



Commercial Bank of Ceylon PLC

Bangladesh Operations



AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024



Best Corporate Bank Bangladesh 2024 | Most Sustainable Bank Bangladesh 2024 | Most Recommended Foreign Bank in Bangladesh 2024 | Most Innovative Foreign Banking Brand Bangladesh 2024 | Highest Credit Rating "AAA" for 14 Consecutive Years | Best International Trade Finance Bank of The Year-2024 | Best Foreign Bank Awards 2024 | Best Banking CEO of the year- 2024 | Best Working Place in Banking Sector 2024



**Independent Auditor's Report
To the Management of Commercial Bank of Ceylon PLC – Bangladesh Operations
Report on the Audit of the Financial Statements**

Opinion

We have audited the financial statements of Commercial Bank of Ceylon PLC – Bangladesh Operations (“the Bank”), which comprise the Balance Sheet as at 31 December 2024 and Profit and Loss Account, Cash Flow Statement and Statement of Changes in Equity for the year then ended, summary of significant accounting policies, other explanatory notes and annexures thereto.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the financial position of the Bank as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Bank Company Act, 1991 (as amended up to date), the Companies Act, 1994, the rules and regulations issued by the Bangladesh Bank and other applicable laws and regulations.

Basis for opinion

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

Other information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's report thereon. The annual report 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 other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Banking Companies Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, and other applicable Laws and Regulations and for such internal controls 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 guidelines require the management to ensure effective internal audit, internal control, and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional 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;
- Obtain sufficient appropriate audit evidence regarding the financial information of the Bank or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Bank's audit. We remain solely responsible for our audit opinion.

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

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.

Report on other legal and regulatory requirements

In accordance with the Companies Act, 1994, the Bank Company Act, 1991 (as amended up to date), the Financial Reporting Act, 2015, 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 purposes of our audit and made due verification thereof;
- ii) To the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - a. internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;
 - b. nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank.
- iii) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- iv) The 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 records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- vi) The expenditures incurred were for the purposes of the Bank's business for the year;
- vii) The financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations, and accounting standards as well as related guidance issued by the Bangladesh Bank;
- viii) Adequate provisions have been made for loans and advances and other assets which are in our opinion, doubtful of recovery;
- ix) The information and explanations required by us have been received and found satisfactory;
- x) We have reviewed over 80% of the risk-weighted assets of the Bank and spent over 2,500 person-hours; and
- xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

A. Qasem & Co.

Chartered Accountants

FRC Enlistment No: CAF-001-129

**Ziaur Rahman Zia FCA**

Partner

Enrolment Number: 1259

DVC: 2502261259AS283000

Place: Dhaka

Date: 26 February 2025

Commercial Bank of Ceylon PLC - Bangladesh Operations
Balance Sheet
As at 31 December 2024

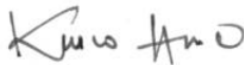
	Notes	2024 Amounts in BDT	2023 Amounts in BDT
PROPERTY AND ASSETS			
Cash	3	8,980,464,669	13,310,391,680
Cash in hand (including foreign currencies)	3.1	685,342,454	478,800,661
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)	3.2	8,295,122,215	12,831,591,019
Balance with other Banks and financial institutions	4	5,397,343,504	15,288,623,191
In Bangladesh	4.1	3,485,962,819	1,905,548,112
Outside Bangladesh	4.2	1,911,380,685	13,383,075,079
Money at call on short notice	5	-	8,050,000,000
Investments	6	54,126,332,216	26,355,976,655
Government	6.1	54,116,915,556	26,346,559,995
Others	6.2	9,416,660	9,416,660
Loans and advances	7	74,958,170,549	65,190,246,521
Loans, cash credit, overdrafts, etc.		53,075,503,777	52,431,240,023
Bills purchased and discounted	8	21,882,666,772	12,759,006,498
Fixed assets including premises, furniture and fixtures	9	610,490,951	716,013,885
Other assets	10	9,628,132,729	6,738,904,915
Non-Banking Assets		-	-
Total Assets		153,700,934,618	135,650,156,847
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, financial institutions and agents	11	4,602,382,678	4,366,679,516
Deposits and other accounts	12	103,842,608,354	96,893,704,852
Current and other accounts	12.1	39,199,095,082	46,515,221,523
Bills payable	12.2	222,404,279	210,369,722
Savings Bank deposits	12.3	6,234,769,912	5,712,289,158
Fixed deposits	12.4	58,125,045,787	44,401,593,014
Other deposits	12.5	61,293,294	54,231,435
Other liabilities	13	18,181,110,991	13,259,129,225
Total Liabilities		126,626,102,023	114,519,513,593
Capital/ Shareholders' Equity			
Paid-up capital/ Deposit kept with Bangladesh Bank	14	7,738,700,000	6,847,000,000
Statutory reserve		-	-
Gains on revaluation of treasury bills/ bonds		23,331,685	23,571,712
Surplus in profit and loss account	15	19,312,800,910	14,260,071,542
Total Shareholders' Equity		27,074,832,595	21,130,643,254
Total Liabilities and Shareholders' Equity		153,700,934,618	135,650,156,847

	Notes	2024 Amounts in BDT	2023 Amounts in BDT
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
	16		
Acceptances and endorsements	16.1	-	-
Letters of guarantee	16.2	11,030,336,085	3,968,795,357
Irrevocable letters of credit	16.3	20,144,359,711	11,963,764,492
Bills for collection	16.4	10,857,050,185	7,488,390,216
Other contingent liabilities	16.5	69,367,577	67,638,549
Total:		42,101,113,558	23,488,588,614
Other commitments			
	17		
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		29,315,464,715	21,299,626,893
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total:		29,315,464,715	21,299,626,893
Total Off-Balance Sheet Items Including Contingent Liabilities		71,416,578,273	44,788,215,507

These financial statements should be read in conjunction with annexed notes.



Binoy G. Roy
Chief Financial Officer



Kasun Herath
Deputy Chief Executive Officer
& Chief Operating Officer



Najith Meewanage
Chief Executive Officer

A. Qasem & Co.

Chartered Accountants
FRC Enlistment No: CAF-001-129



Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

DVC: 2502261259AS283000

Dated: Dhaka
26 February 2025

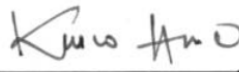
Commercial Bank of Ceylon PLC - Bangladesh Operations
Profit and Loss Account
For the year ended as on 31 December 2024

	Notes	2024 Amounts in BDT	2023 Amounts in BDT
Interest income	18	9,123,845,935	7,176,180,245
Less: Interest paid on deposits and borrowings, etc.	19	4,215,640,733	2,870,240,474
Net interest income		4,908,205,202	4,305,939,771
Investment income	20	3,792,139,207	1,335,060,736
Commission, exchange and brokerage	21	4,281,758,753	4,435,271,977
Other operating income	22	78,541,038	266,590,257
Total operating income		13,060,644,200	10,342,862,741
Salary and allowances	23	747,256,242	695,028,992
Rent, taxes, insurance, electricity, etc.	24	105,563,004	92,792,693
Legal expenses	25	8,130,536	3,515,849
Postage, stamps, telecommunication, etc.	26	19,609,316	18,792,546
Stationery, printing and advertisements, etc.	27	31,455,686	23,307,275
Chief executive's salary and fees	28	25,279,531	22,989,558
Directors' fees		-	-
Auditors' fees		690,000	517,500
Charges on loan losses		-	-
Depreciation and repairs of Bank's assets	29	248,721,162	222,380,526
Other expenses	30	1,311,033,161	1,104,307,372
Total operating expenses		2,497,738,638	2,183,632,311
Profit before provisions		10,562,905,562	8,159,230,430
Provision for loans and advance		258,431,453	421,347,092
Specific provision		12,431,453	85,347,092
General provision	31	246,000,000	336,000,000
Provision for diminution in value of investment		-	-
Other Provision		-	-
Total provision		258,431,453	421,347,092
Profit/(Loss) before taxes		10,304,474,109	7,737,883,338
Provision for taxation	13.4.1	4,300,000,000	3,307,579,190
Current tax		4,293,172,860	3,301,736,786
Deferred tax		6,827,140	5,842,404
Net profit after taxation		6,004,474,109	4,430,304,148

These financial statements should be read in conjunction with annexed notes.



Binoy G. Roy
Chief Financial Officer



Kasun Herath
Deputy Chief Executive Officer
& Chief Operating Officer



Najith Meewanage
Chief Executive Officer

Signed as per our annexed report of same date.

A. Qasem & Co.

Chartered Accountants
FRC Enlistment No: CAF-001-129



Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

DVC: 2502261259AS283000

Dated: Dhaka
26 February 2025

Commercial Bank of Ceylon PLC - Bangladesh Operations
Cash Flow Statement
For the year ended as on 31 December 2024

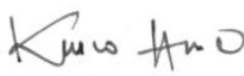
	Notes	2024 Amounts in BDT	2023 Amounts in BDT
Cash flows from operating activities			
Interest receipts in cash		8,944,995,831	7,304,223,307
Interest payments		(3,779,175,689)	(2,609,016,763)
Dividend receipts		13,708,332	-
Fees and commission receipts in cash		867,353,789	676,594,265
Recoveries on loans previously written off		5,844,500	1,933,672
Recoveries on loans provisions		45,054,962	88,894,081
Cash Payments to employees		(744,273,765)	(682,363,414)
Cash Payments to suppliers		(156,628,006)	(134,892,514)
Receipts from other operating activities	33	3,441,693,566	3,932,705,049
Income taxes paid		(2,858,409,009)	(1,547,903,893)
Payments for other operating activities	34	(1,855,268,320)	(1,832,026,516)
Interest receipts from investment		3,778,430,875	1,335,060,736
		7,703,327,066	6,533,208,010
Operating profit before changes in operating assets and liabilities			
(Increase)/Decrease in operating assets and liabilities			
Statutory Deposits		-	-
Purchase/sale of trading securities		-	-
Loans and advances to other Banks		-	-
Loans and advances to customers		(9,767,924,028)	(12,886,774,229)
Other assets	35	148,031,299	236,458,388
Deposits from other Banks		744,509,494	(939,713,204)
Deposits from customers		6,440,097,170	26,702,351,469
Other liabilities account of customer	36	125,231,954	(403,767,565)
		(2,310,054,111)	12,708,554,859
Net cash from operating activities (a)		5,393,272,955	19,241,762,869
Cash flows from investing activities			
Payments / proceeds for purchase of securities		(27,770,753,961)	(13,382,141,738)
Payments / proceeds for purchase of shares		-	-
Purchase/sale of property, plant and equipment		105,522,934	25,877,969
Gains on disposal of property, plant and equipment		352,974	1,735,167
Net cash from investing activities (b)		(27,664,878,053)	(13,354,528,602)
Cash flows from financing activities			
Remittance received from Head Office, Colombo		-	-
Dividend paid/ profit remitted to HO		-	-
Net cash from financing activities (c)		-	-
Net increase/(decrease) in cash [d=(a+b+c)]		(22,271,605,098)	5,887,234,267
Effects of exchange rate changes on cash and cash equivalent		-	-
Cash and cash equivalents at beginning of the year (*) (e)		36,649,824,271	30,762,590,004
Cash and cash equivalents at end of the year (*) [f=(d+e)]		14,378,219,173	36,649,824,271

Notes	2024 Amounts in BDT	2023 Amounts in BDT
(*) Cash and cash equivalents :		
Cash	685,342,454	478,800,661
Prize bonds	411,000	809,400
Money at call and on short notice	-	8,050,000,000
Balance with Bangladesh Bank and its agent Bank(s)	8,295,122,215	12,831,591,019
Balance with other Banks and financial institutions	5,397,343,504	15,288,623,191
	14,378,219,173	36,649,824,271

These financial statements should be read in conjunction with annexed notes.



Binoy G. Roy
Chief Financial Officer



Kasun Herath
Deputy Chief Executive Officer
& Chief Operating Officer



Najith Meewanage
Chief Executive Officer

Signed as per our annexed report of same date.

A. Qasem & Co.

Chartered Accountants
FRC Enlistment No: CAF-001-129



Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

DVC: 2502261259AS283000

Dated: Dhaka
26 February 2025

Commercial Bank of Ceylon PLC - Bangladesh Operations
Statement of Changes in Equity
For the year ended 31 December 2024

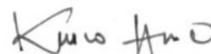
Amounts in BDT

Particulars	Paid-up capital/ Deposit kept with Bangladesh Bank	Statutory reserve	Gains/loss on revaluation of securities	Profit and Loss	Total
Opening balance at 01 January 2024	6,847,000,000	-	23,571,712	14,260,071,542	21,130,643,254
Transfer from / to Deposit kept with Bangladesh Bank from / to Profit and Loss	891,700,000	-	-	(891,700,000)	-
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-
Adjustment of last year's revaluation on investments	-	-	(23,571,712)	-	(23,571,712)
Surplus/(deficit) on account of revaluation of investments	-	-	23,331,685	-	23,331,685
Currency translation differences	-	-	-	-	-
Net gains and losses not recognised in profit and loss statement	-	-	-	-	-
Net profit for the year	-	-	-	6,004,474,109	6,004,474,109
Provision for Start-up Fund 2024	-	-	-	(60,044,741)	(60,044,741)
Dividends/Profit remittance	-	-	-	-	-
Issue of share capital/(Capital brought from Head Office, Colombo)	-	-	-	-	-
Balance at 31 December 2024	7,738,700,000	-	23,331,685	19,312,800,910	27,074,832,595

These financial statements should be read in conjunction with annexed notes.



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Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

DVC: 2502261259AS283000

Dated: Dhaka
26 February 2025

Commercial Bank of Ceylon PLC - Bangladesh Operations
Liquidity Statement (analysis of maturity of assets and liabilities)
As at 31 December 2024

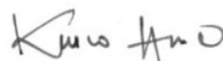
Amounts in BDT

Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	Above 5 years maturity	Total
Assets:						
Cash in hand	8,980,464,669	-	-	-	-	8,980,464,669
Balance with other Banks and financial institutions	5,397,343,504	-	-	-	-	5,397,343,504
Money at call and on short notice	-	-	-	-	-	-
Investments	27,687,170,689	10,290,397,338	7,356,915,259	8,753,756,785	38,092,145	54,126,332,216
Loans and advances	16,915,600,105	17,716,880,932	32,302,784,249	4,144,306,949	3,878,598,314	74,958,170,549
Fixed assets including premises, furniture and fixtures	412,198,437	62,353	6,823,931	181,440,004	9,966,226	610,490,951
Other assets	9,628,132,729	-	-	-	-	9,628,132,729
Non-Banking assets	-	-	-	-	-	-
Total Assets	69,020,910,133	28,007,340,623	39,666,523,439	13,079,503,738	3,926,656,685	153,700,934,618
Liabilities						
Borrowings from Bangladesh Bank, other Banks, financial institutions and agents	4,602,382,678	-	-	-	-	4,602,382,678
Deposits	59,423,994,854	17,235,057,638	23,389,841,531	3,793,714,331	-	103,842,608,354
Other accounts	-	-	-	-	-	-
Provision and other liabilities	18,181,110,991	-	-	-	-	18,181,110,991
Total Liabilities	82,207,488,523	17,235,057,638	23,389,841,531	3,793,714,331	-	126,626,102,023
Net Difference in Liquidity	(13,186,578,390)	10,772,282,985	16,276,681,908	9,285,789,407	3,926,656,685	27,074,832,595

These financial statements should be read in conjunction with annexed notes.



Binoy G. Roy
Chief Financial Officer



Kasun Herath
Deputy Chief Executive Officer
& Chief Operating Officer



Najith Meewanage
Chief Executive Officer

Commercial Bank of Ceylon PLC - Bangladesh Operations**Notes to the financial statements****As at and for the year ended 31 December 2024****1. The Bank and its activities**

Commercial Bank of Ceylon PLC (“the Bank”) is a publicly quoted company incorporated in Sri Lanka on 25 June 1969. It is a licensed commercial bank operating under the provisions of Sri Lanka Banking Act No. 30 of 1988. The Commercial Bank of Ceylon PLC - Bangladesh Operations commenced its Banking operations in Bangladesh on 06 November 2003 by acquiring the operations of Credit Agricole Indosuez a French Bank with two branches and two booths. The principal office of the Bank in Bangladesh is situated in Dhaka having eleven branches currently in operations at Dilkusha, Dhanmondi, Uttara, Mirpur, Gulshan-1, Gulshan-2, Panthapath, Tejgaon of Dhaka, and each at Narayanganj, Chattogram, and Sylhet. The Bank also maintains two sub-branches at US Embassy, Bangladesh and CEPZ Chattogram and six SME centres at Old Dhaka, Shantinagar, Progati Sharani of Dhaka, Tongi of Gazipur, Jubilee Road and CDA Avenue of Chattogram.

The Bank started its offshore Banking activities through its Motijheel Branch, Dhaka on 18 July 2004 which has been transferred to Dhanmondi Branch on 16 March 2005 and subsequently transferred to Gulshan Branch on 12 September 2013. Its second offshore Banking unit which was started on 27 March 2005 in Agrabad Branch, Chattogram was also transferred to Chattogram Export Processing Zone Area on 04 February 2007.

The principal activities carried out by the Bank include all kinds of commercial Banking and clearing services to its customers and corresponding all over the world through its branches in Bangladesh.

2. Significant accounting policies**2.1 Basis of preparation of the financial statements**

The financial statements of the Bank comprise the balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement, and relevant explanatory notes and disclosures thereto that are prepared on a going concern basis under historical cost convention and in accordance with the First Schedule (Section 38) of the Banking Companies Act 1991, BRPD Circular No. 14 dated 25 June 2003, other relevant circulars issued by Bangladesh Bank, International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh and other laws and rules applicable in Bangladesh.

2.1.1 Statement of compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) has been formed. The Banking Companies Act 1991 (as amended up to date) has been amended to require Banks to prepare their financial statements under such financial reporting standards. The FRC is formed in 2017 and has since then adopted the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as the applicable Financial Reporting Standards through Gazette No. 146/FRC/prosha:/proggapon/2020/67, dated 02 November 2020.

Accordingly, the financial statements of the Bank continue to be prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Banking Companies Act 1991 (as amended up to date) and the rules and regulations issued by Bangladesh Bank. In case any requirement of the Banking Companies Act 1991 and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs, the requirements of the Banking Companies Act 1991 (as amended up to date) and provisions and circulars issued by Bangladesh Bank shall prevail. Material deviations from the requirements of IFRS are as follows:

i) Investment in shares and securities

IFRS: As per requirements of IFRS 9: classification and measurement of investment in shares and securities will depend on how these are managed (the entity’s business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under “at fair value through profit and loss account” or under “at fair value through other comprehensive income” where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per Banking Regulation and Policy Department (BRPD) circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

Bank's Methodology:

Methods of valuation of investment are as follows:

Item	Method of valuation
Government treasury bills	Revalued as per Bangladesh Bank's guidelines
Treasury bonds	Revalued as per Bangladesh Bank's guidelines
Prize bonds	At cost
Unquoted shares/ bonds	At cost

ii) Revaluation gains/losses on Government securities

IFRS: As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity. Any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at year end and gains or losses on amortisation are recognised in other reserve as part of equity.

Bank's Methodology:

The Bank's investment in treasury bills and bonds are stated at present value and interest on treasury bonds is recognised as income on accrual basis as per BRPD circular letter no. 15 dated 31 October 2005 and DOS circular letter no. 05 dated 26 May 2008.

Held to Maturity (HTM)

Investment classified as HTM is a non-derivative financial instrument with fixed or determinable future receipt on maturity that the Bank's management has the intention and ability to hold till maturity. This particular investment has been revalued as marked to market as at 31 December 2024, the revaluation gains on such securities have been shown in the financial statements as part of equity.

Held for Trading (HFT)

Investment classified as HFT is acquired mainly for the purpose of selling and repurchasing. Such investment is measured at marked to market method and any changes in the marked to market method are recognised in every week during the reporting year as per DOS circular letter no. 05 dated 28 January 2009.

iii) Provision on loans and advances/investments

IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses.

Bangladesh Bank: As per BRPD circular No. 53 (22 December 2022), BRPD circular No. 51 (18 June 2022), BRPD circular No. 09 (07 April 2022), BRPD circular No. 14 (22 June 2022), BRPD Circular No. 53 (30 December 2021), BRPD circular No. 52 (29 December 2021), BRPD Circular No. 50 (14 December 2021), BRPD circular No. 56 (10 December 2020), BRPD circular No. 52 (20 October 2020), BRPD circular No. 17 (28 September 2020), BRPD Circular No. 16 (21 July 2020), BRPD circular No. 13 (15 June 2020), BRPD circular No. 04 (19 March 2020), BRPD circular No. 07 (19 March 2020), BRPD circular No. 24 (17 November 2019), BRPD circular No. 06 (19 May 2019), BRPD circular No. 04 (16 May 2019), BRPD circular No. 03 (21 April 2019), BRPD circular No. 01 (20 February 2018), BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013) a general provision at 0.25% to 2% under different categories of unclassified loans (good/standard loans) as well as a special general provision for COVID-19 has to be maintained regardless of objective evidence of impairment. Also specific provision for sub-standard loans, doubtful loans and bad losses has to be provided at 5%, 20%, 50% and 100% respectively for loans and advances depending on time past due. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

Bank's Methodology:

As per BRPD circular No. 53 (22 December 2022), BRPD circular No. 51 (18 June 2022), BRPD circular No. 09 (07 April 2022), BRPD circular No. 14 (22 June 2022), BRPD Circular No. 53 (30 December 2021), BRPD circular No. 52 (29 December 2021), BRPD Circular No. 50 (14 December 2021), BRPD circular No. 56 (10 December 2020), BRPD circular No. 52 (20 October 2020), BRPD circular No. 17 (28 September 2020), BRPD Circular No. 16 (21 July 2020), BRPD circular No. 13 (15 June 2020), BRPD circular No. 04 (19 March 2020), BRPD circular No. 07 (19 March 2020), BRPD circular No. 24 (17 November 2019), BRPD circular No. 06 (19 May 2019), BRPD circular No. 04 (16 May 2019), BRPD circular No. 03 (21 April 2019), BRPD circular No. 01 (20 February 2018), BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013) a general provision at 0.25% to 2% under different categories of unclassified loans (good/standard loans) as well as a special general provision for COVID-19 has to be maintained regardless of objective evidence of impairment. Also specific provision for sub-standard loans, doubtful loans and bad losses has to be provided at 5%, 20%, 50% and 100% respectively for loans and advances depending on time past due. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

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. 50 (14 December 2021), BRPD circular No. 56 (10 December 2020), BRPD circular No. 52 (20 October 2020), BRPD circular No. 17 (28 September 2020), BRPD Circular No. 16 (21 July 2020), BRPD circular No. 13 (15 June 2020), BRPD circular No. 04 (19 March 2020), BRPD circular No. 07 (19 March 2020), BRPD circular No. 24 (17 November 2019), BRPD circular No. 06 (19 May 2019), BRPD circular No. 04 (16 May 2019), BRPD circular No. 03 (21 April 2019), BRPD circular No. 01 (20 February 2018), BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013). 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:

General provision on:	2024	2023
Unclassified general loans and advances/investments	1.00%	1.00%
Unclassified small and medium enterprise financing	0.25%	0.25%
Unclassified loans/investment for housing finance and on loans for professionals	1.00%	1.00%
Unclassified consumer financing other than housing finance and loans for professionals	2.00%	2.00%
Unclassified agricultural loans	1.00%	1.00%
Special general provision- COVID-19	0.00%	1.00%
Specific provision on:		
Substandard loans and advances/investments other than agricultural loans	20%	20%
Doubtful loans and advances/investment other than agricultural loans	50%	50%
Substandard and doubtful agricultural loans	5%	5%
Bad/loss loans and advances/investments	100%	100%

BRPD circular No.14 (23 September 2012) as amended by BRPD circular No. 19 (27 December 2012) also provides scope for further provisioning based on qualitative judgments. In these circumstances impairment losses are calculated on individual loans considered individually significant based on which specific provisions are raised. If the specific provisions assessed under the qualitative methodology are higher than the specific provisions assessed under the formulaic approach, the higher of the two is recognised in liabilities under “Provision for loans and advances” with any movement in the provision charged/released in the profit and loss account. Classified loans are categorised into sub-standard, doubtful and bad/loss based on the criteria stipulated by Bangladesh Bank guideline.

Loan write-off

Loans are normally written off, when there is no realistic prospect of recovery of these amounts and in accordance with BRPD circular No.01 (06 February 2019), BRPD circular No.13 (07 November 2013) and BRPD circular No. 02 (13 January 2003). A separate Debt Collection Unit (DCU) has been set up which monitors loans written off and legal action taken through the money loan court. These write-offs do not undermine or affect the amount claimed against the borrower by the Bank.

iv) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

Bangladesh Bank: As per BRPD Circular no. 14 dated 23 September 2012, once a loan is classified as impaired, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as a liability in the balance sheet.

Bank's Methodology:

Interest on classified loans and advances is kept in suspense account as per Bangladesh Bank instruction and such interest is not recognised as income until it is realised from borrowers. Interest is not charged on classified loans and advances from the date of filing of money suits against the borrowers.

v) Other comprehensive income (OCI):

IFRS: As per 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 nor are the elements of Other Comprehensive Income allowed to be included in a single other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statement of changes in equity.

vi) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

vii) Financial guarantees

IFRS: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14, financial guarantees such as letter of credit and letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

viii) Cash and cash equivalents

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice is shown separately in the balance sheet. Treasury bills, Bangladesh Bank bills and prize bond are shown under investment in the balance sheet.

ix) 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 is a separate balance sheet item named Non-Banking asset existed in the standard format.

x) Cash flow statement

IFRS: The cash flow statement 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 14, the cash flow statement is a mixture of both the direct and the indirect methods.

Bank's Methodology:

Cash Flow Statement is prepared in accordance with IAS 7 under direct method as recommended in BRPD circular no. 14 dated 25 June 2003 issued by Bangladesh Bank.

xi) Balance with Bangladesh Bank: (Cash Reserve Requirement)

IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

Bangladesh Bank: Balance with Bangladesh Bank including CRR is treated as cash and cash equivalents.

xii) Presentation of intangible asset

IFRS: Intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38.

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14.

xiii) Off-balance sheet items

IFRS: As per IFRS, there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

Bank's Methodology:

Off-balance Sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank's guidelines. BRPD circular No.14 dated 23 September 2012 requires a general provision for off-balance sheet exposures to be calculated @ 1% which has been followed by the Bank properly on the following off-balance sheet items:

- a. Acceptance and endorsements
- b. Irrevocable letter of credit
- c. Letter of guarantee

xiv) Loans and advances/Investments net of provision

IFRS: Loans and advances/Investments should be presented net of provision.

Bangladesh Bank: As per BRPD 14, provision on loans and advances/investments are presented separately as a liability and cannot be netted off against loans and advances.

Bank's Methodology:

Loans and advances have been shown at gross amounts at 31 December 2024.

xv) Name of Financial Statements

IFRS: As per IAS 1: Presentation of Financial Statement, components of financial statements are defined as statement of financial position and statement of profit or loss and other comprehensive income.

Bangladesh Bank: As per BRPD 14, statement of financial position is defined as 'Balance Sheet' whilst statement of profit or loss and other comprehensive income is defined as 'Profit & Loss Account'.

Bank's Methodology:

Name of Financial Statements have been given as per Bangladesh Bank's guidelines.

2.2 Consolidation

A separate set of records for consolidating the statements of affairs and income and expenditure statements of the branches and offshore Banking units are maintained at Head Office of the Bank in Dhaka, based on which these financial statements have been prepared.

2.2.1 Offshore Banking Unit (OBU)

The Bank's OBU have maintained separate set of books of account for their operations. Assets and liabilities and income and expenditures of the units are incorporated in similar heads of account of the Bank's financial statements.

2.3 Foreign currency transactions

- (a) Foreign currency transactions are converted into equivalent BDT currency at the ruling exchange rates on the respective dates of such transactions as per IAS 21: "The effects of Changes in Foreign Exchange Rates".
- (b) Assets and liabilities in foreign currencies at 31 December 2024 have been converted into BDT currency at average prevailing buying and selling rates of concerned foreign currencies at that date except balances with other Banks and financial institutions which have been converted as per directions of Bangladesh Bank vide its circular no. BRPD(R) 717/2004-959 dated 21 November 2004.
- (c) Differences arising through transactions of foreign currencies buying and selling on different dates of the year have been adjusted by debiting /crediting exchange gains or loss account.
- (d) Forward contracts outstanding at 31 December 2024 have been shown in the Balance Sheet under off-balance sheet items.

2.4 2.4.1 Fixed assets (property, plant and equipment) and depreciation

All fixed assets are stated at cost less accumulated depreciation as per IAS 16 Property, plant and equipment. The cost of an asset includes its purchase price and any other direct costs to bring the asset to its working condition. Depreciation on fixed assets is charged using straight-line method at the following rates:

<u>Category of fixed asset</u>	<u>Rate of depreciation</u>
Furniture and fixtures	10%
Computer software	20%
Interior decorations	20%
Equipment and computers	20%
Motor vehicles	20%

Depreciation on addition to fixed assets is charged from the month of acquisition on pro-rata basis while no depreciation is charged in the year of disposal.

2.4.2 Intangible assets

Intangible assets include purchased computer software which are stated at cost less any impairment losses and amortisation calculated on a straight-line basis. In accordance with the provisions of IAS 38 the cost of purchased software which is not an integral part of the related hardware is booked under intangible assets. Intangible assets with finite useful life are amortised, generally on straight-line basis, over their useful lives as follows:

Computer software	5 years	20% pa
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Intangible assets are subject to an impairment review if there are events or changes in circumstances which indicate that the carrying amount may be impaired. Modification, up-gradation and maintenance costs are charged to the profit and loss account as incurred.

2.5 Stock of stationery

Stock of stationery has been shown under other assets and is valued at cost.

2.6 Deposits

Deposits include various types of deposit in the nature of demand, savings, short-term, etc.

2.7 Employee benefits

Retirement 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 benefits. Basis of enumerating the retirement schemes operated by the Bank are outlined below:

(a) Provident fund

Employees' provident fund is administered by a separate Board of Trustees and is funded by contributions of both the Bank and employees at 10% of basic pay. These contributions are invested separately.

(b) Staff gratuity

The Bank operates a funded gratuity scheme recognised by National Board of Revenue (NBR). This fund is managed separately by Board of Trustee and any investment decision out of this fund is also made by the Board of Trustee. The employee who has completed at least 5 (five) years of continuous service with the bank is entitled for gratuity. Gratuity is payable at the rate of 1 (one) month's basic salary he drew last for every completed year of service or for any part thereof in excess of more than 06 (six) months and in the case of his service of more than 10 (ten) years with the Bank, at the rate of 1.5 (one and half) month's basic salary he drew last.

In accordance with the requirements of IAS 19 Employee Benefits, the Bank's net obligation in respect of its gratuity fund is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; discounting the benefit to determine its present value; and deducting the fair value of any plan assets. The calculation is performed by a qualified actuary using the Projected Unit Credit method. As per actuarial valuation report as of 31st December 2024 required amount of gratuity was BDT 324,438,599 which was kept with the fund bank account namely 'Commercial Bank of Ceylon PLC-Bangladesh employees Gratuity Fund'.

2.8 Provision for taxation

(a) Current tax

Provision for corporate income tax is made @ 40% as prescribed in the Finance Act 2024 on accounting profit made by the Bank after considering taxable allowances and disallowances as per income tax laws.

(b) Deferred tax

The Bank has accounted for deferred tax in accordance with IAS 12: "Income Taxes". Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences arising between carrying amount of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at balance sheet date.

Deferred tax is calculated using the tax rates as prescribed in the Income Tax Act (ITA) 2023 and relevant Statutory Regulatory Orders (SRO) and BRPD circular No. 11 dated 12 December 2011 issued by the Banking Regulation and Policy Department of Bangladesh Bank.

2.9 Reconciliation of books of account

Books of account with regard to inter-Bank (in Bangladesh and outside Bangladesh) and inter-branch transactions are reconciled and no difference was found which may affect the financial statements significantly.

2.10 Provision for balances with other Banks and financial institutions

Provision for unsettled transactions on nostro accounts is reviewed at each Balance Sheet date by the management and certified by the Bank's external auditors in accordance with Bangladesh Foreign Exchange Policy Department (FEPD) circular no. 677 dated 13 September 2005.

2.11 Provisions for other assets

BRPD circular No. 04 dated 12 April 2022 requires a provision of 100% on relevant other assets which are outstanding for one year and above. The Bank maintains provision in line with this circular unless no provision is required based on objective assessment.

2.12 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the periods in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

- Provisions on loans and advances
- Income tax
- Fixed assets including premises, furniture and fixtures
- Post-employment benefits
- Allocation of head office expenses to the Bank
- Allocation of operating expenses to OBU

2.13 Statement of changes in equity

Statement of changes in equity is prepared in accordance with IAS 1 and under the guidelines of BRPD circular no.14 dated 25 June 2003.

2.14 Statement of liquidity analysis

Statement of liquidity analysis as on reporting date has been prepared as per Bangladesh Bank guidelines.

2.15 Revenue recognition

- a. In term of provision of IFRS 15 Revenue from Contracts with customer, the interest income is recognised on an accrual basis and BRPD circular no. 14 dated 23 September 2012 was followed properly.

In accordance with BRPD circular No. 14 (23 September 2012) as amended by BRPD circular No. 19 (27 December 2012) interest accrued on sub-standard loans and doubtful loans are credited to an "Interest Suspense Account" which is included within "Other liabilities". Interest from loans and advances ceases to be accrued when they are classified as bad/loss. It is then kept in interest suspense in a memorandum account. Interest received on sub-standard loans, doubtful loans and bad/loss loans are retained in the "Interest Suspense Account" until the loan is no longer considered to be impaired.

- b. Interest income on investments in government and other securities and bonds is accounted for on an accrual basis and as per Bangladesh Bank guidelines.
- c. Dividend income from investment is recognised when the Bank's right to receive dividend is established.
- d. The Bank earns commission and fee income from a diverse range of services provided to its customers. Income earned from services provided is recognised as revenue as the services are provided.
- e. Interest expenses for all deposits are recognised in the profit and loss account on an accrual basis.

2.16 Leases

The Bank has applied IFRS 16 Leases for the first time with the date of initial application of 01 January 2019. As IFRS 16 supersedes IAS 17 Lease, the Bank has made recognition, measurement and disclosure in the financial statements-2024 both as Lessee and Lessor as per IFRS 16.

Bank as lessee:

The Bank assesses at initiation of a contract whether the contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration, then the Bank consider the contract as a lease contract.

The Bank as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases, or, and lease of low value of assets. The Bank recognises lease liabilities to make lease payment and right-of-use assets representing the right to use the underlying assets.

If tenor of a lease contract does not exceed twelve months from the date of initiation/application, the Bank considers the lease period as short term in line with the recognition threshold of ROU assets as per Fixed Asset Policy of the Bank.

Right-of-use assets (RoU):

The Bank recognises the right-of-use assets (RoU) at the commencement date of the lease (i.e. the date the underlying asset is available for use). RoU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted for any measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term, or remaining period of the lease term.

The Bank assessed all lease contracts live in 2024 and recognised as RoU of assets of all leases, except short term and low value of assets as per IAS 16 and IFRS 16. As leases under IFRS 16 has been first time adopted by the Bank, the Bank has followed modified retrospective approach of adoption with the date of initial application of 01 January 2019. The RoU assets are presented in the note 9.0 of these financial statements.

Lease Liabilities (Bank as a lessee):

At the commencement of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the Bank and payment of penalties for terminating the lease. The lease payment has been discounted using the Bank's implicit borrowing rate.

In 2019, the Bank reassessed all lease payment of existing contracts for remaining period considering a cut-off date i.e. 01 January 2019. The lease liabilities are presented in the note 13.00 of these financial statements.

2.17 Compliance of Document Verification System (DVS)

As per the BRPD Circular No. 4 issued by Bangladesh Bank dated 4 January 2021, the financial statements audited by Chartered Accountants and updated statutory audit report of loan applicants need to be maintained in loan files mandatorily for the sanction/renewal of the loan. During the year 2024 Bank has collected and maintained updated audited financial statements and audit reports to the loan file at the time of sanction/renewal of loans.

As per the BRPD Circular No. 35 issued by Bangladesh Bank dated 6 July 2021, the bank will use the Document Verification System (DVS) system of the Institute of Chartered Accountants of Bangladesh (ICAB) to verify whether the audit report and Audited Financial Statements submitted by the loan applicant are certified by a Chartered Accountant and also to ensure that the information is consistent with information provided in the DVS system. In this connection, we have signed an MoU with ICAB, dated 09 August 2021. Upon getting access to the DVS system of ICAB, the bank has verified all loan clients' audit reports and Audited Financial Statements with the information preserved in the DVS system of ICAB at the time of disbursing/renewal of loans.

2.18 Reporting period

These financial statements cover one calendar year from 01 January 2024 to 31 December 2024.

2.19 Regulatory and legal compliance

The Bank complied with the requirements of the following laws and regulations.

- a. The Banking Companies Act 1991 (as amended up to date)
- b. The Companies Act 1994 (as amended up to date)
- c. The Financial Reporting Act 2015
- d. The Income Tax Act 2023
- e. The Value Added Tax and Supplementary Duty Act 2012
- f. Rules, Regulations and Circulars issued by the Bangladesh Bank from time to time and other regulatory authorities.

2.20 New accounting standards not yet adopted

The Bank has consistently applied the accounting policies as set out in Note 42 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 01 January 2024 have been considered. However, these amendments have no material impact on the financial statements of the Bank.

2.21 General

- a. Figures appearing in the financial statements have been rounded to the nearest BDT.
- b. Figures and account titles of previous year have been rearranged whenever considered necessary to conform with current year's presentation.
- c. Expenses irrespective of capital or revenue nature accrued but not paid have been provided for in the books of account of the Bank.

	2024 Amounts in BDT	2023 Amounts in BDT
3 Cash		
3.1 Cash in hand		
In local currency	401,103,188	412,133,993
In foreign currencies	284,239,266	66,666,668
	685,342,454	478,800,661
3.2 Balance with Bangladesh Bank and its agent Bank(s)		
Balance with Bangladesh Bank:		
In local currency (note 3.2.1)	5,019,658,716	4,517,384,777
In foreign currencies (note 3.2.2)	3,275,456,419	8,314,203,299
	8,295,115,135	12,831,588,076
Balance with agent Bank(s):	7,080	2,943
In local currency	7,080	2,943
In foreign currencies	-	-
	8,295,122,215	12,831,591,019
	8,980,464,669	13,310,391,680
3.2.1 In local currency		
Lien portion (against the Bank's required equity)	-	-
Non-lien portion	5,019,658,716	4,517,384,777
	5,019,658,716	4,517,384,777
3.2.2 In foreign currencies		
Lien portion (against the Bank's required equity)	-	-
Non-lien portion	3,275,456,419	8,314,203,299
	3,275,456,419	8,314,203,299
3.3 Cash Reserve Requirement and Statutory Liquidity Reserve		
Cash reserve ratio (CRR) and statutory liquidity ratio (SLR) have been calculated and maintained in accordance with section 33 of the Banking Companies Act 1991 and Bangladesh Bank MPD's circular no. 03, 01, 01, 03 and 02 dated April 03, 2018, March 23, 2020, April 09, 2020 and December 10, 2013 and read with Bangladesh Bank Order no. BRPD(p-3)/744(27/2020-4086) dated 18 June 2020.		
CRR is required @ 4% on time and demand liabilities of DBU operations. This has been maintained with Bangladesh Bank in current account. SLR is required @ 13% on time and demand liabilities of the total operations (DBU+OBU) and maintained in the form of treasury bills and bonds including balance with Bangladesh Bank. Both the reserves are maintained by the Bank as per statutory requirements, as shown below:		
3.3.1 Cash Reserve		
Required reserve	4,157,144,000	3,821,891,000
Actual reserve maintained (On the basis by weekly average)	4,317,102,660	4,478,485,225
Surplus	159,958,660	656,594,225
3.3.2 Statutory Liquid Reserve		
Required reserve	14,152,119,000	12,729,474,000
Actual reserve maintained (On the basis by weekly average)	56,032,835,667	30,969,030,605
Surplus	41,880,716,667	18,239,556,605
4 Balance with other Banks and financial institutions		
In Bangladesh (note 4.1)	3,485,962,819	1,905,548,112
Outside Bangladesh (note 4.2)	1,911,380,685	13,383,075,079
	5,397,343,504	15,288,623,191
4.1 In Bangladesh		
Eastern Bank Limited	2,270,500,000	548,750,000
Prime Bank Limited	838,233,529	1,726,594
The City Bank Limited	358,500,000	-
Standard Chartered Bank	18,501,631	2,327,497
BKASH Settlement Account	200,000	200,000
Islami Bank Bangladesh Limited	27,659	5,044,021
United Commercial Bank Limited	-	1,097,500,000
Mercantile Bank Limited	-	250,000,000
	3,485,962,819	1,905,548,112

4.2 Outside Bangladesh

Name of the Banks	Nature	Location	Currency name	At 31 December 2024			At 31 December 2023		
				Amount in foreign currency	Conversion rate	Equivalent BDT	Amount in foreign	Conversion rate	Equivalent BDT
Kookmin Bank	Nostro	Seoul	USD	283,977.61	120.00	34,077,313	327,074	110.00	35,978,181
Standard Chartered Bank	Nostro	Karachi	USD	149,709.02	120.00	17,965,082	136,224	110.00	14,984,676
Commercial Bank of Ceylon	Nostro	Colombo	USD	571,690.06	120.00	68,602,807	313,140	110.00	34,445,418
Commerz Bank AG	Nostro	Frankfurt	EUR	-	124.89	-	899,321	121.41	109,183,901
Standard Chartered Bank	Nostro	London	GBP	1,288,644.02	150.62	194,100,716	1,473,220	140.04	206,311,202
Bank of Montreal	Nostro	Toronto	CAD	85,305.03	83.59	7,131,037	47,769	83.03	3,966,487
Commercial Bank of Ceylon	Nostro	Colombo	CHF	712.80	132.77	94,635	2,805	130.69	366,590
Standard Chartered Bank	Nostro	Hong Kong	HKD	5,813.79	15.45	89,830	29,621	14.09	417,267
Commercial Bank of Ceylon	Nostro	Colombo	AUD	226,170.21	74.65	16,884,055	177,085	74.92	13,267,381
Standard Chartered Bank	Nostro	New York	USD	-	120.00	-	23,609,521	110.00	2,597,047,279
ICICI Bank	Nostro	Mumbai	USD	-	120.00	-	366,066	110.00	40,267,306
Axis Bank	Nostro	Mumbai	USD	-	120.00	-	1,063,818	110.00	117,019,965
Standard Chartered Bank	Nostro	Singapore	SGD	42,114.55	88.23	3,715,853	342,373	83.36	28,540,781
Mahreq Bank	Nostro	Sydney	AED	34,588.29	32.67	1,130,029	31,948	29.95	956,848
Bank of China	Nostro	Colombo	CNY	17,954,040.28	16.69	299,716,885	305,581,690	15.53	4,745,928,113
Wells Fargo NA	Placement	New York	USD	1,750,000.00	120.00	210,000,000	3,700,000	110.00	407,000,000
Mashreq Bank (OBU)	Placement	Hong Kong	USD	-	120.00	-	20,000,000	110.00	2,200,000,000
Bank of Tokyo (OBU)	Nostro	Tokyo	JPY	1,217,730,731.00	0.77	931,669,952	1,329,528,704	0.78	1,036,742,552
Standard Chartered Bank (OBU)	Nostro	London	GBP	837,864.43	150.62	126,202,491	148,592	140.04	20,808,912
Citibank NA (OBU)	Nostro	New York	USD	-	120.00	-	16,089,475	110.00	1,769,842,220
Total						1,911,380,685			13,383,075,079

	2024 Amounts in BDT	2023 Amounts in BDT
4.3 Grouping by maturity		
Receivable on demand	1,721,843,504	10,785,373,191
Payable to customers on demand	-	-
	1,721,843,504	10,785,373,191
Below 3 months	3,675,500,000	4,503,250,000
Over 3 months but below 1 year	-	-
Over 1 year but below 5 years	-	-
Over 5 years	-	-
	5,397,343,504	15,288,623,191
4.4 Account-wise breakdown		
Current and other accounts	1,721,843,504	10,785,373,191
Placement (term)	3,675,500,000	4,503,250,000
	5,397,343,504	15,288,623,191
5 Money at call on short notice		
Dhaka Bank Limited	-	2,150,000,000
Jamuna Bank Limited	-	2,150,000,000
Midland Bank Limited	-	1,000,000,000
The City Bank Limited	-	1,000,000,000
South East Bank Limited	-	750,000,000
Mercantile Bank Limited	-	500,000,000
United Commercial Bank Limited	-	500,000,000
	-	8,050,000,000
6 Investments		
Government (note 6.1)	54,116,915,556	26,346,559,995
Others (note 6.2)	9,416,660	9,416,660
	54,126,332,216	26,355,976,655
6.1 Government:		
Treasury bonds (note 6.1.1)	8,791,848,930	2,223,820,244
Treasury bills (note 6.1.2)	45,324,655,626	24,121,930,351
Prize bonds	411,000	809,400
	54,116,915,556	26,346,559,995
6.1.1 Treasury bonds		
HTM	5,948,486,850	2,223,820,244
HFT	2,843,362,080	-
	8,791,848,930	2,223,820,244
6.1.2 Treasury bills		
HTM	3,058,062,109	5,921,221,169
HFT	42,266,593,517	18,200,709,182
	45,324,655,626	24,121,930,351

2024 Amounts in BDT	2023 Amounts in BDT
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6.2 Others:

Central Depository Bangladesh Limited (CDBL) (note 6.2.1)	9,416,660	9,416,660
Commercial papers	-	-
Total	9,416,660	9,416,660
	54,126,332,216	26,355,976,655

a.(i) Disclosure regarding outstanding Repo as on 31 December 2024

SI no.	Counter party name	Reversal Date	Amount
1			NIL

a.(ii) Disclosure regarding outstanding Reverse Repo as on 31 December 2024

SI no.	Counter party name	Reversal Date	Amount	
1	Janata Bank	26.Dez.24	01.Jän.25	729,326,472
2	SBAC Bank	26.Dez.24	02.Jän.25	498,016,425
3	Janata Bank	26.Dez.24	02.Jän.25	987,469,560
4	Janata Bank	26.Dez.24	02.Jän.25	987,469,560
5	SBAC Bank	29.Dez.24	05.Jän.25	994,077,655
6	SBAC Bank	29.Dez.24	05.Jän.25	496,947,165
7	Janata Bank	29.Dez.24	05.Jän.25	729,326,472
8	Janata Bank	29.Dez.24	05.Jän.25	996,032,850
9	Janata Bank	29.Dez.24	05.Jän.25	932,245,288
10	Janata Bank	30.Dez.24	06.Jän.25	970,283,621
11	Janata Bank	30.Dez.24	06.Jän.25	487,292,968
12	Janata Bank	30.Dez.24	06.Jän.25	479,758,094
13	Janata Bank	30.Dez.24	06.Jän.25	959,516,188
				10,247,762,318

b. Disclosure regarding overall transaction of Repo and Reverse Repo:

Particulars		Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under repo:			
i) with Bangladesh Bank	247,476,750	247,476,750	3,380,830
ii) with other Banks and FIs	-	-	-
Securities purchased under reverse repo:			
i) from Bangladesh Bank	300,000,000	4,300,000,000	159,153,005
ii) from other Banks and FIs	220,406,000	21,679,466,418	7,698,174,593

6.2.1 Central Depository Bangladesh Limited (CDBL)

Particulars		Cost	Cost
CDBL Shares (initial)	600,000	6,000,000	6,000,000
Bonus received for the year 2009	600,000	-	-
Purchased on 14 October 2010	341,666	3,416,660	3,416,660
Bonus received for the year 2010	1,200,000	-	-
Bonus received for the year 2011	685,417	-	-
Total	3,427,083	9,416,660	9,416,660

2024 Amounts in BDT	2023 Amounts in BDT
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6.3 Value of investment at 31 December 2024

Particulars	Quantity	Face Value	Cost	Market Value	Market Value
Treasury bonds	40	8,854,900,000	8,759,595,125	8,791,848,930	2,223,820,244
Treasury bills	40	35,950,000,000	34,368,983,250	35,076,893,308	13,597,266,972
Treasury bills (Reverse Repo)	13	10,520,000,000	10,239,272,500	10,247,762,318	10,524,663,379
Treasury bonds (Reverse Repo)		-	-	-	-
Prize bonds	4,110	411,000	411,000	411,000	809,400
CDBL shares	3,427,083	34,270,830	9,416,660	9,416,660	9,416,660
		55,359,581,830	53,377,678,535	54,126,332,216	26,355,976,655

6.4 Maturity grouping

Repayable on demand		411,000	809,400
Below 3 months		37,967,740,367	20,865,333,235
Over 3 months but below 1 year		7,356,915,259	3,256,597,116
Over 1 year but below 5 years		8,753,756,785	2,179,426,536
Over 5 years		38,092,145	44,393,708
		54,116,915,556	26,346,559,995

7 Loans and advances

7.1 Maturity grouping

Repayable on demand		6,365,168,954	5,653,796,276
Below 3 months		28,267,312,083	32,753,336,375
Over 3 months but below 1 year		32,302,784,249	17,202,172,209
Over 1 year but below 5 years		4,144,306,949	5,863,250,166
Over 5 years		3,878,598,314	3,717,691,495
		74,958,170,549	65,190,246,521

7.2 Broad category-wise break-up

i) Within Bangladesh

Loans (general)		43,447,048,550	45,187,383,198
Overdrafts		6,236,475,734	5,556,921,130
Loans against trust receipt		2,836,914,891	1,320,515,838
Packing credit		218,210,396	42,412,951
Import loan		28,165,296	62,483,244
Credit card		128,693,220	96,875,146
Staff loan		179,995,690	164,648,516
		53,075,503,777	52,431,240,023

Loans against accepted bills

ii) Inland bills		818,645,145	335,419,782
Foreign bills		21,064,021,627	12,423,586,716
		21,882,666,772	12,759,006,498

Outside Bangladesh

Total (i+ii)		74,958,170,549	65,190,246,521
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	2024 Amounts in BDT	2023 Amounts in BDT
7.3 Significant concentration		
Directors and others	-	-
Managing Director or Chief Executive Officer	-	-
Other executives	179,995,690	164,648,516
Industries	60,348,336,909	48,190,046,428
Other clients	14,429,837,950	16,835,551,577
	74,958,170,549	65,190,246,521
7.4 Advance to customers for more than 10% of Bank's total capital		
Number of clients	16	4
Amount of outstanding advances	29,785,357,247	9,428,596,918
Amount of classified advances	-	-
	29,785,357,247	9,428,596,918
7.5 Economic sector-wise distribution		
Industry	60,348,336,909	48,190,046,428
Trading	5,017,908,541	6,766,787,877
Agriculture	517,440,118	1,050,456,750
Others	9,074,484,981	9,182,955,466
	74,958,170,549	65,190,246,521
7.6 Geographical location-wise distribution		
Urban		
Dhaka region	61,387,847,817	52,463,716,522
Chattogram region	12,268,005,914	11,522,730,669
Sylhet region	1,302,316,818	1,203,799,330
	74,958,170,549	65,190,246,521
Rural		
Dhaka region	-	-
Chattogram region	-	-
Sylhet region	-	-
	74,958,170,549	65,190,246,521
7.7 Classification of loans and advances as per Bangladesh Bank 's BRPD circulars		
Unclassified:	74,507,936,801	64,736,628,851
Standard	74,236,915,354	64,354,834,288
Special mentioned account (SMA)	271,021,447	381,794,563
Classified:	450,233,748	453,617,670
Sub-standard	41,859,216	12,698,628
Doubtful	17,524,516	3,184,609
Bad/ Loss	390,850,016	437,734,433
	74,958,170,549	65,190,246,521

	2024 Amounts in BDT	2023 Amounts in BDT
7.8 Particulars of loans and advances		
(i) Loans considered good in respect of which the banking company is fully secured	74,507,936,801	64,736,628,851
(ii) Loans considered good against which the banking company holds no security other than the debtor's personal guarantee	152,733,667	70,199,293
(iii) Loans considered good secured by personal undertakings of one or more parties in addition to personal guarantee of debtor	297,500,081	383,418,377
(iv) Loans adversely classified; provision not maintained there against	-	-
(v) Loans due by Directors or Officers of the Bank or any of them either separately or jointly with any other persons	179,995,690	164,648,516
(vi) Loans due from companies or firms in which the directors of the Bank have interest as directors, partners or managing agents or, in the case of private companies, as members	-	-
(vii) Maximum total amount of advance including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person	181,574,000	184,892,000
(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private company, as members	-	-
(ix) Due from Banking companies	-	-
(x) (a) Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet	287,557,869	317,449,918
(b) (Decrease)/increase in provision	(32,623,508)	(3,584,661)
(c) Interest creditable to the interest suspense account	66,027,607	66,340,161
(xi) Loan written off	249,184,618	255,029,118
Opening balance	255,029,118	256,925,119
<u>Add</u> : Bad debts written of during the year	-	37,672
<u>Less</u> : Bad debts previously written off recovered during the year	5,844,500	1,933,673
Bad debts written off / settled	-	-
Closing balance	249,184,618	255,029,118
(xii) Cases filed for recovery of written off bad debts	202,902,929	209,136,001

	2024 Amounts in BDT	2023 Amounts in BDT
8 Bills purchased and discounted		
Payable in Bangladesh	818,645,145	335,419,782
Payable outside Bangladesh	21,064,021,627	12,423,586,716
	21,882,666,772	12,759,006,498
8.1 Maturity grouping		
Payable within 1 month	3,022,055,184	1,229,063,242
Over 1 month but below 3 months	4,714,364,713	3,479,692,951
Over 3 months but below 6 months	13,389,568,435	7,056,895,561
6 months and over	756,678,440	993,354,744
	21,882,666,772	12,759,006,498
9 Fixed assets including premises, furniture and fixtures		
Furniture and fixtures	61,871,457	58,971,665
Interior decorations	112,223,491	105,874,657
Equipment and computers	317,334,663	281,790,677
Computer software	102,904,813	80,073,420
Motor vehicles	48,030,493	42,178,348
Right of use asset	1,218,608,340	1,212,097,608
Total	1,860,973,257	1,780,986,375
Less: Accumulated Depreciation	1,250,482,306	1,064,972,490
Written down value	610,490,951	716,013,885
Details are shown in Annex B.		
10 Other assets		
Income generating		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
Non-income generating:		
Advance payment of corporate income tax (note 10.1)	8,923,592,755	6,065,183,746
Receivable from Bangladesh Bank against Sanchaya Patras	-	10,296,785
Other income receivable	251,678,653	65,432,915
Prepaid expenses	17,085,710	12,416,884
Stock of stationery, stamps, printing materials, etc.	23,917,728	14,577,951
Receivable from Head Office	74,000	36,500
Security deposit	4,958,575	4,548,020
Interest receivable from other Banks (note 10.2)	14,345,251	21,740,885
Others (note 10.3)	392,480,057	544,671,229
	9,628,132,729	6,738,904,915
Classification status of other assets		
Unclassified	9,628,132,729	6,738,904,915
Doubtful	-	-
Bad/Loss	-	-
	9,628,132,729	6,738,904,915
10.1 Advance payment of corporate income tax		
Opening balance	6,065,183,746	4,517,279,853
<u>Less:</u> Settlement during the year	(963,262,158)	(1,036,707,889)
<u>Add:</u> Income tax paid during the year	3,603,015,921	2,503,411,593
<u>Add:</u> Income tax withheld during the year on:		
L/C commission	8,633,074	6,358,630
Interest on government treasury bills/bonds/	208,651,339	74,841,559
Dividend on shares of CDBL	1,370,833	-
Closing balance (note 10.1.1)	8,923,592,755	6,065,183,746

	2024 Amounts in BDT	2023 Amounts in BDT		
10.1.1 Closing balance of advance payment of corporate income tax				
2024	1,634,090,245	-		
2023	3,229,121,163	1,041,540,241		
2022	2,066,054,123	2,066,054,123		
2021	1,038,000,282	1,038,000,282		
2020	-	963,262,158		
2012	514,093,987	514,093,987		
2011	442,232,955	442,232,955		
	8,923,592,755	6,065,183,746		
10.2 Interest receivable from other Banks				
Bangladesh Bank	14,345,251	21,740,885		
Others	-	-		
	14,345,251	21,740,885		
10.3 Others				
Deferred tax assets (note 10.3.1)	147,366,829	154,193,969		
Forward Equalisation, Sundry Debtors, etc.	245,113,228	390,477,260		
	392,480,057	544,671,229		
10.3.1 Deferred tax assets on				
Fixed assets	23,780,570	26,121,418		
Right of use Asset	(164,873,607)	-		
Lease Liability	173,436,718	-		
Specific Provision	115,023,148	128,072,551		
	147,366,829	154,193,969		
Increase / (Decrease) in Deferred Tax Assets	(6,827,140)	(5,842,404)		
Calculation of Deferred Tax Assets :				
Particulars	Carrying Amount	Tax Base	(Taxable) / Deductible Temporary	Deferred Tax Assets / (Liabilities)
Fixed assets	198,306,933	257,758,359	59,451,426	23,780,570
Right of use Asset	412,184,018	-	(412,184,018)	(164,873,607)
Lease Liability	433,591,796	-	433,591,796	173,436,718
Specific provision	287,557,869	-	287,557,869	115,023,148
				147,366,829
11 Borrowings from other Banks, financial institutions and agents				
In Bangladesh (note 11.1)			1,055,800,898	1,056,351,976
Outside Bangladesh (note 11.2)			3,546,581,780	3,310,327,540
			4,602,382,678	4,366,679,516
11.1 In Bangladesh				
Borrowings from:				
Bangladesh Bank (Refinance)			1,055,800,898	1,056,351,976
			1,055,800,898	1,056,351,976

	2024 Amounts in BDT	2023 Amounts in BDT
11.2 Outside Bangladesh		
Commercial Bank of Ceylon (OBU)*	1,254,697,539	-
MUFG Bank*	863,312,628	972,641,673
Wells Fargo NA*	509,074,269	404,166,500
Standard Chartered Bank*	402,546,068	-
ICICI Bank*	131,715,421	-
Commercial Bank of Ceylon	121,034,522	151,904,533
Standard Chartered Bank (OBU)*	91,968,896	172,099,161
Axis Bank*	89,072,403	-
Citi N. A. (OBU)*	55,851,751	1,587,489,184
Kumari Bank	22,596,964	20,714,208
CommerzBank AG*	3,282,457	-
Public Bank Berhad	1,428,862	1,312,281
	3,546,581,780	3,310,327,540

* Represents credit balance due to un-responded entries in the nostro account.

Analysis by security

Secured	-	-
Unsecured	4,602,382,678	4,366,679,516
	4,602,382,678	4,366,679,516

Grouping by maturity

Repayable on demand	2,300,615,030	3,310,327,540
Others	2,301,767,648	1,056,351,976
	4,602,382,678	4,366,679,516

12 Deposits and other accounts

12.1 Current and other accounts

Current accounts (note 12.1.1)	34,045,625,124	31,115,033,508
Margin accounts (note 12.1.2)	5,153,469,958	15,400,188,015
	39,199,095,082	46,515,221,523

Current and other accounts

12.1.1 Current accounts

Local currency		
Inter-Bank	541,414,270	16,442,359
Others	20,596,081,901	19,515,351,253
	21,137,496,171	19,531,793,612
Foreign currencies		
Inter-Bank	-	16,165,579
Others	12,908,128,953	11,567,074,317
	12,908,128,953	11,583,239,896
	34,045,625,124	31,115,033,508

12.1.2 Margin accounts

Letters of guarantee	243,024,535	206,955,236
Letters of credit	4,855,910,779	15,161,776,922
Others	54,534,644	31,455,857
	5,153,469,958	15,400,188,015
	39,199,095,082	46,515,221,523

12.2 Bills payable

Payment orders issued	222,404,279	210,369,722
	222,404,279	210,369,722

	2024 Amounts in BDT	2023 Amounts in BDT
12.3 Savings Bank deposits		
Local currency		
Inter-Bank	-	-
Others	6,074,462,563	5,116,272,323
	6,074,462,563	5,116,272,323
Foreign currency		
Inter-Bank	-	-
Others	160,307,349	596,016,835
	160,307,349	596,016,835
	6,234,769,912	5,712,289,158
12.4 Fixed deposits		
Local currency		
Inter-Bank	-	-
Others	47,218,376,434	34,574,264,441
	47,218,376,434	34,574,264,441
Foreign currency		
Inter-Bank	-	-
Others	10,906,669,353	9,827,328,573
	10,906,669,353	9,827,328,573
	58,125,045,787	44,401,593,014
12.5 Other deposits		
Stale drafts-foreign currencies	10,156,274	10,074,425
Stale pay orders-local currency	51,137,020	44,157,010
	61,293,294	54,231,435
	103,842,608,354	96,893,704,852
12.6 Maturity analysis of customer deposits		
Repayable on demand	45,176,148,297	52,459,503,900
Repayable within 1 month	13,706,432,287	11,107,098,529
Over 1 month but within 6 months	29,213,379,172	19,644,204,637
Over 6 months but within 1 year	11,411,519,997	12,036,414,771
Over 1 year but within 5 years	3,793,714,331	1,613,875,077
Over 5 years but within 10 years	-	-
Unclaimed deposit for 10 years or more held by the Bank	-	-
	103,301,194,084	96,861,096,914
12.7 Maturity analysis of inter-Bank deposits		
Repayable on demand	541,414,270	32,607,938
Repayable within 1 month	-	-
Over 1 month but within 6 months	-	-
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years but within 10 years	-	-
Unclaimed deposits for 10 years or more held by the Bank	-	-
	541,414,270	32,607,938
	103,842,608,354	96,893,704,852

	2024 Amounts in BDT	2023 Amounts in BDT
13 Other liabilities		
Accumulated general provision against loans and advances and Off-Balance Sheet items (note 13.1)	1,526,000,000	1,264,000,000
Special general provision for COVID-19*	-	16,000,000
Specific provision (note 13.2)	287,557,869	320,181,377
Interest suspense account (note 13.3)	66,027,607	66,340,161
Interest payable on deposits	1,414,890,825	978,609,959
Interest payable on borrowings	10,137,563	9,953,385
Provision for corporate taxation (note 13.4)	11,724,709,870	8,394,799,168
Sundry creditors	364,092,742	349,770
Expenses payable	443,707,357	390,714,894
Commission and brokerage payable	17,080,617	50,446,508
Provision for head office expenses (note 30.1)	1,141,909,556	840,428,500
Lease liability	433,591,796	516,694,685
Others	751,405,189	410,610,818
	18,181,110,991	13,259,129,225

*Required special general provision for COVID-19 as per BRPD circular no. 56 dated 10 December 2020 and BRPD circular no. 50 dated 14 December 2021 and BRPD Circular Letter no. 58 dated 31 December 2024.

Opening balance	16,000,000	25,000,000
Add: Provision for the year	-	-
Less: provision no longer required	(16,000,000)	(9,000,000)
Closing balance	-	16,000,000
Required Provision	-	15,643,353

13.1 Accumulated general provision against loans and advances and Off-balance sheet items

Opening balance	1,264,000,000	919,000,000
Less: Fully provided, written-off during the year	-	-
Less: Recovery of provision no longer required	-	-
Add: Provision for the year	262,000,000	345,000,000
Closing balance	1,526,000,000	1,264,000,000
Required Provision	1,096,461,157	869,015,494

13.1.1 General provision

Opening balance	1,264,000,000	919,000,000
Add: Provision for the year (note 13.1.1.1)	262,000,000	345,000,000
Add: Transferred from specific provision during the year	-	-
Less: Transferred to specific provision during the year	-	-
Closing balance (note 13.1.1.2)	1,526,000,000	1,264,000,000

13.1.1.1 General provision for the year against

Loans and advances	126,700,000	293,600,000
Off-balance sheet items	135,300,000	51,400,000
	262,000,000	345,000,000

13.1.1.2 General provision against

Loans and advances	1,140,500,000	1,013,800,000
Off-balance sheet items	385,500,000	250,200,000
	1,526,000,000	1,264,000,000

Required Provision (Loans and advances)	711,368,944	620,033,144
Required Provision (Off-balance sheet items)	385,092,213	248,982,350
	1,096,461,157	869,015,494

	2024 Amounts in BDT	2023 Amounts in BDT
13.2 Specific provision		
Opening balance	320,181,377	323,766,038
Less: Fully provided, written-off during the year	-	(37,672)
Add: Specific provision during the year	12,431,453	85,347,092
Less: Recovery of provision no longer required	(45,054,962)	(88,894,081)
Closing balance	<u>287,557,869</u>	<u>320,181,377</u>
Required provision	<u>287,557,869</u>	<u>320,181,377</u>
13.3 Interest suspense account		
Opening balance	66,340,161	64,409,981
Add: Amount transferred to interest suspense account during the year	1,387,214	14,010,163
Less: Transferred to income during the year	(1,699,768)	(12,058,386)
Less: Amount waived/written-off during the year	-	(21,597)
Closing balance	<u>66,027,607</u>	<u>66,340,161</u>
13.4 Provision for taxation		
Opening balance	8,394,799,168	6,129,770,271
Add: Provision during the year (note 13.4.1)	4,293,172,860	3,301,736,786
Less: Settlement during the year	(963,262,158)	(1,036,707,889)
Closing balance (note 13.4.2)	<u>11,724,709,870</u>	<u>8,394,799,168</u>
<p>Filing of corporate income tax return of the Bank has been made up to the assessment year 2024-25. Corporate income tax return for the income year ended 31 December 2024 has not yet been due for filing. However, tax clearance certificate from National Board of revenue (NBR) was received up to 2020 (Assessment Year 2021-2022), except 2011 and 2012. Provision for corporate income tax for the year ended 31 December 2024 has been made after considering necessary taxable allowances and disallowances as per tax laws.</p>		
13.4.1 Provision made during the year		
Current tax	4,293,172,860	3,301,736,786
Deferred tax	6,827,140	5,842,404
	<u>4,300,000,000</u>	<u>3,307,579,190</u>
13.4.2 Provision for taxation		
Current year provision	4,301,328,011	-
Provision carried forward	-	-
2024	4,301,328,011	-
2023	3,232,608,164	3,232,608,164
2022	2,084,642,925	2,084,642,925
2021	1,049,489,279	1,049,489,279
2020	-	971,417,309
2012	575,202,852	575,202,852
2011	481,438,639	481,438,639
	<u>11,724,709,870</u>	<u>8,394,799,168</u>

2024 Amounts in BDT	2023 Amounts in BDT
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14 Paid-up capital / Deposit kept with Bangladesh Bank

Fund deposited with Bangladesh Bank	-	-
Investment in treasury bills/bonds (note 14.1)	7,738,700,000	6,847,000,000
	7,738,700,000	6,847,000,000

14.1 Since Commercial Bank of Ceylon PLC, Bangladesh Operations is a branch of a Banking company incorporated outside Bangladesh, the amount of deposit against equity kept with Bangladesh Bank under section 13(3) of the Banking Companies Act 1991 has been shown under this head as per BRPD circular no. 14 dated 25 June 2003.

The Bank's deposits against equity with Bangladesh Bank at 31 December 2024 represents investment in treasury bills/bonds of BDT 7,738,700,000.

14.2 Capital to Risk Weighted Assets Ratio (CRAR)

In terms of section 13 (2) of the Banking Companies Act, 1991 and Bangladesh Bank BRPD circulars no. 01,14,10,05 and 18 dated 08 January 1996,16 November 1996, 25 November 2002, 14 May 2007,21 December 2014 and 03 April 2018 respectively, required capital of the Bank at 31 December 2024 should be BDT 5,513,860,625 or 10% of risk weighted assets whichever is higher as against available capital of BDT 28,435,885,239 (Tier I Capital BDT 26,909,885,239 and Tier II Capital BDT 1,526,000,000). Details are shown

Total assets including off-balance sheet items	225,117,512,891	180,438,372,354
Total risk weighted assets	55,138,606,246	48,037,804,515
10% of risk weighted assets	5,513,860,625	4,803,780,452
Required capital as per BRPD circular (a)	5,513,860,625	5,000,000,000
Actual capital maintained:		
Tier I		
Paid-up capital/Deposit kept with Bangladesh Bank	7,738,700,000	6,847,000,000
Statutory reserve	-	-
Other reserve	-	-
Retained earnings	19,312,800,910	14,260,071,542
Regulatory adjustments (deferred tax assets)	(141,615,672)	(147,790,341)
	26,909,885,238	20,959,281,201
Tier II		
General provision on unclassified loans and off-balance sheet items (Allowable as per Basel III)	1,526,000,000	1,280,000,000
Revaluation reserve (up to 50% of revaluation reserve) less phase-in deductions as per Basel III	-	-
	1,526,000,000	1,280,000,000
Total capital (b)	28,435,885,238	22,239,281,201
Capital surplus / (shortfall) (b-a)	22,922,024,613	17,239,281,201
Capital to Risk Weighted Assets Ratio (CRAR)	51.57%	46.30%

15 Surplus in profit and loss account

Opening balance	14,260,071,542	9,977,373,476
Add: Profit after taxation	6,004,474,109	4,386,001,107
Add: Capital from Head Office	-	-
Less: Provision for Start-up Fund (Note 32)	(60,044,741)	(44,303,041)
Less: Profit remittance	-	-
Add: Transfer from Deposit kept with Bangladesh Bank to Profit and Loss	(891,700,000)	(59,000,000)
Closing balance	19,312,800,910	14,260,071,542

	2024 Amounts in BDT	2023 Amounts in BDT
16 Contingent liabilities		
16.1 Claims lodged with the Bank which are not recognized as loan	-	-
16.2 Letter of guarantees		
Directors	-	-
Government	10,070,612,476	3,001,698,648
Banks and other financial institutions	281,555,200	133,125,200
Others	678,168,409	833,971,509
	11,030,336,085	3,968,795,357
Margin on guarantees	243,024,535	206,955,236
16.3 Irrevocable letters of credit		
Inward bills unsettled	4,357,694,224	1,444,287,640
Documentary credits	15,786,654,087	10,519,473,752
Shipping guarantee	11,400	3,100
	20,144,359,711	11,963,764,492
Margin on letters of credit	4,855,910,779	15,161,776,922
16.4 Bills for collection (*)		
Cheques for collection	140,720,434	128,518,902
Outward collection	10,716,329,751	7,359,871,314
	10,857,050,185	7,488,390,216
(*) The above amount represents cheques in hand for clearing and different outward bills sent on collection basis against which Bank is not taking any responsibilities. Hence, there is no chance for creating any liabilities for Bank in future.		
16.5 Other contingent liabilities		
Litigation pending against the Bank	69,367,577	67,638,549
	69,367,577	67,638,549
	42,101,113,558	23,488,588,614
17 Other commitments		
Forward assets purchased and forward deposits placed	29,315,464,715	21,299,626,893
	29,315,464,715	21,299,626,893

	2024	2023
	Amounts in BDT	Amounts in BDT
18 Interest income		
Interest on loans and advances		
General loan	6,386,327,417	4,584,611,471
Overdrafts	713,505,340	504,885,510
Trust receipts	148,693,755	108,869,117
Import loans	3,153,373	30,284,206
Pre-shipment loan	9,069,938	3,024,923
Inland bills purchased	-	12,761,909
House building loan-others	59,792,782	55,563,813
Credit cards	16,142,134	13,466,561
Staff loans	10,511,560	10,163,812
	7,347,196,299	5,323,631,322
Interest on		
Accounts with foreign Banks	161,511,472	38,254,437
Deposits with other Banks	1,615,138,164	1,814,294,486
	1,776,649,636	1,852,548,923
	9,123,845,935	7,176,180,245
19 Interest paid on deposits and borrowings, etc.		
Interest on		
Fixed deposits	3,134,782,985	1,978,539,273
Short notice deposit / Money market A/C	500,460,870	485,884,564
Savings deposits	77,594,925	75,519,998
Foreign currency deposits	422,965,608	284,844,494
	4,135,804,388	2,824,788,329
Interest on		
Borrowings from local Banks	37,910,539	18,032,530
Borrowings from foreign Banks	14,259,641	59,370
	52,170,180	18,091,900
Interest expenses on lease liability	27,666,165	27,360,245
	4,215,640,733	2,870,240,474
20 Investment income		
Interest and profit on treasury bills	3,144,774,324	1,071,410,062
Interest and profit on treasury bonds	610,331,063	213,334,244
Capital gain on treasury bills and bonds	23,325,488	50,316,430
Dividend from CDBL shares	13,708,332	-
	3,792,139,207	1,335,060,736
21 Commission, exchange and brokerage		
Commission	867,353,789	676,594,265
Exchange gain less losses arising from dealing in foreign currencies	3,414,404,964	3,758,677,712
	4,281,758,753	4,435,271,977
22 Other operating income		
Income from recovery of loans	45,054,962	88,894,081
Income from recovery of written off bad debts	5,844,500	1,933,672
Profit on disposal of fixed assets	352,974	1,735,167
Reversal of HO Expenses	27,288,602	174,027,337
Profit less loss from interest fluctuation	-	-
	78,541,038	266,590,257

	2024	2023
	Amounts in BDT	Amounts in BDT
23 Salary and allowances		
Salaries	396,199,026	352,046,728
Leave fair assistance	30,621,678	27,489,350
Bonus	255,866,262	234,934,681
Bank's contribution to provident fund	18,083,866	16,299,534
Gratuity	28,262,008	35,655,136
Other allowances	66,000	11,725,467
Medical expenses	18,157,402	16,878,096
	747,256,242	695,028,992
24 Rent, taxes, insurance, electricity, etc.		
Rent, rates and taxes (Only VAT)*	23,884,331	23,028,668
Lease rent	6,540,823	5,582,977
Insurance	60,054,894	51,453,548
Lighting	14,456,465	12,165,820
Water charges	626,491	561,680
	105,563,004	92,792,693
(*) Actual rent expenses during the year 2024 is Tk. 191,954,495/-		
25 Legal expenses		
Law charges	1,741,305	1,654,028
Other professional fees	6,389,231	1,861,821
	8,130,536	3,515,849
26 Postage, stamps, telecommunication, etc.		
Telephone	1,367,624	2,366,941
Swift charges	6,714,468	4,060,483
Postage and courier	11,527,224	12,365,122
	19,609,316	18,792,546
27 Stationery, printing, advertisements, etc.		
Publicity and advertisement	21,238,931	15,405,990
Printing and stationery	9,734,929	7,536,056
Newspapers and periodicals	481,826	365,229
	31,455,686	23,307,275
28 Chief Executive's salary and fees		
Salary	9,935,793	9,208,986
Bonus	9,477,871	9,074,437
Other allowances	5,865,867	4,706,135
	25,279,531	22,989,558
29 Depreciation and repairs of Bank's assets		
Depreciation (Annex B).	197,754,698	170,882,516
Repairs and maintenance of:		
Equipment and computers	28,328,777	28,327,614
Premises, furniture and fixtures	10,671,081	10,981,327
Vehicles	11,966,606	12,189,069
	248,721,162	222,380,526

	2024 Amounts in BDT	2023 Amounts in BDT
30 Other expenses		
Fees and charges for services	71,555,893	66,796,999
Travelling and conveyance	16,492,409	10,870,324
Entertainment	19,801,269	25,453,290
Security services	19,266,622	17,983,412
Training, seminar and workshop	861,606	1,374,341
Cash carrying expenses	6,003,251	6,635,511
Loss on disposal of fixed assets	7,307	127,601
Donation and subscription (CSR Expenses)	7,025,745	9,229,268
Staff welfare	-	100,000,000
Sundry expenses	28,109,558	25,408,181
Head office expenses (note 30.1)	1,141,909,501	840,428,445
	1,311,033,161	1,104,307,372
30.1 As per FE Circular No. 15, dated: 10 June 2018, issued by Foreign Exchange Policy Department of Bangladesh Bank, provision for head office expenses has been kept @ 10% on the amount of profit before tax.		
31 Provision against loans and advances		
General provision for:		
Unclassified loans	126,700,000	293,600,000
Off-balance sheet items	135,300,000	51,400,000
Special general provision for COVID-19	(16,000,000)	(9,000,000)
	246,000,000	336,000,000
32 Start-Up Fund		
As per SMESPD Circular No. 04 dated March 29, 2021, read with circular no. 5 dated 26 April 2021 Bank has to create a Start-up fund to disburse the loan to the startup entrepreneurs by transferring 1% of the Annual Net Profit (As per Audited Financial Statements) from the year 2020 onwards for next five years. To comply that in the year 2021 bank has transferred 1% of Net Profit amounting BDT 15,890,336, BDT 16,731,266 for the year 2020 and 2021. Subsequently from the year 2022, 2023 and 2024 we transfer BDT 26,789,724, BDT 44,303,041 and BDT 60,044,741 respectively.		
33 Receipts from other operating activities		
Other operating income	78,541,038	266,590,257
Income from commission, exchange and brokerage	4,281,758,753	4,435,271,977
Less: Fees and commission	(867,353,789)	(676,594,265)
Gain on disposal of property, plant and equipment, recovery of Loans Provisions	(51,252,436)	(92,562,920)
	3,441,693,566	3,932,705,049
34 Payments for other operating activities		
Total operating expenses	(2,497,738,638)	(2,183,632,311)
Less: Payments to employees	744,273,765	682,363,414
Less: Payments to suppliers	156,628,006	134,892,514
Less: General and other provisions	(258,431,453)	(465,650,133)
	(1,855,268,320)	(1,832,026,516)

	2024	2023
	Amounts in BDT	Amounts in BDT
35 Other assets		
Receivable from Bangladesh Bank against Sanchaya Patras	-	10,296,785
Prepaid expenses	17,085,710	12,416,884
Stock of stationery, stamps, printing materials, etc.	23,917,728	14,577,951
Receivable from Head Office	74,000	36,500
Security deposit	4,958,575	4,548,020
Others	392,480,057	544,671,229
	438,516,070	586,547,369
Increase /(Decrease) during the year	148,031,299	236,458,388
36 Other liabilities		
Accumulated provision against loans and advances and off-balance sheet items	1,526,000,000	1,264,000,000
Special general provision for COVID-19*	-	16,000,000
Specific provision (note 13.2)	287,557,869	320,181,377
Interest suspense account (note 13.3)	66,027,607	66,340,161
Provision for corporate taxation (note 13.4)	11,724,709,870	8,394,799,168
Sundry creditors	364,092,742	349,770
Expenses payable	443,707,357	390,714,894
Commission and brokerage payable	17,080,617	50,446,508
Provision for head office expenses (note 30.1)	1,141,909,556	840,428,500
Gains on revaluation of treasury bills/ bonds	23,331,685	23,571,712
Others	1,124,952,244	927,305,503
	16,719,369,547	12,294,137,593
Less: Current year's corporate tax provision	(4,300,000,000)	(3,307,579,190)
Decrease during the year	125,231,954	(403,767,565)

37 Audit committee

Audit committee of the Bank consists of the following members:

SL. No.	Name	Designation	Educational and professional qualifications
1	Najith Meewanage	Chief Executive Officer	Master in Business Administration from University of Greenwich, London. Diploma in Banking and Associated member of Institute of Bankers in Sri Lanka.
2	Mahmud Hossain	Deputy CEO & Head of Corporate	Master in Business Administration from IBA, University of Dhaka, Bcom (Hons) in Finance and Banking from University of Dhaka.
3	Kasun Herath	Deputy Chief Executive Officer & Chief Operating Officer	Masters in Financial Economics from University of Colombo, Sri Lanka. Diploma in Economics Development from University of Colombo, Sri Lanka. Diploma in treasury Investment and Risk Management from Institute of Bankers of Sri Lanka. ACI Dealing Certificate from Association of Cambersite International, France. Certified Treasury Professional from The Association of Financial Professionals, USA.
4	Binoy Gopal Roy	Chief Financial Officer	Masters in Accounting, Fellow Member of The Institute of Chartered Accountants of Bangladesh (ICAB).
5	Md. Mosharaf Hossain	Chief Manager - Head of Internal Control & Compliance	Masters in Business Administration, Fellow Member of Institute of Chartered Accountants of Bangladesh (ICAB).
6	Moyeenul Haque Khan	Manager, Audit	Bachelors of Art's (BA) from University of Dhaka.

Four (04) numbers of Audit Committee meetings were held during the year 2024 where among others, following issues were discussed:

- (i) Summary of the entire audit issues, status and follow up of outstanding recommendations.
- (ii) Head Office, Colombo audit issues status and follow up of outstanding recommendations.
- (iii) Bangladesh Bank comprehensive and core risk inspection reports as well as Special Inspection reports.
- (iv) Appointment of external auditors.
- (v) Review of Internal Control System.
- (vi) Compliance with mandatory Banking and other statutory requirement.
- (vii) Management report on the audit of annual financial statement submitted by the external auditors.

38 Core risks management of the Bank

Bangladesh Bank has issued guidelines in managing core risks by BRPD circular no.17 dated 07 October 2003 and updated from time to time for effective management of six core risk areas of Banking business namely:

- (a) Credit risks,
- (b) Asset and liability / balance sheet risks,
- (c) Foreign exchange risks,
- (d) Internal control and compliance risks,
- (e) Money laundering risks, and
- (f) Information technology risks.
- (g) Internal Audit
- (h) Fraud and Forgeries
- (i) Wilful Loan Defaulter

Necessary guidelines has been issued covering the core risks areas to the concerned departments/branches/booths for their implementation. The status of implementation of above six guidelines are summarised below:

38.a Credit risks

An in-depth credit risk assessment is being conducted prior to granting any loan and reviewed at least annually thereafter for all facilities in order to address overall credit risk issues. The results of assessment is thereafter presented in a credit application that originated from the Relationship Manager/Accounts Officer pursued and commented by the credit risk management and is approved by the CEO/ECC/Head Office approval authority.

The Bank has formally implemented Credit Risk Management Policy, Lending Guidelines, Environmental & Social Management System Guidelines to enumerate the policy and procedures for handling credit related operations in Bangladesh.

38.b Asset and liability/ Balance sheet risks

The Bank's Asset-Liability Management Committee (ALCO) plays a pivotal role in ensuring financial stability and optimizing performance by overseeing and implementing the Bank's asset and liability management processes. ALCO is responsible for monitoring the cost of liquidity, optimizing returns on loans and investments, maintaining capital adequacy, and managing the loan-to-deposit ratio to ensure sustainable growth. The committee actively develops and oversees the liquidity contingency plan, adheres to wholesale borrowing guidelines, and ensures compliance with key regulatory metrics such as the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). In addition, ALCO sets appropriate commitment limits to manage off-balance-sheet exposures while aligning with regulatory requirements.

ALCO also plays a critical role in managing exchange rate risk, interest rate risk, and liquidity risk. By conducting interest rate sensitivity analyses and gap analysis, the committee ensures that interest rate risk is maintained within defined parameters, thereby safeguarding the Bank's net interest margin (NIM). The committee utilizes dynamic scenario analyses, stress testing, and careful management of maturity buckets to maintain sufficient liquidity across all time horizons. These measures ensure adherence to regulatory standards and align the Bank with international best practices. Through its comprehensive approach, ALCO strengthens the Bank's ability to mitigate risks, supports its sustainable growth strategy, and enhances long-term value creation for stakeholders.

38.c Foreign exchange risks

The Foreign Exchange risk is mitigated through proper market analysis and potential change arising out of pricing is addressed with appropriate risk limits. The Bank has formally implemented a manual with the objective of preventing exchange loss due to error, negligence, recklessness, lack of skill, etc. to comply with Bangladesh Bank guidelines, prepare and enforce foreign exchange authorised dealer's code of conduct. The Management action triggers is in place to ensure adherence to limits.

38.d Internal control and compliance risks

The potential operational risk is mitigated through three wings of Internal Control & Compliance (ICC) Department, Audit & Inspection, Compliance and Monitoring wing thus ensure sound, sustainable and secured growth of the Bank.

Bank has already implemented Internal Control Procedures manual with segmental risk monitoring procedure. Internal control and Compliance Department undertakes regular and surprise audit/ inspection of the branches and departments to review the operations and compliance of statutory requirements and to ensure all financial statements are drawn up in conformity with Banking Companies Act, 1991 (Amendment up to date), in accordance with IAS/ IFRS and Bangladesh Bank Circulars, Guidelines are in force.

38.e Money laundering risks

In alignment with the directives of Bangladesh Bank and the Bangladesh Financial Intelligence Unit (BFIU), the bank has implemented robust policies, procedures, and controls to effectively manage Money Laundering (ML) risks and identify suspicious activities for prompt reporting to the relevant authorities. The bank's independent Central Compliance Committee, AML & CFT Department, and the designated Chief Anti-Money Laundering Compliance Officer (CAMLCO) ensure comprehensive adherence to AML regulations.

At the branch level, Branch Anti-Money Laundering Compliance Officers (BAMLCOs) work attentively to maintain compliance and mitigate ML risks. Key measures include thorough Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD) for high-risk accounts, particularly for Politically Exposed Persons (PEPs), Influential Persons (IPs), and Heads of International Organizations.

To address emerging risks, the bank emphasizes rigorous due diligence in foreign trade transactions, proactively guarding against Trade-Based Money Laundering (TBML). Cutting-edge tools such as automated sanction screening and real-time transaction monitoring systems have been deployed to ensure robust oversight and swift detection of potential threats.

38.f Information Technology Risks

In its ongoing efforts to enhance ICT security and compliance, the Bank has upgraded its Core Banking Software to the latest version, replaced the existing teller module with a new one, and introduced a new Treasury Management System, all in accordance with industry standards. These upgrades collectively ensure a highly secure environment for all transactional activities.

The Bank's operations align with a comprehensive IT security policy, fully consistent with the Bangladesh Bank Guidelines v4 0 on Information and Communication Technology for Scheduled Banks and Financial Institutions. Furthermore, the Bank has implemented and is effectively maintaining its Disaster Recovery Plan (DRP) and Business Continuity Plan (BCP).

The Bank proudly holds the latest version of the PCIDSS Certificate and complies with the SWIFT Customer Security Controls Framework (v2024), demonstrating its commitment to adhering to stringent security standards.

38.g Internal Audit

Bank has established an independent Internal Audit Department for conducting audit/inspection at various department/branch/booths in line with the approved annual audit plan. In general, all the department/branch/booth are audited at least once in a year and some of the departments are audited twice in a year. Observations are responded by the respective Department/Branches within the given time frame. Online monitoring (transaction level) is also being performed by the department in addition to performed IS System Audit. Major findings and recommendations identified by the internal auditors are thereafter being discussed in the Audit Committee Meeting. Moreover, Colombo Head Office Inspection Department have their own plan of auditing the Bank from time to time.

38.h There was no fraud and forgeries occurred during the reporting period.

38.i As per the instructions of the BRPD Circular no.- 06, dated 12 March 2024, we are reporting the list of wilful defaulters on a regular basis.

39 Risk Management Committee (RMC)

Bank has established an independent Risk Management Committee (RMC) under the overall guidance of the Chief Executive Officer (CEO) where designated management members are responsible for each core risk areas. RMC is monitoring and measuring risks on the basis of the Bank's approved risk parameters and recommend risk mitigation tools / procedure for implementation by the concerned line managers to ensure the maintenance of risks within the tolerable risk parameters. Secretary of RMC prepares the Risk Management Report which includes details risk observations received from each relevant risk head and discuss thoroughly in the monthly RMC meeting.

40 Post balance sheet events

No material events have occurred after the Balance Sheet date that could affect the values reported in these financial statements.

41 Related party disclosure

41.1 Transactions with key management personnel

The key management personnel of the Bank for the purpose of IAS 24 are defined as those having authority and responsibility for planning, directing and controlling the Bank, being members of the Board of Director of the Bank, managing director of the Bank and close members of their families and companies they control, or significantly influence, or for which significant voting power is held.

Commercial Bank of Ceylon PLC- Bangladesh Operations, not being incorporated in Bangladesh, Operates in Bangladesh under the Banking license issued by Bangladesh Bank(as a branch of a foreign Bank) and therefore key management personnel, who do qualify as related party under IAS 24, refer to Commercial Bank of Ceylon officials located in outside Bangladesh.

So, there is no transactions between the Bank and the key management personnel of the Bank in 2024 (2023-nil).

41.2 Transactions with Post employment benefit plan

The Bank has two post employment benefit schemes, the nature of which is disclosed in note 2.7, Employee benefits. The total contribution to these schemes in 2024 by the Bank is disclosed in note 23, salaries and allowances.

41.3 Transactions with nostro and vostro accounts

The Bank provides and receives certain Banking and financial service to/from entities within the group. As at year end the balances with these entities are discloses in note 4.2 Balance with other Banks and financial institutions- Outside Bangladesh and in note 11.2 Borrowings from other Banks, financial institutions and agents- outside Bangladesh.

The disclosure of the year end balance is considered to be the most meaningful information to represent transactions during the year . The outstanding balance include deposits kept with or by the Bank and arise in the ordinary course of business and are on substantially the same as for comparable transactions with third parties.

41.4 Transactions with the Off-shore Banking unit

The Off-shore Banking Unit(OBU) operates under a separate license issued by Bangladesh Bank. Transactions with the OBU comprises of inter-unit fund transfer in normal course of business as well as the payment of certain expenses by the Bank on behalf of the OBU. These include income taxes paid by the Bank on behalf of OBU as well as expenses incurred for administrative purpose.

42 Compliance status of International Financial Reporting Standards (IFRSs):

Bangladesh Financial Reporting Standards (BFRS) has been replaced by the International Financial Reporting Standards (IFRS)as issued by the International Accounting Standards Board (IASB) and adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) vide letter no 1/1/ICAB-2017 dated 14 December 2017. The compliance status of these IFRS is as follows:

Sl. No.	Title of Standard	IAS no.	Status
1	Presentation of Financial Statements	1	Complied*
2	Inventories	2	Complied
3	Statement of Cash Flows	7	Complied*
4	Accounting Policies, Changes in Accounting Estimates and Errors	8	Complied
5	Events after the Reporting Period	10	Complied
6	Income Taxes	12	Complied
7	Property, Plant and Equipment	16	Complied
8	Employee Benefits	19	Complied
9	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
10	The Effects of Changes in Foreign Exchanges Rates	21	Complied
11	Borrowing Costs	23	Complied
12	Related Party Disclosures	24	Complied
13	Accounting and Reporting by Retirement Benefit Plans	26	Not Applicable
14	Consolidation and Separate Financial Statements	27	Not Applicable
15	Investment in Associates	28	Not Applicable
16	Interest in Joint Ventures	31	Not Applicable
17	Financial Instruments: Presentation	32	Complied
18	Earnings Per Share	33	Not Applicable
19	Interim Financial Reporting	34	Not Applicable
20	Impairment of Assets	36	Complied
21	Provisions, Contingent Liabilities and Contingent Assets	37	Complied
22	Intangible Assets	38	Complied
23	Investment Property	40	Not Applicable
24	Agriculture	41	Not Applicable

SL no.	Title of Standard	IFRS no.	Status
1	First-time Adoption	1	Not Applicable
2	Share Based payment	2	Not Applicable
3	Business Combinations	3	Not Applicable
4	Insurance Contracts	4	Not Applicable
5	Non-Current Assets Held for sale and Discontinued Operations	5	Not Applicable
6	Exploration for and Evaluation of Mineral Resources	6	Not Applicable
7	Financial Instruments: Disclosure	7	Complied
8	Operating Segments	8	Not Applicable
9	Financial Instruments	9	Complied*
10	Revenue from Contracts with Customers	15	Complied
11	Lease	16	Complied
12	Insurance Contracts	17	Not Applicable
13	Sustainability and Climate Risk	S1 & S2	Complied

* Relevant disclosures are made according to the requirement of Bangladesh Bank.

43 Others

Assets and liabilities other than balances with other Banks and financial institutions at 31 December 2024 denominated in foreign currencies have been translated to local currency, BDT, at the following exchange rates:

<u>Currency</u>	<u>Abbreviation and unit</u>	<u>Equivalent BDT</u>	
United Arab Emirate Dirham	AED	1.00	32.5347128
Australian Dollar	AUD	1.00	74.4544750
Canadian Dollar	CAD	1.00	82.9832297
Swiss Franc	CHF	1.00	132.5347973
Chinese Yuan	CNY	1.00	16.3735639
European Currency	EUR	1.00	124.5966750
Pound Sterling	GBP	1.00	150.3369750
Hong Kong Dollar	HKD	1.00	15.3915507
Indian Rupee	INR	1.00	1.3969868
Japanese Yen	JPY	1.00	0.7575037
Kuwaiti Dinar	KWD	1.00	387.7226566
Malaysian Ringgit	MYR	1.00	26.7188373
New Zealand Dollar	NZD	1.00	67.4398250
Qatar Riyal	QAR	1.00	32.7792407
Saudi Arabian Riyal	SAR	1.00	31.8225539
Swedish Kroner	SEK	1.00	10.8630932
Singapore Dollar	SGD	1.00	87.9743807
US Dollar*	USD	1.00	119.5000000

*All the amounts except for Balance with other banks and financial institutions outside Bangladesh have been translated into BDT as per the above-mentioned rate. Balance with other banks and financial institutions-outside Bangladesh has been translated into BDT using the closing rate of Bangladesh Bank as instructed by Bangladesh Bank through BRPD circular letter no. BRPD(R)717/2004(959), dated November 21, 2004.

44 Reconciliation of inter-Bank and inter-branch transactions

The Bank has automated system for responding inter-branch transactions. All the entries are being responded on a real time basis. All the inter-Bank transactions are being reconciled properly.

45 Secured liabilities

The Bank has no secured liabilities against which assets has been pledged as security.

46 Open position

The Bank's open position as of 31 December 2024 was USD 12,672,294.48 equivalent to Taka 1,514,339,190.76 against the approved limit of USD 14,430,000.00.

47 Credit rating

The Bank has been awarded "AAA" (triple A) for long term and ST-1 for short term ratings" by the Credit Rating Information and Services Limited (CRISL) on 12 June 2024.

48 Corporate Social Responsibility (CSR)

CSR is an integral part of the Bank's culture in addition to core business activity. The Bank contributes to the underprivileged and disadvantaged through different projects. CBC has always been active in CSR projects since inception. The bank has undertaken CSR activities, as per directives of the Bangladesh Bank through SFD Circular No 01 dated 09 January 2022. The details of the activities are appended below:

Social Projects:

Description of initiatives	Amount of investment	No. of beneficiaries
I. a) Environment and Climate Change Mitigation & Adaptation : Total nos. 7,974 trees planted in Bogra.	BDT 500,000	-
I. b) Environment and Climate Change Mitigation & Adaptation : For safe drinking water.	BDT 900,000	-
II. a) Education: Granted to the Prime Minister's Education Assistance Trust.	BDT 500,000	-
II. b) Education: Utsho Bangladesh for Job focused vocational training.	BDT 50,000	-
II. c) Education: It's Humanity Foundation for Job focused vocational training.	BDT 600,000	-
II. d) Education: Teach for Bangladesh for Job focused vocational training.	BDT 600,000	-
II. e) Education: Alokito Path for Educational support towards mentally/ physically/ visually challenged children's.	BDT 325,000	-
II. f) Education: Zoom Bangladesh for Procurement of study equipment / materials.	BDT 30,263	-
III. a) Health: Shakti Mobile Clinic for medical equipment.	BDT 1,000,000	-
III. b) Health: Inner Wheel Club for medical equipment.	BDT 100,000	-
III. c) Health: ICDDRDB for medical equipment.	BDT 1,000,000	-
IV. a) Other (Disaster Management): Winter blankets given to the people affected by cold wave in different parts of the country.	BDT 452,400	-
IV. b) Other (Disaster Management): Flood donation to IHF for flood affected people.	BDT 968,082	-
Total	BDT 7,025,745	

49 Sustainability Disclosure

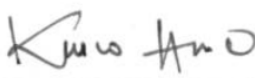
In alignment with the commitment to sustainability, CBC PLC is in the process of developing and enhancing its sustainability and climate related financial disclosure. This will include detailed information on Environmental, Social, and Governance (ESG) initiatives, risks, and opportunities, with a focus on integrating sustainable finance practices into bank's operations. CBC PLC approach is to include evaluating the impact of climate-related risks on lending and investment portfolios, with a particular focus on sectors that may be most vulnerable to transition and physical risks. CBC PLC has begun incorporating climate risk considerations into credit and risk management frameworks, aiming to support clients in their transition to a low-carbon economy. Additionally, CBC PLC has committed to financing sustainable projects and has set targets for lending in the field of green and sustainable finance. CBC PLC is committed to enhancing transparency and will publish a comprehensive sustainability and climate-related financial disclosure in the near future, which will provide further details.

50 Highlights of Activities

Sl.	Particulars	2024	2023
1	Paid-up capital / Deposit kept with Bangladesh Bank	7,738,700,000	6,847,000,000
2	Total capital for the purpose of CRAR	28,435,885,238	22,239,281,201
3	Capital to Risk Weighted Assets Ratio (CRAR) including OBU	51.57%	46.30%
4	Capital surplus/(shortfall)	22,922,024,613	17,239,281,201
5	Total assets	153,700,934,618	135,650,156,847
6	Total deposits	103,842,608,354	96,893,704,852
7	Total loans and advances	74,958,170,549	65,190,246,521
8	Total contingent liabilities and commitments	71,416,578,273	44,788,215,507
9	Credit-deposit ratio - DBU (%)	69.73%	67.87%
10	Credit-deposit ratio - Consolidated (%)	67.86%	64.69%
11	Ratio of classified loans against total loans and advances	0.60%	0.70%
12	Profit after tax and provision	6,004,474,109	4,430,304,148
13	Amount of Classified loans	450,233,748	453,617,670
14	Provision kept against classified loans	287,557,869	320,181,377
15	Provision surplus/(deficit)	429,538,843	395,341,153
16	Cost of fund	4.95%	3.83%
17	Interest earning assets	136,036,788,793	112,414,596,612
18	Non-interest earning assets	17,664,145,825	23,235,560,235
19	Return on investment	8.59%	8.12%
20	Return on average investment	10.86%	7.38%
21	Return on assets (Gross)	6.70%	5.70%
22	Return on assets (Net)	3.91%	3.27%
23	Income from investment	3,792,139,207	1,335,060,736
24	Earnings per share	N/A	N/A
25	Net income per share	N/A	N/A
26	Price earnings ratio	N/A	N/A



Binoy G. Roy
Chief Financial Officer



Kasun Herath
Deputy Chief Executive Officer
& Chief Operating Officer



Najith Meewanage
Chief Executive Officer

Annexure A

Commercial Bank of Ceylon PLC - Bangladesh Operations
Disclosures on Risk based Capital Requirement under Pillar III of Basel III
For the year ended 31 December 2024

1 Disclosure Policy:

Commercial Bank of Ceylon PLC ("the Bank") is a publicly quoted company incorporated in Sri Lanka on 25 June 1969. It is a licensed commercial Bank operating under the provisions of Sri Lanka Banking Act No. 30 of 1988. The Commercial Bank of Ceylon PLC - Bangladesh Operations commenced its Banking operations in Bangladesh from 06 November 2003 by acquiring the operations of Credit Agricole Indosuez a French Bank with two branches and two booths. The principal office of the Bank in Bangladesh is situated at Dhaka having eleven branches currently in operations at Dilkusha, Dhanmondi, Uttara, Mirpur, Gulshan 1, Gulshan 2, Panthapath, Tejgaon of Dhaka and each at Narayanganj, Chattogram and Sylhet. The Bank also maintains two sub-branches at US Embassy, Bangladesh and CEPZ Chattogram, Bangladesh and six SME centres at Old Dhaka, Shantinagar, Progati Sharani of Dhaka, Tongi of Gazipur, Jubilee Road and CDA Avenue of Chattogram.

- To comply with international best practices and make the Bank's capital more risk-absorbent;
- To maintain minimum capital requirement by the Bank against credit, operational and market risk;
- To maintain capital adequacy ratio as per Bangladesh Bank's time to time Requirements;
- To adopt the credit rating agencies as external credit assessment institutions (ECAI);
- To adopt standardised approach for both credit and market risk and basic indicator approach for operational risk;
- To submit Capital Adequacy returns to Bangladesh Bank on a quarterly basis.

2 Scope of Applications:

Risk based capital adequacy framework applies to Commercial Bank of Ceylon PLC, Bangladesh Operations, on " Solo Basis" as the Bank has no subsidiaries or significant investments rather operating as a foreign Branch of Commercial Bank of Ceylon PLC incorporated in Sri Lanka.

3 Disclosures Framework:

Disclosures requirements as per Bangladesh Bank Basel III Guidelines are enumerated below:

3.1 Capital Structure

Qualitative Disclosure

The aim is for the capital structure to be as efficient as possible, both in terms of cost and in terms of compliance with the requirements of Bangladesh Bank. Bank's total capital as of 31 December 2024 was BDT 28,435.89 million out of which BDT 26,909.89 million was under Tier-I capital (out of that BDT 7,738.70 million was Deposit kept with Bangladesh Bank as per section 13 (3) of Banking Companies Act 1991 and remaining BDT 19,171.19 million was Retained Profit after regulatory deduction) and remaining BDT 1,526.00 million was under Tier-II capital (General Provision of BDT 1,526.00 million).

Quantitative Disclosure:

a) Amount of Tier I Capital

Amounts in BDT

i) Common equity Tier 1 (CET 1)

Fully paid-up capital / capital deposited with Bangladesh Bank	7,738,700,000
Statutory Reserve	-
Actuarial gain/loss	-
Retained earnings	19,312,800,910
Non-repatriable interest-free fund	-

27,051,500,910

Amount deducted from CET 1 Capital (Regulatory Adjustments)

- Good will
- Shortfall
- Deferred tax assets
- Others

141,615,672

Total CET 1 Capital

26,909,885,238

ii) Additional Tier I capital

-

Total Tier I Capital (i+ii)

26,909,885,238

b) Total Tier II capital

1,526,000,000

Total eligible capital (a+b)

28,435,885,238

3.2 Capital Adequacy

Qualitative Disclosure of Capital Adequacy

Bank is maintaining adequate capital to cover all material risk and while doing so Bank has established an Internal Capital Adequacy Assessment Process (ICAAP) in-line with the regulatory guideline of Bangladesh Bank. The objective of the Bank's capital planning is to ensure that the Bank is adequately capitalized.

At the end of 31 December 2024 Bank maintained capital of BDT 28,435.89 million (Tier 1: going-concern capital of BDT 26,909.89 million plus Tier 2: gone-concern capital of BDT 1,526.00 million) against its total Risk Weighted Asset (RWA) of BDT 55,138.61 million which leads to a Capital to Risk-weighted Asset Ratio (CRAR) of 51.57%, where the minimum requirement is 10.00% of RWA (BRPD circular no. 18 dated 21 December 2014) or BDT 5,000 million (BRPD circular letter no. 20 dated 24 July 2023) whichever is higher. Tier-I capital was 48.80% of RWA against minimum requirement of 6% of RWA. As a result the Bank has a buffer Capital of BDT-22,922.02 million to maintain to mitigate the additional uncertain risks which are not covered under Pillar-II.

Quantitative Disclosure of Capital Adequacy

	Amounts in BDT	
a) Amount of Regulatory Capital to meet unforeseen loss:		
Amount of Capital required to meet Credit Risk		3,775,003,069
Amount of Capital required to meet Market Risk		238,107,539
Amount of Capital required to meet Operational Risk		1,500,750,017
		5,513,860,625
b) Actual Capital Maintained:		
Total CET 1 Capital		26,909,885,238
Total Tier I Capital		26,909,885,238
Total Tier II Capital		1,526,000,000
Total capital		28,435,885,238
% of Capital to risk weighted assets (CRAR)	Required	Maintained
CET 1	4.50%	48.80%
Tier I	6.00%	48.80%
Tier II		2.77%
Total	12.50%	51.57%
c) Capital conservation buffer	2.50%	2.50%
d) Available capital under pillar 2 requirement		22,922,024,613

3.3 Credit Risk

Qualitative Disclosures:

General qualitative disclosure requirement with respect to credit risk includes the following:

Definition of past due and impaired

According to the Bangladesh Bank's guidelines on Risk Based Capital Adequacy (RBCA), dated December 2014, claims that are past due for 60 days or more are clubbed under this past due category. Apart from the Basel III requirement, for accounting purpose Bank is maintaining its past due loan in accordance with the BRPD Master circular no. 14 dated 23 September 2012 on "Loan Classification & Provisioning" and its related subsequent instructions.

Description of approaches followed for specific & general allowances and statistical methods

Bank is following the general and specific provision requirement in line with the regulatory guideline of Bangladesh Bank.

Discussion of the Bank's credit risk management policy

Credit risk is one of the most significant risks in terms of sustainability, regulatory and capital management, which Bank is always exposed to. Generally loans are the largest and most obvious source of credit risk. There are other sources of credit risk both on and off the balance sheet of the Bank. Bank's objective is to develop a high quality and diversified credit portfolio comprised of corporate, SME, retail and cards in Bangladesh towards a better credit risk management.

Credit risk management of the Bank is translated through the policies and procedures covering the measurement and management of credit risk. Bank has its Credit Risk Management Policy (CRMP) approved by the Board of Directors. The CRMP defines organizational structure, role and responsibilities and the processes whereby the credit risk carried by the Bank can be identified, quantified and managed within the framework that the Bank considers consistent with its appetite and risk tolerance.

Bank has standard methods of analyzing various risk aspects involved in extending credit, considering risk areas such as business risk, financial risk, management risk, security risk, etc. besides continuously reviewing the exposures and concentrations of the customer, group, industry, geography and lending type. Outcome of these risk analyses are considered to assign an internal credit risk grading for each borrower.

There is a clear segregation of duties among the credit originators, risk function and approvers. All credit exposure limits are approved within a defined credit approval authority. Credit risk of Corporate, SME business is being assessed by Credit Risk Unit of IRMD. Credit Card and Retail Credit are assessed by the SMEF Unit of the Bank. Additionally, Internal Audit Department conducts on-site and off-site audit for all credits.

Quantitative Disclosure

Total exposures of credit risk

A) Broken down by major types of credit exposure

Amounts in BDT

a) Cash and cash equivalents	685,342,453
b) Claims on Bangladesh Government and Bangladesh	17,301,671,174
c) Claims on other sovereigns and Central Banks*	-
d) Claims on Bank for international settlements, International Monetary Fund and European Central Bank	-
e) Claims on Multilateral Development Banks (MDBs)	-
f) Claims on Public Sector Entities (other than Govt. of Bangladesh) in BGD	-
g) Claims on Banks & NBFIs:	-
Maturity Over 3 Months	612,845,603
Maturity less than 3 Months	5,397,343,504
h) Claims on Corporate	58,071,668,629
i) Claims under Credit Risk Mitigation	4,782,290,782
j) Claims categorized as retail portfolio and small & medium enterprise (excluding consumer finance)	4,443,521,989
k) Consumer finance	115,052,846
l) Claims fully secured by residential property	518,888,873
m) Claims fully secured by commercial real estate	-
n) Past due loans/NPL	431,707,565
o) Investments in premises, plant and equipment and all other fixed assets	610,490,951
p) Claims on Fixed Assets under Operating Lease	-
q) All Other Assets	-
i) Claims on GoB and BB (Advance Income Tax)	9,310,563,288
ii) Staff loan/investments	179,995,690
iii) Other assets	326,986,101
r) Off-balance sheet items:	
Claims on Banks:	
Maturity Over 3 Months	111,787,184
Maturity less than 3 Months	158,817,327
Claims on corporate	8,274,875,265
Retail portfolio and small & medium enterprises	914,466,016
	112,248,315,240

B. Geographical Distribution of Exposure

Amounts in BDT

Category	Dhaka	Chattagram	Sylhet	Total
Balance Sheet Items				
Claims on sovereigns and central Banks	17,806,928,252	147,205,488	32,879,887	17,987,013,627
Claims on Banks and NBFIs	6,010,189,107	-	-	6,010,189,107
Claims on corporate	57,183,268,797	5,059,600,857	1,042,797,322	63,285,666,976
Claims on retail portfolio and consumer	5,047,144,364	23,037,910	7,281,434	5,077,463,708
Fixed assets	597,701,951	11,322,968	1,466,032	610,490,951
Staff loan	179,995,690	-	-	179,995,690
All other assets	2,072,718,476	7,564,046,233	784,680	9,637,549,389
Total on balance sheet items	88,897,946,637	12,805,213,456	1,085,209,355	102,788,369,448
Off Balance Sheet Items				
Claims on Banks	270,604,511	-	-	270,604,511
Claims on corporate	6,609,795,208	1,665,080,057	-	8,274,875,265
Claims on retail portfolio and consumer finan	653,509,991	260,956,025	-	914,466,016
Total off balance sheet items	7,533,909,710	1,926,036,082	-	9,459,945,792
Total	96,431,856,347	14,731,249,538	1,085,209,355	112,248,315,240

C. Industry or Counterparty type distribution of exposures

Amounts in BDT

Category	Bank and NBFIs	Manufacturing industries	Retail & Consumer finance	Others	Total
Balance Sheet Items					
Claims on sovereigns	17,987,013,627	-	-	-	17,987,013,627
Claims on Banks and	6,010,189,107	-	-	-	6,010,189,107
Claims on corporate	-	63,285,666,976	-	-	63,285,666,976
Claims on retail portfolio	-	-	5,077,463,708	-	5,077,463,708
Fixed assets	-	-	-	610,490,951	610,490,951
Staff loan	-	-	-	179,995,690	179,995,690
All other assets	-	-	-	9,637,549,389	9,637,549,389
Total on balance sheet	23,997,202,734	63,285,666,976	5,077,463,708	10,428,036,030	102,788,369,448

Category	Bank and NBFIs	Manufacturing industries	Retail & Consumer finance	Others	Total
Off-balance sheet items					
Claims on Banks	270,604,511	-	-	-	270,604,511
Claims on corporate	-	8,274,875,265	-	-	8,274,875,265
Claims on retail portfolio	-	-	914,466,016	-	914,466,016
Total off balance sheet	270,604,511	8,274,875,265	914,466,016	-	9,459,945,792
Total	24,267,807,245	71,560,542,241	5,991,929,724	10,428,036,030	112,248,315,240

D. Residual Contractual Maturity

Amounts in BDT

Residual contractual maturity	Balance sheet items	Off-balance sheet items	Total
Up to 1 month maturity	18,108,344,963	1,242,057,442	19,350,402,405
1-3 months maturity	28,007,340,623	4,756,649,234	32,763,989,857
3-12 months maturity	39,666,523,439	3,015,951,035	42,682,474,474
1-5 years maturity	13,079,503,738	445,288,081	13,524,791,819
Above 5 years maturity	3,926,656,685	-	3,926,656,685
Total	102,788,369,448	9,459,945,792	112,248,315,240

E. Major Industry or Counterparty Type (past due)

i) Amount of impaired / classified loans by major industry/ sector type

Amounts in BDT

Major industry/sector	-
Bank and NBFIs	-
Manufacturing industries	-
Retail and Consumer finance	17,910,414
Others	432,323,334
Total	450,233,748

ii) Specific and general provision

General provision	1,140,500,000
Loans and advances	385,500,000
Off-Balance sheet items	1,526,000,000
Specific provision	287,557,869

iii) Charges for specific allowance and charges-offs during the year

Specific provisions made during the period	12,431,453
Write-back of excess specific provisions	(45,054,962)

F) Gross non-performing assets (NPAs)

Total loans & advances	74,958,170,549
Non-performing loans and advances	450,233,748
Special mentioned account (SMA)	-
Sub-standard	41,859,216
Doubtful	17,524,516
Bad/ Loss	390,850,016
Non-Performing Assets (NPAs) to Outstanding Loans and advances	0.60%

G) Movement of Non-Performing Assets (NPAs)

Opening balance	453,617,670
Add: Addition during the year	54,349,301
Less: Reduction during the year	(57,733,223)
Closing balance	450,233,748

H) Movement of specific provisions for NPAs

Opening balance	320,181,377
Add: Provisions made during the period	12,431,453
Add: Recovery of advance previously written-off	-
Less: Write-off	-
Less: Write-back of excess provisions	(45,054,962)
Closing balance	287,557,869

3.4 Equities: Disclosures for Banking Book Positions**Qualitative Disclosure**

The Bank has no investments in quoted Shares. The Bank has only equity investments in Central Depository Bangladesh Limited (CDBL) shares as unquoted investment.

Quantitative Disclosures Details of Unquoted Investments**Banking Book Assets**

Particulars	Number of shares	Face Value	Amounts in BDT	
			Cost	
CDBL Shares (Initial)	600,000	6,000,000	6,000,000	
Bonus received for the year 2009	600,000	6,000,000	-	
Purchased on October 14, 2010	341,666	3,416,660	3,416,660	
Bonus declared for the year 2010	1,200,000	12,000,000	-	
Bonus declared for the year 2011	685,417	6,854,170	-	
Total of CDBL Shares	3,427,083	34,270,830	9,416,660	

3.5 Interest rate risk in the Banking book (IRRBB)**Qualitative Disclosure**

Interest rate risk refers to fluctuations in Bank's net interest income and the value of its assets and liabilities arising from internal and external factors.

Internal factors include the composition of the Bank's assets and liabilities, quality, maturity, interest rate and re-pricing period of deposits, borrowings, loans and investments.

External factors cover general economic conditions:

Interest rates volatility has impact on the Bank depending on balance sheet positioning. Interest rate risk is prevalent on both the assets as well as the liability sides of the Bank's balance sheet.

Assets - Liability Management Committee (ALCO) periodically monitors and controls the risks and returns, funding and deployment, setting Bank's lending and deposit rates, and directing the investment activities of the Bank. ALCO decides on the fixation of interest rates on both assets and liabilities after considering the macro or micro economic outlook - both global and domestic, as also the macro aspects like cost- benefit, financial inclusion and host of other factors.

Credit shock under Basel III (balance sheet exposure)

Magnitude of Shock	Amounts in BDT Crore		
	Minor	Moderate	Major
Weighted average yield on assets (%)	10.00	10.00	10.00
Total Assets	11,224.83	11,224.83	11,224.83
Total RWA before shock	5,513.86	5,513.86	5,513.86
Total increase in RWA after shock	96.50	192.90	289.40
Total increase Capital requirement after shock	9.65	19.29	28.94
Total RWA after shock	5,610.36	5,706.76	5,803.26
Eligible capital	2,843.59	2,843.59	2,843.59
Capital adequacy ratio after shock (%)	50.68	49.82	49.00
Capital adequacy ratio before shock (%)	51.47	51.47	51.47
Changes in CRAR (%)	(0.89)	(1.74)	(2.57)

Credit Shock under Basel III (Off Balance Sheet Exposure)

Magnitude of Shock	Amounts in BDT Crore		
	Minor	Moderate	Major
Weighted Average yield on assets (%)	10.00	10.00	10.00
Total Assets	11,224.83	11,224.83	11,224.83
Total RWA before shock	5,513.86	5,513.86	5,513.86
Total increase in RWA after shock	11.80	23.50	35.20
Total increase in capital requirement after shock	1.18	2.35	3.52
Total RWA after shock	5,525.66	5,537.36	5,549.06
Eligible capital	2,843.59	2,843.59	2,843.59
Capital Adequacy Ratio after shock (%)	51.46	51.35	51.24
Capital Adequacy Ratio before shock (%)	51.47	51.47	51.47
Changes in CRAR (%)	(0.11)	(0.22)	(0.33)

Combined Shock

Magnitude of Shock	Amounts in BDT Crore		
	Minor	Moderate	Major
Capital Adequacy Ratio before shock (%)	51.47	51.47	51.47
Decrease in the FSV of the collateral	-0.01	-0.03	-0.05
Increase in NPLs	-0.44	-1.84	-4.96
Negative shift in NPLs categories	-0.02	-0.26	-0.29
Interest rate	0.00	0.00	0.00
FEX: Currency appreciation	-0.07	-0.13	-0.20
Equity shock	0.00	0.00	-0.01
Total change	-0.54	-2.26	-5.51
CRAR after shock (%)	51.03	49.31	46.06

3.6 Market Risk

Qualitative Disclosure

Market risk is the risk of adverse revaluation or movement of any financial instrument as a consequence of changes in market prices or rates. Market risk exists in all trading, Banking and investment portfolios but for the purpose of this report, it is considered as a risk specific to trading book of the Bank.

The major types of market risk as specified in the Risk Based Capital Adequacy (RBCA) are as follows:

- i. Interest rate risk
- ii. Equity position risk
- iii. Foreign exchange risk and
- iv. Commodity risk

Among the above list the main type of market risk faced by the Bank are interest rate risk and foreign exchange risk. Bank Management committee of Bangladesh Operations has given significant attention to market risk in trading book, to assess the potential impact on the Bank’s business due to the unprecedented volatility in financial markets.

Methods used to measure market risk:

According to Bangladesh Bank guideline, Commercial Bank of Ceylon PLC, Bangladesh Operation is presently following the standardized approach for market risk under Basel III.

Market risk management system and policies and processes for mitigating market risk:

Bank has an independent market risk framework to assess, manage and control the risk management function, which is responsible for measuring market risk exposures in accordance with prescribed policies, and monitoring and reporting these exposures against the approved limits on a regular basis according to Bank’s appetite for market risk.

Interest rate risk

Interest Rate Risk (IRR) is a major source of market risk and is unavoidable in any financial institution where the re-pricing of assets and liabilities are not identically matched. The ALCO of Bangladesh Operations manages the potential impact, which might be caused by the volatility of changes in the market interest rates and yield curves.

The securities (Treasury bills/bonds) acquired with the intention to trade by taking advantage of short-term price and interest rate movement is classified under the trading book. The marked to market (MTM) of securities in the trading book is done at market value as per the Bangladesh Bank guidelines.

Foreign exchange risk

All foreign exchange exposures and related risks are reviewed by the ALCO monthly, which provides additional guidance to treasury dealing room in managing the risks. This is to ensure that any adverse exchange rate movements on the results of the Bank due to un-hedged foreign exchange positions are restrained within acceptable parameters.

In addition to regular revaluation of spot position and forward positions, Value at Risk (VaR) is calculated/exercised for FX portfolio. VaR provides a single number to the management that reflects the maximum loss, which can occur within a confidence level over a certain period of time.

Market risk on Trading Book

Amounts in BDT

The capital requirements for:

- A. Interest Rate Risk
- B. Equity Position Risk
- C. Foreign Exchange Risk
- D. Commodity Risk

85,124,031
-
152,983,507
-
238,107,538

3.7 Operational risk

Qualitative disclosure

Views of BOD on system to reduce operational risk

Operational risk is inherent to all products, activities, processes and systems and is generated in all business and support areas. For this reason, all employees are responsible for managing and controlling the operational risks generated in their area of action. In order to reduce and manage the operational risk of the Bank, Management Committee has implemented the Operational Risk Management framework approved by the BOD.

Performance gap of executives and staffs

Performance of employees is critically important to achieve organizational goals. Bank has put in place a well defined performance management process which aims to clarify what is expected from its different level of employees as well as how it is to be achieved. At the beginning of a year objectives is communicated to the employees who includes what are expected from him/her during the ensuing period through their direct reporting heads. A half yearly and yearly performance appraisal practices are in place to review achievements based on which rewards and recognition decisions are made.

Potential external events

By its nature, Operational Risk cannot be totally eliminated. Like other Banks, our Bank also operates its business with few external risk factors relating to the socio-economic condition, political atmosphere, regulatory policy changes, technological changes, natural disaster, external frauds etc. However, Bank has established methodology which defines the Bank's approach in identifying, assessing, mitigating, monitoring and reporting such operational risks factors which may impact the achievement of the Bank's business objectives.

Policies and processes for mitigating operational risk

Operational Risk Management in the Bank is governed by the well-defined Operational Risk Management Policy that is clearly communicated across the Bank. Bank adopts three lines of defense for management of operational risk, the first line of defense represented by various heads of the departments, different business unit/or support unit; second line of defense is represented by the Operational Risk Unit under IRMD to oversee the operational risk management, and the third line of defense represented by Inspection & Audit Division which is challenge function to the first two lines of defense.

Approach for calculating capital charge for operational risk

Presently Bank is following the Basic Indicator Approach (BIA) for calculating its operational risk capital charge and at 31 December 2024 Bank's operational risk capital requirement was Tk. 150.08 crore which was adequately maintained.

Quantitative Disclosure

Amounts in BDT

Capital requirements for operational risk is

1,500,750,017

3.8 Liquidity ratio

Qualitative disclosure

Views of BOD on system to reduce liquidity risk

Banks in general are vulnerable to liquidity and solvency problems resulting from asset and liability mismatches. Therefore, the principle objective in liquidity risk management is to assess the need for funds to meet obligations and to ensure the availability of adequate funding to fulfil those needs at the appropriate time, both under normal and stressed conditions. In order to reduce and manage the liquidity risk of the Bank, MANCOM has implemented the liquidity risk management framework approved by the BOD.

Methods used to measure liquidity risk

Bank uses numerous methods to assess/measure its liquidity risk e.g. through gap analysis for maturity mismatch based on residual maturity in different time buckets as well as various liquidity ratios and management of the same is done within the prudential limits fixed thereon. Advance techniques such as stress testing, simulation, sensitivity analysis etc. are used on regular intervals to draw the contingency funding plan under different liquidity scenarios.

Liquidity risk management system

Bank continuously analyses and monitors its liquidity profile, maintains an adequate margin of safety in high quality liquid assets and access to diverse funding sources such as inter-Bank market, assets and investments available-for-sale and has contingency funding plan to meet liquidity requirements. Bank thereby ensures availability of adequate liquidity to fund its existing asset base and grow its business whilst maintaining sufficient liquidity buffers to operate smoothly under varying market conditions including any short-term, medium or long-term market disruptions.

Policies and processes for mitigating liquidity risk

Bank has put in place its Asset Liability Management Policy, Contingency Funding Plan duly approved by the board and ALCO is managing the liquidity risk of the Bank.

Quantitative Disclosure

Amounts in BDT

Liquidity coverage ratio
 Net stable funding ratio
 Stock of high quality liquid assets
 Total net cash outflows over the next 30 calendar days
 Available amount of stable funding
 Required amount of stable funding

430.84%
115.37%
55,358,295,000
12,848,921,874
112,201,404,000
97,249,827,000

3.9 Leverage ratio

Qualitative disclosure

Views of BOD on system to reduce excessive leverage

High leverage levels can lead to an excessive expansion of Bank asset size, which maximizes, in the short to medium term, Banks' return on equity. At the same time, leverage-fueled Bank capital structures increase Bankruptcy risk, since they are an important cause of Bank failures. Therefore, to reduce excessive leverage and to manage the overall asset-liability position, management has implemented BOD approved ALM framework within the Bank.

Policies and processes for managing excessive on and off-balance sheet leverage

Bank has clearly laid down policy and procedure to manage its exposure level (both on and off-balance sheet) enumerated in its Asset Liability Management policy. Leverage parameter of the policy acts as a credible supplementary measure to the risk based capital requirement to control the leverage of the Bank. This reflects Bank's tier 1 capital over total exposure of the Bank. Reference level of leverage ratio is currently 3% (minimum).

Approach for calculating exposure

Leverage ratio of the Bank is calculated in line with the RBCA Guideline of BB. As at 31st December 2024 Bank's leverage ratio was 16.54% and it was calculated as follows:

	Measured used	Description
Numerator	Tier 1 Capital	Tier 1 capital constitutes the components specified in the RBCA
Denominator	Exposure	This is an approximation to the credit risk exposure used for

Quantitative Disclosure

	Amounts in BDT
Leverage ratio (%)	16.54%
On balance sheet exposure	153,413,376,750
Off balance sheet exposure	9,459,945,792
Total exposure	162,873,322,542
Less: Regulatory adjustments	141,615,672
Total exposure for the purpose of leverage ratio	<u>162,731,706,870</u>

3.10 Remuneration

Information relating to the bodies that oversee remuneration

The Bank is dedicated to uphold the principle of equality in offering our employees both career opportunities and competitive remuneration at an excellent working condition in compliance with relevant laws and rules of the country. Considering the gravity of importance, the Bank has a Human Resource Steering Committee reporting to the Management Committee, which oversee the remuneration related policies and practices under the direct supervision of Remuneration Committee at Head Office situated in Sri Lanka. These committees ensure the fairness, transparency, equality, compliance and adherence to governance frameworks in remuneration policies.

Name, composition and mandate of the main body overseeing remuneration.

Human Resources Steering Committee is the main body responsible for overseeing the remuneration policies of the Bank. Its structure/composition and mandate are designed to ensure transparency, fairness and alignment with the Banks strategic goals and regulatory standard. Main body comprises with the following :

Chairperson	: Chief Executive Officer
Members	: Deputy Chief Executive Officer & Chief Operating Officer : Deputy Chief Executive Officer & Head of Corporate Banking : Deputy General Manager & Chief Financial Officer
Secretary	: Head of Human Resources

They play an independent role to oversee the remuneration of CBC-Bd operations. However, if necessary, this committee makes recommendations to the Board of Director (Sri Lanka) of the Bank for kind review and final approval for any amendment on remuneration related policy. They also assist the Board of Directors to ensure that all employees are remunerated fairly and get performance based compensation.

External consultants whose advice has been sought, the body by which they were commissioned and in what areas of the remuneration process.

In 2015 to study the market situation and compare the salaries up to a certain level of employees, the Bank had appointed Cerebrus Consultants Pt. Ltd., Mumbai, India. The Bangladesh Management of the Bank has commissioned this company.

A description of the scope of the Bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.

The Bank does not discriminate employees and/or differentiate employee remunerations by gender, nationality, religion, race, caste etc. The Bank even does not differentiate the remuneration considering the business lines and/or considering the functions known as revenue generating activities or revenue-prone work force. Bank maintains the same Remuneration Package and apply Human Resource policies for all of its branches, departments and Units.

A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.

Employees considered as material risk takers and as senior managers are:

Material Risk Takers	Composition	Number of
Senior Managers	Members of Management Committee (CEO, DCEO & COO, DCEO & Head of orporate Banking, CRISO, CFO, SAGM-HR, SAGM-PBK, AGM-CBK, AGM-ICC, AGM-Treasury Corporate Sales, AGM-Treasury-ALM)	11
Other material risk takers	Head of Branches and SME Centres	17
	Head of Units, Corporate Banking	7
	Head of Departments, Units	16
Total		51

Information relating to the design and structure of remuneration processes

Bank is committed to maintain an equitable and consistent reward structure to ensure that employees' contributions to the business are recognized in different ways. This helps us to attract and retain staff while encouraging their efforts towards the achievement of the Bank's strategic goals. In view of that Bank is maintaining a fair remuneration policy in line with the Industry/Market Standard. Bank believes that employee remuneration should not be inconsistent with the market and the employees should be provided with the other standard benefits and facilities that commensurate the best in the industry. Bank has been maintaining the Objectives based Performance Appraisal of the employees and provides the annual increment and incentive bonus on the basis of their performance and achievement of objectives.

The ways in which current and future risks are taken into account in the remuneration processes

The overall compensation package and its structure have to be competitive, making it easier to attract, keep and reward the employees properly. While doing so Bank has considered the following key risks to implement remuneration measures:

- i. Staff turnover rate
- ii. Identifying the future leaders
- iii. Market standard of salary and benefits
- iv. Achievement of objectives leading the overall achievement of Bank's target
- v. Succession plan

Keeping in mind the above risk aspects Bank used to identify the potential employees i.e. the future leaders and arranges necessary training for those employees both at home and abroad. In a few cases the Bank also looked at accelerated career advancement of the employees who are identified as potential employees and shown the capacity as future leaders. Outstanding employees used to get Incentive bonus and salary increment at the rate of the best in the scheme which all together have impact on the remuneration as a whole.

The ways in which Bank seeks to link performance during a performance measurement period

Annual budget of the Bank is the main growth factors for performance measurement such as Advance, Deposit and Profitability is being distributed among the top level business lines and individuals. On achievement of targets for these broad factors Bank achieves its growth in terms of revenue and size of balance sheet. Bank's overall success depends on the success of top level business lines and individuals. Following performance matrix is used to determine the level of Performance Rating of the individual:

O =	Outstanding	This person is an Outstanding Performer, is competent, committed, performance driven and is relatively better than a person rated "Excellent".
EX =	Excellent	This person is an Excellent Performer, regularly exceeds requirements in most significant aspects of the job and is relatively better than a person rated "Very Good"
VG =	Very Good	This person is rated as Very Good Performer, performs the job in a completely expectable manner and relatively better than a person rated "Good"
G =	Good	This person is rated as Good and relatively better than a person rated "Below Expectation"
BE =	Below Expectations	This person is rated as Below Expectations and relatively better than a person rated "Marginal"
Mg =	Marginal	This person is rated as Marginal and displays Marginal Performance as against others.

The employee performance is being evaluated on the basis of achievement of objectives set upon discussion between the job holder and the Supervisor at the beginning of the year on agreed basis. On achievement of targets of top level business lines and individuals Bank achieves the budgeted profitability and announces the annual incentive bonus which is known as Annual Performance Bonus. Any individual having proven achievements of targets get recognition through the Performance Ratings done by the Supervisor in agreement with the job holder. The higher the ratings, the higher the Bonuses are paid and Increments are awarded. This process is being carried out each and every year while accomplishing the Annual Performance Appraisal.

Different forms of variable remuneration

Bank's overall remuneration can be bifurcated into two groups i.e. fixed remuneration and variable remuneration. Variable remuneration is comprised of the performance bonus and the rate of salary increment decided based on the performance rating of the previous year.

Quantitative Disclosure

Quantitative disclosures reflect remuneration payment for senior managers and material risk takers of the Bank during the financial year.

Number of meetings held by the main body overseeing remuneration during the financial year	3
Remuneration paid to the member of the main body overseeing remuneration during the financial year	Nil*

*We do not have any system of paying remuneration for attending meeting

Particulars	No. of employee	Amounts in BDT
Variable remuneration awarded	49	96,832,132
Guaranteed bonuses awarded	51	206,137,133
Sign-on awards	-	-
Severance payments	3.00	12,486,609.00

Particulars	BDT
Outstanding deferred remuneration:	
Cash	-
Shares and share-linked instruments and	-
Other forms	-
Deferred remuneration paid out	-

Details of remuneration awards	Cash	Shares and share-linked instruments	Other forms
Fixed	206,137,133		-
Variable	96,832,132		-
Deferred and non-deferred	-		-

Employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration.

Particulars	BDT
Total amount of outstanding for deferred remuneration and retained remuneration exposed to ex-post explicit	-
Total amount of reductions during the financial year due to ex-post explicit adjustments	-

Annexure B

Commercial Bank of Ceylon PLC - Bangladesh Operations
Schedule of Fixed assets including premises, furniture and fixtures
As at 31 December 2024

Asset category	Cost				Rate (%)	Depreciation				Amount in BDT
	Opening balance as on 01 Jan 2024	Addition during the year	Disposal/ adjustment during the year	Total balance as at 31 Dec 2024		Opening balance as on 01 Jan 2024	Charge for the year	On disposal/ adjustment	Total balance as at 31 Dec 2024	Written down value at 31 Dec 2024
Furniture and fixtures	58,971,665	3,408,842	(509,050)	61,871,457	10	48,754,204	1,737,784	(500,278)	49,991,710	11,879,747
Interior decorations	105,874,657	9,843,817	(3,494,983)	112,223,491	20	76,284,319	9,005,383	(3,468,165)	81,821,537	30,401,954
Equipment and computers	281,790,677	43,824,417	(8,280,431)	317,334,663	20	181,997,692	28,359,075	(8,276,439)	202,080,328	115,254,335
Computer software	80,073,420	22,831,393	-	102,904,813	20	55,680,348	12,395,085	-	68,075,433	34,829,380
Motor vehicles	42,178,348	5,852,146	(1)	48,030,493	20	41,594,024	494,952	-	42,088,976	5,941,517
Right of use asset	1,212,097,608	6,510,732		1,218,608,340		660,661,903	145,762,419		806,424,322	412,184,018
Total at 31 December 2024	1,780,986,375	92,271,347	(12,284,465)	1,860,973,257		1,064,972,490	197,754,698	(12,244,882)	1,250,482,306	610,490,951
Total at 31 December 2023	1,661,028,687	145,360,267	(25,402,579)	1,780,986,375		919,136,833	170,882,516	(25,046,859)	1,064,972,490	716,013,885

Annexure C

**Commercial Bank of Ceylon PLC - Bangladesh Operations
Offshore Banking Unit (OBU)
Balance Sheet
As at 31 December 2024**

Notes	2024		2023	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
PROPERTY AND ASSETS				
Cash				
In hand (foreign currencies)	-	-	-	-
Balance with Bangladesh Bank and its agent bank(s) (foreign currencies)	-	-	-	-
Balance with other banks and financial institutions	34,815,603	4,164,872,443	50,703,579	5,576,143,684
In Bangladesh	26,000,000	3,107,000,000	5,000,000	548,750,000
Outside Bangladesh	8,815,603	1,057,872,443	45,703,579	5,027,393,684
Money at call on short notice	-	-	-	-
Investments				
Government	-	-	-	-
Others	-	-	-	-
Loans and advances	50,423,420	6,025,598,666	28,504,214	3,128,337,486
Loans, cash credits, overdrafts, etc.	18,571,752	2,219,324,368	17,134,183	1,880,476,628
Bills purchased and discounted	31,851,668	3,806,274,298	11,370,031	1,247,860,858
Fixed assets including premises, furniture and fixtures	2,879	315,872	3,135	343,952
Other assets	412,284	49,267,959	11,373,531	699,425,752
Non-banking assets	-	-	-	-
Total Assets	85,654,186	10,240,054,940	90,584,459	9,404,250,874
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	11,736,554	1,402,518,186	16,113,121	1,768,414,999
Deposits and other accounts	41,723,982	4,986,015,951	49,705,884	5,455,220,896
Current and other accounts	16,937,200	2,023,995,446	14,912,571	1,636,654,718
Bills payable	-	-	-	-
Savings bank deposits	1,341,484	160,307,349	5,430,677	596,016,835
Fixed deposits	23,445,298	2,801,713,156	29,362,636	3,222,549,343
Bearer certificates of deposit	-	-	-	-
Other deposits	-	-	-	-
Other liabilities	11,887,336	2,022,338,543	6,751,266	604,430,427
Total Liabilities	65,347,872	8,410,872,680	72,570,271	7,828,066,322
Capital/ Shareholders' Equity				
Paid-up capital	-	-	-	-
Statutory reserve	-	-	-	-
Other reserve	-	-	-	-
Retained earnings	20,306,314	1,829,182,260	18,014,188	1,576,184,552
Total Shareholders' Equity	20,306,314	1,829,182,260	18,014,188	1,576,184,552
Total Liabilities and Shareholders' Equity	85,654,186	10,240,054,940	90,584,459	9,404,250,874
OFF-BALANCE SHEET ITEMS				
Contingent Liabilities				
Acceptances and endorsements	-	-	-	-
Letters of guarantee	64,031	7,651,683	49,218	5,401,649
Irrevocable letters of credit	6,733,921	804,703,511	2,919,827	320,450,978
Bills for collection	16,567,822	1,979,854,711	5,963,437	654,487,254
Other contingent liabilities	-	-	-	-
Total Contingent Liabilities	23,365,774	2,792,209,905	8,932,482	980,339,881
Other commitments				
Documentary credits and short term trade-related transactions	-	-	-	-
Forward assets purchased and forward deposits placed	-	-	-	-
Undrawn note issuance and revolving underwriting facilities	-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-	-
Total other commitments	-	-	-	-
Total Off-Balance Sheet Items including Contingent Liabilities	23,365,774	2,792,209,905	8,932,482	980,339,881

Annexure D

Commercial Bank of Ceylon PLC - Bangladesh Operations
Offshore Banking Unit (OBU)
Profit and Loss Account
As at 31 December 2024

Notes	2024		2023		
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT	
OPERATING INCOME					
Interest income	14	4,580,076	505,534,449	6,449,528	692,840,229
Less: Interest paid on deposits, borrowings, etc.	15	1,250,559	138,032,744	2,463,954	264,690,235
Net interest income		3,329,517	367,501,705	3,985,574	428,149,994
Investment income		-	-	-	-
Commission, exchange and brokerage	16	1,094,736	120,833,589	601,922	64,661,402
Other operating income		-	-	-	-
Total operating income		4,424,253	488,335,294	4,587,496	492,811,396
OPERATING EXPENSES					
Salary and allowances	17	59,235	6,538,203	36,225	3,891,322
Rent, taxes, insurance, electricity, etc.	18	19,086	2,106,678	12,915	1,387,328
Legal expenses	19	-	-	139	14,950
Postage, stamps, telecommunication, etc.	20	178	19,649	227	24,379
Stationery, printing, advertisements, etc.	21	1,004	110,775	171	18,402
Chief executive's salary and fees		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fees		-	-	-	-
Charges on loan losses		-	-	-	-
Depreciation and repairs of bank's assets	22	3,673	405,467	6,857	736,554
Other expenses	23	12,004	1,325,009	4,601	494,219
Total operating expenses		95,180	10,505,781	61,135	6,567,154
Profit before provisions		4,329,073	477,829,513	4,526,361	486,244,242
Provision against loans and advances		305,318	33,700,000	(171,282)	(18,400,000)
Specific provision		-	-	-	-
General provision		305,318	33,700,000	(171,282)	(18,400,000)
Provision for diminution in value of investment		-	-	-	-
Provision for other classified assets		-	-	-	-
Total provision		305,318	33,700,000	(171,282)	(18,400,000)
Total profit before taxation for the year		4,023,755	444,129,513	4,697,643	504,644,242
Provision for taxation		1,731,629	191,131,805	1,810,544	194,497,697
Net Profit after taxation		2,292,126	252,997,708	2,887,099	310,146,545

Annexure E

Commercial Bank of Ceylon PLC - Bangladesh Operations
Offshore Banking Unit (OBU)
Cash Flow Statement
For the year ended 31 December 2024

	2024		2023	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
Cash flows from operating activities				
Interest receipts	15,497,519	1,150,917,622	6,501,470	697,735,067
Interest payments	(1,199,838)	(129,699,988)	(2,702,948)	(287,026,050)
Fees and commission receipts in cash	493,613	54,483,485	502,226	53,951,582
Recoveries of loans previously written off	-	-	-	-
Payments to employees	(59,235)	(6,538,203)	(36,225)	(3,891,322)
Payments to suppliers	(20,268)	(2,237,102)	(13,313)	(1,430,109)
Receipts from other operating activities	601,123	66,350,104	99,696	10,709,820
Corporate income tax paid	-	-	-	-
Payments for other operating activities	(320,995)	(35,430,476)	159,685	17,154,277
Interest receipts from investment	-	-	-	-
Cash generated from/(used in) operating activities	14,991,919	1,097,845,442	4,510,591	487,203,265
(Increase)/ decrease in operating assets and liabilities				
(Increase)/ decrease in operating assets				
Purchase/ sale of Government securities	-	-	-	-
Loans and advances to customers	(21,919,206)	(2,897,261,180)	19,324,586	1,726,285,641
Other assets	43,804	4,774,620	(11,326,358)	(605,460,372)
Increase/ (decrease) in operating liabilities				
Deposits and other accounts from banks	(4,376,567)	(365,896,813)	(20,708,409)	(1,968,970,331)
Deposits and other accounts from customers	(7,981,902)	(469,204,945)	(6,738,339)	(273,867,739)
Other liabilities	3,353,720	1,218,443,555	(6,856,840)	(1,058,867,231)
Net (increase)/ decrease in operating assets and liabilities	(30,880,151)	(2,509,144,763)	(26,305,360)	(2,180,880,032)
Net cash from/ (used in) operating activities (a)	(15,888,232)	(1,411,299,321)	(21,794,769)	(1,693,676,767)
Cash Flows from Investing Activities				
Payments for purchase of shares	-	-	-	-
Purchase/ sale of property, plant and equipment	256	28,080	3,901	370,174
Gain on disposal of property, plant and equipment	-	-	-	-
Net cash from/ (used in) investing activities (b)	256	28,080	3,901	370,174
Cash Flows from Financing Activities				
Net cash flows from financing activities (c)				
Net increase/ (decrease) in cash and cash equivalents (a+b+c)	(15,887,976)	(1,411,271,241)	(21,790,868)	(1,693,306,593)
Effects of exchange rate changes on cash and cash equivalents				
Cash and cash equivalents at beginning of the year (*)	50,703,579	5,576,143,684	72,494,447	7,269,450,277
Cash and cash equivalents at end of the year (*)	34,815,603	4,164,872,443	50,703,579	5,576,143,684
(*) Cash and cash equivalents :				
Cash	-	-	-	-
Prize bonds	-	-	-	-
Money at call on short notice	-	-	-	-
Balance with other banks and financial institutions	34,815,603	4,164,872,443	50,703,579	5,576,143,684
	34,815,603	4,164,872,443	50,703,579	5,576,143,684

Annexure F

Commercial Bank of Ceylon PLC - Bangladesh Operations
Offshore Banking Unit (OBU)
Statement of Changes in Equity
For the year ended 31 December 2024

Particulars	Paid up Capital / Deposit kept with Bangladesh Bank	Statutory reserve	General reserve	Retained earnings	Total	
	BDT	BDT	BDT	BDT	USD	BDT
Opening balance at 01 January 2024	-	-	-	1,576,184,552	18,014,188	1,576,184,552
Changes in accounting policy	-	-	-	-	-	-
Restated balance	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments (50% of revaluation reserve of treasury bills/bonds -HTM)	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognised in the Profit and Loss Statement	-	-	-	-	-	-
Net profit for the year	-	-	-	252,997,708	2,292,126	252,997,708
Dividends/Profit remittance	-	-	-	-	-	-
Issue of share capital/(Capital brought from Head Office, Colombo)	-	-	-	-	-	-
Balance at 31 December 2024	-	-	-	1,829,182,260	20,306,314	1,829,182,260

Commercial Bank of Ceylon PLC - Bangladesh Operations
Offshore Banking Unit (OBU)

Statement of Liquidity Analysis (Maturity of Assets and Liabilities)

Annexure G

As at 31 December 2024

Particulars	Amounts in USD and BDT											
	Up to 1 month		1-3 months		3-12 months		1-5 years		Above 5 years		Total	
	USD	BDT	USD	BDT	USD	BDT	USD	BDT	USD	BDT	USD	BDT
Assets:												
Cash in hand	-	-	-	-	-	-	-	-	-	-	-	-
Balance with other banks and financial institutions	34,815,603	4,164,872,443	-	-	-	-	-	-	-	-	34,815,603	4,164,872,443
Money at call and on short notice	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	8,958,244	1,070,510,121	7,972,330	952,693,465	29,816,259	3,563,042,986	3,676,587	439,352,094	-	-	50,423,420	6,025,598,666
Fixed assets including premises, furniture and fixtures	235	26	-	-	107	12,767	2,351	280,900	186	22,179	2,879	315,872
Other assets	412,284	49,267,959	-	-	-	-	-	-	-	-	412,284	49,267,959
Non-banking assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	44,186,366	5,284,650,549	7,972,330	952,693,465	29,816,366	3,563,055,753	3,678,938	439,632,994	186	22,179	85,654,186	10,240,054,940
Liabilities												
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	1,310,054	156,551,436	10,426,500	1,245,966,750	-	-	-	-	-	-	11,736,554	1,402,518,186
Deposits	23,018,248	2,750,680,832	4,964,214	593,223,555	13,741,520	1,642,111,564	-	-	-	-	41,723,982	4,986,015,951
Other accounts	-	-	-	-	-	-	-	-	-	-	-	-
Provision and other liabilities	11,887,336	2,022,338,543	-	-	-	-	-	-	-	-	11,887,336	2,022,338,543
Total Liabilities	36,215,638	4,929,570,811	15,390,714	1,839,190,305	13,741,520	1,642,111,564	-	-	-	-	65,347,872	8,410,872,680
Net Difference in Liquidity	7,970,728	355,079,738	(7,418,384)	(886,496,840)	16,074,846	1,920,944,189	3,678,938	439,632,994	186	22,179	20,306,314	1,829,182,260

**Commercial Bank of Ceylon PLC - Bangladesh Operations
Offshore Banking Unit (OBU)
Notes to the financial statements
As at and for the year ended 31 December 2024**

1. The Bank and its activities

Commercial Bank of Ceylon PLC (“the Bank”) is a publicly quoted company incorporated in Sri Lanka on 25 June 1969. It is a licensed commercial bank operating under the provisions of Sri Lanka Banking Act No. 30 of 1988. The Commercial Bank of Ceylon PLC - Bangladesh Operations commenced its Banking operations in Bangladesh on 06 November 2003 by acquiring the operations of Credit Agricole Indosuez a French Bank with two branches and two booths. The principal office of the Bank in Bangladesh is situated in Dhaka having eleven branches currently in operations at Dilkusha, Dhanmondi, Uttara, Mirpur, Gulshan-1, Gulshan-2, Panthapath, Tejgaon of Dhaka, and each at Narayanganj, Chattogram, and Sylhet. The Bank also maintains two sub-branches at US Embassy, Bangladesh and CEPZ, Chattogram and six SME centres at Old Dhaka, Shantinagar, Progati Sharani of Dhaka, Tongi of Gazipur, Jubilee Road and CDA Avenue of Chattogram.

The Bank started its offshore Banking activities through its Motijheel Branch, Dhaka on 18 July 2004 which has been transferred to Dhanmondi Branch on 16 March 2005 and subsequently transferred to Gulshan Branch on 12 September 2013. Its second offshore Banking unit which was started on 27 March 2005 in Agrabad Branch, Chattogram was also transferred to Chattogram Export Processing Zone Area on 04 February 2007.

The principal activities carried out by the Bank include all kinds of commercial banking and other services to its customers and corresponding all over the world through its branches in Bangladesh.

2. Significant Accounting Policies

2.1 Basis of preparation of the financial statements

The financial statements of the Bank comprise Balance Sheet, Profit and Loss Statement, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and relevant explanatory notes and disclosures thereto that are prepared on a going concern basis under historical cost convention and in accordance with the First Schedule (Section 38) of the Banking Companies Act 1991, BRPD Circular No. 14 dated 25 June 2003, other Bangladesh Bank circulars, International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh and other laws and rules applicable in Bangladesh.

2.1.1 Statement of compliance

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as banks. The Banking Companies Act, 1991 (as amended up to date) was amended to require banks to prepare their financial statements under such FRS.

As the FRS is yet to be issued as per the provisions of the FRA, the consolidated and separate financial statements of the Group and the Bank have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and the requirements of the Banking Companies Act, 1991 (as amended up to date), the rules and regulations issued by Bangladesh Bank (BB), the Companies Act 1994, the Securities and Exchange Rules 1987. In case any requirement of the Banking Companies Act, 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs, the requirements of the Banking Companies Act 1991 (as 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) Provision on loans and advances

IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses.

Bangladesh Bank: As per BRPD circular No. 53 (22 December 2022), BRPD circular No. 51 (18 June 2022), BRPD circular No. 09 (07 April 2022), BRPD circular No. 14 (22 June 2022), BRPD Circular No. 53 (30 December 2021), BRPD circular No. 52 (29 December 2021), BRPD Circular No. 50 (14 December 2021), BRPD circular No. 56 (10 December 2020), BRPD circular No. 52 (20 October 2020), BRPD circular No. 17 (28 September 2020), BRPD Circular No. 16 (21 July 2020), BRPD circular No. 13 (15 June 2020), BRPD circular No. 04 (19 March 2020), BRPD circular No. 07 (19 March 2020), BRPD circular No. 24 (17 November 2019), BRPD circular No. 06 (19 May 2019), BRPD circular No. 04 (16 May 2019), BRPD circular No. 03 (21 April 2019), BRPD circular No. 01 (20 February 2018), BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013) a general provision at 0.25% to 2% under different categories of unclassified loans (good/standard loans) as well as a special general provision for COVID-19 has to be maintained regardless of objective evidence of impairment. Also specific provision for sub-standard loans, doubtful loans and bad losses has to be provided at 5%, 20%, 50% and 100% respectively for loans and advances depending on time past due. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

Bank's Methodology:

As per BRPD circular No. 53 (22 December 2022), BRPD circular No. 51 (18 June 2022), BRPD circular No. 09 (07 April 2022), BRPD circular No. 14 (22 June 2022), BRPD Circular No. 53 (30 December 2021), BRPD circular No. 52 (29 December 2021), BRPD Circular No. 50 (14 December 2021), BRPD circular No. 56 (10 December 2020), BRPD circular No. 52 (20 October 2020), BRPD circular No. 17 (28 September 2020), BRPD Circular No. 16 (21 July 2020), BRPD circular No. 13 (15 June 2020), BRPD circular No. 04 (19 March 2020), BRPD circular No. 07 (19 March 2020), BRPD circular No. 24 (17 November 2019), BRPD circular No. 06 (19 May 2019), BRPD circular No. 04 (16 May 2019), BRPD circular No. 03 (21 April 2019), BRPD circular No. 01 (20 February 2018), BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013) a general provision at 0.25% to 2% under different categories of unclassified loans (good/standard loans) as well as a special general provision for COVID-19 has to be maintained regardless of objective evidence of impairment. Also specific provision for sub-standard loans, doubtful loans and bad losses has to be provided at 5%, 20%, 50% and 100% respectively for loans and advances depending on time past due. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

ii) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified as impaired, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as a liability in the balance sheet.

Bank's Methodology

Interest on classified loans and advances is kept in suspense account as per Bangladesh Bank instruction and such interest is not recognised as income until it realised from borrowers. Interest is not charged on classified loans and advances from the date of filing of money suits against the borrowers.

iii) Other comprehensive income

IFRS: As per 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 nor are the elements of Other Comprehensive Income allowed to be included in a single other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statement of changes in equity.

iv) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

v) Financial guarantees

IFRS: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14, financial guarantees such as letter of credit and letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

vi) Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice is shown separately in the balance sheet. Treasury bills, Bangladesh bank bills and prize bond are shown under investment in the balance sheet.

vii) Non-banking asset

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

Bangladesh Bank: As per BRPD 14, there is a separate balance sheet item named Non-banking asset existed in the standard format.

viii) Cash flow statement

IFRS: The cash flow statement 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 14, the cash flow statement is a mixture of both the direct and the indirect methods.

Bank's Methodology:

Cash Flow Statement is prepared in accordance with IAS 7 under direct method as recommended in BRPD circular no. 14 dated 25 June 2003 issued by Bangladesh Bank.

ix) Presentation of intangible asset

IFRS: Intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38.

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14.

x) Off-balance sheet items

IFRS: As per IFRS, there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

Bank's Methodology:

Off-Balance Sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank's guidelines. BRPD circular No.14 dated 23 September 2012 requires a general provision for Off Balance Sheet exposures to be calculated at 1% which has been followed by the Bank properly on the following Off Balance Sheet Items:

- a) Acceptance and endorsements
- b) Irrevocable letter of credit
- c) Letter of guarantee

xi) Loans and advances (net of provision)

IFRS: Loans and advances/Investments should be presented net of provision.

Bangladesh Bank: As per BRPD 14, provision on loans and advances/investments are presented separately as a liability and cannot be netted off against loans and advances.

Bank's Methodology:

Loans and advances have been shown at gross amounts at 31 December 2024.

2.2 Consolidation

A separate set of records for consolidating the statements of affairs and income and expenditure statements of the branches and offshore banking units are maintained at Principal Office of the Bank in Dhaka, based on which these financial statements have been prepared.

2.3 Foreign currency transactions

- (a) Foreign currency transactions are converted into equivalent BDT currency at the ruling exchange rates on the respective dates of such transactions.
- (b) Assets and liabilities in foreign currencies at 31 December 2024 have been converted into BDT currency at the average of the prevailing buying and selling rates of the concerned foreign currencies at that date except balances with other banks and financial institutions which have been converted as per directions of Bangladesh Bank vide its circular no. BRPD(R) 717/2004-959 dated 21 November 2004.
- (c) Forward contracts outstanding at 31 December 2024 have been shown in the Balance Sheet under Off-Balance Sheet items.

2.4 Fixed assets (property, plant and equipment) and depreciation

All fixed assets are stated at cost less accumulated depreciation as per IAS- 16 "Property, Plant and Equipment". The cost of an assets includes its purchase price and any other direct cost to the assets to its working condition. Depreciation on fixed assets is charged using straight-line method at the following rates:

<u>Category of fixed assets</u>	<u>Rate of depreciation</u>
Furniture and fixtures	10%
Computer software	20%
Interior decorations	20%
Equipment, computers & Software	20%
Motor vehicles	20%

Depreciation on addition to fixed assets is charged from the month of acquisition on pro-rata basis while no depreciation is charged in the year of disposal.

2.5 Stock of stationery

Stock of stationery has been shown under other assets and is valued at cost.

2.6 Deposits

Deposits include various types of deposits in the nature of demand, savings, short-term, term, etc.

2.7 Revenue and expenditure

Income and expenditures are recognised on an accrual basis. Interest income is recognised only if its realisation is reasonably certain.

2.8 Provision for taxation

Provision for income tax is made on accounting income @ 40%.

2.9 Reporting period

These financial statements cover one calendar year from 01 January 2024 to 31 December 2024.

2.10 General

- a. Figures appearing in the financial statements have been rounded off to the nearest BDT.
- b. When necessary, comparative figures and account titles in the financial statements have been adjusted to conform with current year's presentation.

	2024		2023	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
3 Balance with other banks and financial institutions				
In Bangladesh (note 3.1)	26,000,000	3,107,000,000	5,000,000	548,750,000
Outside Bangladesh (note 3.2)	8,815,603	1,057,872,443	45,703,579	5,027,393,684
	34,815,603	4,164,872,443	50,703,579	5,576,143,684
3.1 In Bangladesh				
Islami Bank Bangladesh Limited	-	-	-	-
Eastern Bank Limited	-	-	-	-
The City Bank Limited	-	-	-	-
Bank Alfalah	-	-	-	-
National Credit and Commerce Bank Limited	-	-	-	-
Midland Bank Limited	-	-	-	-
	-	-	-	-
3.2 Outside Bangladesh	Currency	Amounts	Rate	
Bank of Tokyo	JPY	1,217,730,731.00	0.77	7,763,916
SCB, London	GBP	837,864.43	150.62	1,051,687
Mashreq Bank	USD	-	120.00	-
Citibank NA NY	USD	-	120.00	-
				8,815,603
				1,057,872,443
				45,703,579
				5,027,393,684
3.3 Grouping by maturity				
Repayable on demand				8,815,603
Below 3 months				26,000,000
Over 3 months but below 1 year				-
Over 1 year but below 5 years				-
Over 5 years				-
				34,815,603
				4,164,872,443
				50,703,579
				5,576,143,684
4 Loans and advances				
4.1 Grouping by maturity				
Repayable in demand				2,952,250
Below 3 months				13,978,324
Over 3 months but below 1 year				29,816,259
Over 1 year but below 5 years				3,676,587
Over 5 years				-
				50,423,420
				6,025,598,666
				30,821,059
				3,128,337,486
4.2 Broad category-wise break-up				
Within Bangladesh				
Loans (general)				15,465,055
Overdrafts				2,952,250
Loans against trust receipt				-
Packing credit				-
Import loan				154,447
				18,571,752
				2,219,324,368
				17,134,183
				1,880,476,628
Loans against accepted bills				
Inland bills				3,791,439
Foreign bills				28,060,229
				31,851,668
				3,806,274,298
				11,370,031
				1,247,860,858
Outside Bangladesh				-
				50,423,420
				6,025,598,666
				28,504,214
				3,128,337,486
4.3 Significant concentration				
Directors and others				-
Managing Director or Chief Executive Officer				-
Other executives				-
Industries				50,099,602
Other clients				323,818
				50,423,420
				5,986,902,390
				26,210,670
				2,876,620,995
4.4 Advance to customers for more than 10% of Bank's total capital				
Number of clients				-
Amount of outstanding advances				-
Amount of classified advances				-
				-
4.5 Economic sector-wise distribution				
Industry				50,099,602
Trading				323,818
Agriculture				-
Others				-
				50,423,420
				5,986,902,390
				26,210,670
				2,876,620,995

4.6 Geographical location-wise distribution**Urban**

Dhaka Region
Chattogram Region
Sylhet

2024		2023	
Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT

26,753,412	3,197,032,765	16,620,621	1,824,113,195
23,670,008	2,828,565,901	11,883,593	1,304,224,291
-	-	-	-
50,423,420	6,025,598,666	28,504,214	3,128,337,486

Rural

Dhaka Region
Chattogram Region
Sylhet

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
50,423,420	6,025,598,666	28,504,214	3,128,337,486

4.7 Classification of loans and advances as per Bangladesh Bank's BRPD Circulars

Unclassified :

Standard
Special mentioned account (SMA)

Classified :

Sub-standard
Doubtful
Bad/ Loss

50,423,420	6,025,598,666	28,500,228	3,127,900,071
-	-	3,986	437,415
-	-	-	-
-	-	-	-
-	-	-	-
50,423,420	6,025,598,666	28,504,214	3,128,337,486

4.8 Particulars of loans and advances

(i) Loans considered good in respect of which the Bank is fully	50,423,420	6,025,598,666	28,504,214	3,128,337,486
(ii) Loans considered good for which the Bank holds no other security other than the debtor's personal security	-	-	-	-
(iii) Loans considered good, secured by personal liabilities of one or more parties in addition to the personal security of the debtors	-	-	-	-
(iv) Loans adversely classified; provision not maintained there against	-	-	-	-
(v) Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons	-	-	-	-
(vi) Loans due from companies or firms in which the directors of the Bank have interest as directors, partners or managing agents or, in the case of private companies, as members	-	-	-	-
(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to directors or managers or officers of the Bank or any of them either severally or jointly with any other persons	-	-	-	-
(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the directors of the Bank have interest as directors, partners or managing agents or, in the case of private company, as members	-	-	-	-
(ix) Due from banking companies	-	-	-	-
(x) (a) Classified loans on which interest has not been charged	-	-	-	-
(b) Provision made during the year against bad debts	-	-	-	-
(c) Interest creditable to the interest suspense account	-	-	-	-
Opening balance	-	-	-	-
Less: Bad debts written of during the year	-	-	-	-
Less: Bad debts recovered of during the year	-	-	-	-
Closing balance	-	-	-	-
(xi) Loan written off	-	-	-	-
Opening balance	-	-	-	-
Add: Bad debts written of during the year	-	-	-	-
Less: Bad debts previously written off recovered during the year	-	-	-	-
Bad debts written off settled	-	-	-	-
Closing balance	-	-	-	-

	2024		2023	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
5 Bills discounted and purchased				
In Bangladesh	-	-	-	-
Outside Bangladesh	31,851,668	3,806,274,298	11,370,031	1,247,860,858
	31,851,668	3,806,274,298	11,370,031	1,247,860,858
5.1 Grouping by maturity				
Below 1 month	3,271,022	390,887,095	3,087,625	338,866,790
Over 1 month but below 3 months	2,446,537	292,361,209	8,133,239	892,622,928
Over 3 months but below 6 months	25,213,534	3,013,017,368	149,168	16,371,140
6 months or over	920,574	110,008,626	-	-
	31,851,667	3,806,274,298	11,370,032	1,247,860,858
6 Fixed assets including premises, furniture and fixtures				
Details are shown in <u>Annexure A</u> .	2,879	315,872	3,135	343,952
	2,879	315,872	3,135	343,952
7 Other Assets				
Income generating				
Investment in shares of subsidiary companies				
In Bangladesh	-	-	-	-
Outside Bangladesh	-	-	-	-
	-	-	-	-
Non-income generating				
Interest receivable on loans	-	-	-	-
Receivable from Domestic Banking Unit (DBU) of the Bank	-	-	-	-
Other income receivable	408,915	48,865,364	11,326,358	694,248,537
Security deposit	3,369	402,595	45,733	5,019,175
Commission and brokerage receivable	-	-	1,440	158,040
Other	-	-	-	-
	412,284	49,267,959	11,373,531	699,425,752
8 Borrowings from other banks, financial institutions and agents				
In Bangladesh	-	-	-	-
Outside Bangladesh	11,736,554	1,402,518,186	16,113,121	1,768,414,999
	11,736,554	1,402,518,186	16,113,121	1,768,414,999
Call borrowings from				
Commercial Bank of Ceylon*	10,499,561	1,254,697,539	80,425	8,826,654
Standard Chartered Bank*	769,614	91,968,896	1,568,102	172,099,161
Citibank NA*	467,379	55,851,751	14,464,594	1,587,489,184
	11,736,554	1,402,518,186	16,113,121	1,768,414,999
* Represents credit balance due to un-responded entries in the nostro account.				
Term borrowings from				
	-	-	-	-
	-	-	-	-
	11,736,554	1,402,518,186	16,113,121	1,768,414,999
Analysis by security				
Secured	-	-	-	-
Unsecured	11,736,554	1,402,518,186	16,113,121	1,768,414,999
	11,736,554	1,402,518,186	16,113,121	1,768,414,999
Repayment pattern				
Repayable on demand	11,736,554	1,402,518,186	16,113,121	1,768,414,999
Others	-	-	-	-
	11,736,554	1,402,518,186	16,113,121	1,768,414,999
9 Deposits and other accounts				
Current deposits and other accounts				
Current deposit	16,530,656	1,975,413,439	14,792,628	1,623,490,957
Margin Accounts	406,544	48,582,007	119,943	13,163,761
	16,937,200	2,023,995,446	14,912,571	1,636,654,718

	2024		2023	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
9.1 Current and other accounts				
Current accounts				
Foreign currency	-	-	-	-
Inter-bank	-	-	-	-
Others	16,530,656	1,975,413,439	14,792,628	1,623,490,957
	16,530,656	1,975,413,439	14,792,628	1,623,490,957
Margin accounts				
Letters of credit and guarantees and other	406,544	48,582,007	119,943	13,163,761
	406,544	48,582,007	119,943	13,163,761
	16,937,200	2,023,995,446	14,912,571	1,636,654,718
9.2 Savings bank deposits				
Foreign currency	-	-	-	-
Inter-bank	-	-	-	-
Others	1,341,484	160,307,349	5,430,677	596,016,835
	1,341,484	160,307,349	5,430,677	596,016,835
9.3 Fixed deposits				
Foreign currency	-	-	-	-
Inter-bank	-	-	-	-
Others	23,445,298	2,801,713,156	29,362,636	3,222,549,343
	23,445,298	2,801,713,156	29,362,636	3,222,549,343
	41,723,982	4,986,015,951	49,705,884	5,455,220,896
9.4 Maturity analysis of other deposits				
Repayable on demand	20,508,041	2,450,711,135	20,343,248	2,232,671,554
Repayable within 1 month	2,510,207	299,969,697	7,283,968	799,415,434
Over 1 month but within 6 months	15,807,688	1,889,018,681	15,633,902	1,715,820,797
Over 6 months but within 1 year	2,898,046	346,316,438	6,444,766	707,313,111
Over 1 year but within 5 years	-	-	-	-
Over 5 years but within 10 years	-	-	-	-
	41,723,982	4,986,015,951	49,705,884	5,455,220,896
10 Other liabilities				
Accumulated general provision against loans and advances and Off-Balance Sheet items (note 10.1)	982,534	68,500,000	677,216	34,800,000
Specific provision (note 10.2)	-	-	-	-
Interest suspense account (note 10.3)	-	-	-	-
Payable to Domestic Banking Unit (DBU) of the Bank	4,077,255	1,269,430,413	-	-
Provision for corporate taxation (note 10.4)	6,282,529	619,278,448	5,565,791	513,849,078
Interest payable on deposits	198,119	23,675,271	232,977	25,569,239
Interest payable on borrowings	85,579	10,226,724	-	-
Commission and brokerage payable	79,288	9,474,905	116,024	12,733,593
Others	182,032	21,752,782	159,258	17,478,517
	11,887,336	2,022,338,543	6,751,266	604,430,427
10.1 Accumulated general provision against loans and advances				
Opening balance	677,216	34,800,000	848,498	53,200,000
Less: Fully Provided, written off during the year	-	-	-	-
Less: Recovery of provision no longer required	-	-	-	-
Add: Provision for the year	305,318	33,700,000	(171,282)	(18,400,000)
Closing balance	982,534	68,500,000	677,216	34,800,000
10.1.1 General provision against				
Loans and advances	914,333	60,350,000	646,692	31,450,000
Off-Balance Sheet items	68,201	8,150,000	30,524	3,350,000
	982,534	68,500,000	677,216	34,800,000
10.2 Specific provision				
Opening balance	-	-	-	-
Less: Fully provided, written off during the year	-	-	-	-
Add: Recovery of advance previously written off	-	-	-	-
Add: Specific provision during the year	-	-	-	-
Less: Recovery of provision no longer required	-	-	-	-
Closing balance	-	-	-	-
Required Provision	-	-	-	-

	2024		2023	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
10.3 Interest suspense account				
Opening balance	-	-	-	-
Add: Amount transferred to interest suspense account during the year	-	-	-	-
Less: Transferred to income during the year	-	-	-	-
Less: Amount waived/written off during the year	-	-	-	-
Closing balance	-	-	-	-
10.4 Provision for corporate taxation				
Opening balance	5,565,791	513,849,078	5,014,850	425,718,564
Add: Provision made during the year	1,731,629	191,131,805	1,810,544	194,497,697
Less: Settlement during the year	(1,014,891)	(85,702,435)	(1,259,603)	(106,367,183)
Closing balance (note 10.4.1)	6,282,529	619,278,448	5,565,791	513,849,078
10.4.1 Provision for corporate taxation relating to the years				
2024	1,731,629	191,131,805	-	-
2023	1,810,544	194,497,697	1,810,544	194,497,697
2022	524,374	48,743,692	524,374	48,743,692
2021	1,634,651	138,038,091	1,634,651	138,038,091
2020	-	-	1,014,891	85,702,435
2012	335,270	26,752,872	335,270	26,752,872
2011	246,061	20,114,291	246,061	20,114,291
	6,282,529	619,278,448	5,565,791	513,849,078
11 Retained earnings				
Opening balance	18,014,188	1,576,184,552	15,127,089	1,266,038,007
Add: Profit after taxation	2,292,126	252,997,708	2,887,099	310,146,545
Less: Profit remittance	-	-	-	-
Closing balance	20,306,314	1,829,182,260	18,014,188	1,576,184,552
12 Contingent liabilities				
12.1 Letter of guarantees				
Directors	-	-	-	-
Government	64,031	7,651,683	49,218	5,401,649
Banks and other financial institutions	-	-	-	-
Others	-	-	-	-
	64,031	7,651,683	49,218	5,401,649
Margin on guarantees	-	-	-	-
12.2 Irrevocable letters of credit				
Inward bills unsettled	4,234,769	506,054,877	1,078,666	118,383,584
Documentary credits	2,499,137	298,646,834	1,841,159	202,067,194
Shipping guarantee	15	1,800	2	200
	6,733,921	804,703,511	2,919,827	320,450,978
Margin on letters of credit	434,874	47,727,418	112,792	12,378,898
12.3 Bills for collection				
Outward collection	16,567,822	1,979,854,711	5,963,437	654,487,254
	16,567,822	1,979,854,711	5,963,437	654,487,254
13 Other commitments				
Forward assets purchased and forward deposits placed	-	-	-	-
	-	-	-	-

	2024		2023	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
14 Interest income				
Interest on loans and advances				
General loan	2,335,780	257,816,119	3,968,176	426,281,245
Overdrafts	205,395	22,670,820	46,799	5,027,278
Import loan	25,326	2,795,412	45,162	4,851,521
	2,566,501	283,282,351	4,060,137	436,160,044
Interest on				
Accounts with foreign banks	710,679	78,442,549	356,104	38,254,437
Accounts with local banks	1,293,931	142,820,030	2,033,287	218,425,748
DBU	8,965	989,519	-	-
	2,013,575	222,252,098	2,389,391	256,680,185
	4,580,076	505,534,449	6,449,528	692,840,229
15 Interest paid on deposits, borrowings, etc.				
Interest on deposit				
Fixed and Notice deposits	1,089,671	120,274,509	1,121,676	120,496,064
Savings deposit	28,630	3,160,063	56,028	6,018,831
	1,118,301	123,434,572	1,177,704	126,514,895
Interest on borrowings				
Local banks	3,158	348,542	-	-
Foreign banks	129,100	14,249,630	553	59,370
DBU	-	-	1,285,697	138,115,970
	132,258	14,598,172	1,286,250	138,175,340
	1,250,559	138,032,744	2,463,954	264,690,235
16 Commission, exchange and brokerage				
Commission	493,613	54,483,485	502,226	53,951,582
Exchange gain less loss arising from dealing foreign currencies	601,123	66,350,104	99,696	10,709,820
	1,094,736	120,833,589	601,922	64,661,402
17 Salary and allowances				
Salaries and allowances	22,899	2,527,548	24,188	2,598,343
Leave fair assistance	2,117	233,657	2,194	235,704
Bonus	31,679	3,496,627	7,209	774,423
Bank's contribution to provident fund	1,270	140,188	1,317	141,425
Medical Expenses	1,270	140,183	1,317	141,427
	59,235	6,538,203	36,225	3,891,322

	2024		2023	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
18 Rent, taxes, insurance, lighting, etc.				
Rent, rates and taxes	15,648	1,727,194	10,393	1,116,464
Lease rent	757	83,526	-	-
Insurance	293	32,323	271	29,095
Lighting	2,272	250,793	2,172	233,323
Water charges	116	12,842	79	8,446
	19,086	2,106,678	12,915	1,387,328
19 Legal and professional fees				
Other professional fees	-	-	139	14,950
	-	-	139	14,950
20 Postage, stamps and telecommunication, etc.				
Telephone	178	19,649	227	24,379
Postage and courier	-	-	-	-
	178	19,649	227	24,379
21 Stationery, printing, advertisements, etc.				
Publicity and advertisement	-	-	3	368
Printing and stationery	435	47,988	133	14,289
Newspapers and periodicals	569	62,787	35	3,745
	1,004	110,775	171	18,402
22 Depreciation and repairs of bank's assets				
Depreciation	1,405	155,081	3,633	390,174
Repair and maintenance of:				
Equipment and computers	2,268	250,386	3,224	346,380
Premises, furniture and fixtures	-	-	-	-
	3,673	405,467	6,857	736,554
23 Other expenses				
Fees and charges for services	5,643	622,911	2,098	225,339
Travelling and conveyance	152	16,780	181	19,435
Entertainment	1,090	120,315	116	12,457
Training, seminar and workshop	-	-	-	-
Staff welfare	-	-	-	-
Sundry expenses	5,119	565,003	2,206	236,988
	12,004	1,325,009	4,601	494,219

Commercial Bank of Ceylon PLC - Bangladesh Operations
Offshore Banking Unit (OBU)

Schedule of Fixed assets including premises, furniture and fixtures
As at 31 December 2024

Amounts in USD and BDT

Asset category	Cost								Rate (%)	Depreciation								Written down value at 31 December 2024	
	At 01 January 2024		Addition during the year		On disposal/ adjustment during the year		Total at 31 December 2024			To 01 January 2024		Charge for the year		On disposal/ adjustment during the year		Total to 31 December 2024		USD	BDT
	USD	BDT	USD	BDT	USD	BDT	USD	BDT		USD	BDT	USD	BDT	USD	BDT	USD	BDT		
Furniture and fixtures	5,665	291,000	-	-	-	-	5,665	291,000	10	3,348	173,286	188	20,745	-	-	3,536	194,031	884	96,969
Interior Decoration	10,277	867,823	-	-	-	-	10,277	867,823	20	8,899	819,556	420	46,315	-	-	9,319	865,871	18	1,952
Equipment and Computers	19,568	1,464,255	1,151	127,000	-	-	20,719	1,591,255	20	16,723	1,308,901	691	76,221	-	-	17,414	1,385,122	1,878	206,133
Computer Software	1,098	89,784	-	-	-	-	1,098	89,784	20	759	67,166	107	11,800	-	-	866	78,966	99	10,818
Motor vehicle	-	-	-	-	-	-	-	-	20	-	-	-	-	-	-	-	-	-	-
Total at 31 December 2024	36,608	2,712,862	1,151	127,000	-	-	37,759	2,839,862		29,729	2,368,909	1,406	155,081	-	-	31,135	2,523,990	2,879	315,872
Total at December 31, 2023	36,422	2,692,861	186	20,000	-	-	36,608	2,712,861		26,096	1,978,735	3,633	390,174	-	-	29,729	2,368,909	3,135	343,952