated with credit risk is significant and complex.</p> <p>The Bank calculates provision for loans and advances by considering various factors such as rate of provision, loan category, expiry date, outstanding balance, interest suspense amount, and the value of eligible collateral as per BRPD circular no. 14 dated September 23, 2012, and its subsequent amendments.</p>	<p>Our audit in relation to the provision for loans and advances comprised the following:</p> <ul style="list-style-type: none"> <li>▪ Reviewed the adequacy of the Bank's general and specific provisions;</li> <li>▪ Assessed the methodologies on which the provision amounts were based;</li> <li>▪ Recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>▪ Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines;</li> <li>▪ Finally, compared the amount of provision requirement as determined by the Bangladesh Bank inspection team to the actual amount of provision maintained.</li> </ul>
<b>See note no- 33 to the financial statements</b>	
<b>Income Taxes</b>	
<p>Income taxes is considered as a key audit matter because of the judgements and estimates involved and the amount of income taxes is material to the financial statements as a whole.</p> <p>The management makes judgments and estimates in connection with tax issues and tax exposures resulting in the recognition of deferred tax assets or liabilities as well as tax provisions.</p>	<p>We performed audit procedures on the calculation and valuation of current tax and deferred tax. Procedures included assessment of correspondence with tax authorities and evaluation of tax exposures.</p> <p>In addition, we evaluated the appropriateness of the recognition principles and the sufficiency of the given disclosures.</p>
<b>See note no- 35 to the financial statements</b>	

### Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of management and those charged with governance for the financial statements and internal controls.**

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRSs as explained in note 2 and comply with the Bank Company Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) Bank and other applicable Laws and Regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bangladesh Bank guidelines require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank's audit. We remain solely responsible for our audit opinion.

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

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

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

#### **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, the Securities and Exchange Rules 1987, we also report that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii. to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
  - (a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;
  - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank;
- iii. in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- iv. the 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 and payments made were for the purpose of the Bank's business for the period;
- vii. the financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- viii. the information and explanations required by us have been received and found satisfactory;
- ix. we have reviewed over 80% of the risk weighted assets of the Bank and spent over 650 person hours; and
- x. capital to risk-weighted asset ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the period.

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



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

DVC: **2303301259AS860323**

Place: Dhaka  
Date: 29 March 2023

**Citizens Bank PLC**  
**Balance Sheet**  
**As at 31 December 2022**

Particulars	Note	2022 Taka	2021 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3.0	<b>176,250,429</b>	<b>131,962</b>
Cash in hand	3.1	42,772,156	131,962
(Including foreign currency)			
Balance with Bangladesh Bank and its agent Bank(s)	3.2	133,478,273	-
(Including foreign currency)			
<b>Balance with other Banks and Financial Institutions</b>	4.0	<b>3,939,383,165</b>	<b>3,981,396,910</b>
Inside Bangladesh	4.1	3,939,383,165	3,981,396,910
Outside Bangladesh		-	-
<b>Money at call and short notice</b>	5.0	40,000,000	-
<b>Investments</b>	6.0	<b>1,524,553,801</b>	-
Government	6.1	1,430,237,265	-
Others	6.2	94,316,537	-
<b>Loans and advances</b>	7.0	<b>986,249,136</b>	-
Loans, cash credit, overdrafts etc.	7.1	986,249,136	-
Bills purchased & discounted		-	-
<b>Fixed assets including premises, furniture and fixtures</b>	8.0	511,114,484	302,683,329
<b>Other assets</b>	9.0	130,322,865	49,803,849
<b>Non-banking assets</b>		-	-
<b>Total Assets</b>		<b><u>7,307,873,880</u></b>	<b><u>4,334,016,049</u></b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions &amp; agents</b>		-	-
<b>Deposits and other accounts</b>	12.0	<b>2,906,905,548</b>	-
Current accounts & other accounts		1,199,480,593	-
Bills payable		71,960,728	-
Savings deposits		78,120,363	-
Fixed deposits		1,557,343,864	-
Bearer Certificates of Deposit		-	-
Other deposits		-	-
<b>Other liabilities</b>	13.0	<b>381,783,410</b>	<b>310,362,708</b>
<b>Total Liabilities</b>		<b><u>3,288,688,959</u></b>	<b><u>310,362,708</u></b>
<b>Capital and Shareholders' Equity</b>			
Paid up share capital	14.2	4,000,000,000	4,000,000,000
Share premium		-	-
Statutory reserve	15.0	17,813,963	17,156,613
Dividend Equalization Fund		-	-
Revaluation Reserve on Govt. Securities		367,532	-
Assets Revaluation reserve		-	-
Surplus/(Deficit) in profit and loss account/Retained Earnings	17.0	1,003,426	6,496,728
<b>Total shareholders' equity</b>		<b><u>4,019,184,921</u></b>	<b><u>4,023,653,341</u></b>
<b>Total Liabilities and Shareholders' Equity</b>		<b><u>7,307,873,880</u></b>	<b><u>4,334,016,049</u></b>



**Citizens Bank PLC**  
**Balance Sheet**  
**As at 31 December 2022**

Off Balance Sheet Items	Note	2022 Taka	2021 Taka
<b>Contingent liabilities</b>			
Acceptances and endorsements		-	-
Irrevocable letter of credits		-	-
Letter of guarantees		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
<b>Total Contingent liabilities</b>		<u>-</u>	<u>-</u>
<b>Other Commitments</b>			
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		-	-
<b>Total Other Commitments</b>		<u>-</u>	<u>-</u>
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<u>-</u>	<u>-</u>
<b>Net Asset Value (NAV) Per Share</b>		<b>10.05</b>	<b>10.06</b>

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

Auditors' report to the shareholders  
See annexed report

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

  
\_\_\_\_\_  
**Mohammed Iqbal**  
Director

  
\_\_\_\_\_  
**N K A Mobin FCS, FCA**  
Director

  
\_\_\_\_\_  
**Ziaur Rahman Zia FCA**  
Partner  
Enrollment Number: 1259  
DVC: **2303301259AS860323**  
Place: Dhaka  
Date: 29 March 2023

  
\_\_\_\_\_  
**Mohammad Masoom**  
Managing Director and CEO

  
\_\_\_\_\_  
**Towfika Aftab**  
Chairman





**Citizens Bank PLC**  
**Profit and Loss Account**  
**For the year ended 31 December 2022**

Particulars	Note	2022 Taka	2021 Taka
Interest income	20	293,700,824	219,486,862
Interest paid on deposits and borrowing etc.	21	93,471,802	-
<b>Net interest income</b>		<b>200,229,022</b>	<b>219,486,862</b>
Investment income	22	71,385,420	-
Commission, exchange and brokerage	23	36,916	-
Other operating income	24	1,030,667	-
		<b>72,453,003</b>	<b>-</b>
<b>Total operating income</b>		<b>272,682,025</b>	<b>219,486,862</b>
Salaries and allowances	25	119,087,434	72,906,792
Rent, taxes, insurance, electricity etc.	26	8,039,620	6,882,904
Legal expenses		-	-
Postage, stamps, telecommunication etc.	27	2,964,401	1,751,108
Stationery, printing, advertisement etc.	28	22,464,221	2,695,220
Chief Executive's salary & fees	29	11,388,010	9,825,543
Directors' fees	30	456,800	211,600
Auditors' fee		172,500	115,000
Depreciation on and repairs to bank's assets	31	44,593,716	21,440,592
Other expenses	32	42,042,569	17,875,040
<b>Total operating expenses</b>		<b>251,209,271</b>	<b>133,703,799</b>
<b>Profit/(loss) before provisions</b>		<b>21,472,754</b>	<b>85,783,063</b>
<b>Provision for:</b>			
Loans and advances	33	6,991,861	-
Diminution in value of investments	34	11,194,145	-
Off balance sheet items		-	-
Others		-	-
<b>Total provision</b>		<b>18,186,006</b>	<b>-</b>
<b>Profit/(loss) before taxes</b>		<b>3,286,748</b>	<b>85,783,063</b>
<b>Provision for Taxation:</b>	35		
Current tax expense	35.1	7,661,303	18,704,230
Deferred tax expense/ (income)	35.2	461,397	23,109,178
<b>Total provision for Taxation</b>		<b>8,122,700</b>	<b>41,813,408</b>
<b>Net profit/(loss) after taxes</b>		<b>(4,835,952)</b>	<b>43,969,655</b>
<b>Appropriations:</b>			
Statutory reserve	15	657,350	17,156,613
General reserve		-	-
Dividend etc.		-	-
		657,350	17,156,613
<b>Retained earnings</b>		<b>(5,493,302)</b>	<b>26,813,042</b>
<b>Earnings Per Share (EPS)</b>	36	<b>(0.01)</b>	<b>0.11</b>

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**A. Qasem & Co.**  
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Mohammed Iqbal  
Director

  
N K A Mobin FCS, FCA  
Director

  
Ziaur Rahman Zia FCA  
Partner

  
Mohammad Masoom  
Managing Director and CEO

  
Towfika Aftab  
Chairman

Enrollment Number: 1259  
DVC: **2303301259AS860323**  
Place: Dhaka  
Date: 29 March 2023



**Citizens Bank PLC**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2022**

Amount in Taka


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

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Towfika Aftab  
Chairman



**Citizens Bank PLC**  
**Cash Flow Statement**  
**For the year ended 31 December 2022**

Particulars	Note	2022 Taka	2021 Taka
<b>A. Cash flows from operating activities</b>			
Interest receipts		279,575,547	195,721,238
Interest payment		(93,471,802)	-
Dividends receipts		95,000	-
Fees & commissions receipts		1,067,583	-
Recoveries on loans previously written off		-	-
Cash payments to employees		(130,475,444)	(82,732,335)
Cash payments to suppliers		(25,478,047)	-
Income tax paid		(36,862,926)	-
Receipts from other operating activities		68,822,920	-
Payment for other operating activities		(48,136,179)	(22,678,501)
Operating Cash flow before changes in operating assets and liabilities (i)		<b>15,136,652</b>	<b>90,310,402</b>
<b>Increase/decrease in operating assets &amp; liabilities</b>			
Loans and advances to customers		(986,249,136)	-
Other assets		(213,172,937)	(52,446,582)
Deposits from other banks/borrowings		-	-
Deposits from customers		2,906,905,548	-
Other liabilities		45,111,997	20,867,853
Cash utilized in operating assets & liabilities (ii)		1,752,595,471	(31,578,728)
<b>Net cash (used)/flows from operating activities (i+ii)</b>		<b>1,767,732,123</b>	<b>58,731,674</b>
<b>B. Cash flows from investing activities</b>			
Treasury bills		(1,430,237,265)	-
Bangladesh Bank Bills		-	-
Treasury bonds		-	-
Encumbered Securities		-	-
Sale/ (Investment) in shares		(94,316,537)	-
Investment in Bonds		-	-
Redemption of Bond		-	-
Acquisition of fixed assets		(70,773,600)	(78,608,725)
Disposal of Fixed Assets		1,700,000	-
<b>Net cash used in investing activities</b>		<b>(1,593,627,401)</b>	<b>(78,608,725)</b>
<b>C. Cash flows from financing activities</b>			
Proceeds from issue of ordinary shares		-	4,000,000,000
Proceeds from issue of right shares		-	-
Share Premium		-	-
Dividend paid		-	-
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>4,000,000,000</b>
<b>Net increase/decrease in cash</b>		<b>174,104,722</b>	<b>3,980,122,949</b>
Cash and cash equivalents at beginning of year		3,981,528,872	1,405,922
Cash and cash equivalents at end of the year	39	<b>4,155,633,594</b>	<b>3,981,528,872</b>

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

  
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Partner

Enrollment Number: 1259  
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Managing Director and CEO

  
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Director

  
**Towfiqa Aftab**  
Chairman



**Citizens Bank PLC**  
**Liquidity Statement**  
**As at 31 December 2022**

Particulars	Amount in BDT					Total
	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	
<b>ASSETS :</b>						
Cash	176,250,429	-	-	-	-	176,250,429
Balance with other Banks and Financial Institutions	1,339,383,165	2,600,000,000	-	-	-	3,939,383,165
Money at Call & Short notice	40,000,000	-	-	-	-	40,000,000
Investments	94,316,537	600	545,054,600	199,829,100	685,352,965	1,524,553,801
Loans and Advances	-	-	944,542,662	34,037,545	7,668,929	986,249,136
Premises and Fixed Assets	5,679,393	11,358,786	51,114,537	249,205,069	193,756,699	511,114,484
Other Assets	74,622,738	-	-	-	55,700,127	130,322,865
Non-Banking Assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>1,730,252,261</b>	<b>2,611,359,386</b>	<b>1,540,711,799</b>	<b>483,071,714</b>	<b>942,478,719</b>	<b>7,307,873,880</b>
<b>LIABILITIES :</b>						
Borrowing From Other Banks, Financial Institutions & Agents	-	-	-	-	-	-
Deposit and Other Account	1,997,124,674	531,906,766	359,467,269	2,184,182	16,222,656	2,906,905,548
Provision & Other Liabilities	62,123,508	2,247,544	10,113,948	78,782,603	228,515,808	381,783,411
<b>Total Liabilities</b>	<b>2,059,248,183</b>	<b>534,154,310</b>	<b>369,581,217</b>	<b>80,966,785</b>	<b>244,738,465</b>	<b>3,288,688,959</b>
<b>Net Liquidity Gap</b>	<b>(328,995,922)</b>	<b>2,077,205,076</b>	<b>1,171,130,582</b>	<b>402,104,929</b>	<b>697,740,255</b>	<b>4,019,184,921</b>
<b>Cumulative Net Liquidity Gap</b>	<b>(328,995,922)</b>	<b>1,748,209,154</b>	<b>2,919,339,736</b>	<b>3,321,444,665</b>	<b>4,019,184,921</b>	

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

Auditors' report to the shareholders  
See annexed report


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

**Ziaur Rahman Zia FCA**  
Partner  
Enrollment Number: 1259  
DVC: **2303301259AS860323**  
Place: Dhaka  
Date: 29 March 2023

  
**Mohammed Iqbal**  
Director

  
**N K A Mobin FCS, FCA**  
Director

  
**Mohammad Masoom**  
Managing Director and CEO

  
**Towfik Aftab**  
Chairman



**Citizens Bank PLC**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December 2022**

**Corporate Profile and Significant Accounting Policies**

**1.0 Citizens Bank PLC**

**1.1 Legal form of Citizens Bank PLC**

Citizens Bank PLC (the "Bank" or "CZB") was incorporated in Bangladesh with its registered office, Chini Shilpa Bhaban-2, 76 Motijheel C/A, Dhaka-1000 at the date of 13th December 2020 under the Companies Act, 1994 as a Public Limited Company and received its banking license from Bangladesh Bank on 15th December 2020 as a scheduled commercial bank. All types of commercial banking services will be provided by the Bank within the stipulations laid down by the Bank Company Act, 1991 (as amended in 2013) and directive as received from the Bangladesh Bank from time to time. The bank started its commercial operation from 3rd July 2022.

**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 Ordinance and Rules 1984;
- \*Value Added Tax and Supplementary Duty Act, 2012;
- \*Value Added Tax and Supplementary Duty Rules, 2016;
- \*Financial Reporting Act 2015;
- \*The Securities and Exchange Ordinance 1969;
- \*The Securities and Exchange Rules 1987;

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 11.19 million as of 2022 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 special general provision for Covid-19 @ 1% to 2% on payment deferral facilitated accounts upon received of 15% payment against total dues for the year 2022, should be maintained regardless of objective evidence of impairment. 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 6.99 million against unclassified loans & advances in 2022 (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 and other banks.

#### 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 instrument).

**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.

### 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' and BSEC notification no. SEC/CMRRCD/2009-193/150/Admin/51 dated 18 August 2013.

### 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 affect the application of bank's accounting policies and the reported amounts of assets liabilities, income and expenses. Actual results may differ from these estimates.

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

Income tax - as explained in Note 35.1

Deferred tax assets/liabilities - as explained in Note 35.2 & 13.2.1

Right of use of assets & lease obligation in Note 8.1

Loan loss provision in Note 33.0

#### **2.1.6 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.

##### **Accounting policies of subsidiaries**

The financial statements of subsidiaries which are included in the consolidated financial statements of the Group have been prepared using uniform accounting policies of the Bank (the Parent) for transactions and other events of similar nature unless there is any instruction by regulators. There is no significant restriction on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans and advances.

#### **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 - Held for 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. 53 (30 December 2021), BRPD circular no. 52 (29 December 2021), BRPD circular no. 51 (29 December 2021), BRPD circular no. 50 (14 December 2021), BRPD circular no. 45 (04 October 2021), BRPD circular no. 19 (26 August 2021), BRPD circular no. 13 (27 June 2021), BRPD circular no. 05 (24 March 2021), BRPD circular no. 03 (31 January 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.1 (20 February 2018), 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) and BRPD circular no.14 (23 September 2012). 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 and advances	Provision				
	STD	SMA	SS	DF	BL
<b>Consumer:</b>					
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%	20.00%	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 from the month of acquisition, whereas depreciation on disposed off fixed assets are charge up to the month prior to the disposal. 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 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.

#### **2.6 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).



## 2.7 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 2022 as noted below:

International Accounting Standards (IASs)	IAS Number	Status of compliance
Presentation of Financial Statements	IAS - 1	Complied
Inventories	IAS - 2	Complied
Statement of Cash Flows	IAS - 7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS - 8	Complied
Events After the Reporting Period	IAS - 10	Complied
Income Taxes	IAS - 12	Complied
Property, Plant and Equipment	IAS - 16	Complied
Employee Benefits	IAS - 19	Complied
Accounting for Government Grants and Disclosure of Government	IAS - 20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS - 21	Not Applicable
Borrowing Costs	IAS - 23	Not Applicable
Related Party Disclosures	IAS - 24	Complied
Accounting and Reporting by Retirement Benefit Plans	IAS - 26	Not Applicable
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	Complied
Earnings Per Share	IAS - 33	Complied
Interim Financial Reporting	IAS - 34	Complied
Impairment of Assets	IAS - 36	Complied
Provisions, Contingent Liabilities and Contingent Assets	IAS - 37	Complied
Intangible assets	IAS - 38	Complied
Financial Instruments: Recognition and Measurement	IAS - 39	Complied
Investment Property	IAS - 40	Not Applicable
Agriculture	IAS - 41	Not Applicable
First-time Adoption of International Financial Reporting Standards	IFRS - 1	Not Applicable
Share-based Payment	IFRS - 2	Not Applicable
Business Combinations	IFRS - 3	Not Applicable
Insurance Contracts	IFRS - 4	Not Applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS - 5	Not Applicable
Exploration for and Evaluation of Mineral Resources	IFRS - 6	Not Applicable
Financial Instruments : Disclosures	IFRS - 7	Complied
Operating Segments	IFRS - 8	Complied
Financial instruments	IFRS - 9	Complied
Consolidated Financial Statements	IFRS - 10	Not Applicable
Joint Arrangements	IFRS - 11	Not Applicable
Disclosure of Interests in other Entities	IFRS - 12	Not Applicable
Fair Value Measurement	IFRS - 13	Complied
Regulatory deferral accounts	IFRS - 14	Not Applicable
Revenue from contracts with customers	IFRS - 15	Complied
Leases	IFRS - 16	Complied



## **2.8 Basis for valuation of liabilities and provisions**

### **2.8.1 Provision for current taxation**

Provision for current income tax has been made as per prescribed rate in the Finance Act, 2022 on the taxable income as per income tax law and IAS 12 Income Taxes.

### **2.8.2 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 13.2.1 & 35.2 in the financial statements.

### **2.8.3 Benefits to the employees**

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

#### **a) Provident fund**

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

#### **b) Gratuity fund**

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

#### **c) Social Security Superannuation Fund (ESSF)**

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

## **2.9 Revenue recognition**

### **2.9.1 Interest income**

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





## 2.10 Risk management

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

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

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

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

## 2.11 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.

### 2.11.1 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.

### 2.11.2 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.



### **2.11.3 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.

### **2.11.4 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.

### **2.11.5 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.

### **2.12 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.

### **2.13 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.

### **2.14 Related party transaction**

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



## 2.15 The Bank's compliance with related pronouncements by Bangladesh Bank:

### i) Internal Control

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

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

### ii) Internal Audit

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

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

### iii) Fraud and Forgeries

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



## 2.16 Approval of financial statements

These financial statements were reviewed by the audit committee of the Board of the Bank in its 1st meeting held on 28th March 2023 and was subsequently approved by the Board in its 11th meeting held on 29th March 2023.

## 2.17 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 2021.

Particulars	Date of Rating	Long term	Short term	Rating Valid till
Credit Rating Information and Services Ltd (CRISL)	6-Nov-2022	BBB	ST-3	5-Nov-2023

## 2.18 Reporting period

The reporting period of these financial statements is stands from 1 January 2022 to 31st December 2022.

## 2.19 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.



2022  
Taka

2021  
Taka

## Notes to the Financial Statements

### 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)	42,772,156	131,962
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	133,478,273	-
	<u>176,250,429</u>	<u>131,962</u>
<b>3.1 Cash in hand:</b>		
Local currency	42,772,156	131,962
Foreign currency	-	-
	<u>42,772,156</u>	<u>131,962</u>
<b>3.2 Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)</b>		
Local currency	133,478,273	-
Foreign currencies	-	-
	<u>133,478,273</u>	<u>-</u>
Sonali Bank (An agent of Bangladesh Bank) - local currency	-	-
	<u>133,478,273</u>	<u>-</u>

### 3.a Cash Reserve Ratio (CRR):

Pursuant to section 33 of Bank Company Act, 1991 (amended upto 2018), 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 2022 is maintained on the basis of weekly ATDTL of October 2022). Reserve maintained by the bank as at 31 December is as follows:

Average total demand and time liabilities of October (excluding inter-bank deposit)	2,229,462,000.00	-
<b>Daily basis:</b>		
Required reserve (3.50%)	78,031,000	-
Actual reserve held with Bangladesh Bank*	<u>133,695,614</u>	<u>-</u>
<b>Surplus</b>	<u>55,664,614.00</u>	<u>-</u>
<b>Weely basis:</b>		
Required reserve (4.00%)	89,178,000	-
Actual reserve held with Bangladesh Bank*	<u>133,695,614</u>	<u>-</u>
<b>Surplus</b>	<u>44,517,614.00</u>	<u>-</u>

#### Bi-weekly basis:

The bank maintained excess cash reserve of **BDT 44.52 million** in the last fortnight of 2022 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 2018), DOS circular 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 2022 is based on weekly ATDTL of October 2022). Reserve maintained by the Bank as at 31 December is as follows:

Required reserve (13% of ATDTL)	289,830,000	-
Actual reserve held	<u>1,517,526,430</u>	<u>-</u>
<b>Surplus</b>	<u>1,227,696,430.00</u>	<u>-</u>



	<u>2022</u> <u>Taka</u>	<u>2021</u> <u>Taka</u>
<b>3.c Actual reserve held</b>		
Excess cash reserve (3.c.1)	44,517,614.00	-
Cash held	42,772,160.00	-
Balance with Sonali Bank	-	-
Unencumbered approved securities (HFT)	345,103,014.00	-
Unencumbered approved securities (HTM)	1,085,133,650.00	-
	<u><b>1,517,526,438.00</b></u>	<u>-</u>
<b>3.c.1 Excess cash reserve:</b>		
Balance with Bangladesh Bank *	133,695,614.00	-
Less: Required cash reserve on bi-weekly average basis	89,178,000.00	-
<b>Excess of cash reserve as on the reporting date</b>	<u><b>44,517,614.00</b></u>	<u>-</u>
*As per Bangladesh Bank Local & Foreign Currency Statement.		
<b>4.0 Balance with other Banks and Financial Institutions</b>		
Inside Bangladesh (4.1)	3,939,383,165	3,981,396,910
Outside Bangladesh	-	-
	<u><b>3,939,383,165</b></u>	<u><b>3,981,396,910</b></u>
<b>4.1 Inside Bangladesh</b>		
<b>In Current Deposit Accounts with:</b>		
Trust Bank Limited	3,176,806	-
	<u><b>3,176,806</b></u>	<u>-</u>
<b>In Special Notice Deposit Accounts with:</b>		
Sonali Bak Ltd.	14,513	81,476,910
Agrani Bank Ltd.	5,355,703	-
United Commercial Bank PLC	836,143	-
	<u><b>6,206,359</b></u>	<u><b>81,476,910</b></u>
<b>In Fixed Deposit/Placement Accounts with:</b>		
Agrani Bank Ltd.	2,600,000,000	3,899,920,000
Midland Bank Ltd.	330,000,000	-
Community Bank Bangladesh Ltd.	400,000,000	-
IPDC Finance Limited	600,000,000	-
	<u><b>3,930,000,000</b></u>	<u><b>3,899,920,000</b></u>
<b>Total</b>	<u><b>3,939,383,165</b></u>	<u><b>3,981,396,910</b></u>
<b>4.2 Maturity grouping of balance with other banks and financial institutions</b>		
Up to 1 months	1,689,383,165	81,476,910
More than 1 months to 3 months	2,250,000,000	3,899,920,000
More than 3 months to 1 Year	-	-
More than 1 year to 5 years	-	-
More than 5 years	-	-
	<u><b>3,939,383,165</b></u>	<u><b>3,981,396,910</b></u>
<b>5.0 Money at call on short notice</b>	-	-
Midland Bank Ltd.	40,000,000	-
Non-Bank Financial Institutions (NBFIs)	-	-
	<u><b>40,000,000</b></u>	<u>-</u>
<b>6.0 Investments</b>		
Government securities (6.1)	1,430,237,265	-
Other investments (6.2)	94,316,537	-
	<u><b>1,524,553,801</b></u>	<u>-</u>



	<u>2022</u> <u>Taka</u>	<u>2021</u> <u>Taka</u>
<b>6.1 Government Securities</b>		
Treasury Bills (6.1.1)	545,054,600	-
Tresury Bonds (6.1.2)	885,182,065	-
Prize Bonds	600	-
	<u><b>1,430,237,265</b></u>	<u>-</u>
<b>6.1.1 Treasury Bills</b>		
Treasury Bills HFT	545,054,600	-
Treasury Bills HTM	-	-
	<u><b>545,054,600</b></u>	<u>-</u>
<b>6.1.2 Treasury Bonds</b>		
Treasury Bonds HFT	540,079,050	-
Treasury Bonds HTM	345,103,015	-
	<u><b>885,182,065</b></u>	<u>-</u>
<b>6.2 Other investments</b>		
<b>Investment in quoted shares at cost</b>		-
AAMRATECH	2,610,208	
BATBC	4,098,649	
BEXIMCO	23,933,780	
COPPERTECH	2,143,716	
ICICL	87,980	-
ORIONPHARM	26,030,000	
SQUARETEXT	3,523,870	
GP	4,883,347	
MPETROLEUM	5,973,077	
SQURPHARMA	21,031,910	
	<u><b>94,316,537</b></u>	<u>-</u>
<b>7.0 Loans and advances</b>		
Loans, cash credits, overdrafts etc.	986,249,136	-
Bills purchased and discounted	-	-
	<u><b>986,249,136</b></u>	<u>-</u>
<b>7.1 Loans, cash credits, overdrafts etc.</b>		
<b>Inside Bangladesh</b>		
Loans - general	777,603,691	-
Cash credit	-	-
Overdraft	208,645,445	-
	<u><b>986,249,136</b></u>	<u>-</u>
<b>Outside Bangladesh</b>	-	-
	<u>-</u>	<u>-</u>
<b>7.2 Residual maturity grouping of loans and advances (including bills purchased &amp; discounted)</b>		
On demand	-	-
In not more than 1 month	-	-
In more than 1 month but not more than 3 months	-	-
In more than 3 months but not more than 1 year	944,542,662	-
In more than 1 year but not more than 5 years	34,037,545	-
In more than 5 years	7,668,929	-
	<u><b>986,249,136</b></u>	<u>-</u>
<b>7.3 Loans and advances to Directors, executives and others</b>		
Advance to Directors and their allied concerns	-	-
Advances to Managing Director & CEO	-	-
Advances to other executives and staffs	13,621,598	-
Advances to customers (Group wise)	584,860,451	-
Industrial loans and advances	387,767,088	-
	<u><b>986,249,136</b></u>	<u>-</u>



	2022 Taka	2021 Taka
<b>7.4 Large loan details (Loans extended to any customer exceeding 10% of the Bank's total capital)</b>		
Total Loans and Advances	-	-
Number of Customers	1	-
	<u>1</u>	<u>-</u>

This amount represents total loans and advances (comprising funded and non funded facilities) to each customer exceeding BDT 401.92 million which is equivalent to 10% of total capital of the bank as at 31 December 2022.

<b>7.5 Industry-wise concentration of loans and advances (including bills purchased and discounted)</b>		
Agri and micro credit through NGO	411,492,268	-
Commercial and trading	43,769,085	-
Construction	50,051,702	-
Cement and ceramic industries	-	-
Chemical and fertilizer	-	-
Crops, fisheries and livestock	-	-
Electronics and electrical goods	-	-
Food and allied industries	-	-
Consumer finance	43,027,971	-
Metal and steel products	232,640,378	-
Pharmaceutical industries	-	-
Power and fuel	-	-
Rubber and plastic industries	-	-
Readymade garments industry	-	-
Ship building & breaking industry	-	-
Sugar and edible oil refinery	-	-
Transport and e-communication	-	-
Textile mills	-	-
Other manufacturing or extractive industries	-	-
Others	205,267,732	-
	<u>986,249,136</u>	<u>-</u>

<b>7.6 Sector - wise concentration of loans and advances (including bills purchased and discounted)</b>		
Government sector	-	-
Public sector	-	-
Private sector	986,249,136	-
	<u>986,249,136</u>	<u>-</u>

<b>7.7 Geographic location-wise concentration of loans and advances (including bills purchased and discounted)</b>		
<b>Inside Bangladesh</b>		
Dhaka Division	985,514,535	-
Chattogram Division	734,602	-
Sylhet Division	-	-
Rajshahi Division	-	-
Khulna Division	-	-
Rangpur Division	-	-
Barishal Division	-	-
Mymensingh Division	-	-
	<u>986,249,136</u>	<u>-</u>





2022  
Taka2021  
Taka

## 7.8 Classification status of loans and advances

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

Status of loans and advances	Year					
	2022				2021	
	Outstanding amount (Taka)			Mix (%)	Total Outstanding amount (Taka)	Mix (%)
Main Operation	Off-shore Banking Unit	Total				
<b>Unclassified loans and advances</b>						
Standard (including staff loans)	986,249,136	-	986,249,136	100%	-	-
Special mention account	-	-	-	0%	-	-
<b>Total unclassified loans and advances</b>	<b>986,249,136</b>	<b>-</b>	<b>986,249,136</b>	<b>100%</b>		
<b>Classified loans and advances</b>						
Substandard	-	-	-	0%	-	-
Substandard MC	-	-	-	0%	-	-
Doubtful	-	-	-	0%	-	-
Bad/loss	-	-	-	0%	-	-
<b>Total classified loans and advances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>-</b>
<b>Total loans and advances</b>	<b>986,249,136</b>	<b>-</b>	<b>986,249,136</b>	<b>100%</b>		

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 2022 (Taka)	Base for provision (Taka)	Percentage (%) of provision required as per Bangladesh Bank's directives	Amount of provision required as at 31 December 2022 (Taka)	Amount of provision required as at 31 December 2021 (Taka)
<b>Unclassified loans and advances</b>					
All unclassified loans (other than loans under small and medium enterprise, consumer financing and short term agricultural credit)	515,274,533	515,274,533	1%	5,152,745.33	
Small and medium enterprise financing	433,164,362	433,164,362	0.25%	1,082,911	
Consumer financing (other than housing finance under consumer financing scheme)	24,120,078	24,120,078	2%	482,402	
Consumer Financing (for professionals)	2,982,233	2,982,233	2%	59,645	
Consumer financing (for housing finance)	-	-	1%	-	
Loans to BHs/MBs/SDs	10,707,931	10,707,931	2%	214,159	
Short term agricultural credit	-	-	1%	-	
Micro credit	-	-	1%	-	
	<b>986,249,136</b>	<b>986,249,136</b>		<b>6,991,861</b>	<b>-</b>
<b>Special mention account</b>					
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%	-	
	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>
<b>Sub-total General Provision [A]</b>	<b>986,249,136</b>	<b>986,249,136</b>		<b>6,991,861</b>	<b>-</b>
<b>Special General Provision-Covid 19 (Calculated) [B]</b>					
<b>Classified loans and advances</b>					
Sub Standard Small	-	-	5%	-	
Sub Standard Other	-	-	20%	-	
Sub Standard AG/MC	-	-	5%	-	
Doubtful Small	-	-	20%	-	
Doubtful Other	-	-	50%	-	
Doubtful AG/MC	-	-	5%	-	
Bad /loss	-	-	100%	-	
Sub-total [C]	-	-		-	
<b>Total provision required [A+B+C]</b>	<b>986,249,136</b>	<b>986,249,136</b>		<b>6,991,861</b>	<b>-</b>
<b>Total provision maintained [Note 13]</b>				<b>6,991,861</b>	<b>-</b>
<b>Total provision surplus</b>				<b>-</b>	<b>-</b>

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



	2022 Taka	2021 Taka
<b>b.1</b>	2022	2021
<b>Total provision required</b>		
Main Operation (i)	6,991,861	-
Off-shore Banking Unit (ii)	-	-
	<u>6,991,861</u>	<u>-</u>
<b>Total provision maintained</b>		
Main Operation (iii)	6,991,861	-
Off-shore Banking Unit (iv)	-	-
	<u>6,991,861</u>	<u>-</u>
<b>Total provision surplus</b>		
Main Operation (iii-i)	-	-
Off-shore Banking Unit (iv-ii)	-	-
	<u>-</u>	<u>-</u>

## 7.9 Particulars of loans and advances

i) Loans considered good in respect of which the bank is fully secured	173,073,765	
ii) Loans considered good for which the bank holds no other security than the debtor's personal security	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.	28,358,458	
iv) Loans adversely classified; for which no provision is created.	-	
	<u>986,249,136</u>	<u>-</u>
v) Loans due by directors or officers of the bank or any of them either jointly or severally with any other persons.	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.	-	
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 off		
(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:		
<b>Opening Balance</b>		
Amount written off during the year:		
Principal amount		
Interest suspense		
Balance of written off loans and advances	<u>-</u>	<u>-</u>

## 8.0 Fixed assets including land, building, furniture and fixtures

<b>At Cost</b>		
Furniture and fixture	10,450,657	3,538,472
Interior Decoration	9,877,736	-
Office equipment	7,067,527	4,498,779
Motor vehicles	49,224,367	32,789,721
Computer & computer equipment's	61,580,948	50,306,527
ATM Booth	2,279,000	-
Imported computer software	27,862,797	8,135,933
Right of use of assets	408,339,427	224,697,303
<b>Total Cost</b>	<u>576,682,459</u>	<u>323,966,735</u>
Accumulated depreciation and amortization	<u>65,567,975</u>	<u>21,283,406</u>
<b>Written down value at 31 December 2022</b>	<u>511,114,484</u>	<u>302,683,329</u>
See Annexure - B for details.		



	2022 Taka	2021 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'.	
<b>9.0</b>	<b>Other Assets</b>	
	760,656	805,007
	29,656,830	6,366,966
	55,700,127	18,837,202
	799,500	-
	2,467,500	-
	1,226,821	-
	967,506	-
	-	-
	853,023	29,050
	37,890,901	23,765,624
	<b>130,322,865</b>	<b>49,803,849</b>
<b>9.1</b>	<b>Advance Income Tax</b>	
	18,837,202	132,972
	36,862,926	18,704,230
	-	-
	<b>55,700,127</b>	<b>18,837,202</b>
<b>9.2</b>	<b>Deferred tax assets</b>	
	Deferred tax assets arises from carry forward tax credit	
	-	-
	40.00%	40.00%
	-	-
	-	-
	-	13,544,210
	-	(13,544,210)
	-	-
<b>9.3</b>	<b>Interest Receivable</b>	
	15,032,231	23,765,624
	-	-
	22,858,670	-
	<b>37,890,901</b>	<b>23,765,624</b>
<b>10.0</b>	<b>Non-banking assets</b>	
	-	-
<b>11.0</b>	<b>Borrowing from other banks, financial institutions and agents:</b>	
	-	-
	-	-
<b>12.0</b>	<b>Deposit and other accounts</b>	
	-	-
	2,906,905,548	-
	<b>2,906,905,548</b>	-
<b>12.1</b>	<b>Customer and other deposits</b>	
	1,199,480,593	-
	71,960,728	-
	78,120,363	-
	1,557,343,864	-
	-	-
	<b>2,906,905,548</b>	-
<b>12.2</b>	<b>Maturity analysis of deposits</b>	
	1,349,561,697	-
	647,562,980	-
	612,456,238	-
	278,917,797	-
	2,184,181	-
	16,163,120	-
	59,535	-
	<b>2,906,905,548</b>	-



	2022 Taka	2021 Taka
<b>12.3 Sector - wise concentration of Deposits and other accounts</b>		
Government sector	-	-
Other public sector	-	-
Private sector	2,906,905,548	-
	<u>2,906,905,548</u>	<u>-</u>
<b>13.0 Other Liabilities</b>		
Liabilities against preliminary expenses (13.1)	-	36,845,000
Accrued Expenses Payable (13.2)	13,413,692	40,950,009
Provision for Current Tax	26,365,533	18,704,230
Provision for Deferred Tax (13.3)	10,026,366	9,564,969
Provision for Loans & Advances	6,991,861	-
Lease liabilities (present value of lease payments)	313,791,814	204,298,500
Diminution in value of investments	11,194,145	-
	<u>381,783,411</u>	<u>310,362,708</u>
<b>13.1 Liabilities against preliminary expenses</b>		
Borrowings from Sponsor Directors	-	35,000,000
Payable to Sponsor Directors for Car Tax, Insurance, Fitness	-	-
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)	-	-
	<u>-</u>	<u>36,845,000</u>
<b>13.2 Accrued Expenses Payable</b>		
Accounts Payable against purchase & procurements	5,106,549	20,660,707
Utility Bills Payable	-	142,000
Salary Payable	-	5,006,622
Audit Fee Payable	172,500	115,000
Rating Fee Payable	-	115,000
Privileged creditors (payable to government)	7,756,923	840,578
Provident Fund	-	4,420,392
ESSF	-	5,867,309
Gratuity Fund	-	2,000,000
Recurring Expenses Payable	-	510,402
Security Deposit Payable	-	1,272,000
Payable to Banglades Bank	14,546	-
MFS Payable	363,174	-
	<u>13,413,692</u>	<u>40,950,009</u>
<b>13.3 Deferred tax liability</b>		
<b>i. Temporary timing difference in written down value of fixed assets</b>	-	-
Carrying amount of fixed assets	135,663,275	89,494,548
Tax base	116,547,990	76,002,211
Taxable temporary difference	19,115,286	13,492,337
Tax rate	40.00%	40.00%
<b>Deferred tax liability</b>	<u>7,646,114</u>	<u>5,396,935</u>
<b>ii. Temporary timing difference for employee benefit fund</b>	-	-
Employees Provident fund, Gratuity, ESSF	5,950,629	10,420,085
Tax base	-	-
Taxable temporary difference	5,950,629	10,420,085
Tax rate	40.00%	40.00%
<b>Deferred tax liability</b>	<u>2,380,252</u>	<u>4,168,034</u>
<b>Total Deferred tax liability (i+ii)</b>	<u>10,026,366</u>	<u>9,564,969</u>
<b>14.0 Share Capital</b>		
<b>14.1 Authorized Capital</b>		
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>	<u>10,000,000,000</u>
<b>14.2 Issued, subscribed and fully paid up capital</b>		
400,000,000 ordinary shares of Taka 10 each issued for cash	<u>4,000,000,000</u>	<u>4,000,000,000</u>
	<u>4,000,000,000</u>	<u>4,000,000,000</u>



	2022 Taka	2021 Taka
<b>14.3 Capital to risk-weighted asset ratio (CRAR)</b>		
<b>Common Equity Tier -1 Capital</b>		
Paid up capital	4,000,000,000	4,000,000,000
Statutory reserve	17,813,963	17,156,613
Retained earnings	1,003,426	6,496,728
Less Regulatory adjustment:	-	-
	<b>4,018,817,389</b>	<b>4,023,653,341</b>
<b>Tier -2 Capital</b>	6,991,861	-
	<b>4,025,809,250</b>	<b>4,023,653,341</b>
<b>A. Total regulatory capital</b>	<b>4,025,809,250</b>	<b>4,023,653,341</b>
<b>B. Total risk weighted assets (RWA)</b>	<b>2,519,261,606</b>	<b>1,314,378,348</b>
<b>C. Minimum capital requirement (MCR)</b>	<b>4,000,000,000</b>	<b>4,000,000,000</b>
<b>D. Surplus/(deficiency) [A - C]</b>	<b>25,809,250</b>	<b>23,653,341</b>
<b>E. Capital to Risk-Weighted Asset Ratio (CRAR) (A/B)*100</b>	<b>159.80%</b>	<b>306.13%</b>
<b>15.0 Statutory reserve</b>		
Balance at the beginning of the year	17,156,613	-
Add: Transferred from profit during the year	657,350	17,156,613
	<b>17,813,962</b>	<b>17,156,613</b>
<b>16.0 Other reserve</b>		
Balance at the beginning of the year	-	-
Add: Transferred from profit during the year	-	-
	-	-
<b>17.0 Surplus in profit and loss account/ retained earnings</b>		
Balance at the beginning of the year	6,496,728	(20,316,314)
Profit/(Loss) for the year	(4,835,952)	43,969,655
Transfer to statutory reserve	(657,350)	(17,156,613)
	<b>1,003,426</b>	<b>6,496,728</b>
<b>18.0 Contingent liabilities</b>		
Acceptance and endorsements	-	-
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
	-	-
<b>19.0 Profit and Loss Account</b>		
<b>Income:</b>		
Interest, discount and similar income	362,470,267	219,486,862
Dividend income	2,562,500.00	-
Fees, commission and brokerage	36,916.00	-
Income from non-banking assets	-	-
Other operating income	1,084,143.95	-
Profit less losses on interest rate changes	-	-
	<b>366,153,827</b>	<b>219,486,862</b>
<b>Expenses:</b>		
Interest, fees and commission	93,471,802	-
Administrative expenses	164,400,486	94,273,167
Other operating expenses	42,264,494	18,147,226
Depreciation on banking assets	44,544,291	21,283,406
	<b>344,681,073</b>	<b>133,703,799</b>
	<b>21,472,754</b>	<b>85,783,063</b>
<b>20.0 Interest income</b>		
Interest Income from Loans & Advances	12,070,763	-
Interest Income from SND with other Banks	293,307	6,236,559
Interest Income from placement with banks and Financial Institutions	281,336,754	213,250,303
	<b>293,700,824</b>	<b>219,486,862</b>



	<u>2022</u> <u>Taka</u>	<u>2021</u> <u>Taka</u>
<b>21.0 Interest paid on deposits and borrowings</b>		
Interest on deposit accounts	56,966,022	-
Interest on Govt. Securities	28,654,505	-
Interest on borrowings	7,851,275	-
	<u>93,471,802</u>	<u>-</u>
<b>22.0 Investment income</b>		
Interest on treasury bills and bonds	68,769,443	-
Interest on bond	-	-
Dividend on shares	2,562,500	-
Gain on trading shares (Realized)	53,477	-
	<u>71,385,420</u>	<u>-</u>
<b>23.0 Commission, exchange and brokerage</b>		
Commission	36,916	-
Exchange gain	-	-
Brokerage fees	-	-
	<u>36,916</u>	<u>-</u>
<b>24.0 Other operating income</b>		
Service Charge & Fees Income	1,030,667	-
	<u>1,030,667</u>	<u>-</u>
<b>25.0 Salary &amp; allowances (excluding those of Managing Director &amp; CEO)</b>		
Basic salary of officers	57,736,459	31,457,008
Other salary & allowances	46,793,800	26,266,569
Festival bonus	9,324,449	5,400,065
Provident fund contribution	5,232,726	2,783,150
Social Security Super Annuation	-	5,000,000
Gratuity	-	2,000,000
	<u>119,087,434</u>	<u>72,906,792</u>
<b>26.0 Rent, taxes, insurance, utilities etc.</b>		
Rents, rates and taxes - Premises	4,439,124	4,318,285
Insurance premium	1,785,926	1,287,978
Utilities	1,814,570	1,276,641
	<u>8,039,620</u>	<u>6,882,904</u>
<p>*As per IFRS 16 'Leases', the Bank recorded interest expense on lease liabilities (note 32) and depreciation on RoU assets (note 31) instead of charging rental expense (excluding VAT) of BDT 18.52 million in 2021 against rented premises treated as lease assets and shown in the balance sheet as RoU assets under note 8.</p>		
<b>27.0 Postage, stamp, telecommunication etc.</b>		
Postage	10,777	-
Telephone - office	179,511	132,176
Network link, Internet and Data Center maintenance cost	2,774,113	1,618,932
	<u>2,964,401</u>	<u>1,751,108</u>
<b>28.0 Stationery, printing, advertisement etc.</b>		
Printing and stationery	6,703,481	2,180,074
Advertisement	15,760,740	515,146
	<u>22,464,221</u>	<u>2,695,220</u>
<b>29.0 Managing Director's salary and allowances</b>		
Basic salary	7,179,032	6,700,000
Allowances	2,291,075	1,388,608
Bonus (Festival)	1,200,000	1,100,000
Bank's contribution to provident fund	717,903	636,935
	<u>11,388,010</u>	<u>9,825,543</u>



	<u>2022</u> <u>Taka</u>	<u>2021</u> <u>Taka</u>
<b>30.0 Directors' fees and expenses</b>		
Meeting attendance fees	456,800	211,600
Other expenses (refreshment, conveyance etc.)	-	-
	<u>456,800</u>	<u>211,600</u>
<b>31.0 Repairs, maintenance and depreciation</b>		
<b>Depreciation</b>		
Furniture and Fixture	241,377	384,309
Interior Decoration	396,246	
Office Equipment	774,626	339,717
Motor Vehicles	7,703,980	2,755,970
Computer & Computer Equipment	11,343,457	5,725,822
ATM Booth	141,450	
Computer Software	2,303,737	569,065
Lease ROUA of Office Rent	21,639,419	11,508,522
	<u>44,544,291</u>	<u>21,283,406</u>
<b>Repairs, maintenance and spare parts</b>		
Motor Vehicles	49,425	157,186
	<u>49,425</u>	<u>157,186</u>
	<u>44,593,716</u>	<u>21,440,592</u>
<b>32.0 Other expenses</b>		
Car tax, token, registration	1,395,605	-
Business travelling and conveyance	12,116,804	6,576,000
Petrol, Oil and Lubricant	698,601	472,060
Bank charges	495,008	238,200
Fees and subscriptions	883,750	1,764,529
Entertainment and recreation	3,329,007	522,414
Cleaning service	202,600	321,650
Security service	3,027,862	399,045
Recruitment and training expenses	118,135	41,639
Professional fees	160,400	327,746
Credit Rating Fees	-	115,000
Interest expenses of Office Rent Lease	12,791,902	7,009,557
Car Parking	28,000	87,200
ADC Expenses	406,841	
Govt. Securities Revaluation Loss	6,388,054	-
	<u>42,042,569</u>	<u>17,875,040</u>
<b>33.0 Provision For loans and advances:</b>		
For classified loans and advances	-	-
For unclassified loans and advances	6,991,861	-
For off balance sheet items	-	-
	<u>6,991,861</u>	<u>-</u>
<b>34.0 Provision for diminution in value of Investments</b>		
Diminution in value of Investments	11,194,145	-
	<u>11,194,145</u>	<u>-</u>
<b>35.0 Provision for Taxation</b>		
<b>35.1 Current tax expense</b>		
Current year	7,661,303	18,704,230
Adjustment for prior year	-	-
	<u>7,661,303</u>	<u>18,704,230</u>
<b>35.2 Deferred tax expense/(income)</b>		
Net deferred Tax liability/(asset) originated for temporary differences	10,026,366	9,564,969
Adjustment of deferred tax of 2020 for carry forward of loss to 2021	-	13,544,210
Pervious years balance	9,564,969	-
	<u>461,397</u>	<u>23,109,178</u>



2022 Taka	2021 Taka
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### 36.0 Earnings per share

Earnings per share (EPS) has been computed by dividing the profit after tax (PAT) by the weighted average number of ordinary shares outstanding as on 31 December 2022 as per IAS 33: Earnings per share.

<b>Profit after taxation</b>	<b>(4,835,952)</b>	<b>43,969,656</b>
Profit attributable for distribution to ordinary shareholders	(4,835,952)	43,969,656
Weighted average number of shares outstanding	400,000,000	400,000,000
<b>Earnings per share (EPS)</b>	<b>(0.01)</b>	<b>0.11</b>

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 2022.

### 37.0 Net Asset Value (NAV) Per Share

Total Shareholders Equity [numerator]	4,019,184,921	4,023,653,341
Number of ordinary shares outstanding [denominator]	400,000,000	400,000,000
<b>Net Asset Value (NAV) Per Share</b>	<b>10.05</b>	<b>10.06</b>

### 38.0 Net Operating Cash Flow Per Share (NOCFPS)

Net cash from operating activities [numerator]	1,767,732,123	58,731,674
Number of ordinary shares outstanding [denominator]	400,000,000	400,000,000
<b>Net operating cash flow per share (NOCFPS)</b>	<b>4.42</b>	<b>0.15</b>

### 39.0 Cash and cash equivalent

Cash in hand (Including foreign currency)	176,250,429	131,962
Money at call	40,000,000	
Balance with other banks and financial institutions	3,939,383,165	3,981,396,910
	<b>4,155,633,594</b>	<b>3,981,528,872</b>

### 40.0 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 2022 is given below:

Name of Organization		Relationship	Service Type	Transaction Amount (Tk.)
Modele De Capital Ind. Ltd.		Sponsor Shareholder	Office Rent	7,964,820

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

Profit before provision	21,472,754	85,783,063
Depreciation on fixed assets	44,544,291	21,283,406
Gain/loss on sale of fixed assets	-	-
Charges on loan losses	-	-
Adjustment of provision for loans and advances	-	-
Increase of interest receivable	(14,125,277)	(23,765,624)
Increase of interest payable	-	7,009,557
Increase of accrued expenses	-	18,806,097
Increase of advance expenses	-	(27,408,360)
Advance tax paid	(36,862,926)	(18,704,230)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>15,028,842</b>	<b>63,003,909</b>

#### 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	(986,249,136)	-
Other assets	(213,065,128)	3,230,977
Deposits from other banks	-	-
Deposits from customers	2,906,905,548	-
Other liabilities account of customers	-	-
Other liabilities	45,111,997	(7,503,212)
<b>Net cash from operating activities</b>	<b>1,767,732,123</b>	<b>58,731,674</b>





**Citizens Bank PLC**  
**Highlights on the overall activities**  
**As at 31 December 2022**

Amount in Taka unless otherwise specified

Sl. No.	Particulars	2022	2021
1	Paid-up Capital	4,000,000,000	4,000,000,000
2	Total Capital	4,019,184,921	4,023,653,341
3	Capital (deficit)/surplus	19,184,921	23,653,341
4	Total Asset	7,307,873,880	4,334,016,049
5	Total Deposit	2,906,905,548	-
6	Total loans and advances	986,249,136	-
7	Total contingent liabilities and commitments	-	-
8	Credit deposit ratio	33.93%	-
9	Percentage of classified loans against total loans and advances	-	-
10	Profit after tax and provision	(4,835,952)	43,969,655
11	Amount of classified loans during current year	-	-
12	Provisions kept against classified loans	-	-
13	Provision surplus against classified loans	-	-
14	Cost of fund	-	-
15	Interest earning assets	6,395,869,566	3,981,396,910
16	Non-interest earning assets	912,004,314	352,619,139
17	Return on Investment (ROI) [PAT/(Shareholders' equity + Borrowing)]	-0.12%	1.09%
18	Return on Assets (ROA) [PAT/ Average assets]	-0.02%	0.50%
19	Income from investment	-	-
20	Earnings Per Share (EPS)	(0.01)	0.11
21	Net Income Per Share	(0.01)	0.11
22	Price Earning Ratio (P/E)	Not applicable	Not applicable



**Citizens Bank PLC**  
**Schedule of Fixed Assets**  
**As at 31 December 2022**

Particulars	Cost						Accumulated Depreciation & Amortization				Net book value at 31 December 2022
	Balance on 01 January 2022	Additions during the year	Disposals during the year	Balance at 31 December 2022	Balance on 01 January 2022	Charge for the year	On disposals during the year	Balance at 31 December 2022			
Furniture and Fixture	3,538,472	6,912,185	-	10,450,657	384,309	241,377	-	625,686	9,824,971		
Interior Decoration		9,877,736		9,877,736		396,246		396,246	9,481,490		
Office Equipment	4,498,779	2,568,748	-	7,067,527	339,717	774,626	-	1,114,343	5,953,184		
Motor Vehicles	32,789,721	18,134,646	1,700,000	49,224,367	2,755,970	7,703,980	259,722	10,200,228	39,024,139		
Computer & Computer Equipment's	50,306,527	11,274,421	-	61,580,948	5,725,822	11,343,457	-	17,069,279	44,511,669		
ATM Booth		2,279,000		2,279,000		141,450		141,450	2,137,550		
Computer Software	8,135,933	19,726,864	-	27,862,797	569,065	2,303,737	-	2,872,802	24,989,995		
Right of Use of Assets - Office Rent	224,697,303	183,642,124	-	408,339,427	11,508,522	21,639,419	-	33,147,941	375,191,486		
<b>At 31 December 2021</b>	<b>323,966,735</b>	<b>254,415,724</b>	<b>1,700,000</b>	<b>576,682,459</b>	<b>21,283,406</b>	<b>44,544,291</b>	<b>259,722</b>	<b>65,567,975</b>	<b>511,114,484</b>		

