



CITIZENS BANK

TODAY · TOMORROW · TOGETHER



TOGETHER TOWARDS TOMORROW

**ANNUAL REPORT
2024**



CITIZENS BANK

TODAY · TOMORROW · TOGETHER

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

LETTER OF TRANSMITTAL

All Sponsor Shareholders of Citizens Bank PLC
Bangladesh Bank
Registrar of Joint Stock Companies & Firms
Financial Reporting Council, and
All other Stakeholders of Citizens Bank PLC.

Dear Sir(s)

Annual report of Citizens Bank PLC for the year ended on 31st December 2024.

This is a matter of immense pleasure to present the Annual Report of the Bank together with the Audited Financial Statements for the year ended December 31, 2024 of our bank. The Annual Report – 2024 of the Bank comprises Balance Sheet, Profit & Loss Account, Statement of Changes in Equity, Cash flow Statement along with the notes (as required to ensure fair disclosures) for kind information and record of our honorable members of the Board, respected Shareholders/stakeholders.

With best regards

Sincerely yours,



Md. Waheed Imam
SEVP & Company Secretary

TABLE OF CONTENTS

Corporate Profile	04
Code of Conduct and Ethical Guidelines	09
Shareholding Composition	11
Board Composition	12
Profile of the Directors	13
Committees Constituted under the Board of Directors of the Bank	24
Message from the Chairman	27
Message from the Managing Director	30
Senior Management Team	34
Directors' Report	35
Performance at a Glance	41
Credit Rating	51
Directors' Statement of Responsibilities	52
Risk Management Report	53
Pillar 3: Market Discipline	66
Management Discussion And Analysis	86
Declaration by Managing Director & Chief Financial Officer (CFO)	96
Independent Auditors' Report	98
Financial Statements	104
Events of the Bank	148
Notice of the 4th Annual General Meeting	166

CORPORATE PROFILE

Name of the Company	Citizens Bank PLC
Legal Status	Public Limited Company
Date of Incorporation	December 13, 2020
Date of Commencement of Business	December 13, 2020
Registration No.	C-166595/2020 on December 13, 2020
Authorized Capital	Tk. 1000.00 Crore
Paid up Capital	Tk. 400.00 Crore
Chairman	Mr. Chowdhury Mohammed Hanif Shoeb
Chairman, Executive Committee	Mr. Masuduzzaman Representative of Modele De Capital Ind. Ltd.
Chairman, Board Audit Committee	Mr. A K M Shahidul Haque
Chairman, Risk Management Committee	Mr. Chowdhury Mohammed Hanif Shoeb
Managing Director	Mr. Alamgir Hossain
Company Secretary	Mr. Md. Waheed Imam
Chief Financial Officer	Mr. Mohammad Saiful Islam, FCMA, ACA
Registered Office	Chini Shilpa Bhaban-2, 76 Motijheel C/A Dhaka – 1000, Bangladesh
Auditors	Mahamud Sabuj & Co., Chartered Accountants
e-TIN	768425977263
BIN	003610432-0202
Credit Rating Agency	Alpha Credit Rating Limited
Website	www.citizensbankbd.com
SWIFT Code	CIZSBDDH
e-Mail	info@citizensbankbd.com
Call Center	16757
Trading Symbol	CZB



CORPORATE PROFILE

OUR CORE BUSINESS

Corporate

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

Retail & SME

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

Treasury

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



VISION



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



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



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



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



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



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



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



MISSION



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



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



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



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



To build up a strong risk management culture.



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



CORE VALUES



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



Team - Our essence of success is togetherness.



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



Accountability - We take ownership of responsibility with transparency.



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



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



CODE OF CONDUCT AND ETHICAL GUIDELINES

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

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

Our Stakeholders

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

professional and institutional obligations

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

Responsibility

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

Property and Information of Bank

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

Conflicts of Interest

The conflict of interest is often a very strong hurdle on the way of implementation of national integrity strategy. When an employee thinks of his/her personal interest from his/her official position, a question of conflict of interest arises. The statute allows him/her to serve his/her own gain, or interest at the cost of employing institution or the state. It is a statutory as well as an ethical obligation for an employee to keep himself/herself away the personal interest.



Acceptance of Gifts

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

Fair Treatment of Counter-parties

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

Anti-Money Laundering

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

Working Environment

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

Compliance with Laws, Rules and Regulations

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

Fair Treatment of Customers

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

Transparency and Accuracy of Financial, Tax and other Reporting

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



SHAREHOLDING COMPOSITION

SL	Name of Sponsor Shareholders	Amount of Capital	Number of Shares	% of Shareholdings
01	Arif Knit Spin Limited represented by Mr. Mukhlesur Rahman	400,000,000.00	40,000,000	10.00%
02	Modele De Capital Ind. Ltd. represented by Mr. Masduzzaman	400,000,000.00	40,000,000	10.00%
03	Pakiza Cotton Sinning Mills (Pvt) Ltd represented by Mr. Rakibul Islam Khan	400,000,000.00	40,000,000	10.00%
04	NRG Hometex Ltd represented by Mrs. Tajkia Rahman	400,000,000.00	40,000,000	10.00%
05	Rahimaaziz Knitspin Ltd. represented by Mr. S M Shofiqul Hoq	400,000,000.00	40,000,000	10.00%
06	Mr. Mohammad Abdul Salam	400,000,000.00	40,000,000	10.00%
07	Mr. Chowdhury Mohammed Hanif Shoeb	400,000,000.00	40,000,000	10.00%
08	Mr. Mohammed Iqbal	400,000,000.00	40,000,000	10.00%
09	Mr. Anisul Huq	400,000,000.00	40,000,000	10.00%
10	Mr. Sk. Md. Iftekharul Islam	200,000,000.00	20,000,000	5.00%
11	Mrs. Zebunnessa Begum Huq	100,000,000.00	10,000,000	2.50%
12	Mrs. Towfika Aftab	50,000,000.00	5,000,000	1.25%
13	Goumoti Knitwears Limited represented by Mrs. Samsun Naher	50,000,000.00	5,000,000	1.25%
	Total Capital & Number of Shares	4,000,000,000.00	400,000,000	100.00%



BOARD COMPOSITION



Mr. Chowdhury Mohammed Hanif Shoeb
Chairman



Mr. Mukhlesur Rahman
Director



Mr. Masduzzaman
Director



Mrs. Tajkia Rahman
Director



Mr. S. M. Shofiquel Hoq
Director



Mrs. Zebunnessa Begum Huq
Director



Mrs. Towfika Aftab
Director



Mr. N.K.A Mobin FCS, FCA
Independent Director



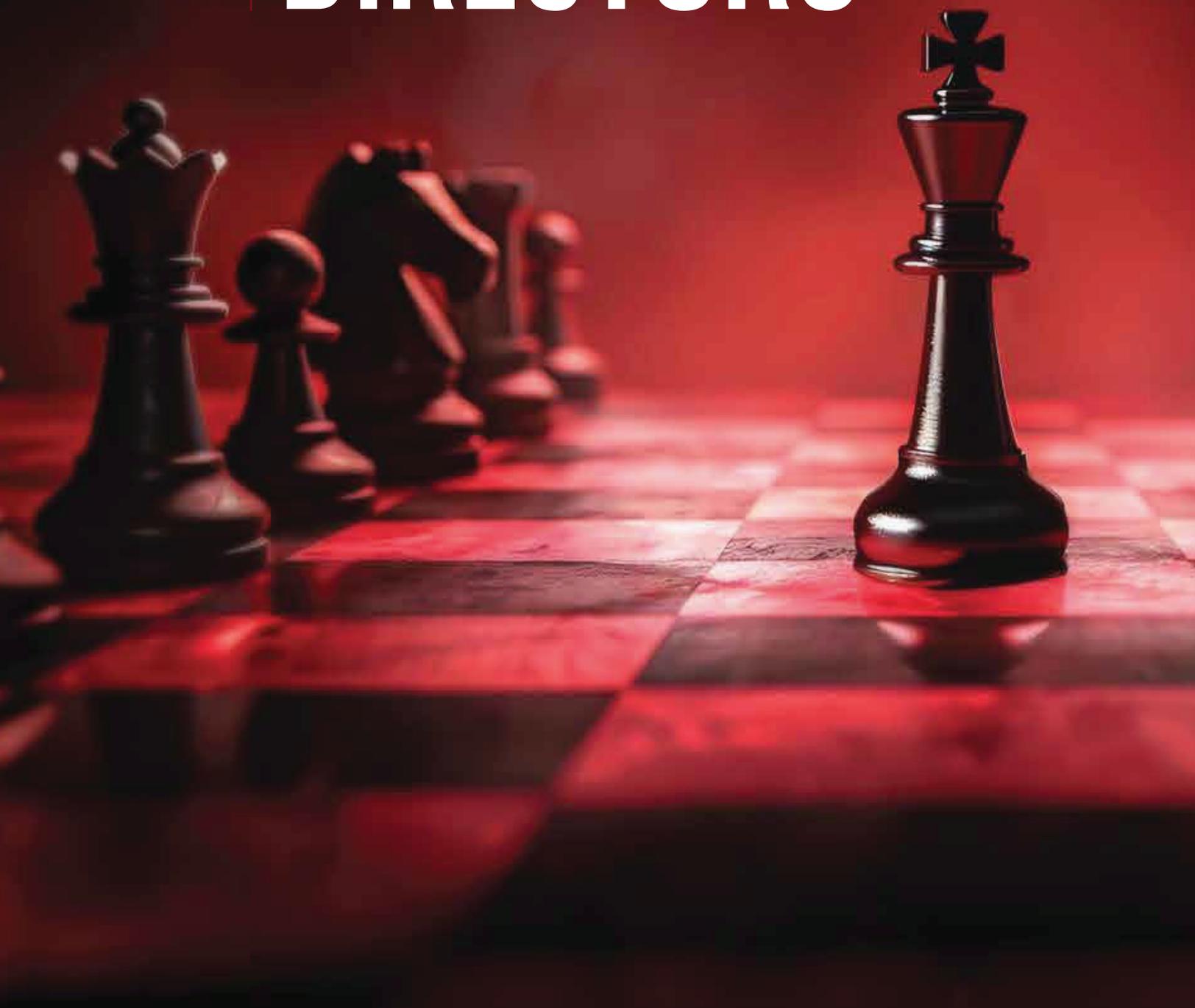
Mr. AKM Shahidul Haque
Independent Director



Mr. Alamgir Hossain
Managing Director



BOARD OF **DIRECTORS**



PROFILE OF THE DIRECTORS



Mr. Chowdhury Mohammed Hanif Shoeb Chairman

Mr. Chowdhury Mohammed Hanif Shoeb, a business conglomerator having entrepreneurial spirit and drive is one of the sponsor Directors of Citizens Bank PLC who had been unanimously elected as the chairman of the Bank. Mr. Chowdhury is a renowned business leader having long 30 years experience in the country's textile and real estate sector. He comes of an aristocratic family of Bangladesh.

Mr. Chowdhury is the CEO and Managing Director of a good number of business concerns of Salma Group that has occupied a distinct position among others. The Success of the Group bears the ample testimony of his dynamic leadership and progressive mindset.

Mr. Chowdhury is involved with different social and philanthropic organizations. The Dabir Sohani Suraiya Foundation is a non-profit charitable platform of Salma Group provides financial support to the poor but meritorious students of Dhaka University and to the distressed, disadvantaged people of the society. He is an alive member of FBCCI, DCCI and BTMA.



PROFILE OF THE DIRECTORS



Mr. Masduzzaman

Director & Chairman, Executive Committee

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

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

He is the founder Managing Director of Modele De Capital Ind. Ltd., Goumati Knitwears Ltd., Rhine Dress Ltd., Sadia Fashion Wears Ltd. Besides he is also the Proprietor of the backward linkage industries for textiles namely Embro Arch, Ocean Color, Step To...Rainbow, Atlantic Accessories, Sadia Packaging & Accessories and Keyama Color.

His commitment to the country inspired him to create a luxury fashion brand SOLASTA, premium facility for food lovers 'Port Dundee' and supreme Coffee Station 'Café Sao Paulo'.

He is also the founder of Safer Holdings Limited, an upcoming infrastructure development company.

It is mentionable that, as many as 13,000 employees of different categories are employed in different enterprises own by Mr. Masduzzaman.

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

He became Commercially Important Person (CIP) by the Government for five consecutive times in recognition outstanding feat of performance in the arena of exports.

Ex-Vice President of Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA).

Ex-Director, France Bangladesh Chamber of Commerce & Industries (BFCCI).

Senior Vice Chairman to Cricket Committee of Dhaka Metropolis (CCDM) formed by Bangladesh Cricket Board (BCB).

Director & (Chairman Cricket Committee) of the Mohammedan Sporting Club, country's largest sporting club.

President of the Mohammadpur Cricket Club.

He holds the memberships of following elite clubs as well:

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

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



PROFILE OF THE DIRECTORS



Mr. Mukhlesur Rahman Director

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

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



PROFILE OF THE DIRECTORS



Mrs. Tajkia Rahman Director

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

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

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



Mrs. Towfika Aftab Director

Mrs. Towfika Aftab one of the sponsor Directors of Citizens Bank PLC. She obtained master's degree in political science and LLB from Dhaka university.

Being a Lawyer by profession, she has been serving the country for last 29 years with utmost loyalty, honesty and sincerity. In recognition of her immense contribution to promote the cause of human rights she was appointed as honorable member of National Human Rights Commission in 2019 by His excellency honorable President of Bangladesh.

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

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

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

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

PROFILE OF THE DIRECTORS



Mr. S. M. Shofiqul Hoq Director

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

Mr. Hoq is the Executive Director of NR Group is a highly experienced professional in the textile industry. Being a graduate from the University of Dhaka on Finance and Banking, he started his career in Arif Knitspin Limited as Assistant Manager in the year 2004 and subsequently became Executive Director of NR Group in the year 2025. He has expertise in foreign procurement and marketing.



Mrs. Zebunnessa Begum Huq Director

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



PROFILE OF THE DIRECTORS



Mr. N.K.A Mobin FCS, FCA Independent Director

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





Mr. AKM Shahidul Haque Independent Director

Mr. A K M Shahidul Haque is an Independent Director of Citizens Bank PLC. Being a seasoned Banker, he was the Independent Director and Chairman of the Audit Committee of Islamic Finance and Investment Limited (IFIL) and also associated with IDLC Finance as Independent Director.

In his vast chequered career of around 40 years he was the Managing Director & CEO of Mercantile Bank Limited and Midland Bank Limited as well as Islamic Finance and Investment Limited. He started his banking career by joining Rupali Bank Limited in the year 1977.

Besides, having an honors and post-graduation in Political Science from University of Dhaka, he was trained in Leadership & Innovation by Judge Business School of University of Cambridge, United Kingdom (UK) . He also completed Advanced Course on Bank Management (ACBM) from Bangladesh Institute of Bank Management (BIBM).

In his personal life, he is a married person blessed with two daughters.

PROFILE OF THE DIRECTORS



Mr. Alamgir Hossain Managing Director

Mr. Alamgir Hossain has recently joined Citizens Bank PLC as Managing Director. Prior to joining this bank, Mr. Hossain worked in Bank Asia PLC as Deputy Managing Director and Head of Corporate and Large Loan. His versatile career spanning about 28 years includes expertise in Retail , CMSME, Corporate Banking, Foreign Trade and Operations.

Mr. Hossain started his career in 1997 as Probationary Officer in Eastern Bank PLC. He joined Bank Asia PLC in 2005. In both the banks, he has performed responsibilities in different key positions in Branches, Business Divisions and Senior Management Team in Corporate Office. Beside running major branches of Bank Asia as Head of Branch successfully, Mr. Hossain led and transformed Corporate Business of Bank Asia and contributed significantly in growth and development of the bank. In recognition of his outstanding contribution in business development, Bank Asia awarded him 'Service Excellence Award' many times in his career.

Mr. Hossain is a seasoned professional who has consistently sought to enhance his expertise through participation in numerous training programs, workshops and seminars at home and abroad. He completed his Post-graduation in English from the University of Dhaka.



COMMITTEES CONSTITUTED UNDER THE BOARD OF DIRECTORS OF THE BANK

Executive Committee



Mr. Masuduzzaman
Chairman



Mr. Chowdhury Mohammed Hanif Shoeb
Member



Mr. Alamgir Hossain
Managing Director
Ex-officio Director

COMMITTEES CONSTITUTED UNDER THE BOARD OF DIRECTORS OF THE BANK

Audit Committee



Mr. AKM Shahidul Haque
Chairman



Mr. N.K.A Mobin FCS, FCA
Member



Mr. S. M. Shofiqui Hoq
Member



Risk Management Committee



Mr. Chowdhury Mohammed Hanif Shoeb
Chairman



Mr. S. M. Shofiquul Hoq
Member



Mr. N.K.A Mobin FCS, FCA
Member

Mr. Chowdhury Mohammed Hanif Shoeb

CHAIRMAN

CITIZENS BANK PLC



MESSAGE FROM THE CHAIRMAN

Dear Respected Shareholders

I take the privilege on this auspicious occasion of our 4th AGM to express my deep sense of gratitude's to my fellow colleagues on the Board for their unwavering cooperation and support that I received so far as being the Chairman of the Board of Directors. Personally, like all other Board members I earnestly desire to see Citizens Bank as one of the most trustworthy and acceptable Banks with sound fundamental and that will be possible by cultivating the good corporate governance practices in every way possible as well as by restraining any lending activities which will prove to be detrimental to the interest of our beloved Bank.

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

From the very inception we observed that our path of journey was rather bumpy due to adverse overall state of the socio-economic condition but we succeeded to navigate the situation without incurring any bad reputation in the banking industry. We shall have to remember that there is no scope of complacency as challenging situation always surrounds us but at the same time there is no valid reason for disappointment as we believed rigorous efforts and by upholding the very sound ethical standard and at the same breath by ensuring maximum extent of transparency in all our banking transaction we shall be able to fortify our position in the face of stiffly competitive emerging scenario.

Despite the complexities of the global economic environment, our bank has maintained strong financial

performance, underpinned by prudent risk management, disciplined growth strategies, and an unwavering focus on customer service. Our balance sheet remains robust, our capital position strong, and our liquidity levels healthy — all reflective of the sound governance and financial stewardship that continue to guide our operations.

Under the prudent leadership of the Board and the dedication of our management and staff, the bank has continued to strengthen its financial position, enhance its operational efficiency, and uphold the highest standards of corporate governance. Our unwavering focus on customer-centricity, innovation, and responsible banking practices has enabled us to serve the evolving needs of our clients while contributing meaningfully to the broader economic development.

Innovation and digital transformation have remained at the forefront of our strategy. We have made substantial investments in technology to enhance our service offerings, improve customer experience, and increase operational efficiency. Our commitment to sustainability and corporate social responsibility has also been strengthened, as we actively support initiatives that contribute to economic growth, environmental protection, and community development.

It is gratifying to note that our Bank is now well poised to deliver all kinds of banking services including facilitation of import exports and all related cross-border foreign exchange related banking transactions including scouting of homebound remittances from the Bangladeshi diaspora. We are now in an expansionary phase. As part of this, in 2024, we opened 3 new branches and 3 new sub-branches, bringing our total to 16 branches and 3 sub-branches by the end of the year. Beyond these, we received licenses from Bangladesh Bank for 11 more urban-based branches and sub-branches.



MESSAGE FROM THE CHAIRMAN

This strategic expansion is crucial for creating our footprint in different potentially viable areas, broadening our clientele base. I believe this is pivotal for building a sustainably balanced business portfolio by leveraging geographical and demographic dividends.

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

- i. Good corporate governance wherein compliance issues will get preponderance.
- ii. To ensure the financial welfare/wellbeing of our clienteles as we want to be always together.
- iii. Maximum extent of transparency on all our banking transactions.

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

As we step into a new year, we remain committed to our strategic objectives of enhancing shareholder value, fostering financial inclusion, and embracing technological advancements to better serve our stakeholders. I would like to extend my sincere appreciation to our shareholders, customers, regulators, and business partners for their continued trust and support. My heartfelt gratitude also goes to the entire team of Citizens Bank, whose dedication and professionalism have been instrumental in driving our success.

We are confident that, in the forthcoming years, keeping pace with the ever changing electronic and digital advancements, our Bank will be able to provide vast array of innovative products in a very much customer friendly manner. Moreover, we shall be relentless in our efforts to explore the avenues of our banking services by way of strengthening our relationships with the targeted segment of customers through delivering right financial solutions coupled with professional zeal.

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

Looking ahead, while we remain mindful of ongoing global uncertainties, we are confident in our ability to continue generating sustainable growth and delivering long-term value. Our strategic priorities remain clear: to strengthen our core businesses, embrace innovation, and uphold the highest standards of governance and integrity.

Together, we will continue to navigate the evolving financial landscape with confidence and a shared vision for long-term prosperity.

Thank you for your continued confidence and support.



Chowdhury Mohammed Hanif Shoeb
Chairman
Board of Directors



MR. ALAMGIR HOSSAIN

MANAGING DIRECTOR



MESSAGE FROM THE MANAGING DIRECTOR

Dear Respected Shareholders

With profound honor and a deep sense of responsibility I address you as the newly appointed Managing Director of Citizens Bank PLC. I am truly humbled by the trust placed on me to lead this esteemed institution and I wholeheartedly embrace the challenges and opportunities that lie ahead with unwavering commitment and optimism. I am confident that together, we will chart a bold and transformative path forward—building on our rich legacy and striving for even greater achievements.

I would also like to take this opportunity to extend my sincere and heartfelt gratitude to the distinguished members of the Board for their prudent and unwavering support as well as their strategic policy guidance. These have been instrumental in steering the bank's sustained growth and enduring success. Since the very beginning of my association with this Bank, the guidance I received from the Honorable Members of the Board and our Sponsors has consistently reflected a profound commitment to good governance. It has been evident from the outset that this Bank aspires to establish itself as a well-governed institution, and the management has been entrusted with the professional discretion necessary to transform it into one of the most credible banks in the financial ecosystem.

Since its inception, the Sponsors have demonstrated unwavering dedication to transforming this bank into one of the most trusted and dependable financial entities. We remain firmly committed to the highest standards of corporate governance and regulatory compliance. Moreover, robust risk management practices will be an integral part of our organizational culture, enabling us to carve out a distinctive and competitive position in the banking industry, even in the face of a highly competitive market landscape.

Here it is gratifying to note that we are now well-positioned to offer a full range of banking services,

including cross-border transactions such as export, import, and remittance operations. Our expanding portfolio includes services delivered through alternative channels, the introduction of VISA credit cards, and other value-added offerings tailored to diverse customer segments.

As a tech-savvy bank, Citizens Bank moves beyond traditional banking methods that demand in-person interactions at specific times and locations. We provide 24/7 access to our alternative delivery channels, ensuring the diverse needs of all customers. Our comprehensive banking services, from basic balance inquiries and cash withdrawals to daily shopping and monthly utility bill payments, all are available across multiple platforms, including plastic cards, mobile phones and the internet.

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

The initial growth of an organization does not necessarily guarantee its consistent growth in the distant future. For sustained momentum, we must embed sustainability into our current growth strategies. Citizens Bank firmly believes in long-term sustainability which is why we adhere to the core principles of prudence and



MESSAGE FROM THE MANAGING DIRECTOR

professionalism when deploying assets and managing liabilities. Our objective is not solely to generate profits but to deliver meaningful and improved services to the people we serve — we believe that profits will follow naturally as a result of this commitment.

Financial Performance Overview – 2024

Deposit:

Through the strategic adoption of diverse banking channels, including advanced technological solutions, we have successfully expanded our CASA-based deposit portfolio while simultaneously increasing fixed deposits. These initiatives have contributed to sustainable growth in deposits, thereby reinforcing the financial stability and growth potential of our institution. The integration of modern banking technologies has significantly enhanced customer engagement and facilitated effective deposit mobilization, resulting in a notable increase of 42.20%, rising to Tk. 14,291.49 million from Tk. 10,050.57 million.

Loans and Advances:

Citizens Bank takes an unfaltering stand on maintaining asset quality. Our policy centers on attracting the most creditworthy customers while ensuring a diversified and environmentally sustainable investment approach. When selecting investment opportunities, we prioritize risk management and long-term profitability, with a particular focus on environmentally responsible diversification. In 2024, our loan portfolio experienced substantial growth, increasing by 88.72%, reaching Tk. 8,272.78 million, up from Tk. 4,383.57 million in the previous year. This growth underscores our disciplined approach to credit management and strategic investment.

Our investment portfolio covers a wide array of sectors, including ready-made garments, chemicals, cement, medical equipment, telecommunications, trade businesses, manufacturing, handicrafts, agriculture, cattle-raising, service-oriented businesses, capital

machinery, raw materials, house building and many more. The diversification of our investment portfolio is pivotal in strengthening the bank's resilience and supporting sustainable, long-term growth.

Profitability:

In the year 2024, the Bank achieved a net profit of BDT 39.46 million, reflecting steady progress and resilience in a dynamic operating environment. The Bank also demonstrated notable improvements across several key financial indicators, including asset quality, provision coverage, Return on Equity (RoE), Return on Assets (RoA), Net Interest Income (NII), and Net Interest Margin (NIM).

Net Interest Income for the year stood at BDT 269.66 million, compared to BDT 240.72 million in 2023, underscoring healthy growth in core banking operations. Total provisions made during the year amounted to BDT 48.72 million, a prudent increase from BDT 31.00 million in the previous year, reflecting a strengthened risk management framework.

Operating profit recorded a significant increase, reaching BDT 144.54 million in 2024—an impressive growth of 336.15% compared to the previous year—signifying enhanced operational efficiency and revenue generation. Total assets expanded by 31.10%, amounting to BDT 19,101.48 million at year-end, up from BDT 14,570.52 million in 2023.

In trade finance, the Bank delivered exceptional performance. Export volumes surged by 617%, reaching BDT 1,688.60 million from BDT 235.44 million in the previous year. Import transactions also grew substantially, registering a 356% increase to BDT 1,973.56 million from BDT 433.17 million. In addition, Bank Guarantees rose by 181%, totaling BDT 363.14 million, compared to BDT 129.10 million in 2023.

These achievements reflect the Bank's strategic focus, operational resilience and unwavering commitment to delivering long-term value to its stakeholders.



MESSAGE FROM THE MANAGING DIRECTOR

Strategic Plans for 2025:

In 2025, Citizens Bank will embark on a transformative journey, guided by innovative strategies designed to redefine banking excellence and achieve sustainable growth. In light of the challenging economic landscape—marked by rising interest rates, inflation, and foreign exchange pressures—the bank will prioritize strengthening its resilience and adaptability.

Key strategic initiatives will include:

- Optimizing the deposit mix to reduce costs and enhance profitability.
- Expanding retail and MSME lending portfolios, tapping into underserved markets.
- Restructuring banking models to improve operational performance and agility.

Additionally, the bank will focus on:

- Strengthening customer relationships, ensuring long-term loyalty and satisfaction.
- Enhancing asset quality through rigorous monitoring and proactive risk management.
- Boosting remittance inflows by leveraging global networks and customer engagement.

To drive operational efficiency, Citizens Bank will centralize key processes and invest in automation, reducing costs while enhancing customer service. Furthermore, a significant investment in digital infrastructure will be made to streamline operations and improve customer experience, ensuring the bank's continued growth despite the complex economic environment.

Commitment to Financial Inclusion:

Citizens Bank remains dedicated to serving the unbanked population. Since its launch in July 2022, the bank has established a nationwide presence with 20 branches—equally split between urban and rural locations—along with four sub-branches. Moving forward, the bank will expand its network of branches, sub-branches, and digital services in rural areas, with a

particular emphasis on building trust within these communities.

This strategy will not only help us attract deposits from individual savers but also increase remittance inflows from abroad. By focusing on growing a sustainable deposit base from core individual deposits, rather than relying on concentrated group sources, Citizens Bank aims to minimize risk while fostering long-term financial stability.

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

In Closing,

I remain confident that with our shared vision, sound strategy and unwavering commitment to innovation and inclusivity, Citizens Bank will continue to scale new heights. I am truly honored to lead this journey and I thank you—our valued shareholders—for your continued trust and support.

Together, let us shape a future defined by purpose, progress and shared prosperity.



Alamgir Hossain
Managing Director



SENIOR MANAGEMENT TEAM



Sitting from Left ▶

Md. Waheed Imam

Company Secretary

Md. Abdul Latif

Deputy Managing Director

Alamgir Hossain

Managing Director

Md. Mostafizur Rahman

Deputy Managing Director

Mohammad Saiful Islam

Chief Financial Officer and Head of
Human Resources Division

Standing from Left ▶

Md. Israil Hossain

Head, Credit Risk Management Division

Md. Humayun Kabir

Head, International Division & NRB

Mohammad Ali Azfar Quadry

Head, Operations & General Banking Division

Khan Md. Tief Rana

Head, Card Division and Alternative Delivery Channel



DIRECTORS' REPORT

We would like to take this opportunity to express our deep respect to the martyrs of July uprising who helped us to create an opportunity to shape our country into a better one.

The Board of Directors are welcoming you all to the 4th Annual General Meeting (AGM) and is pleased to present the Annual Report before you comprising the Audited Financial Statements of the Bank for the year ended 2024. A review of business and financial performance and the underlying forces affecting those have been briefly pointed out.

Global economic outlook

Following an unprecedented series of shocks in the preceding years, global growth was stable yet underwhelming through 2024 and was projected to remain so in the 2025. However, the landscape has changed as governments around the world reorder policy priorities. A series of new tariff measures by the United States and countermeasures by its trading partners have been announced and implemented, ending up in near-universal US tariffs on April 2 and bringing effective tariff rates to levels not seen in a century. This on its own is a major negative shock to growth. The unpredictability with which these measures have been unfolding also has a negative impact on economic activity and the outlook and, at the same time, makes it more difficult than usual to make assumptions that would constitute a basis for an internally consistent and timely set of projections.

The swift escalation of trade tensions and extremely high levels of policy uncertainty are expected to have a significant impact on global economic activity. As per IMF's World Economic Outlook global growth is projected to fall from an estimated 3.3 percent in 2024 to 2.8 percent in 2025, before recovering to 3 percent in 2026. The swift escalation of trade tensions has generated extremely high levels of policy ambiguity, making it more difficult than usual to establish a central global growth outlook. An overview of global economic outlook presented below:

Country / Region	2024	2025p	2026p
World Output	3.3	2.8	3.0
Advanced Economies	1.8	1.4	1.5
United States	2.8	1.8	1.7
Euro Area	0.9	0.8	1.2
Japan	0.1	0.6	0.6
United Kingdom	1.1	1.1	1.4
Canada	1.5	1.4	1.6
Other Advanced Economies	2.2	1.8	2.0
Emerging and Developing Asia	5.3	4.5	4.6
Middle East and Central Asia	2.4	3.0	3.5

*P-Projected

An overview of Bangladesh economy

Amid increasing uncertainty in the global economy, South Asia's growth prospects have weakened, including for Bangladesh. A significant decrease in export growth and low investment have contributed to economic slowdown in Bangladesh in FY24, but growth is expected to rebound in the medium term.

Bangladesh's real GDP growth moderated to 4.2 percent in FY24, down from 5.8 percent in FY23, according to final estimates from the Bangladesh Bureau of Statistics (BBS). This marks the second consecutive year of decline in real GDP growth and the lowest pace of growth since the COVID-19 pandemic. On the demand side, the slowdown was primarily driven by a sharp 17.1 percent decline in exports, attributed to rising raw material (which are typically imported) costs due to the depreciation of the taka, supply chain disruptions linked to the Middle East crisis, and a global demand slowdown. The full extent of the export decline became evident after data revisions in June 2024, revealing that actual exports were US\$9.9 billion lower than previously reported. Public investment also contracted, reflecting the government's rationalization of capital expenditure due to project reprioritization and challenges in importing capital goods due to foreign exchange (FX) shortages. On the supply side, the moderation in growth was largely



due to a slowdown in the industrial sector, which grew by just 3.5 percent in FY24, down from 8.4 percent in FY23. The industrial sector faced significant challenges in FY24, including difficulties in opening letters of credit (LC) due to FX shortages, rising raw material prices, and energy supply disruptions. Growth in the agriculture and services sectors experienced marginal declines.

Real GDP growth is projected to moderate to 3.3 percent in FY25 due to declining private and public investments. Policy uncertainty and rising borrowing and input costs are expected to constrain private investment growth and keep industrial growth subdued. Public investment will decline as the government reduces the capital expenditure in FY25. However, the real GDP is expected to rise gradually in the medium term, driven by critical reforms. Inflation is likely to remain elevated in the near-term and gradually subside in the medium-term on the back of tight monetary policy, fiscal consolidation and easing import restrictions on key food commodities. Rising trade uncertainties are expected to put pressure on the external sector. The fiscal deficit is expected to remain under 5 percent of GDP in FY25, with capital expenditure increasing only gradually. The risks to the outlook are on the downside as uncertainties related to trade, persistent inflationary pressure, weak demand in Bangladesh's major export markets, and intensifying financial sector vulnerabilities could weigh on growth.

Headline inflation has remained elevated in FY25, averaging 10.6 percent between July 2024 and February 2025, but moderated to 9.3 percent in February 2025. Food inflation eased gradually to 9.2 percent in February, reflecting a moderation in food prices as food supply chain issues began to improve due to the abundant supply of winter vegetables. To help curb food prices ahead of Ramadan, import duties and VAT on several essential food items, including rice and sugar, have been reduced. BB eased LC margin requirements for essential food imports to improve the supply side in near term.

Overall, inflation has remained high due to supply chain disruptions, high energy prices, and higher import prices because of the depreciating taka. External factors such as Russia's invasion of Ukraine, and the conflict in the Middle East also contributed to the elevated inflationary pressure through supply chain disruptions. The international prices of key commodities decreased, but this did not translate to a significant reduction in inflation. Tight monetary policy and fiscal consolidation efforts are expected to help anchor inflation expectations over the medium-term.

Private sector credit growth continued to decline, while public sector credit growth increased in FY25 (July-January). Private sector credit growth continued its

downward trend and decreased to 7.2 percent (y-o-y) in January 2025, marking the lowest growth rate since October 2021. Rising NPLs in the banking sector, high interest rates, rising cost of raw materials, and ongoing political uncertainty contributed to this decline. Public sector credit growth increased to 16.6 percent in January 2025, driven by increased government borrowing from the banking sector.

Import growth turned positive after two consecutive years. After contracting by 15.8 percent in FY23 and 11.1 percent in FY24, merchandise import growth turned positive in the first seven months of FY25, rising by 4.3 percent. Improved availability of US dollars in the banking system and the removal of import restrictions (especially for food) supported import growth. This growth was primarily driven by a 17.5 percent increase in food imports and a 6.5 percent rise in intermediary goods imports. Food imports surged as the government aimed to ensure sufficient supply in the market to control inflation, leading to a more than sevenfold increase in rice imports. The increase in intermediary goods imports was largely driven by products related to RMG production, reflecting the growth in exports. However, imports of intermediate goods related to non-RMG sectors and capital goods continued to decline. Notably, clinker and fertilizer imports fell by 10.7 percent and 11.6 percent, respectively, as construction and agricultural activities remained subdued. The decline in both government and private investment also led to a sharp 12.0 percent drop in capital goods imports.

The exchange rate stabilized in FY25. After depreciating by over 40 percent over the last three years, the exchange rate has been relatively stable in FY25. The interbank exchange rate remained unchanged at 120 BDT/US\$ for most of the first half of FY25, with no adjustment in the mid-point of the crawling peg exchange rate, before depreciating to 122 BDT/US\$ in January 2025. The gap between the formal and the informal (kerb market) exchange rate premium over the formal rate narrowed and averaged at 2.6 percent in the first eight months of FY25.

The FX reserves appear to have stabilized in FY25, after continuously depleting since mid-2021. The rate of depletion of foreign exchange reserves eased in FY25. Robust inflows of remittances and export earnings, coupled with budget support disbursements from development partners, contributed to the stabilization. BB has also significantly reduced its selling of US dollar from reserves, in contrast to past market interventions to support the taka. As of March 2025, gross FX reserves stood at US\$20.4 billion, equivalent to approximately 3.0 months of prospective imports.

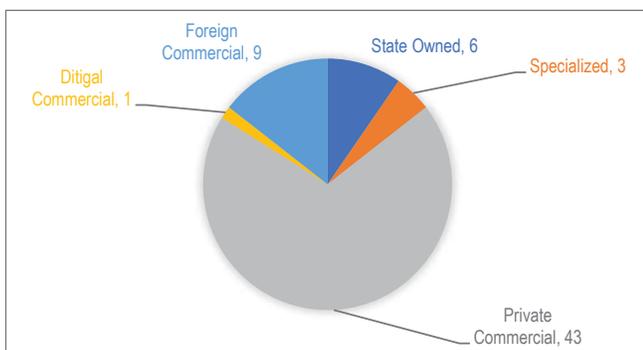


Bangladesh is undergoing a period of economic and political transition. The economy continues to face significant challenges, including elevated inflation and vulnerabilities within the financial sector. Private and public investments have stalled and industrial growth moderated. The interim government, led by Dr. Mohammad Yunus, has implemented several measures to stabilize the banking sector and the broader economy. Various commissions, committees, and task forces have been established to propose reforms in critical areas such as the economy, judiciary, constitution, election system, public administration, police, and anti-corruption efforts. Most of these committees have submitted their reports, including the White Paper Committee (which examined the economic fault lines of the past decade) and the Task Force on Strategizing the Economy (which provided policy recommendations for all key sectors). However, the major reforms proposed by these committees have yet to be realized. The law-and-order situation remains unsettled. Political uncertainty persists despite the announcement of the election date between December 2025 and June 2026.

Despite the moderation in growth, the economy exhibited progress in several areas. External sector pressures have apparently eased, with robust growth in remittance inflows and exports bolstering the current account balance. The financial account benefited from the disbursement of budget support by development partners. Consequently, the BoP deficits narrowed, and the depletion of foreign exchange reserves have eased. Although inflation remains elevated, it has shown signs of decline in recent months. Interest and exchange rates have become more market-determined compared to previous years. Despite existing vulnerabilities in the banking sector, BB's intervention including liquidity provision have stabilized some weak banks while progressing with key reforms.

Banking sector overview

As of now Bangladesh's Financial Systems comprises of 62 schedule banks and 35 finance companies. 62 Banks can be sub-categorizes as:



Those 62 banks operating through 11361 branches across the country. Bangladesh's financial sector is bank-dominated. Bangladesh's banking sector faces significant challenges due to long-standing structural weaknesses and recent emerging risks. The sector has been suffering from high levels of non-performing loans (NPLs), low capital adequacy, and operational inefficiencies. Governance issues, regulatory capture, political interference in lending, and related-party lending have worsened the sector's performance and solvency over the years. Following the regime change and recognizing the fragility of the banking sector, the interim government and Bangladesh Bank have embarked on financial sector reforms, revealing true vulnerabilities in the sector.

During the year 2024 deposit of banking sector grew by 7.70% to Tk. 18,95,557 crore whereas the loans and advance grew by 7.17% to Tk. 16,73,726 crore. During this period Govt. borrowings increased by 17.34% while loans to private sector grew by 7.65%. Due to the political regime change sluggish FDI flow and payment of external debt attributed to 2.16% decline in foreign exchange reserve but thanks to the growth of wage earners remittances growth of 22.68% which deter the worsening of foreign exchange reserve position.

To manage soaring inflationary pressure Bangladesh Bank further tightened the monetary policy stance to control elevated inflationary pressure. The tightening measures led to increased interest rates across various financial instruments, reflecting higher borrowing costs and a more restrictive credit environment. The financial market experienced adjustments in interbank rates, government securities yields, and retail lending and deposit rates, aligning with BB's policy objectives. The call money rate exhibited an upward trajectory, increasing gradually from 9.14 percent in September 2024 to 10.07 percent in December 2024. Nevertheless, the rate has consistently aligned with the policy rate while staying within the interest rate corridor set by BB. This reflects the enhancement of the corridor's efficacy in stabilizing short-term rates across the financial system. Similarly, the interbank repo rate also increased gradually from 9.27 percent in September 2024 to 10.36 percent in December 2024 and stayed slightly above the policy rate along with the inter-bank call money rate but within the corridor stipulated by BB.

The fully market-driven interest rate framework, combined with sustained monetary tightening, played a significant role in increasing the weighted average lending rate from 11.70 percent in September 2024 to 11.84 percent in December 2024, while the deposit rate rose from 5.84 percent to 6.01 percent over the same



period. This increase in deposit rates reflects intensified efforts by banks to attract liquidity, ensuring a steady source of funding amid rising borrowing costs.

The liquidity in the banking system improved significantly during in December 2024 from the starting point of regime change in August 2024 reflected in the rise of excess liquidity. The improvement in liquidity was due to BB's comprehensive liquidity interventions which include granting unrestricted access to the Standing Lending Facility (SLF), facilitating full allotment of repo facilities for banks and financial institutions and providing special liquidity support to cash-strapped banks, among others.

The sector's non-performing loans (NPLs) continued its uptrend, rising to BDT 3,457.64 billion in December 2024 compared to BDT 2,849.77 billion in September 2024. The NPL ratio to total outstanding loans reached a record high of 20.2 percent in December 2024 up from 9% in December 2023. Across all bank categories, the NPL ratio of the state-owned commercial banks (SCBs) remained persistently the highest, rising to 42.83 percent at the end of December 2024 from 21% percent at the end of December 2023. This rising NPL also lead to the uprising provision shortfall from Tk. 248.10 billion in 2023 to Tk. 1061.31 billion in 2024.

- BB has launched a series of structural and policy reforms aimed at strengthening good governance, improving financial discipline and enhancing risk management across the banking sector such as:
- Board of Directors of 11 underperforming banks has been restructured to reinforce oversight, compliance, and accountability.
- BB has formed specialized task forces dedicated to reviewing asset quality, recovering non-performing loans and managing distressed assets through asset management companies.
- BB has also published a Bank Resolution Ordinance, enabling the regulator to resolve a scheduled bank subject to capital, liquidity, insolvency, or any other risk.
- BB introduced a central bank guarantee scheme to help crisis-ridden banks borrow funds from the interbank market.
- BB provided temporary liquidity support to some of these banks while absorbing excess liquidity using BB bills to curb additional inflationary pressures.
- BB is gradually introducing guidelines aligned with global best practices to improve the NPL situation in the medium term.

- Effective from April 2025, the stricter guidelines on loan classification, provisioning, and recovery will help banks proactively identify soured loans and associated costs.
- BB introduced the Expected Credit Loss (ECL) methodology-based provisioning system, set for implementation in 2027, to encourage banks to adopt proactive credit risk management and prevent the accumulation of NPLs.

All these reform and policy measures will help build a solid and resilient banking system in Bangladesh.

Financial Performance of CZB

Before stepping into 2024, CZB had spent only one and half year of commercial operation. So we targeted massive growth in every aspect of our business operation and that has been observed in our performance. Though the political turmoil in the 2nd half of the year and subsequent negative news of banking industry rattled public confidence thus create negative impact but we are fortunate to have strong stewardship from our board of directors and team effort of all CZB family members to lead the bank towards positive business growth momentum.

CZB's total deposits raced by 42% YoY, up from BDT 10,051 million in 2023 to BDT 14,291 million in 2024. This phenomenal growth shows our sheer commitment to attain customer loyalty. To reach this growth milestone we expanded our business network from 12 branch to 15 branch and 3 sub branches. This deposit growth leads to 31% total assets growth in 2004 nearing to BDT 20000 million milestone.

CZB's Loans & Advances growth was two folded compared to deposit growth securing 89% growth in 2024 compared to previous year and total loans and advances reaches to BDT 8273 million. AD ratio goes higher to 58% from 44%. Bank always eyes to productive sectors thus most loans disbursed to corporate and SME sector rather retail sector. Though we grow our loan portfolio by 88% but still bank managed to keep NPL to 0% thanks to our risk management process and guidance from board of directors to select good borrowers and nursing them to stay as good borrower.

We recorded so far the highest operating profit BDT 145 million in 2024 growing from BDT 33 million in 2023 securing a robust 336% growth. Higher growth of loan, investment and deposit along with timely re-pricing of loan portfolio after introduction of market-based loan rate, efficient asset liability management, upward trend



of govt. securities interest rate, cautious risk management strategy enabled CZB to produce exceptional operating profit growth in 2024. Operating expenses growth was 47% compared to previous year mainly attributed to Salary & Rental expenses due to branch expansion in 2024 and full swing rental payment of branches opened in 2023. Cost to income ratio, an important measure of operating efficiency, improved to 82% in 2024 from average of 93% of last year; mainly driven by higher growth of operating income than that of operating expense in 2024.

Capital to Risk Weighted Assets Ratio (CRAR) ratio decreased to 45.56% in 2024 from 76.19% in 2023 mainly due to high growth of loans & advances portfolio but it still way higher than the regulatory requirement of 12.50%. We are pleased to announce that the return on equity reached to 0.98% in 2024 recovering from negative 0.39% in 2023. Eligible capital of the bank rises to BDT 4126 million in 2024 from BDT 4041 million in 2023.

Bank has stepped into foreign trade business from the beginning of the year 2023 and during the year 2024 import and export business growth was 356% and 617% respectively. We are increasing our foreign trade business network through expending RMA to explore new avenue for our customers. Bank is also serving homebound remittance earners through number of exchange houses like Ria, Western Union, NEC Italy etc and on the process of exploring new horizon through establishing business relation with new exchanges houses.

Compliance system of the Bank

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

Risk management

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

Financial reporting

- Proper books of account as required by law have been maintained by CZB.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements.
- Accounting estimates and underlying assumptions are made on reasonable ground applying prudent judgment, and are reviewed on an ongoing basis.
- The Financial Statements (FS) of the Bank are prepared in accordance with applicable International Financial Reporting Standards (IFRSs) and relevant circulars/instructions issued by Bangladesh Bank (BB) and any departure from IFRS due to BB regulation has been adequately disclosed in the notes to the FS.
- A discussion on related party transactions has been stated in Note-41 of the FS 2024.
- Being responsible for preparation and fair presentation of the FS, the management of the Bank asserts that the FS prepared by the management as at and for the year ended 31 December 2024 present fairly, in all material respects, its state of affairs, the results of its operations, cash flows and changes in equity.
- There is no doubt upon the Bank’s ability to continue as a going concern. CZB has neither intention nor the need to liquidate or curtail materially the scale of its operations. Hence, the financial statements of the Bank have been prepared on going concern basis and the Bank will continue to operate for the foreseeable future.

Any threadbare analysis of CZB will reveals that we managed our balance sheet in a prudent manner to turn our borrowed fund into good earning assets keeping the



security of the asset as primary concern. From the very inception of the commercial operation we were able to gain customer loyalty which help us to grow even during the political and economic turmoil in the 2nd half of the year 2024.

Business Outlook

Quantum & mix of deposit is the bedrock for banks and financial institutions for their continuation of business and sustained growth. We are constantly endeavoring in the midst of adverse situation to build up sound mix of deposit base focusing on extensive retail deposit for the sake of sustainability and reducing the concentration on corporate deposits. Addition of new products befitting emerging requirements to be launched towards enrichment of our deposit and lending baskets for diversity across the different frontiers.

Focusing on expansion of credit portfolio across the SME, Retail, and Home Mortgage loans segment to generate reasonable NIM (net interest margin) / spread. We have taken necessary measures to execute pre-finance / refinance facility agreement with Bangladesh Bank for SME and Agro based financing. Availment of this facility will have benign impact on our cost of deposit as Bangladesh Bank will extend us refinancing facility at bank rate. Restraining growth of NPLs in any segment on best efforts basis as to keep it within the negative territory. No compromise with the professional due diligence in the selection process of borrowers of different segments.

Ensuring maximum possible output out of deployment of minimum resources. Minimization of cost by enhancing operational efficiency and strict avoidance of wastages. To provide renewed focus on scaling up skill sets of the employees on different frontiers of banking operations through rigorous trainings.

To attach due importance on ensuring fees and commission based income through non-funded business transactions i.e. issuance of bank guarantees of different types and nature, entertaining of LC transactions, exports and scouting of homebound remittances.

We have already taken necessary steps to enter into agreements with DPDC, DESCO, Dhaka Wasa, Titas Gas, REB, as well as BRTA for utility bills and fees collection and our proposals have been under the active consideration of the concerned authorities.

To ensure maximum possible extent of compliance on regulatory issues and prudential guidelines to better secure the interest of the bank thereby taking this

institution to the sustainable growth trajectory. We prioritize to be a very compliant banking financial institution and that will facilitate us to secure satisfactory level of CAMELS rating as this rating status bears immense importance to ramp up our image in the banking and financial landscape both at home and abroad.

On behalf of the Board of Directors



Chowdhury Mohammed Hanif Shoeb

Chairman

Board of Directors



PERFORMANCE AT A GLANCE

Highlights Of Key Financials

Figure in million

Particulars	2024	2023	Change (%)
Performance during the year			
Net interest income	269.66	240.72	12.02%
Non interest income including investment income	501.95	221.50	126.61%
Other Operating income	15.80	8.29	90.59%
Operating profit	144.54	33.14	336.15%
Profit after tax	39.46	(15.48)	354.91%
Net operating cash flow (NOCF)	466.48	3,795.91	-87.71%
Year-end financial position			
Loans and advances	8,272.78	4,383.57	88.72%
Total investment	4,056.51	2,680.92	51.31%
Deposits	14,291.49	10,050.57	42.20%
Shareholders' equity	4,043.89	4,003.60	1.01%
Total asset	19,101.48	14,570.52	31.10%
Ratios			
Capital to RWA ratio (CRAR) (as per Basel III)	45.56%	76.19%	-40.20%
Non performing loan	0.00%	0.00%	0.00%
Cost to income ratio	81.64%	92.96%	-12.18%
Return on equity (ROE)	0.97%	-0.38%	355.26%
Return on assets (ROA)	0.23%	-0.14%	264.29%



Five-Year Financial Progression

Figure in million

Particulars	2024	2023	2022	2021	2020
Balance sheet metrics					
Authorized capital	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Paid up capital	40,000.00	40,000.00	40,000.00	40,000.00	-
Reserve and surplus	43.88	3.60	19.18	23.65	(20.32)
Shareholders' equity	4,043.89	4,003.60	4,019.18	4,023.65	(20.32)
Deposits	14,291.49	10,050.57	2,906.90	-	-
Other liabilities	729.51	491.35	381.78	310.36	45.83
Total liabilities and shareholders' equity	19,101.48	14,570.52	7,307.87	4,334.02	25.51
Total Investment	4,056.51	2,680.92	1,524.55	-	-
Investment in govt. securities	3,588.04	2,182.20	1,430.27	-	-
Investment in capital market including special fund	68.47	98.73	94.32	-	-
Loans and advances	8,272.78	4,383.57	986.25	-	-
Fixed assets	776.26	598.82	511.11	302.68	-
Total assets	19,101.48	14,570.52	7,307.87	4,334.02	25.51
Earning assets	17,151.17	13,353.39	6,490.19	3,981.40	-
Earning assets to total assets	89.79%	91.65%	88.81%	91.86%	-
Liabilities to shareholders' equity (times)	3.72	2.64	0.82	0.08	-
Interest bearing assets	16,980.80	13,225.65	5,503.94	3,981.40	-
Income statement metrics					
Net interest income (excluding investment income)	269.66	240.72	200.23	219.49	1.32
Income from investments	435.31	197.65	71.42	-	-
Fees, commission, brokerage and other operating income	66.64	23.85	0.03	-	-
Other Operating income	15.8	8.29	1.03	-	-
Operating expense	642.88	437.37	251.21	133.70	35.19
Operating profit (profit before provision and tax)	144.54	33.14	21.47	85.78	(33.86)
Provision charged for loans, investment and other assets (net off w/off recovery)	48.72	31.01	18.19	-	-
Profit before tax (PBT)	95.81	2.13	3.29	85.78	(33.86)
Profit after tax (PAT)	39.46	(15.48)	(4.84)	43.97	-20.32
Capital metrics					
Risk weighted assets (RWA)	9,054.78	5,303.73	2,519.26	1,314.38	-
Minimum capital requirement (MCR)	4,000.00	4,000.00	4,000.00	4,000.00	-
Tier-1 capital	4,042.79	4,003.33	4,018.82	4,023.65	-
Tier-2 capital	82.72	37.49	6.99	-	-
Total regulatory capital (Tier 1 and Tier 2)	4,125.51	4,040.82	4,025.81	4,023.65	-
Capital surplus	42.79	3.33	18.82	23.65	-
Tier - 1 capital to RWA	44.65%	75.48%	159.52%	306.13%	-
Tier - 2 capital to RWA	0.91%	0.71%	0.28%	0%	-
Capital to risk weighted assets ratio (CRAR)	45.56%	76.19%	159.80%	306.13%	-



Five-Year Financial Progression

Figure in million

Particulars	2024	2023	2022	2021	2020
Liquidity metrics					
High quality liquid assets (HQLA)	449.98%	258.77	1,606.50	-	-
Short-term liabilities (not more than 12 months term)	1393.09%	1,041.44	1,538.90	-	-
Short-term liabilities to total deposit	98%	103.62%	52.94%	-	-
High quality liquid assets to short-term liabilities	32%	89.07%	104.39%	-	-
AD Ratio - DBO	57.75%	43.62%	33.93%	-	-
Government securities to total loan ratio	43%	49.85%	145.02%	-	-
Statutory liquidity ratio (SLR) (at close of the year)	44.82%	31.07%	68.07%	-	-
Cash reserve ratio (CRR) (at close of the year)	4.94%	4.54%	6.01%	-	-
Maximum cumulative outflow (MCO)	15.93%	16.29%	15.43%	-	-
Liquidity coverage ratio (LCR) - DBO	507.95%	334.74%	937.52%	-	-
Net stable funding ratio (NSFR) - DBO	137.10%	113.37%	167.86%	-	-
Asset quality metrics					
Non performing/classified loans (NPLs)	-	-	-	-	-
NPL ratio	0.00%	0.00%	0.00%	-	-
Total loans and advances to total assets	43.31%	30.09%	13.50%	-	-
Total CMSME loan	1702.99	1291.91	522.65	-	-
CMSME loan to total loans	20.59%	29.47%	52.99%	-	-
General provision for loans and OBS exposures (cumulative)	82.72	37.49	6.99	-	-
Total provision for loans and OBS exposure	82.72	37.49	6.99	-	-
Credit rating					
Credit rating agency	ALPHA	CRISL	CRISL	CRISL	CRISL
Long term	A	A-	BBB+	BBB	BBB
Short term	ST-3	ST-3	ST-3	ST-3	ST-3
Outlook	Stable	Stable	Stable	Stable	Positive
Efficiency ratios					
Return on average equity (ROE)	0.98%	-0.39%	-0.12%	2.20%	-
Return on average assets (ROA)	0.23%	-0.14%	-0.02%	0.50%	-39.81%
Net profit margin (PAT/gross income)	2.09%	-1.68%	-1.32%	20.03%	-1528.86%
Cost to income ratio	81.64%	92.96%	92.13%	60.92%	2648.10%
Weighted average interest rate of loan (year-end) (A)	15.14%	10.63%	8.95%	-	-
Weighted average interest rate of deposits (year-end) (B)	9.92%	7.04%	5.15%	-	-
Spread (C = A - B)	5.22%	3.59%	3.80%	-	-



Horizontal Analysis

Balance Sheet

Particulars	2024		2023		2022		2021	
	BDT mn	Change%	BDT mn	Change%	BDT mn	Change%	BDT mn	Change%
Property and assets								
Cash in hand and Balance with B.B. and its agent Bank(s)	911.09	125.04%	404.86	129.71%	176.25	133461.50%	0.13	-17.52%
Balance with other Banks and Financial Institutions	4,821.88	-23.33%	6,288.90	59.64%	3,939.38	-1.06%	3,981.40	319434.26%
Money at call and short notice	-	-	-	-100.00%	40.00	-	-	-
Investments	4,056.51	51.31%	2,680.92	75.85%	1,524.55	-	-	-
Loans and advances	8,272.79	88.72%	4,383.57	344.47%	986.25	-	-	-
Fixed assets	776.26	29.63%	598.82	17.16%	511.11	68.86%	302.68	-
Other assets	262.95	23.19%	213.45	63.79%	130.32	161.67%	49.80	106.65%
Total assets	19,101.48	31.10%	14,570.52	99.38%	7,307.87	68.62%	4,334.02	16892.14%
Liabilities and equity								
Borrowing from banks, financial institutions and agents	36.60	46.40%	25.00	-	-	-	-	-
Deposits and other accounts	14,291.49	42.20%	10,050.57	245.75%	2,906.91	-	-	-
Other liabilities	729.51	48.47%	491.35	28.70%	381.78	23.01%	310.36	577.20%
Total liabilities	15,057.60	42.50%	10,566.92	221.31%	3,288.69	959.63%	310.36	577.20%
Shareholders' equity								
Paid-up capital	4,000.00	0.00%	4,000.00	0.00%	4,000.00	0.00%	4,000.00	-
Statutory reserve	37.40	105.04%	18.24	2.39%	17.81	3.83%	17.16	-
Other reserve	1.09	308.24%	0.27	-27.35%	0.37	-	-	-
Surplus in profit and loss account	5.39	-136.16%	(14.91)	-1585.61%	1.00	-84.55%	6.50	-131.98%
Total shareholders' equity	4,043.88	1.01%	4,003.60	-0.39%	4,019.18	-0.11%	4,023.65	-19905.34%
Total liabilities and shareholders' equity	19,101.48	31.10%	14,570.52	99.38%	7,307.87	68.62%	4,334.02	16886.82%

Profit and loss account

Particulars	2024		2023		2022		2021	
	BDT mn	Change%	BDT mn	Change%	BDT mn	Change%	BDT mn	Change%
Interest income	1,368.09	97.28%	693.48	136.12%	293.70	33.81%	219.49	16427.63%
Interest paid on deposits and borrowings	1,098.43	142.60%	452.77	384.39%	93.47	-	-	-
Net interest income	269.66	12.02%	240.72	20.22%	200.23	-8.77%	219.49	16427.63%
Non-interest income	517.75	125.31%	229.79	217.16%	72.45	-	-	-
Total operating income	787.41	67.35%	470.51	72.55%	272.68	24.24%	219.49	16427.63%
Total operating expenses	642.88	46.99%	437.37	74.10%	251.21	87.88%	133.70	279.96%
Profit before provisions	144.53	336.11%	33.14	54.34%	21.47	-74.97%	85.78	-353.34%
Provision for loans and off-balance sheet exposures	45.23	48.33%	30.49	336.12%	6.99	-	-	-
Other provision	3.49	581.64%	0.51	-95.43%	11.19	-	-	-
Total provisions	48.72	57.14%	31.01	70.49%	18.19	-	-	-
Profit before tax for the year	95.81	4385.49%	2.14	-35.01%	3.29	-96.17%	85.78	-353.34%



Vertical Analysis

Balance Sheet

Particulars	2024		2023		2022		2021	
	BDT mn	Mix %	BDT mn	Mix %	BDT mn	Mix %	BDT mn	Mix %
Property and assets								
Cash in hand and Balance with B.B. and its agent Bank(s)	911.09	6.25%	404.86	2.78%	176.25	2.41%	0.13	0.00%
Balance with other Banks and Financial Institutions	4,821.88	33.09%	6,288.90	43.16%	3,939.38	53.91%	3,981.40	91.86%
Money at call and short notice	-	0.00%	-	0.00%	40.00	0.55%	-	0.00%
Investments	4,056.51	27.84%	2,680.92	18.40%	1,524.55	20.86%	-	0.00%
Loans and advances	8,272.79	56.78%	4,383.57	30.09%	986.25	13.50%	-	0.00%
Fixed assets	776.26	5.33%	598.82	4.11%	511.11	6.99%	302.68	6.98%
Other assets	262.95	1.80%	213.45	1.46%	130.32	1.78%	49.80	1.15%
Total assets	19,101.48	131.10%	14,570.52	100.00%	7,307.87	100.00%	4,334.02	100.00%
Liabilities and equity								
Borrowing from banks, financial institutions and agents	36.60	0.25%	25.00	0.17%	-	0.00%	0	0.00%
Deposits and other accounts	14,291.49	98.08%	10,050.57	68.98%	2,906.91	39.78%	0	0.00%
Other liabilities	729.51	5.01%	491.35	3.37%	381.78	5.22%	310.36	7.16%
Total liabilities	15,057.60	103.34%	10,566.92	72.52%	3,288.69	45.00%	310.36	7.16%
Shareholders' equity								
Paid-up capital	4,000.00	27.45%	4,000.00	27.45%	4,000.00	54.74%	4,000.00	92.29%
Statutory reserve	37.40	0.26%	18.24	0.13%	17.81	0.24%	17.16	0.40%
Other reserve	1.09	0.01%	0.27	0.00%	0.37	0.01%	-	0.00%
Surplus in profit and loss account	5.39	0.04%	(14.91)	-0.10%	1.00	0.01%	6.50	0.15%
Total shareholders' equity	4,043.88	27.75%	4,003.60	27.48%	4,019.18	55.00%	4,023.65	92.84%
Total liabilities and shareholders' equity	19,101.48	131.10%	14,570.52	100.00%	7,307.87	100.00%	4,334.02	100.00%

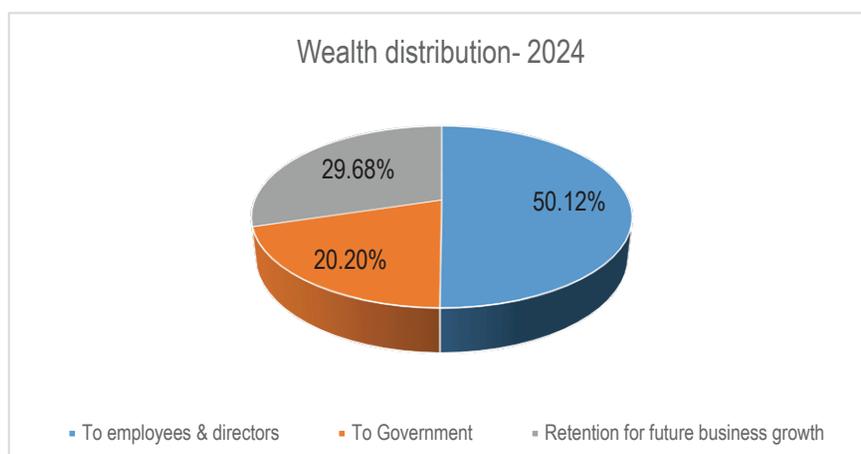
Profit and loss account

Particulars	2024		2023		2022		2021	
	BDT mn	Mix %						
Interest income	1,368.09	72.55%	693.48	75.11%	293.70	80.21%	219.49	100.00%
Interest paid on deposits and borrowings	1,098.43	58.25%	452.77	49.04%	93.47	25.53%	-	0.00%
Net interest income	269.66	14.30%	240.72	26.07%	200.23	54.68%	219.49	100.00%
Non-interest income	517.75	27.45%	229.79	24.89%	72.45	19.79%	-	0.00%
Total operating income	787.41	41.75%	470.51	50.96%	272.68	74.47%	219.49	100.00%
Total operating expenses	642.88	34.09%	437.37	47.37%	251.21	68.61%	133.70	60.92%
Profit before provisions	144.53	7.66%	33.14	3.59%	21.47	5.86%	85.78	39.08%
Provision for loans and off-balance sheet exposures	45.23	2.40%	30.49	3.30%	6.99	1.91%	-	0.00%
Other provision	3.49	0.19%	0.51	0.06%	11.19	3.06%	-	0.00%
Total provisions	48.72	2.58%	31.01	3.36%	18.19	4.97%	-	0.00%
Profit before tax for the year	95.81	5.08%	2.14	0.23%	3.29	0.90%	85.78	39.08%



Value Added Statement

Particulars	2024	2023	2022	2021
Wealth creation				
Revenue from banking services	1,368,090,076	693,482,295	293,700,824	219,486,862
Less: Cost of services & supplies	1,341,136,439	576,324,455	151,066,809	95,924,486
	26,953,637	117,157,839	142,634,015	123,562,376
Non-banking income	517,754,268	229,790,287	72,453,003	72,453,003
Less: Provision for loans & other assets	48,721,856	31,005,722	18,186,006	-
Total wealth creation	495,986,049	315,942,405	196,901,013	196,015,379
Wealth distribution				
Employees & directors				
Employees as salaries & allowances	274,148,611	207,610,858	130,475,444	82,732,335
Directors as fees	1,835,634	915,200	456,800	211,600
Government				
Corporate tax	56,351,671	17,618,600	8,122,700	41,813,408
Service tax/value added tax	54,867,946	20,663,173	18,088,304	5,847,789
Retention for future business growth				
Retained earnings	39,463,317	(15,483,590)	(4,835,952)	43,969,655
Depreciation and amortization	123,956,816	84,618,164	44,593,716	21,440,592
Total wealth distribution	550,623,995	315,942,405	196,901,013	196,015,379



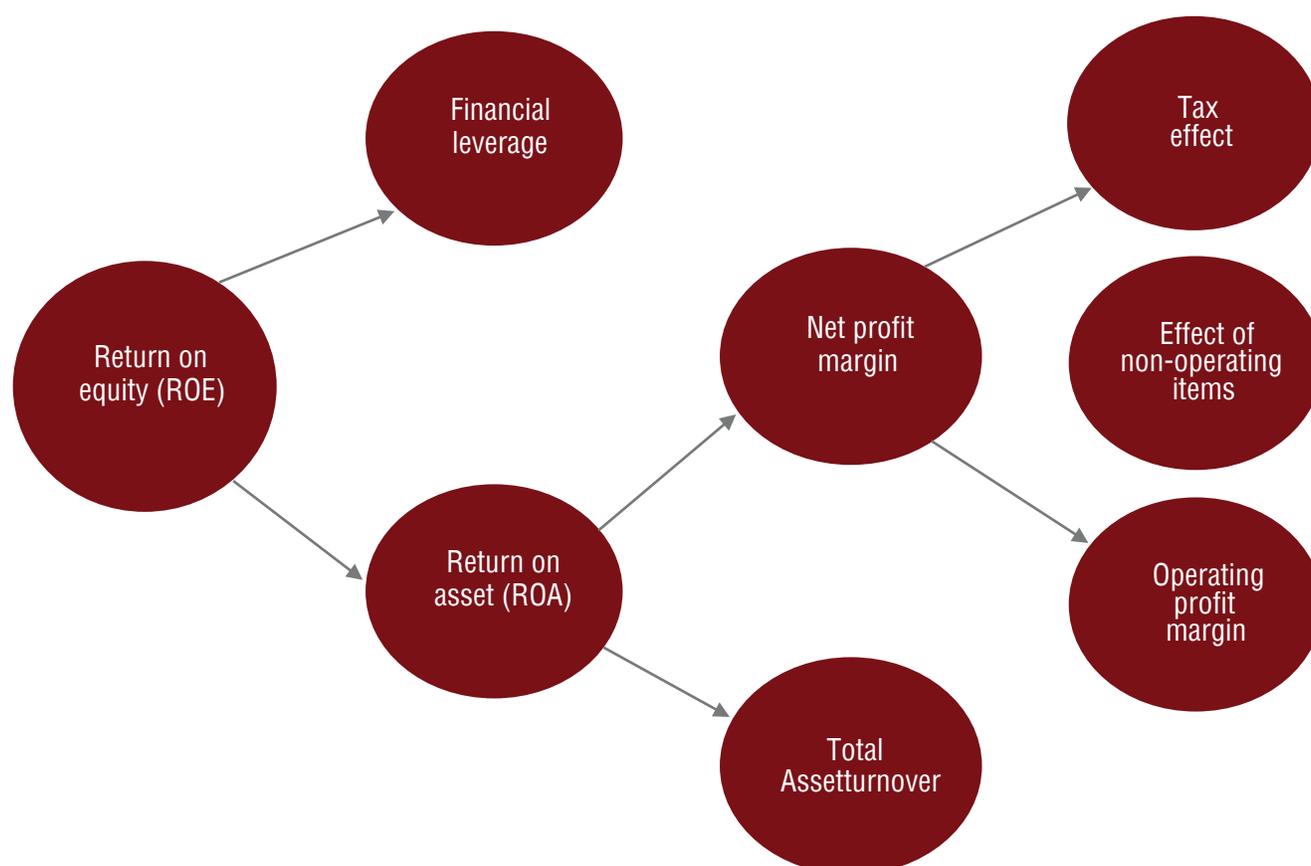
Economic Value Added Statement

Particulars	2024	2023	2022	2021
Shareholders' equity	4,043,885,582	4,003,600,906	4,019,184,921	4,023,653,341
Add: Accumulated provision for loans & advances and other assets	97,913,583	31,005,722	18,186,006	-
Capital deployed	4,141,799,165	4,034,606,628	4,037,370,927	4,023,653,341
Average capital deployed/shareholders' equity (A)	4,088,202,897	4,035,988,777	4,030,512,134	2,024,584,222
Earnings				
Profit after tax	39,463,317	(15,483,590)	(4,835,952)	43,969,655
Add: Provision for loans & advances and other assets	97,913,583	31,005,722	18,186,006	
charged during the year				-
Less: Written off interest suspense during the year	-	-	-	-
Net earnings (B)	137,376,900	15,522,132	13,350,054	43,969,655
Cost of equity (C)				
Average cost of equity (based on weighted average rate of				
10 years treasury bond issued by the Bangladesh Government)				
plus 2% risk premium	14.53%	12.82%	10.33%	9.42%
Capital charge / cost of average equity (D=A x C)	594,015,881	517,413,761	416,351,903	190,715,834
Economic value added (B-D)	(456,638,981)	(501,891,630)	(403,001,850)	(146,746,179)



DuPont Analysis

DuPont analysis is a financial performance tool used to assess return on equity (ROE) by breaking it down or disaggregating it into its key components. By analyzing factors such as tax burden, asset turnover, financial leverage, etc., DuPont analysis can provide insights into how efficiently a company utilizes its resources and capital to generate returns for shareholders. This method helps the management strengthen its decision-making in areas such as capital structure while analyzing the factors that drive its return on equity. Our DuPont framework provides an analysis of the key metrics affecting our ROE, thus uncovering a clearer picture of the bank's performance. Through our DuPont equation, we are able to improve our identification of the institution's strengths and areas of opportunity. The higher the value of all components of DuPont analysis indicates the higher positive impact on Return on Equity.



Metric	Formula	2024	2023
Return on Equity (ROE) (%)	Return on Asset x Financial leverage	0.98%	-0.39%
Return on Asset (ROA) (%)	Net profit margin x Total asset turnover	0.23%	-0.14%
Net Profit Margin (%)	PAT/Revenue	2.09%	-1.68%
Operating Profit Margin (%)	Profit before provisions/Revenue	7.66%	3.59%
Tax Effect (%)	PAT/PBT	41.19%	-725.40%
Effect of Non-operating item (%)	PBT / profit before provisions	66.29%	6.44%
Total Asset Turnover (Times)	Revenue/Total Average Assets	0.11	0.08
Financial Leverage (Times)	Total Average Asset/Average Shareholders' Equity	4.18	2.73



Key Financials In Graphs

Figure in million

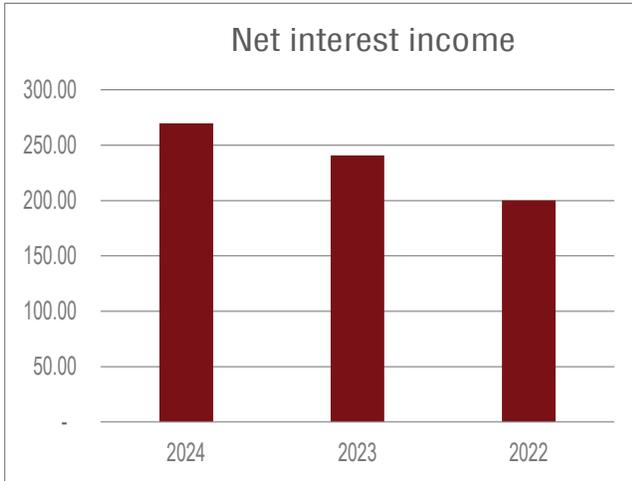


Figure in million

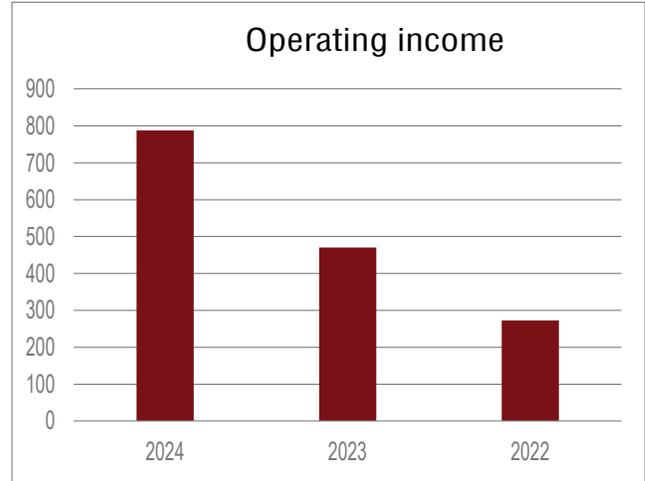


Figure in million

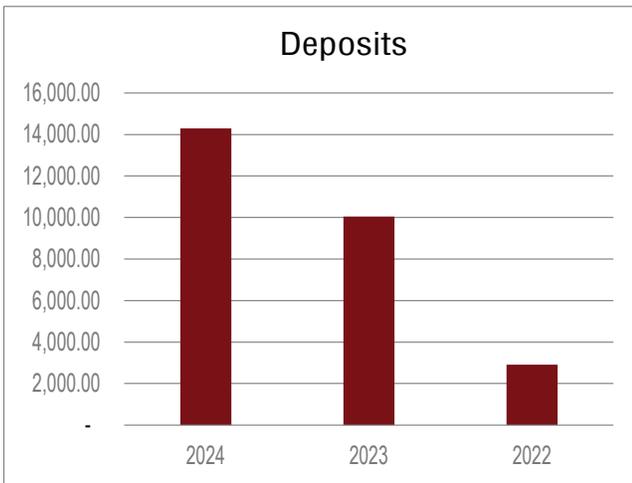


Figure in million

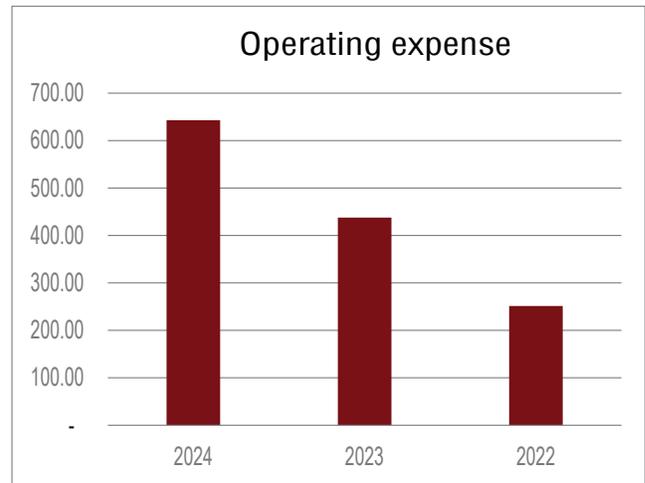


Figure in million

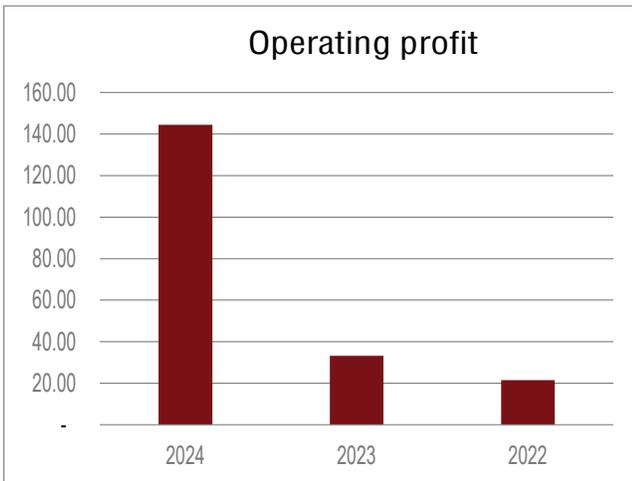


Figure in million

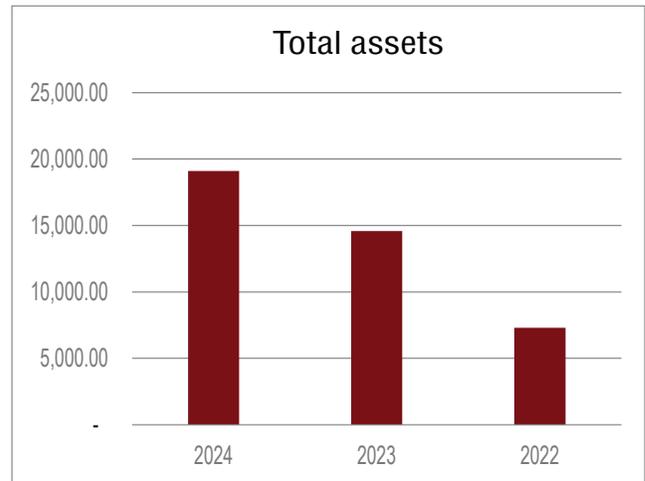


Figure in million

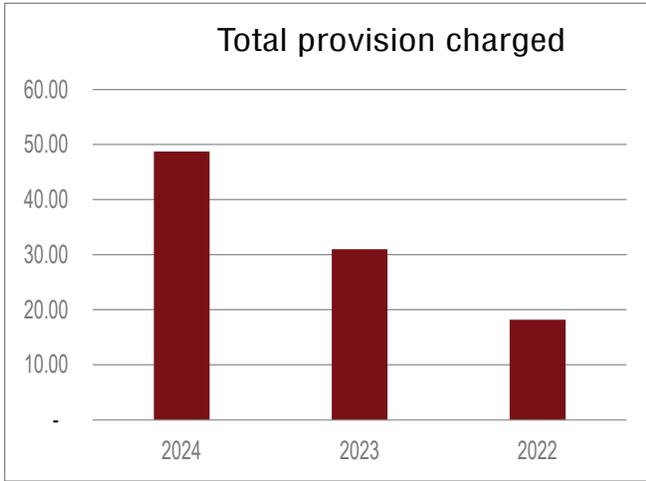


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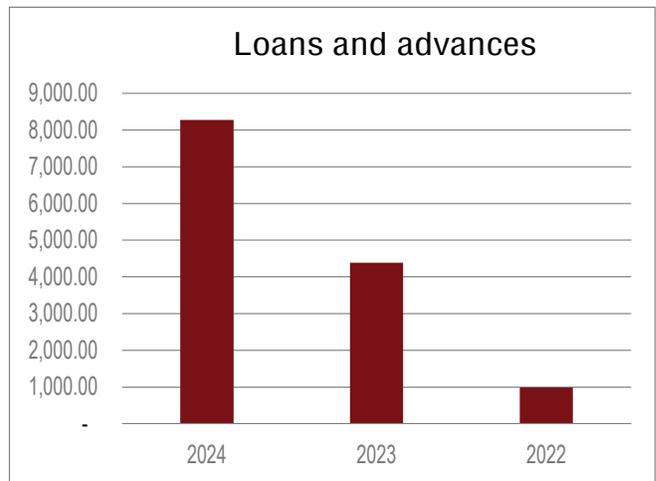


Figure in million

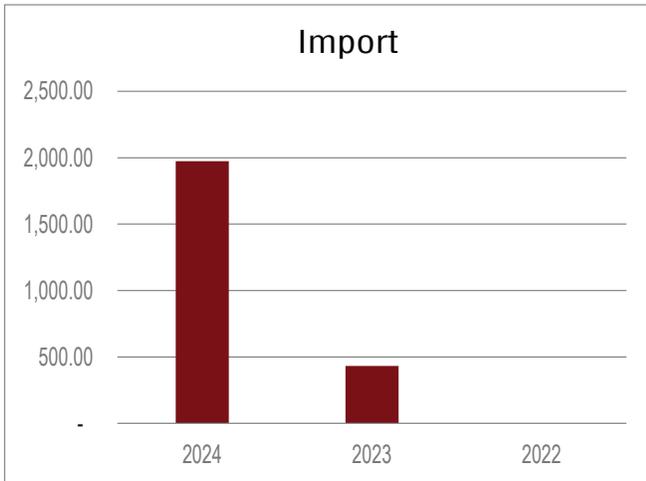
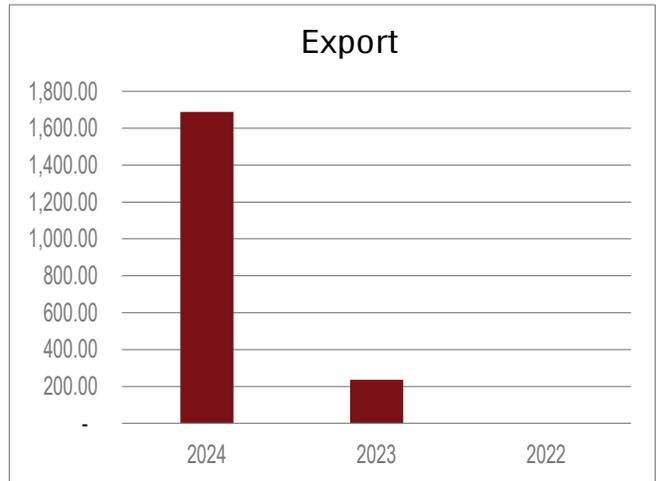


Figure in million





CITIZENS BANK ASSESSMENT & APPRECIATION

Surveillance Rating (Alpha Rating) Year 2025	INTERPRETATION
Long Term A (Strong Capacity)	Rating A represents above average credit quality of Bangladeshi obligors
Short Term ST-3 (Adequate Capacity)	ST 3 have an average ability to meet short term financial commitments
Outlook	Stable
Date of Rating	June 30, 2025
Valid Till	June 29, 2026

This is our impeccable commitment to excel in terms of financial fundamentals of our Bank by navigating the multifaceted challenges.

DIRECTORS' STATEMENT OF RESPONSIBILITIES

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

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

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

- A brief review of the Industry and possible future developments in the industry.
- A brief description of operating performance.
- Basis for related party transactions and a statement of all related party transactions has been shown in note-41.
- Utilization of proceeds from public issues, rights issues and/ or through any other instruments.
- Remuneration provided to directors has been presented in the Note-30.

- The financial statements prepared by the management as at and for the year ended 31 December 2024 present fairly, in all material respects, its state of affairs, the results of its operations, cash flows and changes in equity. The external auditors i.e. Mahmud Sabuj & Co., Accountants also provided their opinion on the same by issuing an unqualified audit report.
- Proper books of account as required by law have been kept by Citizens Bank PLC.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements of the Bank and the accounting estimates are based on reasonable and prudent judgment.
- Details description including disclosure of departures has been presented in Note 2.1.1 to the Financial Statements 2024.
- There is no significant doubts upon the Bank's ability to continue as a going concern.
- The certification of MD (CC) and CFO has been presented separately in this annual report.

The Directors, to the best of their knowledge and information, hereby confirm that the Annual Report 2024 together with the Directors' Report and the Financial Statements have been prepared in compliance with applicable governing acts, rules, regulations, guidelines and laws of various regulatory bodies including Bangladesh Bank.

On behalf of the Board of Directors



Chowdhury Mohammed Hanif Shoeb
Chairman
Board of Directors



Risk Management Report

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

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

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

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

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

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

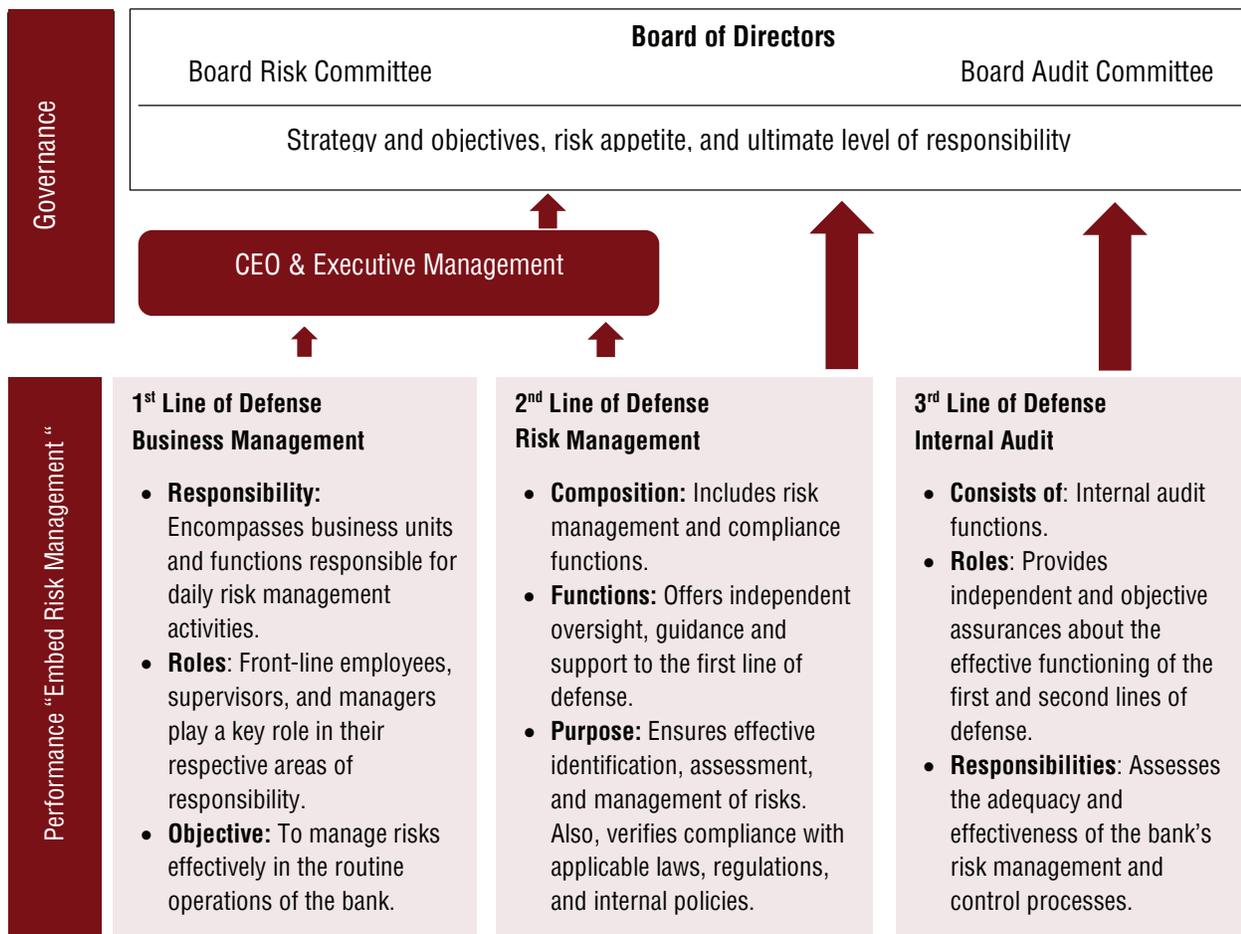


Layer of risk management structures:

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



CITIZENS BANK PLC employs the Three Lines of Defense (LoD) model for robust risk management



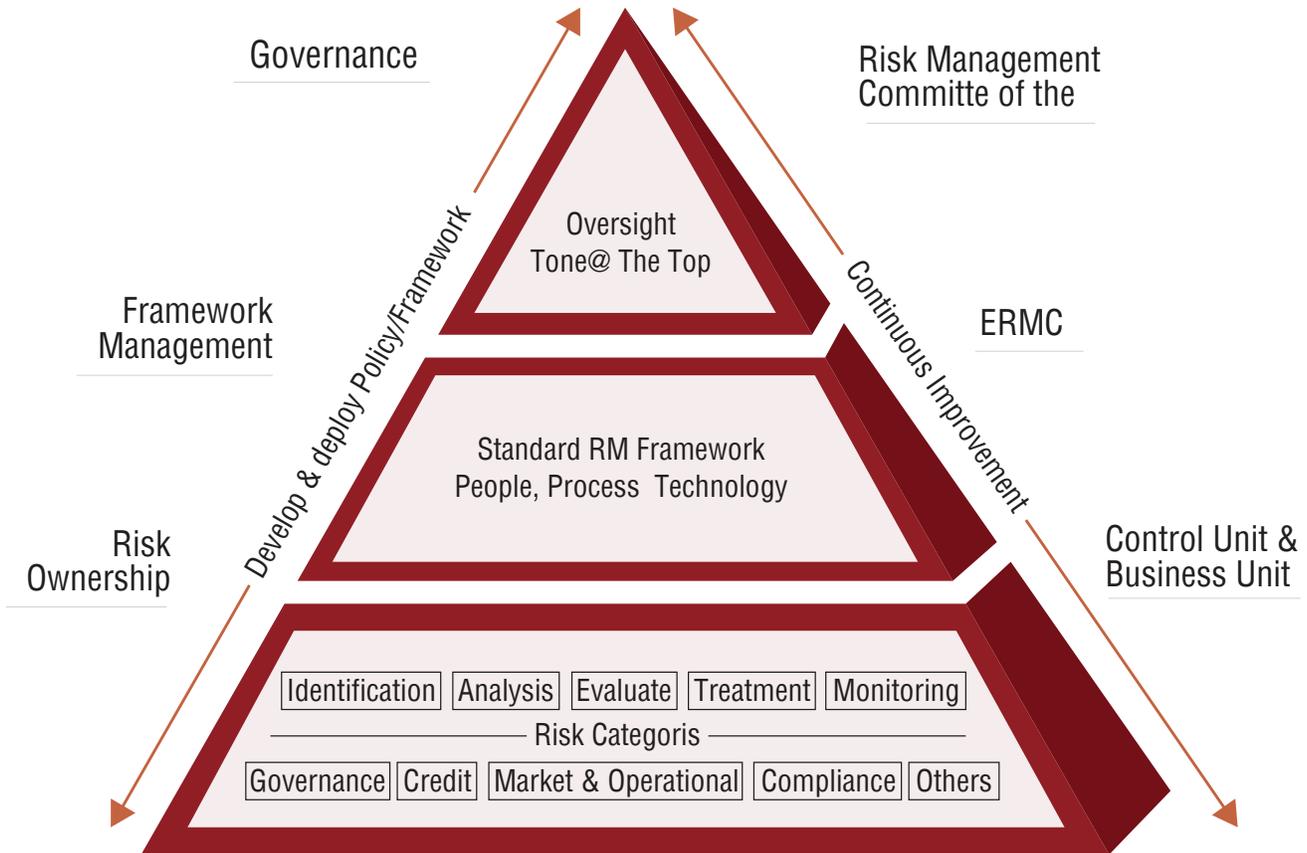
CZB's value and Risk Culture

Risk Governance	<p>The Board approves the risk appetite, Recovery plan of the Bank, ICAAP Statement, Effectiveness of Risk Management function, establishing the 'tone from the top'. It receives guidance from the Bank Risk Committee.</p>	
Roles and Responsibilities	<p>Three Lines of Defense Model</p>	<p>Our model of 'three lines of defense' delineates roles and responsibilities for risk management. The independent Bank Risk and Compliance function play a crucial role in ensuring the necessary balance in risk/ return decisions,</p>
Processes and tools	<p>Risk Appetite</p> <hr/> <p>Enterprise-wide Risk management tools</p> <hr/> <p>Active risk management: identification/assessment, monitoring, management and reporting.</p>	<p>The Bank has established processes for identifying, assessing, monitoring, managing, and reporting risks, aiming to ensure that we stay within our defined risk appetite.</p>
Processes and tools	<p>Policies and procedures</p> <hr/> <p>Control Activities</p> <hr/> <p>Systems and infrastructure</p>	<p>Policies and procedures established the minimum requirements for implementing the necessary controls to effectively manage our risks</p> <hr/> <p>Operational and resilience risk management establishes minimum standards and processes for effectively managing operational risks and internal controls.</p> <hr/> <p>The Bank possesses systems and processes designed to facilitate the identification, capture and exchange of information, thereby supporting activities related to risk management.</p>



Risk Management Framework of the Bank

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



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

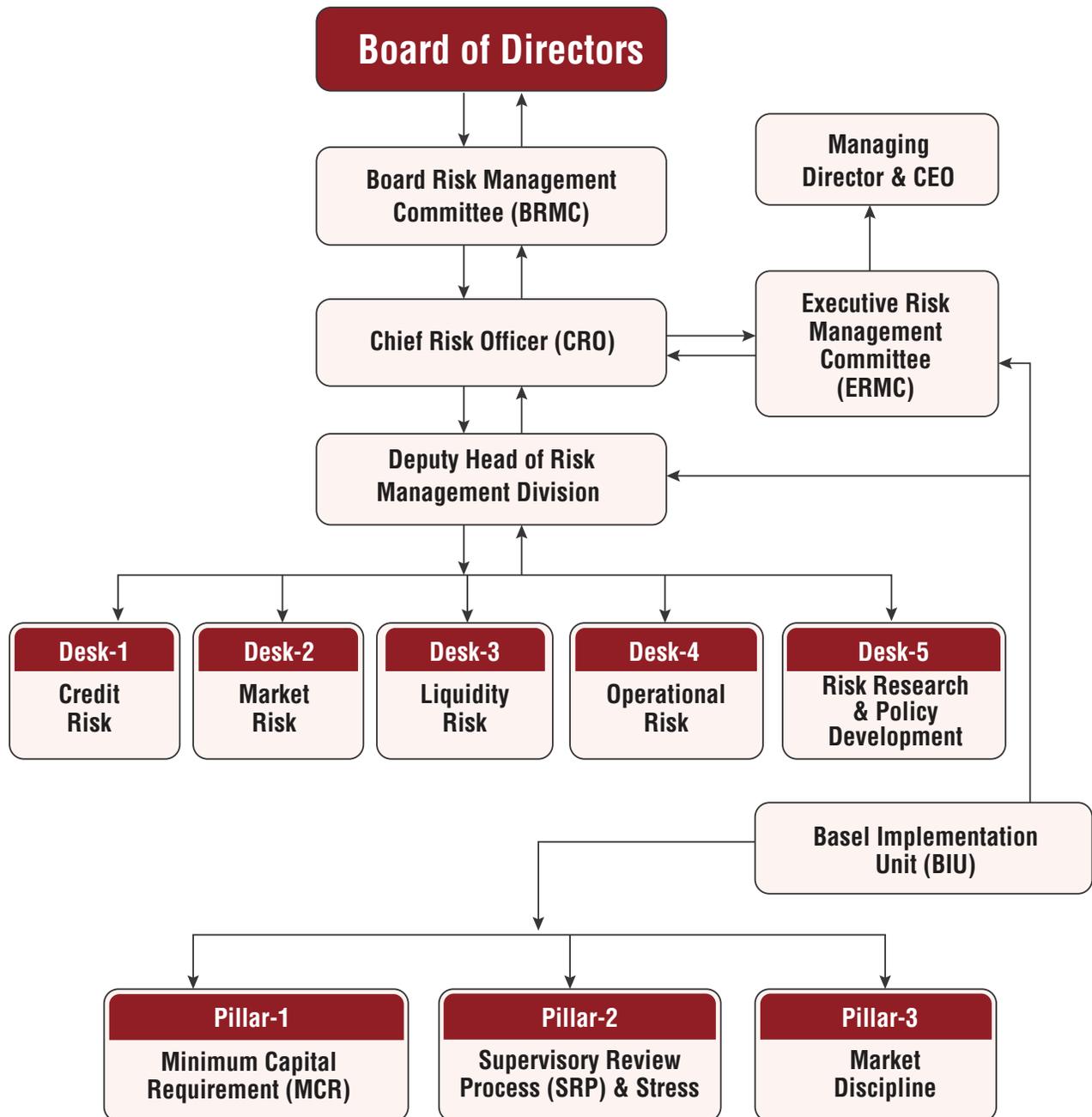
Bank's risk management framework is applied on an enterprise-wide basis and consists of three key elements:

- Risk governance
- Risk appetite
- Risk management tools



Risk Governance

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



Board Risk Management Committee (BRMC)

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

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

Particulars	During the year 2024 (in Number)
Number of Members of Board RMC	3
Number of Board RMC Meetings	3

Executive Risk Management Committee (ERMC)

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

Particulars	During the year 2024 (in Number)
Number of Member of ERMC	12
Number of ERMC Meeting	12

Risk Management Division (RMD)

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

Chief Risk Officer (CRO)

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



Risk Appetite Statement

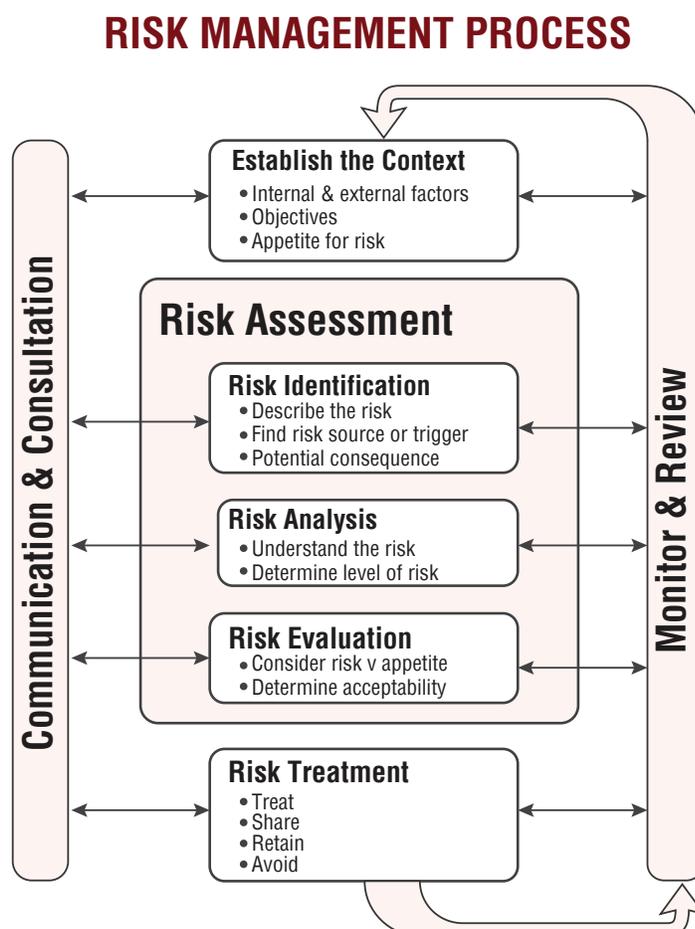
Risk appetite is the level of risk that an organization is prepared to accept in pursuit of its objectives, before action is deemed necessary to reduce the risk. CZB's risk appetite statement defines the amount of risk we are willing to assume in pursuit of our strategic and financial objectives. Our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

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

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

Risk Management Process

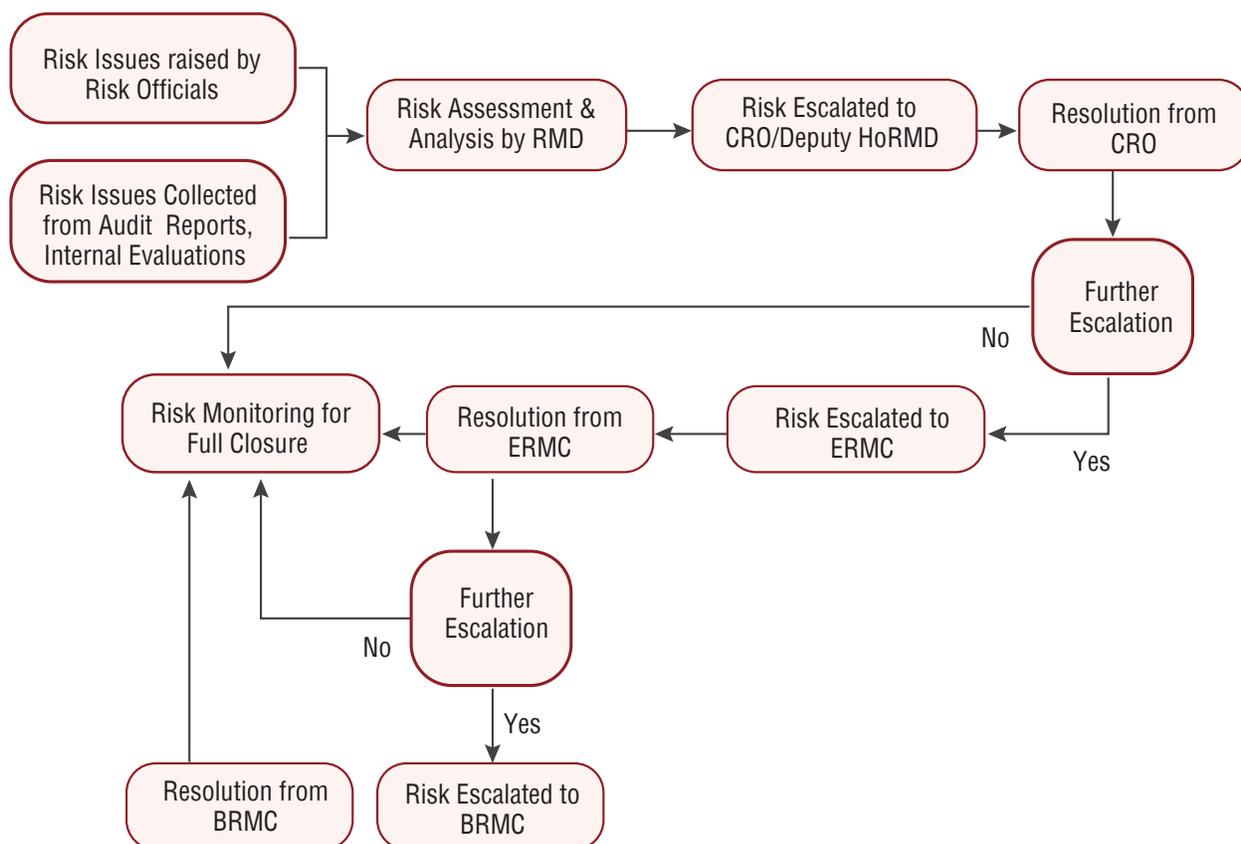
The Bank has developed a number of risk management policies and guidelines following the risk strategy of the Bank and Bangladesh Bank guidelines. The risk management process followed in CZB is as under:



Risk Management Tools & Models



Risk escalation flowchart of the Bank



Risk management reporting

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

Compliance status in risk management reporting

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

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

Approach to Mitigating Concentration Risk

	Diversity Assessment	The Bank assesses concentration risk through the lens of loan and investment portfolio diversity.
	Credit Concentration	Evaluation of credit concentration involves analyzing five key aspects: sector, division, group, single, borrower and top borrowers.
	Indicators Used	The Bank employs four indicators – Herfindahl Hirschman Index (HHI), Simpson’s Equitability Index (SEI), and Gini Coefficient (GC) – to gauge concentration risk across various aspects.
	Holistic Approach	The Bank adopts a comprehensive approach to concentration risk management, considering both credit and market concentrations.
	Mitigation Strategies	Identification of concentration risk prompts the implementation of tailored mitigation strategies to address vulnerabilities.
	Continuous Monitoring	Concentration risk is not static phenomenon; therefore, the bank ensures continuous monitoring to promptly identify emerging risks and adapt strategies.
	Regulatory Compliance	The Bank’s approach aligns with regulatory requirements, ensuring adherence to standards set forth by governing bodies.

Risk Based Capital Management

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

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

Liquidity ratios: The Basel Committee has further strengthened its liquidity framework by developing two minimum standards for funding liquidity. An additional component of the liquidity framework is a set of monitoring metrics to improve cross-border supervisory consistency. These standards have been developed to achieve two separate but complementary objectives. The first objective is to promote short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficient high-quality liquid resources to survive an acute stress scenario lasting for one month. The Committee developed the Liquidity Coverage Ratio (LCR) to achieve this objective. The second objective is to promote resilience over a longer time horizon by creating additional incentives for a bank to fund its activities with more stable sources of funding on an ongoing structural basis. The Net Stable Funding Ratio (NSFR) has a time horizon of one year and has been developed to provide a sustainable maturity structure of assets and liabilities. CZB had a very healthy liquidity throughout the year 2024.

Leverage Ratio and its Impact on business: In order to avoid building-up excessive on- and off-balance sheet leverage in the banking system, a simple, transparent, non-risk-based leverage ratio has been introduced. The leverage ratio is calibrated to act as a credible supplementary measure to the risk-based capital requirements. Moreover, introduction of Leverage ratio means Banks will have to have sufficient Tier-1 capital for its business expansion. The Bank had leverage ratio at 19.42% in December 2024 against regulatory requirement of 3.25%.

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

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

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



Stress Testing

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

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

Recovery Plan

Bangladesh Bank vide BRPD circular number-03 dated February 24, 2022 has instructed banks to develop “Recovery Plan” to cope up with the stress events which often threaten bank’s financial and operational strength and viability. To comply with the circular, Citizens Bank developed its own Recovery Plan.

The objective of this plan is to describe:

- Different indicators and thresholds of the risks and stress events where banks need to be vigilant and take recovery measures.
- The governance process for taking necessary and appropriate corrective actions in timely manner.
- The tentative options for recovery

Recovery Plan is updated at least yearly basis, which is also reviewed by the central bank. The Recovery Plan includes the following sections:

- Overview of the bank
- Business Model Analysis
- Business Strategies and Trigger Points
- Stress Scenarios Analysis
- Options for Recovery
- Governance of Recovery Plan of the bank

Step Forward

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

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



SUSTAINABILITY

Sustainable Finance

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

Sustainable Banking

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

Sustainable Finance Unit

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

Sustainable Finance Committee:

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

Terms of Reference (ToR) for Sustainable Finance Committee:

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



CORPORATE SOCIAL RESPONSIBILITY

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

CSR initiatives

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

Expenditure as Corporate Social Responsibility (CSR) in 2023 & 2024

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

To that end, the Bank contributed a total sum of Taka 2.60 million in 2023 and Taka 2.50 million in 2024 for the purpose of CSR in a number of local initiatives. The detail of the contribution is appended below:

In million Taka

Sl.	Particulars	2024	2023
1.	Education	0.00	0.10
2.	Environment and Climate Change Mitigation & Adaption	0.00	2.50
3.	Others (War ravaged Palestinian People)	2.50	0.00
	Total	2.50	2.60

Education:

Towards educational development, the bank envisages a world where education is equitable, inclusive and accessible to everyone. In support of such vision, the bank has donated BDT 0.10 million (10 Lacs) to the Bangladesh Disabled Development Trust (BDDT), to support their initiatives to help the visually impaired with their training program on Braille System in 2023.

Environment and Climate Change Mitigation & Adaption:

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

Others

In 2024, the bank has donated BDT 2.5 million (25 lacs) for providing financial assistance to the war – ravaged Palestinian People, CSR initiative.



Pillar 3 Market Discipline

Disclosures on Risk Based Capital (Basel III) for the year ended December 31, 2024

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

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

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

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

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

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

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

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

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



A. SCOPE OF APPLICATION

Qualitative Disclosures		
a)	The name of the top corporate entity in the group to which this guideline applies	The Framework applies to Citizens Bank PLC (CZB) on 'solo' basis as there was no subsidiary as on the reporting date (December 31, 2024).
b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (i) that are fully consolidated; (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	<p>The Citizens Bank PLC obtained license for operating business in Bangladesh on 15th December 2020. The bank rolled out its commercial operation on 3rd July 2022.</p> <p>The disclosure made in the following sections has addressed Citizens Bank PLC as a single entity (Solo Basis) as there was no subsidiary as on the reporting date (31st December 2024).</p> <p>Citizens Bank PLC is commitment bound to ensure good corporate governance along with staying compliant on all regulatory issues; above all good risk management practices shall be the integral part of our organic culture which eventually will pave us the way to carve the distinctive position in the banking industry in the midst of stiffly competitive market scenario and attendant challenges.</p>
c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital to subsidiaries.	Not applicable for the Bank as there was no subsidiary of the Bank on the reporting date (December 31, 2024).
Quantitative Disclosures		
d)	The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.	Not Applicable.

B. CAPITAL STRUCTURE

Qualitative Disclosures		
a)	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or Tier 2;	<p>The regulatory capital under Basel-III is comprised with i) Tier-1 (Going Concern Capital) and ii) Tier-2 (Gone Concern Capital).</p> <p>Tier-1 Capital (Going Concern Capital) has two components of Tier 1 Capital which are Common Equity Tier 1 Capital and Additional Tier 1 Capital. It consists of highest quality capital items which are stable in nature and allows a bank to absorb losses on an ongoing basis.</p> <p>Common Equity Tier 1 Capital includes paid-up capital, statutory reserve, general reserve and retained earnings etc. and</p> <p>Additional Tier 1 Capital will include perpetual bond or non-cumulative preference shares etc.</p>



Qualitative Disclosures																																												
		Tier-2 Capital (Gone Concern Capital) lacks some of the characteristics of the going concern capital but also bears loss absorbing capacity to a certain extent. General provision on unclassified loans and advances, Subordinated debt/instruments issued by the Bank that meet the qualifying criteria for Tier 2 capital, Minority interest i.e. Tier-2 issued by consolidated subsidiaries to third parties.																																										
Quantitative Disclosures																																												
b)	The amount of Regulatory capital, with separate disclosure of: CET1 Capital Additional Tier 1 Capital Total Tier 1 Capital Tier 2 Capital	<p>The amount of Regulatory Capital of Citizens Bank PLC as of 31.12.2024 is noted below:</p> <p style="text-align: right;">Amount in Million Tk.</p> <table border="1"> <thead> <tr> <th>Particulars of Regulatory Capital</th> <th>Solo (2024)</th> </tr> </thead> <tbody> <tr> <td>Tier-I capital</td> <td>4,042.80</td> </tr> <tr> <td>1)Common Equity Tier-1 Capital (CET-1)</td> <td>4,042.80</td> </tr> <tr> <td>Fully Paid-up capital</td> <td>4,000.00</td> </tr> <tr> <td>Non- repayable share premium account</td> <td>-</td> </tr> <tr> <td>Statutory reserve</td> <td>37.40</td> </tr> <tr> <td>General reserve</td> <td>-</td> </tr> <tr> <td>Retained earnings</td> <td>5.39</td> </tr> <tr> <td>Dividend equalization reserve</td> <td>-</td> </tr> <tr> <td>Minority interest in subsidiaries</td> <td>-</td> </tr> <tr> <td>Regulatory Adjustments</td> <td>-</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>2) Additional Tier-1 Capital (AT-1)</td> <td>-</td> </tr> <tr> <td>3)Total Tier-1 capital (1+2)</td> <td>4,042.80</td> </tr> <tr> <td>Tier-2 capital</td> <td>82.72</td> </tr> <tr> <td>General provision</td> <td>82.72</td> </tr> <tr> <td>Subordinated debt</td> <td>-</td> </tr> <tr> <td>All other preference shares</td> <td>-</td> </tr> <tr> <td>Regulatory Adjustments</td> <td>-</td> </tr> <tr> <td>4) TotalTier-2 capital</td> <td>82.72</td> </tr> <tr> <td>Total Eligible Capital</td> <td>4,125.51</td> </tr> </tbody> </table>	Particulars of Regulatory Capital	Solo (2024)	Tier-I capital	4,042.80	1)Common Equity Tier-1 Capital (CET-1)	4,042.80	Fully Paid-up capital	4,000.00	Non- repayable share premium account	-	Statutory reserve	37.40	General reserve	-	Retained earnings	5.39	Dividend equalization reserve	-	Minority interest in subsidiaries	-	Regulatory Adjustments	-			2) Additional Tier-1 Capital (AT-1)	-	3)Total Tier-1 capital (1+2)	4,042.80	Tier-2 capital	82.72	General provision	82.72	Subordinated debt	-	All other preference shares	-	Regulatory Adjustments	-	4) TotalTier-2 capital	82.72	Total Eligible Capital	4,125.51
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d)	Total eligible capital																																											

C. CAPITAL ADEQUACY

Qualitative Disclosures		
a)	A summary discussion of the bank's approach for assessing the adequacy of its capital to support current and future activities	<p>The Bank is presently following Standardized Approach for assessing and mitigating Credit Risk, Standardized Rule Based Approach for quantifying Market Risk and Basic Indicator Approach for Operational Risk to calculate Minimum Capital Requirement (MCR) under Pillar-I of Basel-III framework as per the guidelines of Bangladesh Bank.</p> <p>Assessing regulatory capital in relation to overall risk exposures of a bank is an integrated and comprehensive process. The Bank focuses on strengthening risk management and control environment rather than increasing capital to coverup weak risk management and control practices. CZB has been generating most of its incremental capital from retained profit to support incremental growth of Risk Weighted Assets (RWA). Besides meeting regulatory capital requirement, the Bank maintains adequate capital to absorb material risks foreseen. Therefore,</p>



Qualitative Disclosures	
	the Bank's Capital to Risk Weighted Assets Ratio (CRAR) remains consistently within regulatory limit during 2024 (45.56%). To ensure the adequacy of capital to support the future activities, the bank assesses capital requirements periodically considering future business growth. Risk Management Division (RMD) under guidance of the SRP team/ERMC (Executive Risk Management Committee), is taking active measures to identify, quantify, manage and monitor all risks to which the Bank is exposed to.
Quantitative Disclosures	
b)	Capital requirement for Credit Risk
c)	Capital requirement for Market Risk
d)	Capital requirement for Operational Risk
e)	Total capital, CET1 capital, Total Tier 1 capital and Tier 2 capital ratio: • For the consolidated group; and • For stand alone
f)	Capital Conservation Buffer
g)	Available Capital under Pillar 2 Requirement

Amount in Million Tk.

Particulars	Solo 2024
Capital requirement for Credit Risk	802.22
Capital requirement for Market Risk	26.73
Capital requirement for Operational Risk	76.53
Minimum capital requirement (MCR) 10% of Risk Weighted Assets or Tk.5,000.00 million which is higher.	5,000.00*
Total capital maintained	4,125.51
Capital shortfall over MCR	(874.49)
Capital to Risk Weighted Assets Ratio (CRAR)	45.56%
CET-1 to Risk Weighted Assets (RWA) ratio	44.65%
Tier-1 Capital to RWA ratio	44.65%
Tier-2 Capital to RWA ratio	0.91%
Capital Conservation Buffer (2.50% of RWA)	226.37
Capital Conservation Buffer maintained (%)	35.56%
Available Capital under Pillar 2 Requirement	-

* It is noteworthy that Bangladesh Bank have permitted Citizens Bank PLC as per letter RPD(LS-1)/745(74)/2024-6530 dated July 28, 2024 to maintain a minimum capital of Tk. 4,000.00 million instead of Tk. 5,000.00 million until July 02, 2026.



D. CREDIT RISK

Qualitative Disclosures	
a)	<p>The general qualitative disclosure requirement with respect to credit risk, including:</p> <ul style="list-style-type: none"> • Definitions of past due and impaired (for accounting purposes); • Description of approaches followed for specific and general allowances and statistical methods; • Discussion of the bank's credit risk management policy; and

Credit Risk:

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

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

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

Past Due/Over Due:

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

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

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



Qualitative Disclosures

Approaches followed for specific and general allowances:

Particulars	Short Term Agri Credit	Consumer Financing			SMEF		Loans to BHs/MBs/SDs	All other Credit
		Other than HF, LP	HF	LP	Cottage, Micro & Small Enterprises	Medium Enterprises		
UC	1.0%	2%	1%	2%	0.25%	0.25%	1%	1%
SMA	1.0%	2%	1%	2%	0.25%	0.25%	1%	1%
SS	5%	20%	20%	20%	5%	20%	20%	20%
DF	5%	50%	50%	50%	20%	50%	50%	50%
B/L	100%	100%	100%	100%	100%	100%	100%	100%

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

Credit Assessment and Risk Management:

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

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

Approval Process:

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

Credit Administration:

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



Qualitative Disclosures

Credit Monitoring:

To minimize credit losses, monitoring procedures and systems should be in place that provides an early indication of the deteriorating financial health of a borrower. The respective officials shall monitor the following exceptions:

- Past due principal or interest payments, past due trade bills, account excesses, and breach of credit covenants;
- Credit terms and conditions are monitored, financial statements are received on a regular basis, and any covenant breaches or exceptions are referred to CRM and the RM team for timely follow up;
- Timely corrective action is taken to address findings of any internal, external or regulator inspection /audit.

Quantitative Disclosures

b) Total gross credit risk exposures broken down by major types of credit exposure

Amount in Million Tk.

Sln.	Major types of loans	2024
1	Cash credit	558.23
2	Loans (General)	5,570.47
3	Overdraft	2,144.08
4	Other Loans	-
	Total	8272.78

c) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.

Amount in Million Tk.

Particulars	Name of Division	2024
Region Based	Dhaka	8,093.36
	Chittagong	150.05
	Rajshahi	-
	Sylhet	-
	Khulna	-
	Mymensingh	29.37
	Rangpur	-
	Barisal	-
	Total	8,272.78
Country Based	Domestic	8,272.78
	Overseas	-

d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.

Amount in Million Tk.

Sln.	Major Industry Types	2024
1	Agri and micro credit through NGO	510.50
2	Commercial and trading	1,593.39
3	Construction	460.47
4	Cement and ceramic industries	-
5	Chemical and fertilizer	102.68
6	Crops, fisheries and livestock's	-
7	Electronics and electrical goods	29.43
8	Food and allied industries	-



Quantitative Disclosures

Sln.	Major Industry Types	2024
1	Agri and micro credit through NGO	510.50
2	Commercial and trading	1,593.39
3	Construction	460.47
4	Cement and ceramic industries	-
5	Chemical and fertilizer	102.68
6	Crops, fisheries and livestock's	-
7	Electronics and electrical goods	29.43
8	Food and allied industries	-
9	Consumer finance	176.33
10	Metal and steel products	654.26
11	Pharmaceutical industries	389.05
12	Power and fuel	-
13	Rubber and plastic industries	973.69
14	Readymade garments industry	166.24
15	Ship building & breaking industry	-
16	Sugar and edible oil refinery	-
17	Transport and e-communication	0.53
18	Textile mills	963.35
19	Other manufacturing or extractive industries	1,437.72
20	Others	815.14
Total		8,272.78

Particulars	2024
On demand	250.01
In not more than 1 month	1,073.76
In more than 1 month but not more than 3 months	918.44
In more than 3 months but not more than 1 year	5,179.25
In more than 1 year but not more than 5 years	674.05
In more than 5 years	177.27
Total	8,272.78

Sln.	Major Industry Types	2024
1	Agri and micro credit through NGO	-
2	Commercial and trading	-
3	Construction	-
4	Cement and ceramic industries	-
5	Chemical and fertilizer	-
6	Crops, fisheries and livestock's	-
7	Electronics and electrical goods	-
8	Food and allied industries	-
9	Consumer finance	-
10	Metal and steel products	-
11	Pharmaceutical industries	-
12	Power and fuel	-
13	Rubber and plastic industries	-
14	Readymade garments industry	-
15	Ship building & breaking industry	-
16	Sugar and edible oil refinery	-
17	Transport and e-communication	-
18	Textile mills	-
19	Other manufacturing or extractive industries	-
20	Others	-
Total		-



Quantitative Disclosures

Gross Non-Performing Assets (NPAs)	
Amount in Million Tk.	
Particulars	2024
Gross Non-Performing Assets (NPAs)	-
Nonperforming assets to outstanding loans and advances	-
Movement of Non-Performing Assets (NPAs):	-
Opening balance	-
Additions/ (Reductions)	-
Closing balance	-
Movement of specific provisions for NPAs:	-
Opening balance	-
Provision made during the period	-
Write off	-
Write back of excess provisions	-
Closing balance	-

E. EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS

Qualitative Disclosures	
a)	<p>The general qualitative disclosure requirement with respect to equity risk, including:</p> <ul style="list-style-type: none"> • differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and • discussion of important policies covering the valuation and accounting of equity holdings in the banking book. this includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.

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

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

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

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



Quantitative Disclosures													
b)	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	<p style="text-align: right;">Amount in Million Tk.</p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Amount (Solo) 2024</th> </tr> <tr> <th>Cost Price</th> <th>Market Price</th> </tr> </thead> <tbody> <tr> <td>Unquoted Share</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Quoted Share</td> <td style="text-align: center;"><u>68.47</u></td> <td style="text-align: center;"><u>53.27</u></td> </tr> </tbody> </table>	Particulars	Amount (Solo) 2024		Cost Price	Market Price	Unquoted Share	-	-	Quoted Share	<u>68.47</u>	<u>53.27</u>
Particulars	Amount (Solo) 2024												
	Cost Price	Market Price											
Unquoted Share	-	-											
Quoted Share	<u>68.47</u>	<u>53.27</u>											
c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	<p style="text-align: right;">Amount in Million Tk.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>(Solo) 2024</th> </tr> </thead> <tbody> <tr> <td>The cumulative realized gains (losses) arising from sales and liquidations in the reporting period</td> <td style="text-align: center;"><u>32.00</u></td> </tr> <tr> <td>Total unrealized gains (losses)</td> <td style="text-align: center;"><u>15.20</u></td> </tr> <tr> <td>Total latent revaluation gains (losses)</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Any amounts of the above included in Tier 2 capital</td> <td style="text-align: center;">-</td> </tr> </tbody> </table>	Particulars	(Solo) 2024	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period	<u>32.00</u>	Total unrealized gains (losses)	<u>15.20</u>	Total latent revaluation gains (losses)	-	Any amounts of the above included in Tier 2 capital	-	
Particulars	(Solo) 2024												
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Any amounts of the above included in Tier 2 capital	-												
d)	<ul style="list-style-type: none"> Total unrealized gains (losses) Total latent revaluation gains (losses) Any amounts of the above included in Tier 2 capital. 												
e)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.	<p style="text-align: right;">Amount in Million Tk.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>(Solo) 2024</th> </tr> </thead> <tbody> <tr> <td>Unquoted Share</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Quoted Share</td> <td style="text-align: center;"><u>10.65</u></td> </tr> </tbody> </table>	Particulars	(Solo) 2024	Unquoted Share	-	Quoted Share	<u>10.65</u>					
Particulars	(Solo) 2024												
Unquoted Share	-												
Quoted Share	<u>10.65</u>												

F. INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

Qualitative Disclosures		
a)	The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.	<p>Interest rate risk affects the bank's financial condition due to adverse movements in interest rates of interest sensitive assets and liabilities. Interest Rate Risk is managed through use of Gap analysis of rate sensitive assets and liabilities and monitored through prudential limits and stress testing. The IRRBB is monitored in movements/changes on a monthly basis and the impact on Net Interest Income is assessed. Interest rate risk is the risk where changes in market interest rates might adversely affect a bank's financial condition.</p> <p>Re-pricing risk is often the most apparent source of interest rate risk for a bank and is often gauged by comparing the volume of a bank's assets that mature or re-price within a given time period with the volume of liabilities that do so.</p>



Quantitative Disclosures

b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).

Gap analysis: Duration Gap

Amount in Million Tk.

Particulars	2024
Weighted average duration of assets (DA) in years	0.83
Weighted average duration of liabilities (DL) in years	0.41
Duration gap (DA-DL) in years	0.51

Change of market value of equity due to increase in interest rates as of December 31, 2024

Amount in Million Tk.

Particulars	1%	2%	3%
Fall in Market Value of Equity	-87.99	-175.97	-263.96

Interest Rate Risk in the Banking Book under Simple Sensitivity Analysis:

Amount in Million Tk.

Particulars	3 months	6 months	1 year	Above 1 year
Interest sensitive assets	6,996.90	1,743.10	3,486.20	788.60
Interest sensitive liabilities	7162.90	1746.00	3491.90	524.50
Net gap	(166.00)	(2.90)	(5.80)	264.00
Cumulative gap	(166.00)	(168.90)	(174.60)	89.40
Interest rate changes	1%	1%	1%	1%
Yearly earnings impact	(1.70)	(0.00)	(0.10)	2.60
Accumulated earnings impact	(1.70)	(1.70)	(1.80)	0.80

G. Market Risk

Qualitative Disclosures

a) Views of BOD on trading/investment activities

Market risk arises due to changes in the market variables such as interest rates, foreign currency exchange rates, equity prices and commodity prices. The financial instruments that are held with trading intent or to hedge against various risks, are purchased to make profit from spreads between the bids and ask price are subject to market risk. CZB is exposed to market risk mostly stemming from Government Treasury Bills and Bonds, foreign currency etc.



Qualitative Disclosures

<p>Methods used to measure Market risk</p>	<p>There are several methods used to measure market risk and the bank uses those methods which deem fit for a particular scenario. For measuring interest risk from earnings perspective, the bank uses maturity gap analysis, duration gap analysis, sensitivity analysis and mark to market (MTM) method and for measuring foreign exchange risk. CZB uses standardized (Rule Based) method for Calculating capital charge against market risks for minimum capital requirement of the Bank under Basel-III.</p>
<p>Market Risk Management system</p>	<p>The Bank has its own Market Risk Management System which includes Asset Liability Risk Management (ALM) and Foreign Exchange Risk Management under the core risk management guidelines.</p>
<p>Policies and processes for mitigating market risk</p>	<ul style="list-style-type: none"> • Risk Management and reporting is based on parameters such as Maturity Gap Analysis, Duration Gap Analysis etc. in line with the global best practices. • Risk Profiles are analyzed and mitigating strategies are suggested by the Asset Liability Committee. • Foreign Exchange Net Open Position (NOP) limits (Day limit / Overnight limit), deal-wise trigger limits, Stop-loss limit, Profit / Loss in respect of cross currency trading are properly monitored and exception reporting is regularly carried out. • Holding equities is monitored regularly so that the investment remains within the limit as set by Bangladesh Bank. • ALCO analyzes market and determines strategies to attain business goals. • Reconciliation of foreign currency transactions.

Quantitative Disclosures

<p>b)</p>	<p>The capital requirements for: interest rate risk; equity position risk; foreign exchange risk; and Commodity risk</p>	<p>The capital requirements:</p> <p style="text-align: right;">Amount in Million Tk.</p> <table border="1" data-bbox="625 1651 1461 1884"> <thead> <tr> <th>Particulars</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Interest rate risk</td> <td>10.46</td> </tr> <tr> <td>Equity position risk</td> <td>10.65</td> </tr> <tr> <td>Foreign exchange risk</td> <td>5.62</td> </tr> <tr> <td>Commodity Risk</td> <td>-</td> </tr> <tr> <td>Total</td> <td>26.73</td> </tr> </tbody> </table>	Particulars	2024	Interest rate risk	10.46	Equity position risk	10.65	Foreign exchange risk	5.62	Commodity Risk	-	Total	26.73
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Interest rate risk	10.46													
Equity position risk	10.65													
Foreign exchange risk	5.62													
Commodity Risk	-													
Total	26.73													



H. OPERATIONAL RISK

Qualitative Disclosures		
a)	Views of BOD on system to reduce Operational Risk	Operational risk is the risk which may arise directly or indirectly due to failure or breakdown of system, people and process. This definition includes legal risk, but excludes strategic and reputation risk. The Bank manages these risks through a control-based environment in which processes are documented, authorization is kept independent and transactions are reconciled and monitored. This is supported by a periodic process conducted by ICCD and monitoring external operational risk events, which ensure that the Bank stays in line with the international best practices.
	Performance gap of executives and staffs	<p>CZB is an equal opportunity employer. It recognizes the importance of having the right people at right positions to achieve organizational goals. Our recruitment and selection are governed by the philosophy of fairness, transparency and diversity.</p> <p>The bank believes that training and knowledge sharing is the best way to reduce knowledge gap. Therefore, it arranges trainings on a regular basis for its employees to develop their expertise. The bank offers competitive pay package to its employees based on performance and merit. It always tries to develop a culture where all employees can apply his/her talent and knowledge to work for the organization with high ethical standards in order to add more value to the company and for the economy.</p>
	Potential external events	<ul style="list-style-type: none"> • Russian invasion of Ukraine has already cast a dark shadow on global economy by threatening the global financial system to an unprecedented level. • Global inflationary pressure will increase further due to big jump in oil and commodity prices as the war has also threatened to disrupt the global supply chain making the world trade costlier. • Bangladesh is likely to face a series of troubles on both economic and geo-political fronts. Economic shock will be felt immediately whereas geo-political difficulty will be visible in the near future. Being globally exposed mostly through trade, the economic shock will be transmitted at a faster rate. • Bangladesh's export to Russia and its adjacent countries would hamper and at the same time the import prices of fertilizer's especially urea might increase due to the war. • Import cost would be higher due to global inflation which creates pressure on dollar prices. • Bank may face issue in managing affordable fund in mid/long run due to vulnerable market condition caused by slow growth, higher inflation.



Qualitative Disclosures																										
Policies and processes for mitigating operational risk	The Bank has adopted policies which deal with managing different Operational Risks. Bank strongly follows KYC norms for its customer dealings and other banking operations. The Internal Control and Compliance Division of the Bank, the inspection teams of Bangladesh Bank and External Auditors conduct inspection on different branches and divisions at Head Office and submit reports presenting the findings of the inspections. Necessary control measures and corrective actions have been taken on the suggestions or observations made in these reports.																									
Approach for calculating capital charge for operational risk	The Bank has adopted Basic Indicator Approach (BIA) to compute capital charge against operational risk under Basel III as per Bangladesh Bank Guidelines																									
Quantitative Disclosures																										
b)	<p>The capital requirements for operational risk</p> <p>Capital requirement for operational risk Amount in Million Tk.</p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th>Solo</th> </tr> <tr> <th>2024</th> </tr> </thead> <tbody> <tr> <td>The capital requirements for operational risk</td> <td>76.53</td> </tr> </tbody> </table> <p>Calculation of Capital Charge for Operational Risk: Basic Indicator Approach Amount in Million Tk.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Gross Income (GI)</th> <th>Average GI</th> <th>15% of Average GI</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>787.42</td> <td></td> <td></td> </tr> <tr> <td>2023</td> <td>470.51</td> <td></td> <td></td> </tr> <tr> <td>2022</td> <td>272.68</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>1,530.60</td> <td>510.20</td> <td>76.53</td> </tr> </tbody> </table>	Particulars	Solo	2024	The capital requirements for operational risk	76.53	Year	Gross Income (GI)	Average GI	15% of Average GI	2024	787.42			2023	470.51			2022	272.68			Total	1,530.60	510.20	76.53
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I. LIQUIDITY RATIO

Qualitative Disclosures	
a)	<p>Views of BOD on system to reduce liquidity Risk</p> <p>Liquidity risk is the risk of probability to be unable to meet short term financial demands by the bank. This may occur due to the inability to convert a security or fixed asset to cash without a loss of capital and/or income in the process.</p> <p>The Citizens Bank PLC has proficient Board of Directors that has always been giving utmost importance to minimizing the liquidity risk of the Bank. In order to reduce liquidity risk, strict maintenance of Cash Reserve Ratio (CRR) and Statutory Liquidity Reserve (SLR) is also being emphasized on a regular basis. Apart from these, as part of Basel-III requirement Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are also maintained under the guidance of the Board of Directors.</p>



Qualitative Disclosures

<p>Methods used to measure Liquidity risk</p>	<p>The tools and procedures deployed by CZB to manage liquidity risks are comprehensive. The measurement tools used to assess liquidity risks are:</p> <ul style="list-style-type: none"> • Statutory Liquidity Requirement (SLR) • Cash Reserve Ratio (CRR) • Asset to Deposit Ratio (ADR) • Structural Liquidity Profile (SLP) • Maximum Cumulative Outflow (MCO) • Liquidity Coverage Ratio (LCR) • Net Stable Funding Ratio (NSFR) • Liquid Asset to Total Deposit Ratio • Liquid Asset to Short Term Liabilities
<p>Liquidity risk management system</p>	<p>Liquidity risk management is a key banking function and an integral part of the asset and liability management process. The fundamental role of banks is the maturity transformation of short-term deposits (liabilities) into long-term loans (assets) and this makes banks inherently vulnerable to liquidity risk.</p> <p>The Board of Directors of the Bank set policy and different liquidity ratio limits for liquidity risk management. Asset and Liability Management Committee (ALCO) is responsible for both statutory and prudential liquidity management. Ongoing liquidity management is discussed as a regular agenda of ALCO meeting, which takes place on a monthly basis. The ALCO of the Bank monitors & manages liquidity and interest rate risk in line with the business strategy.</p>
<p>Policies and processes for mitigating liquidity risk</p>	<p>We strictly follow the Bangladesh Bank instructions and policy guideline to prepare the structural liquidity profile and submit it to Bangladesh Bank every month. We also place liquidity related information to the meeting of the Board of Directors/Board Risk Management Committee so that they can give necessary directives to adjust/prevent us from the branch of the limits set by the Board and the Bangladesh Bank.</p>

Quantitative Disclosures

b)	<p>Liquidity Coverage Ratio Net Stable Funding Ratio (NSFR) Stock of High-quality liquid assets</p> <p>Total net cash outflows over the next 30 calendar days Available amount of stable funding Required amount of stable funding</p>	Amount in Million Tk.														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">2024</th> </tr> </thead> <tbody> <tr> <td>Liquidity Coverage Ratio (LCR)</td> <td style="text-align: right;">507.95%</td> </tr> <tr> <td>Net Stable Funding Ratio (NSFR)</td> <td style="text-align: right;">137.79%</td> </tr> <tr> <td>Stock of High-quality liquid assets</td> <td style="text-align: right;">4,499.89</td> </tr> <tr> <td>Total net cash outflows over the next 30 calendar days</td> <td style="text-align: right;">885.89</td> </tr> <tr> <td>Available amount of stable funding</td> <td style="text-align: right;">14,951.54</td> </tr> <tr> <td>Required amount of stable funding</td> <td style="text-align: right;">10,850.99</td> </tr> </tbody> </table>			Particulars	2024	Liquidity Coverage Ratio (LCR)	507.95%	Net Stable Funding Ratio (NSFR)	137.79%	Stock of High-quality liquid assets	4,499.89	Total net cash outflows over the next 30 calendar days	885.89	Available amount of stable funding	14,951.54	Required amount of stable funding	10,850.99
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J. LEVERAGE RATIO

Qualitative Disclosures											
a)	<p>Views of BOD on system to reduce excessive leverage</p> <p>Policies and processes for managing excessive on and off- balance sheet leverage</p> <p>Approach for calculating exposure</p>										
	<p>Leverage ratio is the ratio of Tier 1 capital to total on and off-balance sheet exposures. It was introduced into the Basel III framework as a non-risk-based backstop limit, to supplement risk-based capital requirements. CZB has embraced this ratio along with Basel III guideline as a credible supplementary measure to risk based capital requirement and assess the ratio periodically. The Board also believes that the Bank should maintain its leverage ratio on and above the regulatory requirements which will eventually increase the public confidence in the organization.</p> <p>The bank reviews its leverage position as per the Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III). In addition, the bank has Risk Appetite as per Credit Risk Management Policy and Risk Appetite Framework of the Bank. The Bank also employ Annual Budget Plan and Capital Growth Plan for managing excessive on and off-balance sheet leverage.</p> <p>The bank calculates the exposure under standardized approach as per the Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III).</p>										
Quantitative Disclosures											
b)	<p>Leverage Ratio On balance sheet exposure Off balance sheet exposure Total exposure</p>										
	<p style="text-align: right;">Amount in Million Tk.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Leverage Ratio</td> <td>19.42%</td> </tr> <tr> <td>On balance sheet exposure</td> <td>19,101.48</td> </tr> <tr> <td>Off balance sheet exposure</td> <td>1,715.79</td> </tr> <tr> <td>Total exposure</td> <td>20,817.27</td> </tr> </tbody> </table>	Particulars	2024	Leverage Ratio	19.42%	On balance sheet exposure	19,101.48	Off balance sheet exposure	1,715.79	Total exposure	20,817.27
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K. Remuneration

Qualitative Disclosures	
a)	<p>Information relating to the bodies that oversee remuneration. Disclosures should include:</p> <p>Name, composition and mandate of the main body overseeing remuneration.</p> <p>External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.</p>
	<p>Mainly, the Human Resources Division oversees the 'remuneration' in line with its HR management strategy under supervision of Senior Management Team (SMT) of the Bank. The pay scale is approved by the competent authority where the salaries and increments are fixed designation wise and the same is followed accordingly.</p> <p>The Senior Management Team (SMT), as responsible for overseeing the Bank's remuneration, overviews the remuneration and recommend to the Board of Directors of the Bank for approval of its required restructuring and modification in proportion with the industry best practices as per requirement.</p>



Qualitative Disclosures		
	<p>A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.</p> <p>A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.</p>	<p>The Bank has no External Consultant regarding 'remuneration' and its process. However, provision is there for acquiring expert opinion in case of settlement of employees' dues in case of death, penalty etc. if required, by the management.</p>
b)	<p>Information relating to the design and structure of remuneration processes. Disclosures should include:</p> <p>An overview of the key features and objectives of remuneration policy.</p> <p>Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made.</p> <p>A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.</p>	<p>The Bank is committed to maintain a fair and competitive remuneration structure and does not differentiate the pay structure by regions.</p> <p>We consider the members of the senior management, branch managers and the employees engaged in different functional divisions at Head Office (except the employees involved in internal control, risk management and compliance) as the material risk takers of CZB.</p> <p>Remuneration and other associated matters are guided by the Bank's approved Service Rules as well as instruction and guidance from the Board from time to time in line with the industry's prevailing practice with the objectives of retention and hiring of experienced workforce focusing on justifiable growth of the Bank.</p>
c)	<p>Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures should include:</p> <p>An overview of the key risks that the bank takes into account when implementing remuneration measures.</p> <p>An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed).</p> <p>A discussion of the ways in which these measures affect remuneration.</p> <p>A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.</p>	<p>Human Resources Division under guidance of the Senior Management Team (SMT), the Board and senior management reviews the issues of remuneration and its associated matters from time to time.</p> <p>The risk and compliance employees are carrying out the activities independently as per specific terms of references, job allocated to them.</p> <p>Regarding remuneration of the risk and compliance employees. Human Resources Division does not make any difference with other mainstream/ regular employees and sets the remuneration as per the prevailing rule of the Bank primarily governed by the employees' service rule of the Bank.</p>



Qualitative Disclosures	
d)	<p>Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration. Disclosures should include:</p> <p>An overview of main performance metrics for bank, top-level business lines and individuals.</p> <p>A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.</p> <p>A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak.</p> <p>The business risk including credit/default risk, compliance & reputational risk are mostly considered when implementing the remuneration measures for each employee/group of employees.</p> <p>Financial and Liquidity risks are also considered.</p> <p>Different set of measures are in practice based on the nature & type of business lines/segments etc. These measures are primarily focused on the business target/goals set for each area of operation, branch vis-à-vis the actual results achieved as of the reporting date. The most vital tools & indicators used for measuring the risks are the asset quality (NPL ratio), Net Interest Margin (NIM), provision coverage ratio, credit-deposit ratio, cost-income ratio, growth of net profit, as well the non-financial indicators, namely, the compliance status with the regulatory norms, instructions have been brought to all concerned of the Bank from time to time.</p>
e)	<p>Description of the ways in which the bank seeks to adjust remuneration to take account of longer-term performance. Disclosures should include:</p> <p>A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.</p> <p>A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements.</p> <p>While evaluating the performance of each employee annually, all the financial and non-financial indicators as per pre-determined set criteria are considered; and accordingly, the result of the performance varies from one to another and thus affect the remuneration as well.</p> <p>No material change has been made during the year 2024 that could affect the remuneration.</p> <p>The Board sets the Key Performance Indicators (KPIs) while approving the business target/budget for each year for the bank and business lines/segments. The management sets the appropriate tools, techniques and strategic planning (with due concurrence/approval of the Board) towards achieving those targets. The most common KPIs are the achievement of loan, deposit & profit target with the threshold of NPL ratio, cost-income ratio, capital to risk weighted asset ratio (CRAR), ROE, ROA, liquidity position (maintenance of CRR and SLR) etc.</p> <p>The remuneration of each employee is paid based on her/his individual performance evaluated as per set criteria. And, accordingly, the aggregate amount of remuneration of the Bank as a whole is linked/ impacted to the same extent.</p> <p>The Bank follows remuneration process as per set criteria with no in general adjustment in the event of weak performance metrics/scorecard.</p> <p>As per approved Service Rules, CZB does not have provision of any kind of variable remuneration.</p>



Qualitative Disclosures																			
f)	<p>Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms. Disclosures should include:</p> <p>An overview of the forms of variable remuneration offered (ie cash, shares and share-linked instruments and other forms.</p> <p>A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description the factors that determine the mix and their relative importance.</p>	<p>At CZB we recognize the effort and performance of our employees based on our approved Service Rule which consists of base salary and different benefit packages mentioned earlier. Therefore, CZB does not use any form of variable remuneration in its remuneration process.</p>																	
Quantitative Disclosures																			
g)	<p>Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.</p>	<p>No such meeting as there is no designated remuneration committee. HR Division is assigned to initiate any change proposal on remuneration as per the People Management Policy of the bank and get necessary approval from Board of Directors (BoD).</p>																	
h)	<p>Number of employees having received a variable remuneration award during the financial year.</p> <p>Number and total amount of guaranteed bonuses awarded during the financial year.</p> <p>Number and total amount of sign-on awards made during the financial year.</p> <p>Number and total amount of severance payments made during the financial year.</p>	<p style="text-align: right;">Amount in Million Tk.</p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">2024</th> </tr> <tr> <th>Number</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Employees having received a variable remuneration award (Profit Bonuses)</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Guaranteed bonuses awarded (Festival Bonuses)</td> <td>2</td> <td>21.52</td> </tr> <tr> <td>Sign-on awards made</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Severance payments made (PF, GF, Leave Encashment)</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table>	Particulars	2024		Number	Amount	Employees having received a variable remuneration award (Profit Bonuses)	N/A	N/A	Guaranteed bonuses awarded (Festival Bonuses)	2	21.52	Sign-on awards made	N/A	N/A	Severance payments made (PF, GF, Leave Encashment)	N/A	N/A
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Quantitative Disclosures

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j)	<p>Breakdown of amount of remuneration awards for the financial year to show:</p> <ul style="list-style-type: none"> - fixed and variable. - deferred and non-deferred. - different forms used (cash, shares and share linked instruments, other forms). 	Particulars	2024 Amount
		Breakdown of amount of remuneration:	N/A
		Fixed (Salary & allowances)	N/A
		Variable (Incentive Bonuses)	N/A
		Deferred (PF, GF)	N/A
		Non-deferred	N/A
		Different forms used	N/A
		Cash	N/A
		Shares	N/A
		Share-linked instruments & others	N/A
k)	<p>Quantitative information about employees' exposure to implicit (eg fluctuations in the value of shares or performance units) and explicit adjustments (eg claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:</p> <p>Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.</p> <p>Total amount of reductions during the financial year due to ex post explicit adjustments.</p> <p>Total amount of reductions during the financial year due to ex post implicit adjustments.</p>	Amount in Million Tk.	
		Particulars	2024 Amount
		Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments	N/A
		Total amount of reduction during 2024 due to ex post explicit adjustments	N/A
		Total amount of reduction during 2024 due to ex post implicit adjustments	N/A



MANAGEMENT DISCUSSION AND ANALYSIS

Corporate Banking

In alignment with this national vision, the Corporate Banking Division of Citizens Bank (CZB) has remained deeply committed to supporting sustainable economic development. The Division actively engages with high-potential top-notch clienteles across various segments and sectors by offering comprehensive banking solutions tailored to institutional needs. Our footprints cover large corporations, mid-sized enterprises, and emerging institutional ventures.

Since inception of the Banking operation, CZB Corporate Banking has solidified its position as a trusted financial partner by delivering a broad spectrum of customized financial solutions to its clientless in the segment of corporate. As of year-end 2024, the Bank's loan portfolio stands at BDT 827.28 crore, with a significant contribution from the Corporate Business Division. The team is equipped with a team of seasoned Banking professionals and Division is well-positioned to provide tech-driven, client-focused services that align with the evolving needs of modern businesses.

CZB's unwavering focus on fostering sustainable, mutually beneficial relationships underpins its strategy for long-term growth. Our relationship units are committed to delivering holistic financial support across diverse sectors—including project finance, working capital, trade finance, structured finance, bank guarantee, and syndicated lending. These solutions are meticulously designed to meet the unique and often complex financial requirements of each client.

Our strategy, anchored in the Bank's core values and corporate ethos, emphasizes resilience, innovation, and integrity. The motto "Today, Tomorrow, Together" summarizes our promise to support clients through every phase of their business journey—during both times of prosperity and economic uncertainty.

CZB Corporate Banking has emerged as an integrated financial service and support provider to local and multinational corporates and conglomerates. Since its inception, the Division has proudly served as a financial partner to some of the country's most esteemed industrial entities, offering a full suite of banking services including corporate lending, cash management and tailored made financial structuring.

Despite facing global economic headwinds and geopolitical challenges, Citizens Bank has demonstrated resilience and adaptability. Through innovation, time-sensitive service delivery, and a customer-first approach, the Bank has achieved sustainable growth and maintained its strategic relevance within the national and global banking landscape.

Our Corporate Banking team comprises highly experienced professionals with a diverse range of industry expertise. This multidisciplinary strength allows us to craft and deliver optimal financial solutions, ensuring continued value creation for our clients. By participating in complex structured finance deals and providing end-to-end banking services, we remain dedicated to supporting our clients' ambitions while contributing to the broader economic progress of Bangladesh.



Credit Risk Management

The Credit Risk Management Division (CRMD) is a pivotal component of the Bank's credit function, playing an instrumental role in assessing, structuring and onboarding borrowers across diverse business segments. Through meticulous appraisal of financial requirements and appropriate structuring of credit facilities, CRMD takes a calculated approach in managing counterparty risk. It's primary objective is to construct and maintain a high-quality, performing loan portfolio while minimizing the growth of Non-Performing Loans (NPLs). As a key strategic priority, CRMD places strong emphasis on rigorous due diligence during the borrower selection process. This approach is critical to mitigating the multifaceted adverse impacts of NPLs on the Bank's financial health. With a clear understanding of the urgency associated with business financing, the division prioritizes swift credit assessments to streamline service delivery and improve client satisfaction.

It is also noteworthy that a lion shares of bank's earnings emanate from the lending operations and at the same time, is appraisal creates the scope of take in the bad borrowers. So, CRMD remains focused to ensure better trade of between risk and return as well as ensures liquidity in the recycling process by way of repayment/smooth debt serving by the counterparty borrowers. The division is structured with experienced professionals supported by cutting-edge risk assessment tools. For managing diversified credit portfolio, In pursuit of ensuring sustainable growth of the Bank through maintaining a performing asset base, CRMD focuses on ensuring the efficient and comprehensive credit risk assessment process with an extensive analysis of potential borrowers by evaluating the financial health, industry outlook and track record of each applicant as well as integrating environmental and social considerations into credit decisions observing the ground realities as well as ascertaining all regulatory compliances with due diligence.

Key Strengths

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

Credit Portfolio Diversification Strategy

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

Lending Portfolio and Service Spectrum

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



requirements of the diversified sectors/segments. In order to compete with the market leaders, Citizens Bank designs new products with superior value-added features to deliver optimum benefits to the counterparty clients.

Strategic Activities in 2024

In 2024, major initiatives of the Credit Risk Management Division of Citizens Bank PLC include contributions in:

- Ensuring compliance with “Guidelines on Credit Risk Management (CRM) for Banks”, “Guidelines on Environment and Social Risk Management (ESRM) for Banks and Financial Institutions in Bangladesh” and “Internal Credit Risk Rating System” of Bangladesh Bank as well as Circulars of Bangladesh Bank.
- Disposal of 628 nos. credit proposals out of which 593 nos. proposals for amount of BDT 2,008.31 crore were approved and 35 nos. proposals for amount of BDT 261.49 crore were declined.
- Played a key role in developing and refining credit products aligned with client needs and market trends.
- Updating credit proposal formats and documentation requirements to incorporate regulatory directives and strategic inputs from the Senior Management as well as the Board of Directors of the Bank from time to time.
- Ensuring the overall asset quality and sustainable growth of the bank.
- Accomplishing the goals of faster disposal of credit proposals, expansion of digital platforms and combating money laundering in 2024.

Vision Ahead

Looking ahead to 2025, CRMD remains vigilant in navigating the complex challenges posed by macroeconomic volatility, including inflationary pressures trade deficits and market uncertainties. The division plans to implement robust risk mitigation processes to ensure regulatory compliance with utmost diligence and maintain a high-quality asset portfolio while maximizing the interest income. The CRMD of the Bank literally serves as a bulwark against potential financial risks ensuring the institution's stability and resilience. Through rigorous credit risk assessment, diversification of the credit portfolio and the adoption of advanced risk modeling and technology, the bank endeavors to strike balance between liquidity and profitability as well as keeping the exposures within the risk appetites of the bank.

Retail Business

Citizens Bank PLC (CZB) offers a comprehensive suite of consumer banking products, thoughtfully tailored to address the diverse financial needs of various customer segments both under deposit and loan area. These offerings not only fulfill essential financial requirements but also contribute meaningfully to the enhancement of customers' quality of life.

Since its inception, the Retail Business Division (RBD) of CZB has remained steadfast in its pursuit of excellence, consistently striving to deliver superior products and distinguished customer service. Supported by a network of eighteen branches & sub-branches located across the country, RBD operates with a unified approach to ensure that all valued clients can receive prompt, efficient, and high-quality service while concurrently contributing to the Bank's overall performance and growth. To meet specific requirement of different Individual customer segments, different diversified products have been introduced such as Monthly Benefit Scheme, Double Benefit Scheme, Millionaire Scheme, Monthly Deposit Scheme, Student Account, Payroll Account, Saving account for women, Specific savings account for garments workers etc.

RBD is also committed to the development and maintenance of a sustainable retail portfolio through the providing diversified, need-based lending products such as Home Loan, Auto Loan, Personal Loans and other customized financial solutions targeted professionals/Individuals from various fields.

The division is comprised of experienced, dedicated, and self-motivated professionals who are unwavering in their commitment delivering seamless services. Through robust monitoring mechanisms and the implementation of sound strategic initiatives, RBD ensures the continued strength, quality, and integrity of its retail loan portfolio, thereby reinforcing Citizens Bank PLC's position as a reliable and progressive financial organization.



Trade Service

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

- The bank issues LCs on behalf of importers to ensure that exporters receive payment upon fulfilling the terms specified in the LC.
- The bank advises LCs received from foreign/local banks on behalf of exporters/suppliers, providing payment assurance.
- The bank acts as an intermediary to collect payment from the importer's/buyer's bank on behalf of the exporter/supplier, ensuring that documents are released only upon payment or acceptance of a draft.
- Providing funds to exporters for manufacturing, processing, purchasing, or packing goods before shipment.
- Offering finance to exporters/suppliers after the shipment of goods to bridge the gap until the payment is received from the importer/buyers.
- Facilitating the conversion of currencies for international trade transactions and offering hedging solutions to mitigate exchange rate risk.
- Issuing guarantees on behalf of clients to ensure performance or payment obligations in trade transactions.
- Assisting clients in preparing and verifying trade documents to ensure compliance with international trade regulations and the terms of LCs.
- Providing expert advice on trade regulations, market conditions, and best practices in international trade to help clients navigate complex trade environments.
- Offering products and services that help mitigate various risks associated with international trade, such as political risk, credit risk, and operational risk.
- Providing financing solutions for the entire supply chain, including both suppliers and buyers, to improve cash flow and operational efficiency.
- Ensuring that all trade transactions comply with regulatory requirements and providing necessary reports to regulatory authorities.
- Providing fast and hassle-free services to our valuable clientele while ensuring proper compliance are our topmost priority. We are committed to uphold a high standard of professional integrity, objectivity, confidentiality, and competence among peer banks. Our endeavors directed not only for profitability but also to have significant contribution to socio-economic development of the country.

Our attainment in 2024 with comparison to 2023 are furnished below:

Figure in million

Particulars	2024	2023	Growth
Export	1,688.60	235.44	617%
Import	1,973.56	433.17	356%
Bank Guarantee	363.14	129.1	181%
Number of Import LC	454	98	363%
Number of Export LC	243	46	428%
Number of BG	59	6	883%



NRB Services

Bank has taken different measures as it's relentless effort to expand international footprint, where the mentionable ones are establishing correspondent banking relationship with other Banks and Financial Institutions at home and abroad.

The bank has already established 56 RMA (Relationship Management Application) with some correspondent banks of India, China, Singapore, Japan, USA, UK, UAE and Bangladesh. Meanwhile, the Bank has opened seven foreign currency accounts in the currency of USD, EUR and GBP with different Banks in UK, USA and India to accommodate the requirements of Import based and export-oriented clientele across the different segments. A few more exchange houses are also being incorporated to disburse homebound remittances, i.e. Western Union, Ria Financial Services and NEC, Italy. The Bank is currently operated with four Authorized Dealer Licenses in favor of it's Head Office, through which trade finance related activities are being operated centrally, and the others are for Principal Branch, Gulshan Corporate Branch and Uttara Branch. To ensure compliance in cross-border transactions, the bank is using Sanction Screening module for screening all transactions against UN, OFAC and other sanction lists and we are also extant in Bankers Almanac which is a global informative platform of all Banks.

Digital Expansion

Citizens Bank has strategically expanded its digital banking capabilities to meet the evolving needs of customers in an increasingly digital world. This expansion reflects the Bank's commitment to innovation and customer convenience.

Key initiatives in this digital transformation include the enhancement of internet banking, mobile applications, and the introduction of online account opening and e-KYC solutions. These platforms empower customers to perform a wide range of banking activities—such as fund transfers, credit cards bill payments, account management, mobile top-ups, and digital onboarding—anytime and anywhere, without the need to visit a branch.

Additionally, integrations with national payment systems (BEFTN, RTGS, NPSB) and mobile financial services (bKash, Nagad, Rocket) have further improved the scope and efficiency of transactions.

The expansion of digital banking not only enhances customer experience but also supports financial inclusion, operational efficiency, and secure service delivery. Citizens Bank remains committed to further advancing its digital services to ensure a seamless, secure, and future-ready banking experience for all customers.

As part of our ongoing commitment to operational excellence and digital transformation, the bank has embarked on the development of a new Inventory Management System. This initiative reflects our strategic goal of modernizing internal processes to enhance efficiency, accuracy, and transparency across all departments.

The new system is designed to centralize and streamline the tracking, procurement, and management of consumables throughout the organization. It will offer real-time visibility into inventory levels, automate approval workflows, reduce manual errors, and support better decision-making through robust reporting and analytics features.

Ensuring IT Security

Cybersecurity is vital in the Banking sector, where data confidentiality, integrity, and availability are crucial. As cyber threats grow more sophisticated, protecting sensitive financial information is more important than ever. For Citizens Bank PLC, strong cybersecurity is key to meeting regulatory requirements, maintaining customer trust, and protecting the Bank's reputation in a highly connected digital environment.

In 2024, the Cyber Security & MIS Department of Citizens Bank PLC launched key initiatives to enhance security and awareness. Over 290 employees received training through the KnowBe4 platform, and a foundation course was introduced for new hires with CZB Training Institute. Awareness was promoted through wallpapers, emails, and leaflets.

On the technical side, we implemented the Nessus Expert Vulnerability Assessment Scanner and a Security Information and Event Management (SIEM) system for improved threat detection and response. Additionally, we continue to ensure timely submission of MIS regulatory reports, including e-Banking, National Card Payment, and Women's Financial Inclusion data. These efforts reflect our ongoing commitment to building a secure and resilient digital environment for both our employees and customers.



Card Services

In 2024, the Bank's Cards Division, ADC (Alternative Delivery Channels) and Call center continued its strategic focus on expanding customer access to digital financial services, strengthening operational excellence, and enhancing customer experience. A wide range of initiatives were successfully implemented to support the Bank's long-term vision of becoming a digitally empowered, customer-centric institution.

The year marked a significant advancement with the commercial launch of Visa-branded Debit, Prepaid, and Credit Cards to cater to the financial needs of the CZB account holders and other clientele of the different income buckets, with the necessary technical support of IT consultant PLC and VISA International in March 2024. Notably, the Credit and Prepaid Cards have been introduced as multi-currency, single-account cards, providing seamless functionality for both local and international transactions. These cards are globally accepted at all Visa-enabled ATMs and POS terminals, offering customers the flexibility to travel and transact worldwide with confidence and ease.

In addition to the card product launch, several customer-focused initiatives and benefits were rolled out throughout the year, reflecting the Bank's commitment to innovation and service excellence.

Several customer-focused initiatives were rolled out, including:

- Exclusive Eid Campaign: A successful discount campaign was launched in partnership with a renowned merchant (Aarong, Solasta, Apex, Agora, Meena Bazar, Daily Shopping, Unimart, ACI logistics, Shwapno) to mark Eid 2024, offering attractive benefits to cardholders.
- Nationwide Charge-Free ATM Access for Debit and Prepaid Cardholders for cash withdrawal.
- Strategic Merchant Partnerships: A robust network of 100+ strategic partners were onboarded, providing a wide array of exclusive offers across sectors, including retail, dining, travel, healthcare, hospitality, gyms, and wellness.

Innovative Credit Card Features:

- First-year annual fee waiver and 2 Free supplementary cards
- Easy Fund Transfer facility up to 95% of the credit limit with minimal fees.
- CZB Pay Comfort EMI @ 0% interest at 14 select merchant partners.
- CZB Pay Comfort EMI @ 10.10% interest for tenors ranging from 3 to 36 months.
- Zero charges on Credit Card to MFS (Mobile Financial Services) transfers, encouraging digital financial inclusion.

To further strengthen the Bank's delivery channels and improve banking accessibility, several key ADC infrastructure upgrades were executed:

- Deployment of 3 new ATMs and 2 Cash Recycler Machines (CRMs) at the CZB Branch.
- This brought the total number of ATMs and CRMs to 16, significantly improving service reach and operational capacity.

ADC Operational Efficiency:

- Ensured smooth and uninterrupted ATM services for both on-us and off-us customers, maintaining high levels of uptime and reliability.
- Provided proactive support during high-traffic periods, including major public holidays such as Eid, to uphold consistent service delivery.



- Maintained full compliance with regulatory standards and internal control policies regarding the implementation, operation, and management of ATM/CRM infrastructure.
- Provided proactive support during high-traffic periods, including major public holidays such as Eid, to uphold consistent service delivery.
- Maintained full compliance with regulatory standards and internal control policies regarding the implementation, operation, and management of ATM/CRM infrastructure.

Launch of 24/7 Call Center

As part of the Bank's ongoing commitment to delivering exceptional customer service and strengthening service accessibility, a state-of-the-art 24/7 Call Center was officially launched in 2024. This initiative represents a significant milestone in the Bank's digital service transformation journey and reinforces its role as a customer-centric financial institution.

Strategically positioned as the primary customer touchpoint, the Call Center is equipped to provide comprehensive, real-time assistance across a broad spectrum of banking services, including card-related queries, transaction support, dispute resolution, and general account servicing. By ensuring uninterrupted access to support services—irrespective of time or location—the Call Center has elevated the standard of customer experience and responsiveness.

Through these comprehensive efforts, the Cards Division, ADC and Call Center have delivered measurable value, improved customer satisfaction, and advanced the Bank's journey toward digital excellence. Going forward, the Division remains committed to innovation, financial inclusion, and superior service delivery for all customer segments.

Control & Compliance Culture

In the complex business environment with rapid technological advancement and digitalization, the risk and control environment face the challenge to keep pace with the dynamic changes. The Internal Control and Compliance Division of any Bank acts as the watchdog of the Bank's established internal controls and compliances. As such, Internal Control and Compliance Division works relentlessly to ensure a robust control environment by meeting up the financial, operational, regulatory and legal requirements which will endorse that adequate and functioning risk management, control and governance process is in practice. ICCD of Citizens Bank PLC is continuously working independently to provide reasonable assurance regarding the achievement of various internal controls' objectives.

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

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

Reporting objectives: Ensuring timely, accurate and comprehensive reporting, comprising both financial and non-financial reporting, in accordance of the internal and external requirements following regulatory and international standards.

Compliance objectives: Ensuring that operates in full compliance with all relevant laws, regulations, policies, and ethical standards.

In 2024, ICCD operates its operations through 03 unit- Internal Audit, Monitoring and Compliance. The organogram of the ICCD has been developed in line with compliance of the regulatory guideline which has been duly approved by the Board of the Directors. Citizens Bank PLC is committed to establish an appropriate and effective internal control environment in the bank. As such, in compliance with the guidelines of the BRPD circular of Bangladesh Bank issued from time to time, we have Audit Committee chaired by Independent Director to monitor the effectiveness of internal



control system of the bank. The committee reviews the financial reporting process, the system of internal control & management of financial risks, the audit process, health report of the bank and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct. ICCD acts independently as a Division and responsible to the audit committee. The ICCD reports to the Senior Management of the bank regarding major findings and observations, seeking necessary guidelines to streamline the issues as detected in course of their audit and inspections.

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

Monitoring Unit: Monitoring Department is responsible to monitor the operational performance of various Branches/Divisions/Departments. The Department collects relevant data and analyzes those to assess the risk of individual units. In case, any major deviation is found they recommend to the Head of Internal Control and Compliance/Head of Audit and Inspection for sending an audit & inspection team for a thorough review.

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

Major Activities of the ICCD in 2024:

- ICCD prepared the Risk-v Based Audit checklist for Branches and Head Office Divisions in 2024. The checklists were prepared to align with existing and updated manuals, policies, circulars of Bank, and related Bangladesh Bank and other regulatory bodies' instructions. Based on these checklists, a risk-based Audit was performed on Branches and Divisions/Departments throughout the year.
- ICCD prepared the Internal Compliance Manual which has been duly approved by the Board of Directors of Citizens Bank PLC.
- ICCD Prepared the Audit Plan for the year 2024 and conducted internal audit as per the plan.
- Surprise Inspection at 3 (three) Branches was conducted in 2024.
- 05 Special Inspection was conducted regarding different issues during 2024.
- ICCD conducted Comprehensive Inspection on 5 (Five) Division and 12 (Twelve) Branches in 2024.
- Special inspections on Anti Money Laundering activities of Branches were conducted at 1 (One) Branch.
- Review of Quarterly Operations Report (QOR) and Loan Documentation Check List (LDCL) has been done.
- As per the DOS circular no 10 dated 09.05.2027 of Bangladesh Bank, ICCD submit the half yearly "Self-Assessment of Anti-Fraud Internal Control" for the reporting period of December 31, 2024 accordingly.
- ICCD coordinated Bangladesh Bank's inspection teams whenever various units/branches were audited by the regulatory authority and ensured timely submission of the compliance report of BB Inspection in different areas, e.g., comprehensive Inspection at Divisions and Branches, etc.
- On time submission of the reporting and compliance of the regulatory requirement, different audit reports have been ensured in order to build up a strict compliance culture from the very beginning of the inception.



- ICCD is working actively on developing different policies, manuals, charters to ensure a robust control mechanism in the bank which will be in force after due approval of the Board of Directors.

Plan for the year 2025:

Like every year, ICCD plans to perform its yearly activity in light of Bangladesh Bank guidelines, circulars issued from time to time, industry best practices, etc. Significant activities that ICCD will cover are enumerated below:



BATTLE AGAINST MONEY LAUNDERING

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

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

Regulator's Directives:

A good governance and implementation of necessary Regulatory controls of Anti Money Laundering, Terrorist Financing and Proliferation Financing depend on the vibrant compliance culture of Banking overall operational activities. Citizens Bank PLC formed a Central Compliance Committee (CCC) to evaluate and assess the activities of AML & CFT Division from time to time and review the AML & CFT compliance policies, strategies and programs aligned with the policies and guidelines of the regulators and international best practices. CZB's has assigned Bank's Chief Anti Money Laundering Compliance Officer (CAMLCO) at Head Office as per BFIU provided master circular No. 26, dated 16 June, 2020 and his roles and responsibilities has fixed and specified supported by Job Description.

Besides, a Deputy CAMLCO has assigned to operate smooth functioning of AML & CFT Division of the Bank. Simultaneously, Deputy CAMLCO plays the role of AML & CFT Division of the Bank. AML & CFT Division nominated Branch Operation Manager as BAMLCO who look after and ensure the branches overall AML and CFT related compliance issues as per directives of Bangladesh Financial Intelligence Unit (BFIU). According to CCC as well as CAMLCO's and Managing Directors & CEO's guidance, AML & CFT Division of the Bank operates and monitors several AML & CFT programs across the Bank. As a matter of risk, we stay focused to mitigate the risk out of Money Laundering & CFT activities and considering its importance for affording the reputation of the Bank. Managing Director & CEO oversees the overall performance and activities of the concern Division/Departments to mitigate the risk factors emanate such kind of illicit and irregular activities.

- CDD/EDD assessment with required data and supporting documents
- NID verification & KYC done during account opening
- Approval taken for PEPs/IPs/CIOs before onboarding any account
- Onboarding eKYC account in CBS as per BB Guideline

- Introduced and integrated automated Sanction Screening (S3 software) with CBS
- Real time checking and screening of UN, OFAC, UK, EU sanction list and local Sanction List while onboarding customer in CBS
- Generate Automated CTR Report

- Screening Adverse media news to detect and report SAR/STR, if any
- Introduced Comprehensive Money Laundering & Risk Management Policy Guideline and review the Policy Guideline in periodical interval
- Implemented Uniform template for price verification of Imported and Exported goods as per BFIU Instruction.

- Developed Transaction monitoring tools by introducing need-based system generated report
- Arrange online and offline basis AML & CFT related Training to all employees of the bank.
- Onsite and offsite reporting of BFIU Inquiry on daily basis.
- Execute Freezing Instructions of the Regulators



REPORT OF THE MANAGING DIRECTOR & CFO

Date: 29 April 2025

The Board of Directors
Citizens Bank PLC
Chini Shilpa Bhaban-2,
76 Motijheel C/A
Dhaka – 1000, Bangladesh

Subject: Declaration on Financial Statements for the year ended on December 31, 2024.

Dear Sirs,

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

- 1) The Financial Statements of Citizens Bank PLC for the year ended on December 31, 2024 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were made with prudence to ensure disclosure revealing diaconate view;
- 3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- 5) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. In this regard, we also certify that, we have reviewed the financial statements for the year ended on December 31, 2024 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



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



Md. Mostafizur Rahman
Managing Director (Current Charge)



FINANCIAL STATEMENT



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 2024 and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the financial position of the Bank as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note no. 2.1.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), guidelines issued by Bangladesh Bank, and rules and regulations issued by Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Description of key audit matters	Our response to key audit matters
1. Measurement of provision for loans and advances.	
Refer to note no. 13 and 33 to the financial statements	
<p>The process of estimating provision for loans and advances associated with credit risk is judgmental and complex. While estimating such provision certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> • Future business performance of the borrower; • Key assumptions relating to future business; • Performance of the borrower; • Market value of the collateral; • Ability to repossess collateral; and • Recovery rates. 	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit monitoring and provisioning process; • Identification of loss events including early warning indicators and • Review of the quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the provision requirements



Description of key audit matters	Our response to key audit matters
<p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of the Bangladesh Bank (the central Bank of Bangladesh) issued from time to time.</p> <p>As at 31 December 2024, the Bank reported total provision for loans and advances of BDT 71.75 million (December 2023: BDT 35.18 million)</p>	<ul style="list-style-type: none"> Assessed the methodologies on which the provision amount is based, recalculated the provisions and tested the completeness and accuracy of the underlying information; Finally, assessed the appropriateness and the presentation of the disclosures against relevant accounting standards and Bangladesh Bank guidelines.
2. Recognition of interest income from loans and advances	
Refer to note no. 7 and 20 to the financial statements	
<p>Recognition of interest income has significant and wide influence on the financial statements.</p> <p>Recognition and measurement of interest income has involvement of complex IT environment.</p> <p>We have identified recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk fraud and error in recognition of interest by management to meet specific targets or expectations.</p> <p>At the year ended 2024, the Bank reported total gross interest from loans and advances of BDT 1068.44 million (December 2023: BDT 343.90 million)</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest from loans and advances.</p> <p>We have performed test of operating effectiveness on automated 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 have assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p>
3. Loans and advances	
Refer to the note no. 7 of the financial statements	
<p>Loans and advances are the main element of financial statements of the Bank. Interest income of the Bank is mainly dependent on the portfolio of loans and advances. Management performance is highly dependent on the target achievement of loans and advances. Loans and advances disbursement requires robust documentation followed by approval from appropriate authority.</p> <p>We have identified loans and advances as key audit matters because there is an inherent risk of fraud in disbursement of loans and advance by management to meet specific targets or expectations.</p> <p>At the year ended 2024, the Bank reported total gross loans and advances of BDT 8,272.78 million (December 2023: 4,383.57 million)</p>	<p>We tested the design and operating effectiveness of key control focusing on credit appraisal, loans and advances disbursement procedures and monitoring process of loans and advances.</p> <p>We have performed procedure to check whether the Bank has ensured appropriate documentation as per Bangladesh Bank regulations and Bank's policy before disbursement of loans and advances.</p> <p>In addition, we have performed procedure to check whether the loans advances are recorded completely and accurately and that are existed at the reporting date.</p> <p>Furthermore, we have assessed the appropriateness of disclosures against Bangladesh Bank guidelines.</p>



Description of key audit matters	Our response to key audit matters
4. Valuation of treasury bills and treasury bonds	
Refer to note no. 6.1, 6.1.1 and 6.1.2 to the financial statements	
<p>The classification and measurement of treasury bills (T-Bills) and treasury bonds (T-Bonds) require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p> <p>At year end the Bank reported total investment in treasury bill and treasury bond of BDT 3,588.03 million (December 2023: BDT 2,182.19 million).</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and treasury bonds.</p> <p>We have obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and treasury bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We have tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
5. Deferred tax liabilities/(assets)	
Refer to note no. 13, 13.2 and 36.2 to the financial statements	
<p>Deferred tax liabilities arise from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. The determination of deferred tax liabilities involves complex judgments and estimates by management.</p> <p>The valuation of deferred tax liabilities is inherently subjective and requires significant management judgement.</p> <p>The risk arises from the complexity of estimating future taxable income, considering potential changes in tax laws or rates, and evaluating the need for valuation allowances against deferred tax assets.</p> <p>As at 31 December 2024, the Bank reported net deferred tax assets BDT (3.8) million. (December 2023: BDT 7.11 million)</p>	<p>We obtained an understanding, evaluated design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of deferred tax and the assumptions used in estimating the Bank's future taxable income.</p> <p>We have assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We have involved tax specialist to assess key assumptions, controls, recognition and measurement of deferred tax assets.</p> <p>Finally, we have assessed the appropriateness and presentation of disclosures against IAS 12: Income Taxes.</p>
6. Legal and regulatory matters	
<p>We focused on this area because the Bank operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p>	<p>We enquired those charged with governance to obtain their views on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p>



Description of key audit matters	Our response to key audit matters
<p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Bank's best estimation for existing legal matters that have a probable and estimable impact on the Bank's financial position.</p>	<p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>
<p>7. IT systems and controls</p>	
<p>Our audit procedures have focused on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included master data management, user access management and developer access to the production environment and changes to the IT environment. Among others, these are key to ensure operating effectiveness of IT dependent application-based controls.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>

Other Matter

The financial statements of the Bank as at and for the year ended 31 December 2023 were audited by ACNABIN Chartered Accountants, who expressed an unmodified opinion on those statements on 28 March 2024.

Other Information

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

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

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

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



Responsibilities of Management and those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRSs as explained note no 2.1, 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 Bank Company Act, 1991 (as amended up to date) and the Bangladesh Bank regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



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

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

Report on Other Legal and Regulatory Requirements

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

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities for the Audit of the Financial Statements section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank;
- (iii) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- (iv) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (v) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vi) the expenditures incurred were for the purpose of the Bank's business for the year;
- (vii) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (viii) adequate provisions have been made for loans and advances and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk-weighted assets of the Bank and spent over 2,220 person hours; and
- (xi) Capital to Risk-weighted Assets Ratio (CRAR) has been maintained adequately during the period based on provisions allowed by Bangladesh Bank against the requirement as explained in notes 14.2 and 14.3.

Place: Dhaka
Date: 29 April 2025
DVC: 2504291119AS612902



Mahmud Sabuj & Co.
Chartered Accountants
Signed By
Sabuj H Chowdhury FCA
Partner
ICAB Enrollment No. 1119
FRC Enlistment No.: CA-001-086



Citizens Bank PLC

Balance Sheet

As at 31 December 2024

Particulars	Note	2024 Taka	2023 Taka
PROPERTY AND ASSETS			
Cash	3.0	911,093,256	404,859,042
Cash in hand (Including foreign currency)	3.1	340,306,350	68,413,097
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currency)	3.2	570,786,907	336,445,945
Balance with other Banks and Financial Institutions	4.0	4,821,881,393	6,288,895,994
Inside Bangladesh	4.1	4,734,780,527	6,265,342,317
Outside Bangladesh	4.2	87,100,866	23,553,677
Money at call and short notice	5.0	-	-
Investments	6.0	4,056,507,962	2,680,922,957
Government	6.1	3,588,036,792	2,182,195,769
Others	6.2	468,471,170	498,727,188
Loans and advances	7.0	8,272,781,580	4,383,567,935
Loans, cash credit, overdrafts etc.		8,134,413,729	4,377,189,873
Bills purchased & discounted		138,367,851	6,378,063
Fixed assets including premises, furniture and fixtures	8.0	776,259,819	598,818,512
Other assets	9.0	262,954,786	213,454,699
Non-banking assets	10.0	-	-
Total Assets		19,101,478,798	14,570,519,141
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions & agents	11.0	36,599,259	25,000,000
Deposits and other accounts	12.0	14,291,492,033	10,050,570,500
Current accounts & other accounts		1,301,028,175	2,404,984,867
Bills payable		65,327,054	28,882,559
Savings deposits		285,492,714	175,863,488
Fixed deposits		12,639,644,089	7,440,839,586
Bearer Certificates of Deposit		-	-
Other deposits		-	-
Other liabilities	13.0	729,501,924	491,347,735
Total Liabilities		15,057,593,216	10,566,918,235
Capital and Shareholders' Equity			
Paid up capital	14.2	4,000,000,000	4,000,000,000
Share premium		-	-
Statutory reserve	15.0	37,403,962	18,240,964
Dividend Equalization Fund		-	-
Revaluation Reserve on Govt. Securities		1,088,467	267,108
Assets Revaluation reserve		-	-
Surplus/(Deficit) in profit and loss account/Retained Earnings	17.0	5,393,154	(14,907,166)
Total shareholders' equity		4,043,885,582	4,003,600,906
Total Liabilities and Shareholders' Equity		19,101,478,798	14,570,519,141

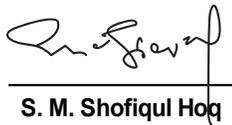


Particulars	Note	2024 Taka	2023 Taka
Contingent liabilities			
Acceptances and endorsements	18.0	253,925,356	11,918,747
Irrevocable letter of credits		394,877,821	85,887,267
Letter of guarantees		447,364,438	131,524,304
Bills for collection		619,621,273	139,883,696
Other contingent liabilities		-	-
Total Contingent liabilities		1,715,788,888	369,214,014
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Other Commitments		-	-
Total Off-Balance Sheet items including contingent liabilities		1,715,788,888	369,214,014
Net Asset Value (NAV) Per Share		10.11	10.01

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



Md. Mostafizur Rahman
Managing Director (CC)



S. M. Shofiqul Hoq
Director



A K M Shahidul Haque
Independent Director



Masuduzzaman
Director

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

Place: Dhaka
Date: 29 April 2025
DVC: 2504291119AS612902



Mahmud Sabuj & Co.

Chartered Accountants

Signed By

Sabuj H Chowdhury FCA

Partner

ICAB Enrollment No. 1119

FRC Enlistment No.: CA-001-086



Citizens Bank PLC

Profit and Loss Account

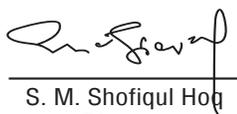
For the year ended 31 December 2024

Particulars	Note	2024 Taka	2023 Taka
Interest income	20	1,368,090,076	693,482,295
Interest paid on deposits and borrowing etc.	21	1,098,428,732	452,766,505
Net interest income		269,661,345	240,715,790
Investment income	22	435,309,086	197,647,162
Commission, exchange and brokerage	23	66,643,606	23,853,444
Other operating income	24	15,801,575	8,289,681
Total operating income		517,754,268	229,790,287
		787,415,612	470,506,077
Salaries and allowances	25	256,261,413	195,854,317
Rent, taxes, insurance, electricity etc.	26	28,814,637	19,904,898
Legal expenses		-	-
Postage, stamps, telecommunication etc.	27	6,915,975	11,151,418
Stationery, printing, advertisement etc.	28	32,093,993	28,427,510
Chief Executive's salary & fees	29	17,887,198	11,756,541
Directors' fees	30	1,835,634	915,200
Auditors' fee		230,000	345,000
Depreciation on and repairs to bank's assets	31	123,956,816	84,618,164
Other expenses	32	174,883,103	84,392,297
Total operating expenses		642,878,768	437,365,346
Profit/(loss) before provisions		144,536,844	33,140,731
Provision for:			
Provision against loans and advances	33	36,574,916	28,187,972
Provision for investments	34	4,167,342	(164,329)
Off balance sheet items	33	8,656,361	2,305,316
Other provisions	35	(676,763)	676,763
Total provision		48,721,856	31,005,722
Profit/(loss) before taxes		95,814,988	2,135,010
Provision for Taxation:	36		
Current tax expense	36.1	67,261,490	20,530,579
Deferred tax expense/ (income)	36.2	(10,909,818)	(2,911,979)
Total provision for Taxation		56,351,671	17,618,600
Net profit / (loss) after taxes		39,463,317	(15,483,590)
Appropriations:			
Statutory reserve	15	19,162,998	427,002
General reserve		-	-
Dividend etc.		-	-
		19,162,998	427,002
Retained earnings		20,300,319	(15,910,592)
Earnings Per Share (EPS)	37	0.10	(0.04)

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



Md. Mostafizur Rahman
Managing Director (CC)



S. M. Shofiquel Hoq
Director



A K M Shahidul Haque
Independent Director



Masuduzzaman
Director

This is the Profit and Loss Account referred to in our separate report of even date.



Mahmud Sabuj & Co.
Chartered Accountants
Signed By
Sabuj H Chowdhury FCA
Partner
ICAB Enrollment No. 1119
FRC Enlistment No.: CA-001-086



Citizens Bank PLC Statement of Changes in Equity

For the year ended 31 December 2024

Particulars	Amount in Taka						
	Paid up capital	Share Premium	Statutory Reserve	Revaluation Reserve on Govt. Securities	Assets Revaluation reserve	Retained Earnings	Total shareholders' equity
Balance as at 1 January 2024	4,000,000,000	-	18,240,965	267,108	-	(14,907,166)	4,003,600,906
Shares Issued during the period	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	20,300,319	20,300,319
Dividend Equalization Fund	-	-	-	-	-	-	-
Ordinary Share issue	-	-	-	-	-	-	-
Share Premium	-	-	-	-	-	-	-
Statutory reserve	-	-	19,162,998	-	-	-	19,162,998
Revaluation reserve	-	-	-	821,360	-	-	821,360
Cash Dividends	-	-	-	-	-	-	-
Balance as at 31 December 2024	4,000,000,000	-	37,403,963	1,088,468	-	5,393,153	4,043,885,583

For the year ended 31 December 2023

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

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



Md. Mostafizur Rahman
Managing Director (CC)



S. M. Shofiqul Hoq
Director



A K M Shahidul Haque
Independent Director



Masuduzzaman
Director

Place: Dhaka

Date: 29 April 2025



Citizens Bank PLC

Cash Flow Statement

For the year ended 31 December 2024

Particulars	Note	2024 Taka	2023 Taka
A. Cash flows from operating activities			
Interest receipts		1,384,117,465	664,085,480
Interest payment		(1,098,428,732)	(452,766,505)
Dividends receipts		4,071,888	2,836,820
Fees & commissions receipts		38,239,006	13,296,761
Recoveries on loans previously written off		-	-
Cash payments to employees		(274,148,611)	(207,610,858)
Cash payments to suppliers		(39,573,445)	(39,906,974)
Income tax paid		(65,377,184)	(45,038,595)
Receipts from other operating activities		434,134,096	194,565,383
Payment for other operating activities		(205,763,374)	(98,217,439)
Operating Cash flow before changes in operating assets and liabilities (i)		177,271,110	31,244,072
Increase/decrease in operating assets & liabilities			
Loans and advances to customers		(3,889,213,645)	(3,397,318,799)
Other assets		(203,386,428)	(67,616,158)
Deposits from other banks/borrowings		11,599,259	25,000,000
Deposits from customers		4,240,921,532	7,143,664,952
Other liabilities		129,285,231	60,940,002
Cash utilized in operating assets & liabilities (ii)		289,205,950	3,764,669,997
Net cash flows from operating activities (i+ii)		466,477,060	3,795,914,069
B. Cash flows from investing activities			
Treasury bills		(1,184,463,800)	(751,958,505)
Bangladesh Bank Bills		(291,609,900)	-
Treasury bonds		70,232,677	-
Encumbered Securities		-	-
Sale/ (Investment) in shares		30,256,018	(4,410,651)
Investment in Bonds		-	(400,000,000)
Redemption of Bond		-	-
Acquisition of fixed assets		(105,429,820)	(115,813,154)
Disposal of Fixed Assets		9,551,204	4,479,733
Net cash used in investing activities		(1,471,463,622)	(1,267,702,577)
C. Cash flows from financing activities			
Proceeds from issue of ordinary shares		-	-
Proceeds from issue of right shares		-	-
Share Premium		-	-
Dividend paid		-	-
Net cash flows from financing activities		-	-
Net increase in cash and cash equivalents		(1,004,986,562)	2,528,211,492
Effects of the change of exchange rate on cash & cash equivalent		44,206,175	9,909,950
Cash and cash equivalents at beginning of year		6,693,755,037	4,155,633,594
Cash and cash equivalents at end of the year	40	5,732,974,650	6,693,755,037
Cash and cash equivalents at end of the year:			
Cash in hand (including foreign currency)	3.1	340,306,350	68,413,097
Balance with Bangladesh Bank and its agents bank(s)	3.2	570,786,907	336,445,945
Balance with other banks and financial institutions	4.0	4,821,881,393	6,288,895,994
Money at call and short notice	5.0	-	-
		5,732,974,650	6,693,755,037

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



Md. Mostafizur Rahman
Managing Director (CC)



S. M. Shofiqul Hoq
Director



A K M Shahidul Haque
Independent Director



Masuduzzaman
Director

Place: Dhaka

Date: 29 April 2025



Citizens Bank PLC

Liquidity Statement

As at 31 December 2024

Particulars	Amount in BDT					
	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
Assets						
Cash	528,475,256	-	-	-	382,618,000	911,093,256
Balance with other Banks and Financial Institutions	2,651,881,393	600,000,000	1,570,000,000	-	-	4,821,881,393
Money at Call & Short notice	-	-	-	-	-	-
Investments	913,727,368	1,513,373,102	-	550,867,446	1,078,540,046	4,056,507,962
Loans and Advances	1,323,770,838	918,444,482	5,179,246,193	674,045,130	177,274,936	8,272,781,580
Premises and Fixed Assets	13,406,265	26,812,529	120,656,382	514,800,563	100,584,080	776,259,819
Other Assets	93,222,576	-	-	-	169,732,210	262,954,786
Non-Banking Assets	-	-	-	-	-	-
Total Assets	5,524,483,697	3,058,630,113	6,869,902,575	1,739,713,140	1,908,749,273	19,101,478,798
Liabilities						
Borrowing From Other Banks, Financial Institutions & Agents	-	36,599,259	-	-	-	36,599,259
Deposit and Other Account	4,411,655,743	3,732,342,840	5,622,971,175	472,132,309	52,389,965	14,291,492,033
Provision & Other Liabilities	48,186,543	5,842,487	26,291,192	140,219,688	508,962,015	729,501,924
Total Liabilities	4,459,842,285	3,774,784,587	5,649,262,367	612,351,997	561,351,980	15,057,593,216
Net liquidity excess/(shortage)	1,064,641,412	(716,154,473)	1,220,640,208	1,127,361,143	1,347,397,292	4,043,885,582

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



Md. Mostafizur Rahman
Managing Director (CC)



S. M. Shofiqul Hoq
Director



A K M Shahidul Haque
Independent Director



Masuduzzaman
Director

Place: Dhaka
Date: 29 April 2025



Citizens Bank PLC

Notes to the Financial Statements

As at and for the year ended 31 December 2024

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 up to date) and directive as received from the Bangladesh Bank from time to time. The bank started its commercial operation from 3rd July 2022.

1.2 Principal Activities & Nature of operations

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

2.0 Significant accounting policies

2.1 Basis of preparation of financial statements

2.1.1 Statement of Compliance and basis of preparation

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

- *The Bank Company Act, 1991 (Amended up to date);
- *The Companies Act 1994;
- *International Financial Reporting Standards (IFRSs);
- *Rules, regulations and circulars issued by the Bangladesh Bank from time to time;
- *Income Tax Act 2023;
- *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 2020;



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 15.20 million as of 2024 as per BB instructions (note 13).

iii. Revaluation gain/loss on government securities

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

Bangladesh Bank: According to DOS circular no. 5 dated 26 May 2008 and subsequent clarification in DOS circular no. 5 dated 28 January 2009, amortisation gain/loss is charged to profit and loss account, mark-to-market loss on revaluation of government securities (T-bills/T-bonds) categorised as Held for Trading (HFT) is charged to profit and loss account, but any unrealised gain on such revaluation is recognised to revaluation reserve account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method but income/gain is recognised through equity.

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

IFRSs: As per IFRS 9 'Financial instruments', loans and advances shall be recognised and measured at amortised cost (net of any write down for impairment). When any objective evidence of impairment (a loss allowance for



expected credit losses) exists for such financial assets, impairment assessment should be undertaken individually or portfolio basis (when assets are not individually significant).

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

The Bank charged to its profit and loss account a general provision of BDT 36.57 million against unclassified loans & advances in 2024 (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	Maturity/repayment term.
Deposits and other accounts	Maturity and behavioural trend (non-maturity products).
Other long term liability	Maturity term.
Provision and other liability	Settlement/adjustment schedule basis.

xiii. Disclosure of appropriation of profit

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

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

xiv. Foreign currency transactions

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

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

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



Commitment

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

xv. Provision for Startup Fund

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

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

xvi. Non-banking asset

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

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

2.1.2 Basis of measurement

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

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

2.1.3 Going concern basis of accounting

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

2.1.4 Directors responsibility on statements

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

2.1.5 Use of judgments and estimates

In preparing these consolidated financial statements in conformity with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) management has required to make judgments, estimates and assumptions that 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 36.1



Deferred tax assets/liabilities - as explained in Note 36.2 & 13.2

Right of use of assets & lease obligation in Note 8.1

Loan loss provision in Note 33.0

2.1.6 Disclosure on Basel-III

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

It was agreed upon by the members of the Basel Committee on Banking Supervision in 2010-2011 and was scheduled to be introduced from 2013 until 2015. However, changes made from April 2013 extended implementation until March 31, 2018. The Basel III requirements were in response to the deficiencies in financial regulation that is revealed by the 2000's financial crisis. Basel III was intended to strengthen bank capital requirements by increasing bank liquidity and decreasing bank leverage. The global capital framework and new capital buffers require financial institutions to hold more capital and higher quality of capital than under Basel II rules. The new liquidity ratios ensure that adequate funding is maintained in case there are other severe banking crisis.

Key principal of Basel III

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

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

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

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

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

Liquidity requirements: Basel III introduced two required liquidity ratios:

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

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

2.1.7 Contingent liabilities

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



2.1.8 Significant accounting policies

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

2.2 Assets and basis of their valuation

2.2.1 Cash and cash equivalents

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

2.2.2 Investments

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

Held to Maturity

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

Held for Trading

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

Investment in quoted shares

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

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt. treasury securities - Held to Maturity (HTM)	Cost	Amortised cost	Increase in value of such investments is booked to equity, decrease to profit and loss account.
Govt. treasury securities - 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
Consumer:					
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 Retained Earnings

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

2.6 Borrowings

Fund borrowed from Central Bank under Pre-Finance Scheme.

2.7 Deposits and other accounts

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

2.8 Other liabilities

Other liabilities comprise items such as provision for taxes and accrued expenses etc. Individual item wise liabilities are recognized as per the guidelines of Bangladesh Bank and International Financial Reporting Standards (IFRSs).

2.9 Compliance report on International Financial Reporting Standards (IFRSs)

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed and it is yet to issue financial reporting standards for public interest entities such as banks. The Banking Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRSs) as approved by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. Subject to the departures mentioned above, the Bank has complied with all the applicable Accounting and Financial Reporting Standards for preparation and presentation of the financial statements of the Bank as at 31 December 2024 as noted below:

International Accounting Standards (IASs)	IAS Number	Status of compliance
Presentation of Financial Statements	IAS - 1	Complied
Inventories	IAS - 2	Complied
Statement of Cash Flows	IAS - 7	Complied
Accounting Policies, Changes in Accounting Estimates and	IAS - 8	Complied
Events After the Reporting Period	IAS - 10	Complied
Income Taxes	IAS - 12	Complied
Property, Plant and Equipment	IAS - 16	Complied
Employee Benefits	IAS - 19	Complied
Accounting for Government Grants and Disclosure of	IAS - 20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS - 21	Complied
Borrowing Costs	IAS - 23	Not Applicable



Related Party Disclosures	IAS - 24	Complied
Accounting and Reporting by Retirement Benefit Plans	IAS - 26	Complied
Separate Financial Statements	IAS - 27	Complied
Investments in Associates and Joint Ventures	IAS - 28	Not Applicable
Financial Reporting in Hyperinflationary Economics	IAS - 29	Not Applicable
Financial Instruments: Presentation	IAS - 32	Not Applicable
Earnings Per Share	IAS - 33	Complied
Interim Financial Reporting	IAS - 34	Complied
Impairment of Assets	IAS - 36	Not Applicable
Provisions, Contingent Liabilities and Contingent Assets	IAS - 37	Complied
Intangible assets	IAS - 38	Complied
Financial Instruments: Recognition and Measurement	IAS - 39	Complied
Investment Property	IAS - 40	Not Applicable
Agriculture	IAS - 41	Not Applicable
First-time Adoption of International Financial Reporting	IFRS - 1	Not Applicable
Share-based Payment	IFRS - 2	Not Applicable
Business Combinations	IFRS - 3	Not Applicable
Insurance Contracts	IFRS - 4	Not Applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS - 5	Not Applicable
Exploration for and Evaluation of Mineral Resources	IFRS - 6	Not Applicable
Financial Instruments : Disclosures	IFRS - 7	Complied
Operating Segments	IFRS - 8	Not Applicable
Financial instruments	IFRS - 9	Complied
Consolidated Financial Statements	IFRS - 10	Not Applicable
Joint Arrangements	IFRS - 11	Not Applicable
Disclosure of Interests in other Entities	IFRS - 12	Not Applicable
Fair Value Measurement	IFRS - 13	Complied
Regulatory deferral accounts	IFRS - 14	Not Applicable
Revenue from contracts with customers	IFRS - 15	Complied
Leases	IFRS - 16	Complied
Insurance Contracts	IFRS - 17	Not Applicable



2.10 Basis for valuation of liabilities and provisions

2.10.1 Provision for current taxation

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

2.10.2 Deferred taxation

Deferred tax assets or liabilities are recognized by the Bank on deductible or taxable temporary differences between the carrying amount of assets and liabilities used for financial reporting and the amount used for taxation purpose as required by IAS 12 Income Taxes and BRPD Circular No.11 dated 12 December 2011. Deferred tax assets is recognized for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which they can be used. Deferred tax assets and liabilities are reviewed at each reporting period and are measured at the applicable tax rate as per tax laws that are expected to be applied when the assets is realized and liability is settled. Any unrecognized deferred tax assets or liabilities are reassessed at each reporting period and recognized only if that has become probable that future taxable profit or loss will be available against which they can be used or settled. Details of deferred tax assets or liabilities and amount recognized in profit and loss account for deferred tax income or expense are given in note 13.2 & 36.2 in the financial statements.

2.10.3 Benefits to the employees

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

a) Provident fund

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

b) Gratuity fund

As of the reporting date the Board has approved the employee Gratuity scheme effective from January 2021.

c) Social Security Superannuation Fund (ESSF)

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

d) Worker's Profit Participation Fund (WPPF)

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

2.11 Revenue recognition

2.11.1 Interest income

Interest income is recognised on an accruals basis.

2.11.2 Investment income

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



2.11.3 Fees and commission income

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

2.11.4 Dividend income on shares

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

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

2.11.5 Interest paid on deposits and borrowings

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

2.11.6 Other operating expenses

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

2.12 Risk management

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

2.13 Core risk management

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

2.13.1 Asset liability management

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



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

2.13.2 Operational Risk

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

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

2.13.3 Compliance Risk

The success of CZB is largely dependent on the trust and confidence of our existing and potential customers, our shareholders, our staff, our regulators and the general public in our integrity and ethical standard. The confidence largely depends on meticulous compliance with applicable legal and regulatory requirements and internal policies of CZB. The confidence also depends on conformity with generally accepted market norms and standards in our business operations. The Board of Directors is primarily responsible for compliance with all applicable norms and regulations. The Board discharges its responsibilities itself and through delegation of authorities to Executive Committee, Audit Committee and Risk Management Committee of the Board. The objective is to identify any compliance risks at an early stage that may undermine the integrity and the success of CZB and to mitigate the risks in most appropriate way.

2.13.4 Business Risk

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

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

2.13.5 Legal Risks

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

2.14 Earnings per share

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

2.15 Events after the reporting period

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



2.16 Related party transaction

Related party transaction is a transfer of resources, services or obligation between related parties, regardless of whether a price is charged. Detail of related parties transaction are given in (note-41).

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

i) Internal 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.

2.18 Audit Committee of the Board of Directors

i) Particulars of Audit Committee

The Audit Committee of the Board was constituted by the board of Directors of the Bank in accordance with the BRPD Circular No.11 Dated 27 October 2013 issued by Bangladesh Bank. Composition of the Audit Committee as on 31.12.2024 is as below:



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

The Company Secretary acts as the Secretary of the Audit Committee of the Board.

ii) Meeting held with Audit Committee

During the year 2024, the Audit Committee conducted 02 (two) meeting in which, among others, focused on the following activities (not an exhaustive test):

- Review of audited financial statements of Citizens Bank PLC for the year ended 31 December 2023 and necessary recommendation for approval by the Board.
- Approval for the Audit Plan for the year 2024.
- To review summary report of Internal Audit Findings in 2023 and compliance status.
- Summary of the Report of Bangladesh Bank Special Inspection on Information and Communication Technology Security based on 30.06.2023.
- Report on Bangladesh Bank Special Inspection on Credit Risk Management.
- Report on Bangladesh Bank Special Inspection on Asset Liability Management.
- Report on Bangladesh Bank Special Inspection on Internal Control and Compliance.
- Comprehensive Audit Report for the period from 28 July 2019 to 30 September 2023 conducted by External auditor.
- Management Report on the Audit of Financial Statements for the year ended 31 December 2023 conducted by External auditor.

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

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

2.19 Approval of financial statements

These financial statements were reviewed by the audit committee of the Board of the Bank in its 9th meeting held on 29th April 2025 and was subsequently approved by the Board in its 31st meeting held on 29th April 2025.

2.20 Credit Rating of the Bank

As per the BRPD instruction circular no.6 dated 5 July 2006, the Bank has done its credit rating by CRISL based on the financial statements dated 31 December 2023.

Particulars	Date of Rating	Long term	Short term	Rating Valid till
Credit Rating Information and Services Ltd (CRISL)	22-Aug-2024	A-	ST-3	21-Aug-2025



2.21 Reporting period

The reporting period of these financial statements is stands from 01 January 2024 to 31 December 2024.

2.22 General

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

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

Notes to the Financial Statements	31.12.2024 Taka	31.12.2023 Taka
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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)	340,306,350	68,413,097
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	570,786,907	336,445,945
	911,093,256	404,859,042
3.1 Cash in hand:		
Local currency	336,320,010	68,413,097
Foreign currency	3,986,340	-
	340,306,350	68,413,097
3.2 Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)		
Local currency	539,710,855	334,001,501
Foreign currencies	31,076,052	2,444,444
	570,786,907	336,445,945
Sonali Bank (An agent of Bangladesh Bank) - local currency	-	-
	570,786,907	336,445,945
3.a Cash Reserve Ratio (CRR):		
Pursuant to section 33 of Bank Company Act, 1991 (amended upto date), MPD circular no. 03 dated 09 April 2020 and BRPD circular letter no. 31 dated 18 June 2020 issued by Bangladesh Bank, CZB has been maintaining CRR @ 3.5% on daily basis, and @ 4.0% on bi-weekly basis. CRR requirement is calculated on the basis of weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. CRR of December 2024 is maintained on the basis of weekly ATDTL of October 2024). Reserve maintained by the bank as at 31 December is as follows:		



Notes to the Financial Statements	31.12.2024 Taka	31.12.2023 Taka
Average total demand and time liabilities of October 2024 (excluding inter-bank deposit)	10,931,938,000	7,372,163,000
Daily basis:		
Required reserve (3.50%)	382,618,000	258,026,000
Actual reserve held with Bangladesh Bank*	540,534,230	334,731,579
Surplus	157,916,230	76,705,579
Weely basis:		
Required reserve (4.00%)	437,278,000	294,887,000
Actual reserve held with Bangladesh Bank*	540,534,230	334,731,579
Surplus	103,256,230	39,844,579

Bi-weekly basis:

The bank maintained excess cash reserve of BDT 103.26 million in the last fortnight of 2024 calculated by summing up excess cash reserve maintained over required CRR on daily basis."

3.b Statutory Liquidity Ratio (SLR):

Pursuant to section 33 of Bank Company Act, 1991 (amended upto date), DOS circular no. 1 dated 19 January 2014 and DOS circular letter no. 26 dated 19 August 2019 issued by Bangladesh Bank, CZB 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 2024 is based on weekly ATDTL of October 2024). Reserve maintained by the Bank as at 31 December is as follows:

Required reserve (13% of ATDTL)	1,421,152,000	958,381,000
Actual reserve held	4,031,599,370	2,290,343,050
Surplus	2,610,447,370	1,331,962,050
3.c Actual reserve held		
Excess cash reserve (3.c.1)	103,256,230	39,844,579
Cash held	340,306,350	68,413,097
Balance with Sonali Bank	-	-
Unencumbered approved securities (HFT)	2,368,576,560	882,445,200
Unencumbered approved securities (HTM)	1,219,395,430	1,299,640,169
	4,031,534,570	2,290,343,045
3.c.1 Excess cash reserve:		
Balance with Bangladesh Bank *	540,534,230	334,731,579
Less: Required cash reserve on bi-weekly average basis	437,278,000	294,887,000
Excess of cash reserve as on the reporting date	103,256,230	39,844,579
*As per Bangladesh Bank Local & Foreign Currency Statement.		
4.0 Balance with other Banks and Financial Institutions		
Inside Bangladesh (4.1)	4,734,780,527	6,265,342,317
Outside Bangladesh	87,100,866	23,553,677
	4,821,881,393	6,288,895,994



Notes to the Financial Statements		31.12.2024 Taka	31.12.2023 Taka
4.1	Inside Bangladesh		
	In Current Deposit Accounts with:		
	Trust Bank PLC	2,010,891	1,980,896
	EXIM Bank PLC	2,710,939	1,148,974
		4,721,830	3,129,870
	In Special Notice Deposit Accounts with:		
	Sonali Bak PLC	11,858	12,912
	Agrani Bank PLC	356,105	266,114
	United Commercial Bank PLC	9,659,904	671,946
	Dutch Bangla Bank PLC	30,830	1,261,475
		10,058,697	2,212,447
	In Fixed Deposit/Placement Accounts with:		
	BRAC Bank PLC	-	1,400,000,000
	United Commercial Bank PLC	500,000,000	500,000,000
	Midland Bank PLC	-	500,000,000
	Community Bank Bangladesh PLC	-	650,000,000
	SBAC Bank PLC	600,000,000	900,000,000
	NRB Bank PLC	500,000,000	500,000,000
	NCC Bank PLC	-	700,000,000
	Jamuna Bank PLC	-	500,000,000
	EXIM Bank PLC	10,000,000	10,000,000
	Janata Bank PLC	500,000,000	-
	Meghna Bank PLC	500,000,000	-
	Bengal Commercial Bank PLC	100,000,000	-
	Modhumoti Bank PLC	100,000,000	-
	IPDC Finance Limited	660,000,000	600,000,000
	Lanka Bangla Finance Limited	450,000,000	-
	IDLC Finance Limited	800,000,000	-
		4,720,000,000	6,260,000,000
	Total	4,734,780,527	6,265,342,317
4.2	Outside Bangladesh		
	USD		
	Sonali Bangladesh UK Limited (SBUK)	246,359	225,829
	Habib American Bank, NY, USA	74,886,124	23,104,742
		75,132,482	23,330,571
	EURO		
	Sonali Bangladesh UK Limited (SBUK)	4,234,392	3,089
		4,234,392	3,089
	ACU		
	Sonali Bank - Kolkata	106,200	97,350
	AB Bank - Mumbai	6,643,633	122,668
	AXIS Bbank - India	984,158	-
		7,733,992	220,018
		87,100,866	23,553,677



Notes to the Financial Statements		31.12.2024 Taka	31.12.2023 Taka
4.3	Maturity grouping of balance with other banks and financial institutions		
	Up to 1 months	2,651,881,393	4,888,895,994
	More than 1 months to 3 months	600,000,000	1,400,000,000
	More than 3 months to 1 Year	1,570,000,000	-
	More than 1 year to 5 years	-	-
	More than 5 years	-	-
		4,821,881,393	6,288,895,994
5.0	Money at call on short notice	-	-
6.0	Investments	-	-
	Government securities (6.1)	3,588,036,792	2,182,195,769
	Other investments (6.2)	468,471,170	498,727,188
		4,056,507,962	2,680,922,957
6.1	Government Securities		
	Treasury Bills (6.1.1)	2,066,909,000	882,445,200
	Treasury Bonds (6.1.2)	1,229,407,492	1,299,640,169
	Bangladesh Bank Bill (6.1.3)	291,655,500	-
	Prize Bonds	64,800	110,400
		3,588,036,792	2,182,195,769
6.1.1	Treasury Bills		
	Treasury Bills HFT	2,066,909,000	882,445,200
	Treasury Bills HTM	-	-
		2,066,909,000	882,445,200
6.1.2	Treasury Bonds		
	Treasury Bonds HFT	10,012,060	-
	Treasury Bonds HTM	1,219,395,432	1,299,640,169
		1,229,407,492	1,299,640,169
6.1.3	Bangladesh Bank Bill		
	Bangladesh Bank Bill HFT	291,655,500	-
	Bangladesh Bank Bill HTM	-	-
		291,655,500	-
6.2	Other investments		
	Investment in quoted shares at cost		
	AAMRATECH	-	1,934,305
	AOL	9,418,290	10,017,647
	AOPLC	-	36,950
	BATBC	1,322,781	3,188,982
	BEXIMCO	26,598,444	23,933,780
	COPPERTECH	-	2,143,716
	LRBDL	-	2,131,693
	ORIONPHARM	18,083,775	33,314,717
	SQUARETEXT	3,523,870	3,523,870
	GP	-	4,803,102
	MPETROLEUM	-	13,698,425
	SANDHANIAMSF	2,502,000	-
	CITYBANK	2,270,530	-
	CITYGENINS	4,751,480	-
		68,471,170	98,727,188



Notes to the Financial Statements		31.12.2024 Taka	31.12.2023 Taka
	Investment in Subordinated Bond	400,000,000	400,000,000
	Dutch Bangla Bank PLC	400,000,000	400,000,000
7.0	Loans and advances	468,471,170	498,727,188
	Loans, cash credits, overdrafts etc.	8,134,413,729	4,377,189,873
	Bills purchased and discounted	138,367,851	6,378,063
		8,272,781,580	4,383,567,935
7.1	Loans, cash credits, overdrafts etc.		
	Inside Bangladesh		
	Loans - general	5,570,472,687	2,460,487,810
	Cash credit	558,230,480	513,617,486
	Overdraft	2,144,078,413	1,409,462,640
		8,272,781,580	4,383,567,935
	Outside Bangladesh	-	-
		-	-
7.2	Residual maturity grouping of loans and advances (including bills purchased & discounted)		
	On demand	250,007,424	324,931,517
	In not more than 1 month	1,073,763,414	554,269,569
	In more than 1 month but not more than 3 months	918,444,482	371,574,242
	In more than 3 months but not more than 1 year	5,179,246,193	2,608,443,849
	In more than 1 year but not more than 5 years	674,045,130	431,766,730
	In more than 5 years	177,274,936	92,582,028
		8,272,781,580	4,383,567,935
7.3	Loans and advances to Directors, executives and others		
	Advance to Directors and their allied concerns	274,590	-
	Advances to Managing Director & CEO	-	-
	Advances to other executives and staffs	46,885,109	47,208,461
	Advances to customers (Group wise)	2,931,692,231	1,745,990,743
	Industrial loans and advances	5,293,929,650	2,590,368,731
		8,272,781,580	4,383,567,935
7.4	Large loan details (Loans extended to any customer exceeding 10% of the Bank's total capital)		
	Amount of outstanding loans and advances	3,829,159,998	1,886,780,638
	Number of clients	20	6
		3,829,159,998	1,886,780,638

This amount represents total loans and advances (comprising funded and non funded facilities) to each customer exceeding BDT 401.92 million (limit / outstanding) which is equivalent to 10% of total capital of the bank as at 31 December 2024.



Name of Clients	Funded	Non-funded	Total Outstanding 31 December 2024
1) AA Synthetic Fibers Ltd.	609,562,940.6	2,000,000.0	611,562,940.6
2) City Polymers Limited	429,271,684.5	-	429,271,684.5
3) DHAKA SALT & CHEMICALS LTD.	-	-	-
4) MAX INFRASTRUCTURE LIMITED	365,237,056.6	38,800,000.0	404,037,056.6
5) RFL PLASTICS LIMITED	-	22,300,000.0	22,300,000.0
6) HR LINES LIMITED	-	-	-
7) NATIONAL DEVELOPMENT ENGINEERS LTD	95,228,953.2	102,700,000.0	197,928,953.2
8) UNIQUE CEMENT INDUSTRIES LTD.	-	-	-
9) AKIJ BIAx FILMS LIMITED	281,629,647.8	-	281,629,647.8
10) ESPRIT APPARELS LIMITED	102,995,303.6	81,100,000.0	184,095,303.6
11) SEAVIEW DRESSES LTD.	25,915,833.3	67,500,000.0	93,415,833.3
12) FASHION STEP LIMITED	-	-	-
13) ECHO SPINNING MILLS LTD	607,454,962.4	10,000,000.0	617,454,962.4
14) AZDA AGRO LTD.	616,781,533.0	-	616,781,533.0
15) EJ PAPER AND PACKAGING PVT.LTD.	270,498,750.0	-	270,498,750.0
16) M/S B S SYNDICATE	-	-	-
17) SINHA KNIT AND DENIMS LTD.	-	-	-
18) SINHA KNIT INDUSTRIES LTD.	-	-	-
19) P.N ENTERPRISE	-	-	-
20) AMIN BUSINESS LINK LTD.	100,183,333.3	-	100,183,333.3
Total	3,504,759,998	324,400,000	3,829,159,998



Notes to the Financial Statements		31.12.2024 Taka	31.12.2023 Taka
7.5	Industry-wise concentration of loans and advances (including bills purchased and discounted)		
	Agri and micro credit through NGO	510,496,859	1,124,773,587
	Commercial and trading	1,593,392,825	281,604,326
	Construction	460,466,010	50,511,986
	Chemical and fertilizer	102,675,278	286,658,778
	Electronics and electrical goods	29,432,340	-
	Consumer finance	176,330,255	97,347,060
	Metal and steel products	654,263,439	163,021,684
	Pharmaceutical industries	389,054,396	99,763,342
	Rubber and plastic industries	973,686,819	549,337,725
	Readymade garments industry	166,241,358	27,740,745
	Transport and e-communication	531,657	508,121,653
	Textile mills	963,350,803	3,606,887
	Other manufacturing or extractive industries	1,437,719,091	727,160,279
	Others	815,140,451	463,919,882
		8,272,781,580	4,383,567,935
7.5.1	Cluster base CMSME Financing		
	As of 31 December 2024 Citizens Bank PLC do not have any outstanding amount under Bangladesh Bank SMESPD circular no. 05 dated 14 August 2022.		
7.6	Sector - wise concentration of loans and advances (including bills purchased and discounted)		
	Government sector	-	-
	Public sector	-	-
	Private sector	8,272,781,580	4,383,567,935
		8,272,781,580	4,383,567,935
7.7	Geographic location-wise concentration of loans and advances (including bills purchased and discounted)		
	Inside Bangladesh		
	Dhaka Division	8,093,359,490	4,332,166,706
	Chattogram Division	150,048,598	36,298,157
	Sylhet Division	-	-
	Rajshahi Division	-	-
	Khulna Division	-	-
	Rangpur Division	-	-
	Barishal Division	-	-
	Mymensingh Division	29,373,492	15,103,072
		8,272,781,580	4,383,567,935



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					
	2024				2023	
	Outstanding amount (Taka)			Mix (%)	Total Outstanding amount (Taka)	Mix (%)
	Main Operation	Off-shore Banking Unit	Total			
Unclassified loans and advances						
<i>Standard (including staff loans)</i>	8,271,711,675	-	8,271,711,675	100%	4,383,567,935	100%
<i>Special mention account</i>	1,069,905	-	1,069,905	0%	-	-
Total unclassified loans and advances	8,272,781,580	-	8,272,781,580	100%	4,383,567,935	100%
Classified loans and advances						
<i>Substandard</i>	-	-	-	0%	-	-
<i>Substandard MC</i>	-	-	-	0%	-	-
<i>Doubtful</i>	-	-	-	0%	-	-
<i>Bad/loss</i>	-	-	-	0%	-	-
Total classified loans and advances	-	-	-	0%	-	-
Total loans and advances	8,272,781,580	-	8,272,781,580	100%	4,383,567,935	100%

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 2024 (Taka)	Base for provision (Taka)	Percentage (%) of provision required as per Bangladesh Bank's directives	Amount of provision required as at 31 December 2024 (Taka)	Amount of provision required as at 31 December 2023 (Taka)
Unclassified loans and advances					
All unclassified loans (other than loans under small and medium enterprise, consumer financing and short term agricultural credit)	6,252,261,232	6,252,261,232		62,522,612.32	28,014,430
Small and medium enterprise financing	1,702,990,082	1,702,990,082	0.25%	4,257,475	3,229,771
Consumer financing (other than housing finance under consumer financing scheme)	177,696,199	177,696,199		3,553,924	1,998,126
Consumer Financing (for professionals)	1,169,684	1,169,684	2%	23,394	50,024
Consumer financing (for housing finance)	91,715,188	91,715,188	1%	917,152	548,962
Loans to BHs/MBs/SDs	4,552,623	4,552,623	1%	45,526	1,320,550
Short term agricultural credit	41,326,667	41,326,667	1%	413,267	8,580
Micro credit	-	-	1%	-	-
	8,271,711,675	8,271,711,675		71,733,350	35,170,442
Special mention account					
All unclassified loans (other than loans under small enterprise and consumer financing)	-	-	1%	-	-
Small & Medium enterprise financing	-	-	0.25%	-	-
Consumer financing (other than housing finance under consumer financing scheme)	1,069,905	1,069,905	2%	21,398	-
Consumer Financing (Credit Card)	-	-	2%	-	-
Consumer financing (for housing finance)	-	-	1%	-	-
	1,069,905	1,069,905		21,398	-
Sub-total General Provision [A]	8,272,781,580	8,272,781,580		71,754,749	35,170,442



Notes to the Financial Statements		31.12.2024 Taka	31.12.2023 Taka
Opening Balance		-	-
Amount written off during the year:		-	-
Principal amount		-	-
Interest suspense		-	-
Balance of written off loans and advances		-	-
8.0 Fixed assets including land, building, furniture and fixtures			
At Cost			
Furniture and fixture		29,642,229	21,228,665
Interior Decoration		66,194,541	45,759,914
Office equipment		38,094,303	25,722,990
Motor vehicles		76,287,467	67,163,671
Computer & computer equipment's		93,467,356	76,478,839
ATM Booth		11,789,000	6,669,000
Imported computer software		60,080,174	36,653,374
Right of use of assets		668,830,417	467,599,120
Total Cost		1,044,385,486	747,275,573
Accumulated depreciation and amortization		268,125,667	148,457,060
Written down value at the end of the year		776,259,819	598,818,513
8.1 A schedule of Fixed Assets is given in Annexure - B			
Right of Use (RoU) assets comprise of lease liabilities which is the present value of lease payments against rented premises less incentive plus initial direct payment and dismantling cost etc. Any contractual obligation for use of any rented/leased premises or assets for a period exceeding twelve months and/or exceeding the threshold for low value asset and substantially risks and benefits related to ownership of those rented premises/assets transfer to the bank are recognized as RoU assets as per IFRS 16 'Leases'.			
9.0 Other Assets			
Advance Rent		-	16,575,120
Advance for Fixed Assets		21,477,157	14,459,092
Advance Income Tax (Note-9.1)		166,115,907	100,738,723
Excise Duty Receivable		4,853,750	3,034,100
Dividend Receivable		802,620	2,807,459
Stationaries		4,052,146	5,340,433
Prepaid Expenses		6,000	1,204,591
Deferred Tax Asset (Note-9.2)		3,795,432	-
Balance with UCB Capital Management		7,084,469	556,611
Receivable from MFS		3,506,978	1,450,855
Interest Receivable (Note-9.3)		51,260,327	67,287,716
		262,954,786	213,454,699
9.1 Advance Income Tax			
Opening balance		100,738,723	55,700,127
Paid during the year		65,377,184	45,038,595
Closing balance		166,115,907	100,738,723
9.2 Deferred tax assets			
Opening balance		-	-
Addition / Adjustment during the year		3,795,432	-
Closing balance		3,795,432	-
Deferred tax liability / (Assets)			
i. Temporary timing difference in written down value of fixed assets			
Carrying amount of fixed assets		244,847,033	-
Tax base		254,335,612	-
Taxable temporary difference		(9,488,579)	-
Tax rate		40.00%	40.00%
Deferred tax liability / (Assets)		(3,795,432)	-



Notes to the Financial Statements		31.12.2024 Taka	31.12.2023 Taka
ii. Temporary timing difference for employee benefit fund		-	-
Employees Provident fund, Gratuity, ESSF		-	-
Tax base		-	-
Taxable temporary difference		-	-
Tax rate		40.00%	40.00%
Deferred tax liability		-	-
Total Deferred tax liability // (Assets) (i+ii)		(3,795,432)	-
9.3	Interest Receivable		
	Interest receivable from government security	25,322,339	34,472,069
	Interest receivable from loans & advances	552,767	930,704
	Interest receivable from placement	25,385,221	31,884,943
		51,260,327	67,287,716
10.0	Non-banking assets		
Non-banking asset (NBA) is acquired due to failure of borrower to repay the loan in time taken against mortgaged properties. NBA is recognised in the financial statements on the basis of third party valuation and in compliance with the NBA Policy guided by Bangladesh Bank (BRPD circular no. 22 dated 20 September 2021). As on the reporting date, the Bank has no NBA.		-	-
11.0	Borrowing from other banks, financial institutions and agents:		
	In Bangladesh	36,599,259	25,000,000
	Outside Bangladesh	-	-
		36,599,259	25,000,000
12.0	Deposit and other accounts		
	Local bank deposits	1,773,722,399	-
	Customer and other deposits (Note 12.1)	12,517,769,634	10,050,570,500
	Total deposit and other accounts	14,291,492,033	10,050,570,500
12.1	Customer and other deposits		
	Current accounts and other accounts	1,301,028,175	2,404,984,867
	Bills payable	65,327,054	28,882,559
	Saving deposits	285,492,714	175,863,488
	Fixed deposits	10,865,921,691	7,440,839,586
	Other deposits	-	-
	Total deposit and other accounts	12,517,769,634	10,050,570,500
12.2	Maturity analysis of deposits		
	Payable on demand	432,661,234	204,891,546
	Up to 1 month	3,978,994,508	2,120,020,790
	Over 1 month but within 6 months	4,694,462,535	2,469,878,236
	Over 6 months but within 1 year	4,660,851,481	5,096,843,414
	Over 1 year but within 5 years	472,132,309	135,175,200
	Over 5 years but within 10 years	49,806,043	23,334,046
	Over 10 years	2,583,923	427,268
		14,291,492,033	10,050,570,500
12.3	Sector - wise concentration of Deposits and other accounts		
	Government sector	1,614,657,298	1,028,577,321
	Other public sector	-	1,589,127,013
	Private sector	12,676,834,735	7,432,866,167
		14,291,492,033	10,050,570,500



Notes to the Financial Statements	31.12.2024 Taka	31.12.2023 Taka
13.0 Other Liabilities		
Provision for Current Tax	114,157,602	46,896,112
Provision for Deferred Tax (13.2)	-	7,114,387
Provision for Loans & Advances	71,754,749	35,179,834
Provision for investments	15,197,158	11,029,816
Provision for off-balance sheet exposure	10,961,677	2,305,316
Other Provisions	-	676,763
Accrued Expenses Payable (13.1)	45,364,275	35,568,678
Lease liabilities (present value of lease payments)	472,066,464	352,576,831
	729,501,924	491,347,735
13.1 Accrued Expenses Payable		
Accounts Payable against purchase & procurements	9,157,937	6,545,816
Audit Fee Payable	230,000	230,000
Privileged creditors (payable to government)	33,703,369	27,564,829
Payable to Banglades Bank	22,989	24,888
MFS Payable	-	1,191,745
Insurance premium payable	11,400	11,400
Card Payable	213,514	-
Remittance Payable	1,141,724	-
Un-earned revenue	7,906	-
BEFTN Payable	153,973	-
Interbranch A/C	21,979	-
Gratuity Payable	699,485	-
	45,364,275	35,568,678
13.2 Deferred tax Liability (Assets)		
Opening balance	7,114,387	10,026,366
Addition / Adjustment during the year	(7,114,387)	(2,911,979)
Closing balance	-	7,114,387
Deferred tax liability / (Assets)		
i. Temporary timing difference in written down value of fixed assets		
Carrying amount of fixed assets	-	205,556,890
Tax base	-	197,079,447
Taxable temporary difference	-	8,477,443
Tax rate	40.00%	40.00%
Deferred tax liability / (Assets)	-	3,390,977
ii. Temporary timing difference for employee benefit fund		
Employees Provident fund, Gratuity, ESSF	-	9,308,524
Tax base	-	-
Taxable temporary difference	-	9,308,524
Tax rate	40.00%	40.00%
Deferred tax liability	-	3,723,410
Total Deferred tax liability // (Assets) (i+ii)	-	7,114,387
14.0 Share Capital		
14.1 Authorized Capital		
Authorized Capital is the maximum amount of share capital that the bank is authorized by its Memorandum & Article of Association to issue to shareholders.		
1,000,000,000 ordinary shares of Tk. 10 each	10,000,000,000	10,000,000,000



Notes to the Financial Statements

31.12.2024
Taka

31.12.2023
Taka

14.2 Issued, subscribed and fully paid up capital

400,000,000 ordinary shares of Taka 10 each issued for cash

4,000,000,000

4,000,000,000

4,000,000,000

4,000,000,000

As per letter ref: BRPD(LS-1)/745(74)/2024-6530 dated: 28 July 2024 Bangladesh Bank extended the timeframe upto 02-07-2026 to rise paid up capital to Tk. 500.00 crore.

14.3 Capital to risk-weighted asset ratio (CRAR)

As per the 'Revised Guidelines on Risk Based Capital Adequacy (RBCA)' issued by Bangladesh Bank in December 2014, all scheduled banks are required to calculate Capital to Risk Weighted Assets Ratio based on 'Solo' as well as 'Consolidated' basis since early 2015. Here, regulatory capital base is quite different from accounting capital. Regulatory capital consists of Tier-1 (Common Equity Tier 1 and Additional Tier 1) and Tier 2 capital. Assessing regulatory capital in relation to overall risk exposures of a bank is an integrated and comprehensive process. Besides regulatory capital requirement, the Bank maintains surplus capital which will act as buffer for absorbing all material risks and to support foreseen business growth activities.

In terms of section 13(2) of the Bank Company Act, 1991 (Amendment up to date) and Bangladesh Bank BRPD Circular no. 18 dated 21 December 2014, required capital of the Bank at the close of business on December 31, 2024 is Taka 4,000,000,000 (As per letter ref: BRPD(LS-1)/745(74)/2024-6530 dated: 28 July 2024 Bangladesh Bank extended the timeframe upto 02-07-2026 to rise paid up capital to Tk. 500.00 crore.) as against available Total Tier-I Capital of Taka 4,042,797,115 and Total Tier-2 Capital available of Taka 82,716,426 that is, a total of Taka 4,125,513,541 thereby showing a surplus capital of Taka 125,513,541 at that date. Details are shown below:

Common Equity Tier -1 Capital

Fully Paid-up Capital/Capital Deposited with BB

4,000,000,000

4,000,000,000

Statutory reserve

37,403,962

18,240,964

Non-repayable share premium account

-

-

General Reserve

-

-

Retained earnings

5,393,154

(14,907,166)

Minority interest in Subsidiaries

-

-

Non-Cumulative irredeemable Preferences shares

-

-

Dividend Equalization Account

-

-

4,042,797,115

4,003,333,798

Regulatory adjustment:

Goodwill and all other Intangible Assets

-

-

Shortfall in provisions required against Non Performing Loans (NPLs)

-

-

Shortfall in provisions required against investment in shares

-

-

Remaining deficit on account of revaluation of investments in securities

-

-

after netting off from any other surplus on the securities.

-

-

Deferred Tax Assets (DTA)

-

-

Defined benefit pension fund assets

-

-

Gain on sale related to securitization transactions

-

-

Investment in own CET-1 Instruments/Shares

-

-

Reciprocal crossholdings in the CET-1 capital of Banking, Financial and Insurance Entities

-

-

Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991.

-

-

Investments in subsidiaries which are not consolidated- 50% of Investment - Other if any

-

-

Total Common Equity Tier-I Capital

4,042,797,115

4,003,333,798

Additional Tier-I Capital

-

-

Total Tier-1 Capital

4,042,797,115

4,003,333,798



Notes to the Financial Statements	31.12.2024 Taka	31.12.2023 Taka
Tier -2 Capital		
General Provision/General loan-loss reserve	82,716,426	37,485,149
All other preference shares	-	-
Subordinated debt/Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital (as per Annex 4 of Basel III Guidelines)	-	-
Non-controlling interest	-	-
HO borrowings in foreign currency received that meet the criteria of Tier 2 debt capital	-	-
Other (if any item approved by Bangladesh Bank)	-	-
Sub-Total	82,716,426	37,485,149
Regulatory adjustments:		
Revaluation Reserves for Fixed Assets, Securities & Equity Securities	-	-
Investment in own T-2 Instruments/Shares	-	-
Reciprocal crossholdings in the T-2 capital of Banking, Financial and Insurance Entities	-	-
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991. (50% of Investment)	-	-
Investments in subsidiaries which are not consolidated- 50% of Investment	-	-
Other (if any)	-	-
Total Tier-2 Capital Available	82,716,426	37,485,149
Maximum limit of Tier-2 Capital (Tier 2 Capital can be maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is Lower)	3,593,642,356	3,558,563,413
Excess amount over maximum limit of Tier 2 Capital		
Total admissible Tier 2 Capital	82,716,426	37,485,149
Total Eligible Capital	4,125,513,541	4,040,818,947
Total assets including off-Balance Sheet items	20,817,267,686	14,939,733,155
Total risk-weighted assets (RWA)	9,054,779,184	5,303,734,661
Total required capital (12.50% of Total RWA)	4,000,000,000	4,000,000,000
Capital Surplus / (Shortfall)	125,513,541	40,818,947
Capital to Risk Weighted Assets Ratio (CRAR)	45.56%	76.19%
15.0 Statutory reserve		
Balance at the beginning of the year	18,240,964	17,813,962
Add: Transferred from profit during the year	19,162,998	427,002
	37,403,962	18,240,964
16.0 Other reserve		
Balance at the beginning of the year	-	-
Add: Transferred from profit during the year	-	-
	-	-
17.0 Surplus in profit and loss account/ retained earnings		
Balance at the beginning of the year	(14,907,166)	1,003,426
Profit/(Loss) for the year	39,463,317	(15,483,590)
Transfer to statutory reserve	(19,162,998)	(427,002)
	5,393,154	(14,907,166)
18.0 Contingent liabilities		
Acceptance and endorsements	253,925,356	11,918,747
Letters of guarantee	447,364,438	131,524,304
Irrevocable letters of credit	394,877,821	85,887,267
Bills for collection	619,621,273	139,883,696
Other contingent liabilities	-	-
	1,715,788,888	369,214,014



Notes to the Financial Statements	31.12.2024 Taka	31.12.2023 Taka
19.0 Profit and Loss Account		
Income:		
Interest, discount and similar income	1,801,606,433	888,047,677
Dividend income	1,792,729	3,081,779
Fees, commission and brokerage	66,643,606	23,853,444
Income from non-banking assets	-	-
Other operating income	15,801,575	8,289,681
Profit less losses on interest rate changes	-	-
	1,885,844,344	923,272,582
Expenses:		
Interest, fees and commission	1,098,428,732	452,766,505
Administrative expenses	343,808,849	268,009,884
Other operating expenses	175,676,580	85,065,343
Depreciation on banking assets	123,393,339	84,290,118
	1,741,307,500	890,131,851
	144,536,844	33,140,731
20.0 Interest income		
Interest Income from Loans & Advances	1,068,447,047	343,902,309
Interest Income from SND with other Banks	168,911	102,343
Interest Income from placement with banks and Financial Institutions	298,322,060	349,270,989
Interest from Bangladesh Bank	1,152,059	206,653
	1,368,090,076	693,482,295
21.0 Interest paid on deposits and borrowings		
Interest on deposit accounts	996,257,452	356,156,446
Interest on Govt. Securities	62,000,000	71,169,840
Interest on borrowings	40,171,279	25,440,219
	1,098,428,732	452,766,505
22.0 Investment income		
Interest on treasury bills and bonds	387,782,658	193,637,821
Interest on bond	45,733,699	927,562
Dividend on shares	1,792,729	3,081,779
Gain on trading shares (Realized)	-	-
	435,309,086	197,647,162
23.0 Commission, exchange and brokerage		
Commission	19,695,425	5,007,080
Exchange gain	46,948,181	18,846,364
Brokerage fees	-	-
	66,643,606	23,853,444
24.0 Other operating income		
Service Charge & Fees Income	15,801,575	8,289,681
	15,801,575	8,289,681
25.0 Salary & allowances (excluding those of Managing Director & CEO)		
Basic salary of officers	122,919,471	93,336,092
Other salary & allowances	99,761,556	79,049,683
Festival Bonus	20,116,403	14,937,921
Incentive Bonus	1,678,076	-
Provident fund contribution	11,086,422	8,530,621
Gratuity	699,485	-
	256,261,413	195,854,317



Notes to the Financial Statements	31.12.2024 Taka	31.12.2023 Taka
26.0 Rent, taxes, insurance, utilities etc.		
Rents, rates and taxes - Premises	12,005,370	9,477,916
Insurance premium	6,049,016	4,680,975
Utilities	10,121,371	5,514,465
Generator Fuel	638,880	231,542
	28,814,637	19,904,898
*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 93.61 million in 2024 against rented premises treated as lease assets and shown in the balance sheet as RoU assets under note 8.		
27.0 Postage, stamp, telecommunication etc.		
Postage	227,225	95,710
Telephone - office	552,248	428,767
Network link, Internet and Data Center maintenance cost	6,019,574	5,177,066
SWIFT Charge	116,928	5,449,875
	6,915,975	11,151,418
28.0 Stationery, printing, advertisement etc.		
Printing and stationery	15,551,411	10,893,230
Advertisement	16,542,582	17,534,280
	32,093,993	28,427,510
29.0 Managing Director's salary and allowances		
Basic salary	8,379,032	7,779,032
Allowances	2,303,650	1,899,606
Bonus (Festival)	1,400,000	1,300,000
Incentive Bonus	1,000,000	-
Bank's contribution to provident fund	54,516	777,903
Gratuity Benefit	3,900,000	-
Servival Benefit	850,000	-
	17,887,198	11,756,541
30.0 Directors' fees and expenses		
Directors' fees	1,835,634	915,200
Meeting expenses	-	-
	1,835,634	915,200
Directors' fees includes fees for attending the meeting of the Board, Executive Committee, Audit Committee, Risk Management Committee. Each director of the Bank was paid BDT8,000 (including VAT) per board or board committee meeting attended in 2022 as per BRPD circular letter no. 11 dated 4 October 2015.		
31.0 Repairs, maintenance and depreciation		
Depreciation		
Furniture and Fixture	3,009,581	2,823,463
Interior Decoration	8,414,958	3,860,740
Office Equipment	4,384,656	3,701,858
Motor Vehicles	14,523,739	11,086,800
Computer & Computer Equipment	17,613,080	14,792,123
ATM Booth	2,210,900	1,270,900
Computer Software	7,832,592	4,163,645
Lease ROUA of Office Rent	65,403,833	42,590,589
	123,393,339	84,290,118
Repairs, maintenance and spare parts		
Repairs of Fixed Assets	563,477	328,046
	563,477	328,046
	123,956,816	84,618,164



Notes to the Financial Statements	31.12.2024 Taka	31.12.2023 Taka
32.0 Other expenses		
Car tax, token, registration	2,806,779	2,211,775
Business travelling and conveyance	24,913,701	17,211,258
Petrol, Oil and Lubricant	713,693	778,685
Bank charges	30,536,327	8,653,353
Fees and subscriptions	1,674,590	1,390,000
Entertainment and recreation	4,619,184	5,409,171
Cleaning & Security service	28,577,188	16,566,298
Recruitment and training expenses	608,680	160,745
Professional fees	2,118,653	1,359,006
Credit Rating Fees	107,500	215,000
Interest expenses of Office Rent Lease	28,205,392	19,880,354
ADC Expenses	15,093,623	5,660,038
Loss from Share Trading	32,008,123	933,530
Exchange & Revaluation Loss	2,899,671	3,963,086
	174,883,103	84,392,297
33.0 Provision For loans and advances:		
For classified loans and advances	-	-
For unclassified loans and advances	36,574,916	28,187,972
For off balance sheet items	8,656,361	2,305,316
	45,231,277	30,493,288
34.0 Provision for diminution in value of Investments		
Diminution in value of Investments	4,167,342	(164,329)
	4,167,342	(164,329)
35.0 Provision for Others		
Provision for Other Assets	(676,763)	676,763
	(676,763)	676,763
36.0 Provision for Taxation		
36.1 Current tax expense		
Current year	67,261,490	20,530,579
	67,261,490	20,530,579
36.2 Deferred tax expense/(income)		
Net deferred Tax liability/(asset) originated for temporary differences	(3,795,432)	7,114,387
Pervious years balance	(7,114,387)	10,026,366
	(10,909,818)	(2,911,979)
37.0 Earnings per share		
Earnings per share (EPS) has been computed by dividing the profit after tax (PAT) by the weighted average number of ordinary shares outstanding as on 31 December 2024 as per IAS 33: Earnings per share.		
Profit after taxation	39,463,317	(15,483,590)
Profit attributable for distribution to ordinary shareholders	39,463,317	(15,483,590)
Weighted average number of shares outstanding	400,000,000	400,000,000
Earnings per share (EPS)	0.10	(0.04)
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 2024.		
38.0 Net Asset Value (NAV) Per Share		
Total Shareholders Equity [numerator]	4,043,885,582	4,003,600,906
Number of ordinary shares outstanding [denominator]	400,000,000	400,000,000
Net Asset Value (NAV) Per Share	10.11	10.01
39.0 Net Operating Cash Flow Per Share (NOCFPS)		
Net cash from operating activities [numerator]	466,477,060	3,795,914,069
Number of ordinary shares outstanding [denominator]	400,000,000	400,000,000
Net operating cash flow per share (NOCFS)	1.17	9.49



Notes to the Financial Statements

31.12.2024
Taka

31.12.2023
Taka

40.0 Cash and cash equivalent

Cash in hand (Including foreign currency)

911,093,257

404,859,042

Money at call

-

-

Balance with other banks and financial institutions

4,821,881,393

6,288,895,994

41.0 Related Party Transactions

5,732,974,650

6,693,755,037

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 2024 is given below:

Name of Organization	Relationship	Service Type	Transaction Amount (Tk.)
Modele De Capital Ind. Ltd.	Sponsor Shareholder	Office Rent	3,870,000
NRG Printing and Packaging Limited	Sponsor Shareholder	Import LC issue	8,387,500
Chowdhury Mohammed Hanif Shoeb	Sponsor Shareholder	Credit Card	275,000

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

Profit before provision	144,536,844	33,140,731
Depreciation on fixed assets	123,393,339	84,290,118
Gain/loss on sale of fixed assets	-	-
Charges on loan losses	-	-
Adjustment of provision for loans and advances	-	-
Increase of interest & dividend receivable	18,924,286	(31,238,232)
Increase of interest payable	-	-
Increase of accrued expenses	-	-
Increase of advance expenses	-	-
Advance tax paid	(65,377,184)	(45,038,595)
Effects of the change of exchange rate on cash & cash equivalent	(44,206,175)	(9,909,950)
Operating profit before changes in operating assets and liabilities	177,271,110	31,244,073
Increase/(decrease) in operating assets and liabilities		
Statutory deposits	-	-
Purchase /sale of trading securities	-	-
Loans and advances to other banks	-	-
Loans and advances to customers	(3,889,213,645)	(3,397,318,799)
Other assets	(203,386,428)	(67,616,158)
Deposits from other banks/Borrowings	11,599,259	25,000,000
Deposits from customers	4,240,921,532	7,143,664,952
Other liabilities account of customers	-	-
Other liabilities	129,285,231	60,940,002
Net cash from operating activities	466,477,060	3,795,914,070

42.0 Reconciliation of effective tax rate

Particulars	Effective Rate	31-Dec-2024	Effective Rate	31-Dec-2023
Profit before income taxes as per profit & loss account		144,536,844		33,140,731
Income for separate consideration (dividend income)		(1,792,729)		(3,081,779)
Income taxes as per applicable tax rate	40.00%	57,097,646	40.00%	12,023,581
Factors affecting the tax charge in current year				
Inadmissible expenses	18.42%	26,627,808	62.24%	20,626,004
admissible expenses in the current year	-11.64%	(16,822,841)	-38.43%	(12,735,361)
Tax from reduced tax rates for dividend	0.25%	358,546	1.86%	616,356
Tax from reduced tax rates for capital gain				
Effect of deferred tax income	-7.55%	(10,909,818)	-8.79%	(2,911,979)
Total income tax expenses	39.48%	56,351,671	56.88%	17,618,600



Citizens Bank PLC
Highlights on the overall activities
As at 31 December 2024

Annexure - A

Amount in Taka

Sl. No.	Particulars	2024	2023
1	Paid-up Capital	4,000,000,000	4,000,000,000
2	Total Capital	4,043,885,582	4,003,600,906
3	Capital (deficit)/surplus	43,885,582	3,600,906
4	Total Asset	19,101,478,798	14,570,519,141
5	Total Deposit	14,291,492,033	10,050,570,500
6	Total loans and advances	8,272,781,580	4,383,567,935
7	Total contingent liabilities and commitments	1,715,788,888	369,214,014
8	Credit deposit ratio	57.89%	43.62%
9	Percentage of classified loans against total loans and advances	-	-
10	Profit after tax and provision	39,463,317	(15,483,590)
11	Amount of classified loans during the year	-	-
12	Provisions kept against classified loans	-	-
13	Provision surplus against classified loans	-	-
14	Cost of fund	11.45%	7.86%
15	Interest earning assets	16,980,818,372	13,225,763,705
16	Non-interest earning assets	2,520,660,425	1,744,755,436
17	Return on Investments (ROI) [PAT/(Shareholders' equity + Borrowing)]	0.97%	-0.38%
18	Return on Assets (ROA) [PAT/ Average assets]	0.23%	-0.14%
19	Income from investment	435,309,086	197,647,162
20	Earnings Per Share (EPS)	0.11	(0.04)
21	Net Income Per Share	0.10	(0.04)
22	Price-Earning (P/E) Ratio (times)	Not applicable	Not applicable



Citizens Bank PLC

Schedule of Fixed Assets

Annexure - B

Amount in Taka

Particulars	Cost					Accumulated Depreciation & Amortization				Net book value at 31 December 2024
	Balance on 01 January 2024	Additions during the year	Disposals during the year	Balance at 31 December 2024	Balance on 01 January 2024	Charge for the year	On disposals during the year	Balance at 31 December 2024		
Furniture and Fixture	21,228,665	8,413,564		29,642,229	3,449,149	3,009,581		6,458,730	23,183,499	
Interior Decoration	45,759,914	20,434,627		66,194,541	4,256,985	8,414,958		12,671,943	53,522,598	
Office Equipment	25,722,990	12,371,313		38,094,303	4,816,201	4,384,656		9,200,857	28,893,446	
Motor Vehicles	67,163,671	18,675,000	9,551,204	76,287,467	19,885,995	14,523,739	3,724,732	30,685,002	45,602,465	
Computer & Computer Equipment's	76,478,839	16,988,516		93,467,356	31,861,402	17,613,080		49,474,483	43,992,873	
ATM Booth	6,669,000	5,120,000		11,789,000	1,412,350	2,210,900		3,623,250	8,165,750	
Computer Software	36,653,374	23,426,800		60,080,174	7,036,447	7,832,592		14,869,038	45,211,136	
Right of Use of Assets - Office Rent	467,599,120	201,231,297		668,830,417	75,738,530	65,403,833		141,142,363	527,688,054	
At 31 December 2024	747,275,573	306,661,117	9,551,204	1,044,385,486	148,457,060	123,393,339	3,724,732	268,125,667	776,259,819	

Amount in Taka

Particulars	Cost					Accumulated Depreciation & Amortization				Net book value at 31 December 2023
	Balance on 01 January 2023	Additions during the year	Disposals during the year	Balance at 31 December 2023	Balance on 01 January 2023	Charge for the year	On disposals during the year	Balance at 31 December 2023		
Furniture and Fixture	10,450,657	10,778,008		21,228,665	625,686	2,823,463		3,449,149	17,779,516	
Interior Decoration	9,877,736	35,882,178		45,759,914	396,246	3,860,740		4,256,985	41,502,929	
Office Equipment	7,067,527	18,655,463		25,722,990	1,114,343	3,701,858		4,816,201	20,906,788	
Motor Vehicles	49,224,367	22,419,037	4,479,733	67,163,671	10,200,228	11,086,800	1,401,033	19,885,995	47,277,676	
Computer & Computer Equipment's	61,580,948	14,897,892		76,478,839	17,069,279	14,792,123		31,861,402	44,617,437	
ATM Booth	2,279,000	4,390,000		6,669,000	141,450	1,270,900		1,412,350	5,256,650	
Computer Software	27,862,797	8,790,577		36,653,374	2,872,802	4,163,645		7,036,447	29,616,927	
Right of Use of Assets - Office Rent	408,339,427	59,259,693		467,599,120	33,147,941	42,590,589		75,738,530	391,860,590	
At 31 December 2023	576,682,459	175,072,847	4,479,733	747,275,573	65,567,975	84,290,118	1,401,033	148,457,060	598,818,512	



BRANCH NETWORK



OUR BRANCHES

Principal Branch Chini Shilpa Bhaban 2, 76, Motijheel C/A, Dhaka-1000	Narayanganj Branch 207/5, Bangabondhu Road Narayanganj-1400	Gulshan Corporate Branch Amanullah Trade Center 26 (New), 2nd Floor, Gulshan Avenue Circle-02, Gulshan-02, Dhaka-1212	Sonakanda Branch Natun Sonakanda Bus Stand Syedpur (BSCIC) Area, Ruhitpur, Keranigonj, Dhaka.
Dhanmondi Branch Mullick House 48 Satmasjid Road, Dhanmondi, Dhaka.	Uttara Branch Liberty Tower, House-19 Road-02, Sector-03, Uttara, Dhaka.	Ashulia Branch Rashid Complex, Bogabari Bus Stand Dhamsona, Ashulia, Savar, Dhaka	Mouchak Branch Siddique Shopping Complex Mouchak, Kaliakoir, Gazipur.
Bhulta Branch Mahattom Shopping Center Golakandil, Bhulta, Rugganj, Narayanganj.	Imamganj Branch 2nd Floor, Joinal Tower 31-33 Roy Ishwar Chandra Shil Bahadur Street Imamganj, Dhaka.	Badda Sub-Branch 1st Floor, La 60/A, Middle Badda Pragati Sharani, Gulshan, Dhaka.	Mirpur Sub-Branch 1st Floor, 143/Begum Rokeya Sarani Sen Para, Mirpur-10, Dhaka.
Panchrukhi Sub-Branch 2nd Floor, Ohi Tower, Panchrukhi Bazar Araihasar, Narayanganj.	Nayanpur Bazar Branch Abdul Goni Tower, Nayanpur Bazar Kasba, Brahmanbaria.	Seed Store Bazar Branch Seed Store Bazar, Valuka Mymensingh.	Cumilla Branch Bashu Bhaban, Holding No # 615/682 Jhawtola Main Road, Cumilla.
Feni Branch 1st Floor, Feni Tower 291/1 Shahid Sohidullah Kaiser Sharak Feni Shadar, Feni.	Agrabad Branch 2nd Floor, H&M Tower 23 Agrabad C/A, SK Mujib Road, Chattogram.	Chowdhuryhat Branch (1st Floor), Al-Saleh Supermarket (Yakub Market) Chowdhuryhat, Hathazari, Chattogram.	Kasba Sub-Branch Janata Tower, 1st Floor, Kasba Sadar, Brahmanbaria.



MEETING AT CHAIRMAN'S INVITATION



Citizens Bank PLC. arranged a business session at Hotel Westin, Dhaka titled as 'Chairman's Invitation' with a view to having better insights regarding the overall health of the bank in alignment with the targets as set for the management and opportunities/challenges in the banking and financial landscape of the country. Mr. Chowdhury Mohammed Hanif Shoeb, Chairman of the bank was present on the occasion as chief guest while Mr. Mohammad Masoom, Managing Director of the Bank presided over the meeting. Honorable Chairman of the bank has given strategic guidance, way outs to steer the overall affairs of the bank in the right direction towards sustainable growth keeping high on the agenda to be the preferred bank as one of the safest custodians of the public deposits.

ANNUAL RISK CONFERENCE 2024



Citizens Bank PLC. arranged "Annual Risk Conference – 2024" attended by divisional heads, branch managers and other officials of the bank held at its head office at Motijheel. Mr. Mohammad Masoom, Managing Director & CEO of the bank presided over the conference.



ANNUAL BUSINESS REVIEW AND WAY FORWARD STRATEGY MEETING



Citizens Bank PLC. arranged “Annual Business Review and way forward strategy meeting” at its head office at Motijheel. In the meeting a threadbare discussion was held on different aspects of banking operations, business development in the present overall macroeconomic context. Mr. Md. Mostafizur Rahman, Managing Director (current charge) of the bank presided over the meeting. Besides, Mr. Md. Abdul Latif, Deputy Managing Director; Mr. Md. Waheed Imam, SEVP & Company Secretary; Mr. Md. Saiful Islam, Chief Financial Officer, divisional heads and branch managers were present in the meeting.



INAUGURATION CEREMONY OF BRANCH

Mr. Mohammad Masoom, Managing Director & CEO of Citizens Bank PLC. formally inaugurated bank's branch at Agrabad, Chattogram in presence of local elites, prominent business persons and other senior officials of the bank.



Mr. Mohammad Masoom, Managing Director & CEO of Citizens Bank PLC. formally inaugurated bank's branch at Imamganj, Dhaka in presence of Mr. S M Shofiquel Hoq one of the directors of the bank, local elites, prominent business persons and other senior officials of the bank.



INAUGURATION CEREMONY OF BRANCH

Mr. Mohammad Masoom, Managing Director & CEO of Citizens Bank PLC. formally inaugurated bank's branch at Feni in presence of Mr. Ismail Hossain, Assistant District Commissioner, Feni, local elites, prominent business persons and other senior officials of the bank.



Mr. Mohammad Masoom, Managing Director & CEO of Citizens Bank PLC. formally inaugurated Mirpur Sub-Branch at Mirpur-10, Dhaka. Local elites and valued clients and other officials of the bank were also present on the occasion.



INAUGURATION CEREMONY OF BRANCH

Mr. Mohammad Masoom, Managing Director & CEO of Citizens Bank PLC. formally inaugurated Badda Sub-Branch at middle Badda, Dhaka. Local elites and valued clients and other officials of the bank were also present on the occasion.



Mr. Md. Mostafizur Rahman, Managing Director (Current Charge), Citizens Bank PLC. formally inaugurated Panchrukhi Sub Branch at Arahazar, Narayanganj in presence of Mr. Md. Abdul Latif, Deputy Managing Director, Mr. Md. Waheed Imam, SEVP & Company Secretary and other high officials of the bank. Besides, local businessmen across the different segments and elites/professionals were also present on the occasion.



INAUGURATION CEREMONY OF BRANCH

Mr. Md. Mostafizur Rahman, Managing Director (Current Charge), Citizens Bank PLC. formally inaugurated Chowdhuryhat Branch at Hathazari, Chattogram in presence of Mr. Md. Abdul Latif, Deputy Managing Director, Mr. Borhan Uddin Chowdhury, Manager, Agrabad Branch and other high officials of the bank. Besides, local businessmen across the different segments and elites/professionals were also present on the occasion.



Mr. Md. Abdul Latif, Deputy Managing Director, Citizens Bank PLC. formally inaugurated ATM Booth at BSCIC, Narayanganj to facilitate the employees of NR Group under the Payroll agreement on recently. Among others, Mr. Md. Waheed Imam, SEVP & Company Secretary, Citizens Bank, Mr. Md. Nurul Islam, Head of NRG knit composite dyeing & all over printing; Mr. Ahmmad Kabir Rasel, General Manager (Accounts & Finance), NRG knit composite; Md. Mostofa Kamal, Manager-Payroll, NR Group and high officials of the both organizations were present at the occasion.



SIGNING CEREMONY

Citizens Bank PLC. has partnered with Trust Bank to offer homebound Western Union branded money transfer services through the branches of Citizens Bank at its head office recently. Mr. Mohammad Masoom, Managing Director & CEO of Citizens Bank PLC., and Mr. Ahsan Zaman Chowdhury, Managing Director (In-Charge) of Trust Bank signed the agreement on behalf of their respective organizations.



Citizens Bank PLC. has recently onboarded VISA branded International Card services (Debit, Credit and Prepaid) for the clientele across the different segments at its Head office being another milestone achievement for the Bank way forward. Mr. Mohammad Masoom, Managing Director and CEO, Citizens Bank PLC. and Mr. Ashish Chakraborty, Director, Business Development, South Asia of VISA International along with other officials of the respective organizations were present on the occasion.



SIGNING CEREMONY

Citizens Bank PLC. signed participatory agreement with Bangladesh Bank for availing pre-finance facility under the Credit Guarantee Scheme (CGS) launched by Bangladesh Bank with allocated fund to the extent of BDT.25,000 Crore for the CMSME segment at Bangladesh Bank head office recently. Mr. Mohammad Masoom, Managing Director and CEO of Citizens Bank PLC. and Ms. Nahid Rahman, Director, Credit Guarantee Department, Bangladesh Bank signed the deed of agreement on behalf of the respective organizations.



Citizens Bank PLC signed participatory agreement with Bangladesh Bank for availing refinancing facility under "Technology Development /Upgradation of Export Oriented Industries" Refinance Scheme at Bangladesh Bank head office recently. Mr. Mohammad Masoom, Managing Director and CEO of Citizens Bank PLC and Mr. Chowdhury Liakat Ali, Director, Sustainable Finance Department, Bangladesh Bank signed the deed of agreement on behalf of the respective organizations.



SIGNING CEREMONY

Citizens Bank PLC signed participatory agreement with Bangladesh Bank for availing refinancing facility under “Green Transformation Fund (GTF)” Refinance Scheme at Bangladesh Bank head office. Mr. Mohammad Masoom, Managing Director and CEO of Citizens Bank PLC and Mr. Chowdhury Liakat Ali, Director, Sustainable Finance Department, Bangladesh Bank signed the deed of agreement on behalf of the respective organizations.



Citizens Bank PLC signed an agreement with OneWorld InfoTech for the Implementation of Security Operation Centre (SOC) at Citizens Bank Head Office recently. Mr. Mohammad Masoom, Managing Director & CEO of Citizens Bank PLC and Mr. Maruf Ahmed, Global Director and CEO of OneWorld InfoTech exchanged the agreement as signed on behalf of their respective organizations. Among others, Mohammad Saiful Islam, CFO & Head of HRD, Mr. Mohammad Tawhid Hossain, Head of Cyber Security & MIS Division of Citizens Bank PLC and High officials of OneWorld InfoTech were also present on the occasion.



TRAINING & WORKSHOP

Citizens Bank organized a day-long Training Program on Exploring Business Through Vibrant Sales Team at its head office recently. Mr. Mohammad Masoom, Managing Director & CEO of the Bank inaugurated the program. Mr. Md. Akbar Hassan, CEO & Chief Resource Person, BRIDDHI School of Professionals and School of Knowledge and one of the renowned speakers in the field of Customer Service and Sales Promotion conducted the Training Session. Divisional/Departmental Heads, Sales & Liability Management Team, Head Office and all Branch Managers participated in the program.



Citizens Bank organized an Awareness Raising Event on Green Banking & Sustainable Finance at its Training Academy recently. Mr. Mohammad Masoom, Managing Director & CEO of the bank inaugurated the program. Mr. Chowdhury Liakat Ali, Director & Head of Sustainable Finance Department, Bangladesh Bank along with other officials of the concern department conducted the sessions. All Divisional/Departmental Heads from Head Office and Operation Managers from branches participated in the program.



TRAINING & WORKSHOP

Citizens Bank organized the Foundation Training Course for Officers of the Bank. A total number of 30 (thirty) officers from different branches & divisions participated in the training recently at its head office.

Mr. Mohammad Masoom, Managing Director & CEO of the bank was present in the concluding session of the training and distributed certificates among the participants. In his concluding speech, Mr. Masoom advised the participants to acquire knowledge about bank-products and engage themselves for the progress of the bank.

Among others, Mr. Mohammad Saiful Islam, CFO & Head of HRD and Training & Development Manager Mr. Tarafder Sushil Kumar were also present.



CELEBRATION OF POHELA BOISHAKH



Citizens Bank has celebrated Bangla New Year 1432 at its head office. Mr. Chowdhury Mohammed Hanif Shoeb, Chairman of the bank were graced the occasion. Mr. Md. Mostafizur Rahman, Managing Director (CC), Mr. Md. Abdul Latif, Deputy Managing Director, Mr. Waheed Imam, SEVP & Company Secretary along with other officials of the bank were present on the program.



CITIZENS BANK DHAKA THIRD DIVISION QUALIFYING CRICKET LEAGUE 2024-25

Citizens Bank announces the Title Sponsorship of Dhaka Third Division Qualifying Cricket League 2024-25 arranged by Bangladesh Cricket Board on press conference held. Mr. Md. Mostafizur Rahman, Managing Director (Current Charge), Citizens Bank PLC., Mr. Masuduzzaman, Sr. Vice-chairman, CCDM, Bangladesh Cricket Board, Mr. Akram Khan, Director, BCB & Chairman Facilities Department, Mr. Adnan Rahman Dipon, Member Secretary, CCDM, BCB, Mr. Waheed Imam, Company Secretary, Citizens Bank PLC. Were present on the press conference.



Grand Opening Ceremony of "CITIZENS BANK DHAKA THIRD DIVISION QUALIFYING CRICKET LEAGUE 2024-25" held at Sher e Bangla Cricket Stadium, Mirpur, Dhaka. Mr. Faruque Ahmed, President, Bangladesh Cricket Board graced the program as Chief Guest. Among others, Mr. M Salahuddin Chowdhury, Director, BCB & President, CCDM, Mr. Masuduzzaman, Sr. Vice President, CCDM, Mr. Nizam Uddin Chowdhury, CEO, BCB, Mr. Habibul Bashar, former captain of Bangladesh Cricket Team, Mr. Najmul Hossain Shanto, Captain, Bangladesh Cricket Team, Mr. Md. Mostafizur Rahman, Managing Director (current charge), Citizens Bank, Mr. Md. Abdul Latif, Deputy Managing Director, Mr. Md. Waheed Imam, Company Secretary of Citizens Bank with other distinguish guests were present on the occasion.



CITIZENS BANK DHAKA THIRD DIVISION QUALIFYING CRICKET LEAGUE 2024-25

Prize Giving Ceremony of "CITIZENS BANK DHAKA THIRD DIVISION QUALIFYING CRICKET LEAGUE 2024-25" held at Sher e Bangla Cricket Stadium, Mirpur, Dhaka. Mr. Faruque Ahmed, President, Bangladesh Cricket Board graced the program as Chief Guest and handed over Champions and Runners up trophy. Among others, Mr. Md. Mostafizur Rahman, Managing Director (current charge), Citizens Bank, Mr. Md. Waheed Imam, Company Secretary of Citizens Bank with other distinguish guests were present on the occasion.



SPONSORSHIP EVENT OF THE BANK

Mr. Mohammad Masoom, Managing Director & CEO, Citizens Bank PLC. handed over a cheque to Professor Niaz Ahmed Khan, PhD, Vice Chancellor of University of Dhaka as part of its initiative to promote the cause of country's games and sports sponsored Dhaka University Basketball team to participate Men's International Basketball Championship being held at Katmandu, Nepal. High officials of the both organizations and concerned representative players of the Basketball team were present on the occasion.



Citizens Bank participated as Platinum Sponsor in Civil Fest 2025 arranged by Department of Civil and Environmental Engineering, North South University. Mr. Md. Abdul Latif, Deputy Managing Director, Citizens Bank Grace the closing ceremony program as Special guest and Received special memento from the Authority of North South University.



CSR ACTIVITIES

Citizens Bank recently contributed to the Prime Minister's Education Assistance Trust (PMEAT) as part of its Corporate Social Responsibility initiatives. Mr. Md. Abdul Latif, Deputy Managing Director of Citizens Bank, handed over the cheque to Ms. Smriti Karmaker, Managing Director of PMEAT. Officials from both organizations were present on the occasion.



Citizens Bank handed over wheelchairs for the benefit of Hajj pilgrims and other passengers of Biman Bangladesh Airlines at a ceremony held at Balaka Bhaban, Dhaka, organized by the airline recently. Mr. Md. Mostafizur Rahman, Managing Director (Current Charge) of Citizens Bank, presented the equipment to Mr. Md. Monirul Islam, General Manager, Airport Services, Biman, Dhaka. Furthermore, Citizens Bank extended its support by providing T-shirts for the ground handling officers and employees dedicated to Hajj operations. Mr. Waheed Imam, SEVP & Company Secretary of Citizens Bank, Md. Aminul Haque, Dy. General Manager (Acting), Ground Handling, Biman HSIA along with other officials of the both organizations were present on the occasion.



Notice of the 4th Annual General Meeting

The **4th Annual General Meeting (AGM)** of the shareholders of **Citizens Bank PLC**. is scheduled to be held on **Saturday, July 12, 2025 at 12.00 pm** at Citizens Bank PLC. Head Office Extension, Amanullah Trade Center, Plot # 06 (Old), 26 (New), Level-3, Gulshan Circle-2, Dhaka-1212 to following businesses:

AGENDA:

1. To receive, consider and adopt the Profit and Loss Account of the Company for the period ended on 31st December 2024 and the Balance Sheet as of date along with Reports of Auditors and Directors thereon.
2. To appoint Auditors of the Company and fixation of their remuneration for the term until the next Annual General Meeting (AGM).
3. To retire one third of the Directors and re-election within the purview of Schedule-(1), 79 & 81 of Companies Act 1994 and amendments made there under up to 2020.
4. To transact any other business with the permission of the chair.

By order of the Board



Md. Waheed Imam
Company Secretary

Dated: June 19, 2025
Dhaka, Bangladesh

NOTES:

- a. The Member (Sponsors) whose names appear in the Register of the Company shall attend the AGM.
- b. Any Members (Sponsors) of the Company entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote on his/her behalf.
- c. The Proxy Form duly filled in and signed by the Member (Sponsor) and stamped, must be submitted at the Registered Office of the Company at least 48 (Forty-Eight hours) before the meeting.
- d. Members (Sponsors) are requested to notify the Provision of the Articles of Association of the Company and the relevant rules/circulars of the regulatory authorities.



PROXY FORM

I/We of
.....being a shareholder of Citizens Bank do hereby appoint
Mr./Ms. of
.....as my/our proxy to attend and vote for me/us
and on my/our behalf at the 4th Annual General Meeting of the Company to be held on Saturday, 12 July, 2025 at 12.00
p.m. at Head Office Extension, Amanullah Trade Center, Plot # 06 (old), 26 (new), Level-3, Gulshan Circle-2, Dhaka
1212 of Citizens Bank PLC.

As witness my/our hands this day of..... 2025.

(Signature of the Shareholder(s))

(Signature of the proxy)

Folio No (if any):.....

No. of Shares:

Date:

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

Signature Verified

Authorized Signatory
Citizens Bank PLC

Note: Signature must agree with the recorded signature.



ATTENDANCE SLIP

I/We hereby record my/our attendance at the 4th Annual General Meeting of the Company to be held on Saturday, 12
July, 2025 at 12.00 p.m. at Head Office Extension, Amanullah Trade Center, Plot # 06 (old), 26 (new), Level-3, Gulshan
Circle-2, Dhaka-1212 of Citizens Bank PLC.

Folio No:

No. of Shares:

Name of the Member/proxy:

Signature:

Date:

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



CITIZENS BANK
TODAY - TOMORROW - TOGETHER

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