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To  
**Mr. Alamgir Hossain**  
Managing Director & CEO  
**Citizens Bank PLC**  
Chini Shilpa Bhaban-2  
76, Motijheel C/A, Dhaka-1000, Bangladesh.

**Auditor's Report along with Audited Financial  
Statements**  
of  
**Citizens Bank PLC**  
As at and for the year ended 31 December 2025

**Dated, Dhaka**  
29 April 2026

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**Submitted by:**

**Mahamud Sabuj & Co.**  
*Chartered Accountants*

**Corporate Office:**

House 22 (3<sup>rd</sup> Floor), Road 13C,  
Block E, Banani, Dhaka-1213,  
Bangladesh

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### INDEPENDENT AUDITOR'S 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 matter

#### 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.



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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
<b>1. Measurement of provision for loans and advances.</b>	
Refer to note no. 13 and 33 to the financial statements	
<p>The process of estimating provision for loans and advances associated with credit risk is judgmental and complex. While estimating such provision certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> <li>• Future business performance of the borrower;</li> <li>• Key assumptions relating to future business;</li> <li>• Performance of the borrower;</li> <li>• Market value of the collateral;</li> <li>• Ability to repossess collateral; and</li> <li>• Recovery rates.</li> </ul> <p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of the Bangladesh Bank (the central Bank of Bangladesh) issued from time to time.</p> <p>As at 31 December 2025, the Bank reported total provision for loans and advances of BDT 116.06 million (December 2024: BDT 71.75 million)</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Credit monitoring and provisioning process;</li> <li>• Identification of loss events including early warning indicators; and</li> <li>• Review of the quarterly Classification of Loans (CL);</li> </ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the provision requirements;</li> <li>• Assessed the methodologies on which the provision amount is based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>• Finally, assessed the appropriateness and the presentation of the disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> </ul>
<b>2. Recognition of interest income from loans and advances</b>	
Refer to note no. 7 and 20 to the financial statements	
<p>Recognition of interest income has significant and wide influence on the financial statements.</p> <p>Recognition and measurement of interest income has involvement of complex IT environment.</p> <p>We have identified recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of material misstatement due to fraud or error in recognition of interest by management to meet specific targets or expectations.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest from loans and advances.</p> <p>We have performed tests of operating effectiveness on automated control in place to measure and recognize interest income.</p> <p>We have also performed substantive procedures to check whether interest income is recognized completely and accurately.</p> <p>We have assessed the appropriateness and presentation of disclosure against relevant</p>



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<p>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)</p>	<p>accounting standards and Bangladesh Bank guidelines.</p>
<p><b>3. Loans and advances</b></p>	
<p>Refer to the note no. 7 of the financial statements</p>	
<p>Loans and advances are the main element of financial statements of the Bank. Interest income of the Bank is mainly dependent on the portfolio of loans and advances. Management performance is highly dependent on the target achievement of loans and advances. Loans and advances disbursement requires robust documentation followed by approval from appropriate authority.</p> <p>We have identified loans and advances as key audit matters because there is an inherent risk of fraud in disbursement of loans and advance by management to meet specific targets or expectations.</p> <p>At the year ended 2025, the Bank reported total gross loans and advances of BDT 11,063.67 million (December 2024: 8,272.78 million)</p>	<p>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.</p> <p>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. 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.</p> <p>Furthermore, we have assessed the appropriateness of disclosures against Bangladesh Bank guidelines.</p>
<p><b>4. Deferred tax liabilities</b></p>	
<p>Refer to note no. 13, 13.2 and 36.2 to the financial statements</p>	
<p>Deferred tax liabilities arise from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. The determination of deferred tax liabilities involves complex judgments and estimates by management.</p> <p>The valuation of deferred tax liabilities is inherently subjective and requires significant management judgement. 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.</p> <p>As at 31 December 2025, the Bank reported net deferred tax liability was nil.</p>	<p>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.</p> <p>We have assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We have involved tax specialist to assess key assumptions, controls, recognition and measurement of deferred tax assets.</p> <p>Finally, we have assessed the appropriateness and presentation of disclosures against IAS 12: <i>Income Taxes</i>.</p>



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<b>5. Legal and regulatory matters</b>	
<p>We focused on this area because the Bank operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings.</p> <p>Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. Overall, the legal provision represents the Bank's best estimation for existing legal matters that have a probable and estimable impact on the Bank's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingency processes.</p> <p>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.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>
<b>6. IT systems and controls</b>	
<p>Our audit procedures have focused on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included master data management, user access management and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring operating effectiveness of IT dependent application-based controls.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>



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### 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



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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



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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;



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- (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
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3.0	<b>1,399,423,328</b>	<b>911,093,256</b>
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
<b>Balance with other Banks and Financial Institutions</b>	4.0	<b>4,913,955,890</b>	<b>4,821,881,393</b>
Inside Bangladesh	4.1	4,718,396,009	4,734,780,527
Outside Bangladesh	4.2	195,559,881	87,100,866
<b>Money at call and short notice</b>	5.0	<b>302,850,000</b>	-
<b>Investments</b>	6.0	<b>4,802,456,990</b>	<b>4,056,507,962</b>
Government	6.1	4,325,571,617	3,588,036,792
Others	6.2	476,885,373	468,471,170
<b>Loans and advances</b>	7.0	<b>11,063,673,635</b>	<b>8,272,781,580</b>
Loans, cash credit, overdrafts etc.	7.1	10,983,921,237	8,134,413,729
Bills purchased & discounted		79,752,398	138,367,851
<b>Fixed assets including premises, furniture and fixtures</b>	8.0	<b>835,201,621</b>	<b>776,259,819</b>
<b>Other assets</b>	9.0	<b>371,327,812</b>	<b>262,954,786</b>
<b>Non-banking assets</b>	10.0	-	-
<b>Total Assets</b>		<b>23,688,889,276</b>	<b>19,101,478,798</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions &amp; agents</b>	11.0	<b>20,833,327</b>	<b>36,599,259</b>
<b>Deposits and other accounts</b>	12.0	<b>18,582,115,710</b>	<b>14,291,492,033</b>
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		-	-
<b>Other liabilities</b>	13.0	<b>1,021,011,079</b>	<b>729,501,924</b>
<b>Total Liabilities</b>		<b>19,623,960,116</b>	<b>15,057,593,216</b>
<b>Capital and Shareholders' Equity</b>			
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
<b>Total shareholders' equity</b>		<b>4,064,929,160</b>	<b>4,043,885,582</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>23,688,889,276</b>	<b>19,101,478,798</b>

**Citizens Bank PLC  
Balance Sheet  
As at 31 December 2025**

Off Balance Sheet Items	Note	Amount in BDT	
		31-Dec-25	31-Dec-24
<b>Contingent liabilities</b>			
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		-	-
<b>Total Contingent liabilities</b>		<b>3,960,430,067</b>	<b>1,715,788,888</b>
<b>Other Commitments</b>			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total Other Commitments</b>		<b>-</b>	<b>-</b>
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<b>3,960,430,067</b>	<b>1,715,788,888</b>
<b>Net Asset Value (NAV) Per Share</b>		<b>10.16</b>	<b>10.11</b>

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.



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



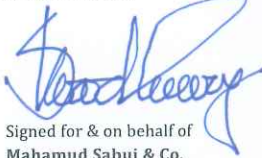
**Citizens Bank PLC  
Profit and Loss Account  
For the year ended 31 December 2025**

Particulars	Note	Amount in BDT	
		2025	2024
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
<b>Net interest income</b>		<b>440,408,263</b>	<b>269,661,345</b>
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
		<b>537,571,026</b>	<b>517,754,268</b>
<b>Total operating income</b>		<b>977,979,290</b>	<b>787,415,612</b>
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
<b>Total operating expenses</b>		<b>802,934,033</b>	<b>642,878,768</b>
<b>Profit/(loss) before provisions</b>		<b>175,045,257</b>	<b>144,536,844</b>
<b>Provision for:</b>			
General Provision against loans and advances	33	37,277,749	36,574,916
Specific 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)
<b>Total provision</b>		<b>76,185,912</b>	<b>48,721,856</b>
<b>Profit/(loss) before taxes</b>		<b>98,859,345</b>	<b>95,814,988</b>
<b>Provision for Taxation:</b>			
Current tax expense	36.1	87,064,703	67,261,490
Deferred tax expense/ (income)	36.2	(8,290,726)	(10,909,818)
<b>Total provision for Taxation</b>		<b>78,773,977</b>	<b>56,351,671</b>
<b>Net profit / (loss) after taxes</b>		<b>20,085,368</b>	<b>39,463,317</b>
<b>Appropriations:</b>			
Statutory reserve	15	19,771,869	19,162,998
General reserve		-	-
Dividend etc.		-	-
		<b>19,771,869</b>	<b>19,162,998</b>
<b>Retained earnings</b>		<b>313,499</b>	<b>20,300,319</b>
<b>Earnings Per Share (EPS)</b>	37	<b>0.05</b>	<b>0.10</b>

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

 **Alamgir Hossain**  
 Managing Director
  **Muktesur 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


Particulars	Paid up capital	Share Premium	Statutory Reserve	Revaluation Reserve on Govt. Securities	Assets Revaluation reserve	Retained Earnings	Amount in BDT
							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. Securities	Assets Revaluation reserve	Retained Earnings	Amount in BDT
							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.

  
Mukteswar Raihan  
Director

  
Alamgir Hossain  
Managing Director  
Place: Dhaka  
Date: 29 April 2026

  
N K A Mobin FCS, FCA  
Independent Director

  
Chowdhury Mohammed Hanif Shueb  
Chairman




**Citizens Bank PLC  
Cash Flow Statement  
For the year ended 31 December 2025**

Particulars	Note	Amount in BDT	
		2025	2024
<b>A. Cash flows from operating activities</b>			
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)		<b>143,109,985</b>	<b>177,271,110</b>
<b>Increase/decrease in operating assets &amp; liabilities</b>			
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
<b>Net cash flows from operating activities (i+ii)</b>		<b>1,561,863,352</b>	<b>466,477,059</b>
<b>B. Cash flows from investing activities</b>			
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
<b>Net cash used in investing activities</b>		<b>(738,428,056)</b>	<b>(1,471,463,622)</b>
<b>C. Cash flows from financing activities</b>			
Proceeds from issue of ordinary shares		-	-
Proceeds from issue of right shares		-	-
Share Premium		-	-
Dividend paid		-	-
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>823,435,296</b>	<b>(1,004,986,562)</b>
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
<b>Cash and cash equivalents at end of the year</b>	<b>39</b>	<b>6,616,229,218</b>	<b>5,732,974,650</b>
<b>Cash and cash equivalents at end of the year:</b>			
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	-
		<b>6,616,229,218</b>	<b>5,732,974,650</b>

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

  
Alamgir Hossain  
Managing Director

  
Mukhtiar Rahman  
Director

  
N K A Mobin FCS, FCA  
Independent Director


  
Chowdhury Mohammed Hanif Shoel  
Chairman

Place: Dhaka  
Date: 29 April 2026

**Citizens Bank PLC**  
**Liquidity Statement**  
**As at 31 December 2025**


Particulars	Amount in BDT					
	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
<b>Assets</b>						
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	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	-	-	-	-	-	-
<b>Total Assets</b>	<b>9,614,846,592</b>	<b>4,309,311,731</b>	<b>4,862,242,421</b>	<b>2,590,281,046</b>	<b>2,312,207,486</b>	<b>23,688,889,276</b>
<b>Liabilities</b>						
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	150,662,234	162,039,984	697,633,783	1,021,011,079
<b>Total Liabilities</b>	<b>7,079,477,100</b>	<b>4,765,723,983</b>	<b>6,145,446,186</b>	<b>817,371,595</b>	<b>815,941,253</b>	<b>19,623,960,116</b>
<b>Net liquidity excess/(shortage)</b>	<b>2,535,369,492</b>	<b>(456,412,252)</b>	<b>(1,283,203,765)</b>	<b>1,772,909,451</b>	<b>1,496,266,233</b>	<b>4,064,929,160</b>

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

  
**Alamgir Hossain**  
Managing Director

  
**Mukhlisur Rahman**  
Director

  
**N K A Mobin FCS/FCA**  
Independent Director

  
**Chowdhury Mohammed Hanif Shoeb**  
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 Citizens Bank PLC**

**1.1 8/Apr/00**

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

**1.2 Principal Activities & Nature of operations**

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

**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.
Investments	Residual maturity term.
Loans and advances	Repayment/maturity schedule and behavioural trend (non-maturity products).
Fixed assets	Useful life.
Other assets	Realisation/amortisation basis.
Borrowings from other banks and financial	Maturity/repayment term.
Deposits and other accounts	Maturity and behavioural trend (non-maturity products).
Other long term liability	Maturity term.
Provision and other liability	Settlement/adjustment schedule basis.

**xiii. Disclosure of appropriation of profit**

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

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

**xiv. Foreign currency transactions**

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

Assets and liabilities in foreign currencies as at 31 December 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
- 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
- Land is recognised at cost at the time of acquisition and subsequently measured at fair value as per IAS 16 'Property, Plant & Equipment'.

#### **2.1.3 Going concern basis of accounting**

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

#### 2.1.4 Directors responsibility on statements

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

#### 2.1.5 Use of judgments and estimates

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

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

Income tax - as explained in Note 36.1

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

Right of use of assets & lease obligation in Note 8.1

Loan loss provision in Note 33.0

#### 2.1.6 Disclosure on Basel-III

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

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

##### Key principal of Basel III

**Capital conservation Buffer** is designed to absorb losses during periods of financial and economic stress. Financial institutions will be required to hold a capital conservation buffer of 2.5% to withstand future periods of stress, bringing the total common equity requirement to 7% (4.5% common equity requirement and then 2.5% capital conservation buffer). The capital conservation buffer must be met exclusively with common equity. Financial institutions that do not maintain the capital conservation buffer faces restrictions on 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 - Held for Trading (HFT)	Cost	Fair value	Loss to Profit and Loss Account, gain to Revaluation Reserve.
Shares (Quoted) * for Trading (HFT)	Cost	Lower of cost or market value (overall portfolio)	Loss (net off gain) to profit and loss account. Unrealized gain is recognized through revaluation reserve.
Prize bond	Cost	Cost	None

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

### 2.2.3 Loans and advances and provisions for loans and advances

- a) Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not sell in the normal course of business.
- b) At each balance sheet date and periodically throughout the year, the Bank reviews loans and advances to assess whether objective evidence that impairment of a loan or portfolio of loans has arisen supporting a change in the classification of loans and advances, which may result in a change in the provision required in accordance with BRPD circular no. 53 (30 December 2021), BRPD circular no. 52 (29 December 2021), BRPD circular no. 51 (29 December 2021), BRPD circular no. 50 (14 December 2021), BRPD circular no. 45 (04 October 2021), BRPD circular no. 19 (26 August 2021), BRPD circular no. 13 (27 June 2021), BRPD circular no. 05 (24 March 2021), BRPD circular no. 03 (31 January 2021), BRPD circular no. 56 (10 December 2020), BRPD circular no. 52 (20 October 2020), BRPD circular no. 16 (21 July 2020), BRPD circular no. 03 (21 April 2019), BRPD circular no.1 (20 February 2018), BRPD circular no.15 (27 September 2017), BRPD circular no.16 (18 November 2014), BRPD circular no. 05 (29 May 2013), BRPD circular no. 19 (27 December 2012) and BRPD circular no.14 (23 September 2012). The guidance in the circular follows a formulaic approach whereby specified rates are applied to the various categories of loans as defined in the circular. The provisioning rates are as follows:

Types of loans and advances	Provision				
	STD	SMA	SS	DF	BL
<b>Consumer:</b>					
House building and professional	1.00%-2.00%	1.00%-2.00%	20.00%	50.00%	100.00%
Other than housing finance & professionals to setup	2.00%	2.00%	20.00%	50.00%	100.00%
Provision for loan to broker house, merchant banks, stock	2.00%	2.00%	20.00%	50.00%	100.00%
Short-term agri-credit and micro credit	1.00%	1.00%	5.00%	5.00%	100.00%

Small and medium enterprise finance	0.25%	0.25%	20.00%	50.00%	100.00%
Cottage, micro and small credit (CMSME)	0.25%	0.25%	5.00%	20.00%	100.00%
Others	1.00%	1.00%	20.00%	50.00%	100.00%

## 2.2.4 Fixed assets (property, plant and equipment)

### Recognition and measurement

- As per IAS 16 Property and Equipment Items of fixed assets excluding land are measured at cost less accumulated depreciation and accumulated impairment losses, if any.
- Purchase of software that is integral to the related equipment is capitalised As part of that
- 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	IAS - 20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS - 21	Complied
Borrowing Costs	IAS - 23	Not Applicable
Related Party Disclosures	IAS - 24	Complied
Accounting and Reporting by Retirement Benefit Plans	IAS - 26	Complied
Separate Financial Statements	IAS - 27	Complied
Investments in Associates and Joint Ventures	IAS - 28	Not Applicable
Financial Reporting in Hyperinflationary Economics	IAS - 29	Not Applicable
Financial Instruments: Presentation	IAS - 32	Not Applicable
Earnings Per Share	IAS - 33	Complied
Interim Financial Reporting	IAS - 34	Complied
Impairment of Assets	IAS - 36	Not Applicable
Provisions, Contingent Liabilities and Contingent Assets	IAS - 37	Complied
Intangible assets	IAS - 38	Complied
Financial Instruments: Recognition and Measurement	IAS - 39	Complied
Investment Property	IAS - 40	Not Applicable
Agriculture	IAS - 41	Not Applicable
First-time Adoption of International Financial Reporting 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 31.12.2025 is as below:

Sl. No.	Name	Status with Bank	Status with Committee	Duration	Educational/ professional qualification
1	Mr. A K M Shahidul Haque	Independent Director	Chairman	Since July 31, 2024	M.A.
2	Mr. N K A 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.

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
	<u>1,399,423,328</u>	<u>911,093,256</u>

**3.1 Cash in hand:**

Local currency	426,870,888	336,320,010
Foreign currency	3,422,695	3,986,340
	<u>430,293,583</u>	<u>340,306,350</u>

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

Local currency	790,123,166	539,710,855
Foreign currencies	179,006,579	31,076,052
	<u>969,129,745</u>	<u>570,786,907</u>

Sonali Bank (An agent of Bangladesh Bank) - local currency

	-	-
	<u>969,129,745</u>	<u>570,786,907</u>

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

Pursuant to section 33 of Bank Company Act, 1991 (amended upto date), MPD circular no. 03 dated 09 April 2020 and BRPD circular letter no. 31 dated 18 June 2020 issued by Bangladesh Bank, CZB has been maintaining CRR @ 3.5% on daily basis, and @ 4.0% on bi-weekly basis. CRR requirement is calculated on the basis of weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. CRR of December 2025 is maintained on the basis of weekly ATDTL of October 2025). Reserve maintained by the bank as at 31 December is as follows:

Average total demand and time liabilities of October 2025	<u>14,155,438,000</u>	<u>10,931,938,000</u>
<b>Daily basis:</b>		
Required reserve (3.50%)	424,663,000	382,618,000
Actual reserve held with Bangladesh Bank*	799,175,660	540,534,230
<b>Surplus</b>	<u>374,512,660</u>	<u>157,916,230</u>
<b>Weely basis:</b>		
Required reserve (4.00%)	566,218,000	437,278,000
Actual reserve held with Bangladesh Bank*	799,175,660	540,534,230
<b>Surplus</b>	<u>232,957,660</u>	<u>103,256,230</u>

**Bi-weekly basis:**

**3.b Statutory Liquidity Ratio (SLR):**

Pursuant to section 33 of Bank Company Act, 1991 (amended upto date), DOS circular no. 1 dated 19 January 2014 and DOS circular letter no. 26 dated 19 August 2019 issued by Bangladesh Bank, CZB has been maintaining SLR @ 13% on weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. SLR of December 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
<b>Surplus</b>	<u>2,798,615,860</u>	<u>2,610,447,370</u>

Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24
<b>3.c Actual reserve held</b>		
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
	<b>4,638,647,765</b>	<b>4,031,534,570</b>
<b>3.c.1 Excess cash reserve:</b>		
Balance with Bangladesh Bank *	799,175,662	540,534,230
Less: Required cash reserve on bi-weekly	566,218,000	437,278,000
<b>Excess of cash reserve as on the reporting</b>	<b>232,957,662</b>	<b>103,256,230</b>
*As per Bangladesh Bank Local & Foreign		
<b>4.0 Balance with other Banks and Financial Institutions</b>		
Inside Bangladesh (4.1)	4,718,396,009	4,734,780,527
Outside Bangladesh	195,559,881	87,100,866
	<b>4,913,955,890</b>	<b>4,821,881,393</b>
<b>4.1 Inside Bangladesh</b>		
<b>In Current Deposit Accounts with:</b>		
Trust Bank PLC	8,470,207	2,010,891
EXIM Bank PLC	8,269,236	2,710,939
	<b>16,739,443</b>	<b>4,721,830</b>
<b>In Special Notice Deposit Accounts with:</b>		
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
	<b>51,656,566</b>	<b>10,058,697</b>
<b>In Fixed Deposit/Placement Accounts with:</b>		
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
	<b>4,650,000,000</b>	<b>4,720,000,000</b>
<b>Total</b>	<b>4,718,396,009</b>	<b>4,734,780,527</b>



Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24
<b>4.2 Outside Bangladesh</b>		
<b>USD</b>		
Sonali Bangladesh UK Limited (SBUK)	251,697	246,359
Habib American Bank, NY, USA	108,690,036	74,886,124
	<b>108,941,732</b>	<b>75,132,482</b>
<b>EURO</b>		
Sonali Bangladesh UK Limited (SBUK)	7,979,669	4,234,392
	<b>7,979,669</b>	<b>4,234,392</b>
<b>ACU</b>		
Sonali Bank - Kolkata	108,501	106,200
AB Bank - Mumbai	78,257,092	6,643,633
AXIS Bbank - India	272,888	984,158
	<b>78,638,481</b>	<b>7,733,992</b>
	<b>195,559,881</b>	<b>87,100,866</b>
<b>4.3 Maturity grouping of balance with other banks and financial institutions</b>		
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	-	-
	<b>4,913,955,890</b>	<b>4,821,881,393</b>
<b>5.0 Money at call on short notice</b>		
Non-Bank Financial Institutions (NBFIs)	-	-
Lanka Bangla Finance Limited	180,000,000	-
Meghna Bank PLC	122,850,000	-
	<b>302,850,000</b>	<b>-</b>
<b>6.0 Investments</b>		
Government securities (6.1)	4,325,571,617	3,588,036,792
Other investments (6.2)	476,885,373	468,471,170
	<b>4,802,456,990</b>	<b>4,056,507,962</b>
<b>6.1 Government Securities</b>		
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
	<b>4,325,571,617</b>	<b>3,588,036,792</b>
<b>6.1.1 Treasury Bills</b>		
Treasury Bills HFT	2,449,441,308	2,066,909,000
Treasury Bills HTM	-	-
	<b>2,449,441,308</b>	<b>2,066,909,000</b>



Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24
<b>6.1.2 Treasury Bonds</b>		
Treasury Bonds HFT	-	10,012,060
Treasury Bonds HTM	1,525,955,208	1,219,395,432
	<b>1,525,955,208</b>	<b>1,229,407,492</b>
<b>6.1.3 Bangladesh Bank Bill</b>		
Bangladesh Bank Bill HFT	-	291,655,500
Bangladesh Bank Bill HTM	-	-
	<b>-</b>	<b>291,655,500</b>
<b>6.2 Other investments</b>		
<b>Investment in quoted shares at cost</b>		
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	-
	<b>76,885,373</b>	<b>68,471,170</b>
<b>Investment in Subordinated Bond</b>		
Dutch Bangla Bank PLC	400,000,000	400,000,000
	<b>400,000,000</b>	<b>400,000,000</b>
	<b>476,885,373</b>	<b>468,471,170</b>
<b>7.0 Loans and advances</b>		
Loans, cash credits, overdrafts etc.	10,983,921,237	8,134,413,729
Bills purchased and discounted	79,752,398	138,367,851
	<b>11,063,673,635</b>	<b>8,272,781,580</b>
<b>7.1 Loans, cash credits, overdrafts etc.</b>		
<b>Inside Bangladesh</b>		
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
	<b>11,063,673,635</b>	<b>8,272,781,580</b>
<b>Outside Bangladesh</b>	-	-
	<b>-</b>	<b>-</b>
<b>7.2 Residual maturity grouping of loans and advances (including bills purchased &amp; discounted)</b>		
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
	<b>11,063,673,635</b>	<b>8,272,781,580</b>

Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24

**7.3 Loans and advances to Directors, executives and others**

Advance to Directors and their allied concerns	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
	<b>11,063,673,635</b>	<b>8,272,506,990</b>

**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
	<b>4,010,405,125</b>	<b>3,829,159,998</b>

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 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	-	-	-
<b>Total</b>	<b>4,010,405,125</b>	<b>1,266,530,508</b>	<b>5,276,935,633</b>

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

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
	<b>11,063,673,635</b>	<b>8,272,781,580</b>

Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24

**7.5.1 Cluster base CMSME Financing**

As of 31 December 2025 Citizens Bank PLC do not have any outstanding amount under Bangladesh Bank SMESPD circular no. 05 dated 14 August 2022.

**7.6 Sector - wise concentration of loans and advances (including bills purchased and discounted)**

Government sector	-	-
Public sector	-	-
Private sector	11,063,673,635	8,272,781,580
	<u>11,063,673,635</u>	<u>8,272,781,580</u>

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

**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
	<u>11,063,673,635</u>	<u>8,272,781,580</u>



Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24

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					Total Outstanding amount (Taka)	Mix (%)
	2025			Mix (%)	2024		
	Outstanding amount (Taka)						
	Main Operation	Off-shore Banking Unit	Total				
<b>Unclassified loans and advances</b>							
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	-	
<b>Total unclassified loans and advance</b>	<b>11,042,033,929</b>	<b>-</b>	<b>11,042,033,929</b>	<b>100%</b>	<b>8,272,781,580</b>	<b>100%</b>	
<b>Classified loans and advances</b>							
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%	-	-	
<b>Total classified loans and advances</b>	<b>21,639,706.41</b>	<b>-</b>	<b>21,639,706.41</b>	<b>0%</b>	<b>-</b>	<b>-</b>	
<b>Total loans and advances</b>	<b>11,063,673,635</b>	<b>-</b>	<b>11,063,673,635</b>	<b>100%</b>	<b>8,272,781,580</b>	<b>100%</b>	

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

Classification / Status of loans and advances	Amount of outstanding loans and advances as at 31 December 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)
<b>Unclassified loans and advances</b>					
Agricultural Credit (Other than Short Term)	215,809,952	215,809,952	1%	1,079,049.76	
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	-
	<b>10,961,906,353</b>	<b>10,961,906,353</b>		<b>104,476,695</b>	<b>-</b>
<b>Special mention account</b>					
Agricultural 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	
	<b>80,127,576</b>	<b>80,127,576</b>		<b>3,403,734</b>	<b>-</b>
<b>Sub-total General Provision [A]</b>	<b>11,042,033,929</b>	<b>11,042,033,929</b>		<b>107,880,430</b>	<b>-</b>
<b>Special General Provision-Covid 19 (Calculated) [B]</b>					
<b>Classified loans and advances</b>					
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	
<b>Sub-total [C]</b>	<b>21,639,706</b>	<b>15,810,088</b>		<b>6,978,255</b>	
<b>Total provision required [A+B+C]</b>	<b>11,063,673,635</b>	<b>11,057,844,017</b>		<b>114,858,685</b>	
<b>Total provision maintained [Note 13]</b>				<b>116,058,736</b>	<b>-</b>
<b>Total provision surplus</b>				<b>1,200,052</b>	

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

Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24
<b>b.1</b>		
<b>Total provision required</b>		
Main Operation (i)	114,858,685	71,754,749
Off-shore Banking Unit (ii)	-	-
	<b>114,858,685</b>	<b>71,754,749</b>
<b>Total provision maintained</b>		
Main Operation (iii)	116,058,736	71,754,749
Off-shore Banking Unit (iv)	-	-
	<b>116,058,736</b>	<b>71,754,749</b>
<b>Total provision surplus</b>		
Main Operation (iii-i)	1,200,052	-
Off-shore Banking Unit (iv-ii)	-	-
	<b>1,200,052</b>	<b>-</b>
<b>7.9 Particulars of loans and advances</b>		
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.	-	-
	<b>9,805,399,504</b>	<b>6,142,537,137</b>
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.	-	-
ix) Due from other banking companies	-	-
x) Information in respect of classified loans and advances	-	-
a) Classified loans for which interest/profit not credited to income		
(i) (Decrease)/Increase of provision (specific)	-	-
(ii) Amount of loans written off	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:	-	-
<b>Opening Balance</b>	-	-
Amount written off during the year:		
Principal amount	-	-
Interest suspense	-	-
Balance of written off loans and advances	-	-



Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24
<b>8.0 Fixed assets including land, building, furniture and fixtures</b>		
<b>At Cost</b>		
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
<b>Total Cost</b>	<b>1,220,203,073</b>	<b>1,044,385,486</b>
Accumulated depreciation and amortization	<b>385,001,452</b>	<b>268,125,667</b>
<b>Written down value at the end of the year</b>	<b>835,201,621</b>	<b>776,259,819</b>
A schedule of Fixed Assets is given in Annexure - B		
<b>8.1 Right of Use (RoU) assets</b> comprise of lease liabilities which is the present value of lease payments against rented premises less incentive plus initial direct payment and dismantling cost etc. Any contractual obligation for use of any rented/leased premises or assets for a period exceeding twelve months and/or exceeding the threshold for low value asset and substantially risks and benefits related to ownership of those rented premises/assets transfer to the bank are recognized as RoU assets as per IFRS 16 'Leases'.		
<b>9.0 Other Assets</b>		
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
	<b>371,327,812</b>	<b>262,954,786</b>
<b>9.1 Advance Income Tax</b>		
Opening balance	166,115,907	100,738,723
Paid during the year	89,064,703	65,377,184
Closing balance	<b>255,180,610</b>	<b>166,115,907</b>
<b>9.2 Deferred tax assets</b>		
Opening balance	3,795,432	
Addition / Adjustment during the yea	8,111,597	3,795,432
Closing balance	<b>11,907,029</b>	<b>3,795,432</b>
<b>Deferred tax liability / (Assets)</b>		
<b>i. Temporary timing difference in written down value of fixed assets</b>		
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%
<b>Deferred tax liability / (Assets)</b>	<b>(11,907,029)</b>	<b>-</b>
<b>ii. Temporary timing difference for employee benefit fund</b>		
Employees Provident fund, Gratuity, ESSF	-	-
Tax base	-	-
Taxable temporary difference	-	-
Tax rate	40.00%	40.00%
<b>Deferred tax liability</b>	<b>-</b>	<b>-</b>
<b>Total Deferred tax liability / / (Assets) (i+ii)</b>	<b>(11,907,029)</b>	<b>-</b>

Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24
<b>9.3 Interest Receivable</b>		
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
	<b>68,216,125</b>	<b>51,260,327</b>
<b>10.0 Non-banking assets</b>		
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.	-	-
<b>11.0 Borrowing from other banks, financial institutions and agents:</b>		
In Bangladesh	20,833,327	36,599,259
Outside Bangladesh	-	-
	<b>20,833,327</b>	<b>36,599,259</b>
<b>12.0 Deposit and other accounts</b>		
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
<b>Total deposit and other accounts</b>	<b>18,582,115,710</b>	<b>14,291,492,033</b>
<b>12.1 Customer and other deposits</b>		
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	-	-
<b>Total deposit and other accounts</b>	<b>17,292,115,710</b>	<b>12,517,769,634</b>
<b>12.2 Maturity analysis of deposits</b>		
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
	<b>18,582,115,710</b>	<b>14,291,492,033</b>
<b>12.3 Sector - wise concentration of Deposits and other accounts</b>		
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
	<b>18,582,115,710</b>	<b>14,291,492,033</b>
<b>13.0 Other Liabilities</b>		
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	-
	<b>1,021,011,079</b>	<b>729,501,924</b>



Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24
<b>13.1 Accrued Expenses Payable</b>		
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	-
	<b>88,794,901</b>	<b>45,364,275</b>
<b>13.2 Deferred tax assets</b>		
Opening balance	-	7,114,387
Addition / Adjustment during the yea	-	(7,114,387)
Closing balance	-	-
<b>Deferred tax liability / (Assets)</b>		
<b>i. Temporary timing difference in written down value of fixed assets</b>	-	-
Carrying amount of fixed assets	-	-
Tax base	-	-
Taxable temporary difference	-	-
Tax rate	40.00%	40.00%
<b>Deferred tax liability / (Assets)</b>	-	-
<b>ii. Temporary timing difference for employee benefit fund</b>	-	-
Employees Provident fund, Gratuity, ESSF	-	-
Tax base	-	-
Taxable temporary difference	-	-
Tax rate	40.00%	40.00%
<b>Deferred tax liability</b>	-	-
<b>Total Deferred tax liability / / (Assets) (i+ii)</b>	-	-
<b>14.0 Share Capital</b>		
<b>14.1 Authorized Capital</b>		
Authorized Capital is the maximum amount of share capital that the bank is authorized by its Memorandum & Article of Association to issue to shareholders.		
1,000,000,000 ordinary shares of Tk. 10 each	<b>10,000,000,000</b>	<b>10,000,000,000</b>
<b>14.2 Issued, subscribed and fully paid up capital</b>		
400,000,000 ordinary shares of Taka 10 each issued for cash	4,000,000,000	4,000,000,000
	<b>4,000,000,000</b>	<b>4,000,000,000</b>

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

**14.3 Capital to risk-weighted asset ratio (CRAR)**

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

In terms of section 13(2) of the Bank Company Act, 1991 (Amendment up to date) and Bangladesh Bank BRPD Circular no. 18 dated 21 December 2014, required capital of the Bank at the close of business on December 31, 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-

Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24
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:		
<b>Common Equity Tier -1 Capital</b>		
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	-	-
	<b>4,062,882,483</b>	<b>4,042,797,115</b>
<b>Regulatory adjustment:</b>		
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 Ent	-	-
Any investment exceeding the approved limit under section 26(2) of Bank Company A	-	-
Investments in subsidiaries which are not consolidated- 50% of Investment - Other if	-	-
	<b>23,026,069</b>	<b>-</b>
<b>Total Common Equity Tier-I Capital</b>	<b>4,039,856,414</b>	<b>4,042,797,115</b>
<b>Additional Tier-I Capital</b>	<b>-</b>	<b>-</b>
<b>Total Tier-1 Capital</b>	<b>4,039,856,414</b>	<b>4,042,797,115</b>
<b>Tier -2 Capital</b>		
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 capit	-	-
Other (if any item approved by Bangladesh Bank)	-	-
<b>Sub-Total</b>	<b>143,138,651</b>	<b>82,716,426</b>
<b>Regulatory adjustments:</b>		
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 Entitie	-	-
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 )	-	-
<b>Total Tier-2 Capital Available</b>	<b>143,138,651</b>	<b>82,716,426</b>
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		
<b>Total admissible Tier 2 Capital</b>	<b>143,138,651</b>	<b>82,716,426</b>
<b>Total Eligible Capital</b>	<b>4,182,995,065</b>	<b>4,125,513,541</b>
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
<b>Total required capital (12.50% of Total RWA)</b>	<b>4,000,000,000</b>	<b>4,000,000,000</b>
<b>Capital Surplus / (Shortfall)</b>	<b>182,995,065</b>	<b>125,513,541</b>
<b>Capital to Risk Weighted Assets Ratio (CRAR)</b>	<b>33.53%</b>	<b>45.56%</b>

Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24
<b>15.0 Statutory reserve</b>		
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
	<u>57,175,831</u>	<u>37,403,962</u>
<b>16.0 Other reserve</b>		
Balance at the beginning of the year	-	-
Add: Transferred from profit during the year	-	-
	<u>-</u>	<u>-</u>
<b>17.0 Surplus in profit and loss account/ retained earnings</b>		
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)
	<u>5,706,652</u>	<u>5,393,153</u>
<b>18.0 Contingent liabilities</b>		
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	-	-
	<u>3,960,430,067</u>	<u>1,715,788,888</u>
<b>19.0 Profit and Loss Account</b>		
<b>Income:</b>		
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	-	-
	<u>2,408,084,909</u>	<u>1,885,844,344</u>
<b>Expenses:</b>		
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
	<u>2,233,039,652</u>	<u>1,741,307,500</u>
	<u>175,045,257</u>	<u>144,536,844</u>
<b>20.0 Interest income</b>		
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
	<u>1,870,513,882</u>	<u>1,368,090,076</u>
<b>21.0 Interest paid on deposits and borrowings</b>		
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
	<u>1,430,105,619</u>	<u>1,098,428,732</u>
<b>22.0 Investment income</b>		
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	-
	<u>387,797,495</u>	<u>435,309,086</u>



Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24
<b>23.0 Commission, exchange and brokerage</b>		
Commission	48,328,146	19,695,425
Exchange gain	60,257,106	46,948,181
Brokerage fees	-	-
	<b>108,585,252</b>	<b>66,643,606</b>
<b>24.0 Other operating income</b>		
Service Charge & Fees Income	41,188,279	15,801,575
	<b>41,188,279</b>	<b>15,801,575</b>
<b>25.0 Salary &amp; allowances (excluding those of Managing Director &amp; CEO)</b>		
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
	<b>373,273,470</b>	<b>256,261,413</b>
<b>26.0 Rent, taxes, insurance, utilities etc.</b>		
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
	<b>38,448,350</b>	<b>28,814,637</b>
*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.		
<b>27.0 Postage, stamp, telecommunication etc.</b>		
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
	<b>15,289,803</b>	<b>6,915,975</b>
<b>28.0 Stationery, printing, advertisement etc.</b>		
Printing and stationery	19,948,826	15,551,411
Advertisement	34,704,567	16,542,582
	<b>54,653,392</b>	<b>32,093,993</b>
<b>29.0 Managing Director's salary and allowances</b>		
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
	<b>8,960,413</b>	<b>17,887,198</b>
<b>30.0 Directors' fees and expenses</b>		
Directors' fees	2,640,000	1,835,634
Meeting expenses	-	-
	<b>2,640,000</b>	<b>1,835,634</b>

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.

Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24
<b>31.0 Repairs, maintenance and depreciation</b>		
<b>Depreciation</b>		
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
	<u>133,851,106</u>	<u>123,393,339</u>
<b>Repairs, maintenance and spare parts</b>		
Repairs of Fixed Assets	1,972,260	563,477
	<u>1,972,260</u>	<u>563,477</u>
	<u>135,823,366</u>	<u>123,956,816</u>
<b>32.0 Other expenses</b>		
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
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
	<u>172,190,707</u>	<u>174,883,103</u>
<b>33.0 Provision For loans and advances:</b>		
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
	<u>67,448,463</u>	<u>45,231,277</u>
<b>34.0 Provision for diminution in value of Investments</b>		
Diminution in value of Investments	8,737,449	4,167,342
	<u>8,737,449</u>	<u>4,167,342</u>
<b>35.0 Provision for Others</b>		
Provision for Other Assets	-	(676,763)
	<u>-</u>	<u>(676,763)</u>
<b>36.0 Provision for Taxation</b>		
<b>36.1 Current tax expense</b>		
Current year	87,064,703	67,261,490
	<u>87,064,703</u>	<u>67,261,490</u>
<b>36.2 Deferred tax expense/(income)</b>		
Net deferred Tax liability/(asset) originated for temporary differences	(11,907,029)	(3,795,432)
Pervious years balance	3,616,303	(7,114,387)
	<u>(8,290,726)</u>	<u>(10,909,818)</u>

Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24

**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.

<b>Profit after taxation</b>	<b>20,085,368</b>	<b>39,463,317</b>
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
<b>Earnings per share (EPS)</b>	<b>0.05</b>	<b>0.10</b>

As per IAS - 12 deferred tax asset shall be recognized for the carry forward of unused tax losses or tax credits to the extent that it is probable that future taxable profit will be available to set off the carry-forward loss or tax credit. Therefore deferred tax asset has been created for loss incurred for the reporting period ended 31 December 2025.

**38.0 Net Asset Value (NAV) Per Share**

Total Shareholders Equity [numerator]	4,064,929,160	4,043,885,582
Number of ordinary shares outstanding [denominator]	400,000,000	400,000,000
<b>Net Asset Value (NAV) Per Share</b>	<b>10.16</b>	<b>10.11</b>

**39.0 Net Operating Cash Flow Per Share (NOCFPS)**

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
<b>Net operating cash flow per share (NOCFPS)</b>	<b>3.90</b>	<b>1.17</b>

**40.0 Cash and cash equivalent**

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
<b>6,616,229,218</b>	<b>5,732,974,650</b>	

**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**

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)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>143,109,985</b>	<b>177,271,110</b>



Notes to the Financial Statements	Amount in BDT	
	31-Dec-25	31-Dec-24
<b>Increase/(decrease) in operating assets and liabilities</b>		
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
<b>Net cash from operating activities</b>	<b>1,561,863,352</b>	<b>466,477,059</b>

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
<b>Factors affecting the tax charge in current year</b>				
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)
<b>Total income tax expenses</b>	<b>41.07%</b>	<b>71,174,129</b>	<b>39.48%</b>	<b>56,351,671</b>



**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

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
<b>At 31 December 2025</b>	<b>1,044,385,486</b>	<b>257,483,674</b>	<b>81,666,088</b>	<b>1,220,203,073</b>	<b>268,125,667</b>	<b>133,851,106</b>	<b>16,975,320</b>	<b>385,001,452</b>	<b>835,201,621</b>

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
<b>At 31 December 2024</b>	<b>747,275,573</b>	<b>306,661,117</b>	<b>9,551,204</b>	<b>1,044,385,486</b>	<b>148,457,060</b>	<b>123,393,339</b>	<b>3,724,732</b>	<b>268,125,667</b>	<b>776,259,819</b>

