CITIZENS BANK
TODAY · TOMORROW · TOGETHER

ANNUAL REPORT | 2025

CONNECTING CITIZENS TO OPPORTUNITY

BUILDING TRUST. CREATING PROSPERITY

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
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms

Dear Sir(s)

Annual Report of Citizens Bank PLC for the year ended on 31st December 2025.

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, 2025 of our bank. The Annual Report – 2025 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,

Sheikh Ashraf Uddin
Company Secretary (Acting)

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CORPORATE PROFILE

Name of the Company	Citizens Bank PLC
Legal Status	Public Limited Company
Date of Incorporation	December 13, 2020
Date of Commencement of Business	December 13, 2020
Registration No.	C-166595/2020 on December 13, 2020

Authorized Capital	Tk. 1000.00 Crore
Paid up Capital	Tk. 400.00 Crore
Chairman	Mr. Chowdhury Mohammed Hanif Shoeb
Chairman, Executive Committee	Mr. Masuduzzaman Representative of Modele De Capital Ind. Ltd.
Chairman, Audit Committee	Mr. AKM Shahidul Haque
Chairman, Risk Management Committee	Mr. Chowdhury Mohammed Hanif Shoeb

Managing Director	Mr. Alamgir Hossain
Company Secretary (Acting)	Mr. Sheikh Ashraf Uddin
Chief Financial Officer	Mr. Mohammad Saiful Islam, FCMA, ACA

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

Statutory Auditor	Mahmud Sabuj & Co.

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

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, work order 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-savy one ensuring a wel-equipped, structured and secured ICT system. We believe the accepted level of convergence of process, people and technology will create an enabling environment for success.

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/ stakeholders 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 Knitspin Limited represented by **Mr. Mukhlesur Rahman**	400,000,000.00	40,000,000	10.00%
02	Modele De Capital Ind. Ltd. represented by **Mr. Masuduzzaman**	400,000,000.00	40,000,000	10.00%
03	Pakiza Cotton Spinning Mills (Pvt) Ltd represented by **Mr. Rakibul Islam Khan**	400,000,000.00	40,000,000	10.00%
04	NRG Hometex Ltd represented by **Ms. Tajkia Rahman**	400,000,000.00	40,000,000	10.00%
05	**Mr. Mohammad Abdul Salam**	400,000,000.00	40,000,000	10.00%
06	**Mr. Chowdhury Mohammed Hanif Shoeb**	400,000,000.00	40,000,000	10.00%
07	Rahimaaziz Knitspin Ltd. represented by **Mr. S M Shofiqul Hoq**	400,000,000.00	40,000,000	10.00%
08	**Mr. Anisul Huq**	400,000,000.00	40,000,000	10.00%
09	**Mr. Mohammed Iqbal**	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 Ltd. represented by **Ms. Samsun Naher**	50,000,000.00	5,000,000	1.25%
	Total Number of Shares & % Shareholding	**4,000,000,000.00**	**400,000,000**	**100.00%**

BOARD COMPOSITION

Mr. Chowdhury Mohammed Hanif Shoeb

Chairman

Mr. Mukhlesur Rahman

Director

Mr. Masuduzzaman

Director

Mrs. Tajkia Rahman

Director

Mr. S. M. Shofiqul 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 more than 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. Masuduzzaman

Director & Chairman, Executive Committee

Mr. Masuduzzaman is a renowned business person and one of the Sponsor Directors of Citizens Bank PLC. Having more than 25 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. Masuduzzaman.

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

- He became Commercially Important Person (CIP) by the Government for 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).
- Director of the 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.

PROFILE OF THE

DIRECTORS

Mrs. Towfika Aftab

Director

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

Being a Lawyer by profession, she has been serving the country for last 30 years with utmost loyalty, honesty and sincerity. In recognition of her immense contribution to promote the cause of human rights she was appointed as honorable member of National Human Rights Commission in 2019 by His excellency honorable President of Bangladesh.

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

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

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

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.

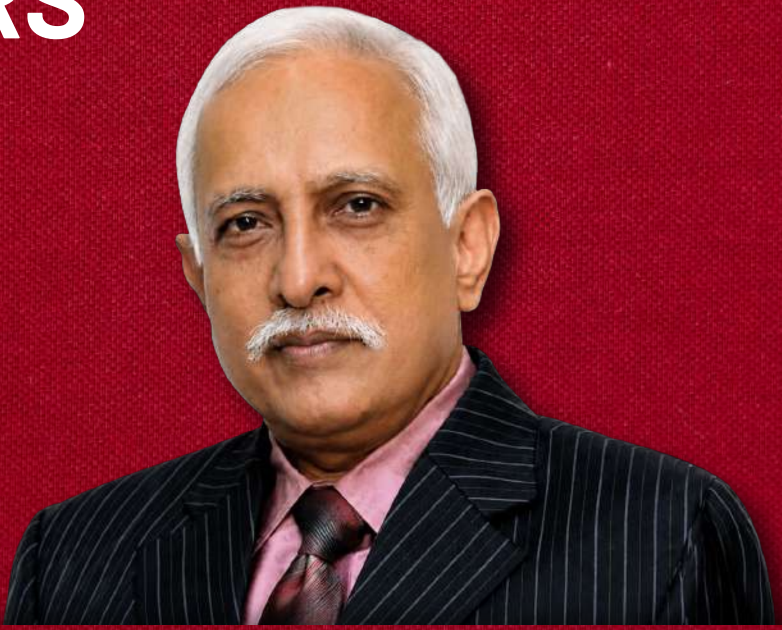
Mr. Hoq is the Executive Director of NR Group is a highly experienced professional in the textile industry. Being a graduate from the University of Dhaka on Finance and Banking, he started his career in Arif Knitspin Limited as Assistant Manager in the year 2004 and subsequently became Executive Director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

PROFILE OF THE
DIRECTORS

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 articleship 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 27 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.

PROFILE OF THE
DIRECTORS

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 joined Citizens Bank PLC as Managing Director on July, 2025. 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 29 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.

Executive Committee

Mr. Masuduzzaman
Chairman

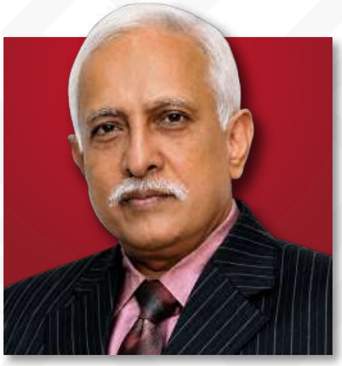
Mr. Chowdhury Mohammed Hanif Shoeb
Member

Mr. Mukhlesur Rahman
Member

Mr. Alamgir Hossain
Member

Audit Committee

Mr. A K M Shahidul Haque
Chairman



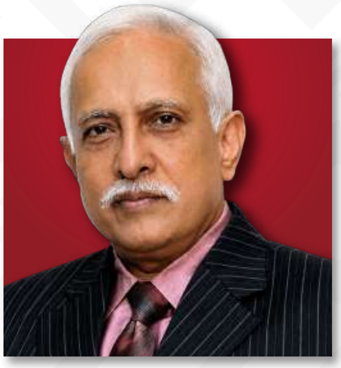
Mr. N K A Mobin FCS, FCA
Member

Mr. S M Shofiqul Hoq
Member

Risk Management Committee

Mr. Chowdhury Mohammed Hanif Shoeb
Chairman

Mr. S M Shofiqul Hoq
Member



Mr. N K A Mobin FCS, FCA
Member

Chowdhury Mohammed Hanif Shoeb

Chairman

MESSAGE FROM THE CHAIRMAN

Dear Respected shareholders

It is my great pleasure to welcome you to the 5th Annual General Meeting of Citizens Bank PLC. I extend my sincere gratitude to my fellow Board members, shareholders, customers, regulators, business partners, and employees for their continued trust, support and dedication.

Since our inception, our vision has been to establish Citizens Bank as one of the most trusted, resilient, and customer-focused financial institutions in Bangladesh. We remain committed to achieving this vision through strong corporate governance, prudent risk management, ethical banking practices and transparency in all our activities.

Despite a challenging economic environment marked by global uncertainties and domestic pressures, the Bank continued to make steady progress during the year maintaining its reputation and strengthening its foundations. Our deposit base continued to expand, supported by growing customer trust and enhanced service delivery, while our lending activities grew in a prudent and disciplined manner backed by strong risk management practices and a diversified portfolio.

We also achieved encouraging growth in trade finance, international banking, and remittance services, strengthening our ability to support cross-border transactions and meet the evolving needs of our customers. Retail banking continued to gain momentum through increased adoption of our products and services, reflecting our focus on innovation, convenience and financial inclusion.

These achievements demonstrate the resilience of our business model and the dedication of our management team and employees. Under the guidance of the Board, we have strengthened operational capabilities, enhanced service quality and maintained high standards of governance and compliance.

Digital transformation remains a key pillar of our strategy. We continue to invest in technology to improve operational efficiency and deliver a seamless banking experience. At the same time, we remain committed to sustainability and corporate social responsibility through initiatives that support economic development, environmental stewardship and community well-being.

I am pleased to report that 2025 marked an important phase of expansion for the Bank. During the year, we opened six new branches and two sub-branches, extending our reach across the country. We have also received regulatory approval for additional outlets, which will further strengthen our presence in key economic regions.

Today, Citizens Bank is well-positioned to provide a comprehensive range of banking services, including trade finance, foreign exchange, import-export facilitation, and remittance solutions. Our expanding network and enhanced capabilities will help us build a diversified and sustainable business portfolio while creating long-term value for stakeholders.

As we move forward, we remain focused on the following strategic priorities:

- Strengthening corporate governance and ensuring the highest standards of regulatory compliance.
- Promoting the financial well-being and long-term success of our customers.
- Upholding transparency, accountability, and ethical conduct across all banking activities.
- Accelerating digital transformation and innovation to enhance customer experience.
- Expanding financial inclusion and delivering accessible banking solutions to underserved communities.

Looking ahead, while we remain mindful of ongoing global and domestic uncertainties, we are confident in our ability to sustain growth and create enduring value. Our strategic direction remains clear: strengthening our core businesses, embracing innovation, enhancing operational excellence and upholding the highest standards of governance and integrity.

I would like to express my heartfelt appreciation to our Managing Director, management team and employees for their professionalism and commitment. Together, we will continue to navigate the evolving financial landscape with confidence and resilience.

Thank you for your continued confidence and support.

Chowdhury Mohammed Hanif Shoeb
Chairman
Board of Directors

Alamgir Hossain
Managing Director

MESSAGE FROM THE MANAGING DIRECTOR

Dear Respected Shareholders

With great honor, humility and a profound sense of responsibility, I address you as the Managing Director of Citizens Bank PLC. I am deeply grateful for the trust and confidence placed in me to lead this promising institution. As we continue our journey of growth and transformation, I remain committed to steering the Bank with dedication, optimism and a clear vision for the future.

At the outset, I would like to express my sincere gratitude to our esteemed Board of Directors for their visionary leadership, strategic guidance, prudent oversight and steadfast support. Their commitment to sound corporate governance, transparency and sustainable value creation have been instrumental in strengthening the Bank's foundation and advancing its growth trajectory. The Sponsors' and Board's enduring dedication to building a professionally managed and credible financial institution has provided a strong platform for long-term success. We also extend our deepest appreciation to Bangladesh Bank for their continuous guidance, regulatory support and visionary oversight, which have been pivotal in navigating market dynamics and ensuring our sustained resilience.

Since inception, Citizens Bank has pursued a singular aspiration—to become one of the most trusted financial institutions in the country. Every strategic initiative is aligned with this vision. We remain firmly committed to the highest standards of governance, regulatory compliance, transparency and ethical conduct. Equally important is our focus on embedding a strong risk management culture across the organization, ensuring resilience and sustainability in a dynamic financial environment.

As a technology-driven institution, we are redefining banking through digital transformation. Our customers enjoy secure, seamless and round-the-clock access to financial services via cards, mobile platforms and internet banking. In 2025, the Card Division of Citizens Bank PLC achieved significant growth by issuing 3,000+ Credit Cards with an outstanding and almost zero default ratio, alongside 17,000+ Debit Cards and 300+ Prepaid Cards. The Division further accelerated digital banking adoption through premium card propositions, strategic merchant partnerships, cashback campaigns, 0% EMI facilities, multicurrency cards and technology-driven payment solutions. From daily transactions to payments and remittance services, we are enabling convenient and efficient banking experiences. Continuous investment in digital infrastructure reflects our commitment to customer-centric innovation and operational efficiency.

In today's rapidly evolving economic landscape, success requires agility, innovation, and strategic foresight. Citizens Bank is committed to converting innovation into action, addressing challenges as opportunities for growth and differentiating itself through operational excellence and superior customer service. Our corporate slogan, "Today, Tomorrow, Together," reflects our belief in shared prosperity and partnership. We see ourselves not merely as a financial service provider but as a trusted partner in our customers' growth journey.

Sustainability remains at the core of our strategy. We focus on prudent asset-liability management, disciplined growth and long-term value creation. Our objective goes beyond profitability—we aim to deliver meaningful value to customers, communities and shareholders ensuring that financial success is both responsible and enduring.

Financial Performance Overview – 2025

Deposit Growth

Total deposits grew by 30.02%, reaching BDT 1,858.21 crore in 2025 compared to BDT 1,429.15 crore in 2024. This growth reflects rising customer confidence and improved liquidity supported by expanded banking channels and digital adoption.

Loans and Advances

The loan portfolio increased by 33.74%, reaching BDT 1,106.37 crore. Our lending strategy emphasizes proper risk management, financial analysis, strategic diversification and sustainable financing. A key driver of this growth has been our strategic expansion into SME, Retail and Agricultural finance, enabling us to foster financial inclusion while building a well-diversified, well-balanced portfolio. Beyond these critical segments, our credit exposure spans key sectors including garments, manufacturing, healthcare, telecom, cement, trade and infrastructure—strengthening overall portfolio resilience, optimizing risk-adjusted returns and actively supporting national economic development.

Profitability and Strength

The Bank recorded a net profit of BDT 2.01 crore in 2025, reflecting stable performance amid a challenging macroeconomic environment. Net Interest Income rose significantly to BDT 44.04 crore from BDT 26.97 crore in 2024, driven by stronger core operations. Operating profit increased by 21.11% to BDT 17.50 crore, supported by improved efficiency and revenue growth.

Total assets increased by 24.02% to BDT 2,368.89 crore. Key indicators such as Asset Quality, Return on Assets, Return on Equity and Net Interest Margin showed steady improvement.

Trade Finance and Remittance Performance

The Bank achieved strong growth in trade finance and remittance operations. Export business increased by 53.01% to BDT 258.38 crore, while import business surged by 312.51% to BDT 812.94 crore. Bank guarantees grew by 179.15%, reflecting expanding business confidence and operational capability.

Remittance inflows increased significantly by 446.50% driven by enhanced international partnerships and improved service channels for overseas Bangladeshis. These results underscore our growing role in facilitating cross-border trade and supporting international financial flows.

Retail Banking and Credit Cards

Retail banking also delivered impressive growth. Active credit cards increased from 434 in 2024 to 3,009 in 2025, representing a 593.32% rise. This reflects growing customer acceptance of our retail products and our ability to offer innovative, accessible financial solutions.

Strategic Priorities for 2026

Looking ahead, Citizens Bank will continue its transformation journey focused on sustainable growth, operational excellence and customer-centric innovation and inclusive socio-economic development of the country. In a challenging environment shaped by inflation, interest rate fluctuations and foreign exchange pressures, our priorities include:

- Optimizing deposit mix to improve cost of fund
- Expanding MSME and retail lending to support inclusive growth
- Strengthening asset quality through proactive risk management
- Enhancing operational efficiency through process reengineering
- Deepening customer relationships and engagement
- Expanding remittance channels through digital innovation and partnerships
- Increase foreign trade business to better facilitate international trade and support corporate clients.

We will also continue investing in digital transformation, automation and centralized processes to improve service quality and reduce operational costs.

MESSAGE FROM THE
MANAGING DIRECTOR

Commitment to Financial Inclusion

Financial inclusion remains central to our mission. Since July 2022, we have expanded to 22 branches, including 12 urban and 10 rural branches, along with 8 sub-branches nationwide.

We are committed to extending financial services to underserved communities through both physical and digital channels. This strategy aims to strengthen rural engagement, promote economic empowerment, and expand access to formal banking services.

Our focus on community-based banking will help build a stable deposit base while increasing remittance inflows from expatriate Bangladeshis. It also supports diversification and reduces concentration risks across our portfolio.

Looking Ahead

Building on the strong foundation laid in 2025, Citizens Bank is actively capturing new market opportunities. We are expanding our horizon with the launch of our **Islamic Banking Window by July 2026**, and expect to launch **Agent Banking operations by December 2026**. Armed with a clear strategic direction, robust governance, and exceptional team work, we look forward to achieving sustainable growth and creating lasting value for all our stakeholders.

On behalf of the management team, I extend sincere gratitude to our shareholders, customers, regulators, employees and partners for their continued trust and support.

Together, let us continue building a stronger institution and shaping a future defined by innovation, sustainability, shared prosperity and good governance.

Alamgir Hossain
Managing Director

EVENTS OF THE BANK

ANNUAL PICNIC 2026
Bond & Beyond

EVENTS OF THE BANK

ANNUAL PICNIC 2026
Bond & Beyond

SENIOR MANAGEMENT TEAM

Sitting from Left

Mohammad Saiful Islam
Chief Financial Officer & Head of HR

Md. Abdul Latif
Deputy Managing Director

Alamgir Hossain
Managing Director

Md. Mostafizur Rahman
Deputy Managing Director

Md. Mazibur Rahman
Executive Vice President

Standing From Left

Bisshajit Kumar Shill
Head of Trade Service Division

Mohammad Ali Azfar Quadry
Head of OPS and GBD

Bijoy Chandra Das
Head of SMR & Marketing

Md. Atikur Rahman
Head of Treasury & Market Risk (Front)

Md. Israil Hossain
Head of CRMD and Acting CRO

Sayed Tafazzal Islam
Head of GSLD

Mohammad Rezaul Hossain Morshed
Head of ICTD

Md. Humayun Kabir
Head of ID & NRB

Mohammad Rafiqul Islam Shikder
Head of Islamic & Agent Banking Division

DIRECTORS' REPORT

Dear Shareholders,

Assalamu Alaikum.

On behalf of the Board of Directors, it gives us great pleasure to welcome you to the 5th Annual General Meeting of Citizens Bank PLC and to present the Annual Report, Audited Financial Statements, and Independent Auditors' Report for the year ended 31 December 2025.

We extend our sincere appreciation to our valued shareholders for their continued trust, confidence, and unwavering support. Your encouragement and partnership have been instrumental in enabling the Bank to navigate challenges, pursue growth opportunities, and strengthen its position within the banking industry.

We also pay our profound respect to the Martyrs of the July Uprising, whose extraordinary sacrifices have contributed to shaping the aspirations of a more just, inclusive, and prosperous Bangladesh. Their legacy continues to inspire our collective commitment to nation-building and sustainable progress.

Throughout 2025, Citizens Bank PLC remained steadfast in its mission to provide innovative, technology-driven, and customer-centric banking services. Guided by our commitment to excellence, good governance, and sustainable growth, we continued to expand our services, enhance operational capabilities, and contribute to the economic development of the country.

The Bank's operational achievements and financial performance for the year under review have been comprehensively presented in this report. The accompanying Financial Statements have been prepared in compliance with applicable International Financial Reporting Standards (IFRS), Bangladesh Bank guidelines, and other relevant regulatory requirements.

Before outlining the Bank's performance and key achievements during 2025, we present a brief overview of the global economic landscape and the prevailing macroeconomic environment of Bangladesh, both of which significantly influenced the operating conditions of the banking sector during the year.

Global Economy

The outbreak of war in the Middle East in late February 2026 threatens to disrupt the global economy. For the past year, economic challenges like rising trade barriers and high uncertainty were balanced by tech investments, a weaker U.S. dollar, and supportive monetary policies. However, the escalating conflict acts as a major counterforce, threatening stability by impacting commodity markets, driving up inflation expectations, and tightening financial conditions.

Before the war, the global economy was performing better than expected, laying the groundwork for upward revisions to forecasts. In aggregate, global growth in the fourth quarter of 2025 increased to 3.9 percent on an annualized basis. The latest baseline forecast projects global growth at 3.1% in 2026 and 3.2% in 2027—a step down from the 3.4% growth tracked in 2024–25 and well below the 3.7% historical average. While the 2026 growth outlook was cut by 0.2 percentage points from January estimates, the 2027 forecast remains steady. Concurrently, global headline inflation estimates have been pushed higher for both years, now forecast to hit 4.4% in 2026 before dropping to 3.7% in 2027.

Global inflation stability masks a deepening divergence across economies, exacerbated by the recent Middle East conflict. This crisis has delivered a major negative supply shock, upending a period where monetary policies were diverging as global inflation drivers waned. Financially, governments are caught between shrinking revenues—caused by weaker economic activity and rising borrowing costs—and the urgent need for expansionary fiscal packages to protect vulnerable citizens. The domestic impact varies significantly by structure: nations maintaining fuel subsidies face entirely different fiscal pressures than those with liberalized energy markets, while regions reliant on Middle Eastern remittances are suffering sharp strains on household incomes and external balances.

World trade volume growth is projected to decelerate sharply from 5.1 percent in 2025 to 2.8 percent in 2026, before recovering to 3.8 percent in 2027. This trajectory stems from an initial period of front-loaded trade, followed by the introduction of tariffs whose negative impacts are gradually cushioned by shifting trade linkages and restructured production chains. Over the forecast horizon, both goods and services exports will contract as a share of world GDP. However, the decline in services trade will be notably less severe, sustained by its robust underlying growth trends and superior resilience to emerging global risks compared to the goods sector.

The current conflict in the Middle East presents policymakers with stark, immediate trade-offs: they must curb inflation without stifling growth, and shield citizens from the rising cost of living while restoring depleted fiscal buffers. In an era of frequent global disruptions, nations must carefully calibrate their strategies to address current vulnerabilities without compromising their readiness for future crises. While countries can implement independent domestic measures that inadvertently boost global stability, fully reinstating order and predictability in international economic relations ultimately demands collective, multilateral action.

Bangladesh Economy

Bangladesh's GDP growth decelerated in fiscal year 2025 (FY2025, ended 30 June 2025) due to political instability, which suppressed overall demand. The slowdown was further compounded by labor disputes, recurring floods, and restrictive macroeconomic policies. Supply-side constraints kept inflation persistently elevated throughout the year. Despite these domestic headwinds, the current account remained broadly in balance. A gradual economic recovery is projected for FY2026 and FY2027 as consumption and investment strengthen. This rebound is expected to accelerate as political uncertainty recedes following the conclusion of the general election. Inflation is anticipated to ease, while the current account may transition into a small deficit as economic activity picks up. This positive outlook assumes that global supply chains gradually normalize and that the conflict in the Middle East is not prolonged. Looking ahead, rising public debt levels and escalating interest payments underscore the urgent need for prudent debt management.

In fiscal year 2025 (FY2025), GDP growth decelerated to 3.5% from 4.2% in the previous year, marking the third consecutive annual slowdown since FY2023. This decline was driven by contractions in key areas, though the industrial sector showed resilience. Service sector growth slowed to 4.4% (down from 5.1% in FY2024), stifled by political instability, financial sector vulnerabilities, and diminished household purchasing power. Agriculture Sector growth dropped sharply to 2.4% (down from 3.3% in FY2024) due to recurring floods and adverse weather conditions that severely impacted crop yields. Industrial Sector standing out as a resilient exception, industrial growth edged up to 3.7% (from 3.5% in FY2024), primarily driven by an expansion in merchandise exports.

A simultaneous weakening of both domestic and external demand served as a primary drag on GDP growth in FY2025. Tight monetary and fiscal policies, combined with heightened investor caution, triggered a sharp slump in overall investment. Private consumption remained the economy's main growth driver, heavily cushioned by robust remittance inflows. However, aggregate consumption growth plummeted due to fiscal consolidation measures that reduced government expenditure. Growth in both imports and exports decelerated, with net exports ultimately acting as a drag on overall economic expansion.

Bangladesh’s economic growth is projected to recover in FY2026 and FY2027, contingent on stable global supply chains and a easing of Middle East tensions. Driven by a rebound in services, normalizing agricultural output, and improved investor confidence following the February 2026 general elections, GDP growth is forecast to reach 4.0% in FY2026. This expansion is further supported by ongoing financial sector reforms targeting stability and efficiency. While growth accelerated to 4.5% in Q1 FY2026 (up from 2.6% the previous year) due to strong domestic demand, potential late-year disruptions to fuel imports and export shipments from the Middle East conflict remain a risk. Sectorally, services are projected to expand by 4.6%, industry by 3.8%, and agriculture by 2.8%, assuming favorable weather and steady policy support.

Headline inflation intensified in fiscal year 2025 (FY2025), averaging 10.0% up from 9.7% in FY2024. This persistent rise heavily strained both households purchasing power and business operating costs, particularly during the first half of the fiscal year. Food Inflation remained stubbornly high, persisting at 10.7%. Non-Food Inflation climbed significantly to 9.5%, up from 8.9% in FY2024. The inflationary surge was primarily driven by supply-side constraints in food and energy, compounded by the pass-through effects of a 3.9% depreciation of the Bangladeshi taka against the US dollar.

Inflation is projected to persist at an elevated 9.0% in FY2026 before easing to 8.5% in FY2027. While consumer price index (CPI) headline inflation averaged roughly 8.5% during the first eight months of FY2026, it is expected to face upward pressure from high global energy costs and persistent supply chain bottlenecks. However, as these external shocks fade and domestic supply chains stabilize, inflationary pressures are forecast to cool down to 8.5% by FY2027.

Banking Sector

Easing up the post political unrest triggered in mid-2024, 2025 marked deposit growth of 10.64% to Tk. 2097278 crore. In Dec'25 domestic credit increased by Tk. 233793.7 crore (10.87%) over Dec'24 as compared to an increase of Tk. 179951.7 crore (9.13%) during the same period of the last year. The growth in domestic credit in Dec'25 over Dec'24 was mainly due to an increase of credit to the private sector by Tk. 102752.9 crore (6.10%) compared to an increase of Tk. 114600.8 crore (7.30%) during the same period of the last year. In components of credit to the Government (net) increased by Tk. 133752.6 crore (32.19%) compared to an increase of Tk. 63914.7 crore (18.18%) during the same period of the last year and credit to other public sector decreased by Tk. 2711.8 crore (5.39%) compared to an increase of Tk. 1436.2 crore (2.94%) during the same period of the last year. Bangladesh's banking sector has recorded a highest ever NPL (30.60%) of Tk. 5.57 trillion at the end of December 2025.

In Dec'25 reserve money increased by Tk. 23145.8 crore (5.60%) from Tk. 413179.0 crore in Jun'25 while the decrease in reserve money was Tk. 14147.3 crore (3.69%) in Dec'25 compared to that of Dec'24. The amount of reserve money stands at Tk. 436324.8 crore in Dec'25.

In Dec'25 call money market rates (weighted average for Borrowing and Lending) increased by 20 basis point to 9.99% compared to Nov'25. Furthermore, the current rates decreased by 08 basis point from 10.07% at the same period of the last year.

In 2025 export receipts grew by 1.95% to US$ 48167 million compared to US$ 47245 million in 2024. Whereas import (shipment) are recorded US$ 67880 million in 2025 marking 2.80% growth over the 2024. Workers' remittance received from the Bangladeshi nationals working abroad increased by US$ 5927 million (22%) in 2025 from US$ 26888 million in 2024.

Foreign exchange reserves as per BPM6 held by the Bangladesh Bank stands at US$ 28579.0 million at the end of Dec'25 while it was US$ 26740.0 million at the end of Jun'25 (gross foreign exchange reserves, represented as total international reserves, stands at US$ 33187.9 million at the end of Dec'25). Thus foreign exchange reserves increased by US$ 1839.0 million (6.88%) at the end of Dec'25 compared to the reserves hold at the end of Jun'25. Comparing with the reserves hold at the same period of last year, the current reserves increased by US$ 7184.2 million (33.58%) at the end of Dec'25.

Throughout 2025, Bangladesh's banking sector grappled with persistent structural vulnerabilities, notably rising non-performing loans (NPLs), liquidity shortages, and weakened governance—all of which were aggravated by sluggish credit demand and broader economic uncertainty.

To address these systemic weaknesses, Bangladesh Bank launched a robust reform initiative driven by three specialized task forces. The primary task force focuses on elevating regulatory oversight and improving asset quality by implementing Asset Quality Reviews with international backing, alongside developing a formal bank resolution framework complete with new legislation and a dedicated unit.

Concurrently, the second task force is modernizing Bangladesh Bank's internal governance and compliance standards. Meanwhile, the third task force is actively tracking and repatriating siphoned assets. This multi-pronged approach has already yielded notable progress in investigating major money laundering cases, freezing illicit accounts, and strengthening cross-border enforcement in collaboration with global agencies.

Financial Performance

CZB is the very last bank of the banking sector of Bangladesh thus we targeted massive growth in every aspect of our business operation and that has been observed in our performance. Despite the political turmoil initiated in the 2nd half of 2024 and economic halt due to nonexistence of political Government in 2025 we are fortunate to have strong stewardship form 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 30% YoY, up from BDT 14,291 million in 2024 to BDT 18,582 million in 2025. This phenomenal growth shows our sheer commitment to attain customer loyalty. To reach this growth milestone we expanded our business network from 15 branch to 22 branch and 8 sub branches. This deposit growth leads to 24% total assets growth in 2025 nearing to BDT 25000 million milestone.

CZB's Loans & Advances growth was 34% growth in 2025 compared to previous year and total loans and advances reaches to BDT 11,064 million. AD ratio goes higher to 59.54% from 57.89%. 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 34% but still bank managed to keep NPL to 0.20% 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 175 million in 2025 growing from BDT 145 million in 2024 securing a 21% 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 2025. Operating expenses growth was 25% compared to previous year mainly attributed to Salary & Rental expenses due to branch expansion in 2025 and full swing rental payment of branches opened in 2024.

Capital to Risk Weighted Assets Ratio (CRAR) ratio decreased to 33.53% in 2025 from 45.56% in 2024 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 eligible capital of the bank rises to BDT 4182 million in 2025 from BDT 4126 million in 2025.

Bank has stepped into foreign trade business from the beginning of the year 2023 and during the year 2025 import and export business growth was 312% and 53% respectively and other source of non bunded income is guarantee business which grew by 179% in 2025 compared to previous year. We are increasing our foreign trade business network through expending RMA to explore new avenue for our customers. Bank is also servings homebound remittance earners through number of exchange houses like Ria, Western Union, NEC Italy etc and on the process of exploring new horizon though 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 Board's Risk Management Committee (RMC) regularly reviews, monitors, and updates the Board on the Bank's overarching risk management framework. To ensure the integrity and appropriateness of these practices, risk functions undergo continuous scrutiny by the Internal Control & Compliance Division (ICCD) and are directly supervised by the Risk Management Division (RMD). A detailed overview of CZB's risk management system can be found in the "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 2025.
- 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 2025 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 year 2025 as like the preceding years.

Business Outlook

Maintaining an optimal deposit volume and mix is essential for long-term business continuity. In response to a challenging economic environment, we are aggressively expanding our retail deposit base to reduce corporate concentration and secure stable funding. To drive further growth, we are diversifying our deposit and lending portfolios by introducing new products tailored to emerging market demands.

To generate favorable NIM and spreads, we are strategically expanding our SME, retail, and home mortgage loan portfolios. We have secured refinancing agreements with Bangladesh Bank for the SME and agro-sectors; leveraging these facilities at the official bank rate will positively impact our deposit costs. Meanwhile, we remain committed to minimizing NPLs across all segments through rigorous monitoring. Our credit expansion relies on absolute integrity, with zero compromise on professional due diligence during borrower selection.

We are committed to maximizing resource utilization and reducing costs by enhancing operational efficiency and strictly eliminating waste. To support this, we place a renewed focus on upskilling our workforce across all operational frontiers through rigorous training programs.

Simultaneously, we are prioritizing non-funded business transactions—such as letters of credit, various bank guarantees, export financing, and inward remittances—to drive fee and commission-based income. To expand our service portfolio, we have initiated utility bill and fee collection agreements with DPDC, DESCO, Dhaka WASA, Titas Gas, REB, and BRTA; these proposals are currently under active consideration by the respective authorities.

Finally, we ensure absolute compliance with regulatory frameworks and prudential guidelines to secure the Bank's interests and cement a path of sustainable growth. Our focus on maintaining strong compliance standards will position us to achieve a favorable CAMELS rating, enhancing our reputation across both domestic and international financial landscapes.

On behalf of the Board of Directors.

Chowdhury Mohammed Hanif Shoeb
Chairman
Board of Directors

4TH ANNUAL GENERAL MEETING

4th Annual General Meeting of Citizens Bank PLC was held on July 12, 2025 at Citizens Bank Head Office in Dhaka. The meeting was presided over by Mr. Chowdhury Mohammed Hanif Shoeb, Chairman, Board of Directors of the bank. Among the Directors, Mr. Mukhlesur Rahman, Mr. S. M. Shofiqul Hoq, Mrs. Tajkia Rahman, Independent Director Mr. N K A Mobin, FCA, FCS, Sponsor Shareholder Mr. Rakibul Islam Khan attended the meeting. Mr. Alamgir Hossain, Managing Director of the bank was also present.

3RD ANNIVERSARY CELEBRATION

Citizens Bank PLC. has befittingly celebrated 3rd anniversary of its rolling out of commercial operations. Mr. Chowdhury Mohammed Hanif Shoeb, Chairman, Citizens Bank along with Mr. Masuduzzaman, Chairman of the Executive Committee and other members of the Board of Directors namely Mr. Mukhlesur Rahman, Mr. S. M. Shofiqul Hoq, Mr. A K M Shahidul Haque of the bank celebrated the event as well. Among the well-wishers of the bank Mr. Mohammed Shams Eskander graced the occasion also. Senior Management of the bank were also present on the occasion.

ANNUAL BUSINESS CONFERENCE

Citizens Bank PLC. held its Annual Business Conference 2026 on January 17, 2026, at a resort in Munshiganj. Mr. Chowdhury Mohammed Hanif Shoeb, Chairman of the Bank, graced the conference as the Chief Guest and delivered strategic guidance aligned with the Bank's mission and vision. Mr. S. M. Shofiqul Hoq, Director, and Mr. AKM Shahidul Haque, Independent Director, were also present at the event and delivered their valuable speech and guidance.

Mr. Alamgir Hossain, Managing Director presented a comprehensive overview of the Bank's business performance of 2025. He highlighted strong deposit growth, improved asset quality, controlled non-performing loans, and the Bank's strong compliance culture, strong capital adequacy, corporate governance and a solid financial foundation. Citizens Bank achieved outstanding financial performance in 2025, with operating profit growth by 21 percent. Deposits grew by 30 percent, advances increased by 34 percent while Non-Performing Loan (NPL) ratio stood at 0.20 percent only. Mr. Alamgir also outlined the strategic action plan for 2026, emphasizing business expansion, enhanced operational efficiency, accelerated digital banking initiatives, expansion of the business network, and the introduction of innovative customer-centric services and products.

Deputy Managing Directors Mr. Md. Mostafizur Rahman and Mr. Md. Abdul Latif, along with divisional heads and branch managers from across the country, participated in the conference and shared insights on different issues.

ANNUAL RISK CONFERENCE

Citizens Bank PLC. organized Annual Risk Conference 2025 at its Head Office in Dhaka. Mr. A.N.M. Moinul Kabir, Director, Dept. of Offsite Supervision, Bangladesh Bank inaugurated the conference as the chief guest and delivered his valuable guidelines regarding risk factor in banking sector. Mr. Alamgir Hossain, Managing Director of the Bank attended the conference as Chairperson and gave valuable speech on different aspects of risk in banking operations to minimize risk in banking sector on present macroeconomic context. Besides, Deputy Managing Directors, Mr. Md. Mostafizur Rahman and Mr. Md. Abdul Latif; Mr. Mohammad Saiful Islam, Chief Financial Officer; Mr. Md. Israil Hossain, Chief Risk Officer attended the program. Mr. M. M. Apurba Abrar, Deputy Director, Dept. of Offsite Supervision, Bangladesh Bank conducted session as resource person. Senior Executives, Head of the Divisions and Branches of the bank participated in the conference.

PERFORMANCE AT A GLANCE

FINANCIAL HIGHLIGHTS

Figure in million

Particulars	2025	2024	Change (%)
Performance during the year			
Net interest income	440.41	269.66	63.32%
Non interest income including investment income	496.38	501.95	-1.11%
Other Operating income	41.19	15.80	160.70%
Operating profit	175.05	144.54	21.11%
Profit after tax	20.09	39.46	-49.09%
Net operating cash flow (NOCF)*	1,561.86	466.48	234.82%
Year-end financial position			
Loans and advances	11,063.67	8,272.78	33.74%
Total investment	4,802.46	4,056.51	18.39%
Deposits	18,582.12	14,291.49	30.02%
Shareholders' equity	4,064.93	4,043.89	0.52%
Total asset	23,688.89	19,101.48	24.02%
Ratios			
Capital to RWA ratio (CRAR) (as per Basel III)	33.53%	45.56%	-26.40%
Non performing loan	0.20%	0.00%	
Cost to income ratio	82.10%	81.64%	0.57%
Return on equity (ROE)	0.50%	0.98%	-49.47%
Return on assets (ROA)	0.09%	0.23%	-59.94%

FIVE YEARS FINANCIAL PROGRESSION

Figure in million

Particulars	2025	2024	2023	2022	2021
Balance sheet metrics					
Authorized capital	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Paid up capital	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Reserve and surplus	64.93	43.88	3.60	19.18	23.65
Shareholders' equity	4,064.93	4,043.89	4,003.60	4,019.18	4,023.65
Deposits	18,582.12	14,291.49	10,050.57	2,906.90	-
Other liabilities	1,021.01	729.51	491.35	381.78	310.36
Total liabilities and shareholders' equity	23,688.89	19,101.48	14,570.52	7,307.87	4,334.02
Total Investment	4,802.46	4,056.51	2,680.92	1,524.55	-
Investment in govt. securities	4,325.57	3,588.04	2,182.20	1,430.27	-
Investment in capital market including special fund	76.89	68.47	98.73	94.32	-
Loans and advances	11,063.67	8,272.78	4,383.57	986.25	-
Fixed assets	835.20	776.26	598.82	511.11	302.68
Total assets	23,688.89	19,101.48	14,570.52	7,307.87	4,334.02
Earning assets	21,082.94	17,151.17	13,353.39	6,490.19	3,981.40
Earning assets to total assets	89.00%	89.79%	91.65%	88.81%	91.86%
Liabilities to shareholders' equity (times)	4.83	3.72	2.64	0.82	0.08
Interest bearing assets	20,742.10	16,980.80	13,225.65	5,503.94	3,981.40
Income statement metrics					
Net interest income (excluding investment income)	440.41	269.66	240.72	200.23	219.49
Income from investments	387.80	435.31	197.65	71.42	-
Fees, commission, brokerage and other operating income	108.59	66.64	23.85	0.03	-
Other Operating income	41.19	15.8	8.29	1.03	-
Operating expense	802.93	642.88	437.37	251.21	133.70
Operating profit (profit before provision and tax)	175.05	144.54	33.14	21.47	85.78
Provision charged for loans, investment and other assets (net off w/off recovery)	76.19	48.72	31.01	18.19	-
Profit before tax (PBT)	98.86	95.81	2.13	3.29	85.78
Profit after tax (PAT)	20.09	39.46	(15.48)	(4.84)	43.97
Capital metrics					
Risk weighted assets (RWA)	12,474.68	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	4,000.00
Tier-1 capital	4,039.86	4,042.79	4,003.33	4,018.82	4,023.65
Tier-2 capital	143.14	82.72	37.49	6.99	-
Total regulatory capital (Tier 1 and Tier 2)	4,183.00	4,125.51	4,040.82	4,025.81	4,023.65
Capital surplus	183.00	125.51	3.33	18.82	23.65
Tier - 1 capital to RWA	32.38%	44.65%	75.48%	159.52%	306.13%
Tier - 2 capital to RWA	1.15%	0.91%	0.71%	0.28%	0%
Capital to risk weighted assets ratio (CRAR)	33.53%	45.56%	76.19%	159.80%	306.13%

Figure in million

Particulars	2025	2024	2023	2022	2021
Asset quality metrics					
Non performing/classified loans (NPLs)	21.64	-	-	-	-
NPL ratio	0.20%	0.00%	0.00%	0.00%	-
Total loans and advances to total assets	46.70%	43.31%	30.09%	13.50%	-
Total CMSME loan	1,910.66	1,702.99	1,291.91	522.65	-
CMSME loan to total loans	17.27%	20.59%	29.47%	52.99%	-
General provision for loans and OBS exposures (cumulative)	143.14	82.72	37.49	6.99	-
Total provision for loans and OBS exposure	150.16	82.72	37.49	6.99	-
Credit rating					
Credit rating agency	Alpha Credit Rating Ltd	Alpha Credit Rating Ltd	CRISL	CRISL	CRISL
Long term	A+	A	A-	BBB+	BBB
Short term	ST-2	ST-3	ST-3	ST-3	ST-3
Outlook	Stable	Stable	Stable	Stable	Stable
Efficiency ratios					
Return on average equity (ROE)	0.50%	0.98%	-0.39%	-0.12%	2.20%
Return on average assets (ROA)	0.09%	0.23%	-0.14%	-0.02%	0.50%
Net profit margin (PAT/gross income)	1.07%	2.09%	-1.68%	-1.32%	20.03%
Cost to income ratio	82.10%	81.64%	92.96%	92.13%	60.92%
Weighted average interest rate of loan (year-end) (A)	14.95%	15.14%	10.63%	8.95%	-
Weighted average interest rate of deposits (year-end) (B)	9.98%	9.92%	7.04%	5.15%	-
Spread (C = A - B)	4.97%	5.22%	3.59%	3.80%	-

HORIZONTAL ANALYSIS

Balance Sheet

Particulars	2025		2024		2023		2022		2021	
	BDT mn	Change %	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)	1,399.42	53.60%	911.09	125.04%	404.86	129.71%	176.25	133461.50%	0.13	-17.52%
Balance with other Banks and Financial Institutions	4,913.96	1.91%	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	302.85	-	-	-	-	-100.00%	40.00	-	-	-
Investments	4,802.46	18.39%	4,056.51	51.31%	2,680.92	75.85%	1,524.55	-	-	-
Loans and advances	11,063.67	33.74%	8,272.79	88.72%	4,383.57	344.47%	986.25	-	-	-
Fixed assets	835.20	7.59%	776.26	29.63%	598.82	17.16%	511.11	68.86%	302.68	-
Other assets	371.33	41.22%	262.95	23.19%	213.45	63.79%	130.32	161.67%	49.80	106.65%
Total assets	**23,688.89**	**24.02%**	**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	20.83	-	43.08%	36.60	46.40%	25.00	-	-	-	-
Deposits and other accounts	18,582.12	30.02%	14,291.49	42.20%	10,050.57	245.75%	2,906.91	-	-	-
Other liabilities	1,021.01	39.96%	729.51	48.47%	491.35	28.70%	381.78	23.01%	310.36	577.20%
Total liabilities	19,623.96	30.33%	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	0.00%	4,000.00	-
Statutory reserve	57.18	52.88%	37.40	105.04%	18.24	2.39%	17.81	3.83%	17.16	-
Other reserve	2.05	87.77%	1.09	308.24%	0.27	-27.35%	0.37	-	-	-
Surplus in profit and loss account	5.71	5.87%	5.39	-136.16%	(14.91)	-1585.61%	1.00	-84.55%	6.50	-131.98%
Total shareholders' equity	**4,064.93**	**0.52%**	**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	**23,688.89**	**24.02%**	**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	2025		2024		2023		2022		2021	
	BDT mn	Change %	BDT mn	Change %	BDT mn	Change %	BDT mn	Change %	BDT mn	Change %
Interest income	1,870.51	36.72%	1,368.09	97.28%	693.48	136.12%	293.70	33.81%	219.49	16427.63%
Interest paid on deposits and borrowings	1,430.11	30.20%	1,098.43	142.60%	452.77	384.39%	93.47	-	-	-
Net interest income	**440.41**	**63.32%**	**269.66**	**12.02%**	**240.72**	**20.22%**	**200.23**	**-8.77%**	**219.49**	**16427.63%**
Non-interest income	537.57	3.83%	517.75	125.31%	229.79	217.16%	72.45	-	-	-
Total operating income	**977.98**	**24.20%**	**787.41**	**67.35%**	**470.51**	**72.55%**	**272.68**	**24.24%**	**219.49**	**16427.63%**
Total operating expenses	802.93	24.90%	642.88	46.99%	437.37	74.10%	251.21	87.88%	133.70	279.96%
Profit before provisions	**175.05**	**21.11%**	**144.53**	**336.11%**	**33.14**	**54.34%**	**21.47**	**-74.97%**	**85.78**	**-353.34%**
Provision for loans and off-balance sheet exposures	67.45	49.12%	45.23	48.33%	30.49	336.12%	6.99	-	-	-
Other provision	8.74	150.36%	3.49	581.64%	0.51	-95.43%	11.19	-	-	-
Total provisions	**76.19**	**56.38%**	**48.72**	**57.14%**	**31.01**	**70.49%**	**18.19**	-	-	-
Profit before tax for the year	**98.86**	**3.18%**	**95.81**	**4385.49%**	**2.14**	**-35.01%**	**3.29**	**-96.17%**	**85.78**	**-353.34%**

VERTICAL ANALYSIS

Figure in million

Balance Sheet

Particulars	2025		2024		2023		2022		2021	
	BDT mn	Change %	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)	1,399.42	9.60%	911.09	6.25%	404.86	2.78%	176.25	2.41%	0.13	0.00%
Balance with other Banks and Financial Institutions	4,913.96	33.73%	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	302.85	2.08%	-	0.00%	-	0.00%	40.00	0.55%	-	0.00%
Investments	4,802.46	32.96%	4,056.51	27.84%	2,680.92	18.40%	1,524.55	20.86%	-	0.00%
Loans and advances	11,063.67	75.93%	8,272.79	56.78%	4,383.57	30.09%	986.25	13.50%	-	0.00%
Fixed assets	835.20	5.73%	776.26	5.33%	598.82	4.11%	511.11	6.99%	302.68	6.98%
Other assets	371.33	2.55%	262.95	1.80%	213.45	1.46%	130.32	1.78%	49.80	1.15%
Total assets	**23,688.89**	**162.58%**	**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	20.83	0.14%	36.60	0.25%	25.00	0.17%	-	0.00%	0	0.00%
Deposits and other accounts	18,582.12	127.53%	14,291.49	98.08%	10,050.57	68.98%	2,906.91	39.78%	0	0.00%
Other liabilities	1,021.01	7.01%	729.51	5.01%	491.35	3.37%	381.78	5.22%	310.36	7.16%
Total liabilities	**19,623.96**	**134.68%**	**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	27.45%	4,000.00	54.74%	4,000.00	92.29%
Statutory reserve	57.18	0.39%	37.40	0.26%	18.24	0.13%	17.81	0.24%	17.16	0.40%
Other reserve	2.05	0.01%	1.09	0.01%	0.27	0.00%	0.37	0.01%	-	0.00%
Surplus in profit and loss account	5.71	0.04%	5.39	0.04%	(14.91)	-0.10%	1.00	0.01%	6.50	0.15%
Total shareholders' equity	**4,064.93**	**27.90%**	**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	**23,688.89**	**162.58%**	**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	2025		2024		2023		2022		2021	
	BDT mn	Change %	BDT mn	Change %	BDT mn	Change %	BDT mn	Change %	BDT mn	Change %
Interest income	1,870.51	77.68%	1,368.09	72.55%	693.48	75.11%	293.70	80.21%	219.49	100.00%
Interest paid on deposits and borrowings	1,430.11	59.39%	1,098.43	58.25%	452.77	49.04%	93.47	25.53%	-	0.00%
Net interest income	**440.41**	**18.29%**	**269.66**	**14.30%**	**240.72**	**26.07%**	**200.23**	**54.68%**	**219.49**	**100.00%**
Non-interest income	537.57	22.32%	517.75	27.45%	229.79	24.89%	72.45	19.79%	-	0.00%
Total operating income	977.98	40.61%	787.41	41.75%	470.51	50.96%	272.68	74.47%	219.49	100.00%
Total operating expenses	802.93	33.34%	642.88	34.09%	437.37	47.37%	251.21	68.61%	133.70	60.92%
Profit before provisions	**175.05**	**7.27%**	**144.53**	**7.66%**	**33.14**	**3.59%**	**21.47**	**5.86%**	**85.78**	**39.08%**
Provision for loans and off-balance sheet exposures	67.45	2.80%	45.23	2.40%	30.49	3.30%	6.99	1.91%	-	0.00%
Other provision	8.74	0.36%	3.49	0.19%	0.51	0.06%	11.19	3.06%	-	0.00%
Total provisions	**76.19**	**3.16%**	**48.72**	**2.58%**	**31.01**	**3.36%**	**18.19**	**4.97%**	**-**	**0.00%**
Profit before tax for the year	**98.86**	**4.11%**	**95.81**	**5.08%**	**2.14**	**0.23%**	**3.29**	**0.90%**	**85.78**	**39.08%**

VALUE-ADDED STATEMENT

Figure in million

Particulars	2025	2024	2023	2022	2021
Wealth creation					
Revenue from banking services	1,870.51	1,368.09	693.48	293.70	219.49
Less: Cost of services & supplies	1,611.46	1,286.50	576.32	151.07	95.92
	259.06	**81.59**	**117.16**	**142.63**	**123.56**
Non-banking income	537.57	517.75	229.79	72.45	72.45
Less: Provision for loans & other assets	76.19	48.72	31.01	18.19	-
Total wealth creation	**720.44**	**550.62**	**315.94**	**196.90**	**196.02**
Wealth distribution					
Employees & directors	**384.87**	**275.98**	**208.53**	**130.93**	**82.94**
Employees as salaries & allowances	382.23	274.15	207.61	130.48	82.73
Directors as fees	2.64	1.84	0.92	0.46	0.21
Government	**143.29**	**111.22**	**38.28**	**26.21**	**47.66**
Corporate tax	89.06	56.35	17.62	8.12	41.81
Service tax/value added tax	54.23	54.87	20.66	18.09	5.85
Retention for future business growth	**192.28**	**163.42**	**69.13**	**39.76**	**65.41**
Retained earnings	20.09	39.46	(15.48)	(4.84)	43.97
Depreciation and amortization	172.19	123.96	84.62	44.59	21.44
Total wealth distribution	**720.44**	**550.62**	**315.94**	**196.90**	**196.02**

ECONOMIC VALUE-ADDED STATEMENT

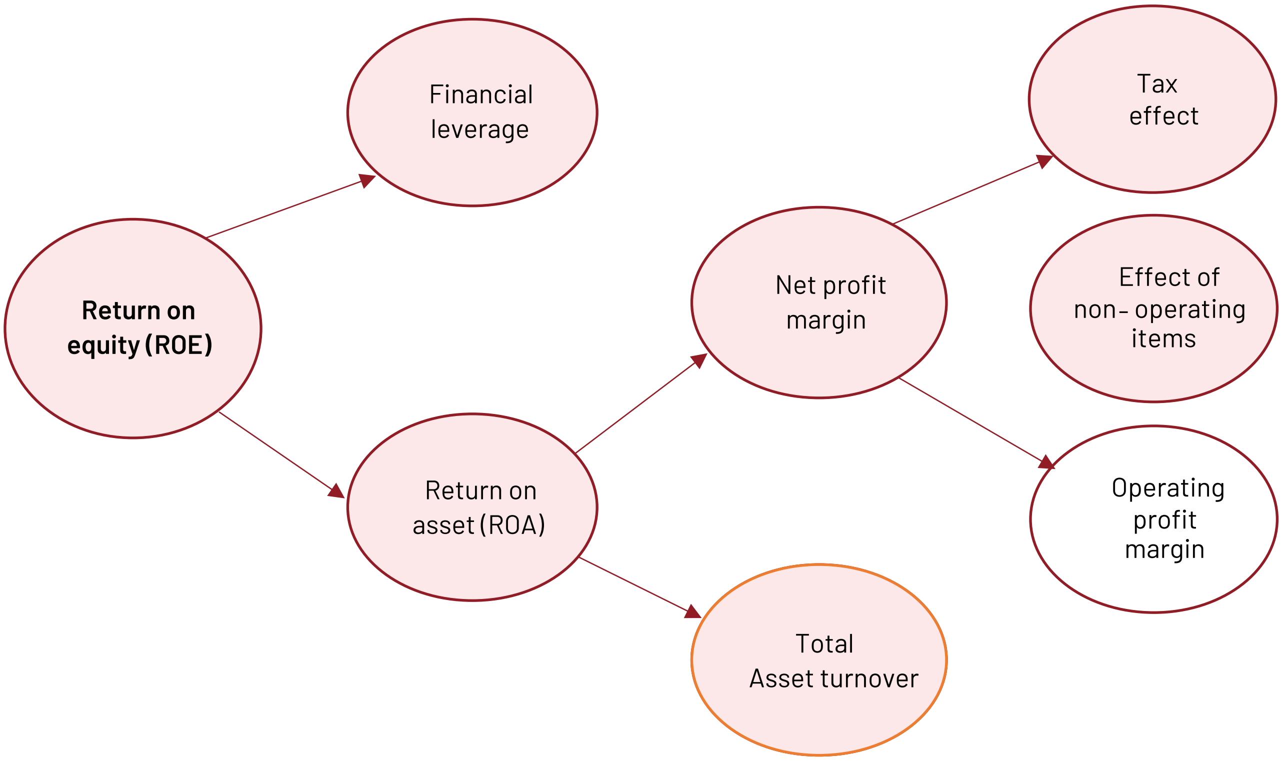
Figure in million

Particulars	2025	2024	2023	2022	2021
Shareholders' equity	4,064.93	4,043.89	4,003.60	4,019.18	4,023.65
Add: Accumulated provision for loans & advances and other assets	174.10	97.91	31.01	18.19	-
Capital deployed	**4,239.03**	**4,141.80**	**4,034.61**	**4,037.37**	**4,023.65**
Average capital deployed/shareholders' equity (A)	**4,190.41**	**4,088.20**	**4,035.99**	**4,030.51**	**2,024.58**
Earnings					
Profit after tax	20.09	39.46	(15.48)	(4.84)	43.97
Add: Provision for loans & advances and other assets Charged during the year	174.10	97.91	31.01	18.19	-
Less: Written off interest suspense during the year	-	-	-	-	-
Net earnings (B)	**194.18**	**137.38**	**15.52**	**13.35**	**43.97**
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	12.42%	14.53%	12.82%	10.33%	9.42%
Capital charge / cost of average equity (D=A x C)	**520.45**	**594.02**	**517.41**	**416.35**	**190.72**
Economic value added (B-D)	**(326.26)**	**(456.64)**	**(501.89)**	**(403.00)**	**(146.75)**

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	2025	2024
Return on Equity (ROE) (%)	Return on Asset x Financial leverage	0.50%	0.98%
Return on Asset (ROA) (%)	Net profit margin x Total asset turnover	0.09%	0.23%
Net Profit Margin (%)	PAT/Revenue	1.07%	2.09%
Operating Profit Margin (%)	Profit before provisions/Revenue	9.28%	7.66%
Tax Effect (%)	PAT/PBT	20.32%	41.19%
Effect of Non-operating item (%)	PBT / profit before provisions	56.47%	66.29%
Total Asset Turnover (Times)	Revenue/Total Average Assets	0.09	0.11
Financial Leverage (Times)	Total Average Asset/Average Shareholders' Equity	5.28	4.18



KEY FINANCIALS IN GRAPHS

Figure in million

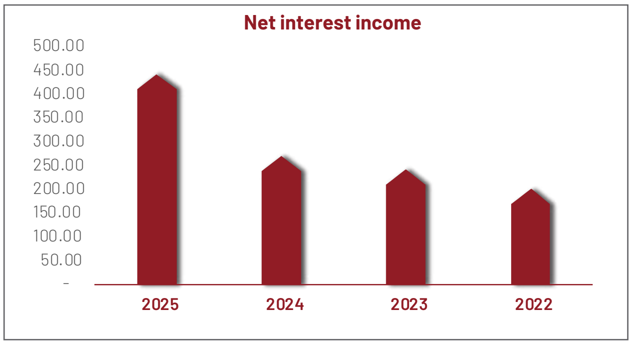
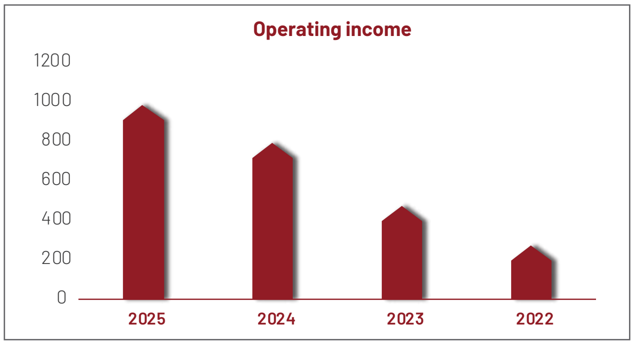
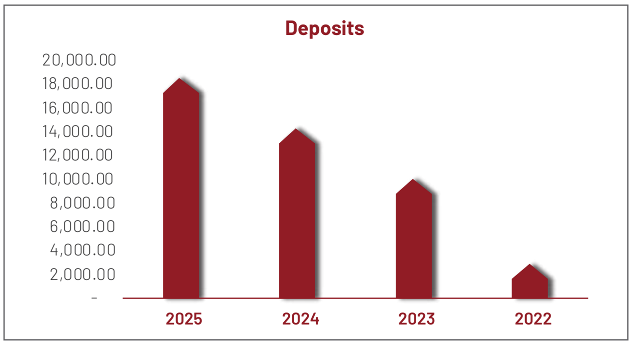
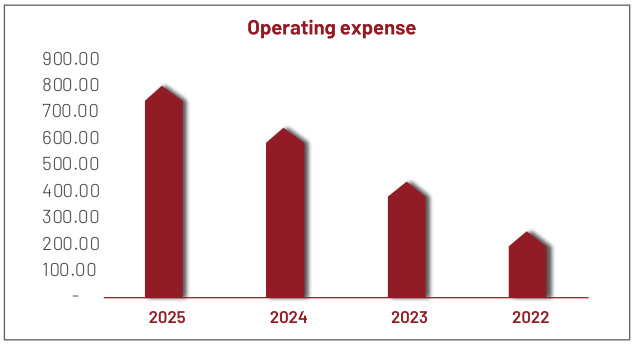
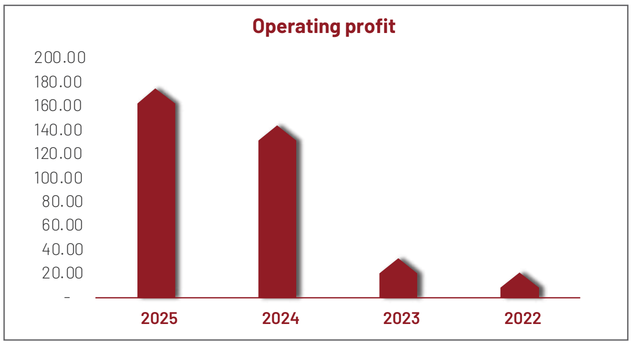

Net interest income

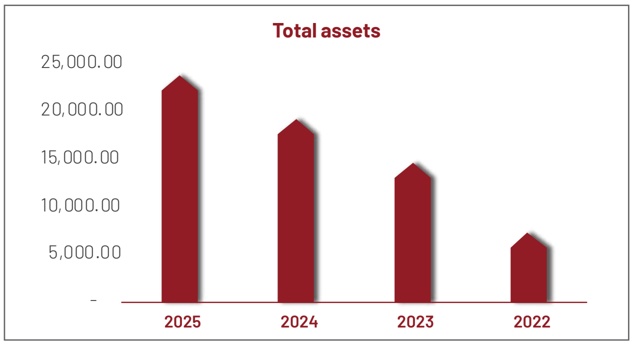
Figure in million

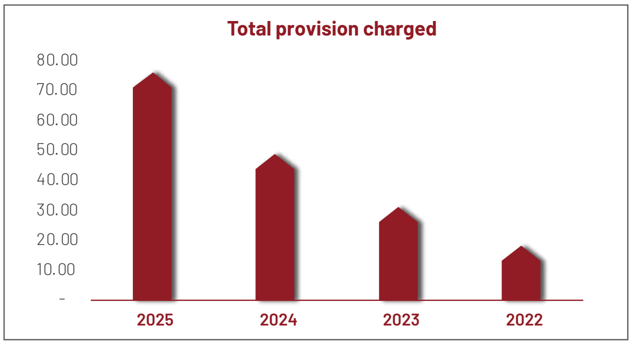

Operating income

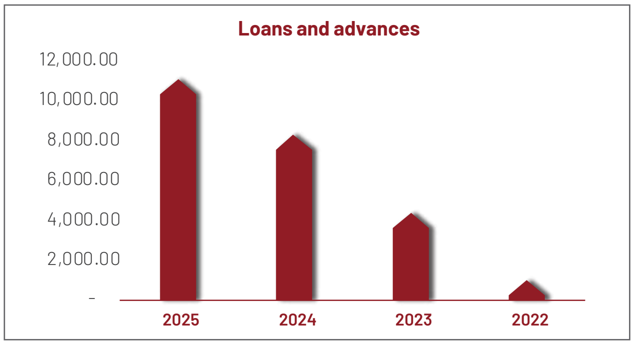

Deposits

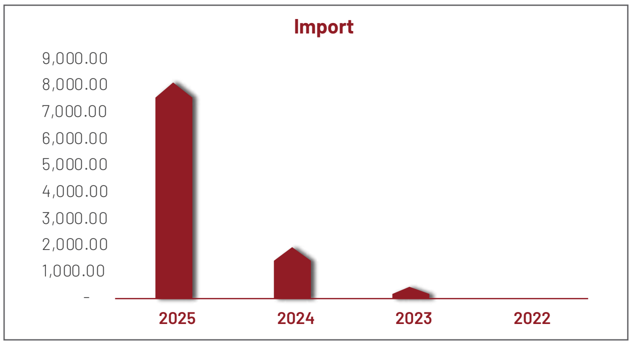

Operating expense

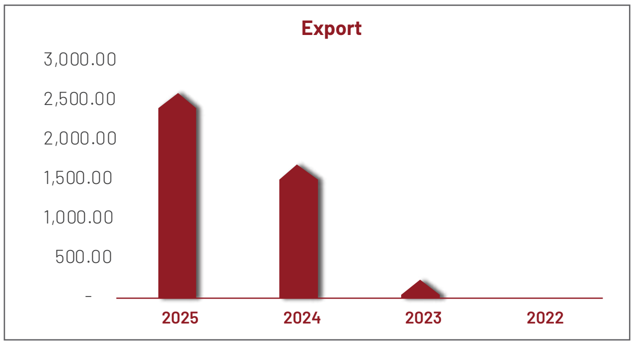

Operating profit


Total assets


Total provision charged


Loans and advances


Import


Export

Citizens Bank
ASSESSMENT & APPRECIATION

SURVEILLANCE RATING (ALPHA) YEAR 2026	INTERPRETATION
Long Term **A+**	Issuers or issues reted A+ represents above average credit quality relative to other Bangladeshi obligors.
Short Term **ST-2**	Issuers rated ST-2 have an above average ability to meet short term financial commitments relative to other Bangladeshi obligors.
Outlook	Stable
Date of Rating	June 11, 2026
Valid Till	June 10, 2027

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. Mahamud, Sabuj & Co , Chartered Accountants also provided their opinion on the same by issuing an unqualified audit report.
- Proper books of account as required by law have been kept by Citizens Bank PLC.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements of the Bank and the accounting estimates are based on reasonable and prudent judgment.
- Details description including disclosure of departures has been presented in Note 2.1.1 to the Financial Statements 2025.
- There is no significant doubts upon the Bank's ability to continue as a going concern.
- The certification of MD 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 2025 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

Chairman
Board of Directors

CHIEF FINANCIAL OFFICER'S REPORT

In 2025, under unpleasant challenging environments, Citizen Bank Plc (CZB) has performed well in key areas of its business activities, i.e., compared to last year Loans & Advances growth was 33.74%, Deposit growth was 30.02% and our operating profit growth increased by 21.11% over last year of 2024. We have also achieved our annual target of Loans @ 105.37%, Deposits @ 106.18% and operating profit @ 97.25% as set by the Board of Directors for the FY 2025. As a result, our balanced growth has continued its positive returns for the stakeholders.

During the year all these hardships of challenges taught us to be resilient, adaptive, innovative and confident in the face of hardship and we are confident to deliver better performance in the coming days.

Metric	Target Achieved (%)	Actual (BDT Million)	Budget (BDT Million)
Loan / Loans & Advances	105.37%	11,063.67	10,500.00
Deposit	106.18%	18,582.12	17,500.00
Operating Profit	97.25%	175.05	180.00

STIMULATING TIMES, ROBUST RESPONSES

Citizens Bank began the year 2025 with a sense of optimism, inspired by the consistent GDP growth of the country, improvement in purchasing power of individuals and huge investment in the infrastructure development in the country, aftermath of the COVID-19 recovery phase that has set forth the template for plans and targets for the year.

The outline was, however, completely re-set when geopolitical conflicts, war conditions, technological advancements, increased AI infrastructure investment and changes in tariff policies by major global economic power blocks are continuing capitulating the global economy with drastic impact on the lives and livelihood of peoples and businesses everywhere around the world.

The trade barriers and restrictions due to tariff imposition has resulted in critical challenges for developing nations like us, which also have greater impact towards stagnation of economic activity.

In order to continue supporting our customer and stakeholder ecosystem, we ensured that, we were doing so from a position of strength. Accordingly, we strongly managed our liquidity and capital positions to keep funding accessible to our valued customers, while closely monitoring any potential build-up of asset quality slippages that could place pressure on our capital levels. We also ensured compliance with all regulations, thus meeting the authority's mandate of relief/stimulus transference to intended beneficiaries.

OVERVIEW

CZB is one of the compliant fourth generation banks in Bangladesh. As a longstanding bank of repute with deep bonds of customer and depositor trust, we engage in all types of typical banking activities, operations and services. Our scale, business model and diversification accelerate our objective to be the best digital financial services platform, acting responsibly and earning the lasting loyalty of our stakeholders. We also continued to build trust with our investors/shareholders community by keeping them up-to-date with regards to key material developments, as well as our capital, NPL positions, strong liquidity and efficient cost management, etc.

As of December 31, 2025, we had BDT 23,688.89 Million of assets, BDT 11,063.67 Million of loans & advances and BDT 18,582.12 Million of deposits. Bank inaugurated commercial operation from 3rd July 2022 and going through rapid expansion period which leads to comparatively higher cost to income ratio of 82.10% nonetheless thanks to the lower rate of NPL spread is as high as 4.97%. In addition, with a strong capital position of the Bank, the Capital to Risk-weighted Asset Ratio (CRAR) stood at 33.53% against regulatory requirement of 12.50% including 2.50% capital buffer.

Despite operating in a challenging business environment in 2025, CZB's business and profit performance remained very well, mainly on account of strong asset quality, relaxed provisioning norms and prudent cost management efforts, etc.

PORTFOLIO MIX HIGHLIGHTS:

- **Loan Mix:** Corporate Banking (81%), SME Banking (12%), Retail Banking (7%)
- **Deposit Mix:** Zero Cost (11%), High Cost (82%), Low Cost (7%)

KEY HIGHLIGHTS IN 2025

- Interest income increased by BDT 502.42 million from BDT 1,368.09 million in 2024 to BDT 1,870.51 million in 2025, i.e., growth up by 36.72%% over 2024. On the other hand, interest paid on deposit & borrowings increased by BDT 331.68 million from BDT 1,098.43 million in 2024 to BDT 1,430.11 million in 2025, i.e., up by 30.20%, despite rise in deposit rates in overall market during the year. As a result, net interest income increased by 63.32%, or BDT 170.75 million from BDT 269.66 million in 2024 to a net interest income of BDT 440.41 million in 2025.
- Operating Income increased by BDT 190.57 million from BDT 787.41 million in 2024 to BDT 977.98 million in 2025, i.e., growth up by 24.20% over 2024.
- Operating expenses increased by BDT 160.06 million from BDT 642.88 million in 2024 to BDT 802.93 million in 2025, i.e., increased by 24.90% over 2024, because of branch expansion during the period yet, we expect to further improve our operational capacity with efficient cost management.
- Operating profit before provision on loans and corporate tax increased by 21.11% from BDT 144.54 million in 2024 to BDT 175.05 million in 2025.
- Net profit after tax registered at BDT 20.09 million in 2025 against BDT 39.46 million in 2024, i.e., reduced by BDT 19.37 million, or 49.09% over 2024, due to provision requirement. Earnings per share (EPS) stood at BDT 0.05 compared to BDT 0.10 in 2024.
- Cost reduction which encompasses deposit cost to all types of OPEX and CAPEX was achieved through our higher brand value and trustworthiness among our depositors and the optimisation of plans implemented in recent years.
- Loan-loss provisions were kept as per regulatory guidelines. During the year our loan provision increased, due to increase of our loan book as well as a very few clients have turned into classified, but we are trying to recover/regularize it.
- Loans and Advances increased by 33.74%, or BDT 2,790.89 million to BDT 11,063.67 million in 2025 from BDT 8,272.78 million in 2024. However, overall loans portfolio remained relatively balanced between Institutional Banking (Corporate), MSME and Retail Segments.
- Customer deposits grew by 30.02%, or BDT 4,290.63 million to BDT 18,582.12 million in 2025 from BDT 14,291.49 million in 2024. While growing our deposits book, we have focused on low cost and no cost (CASA) deposits acquisition.

CAPITAL MANAGEMENT STRATEGIES

Citizens Bank PLC has taken capital management approach is guided by the key capital management objectives as articulated in its capital management framework. The bank's capital position, capital mix and capital allocation are continuously reviewed, taking into consideration of strategic and organizational requirements, as well as regulatory and business environment in which the bank operates. During the year 2025, we ensured prudential capital management with a prioritized focus on safety. Our key objectives with regards to our capital management focus include the following:

- Compliance with regulatory capital requirements.
- Alignment of capital levels to the bank's risk appetite and strategic business plans.
- Maintaining an appropriate balance between optimising returns to shareholders and prudent capital management.
- 32.38% of Tier-1 capital ratio held against minimum regulatory requirement of 8.50%.
- 33.53% of Total capital ratio held against minimum regulatory requirement of 12.50% (Country CRAR stood at 9.48%).

CREDIT RATING

Alpha Credit Rating PLC has rated the Bank with effective from June 11, 2026 to June 10, 2027 as follows:

- Long Term: A+
- Short Term: ST-2
- Outlook Status: Stable

OUTLOOK FOR 2026

The Bank has already started reaping benefit of its strategy of diversification in its portfolio, products, services, channels, etc. Bank also invested a substantial amount in its digitization platform, which will add more flare in its scale up game changing strategy. Therefore, revenues from on-balance sheet and off-balance sheet position will become stronger and consistent in the coming days. Overall despite persistent uncertainties, in geopolitics, financial regulations and volatile liquidity situation, Citizens Bank has begun 2026 with a comfortable liquidity position and a positive funding outlook for the year.

The strategic priorities to ensure a profitable business model in a sustainable manner are critical success factors for the current market situations:

- Low Cost Fund Mobilisation Through Strong Customer Relationship
- New Technology Adoption for Higher Operational Efficiency
- Restraint on Non-Performing Loan (NPL)
- Products/Services Portfolio Diversification
- Prioritization of Cyber Security & Ensuring Service Quality

We expect a steady increase in lending in all our segments with high growth in new segments, i.e., small and micro finance, women segment, start-up business, supply chain and retail, as well as a good performance in deposits with low cost and no cost mixed. Going forward, we will focus on optimizing liquidity to maintain a solid balance sheet structure across our footprint in compliance with regulatory guideline. We are also focusing with new products and solutions to improve in non-funded income windows from trade business to account services to credit/prepaid cards which will be a core strength of the Bank.

Sincerely,

Mohammad Saiful Islam, ACA, FCMA

Chief Financial Officer

INAUGURATION CEREMONY OF BRANCH

Citizens Bank PLC. has opened Tejgaon Link Road Branch at Gulshan Tejgaon Link Road, Dhaka. Mr. Chowdhury Mohammed Hanif Shoeb, Chairman, Citizens Bank PLC. formally inaugurated the Branch as Chief Guest in presence of Independent Directors Mr. N K A Mobin FCS, FCA and Mr. A K M Shahidul Haque. Mr. Alamgir Hossain, Managing Director of the Bank along with Deputy Managing Directors Mr. Md. Mostafizur Rahman and Mr. Md. Abdul Latif and other high officials of the bank were present on the occasion. Besides, invited dignitaries and valued clients Mr. Shams Eskander, Mr. Romo Rouf Chowdhury, Mr. Delwar Hossain Chowdhury, Mr. Nazrul Islam Swapon, Mr. Enam Chowdhury, Mr. Ashraful Islam Chowdhury, Mr. Faizul Latif Chowdhury and many more renowned personalities were also present.

Mr. Alamgir Hossain, Managing Director, Citizens Bank PLC. formally inaugurated Chatkhil Branch at Noakhali on December 22, 2025 in presence of Deputy Managing Directors Mr. Md. Mostafizur Rahman and Mr. Md. Abdul Latif and other high officials of the bank. Among others, local renowned businessmen across the different segments and elites/professionals were also present on the occasion.

INAUGURATION CEREMONY OF BRANCH

Mr. Alamgir Hossain, Managing Director, Citizens Bank PLC. formally inaugurated Bogura Branch at Borogola, Bogura on December 24, 2025 in presence of Deputy Managing Directors Mr. Md. Mostafizur Rahman and Mr. Md. Abdul Latif and other high officials of the bank. Among others, local renowned businessmen across the different segments and elites/professionals were also present on the occasion.

Citizens Bank PLC. has opened Kadamtali Branch at Jinjira, Keraniganj, Dhaka. Mr. Chowdhury Mohammed Hanif Shoeb, Chairman, Citizens Bank PLC. formally inaugurated the Branch as Chief Guest. Mr. Alamgir Hossain, Managing Director of the Bank along with Deputy Managing Directors Mr. Md. Mostafizur Rahman and Mr. Md. Abdul Latif and other high officials of the bank were present on the occasion. Among others, local renowned businessmen across the different segments and elites/professionals were also present on the occasion.

INAUGURATION CEREMONY OF BRANCH

Mr. Alamgir Hossain, Managing Director, Citizens Bank PLC. formally inaugurated Malkhanagar Branch at Sirajdikhan, Munshiganj on December 29, 2025 in presence of Deputy Managing Directors Mr. Md. Mostafizur Rahman and Mr. Md. Abdul Latif and other high officials of the bank. Among others, local renowned businessmen across the different segments and elites/professionals were also present on the occasion.

Citizens Bank PLC. has opened Kawran Bazar Sub Branch at Kazi Nazrul Islam Avenue, Dhaka. Mr. Masuduzzaman, Chairman, Executive Committee of the Board of Directors of Citizens Bank PLC. formally inaugurated the Sub Branch as Chief Guest and delivered his valuable speech in presence of Independent Directors Mr. N K A Mobin FCS, FCA and Mr. A K M Shahidul Haque. Mr. Alamgir Hossain, Managing Director of the Bank along with Deputy Managing Directors Mr. Md. Mostafizur Rahman and Mr. Md. Abdul Latif and other high officials of the bank were present on the occasion. Besides, invited dignitaries and valued clients and many more renowned personalities were also present on the occasion and shared their valuable insights.

INAUGURATION CEREMONY OF BRANCH

Mr. Alamgir Hossain, Managing Director, Citizens Bank PLC. formally inaugurated Tanbazar Sub Branch at Narayanganj in presence of Deputy Managing Directors Mr. Md. Mostafizur Rahman and Mr. Md. Abdul Latif and other high officials of the bank. Among others, Mr. Alhaj M. Solaiman, President, Narayanganj Club with local renowned businessmen across the different segments and elites/professionals were also present on the occasion.

Mr. Alamgir Hossain, Managing Director, Citizens Bank PLC. formally inaugurated Baligaon Sub Branch at Munshiganj on February 2, 2026 as Chief Guest and delivered his valuable speech in presence of Deputy Managing Directors Mr. Md. Mostafizur Rahman and Mr. Md. Abdul Latif and other high officials of the bank. Among others, local renowned businessmen across the different segments and elites/professionals of the area were also present on the occasion.

INAUGURATION CEREMONY OF BRANCH

Mr. Alamgir Hossain, Managing Director, Citizens Bank PLC. formally inaugurated Aglabazar Sub Branch at Nawabganj, Dhaka as Chief Guest and delivered his valuable speech in presence of Deputy Managing Directors Mr. Md. Mostafizur Rahman and Mr. Md. Abdul Latif and other high officials of the bank. Among others, renowned local businesspersons from various sectors, along with distinguished elites and professionals of the area were also present on the occasion.

Mr. Alamgir Hossain, Managing Director, Citizens Bank PLC. formally inaugurated Lohagara Branch at Chattogram recently as Chief Guest. Besides, Mr. Md. Saiful Islam, Upazila Nirbahi Officer of Lohagara Upazila, was present at the occasion as Special Guest. Speaking on the occasion, the Chief Guest highlighted that the new branch will deliver a comprehensive range of banking solutions tailored to meet the evolving financial needs of the customers. Deputy Managing Directors Mr. Md. Mostafizur Rahman and Mr. Md. Abdul Latif and other high officials of the bank, local renowned businessmen across the different segments and elites/professionals of the area were also present on the occasion.

INAUGURATION OF ATM BOOTH AT KAWRAN BAZAR

Mr. Md. Abdul Latif, Deputy Managing Director, Citizens Bank PLC. formally inaugurated ATM Booth at Kawran Bazar, Dhaka to facilitate the customers of the bank. Among others, Mr. Md. Mostafizur Rahman, Deputy Managing Director of Citizens Bank, Mr. Zahid Alamgir, Head of Kawran Bazar Sub Branch and high officials of the bank were present at the occasion.

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:

Strategic Level

- Board of Directors
- Board Risk Management Committee

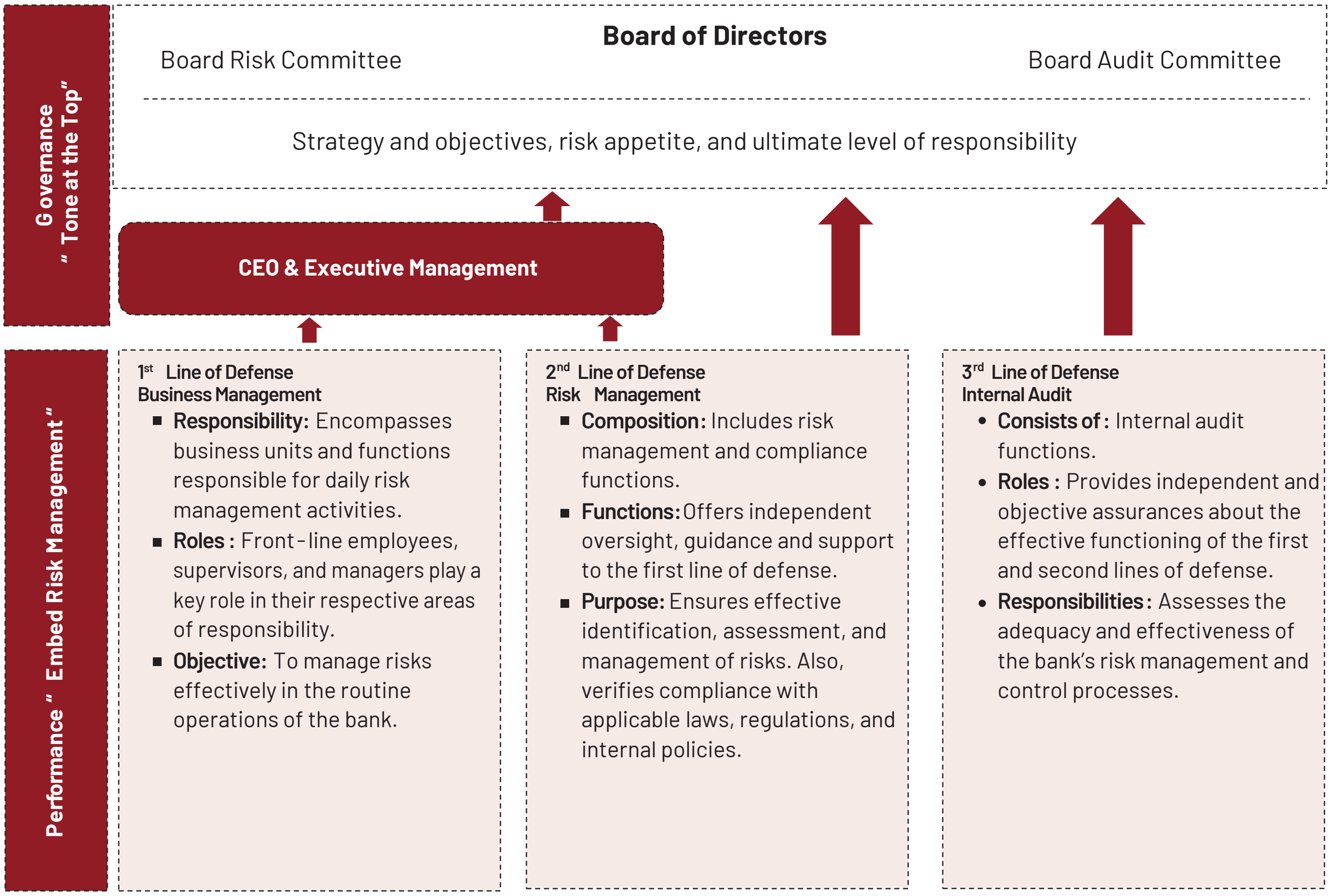
Managerial Level

- Executive Risk Management Committee
- Supervisory Review Process (SRP) Team
- Credit Risk Management Committee

Operational Level

- Risk Management Division
- All other risk related Divisions/Units

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



Governance “ Tone at the Top”

Board of Directors

Board Risk Committee

Board Audit Committee

Strategy and objectives, risk appetite, and ultimate level of responsibility

CEO & Executive Management

Performance “ Embed Risk Management”

1st Line of Defense
Business Management

- **Responsibility:** Encompasses business units and functions responsible for daily risk management activities.
- **Roles :** Front-line employees, supervisors, and managers play a key role in their respective areas of responsibility.
- **Objective:** To manage risks effectively in the routine operations of the bank.

2nd Line of Defense
Risk Management

- **Composition:** Includes risk management and compliance functions.
- **Functions:** Offers independent oversight, guidance and support to the first line of defense.
- **Purpose:** Ensures effective identification, assessment, and management of risks. Also, verifies compliance with applicable laws, regulations, and internal policies.

3rd Line of Defense
Internal Audit

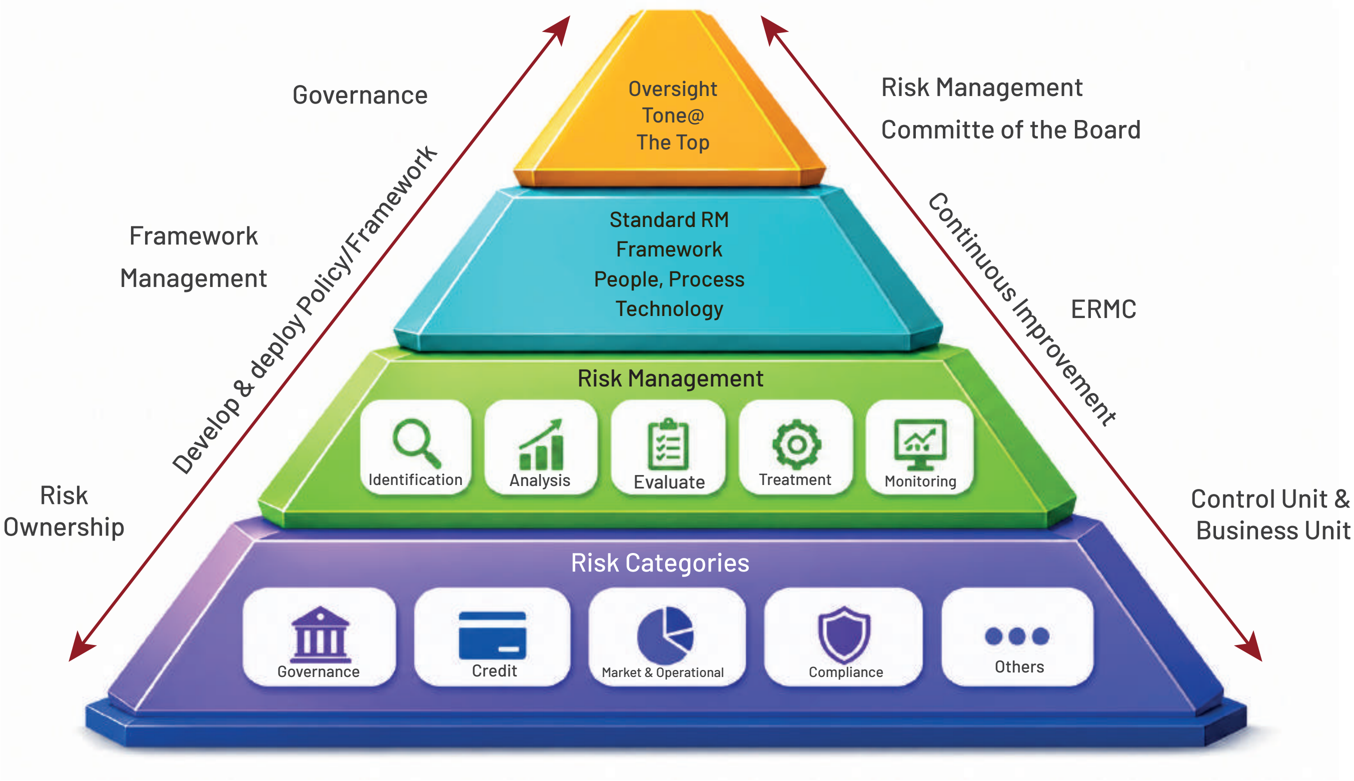
- **Consists of :** Internal audit functions.
- **Roles :** Provides independent and objective assurances about the effective functioning of the first and second lines of defense.
- **Responsibilities :** Assesses the adequacy and effectiveness of the bank’s risk management and control processes.

CZB's value and Risk Culture

Risk Governance	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.	
Roles and Responsibilities	Three Lines of Defense Model	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,
Processes and tools	Risk Appetite Enterprise-wide Risk management tools Active risk management: identification/assessment, monitoring, management and reporting.	The Bank has established processes for identifying, assessing, monitoring, The Bank has established processes for identifying, assessing, monitoring, to ensure that we stay within our defined risk appetite.
Processes and tools	Policies and procedures Control Activities Systems and infrastructure	Policies and procedures established the minimum requirements for implementing the necessary controls to effectively manage our risks Operational and resilience risk management establishes minimum standards and processes for effectively managing operational risks and internal controls. The Bank possesses systems and processes designed to facilitate the identification, capture exchange of information, thereby supporting and activities related to risk management.

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.



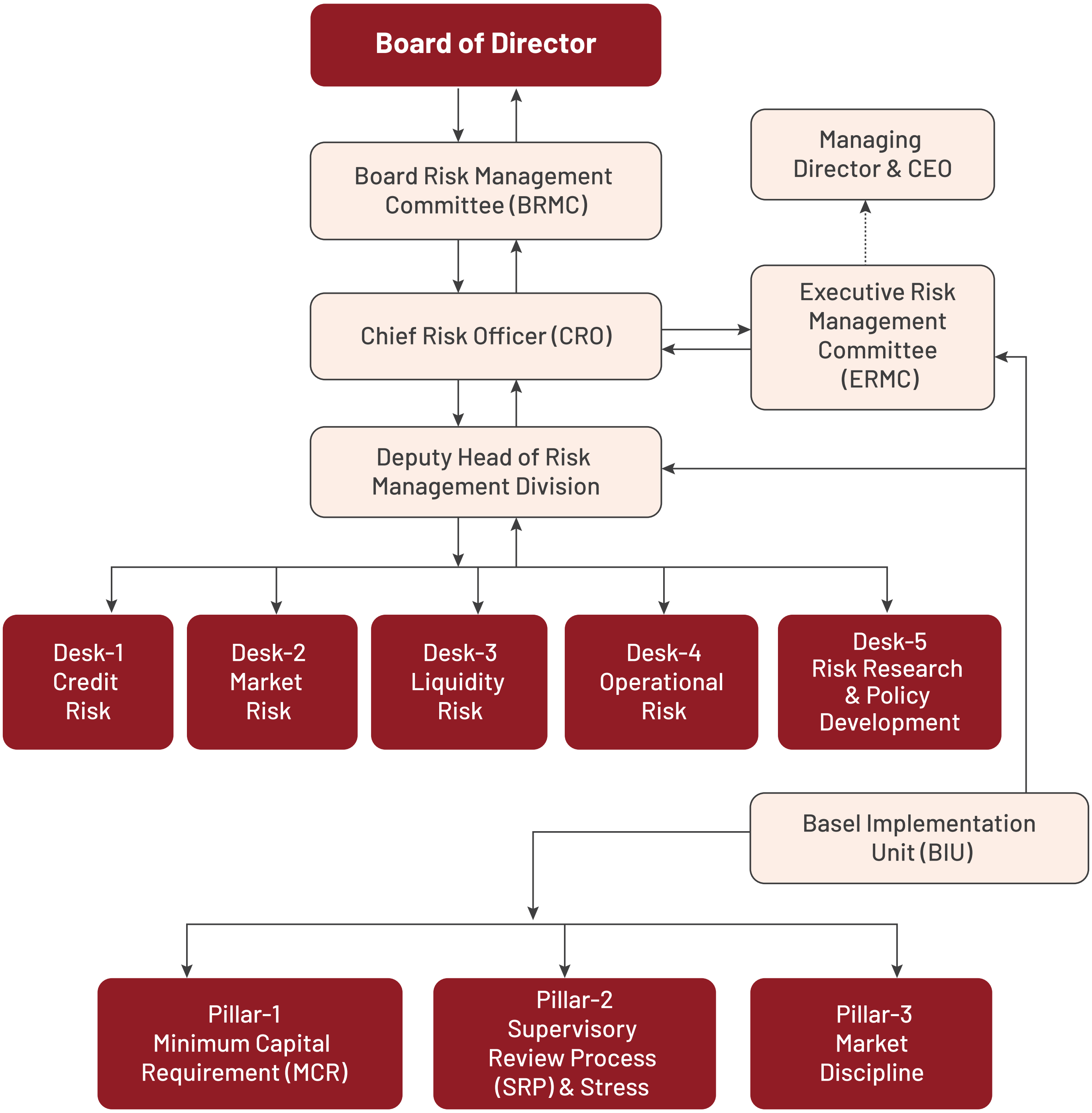
The risk landscape in the current business environment is changing dynamically with the dimensions of Cyber security, Information Security & Business Continuity, Data Privacy and Large Deal Execution figuring prominently in the risk charts of most organizations. To effectively mitigate these risks, we 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 2025 (In Number)
Number of Member of Board RMC	3
Number of Board RMC Meetings	4

Executive Risk Management Committee (ERMC)

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

Disclosure of activities of Executive Risk management Committee (ERMC) is as follows:

Particulars	During the year 2025 (In Number)
Number of Member of ERMC	10
Number of ERMC Meetings	12

Risk Management Division (RMD)

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

Chief Risk Officer (CRO)

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

Risk Appetite Statement

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

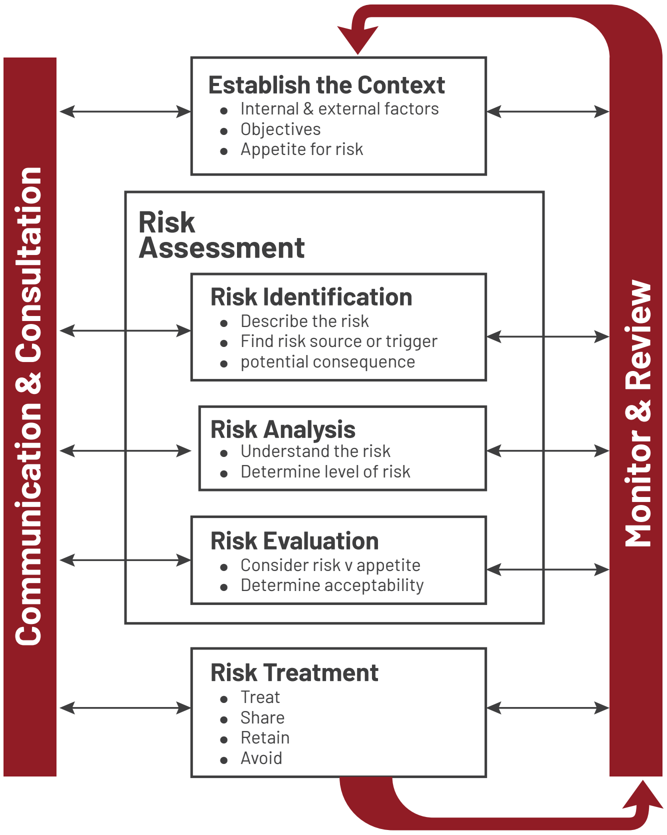
According to Bangladesh Bank's (BB) Risk Management Guidelines (2018) a Bank's risk exposures needs to be identified and categorized within 3 levels of thresholds. The 3 levels measure increasing level of risk exposure in ascending categorization in respect exposure severity. They are:

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

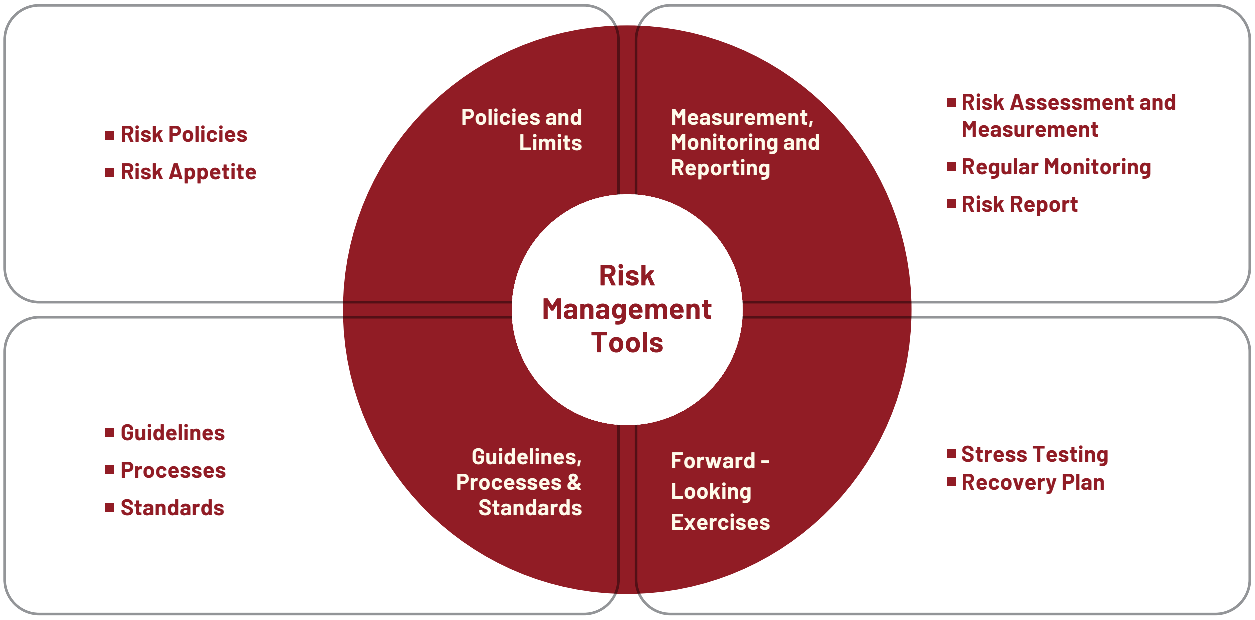
Risk Management Process

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

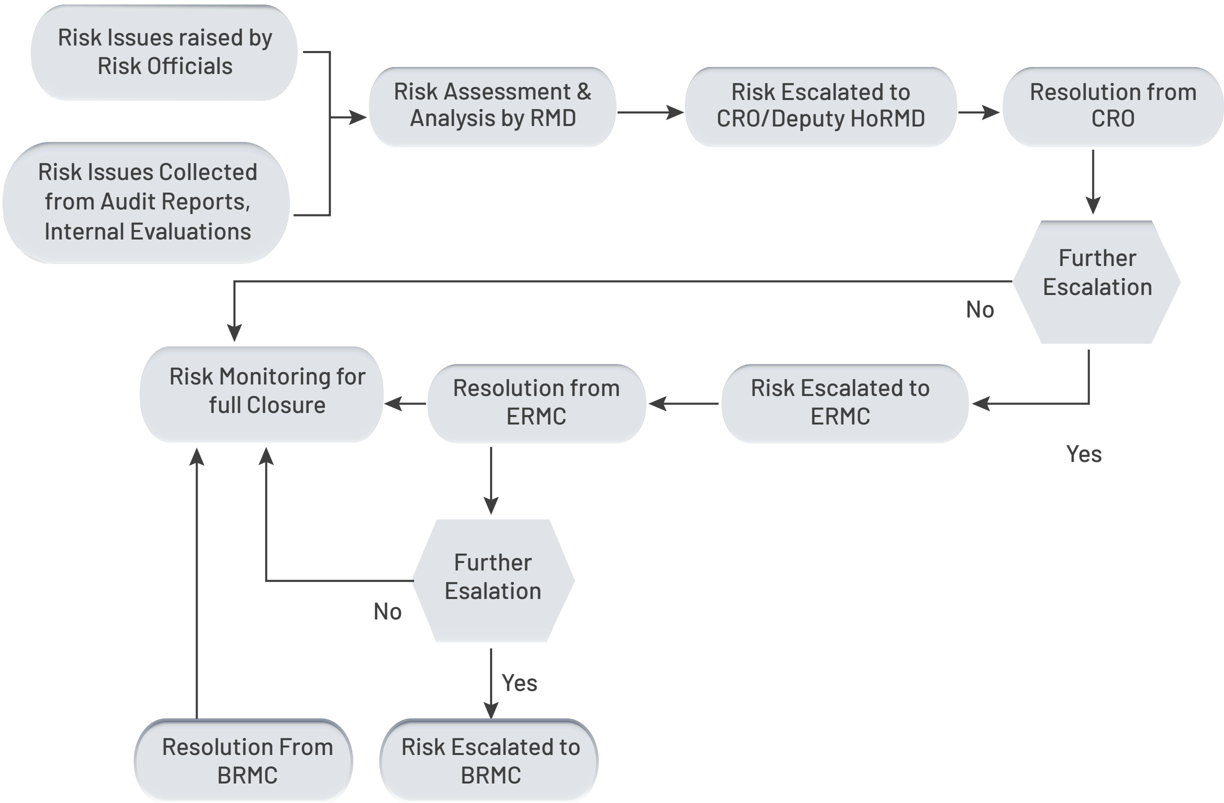
Risk Management Process



Risk Management Tools & Models



Risk escalation flowchart of the Bank



Risk Management Reporting

Risk Management Division of the Bank is continuously analyzing various risks for management information and reporting to competent authorities (both internal and external) on regular basis. The reporting includes monthly (monthly risk management report), quarterly (capital adequacy statement and stress testing report), half yearly (comprehensive risk management reporting), yearly (risk appetite statement of the Bank and Review report of Risk Management Policies and Effectiveness of Risk Management Functions 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 accordingly.
	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 2025.

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 14.63% in December 2025 against regulatory requirement of 3.75%.

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 particulars risk areas. In view to finding of stress testing, guidance from Bangladesh Bank and Board RMC also being considered for assessing potential risks of the bank.

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

Risk Based Supervision:

Bangladesh Bank has undertaken initiative to implement Risk Based Supervision (RBS) in order to strengthen and enhance the effectiveness of supervision activities in Banking sector. In this context, Citizens Bank PLC made gap analysis align with the directives provided by Bangladesh bank in SPCD (Supervisory Policy and Coordination Department) Circular No: 02, dated 23 October 2025. In this consequence we have taken following initiatives:

- Awareness Program for Board of Directors regarding Risk Based Supervision (RBS).
- Awareness Program for Senior Management, Head of Divisions, Head of Branch.
- Taking Initiatives to strengthen MIS system of the Bank.
- Taking Initiatives to enhance data collection, reporting, and risk analytics systems for timely supervision.
- To build staff capacity of the Bank through training and awareness programs on RBS concepts and practices.
- Submission of RIT (Rationalized Input Template) in Bangladesh Bank Web portal within stipulated deadline.
- Submission of Unstructured Data (Report, Statement & Different Documents) to Bangladesh Bank Web portal within stipulated deadline.

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. We will also provide training and awareness programs for all employee of the bank to implement & adopt Risk Based Supervision (RBS) Framework with banking operation to get better Composite Risk Rating (CRR) of the Bank. To that end, Citizens Bank risk management team is continuing its effort to mitigate and avert any known and unknown risks.

MESSAGE FROM THE CHIEF RISK OFFICER (ACTING)

Strengthening Resilience Through Forward-Looking Risk Management

The year 2025 presented a challenging and dynamic risk environment characterized by persistent inflationary pressures, elevated global interest rates, geopolitical tensions, technological transformation, and evolving regulatory expectations. These developments reshaped the global financial landscape and reinforced the importance of robust governance, proactive risk management, and institutional resilience.

In Bangladesh, the banking industry entered a significant phase of transformation with continued macroeconomic stabilization initiatives and the implementation of Bangladesh Bank's Risk-Based Supervision (RBS) framework from January 2026. Simultaneously, preparations for the phased adoption of IFRS 9 Expected Credit Loss (ECL) methodology have accelerated the need for stronger data governance, advanced risk analytics, and enhanced risk management capabilities.

Against this backdrop, Citizens Bank PLC remained committed to maintaining a prudent risk profile while supporting sustainable business growth. Risk management continues to serve not only as a control function but also as a strategic enabler of long-term value creation.

Strengthening Risk Governance

During the year, the Bank further enhanced its governance framework under the active oversight of the Board of Directors, Board Risk Management Committee (BRMC), Executive Risk Management Committee (ERMC), Asset Liability Committee (ALCO), and other management committees. Supported by the internationally recognized Three Lines of Defense model, the Bank continued to reinforce accountability, transparency, and independent risk oversight across all business functions.

Preparing for Risk-Based Supervision (RBS)

A major strategic milestone during 2025 was strengthening the Bank's preparedness for Bangladesh Bank's Risk-Based Supervision framework. Significant progress was made in enhancing governance structures, improving risk data aggregation, strengthening internal controls, developing Management Information Systems (MIS), and preparing Rationalized Input Templates (RITs) for regulatory reporting. These initiatives have positioned the Bank to effectively meet evolving supervisory expectations.

Maintaining Strong Capital and Financial Resilience

Maintaining a strong capital base remained one of the Bank's highest priorities. As of 31 December 2025, Citizens Bank PLC maintained a Capital to Risk-Weighted Assets Ratio (CRAR) of 33.53%, significantly above the regulatory minimum requirement (12.50%). Total assets reached BDT 23,688.89 million, reflecting prudent balance sheet management and disciplined business growth.

Enhancing Credit Risk Management

Credit risk continued to receive the highest management attention throughout the year. The Bank strengthened underwriting standards, borrower assessment processes, portfolio monitoring, sectoral concentration analysis, and early warning mechanisms to preserve asset quality. Gross Loans and Advances increased to BDT 11,063.67 million, while the Gross Non-Performing Loan (NPL) ratio remained exceptionally low at 0.20%, reflecting prudent lending practices and effective portfolio management.

Advancing IFRS 9 Implementation

Recognizing the strategic importance of IFRS 9, the Bank accelerated preparations for the Expected Credit Loss (ECL) framework. Significant progress was achieved in strengthening data governance, developing historical credit databases, improving portfolio segmentation, and initiating the development of Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) models. These initiatives will enhance forward-looking credit risk measurement and provisioning practices.

Strengthening Liquidity and Market Risk Management

The Bank maintained a strong liquidity position throughout the year despite a dynamic interest rate environment. As of 31 December 2025, The Liquidity Coverage Ratio (LCR) stood at 393.45% whereas regulatory requirement is ≥100%, while the Net Stable Funding Ratio (NSFR) reached 133.77% whereas regulatory requirement is >100%, both comfortably exceeding regulatory requirements. Continuous monitoring of liquidity, interest rate risk, foreign exchange exposure, and stress-testing results further strengthened the Bank's financial resilience.

Reinforcing Operational and Cyber Resilience

Operational resilience remained a strategic priority through strengthened internal controls, business continuity planning, process automation, and operational risk monitoring. Simultaneously, the Bank enhanced its cybersecurity framework by strengthening information security governance, access controls, vulnerability assessments, continuous monitoring, and employee awareness initiatives to safeguard customer information and critical banking infrastructure.

Integrating Sustainability and Climate Risk

Environmental, Social, and Governance (ESG) considerations continued to be embedded within the Bank's Enterprise Risk Management framework. During the year, environmental and climate-related risks were further integrated into governance processes, credit assessment methodologies, and strategic planning in alignment with Bangladesh Bank's Sustainable Finance and Climate Risk Management Guidelines, reinforcing the Bank's commitment to responsible and sustainable banking.

Looking Ahead

As the financial sector continues to evolve, Citizens Bank PLC remains committed to strengthening its risk management capabilities by focusing on:

- Successful implementation of the IFRS 9 Expected Credit Loss (ECL) framework.
- Full alignment with Bangladesh Bank's Risk-Based Supervision (RBS) framework.
- Enhancement of Enterprise Risk Management through advanced data analytics and digital transformation.
- Further integration of climate-related financial risks into risk assessment and decision-making.
- Strengthening cybersecurity, operational resilience, and information security governance.
- Expanding stress-testing, scenario analysis, and forward-looking risk management practices.
- Developing human capital and promoting a strong risk-aware organizational culture.

Our Commitment

The increasingly complex risk environment demands resilience, agility, and sound governance. At Citizens Bank PLC, we remain committed to strengthening our risk culture, enhancing institutional resilience, embracing innovation, and maintaining the confidence of our customers, regulators, shareholders, and all other stakeholders.

On behalf of the Risk Management Division, I extend my sincere appreciation to the Board of Directors, the Board Risk Management Committee, Bangladesh Bank, our valued customers, shareholders, and all colleagues for their continued trust, commitment, and unwavering support. Together, we will continue to build a safer, stronger, and more resilient Citizens Bank PLC while creating sustainable value for the future.

Md. Israil Hossain

SVP, Head of CRM & Acting CRO and Head of SFU

SUSTAINABILITY REPORTING

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.	Designation & Present Place of Posting	Position in the Committee
1	Mr. Md. Mostafizur Rahman, Deputy Managing Director	Chairman
2	Mr. Md. Abdul Latif, Deputy Managing Director	Member
3	Head of Human Recourses Division	Member
4	Head of Credit Risk Management & Acting CRO	Member
5	Head of Internal Control & Compliance Division	Member
6	Head of Agent Banking & Islamic Banking Division	Member
7	Head Marketing Division	Member
8	Head of Card Division	Member
9	Head of Operations & General Banking Division	Member
10	Head of Credit Administration Division	Member
11	Unit Head of Business Division	Member
12	Head of Internal Division	Member
13	Head of General Services & Logistic Division	Member

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.

Sustainable & Climate Finance Disclosure under IFRS S1 & S2

1. GOVERNANCE

Citizens Bank PLC has established a governance framework in line with **IFRS S1 & S2** and **Bangladesh Bank's Sustainable Finance Guidelines** to oversee sustainability and climate-related risks and opportunities. The Board of Directors has ultimate responsibility for approving sustainability strategies, policies, and targets, while ensuring climate considerations are integrated into business strategy and major decision-making. The Risk Management Committee (RMC), which also functions as the Sustainable Finance Committee, oversees the identification, assessment, monitoring, and mitigation of climate and sustainability-related risks.

The Board ensures that appropriate knowledge and competencies are available through continuous training, capacity building, and assessment of board expertise. Management responsibilities are delegated primarily to the Chief Risk Officer (CRO), Risk Management Division (RMD), and Sustainable Finance Unit (SFU), who implement sustainability policies, monitor climate risks, and regularly report to the Board Risk Management Committee (BRMC). Climate-related information is communicated through quarterly and periodic reports, allowing the Board of Directors / BRMC to monitor performance, evaluate progress toward sustainability targets, and incorporate sustainability metrics into executive performance and remuneration. Climate and sustainability considerations are integrated into strategic planning, major financing decisions, Environmental and Social Risk Management (ESRM), and overall governance processes.

2. Strategy

Citizens Bank PLC integrates sustainability and climate considerations into its long-term business strategy to strengthen resilience, create sustainable value, and support the transition to a low-carbon economy. The Bank recognizes three major categories of sustainability-related risks: **physical risks** (such as floods and extreme weather), **transition risks** (regulatory, technological, and market changes), and **regulatory risks** arising from evolving environmental requirements. At the same time, it identifies opportunities through green finance, renewable energy financing, sustainable agriculture and financial inclusion.

Climate considerations are embedded throughout the business model and value chain, including lending, credit appraisal, investment management, operations, and customer services. The Bank defines strategic planning across three horizons:

- **Short-term (less than one year)**: Regulatory compliance, climate risk integration into lending, digital banking, and expansion of green finance.
- **Medium-term (1–5 years):** Expansion of sustainable lending, stronger climate risk integration into underwriting, increased investment in renewable energy and sustainable projects.
- **Long-term (over 5 years):** Alignment with Sustainable Development Goals (SDGs), increased green investments, gradual reduction of exposure to carbon-intensive sectors, and full integration of sustainability into the business model.

The Bank's climate transition strategy includes expanding sustainable lending, increasing renewable energy financing, strengthening climate risk assessments, investing in technology, digital banking, staff capacity building, stakeholder partnerships, and allocating additional resources toward climate adaptation and mitigation initiatives.

3. Risk Management

Citizens Bank PLC integrates climate and sustainability risks into its enterprise-wide risk management framework through established policies such as the Risk Appetite Statement (RAS), ICAAP framework and Environmental and Social Risk Management (ESRM) Guidelines & Sustainable Finance policy of Bangladesh Bank. The Sustainable Finance Unit of the bank identifies climate risks using internal assessments, regulatory guidance, industry benchmarks, environmental data, and climate projections. Risks are categorized into physical and transition risks, evaluated using both qualitative and quantitative methods, and prioritized according to their likelihood, financial impact, strategic significance, and regulatory requirements.

Climate-related scenario analysis and stress testing are regularly used to assess climate risk vulnerabilities as per stress testing guideline of Bangladesh Bank. The Bank continuously monitors sustainability risks through periodic reporting, internal audits, compliance reviews, risk registers, and key risk indicators. Climate-related risks are fully integrated alongside credit, operational, market, and reputational risks within the overall enterprise risk management process, ensuring that sustainability considerations influence strategic planning, investment decisions, capital allocation, and business operations. Since the previous reporting period, the Bank has strengthened its risk management framework by enhancing scenario analysis and the Risk Appetite Statement, increasing reporting frequency, and improving governance oversight.

4. Metrics and Targets

As per Bangladesh Bank's SFD Circular No. 06 dated 26 December 2023 on the **Guideline on Sustainability and Climate-related Financial Disclosure**, Bangladesh Bank has provided an implementation roadmap to ensure the adoption of sustainability and climate-related financial disclosures by all banks and financial institutions. According to the implementation pathway, all banks are required to publish full sustainability and climate-related financial disclosures by 2027.

In line with the regulatory requirements, banks are required to establish and obtain Board approval for the metrics and targets relating to greenhouse gas (GHG)/carbon emissions of their counterparties as part of the climate-related financial disclosure framework.

Citizens Bank PLC is committed to complying with Bangladesh Bank's regulatory requirements. The Bank will develop the required climate-related metrics and targets, obtain approval from the Board of Directors, and ensure full compliance with the Guideline on Sustainability and Climate-related Financial Disclosure by 2027 in line with Bangladesh Bank's implementation roadmap.

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 2024 & 2025

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 2.50 million in 2024 and Taka 3.57 million in 2025 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	2025
1.	Education	0.00	0.87
2.	Health	0.00	0.30
3.	Environment and Climate Change Mitigation & Adaption	0.00	2.40
4.	Others (War ravaged Palestinian People)	2.50	0.00
	Total	2.50	3.57

Education

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

Environment and Climate Change Mitigation & Adaption

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

Education

Towards educational development, the Bank envisions a world where education is equitable, inclusive, and accessible to everyone. In support of this vision, the Bank donated BDT 0.87 million (8.66 lacs) to various educational institutions (public and private) to support their ongoing educational development needs. As part of these initiatives, computers (desktops) were provided to Morning Dew School & College, a projector was donated for the Department of Management Studies at Jagannath University, and financial support was extended for the construction of a Shaheed Minar and installation of 20 CCTV cameras at Lakhankhola Alhaj Fazlur Rahman High School, Narayanganj.

Health

The Bank donated a total of BDT 0.30 million (3 lacs) in 2025 to support the medical treatment of individuals across Bangladesh. The donations were provided for the treatment of various health conditions, including thyroid disorders, cancer, tumors, and other critical illnesses.

Environment and Climate Change Mitigation & Adaption

In 2025, the Bank donated a total of BDT 2.40 million (24 lacs) towards the development of tube wells to ensure access to safe drinking water in Sonatola Village, Sujanagar, Pabna. In addition, blankets were distributed among poor, orphan and Underprivileged people across different areas of Bangladesh through Citizens Bank PLC. We also donated blankets to the Chief Advisor Welfare Fund under the Interim Government initiative.

Pillar 3 Market Discipline

Disclosures on Risk Based Capital (Basel III) for the year ended December 31, 2025

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, 2025).
b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (i) that are fully consolidated; (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	The Citizens Bank PLC obtained license for operating business in Bangladesh on 15th December 2020. The bank rolled out its commercial operation on 3rd July 2022. The disclosure made in the following sections has addressed Citizens Bank PLC as a single entity (Solo Basis) as there was no subsidiary as on the reporting date (31st December 2025). Citizens Bank PLC is commitment bound to ensure good corporate governance along with staying compliant on all regulatory issues; above all good risk management practices shall be the integral part of our organic culture which eventually will pave us the way to carve the distinctive position in the banking industry in the midst of stiffly competitive market scenario and attendant challenges.
c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital to subsidiaries.	Not applicable for the Bank as there was no subsidiary of the Bank on the reporting date (December 31, 2025).
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;

The regulatory capital under Basel-III is comprised with i) Tier-1 (Going Concern Capital) and ii) Tier-2 (Gone Concern Capital).

Tier-1 Capital (Going Concern Capital) has two components 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.

Common Equity Tier 1 Capital includes paid-up capital, statutory reserve, general reserve and retained earnings etc. and

Additional Tier 1 Capital will include perpetual bond or non-cumulative preference shares etc.

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

c) Regulatory Adjustments /Deductions from capital

d) Total eligible capital

The amount of Regulatory Capital of Citizens Bank PLC as of 31.12.2025, compared to 31.12.2024, is noted below:

Amount in Million Tk.

Particulars of Regulatory Capital	**Solo (2025)**	**Solo (2024)**
Tier-I capital	**4,039.86**	**4,042.80**
1) Common Equity Tier-1 Capital (CET-1)	**4,039.86**	**4,042.80**
Fully Paid-up capital	4,000.00	4,000.00
Non- repayable share premium account	-	-
Statutory reserve	57.18	37.40
General reserve	-	-
Retained earnings	5.71	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)	**4,039.86**	**4,042.80**
Tier-2 capital	**143.19**	**82.72**
General provision	143.19	82.72
Subordinated debt	-	-
All other preference shares	-	-
Regulatory Adjustments	-	-
4) Total Tier-2 capital	**143.19**	**82.72**
Total Eligible Capital	**4,183.04**	**4,125.51**

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	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. 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, the Bank's Capital to Risk Weighted Assets Ratio (CRAR) remains consistently within regulatory limit during 2025 (33.53%). 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 2025	Solo 2024
Capital requirement for Credit Risk	1,073.46	802.22
Capital requirement for Market Risk	62.21	26.73
Capital requirement for Operational Risk	111.80	76.53
Minimum capital requirement (MCR) 10% of Risk Weighted Assets or Tk. 5,000.00 million which is higher.	5,000.00*	5,000.00*
Total capital maintained	**4,183.04**	**4,125.51**
Capital shortfall over MCR	(816.96)	(874.49)
Capital to Risk Weighted Assets Ratio (CRAR)	**33.53%**	**45.56%**
CET -1to Risk Weighted Assets (RWA) ratio	32.38%	44.65%
Tier-1 Capital to RWA ratio	32.38%	44.65%
Tier-2 Capital to RWA ratio	1.15%	0.91%
Capital Conservation Buffer (2.50% of RWA)	311.87	226.37
Capital Conservation Buffer maintained (%)	23.53%	35.56%
Available Capital under Pillar 2 Requirement	-	-

It is noteworthy that Bangladesh Bank have permitted Citizens Bank PLC as per letter BRPD(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)	The general qualitative disclosure requirement with respect to credit risk, including: • Definitions of past due and impaired (for accounting purposes); • Description of approaches followed for specific and general allowances and statistical methods; • Discussion of the bank's credit risk management policy;	**Credit Risk:** Credit risk arises from the potential that a bank's borrower will fail to meet its obligations in accordance with agreed terms. credit risk also refers the risk of negative effects on the financial result and capital of the bank caused by borrower's default on its obligations to the bank. Generally, credits are the largest and most obvious source of credit risk. However, credit risk could steam from both on-balance sheet and off-balance sheet activities. It may arise from either an inability or an unwillingness to perform in the pre-committed contracted manner. Credit risk comes from a bank dealing with individuals, corporate, banks and financial institutions or a sovereign. The assessment of credit risk Involves evaluating both the probability of default by the borrower and the exposure or financial impact on the bank in the event of default. All loans and advances will be grouped into four categories for the purpose of classification, namely- (a) Continuous Loan (b) Demand Loan (c) Fixed Term Loan and (d) Short-term Agricultural Credit. **a) Continuous Loan:** The loan accounts in which transactions may be made within certain limit and have an expiry date for full adjustment will be treated as Continuous Loan. Examples are: Cash Credit, Overdraft, etc. **b) Demand Loan:** The loans that become repayable on demand by the bank will be treated as Demand Loan. Such as: Post Import Financing, Payment against Document, Foreign Bill Purchased, and Inland Bill Purchased, etc. However, if any contingent or any other liabilities are turned to forced loan (i.e. without any prior approval as regular loan) those too will be treated as Demand Loan. **c) Fixed Term Loan:** The loans which are repayable within a specific time period under a specific repayment schedule will be treated as Fixed Term Loan. **d) Short-term Agricultural Credit:** Short-term Agricultural Credit will include the short-term credits as listed under the Agricultural and Rural Credit Policy and Program issued by the Agricultural Credit Department (ACD) of Bangladesh Bank. Credits in the agricultural sector repayable within 12 (twelve) months will also be included herein. **Past Due/Over Due:** All the loans will be treated as past due/overdue from the following day of the expiry date or from the creation of the forced loan or from the due date if not repaid/renewed depending on different categories of loans and advances defined above. However, in case of any installment(s) or part of

installment(s) of a Fixed Term Loan is not repaid within the fixed expiry/due date, the amount of unpaid installment(s) will be treated as past due/overdue from the following day of the expiry/due date.

As per BRPD Circular No.15, Dated 27 November 2024, For all categories of loans, the entire loan will be classified depending on the period of past due or overdue as stipulated below:

CL Categories		Period of past due or overdue
Unclassified	STD-0	No past due or overdue
	STD-1	≥ 1 day but <1 month
	STD-2	≥ 1 month but < 2 months
	SMA	≥ 2 months but < 3 months
Classified	SS	≥ 3 months but < 6 months
	DF	≥ 6 months but < 12 months
	B/L	≥ 12 months

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 as per BRPD Circular No.15, Dated 27 November 2024:

Approaches followed for specific and general allowances:

Particulars		Rate of provision
General Provision	STD-0, STD-1 STD-2	1% of loan outstanding
	SMA	5% of loan outstanding
Specific Provision	SS	20% of base for provision
	DF	50% of base for provision
	B/L	100% of base for provision

Credit Assessment and Risk Management

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

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

Approval Process

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

Credit Administration

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

Credit Monitoring

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

Sl.	Major types of loans	2025	2024
1	Cash credit	566.28	558.23
2	Loans (General)	8,000.50	5,570.47
3	Overdraft	2,496.89	2,144.08
4	Other Loans	-	-
	Total	**11,063.67**	**8,272.78**

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

Amount in Million Tk.

Particulars	Name of Divison	2025	2024
Region Based	Dhaka	1,086.86	8,093.36
	Chittagong	176.73	150.05
	Rajshahi	-	-
	Sylhet	-	-
	Khulna	-	-
	Mymensingh	18.31	29.37
	Rangpur	-	-
	Barisal	-	-
	Total	**11,063.67**	**8,272.78**
Country Based	Domestic	11,063.67	8,272.78
	Overseas	-	-

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

Amount in Million Tk.

Sl No.	Major Industry Types	2025	2024
1	Agri and micro credit through NGO	517.97	510.50
2	Commercial and trading	2,522.49	1,593.39
3	Construction	857.69	460.47
4	Cement and ceramic industries	-	-
5	Chemical and fertilizer	451.35	102.68
6	Crops, fisheries and livestock's	10.28	-
7	Electronics and electrical goods	-	29.43
8	Food and allied industries	-	-
9	Consumer finance	673.185	176.33
10	Metal and steel products	817.45	654.26
11	Pharmaceutical industries	502.81	389.05
12	Power and fuel	4.95	-
13	Rubber and plastic industries	279.32	973.69
14	Readymade garments industry	696.69	166.24
15	Ship building & breaking industry	-	-
16	Sugar and edible oil refinery	-	-
17	Transport and e-communication	2.51	0.53
18	Textile mills	867.71	963.35
19	Other manufacturing or extractive industries	2,461.69	1,437.72
20	Others	397.56	815.14
Total		**11,063.67**	**8,272.78**

e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.

Amount in Million Tk.

Particulars	2025	2024
On demand	1,581.21	250.01
In not more than 1 month	2,286.31	1,073.76
In more than 1 month but not more than 3 months	1,035.81	918.44
In more than 3 months but not more than 1 year	4,697.92	5,179.25
In more than 1 year but not more than 5 years	1,095.15	674.05
In more than 5 years	367.27	177.27
Total	**11,063.67**	**8,272.78**

f) By major industry or counterparty type:

- Amount of impaired loans and if available, past due loans, provided separately;
- Specific and general provisions; and
- Charges for specific allowances and charge-offs during the period

Major industry type amount of impaired loans

Amount in Million Tk.

Sl No.	Major Industry Types	2025	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	**-**	**-**

Gross Non-Performing Assets (NPAs)

Amount in Million Tk.

Particulars	2025	2024
Gross Non-Performing Assets (NPAs)	21.64	-
Nonperforming assets to outstanding loans and advances	0.20%	-
Movement of Non-Performing Assets (NPAs):		-
Opening balance	-	-
Additions/ (Reductions)	21.64	-
Closing balance	**21.64**	**-**
Movement of specific provisions for NPAs:		**-**
Opening balance	-	-
Provision made during the period	7.03	-
Write off	-	-
Write back of excess provisions	-	-
Closing balance	**7.03**	**-**

E. EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS

Qualitative Disclosures		
a)	The general qualitative disclosure requirement with respect to equity risk, including: • differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and • discussion of important policies covering the valuation and accounting of equity holdings in the banking book. this includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	Banking book positions consist of those assets which are bought for holding until they mature. The bank treats unquoted equities as banking book assets. Unquoted equities are not traded in the bourses or in the secondary market, they are shown in the balance sheet at cost price and no revaluation reserve is created against these equities. Our investment in quoted shares are being monitored and controlled by the Investment Committee, are reflected in accounts through proper methodologies and accounting standards of the local & international. As per Bangladesh Bank circular (ref: BRPD circular number -14 dated June 25, 2003), the quoted shares are valued as per market price in the stock exchange(s). Provisions for shares are maintained for unrealized loss (gain net off) arising from diminution in value of investments. Provision for shares against unrealized loss (gain net off) has been made according to DOS circular number-04 dated 24 November 2011 and for mutual funds (closed-end) according to DOS circular letter no-3 dated 12 March 2015 of Bangladesh Bank.

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.

Amount in Million Tk.

Particulars	Amount (Solo) 2025		Amount (Solo) 2024	
Particulars	Cost Price	Market Price	Cost Price	Market Price
Unquoted Share	-	-	-	-
Quoted Share	**76.89**	**52.95**	**68.47**	**53.27**

c) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.

d)
- Total unrealized gains (losses)
- Total latent revaluation gains (losses)
- Any amounts of the above included in Tier 2 capital.

Amount in Million Tk.

Particulars	(Solo) 2025	(Solo) 2024
The cumulative realized gains (losses) arising from sales and liquidations in the reporting period	25.20	32.00
Total unrealized gains (losses)	(23.94)	(15.20)
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.

Amount in Million Tk.

Particulars	(Solo) 2025	(Solo) 2024
Unquoted Share	-	-
Quoted Share	76.89	10.65

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

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 prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.

Interest Income is assessed. Interest rate risk is the risk where changes in market interest rates might adversely affect a bank's financial condition.

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.

Quantative 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	(Solo) 2025	(Solo) 2024
Weighted average duration of assets (DA) in years	0.58	0.83
Weighted average duration of liabilities (DL) in years	0.37	0.41
Duration gap (DA-DL) in years	0.28	0.51

Change of market value of equity due to increase in interest rates as of December 31, 2025

Amount in Million Tk.

Particulars	1%	2%	3%
Fall in Market Value of Equity	-60.10	-120.30	-180.40

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	10,134.50	1,565.97	3,131.93	1,242.70
Interest sensitive liabilities	8,395.40	2,239.47	4,478.93	1,006.40
Net gap	1,739.10	-673.50	-1,347.00	236.30
Cumulative gap	1,739.10	1,065.60	-281.40	-45.10
Interest rate changes	**1%**	**1%**	**1%**	**1%**
Yearly earnings impact	17.39	(6.74)	(13.47)	2.36
Accumulated earnings impact	17.39	10.66	(2.81)	(0.45)

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.
	Methods used to measure Market risk	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.
	Market Risk Management system	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.
	Policies and processes for mitigating market risk	• 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

b) The capital requirements for:

interest rate risk; equity position risk; foreign exchange risk; and Commodity risk

The capital requirements:

Amount in Million Tk

Particulars	2025	2024
Interest rate risk	5.39	10.46
Equity position risk	10.59	10.65
Foreign exchange risk	46.23	5.62
Commodity Risk	-	-
Total	62.21	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	CZB is an equal opportunity employer. It recognizes the importance of having the right people at right positions to achieve organizational goals. Our recruitment and selection are governed by the philosophy of fairness, transparency and diversity. The bank believes that training and knowledge sharing is the best way to reduce knowledge gap. Therefore, it arranges trainings on a regular basis for its employees to develop their expertise. The bank offers competitive pay package to its employees based on performance and merit. It always tries to develop a culture where all employees can apply his/her talent and knowledge to work for the organization with high ethical standards in order to add more value to the company and for the economy.
	Potential external events	• Russian invasion of Ukraine has already cast a dark shadow on global economy by threatening the global financial system to an unprecedented level. • Global inflationary pressure will increase further due to big jump in oil and commodity prices as the war has also threatened to disrupt the global supply chain making the world trade costlier. • Bangladesh is likely to face a series of troubles on both economic and geo-political fronts. Economic shock will be felt immediately whereas geo-political difficulty will be visible in the near future. Being globally exposed mostly through trade, the economic shock will be transmitted at a faster rate. • Bangladesh's export to Russia and its adjacent countries would hamper and at the same time the import prices of fertilizer's especially urea might increase due to the war. • Import cost would be higher due to global inflation which creates pressure on dollar prices. • Bank may face issue in managing affordable fund in mid/long run due to vulnerable market condition caused by slow growth, higher inflation.

	Policies and processes for mitigating operational risk	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) The capital requirements for operational risk

Capital requirement for operational risk

Amount in Million Tk

Particulars	Solo 2025	Solo 2024
The capital requirements for operational risk	111.80	76.53

Calculation of Capital Charge for Operational Risk:
Basic Indicator Approach.

Amount in Million Tk

Year	Gross Income (GI)	Average GI	15% of Average GI
2025	977.98	745.30	111.80
2024	787.42		
2023	470.51		
Total	2,235.91		

I. LIQUIDITY RATIO

Qualitative Disclosures

a)	Views of BOD on system to reduce liquidity Risk	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. 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.

	Methods used to measure Liquidity risk	The tools and procedures deployed by CZB to manage liquidity risks are comprehensive. The measurement tools used to assess liquidity risks are: • Statutory Liquidity Requirement (SLR) • Cash Reserve Ratio (CRR) • Asset to Deposit Ratio (ADR) • Structural Liquidity Profile (SLP) • Maximum Cumulative Outflow (MCO) • Liquidity Coverage Ratio (LCR) • Net Stable Funding Ratio (NSFR) • Liquid Asset to Total Deposit Ratio • Liquid Asset to Short Term Liabilities
	Liquidity risk management system	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. 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.
	Policies and processes for mitigating liquidity risk	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.

Quantitative Disclosures

b)	Liquidity Coverage Ratio Net Stable Funding Ratio (NSFR) Stock of High-quality liquid assets Total net cash outflows over the next 30 calendar days Available amount of stable funding Required amount of stable funding	Amount in Million Tk.

Particulars	2025	2024
Liquidity Coverage Ratio (LCR)	393.45%	507.95%
Net Stable Funding Ratio (NSFR)	133.77%	137.79%
Stock of High-quality liquid assets	5,383.85	4,499.89
Total net cash outflows over the next 30 calendar days	1,368.38	885.89
Available amount of stable funding	18,543.34	14,951.54
Required amount of stable funding	13,862.64	10,850.99

J. LEVERAGE RATIO

Qualitative Disclosures

a)	Views of BOD on system to reduce excessive leverage	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.
	Policies and processes for managing excessive on and off- balance sheet leverage	The bank reviews its leverage position as per the Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III). In addition, the bank has Risk Appetite as per Credit Risk Management Policy and Risk Appetite Framework of the Bank. The Bank also employ Annual Budget Plan and Capital Growth Plan for managing excessive on and off-balance sheet leverage.
	Approach for calculating exposure	The bank calculates the exposure under standardized approach as per the Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III).

Quantitative Disclosures

b)	Leverage Ratio On balance sheet exposure Off balance sheet exposure Total exposure	Amount in Million Tk. (see table below)

Amount in Million Tk.

Particulars	2025	2024
Leverage Ratio	14.63%	19.42%
On balance sheet exposure	23,681.91	19,101.48
Off balance sheet exposure	3,960.43	1,715.79
Total exposure	27,619.32	20,817.27

K. REMUNERATION

Qualitative Disclosures

a)	Information relating to the bodies that oversee remuneration. Disclosures should include: Name, composition and mandate of the main body overseeing remuneration.	Mainly, the Human Resources Division overseas 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. 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

	A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches. A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.	Bank for approval of its required restructuring and modification in proportion with the industry best practices as per requirement. The Bank has no External Consultant regarding 'remuneration' and its process. However, provision is there for acquiring expert opinion in case of settlement of employees' dues in case of death, penalty etc. if required, by the management.
b)	Information relating to the design and structure of remuneration processes. Disclosures should include: An overview of the key features and objectives of remuneration policy. 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. A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.	The Bank is committed to maintain a fair and competitive remuneration structure and does not differentiate the pay structure by regions. We consider the members of the senior management, branch managers and the employees engaged in different functional divisions at Head Office (except the employees involved in internal control, risk management and compliance) as the material risk takers of CZB. 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.

c)	Description of the ways in which current and future risks are considered in the remuneration processes. Disclosures should include: An overview of the key risks that the bank considers when implementing remuneration measures. 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). A discussion of the ways in which these measures affect remuneration. A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.	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. The risk and compliance employees are carrying out the activities independently as per specific terms of references, job allocated to them. Regarding remuneration of the risk and compliance employees. Human Resources Division does not make any 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.
d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration. Disclosures should include: An overview of main performance metrics for bank, top-level business lines and individuals. A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance. A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak.	The business risk including credit/default risk, compliance & reputational risk are mostly considered when implementing the remuneration measures for each employee/group of employees. Financial and Liquidity risks are also considered. 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.

e)	Description of the ways in which the bank seeks to adjust remuneration to take account of longer-term performance. Disclosures should include: 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. 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.	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. No material change has been made during the year 2025 that could affect the remuneration. 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. The remuneration of each employee is paid based on her/his individual performance evaluated as per set criteria. And, accordingly, the aggregate amount of remuneration of the Bank as a whole is linked/ impacted to the same extent. The Bank follows remuneration process as per set criteria with no in general adjustment in the event of weak performance metrics/scorecard. As per approved Service Rules, CZB does not have provision of any kind of variable remuneration.
f)	Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms. Disclosures should include: An overview of the forms of variable remuneration offered (ie cash, shares and share-linked instruments and other forms). A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description the factors that determine the mix and their relative importance.	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.

Quantitative Disclosures

g) Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.

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).

h) Number of employees having received a variable remuneration award during the financial year.

Number and total amount of guaranteed bonuses awarded during the financial year.

Number and total amount of sign-on awards made during the financial year.

Number and total amount of severance payments made during the financial year.

Amount in Million Tk.

	2025	
Particulars	Number	Amount
Employees having received a variable remuneration award (Profit Bonuses)	216	4.43
Guaranteed bonuses awarded (Festival Bonuses)	2	24.88
Sign-on awards made	N/A	N/A
Severance payments made (PF, GF, Leave Encashment)	N/A	N/A

i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.

Total amount of deferred remuneration paid out in the financial year.

Amount in Million Tk.

Particulars	2025 Amount
Total amount of outstanding deferred remuneration (PF, GF etc.):	N/A
Cash	N/A
Shares	N/A
Share-linked instruments & others	N/A
Total amount of deferred remuneration paid out in 2025	N/A

j) Breakdown of amount of remuneration awards for the financial year to show:

- fixed and variable.
- deferred and non-deferred.
- different forms used (cash, shares and share linked instruments, other forms).

Amount in Million Tk.

Particulars	2025 Amount
Breakdown of amount of remuneration:	N/A
Fixed (Salary & allowances)	377.8
Variable (Incentive Bonuses)	4.43
Deferred (PF, GF)	0
Non-deferred	0
Different forms used	N/A
Cash	N/A
Shares	N/A
Share-linked instruments & others	N/A

k) 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:

Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.

Total amount of reductions during the financial year due to ex post explicit adjustments.

Total amount of reductions during the financial year due to ex post implicit adjustments.

Amount in Million Tk.

Particulars	2025 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 2023 due to ex post explicit adjustments	N/A
Total amount of reduction during 2023 due to ex post implicit adjustments	N/A

SIGNING CEREMONY

Citizens Bank PLC. signed partnership agreement with Bangladesh Bank under the "Refinancing Scheme for Women Entrepreneurs in Cottage, Micro, Small and Medium Enterprises (CMSMEs)." at Bangladesh Bank head office. Mr. Alamgir Hossain, Managing Director of Citizens Bank PLC. and Mr. Muhammad Mustafizur Rahman, Director (Current Charge), SME & Special Programs Department (SMESPD), Bangladesh Bank signed the deed of agreement on behalf of the respective organizations. Ms. Nurun Nahar, Deputy Governor, Bangladesh Bank and Ms. Husne Ara Shikha, Executive Director, Bangladesh Bank were present on the occasion. Deputy Managing Directors of Citizens Bank Mr. Md. Mostafizur Rahman and Mr. Md. Abdul Latif along with other officials of the both organizations were also present. As per the agreement, women entrepreneurs in the SME sector of Citizens Bank PLC. will be able to avail low-cost financing facilities under Bangladesh Bank's refinancing scheme.

Citizens Bank PLC signed a Memorandum of Understanding (MoU) with the National Pension Authority to support the implementation of the Government's Universal Pension Scheme. The signing ceremony was held on 12th November, 2025 in the conference room of Finance Division in the Ministry of Finance. Mr. Alamgir Hossain, Managing Director of Citizens Bank PLC and Mr. Md. Mohiuddin Khan, Executive Chairman of National Pension Authority signed the MoU on behalf of their respective originations. Mr. Dr. Md. Kairuzzaman Mozumder, Secretary, Finance Division, Ministry of Finance graced the occasion as Chief Guest. Among others, High officials of Finance Division, National Pension Authority and Citizens Bank were also present on the occasion. Under the MoU Citizens Bank will facilitate customer registration and monthly subscription collection for all active pension schemes – Progati, Surakkha, Somota and Probash. Customers will also be able to register conveniently and make contributions against the Pension Schemes through Citizens Bank's Branches, Sub-branches and alternative delivery channels.

SIGNING CEREMONY

Citizens Bank PLC. signed an agreement with Titas Gas Transmission and Distribution PLC. on Titas Bhaban, Karwan Bazar, Dhaka . In presence of Mr. Alamgir Hossain, Managing Director, Citizens Bank PLC. and Mr. Shahnewaz Parvez, Managing Director, Titas Gas T&D PLC.; Mr. Md. Abdul Latif, Deputy Managing Director of Citizens Bank PLC. and Mr. Md. Lutful Hyder Masum, Company Secretary of Titas Gas T&D PLC. signed the deed of agreement on behalf of the respective organizations. Mr. Md. Mostafizur Rahman, Deputy Managing Director, Citizens Bank; Mr. Md. Mohiuddin Mollah, General Manager, Mr. Mohammad Yousuf, Deputy General Manager, Titas Gas T&D PLC. and high officials of the both organizations were also present on the occasion. In accordance with the agreement, Citizens Bank will collect gas bills and demand notes from customers under the Domestic (metered and non-metered), Industrial, Commercial, CNG, Captive, and Power categories.

Citizens Bank PLC. signed an agreement with the Bangladesh Rural Electrification Board (BREB) at BREB Head Office at Nikunja-2, Dhaka. The agreement was signed in the presence of Mr. Alamgir Hossain, Managing Director of Citizens Bank PLC. and Dr. Najmus Sayadat, Member (Finance) of the Bangladesh Rural Electrification Board. Mr. Md. Mostafizur Rahman, Deputy Managing Director of Citizens Bank PLC. and Mr. Md. Masud Parvez, Director (Finance), Directorate of Financial Monitoring (Northern Region) of Bangladesh Rural Electrification Board signed the agreement on behalf of their respective organizations. Mr. Md. Abdul Latif, Deputy Managing Director of Citizens Bank PLC., Mr. Md. Idris, Controller, Finance & Accounts of Bangladesh Rural Electrification Board along with other senior officials from both organizations were also present on the occasion. Under this agreement, Citizens Bank PLC. will facilitate the collection of electricity bills for Palli Bidyut Samities operating under Bangladesh Rural Electrification Board through its branches and sub-branches all over the country.

SIGNING CEREMONY

Citizens Bank PLC. has signed participation agreement with Bangladesh Bank to implement the BDT.3,000 Crore Cluster Financing Scheme and BDT.2,000 Crore Agro Processing for the development of Micro, Small and Medium Enterprises at Bangladesh Bank head office. In presence of Ms. Nurun Nahar, Deputy Governor of Bangladesh Bank Mr. Nawshad Mustafa, Director, SME & Special Programs Department (SMESPD), Bangladesh Bank and Mr. Md. Mostafizur Rahman, Deputy Managing Director of Citizens Bank PLC. signed and exchanged the deed of agreement on behalf of the respective organizations. Ms. Husne Ara Shikha, Executive Director, Bangladesh Bank, Mr. Bijoy Chandra Das, Head, SMR & Marketing Division and other officials of Bangladesh Bank were present on the occasion. As per the agreement, Citizens Bank will provide loans to cluster and Agro Processing entrepreneurs at an interest rate of 7% under Bangladesh Bank's refinancing scheme.

Citizens Bank PLC. signed an agreement with ZNRF University of Management Sciences (ZUMS) for sponsoring Youth Acceleration Program (YAP) on ZNRF University at Badda, Dhaka. Mr. Md. Abdul Latif, Deputy Managing Director of Citizens Bank PLC. and Professor Mohammad Mohiuddin, Pro-Vice Chancellor, ZNRF University of Management Sciences signed the deed of agreement on behalf of the respective organizations in presence of Mr. Alamgir Hossain, Managing Director, Citizens Bank PLC. and Ms. Nargis Rafiqa Rahman, Vice Chairman, Board of Trustee, ZNRF University of Management Sciences. Mr. Md. Mostafizur Rahman, Deputy Managing Director, Citizens Bank, Dr. Mohammad Ali, Registrar, ZUMS, High officials of the both organizations and good number of students of the University were also present on the occasion.

SIGNING CEREMONY

Citizens Bank PLC. recently signed an agreement with Reddot Digital Limited, a sister concern of Robi Axiata Limited, at the corporate head office of Reddot Digital Ltd. in Tejgaon, Dhaka. The agreement was signed in the presence of Mr. Alamgir Hossain, Managing Director of Citizens Bank PLC., and Mr. Md. Adil Hossain Noble, Managing Director & CEO of Axentec PLC. On behalf of their respective organizations, Mr. Md. Abdul Latif, Deputy Managing Director of Citizens Bank PLC., and Mr. Hasib Mustabsir, Managing Director & CEO of Reddot Digital Limited, formally signed the agreement. Mr. Md. Mostafizur Rahman, Deputy Managing Director, Citizens Bank; Mr Chowdhury Mohibul Hasan, General Manager, ICT & Software Solutions Business, Axentec PLC and high officials of the both organizations were also present on the occasion. In accordance with the agreement, Reddot Digital Limited will implement a modern and integrated Human Resource Information System (HRIS) for Citizens Bank PLC. The platform is designed to streamline key HR functions, including employee data management, attendance tracking, performance evaluation, and automated payroll processing. This initiative reflects Citizens Bank PLC.'s commitment to digital transformation and its ongoing efforts to enhance operational efficiency.

CORPORATE BANKING

BUSINESS REVIEW

Corporate Banking Division (CBD) of Citizens Bank PLC deals with all export clients of the Bank and corporate clients. CBD delivered a resilient performance during the year ended December 31, 2025, navigating a challenging macroeconomic environment characterized by inflationary pressures, foreign exchange volatility, evolving regulatory requirements, and global economic uncertainties. Guided by a disciplined growth strategy and a strong focus on customer relationships, the Division continued to support the financing requirements of corporate clients across key sectors of the economy. During the year, the Division recorded a total corporate loan portfolio of BDT 1,045 crore, representing a growth of 27% over the previous year, supported by focused relationship management initiatives and customized solutions.

It maintained its commitment to supporting the country's industrial and commercial development by extending financing to clients operating in sectors including textiles and garments, pharmaceuticals, FMCG, energy, infrastructure, telecommunications, trading, and manufacturing. The division booked 61 (sixty-one) new customers under its portfolio including some of the renowned Corporate houses of the country, namely Echotex Limited, United Group, Shanta Group, Asian Group, Rancon Group, Tivoli Apparels Limited, Abul Khair Group, Meghna Group, Hamko Group, SB Group etc.

TRADE FINANCE AND TRANSACTION BANKING

Trade finance continued to be a significant contributor to the Division's performance. The Bank facilitated import, export and guarantee transactions amounting to USD 9.00 million, reaffirming its role as a trusted partner for businesses engaged in international trade. Import business reached USD 5.50 million, while export business amounted to USD 2.50 million in 2025. The issuance of L/Cs, Bank Guarantees and other trade instruments remained robust despite challenging global trade conditions.

ASSET QUALITY AND RISK MANAGEMENT

Maintaining portfolio quality remained a strategic priority of the Division throughout the year. The Division continued to follow prudent credit underwriting standards, comprehensive risk assessment processes and rigorous monitoring mechanisms to ensure sustainable portfolio growth. As a result, it achieved phenomenal feat of maintaining a nil (0%) classified loan ratio of the Corporate Banking portfolio as of December 31, 2025. It remained vigilant in identifying emerging risks and worked closely with clients to ensure timely repayment and business sustainability. The Bank's strong governance framework, combined with sector-specific expertise and proactive relationship management, enabled the Division to maintain a balanced risk-return profile while supporting business growth objectives.

OUTLOOK

Despite prevailing economic challenges, the Division remains confident in its ability to create long-term value for customers, shareholders, and stakeholders through disciplined execution, innovative financial solutions, and a commitment to excellence. Looking forward, CBD remains focused on sustainable growth, portfolio diversification, customer-centric innovation and prudent risk management. The Division will continue to strengthen relationships with existing clients, expand business opportunities in high-potential sectors, enhance transaction banking capabilities and leverage digital technologies to improve service delivery.

NEWLY BOOKED CORPORATE CUSTOMERS

Arien Knit Composite Ltd.

SQ Electricals Ltd.

Unique Cement Mills Ltd.

United Lube Oil Ltd.

Meghna PVC Ltd.

Esprit Apparels Ltd.

CREDIT RISK MANAGEMENT

The Credit Risk Management Division (CRMD) of Citizens Bank PLC plays a strategic role in safeguarding the quality and sustainability of the Bank's lending portfolio through prudent credit assessment and risk management practices. The Division is entrusted with evaluating, structuring and recommending credit facilities across diversified business segments including Corporate, CMSME, Retail, Agriculture, NGO and Financial Institutions. Through comprehensive due diligence, financial analysis and structured risk evaluation, CRMD endeavors to maintain a balanced trade-off between risk and return while ensuring sustainable business growth.

Recognizing that lending operations constitute a major source of the Bank's earnings, CRMD remains vigilant in minimizing potential credit losses arising from improper borrower selection or inadequate risk assessment. The Division places significant emphasis on maintaining a high-quality asset portfolio, controlling Non-Performing Loans (NPLs) and ensuring smooth recycling of funds through timely repayment by borrowers. Simultaneously, CRMD remains committed to facilitating faster disposal of credit proposals without compromising regulatory compliance and due diligence standards.

The Division is comprised of experienced professionals supported by modern risk assessment tools and frameworks. In line with the Bangladesh Bank guidelines and the Bank's internal credit policies, CRMD conducts extensive assessment of borrowers' financial health, business sustainability, industry outlook, environmental and social risk considerations observing the ground realities as well as ascertaining all regulatory compliances with due diligence to support credit decisions and sustainable portfolio growth.

CORE STRENGTHS

CRMD follows a robust and comprehensive credit risk management framework for managing the Bank's diversified lending portfolio across all business segments. The Division ensures that credit risks are identified, assessed, mitigated and monitored in line with the regulatory directives of Bangladesh Bank and the Bank's approved Credit Policy.

A dedicated Credit Committee comprising senior executives from various divisions reviews significant credit proposals and provides recommendations under the delegated authority framework of the Bank. The Board of Directors formulates the overall credit policies while the Management establishes operational procedures and risk governance standards to maintain effective oversight of credit risk exposures.

Key focus areas of CRMD include

- Maintaining acceptable asset quality and minimizing credit concentration risk.
- Ensuring compliance with all regulatory and policy requirements.
- Conducting independent and objective credit assessments.
- Implementing risk mitigation measures supported by appropriate securities and documentation.
- Aligning business growth strategies with the Bank's risk appetite framework.

CREDIT EXPOSURE DIVERSIFICATION STRATEGY

To mitigate concentration risk and ensure portfolio stability, CRMD continues to emphasize diversification of the Bank's credit exposure across multiple sectors and industries. The Division strategically aligns lending decisions with the Bank's risk appetite, regulatory exposure limits and economic outlook.

The portfolio diversification strategy focuses on:

- Reducing excessive exposure to any single borrower, sector, or industry.
- Expanding lending to emerging and productive sectors.
- Ensuring balanced distribution among Corporate, CMSME, Retail, Agriculture and Institutional segments.
- Strengthening collateral and security structures to mitigate potential risks.
- Maintaining prudent sectoral exposure in response to macroeconomic conditions.

CREDIT PRODUCTS AND SERVICE COVERAGE

The banking industry in Bangladesh remains highly competitive with numerous scheduled banks operating in the market. In this dynamic environment, Citizens Bank PLC continues to focus on innovative and client-centric financing solutions while maintaining prudent risk management standards. Guided by the Bank's corporate philosophy, "Today-Tomorrow-Together," CRMD actively supports the development and implementation of value-added credit products tailored to the evolving needs of clients across diverse sectors. The Division works closely with business units to ensure efficient processing of credit proposals and delivery of customized financing solutions maintaining regulatory and policy compliance duly.

STRATEGIC ACTIVITIES IN 2025

During 2025, the Credit Risk Management Division undertook several significant initiatives and operational activities, including:

- Ensuring compliance with Bangladesh Bank's "Guidelines on Credit Risk Management (CRM)", "Guidelines on Environmental and Social Risk Management (ESRM)" and Internal Credit Risk Rating (ICRR) framework.
- Disposal of 895 credit proposals of which 793 proposals amounting to BDT 3,331.51 crore were approved, 31 proposals amounting to BDT 195.22 crore were declined and 71 proposals amounting to BDT 151.76 crore were returned.
- Supporting the development and refinement of credit products aligned with the market demand and client requirements.
- Updating credit proposal formats, risk assessment templates and documentation requirements in line with the regulatory changes and strategic directives of the Management and Board of Directors of the Bank.
- Strengthening overall asset quality management and sustainable portfolio growth initiatives.
- Facilitating faster processing of credit proposals through process optimization and digital initiatives ensuring compliance with anti-money laundering requirements.

WAY FORWARD

Looking forward, CRMD remains committed to strengthening the Bank's resilience against emerging financial and economic challenges. Considering macroeconomic volatility, inflationary pressure, market uncertainties, and global trade dynamics, the Division will continue to adopt prudent risk mitigation strategies and strengthen credit governance practices.

The future focus of CRMD includes

- Maintaining a high quality and performing loan portfolio.
- Enhancing early warning and monitoring mechanisms.
- Increasing use of technology-driven risk assessment tools.
- Strengthening regulatory compliance.
- Achieving an optimal balance between liquidity, profitability and risk exposure.

Through disciplined credit risk management practices and strategic portfolio oversight, CRMD will continue to play a pivotal role in ensuring the long-term stability, sustainability and growth of Citizens Bank PLC.

SME BUSINESS

Driving Sustainable Growth Through SME Financing

Citizens Bank PLC remains committed to empowering Micro, Small, Cottage, and Medium Enterprises across Bangladesh through sustainable and customer-centric financing solutions. Since commencing operations in 2022, the Division has steadily expanded its nationwide presence, supporting entrepreneurs with accessible financial services, prudent risk management, and responsive customer engagement. As of 31 December 2025, the total MSME portfolio stood at BDT 191.07 crore, representing 17% of the Bank's total loan portfolio, with a customer base of 158 borrowers. The Division has achieved consistent year-on-year growth, with the SME portfolio increasing from BDT 52.26 crore in 2022 to BDT 129.19 crore in 2023 and further to BDT 170.30 crore in 2024, reflecting the Bank's strategic focus on expanding MSME financing across the country.

CZB continues to maintain strong portfolio quality through disciplined credit risk management and continuous monitoring. The classified loan (NPL) amount stood at BDT 0.93 crore, representing only 0.48% of the total SME portfolio, demonstrating sound asset quality and effective recovery and collection practices. Recovery performance and collection status remained satisfactory throughout the year, supported by close customer engagement, regular follow-up mechanisms, and proactive portfolio supervision. In addition, the Bank disbursed BDT 5.57 crore under various Bangladesh Bank refinance schemes, further strengthening access to affordable financing for SME customers.

The Bank's SME portfolio remains diversified across sectors and business segments. Sector-wise CMSME loan distribution comprised BDT 88.88 crore in Trading, BDT 88.35 crore in Manufacturing, and BDT 13.83 crore in Service sectors. Under broader sector classification, the portfolio included BDT 88.22 crore in Manufacturing, BDT 88.88 crore in Trading, BDT 13.83 crore in Service, and BDT 0.13 crore in Agro-based sectors. Segment-wise disbursement under Micro, Small, and Medium enterprises stood at BDT 21.46 crore, BDT 62.08 crore, and BDT 107.53 crore respectively, reflecting balanced growth across business categories.

The Bank also continued to support inclusive financing initiatives, including women entrepreneur financing and agricultural lending. Women Entrepreneur Loans amounted to BDT 3.78 crore distributed among 15 borrowers, representing 2% of the total SME portfolio. The total unsecured loan portfolio stood at BDT 88.17 crore, accounting for 46% of the total SME portfolio. Agri loan exposure reached BDT 21.58 crore, representing 2% of the Bank's total loan portfolio, supporting rural economic development and agricultural sustainability. During the year, no cluster financing exposure was recorded.

2025: A Landmark Year for Citizens Bank SME Business:

In our journey through 2025, we have set five strategic priorities to strengthen customer service, streamline transactions, and accelerate sustainable business growth for our SME customers:

1. Customer-Centric Service Excellence
2. Digital Transformation & Smart Banking
3. Faster & Simplified Financing Solutions
4. Strengthening MSME Partnerships & Ecosystem
5. Sustainable Growth & Operational Excellence

COTTAGE & MICRO BUSINESSES

Small Businesses, Stronger Economy

The Cottage & Micro Business segment of the SME Business Division at Citizens Bank PLC continues to play an important role in promoting financial inclusion and grassroots entrepreneurship across Bangladesh. The Division remains committed to supporting small entrepreneurs, cottage industries, and micro enterprises through accessible, customer-centric, and sustainable financing solutions tailored to their business needs. By fostering long-term relationships and ensuring efficient service delivery, the Bank has contributed to employment generation, income growth, and local economic development. Supported by prudent lending practices and strong portfolio monitoring, the Division has maintained healthy portfolio quality while empowering emerging entrepreneurs to achieve sustainable business growth.

SMALL BUSINESS

Small Businesses, Big Possibilities

The Small Business segment of the SME Business Division at Citizens Bank PLC continues to support the growth and sustainability of small enterprises across Bangladesh through tailored and customer-focused financing solutions. Recognizing the vital contribution of small businesses to employment generation, entrepreneurship development, and economic progress, the Division remains committed to providing accessible financial services, efficient service delivery, and responsive relationship management. Through prudent lending practices and continuous portfolio monitoring, the Bank has maintained strong asset quality while enabling small businesses to expand operations, enhance productivity, and contribute meaningfully to the country's economic development.

MEDIUM BUSINESS

Scaling Ambitions, Building Futures

The Medium Business segment of the SME Business Division at Citizens Bank PLC continues to contribute significantly to the growth of emerging and expanding enterprises across Bangladesh through structured and sustainable financing solutions. The Division remains committed to supporting medium-sized businesses with tailored financial products, efficient service delivery, and strong relationship management to help enhance operational capacity, business expansion, and long-term sustainability. Through disciplined credit risk management, continuous portfolio monitoring, and customer-centric engagement, the Bank has maintained strong portfolio quality while fostering industrial development, employment generation, and inclusive economic growth in the country.

AGRI BUSINESS

From Fields to Future Prosperity

The Agri Business segment of the SME Business Division at Citizens Bank PLC remains committed to supporting the agricultural sector and rural entrepreneurs across Bangladesh through sustainable and inclusive financing solutions. Recognizing the vital role of agriculture in ensuring food security, employment generation, and economic stability, the Division continues to provide accessible financial services tailored to the needs of agri-based enterprises, farmers, and related businesses. Through customer-centric engagement, prudent lending practices, and continuous portfolio monitoring, the Bank has contributed to the growth and sustainability of agri businesses while promoting rural economic development and agricultural advancement across the country.

WOMEN ENTREPRENEUR CELL

Unlocking Potential, Empowering Women in Business

Citizens Bank PLC remains committed to empowering women entrepreneurs through inclusive and sustainable financing solutions under its SME Business Division. The Bank actively supports women-led enterprises by providing accessible financial services, relationship-based banking, and responsive customer support to help expand and strengthen their businesses. As of 31 December 2025, Women Entrepreneur Loans stood at BDT 3.78 crore extended to 15 borrowers, representing 2% of the total SME portfolio. Through this initiative, the Bank continues to promote women's participation in business, economic empowerment, and sustainable socio-economic development in Bangladesh.

RETAIL BUSINESS

The Retail Business Division (RBD) of Citizens Bank PLC. continued to strengthen its position as a customer-centric growth engine during the year 2025 by driving financial inclusion, expanding outreach, and delivering innovative banking solutions across Bangladesh. Through a combination of strategic initiatives, product diversification, technological advancement, and service excellence, the Division played a significant role in supporting the Bank's overall growth and long-term vision.

During the reporting year, the Retail Business Division achieved notable progress by expanding its product portfolio and launching several impactful initiatives that established new benchmarks in the Bank's retail banking operations. The Division remained focused on enhancing customer experience through market-aligned products and personalized financial solutions tailored to meet the evolving needs of individual customers. In line with this strategic direction, the formation of the Direct Sales Unit (DSU) significantly reinforced deposit mobilization efforts and accelerated relationship-driven business growth. The Bank has also undertaken initiatives to introduce differentiated and personalized banking services for valued customers, aiming to strengthen customer loyalty and long-term engagement.

Supported by a robust and expanding distribution network, the Retail Business Division continued its commitment to delivering seamless, efficient, technologically advanced, and accessible banking services to customers across the country. The Division currently operates through a network of 22 Branches and 08 Sub-Branches, enabling the Bank to extend its services to new geographical locations and underserved communities. As part of its expansion strategy, the Bank received approval from Bangladesh Bank to commence operations of 06 new Branches and 20 new Sub-Branches, which will further strengthen the Bank's nationwide presence and improve customer accessibility in the coming years.

The Division continued to leverage digital innovation and service excellence to ensure convenience, security, and efficiency in banking operations. By integrating technology-driven solutions into retail banking processes, RBD focused on simplifying customer interactions and enhancing operational efficiency. The Division remains committed to contributing significantly to the vision of Citizens Bank PLC. through continuous innovation, customer engagement, and sustainable business growth.

Retail Business Division also plays a pivotal role in ensuring the smooth, efficient, and compliant operation of the Bank's branch network. The Division is responsible for overseeing branch activities to ensure adherence to regulatory guidelines, internal policies, and operational standards. Through continuous performance monitoring and evaluation against established benchmarks, the Division identifies operational gaps and takes timely corrective measures to maintain service quality and branch efficiency. In addition, the Division coordinates closely with branches to resolve various Retail and SME banking issues, thereby ensuring uninterrupted service delivery and maintaining customer .

In today's rapidly evolving banking environment, where customer expectations and technological advancements continue to reshape the financial industry, the Retail Business Division remains proactive in adapting to market trends and industry best practices. The Division continuously reviews and refines existing products and services based on customer feedback, market research, and competitive analysis. During the year, several initiatives were undertaken to amend and modernize existing retail products in alignment with changing customer preferences and industry trends.

Recognizing the growing importance of direct customer engagement, the Division also strengthened its telecommunication and customer activation initiatives. Through direct communication channels, the Division actively promotes banking products, improves service activation, and enhances customer awareness regarding various financial solutions. These initiatives have contributed significantly to improving customer engagement, strengthening relationships, and increasing product penetration across different customer segments. At Citizens Bank PLC., customer satisfaction remains at the heart of all business activities. Every product and service offered by the Retail Business Division is carefully designed to address the distinct financial needs and expectations of customers. By prioritizing customer-centricity and service excellence, the Division continues to build long-term relationships founded on trust, reliability, and convenience.

Alongside customer service excellence, the Retail Business Division remains equally committed to the professional growth and development of its employees. The Division recognizes that skilled and motivated employees are essential for delivering superior customer experiences and achieving sustainable business success. During the year, several comprehensive training programs, workshops, and meetings were organized to enhance the capabilities and service competencies of front-line employees. These initiatives focused on improving product knowledge, customer handling skills, operational efficiency, and compliance awareness, enabling employees to serve customers more effectively and professionally.

By fostering a culture of continuous learning and development, the Division empowers its employees to grow professionally while upholding the highest standards of customer care and ethical banking practices. This commitment to employee development has strengthened team performance, operational excellence, and service quality across the branch network.

Looking ahead, the Retail Business Division remains optimistic and committed to achieving sustainable growth with the vision of becoming a market leader in the near future. The Division aims to establish a strong compliance- and performance-based culture while continuing to deliver excellence in customer service and relationship management. RBD plans to further expand the Bank's business and service network by leveraging modern technological advancements and introducing innovative service channels to meet the dynamic needs of customers.

To reinforce its customer-first approach, RBD also introduces a series of thematic taglines for its retail product portfolio, reflecting its core values and service philosophy:

- Savings Accounts: "Your Future Begins with Every Deposit."
- Current Accounts: "Banking That Moves with Your Business."
- Car Loans: "Drive Your Dream with Confidence."
- Home Loans: "Turning Houses into Homes."
- Personal Loans: "Instant Support for Life's Important Moments."
- Deposit Schemes: "Grow Today, Secure Tomorrow."
- Digital Banking: "Bank Anywhere, Anytime, Instantly."

With its expanding network, customer-focused approach, dedicated workforce, and commitment to innovation, the Retail Business Division is well-positioned to contribute significantly to the continued growth and success of Citizens Bank PLC. The Division remains determined to provide a secure, reliable, and technologically advanced banking platform that will strengthen the Bank's position as the preferred banking partner for customers across Bangladesh.

PAYROLL BANKING

Payroll Banking Unit continued its growth momentum in 2025 by strengthening relationships with corporate clients and enhancing service delivery through innovative and technology-driven payroll solutions. The Unit remained focused on providing seamless, secure, and efficient payroll banking services that support organizations in managing employee salary disbursements with greater convenience and operational efficiency. Through a combination of strategic client acquisition, service enhancement, and digital transformation initiatives, Payroll Banking further reinforced its position as a trusted payroll solutions provider in the banking industry.

During the year, Payroll Banking achieved a significant milestone by facilitating salary disbursements exceeding BDT 1,440 million. This accomplishment reflects the increasing confidence of corporate clients in Citizens Bank's payroll services and demonstrates the Bank's strong operational capability in handling high-volume payroll transactions accurately and efficiently. The steady growth in payroll transactions also highlights the effectiveness of the Unit's customer-centric approach, reliable service standards, and commitment to maintaining long-term relationships with corporate partners.

As part of its business expansion strategy, the Unit successfully onboarded several new corporate clients during the year, including leading business groups such as NHQ Distributions Pvt. Ltd., Echotex Group, and Padma Satel Arab Fashions Limited. The inclusion of these organizations significantly strengthened both the scale and diversity of the payroll portfolio, enabling the Bank to broaden its presence across different industry segments. The continued expansion of the client base reflects the growing market acceptance of Citizens Bank's payroll banking services and the Bank's ability to meet the evolving needs of modern businesses.

Digital transformation remained a key driver of the Unit's performance throughout 2025. Increased adoption of corporate internet banking solutions enabled organizations to manage payroll processing, salary disbursements, and a wide range of transactional activities with enhanced efficiency, control, and reliability. By leveraging digital platforms, corporate clients were able to execute transactions in a more secure and streamlined manner, reducing processing time and improving operational convenience. The integration of digital capabilities also contributed to improved transparency, faster transaction turnaround, and enhanced monitoring and reporting functionalities for corporate users.

In addition to improving operational efficiency, the Bank continued to focus on delivering a superior customer experience through responsive service support and customized payroll solutions tailored to client requirements. The Payroll Banking Unit worked closely with corporate customers to understand their operational needs and provide flexible banking solutions that support employee financial inclusion and day-to-day banking convenience.

Looking ahead, Citizens Bank remains committed to further strengthening its Payroll Banking business through continuous innovation, enhanced digital capabilities, and strategic corporate partnerships. The Bank aims to expand its payroll portfolio, improve service excellence, and introduce more value-added solutions to support the growing needs of corporate clients and their employees in the years to come.

TRADE SERVICES

Since its establishment in 2023, Citizens Bank PLC has demonstrated remarkable progress in Trade Finance, positioning itself as a trusted partner for businesses engaged in international trade and domestic commerce. Through a customer-centric approach, prudent risk management, and operational excellence, the Bank has achieved significant growth across all major trade finance segments.

IMPORT BUSINESS

The Bank's import business continued its strong upward trajectory in 2025, reaching BDT 813 crore. The import portfolio primarily comprised raw materials, capital goods, and commercial products essential for domestic production and consumption. Folloing an exceptional growth of 359% in 2024, import business recorded a further impressive year-on-year growth of 313% in 2025, reflecting the Bank's expanding customer base and growing market confidence.

Citizens Bank PLC maintained a diversified sourcing strategy across multiple countries and regions, ensuring resilience against geopolitical and economic uncertainties. Importantly, all trade exposures remained concentrated in jurisdictions with minimal country risk, reinforcing the Bank's commitment to prudent trade risk management.

EXPORT BUSINESS

Export business emerged as another key growth driver for the Bank. Export turnover reached BDT 258 crore in 2025, represening a robust growth of 53% over the previous year. The Bank's export journey has been particularly noteworthy since inception.

This consistent upward trend over the last three years highlights the Bank's growing support to export-oriented industries and its increasing role in facilitating Bangladesh's international trade. The performance reflects strong customer relationships, enhanced service delivery, and expanding participation in global markets.

BANK GUARANTEE BUSINESS

The Bank Guarantee (BG) segment also witnessed exceptional growth, reflecting increasing customer confidence and the Bank's strengthening position in the market. From a modest BDT 12.91 crore in 2023, BG issuance increased to BDT 36.31 crore in 2024 and further surged to BDT 101 crore in 2025.

The sustained expansion of the BG portfolio demonstrates Citizens Bank PLC's ability to support clients' business requirements through reliable financial commitments and risk-sharing solutions. This remarkable growth trajectory underscores the Bank's growing reputation as a dependable partner in trade and commercial activities.

TRADE BUSINESS TREND

Particulars	**2023**		**2024**			**2025**		
	No. of LC/Bills/BG	Amount in Cr. BDT	No. of LC/Bills/BG	Amount in Cr. BDT	YOY Growth	No. of LC/Bills/BG	Amount in Cr. BDT	YOY Growth
Import (Local/Foreign/CASH/BTB)	137	42.94	465	197.07	359%	1307	812.94	312%
Export (Local/Foreign)	61	5.86	570	168.86	2782%	784	258.38	53%
Bank Guarantee	6	12.91	59	36.31	181%	449	101.36	179%

LOOKING AHEAD

As Citizens Bank PLC continues its journey of growth and innovation, the Trade Service Division remains committed to delivering efficient, secure, and customer-focused solutions. By strengthening international banking relationships, embracing digital transformation, and maintaining sound risk management practices, the Bank is well-positioned to capitalize on emerging opportunities and support Bangladesh's economic development.

The achievements of 2025 stand as a testament to the dedication of our customers, employees, and stakeholders. With a strong foundation and a clear vision for the future, Citizens Bank PLC is poised to further expand its footprint in trade finance and contribute meaningfully to the nation's trade and industrial growth.

INTERNATIONAL DIVISION AND NRB

The International & NRB Division of the Bank has undertaken various measures as part of its relentless efforts to expand the Bank's international footprint, among which the notable initiatives include establishing correspondent banking relationships with banks and financial institutions both at home and abroad.

The Bank has already established a good number of RMAs (Relationship Management Applications) with correspondent banks in India, China, Singapore, Japan, Italy, Germany, Thailand, Hong Kong, the USA, the UK, the UAE, and Bangladesh. Meanwhile, the Bank has opened eight foreign currency accounts in USD, EUR, GBP, and RMB with different banks in the USA, UK, China, and India to accommodate the requirements of import-based and export-oriented clients across various business segments.

The Bank is currently operating with five Authorized Dealer Licenses in favor of its Head Office, Principal Branch, Gulshan Corporate Branch, Uttara Branch, and Agrabad Branch, through which trade finance-related business activities are being conducted.

To ensure compliance in cross-border transactions, the Bank uses a Sanction Screening module to screen all transactions against UN, OFAC, and other required sanctions lists. The Bank is also listed in the Bankers Almanac, a globally recognized banking information platform containing profiles and details of banks worldwide.

INFORMATION TECHNOLOGY

In 2025, the Information and Communication Technology (ICT) Division of Citizens Bank PLC played a pivotal role in advancing the Bank's digital transformation agenda, strengthening operational resilience, and elevating the overall customer experience. Guided by a forward-looking technology strategy, the Division delivered a range of impactful initiatives that reinforced the Bank's position as a competitive and customer-centric financial institution in Bangladesh's rapidly evolving banking landscape. Significant progress was made in expanding the digital banking ecosystem, with enhancements to internet banking, mobile banking applications and e-KYC platforms — empowering customers to conduct transactions and access financial services seamlessly from anywhere, at any time. The year also marked a notable expansion of utility bill collection services through the Bank's digital channels, further promoting financial inclusion and everyday banking convenience. Cybersecurity remained a top priority, with advanced encryption technologies, robust firewall architectures, and enterprise-wide security protocols deployed to safeguard customer data and defend against emerging digital threats. As technology continues to reshape the financial services industry, the ICT Division of Citizens Bank remains resolute in building a secure, agile, and future-ready digital foundation that supports sustainable growth and delivers lasting value to its customers and stakeholders.

DIGITAL EXPANSION

In 2025, Citizens Bank PLC made significant strides in expanding its digital banking capabilities, reinforcing its commitment to delivering accessible, convenient, and secure financial services to its growing customer base. The Bank's digital transformation journey continued to gain momentum through the enhancement of existing platforms and the introduction of new service integrations that collectively elevated the customer banking experience.

INTERNET & MOBILE APPLICATION

The Bank further enhanced its internet banking platform and mobile banking application, enabling customers to perform a comprehensive range of financial activities — including fund transfers, account management, credit card bill payments, and mobile top-ups — with ease and convenience from any device, at any time. These platforms continue to serve as the primary digital touchpoints for the Bank's expanding customer base.

ONLINE ACCOUNT OPENING THROUGH E-KYC

Citizens Bank continued to offer fully digital onboarding through its online account opening and e-KYC solutions, allowing prospective customers to open accounts remotely without the need to visit a branch. This initiative has significantly contributed to financial inclusion and broadened the Bank's customer outreach across Bangladesh.

UTILITY BILL COLLECTION SERVICES

A major highlight of 2025 was the expansion of utility bill collection services through the Bank's digital channels. Customers can now conveniently pay bills for Titas Gas, DESCO, NESCO, West Zone Power Distribution, Bakhrabad Gas, Paschimanchal Gas, Dhaka WASA, Khulna WASA, and Rajshahi WASA — eliminating the need for physical visits and streamlining everyday financial obligations.

A-CHALLAN

Citizens Bank successfully integrated the A-Challan system, enabling customers to make government treasury challan payments digitally through the Bank's platforms. This integration reflects the Bank's commitment to supporting e-governance initiatives and providing customers with a seamless interface for fulfilling their government payment obligations.

NATIONAL PENSION SCHEME

Citizens Bank successfully onboarded the National Pension Scheme (NPS) payment facility, enabling customers to make their pension contributions conveniently over the counter at any of the Bank's branches. The system is seamlessly integrated with the NPS API, ensuring real-time and accurate processing of pension payment transactions. This facility reflects the Bank's commitment to expanding its service offerings beyond conventional banking, supporting the government's national pension initiative, and contributing to the long-term financial security and well-being of its customers.

INVENTORY MANAGEMENT SYSTEM (IMS)

A landmark achievement of 2025 for the ICT Division was the successful in-house development and deployment of the Bank's Inventory Management System (IMS) — a testament to the capability and dedication of Citizens Bank's internal development team. The system was conceived and built through a structured approach, with Business Requirement Documents (BRDs) meticulously collected from respective divisions across the Bank, ensuring that the solution was precisely aligned with operational needs. The IMS serves as a centralized digital platform for tracking, procurement, and management of consumables throughout the organization, offering real-time visibility into inventory levels, automated approval workflows, and robust reporting and analytics capabilities. By eliminating manual processes and reducing administrative overhead, the system has significantly enhanced operational accuracy, transparency, and decision-making efficiency across all departments. The successful delivery of this fully homegrown solution stands as a proud milestone for the Bank's development team and reflects Citizens Bank's growing capability to engineer sophisticated enterprise solutions independently.

CLIENT VISIT RECORD (VR) SYSTEM

A landmark achievement of 2025 for the ICT Division was the successful in-house development and deployment of the Bank's Client Visit Record (VR) System was developed to streamline and digitize the process of maintaining client visit information. The system allows users to input and manage visit details efficiently, with features to view, update, and re-edit previously submitted records when necessary. It also includes reporting functionalities that help generate and monitor visit-related reports for better tracking, analysis, and management oversight. The application was designed to improve operational efficiency, data accuracy, and centralized record management.

The year 2025 marked a transformative chapter for the ICT Division of Citizens Bank PLC, characterized by meaningful progress across digital innovation, infrastructure strengthening, and enterprise system development. From expanding customer-facing digital banking services and utility bill collection capabilities to the successful in-house development of the Inventory Management System, the Division demonstrated both technical excellence and a deep commitment to delivering value across the organization. Cybersecurity remained at the forefront of the Division's priorities, ensuring that the Bank's growing digital ecosystem continued to operate within a secure and resilient framework. As the financial services landscape continues to evolve at an unprecedented pace, the ICT Division of Citizens Bank is well-positioned to embrace emerging technologies, drive further innovation, and support the Bank's long-term strategic objectives. Looking ahead, the Division remains firmly committed to building a future-ready digital infrastructure that enhances operational efficiency, deepens customer engagement, and contributes to the sustainable growth and success of Citizens Bank PLC in the years to come.

ENSURING CYBER SECURITY

In an increasingly complex digital environment, the Cyber Security & MIS Division of Citizens Bank PLC remains committed to safeguarding the Bank’s information assets, strengthening cybersecurity resilience, and enhancing technological capabilities in line with regulatory and global standards.

During the year, the Bank established a Security Operations Center (SOC), becoming the 19th bank in Bangladesh to implement such a facility, significantly enhancing real-time monitoring and incident response capabilities.

The Bank is also progressing toward ISO/IEC 27001 certification, reinforcing its commitment to internationally recognized information security standards. Key initiatives, including Vulnerability Assessment and Penetration Testing (VAPT), cybersecurity awareness programs, phishing simulations, and structured risk reporting, continue to strengthen the Bank’s overall security posture.

MIS continues to support efficient operations, regulatory compliance, and timely reporting to the Bangladesh Bank. Overall, the Division remains focused on ensuring a secure, resilient, and reliable technology environment through continuous improvement and best practices.

HUMAN RESOURCE MANAGEMENT

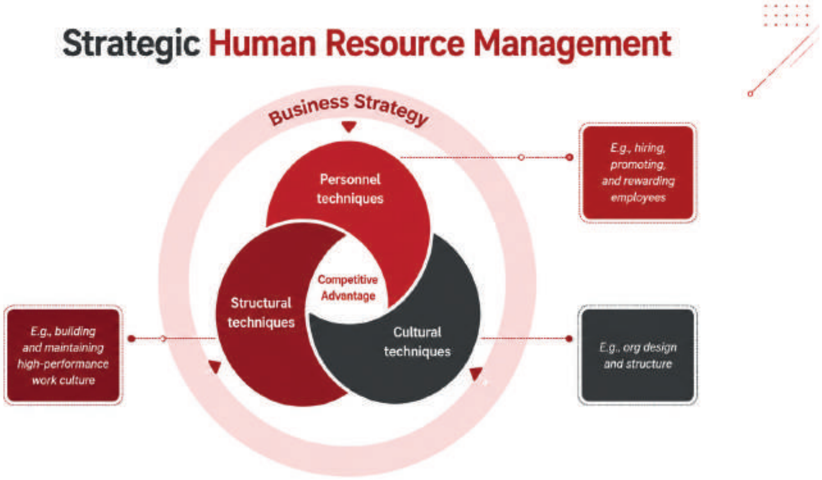
HR MISSION STATEMENT

Human Resources plays a strategic role in cultivating a dynamic and inclusive workplace that empowers employees through continuous learning, professional development and engagement, enabling the Bank to achieve operational excellence and sustainable growth.

At Citizens Bank PLC, we believe our people are the cornerstone of our success. Like the roots that nourish and sustain a growing tree, our employees provide the strength, resilience and talent that support the Bank's continued growth and transformation. Human Resources serves as a strategic enabler of organizational excellence by attracting, developing, engaging and retaining high-caliber talent. Through a culture of integrity, collaboration, innovation and performance, the Bank empowers its people to act as agents of positive change and to contribute meaningfully to a rewarding and sustainable future.

HUMAN RESOURCE MANAGEMENT AS A STRATEGIC FUNCTION

At Citizens Bank PLC, Human Resource Management is a strategic partner in driving sustainable growth. By attracting, developing, engaging and retaining talented professionals, we align our people strategy with business objectives to build a high-performing workforce, strengthen organizational capability and create long-term value for our stakeholders.



REPORT ON HUMAN CAPITAL

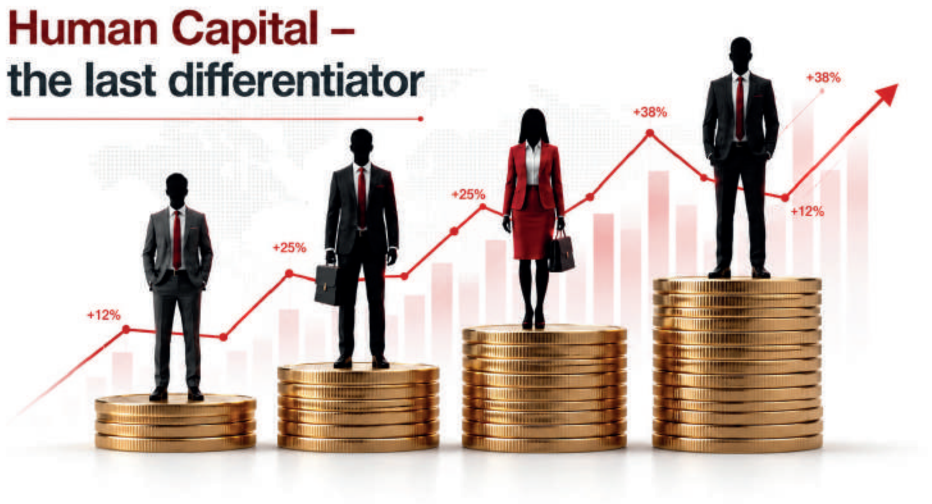
Transformation of Human Capital

At Citizens Bank PLC, we view our people as our most valuable asset and the cornerstone of sustainable success. We believe that investment in human capital is a strategic investment that enhances organizational capability, drives innovation and creates long-term value.

Our Human Capital strategy focuses on attracting, developing, engaging and empowering talented professionals through continuous learning, performance excellence and an inclusive work environment. By aligning our people initiatives with the Bank's strategic priorities, we are building a resilient, future-ready workforce capable of delivering exceptional service and sustainable growth.

Transformation of Human Capital

Human capital refers to the intangible aspect of human resources. It enhances the value of employees by striking a win-win goal for employers and employees. It focuses on the intrinsic value of each employee, where any expenditure on employees is regarded as an investment rather than an expense. The varying talents and motivations of employees are given cognizance so that incentives and working arrangements can be created to enhance each employee's contributions to organizational performance.



At Citizens Bank, people are our greatest competitive advantage. Through strategic talent acquisition, continuous learning, effective performance management and employee engagement, we cultivate a capable and motivated workforce that drives innovation, operational excellence and sustainable business growth.

CAREER PROGRESSION

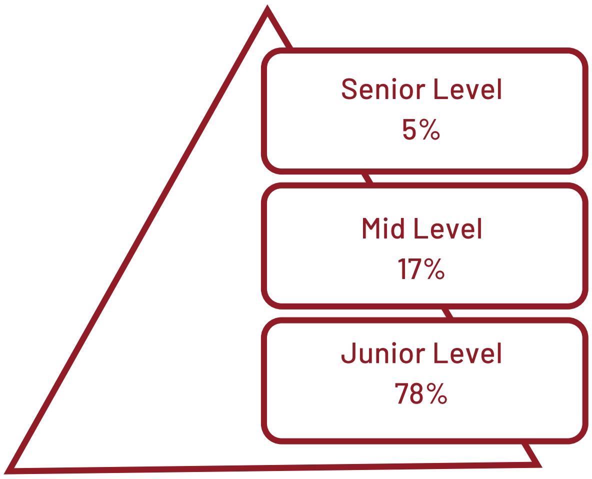
At Citizens Bank PLC, we recognize that career development is fundamental to attracting, engaging and retaining talented professionals. We are committed to providing equitable opportunities for learning, career advancement and professional growth, enabling our employees to realize their full potential while contributing to the Bank's long-term success. Through a merit-based career progression framework, we continue to build a motivated, capable and future-ready workforce.

SUCCESSION PLANNING

At Citizens Bank PLC, succession planning is an integral part of our talent management strategy. We identify and develop high-potential employees through structured assessment, leadership development and targeted learning initiatives to build a strong leadership pipeline. This approach ensures business continuity, supports organizational resilience and prepares the Bank for future growth while creating meaningful career opportunities for our employees.

HUMAN CAPITAL COMPOSITION

Citizens Bank PLC. maintains a balanced workforce to ensure the right people are in the right roles at the right time. During the reporting year, 5% of employees were in Senior-Level positions, 17% in Mid-Level, 78% in Junior-Level roles. This workforce composition supports operational efficiency, effective talent management and sustainable organizational growth.



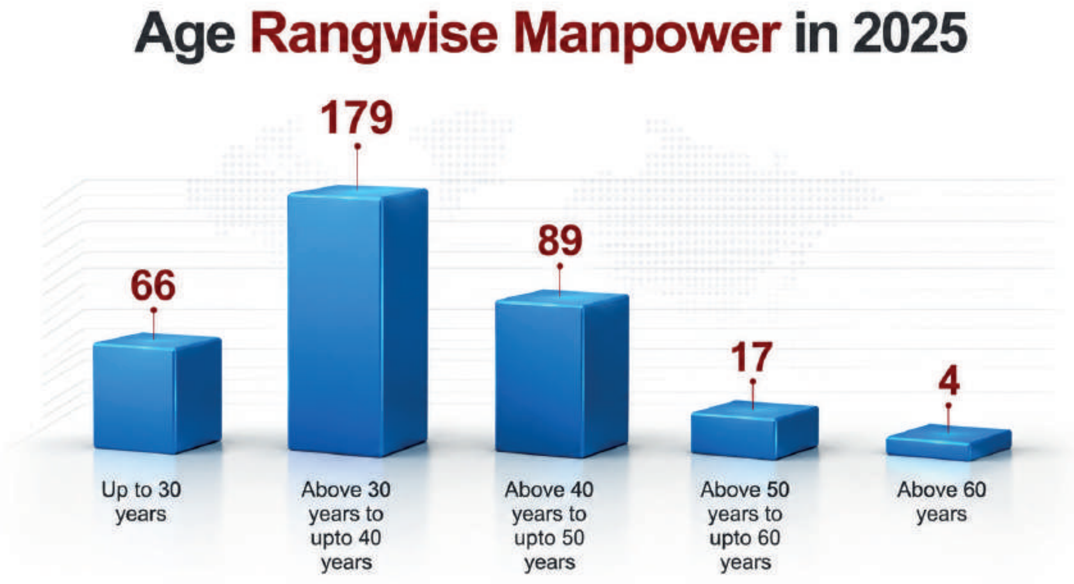
PEOPLE IN CITIZENS BANK

The success of Citizens Bank PLC. is driven by the strength, capability and commitment of its people. The Bank continues to invest in developing a high-performing workforce and maintaining an optimal human capital structure that supports business growth, operational resilience and long-term sustainability. The changes in workforce composition over the past three years are illustrated below:

PARTICULAR	2025	2024	2023
TOTAL EMPLOYEE AT THE BEGINNING	275	206	142
NUMBER OF NEWLY RECRUITED EMPLOYEE	116	96	75
DEPARTURES (RETIREMENT/RESIGNATION ETC.)	36	27	11
TOTAL EMPLOYEE AT THE END	355	275	206

AGE WISE EMPLOYEE DISTRIBUTION:

A well-balanced age profile is a key strength of Citizens Bank PLC's human capital. The Bank benefits from a workforce that combines the innovation and agility of young professionals with the expertise and institutional knowledge of experienced employees, fostering a collaborative and high-performing work environment.



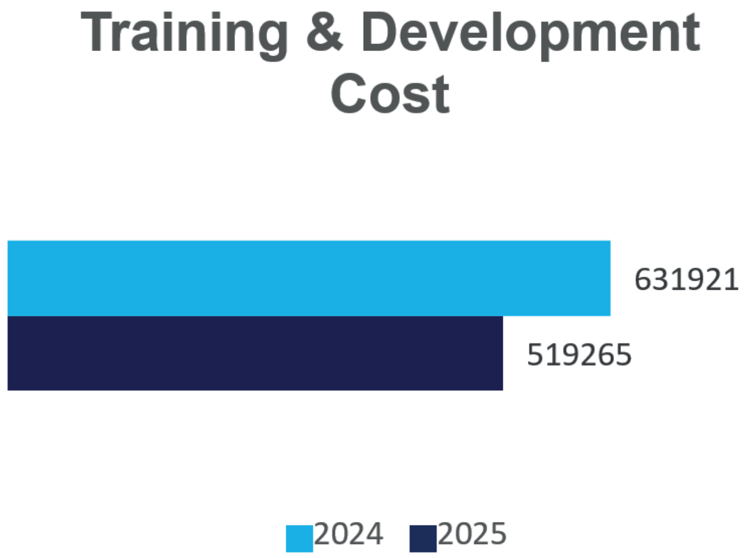
TRAINING AND DEVELOPMENT

Citizens Bank PLC. recognizes that continuous learning is fundamental to building a resilient, future-ready workforce. Through the Citizens Bank Training Center, the Bank delivers structured, need-based training programs to enhance employees' technical expertise, leadership capabilities and behavioral competencies. These initiatives support operational excellence, strengthen organizational performance and promote a culture of continuous learning. The Bank's training activities over the last three years are presented below:

NUMBER OF TRAINING PARTICIPANTS

INVESTMENT IN TRAINING AND DEVELOPMENT

Citizens Bank PLC places strong emphasis on continuous learning and capability development to build a skilled, agile and future-ready workforce. The Bank invests in need-based training and development initiatives to enhance employees' knowledge, skills and competencies, enabling them to perform their responsibilities effectively and contribute to the Bank's strategic objectives. The Bank's investment in training and development over the last three years is presented below:



C. REPORT ON HR ACCOUNTING

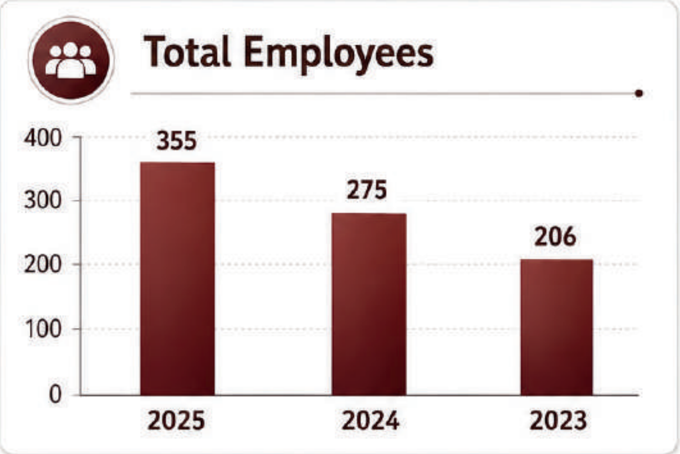
Human Resource Accounting:

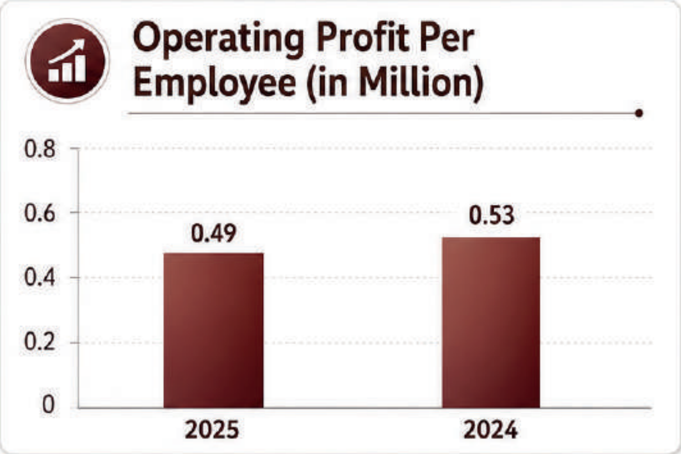
Human Resource Accounting (HRA) measures an organization's investment in its people by capturing the costs associated with attracting, developing and retaining talent, as well as the value employees create. These insights enable management to assess the effectiveness of human capital investments, support informed decision-making and strengthen long-term organizational performance.

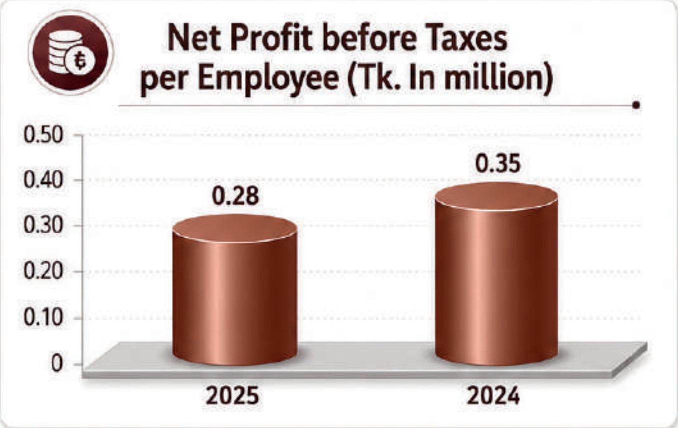
Key Human Resource Accounting indicators of Citizens Bank PLC. are presented below:

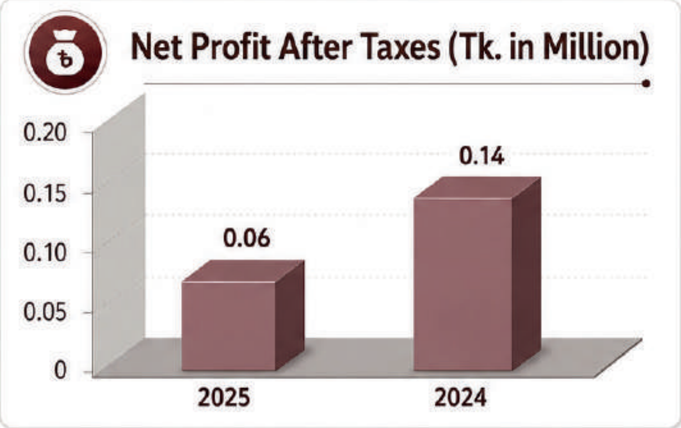
PARTICULARS	2025	2024
Total Employees	355	275
Operating Revenue Per Employee (Million in Tk.)	0.49	0.53
Net Profit before Taxes per Employee (Million in Tk.)	0.28	0.35
Net Profit after Taxes Per Employee (Million in Tk.)	0.06	0.14
Asset Per Employee (Million in Tk.)	66.73	69.46
Direct Investment in Human Capital Per Employee (Million in Tk.)	1.08	1.00
Training & Development Expenditure Per Employee (in Tk.)	1,462.72	2,297.89

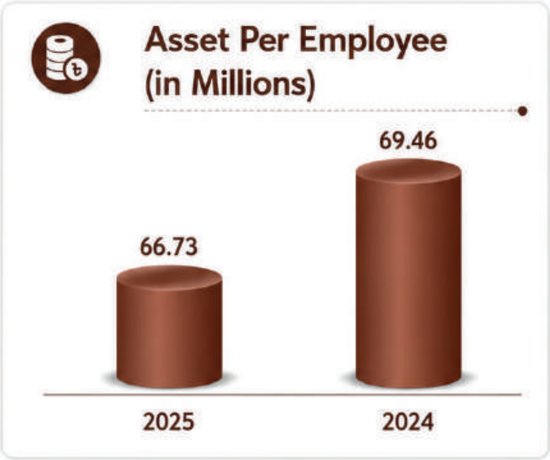
GRAPHICAL PRESENTATION OF SOME HUMAN CAPITAL ISSUES:


Total Employees

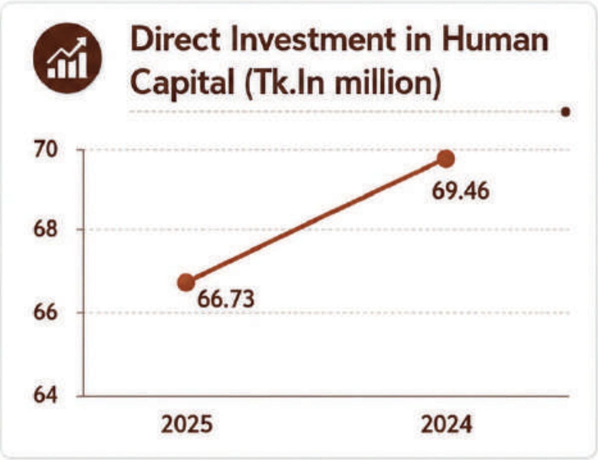

Operating Profit Per Employee (in Million)


Net Profit before Taxes per Employee (Tk. In million)

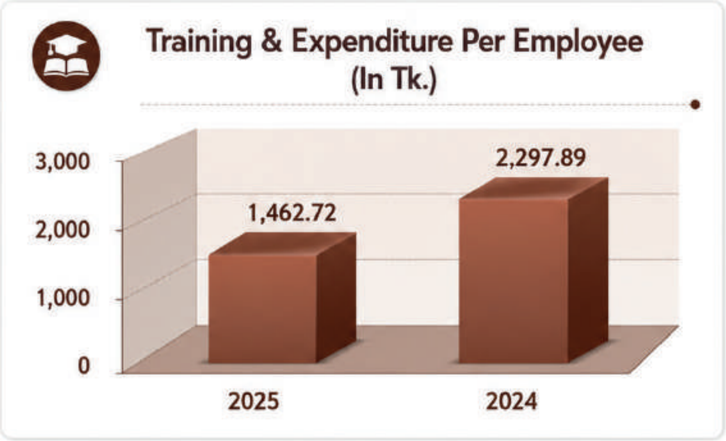

Net Profit After Taxes (Tk. in Million)



Asset Per Employee (in Millions)



Direct Investment in Human Capital (Tk.In million)



Training & Expenditure Per Employee (In Tk.)

D. CITIZENS BANK SUSTAINABILITY REPORT ON HUMAN RESOURCES

Our People

At Citizens Bank PLC, our people are the foundation of sustainable growth and long-term value creation. We are committed to fostering an inclusive, performance-driven and engaging workplace where employees are empowered to excel professionally while contributing to the Bank's strategic objectives. Through competitive rewards, continuous learning and employee-centric policies, we strive to attract, develop and retain high-performing talent.

Reward and Compensation

Citizens Bank PLC maintains a fair, competitive and performance-based compensation framework designed to attract, motivate and retain talented professionals. The Bank regularly reviews its remuneration structure to ensure market competitiveness, internal equity and alignment with business performance.

Employees receive a comprehensive package comprising fixed remuneration, performance-based incentives and a wide range of financial and non-financial benefits.

Employee Facilities and Benefits

The Bank offers comprehensive employee facilities and benefits apart from the basic pay to support the financial well-being, health and safety of its workforce. Key benefits include:

- House Rent Allowance
- Medical Allowance
- Conveyance Allowance
- House Maintenance Allowance
- Utilities
- Special Allowance

Apart from the above Citizens Bank is also providing benefits & rewards which are given below:

- Performance/Incentive Bonuses
- Festival Bonuses
- Employee Car Facilities Scheme for Executives
- Maternity Benefits for Employees
- Leave Fare Assistance
- Emergency Staff Loan Schemes at concessional interest rates
- Staff House Building Loan Scheme at concessional interest rates
- Reimbursement of Medical Expenses by the bank
- Honorarium for passing Banking Diploma
- Crest, Certificate and Cash Incentives for Performing Employees
- Arranging Foreign Training for Employees.

Terminal Benefits

Citizens Bank PLC provides a range of long-term benefits that strengthen employees' financial security and reinforce long-term engagement with the Bank. These include:

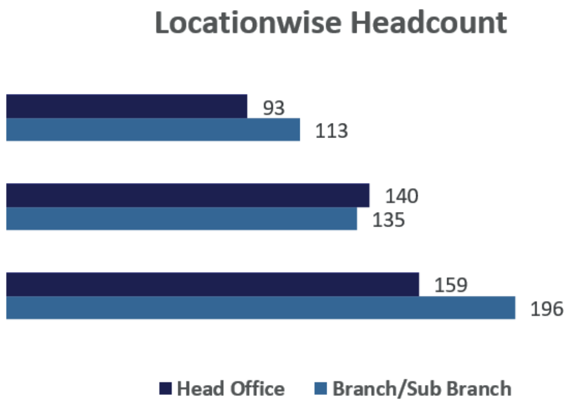
- Gratuity
- Provident Fund
- Employee Superannuation Social Safety Fund
- Leave Encashment

Workforce Profile

Citizens Bank PLC continues to build a diverse and competent workforce aligned with its business strategy. The Bank maintains an optimal mix of experienced professionals and emerging talent across its Head Office and branch network to support sustainable growth and operational excellence.

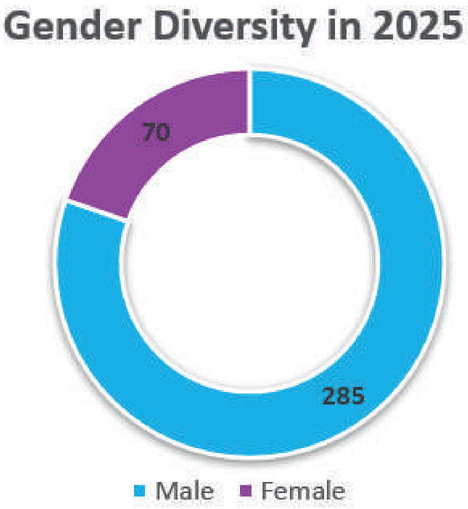
Particular	2025	2024	2023
Total Employee	355	275	206

Besides, workforces are distributed in the following manner:



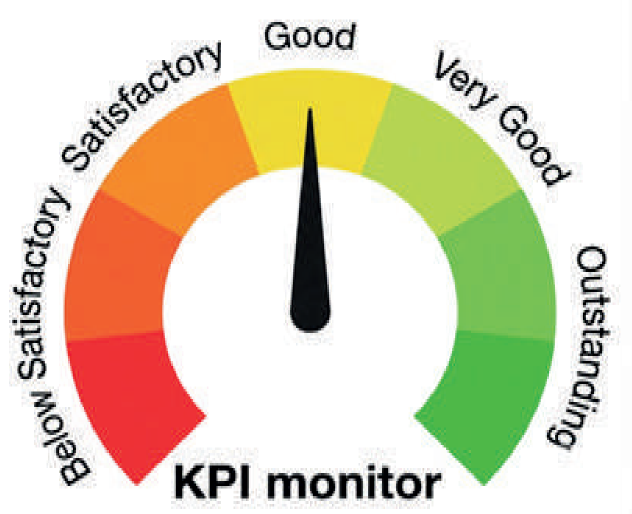
Diversity, Equity and Inclusion

Citizens Bank PLC is committed to promoting an inclusive workplace that values diversity, equal opportunity and mutual respect. Recruitment, career progression and employee development are based solely on merit, competence and performance, ensuring equal opportunities for all irrespective of gender or background.



Performance Management

The Bank operates a transparent and performance-driven Performance Management System aligned with its strategic objectives. Employee performance is evaluated through clearly defined Key Performance Indicators (KPIs) and behavioral competencies, ensuring fairness, accountability and continuous development.



Performance outcomes form the basis for promotions, performance incentives, career advancement and individual development planning.

Learning and Development

Continuous learning remains a strategic priority at Citizens Bank PLC. Through structured training, leadership development initiatives and professional learning opportunities, the Bank strengthens employees' technical expertise, leadership capabilities and behavioral competencies.

Training programs are designed based on organizational priorities and competency requirements, enabling employees to respond effectively to the evolving banking landscape.

Employee Well-being

Citizens Bank PLC promotes employee well-being through policies and initiatives that support work-life balance and family care. Eligible female employees are entitled to paid maternity leave in accordance with applicable laws and the Bank's policy. Apart from the above, employees of the Bank can avail various types of leaves to prevent burnout and mental or physical health risk, boost productivity, lower work-related stress.

Human Rights, Gender Equality, Child Labor and Workplace Ethics

Citizens Bank is committed to maintaining a workplace founded on dignity, fairness, diversity and mutual respect. It upholds a zero-tolerance approach towards discrimination, harassment, child labor, forced labor and any form of human rights violation, while ensuring compliance with applicable laws and regulatory requirements.

Board of Directors and veteran Management are sensible in these regards and express stance of zero tolerance for any form of such issue in the workplace.

Employee Grievance Management

Citizens Bank PLC always stands with the aggrieved employees and takes the prompt action if any allegation is reported. On the other hand, the management arranges various awareness creation session through training/workshop to create awareness about any harassment or to help them learn the prevention procedure of any harassment/offence take place at Workplace.

Compliance and AML Capacity Building

As a responsible financial institution, Citizens Bank PLC. places strong emphasis on regulatory compliance. In 2025, It has arranged AML related training in the following manner:

No. of Training	No. of Participants
4	147

The training was intended to cover issues related Anti-Money Laundering (AML), Counter-Terrorist Financing (CTF) and compliance on Know Your Customer (KYC) Transaction Profile (TP) and Risk Grading to strengthen employees' awareness and ensure adherence to Bangladesh Bank guidelines and international best practices in preventing fraudulent activities.

Customer-Centric Culture

Customer trust is at the heart of Citizens Bank PLC's business philosophy. The Bank continuously strengthens its customer service culture through employee capability development, service quality monitoring and effective complaint resolution mechanisms to deliver a superior banking experience. Hence, a dedicated wing named as Customer Service & Complaint Management Cell has been formed to address and resolve any customer service issue or complaint once reported.

Regulatory Compliance

Citizens Bank PLC remains fully committed to complying with all applicable laws, regulations and directives issued by Bangladesh Bank and other regulatory authorities. During the reporting period, the Bank maintained a strong compliance culture and continued to enhance its governance framework.

CARD SERVICES

In 2025, the Bank's Card, Alternative Delivery Channel (ADC), and Call Center Division continued its strategic focus on expanding digital banking services, strengthening operational excellence, and enhancing customer experience. Through a series of customer-centric initiatives and infrastructure developments, the Division played a significant role in advancing the Bank's vision of becoming a modern and digitally empowered financial institution.

Card Division Milestones

The year 2025 marked a significant achievement for the Card Division with exponential growth in card portfolio expansion and customer engagement. In line with Management guidance, the Division successfully achieved the milestone of issuing over 3,000 Credit Cards by the end of 2025, while maintaining a healthy Credit Card Outstanding portfolio of approximately BDT 21.40 Crore with an almost negligible default ratio.

The Division further strengthened its market positioning by introducing a Lifetime Free Credit Card proposition for high-net-worth customers, offering a premium banking experience with enhanced flexibility and value-added privileges.

During the year, the Bank successfully issued more than 17,000 Debit Cards and over 300 Prepaid Cards, contributing significantly to digital transaction growth and financial inclusion initiatives across the country.

Several customer-focused campaigns and strategic partnerships were also implemented throughout the year, including collaborations with renowned hotels, resorts, fashion brands, restaurants, and lifestyle merchants to provide exclusive offers and privileges to CZB cardholders.

Key initiatives and value-added features included:

- Strategic partnerships with leading brands and merchant partners across multiple sectors
- Customer engagement campaigns during major festivals and occasions
- Attractive installment (EMI) facilities and digital payment solutions
- Seamless local and international transaction capabilities for cardholders
- Continuous enhancement of customer convenience through technology-driven solutions

ADC DIVISION DEVELOPMENTS

To strengthen banking accessibility and improve service delivery, the ADC Division continued expanding and enhancing its self-service banking infrastructure across the country.

Key developments included:

- Expansion of the ATM and CRM network to 22 ATMs and 8 Cash Recycling Machines (CRM)
- Ensuring uninterrupted ATM services with high operational uptime and reliability
- Providing enhanced customer support during peak transaction periods, including Eid festivals and public holidays
- Maintaining full compliance with regulatory requirements and internal operational standards regarding ATM/CRM management and operations.

24/7 CALL CENTER SERVICES

As part of the Bank's commitment to delivering superior customer service, the 24/7 Call Center continued to provide uninterrupted banking support and real-time customer assistance throughout the year.

The Call Center served as a dedicated customer touchpoint for card-related queries, transaction support, dispute management, and general banking services. By ensuring round-the-clock accessibility and prompt service delivery, the Bank further strengthened customer confidence, responsiveness, and service excellence.

FUTURE ROADMAP

Looking ahead, the Division is planning to introduce several innovative and customer-focused solutions in 2026, including:

- VISA Signature Card
- Airport Lounge Facility
- Mobile App-based Card Transactions
- Bangla QR Integration
- Islamic Credit Card
- Additional world-class value propositions and digital payment solutions

Through these comprehensive initiatives and continued innovation, the Card, ADC & Call Center Division remains committed to delivering secure, convenient, and customer-centric digital banking services while contributing to the long-term sustainable growth of Citizens Bank PLC.

CONTROL AND COMPLIANCE

At Citizens Bank PLC, the Internal Control and Compliance Division (ICCD) works diligently to maintain a robust control environment by ensuring compliance with financial, operational, regulatory and legal requirements. The Division seeks to ensure that effective risk management, control and governance mechanisms are in place to safeguard the interests of the Bank and its stakeholders. ICCD operates independently to provide reasonable assurance on the achievement of internal control objectives.

The cardinal objectives of the Internal Control and Compliance Division (ICCD) are outlined below:

Operational objectives: Driving performance to achieve strategic goals of the bank's vision and mission statements that align with the bank's values, code of conduct and operational performance with ethical standards.

Reporting objectives: Ensuring timely, accurate and comprehensive financial and non-financial reporting in compliance with internal and external requirements, regulatory obligations and international standards.

Compliance objectives: Lead the implementation and monitoring of compliance frameworks to ensure adherence to all relevant laws, regulations, corporate policies, and ethical standards.

INTERNAL COMPLIANCE CULTURE AND FORMATION OF ICCD

In 2025, ICCD's operational framework comprised with three key units: Internal Audit, Monitoring and Compliance. The Organogram of the Internal Control and Compliance Division (ICCD) has been structured in accordance with the applicable regulatory guidelines and has been duly approved by the Board of Directors. Citizens Bank PLC is committed to maintaining a robust and effective internal control environment across 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 & regulations and its own code of business conduct. ICCD acts independently as a Division and responsible to the audit committee. The ICCD reports significant audit findings and observations to the Bank's Senior Management and seeks appropriate guidance to ensure the timely resolution and effective mitigation of issues identified during audits and inspections.

Internal Audit: To mitigate operational risk, Citizens Bank PLC conducts regular audits and inspections of its activities and operations in accordance with the policies, manuals, guidelines, procedures and regulatory requirements prescribed by the Bank, Bangladesh Bank and other relevant regulatory authorities from time to time. Special audits are conducted whenever directed by the Board of Directors, Executive Committee, Audit Committee, Risk Management Committee, Managing Director, Deputy Managing Director or Senior Management of the Bank.

Monitoring Unit: The Monitoring Department is responsible for overseeing and evaluating the operational performance of the Bank's branches, divisions and departments. The Department gathers and evaluates relevant information to identify potential risks within individual units. Upon detecting any material deviation, it submits recommendations to the Head of Internal Control and Compliance or the Head of Audit and Inspection for initiating a detailed audit or inspection.

Compliance Unit: The Compliance Department is responsible for ensuring that the Bank conducts its business activities in full compliance with all applicable regulatory requirements. The Department maintains liaison with regulatory authorities at all levels and communicates relevant regulatory changes to other departments of the Bank. The Department follows up with branches, divisions and departments to ensure the implementation and rectification of findings and irregularities identified in internal audit reports. This Department is also responsible for ensuring the timely submission of compliance reports in response to Bangladesh Bank Inspection Reports.

MAJOR ACTIVITIES OF THE ICCD IN 2025:

- ICCD developed risk-based audit checklists for branches and divisions of head office in 2025. These checklists were aligned with the Bank's existing and updated manuals, policies, circulars and relevant instructions issued by Bangladesh Bank and other regulatory authorities. Based on these checklists, risk-based audits were conducted across branches, divisions and departments throughout the year.
- ICCD developed the Internal Audit Manual, which was duly approved by the Board of Directors of Citizens Bank PLC.
- ICCD prepared the Audit Plan for 2025 and carried out internal audits in accordance with the approved plan.
- Surprise inspections were conducted at four branches to assess operational compliance and control effectiveness.
- In 2025, four special inspections were conducted to review & assess various operational and compliance issues.
- During 2025, ICCD conducted comprehensive inspections across five divisions and twelve branches to assess operational effectiveness and compliance.
- Special inspections focusing on Anti-Money Laundering (AML) activities were carried out at two branches.
- The Quarterly Operations Reports (QOR) and Loan Documentation Checklists (LDCL) were reviewed accordingly.
- 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, 2025 accordingly.
- ICCD coordinated with Bangladesh Bank inspection teams during regulatory audit of various branches & units and ensured the timely submission of compliance reports addressing inspection findings, including those arising from comprehensive inspections of divisions and branches.
- Timely submission of regulatory reports and compliance with audit requirements have been maintained to strengthen a robust compliance culture.
- ICCD is actively engaged in the development of various policies, manuals and charters to strengthen the Bank's control framework, which will come into effect upon approval by the Board of Directors.

PLAN FOR THE YEAR 2026:

ICCD will conduct its annual activities in accordance with Bangladesh Bank guidelines, circulars issued from time to time and industry best practices. The major activities to be undertaken by ICCD are set out below:

AML & CFT

Citizens Bank PLC has continued to uphold this objective as a strategic policy priority, placing strong emphasis on achieving the highest standards of compliance with the directives of the Bangladesh Financial Intelligence Unit (BFIU) and reinforcing a firm zero-tolerance stance against money laundering and terrorist financing. The Bank's AML/CFT framework remained robust and fully aligned with the regulatory guidance issued by the BFIU, while ensuring adherence to all applicable laws, regulations and internationally recognized best practices.

Amid the evolving landscape of financial crimes and the increasing misuse of digital channels—including digital hundi, online gaming and betting platforms, foreign exchange and cryptocurrency-related transactions, the abuse of shell companies, concealment of beneficial ownership and trade-based invoice manipulation—Citizens Bank PLC further strengthened its risk management and compliance mechanisms. These initiatives included enhanced customer transaction monitoring, rigorous sanctions screening for both general banking and trade-related transactions and increased submission of Suspicious Activity Reports (SARs) and Suspicious Transaction Reports (STRs) in accordance with BFIU guidelines.

Simultaneously, the Bank undertook comprehensive AML/CFT training initiatives for its officers and executives to strengthen regulatory awareness, professional expertise and due diligence practices relating to the prevention of money laundering and terrorist financing.

As Citizens Bank PLC progresses through 2026, the Bank remains firmly committed to further strengthening its Anti-Money Laundering and Counter Financing of Terrorism (AML & CFT) framework in alignment with evolving regulatory expectations, international best practices, FATF standards and the increasingly complex financial crime landscape. Strategic priorities will include enhancing enterprise-wide transaction surveillance capabilities, strengthening controls to identify and mitigate Trade-Based Money Laundering (TBML), Credit-Backed Money Laundering, sanctions-related risks and other emerging financial crime threats. The Bank also intends to accelerate the deployment of technology-enabled early warning mechanisms, advanced analytics and risk-based monitoring solutions while further refining its AML & CFT risk assessment methodologies. In parallel, Citizens Bank PLC will continue to reinforce governance, deepen collaboration with the Bangladesh Financial Intelligence Unit (BFIU), Bangladesh Bank, law enforcement agencies, correspondent banking partners and other key stakeholders to foster a resilient, intelligence-led and internationally aligned financial crime compliance framework.

REGULATOR'S DIRECTIVES

In compliance with BFIU Master Circular No. 26 dated 16 June 2020, the Bank has appointed a Chief Anti-Money Laundering Compliance Officer (CAMLCO) at the Head Office, with clearly defined roles, responsibilities, and a formalized job description. To ensure the effective and uninterrupted functioning of the AML & CFT Division, a Deputy CAMLCO has also been appointed.

At the branch level, Branch Operations Managers have been designated as Branch Anti-Money Laundering Compliance Officers (BAMLCOs) to oversee and ensure compliance with AML/CFT requirements in accordance with the directives and guidelines issued by the Bangladesh Financial Intelligence Unit (BFIU).

INTRODUCING RISK BASED SUPERVISION (RBS)

In a significant step towards enhancing regulatory effectiveness and strengthening the resilience of Bangladesh's banking sector, Bangladesh Bank introduced the Risk-Based Supervision (RBS) Framework with effect from 1 January 2026. The framework, issued through Supervisory Policy and Coordination Department (SPCD) Circular No. 02 dated 23 October 2025, establishes enhanced supervisory expectations requiring all scheduled banks to reinforce their governance structure, internal control systems and enterprise-wide risk management framework. This landmark initiative reflects the regulator's commitment to fostering a prudent, resilient and internationally aligned supervisory environment.

To support the successful transition to the Risk-Based Supervision (RBS) regime, effective from 1 January 2026, Bangladesh Bank undertook a comprehensive transformation of its supervisory framework during 2024–2025. Through the issuance of the RBS Framework and its implementation guidelines, the regulator fundamentally reshaped the supervisory landscape by establishing 17 dedicated supervisory units, replacing the former Department of Banking Inspection (DBI) and Off-site Supervision functions and introducing a dedicated supervisory model whereby each scheduled bank is overseen by a designated Lead Bank Supervisor and a specialized supervisory team.

As part of this transformative initiative, Bangladesh Bank also introduced a standardized Regulatory Information Template (RIT) to enhance the quality, consistency and timeliness of regulatory reporting and supervisory assessments. Anchored in a forward-looking and risk-based supervisory philosophy, the framework encompasses a comprehensive spectrum of material risks, including credit, market, liquidity, operational, strategic, legal and regulatory, money laundering and terrorist financing (ML/TF), technology and cyber security, together with other emerging risks affecting banking operations. Collectively, these reforms represent a significant milestone in strengthening supervisory effectiveness, reinforcing prudent risk governance, and enhancing the resilience, stability and sustainability of Bangladesh's banking sector.

AML & CFT COMPLIANCE PROGRAM:

AML Rules & Procedures:

Citizens Bank remains steadfast in its commitment to maintaining a robust Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) compliance framework founded on strong governance, regulatory compliance, and a risk-based approach. The Bank ensures adherence to the Money Laundering Prevention Act, 2012 (as amended), the Anti-Terrorism Act, the Money Laundering Prevention Rules, 2019, and all relevant guidelines, circulars, and directives issued by Bangladesh Bank and other competent authorities.

Central Compliance Committee (CCC):

As part of its commitment to maintaining a sound Anti-Money Laundering (AML), Counter Financing of Terrorism (CFT), and Counter-Proliferation Financing (CPF) compliance framework, the Bank has constituted a Central Compliance Committee (CCC), chaired by the Chief Anti-Money Laundering Compliance Officer (CAMLCO). The Committee comprises representatives from all key business and operational functions, ensuring effective enterprise-wide coordination in managing financial crime risks.

The CCC is entrusted with formulating the Bank's AML/CFT/CPF strategies, overseeing the implementation of compliance initiatives, monitoring regulatory compliance, and providing strategic guidance to strengthen the Bank's financial crime risk management framework. During 2025, the Committee held four quarterly meetings as scheduled. The meetings focused on reviewing the Bank's AML/CFT/CPF risk landscape, evaluating the effectiveness of compliance controls, monitoring the implementation of regulatory directives and internal action plans, and making timely decisions to further enhance the Bank's compliance culture and governance framework.

Message from The Managing Director Regarding AML & CFT Activities:

In compliance with BFIU Master Circular No. 26 dated 16 June 2020, the Managing Director annually issues a compliance message to all employees reaffirming the Bank's unwavering commitment to combating Money Laundering (ML), Terrorist Financing (TF), Proliferation Financing (PF), and other financial crimes. The communication reinforces the Bank's zero-tolerance policy and emphasizes strict adherence to applicable laws, regulations, and regulatory directives.

The Bank expects every employee to uphold these principles by maintaining the highest standards of integrity, professionalism, and regulatory compliance in the discharge of their respective responsibilities.

Transaction Monitoring & STR/SAR Reporting:

Following customer onboarding, the Bank conducts ongoing monitoring of customer transactions to ensure consistency with the customer's profile, expected transaction behavior, business activities, and source of funds. This risk-based approach facilitates the timely identification and reporting of suspicious activities.

During 2025, the Bank submitted **07 Suspicious Transaction Reports (STRs)/Suspicious Activity Reports (SARs)** to the Bangladesh Financial Intelligence Unit (BFIU) relating to suspected money laundering activities. The Bank remains committed to strengthening its transaction monitoring framework and enhancing the quality and effectiveness of STR/SAR reporting in line with regulatory expectations.

PEP and IP Compliance:

The Bank has issued necessary directives to all branches and Head Office divisions to strengthen the management of risks associated with Politically Exposed Persons (PEPs) and Influential Persons (IPs). Enhanced Due Diligence (EDD) measures are applied based on customers' risk profiles, KYC information, and transaction behavior. The Bank continues to ensure strict compliance with the regulatory requirements of Bangladesh Bank while onboarding and maintaining PEP/IP relationships, particularly during periods of heightened regulatory focus.

Freezing Actions & Regulatory Queries:

The Bank promptly executed regulatory freezing and no-debit instructions in compliance with applicable regulatory requirements. Affected accounts were continuously monitored, and STRs/SARs were submitted where necessary. The Bank also extended full cooperation to regulatory and law enforcement authorities by providing timely information and support during regulatory inquiries and investigations.

Training & Awareness:

Developing employee knowledge and fostering a strong culture of compliance remain integral to the Bank's AML/CFT framework. In line with the approved Annual Training Plan 2025, the Bank conducted a series of specialized training programmes for employees across both the Head Office and branches to strengthen awareness of emerging financial crime risks and regulatory obligations. During the year, 43 employees participated in training on Prevention of Money Laundering and Combating the Financing of Terrorism (AML/CFT), while 38 employees attended a specialized programme on Credit and Trade-Based Money Laundering and Its Vulnerabilities. These initiatives further enhanced the Bank's compliance capabilities and reinforced a proactive approach to mitigating financial crime risks.

WAY FORWARD-2026

- AI/ML-based AML monitoring systems
- Set up whistle blowing and red-flag systems to detect illegal hundi, gaming, betting and crypto transactions.
- Ensure strong cyber security to protect all stakeholders
- Board-level AML oversight
- Management-level AML accountability
- Real-time invoice validation for Trade Transaction
- Increase number of Quality SAR/STR Reporting both General and Trade Transactions etc.
- Ensure to provide all employees training on AML & CFT/Trade Based/Credit Backed

SCOPE OF AML & CFT POLICY ACTIVITIES

- Onboarding eKYC account in CBS
- NID verification & KYC done during account pening
- CDD/EDD measures with required data and supporting documents
- Senior Management approval taken for PEPs/IPs/CIOs
- Reporting under RBS Supervision Framework

- Automated Sanction Screening (S3 software)
- Appropriate UN, OFAC, UK, EU and local Sanction List screening system while onboarding customer
- Automated CTR Report
- Analysis Related Party Transaction of Trade Transaction and report SAR/STR, if detect suspicious

- Transaction monitoring through system generated report
- Online and offline basis AML & CFT related training arrange to all employees of the bank.
- Daily response against inquiry/freeze Instruction of Regulators

- Comprehensive Money Laundering & Risk Management Policy Guideline
- Implement Uniform template for price verification of Imported and Exported goods as per BFIU Instruction.
- Screening Adverse media news to detect and report SARs/STRs

TRAINING & WORKSHOP

Citizens Bank organized a day-long Training on CMSME Financing: Guidelines, Appraisal and Documentation at its Training Academy. Mr. Md. Mostafizur Rahman, Deputy Managing Director of the bank inaugurated the program. Mr. Masum Billah, Joint Director, SME & Special Programs Department of Bangladesh Bank was present as Key-Note Speaker. Among others, Mr. Bijoy Chandra Das, Head of Marketing Division, Mr. Tarafder Sushil Kumar, Training & Development Manager of the bank were present. Officers from head Office and branches were participated in the training program.

Citizens Bank organized a day-long Training on Integrated Supervision System (ISS) Reporting at its Training Academy. Mr. Md. Abdul Latif, Deputy Managing Director of the bank inaugurated the program. Mr. Md. Dewan Siraj, Director, Integrated Supervision Management Department (ISMD), Bangladesh Bank and the officials of ISMD were conducted the training sessions. Officers from head Office and branches were participated in the training program.

TRAINING & WORKSHOP

Citizens Bank organized a Training on Capacity Building for Marketing and Business Development at its Training Academy. Mr. Alamgir Hossain, Managing Director of the Bank inaugurated the program as Chief Guest and gave valuable speech on different aspects of banking operations and business development in the present macroeconomic context. Besides, Mr. Md. Abdul Latif, Deputy Managing Director; Mr. Md. Waheed Imam, SEVP & Company Secretary, Mr. Md. Saiful Islam, Chief Financial Officer were present on the occasion. Head of the divisions and branches participated in the training program.

Citizens Bank organized a Training Program on Leadership & Team Building for Work Excellence in Banking at its Training Academy. Mr. Alamgir Hossain, Managing Director of the Bank inaugurated the program as Chief Guest and gave valuable speech on different aspects of leadership and team building. Besides, Deputy Managing Directors, Mr. Md. Mostafizur Rahman, Mr. Md. Abdul Latif and Dr. Shamsun Nahar, Associate Professor, Bangladesh Institute of Bank Management were present on the occasion and gave their valuable speech. Senior Executives, Head of the Divisions and Branches of the bank participated in the training program.

TRAINING & WORKSHOP

Citizens Bank organized a training program on "Islamic Banking Operations" at its Training Academy. Mr. Alamgir Hossain, Managing Director of the Bank, inaugurated the program as the Chief Guest and delivered an insightful speech on various aspects, scope and operations of Islamic Banking. He also emphasized the growing importance of Islamic Banking from both business and personal life perspectives. Among others, Deputy Managing Directors Mr. Md. Mostafizur Rahman and Mr. Md. Abdul Latif, along with Mr. Mohammad Rafiqul Islam Shikder, Head of Islamic Banking Division, were present on the occasion. Officers from different branches and corporate office divisions of the Bank participated in the training program.

Citizens Bank organized Training on International Financial Reporting Standards (IFRS-9) at its Training Academy. Mr. Md. Abdul Latif, Deputy Managing Director of the bank inaugurated the program. Mr. Md. Shafiqul Islam, FCA, FCS, FCMA, Managing Partner & CEO, Shafiqul Alam & Co. conducted the sessions. Executives and officers from head Office and branches were participated in the training program.

JOY OF TOGETHERNESS

Citizens Bank PLC. celebrated Bangla New Year 1433 at its Head Office with great enthusiasm and festive spirit. The event featured colorful decorations and cultural elements, bringing together officials and employees in celebration of the rich heritage and traditions of Bangladesh. Mr. Chowdhury Mohammed Hanif Shoeb, Chairman of the Bank, graced the occasion as the chief guest. In his address, he emphasized the importance of Pohela Boishakh as a symbol of new beginnings, unity, and cultural identity. He encouraged all to welcome the new year with renewed commitment and dedication towards achieving excellence. Mr. Alamgir Hossain, Managing Director of the Bank, also spoke on the occasion and extended his heartfelt New Year greetings to all employees and stakeholders. He appreciated the collective efforts of the employees in driving the Bank's continued growth and success, and urged everyone to move forward with positivity and resilience in the year ahead. Deputy Managing Directors Mr. Md. Mostafizur Rahman and Mr. Md. Abdul Latif, along with other senior executives and officials of the Bank, were also present at the program.

Citizens Bank celebrated the joyous occasion of Eid-ul-Fitr at its office premises, bringing together employees in a spirit of unity, gratitude and cultural appreciation. Mr. Chowdhury Mohammed Hanif Shoeb, Chairman of the bank along with Mr. Masuduzzaman, Chairman of the Executive Committee graced the occasion and delivered meaningful speeches highlighting Eid greetings, the spirit of togetherness, and the importance of mutual respect in building a positive and inclusive workplace culture. The celebration began with a warm welcome address from Mr. Alamgir Hossain, Managing Director of Citizens Bank. He extended sincere Eid greetings to all employees and emphasized the importance of unity and mutual respect in fostering a supportive and inclusive work environment. Employees participated in various activities, exchanging greetings. A special highlight of the event was the communal lunch, where team members enjoyed a variety of festive dishes, symbolizing generosity and togetherness—core values of Eid-ul-Fitr.

JOY OF TOGETHERNESS

Citizens Bank celebrated the joyous occasion of Eid-ul-Adha at its Head Office premises, bringing together employees in an atmosphere of unity, gratitude, and festive spirit. Mr. Chowdhury Mohammed Hanif Shoeb, Chairman of the Bank, graced the occasion and extended heartfelt Eid greetings to all employees and highlighted the values of sacrifice, compassion, togetherness and mutual respect that Eid-ul-Adha embodies. He emphasized the importance of fostering a positive, inclusive and collaborative workplace culture to achieve the Bank's collective goals. The celebration commenced with a welcome address by Mr. Alamgir Hossain, Managing Director of Citizens Bank. He conveyed his warm Eid greetings to the employees and underscored the significance of unity, teamwork and mutual respect in creating a supportive and harmonious work environment. The event was marked by enthusiastic participation from employees, who exchanged Eid greetings and shared the festive joy, further strengthening the bonds of solidarity and teamwork across the organization.

Citizens Bank PLC observed International Women's Day 2026 in line with the theme, "Today's Action, Tomorrow's Justice: Protect the Rights of Women and Girls." Mr. Alamgir Hossain, Managing Director of Citizens Bank PLC, inaugurated the program at the Bank's Head Office. In his speech, he highlighted the indispensable role of women in society, acknowledging their dedication, creativity, leadership and valuable contributions across all sectors. He reaffirmed the Bank's strong commitment to promoting gender equality by fostering a fair and inclusive workplace, encouraging leadership among women and standing united against all forms of discrimination and bias. He also emphasized that when women thrive, organizations flourish and society progresses as a whole. Among others, Deputy Managing Directors Mr. Md. Mostafizur Rahman and Mr. Md. Abdul Latif, along with the heads of different divisions and female colleagues of the Bank, were present at the program.

FINANCIAL STATEMENTS

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 2025, and 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 2025, and of its financial performance and its cash flows for the year then ended in accordance with Rules and Regulations issued by Bangladesh Bank and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as explained in note 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements of ICAB Code of Ethics that are relevant to our audit of the financial statements of public interest entities in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 2.9 to the financial statements where management has explained the basis of preparation of financial statements including compliance with Rules and Regulations issued by Bangladesh Bank on classification of loans and advances, and required impairment provision. Our opinion is not modified in respect of this matters.

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 the 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	
The process of estimating provision for loans and advances associated with credit risk is judgmental and complex. While estimating such provision certain judgmental factors need to be considered including: • Future business performance of the borrower; • Key assumptions relating to future business; • Performance of the borrower;	We tested the design and operating effectiveness of key controls focusing on the following: • Credit monitoring and provisioning process; • Identification of loss events including early warning indicators; and • Review of the quarterly Classification of Loans (CL);

Description of key Audit Matters	Our response to key audit matters
• Market value of the collateral; • Ability to repossess collateral; and • Recovery rates. 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. As at 31 December 2025, the Bank reported total provision for loans and advances of BDT 116.06 million (December 2024: BDT 71.75 million)	Our substantive procedures in relation to the provision for loans and advances portfolio comprised following: • Reviewed the adequacy of the provision requirements; • 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	
Recognition of interest income has significant and wide influence on the financial statements. Recognition and measurement of interest income has involvement of complex IT environment. 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 of material misstatement due to fraud or error in recognition of interest by management to meet specific targets or expectations. At the year ended 2025, the Bank reported total gross interest from loans and advances of BDT 1458.35 million (January 2024 to December 2024: BDT 1068.44 million)	We tested the design and operating effectiveness of key controls over recognition and measurement of interest from loans and advances. We have performed tests of operating effectiveness on automated control in place to measure and recognize interest income. We have also performed substantive procedures to check whether interest income is recognized completely and accurately. We have assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.
3. Loans and advances	
Refer to the note no. 7 of the financial statements	
Loans and advances are the main element of financial statements of the Bank. Interest income of the Bank is mainly dependent on the portfolio of loans and advances. Management performance is highly dependent on the target achievement of loans and advances. Loans and advances disbursement requires robust documentation followed by approval from appropriate authority.	We tested the design and operating effectiveness of key focusing on credit appraisal, loans and advances disbursement procedures and monitoring process of loans and advances. We have performed procedures to check whether the Bank has ensured appropriate documentation as per Bangladesh Bank regulations and Bank's policy before disbursement of loans and advances.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CITIZENS BANK PLC

Report on the Audit of the Financial Statements

Description of key Audit Matters	Our response to key audit matters
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. At the year ended 2025, the Bank reported total gross loans and advances of BDT 11,063.67 million (December 2024: 8,272.78 million)	In addition, we have performed procedures to check whether the loans advances are recorded completely and accurately and that are existed at the reporting date. Furthermore, we have assessed the appropriateness of disclosures against Bangladesh Bank guidelines.
4. Deferred tax liabilities	
Refer to note no. 13, 13.2 and 36.2 to the financial statements	
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. The valuation of deferred tax liabilities is inherently subjective and requires significant management judgement. 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 allowance against deferred tax assets. As at 31 December 2025, the Bank reported net deferred tax liability was nil.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of deferred tax and the assumptions used in estimating the Bank's future taxable income. We have assessed the completeness and accuracy of the data used for the estimations of future taxable income. We have involved tax specialist to assess key assumptions, controls, recognition and measurement of deferred tax assets. Finally, we have assessed the appropriateness and presentation of disclosures against IAS 12: Income Taxes.
5. Legal and regulatory matters	
We focused on this area because the Bank operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. Overall, the legal provision represents the Bank's best estimation for existing legal matters that have a probable and estimable impact on the Bank's financial position.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingency processes. We enquired those charged with governance to obtain their views on the status of all significant litigation and regulatory matters We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel. We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. We also assessed the Bank's provisions and contingent liabilities disclosure.

Description of key Audit Matters	Our response to key audit matters
6. . IT systems and controls	
Our audit procedures have focused on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included master data management, user access management and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring operating effectiveness of IT dependent application-based controls.	We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.

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 report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with Rules and Regulations issued by Bangladesh Bank and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as explained in note 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 discontinue 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, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- 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) 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;

(iii) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(iv) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(v) the expenditures incurred were for the purpose of the Bank's business for the year;

(vi) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

(vii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;

(viii) based on our checking of sample, no advance or loan in excess of the amount determined by Bangladesh Bank from time to time has been sanctioned or allowed;

(ix) 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 and Those Charged with Governance 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;

(x) the information and explanations required by us have been received and found satisfactory;

(xi) we have reviewed over 80% of the risk-weighted assets of the Bank and spent over 4,330 person hours; and

(xii) Capital to Risk-weighted Assets Ratio (CRAR), Cash Reserve Ratio (CRR), and Statutory Liquidity Ratio (SLR) as required by Bangladesh Bank has been maintained adequately as at 31 December 2025;

(xiii) As part of our going concern assessment, we reviewed maturity mismatch between assets and liabilities which may adversely affect the Bank's subsequent liquidity position (Ref: Liquidity Statement); and

(xiv) Non-banking assets have been accounted in conformity with Bangladesh Bank guidelines.

Signed for & on behalf of
Mahamud Sabuj & Co.
Chartered Accountants
Firm's FRC Enlistment No: CAF-001-049
Signed by;
Sabuj Hossain Chowdhury FCA
Engagement Partner
ICAB Enrolment No. 1119
Partner's FRC Enrolment No. CA-001-086

Place: Dhaka
Date: 29 April 2026
DVC: 2604291119AS123809

Citizens Bank PLC
Balance Sheet
As at 31 December 2025

Particulars	NOTE	Amount in BDT	
		31-Dec-25	31-Dec-24
PROPERTY AND ASSETS			
Cash	3.0	**1,399,423,328**	**911,093,256**
Cash in hand (Including foreign currency)	3.1	430,293,583	340,306,350
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currency)	3.2	969,129,745	570,786,907
Balance with other Banks and Financial Institutions	4.0	**4,913,955,890**	**4,821,881,393**
Inside Bangladesh	4.1	4,718,396,009	4,734,780,527
Outside Bangladesh	4.2	195,559,881	87,100,866
Money at call and short notice	5.0	302,850,000	-
Investments	6.0	**4,802,456,990**	**4,056,507,962**
Government	6.1	4,325,571,617	3,588,036,792
Others	6.2	476,885,373	468,471,170
Loans and advances	7.0	**11,063,673,635**	**8,272,781,580**
Loans, cash credit, overdrafts etc.	7.1	10,983,921,237	8,134,413,729
Bills purchased & discounted		79,752,398	138,367,851
Fixed assets including premises, furniture and fixtures	8.0	835,201,621	776,259,819
Other assets	9.0	371,327,812	262,954,786
Non-banking assets	10.0	-	-
Total Assets		**23,688,889,276**	**19,101,478,798**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions & agents	11.0	**20,833,327**	**36,599,259**
Deposits and other accounts	12.0	**18,582,115,710**	**14,291,492,033**
Current accounts & other accounts		2,326,258,882	1,301,028,175
Bills payable		135,644,157	65,327,054
Savings deposits		763,264,353	285,492,714
Fixed deposits		15,356,948,318	12,639,644,089
Bearer Certificates of Deposit		-	-
Other deposits		-	-
Other liabilities	13.0	**1,021,011,079**	**729,501,924**
Total Liabilities		**19,623,960,116**	**15,057,593,216**
Capital and Shareholders' Equity			
Paid up capital	14.2	4,000,000,000	4,000,000,000
Share premium		-	-
Statutory reserve	15.0	57,175,831	37,403,962
Dividend Equalization Fund		-	-
Revaluation Reserve on Govt. Securities		2,046,677	1,088,467
Assets Revaluation reserve			-
Surplus/(Deficit) in profit and loss account/Retained Earnings	17.0	5,706,652	5,393,153
Total shareholders' equity		**4,064,929,160**	**4,043,885,582**
Total Liabilities and Shareholders' Equity		**23,688,889,276**	**19,101,478,798**

Citizens Bank PLC
Balance Sheet
As at 31 December 2025

Off Balance Sheet Items	NOTE	Amount in BDT	
		31-Dec-25	31-Dec-24
Contingent liabilities			
Acceptances and endorsements	18.0	392,428,738	253,925,356
Irrevocable letter of credits		1,904,546,504	394,877,821
Letter of guarantees		1,077,790,350	447,364,438
Bills for collection		585,664,475	619,621,273
Other contingent liabilities		-	-
Total Contingent liabilities		**3,960,430,067**	**1,715,788,888**
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		**3,960,430,067**	**1,715,788,888**
Net Asset Value (NAV) Per Share		**10.16**	**10.11**

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

Alamgir Hossain Managing Director	**Mukhlesur Rahman** Director	**N K A Mobin FCS, FCA** Independent Director	**Chowdhury Mohammed Hanif Shoeb** Chairman

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

Place: Dhaka
Date: 29 April 2026
DVC: 2604291119AS123809

Signed for & on behalf of
Mahamud Sabuj & Co.
Chartered Accountants
Firm's FRC Enlistment No: CAF-001-049
Signed by;
Sabuj Hossain Chowdhury FCA
Engagement Partner
ICAB Enrolment No. 1119
Partner's FRC Enrolment No. CA-001-086

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

Particulars	NOTE	Amount in BDT	
		31-Dec-25	31-Dec-24
Interest income	20	1,870,513,882	1,368,090,076
Interest paid on deposits and borrowing etc.	21	1,430,105,619	1,098,428,732
Net interest income		**440,408,263**	**269,661,345**
Investment income	22	387,797,495	435,309,086
Commission, exchange and brokerage	23	108,585,252	66,643,606
Other operating income	24	41,188,279	15,801,575
		537,571,026	**517,754,268**
Total operating income		**977,979,290**	**787,415,612**
Salaries and allowances	25	373,273,470	256,261,413
Rent, taxes, insurance, electricity etc.	26	38,448,350	28,814,637
Legal expenses		-	-
Postage, stamps, telecommunication etc.	27	15,289,803	6,915,975
Stationery, printing, advertisement etc.	28	54,653,392	32,093,993
Chief Executive's salary & fees	29	8,960,413	17,887,198
Directors' fees	30	2,640,000	1,835,634
Auditors' fee		1,654,533	230,000
Depreciation on and repairs to bank's assets	31	135,823,366	123,956,816
Other expenses	32	172,190,707	174,883,103
Total operating expenses		**802,934,033**	**642,878,768**
Profit/(loss) before provisions		**175,045,257**	**144,536,844**
Provision for:			
General Provision against loans and advances	33	37,277,749	36,574,916
Specifc Provision against loans and advances		7,026,238	-
Provision for investments	34	8,737,449	4,167,342
Off balance sheet items	33	23,144,476	8,656,361
Other provisions	35	-	(676,763)
Total provision		**76,185,912**	**48,721,856**
Profit/(loss) before taxes		**98,859,345**	**95,814,988**
Provision for Taxation:	36		
Current tax expense	36.1	87,064,703	67,261,490
Deferred tax expense/ (income)	36.2	(8,290,726)	(10,909,818)
Total provision for Taxation		**78,773,977**	**56,351,671**
Net profit / (loss) after taxes		**20,085,368**	**39,463,317**
Appropriations:			
Statutory reserve	15	19,771,869	19,162,998
General reserve		-	-
Dividend etc.		-	-
		19,771,869	19,162,998
Retained earnings		**313,499**	**20,300,319**
Earnings Per Share (EPS)	37	**0.05**	**0.10**

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

Alamgir Hossain Managing Director	**Mukhlesur Rahman** Director	**N K A Mobin FCS, FCA** Independent Director	**Chowdhury Mohammed Hanif Shoeb** Chairman

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

Signed for & on behalf of
Mahamud Sabuj & Co.
Chartered Accountants
Firm's FRC Enlistment No: CAF-001-049
Signed by;
Sabuj Hossain Chowdhury FCA
Engagement Partner
ICAB Enrolment No. 1119
Partner's FRC Enrolment No. CA-001-086

Place: Dhaka
Date: 29 April 2026
DVC: 2604291119AS123809

Citizens Bank PLC
Statement of Changes in Equity

For the year ended 31 December 2025

Amount in BDT

Particulars	Paid up capital	Share Premium	Statutory Reserve	Revaluation Reserve on Govt.	Assets Revaluation reserve	Retained Earnings	Total shareholders' equity
Balance as at 1 January 2025	4,000,000,000	-	37,403,962	1,088,468	-	5,393,153	**4,043,885,583**
Shares Issued during the period		-	-	-	-	-	**-**
Net profit for the period	-	-	-	-	-	313,499	**313,499**
Dividend Equalization Fund	-	-	-	-	-	-	**-**
Ordinary Share issue	-	-	-	-	-	-	**-**
Share Premium	-	-	-	-	-	-	**-**
Statutory reserve	-	-	19,771,869	-	-	-	**19,771,869**
Revaluation reserve	-	-	-	958,210	-	-	**958,210**
Cash Dividends	-	-	-	-	-	-	**-**
Balance as at 31 December 2025	**4,000,000,000**	**-**	**57,175,831**	**2,046,678**	**-**	**5,706,652**	**4,064,929,160**

For the year ended 31 December 2024

Particulars	Paid up capital	Share Premium	Statutory Reserve	Revaluation Reserve on Govt.	Assets Revaluation reserve	Retained Earnings	Total shareholders' equity
Balance as at 1 January 2024	4,000,000,000	-	18,240,964	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**	**-**	**37,403,962**	**1,088,468**	**-**	**5,393,153**	**4,043,885,583**

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

Alamgir Hossain	**Mukhlesur Rahman**	**N K A Mobin FCS, FCA**	**Chowdhury Mohammed Hanif Shoeb**
Managing Director	Director	Independent Director	Chairman

Place: Dhaka
Date: 29 April 2026

Citizens Bank PLC
Cash Flow Statement
For the year ended 31 December 2023

Particulars	NOTE	Amount in BDT	
		2025	2024
A. Cash flows from operating activities			
Interest receipts		1,853,558,085	1,384,117,465
Interest payment		(1,430,105,619)	(1,098,428,732)
Dividends receipts		1,387,659	4,071,888
Fees & commissions receipts		89,954,260	38,239,006
Recoveries on loans previously written off		-	-
Cash payments to employees		(382,233,883)	(274,148,611)
Cash payments to suppliers		(71,915,455)	(39,573,445)
Income tax paid		(89,064,703)	(65,377,184)
Receipts from other operating activities		386,463,231	434,134,096
Payment for other operating activities		(214,933,590)	(205,763,374)
Operating Cash flow before changes in operating assets and liabilities (i)		**143,109,985**	**177,271,110**
Increase/decrease in operating assets & liabilities			
Loans and advances to customers		(2,790,892,055)	(3,889,213,645)
Other assets		(144,624,386)	(203,386,428)
Deposits from other banks/borrowings		(483,722,399)	11,599,259
Deposits from customers		4,774,346,076	4,240,921,532
Other liabilities		63,646,131	129,285,231
Cash utilized in operating assets & liabilities (ii)		1,418,753,367	289,205,949
Net cash flows from operating activities (i+ii)		**1,561,863,352**	**466,477,059**
B. Cash flows from investing activities			
Treasury bills		(382,532,308)	(1,184,463,800)
Bangladesh Bank Bills		(110,300)	(291,609,900)
Treasury bonds		(296,547,716)	70,232,677
Encumbered Securities		-	-
Sale/ (Investment) in shares		(8,414,203)	30,256,018
Investment in Bonds		-	-
Redemption of Bond		-	-
Acquisition of fixed assets		(115,185,974)	(105,429,820)
Disposal of Fixed Assets		64,362,446	9,551,204
Net cash used in investing activities		**(738,428,056)**	(1,471,463,622)
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		**823,435,296**	**(1,004,986,562)**
Effects of the change of exchange rate on cash & cash equivalent		59,819,272	44,206,175
Cash and cash equivalents at beginning of year		5,732,974,650	6,693,755,037
Cash and cash equivalents at end of the year	39	**6,616,229,218**	**5,732,974,650**
Cash and cash equivalents at end of the year:			
Cash in hand (including foreign currency)	3.1	430,293,583	340,306,350
Balance with Bangladesh Bank and its agents bank(s)	3.2	969,129,745	570,786,907
Balance with other banks and financial institutions	4.0	4,913,955,890	4,821,881,393
Money at call and short notice	5.0	302,850,000	-
		6,616,229,218	**5,732,974,650**

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

Alamgir Hossain	**Mukhlesur Rahman**	**N K A Mobin FCS, FCA**	**Chowdhury Mohammed Hanif Shoeb**
Managing Director	Director	Independent Director	Chairman

Place: Dhaka
Date: 29 April 2026

Citizens Bank PLC
Liquidity Statement
As at 31 December 2023

Amount in BDT

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
Assets						
Cash	833,205,328	-	-	-	566,218,000	1,399,423,328
Balance with other Banks and Financial Institutions	4,103,955,890	800,000,000	-	10,000,000	-	4,913,955,890
Money at Call & Short notice	302,850,000	-	-			302,850,000
Investments	427,060,473	2,449,441,308	20,003,425	907,571,061	998,380,722	4,802,456,990
Loans and Advances	3,867,526,305	1,035,805,479	4,697,922,702	1,095,151,343	367,267,807	11,063,673,635
Premises and Fixed Assets	12,032,472	24,064,943	108,292,245	577,558,643	113,253,318	835,201,621
Other Assets	68,216,125	-	36,024,049	-	267,087,639	371,327,812
Non-Banking Assets	-	-	-	-	-	-
Total Assets	**9,614,846,592**	**4,309,311,731**	**4,862,242,421**	**2,590,281,046**	**2,312,207,486**	**23,688,889,276**
Liabilities						
Borrowing From Other Banks, Financial Institutions & Agents	-	895,933	2,665,553	17,271,841	-	20,833,327
Deposit and Other Account	7,075,553,688	4,758,076,384	5,992,118,399	638,059,770	118,307,470	18,582,115,710
Provision & Other Liabilities	3,923,412	6,751,666	151,209,813	162,039,984	697,633,783	1,021,558,658
Total Liabilities	**7,079,477,100**	**4,765,723,983**	**6,145,993,765**	**817,371,595**	**815,941,253**	**19,624,507,695**
Net liquidity excess/(shortage)	**2,535,369,492**	**(456,412,252)**	**(1,283,751,344)**	**1,772,909,451**	**1,496,266,233**	**4,064,381,581**

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

Alamgir Hossain	**Mukhlesur Rahman**	**N K A Mobin FCS, FCA**	**Chowdhury Mohammed Hanif Shoeb**
Managing Director	Director	Independent Director	Chairman

Place: Dhaka
Date: 29 April 2026

Citizens Bank PLC

Notes to the Financial Statements

As at and for the year ended 31 December 2025

Corporate Profile and Significant Accounting Policies

1.0 The Bank and its activities

1.1 Legal form of Citizens Bank PLC

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

1.2 Principal Activities & Nature of operations

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

2.0 Significant accounting policies

2.1 Basis of preparation of financial statements

2.1.1 Statement of Compliance and basis of preparation

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

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

*The Companies Act 1994;

*International Financial Reporting Standards (IFRSs);

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

*Income Tax Act 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 23.93 million as of 2025 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 & specific provision of BDT 44.30 million against unclassified loans & advances in 2025 (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. Residual maturity term.
Investments	Repayment/maturity schedule and behavioural trend (non-maturity products).
Loans and advances	Useful life.
Fixed assets	Realisation/amortisation basis.
Other assets	Maturity/repayment term.
Borrowings from other banks and financial institutions	Maturity and behavioural trend (non-maturity products).
Deposits and other accounts	Maturity term.
Other long term liability 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 2025 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "balances with other banks and financial institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD (R) 717/2004-959 dated 21 November 2004.

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

Commitment

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

xv. Provision for Startup Fund

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

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

xvi. Non-banking asset

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

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

2.1.2 Basis of measurement

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

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

2.1.3 Going concern basis of accounting

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

2.1.4 Directors responsibility on statements

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

2.1.5 Use of judgments and estimates

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

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

Income tax - as explained in Note 36.1

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 ton pa-outs of dividends, share buybacks and bonuses.

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

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

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

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

Liquidity requirements: Basel III introduced two required liquidity ratios:

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

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

2.1.7 Contingent liabilities

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

2.1.8 Significant accounting policies

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

2.2 Assets and basis of their valuation

2.2.1 Cash and cash equivalents

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

2.2.2 Investments

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

Held to Maturity

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

Held for Trading

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

Investment in quoted shares

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

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

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

2.2.3 Loans and advances and provisions for loans and advances

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

(b) At each balance sheet date and periodically throughout the year, the Bank reviews loans and advances to assess whether objective evidence that impairment of a loan or portfolio of loans has arisen supporting a change in the classification of loans and advances, which may result in a change in the provision required in accordance with BRPD circular no. 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
House building and professional	1.00%-2.00%	1.00%-2.00%	20.00%	50.00%	100.00%
Other than housing finance & professionals to setup business	2.00%	2.00%	20.00%	50.00%	100.00%
Provision for loan to broker house, merchant banks, stock dealers, etc	2.00%	2.00%	20%	50.00%	100.00%
Short-term agri-credit and micro credit	1.00%	1.00%	5.00%	5.00%	100.00%
Small and medium enterprise finance	0.25%	0.25%	20.00%	50.00%	100.00%
Cottage, micro and small credit (CMSME)	0.25%	0.25%	5.00%	20.00%	100.00%
Others	1.00%	1.00%	20.00%	50.00%	100.00%

2.2.4 Fixed assets (property, plant and equipment)

Recognition and measurement

- As per IAS 16 Property and Equipment Items of fixed assets excluding land are measured at cost less accumulated depreciation and accumulated impairment losses, if any.
- Purchase of software that is integral to the related equipment is capitalised As part of that equipment.
- Cost includes expenditure that are directly attributable to the acquisition of asset and bringing to the location and condition necessary for it to be capable of operating in the intended manner.
- 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 are at the gross value of outstanding balance. Details are shown in note 12.

2.8 Other liabilities

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

2.9 Compliance report on International Financial Reporting Standards (IFRSs)

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed and it is yet to issue financial reporting standards for public interest entities such as banks. The Banking Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRSs) as approved by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. Subject to the departures mentioned above, the Bank has complied with all the applicable Accounting and Financial Reporting Standards for preparation and presentation of the financial statements of the Bank as at 31 December 2025 as noted below:

International Accounting Standards(IASs)	IAS Number	Status of compliance
Presentation of Financial Statements	IAS - 1	Complied
Inventories	IAS - 2	Complied
Statement of Cash Flows	IAS - 7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS - 8	Complied
Events After the Reporting Period	IAS - 10	Complied
Income Taxes	IAS - 12	Complied
Property, Plant and Equipment	IAS - 16	Complied
Employee Benefits	IAS - 19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	IAS - 20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS - 21	Complied
Borrowing Costs	IAS - 23	Not Applicable
Related Party Disclosures	IAS - 24	Complied
Accounting and Reporting by Retirement Benefit Plans	IAS - 26	Complied
Separate Financial Statements	IAS - 27	Complied
Investments in Associates and Joint Ventures	IAS - 28	Not Applicable
Financial Reporting in Hyperinflationary Economics	IAS - 29	Not Applicable
Financial Instruments: Presentation	IAS - 32	Not Applicable
Earnings Per Share	IAS - 33	Complied
Interim Financial Reporting	IAS - 34	Complied
Impairment of Assets	IAS - 36	Not Applicable
Provisions, Contingent Liabilities and Contingent Assets	IAS - 37	Complied
Intangible assets	IAS - 38	Complied
Financial Instruments: Recognition and Measurement	IAS - 39	Not Applicable
Investment Property	IAS - 40	Not Applicable
Agriculture	IAS - 41	Not Applicable
First-time Adoption of International Financial Reporting Standards	IFRS - 1	Not Applicable
Share-based Payment	IFRS - 2	Not Applicable
Business Combinations	IFRS - 3	Not Applicable
Insurance Contracts	IFRS - 4	Not Applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS - 5	Not Applicable
Exploration for and Evaluation of Mineral Resources	IFRS - 6	Not Applicable
Financial Instruments : Disclosures	IFRS - 7	Complied
Operating Segments	IFRS - 8	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
Presentation and Disclosure in Financial Statements	IFRS - 18	Not Applicable

**The provisions for loans and advances are based on Bangladesh Bank Rules and Regulations. (BRPD Circular No 15, dated 27 November 2024)

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 (ESSSF)

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

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 31.12.2023 is as below:

Sl. No	Name	Status with Bank	Status with Committee	Duration	Educational/ professional qualification
1	Mr. AKM Shahidul Haque	Independent Director	Chairman	Since July 31, 2024	M.A.
2	Mr. NKA Mobin FCS, FCA	Independent Director	Member	Since September 11, 2022	MBA, FCS, FCA
3	Mr. S M Shofiqul 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 2025, the Audit Committee conducted 05 (five) meeting in which, among others, focused on the following activities:

- Review of audited financial statements of Citizens Bank PLC for the year ended 31 December 2024 and necessary recommendation for approval by the Board along with review of management report.
- To review summary report of Internal Audit Findings in 2024 and compliance status
- Summary Report on Internal Comprehensive Audit at Trade Service Division as on 30.11.2024
- Summary Report on Internal Comprehensive Audit at International Division as on 30.11.2024.
- Review Summary Report of Internal Audit Findings in 2024 and Compliance Status.

- Review of appointment of external auditor for Cash Incentive audit for the year 2025-2027.
- Certification on the effectiveness of Internal Control Policy, Practice and Procedure to the Board of Directors by SMT for the year 2023.
- Annual Audit Plan (AAP) of Citizens Bank PLC for the year 2025.
- Annual ICT Audit Plan of Citizens Bank PLC for the year 2025.
- Review the scope of compliance policy whether it is working effectively or not.
- ICT Major audit observation found during audit of 07 Branches.
- Comprehensive Inspection Report on ALM, CRM, ICC & ICT regarding core risk based on 31.12.2023.
- Report on Head Office, Citizens Bank PLC based on 31.12.2023.
- Submission of Annual Health Report for the year ended December, 2023.
- Summary Report on Internal Comprehensive Audit of Credit Administration Division as on 22.11.2023.
- Summary Report on Internal Comprehensive Audit of Treasury Division as on 30.06.2024.
- Major observation found during audit of Branches.
- Summary Report on Internal Comprehensive Audit at Public Relations Division as on 22.01.2024.
- Compliance status of Surprise Inspection Report on Uttara Branch as on 22.10.2024 conducted by Bangladesh Bank.
- Summary Report on Internal Comprehensive Audit at Treasury Division as on 30.06.2025
- Summary Report on Internal Comprehensive Audit at General Service & Logistics Division as on 17.02.2025
- Major ICT audit observation found during audit of ICT and Cybersecurity.
- Major observation found during audit of Card and ADC Division
- Annual Health Report for the year ended December, 2024"

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 13th meeting held on 29th April 2026 and was subsequently approved by the Board in its 43rd meeting held on 29th April 2026.

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 Alpha Credit Rating PLC based on the financial statements dated 31 December 2024.

Particulars	Date of Rating	Long term	Short term	Rating Valid till
Alpha Credit Rating PLC	30-Jun-2025	A	ST-3	29-Jun-2026

2.21 Reporting period

The reporting period of these financial statements is stands from 01 January 2025 to 31 December 2025.

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	Amount in BDT	
	31-Dec-25	31-Dec-24

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.

	31-Dec-25	31-Dec-24
Cash in hand (Including foreign currencies) (3.1)	430,293,583	340,306,350
Balance with Bangladesh Bank and its agent bank(s)	969,129,745	570,786,907
	1,399,423,328	**911,093,256**

3.1 Cash in hand:

	31-Dec-25	31-Dec-24
Local currency	426,870,888	336,320,010
Foreign currency	3,422,695	3,986,340
	430,293,583	**340,306,350**

3.2 Balance with Bangladesh Bank and its agent Bank(s)

	31-Dec-25	31-Dec-24
Local currency	790,123,166	539,710,855
Foreign currencies	179,006,579	31,076,052
	969,129,745	**570,786,907**
Sonali Bank (An agent of Bangladesh Bank) - local currency	-	-
	969,129,745	**570,786,907**
	969,129,745	**570,786,907**

3.a Cash Reserve Ratio (CRR):

Pursuant to section 33 of Bank Company Act, 1991 (amended up to 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 2025 is maintained on the basis of weekly ATDTL of October 2025). Reserve maintained by the bank as at 31 December is as follows:

	31-Dec-25	31-Dec-24
Average total demand and time liabilities of October 2025	14,155,438,000	10,931,938,000
Daily basis:		
Required reserve (3.50%)	424,663,000	382,618,000
Actual reserve held with Bangladesh Bank*	799,175,660	540,534,230
Surplus		**157,916,230**
Weely basis:		
Required reserve (4.00%)	566,218,000	437,278,000
Actual reserve held with Bangladesh Bank*	799,175,660	540,534,230
Surplus		
Bi-weekly basis:		

3.b Statutory Liquidity Ratio (SLR):

Pursuant to Section 33 of the Bank Company Act, 1991 (amended up to 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 at 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 2025 is based on weekly ATDTL of October 2025). Reserve maintained by the Bank as at 31 December is as follows:

Required reserve (13% of ATDTL)	1,840,207,000	1,421,152,000
Actual reserve held	4,638,822,860	4,031,599,370
Surplus	**2,798,615,860**	**2,610,447,370**

3.c Actual reserve held

Excess cash reserve (3.c.1)	232,957,662	103,256,230
Cash held	430,293,583	340,306,350
Balance with Sonali Bank	-	-
Unencumbered approved securities (HFT)	2,449,441,310	2,368,576,560
Unencumbered approved securities (HTM)	1,525,955,210	1,219,395,430
	4,638,647,765	**4,031,534,570**

3.c.1 Excess cash reserve:

Balance with Bangladesh Bank *	799,175,662	540,534,230
Less: Required cash reserve on bi-weekly	566,218,000	437,278,000
Excess of cash reserve as on the reporting	**232,957,662**	**103,256,230**

*As per Bangladesh Bank Local & Foreign

4.0 Balance with other Banks and Financial Institutions

Inside Bangladesh (4.1)	4,718,396,009	4,734,780,527
Outside Bangladesh	195,559,881	87,100,866
	4,913,955,890	**4,821,881,393**

4.1 Inside Bangladesh

In Current Deposit Accounts with:

Trust Bank PLC	8,470,207	2,010,891
EXIM Bank PLC	8,269,236	2,710,939
	16,739,443	**4,721,830**

In Special Notice Deposit Accounts with:

Sonali Bak PLC	10,190	11,858
Agrani Bank PLC	7,702,975	356,105
United Commercial Bank PLC	36,557,132	9,659,904
Dutch Bangla Bank PLC	7,386,269	30,830
	51,656,566	**10,058,697**

	Amount in BDT	
	31-Dec-25	31-Dec-24
In Fixed Deposit/Placement Accounts with:		
United Commercial Bank PLC	90,000,000	500,000,000
Midland Bank PLC	800,000,000	-
SBAC Bank PLC	400,000,000	600,000,000
NRB Bank PLC	500,000,000	500,000,000
EXIM Bank PLC	10,000,000	10,000,000
Janata Bank PLC	-	500,000,000
Meghna Bank PLC	500,000,000	500,000,000
Bengal Commercial Bank PLC	-	100,000,000
Modhumoti Bank PLC	-	100,000,000
Mercantile Bank PLC	500,000,000	-
IPDC Finance Limited	800,000,000	660,000,000
Lanka Bangla Finance Limited	450,000,000	450,000,000
IDLC Finance Limited	600,000,000	800,000,000
	4,650,000,000	**4,720,000,000**
Total	**4,718,396,009**	**4,734,780,527**

4.2 Outside Bangladesh

	31-Dec-25	31-Dec-24
USD		
Sonali Bangladesh UK Limited (SBUK)	251,697	246,359
Habib American Bank, NY, USA	108,690,036	74,886,124
	108,941,732	**75,132,482**
EURO		
Sonali Bangladesh UK Limited (SBUK)	7,979,669	4,234,392
	7,979,669	**4,234,392**
ACU		
Sonali Bank - Kolkata	108,501	106,200
AB Bank - Mumbai	78,257,092	6,643,633
AXIS Bbank - India	272,888	984,158
	78,638,481	**7,733,992**
	195,559,881	**87,100,866**

4.3 Maturity grouping of balance with other banks and financial institutions

	31-Dec-25	31-Dec-24
Up to 1 months	4,103,955,890	2,651,881,393
More than 1 months to 3 months	800,000,000	600,000,000
More than 3 months to 1 Year	10,000,000	1,570,000,000
More than 1 year to 5 years	-	-
More than 5 years	-	-
	4,913,955,890	**4,821,881,393**

5.0 Money at call on short notice

	31-Dec-25	31-Dec-24
Non-Bank Financial Institutions (NBFIs)	-	-
Lanka Bangla Finance Limited	180,000,000	
Meghna Bank PLC	122,850,000	
	302,850,000	**-**

6.0 Investments

	31-Dec-25	31-Dec-24
Government securities (6.1)	4,325,571,617	3,588,036,792
Other investments (6.2)	476,885,373	468,471,170
	4,802,456,990	**4,056,507,962**

6.1 Government Securities

	31-Dec-25	31-Dec-24
Treasury Bills (6.1.1)	2,449,441,308	2,066,909,000
Tresury Bonds (6.1.2)	1,525,955,208	1,229,407,492
Bangladesh Bank Bill (6.1.3)	-	291,655,500
Reverse REPO with Bangladesh Bank	350,000,000	
Prize Bonds	175,100	64,800
	4,325,571,617	**3,588,036,792**

6.1.1 Treasury Bills

	31-Dec-25	31-Dec-24
Treasury Bills HFT	2,449,441,308	2,066,909,000
Treasury Bills HTM	-	-
	2,449,441,308	**2,066,909,000**

6.1.2 Treasury Bonds

	31-Dec-25	31-Dec-24
Treasury Bonds HFT	-	10,012,060
Treasury Bonds HTM	1,525,955,208	1,219,395,432
	1,525,955,208	**1,229,407,492**

6.1.3 Bangladesh Bank Bill

	31-Dec-25	31-Dec-24
Bangladesh Bank Bill HFT	-	291,655,500
Bangladesh Bank Bill HTM	-	-
	-	**291,655,500**

6.2 Other investments

	31-Dec-25	31-Dec-24
Investment in quoted shares at cost		
AOL	13,424,850	9,418,290
BATBC	1,322,781	1,322,781
BEXIMCO	26,598,444	26,598,444
ORIONPHARM	18,083,775	18,083,775
SQUARETEXT	3,523,870	3,523,870
SANDHANIAMSF	-	2,502,000
CITYBANK	-	2,270,530
CITYGENINS	-	4,751,480
MIDLANDBNK	9,387,165	-
ONEBANKPLC	2,042,488	-
SANDHANIAMSF	2,502,000	-
	76,885,373	**68,471,170**
Investment in Subordinated Bond		
Dutch Bangla Bank PLC	400,000,000	400,000,000
	400,000,000	**400,000,000**
	476,885,373	**468,471,170**

	Amount in BDT	
	31-Dec-25	31-Dec-24

7.0 Loans and advances

Loans, cash credits, overdrafts etc.	10,983,921,237	8,134,413,729
Bills purchased and discounted	79,752,398	138,367,851
	11,063,673,635	**8,272,781,580**

7.1 Loans, cash credits, overdrafts etc.

Inside Bangladesh		
Loans - general	8,000,503,339	5,570,472,687
Cash credit	566,281,926	558,230,480
Overdraft	2,496,888,370	2,144,078,413
	11,063,673,635	**8,272,781,580**
Outside Bangladesh	-	
	-	-

7.2 Residual maturity grouping of loans and advances (including bills purchased & discounted)

On demand	1,581,211,416	250,007,424
In not more than 1 month	2,286,314,889	1,073,763,414
In more than 1 month but not more than 3 months	1,035,805,479	918,444,482
In more than 3 months but not more than 1 year	4,697,922,702	5,179,246,193
In more than 1 year but not more than 5 years	1,095,151,343	674,045,130
In more than 5 years	367,267,807	177,274,936
	11,063,673,635	**8,272,781,580**

7.3 Loans and advances to Directors, executives and others

	5,971	274,590
Advances to Managing Director & CEO	-	-
Advances to other executives and staffs	180,568,323	46,885,109
Advances to customers (Group wise)	3,671,837,814	2,931,692,231
Industrial loans and advances	7,211,261,526	5,293,929,650
	11,063,673,635	**8,272,506,990**

7.4 Large loan details (Loans extended to any customer exceeding 10% of the Bank's total capital)

Amount of outstanding loans and advances	4,010,405,125	3,829,159,998
Number of clients	12	20
	4,010,405,125	**3,829,159,998**

This amount represents total loans and advances (comprising funded and non-funded facilities) to each customer exceeding BDT 418.30 million (limit/outstanding), which is equivalent to 10% of the total capital of the Bank as at 31 December 2025.

Name of Clients	Funded	Non-funded	Total Outstanding
1. MSA GROUP	620,969,510.1	33,153,424.6	654,122,934.8
2. CITY GROUP	533,788,436.2	-	533,788,436.2
3. MAX GROUP	506,916,269.0	416,598,892.9	923,515,161.8
4. PRAN-RFL	91,353,007.6	230,016,256.0	321,369,263.6
5. PARKSCENE GROUP	345,428,471.9	152,036,140.4	497,464,612.3
6. ECHO SPINNING MILLS LTD	457,638,620.7	-	457,638,620.7
7. AZDA AGRO LTD.	610,384,145.0	104,948,605.1	715,332,750.2
8. AMIN BUSINESSLINK LTD.	433,938,032.7	147,526,228.6	581,464,261.3
9. ACI Group	409,647,607.6	182,250,960.3	591,898,567.9
10. MEGHNA GROUP	-	-	-
11. ECHOTEX LTD.	341,024.2	-	341,024.2
12. AMEX GROUP	-	-	-
Total	**4,010,405,125**	**1,266,530,508**	**5,276,935,633**

7.5 Industry-wise concentration of loans and advances (including bills purchased and discounted)

	31-Dec-25	31-Dec-24
Agri and micro credit through NGO	517,973,156	510,496,859
Commercial and trading	2,522,493,010	1,593,392,825
Construction	857,689,351	460,466,010
Cement and ceramic industries	-	-
Chemical and fertilizer	451,347,935	102,675,278
Crops, fisheries and livestocks	10,283,494	-
Electronics and electrical goods	-	29,432,340
Food and allied industries	-	-
Consumer finance	673,185,585	176,330,255
Metal and steel products	817,452,265	654,263,439
Pharmaceutical industries	502,809,102	389,054,396
Power and fuel	4,952,248	
Rubber and plastic industries	279,315,456	973,686,819
Readymade garments industry	696,694,799	166,241,358
Ship building & breaking industry	-	-
Sugar and edible oil refinery	-	-
Transport and e-communication	2,511,333	531,657
Textile mills	867,707,718	963,350,803
Other manufacturing or extractive industries	2,461,695,998	1,437,719,091
Others	397,562,183	815,140,451
	11,063,673,635	**8,272,781,580**

7.5.1 Cluster base CMSME Financing

As As of 31 December 2025, Citizens Bank PLC does 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)

	31-Dec-25	31-Dec-24
Government sector	-	-
Public sector	-	
Private sector	11,063,673,635	8,272,781,580
	11,063,673,635	**8,272,781,580**

7.7 Geographic location-wise concentration of loans and advances (including bills purchased and discounted)

	31-Dec-25	31-Dec-24
Inside Bangladesh		
Dhaka Division	10,868,633,543	8,093,359,490
Chattogram Division	176,731,926	150,048,598
Sylhet Division	-	-
Rajshahi Division	-	-
Khulna Division	-	-
Rangpur Division	-	-
Barishal Division	-	-
Mymensingh Division	18,308,166	29,373,492
	11,063,673,635	**8,272,781,580**

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					
	2025				2024	
	Outstanding amount (Taka)					
	Main Operation	Off-shore Banking Unit	Total	Mix (%)	Total Outstanding amount (Taka)	Mix (%)
Unclassified loans and advances						
Standard (including staff loans)	10,961,906,353	-	10,961,906,353	99%	8,271,711,675	100%
Special mention account	80,127,576	-	80,127,576	1%	**1,069,905**	**-**
Total unclassified loans and advances	**11,042,033,929**	-	**11,042,033,929**	100%	**8,272,781,580**	**100%**
Classified loans and advances						
Substandard	5,390,063	-	5,390,062.72	0%	**-**	**-**
Substandard MC	-	-	-	0%	**-**	**-**
Doubtful	14,973,168	-	14,973,167.51	0%	**-**	**-**
Bad/loss	1,276,476	-	1,276,476.18	0%	**-**	**-**
Total classified loans and advances	21,639,706.41	-	21,639,706.41	0%	**-**	
Total loans and advances	**11,063,673,635**	-	**11,063,673,635**	100%	**8,272,781,580**	**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 2025 (Taka)	Base for provision (Taka)	Percentage (%) of provision required as per Bangladesh Bank's directives	Amount of provision required as at 31 December 2025 (Taka)	Amount of provision required as at 31 December 2024 (Taka)
Unclassified loans and advances					
Agricular Credit (Other than Short Term)	215,809,952	215,809,952	1%		
CMSME Financing	1,887,947,768	1,887,947,768	0.78%	14,816,159	
Consumer Financing (Other than Credit Card)	124,181,573	124,181,573	1%	1,241,816	
Consumer Financing (Other Than Housing Finance)	116,138,752	116,138,752	1%	1,161,388	
Credit Card	171,883,763	171,883,763	1%	1,718,838	
Housing Finance	53,644,793	53,644,793	1%	536,448	
Industrial Credit	5,178,883,461	5,178,883,461	1%	51,788,835	
Service Sector Credit	1,039,511,894	1,039,511,894	1%	10,395,119	
Trade & Commerce Sector Credit	1,971,153,344	1,971,153,344	1%	19,711,533	
Other Credit	202,751,054	202,751,054	1%	2,027,511	-
	10,961,906,353	**10,961,906,353**		**104,476,695**	**-**
Special mention account					
Agricular Credit (Other than Short Term)		-	0.50%	**-**	
CMSME Financing	13,392,103	13,392,103	0.50%	**66,961**	
Consumer Financing (Other than Credit Card)		-	5.00%	**-**	
CONSUMER FINANCING (OTHER THAN HOUSING	3,276,145	3,276,145	5.00%	**163,807**	
Credit Card	1,717,296	1,717,296	5.00%	**85,865**	
HOUSING FINANCE	9,458,624	9,458,624	5.00%	**472,931**	
Industrial Credit		-	5.00%	**-**	
Service Sector Credit		-	5.00%	**-**	
Trade & Commerce Sector Credit		-	5.00%	**-**	
Other Credit	52,283,407	52,283,407	5.00%	**2,614,170**	
	80,127,576	80,127,576		**3,403,734**	-
Sub-total General Provision [A]	**11,042,033,929**	**11,042,033,929**		**107,880,430**	**-**

Sub-total General Provision [A]	**11,042,033,929**	**11,042,033,929**		**107,880,430**	-
Special General Provision-Covid 19 (Calculated) [B]					
Classified loans and advances					
Sub Standard Small	3,018,606	2,915,176	20%	**583,035**	
Sub Standard Other	2,371,457	2,215,907	20%	**443,181**	
Sub Standard AG/MC	-		20%	-	
Doubtful Small	5,028,308	3,477,906	50%	**1,738,953**	
Doubtful Other	9,944,859	5,976,029	50%	**2,988,015**	
Doubtful AG/MC	-		50%	-	
Bad /loss	1,276,476	1,225,070	100%	**1,225,070**	
Sub-total [C]	**21,639,706**	**15,810,088**		**6,978,255**	
Total provision required [A+B+C]	**11,063,673,635**	**11,057,844,017**		**114,858,685**	
Total provision maintained [Note 13]				**116,058,736**	-
Total provision surplus				**1,200,052**	

The Note should read with **Note No. 13** where provision kept as per Bangladesh Bank Inspection Team for the year ended 31 December 2025.

	Amount in BDT	
	31-Dec-25	**31-Dec-24**
b.1		
Total provision required		
Main Operation (i)	114,858,685	71,754,749
Off-shore Banking Unit (ii)	-	-
	114,858,685	**71,754,749**
Total provision maintained		
Main Operation (iii)	116,058,736	71,754,749
Off-shore Banking Unit (iv)	-	-
	116,058,736	**71,754,749**
Total provision surplus		
Main Operation (iii-i)	1,200,052	-
Off-shore Banking Unit (iv-ii)	-	-
	1,200,052	

7.9 Particulars of loans and advances

	31-Dec-25	31-Dec-24
i) Loans considered good in respect of which the bank is fully secured	4,007,364,651	2,074,107,188
ii) Loans considered good for which the bank holds no other security than the debtor's personal security	3,890,637,275	2,181,400,461
iii) Loans considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors.	1,907,397,578	1,887,029,488
iv) Loans adversely classified; for which no provision is created.	-	-
	9,805,399,504	**6,142,537,137**
v) Loans due by directors or officers of the bank or any of them either jointly or severally with any other persons.	181,464,944	46,885,109
vi) Loans due by companies and firms in which the directors of the bank have interests as directors, partners or managing agent or in case of private companies as members.	2,352,153,110	-
vii) Maximum total amount of advances, including temporary advances made at any time during the period to directors or managers or officers of the bank or any of them either severally or jointly with any other persons.	-	1,703,176,265
viii) Maximum total amount of advances, including temporary advances, granted during the period to the companies or firms in which the directors of the bank have interests as directors, partners or managing agents or, in case of private companies as members .	-	-

	Amount in BDT	
	31-Dec-25	31-Dec-24
ix) Due from other banking companies	-	-
x) Information in respect of classified loans and advances	-	-
a) Classified loans for which interest/profit not credited to income		
(i) (Decrease)/Increase of provision (specific)	-	-
(ii) Amount of loans written of	7,026,238	-
(iii) Amount recovered from loans written off	-	-
b) Amount of provision kept against loans classified as bad/loss	1,276,476	-
c) Amount of interest creditable to the interest suspense account	22,032,415	-
xi) Cumulative amount of written off loans:	-	-
Opening Balance	-	-
Amount written off during the year:	-	-
Principal amount	-	-
Interest suspense	-	-
Balance of written off loans and advances	-	-
	-	-

8.0 Fixed assets including land, building, furniture and fixtures

	31-Dec-25	31-Dec-24
At Cost		
Furniture and fixture	41,636,039	29,642,229
Interior Decoration	80,396,293	66,194,541
Office equipment	52,237,753	38,094,303
Motor vehicles	42,712,701	76,287,467
Computer & computer equipment's	106,102,328	93,467,356
ATM Booth	20,789,000	11,789,000
Imported computer software	65,200,842	60,080,174
Right of use of assets	811,128,117	668,830,417
Total Cost	**1,220,203,073**	**1,044,385,486**
Accumulated depreciation and amortization	**385,001,452**	**268,125,667**
Written down value at the end of the year	**835,201,621**	**776,259,819**

A schedule of Fixed Assets is given in Annexure - B

8.1 Right of Use (RoU) assets comprise of lease liabilities which is the present value of lease payments against rented premises less incentive plus initial direct payment and dismantling cost etc. Any contractual obligation for use of any rented/leased premises or assets for a period exceeding twelve months and/or exceeding the threshold for low value asset and substantially risks and benefits related to ownership of those rented premises/assets transfer to the bank are recognized as RoU assets as per IFRS 16 'Leases'.

9.0 Other Assets

	31-Dec-25	31-Dec-24
Advance Rent	2,112,000	-
Advance for Fixed Assets & Others	8,667,500	21,477,157
Advance Income Tax (Note-9.1)	255,180,610	166,115,907
Excise Duty Receivable	7,521,100	4,853,750
Dividend Receivable	802,620	802,620
Stationaries	16,801,554	4,052,146
Prepaid Expenses	-	6,000
Deferred Tax Asset (Note-9.2)	11,907,029	3,795,432
Balance with UCB Capital Management	93,426	7,084,469
Receivable from MFS	9	3,506,978
VISA Settlement Account	13,527	
Remittance Receivable	12,311	
Interest Receivable (Note-9.3)	68,216,125	51,260,327
	371,327,812	**262,954,786**

9.1 Advance Income Tax

	31-Dec-25	31-Dec-24
Opening balance	166,115,907	100,738,723
Paid during the year	89,064,703	65,377,184
Closing balance	**255,180,610**	**166,115,907**

	Amount in BDT	
	31-Dec-25	31-Dec-24
9.2 Deferred tax assets		
Opening balance	3,795,432	
Addition / Adjustment during the yea	8,111,597	3,795,432
Closing balance	**11,907,029**	**3,795,432**
Deferred tax liability / (Assets)		
i. Temporary timing difference in written down value of fixed assets	**-**	**-**
Carrying amount of fixed assets	237,289,155	-
Tax base	267,056,727	-
Taxable temporary difference	(29,767,573)	-
Tax rate	40.00%	40.00%
Deferred tax liability / (Assets)	**(11,907,029)**	**-**
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)	**(11,907,029)**	**-**

9.3 Interest Receivable

	31-Dec-25	31-Dec-24
Interest receivable from government security	28,992,313	25,322,339
Interest receivable from loans & advances	554,521	552,767
Interest receivable from placement	38,669,291	25,385,221
	68,216,125	**51,260,327**

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.

	31-Dec-25	31-Dec-24
	-	**-**

11.0 Borrowing from other banks, financial institutions and agents:

	31-Dec-25	31-Dec-24
In Bangladesh	**20,833,327**	**36,599,259**
Outside Bangladesh	**-**	**-**
	20,833,327	**36,599,259**

12.0 Deposit and other accounts

	31-Dec-25	31-Dec-24
Local bank deposits	1,290,000,000	1,773,722,399
Customer and other deposits (Note 12.1)	17,292,115,710	12,517,769,634
Total deposit and other accounts	**18,582,115,710**	**14,291,492,033**

12.1 Customer and other deposits

	31-Dec-25	31-Dec-24
Current accounts and other accounts	1,877,897,907	508,028,369
Bills payable	135,644,157	65,327,054
Saving deposits	763,264,353	285,492,714
Special notice deposits (SND)	448,360,975	792,999,806
Fixed deposits & Scheme Deposit	14,066,948,318	10,865,921,691
Other deposits	-	-
Total deposit and other accounts	**17,292,115,710**	**12,517,769,634**

	Amount in BDT	
	31-Dec-25	31-Dec-24
12.2 Maturity analysis of deposits		
Payable on demand	1,398,015,051	432,661,234
Up to 1 month	6,042,172,861	3,978,994,508
Over 1 month but within 6 months	5,850,943,612	4,694,462,535
Over 6 months but within 1 year	4,534,616,948	4,660,851,481
Over 1 year but within 5 years	638,059,770	472,132,309
Over 5 years but within 10 years	110,433,395	49,806,043
Over 10 years	7,874,075	2,583,923
	18,582,115,710	**14,291,492,033**
12.3 Sector - wise concentration of Deposits and other accounts		
Government sector	5,125,079,548	1,614,657,298
Other public sector	53,139,100	-
Private sector	13,403,897,062	12,676,834,735
	18,582,115,710	**14,291,492,033**
13.0 Other Liabilities		
Provision for Current Tax	201,222,305	114,157,602
Provision for Deferred Tax (13.2)	-	-
Provision for Loans & Advances	116,058,736	71,754,749
Provision for investments	23,934,607	15,197,158
Provision for off-balance sheet exposure	34,106,153	10,961,677
Provision for Incentive Bonus	10,000,000	-
Accrued Expenses Payable (13.1)	88,794,901	45,364,275
Lease liabilities (present value of lease payments)	524,861,963	472,066,464
Interest Suspense	22,032,415	-
	1,021,011,079	**729,501,924**
13.1 Accrued Expenses Payable		
Accounts Payable against purchase & procurements	10,633,590	9,157,937
Audit Fee Payable	1,654,533	230,000
Privileged creditors (payable to government)	66,822,384	33,703,369
Payable to Banglades Bank	60,497	22,989
MFS Payable	5,503,590	-
Insurance premium payable	-	11,400
Card Payable	2,490,680	213,514
Remittance Payable	507,187	1,141,724
Un-earned revenue	976	7,906
BEFTN Payable	829,133	153,973
Interbranch A/C		21,979
Gratuity Payable	-	699,485
Other Payables	292,332	
	88,794,901	**45,364,275**

13.2 Deferred tax assets

	31-Dec-25	31-Dec-24
Opening balance	-	7,114,387
Addition / Adjustment during the yea	-	(7,114,387)
Closing balance	**-**	**-**

Deferred tax liability / (Assets)

	31-Dec-25	31-Dec-24
i. Temporary timing difference in written down value of fixed assets	**-**	**-**
Carrying amount of fixed assets	-	-
Tax base	-	-
Taxable temporary difference	-	-
Tax rate	40.00%	40.00%
Deferred tax liability / (Assets)	**-**	**-**
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)	**-**	**-**

14.0 Share Capital

14 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.

	31-Dec-25	31-Dec-24
1,000,000,000 ordinary shares of Tk. 10 each	**10,000,000,000**	**10,000,000,000**

14 Issued, subscribed and fully paid up capital

	31-Dec-25	31-Dec-24
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 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, 2025 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 4,039,856,414 and Total Tier-2 Capital available of Taka 143,235,979 that is, a total of Taka 4,183,092,393 thereby showing a surplus capital of Taka 183,092,393 at that date. Details are shown below:

	Amount in BDT	
	31-Dec-25	31-Dec-24
Common Equity Tier -1 Capital		-
Fully Paid-up Capital/Capital Deposited with BB	4,000,000,000	4,000,000,000
Statutory reserve	57,175,831	37,403,962
Non-repayable share premium account	-	-
General Reserve	-	-
Retained earnings	5,706,652	5,393,153
Minority interest in Subsidiaries	-	-
Non-Cumulative irredeemable Preferences shares	-	-
Dividend Equalization Account	-	-
	4,062,882,483	**4,042,797,115**
Regulatory adjustment:		
Goodwill and all other Intangible Assets	23,026,069	-
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	-	-
	23,026,069	-
Total Common Equity Tier-I Capital	**4,039,856,414**	**4,042,797,115**
Additional Tier-I Capital	-	-
Total Tier-1 Capital	**4,039,856,414**	**4,042,797,115**
Tier -2 Capital		
General Provision/General loan-loss reserve	143,138,651	82,716,426
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	**143,138,651**	**82,716,426**
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	**143,138,651**	**82,716,426**

Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24
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)	3,611,496,239	3,593,642,356
Excess amount over maximum limit of Tier 2 Capital		
Total admissible Tier 2 Capital	**143,138,651**	**82,716,426**
Total Eligible Capital	**4,182,995,065**	**4,125,513,541**
Total assets including off-Balance Sheet items	27,649,319,343	20,817,267,686
Total risk-weighted assets (RWA)	12,474,676,612	9,054,779,184
Total required capital (12.50% of Total RWA)	**4,000,000,000**	**4,000,000,000**
Capital Surplus / (Shortfall)	**182,995,065**	**125,513,541**
Capital to Risk Weighted Assets Ratio (CRAR)	**33.53%**	**45.56%**
15.0 Statutory reserve		
Balance at the beginning of the year	37,403,962	18,240,964
Add: Transferred from profit during the year	19,771,869	19,162,998
	57,175,831	**37,403,962**
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	5,393,153	(14,907,166)
Profit/(Loss) for the year	20,085,368	39,463,317
Transfer to statutory reserve	(19,771,869)	(19,162,998)
	5,706,652	**5,393,153**
18.0 Contingent liabilities		
Acceptance and endorsements	392,428,738	253,925,356
Letters of guarantee	1,077,790,350	447,364,438
Irrevocable letters of credit	1,904,546,504	394,877,821
Bills for collection	585,664,475	619,621,273
Other contingent liabilities	-	
	3,960,430,067	**1,715,788,888**
19.0 Profit and Loss Account		
Income:		
Interest, discount and similar income	2,257,490,667	1,801,606,433
Dividend income	397,550	1,792,729
Fees, commission and brokerage	108,585,252	66,643,606
Income from non-banking assets	-	-
Other operating income	41,611,440	15,801,575
Profit less losses on interest rate changes	**-**	**-**
	2,408,084,909	**1,885,844,344**
Expenses:		
Interest, fees and commission	1,430,105,619	1,098,428,732
Administrative expenses	493,265,427	343,808,849
Other operating expenses	175,817,500	175,676,580
Depreciation on banking assets	133,851,106	123,393,339
	2,233,039,652	**1,741,307,500**
	175,045,257	**144,536,844**

Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24
20.0 Interest income		
Interest Income from Loans & Advances	1,458,351,303	1,068,447,047
Interest Income from SND with other Banks	1,243,331	168,911
Interest Income from placement with banks and Financial Institutions	407,540,015	298,322,060
Interest from Bangladesh Bank	3,379,234	1,152,059
	1,870,513,882	**1,368,090,076**
21.0 Interest paid on deposits and borrowings		
Interest on deposit accounts	1,366,664,187	996,257,452
Interest on Govt. Securities	36,701,910	62,000,000
Interest on borrowings	26,739,522	40,171,279
	1,430,105,619	**1,098,428,732**
22.0 Investment income		
Interest on treasury bills and bonds	310,463,583	387,782,658
Capital Gain from Govt. Securities	25,509,914	
Interest on bond	51,003,288	45,733,699
Dividend on shares	397,550	1,792,729
Gain on trading shares (Realized)	423,160	-
	387,797,495	**435,309,086**
23.0 Commission, exchange and brokerage		
Commission	48,328,146	19,695,425
Exchange gain	60,257,106	46,948,181
Brokerage fees	-	-
	108,585,252	**66,643,606**
24.0 Other operating income		
Service Charge & Fees Income	41,188,279	15,801,575
	41,188,279	**15,801,575**
25.0 Salary & allowances (excluding those of Managing Director & CEO)		
Basic salary of officers	153,982,667	122,919,471
Other salary & allowances	166,535,113	99,761,556
Festival Bonus	24,879,418	20,116,403
Incentive Bonus	13,726,609	1,678,076
Provident fund contribution	14,149,663	11,086,422
Gratuity	-	699,485
	373,273,470	**256,261,413**
26.0 Rent, taxes, insurance, utilities etc.		
Rents, rates and taxes - Premises	16,835,924	12,005,370
Insurance premium	9,856,498	6,049,016
Utilities	10,936,727	10,121,371
Generator Fuel	819,201	638,880
	38,448,350	**28,814,637**

*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 84.81 million in 2025 against rented premises treated as lease assets and shown in the balance sheet as RoU assets under note 8.

Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24
27.0 Postage, stamp, telecommunication etc.		
Postage	444,820	227,225
Telephone - office	612,568	552,248
Network link, Internet and Data Center maintenance cost	7,393,020	6,019,574
SWIFT Charge	6,839,395	116,928
	15,289,803	**6,915,975**
28.0 Stationery, printing, advertisement etc.		
Printing and stationery	19,948,826	15,551,411
Advertisement	34,704,567	16,542,582
	54,653,392	**32,093,993**
29.0 Managing Director's salary and allowances		
Basic salary	6,310,483	8,379,032
Allowances	1,949,930	2,303,650
Bonus (Festival)	-	1,400,000
Incentive Bonus	700,000	1,000,000
Bank's contribution to provident fund	-	54,516
Gratuity Benefit	-	3,900,000
Servival Benefit	-	850,000
	8,960,413	**17,887,198**
30.0 Directors' fees and expenses		
Directors' fees	2,640,000	1,835,634
Meeting expenses	-	-
	2,640,000	**1,835,634**

Directors' fees includes fees for attending the meeting of the Board, Executive Committee, Audit Committee, Risk Management Committee. Each director of the Bank was paid BDT 8,000 (including VAT) per board or board committee meeting attended in 2022 as per BRPD circular letter no. 11 dated 4 October 2015.

	31-Dec-25	31-Dec-24
31.0 Repairs, maintenance and depreciation		
Depreciation		
Furniture and Fixture	4,257,965	3,009,581
Interior Decoration	10,827,632	8,414,958
Office Equipment	6,728,521	4,384,656
Motor Vehicles	4,868,642	14,523,739
Computer & Computer Equipment	20,765,726	17,613,080
ATM Booth	3,504,900	2,210,900
Computer Software	10,824,432	7,832,592
Lease ROUA of Office Rent	72,073,288	65,403,833
	133,851,106	**123,393,339**
Repairs, maintenance and spare parts		
Repairs of Fixed Assets	1,972,260	563,477
	1,972,260	**563,477**
	135,823,366	**123,956,816**
32.0 Other expenses		
Car tax, token, registration	4,221,002	2,806,779
Business travelling and conveyance	4,605,051	24,913,701
Petrol, Oil and Lubricant	1,479,300	713,693
Bank charges	24,063,565	30,536,327
Fees and subscriptions	662,000	1,674,590
Entertainment and recreation	10,933,218	4,619,184
Cleaning & Security service	38,922,067	28,577,188
Recruitment and training expenses	259,889	608,680
Professional fees	739,735	2,118,653

Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24
Credit Rating Fees	96,750	107,500
Interest expenses of Office Rent Lease	31,475,621	28,205,392
ADC Expenses	33,817,268	15,093,623
Loss from Share Trading	-	32,008,123
Exchange & Revaluation Loss	20,915,241	2,899,671
	172,190,707	**174,883,103**

33.0 Provision For loans and advances:

For classified loans and advances	7,026,238	-
For unclassified loans and advances	37,277,749	36,574,916
For off balance sheet items	23,144,476	8,656,361
	67,448,463	**45,231,277**

34.0 Provision for diminution in value of Investments

Diminution in value of Investments	8,737,449	4,167,342
	8,737,449	**4,167,342**

35.0 Provision for Others

Provision for Other Assets	-	(676,763)
	-	**(676,763)**

36.0 Provision for Taxation

36.1 Current tax expense

Current year	87,064,703	67,261,490
	87,064,703	**67,261,490**

36.2 Deferred tax expense/(income)

Net deferred Tax liability/(asset) originated for temporary differences	(11,907,029)	(3,795,432)
Pervious years balance	3,616,303	(7,114,387)
	(8,290,726)	**(10,909,818)**

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 2025 as per IAS 33: Earnings per share.

Profit after taxation	**20,085,368**	**39,463,317**
Profit attributable for distribution to ordinary shareholders	20,085,368	39,463,317
Weighted average number of shares outstanding	400,000,000	400,000,000
Earnings per share (EPS)	**0.05**	**0.10**

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 2025.

38.0 Net Asset Value (NAV) Per Share

	Amount in BDT 31-Dec-25	Amount in BDT 31-Dec-24
Total Shareholders Equity [numerator]	4,064,929,160	4,043,885,582
Number of ordinary shares outstanding [denominator]	400,000,000	400,000,000
Net Asset Value (NAV) Per Share	**10.16**	**10.11**

39.0 Net Operating Cash Flow Per Share (NOCFPS)

	31-Dec-25	31-Dec-24
Net cash from operating activities [numerator]	1,561,863,352	466,477,059
Number of ordinary shares outstanding [denominator]	400,000,000	400,000,000
Net operating cash flow per share (NOCFS)	**3.90**	**1.17**

40.0 Cash and cash equivalent

	31-Dec-25	31-Dec-24
Cash in hand (Including foreign currency)	1,399,423,328	911,093,256
Money at call	302,850,000	-
Balance with other banks and financial institutions	4,913,955,890	4,821,881,393
	6,616,229,218	**5,732,974,650**

41.0 Related Party Transactions

While making any related party transactions the management always pays proper attention to economic efficiency and competitive pricing and necessary approval of Bangladesh Bank and other authorities had been obtained wherever applicable. Significant related party transactions of the Bank for the period 01 January to 31 December 2025 is given below:

Name of Organization	Relationship	Service Type	Transaction Amount (Tk.)
Modele De Capital Ind. Ltd.	Sponsor Shareholder	Office Rent	4,015,125
Chowdhury Mohammed Hanif Shoeb	Sponsor Shareholder	Credit Card	5,971

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

	Amount in BDT	
	31-Dec-25	31-Dec-24
Profit before provision	175,045,257	144,536,844
Depreciation on fixed assets	133,851,106	123,393,339
Gain/loss on sale of fixed assets	-	-
Charges on loan losses	-	-
Adjustment of provision for loans and advances	-	-
Increase of interest & dividend receivable	(16,955,798)	18,924,286
Increase of interest payable	-	-
Increase of accrued expenses	-	-
Increase of advance expenses	-	-
Advance tax paid	(89,064,703)	(65,377,184)
Effects of the change of exchange rate on cash & cash equivalent	(59,765,877)	(44,206,175)
Operating profit before changes in operating assets and liabilities	143,109,985	177,271,110
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	(2,790,892,055)	(3,889,213,645)
Other assets	(144,624,386)	(203,386,428)
Deposits from other banks/Borrowings	(483,722,399)	11,599,259
Deposits from customers	4,774,346,076	4,240,921,532
Other liabilities account of customers	-	-
Other liabilities	63,646,131	129,285,231
Net cash from operating activities	**1,561,863,352**	**466,477,059**

42.0 Reconciliation of effective tax rate

Particulars	Effective Rate	31-Dec-2025	Effective Rate	31-Dec-2024
Profit before income taxes as per profit & loss account		175,045,257		144,536,844
Income for separate consideration (dividend income)		(1,792,729)		(1,792,729)
Income taxes as per applicable tax rate	40.00%	69,301,011	40.00%	57,097,646
Factors affecting the tax charge in current year				
Inadmissible expenses	15.21%	26,627,808	18.42%	26,627,808
Admissible expenses in the current year	-9.61%	(16,822,841)	-11.64%	(16,822,841)
Tax from reduced tax rates for dividend	0.20%	358,546	0.25%	358,546
Tax from reduced tax rates for capital gain				
Effect of deferred tax income	-4.74%	(8,290,726)	-7.55%	(10,909,818)
Total income tax expenses	**41.07%**	**71,174,129**	**39.48%**	**56,351,671**

Annexure - A

Citizens Bank PLC

Highlights on the overall activities

As at 31 December 2025

Amount in BDT

Sl. No.	Particulars	2025	2024
1	Paid-up Capital	4,000,000,000	4,000,000,000
2	Total Capital	4,064,929,160	4,043,885,583
3	Capital (deficit)/surplus	64,929,160	43,885,583
4	Total Asset	23,688,889,276	19,101,478,798
5	Total Deposit	18,582,115,710	14,291,492,033
6	Total loans and advances	11,063,673,635	8,272,781,580
7	Total contingent liabilities and commitments	3,960,430,067	1,715,788,888
8	Credit deposit ratio	59.54%	57.89%
9	Percentage of classified loans against total loans and advances	0.20%	-
10	Profit after tax and provision	20,085,368	39,463,317
11	Amount of classified loans during the year	21,639,706	-
12	Provisions kept against classified loans	7,026,238	-
13	Provision surplus against classified loans	-	-
14	Cost of fund	11.56%	11.45%
15	Interest earning assets	20,439,245,252	16,980,818,372
16	Non-interest earning assets	3,346,794,024	2,520,660,425
17	Return on Investments (ROI) [PAT/(Shareholders' equity + Borrowing	0.49%	0.97%
18	Return on Assets (ROA) [PAT/ Average assets]	0.09%	0.23%
19	Income from investment	387,797,495	435,309,086
20	Earnings Per Share (EPS)	0.05	0.10
21	Net Income Per Share	0.05	0.10
22	Price-Earning (P/E) Ratio (times)	Not applicable	Not applicable

Citizens Bank PLC
Schedule of Fixed Assets

As at 31 December 2025 | **Amount in BDT**

Particulars	Cost				Accumulated Depreciation & Amortization				Net book value at 31 December 2025
	Balance on 01 January 2025	Additions during the year	Disposals during the year	Balance at 31 December 2025	Balance on 01 January 2025	Charge for the year	On disposals during the year	Balance at 31 December 2025	
Furniture and Fixture	29,642,229	12,322,131	328,322	41,636,039	6,458,730	4,257,965		10,716,694	30,919,344
Interior Decoration	66,194,541	14,201,752		80,396,293	12,671,943	10,827,632		23,499,576	56,896,717
Office Equipment	38,094,303	14,143,450		52,237,753	9,200,857	6,728,521		15,929,378	36,308,375
Motor Vehicles	76,287,467	47,763,000	81,337,766	42,712,701	30,685,002	4,868,642	16,975,320	18,578,324	24,134,377
Computer & Computer Equipment's	93,467,356	12,634,972		106,102,328	49,474,483	20,765,726		70,240,209	35,862,119
ATM Booth	11,789,000	9,000,000		20,789,000	3,623,250	3,504,900		7,128,150	13,660,850
Computer Software	60,080,174	5,120,668		65,200,842	14,869,038	10,824,432		25,693,470	39,507,373
Right of Use of Assets - Office Rent	668,830,417	142,297,700		811,128,117	141,142,363	72,073,288		213,215,651	597,912,466
At 31 December 2025	**1,044,385,486**	**257,483,674**	**81,666,088**	**1,220,203,073**	**268,125,667**	**133,851,106**	**16,975,320**	**385,001,452**	**835,201,621**

As at 31 December 2024 | **Amount in BDT**

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**

Notes:

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CITIZENS BANK
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Notice of the 5th Annual General Meeting

he 5th Annual General Meeting (AGM) of the shareholders of Citizens Bank PLC. is scheduled to be held on (Sunday), June 14, 2026 at 11.00 am at Citizens Bank PLC. Head Office Extension, Amanullah Trade Center, Plot # 06 (Old), 26 (New), Level-3, Gulshan Circle-2, Dhaka-1212 to transact the following businesses:

AGENDA:

1. To receive, consider and adopt the Profit and Loss Account of the Company for the period ended on 31st December 2025 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

Sheikh Ashraf Uddin
Company Secretary (Acting)

Dated: May 24, 2026
Dhaka, Bangladesh

NOTES:

a. The Member (Sponsors) whose names appear in the Register of the Company shall attend the AGM.

b. Any Members (Sponsors) of the Company entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote on his/her behalf.

c. The Proxy Form duly filled in and singed by the Member (Sponsor) and stamped, must be submitted at the Registered Office of the Company at least 48 (Forty-Eight hours) before the meeting.

d. Members (Sponsors) are requested to notify the Provision of the Articles of Association of the Company and the relevant rules/circulars of the regulatory authorities.

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PROXY FORM

I/We____of____ ____ being a Shareholder of Citizens Bank PLC do hereby appoint Mr./Ms.______________________________________of____ ____ as my/our proxy to attend and vote for me/us and on my/our behalf at the 5th Annual General Meeting of the Company to be held on Sunday, 14 June, 2026 at 11.00 a.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 __________________________ 2026.

(Signature of the Shareholder(s)) (Signature of the proxy)

Folio No (if any): _____________

No. of Shares: ______________

Date: _____________________

Affix
Revenue Stamp
of Tk. 20.00

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

Signature Verified

Authorized Signatory
Citizens Bank PLC

Note: Signature must agree with the recorded signature.

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ATTENDANCE SLIP

I/We hereby record my/our attendance at the 5th Annual General Meeting of the Company to be held on Sunday, 14 June, 2026 at 11.00 am. 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

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