

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021



Commercial Bank of Ceylon PLC Bangladesh Operations

Head Office: Hadi Tower, House: NW(K) -1, Road: 50, Kemal Ataturk Avenue, Gulshan - 2, Dhaka - 1212



 **COMMERCIAL BANK**

OUR INTEREST IS IN YOU

**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 2021 and profit and loss account, statement of changes in equity, and cash flow statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the financial position of the Bank as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations as explained in Note 2.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section in 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) and requirements of Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's 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 notes 37 and 38 of 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 accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- (iv) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (v) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vi) the expenditures incurred were for the purpose of the Bank's business for the year;
- (vii) the financial statements have been drawn up in conformity with prevailing rules, regulations, and accounting standards as well as related guidance issued by Bangladesh Bank;
- (viii) adequate provisions have been made for loans and advances and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 1,150 person hours; and
- (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.



Muhammad Farooq FCA
Managing Partner
Howladar Yunus & Co., Chartered Accountants

Enrolment No. 0521

DVC No.: 2202240521AS381936

Dated: Dhaka

24 February 2022

Commercial Bank of Ceylon PLC - Bangladesh Operations
Balance Sheet
As at 31 December 2021

	Notes	2021 Amounts in BDT	2020 Amounts in BDT
PROPERTY AND ASSETS			
Cash	3	3,117,402,451	2,747,681,627
Cash in hand (including foreign currencies)	3.1	386,795,032	343,513,532
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)	3.2	2,730,607,419	2,404,168,095
Balance with other Banks and financial institutions	4	16,839,595,756	6,281,993,723
In Bangladesh	4.1	7,837,123	914,445,748
Outside Bangladesh	4.2	16,831,758,633	5,367,547,975
Money at call on short notice	5	490,000,000	330,000,000
Investments	6	15,423,888,350	16,239,563,899
Government	6.1	15,414,471,690	16,230,147,239
Others	6.2	9,416,660	9,416,660
Loans and advances	7	58,395,419,178	55,394,602,511
Loans, cash credit, overdrafts, etc.		40,670,367,960	41,359,033,027
Bills purchased and discounted	8	17,725,051,218	14,035,569,484
Fixed assets including premises, furniture and fixtures	9	836,584,222	934,517,718
Other assets	10	5,312,682,447	4,762,901,458
Non-Banking Assets		-	-
Total Assets		100,415,572,404	86,691,260,936
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, financial institutions and agents	11	12,613,729,298	14,701,811,857
Deposits and other accounts	12	65,088,990,507	51,055,439,648
Current and other accounts	12.1	30,859,470,081	19,554,744,666
Bills payable	12.2	1,442,493,182	167,124,992
Savings Bank deposits	12.3	5,351,948,098	4,588,314,191
Fixed deposits	12.4	27,342,376,150	26,703,086,113
Other deposits	12.5	92,702,996	42,169,686
Other liabilities	13	8,612,127,601	8,248,914,695
Total Liabilities		86,314,847,406	74,006,166,200
Capital/ Shareholders' Equity			
Paid-up capital/ Deposit kept with Bangladesh Bank	14	5,058,823,303	4,719,827,590
Statutory reserve		-	-
Gains on revaluation of treasury bills/ bonds		31,837,191	20,029,528
Surplus in profit and loss account	15	9,010,064,504	7,945,237,618
Total Shareholders' Equity		14,100,724,998	12,685,094,736
Total Liabilities and Shareholders' Equity		100,415,572,404	86,691,260,936

	Notes	2021 Amounts in BDT	2020 Amounts in BDT
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	16		
Acceptances and endorsements	16.1	-	-
Letters of guarantee	16.2	7,088,248,156	5,941,620,828
Irrevocable letters of credit	16.3	15,653,097,097	15,495,051,793
Bills for collection	16.4	6,602,484,517	4,170,477,127
Other contingent liabilities	16.5	64,638,549	64,638,549
Total:		29,408,468,319	25,671,788,297
Other commitments	17		
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		10,043,416,294	509,305,011
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total:		10,043,416,294	509,305,011
Total Off-Balance Sheet Items Including Contingent Liabilities		39,451,884,613	26,181,093,308

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



Binoy G. Roy
Chief Financial Officer



Kapila Liyanage
Chief Operating Officer



Najith Meewanage
Chief Executive Officer

Signed as per our annexed report of same date.



Muhammad Farooq FCA
Managing Partner
Howladar Yunus & Co., Chartered Accountants
Enrolment No. 0521
DVC No.: 2202240521AS381936

Dated: Dhaka
24 February 2022

Commercial Bank of Ceylon PLC - Bangladesh Operations
Profit and Loss Account
For the year ended as on 31 December 2021

	Notes	2021 Amounts in BDT	2020 Amounts in BDT
Interest income	18	3,756,193,062	3,809,708,690
Less: Interest paid on deposits and borrowings, etc.	19	1,787,065,498	2,373,554,699
Net interest income		1,969,127,564	1,436,153,991
Investment income	20	707,768,959	1,364,706,514
Commission, exchange and brokerage	21	1,386,073,775	1,087,872,662
Other operating income	22	33,059,166	15,040,133
Total operating income		4,096,029,464	3,903,773,300
Salary and allowances	23	555,422,322	564,313,887
Rent, taxes, insurance, electricity, etc.	24	69,826,833	66,353,076
Legal expenses	25	2,194,353	1,560,847
Postage, stamps, telecommunication, etc.	26	12,836,478	12,839,595
Stationery, printing and advertisements, etc.	27	8,153,969	12,785,674
Chief executive's salary and fees	28	15,831,524	13,483,536
Directors' fees		-	-
Auditors' fees		448,500	448,500
Charges on loan losses		-	-
Depreciation and repairs of Bank's assets	29	209,487,114	211,555,185
Other expenses	30	396,830,887	377,896,054
Total operating expenses		1,271,031,980	1,261,236,354
Profit before provisions		2,824,997,484	2,642,536,946
Provision for loans and advance		119,249,237	141,503,340
Specific provision		5,249,237	3,340
General provision	31	114,000,000	141,500,000
Provision for diminution in value of investment		-	-
Other Provision (Start-up Fund)	32	32,621,602	-
Total provision		151,870,839	141,503,340
Profit/(Loss) before taxes		2,673,126,645	2,501,033,606
Provision for taxation	13.4.1	1,000,000,000	912,000,000
Current tax		919,216,902	919,881,105
Deferred tax		80,783,098	(7,881,105)
Net profit after taxation		1,673,126,645	1,589,033,606

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24 February 2022

Commercial Bank of Ceylon PLC - Bangladesh Operations
Cash Flow Statement

For the year ended as on 31 December 2021

	Notes	2021 Amounts in BDT	2020 Amounts in BDT
Cash flows from operating activities			
Interest receipts in cash		3,582,837,460	3,836,398,287
Interest payments		(1,974,102,993)	(2,387,016,051)
Dividend receipts		8,567,708	5,140,625
Fees and commission receipts in cash		576,986,272	477,322,271
Recoveries on loans previously written off		-	-
Recoveries on loans provisions		31,781,987	14,738,500
Cash Payments to employees		(556,954,242)	(550,000,124)
Cash Payments to suppliers		(90,817,280)	(91,978,345)
Receipts from other operating activities	33	809,087,503	610,550,391
Income taxes paid		(271,972,674)	(511,668,429)
Payments for other operating activities	34	(775,131,297)	(760,761,225)
Interest receipts from investment		699,201,251	1,359,565,889
Operating profit before changes in operating assets and liabilities		2,039,483,695	2,002,291,789
(Increase)/Decrease in operating assets and liabilities			
Statutory Deposits		-	-
Purchase/sale of trading securities		-	-
Loans and advances to other Banks		-	-
Loans and advances to customers		(3,000,816,667)	(7,397,895,200)
Other assets	35	(104,452,713)	(195,117,174)
Deposits from other Banks		1,290,116,995	5,024,527,660
Deposits from customers		10,655,351,305	5,617,642,099
Other liabilities account of customer	36	(437,941,936)	(211,982,211)
Net cash from operating activities (a)		10,441,740,679	4,839,466,963
Cash flows from investing activities			
Payments / proceeds for purchase of securities		816,177,549	(2,940,922,457)
Payments / proceeds for purchase of shares		-	-
Purchase/sale of property, plant and equipment		97,933,496	(136,391,196)
Gains on disposal of property, plant and equipment		1,277,179	301,633
Net cash from investing activities (b)		915,388,224	(3,077,012,020)
Cash flows from financing activities			
Remittance received from Head Office, Colombo		-	-
Dividend paid/ profit remitted to HO		(269,304,046)	(295,557,500)
Net cash from financing activities (c)		(269,304,046)	(295,557,500)
Net increase/(decrease) in cash [d=(a+b+c)]		11,087,824,857	1,466,897,443
Effects of exchange rate changes on cash and cash equivalent		-	-
Cash and cash equivalents at beginning of the year (*) (e)		9,359,860,550	7,892,963,107
Cash and cash equivalents at end of the year (*) [f=(d+e)]		20,447,685,407	9,359,860,550
(*) Cash and cash equivalents :			
Cash		386,795,032	343,513,532
Prize bonds		687,200	185,200
Money at call and on short notice		490,000,000	330,000,000
Balance with Bangladesh Bank and its agent Bank(s)		2,730,607,419	2,404,168,095
Balance with other Banks and financial institutions		16,839,595,756	6,281,993,723
		20,447,685,407	9,359,860,550


Binoy G. Roy
Chief Financial Officer

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


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Chief Operating Officer


Najith Meewanage
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Signed as per our annexed report of same date.


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24 February 2022

Commercial Bank of Ceylon PLC - Bangladesh Operations

Statement of Changes in Equity

For the year ended as on 31 December 2021

Particulars	Amounts in BDT				
	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 2021	4,719,827,590	-	20,029,528	7,945,237,618	12,685,094,736
Changes in accounting policy	-	-	-	-	-
Restated balance	4,719,827,590	-	20,029,528	7,945,237,618	12,685,094,736
Transfer from Deposit kept with Bangladesh Bank to Profit and Loss	338,995,713	-	-	(338,995,713)	-
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-
Adjustment of last year's revaluation on investments	-	-	(20,029,528)	-	(20,029,528)
Surplus/(deficit) on account of revaluation of investments	-	-	31,837,191	-	31,837,191
Currency translation differences	-	-	-	-	-
Net gains and losses not recognised in profit and loss statement	-	-	-	-	-
Net profit for the year	-	-	-	1,673,126,645	1,673,126,645
Dividends/Profit remittance	-	-	-	(269,304,046)	(269,304,046)
Issue of share capital/(Capital brought from Head Office, Colombo)	-	-	-	-	-
Balance at 31 December 2021	5,058,823,303	-	31,837,191	9,010,064,504	14,100,724,998

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



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DVC No.: 2202240521AS381936

Signed as per our annexed report of same date.

Dated: Dhaka
24 February 2022

Commercial Bank of Ceylon PLC - Bangladesh Operations
Liquidity Statement (analysis of maturity of assets and liabilities)
As at 31 December 2021

Particulars	Amounts in BDT					Total
	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	Above 5 years maturity	
Assets:						
Cash in hand	3,117,402,451	-	-	-	-	3,117,402,451
Balance with other Banks and financial institutions	14,791,315,756	1,280,175,000	768,105,000	-	-	16,839,595,756
Money at call and on short notice	490,000,000	-	-	-	-	490,000,000
Investments	10,103,860	384,841,470	10,132,907,825	4,817,212,064	78,823,131	15,423,888,350
Loans and advances	15,055,164,398	14,014,269,547	21,656,124,361	6,668,508,655	1,001,352,217	58,395,419,178
Fixed assets including premises, furniture and fixtures	741,240,956	181,707.00	2,310,982	86,342,934	6,507,643	836,584,222
Other assets	5,312,682,447	-	-	-	-	5,312,682,447
Non-Banking assets	-	-	-	-	-	-
Total Assets	39,517,909,868	15,679,467,724	32,559,448,168	11,572,063,653	1,086,682,991	100,415,572,404
Liabilities						
Borrowings from Bangladesh Bank, other Banks, financial institutions and agents	11,248,209,298	512,070,000	853,450,000	-	-	12,613,729,298
Deposits	45,360,507,800	5,097,991,998	12,336,063,968	2,294,426,741	-	65,088,990,507
Other accounts	-	-	-	-	-	-
Provision and other liabilities	8,612,127,601	-	-	-	-	8,612,127,601
Total Liabilities	65,220,844,699	5,610,061,998	13,189,513,968	2,294,426,741	-	86,314,847,406
Net Difference in Liquidity	(25,702,934,831)	10,069,405,726	19,369,934,200	9,277,636,912	1,086,682,991	14,100,724,998

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



Binoy G. Roy
Chief Financial Officer



Kapila Liyanage
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 2021

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, Chattagram, and Sylhet. The Bank also maintains six SME centres at Old Dhaka, Shantinagar, Progati Sharani of Dhaka, Tongi of Gazipur, Jubilee Road, and CDA Avenue of Chattagram.

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, Chattagram was also transferred to Chattagram 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 2021, 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 (30 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. 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:	2021	2020
Unclassified general loans and advances/investmer	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	1.00%	1.00%
Specific provision on:		
Substandard loans and advances/investments othe	20%	20%
Doubtful loans and advances/investment other tha	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 14, 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 2021.

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 Principal 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 2021 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 2021 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:

Category of fixed asset

Rate of depreciation

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 2021 required amount of gratuity was BDT 194,957,479 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 2021 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 Ordinance (ITO) 1984 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 material 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.14 (25 June 2001) 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

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
- 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
- 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-2021 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 2021 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 2021 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 2021 to 31 December 2021.

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 Ordinance 1984
- 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

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 2021 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.

	2021 Amounts in BDT	2020 Amounts in BDT
3 Cash		
3.1 Cash in hand		
In local currency	355,795,430	319,590,184
In foreign currencies	30,999,602	23,923,348
	386,795,032	343,513,532
3.2 Balance with Bangladesh Bank and its agent Bank(s)		
Balance with Bangladesh Bank:		
In local currency (note 3.2.1)	2,513,585,121	2,177,652,135
In foreign currencies (note 3.2.2)	217,016,355	226,513,827
	2,730,601,476	2,404,165,962
Balance with agent Bank(s):	5,943	2,133
In local currency	5,943	2,133
In foreign currencies	-	-
	2,730,607,419	2,404,168,095
	3,117,402,451	2,747,681,627
3.2.1 In local currency		
Lien portion (against the Bank's required equity)	-	-
Non-lien portion	2,513,585,121	2,177,652,135
	2,513,585,121	2,177,652,135
3.2.2 In foreign currencies		
Lien portion (against the Bank's required equity)	-	-
Non-lien portion	217,016,355	226,513,827
	217,016,355	226,513,827
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% and 2% on time and demand liabilities of the Bank for DBU and OBU respectively. This has been maintained with Bangladesh Bank in current account. SLR @ 13% on the same liabilities is also 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	2,353,747,000	2,152,138,000
Actual reserve maintained	2,684,721,000	2,361,821,000
Surplus	330,974,000	209,683,000
3.3.2 Statutory Liquid Reserve		
Required reserve	7,870,987,000	7,357,972,000
Actual reserve maintained	17,565,072,000	18,248,400,000
Surplus	9,694,085,000	10,890,428,000
4 Balance with other Banks and financial institutions		
In Bangladesh (note 4.1)	7,837,123	914,445,748
Outside Bangladesh (note 4.2)	16,831,758,633	5,367,547,975
	16,839,595,756	6,281,993,723
4.1 In Bangladesh		
Islami Bank Bangladesh Limited	5,011,246	844,500,000
Standard Chartered Bank	1,104,033	4,514,880
Prime Bank Limited	1,721,844	1,717,115
Midland Bank Limited	-	63,713,753
	7,837,123	914,445,748

4.2 Outside Bangladesh

Name of the Banks	Nature	Location	Currency name	At 31 December 2021			At 31 December 2020		
				Amount in foreign currency	Conversion rate	Equivalent BDT	Amount in foreign currency	Conversion rate	Equivalent BDT
Kookmin Bank	Nostro	Seoul	USD	177,599	85.80	15,238,017	59,635	84.80	5,057,141
Standard Chartered Bank	Nostro	Karachi	USD	149,052	85.80	12,788,650	141,225	84.80	11,976,170
Commercial Bank of Ceylon	Nostro	Colombo	USD	160,473,431	85.80	13,768,620,404	327,246	84.80	27,751,125
Credit Agricole S.A.	Nostro	Paris	EUR	-	97.38	-	273,874	104.28	28,559,896
Standard Chartered Bank	Nostro	London	GBP	218,132	115.73	25,243,778	771,519	115.54	89,140,077
Bank of Montreal	Nostro	Toronto	CAD	57,140	67.08	3,833,145	45,815	66.46	3,044,826
National Australia	Nostro	Melbourne	AUD	286,110	62.20	17,795,006	283,007	65.17	18,444,881
Bank of Tokyo Mitsubishi	Nostro	Tokyo	JPY	74,212,157	0.75	55,390,396	16,198,450	0.82	13,312,599
Standard Chartered Bank	Nostro	Hong Kong	HKD	73,518	11.00	809,020	31,049	10.94	339,634
Bank of New Zealand	Nostro	Wellington	NZD	20,814	58.61	1,219,817	16,645	61.11	1,017,146
Standard Chartered Bank	Nostro	New York	USD	4,109,481	85.80	352,593,489	644,129	84.80	54,623,448
Standard Chartered Bank	Nostro	Singapore	SGD	72,021	63.45	4,569,406	73,234	64.09	4,693,623
Mahreq Bank	Nostro	Sydney	AED	56,914	23.36	1,329,483	-	65.17	-
Commercial Bank of Ceylon	Placement	Colombo	USD	24,000,000	85.80	2,059,200,000	54,300,000	84.80	4,604,748,600
Wells Fargo NA	Placement	New York	USD	5,850,000	85.80	501,930,000	3,400,000	84.80	288,326,800
CitiBank NA (OBU)	Placement	New York	USD	-	85.80	-	2,500,000	84.80	212,005,000
Standard Chartered Bank (OBU)	Nostro	London	GBP	96,762	115.73	11,198,022	39,009	115.54	4,507,009
Total						16,831,758,633			5,367,547,975

	2021 Amounts in BDT	2020 Amounts in BDT
4.3 Grouping by maturity		
Receivable on demand	14,278,465,756	268,749,570
Payable to customers on demand	-	-
	14,278,465,756	268,749,570
Below 3 months	1,788,930,000	3,443,144,525
Over 3 months but below 1 year	772,200,000	2,570,099,628
Over 1 year but below 5 years	-	-
Over 5 years	-	-
	16,839,595,756	6,281,993,723
4.4 Account-wise breakdown		
Current and other accounts	14,278,465,756	268,749,570
Placement (term)	2,561,130,000	6,013,244,153
	16,839,595,756	6,281,993,723
5 Money at call on short notice		
Jamuna Bank Limited	490,000,000	-
Standard Bank Limited	-	330,000,000
	490,000,000	330,000,000
6 Investments		
Government (note 6.1)	15,414,471,690	16,230,147,239
Others (note 6.2)	9,416,660	9,416,660
	15,423,888,350	16,239,563,899
6.1 Government:		
Treasury bonds (note 6.1.1)	10,955,423,561	13,178,065,387
Treasury bills (note 6.1.2)	4,458,360,929	3,051,896,652
Prize bonds	687,200	185,200
	15,414,471,690	16,230,147,239
6.1.1 Treasury bonds		
HTM	7,091,429,280	4,743,430,280
HFT	3,863,994,281	8,434,635,107
	10,955,423,561	13,178,065,387
6.1.2 Treasury bills		
HTM	1,990,622,897	-
HFT	2,467,738,032	3,051,896,652
	4,458,360,929	3,051,896,652
6.2 Others:		
Central Depository Bangladesh Limited (CDBL) (note 6.2.1)	9,416,660	9,416,660
Commercial papers	-	-
	9,416,660	9,416,660
Total	15,423,888,350	16,239,563,899

a.(i) Disclosure regarding outstanding Repo as on 31 December 2021

			2021 Amounts in BDT	2020 Amounts in BDT
SI no.	Counter party name	Agreement Date	Reversal Date	Amount
1				NIL

a.(ii) Disclosure regarding outstanding Reverse Repo as on 31 December 2021

SI no.	Counter party name	Agreement Date	Reversal Date	Amount
1				NIL

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

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under repo:			
i) with Bangladesh Bank	-	-	-
ii) with other Banks and FIs	151,726,083	2,495,596,129	243,796,345
Securities purchased under reverse repo:			
i) from Bangladesh Bank	-	-	-
ii) from other Banks and FIs	415,558,069	4,276,548,879	365,136,142

6.2.1 Central Depository Bangladesh Limited (CDBL)

Particulars	Number of shares	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 declared for the year 2010	1,200,000	-	-
Bonus declared for the year 2011	685,417	-	-
Total	3,427,083	9,416,660	9,416,660

6.3 Value of investment at 31 December 2021

Particulars	Quantity	Face Value	Cost	Market Value	Market Value
Treasury bonds	65	10,956,752,000	13,206,070,810	10,955,423,561	13,178,065,387
Treasury bills	6	4,500,000,000	4,462,289,000	4,458,360,929	3,051,896,652
Treasury bonds (Reverse Repo)	-	-	-	-	-
Treasury bills (Reverse Repo)	-	-	-	-	-
Prize bonds	6,872	687,200	687,200	687,200	185,200
CDBL shares	3,427,083	34,270,830	9,416,660	9,416,660	9,416,660
		15,491,710,030	17,678,463,670	15,423,888,350	16,239,563,899

6.4 Maturity grouping

Repayable on demand	687,200	185,200
Below 3 months	384,841,470	249,038,007
Over 3 months but below 1 year	10,132,907,825	9,687,833,306
Over 1 year but below 5 years	4,817,212,064	6,214,280,606
Over 5 years	78,823,131	78,810,120
	15,414,471,690	16,230,147,239

	2021 Amounts in BDT	2020 Amounts in BDT
7 Loans and advances		
7.1 Maturity grouping		
Repayable on demand	5,051,650,033	3,558,644,987
Below 3 months	24,017,783,912	17,603,486,719
Over 3 months but below 1 year	21,656,124,361	25,228,326,230
Over 1 year but below 5 years	6,668,508,655	7,173,082,925
Over 5 years	1,001,352,217	1,831,061,650
	58,395,419,178	55,394,602,511
7.2 Broad category-wise break-up		
i) Within Bangladesh		
Loans (general)	33,261,496,797	35,648,006,585
Overdrafts	4,976,401,607	3,496,740,781
Loans against trust receipt	2,054,058,449	1,901,871,676
Packing credit	72,854,443	42,329,125
Import loan	111,264,040	111,646,689
Credit card	75,248,426	61,904,206
Staff loan	119,044,198	96,533,965
	40,670,367,960	41,359,033,027
Loans against accepted bills		
ii) Inland bills	266,375,570	141,710,552
Foreign bills	17,458,675,648	13,893,858,932
	17,725,051,218	14,035,569,484
Outside Bangladesh	-	-
Total (i+ii)	58,395,419,178	55,394,602,511
7.3 Significant concentration		
Directors and others	-	-
Managing Director or Chief Executive Officer	-	-
Other executives	119,044,198	96,533,965
Industries	45,053,839,895	37,392,346,908
Other clients	13,222,535,085	17,905,721,638
	58,395,419,178	55,394,602,511
7.4 Advance to customers for more than 10% of Bank's total capital		
Number of clients	14	25
Amount of outstanding advances	23,489,868,946	18,864,890,000
Amount of classified advances	-	-
	23,489,868,946	18,864,890,000
7.5 Economic sector-wise distribution		
Industry	45,053,839,895	37,392,346,908
Trading	3,899,800,000	3,903,766,352
Agriculture	316,882,132	296,628,771
Others	9,124,897,151	13,801,860,480
	58,395,419,178	55,394,602,511

7.6 Geographical location-wise distribution**Urban**

Dhaka region
Chattogram region
Sylhet region

	2021 Amounts in BDT	2020 Amounts in BDT
	51,489,971,634	48,218,597,827
	6,282,716,952	6,385,100,055
	622,730,592	790,904,629
	58,395,419,178	55,394,602,511
Rural		
Dhaka region	-	-
Chattogram region	-	-
Sylhet region	-	-
	-	-
	58,395,419,178	55,394,602,511

7.7 Classification of loans and advances as per Bangladesh Bank 's BRPD circulars**Unclassified:**

Standard
Special mentioned account (SMA)

Classified:

Sub-standard
Doubtful
Bad/ Loss

	58,113,538,526	55,058,425,662
	58,101,303,442	55,052,739,136
	12,235,084	5,686,526
	281,880,652	336,176,849
	37,836,356	3,060,323
	837,641	-
	243,206,655	333,116,526
	58,395,419,178	55,394,602,511

7.8 Particulars of loans and advances

(i)	Loans considered good in respect of which the banking company is fully secured	58,070,225,778	55,088,346,400
(ii)	Loans considered good against which the banking company holds no security other than the debtor's personal guarantee	75,248,426	61,904,206
(iii)	Loans considered good secured by personal undertakings of one or more parties in addition to personal guarantee of debtor	249,944,974	244,351,905
(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	119,044,198	96,533,965
(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	121,380,000	107,104,000
(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	-	-

	2021 Amounts in BDT	2020 Amounts in BDT
(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	137,355,530	167,995,332
(b) (Decrease)/increase in provision	5,249,237	3,340
(c) Interest creditable to the interest suspense account	27,255,351	41,374,266
(xi) Loan written off	165,733,103	165,733,103
Opening balance	165,733,103	165,733,103
Add : Bad debts written off during the year	-	-
Less : Bad debts previously written off recovered during	-	-
Bad debts written off / settled	-	-
Closing balance	165,733,103	165,733,103
(xii) Cases filed for recovery of written off bad debts	131,807,438	131,807,438
8 Bills purchased and discounted		
Payable in Bangladesh	266,375,570	141,710,552
Payable outside Bangladesh	17,458,675,648	13,893,858,932
	17,725,051,218	14,035,569,484
8.1 Maturity grouping		
Payable within 1 month	2,706,079,575	1,937,551,979
Over 1 month but below 3 months	6,360,293,851	4,784,549,795
Over 3 months but below 6 months	5,625,027,976	6,562,678,817
6 months and over	3,033,649,816	750,788,893
	17,725,051,218	14,035,569,484
9 Fixed assets including premises, furniture and fixtures		
Furniture and fixtures	56,200,764	54,603,272
Interior decorations	97,383,230	94,472,958
Equipment and computers	191,825,822	185,824,919
Computer software	76,842,913	70,916,889
Motor vehicles	47,080,849	50,169,124
Right of use asset	1,130,991,032	1,066,886,139
Total	1,600,324,610	1,522,873,301
Less: Accumulated Depreciation	763,740,388	588,355,583
Written down value	836,584,222	934,517,718
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)
Receivable from Bangladesh Bank against Sanchaya Patras
Other income receivable
Prepaid expenses
Stock of stationery, stamps, printing materials, etc.
Receivable from Head Office
Security deposit
Interest receivable from other Banks (note 10.2)
Others (note 10.3)

2021 Amounts in BDT	2020 Amounts in BDT
4,376,001,255	4,104,028,581
26,199,964	68,081,121
399,650,893	226,223,679
21,693,382	9,662,439
11,369,211	7,813,271
361,000	108,500
4,175,960	4,225,633
30,757	102,369
473,200,025	342,655,865
5,312,682,447	4,762,901,458

Classification status of other assets

Unclassified
Doubtful
Bad/Loss

5,312,682,447	4,762,901,458
-	-
-	-
5,312,682,447	4,762,901,458

10.1 Advance payment of corporate income tax

Opening balance
<u>Less:</u> Settlement during the year
<u>Add:</u> Income tax paid during the year
<u>Add:</u> Income tax withheld during the year on:
L/C commission
Interest on government treasury bills/bonds/
Dividend on shares of CDBL
Closing balance (note 10.1.1)

4,104,028,581	3,592,360,152
(656,173,186)	(575,612,240)
868,898,700	1,032,536,456
7,417,452	4,892,999
50,116,166	48,823,089
1,713,542	1,028,125
4,376,001,255	4,104,028,581

10.1.1 Closing balance of advance payment of corporate income tax

2021	484,609,268	
2020	963,262,158	519,725,566
2019	1,036,707,889	1,036,707,889
2018	935,094,998	935,094,998
2017	-	656,173,186
2012	514,093,987	514,093,987
2011	442,232,955	442,232,955
	4,376,001,255	4,104,028,581

10.2 Interest receivable from other Banks

Bangladesh Bank
Others

26,452	98,076
4,305	4,293
30,757	102,369

10.3 Others

Deferred tax assets (note 10.3.1)
Forward Equalisation, Sundry Debtors, etc.

83,419,617	164,202,715
389,780,408	178,453,150
473,200,025	342,655,865

	2021 Amounts in BDT	2020 Amounts in BDT		
10.3.1 Deferred tax assets on				
Gratuity provision	-	76,990,381		
Fixed assets	26,782,279	19,961,896		
Specific Provision	56,637,338	67,250,438		
	83,419,617	164,202,715		
Increase / (Decrease) in Deferred Tax Assets	(80,783,098)	7,881,105		
Calculation of Deferred Tax Assets :				
Particulars	Carrying Amount	Tax Base	(Taxable) / Deductible Temporary	Deferred Tax Assets / (Liabilities)
Gratuity provision	-	-	-	-
Fixed assets	95,367,818	162,323,515	66,955,697	26,782,279
Specific provision	141,593,344	-	141,593,344	56,637,338
				83,419,617
11 Borrowings from other Banks, financial institutions and agents				
In Bangladesh (note 11.1)			3,355,046,452	7,085,324,454
Outside Bangladesh (note 11.2)			9,258,682,846	7,616,487,403
			12,613,729,298	14,701,811,857
11.1 In Bangladesh				
Borrowings from:				
South East Bank Limited			938,795,000	-
Eastern Bank Limited			853,450,000	1,688,900,000
Jamuna Bank Limited			682,760,000	506,670,000
State Bank of India			426,725,000	844,450,000
Woori Bank			256,035,000	253,335,000
United Commercial Bank Limited			-	1,266,675,000
National Credit and Commerce Bank Limited			-	591,115,000
			3,157,765,000	5,151,145,000
Borrowings from:				
Bangladesh Bank (Refinance)			197,281,452	1,934,179,454
			197,281,452	1,934,179,454
			3,355,046,452	7,085,324,454
11.2 Outside Bangladesh				
Commercial Bank of Ceylon			7,681,050,000	5,452,106,000
Citi N. A. (OBU)*			521,998,939	235,144,477
Wells Fargo NA*			457,776,936	199,373,973
ICICI Bank*			247,978,885	961,371,431
Standard Chartered Bank (OBU)*			212,477,501	48,658,135
Axis Bank*			98,646,242	17,608,479
CommerzBank AG*			25,274,275	25,443,262
National Australia (OBU)*			10,012,075	1,221,646
Credit Agricole S.A.*			3,467,993	-
Sunrise Bank			-	422,225,000
Kumari Bank			-	253,335,000
			9,258,682,846	7,616,487,403
* Represents credit balance due to un-responded entries in the nostro account.				
Analysis by security				
Secured			-	-
Unsecured			12,613,729,298	14,701,811,857
			12,613,729,298	14,701,811,857

Grouping by maturity
 Repayable on demand
 Others

2021 Amounts in BDT	2020 Amounts in BDT
1,577,632,846	644,371,403
11,036,096,452	14,057,440,454
12,613,729,298	14,701,811,857

12 Deposits and other accounts**12.1 Current and other accounts**
 Current accounts (note 12.1.1)
 Margin accounts (note 12.1.2)

29,949,221,852	18,201,252,620
910,248,229	1,353,492,046
30,859,470,081	19,554,744,666

Current and other accounts**12.1.1 Current accounts**
 Local currency
 Inter-Bank
 Others

2,026,917,661	21
20,367,976,242	12,381,088,899
22,394,893,903	12,381,088,920

 Foreign currencies
 Inter-Bank
 Others

138,272,422	67,165,508
7,416,055,527	5,752,998,192
7,554,327,949	5,820,163,700
29,949,221,852	18,201,252,620

12.1.2 Margin accounts
 Letters of guarantee
 Letters of credit
 Others

171,207,999	164,247,126
718,817,366	1,178,024,502
20,222,864	11,220,418
910,248,229	1,353,492,046
30,859,470,081	19,554,744,666

12.2 Bills payable
 Payment orders issued
 Inward remittance payable

1,442,493,182	167,124,992
-	-
1,442,493,182	167,124,992

12.3 Savings Bank deposits
 Local currency
 Inter-Bank
 Others

-	-
4,912,956,085	4,301,863,863
4,912,956,085	4,301,863,863

 Foreign currency
 Inter-Bank
 Others

-	-
438,992,013	286,450,328
438,992,013	286,450,328
5,351,948,098	4,588,314,191

12.4 Fixed deposits
 Local currency
 Inter-Bank
 Others

-	-
21,090,489,667	23,579,231,113
21,090,489,667	23,579,231,113

	2021 Amounts in BDT	2020 Amounts in BDT
Foreign currency		
Inter-Bank	1,280,175,000	-
Others	4,971,711,483	3,123,855,000
	6,251,886,483	3,123,855,000
12.5 Other deposits	27,342,376,150	26,703,086,113
Stale drafts-foreign currencies	10,299,239	13,200,351
Stale pay orders-local currency	82,403,757	28,969,335
	92,702,996	42,169,686
	65,088,990,507	51,055,439,648
12.6 Maturity analysis of customer deposits		
Repayable on demand	35,581,424,274	24,299,698,321
Repayable within 1 month	7,613,893,443	5,570,961,883
Over 1 month but within 6 months	9,354,053,594	10,433,022,087
Over 6 months but within 1 year	6,799,827,372	6,403,930,867
Over 1 year but within 5 years	2,294,426,741	4,280,660,961
Over 5 years but within 10 years	-	-
Unclaimed deposit for 10 years or more held by the Bank	-	-
	61,643,625,424	50,988,274,119
12.7 Maturity analysis of inter-Bank deposits		
Repayable on demand	2,165,190,083	67,165,529
Repayable within 1 month	-	-
Over 1 month but within 6 months	1,280,175,000	-
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	-	-
	3,445,365,083	67,165,529
	65,088,990,507	51,055,439,648
13 Other liabilities		
Accumulated general provision against loans and advances and Off-Balance Sheet items (note 13.1)	857,000,000	732,000,000
Special general provision for COVID-19*	29,000,000	40,000,000
Specific provision (note 13.2)	141,593,344	168,126,095
Interest suspense account (note 13.3)	27,255,351	41,374,266
Interest payable on deposits	675,683,173	841,455,737
Interest payable on borrowings	37,057,514	58,322,445
Provision for corporate taxation (note 13.4)	5,034,351,082	4,771,307,366
Sundry creditors	5,592,143	5,650,717
Expenses payable	210,035,037	190,277,129
Provision for gratuity (note 13.5)	-	192,475,952
Commission and brokerage payable	89,092,532	22,863,895
Provision for head office expenses (note 30.1)	578,531,311	277,892,617
Lease liability	723,807,308	735,033,766
Others	203,128,806	172,134,710
	8,612,127,601	8,248,914,695
*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.		
Required Provision	28,606,650	39,980,973
Maintained Provision	29,000,000	40,000,000

	2021 Amounts in BDT	2020 Amounts in BDT
13.1 Accumulated general provision against loans and advances and Off-balance sheet items		
Opening balance	732,000,000	630,500,000
Less: Fully provided, written-off during the year	-	-
Less: Recovery of provision no longer required	-	-
Add: Provision for the year	125,000,000	101,500,000
Closing balance	857,000,000	732,000,000
Required Provision	746,292,329	718,974,627
13.1.1 General provision		
Opening balance	732,000,000	630,500,000
Add: Provision for the year (note 13.1.1.1)	125,000,000	101,500,000
Add: Transferred from specific provision during the year	-	-
Less: Transferred to specific provision during the year	-	-
Closing balance (note 13.1.1.2)	857,000,000	732,000,000
13.1.1.1 General provision for the year against		
Loans and advances	31,200,000	62,000,000
Off-balance sheet items	93,800,000	39,500,000
	125,000,000	101,500,000
13.1.1.2 General provision against		
Loans and advances	569,200,000	538,000,000
Off-balance sheet items	287,800,000	194,000,000
	857,000,000	732,000,000
Required Provision (Loans and advances)	559,672,798	530,947,531
Required Provision (Off-balance sheet items)	186,619,531	188,027,096
	746,292,329	718,974,627
13.2 Specific provision		
Opening balance	168,126,095	182,861,255
Less: Fully provided, written-off during the year	-	-
Add: Recovery of advance previously written-off	-	-
Add: Specific provision during the year	5,249,237	3,340
Less: Recovery of provision no longer required	(31,781,988)	(14,738,500)
Closing balance	141,593,344	168,126,095
Required provision	141,593,344	168,126,095
13.3 Interest suspense account		
Opening balance	41,374,266	48,395,840
Add: Amount transferred to interest suspense account during the year	3,501,557	213,494
Less: Transferred to income during the year	(17,620,472)	(7,235,068)
Less: Amount waived/written-off during the year	-	-
Closing balance	27,255,351	41,374,266

13.4 Provision for taxation

	2021 Amounts in BDT	2020 Amounts in BDT
Opening balance	4,771,307,366	4,427,038,501
Add: Provision during the year (note 13.4.1)	919,216,902	919,881,105
Less: Settlement during the year	(656,173,186)	(575,612,240)
Closing balance (note 13.4.2)	5,034,351,082	4,771,307,366

Filing of corporate income tax return of the Bank has been made up to the assessment year 2021-22. Corporate income tax return for the income year ended 31 December 2021 has not yet been due for filing. However, tax clearance certificate from National Board of revenue (NBR) was received up to 2017 (Assessment Year 2018-2019), except 2011 and 2012. Provision for corporate income tax for the year ended 31 December 2021 has been made after considering necessary taxable allowances and disallowances as per tax laws.

13.4.1 Provision made during the year

Current tax	919,216,902	919,881,105
Deferred tax	80,783,098	(7,881,105)
	1,000,000,000	912,000,000

13.4.2 Provision for taxation

Current year provision	1,034,007,060	971,417,309
Provision carried forward	-	-
2021	1,034,007,060	
2020	971,417,309	971,417,309
2019	1,037,190,224	1,037,190,224
2018	935,094,998	935,094,998
2017	-	770,963,344
2012	575,202,852	575,202,852
2011	481,438,639	481,438,639
	5,034,351,082	4,771,307,366

13.5 Provision for gratuity

Opening balance		168,180,029
Less: Payment made during the year		(3,501,376)
Add : Provision made during the year		27,797,299
Closing balance	-	192,475,952

The Bank operates a funded gratuity scheme recognized by NBR with effect from 11th July 2021. As such opening provisions for gratuity and current year charges transferred to the Bank Account of "Commercial Bank of Ceylon PLC-Bangladesh employees Gratuity Fund. A valuation of the gratuity scheme is carried out by a professional Actuarial & Pension Consultants, Actuarial & Management Consultants (Pvt) Limited, to assess the adequacy of the liabilities provided for the scheme as per IAS 19 'Employee Benefits'. The Bank has been maintaining adequate provision against gratuity scheme

14 Paid-up capital / Deposit kept with Bangladesh Bank

Fund deposited with Bangladesh Bank	-	-
Investment in treasury bills/bonds (note 14.1)	5,058,823,303	4,719,827,590
	5,058,823,303	4,719,827,590

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(4) 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 2021 represents investment in treasury bills/bonds of BDT 5,058,823,303.

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 2021 should be BDT 4,000,000,000 or 10% of risk weighted assets whichever is higher as against available capital of BDT 14,874,300,057 (Tier I Capital BDT 13,988,300,057 and Tier II Capital BDT 886,000,000). Details are shown below:

	2021 Amounts in BDT	2020 Amounts in BDT
Total assets including off-balance sheet items	139,867,457,017	112,872,354,244
Total risk weighted assets	59,982,515,398	38,175,204,867
10% of risk weighted assets	5,998,251,540	3,817,520,487
Required capital as per BRPD circular (a)	5,998,251,540	4,000,000,000
Actual capital maintained:		
Tier I		
Paid-up capital/Deposit kept with Bangladesh Bank	5,058,823,303	4,719,827,590
Statutory reserve	-	-
Other reserve	-	-
Retained earnings	9,010,064,504	7,945,237,618
Regulatory adjustments (deferred tax assets)	(80,587,750)	(160,840,193)
	13,988,300,057	12,504,225,015
Tier II		
General provision on unclassified loans and off-balance sheet items (Allowable as per Basel III)	886,000,000	772,000,000
Revaluation reserve as of 31 December 2014 (up to 50% of revaluation reserve) less phase-in deductions as per Basel III	-	-
	886,000,000	772,000,000
Total capital (b)	14,874,300,057	13,276,225,015
Capital surplus / (shortfall) (b-a)	8,876,048,517	9,276,225,015
Capital to Risk Weighted Assets Ratio (CRAR)	24.80%	34.78%

15 Surplus in profit and loss account

Opening balance	7,945,237,618	6,641,711,812
Add: Profit after taxation	1,673,126,645	1,589,033,606
Add: Capital from Head Office	-	-
Less: Profit remittance	(269,304,046)	(295,557,500)
Add: Transfer from Deposit kept with Bangladesh Bank to Profit and Loss	(338,995,713)	10,049,700
Closing balance	9,010,064,504	7,945,237,618

16 Contingent liabilities**16.1 Claims lodged with the Bank which are not recognized as loan**

-	-
-	-

16.2 Letter of guarantees

Directors	-	-
Government	6,116,971,425	5,024,883,738
Banks and other financial institutions	593,750,337	578,265,737
Others	548,734,393	502,718,479
	7,259,456,155	6,105,867,954
Less: Margin on guarantees	171,207,999	164,247,126
	7,088,248,156	5,941,620,828

16.3 Irrevocable letters of credit

Inward bills unsettled	3,716,081,870	4,269,222,867
Documentary credits	12,655,830,493	12,403,852,228
Shipping guarantee	2,100	1,200
	16,371,914,463	16,673,076,295
Less: Margin on letters of credit	718,817,366	1,178,024,502
	15,653,097,097	15,495,051,793

16.4 Bills for collection (*)

	2021 Amounts in BDT	2020 Amounts in BDT
Cheques for collection	53,842,467	44,936,469
Outward collection	6,548,642,050	4,125,540,658
	6,602,484,517	4,170,477,127

(*) 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	64,638,549	64,638,549
	64,638,549	64,638,549
	29,408,468,319	25,671,788,297

17 Other commitments

Forward assets purchased and forward deposits placed	10,043,416,294	509,305,011
	10,043,416,294	509,305,011

	2021 Amounts in BDT	2020 Amounts in BDT
18 Interest income		
Interest on loans and advances		
General loan	2,545,044,835	2,867,338,095
Overdrafts	316,054,237	374,858,342
Trust receipts	153,332,746	178,535,710
Import loans	3,366,081	2,506,853
Pre-shipment loan	2,975,406	3,417,041
Inland bills purchased	12,682,066	9,043,030
House building loan-others	44,406,231	37,303,003
Credit cards	9,232,995	11,285,020
Staff loans	6,726,846	5,555,106
	3,093,821,443	3,489,842,200
Interest on		
Accounts with foreign Banks	563,263,542	21,212,291
Deposits with other Banks	99,108,077	298,654,199
	662,371,619	319,866,490
	3,756,193,062	3,809,708,690
19 Interest paid on deposits and borrowings, etc.		
Interest on		
Fixed deposits	1,167,676,533	1,791,858,578
Short notice deposit / Money market A/C	106,999,755	160,845,196
Savings deposits	83,802,051	95,903,373
Foreign currency deposits	128,995,835	84,734,686
	1,487,474,174	2,133,341,833
Interest on		
Borrowings from local Banks	188,043,250	45,506,191
Borrowings from foreign Banks	76,299,608	168,578,473
	264,342,858	214,084,664
Interest expenses on lease liability	35,248,466	26,128,202
	1,787,065,498	2,373,554,699
20 Investment income		
Interest and profit on treasury bills	12,365,841	419,108,152
Interest and profit on treasury bonds	512,597,985	578,470,557
Capital gain on treasury bills and bonds	174,237,425	361,987,180
Dividend from CDBL shares	8,567,708	5,140,625
	707,768,959	1,364,706,514
21 Commission, exchange and brokerage		
Commission	576,986,272	477,322,271
Exchange gain less losses arising from dealing in foreign currencies	809,087,503	610,550,391
	1,386,073,775	1,087,872,662
22 Other operating income		
Recovery of other provision/ written off bad debts	31,781,987	14,738,500
Profit on disposal of fixed assets	1,277,179	301,633
Profit less loss from interest fluctuation	-	-
Income from recovery of loans	-	-
	33,059,166	15,040,133

	2021 Amounts in BDT	2020 Amounts in BDT
23 Salary and allowances		
Salaries	307,083,548	302,587,698
Leave fair assistance	24,333,582	22,996,540
Bonus	169,330,675	169,421,225
Bank's contribution to provident fund	14,240,981	13,541,875
Gratuity	14,299,604	27,797,299
Other allowances	12,043,174	15,560,795
Medical expenses	14,090,758	12,408,455
	555,422,322	564,313,887
24 Rent, taxes, insurance, electricity, etc.		
Rent, rates and taxes (Only VAT)	20,536,619	19,982,530
Lease rent	1,250,869	451,410
Insurance	36,806,860	34,552,944
Lighting	10,812,359	10,917,535
Water charges	420,126	448,657
	69,826,833	66,353,076
25 Legal expenses		
Law charges	-	357,493
Other professional fees	2,194,353	1,203,354
	2,194,353	1,560,847
26 Postage, stamps, telecommunication, etc.		
Telephone	2,246,426	2,036,768
Swift charges	4,045,272	3,465,171
Postage and courier	6,544,780	7,337,656
	12,836,478	12,839,595
27 Stationery, printing, advertisements, etc.		
Publicity and advertisement	5,482,777	4,229,071
Printing and stationery	2,421,699	8,311,609
Newspapers and periodicals	249,493	244,994
	8,153,969	12,785,674
28 Chief Executive's salary and fees		
Salary	6,377,147	7,063,271
Bonus	7,250,448	6,312,265
Other allowances	2,203,929	108,000
	15,831,524	13,483,536
29 Depreciation and repairs of Bank's assets		
Depreciation (Annex B).	181,833,647	182,488,997
Repairs and maintenance of:		
Equipment and computers	11,695,699	14,934,327
Premises, furniture and fixtures	7,863,927	7,334,198
Vehicles	8,093,841	6,797,663
	209,487,114	211,555,185

30 Other expenses

Fees and charges for services
 Travelling and conveyance
 Entertainment
 Security services
 Training, seminar and workshop
 Cash carrying expenses
 Loss on disposal of fixed assets
 Donation and subscription
 Sundry expenses
 Head office expenses (note 30.1)

2021 Amounts in BDT	2020 Amounts in BDT
51,124,919	55,451,681
4,784,065	5,477,909
4,608,575	7,169,932
14,680,868	14,542,721
419,376	1,261,013
5,358,543	5,104,567
39,370	41,245
5,298,650	2,311,490
9,877,827	8,642,934
300,638,694	277,892,562
396,830,887	377,896,054

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
 Off-balance sheet items
 Special general provision for COVID-19

31,200,000	62,000,000
93,800,000	39,500,000
(11,000,000)	40,000,000
114,000,000	141,500,000

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 2021 onwards for next five years. During the year 2021 bank has created a "start-up fund" by transferring of 1% of net profit after tax BDT 15,890,336 and BDT 16,731,266 for the year end 2020 and 2021 respectively.

33 Receipts from other operating activities

Other operating income
 Income from commission, exchange and brokerage
 Less: Fees and commission
 Gain on disposal of property, plant and equipment, recovery of Loans Provisions

33,059,166	15,040,133
1,386,073,775	1,087,872,662
(576,986,272)	(477,322,271)
(33,059,166)	(15,040,133)
809,087,503	610,550,391

34 Payments for other operating activities

Total operating expenses
 Less: Payments to employees
 Less: Payments to suppliers
 Less: General and other provisions

(1,271,031,980)	(1,261,236,354)
556,954,242	550,000,124
90,817,280	91,978,345
(151,870,839)	(141,503,340)
(775,131,297)	(760,761,225)

35 Other assets

Receivable from Bangladesh Bank against Sanchaya Patras
 Advance rent and advertisement
 Prepaid expenses
 Stock of stationery, stamps, printing materials, etc.
 Receivable from Head Office
 Security deposit
 Commission and brokerage receivable
 Others

Increase / (Decrease) during the year

2021 Amounts in BDT	2020 Amounts in BDT
26,199,964	68,081,121
-	-
21,693,382	9,662,439
11,369,211	7,813,271
361,000	108,500
4,175,960	4,225,633
-	-
473,200,025	342,655,865
536,999,542	432,546,829
(104,452,713)	(195,117,174)

36 Other liabilities

Accumulated provision against loans and advances
 and off-balance sheet items
 Special general provision for COVID-19*
 Specific provision (note 13.2)
 Interest suspense account (note 13.3)
 Provision for corporate taxation (note 13.4)
 Sundry creditors
 Expenses payable
 Provision for good borrower
 Provision for gratuity (note 13.5)
 Commission and brokerage payable
 Provision for head office expenses (note 30.1)
 Gains on revaluation of treasury bills/ bonds
 Others

Less: Current year's corporate tax provision

Decrease during the year

857,000,000	732,000,000
29,000,000	40,000,000
141,593,344	168,126,095
27,255,351	41,374,266
5,034,351,082	4,771,307,366
5,592,143	5,650,717
210,035,037	190,277,129
-	-
-	192,475,952
89,092,532	22,863,895
578,531,311	277,892,617
31,837,191	20,029,528
926,936,114	907,168,476
7,931,224,105	7,369,166,041
(1,000,000,000)	(912,000,000)
(437,941,936)	(211,982,211)

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 of Business Administration from University of Greenwich, London, Diploma in Banking and Associated member of Institute of Bankers in Sri Lanka since 1998.
2	Kapila Liyanage	Chief Operating Officer	Master of Business Administration from Sri Lanka, Associate member of Chartered Institute of Management Accountants UK and Chartered Global Management Accountant USA. Computer Programming and System Designing - One Year Diploma from National Institute of Business Management, Sri Lanka.
3	Dilip Das Gupta	Senior General Manager	Bachelors, Passed Part one and Two subjects of Final Part of Institute of Bankers, London.
4	Binoy Gopal Roy	Chief Financial Officer	Masters in Accounting, Fellow Member of The Institute of Chartered Accountants of Bangladesh (ICAB).
5	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

Four (04) numbers of Audit Committee meetings were held during the year 2021 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:

- (i) Credit risks,
- (ii) Asset and liability / balance sheet risks,
- (iii) Foreign exchange risks,
- (iv) Internal control and compliance risks,
- (v) Money laundering risks, and
- (vi) Information technology risks.

An internal memo has been circulated with the necessary guidelines to the concerned departments/branches/booths for their implementation. The status of implementation of above six guidelines are summarised below:

38.1 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.

38.2 Asset and liability/ Balance sheet risks

The Bank has Asset - liability Management Committee (ALCO) for the implementation of asset and liability management process. This committee reviews cost of liquidity, capital adequacy, loan deposit ratio, wholesale borrowing guideline, liquidity contingency plan, local regulation, etc. to achieve the general objective of keeping the interest rate risk within defined parameter, enhancing Bank's net interest margin, providing adequate liquidity, reviewing and approving risk parameters through managing exchange rate risk, interest rate risk, etc.

38.3 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.

38.4 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 2013), in accordance with IAS/ IFRS and Bangladesh Bank Circulars, Guidelines are in force.

38.5 Money laundering risks

In line with the directives of Bangladesh Bank & BFIU specific policy, procedures and controls are in place for managing the Money Laundering (ML) risk and to detect the suspicious activities associated with ML for reporting them to the appropriate authorities. Bank has its independent Central Compliance Committee, AML & CFT Department and assigned CAMLCO for ensuring overall AML compliance of the Bank. In addition, BAMLCOs at branch level continuously exerts their all efforts to keep branches compliant on ML matter. Proper CDD, automated sanction screening and transaction monitoring are also in place.

Since inception, Commercial Bank of Ceylon PLC as a compliant Bank in Sri Lanka and Bangladesh believes that no customer relationship is worth compromising our commitment to combat ML.

38.6 Information Technology Risks

The Bank has adequately addressed Information and Communication Technology (ICT) risk management. Banks own core Banking software performs all types of transaction in a highly secured environment.

Bank has its own IT manual in place and implemented in line with Bangladesh Bank Guideline on Information and Communication Technology for scheduled Banks and Financial Institutions. It has also adopted systematic approach to ensure any IT contingencies. Disaster Recovery Plan (DRP) and Business Continuity Plan (BCP) are also in place and function. Bank also obtained PCIDSS Certificate.

38.7 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. 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 Inspection Department have their own plan of auditing the Bank from time to time.

38.8 Fraud and Forgeries

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

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 2021 (2020-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 2021 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 Exchange 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
Sl. No.	Title of Standard	IAS no.	Status
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 of	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	Not Applicable
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

* 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 2021 denominated in foreign currencies have been translated to local currency, BDT, at the following exchange rates:

Currency	Abbreviation and unit	Equivalent BDT
United Arab Emirate Dirham	AED 1.00	23.0186
Australian Dollar	AUD 1.00	61.9477
Canadian Dollar	CAD 1.00	66.7227
European Currency	EUR 1.00	96.7428
Hong Kong Dollar	HKD 1.00	10.9436
Indian Rupee	INR 1.00	1.1448

Japanese Yen	JPY	1.00	0.7418
Kuwaiti Dinar	KWD	1.00	278.3867
New Zealand Dollar	NZD	1.00	58.4101
Pound Sterling	GBP	1.00	115.7423
Qatar Riyal	QAR	1.00	23.4400
Singapore Dollar	SGD	1.00	63.1367
Swedish Kroner	SEK	1.00	9.4469
Swiss Franc	CHF	1.00	93.2274
Chinese Yuan	CNY	1.00	13.4001
Malaysian Ringgit	MYR	1.00	20.4640
Saudi Arabian Riyal	SAR	1.00	22.4341
US Dollar*	USD	1.00	85.3450

*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 2021 was USD 4,561,775.11 equivalent to Taka 389,324,696.76 against the approved limit of USD 19,240,000.00.

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 22 June 2021.

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 Special CSR activities, as per directives of the Bangladesh Bank through BRPD Circular No. 09 dated 26 April 2021 and allocated 1% of profit from 2020 (BDT 15,890,336) to CSR programs in 2021 with special focus on the Pandemic situation. In line with GBCSRD Circular letter no. 06 dated 10 June 2015, SFD Circular letter no 03 dated 06 June 2020, BRPD Circular Letter No. 29 dated 21 June 2021 and BRPD Circular No. 37 dated 12 July 2021 the details of the activities are appended below.

Social Projects:

Description of initiatives	Amount of investment	No. of beneficiaries
Direct social interventions conducted by the Bank, both as occasional/remedial measures or sustainable/continuous projects:		
I. a) Health: Dhaka Medical College Hospital, ICU for covid - 6 Syringe Pumps, Medicine trolley, 12 pneumatic beds, 1000 Masks	BDT 675,612.00	Numerous Covid patients
I. b) Health: Sajida Foundation - 250 bed General Hospital in Jessore under the Khulna Division	BDT 4,600,000.00	Numerous Covid patients

I. c) Health: BURO Bangladesh - Food package and health protection package with medical equipment and medicines	BDT	2,000,000.00	8,796 persons
I. d) Health: TMSS - Support of food supply packages	BDT	2,052,000.00	1,420 persons
I. e) Health: Shakti Foundation - Face mask, hand sanitizer, soap, sewing machine, duck, chicken, training	BDT	1,030,000.00	Numerous Covid patients
I. f) Health: BRAC - Covid response for waste workers of DNCC	BDT	4,300,000.00	2,615 persons
II. Disaster Management: 3,720 Units of blankets given to the poor people affected by cold wave in different parts of the country.	BDT	1,238,338.00	7,440 persons

As per BRPD Circular No.-09 dated 26th April 2021, Bank has to allocate 1% of net profit as per audited financial statement of 2020 as special CSR which will be in addition to the allocated CSR budget of 2021. During the year 2021, total amount of CSR expenditure was BDT 15,895,950. One third of the allocated amount BDT 5,298,650 has been charged to the Profit and loss Account for the year end 2021. Remaining amounts will be adjusted by next two years.

49 Highlights of Activities

Sl.	Particulars	2021	2020
1	Paid-up capital / Deposit kept with Bangladesh Ban	5,058,823,303	4,719,827,590
2	Total capital for the purpose of CRAF	14,874,300,057	13,276,225,015
3	Capital to Risk Weighted Assets Ratio (CRAR) including OBI	24.80%	34.78% (DBU)
4	Capital surplus/(shortfall)	8,876,048,517	9,276,225,015
5	Total assets	100,415,572,404	86,691,260,936
6	Total deposits	65,088,990,507	51,055,439,648
7	Total loans and advance:	58,395,419,178	55,394,602,511
8	Total contingent liabilities and commitment	39,451,884,613	26,181,093,308
9	Credit-deposit ratio - DBU (%)	67.07%	77.40%
10	Credit-deposit ratio - Consolidated (%)	78.14%	91.85%
11	Ratio of classified loans against total loans and advance	0.48%	0.61%
12	Profit after tax and provision	1,673,126,645	1,589,033,606
13	Amount of Classified loan:	281,880,652	336,176,849
14	Provision kept against classified loan:	141,593,344	168,126,095
15	Provision surplus/(deficit)	110,707,671	13,025,373
16	Cost of fund	3.04%	5.07%
17	Interest earning assets	91,364,128,406	78,467,923,880
18	Non-interest earning assets:	9,051,443,998	8,223,337,056
19	Return on investment	3.46%	6.17%
20	Return on average investment	3.62%	6.81%
21	Return on assets	1.67%	1.83%
22	Income from investment	707,768,959	1,364,706,514
23	Earnings per share	N/A	N/A
24	Net income per share	N/A	N/A
25	Price earnings ratio	N/A	N/A



Binoy G. Roy
Chief Financial Officer



Kapila Liyanage
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 2021

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, Chattagram and Sylhet. The Bank also maintains six SME centres at Old Dhaka, Shantinagar, Progati Sharani of Dhaka, Tongi of Gazipur, Jubilee Road and CDA Avenue of Chattagram.

- 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 2021 was BDT 14,874.30 million out of which BDT 13,988.30 million was under Tier-I capital (out of that BDT 5,058.82 million was Deposit kept with Bangladesh Bank as per section 13 (4) of Banking Companies Act 1991 and remaining BDT 8,848.89 million was Retained Profit after regulatory deduction) and remaining BDT 886.00 million was under Tier-II capital (General Provision of BDT 886.00 million).

Quantitative Disclosure:

a) Amount of Tier I Capital

i) Common equity Tier 1 (CET 1)

Fully paid-up capital / capital deposited with Bangladesh Bank
Statutory Reserve
Actuarial gain/loss
Retained earnings
Non-repatriable interest-free fund

Amounts in BDT

5,058,823,303
-
-
9,010,064,504
-
14,068,887,807

Amount deducted from CET 1 Capital (Regulatory Adjustments)

- Good will
- Shortfall
- Deferred tax assets
- Others

-
-
80,587,750
-

Total CET 1 Capital

13,988,300,057

ii) Additional Tier I capital

-

Total Tier I Capital (i+ii)

13,988,300,057

b) Total Tier II capital

886,000,000

Total eligible capital (a+b)

14,874,300,057

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 2021 Bank maintained capital of BDT 14,874.30 million (Tier 1: going-concern capital of BDT 13,988.30 million plus Tier 2: gone-concern capital of BDT 886.00 million) against its total Risk Weighted Asset (RWA) of BDT 59,982.52 million which leads to a Capital to Risk-weighted Asset Ratio (CRAR) of 24.80%, where the minimum requirement is 10.00% as per BRPD circular no. 18 dated 21 December 2014. Tier-I capital was 23.32% of RWA against minimum requirement of 6% of RWA. As a result the Bank has a buffer Capital of BDT 8,876.05 million to maintain to mitigate the additional uncertain risks which are not covered under Pillar-II.

Quantitative Disclosure of Capital Adequacy

a) Amount of Regulatory Capital to meet unforeseen loss:	Amounts in BDT	
Amount of Capital required to meet Credit Risk		5,285,889,114
Amount of Capital required to meet Market Risk		128,889,783
Amount of Capital required to meet Operational Risk		583,472,644
		5,998,251,541
b) Actual Capital Maintained:		
Total CET 1 Capital		13,988,300,057
Total Tier I Capital		13,988,300,057
Total Tier II Capital		886,000,000
Total capital		14,874,300,057
% of Capital to risk weighted assets (CRAR)	Required	Maintained
CET 1	4.50%	23.32%
Tier I	6.00%	23.32%
Tier II		1.48%
Total	12.50%	24.80%
c) Capital conservation buffer	2.50%	2.50%
d) Available capital under pillar 2 requirement		8,876,048,516

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

Amounts in BDT

Total exposures of credit risk

A) Broken down by major types of credit exposure

a) Cash and cash equivalents	387,482,232
b) Claims on Bangladesh Government and Bangladesh	18,144,391,909
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	1,149,271,082
Maturity less than 3 Months	16,472,398,224
h) Claims on Corporate	41,667,331,147
i) Claims under Credit Risk Mitigation	8,358,105,518
j) Claims categorized as retail portfolio and small & medium enterprise (excluding consumer finance)	1,573,200,757
k) Consumer finance	285,467,031
l) Claims fully secured by residential property	815,930,731
m) Claims fully secured by commercial real estate	1,665,458,490
n) Past due loans/NPL	294,115,737
o) Investments in premises, plant and equipment and all other fixed assets	836,584,222
p) Claims on Fixed Assets under Operating Lease	-
q) All Other Assets	-
i) Claims on GoB and BB (Advance Income Tax)	4,845,575,073
ii) Staff loan/investments	119,044,198
iii) Other assets	553,123,186
r) Off-balance sheet items:	-
Claims on Banks:	-
Maturity Over 3 Months	111,807,991
Maturity less than 3 Months	108,535,448
Claims on corporate	7,526,688,850
Retail portfolio and small & medium enterprises	732,397,360
	105,646,909,186

B. Geographical Distribution of Exposure

Amounts in BDT

Category	Dhaka	Chattagram	Sylhet	Total
Balance Sheet Items				
Claims on sovereigns and central Banks	18,355,046,941	140,673,398	36,153,802	18,531,874,141
Claims on Banks and NBFIs	17,621,669,306	-	-	17,621,669,306
Claims on corporate	47,313,874,468	4,059,325,824	611,810,600	51,985,010,892
Claims on retail portfolio and consumer finance	2,503,587,969	160,090,558	10,919,992	2,674,598,519
Fixed assets	829,362,101	5,721,694	1,500,427	836,584,222
Staff loan	119,044,198	-	-	119,044,198
All other assets	2,776,352,525	2,622,175,676	170,058	5,398,698,259
Total on balance sheet items	89,518,937,508	6,987,987,150	660,554,879	97,167,479,537
Off Balance Sheet Items				
Claims on Banks	220,343,439	-	-	220,343,439

Claims on corporate	6,924,045,755	602,643,095	-	7,526,688,850
Claims on retail portfolio and consumer finance	663,158,343	69,239,017	-	732,397,360
Total off balance sheet items	7,807,547,537	671,882,112	-	8,479,429,649
Total	97,326,485,045	7,659,869,262	660,554,879	105,646,909,186

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	18,531,874,141	-	-	-	18,531,874,141
Claims on Banks and NBFIs	17,621,669,306	-	-	-	17,621,669,306
Claims on corporate	-	51,985,010,892	-	-	51,985,010,892
Claims on retail portfolio	-	-	2,674,598,519	-	2,674,598,519
Fixed assets	-	-	-	836,584,222	836,584,222
Staff loan	-	-	-	119,044,198	119,044,198
All other assets	-	-	-	5,398,698,259	5,398,698,259
Total on balance sheet	36,153,543,447	51,985,010,892	2,674,598,519	6,354,326,679	97,167,479,537

Category	Bank and NBFIs	Manufacturing industries	Retail & Consumer finance	Others	Total
Off-balance sheet items					
Claims on Banks	220,343,439	-	-	-	220,343,439
Claims on corporate	-	7,526,688,850	-	-	7,526,688,850
Claims on retail portfolio	-	-	732,397,360	-	732,397,360
Total off balance sheet	220,343,439	7,526,688,850	732,397,360	-	8,479,429,649
Total	36,373,886,886	59,511,699,742	3,406,995,879	6,354,326,679	105,646,909,186

D. Residual Contractual Maturity

Amounts in BDT

Residual contractual maturity	Balance sheet items	Off-balance sheet items	Total
Up to 1 month maturity	36,269,817,001	487,053,649	36,756,870,650
1-3 months maturity	15,679,467,724	4,209,659,531	19,889,127,255
3-12 months maturity	32,559,448,168	3,587,956,380	36,147,404,548
1-5 years maturity	11,572,063,653	194,360,089	11,766,423,742
Above 5 years maturity	1,086,682,991	400,000	1,087,082,991
Total	97,167,479,537	8,479,429,649	105,646,909,186

E. Major Industry or Counterparty Type (past due)

Amounts in BDT

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

Major industry/sector	-
Bank and NBFIs	-
Manufacturing industries	59,960,491
Retail and Consumer finance	19,111,027
Others	202,809,134
Total	281,880,652

ii) Specific and general provision

General provision	-
Loans and advances	598,200,000
Off-Balance sheet items	287,800,000
	886,000,000
Specific provision	141,593,344

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

Specific provisions made during the period	5,249,237
Write-back of excess specific provisions	31,781,988

F) Gross non-performing assets (NPAs)

	281,880,652
Total loans & advances	58,395,419,178
Non-performing loans and advances	281,880,652
Special mentioned account (SMA)	-
Sub-standard	37,836,356
Doubtful	837,641
Bad/ Loss	243,206,655
Non-Performing Assets (NPAs) to Outstanding Loans and advances	0.48%

G) Movement of Non-Performing Assets (NPAs)

Opening balance	336,176,849
<u>Add:</u> Addition during the year	(32,255,134)
<u>Less:</u> Reduction during the year	22,041,063
Closing balance	281,880,652

H) Movement of specific provisions for NPAs

Opening balance	168,126,095
<u>Add:</u> Provisions made during the period	5,249,237
<u>Less:</u> Write-off	-
<u>Less:</u> Write-back of excess provisions	31,781,988
Closing balance	141,593,344

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**Amounts in BDT****Banking Book Assets**

<u>Particulars</u>	<u>Number of shares</u>	<u>Face Value</u>	<u>Cost</u>
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)**Amounts in BDT Crore**

Magnitude of Shock	Minor	Moderate	Major
Weighted average yield on assets (%)	10.00	10.00	10.00
Total Assets	10,564.69	10,564.69	10,564.69
Total RWA before shock	5,998.25	5,998.25	5,998.25
Total increase in RWA after shock	60.39	120.76	181.09
Total increase Capital requirement after shock	6.04	12.08	18.11
Total RWA after shock	6,058.64	6,119.01	6,179.34
Eligible capital	1,487.43	1,487.43	1,487.43
Capital adequacy ratio after shock (%)	24.55	24.31	24.07
Capital adequacy ratio before shock (%)	24.80	24.80	24.80
Changes in CRAR (%)	(0.25)	(0.49)	(0.73)

Credit Shock under Basel III (Off Balance Sheet Exposure)

Amounts in BDT Crore

Magnitude of Shock	Minor	Moderate	Major
Weighted Average yield on assets (%)	10.00	10.00	10.00
Total Assets	10,564.69	10,564.69	10,564.69
Total RWA before shock	5,998.25	5,998.25	5,998.25
Total increase in RWA after shock	7.03	14.06	21.08
Total increase in capital requirement after shock	0.70	1.41	2.11
Total RWA after shock	6,005.28	6,012.31	6,019.33
Eligible capital	1,487.43	1,487.43	1,487.43
Capital Adequacy Ratio after shock (%)	24.77	24.74	24.71
Capital Adequacy Ratio before shock (%)	24.80	24.80	24.80
Changes in CRAR (%)	(0.03)	(0.06)	(0.09)

Combined Shock

Amounts in BDT Crore

Magnitude of Shock	Minor	Moderate	Major
Capital Adequacy Ratio before shock (%)	24.80	24.80	24.80
Decrease in the FSV of the collateral	-0.06	-0.11	-0.23
Increase in NPLs	-0.51	-2.04	-5.12
Negative shift in NPLs categories	-0.05	-0.11	-0.22
Interest rate	0.00	0.00	0.00
FEX: Currency appreciation	-0.01	-0.02	-0.03
Equity shock	0.00	0.00	-0.01
Total change	-0.63	-2.28	-5.61
CRAR after shock (%)	24.06	22.41	19.09

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 unhedged 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

89,749,752
-
39,140,031
-
128,889,783

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 2021 Bank's operational risk capital requirement was Tk. 58.34 crore which was adequately maintained.

Quantitative Disclosure

Capital requirements for operational risk is

Amounts in BDT

583,472,644

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

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

Amounts in BDT

Liquidity coverage ratio	399.86%
Net stable funding ratio	128.18%
Stock of high quality liquid assets	13,472,357,000
Total net cash outflows over the next 30 calendar days	3,369,268,494
Available amount of stable funding	63,139,673,500
Required amount of stable funding	49,257,338,700

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 2021 Bank's leverage ratio was 12.87% and it was calculated as follows:

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

Quantitative Disclosure

Leverage ratio (%)
 On balance sheet exposure
 Off balance sheet exposure
 Total exposure
Less: Regulatory adjustments
 Total exposure for the purpose of leverage ratio

Amounts in BDT

Leverage ratio (%)	12.87%
On balance sheet exposure	100,261,485,679
Off balance sheet exposure	8,479,429,649
Total exposure	108,740,915,328
<u>Less:</u> Regulatory adjustments	80,587,750
Total exposure for the purpose of leverage ratio	108,660,327,578

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. 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 in Sri Lanka.

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

Chief Executive Officer, Chief Operating Officer, Senior General Manager, Chief Financial Officer & Head of Human Resource administers the Banks remuneration policies. They play an independent role, operating as an overseer, and if necessary, make recommendations to the Board of Director (Sri Lanka) of the Bank for its consideration and final approval for any 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(CM, COO, SGM, SDGM, DGM, SAGM, AGM)	8
Other material risk takers	Head of Branches and SME Centres	16
	Head of Units, Corporate Banking	5
	Head of Departments, Units	14
Total		43

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 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:

- Staff turnover rate
- Identifying the future leaders
- Market standard of salary and benefits
- Achievement of objectives leading the overall achievement of Bank's target
- 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 are the higher the Bonuses are paid and Increments are awarded.

Different forms of variable remuneration

Bank's overall remuneration can be bifurcated in to 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 employee for the preceding 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	43	65,703,425
Guaranteed bonuses awarded	43	12,587,503
Sign-on awards	-	-
Severance payments	5	1,481,736

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	161,766,451		-
Variable	65,703,425		-
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 2021

Amount in BDT									
Asset category	Cost				Rate (%)	Depreciation			
	Opening balance as on 01 Jan 2021	Addition during the year	Disposal/ adjustment during the year	Total balance as at 31 Dec 2021		Opening balance as on 01 Jan 2021	Charge for the year	On disposal/ adjustment	Total balance as at 31 Dec 2021
Furniture and fixtures	54,603,272	1,833,889	(236,397)	56,200,764	10	48,511,278	1,054,440	(230,046)	49,335,672
Interior decorations	94,472,958	3,968,064	(1,057,792)	97,383,230	20	73,120,649	10,126,180	(1,026,180)	82,220,649
Equipment and computers	185,824,919	6,800,247	(799,344)	191,825,822	20	137,876,605	21,646,309	(769,234)	158,753,680
Computer software	70,916,889	6,249,424	(323,400)	76,842,913	20	35,710,457	8,875,755	(323,383)	44,262,829
Motor vehicles	50,169,124	1,011,725	(4,100,000)	47,080,849	20	39,038,453	4,454,476	(4,099,999)	39,392,930
Right of use asset	1,066,886,139	64,104,893		1,130,991,032		254,098,141	135,676,487		389,774,628
Total at 31 December 2021	1,522,873,301	83,968,242	(6,516,933)	1,600,324,610		588,355,583	181,833,647	(6,448,842)	763,740,388
Total at 31 December 2020	1,209,918,197	319,128,555	(6,173,451)	1,522,873,301		411,791,675	182,488,997	(5,925,089)	588,355,583
									934,517,718

Annexure C

Commercial Bank of Ceylon PLC - Bangladesh Operations
Offshore Banking Unit (OBU)
Balance Sheet
As at 31 December 2021

Notes	2021		2020	
	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	3	96,762	11,198,022	2,553,147
In Bangladesh		-	-	-
Outside Bangladesh		96,762	11,198,022	2,553,147
Money at call on short notice		-	-	-
Investments		-	-	-
Government		-	-	-
Others		-	-	-
Loans and advances	4	194,290,603	16,581,731,532	201,427,052
Loans, cash credits, overdrafts, etc.		30,902,226	2,637,350,496	3,126,844,621
Bills purchased and discounted	5	163,388,377	13,944,381,036	164,398,873
Fixed assets including premises, furniture and fixtures	6	11,727	1,000,779	16,226
Other assets	7	363	32,457	35,699
Non-banking assets		-	-	-
Total Assets		194,399,455	16,593,962,790	204,032,124
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	8	135,723,282	11,583,303,515	146,939,253
Deposits and other accounts	9	32,187,852	2,747,072,292	17,278,896
Current and other accounts	9.1	9,236,973	788,329,475	1,995,075
Bills payable		-	-	-
Savings bank deposits	9.2	5,143,734	438,992,013	3,392,153
Fixed deposits	9.3	17,807,145	1,519,750,804	11,891,668
Bearer certificates of deposit		-	-	-
Other deposits		-	-	-
Other liabilities	10	13,446,256	1,191,364,514	29,044,216
Total Liabilities		181,357,390	15,521,740,321	193,262,365
Capital/ Shareholders' Equity				
Paid-up capital		-	-	-
Statutory reserve		-	-	-
Other reserve		-	-	-
Retained earnings	11	13,042,065	1,072,222,469	10,769,759
Total Shareholders' Equity		13,042,065	1,072,222,469	10,769,759
Total Liabilities and Shareholders' Equity		194,399,455	16,593,962,790	204,032,124
OFF-BALANCE SHEET ITEMS				
Contingent Liabilities	12			
Acceptances and endorsements		-	-	-
Letters of guarantee	12.1	117,203	10,002,689	165,731
Irrevocable letters of credit	12.2	8,720,043	744,212,162	4,535,797
Bills for collection	12.3	7,973,659	680,511,945	6,610,089
Other contingent liabilities		-	-	-
Total Contingent Liabilities		16,810,905	1,434,726,796	11,311,617
Other commitments	13	-	-	-
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

-	-	-	-
16,810,905	1,434,726,796	11,311,617	955,209,448

Annexure D

Commercial Bank of Ceylon PLC - Bangladesh Operations

Offshore Banking Unit (OBU)

Profit and Loss Account

As at 31 December 2021

Notes	2021		2020	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
OPERATING INCOME				
Interest income	14 7,735,826	660,214,153	7,336,590	619,538,378
Less: Interest paid on deposits, borrowings, etc.	15 4,964,208	423,670,274	5,001,738	422,371,798
Net interest income	2,771,618	236,543,879	2,334,852	197,166,580
Investment income	-	-	-	-
Commission, exchange and brokerage	16 1,380,509	117,819,533	312,774	26,412,230
Other operating income	-	-	65	5,507
Total operating income	4,152,127	354,363,412	2,647,691	223,584,317
OPERATING EXPENSES				
Salary and allowances	17 60,620	5,173,616	60,597	5,117,195
Rent, taxes, insurance, electricity, etc.	18 20,373	1,738,748	20,854	1,761,013
Legal expenses	19 -	-	-	-
Postage, stamps, telecommunication, etc.	20 397	33,922	420	35,462
Stationery, printing, advertisements, etc.	21 186	15,942	366	30,917
Chief executive's salary and fees	-	-	-	-
Directors' fees	-	-	-	-
Auditors' fees	-	-	-	-
Charges on loan losses	-	-	-	-
Depreciation and repairs of bank's assets	22 6,647	567,288	6,882	581,162
Other expenses	23 20,372	1,738,669	21,344	1,802,482
Total operating expenses	108,595	9,268,185	110,463	9,328,231
Profit before provisions	4,043,532	345,095,227	2,537,228	214,256,086
Provision against loans and advances	(7,105)	(600,000)	290,130	24,500,000
Specific provision	-	-	-	-
General provision	(7,105)	(600,000)	290,130	24,500,000
Provision for diminution in value of investment	-	-	-	-
Provision for other classified assets	-	-	-	-
Total provision	(7,105)	(600,000)	290,130	24,500,000
Total profit before taxation for the year	4,050,637	345,695,227	2,247,098	189,756,086
Provision for taxation	1,634,651	138,038,091	1,014,891	85,702,435
Net Profit after taxation	2,415,986	207,657,136	1,232,207	104,053,651

Annexure E

Commercial Bank of Ceylon PLC - Bangladesh Operations
Offshore Banking Unit (OBU)
Cash Flow Statement
For the year ended 31 December 2021

	2021		2020	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
Cash flows from operating activities				
Interest receipts	7,735,829	660,214,378	7,423,939	626,914,575
Interest payments	(5,135,712)	(437,605,150)	(5,205,649)	(439,591,091)
Fees and commission receipts in cash	420,472	35,885,174	257,258	21,724,144
Recoveries of loans previously written off	-	-	-	-
Payments to employees	(60,620)	(5,173,616)	(60,597)	(5,117,195)
Payments to suppliers	(20,770)	(1,788,612)	(21,640)	(1,827,392)
Receipts from other operating activities	960,037	81,934,359	55,581	4,693,593
Corporate income tax paid	-	-	-	-
Payments for other operating activities	(20,100)	(1,705,957)	(318,356)	(26,883,644)
Interest receipts from investment	-	-	-	-
Cash generated from/(used in) operating activities	3,879,136	331,760,576	2,130,536	179,912,990
(Increase)/ decrease in operating assets and liabilities				
(Increase)/ decrease in operating assets				
Purchase/ sale of Government securities	-	-	-	-
Loans and advances to customers	7,136,449	427,775,870	(27,256,878)	(2,301,707,059)
Other assets	35,333	2,981,861	(35,333)	(2,983,665)
Increase/ (decrease) in operating liabilities				
Deposits and other accounts from banks	(11,215,971)	(824,981,743)	42,834,735	3,617,179,237
Deposits and other accounts from customers	14,908,956	1,287,955,993	3,309,255	279,449,941
Other liabilities	(17,204,787)	(1,431,175,947)	(28,607,825)	(2,414,955,532)
Net (increase)/ decrease in operating assets and liabilities	(6,340,020)	(537,443,966)	(9,756,046)	(823,017,078)
Net cash from/ (used in) operating activities (a)	(2,460,884)	(205,683,390)	(7,625,510)	(643,104,088)
Cash Flows from Investing Activities				
Payments for purchase of shares	-	-	-	-
Purchase/ sale of property, plant and equipment	4,499	369,403	4,105	346,646
Gain on disposal of property, plant and equipment	-	-	-	-
Net cash from/ (used in) investing activities (b)	4,499	369,403	4,105	346,646
Cash Flows from Financing Activities				
Net cash flows from financing activities (c)	-	-	-	-
Net increase/ (decrease) in cash and cash equivalents (a+b+c)	(2,456,385)	(205,313,987)	(7,621,405)	(642,757,442)
Effects of exchange rate changes on cash and cash equivalents				
Cash and cash equivalents at beginning of the year (*)	2,553,147	216,512,009	10,174,552	859,269,451
Cash and cash equivalents at end of the year (*)	96,762	11,198,022	2,553,147	216,512,009
(*) Cash and cash equivalents :				
Cash	-	-	-	-
Prize bonds	-	-	-	-
Money at call on short notice	-	-	-	-
Balance with other banks and financial institutions	96,762	11,198,022	2,553,147	216,512,009
	96,762	11,198,022	2,553,147	216,512,009

Annexure F

Commercial Bank of Ceylon PLC - Bangladesh Operations
Offshore Banking Unit (OBU)
Statement of Changes in Equity
For the year ended 31 December 2021

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 2021	-	-	-	874,478,557	10,769,759	874,478,557
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	-	-	-	207,657,136	2,415,986	207,657,136
Dividends/Profit remittance	-	-	-	-	(143,680)	(9,913,224)
Issue of share capital/(Capital brought from Head Office, Colombo)	-	-	-	-	-	-
Balance at 31 December 2021	-	-	-	1,082,135,693	13,042,065	1,072,222,469

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 2021

Particulars	Up to 1 month		1-3 months		3-12 months		1-5 years		Above 5 years		Amounts in USD and BDT	
	USD	BDT	USD	BDT	USD	BDT	USD	BDT	USD	BDT	Total	
Assets:												
Cash in hand	-	-	-	-	-	-	-	-	-	-	-	-
Balance with other banks and financial institutions	96,762	11,198,022	-	-	-	-	-	-	-	-	96,762	11,198,022
Money at call and on short notice	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	31,018,027	2,647,233,534	61,687,884	5,264,752,480	77,721,863	6,633,172,415	23,862,829	2,036,573,103	-	-	194,290,603	16,581,731,532
Fixed assets including premises, furniture and fixtures	8	525	71	6,100	17	1,487	10,033	856,307	1,598	136,360	11,727	1,000,779
Other assets	363	32,457	-	-	-	-	-	-	-	-	363	32,457
Non-banking assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	31,115,160	2,658,464,538	61,687,955	5,264,758,580	77,721,880	6,633,173,902	23,872,862	2,037,429,410	1,598	136,360	194,399,455	16,593,962,790
Liabilities												
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	119,723,282	10,217,783,515	6,000,000	512,070,000	10,000,000	853,450,000	-	-	-	-	135,723,282	11,583,303,515
Deposits	18,621,558	1,589,256,900	2,605,238	222,343,995	10,961,056	935,471,397	-	-	-	-	32,187,852	2,747,072,292
Other accounts	-	-	-	-	-	-	-	-	-	-	-	-
Provision and other liabilities	13,446,256	1,191,364,514	-	-	-	-	-	-	-	-	13,446,256	1,191,364,514
Total Liabilities	151,791,096	12,998,404,929	8,605,238	734,413,995	20,961,056	1,788,921,397	-	-	-	-	181,357,390	15,521,740,321
Net Difference in Liquidity	(120,675,936)	(10,339,940,391)	53,082,717	4,530,344,585	56,760,824	4,844,252,505	23,872,862	2,037,429,410	1,598	136,360	13,042,065	1,072,222,469

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 2021

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 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, Chattagram and Sylhet. The Bank also maintains six SME centres at Old Dhaka, Shantinagar, Progati Sharani of Dhaka, Tongi of Gazipur, Jubilee Road and CDA Avenue of Chattagram.

The Bank started its offshore banking activities through its Motijheel branch, Dhaka from 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, Chattagram was also transferred to Chattagram 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.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), BRPD circular No. 05 (29 May 2013) and BRPD circular No.1 (20 February 2018) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also 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:

In making specific provision against classified loans and advances, general provision on unclassified loans and advances, wherever required, which may result in a change in the provision required in accordance with BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013 and BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 12 dated 20 August 2017, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 01 dated 20 February 2018, BRPD circular no. 13 dated 18 October 2018 and BRPD circular no. 03 dated 21 April 2019 have been complied with. Any movement in the provision, charged/released in the profit and loss statement

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.

Banks' 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.

Banks' 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 2021.

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 2021 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 2021 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 2021 to 31 December 2021.

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.

3 Balance with other banks and financial institutions

In Bangladesh (note 3.1)
Outside Bangladesh (note 3.2)

2021		2020	
Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
-	-	-	-
96,762	11,198,022	2,553,147	216,512,009
96,762	11,198,022	2,553,147	216,512,009

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

SCB, London GBP 96,762.37 115.73
Citibank N.A NY USD - 85.80

96,762	11,198,022	53,147	4,507,009
-	-	2,500,000	212,005,000
-	-	-	-
96,762	11,198,022	2,553,147	216,512,009

3.3 Grouping by maturity

Repayable on demand
Below 3 months
Over 3 months but below 1 year
Over 1 year but below 5 years
Over 5 years

96,762	11,198,022	53,147	4,507,009
-	-	2,500,000	212,005,000
-	-	-	-
-	-	-	-
-	-	-	-
96,762	11,198,022	2,553,147	216,512,009

4 Loans and advances**4.1 Grouping by maturity**

Repayable in demand
Below 3 months
Over 3 months but below 1 year
Over 1 year but below 5 years
Over 5 years

146,970	12,543,159	46,700	3,943,591
92,558,941	7,899,442,855	79,227,130	6,690,334,976
77,721,863	6,633,172,415	89,649,692	7,570,468,263
23,862,829	2,036,573,103	20,185,967	1,704,603,965
-	-	12,317,563	1,040,156,607
194,290,603	16,581,731,532	201,427,052	17,009,507,402

4.2 Broad category-wise break-up

Within Bangladesh
Loans (general)
Overdrafts
Loans against trust receipt
Packing credit
Import loan

29,451,559	2,513,543,297	35,659,356	3,011,254,341
146,970	12,543,159	46,700	3,943,591
-	-	-	-
-	-	-	-
1,303,697	111,264,040	1,322,123	111,646,689
30,902,226	2,637,350,496	37,028,179	3,126,844,621

Loans against accepted bills
Inland bills
Foreign bills

-	-	260,065	21,961,180
163,388,377	13,944,381,036	164,138,808	13,860,701,601
163,388,377	13,944,381,036	164,398,873	13,882,662,781

Outside Bangladesh

-	-	-	-
194,290,603	16,581,731,532	201,427,052	17,009,507,402

4.3 Significant concentration

Directors and others
Managing Director or Chief Executive Officer
Other executives
Industries
Other clients

-	-	-	-
-	-	-	-
-	-	-	-
190,892,066	16,291,683,339	195,653,315	16,521,944,215
3,398,538	290,048,193	5,773,737	487,563,187

2021		2020	
Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
194,290,604	16,581,731,532	201,427,052	17,009,507,402

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	190,892,066	16,291,683,339	195,653,315	16,521,944,215
Trading	864,372	73,769,838	4,578,134	386,600,556
Agriculture	-	-	-	-
others	2,534,166	216,278,355	1,195,603	100,962,631
	194,290,604	16,581,731,532	201,427,052	17,009,507,402

4.6 Geographical location-wise distribution

Urban

Dhaka Region	170,114,605	14,518,430,962	172,012,695	14,525,612,027
Chattagram Region	24,175,998	2,063,300,570	29,414,357	2,483,895,375
Sylhet	-	-	-	-
	194,290,603	16,581,731,532	201,427,052	17,009,507,402

Rural

Dhaka Region	-	-	-	-
Chattagram Region	-	-	-	-
Sylhet	-	-	-	-
	-	-	-	-
	-	-	-	-
	194,290,603	16,581,731,532	201,427,052	17,009,507,402

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

Unclassified :				
Standard	194,290,604	16,581,731,532	201,427,052	17,009,507,402
Special mentioned account (SMA)	-	-	-	-
Classified :	-	-	-	-
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Bad/ Loss	-	-	-	-
	194,290,604	16,581,731,532	201,427,052	17,009,507,402

4.8 Particulars of loans and advances

(i)	Loans considered good in respect of which the Bank is fully secured	194,290,604	16,581,731,532	201,427,052	17,009,507,402
(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	-	-	-	-

	2021		2020	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
Less: Bad debts written off during the year	-	-	-	-
Less: Bad debts recovered of during the year	-	-	-	-
Closing balance	-	-	-	-
(xi) Loan written off	-	-	-	-
Opening balance	-	-	-	-
Add: Bad debts written off during the year	-	-	-	-
Less: Bad debts previously written off recovered during the year	-	-	-	-
Bad debts written off settled	-	-	-	-
Closing balance	-	-	-	-
5 Bills discounted and purchased				
In Bangladesh	-	-	-	-
Outside Bangladesh	163,388,377	13,944,381,036	164,398,873	13,882,662,781
	163,388,377	13,944,381,036	164,398,873	13,882,662,781
5.1 Grouping by maturity				
Below 1 month	30,387,785	2,593,445,538	22,122,238	1,868,112,349
Over 1 month but below 3 months	59,400,755	5,069,557,400	55,703,958	4,703,920,769
Over 3 months but below 6 months	44,773,777	3,821,217,999	77,681,814	6,559,840,770
6 months or over	28,826,060	2,460,160,099	8,890,863	750,788,893
	163,388,377	13,944,381,036	164,398,873	13,882,662,781
6 Fixed assets including premises, furniture and fixtures				
Details are shown in <u>Annexure A</u> .	11,727	1,000,779	16,226	1,370,182
	11,727	1,000,779	16,226	1,370,182
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	-	-	3	225
Security deposit	363	30,980	363	30,653
Commission and brokerage receivable	-	1,477	-	-
Other	-	-	35,333	2,983,665
	363	32,457	35,699	3,014,543
8 Borrowings from other banks, financial institutions and agents				
In Bangladesh	37,000,000	3,157,765,000	61,000,000	5,151,145,000
Outside Bangladesh	98,723,282	8,425,538,515	85,939,253	7,257,140,258
	135,723,282	11,583,303,515	146,939,253	12,408,285,258
Call borrowings from				
Citibank NA	6,116,339	521,998,939	2,784,587	235,144,477
Standard Chartered Bank	2,489,630	212,477,501	576,211	48,658,135
National Australia	117,313	10,012,075	14,467	1,221,646
	8,723,282	744,488,515	3,375,265	285,024,258
Term borrowings from				
Commercial Bank of Ceylon, Colombo	90,000,000	7,681,050,000	64,563,988	5,452,106,000
South East Bank Limited	11,000,000	938,795,000	-	-
Eastern Bank Limited	10,000,000	853,450,000	20,000,000	1,688,900,000
Jamuna Bank Limited	8,000,000	682,760,000	6,000,000	506,670,000
State Bank of India	5,000,000	426,725,000	10,000,000	844,450,000
Woori Bank	3,000,000	256,035,000	3,000,000	253,335,000
United Commercial Bank Limited	-	-	15,000,000	1,266,675,000
ICICI Bank	-	-	10,000,000	844,450,000
National Credit and Commerce Bank Limited	-	-	7,000,000	591,115,000
Kumari Bank	-	-	3,000,000	253,335,000
Sunrise Bank	-	-	5,000,000	422,225,000
	127,000,000	10,838,815,000	143,563,988	12,123,261,000

2021		2020	
Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
135,723,282	11,583,303,515	146,939,253	12,408,285,258

Analysis by security

Secured	-	-	-	-
Unsecured	127,000,000	11,583,303,515	146,939,253	12,408,285,258
	127,000,000	11,583,303,515	146,939,253	12,408,285,258

Repayment pattern

Repayable on demand	8,723,282	744,488,515	3,375,265	285,024,258
Others	127,000,000	10,838,815,000	143,563,988	12,123,261,000
	135,723,282	11,583,303,515	146,939,253	12,408,285,258

9 Deposits and other accounts**Current deposits and other accounts**

Current deposit	9,035,569	771,140,667	1,778,027	150,145,469
Margin Accounts	201,404	17,188,808	217,048	18,328,621
	9,236,973	788,329,475	1,995,075	168,474,090

9.1 Current and other accounts**Current accounts**

Foreign currency	-	-	-	-
Inter-bank	9,035,569	771,140,667	1,778,027	150,145,469
Others	9,035,569	771,140,667	1,778,027	150,145,469

Margin accounts

Letters of credit and guarantees and other	201,404	17,188,808	217,048	18,328,621
	201,404	17,188,808	217,048	18,328,621
	9,236,973	788,329,475	1,995,075	168,474,090

9.2 Savings bank deposits

Foreign currency	-	-	-	-
Inter-bank	5,143,734	438,992,013	3,392,153	286,450,328
Others	5,143,734	438,992,013	3,392,153	286,450,328

9.3 Fixed deposits

Foreign currency	-	-	-	-
Inter-bank	17,807,145	1,519,750,804	11,891,668	1,004,191,881
Others	17,807,145	1,519,750,804	11,891,668	1,004,191,881

9.4 Maturity analysis of other deposits

Repayable on demand	14,380,707	1,227,321,488	5,387,228	454,924,418
Repayable within 1 month	4,240,851	361,935,412	3,449,481	291,291,461
Over 1 month but within 6 months	6,684,470	570,486,123	1,484,717	125,376,887
Over 6 months but within 1 year	6,881,824	587,329,269	6,957,470	587,523,533
Over 1 year but within 5 years	-	-	-	-
Over 5 years but within 10 years	-	-	-	-
	32,187,852	2,747,072,292	17,278,896	1,459,116,299

10 Other liabilities

Accumulated general provision against loans and advances and Off-Balance Sheet items (note 10.1)	2,146,961	173,900,000	2,154,066	174,500,000
Specific provision (note 10.2)	-	-	-	-
Interest suspense account (note 10.3)	-	-	-	-
Payable to Domestic Banking Unit (DBU) of the Bank	4,156,751	417,903,270	20,053,822	1,742,088,182
Provision for corporate taxation (note 10.4)	6,466,436	541,858,830	6,017,345	501,860,617
Interest payable on deposits	174,499	14,892,651	109,529	9,249,205
Interest payable on borrowings	434,159	37,053,278	670,633	56,631,600

Commission and brokerage payable
Others

2021		2020	
Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
-	-	-	916,181
67,450	5,756,485	38,821	3,278,237
13,446,256	1,191,364,514	29,044,216	2,488,524,022

10.1 Accumulated general provision against loans and advances

Opening balance
Less: Fully Provided, written off during the year
Less: Recovery of provision no longer required
Add: Provision for the year
Closing balance

2,154,066	174,500,000	1,863,936	150,000,000
-	-	-	-
-	-	-	-
(7,105)	(600,000)	290,130	24,500,000
2,146,961	173,900,000	2,154,066	174,500,000

10.1.1 General provision against

Loans and advances
Off-Balance Sheet items

2,055,567	166,100,000	2,104,329	170,300,000
91,394	7,800,000	49,737	4,200,000
2,146,961	173,900,000	2,154,066	174,500,000

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

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

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
Add: Provision made during the year
Less: Settlement during the year
Closing balance (note 10.4.1)

6,017,345	501,860,617	6,004,884	494,894,083
1,634,651	138,038,091	1,014,891	85,702,435
(1,185,560)	(98,039,878)	(1,002,430)	(78,735,901)
6,466,436	541,858,830	6,017,345	501,860,617

10.4.1 Provision for corporate taxation relating to the years

2021
2020
2019
2018
2017
2012
2011

1,634,651	138,038,091	-	-
1,014,891	85,702,435	1,014,891	85,702,435
1,259,603	106,367,183	1,259,603	106,367,183
1,975,960	164,883,958	1,975,960	164,883,958
-	-	1,185,560	98,039,878
335,270	26,752,872	335,270	26,752,872
246,061	20,114,291	246,061	20,114,291
6,466,436	541,858,830	6,017,345	501,860,617

11 Retained earnings

Opening balance
Add: Profit after taxation
Less: Profit remittance
Closing balance

10,769,759	874,478,557	9,623,544	776,336,408
2,415,986	207,657,136	1,232,207	104,053,651
(143,680)	(9,913,224)	(85,992)	(5,911,502)
13,042,065	1,072,222,469	10,769,759	874,478,557

12 Contingent liabilities

12.1 Letter of guarantees

Directors
Government
Banks and other financial institutions

-	-	-	-
117,203	10,002,689	165,731	13,995,135
-	-	-	-

Others

Less: Margin on guarantees

2021		2020	
Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
-	-	-	-
117,203	10,002,689	165,731	13,995,135
-	-	-	-
117,203	10,002,689	165,731	13,995,135

12.2 Irrevocable letters of credit

Inward bills unsettled

Documentary credits

Shipping guarantee

Less: Margin on letters of credit

2,848,674	243,120,110	315,242	26,620,614
6,072,772	518,280,760	4,430,452	374,129,477
1	100	-	-
8,921,447	761,400,970	4,745,694	400,750,091
201,404	17,188,808	209,897	17,724,724
8,720,043	744,212,162	4,535,797	383,025,367

12.3 Bills for collection

Outward collection

7,973,659	680,511,945	6,610,089	558,188,946
7,973,659	680,511,945	6,610,089	558,188,946

13 Other commitments

Forward assets purchased and forward deposits placed

-	-	-	-
-	-	-	-

	2021		2020	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
14 Interest income				
Interest on loans and advances				
General loan	6,127,813	522,978,242	7,017,591	592,600,490
Overdrafts	9,932	847,619	13,923	1,175,743
Import loan	36,772	3,138,343	28,494	2,406,188
	6,174,517	526,964,204	7,060,008	596,182,421
Interest on				
Accounts with foreign banks	1,558,426	133,003,887	4,375	369,447
Accounts with local banks	2,883	246,062	272,207	22,986,510
	1,561,309	133,249,949	276,582	23,355,957
	7,735,826	660,214,153	7,336,590	619,538,378
15 Interest paid on deposits, borrowings, etc.				
Interest on deposit				
Fixed deposits	389,571	33,247,903	287,619	24,287,998
Savings deposit	1,502	128,212	1,613	136,248
	391,073	33,376,115	289,232	24,424,246
Interest on borrowings				
Local banks	1,990,000	169,836,557	327,933	27,692,305
Foreign banks	894,014	76,299,608	1,983,686	167,512,351
DBU	1,689,121	144,157,994	2,400,887	202,742,896
	4,573,135	390,294,159	4,712,506	397,947,552
	4,964,208	423,670,274	5,001,738	422,371,798
16 Commission, exchange and brokerage				
Commission	420,472	35,885,174	257,258	21,724,144
Exchange gain less loss arising from dealing in foreign currencies	960,037	81,934,359	55,516	4,688,086
	1,380,509	117,819,533	312,774	26,412,230
17 Salary and allowances				
Salaries and allowances	35,849	3,059,502	36,882	3,114,491
Leave fair assistance	3,197	272,875	3,244	273,952
Bonus	17,738	1,513,813	16,579	1,400,021
Bank's contribution to provident fund	1,918	163,713	1,946	164,365
Medical Expenses	1,918	163,713	1,946	164,366
	60,620	5,173,616	60,597	5,117,195
18 Rent, taxes, insurance, lighting, etc.				
Rent, rates and taxes	17,696	1,510,265	17,270	1,458,331
Insurance	458	39,074	1,358	114,716
Lighting	2,185	186,515	2,191	184,982
Water charges	34	2,894	35	2,984
	20,373	1,738,748	20,854	1,761,013
19 Legal and professional fees				
Other professional fees	-	-	-	-

2021		2020	
Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
-	-	-	-

20 Postage, stamps and telecommunication, etc.

Telephone	397	33,922	420	35,462
Postage and courier	-	-	-	-
	397	33,922	420	35,462

21 Stationery, printing, advertisements, etc.

Publicity and advertisement	81	6,950	75	6,325
Printing and stationery	105	8,992	291	24,592
Newspapers and periodicals	-	-	-	-
	186	15,942	366	30,917

22 Depreciation and repairs of bank's assets

Depreciation	5,069	432,613	5,170	436,601
Repair and maintenance of:				
Equipment and computers	1,578	134,675	1,712	144,561
Premises, furniture and fixtures	-	-	-	-
	6,647	567,288	6,882	581,162

23 Other expenses

Fees and charges for services	2,457	209,715	1,781	150,414
Travelling and conveyance	161	13,760	22	1,900
Entertainment	173	14,729	159	13,424
Training, seminar and workshop	-	-	-	-
Staff welfare	-	-	-	-
Sundry expenses	17,581	1,500,465	19,382	1,636,744
	20,372	1,738,669	21,344	1,802,482

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

Schedule of Fixed assets including premises, furniture and fixtures

As at 31 December 2021

Amounts in USD and BDT																			
Asset category	Cost								Rate	Depreciation								Written down value at 31 December 2021	
	At 01 January 2021		Addition during the year		On disposal/ adjustment during the year		Total at 31 December 2021			To 01 January 2021		Charge for the year		On disposal/ adjustment during the year		Total to 31 December 2021			
	USD	BDT	USD	BDT	USD	BDT	USD	BDT		(%)	USD	BDT	USD	BDT	USD	BDT	USD	BDT	USD
Furniture and fixtures	6,096	333,600	-	-	-	-	6,096	333,600	10	3,369	177,849	221	18,873	-	-	3,590	196,722	1,604	136,878
Interior Decoration	10,277	867,822	-	-	-	-	10,277	867,822	20	3,539	298,862	2,034	173,565	-	-	5,573	472,427	4,633	395,395
Equipment and Computers	19,843	1,491,831	1,093	93,294	(1,113)	(95,000)	19,823	1,490,125	20	12,533	904,379	2,676	228,375	(761)	(64,917)	14,448	1,067,837	4,948	422,288
Computer Software	1,135	92,934	-	-	(37)	(3,150)	1,098	89,784	20	432	34,915	138	11,800	(37)	(3,149)	533	43,566	542	46,218
Motor vehicle	-	-	-	-	-	-	-	-	20	-	-	-	-	-	-	-	-	-	-
Total at 31 December 2021	37,351	2,786,187	1,093	93,294	(1,150)	(98,150)	37,294	2,781,331		19,873	1,416,005	5,069	432,613	(798)	(68,066)	24,144	1,780,552	11,727	1,000,779
Total at December 31, 2020	43,409	3,297,751	1,066	90,003	(7,124)	(601,567)	37,351	3,786,187		21,827	1,580,923	5,170	436,601	(7,124)	(601,519)	19,873	1,416,005	16,226	1,370,182