

# AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022



## Commercial Bank of Ceylon PLC Bangladesh Operations

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 2022 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 2022, 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.:2302270521AS835426**

Dated: Dhaka  
27 February 2023

Commercial Bank of Ceylon PLC - Bangladesh Operations  
Balance Sheet  
As at 31 December 2022

	Notes	2022 Amounts in BDT	2021 Amounts in BDT
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3	<b>8,938,514,171</b>	<b>3,117,402,451</b>
Cash in hand (including foreign currencies)	3.1	489,784,376	386,795,032
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)	3.2	8,448,729,795	2,730,607,419
<b>Balance with other Banks and financial institutions</b>	4	<b>19,873,930,333</b>	<b>16,839,595,756</b>
In Bangladesh	4.1	13,774,840,891	7,837,123
Outside Bangladesh	4.2	6,099,089,442	16,831,758,633
<b>Money at call on short notice</b>	5	<b>1,950,000,000</b>	<b>490,000,000</b>
<b>Investments</b>	6	<b>12,973,171,017</b>	<b>15,423,888,350</b>
Government	6.1	12,963,754,357	15,414,471,690
Others	6.2	9,416,660	9,416,660
<b>Loans and advances</b>	7	<b>52,303,472,292</b>	<b>58,395,419,178</b>
Loans, cash credit, overdrafts, etc.		46,005,846,403	40,670,367,960
Bills purchased and discounted	8	6,297,625,889	17,725,051,218
<b>Fixed assets including premises, furniture and fixtures</b>	9	<b>741,891,854</b>	<b>836,584,222</b>
<b>Other assets</b>	10	<b>5,555,502,472</b>	<b>5,312,682,447</b>
<b>Non-Banking Assets</b>		-	-
<b>Total Assets</b>		<b>102,336,482,139</b>	<b>100,415,572,404</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other Banks, financial instructions and agents</b>	11	<b>4,239,421,102</b>	<b>12,613,729,298</b>
<b>Deposits and other accounts</b>	12	<b>71,258,325,001</b>	<b>65,088,990,507</b>
Current and other accounts	12.1	30,745,315,491	30,859,470,081
Bills payable	12.2	361,222,483	1,442,493,182
Savings Bank deposits	12.3	5,575,655,198	5,351,948,098
Fixed deposits	12.4	34,535,856,232	27,342,376,150
Other deposits	12.5	40,275,597	92,702,996
<b>Other liabilities</b>	13	<b>10,063,659,929</b>	<b>8,612,127,601</b>
<b>Total Liabilities</b>		<b>85,561,406,032</b>	<b>86,314,847,406</b>
<b>Capital/ Shareholders' Equity</b>			
Paid-up capital/ Deposit kept with Bangladesh Bank	14	6,788,000,000	5,058,823,303
Statutory reserve		-	-
Gains on revaluation of treasury bills/ bonds		54,005,672	31,837,191
Surplus in profit and loss account	15	9,933,070,435	9,010,064,504
<b>Total Shareholders' Equity</b>		<b>16,775,076,107</b>	<b>14,100,724,998</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>102,336,482,139</b>	<b>100,415,572,404</b>

	Notes	2022 Amounts in BDT	2021 Amounts in BDT
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
Acceptances and endorsements	16		
Letters of guarantee	16.1	-	-
Irrevocable letters of credit	16.2	12,109,141,073	7,088,248,156
Bills for collection	16.3	5,434,118,264	15,653,097,097
Other contingent liabilities	16.4	6,255,971,224	6,602,484,517
<b>Total:</b>	16.5	<b>67,638,549</b>	<b>64,638,549</b>
<b>Other commitments</b>			
Documentary credits and short term trade-related transactions	17	-	-
Forward assets purchased and forward deposits placed		8,293,232,962	10,043,416,294
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total:</b>		<b>8,293,232,962</b>	<b>10,043,416,294</b>
<b>Total Off-Balance Sheet Items Including Contingent Liabilities</b>		<b>32,160,102,072</b>	<b>39,451,884,613</b>

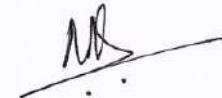
These financial statements should be read in conjunction with annexed notes.



**Binoy G. Roy**  
Chief Financial Officer



**Kapila Liyanage**  
Deputy Chief Executive Officer  
& 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.: 2302270521AS835426

Dated: Dhaka  
27 February 2023



Commercial Bank of Ceylon PLC - Bangladesh Operations  
Profit and Loss Account  
For the year ended as on 31 December 2022

	Notes	2022 Amounts in BDT	2021 Amounts in BDT
Interest income	18	4,667,646,384	3,756,193,062
Less: Interest paid on deposits and borrowings, etc.	19	1,932,396,960	1,787,065,498
<b>Net interest income</b>		<b>2,735,249,424</b>	<b>1,969,127,564</b>
Investment income	20	682,431,995	707,768,959
Commission, exchange and brokerage	21	3,126,657,635	1,386,073,775
Other operating income	22	28,382,093	33,059,166
<b>Total operating income</b>		<b>6,572,721,147</b>	<b>4,096,029,464</b>
Salary and allowances	23	634,161,274	555,422,322
Rent, taxes, insurance, electricity, etc.	24	78,065,962	69,826,833
Legal expenses	25	5,717,189	2,194,353
Postage, stamps, telecommunication, etc.	26	13,061,066	12,836,478
Stationery, printing and advertisements, etc.	27	15,010,501	8,153,969
Chief executive's salary and fees	28	17,119,599	15,831,524
Directors' fees		-	-
Auditors' fees		517,500	448,500
Charges on loan losses		-	-
Depreciation and repairs of Bank's assets	29	219,714,434	209,487,114
Other expenses	30	635,661,245	396,830,887
<b>Total operating expenses</b>		<b>1,619,028,770</b>	<b>1,271,031,980</b>
<b>Profit before provisions</b>		<b>4,953,692,377</b>	<b>2,824,997,484</b>
<b>Provision for loans and advance</b>		<b>320,720,025</b>	<b>119,249,237</b>
Specific provision		262,720,025	5,249,237
General provision	31	58,000,000	114,000,000
Provision for diminution in value of investment		-	-
Other Provision (Start-up Fund)	32	26,789,724	32,621,602
<b>Total provision</b>		<b>347,509,749</b>	<b>151,870,839</b>
<b>Profit/(Loss) before taxes</b>		<b>4,606,182,628</b>	<b>2,673,126,645</b>
Provision for taxation	13.4.1	1,954,000,000	1,000,000,000
Current tax		2,030,616,756	919,216,902
Deferred tax		(76,616,756)	80,783,098
<b>Net profit after taxation</b>		<b>2,652,182,628</b>	<b>1,673,126,645</b>

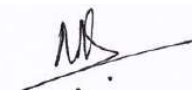
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**Binoy G. Roy**  
Chief Financial Officer



**Kapila Liyanage**  
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& Chief Operating Officer



**Najith Meewanage**  
Chief Executive Officer

Signed as per our annexed report of same date.



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Howladar Yunus & Co., Chartered Accountants  
Enrolment No. 0521  
DVC No.: 2302270521AS835426

Dated: Dhaka  
27 February 2023

Commercial Bank of Ceylon PLC - Bangladesh Operations  
Cash Flow Statement  
For the year ended as on 31 December 2022

Notes	2022 Amounts in BDT	2021 Amounts in BDT
<b>Cash flows from operating activities</b>		
	4,852,111,172	3,582,837,460
Interest receipts in cash	(1,917,798,014)	(1,974,102,993)
Interest payments	8,567,708	8,567,708
Dividend receipts	550,956,784	576,986,272
Fees and commission receipts in cash	-	-
Recoveries on loans previously written off	27,966,036	31,781,987
Recoveries on loans provisions	(604,153,424)	(556,954,242)
Cash Payments to employees	(106,137,529)	(90,817,280)
Cash Payments to suppliers	2,575,700,851	809,087,503
Receipts from other operating activities	(141,278,598)	(271,972,674)
Income taxes paid	(1,256,247,566)	(775,131,297)
Payments for other operating activities	673,864,287	699,201,251
Interest receipts from investment		
	<b>4,663,551,707</b>	<b>2,039,483,695</b>
<b>Operating profit before changes in operating assets and liabilities</b>		
<b>(Increase)/Decrease in operating assets and liabilities</b>		
	-	-
Statutory Deposits	-	-
Purchase/sale of trading securities	-	-
Loans and advances to other Banks	-	-
Loans and advances to customers	6,091,946,886	(3,000,816,667)
Other assets	(286,006,215)	(104,452,713)
Deposits from other Banks	(10,720,093,723)	1,290,116,995
Deposits from customers	8,515,120,021	10,655,351,305
Other liabilities account of customer	(494,898,137)	(437,941,936)
	<b>3,106,068,832</b>	<b>8,402,256,984</b>
	<b>7,769,620,539</b>	<b>10,441,740,679</b>
<b>Net cash from operating activities (a)</b>		
<b>Cash flows from Investing activities</b>		
	2,450,175,633	816,177,549
Payments / proceeds for purchase of securities	-	-
Payments / proceeds for purchase of shares	94,692,368	97,933,496
Purchase/sale of property, plant and equipment	416,057	1,277,179
Gains on disposal of property, plant and equipment		
	<b>2,545,284,058</b>	<b>915,388,224</b>
<b>Net cash from investing activities (b)</b>		
<b>Cash flows from financing activities</b>		
	-	-
Remittance received from Head Office, Colombo	-	(269,304,046)
Dividend paid/ profit remitted to HO	-	
	-	<b>(269,304,046)</b>
<b>Net cash from financing activities (c)</b>		
	<b>10,314,904,597</b>	<b>11,087,824,857</b>
<b>Net increase/(decrease) in cash [d=(a+b+c)]</b>		
	-	-
Effects of exchange rate changes on cash and cash equivalent	<b>20,447,685,407</b>	<b>9,359,860,550</b>
<b>Cash and cash equivalents at beginning of the year (*) (e)</b>	<b>30,762,590,004</b>	<b>20,447,685,407</b>
<b>Cash and cash equivalents at end of the year (*) [f=(d+e)]</b>		
<b>(*) Cash and cash equivalents :</b>		
	489,784,376	386,795,032
Cash	145,500	687,200
Prize bonds	1,950,000,000	490,000,000
Money at call and on short notice	8,448,729,795	2,730,607,419
Balance with Bangladesh Bank and its agent Bank(s)	19,873,930,333	16,839,595,756
Balance with other Banks and financial institutions	<b>30,762,590,004</b>	<b>20,447,685,407</b>

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



**Binoy G. Roy**  
Chief Financial Officer



**Kapila Liyanage**  
Deputy Chief Executive Officer  
& Chief Operating Officer



**Najith Meewanage**  
Chief Executive Officer

Signed as per our annexed report of same date.



**Muhammad Farooq FCA**  
Managing Partner  
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Enrolment No. 0521  
DVC No.: 2302270521AS835426

Dated: Dhaka  
27 February 2023



Commercial Bank of Ceylon PLC - Bangladesh Operations  
Statement of Changes in Equity  
For the year ended 31 December 2022

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 2022	5,058,823,303	-	31,837,191	9,010,064,504	14,100,724,998
Changes in accounting policy	-	-	-	-	-
Restated balance	5,058,823,303	-	31,837,191	9,010,064,504	14,100,724,998
Transfer from Deposit kept with Bangladesh Bank to Profit and Loss	1,729,176,697	-	-	(1,729,176,697)	-
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-
Adjustment of last year's revaluation on investments	-	-	(31,837,191)	-	(31,837,191)
Surplus/(deficit) on account of revaluation of investments	-	-	54,005,672	-	54,005,672
Currency translation differences	-	-	-	-	-
Net gains and losses not recognised in profit and loss statement	-	-	-	-	-
Net profit for the year	-	-	-	2,652,182,628	2,652,182,628
Dividends/Profit remittance	-	-	-	-	-
Issue of share capital/(Capital brought from Head Office, Colombo)	-	-	-	-	-
<b>Balance at 31 December 2022</b>	<b>6,788,000,000</b>	<b>-</b>	<b>54,005,672</b>	<b>9,933,070,435</b>	<b>16,775,076,107</b>

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



**Binoy G. Roy**  
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Signed as per our annexed report of same date.

Dated: Dhaka  
27 February 2023

Commercial Bank of Ceylon PLC - Bangladesh Operations  
Liquidity Statement (analysis of maturity of assets and liabilities)  
As at 31 December 2022

Particulars	Amounts in BDT					
	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	Above 5 years maturity	Total
<b>Assets:</b>						
Cash in hand	8,938,514,171	-	-	-	-	8,938,514,171
Balance with other Banks and financial institutions	17,549,930,333	2,324,000,000	-	-	-	19,873,930,333
Money at call and on short notice	1,950,000,000	-	-	-	-	1,950,000,000
Investments	5,035,369,355	2,957,090,846	2,768,735,605	2,146,736,538	65,238,673	12,973,171,017
Loans and advances	14,322,295,603	13,818,895,880	16,504,865,485	6,314,420,907	1,342,994,417	52,303,472,292
Fixed assets including premises, furniture and fixtures	694,204,778	443,787.00	7,171,858	34,291,938	5,779,493	741,891,854
Other assets	5,555,502,472	-	-	-	-	5,555,502,472
Non-Banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>54,045,816,712</b>	<b>19,100,430,513</b>	<b>19,280,772,948</b>	<b>8,495,449,383</b>	<b>1,414,012,583</b>	<b>102,336,482,139</b>
<b>Liabilities</b>						
Borrowings from Bangladesh Bank, other Banks, financial institutions and agents	4,239,421,102	-	-	-	-	4,239,421,102
Deposits	43,467,065,932	7,588,483,259	17,692,280,140	2,510,495,670	-	71,258,325,001
Other accounts	-	-	-	-	-	-
Provision and other liabilities	10,063,659,929	-	-	-	-	10,063,659,929
<b>Total Liabilities</b>	<b>57,770,146,963</b>	<b>7,588,483,259</b>	<b>17,692,280,140</b>	<b>2,510,495,670</b>	<b>-</b>	<b>85,561,406,032</b>
<b>Net Difference In Liquidity</b>	<b>(3,724,330,251)</b>	<b>11,511,947,254</b>	<b>1,588,492,808</b>	<b>5,984,953,713</b>	<b>1,414,012,583</b>	<b>16,775,076,107</b>

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



**Binoy G. Roy**  
Chief Financial Officer



**Kapila Liyanage**  
Deputy Chief Executive Officer  
& Chief Operating Officer



**Najith Meewanage**  
Chief Executive Officer

Commercial Bank of Ceylon PLC - Bangladesh Operations  
Notes to the financial statements  
As at and for the year ended 31 December 2022

## 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 one sub-branch at US Embassy, Bangladesh and 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

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

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

#### **Bank's Methodology:**

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

At each balance sheet date and periodically throughout the year, the Bank reviews loans and advances to assess whether objective evidence that impairment of a loan or portfolio of loans has arisen supporting a change in the classification of loans and advances, which may result in a change in the provision required in accordance with BRPD circular No. 50 (14 December 2021), BRPD circular No. 56 (10 December 2020), BRPD circular No. 52 (20 October 2020), BRPD circular No. 17 (28 September 2020), BRPD Circular No. 16 (21 July 2020), BRPD circular No. 13 (15 June 2020), BRPD

circular No. 04 (19 March 2020), BRPD circular No. 07 (19 March 2020), BRPD circular No. 24 (17 November 2019), BRPD circular No. 06 (19 May 2019), BRPD circular No. 04 (16 May 2019), BRPD circular No. 03 (21 April 2019), BRPD circular No. 01 (20 February 2018), BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013). The guidance in the circular follows a formulaic approach whereby specified rates are applied to the various categories of loans as defined in the circular. The provisioning rates are as follows:

<b>General provision on:</b>	<b>2022</b>	<b>2021</b>
Unclassified general loans and advances/investments	1.00%	1.00%
Unclassified small and medium enterprise financing	0.25%	0.25%
Unclassified loans/investment for housing finance and on loans for professionals	1.00%	1.00%
Unclassified consumer financing other than housing finance and loans for professionals	2.00%	2.00%
Unclassified agricultural loans	1.00%	1.00%
Special general provision- COVID-19	1.00%	1.00%
<b>Specific provision on:</b>		
Substandard loans and advances/investments other than agricultural loans	20%	20%
Doubtful loans and advances/investment other than agricultural loans	50%	50%
Substandard and doubtful agricultural loans	5%	5%
Bad/loss loans and advances/investments	100%	100%

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

#### **Loan write-off**

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

#### **iv) Recognition of interest in suspense**



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

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

**Bank's Methodology:**

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

**v) Other comprehensive Income (OCI):**

**IFRS:** As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

**Bangladesh Bank:** Bangladesh Bank has issued templates for financial statements which will strictly be followed by all Banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statement of changes in equity.

**vi) Financial instruments – presentation and disclosure**

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

**vii) Financial guarantees**

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

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

**viii) Cash and cash equivalents**

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

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

**ix) Non-Banking asset**

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

**Bangladesh Bank:** As per BRPD Circular no. 14 dated 25 June 2003 and BRPD Circular no. 22 dated 20 September 2021 there is a separate balance sheet item named Non-Banking asset existed in the standard format.

**x) Cash flow statement**

**IFRS:** The cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

**Bangladesh Bank:** As per BRPD 14, the cash flow statement is a mixture of both the direct and the indirect methods.

**Bank's Methodology:**

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

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

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

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

**xii) Presentation of Intangible asset**

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

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

**xiii) Off-balance sheet items**

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

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

**Bank's Methodology:**

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

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

**xiv) Loans and advances/Investments net of provision**

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

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

**Bank's Methodology:**

Loans and advances have been shown at gross amounts at 31 December 2022.

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 2022 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 2022 have been shown in the Balance Sheet under off-balance sheet items.

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

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

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

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

**2.4.2 Intangible assets**

Intangible assets include purchased computer software which are stated at cost less any impairment losses and

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

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

## 2.5 Stock of stationery

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

## 2.6 Deposits

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

## 2.7 Employee benefits

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

### (a) Provident fund

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

### (b) Staff gratuity

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

In accordance with the requirements of IAS 19 Employee Benefits, the Bank's net obligation in respect of its gratuity fund is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; discounting the benefit to determine its present value; and deducting the fair value of any plan assets. The calculation is performed by a qualified actuary using the Projected Unit Credit method. As per actuarial valuation report as of 31st December 2022 required amount of gratuity was BDT 239,484,338 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 2022 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 ( FEPPD) circular no. 677 dated 13 September 2005.

## 2.11 Provisions for other assets

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

## 2.12 Use of estimates and judgments

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

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

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

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

## 2.13 Statement of changes in equity

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

## 2.14 Statement of liquidity analysis

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

## 2.15 Revenue recognition

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

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

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

## 2.16 Leases

The Bank has applied IFRS 16 Leases for the first time with the date of initial application of 01 January 2019. As IFRS 16 supersedes IAS 17 Lease, the Bank has made recognition, measurement and disclosure in the financial statements-2022 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 2022 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



the exercise price or 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 2022 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 2022 to 31 December 2022.

### 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 adopted

The Bank has consistently applied the accounting policies as set out in Note 42 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 01 January 2022 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.

	2022 Amounts In BDT	2021 Amounts In BDT
<b>3 Cash</b>		
<b>3.1 Cash In hand</b>		
In local currency	427,008,451	355,795,430
In foreign currencies	62,775,925	30,999,602
	<b>489,784,376</b>	<b>386,795,032</b>
<b>3.2 Balance with Bangladesh Bank and its agent Bank(s)</b>		
<b>Balance with Bangladesh Bank:</b>		
In local currency ( note 3.2.1)	7,650,804,955	2,513,585,121
In foreign currencies ( note 3.2.2)	797,921,897	217,016,355
	<b>8,448,726,852</b>	<b>2,730,601,476</b>
<b>Balance with agent Bank(s):</b>	<b>2,943</b>	<b>5,943</b>
In local currency	2,943	5,943
In foreign currencies	-	-
	<b>8,448,729,795</b>	<b>2,730,607,419</b>
	<b>8,938,514,171</b>	<b>3,117,402,451</b>
<b>3.2.1 In local currency</b>		
Lien portion (against the Bank's required equity)	-	-
Non-lien portion	7,650,804,955	2,513,585,121
	<b>7,650,804,955</b>	<b>2,513,585,121</b>
<b>3.2.2 In foreign currencies</b>		
Lien portion (against the Bank's required equity)	-	-
Non-lien portion	797,921,897	217,016,355
	<b>797,921,897</b>	<b>217,016,355</b>
<b>3.3 Cash Reserve Requirement and Statutory Liquidity Reserve</b>		
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:		
<b>3.3.1 Cash Reserve</b>		
Required reserve	2,453,200,000	2,353,747,000
Actual reserve maintained	3,202,551,000	2,684,721,000
<b>Surplus</b>	<b>749,351,000</b>	<b>330,974,000</b>
<b>3.3.2 Statutory Liquid Reserve</b>		
Required reserve	8,293,754,000	7,870,987,000
Actual reserve maintained	21,027,853,000	17,565,072,000
<b>Surplus</b>	<b>12,734,099,000</b>	<b>9,694,085,000</b>
<b>4 Balance with other Banks and financial Institutions</b>		
In Bangladesh (note 4.1)	13,774,840,891	7,837,123
Outside Bangladesh (note 4.2)	6,099,089,442	16,831,758,633
	<b>19,873,930,333</b>	<b>16,839,595,756</b>
<b>4.1 In Bangladesh</b>		
Eastern Bank Limited	2,030,000,000	-
Islami Bank Bangladesh Limited	2,538,494,884	5,011,246
The City Bank Limited	1,218,000,000	-
National Credit and Commerce Bank Limited	1,200,000,000	-
Southeast Bank Limited	1,116,500,000	-
Jamuna Bank Limited	1,116,500,000	-
United Commercial Bank Limited	1,015,000,000	-
Midland Bank Limited	1,008,250,000	-
Pubali Bank Limited	812,000,000	-
Standard Bank Limited	700,000,000	-
Mercantile Bank Limited	304,500,000	-
Premier Bank Limited	304,500,000	-
Modhumoti Bank Limited	203,000,000	-
Dhaka Bank Limited	203,000,000	-
Standard Chartered Bank	3,369,413	1,104,033
Prime Bank Limited	1,726,594	1,721,844
	<b>13,774,840,891</b>	<b>7,837,123</b>

4.2 Outside Bangladesh

Name of the Banks	Nature	Location	Currency name	At 31 December 2022			At 31 December 2021		
				Amount in foreign currency	Conversion rate	Equivalent BDT	Amount in foreign currency	Conversion rate	Equivalent BDT
Kookmin Bank	Nostro	Seoul	USD	462,814.29	99.00	45,818,615	177,599	85.80	15,238,017
Standard Chartered Bank	Nostro	Karachi	USD	131,830.69	99.00	13,051,238	149,052	85.80	12,788,650
Commercial Bank of Ceylon	Nostro	Colombo	USD	174,294.14	99.00	17,255,120	160,473,431	85.80	13,768,620,404
Credit Agricole S.A.	Nostro	Paris	EUR	11,130.83	105.55	1,174,846	-	97.38	-
Standard Chartered Bank	Nostro	London	GBP	170,635.81	119.34	20,364,444	218,132	115.73	25,243,778
Bank of Montreal	Nostro	Toronto	CAD	26,324.61	73.07	1,923,632	57,140	67.08	3,833,145
National Australia	Nostro	Melbourne	AUD	-	67.11	-	286,110	62.20	17,795,006
Commercial Bank of Ceylon	Nostro	Colombo	CHF	6,966.32	106.58	742,494	-	96.23	-
Bank of Tokyo Mitsubishi	Nostro	Tokyo	JPY	-	0.74	-	74,212,157	0.75	55,390,396
Standard Chartered Bank	Nostro	Hong Kong	HKD	72,576.82	12.70	921,752	73,518	11.00	809,020
Bank of New Zealand	Nostro	Wellington	NZD	-	62.48	-	20,814	58.61	1,219,817
Commercial Bank of Ceylon	Nostro	Colombo	AUD	209,584.48	67.11	14,065,654	-	65.17	-
Standard Chartered Bank	Nostro	New York	USD	6,430,746.53	99.00	636,643,906	4,109,481	85.80	352,593,489
ICICI Bank	Nostro	Mumbai	USD	1,321,814.52	99.00	130,859,637	-	85.80	-
Axis Bank	Nostro	Mumbai	USD	832,137.58	99.00	82,381,620	-	84.80	-
Standard Chartered Bank	Nostro	Singapore	SGD	125,483.54	73.68	9,245,615	72,021	63.45	4,569,406
Mahreq Bank	Nostro	Sydney	AED	26,448.29	26.96	712,931	56,914	23.36	1,329,483
Bank of China	Nostro	Colombo	CNY	65,288,702.62	14.20	926,877,661	-	-	-
Commercial Bank of Ceylon	Placement	Colombo	USD	-	99.00	-	24,000,000	85.80	2,059,200,000
Wells Fargo NA	Placement	New York	USD	6,900,000.00	99.00	683,100,000	5,850,000	85.80	501,930,000
Bank of Tokyo (OBU)	Nostro	Tokyo	JPY	72,193,046.00	0.74	53,731,624	-	65.17	-
Standard Chartered Bank (OBU)	Nostro	London	GBP	147,709.53	119.34	17,628,319	96,762	115.73	11,198,022
Citibank NA (OBU)	Nostro	New York	USD	34,336,022.49	99.00	3,399,266,227	-	84.90	-
Standard Chartered Bank (OBU)	Nostro	Frankfurt	EUR	410,464.98	105.55	43,324,107	-	95.08	-
<b>Total</b>						<b>6,099,089,442</b>			<b>16,831,758,633</b>

	2022 Amounts in BDT	2021 Amounts in BDT
<b>4.3 Grouping by maturity</b>		
Receivable on demand	5,422,080,333	14,278,465,756
Payable to customers on demand	-	-
	5,422,080,333	14,278,465,756
Below 3 months	14,451,850,000	1,788,930,000
Over 3 months but below 1 year	-	772,200,000
Over 1 year but below 5 years	-	-
Over 5 years	-	-
	<b>19,873,930,333</b>	<b>16,839,595,756</b>
<b>4.4 Account-wise breakdown</b>		
Current and other accounts	5,422,080,333	14,278,465,756
Placement (term)	14,451,850,000	2,561,130,000
	<b>19,873,930,333</b>	<b>16,839,595,756</b>
<b>5 Money at call on short notice</b>		
IFIC Bank Limite	800,000,000	-
Modhumoti Bank Limited	500,000,000	490,000,000
Agrani Bank	500,000,000	-
South Bangla Agriculture Bank	150,000,000	-
	<b>1,950,000,000</b>	<b>490,000,000</b>
<b>6 Investments</b>		
Government (note 6.1)	12,963,754,357	15,414,471,690
Others (note 6.2)	9,416,660	9,416,660
	<b>12,973,171,017</b>	<b>15,423,888,350</b>
<b>6.1 Government:</b>		
Treasury bonds (note 6.1.1)	6,639,240,680	10,955,423,561
Treasury bills (note 6.1.2)	6,324,368,177	4,458,360,929
Prize bonds	145,500	687,200
	<b>12,963,754,357</b>	<b>15,414,471,690</b>
<b>6.1.1 Treasury bonds</b>		
HTM	4,564,608,979	7,091,429,280
HFT	2,074,631,701	3,863,994,281
	<b>6,639,240,680</b>	<b>10,955,423,561</b>
<b>6.1.2 Treasury bills</b>		
HTM	3,087,482,121	1,990,622,897
HFT	3,236,886,056	2,467,738,032
	<b>6,324,368,177</b>	<b>4,458,360,929</b>
<b>6.2 Others:</b>		

	2022 Amounts in BDT	2021 Amounts in BDT
Central Depository Bangladesh Limited (CDBL) (note 6.2.1)	9,416,660	9,416,660
Commercial papers	-	-
	<b>9,416,660</b>	<b>9,416,660</b>
<b>Total</b>	<b>12,973,171,017</b>	<b>15,423,888,350</b>

## a.(i) Disclosure regarding outstanding Repo as on 31 December 2022

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

## a.(ii) Disclosure regarding outstanding Reverse Repo as on 31 December 2022

SI no.	Counter party name	Agreement Date	Reversal Date	Amount
1	Dhaka Bank	27-Dec-22	01-Jan-23	949,630,326
2	Dhaka Bank	28-Dec-22	01-Jan-23	999,610,869
3	SBAC Bank	29-Dec-22	01-Jan-23	498,606,511
4	Midland Bank	27-Dec-22	03-Jan-23	504,228,818
5	Midland Bank	29-Dec-22	05-Jan-23	845,937,904
6	Midland Bank	29-Dec-22	05-Jan-23	235,925,044
				<b>4,033,939,472</b>

## 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
<b>Securities sold under repo:</b>			
i) with Bangladesh Bank	-	-	-
ii) with other Banks and FIs	400,353,050	933,904,845	14,192,635
<b>Securities purchased under reverse repo:</b>			
i) from Bangladesh Bank	-	-	-
ii) from other Banks and FIs	218,211,643	13,849,525,209	4,056,666,909

## 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	-	-
<b>Total</b>	<b>3,427,083</b>	<b>9,416,660</b>	<b>9,416,660</b>

## 6.3 Value of investment at 31 December 2022

Particulars	Quantity	Face Value	Cost	Market Value	Market Value
Treasury bonds	45	4,770,700,000	4,725,948,923	4,721,377,457	10,955,423,561
Treasury bills	8	4,250,000,000	4,165,974,290	4,208,291,928	4,458,360,929
Treasury bonds (Reverse Repo)	12	1,870,100,000	1,918,070,144	1,917,863,223	-
Treasury bills (Reverse Repo)	3	2,116,900,000	2,114,743,952	2,116,076,249	-
Prize bonds	1,455	145,500	145,500	145,500	687,200

			2022	2021
			Amounts in BDT	Amounts in BDT
CDBL shares	3,427,083	34,270,830	9,416,660	9,416,660
		<b>13,042,116,330</b>	<b>12,934,299,469</b>	<b>15,423,888,350</b>
<b>6.4 Maturity grouping</b>				
Repayable on demand			145,500	687,200
Below 3 months			7,982,898,041	384,841,470
Over 3 months but below 1 year			2,768,735,605	10,132,907,825
Over 1 year but below 5 years			2,146,736,538	4,817,212,064
Over 5 years			65,238,673	78,823,131
			<b>12,963,754,357</b>	<b>15,414,471,690</b>
<b>7 Loans and advances</b>				
<b>7.1 Maturity grouping</b>				
Repayable on demand			5,627,600,566	5,051,650,033
Below 3 months			22,513,590,917	24,017,783,912
Over 3 months but below 1 year			16,504,865,485	21,656,124,361
Over 1 year but below 5 years			6,314,420,907	6,668,508,655
Over 5 years			1,342,994,417	1,001,352,217
			<b>52,303,472,292</b>	<b>58,395,419,178</b>
<b>7.2 Broad category-wise break-up</b>				
<b>i) Within Bangladesh</b>				
Loans (general)			37,235,747,942	33,261,496,797
Overdrafts			5,535,819,701	4,976,401,607
Loans against trust receipt			2,623,436,775	2,054,058,449
Packing credit			35,893,622	72,854,443
Import loan			320,275,655	111,264,040
Credit card			91,780,865	75,248,426
Staff loan			162,891,843	119,044,198
			<b>46,005,846,403</b>	<b>40,670,367,960</b>
<b>Loans against accepted bills</b>				
<b>ii) Inland bills</b>			440,151,339	266,375,570
Foreign bills			5,857,474,550	17,458,675,648
			<b>6,297,625,889</b>	<b>17,725,051,218</b>
<b>Outside Bangladesh</b>			-	-
<b>Total (i+ii)</b>			<b>52,303,472,292</b>	<b>58,395,419,178</b>
<b>7.3 Significant concentration</b>				
Directors and others			-	-
Managing Director or Chief Executive Officer			-	-
Other executives			162,891,843	119,044,198
Industries			38,682,812,926	45,053,839,895
Other clients			13,457,767,523	13,222,535,085
			<b>52,303,472,292</b>	<b>58,395,419,178</b>
<b>7.4 Advance to customers for more than 10% of Bank's total capital</b>				
Number of clients			6	14



	2022 Amounts in BDT	2021 Amounts in BDT
Amount of outstanding advances	13,505,633,644	23,489,868,946
Amount of classified advances	-	-
	<b><u>13,505,633,644</u></b>	<b><u>23,489,868,946</u></b>
<b>7.5 Economic sector-wise distribution</b>		
Industry	38,682,812,926	45,053,839,895
Trading	5,662,770,267	3,899,800,000
Agriculture	1,346,415,556	316,882,132
Others	6,611,473,543	9,124,897,151
	<b><u>52,303,472,292</u></b>	<b><u>58,395,419,178</u></b>
<b>7.6 Geographical location-wise distribution</b>		
<b>Urban</b>		
Dhaka region	44,835,004,254	51,489,971,634
Chattogram region	6,793,341,147	6,282,716,952
Sylhet region	675,126,891	622,730,592
	<b><u>52,303,472,292</u></b>	<b><u>58,395,419,178</u></b>
<b>Rural</b>		
Dhaka region	-	-
Chattogram region	-	-
Sylhet region	-	-
	-	-
	<b><u>52,303,472,292</u></b>	<b><u>58,395,419,178</u></b>
<b>7.7 Classification of loans and advances as per Bangladesh Bank 's BRPD circulars</b>		
<b>Unclassified:</b>	<b>51,657,985,069</b>	<b>58,113,538,526</b>
Standard	51,433,110,872	58,101,303,442
Special mentioned account (SMA)	224,874,197	12,235,084
<b>Classified:</b>	<b>645,487,223</b>	<b>281,880,652</b>
Sub-standard	486,488,697	37,836,356
Doubtful	76,715,043	837,641
Bad/ Loss	82,283,483	243,206,655
	<b><u>52,303,472,292</u></b>	<b><u>58,395,419,178</u></b>
<b>7.8 Particulars of loans and advances</b>		
(i) Loans considered good in respect of which the banking company is fully secured	51,657,985,069	58,070,225,778
(ii) Loans considered good against which the banking company holds no security other than the debtor's personal guarantee	86,518,217	75,248,426
(iii) Loans considered good secured by personal undertakings of one or more parties in addition to personal guarantee of debtor	558,969,006	249,944,974
(iv) Loans adversely classified; provision not maintained there against	-	-

	2022 Amounts in BDT	2021 Amounts in BDT
(v) Loans due by Directors or Officers of the Bank or any of them either separately or jointly with any other persons	162,891,843	119,044,198
(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	185,371,000	121,380,000
(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private company, as members	-	-
(ix) Due from Banking companies	-	-
(x) (a) Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet	76,448,753	137,355,530
(b) (Decrease)/increase in provision	182,172,694	5,249,237
(c) Interest creditable to the interest suspense account	64,409,981	27,255,351
(xi) Loan written off	256,925,119	165,733,103
Opening balance	165,733,103	165,733,103
Add: Bad debts written of during the year	91,192,016	-
Less: Bad debts previously written off recovered during	-	-
Bad debts written off / settled	-	-
<b>Closing balance</b>	<b>256,925,119</b>	<b>165,733,103</b>
(xii) Cases filed for recovery of written off bad debts	<b>222,506,003</b>	<b>131,807,438</b>
<b>8 Bills purchased and discounted</b>		
Payable in Bangladesh	440,151,339	266,375,570
Payable outside Bangladesh	5,857,474,550	17,458,675,648
	<b>6,297,625,889</b>	<b>17,725,051,218</b>
<b>8.1 Maturity grouping</b>		
Payable within 1 month	637,487,000	2,706,079,575
Over 1 month but below 3 months	1,051,472,816	6,360,293,851
Over 3 months but below 6 months	2,555,128,369	5,625,027,976
6 months and over	2,053,537,704	3,033,649,816
	<b>6,297,625,889</b>	<b>17,725,051,218</b>
<b>9 Fixed assets including premises, furniture and fixtures</b>		
Furniture and fixtures	56,636,390	56,200,764

	2022 Amounts in BDT	2021 Amounts in BDT
Interior decorations	100,419,800	97,383,230
Equipment and computers	203,968,240	191,825,822
Computer software	69,929,661	76,842,913
Motor vehicles	42,178,349	47,080,849
Right of use asset	1,187,896,247	1,130,991,032
<b>Total</b>	<b>1,661,028,687</b>	<b>1,600,324,610</b>
<b>Less: Accumulated Depreciation</b>	<b>919,136,833</b>	<b>763,740,388</b>
<b>Written down value</b>	<b>741,891,854</b>	<b>836,584,222</b>

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)	4,517,279,853	4,376,001,255
Receivable from Bangladesh Bank against Sanchaya Patras	15,602,664	26,199,964
Other income receivable	214,801,554	399,650,893
Prepaid expenses	18,387,172	21,693,382
Stock of stationery, stamps, printing materials, etc.	12,081,308	11,369,211
Receivable from Head Office	47,500	361,000
Security deposit	4,327,540	4,175,960
Interest receivable from other Banks (note 10.2 )	415,308	30,757
Commission and brokerage receivable	154,556,789	-
Others (note 10.3)	618,002,784	473,200,025
	<b>5,555,502,472</b>	<b>5,312,682,447</b>

### Classification status of other assets

Unclassified	5,555,502,472	5,312,682,447
Doubtful	-	-
Bad/Loss	-	-
	<b>5,555,502,472</b>	<b>5,312,682,447</b>

### 10.1 Advance payment of corporate income tax

Opening balance	4,376,001,255	4,104,028,581
<u>Less:</u> Settlement during the year	(935,197,567)	(656,173,186)
<u>Add:</u> Income tax paid during the year	1,029,075,845	868,898,700
<u>Add:</u> Income tax withheld during the year on:		
L/C commission	5,062,007	7,417,452
Interest on government treasury bills/bonds/	40,624,771	50,116,166
Dividend on shares of CDBL	1,713,542	1,713,542
Closing balance (note 10.1.1)	<b>4,517,279,853</b>	<b>4,376,001,255</b>

#### 10.1.1 Closing balance of advance payment of corporate income tax

2022	522,982,582	-
2021	1,038,000,282	484,609,268
2020	963,262,158	963,262,158
2019	1,036,707,889	1,036,707,889

	2022 Amounts in BDT	2021 Amounts in BDT
2018	-	935,094,998
2012	514,093,987	514,093,987
2011	442,232,955	442,232,955
	<b>4,517,279,853</b>	<b>4,376,001,255</b>

## 10.2 Interest receivable from other Banks

Bangladesh Bank	415,308	26,452
Others	-	4,305
	<b>415,308</b>	<b>30,757</b>

## 10.3 Others

Deferred tax assets (note 10.3.1)	160,036,373	83,419,617
Forward Equalisation, Sundry Debtors, etc.	457,966,411	389,780,408
	<b>618,002,784</b>	<b>473,200,025</b>

### 10.3.1 Deferred tax assets on

Gratuity provision	-	-
Fixed assets	30,529,958	26,782,279
Specific Provision	129,506,415	56,637,338
	<b>160,036,373</b>	<b>83,419,617</b>
<b>Increase / (Decrease) in Deferred Tax Assets</b>	<b>76,616,756</b>	<b>(80,783,098)</b>

### Calculation of Deferred Tax Assets :

Particulars	Carrying Amount	Tax Base	(Taxable) / Deductible Temporary	Deferred Tax Assets / (Liabilities)
Gratuity provision	-	-	-	-
Fixed assets	81,993,898	158,318,794	76,324,896	30,529,958
Specific provision	323,766,038	-	323,766,038	129,506,415
				<b>160,036,373</b>

## 11 Borrowings from other Banks, financial institutions and agents

In Bangladesh (note 11.1)	28,008,788	3,355,046,452
Outside Bangladesh (note 11.2)	4,211,412,314	9,258,682,846
	<b>4,239,421,102</b>	<b>12,613,729,298</b>

### 11.1 In Bangladesh

#### Borrowings from:

South East Bank Limited	-	938,795,000
Eastern Bank Limited	-	853,450,000
Jamuna Bank Limited	-	682,760,000
State Bank of India	-	426,725,000
Woori Bank	-	256,035,000
	-	<b>3,157,765,000</b>

#### Borrowings from:

Bangladesh Bank (Refinance)	28,008,788	197,281,452
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	2022 Amounts in BDT	2021 Amounts in BDT
	<u>28,008,788</u>	<u>197,281,452</u>
	<u>28,008,788</u>	<u>3,355,046,452</u>
<b>11.2 Outside Bangladesh</b>		
Citi N. A. (OBU)*	3,697,587,497	521,998,939
Wells Fargo NA*	299,210,128	457,776,936
Commercial Bank of Ceylon	87,224,482	7,681,050,000
CommerzBank AG*	42,649,204	25,274,275
Standard Chartered Bank (OBU)*	35,683,363	212,477,501
Bank OF Tokyo Mitsubishi*	33,902,478	-
Kumari Bank	13,941,526	-
Public Bank Berhad	1,213,636	-
ICICI Bank*	-	247,978,885
Axis Bank*	-	98,646,242
National Australia (OBU)*	-	10,012,075
Credit Agricole S.A.*	-	3,467,993
	<u>4,211,412,314</u>	<u>9,258,682,846</u>

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

#### Analysis by security

Secured	-	-
Unsecured	4,239,421,102	12,613,729,298
	<u>4,239,421,102</u>	<u>12,613,729,298</u>

#### Grouping by maturity

Repayable on demand	4,211,412,314	1,577,632,846
Others	28,008,788	11,036,096,452
	<u>4,239,421,102</u>	<u>12,613,729,298</u>

## 12 Deposits and other accounts

### 12.1 Current and other accounts

Current accounts (note 12.1.1)	26,834,575,115	29,949,221,852
Margin accounts (note 12.1.2)	3,910,740,376	910,248,229
	<u>30,745,315,491</u>	<u>30,859,470,081</u>

#### Current and other accounts

##### 12.1.1 Current accounts

###### Local currency

Inter-Bank	1,001,314,382	2,026,917,661
Others	16,116,346,936	20,367,976,242
	<u>17,117,661,318</u>	<u>22,394,893,903</u>

###### Foreign currencies

Inter-Bank	98,265,174	138,272,422
Others	9,618,648,623	7,416,055,527
	<u>9,716,913,797</u>	<u>7,554,327,949</u>

	2022 Amounts in BDT	2021 Amounts in BDT
	<u>26,834,575,115</u>	<u>29,949,221,852</u>
<b>12.1.2 Margin accounts</b>		
Letters of guarantee	225,375,954	171,207,999
Letters of credit	3,663,054,323	718,817,366
Others	22,310,099	20,222,864
	<u>3,910,740,376</u>	<u>910,248,229</u>
	<u>30,745,315,491</u>	<u>30,859,470,081</u>
<b>12.2 Bills payable</b>		
Payment orders issued	361,222,483	1,442,493,182
Inward remittance payable	-	-
	<u>361,222,483</u>	<u>1,442,493,182</u>
<b>12.3 Savings Bank deposits</b>		
Local currency		
Inter-Bank	-	-
Others	5,127,523,236	4,912,956,085
	<u>5,127,523,236</u>	<u>4,912,956,085</u>
Foreign currency		
Inter-Bank	-	-
Others	448,131,962	438,992,013
	<u>448,131,962</u>	<u>438,992,013</u>
	<u>5,575,655,198</u>	<u>5,351,948,098</u>
<b>12.4 Fixed deposits</b>		
Local currency		
Inter-Bank	-	-
Others	26,348,992,364	21,090,489,667
	<u>26,348,992,364</u>	<u>21,090,489,667</u>
Foreign currency		
Inter-Bank	-	1,280,175,000
Others	8,186,863,868	4,971,711,483
	<u>8,186,863,868</u>	<u>6,251,886,483</u>
	<u>34,535,856,232</u>	<u>27,342,376,150</u>
<b>12.5 Other deposits</b>		
Stale drafts-foreign currencies	10,740,740	10,299,239
Stale pay orders-local currency	29,534,857	82,403,757
	<u>40,275,597</u>	<u>92,702,996</u>
	<u>71,258,325,001</u>	<u>65,088,990,507</u>
<b>12.6 Maturity analysis of customer deposits</b>		
Repayable on demand	35,622,889,213	35,581,424,274
Repayable within 1 month	6,744,597,163	7,613,893,443
Over 1 month but within 6 months	16,516,666,230	9,354,053,594



	2022 Amounts in BDT	2021 Amounts in BDT
Over 6 months but within 1 year	8,764,097,169	6,799,827,372
Over 1 year but within 5 years	2,510,495,670	2,294,426,741
Over 5 years but within 10 years	-	-
Unclaimed deposit for 10 years or more held by the Bank	-	-
	<b>70,158,745,445</b>	<b>61,643,625,424</b>
<b>12.7 Maturity analysis of inter-Bank deposits</b>		
Repayable on demand	1,099,579,556	2,165,190,083
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	-	-
	<b>1,099,579,556</b>	<b>3,445,365,083</b>
	<b>71,258,325,001</b>	<b>65,088,990,507</b>

### 13 Other liabilities

Accumulated general provision against loans and advances and Off-Balance Sheet items (note 13.1)	919,000,000	857,000,000
Special general provision for COVID-19*	25,000,000	29,000,000
Specific provision ( note 13.2)	323,766,038	141,593,344
Interest suspense account (note 13.3)	64,409,981	27,255,351
Interest payable on deposits	727,339,633	675,683,173
Interest payable on borrowings	-	37,057,514
Provision for corporate taxation (note 13.4)	6,129,770,271	5,034,351,082
Sundry creditors	1,319,076	5,592,143
Expenses payable	435,044,452	210,035,037
Commission and brokerage payable	-	89,092,532
Provision for head office expenses (note 30.1)	514,774,761	578,531,311
Lease liability	593,652,906	723,807,308
Others	329,582,811	203,128,806
	<b>10,063,659,929</b>	<b>8,612,127,601</b>

\*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	24,314,320	28,606,650
Maintained Provision	25,000,000	29,000,000

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

Opening balance	857,000,000	732,000,000
Less: Fully provided, written-off during the year	-	-
Less: Recovery of provision no longer required	-	-
Add: Provision for the year	62,000,000	125,000,000
Closing balance	<b>919,000,000</b>	<b>857,000,000</b>
<b>Required Provision</b>	<b>613,571,495</b>	<b>746,292,329</b>

	2022 Amounts in BDT	2021 Amounts in BDT
<b>13.1.1 General provision</b>		
Opening balance	857,000,000	732,000,000
Add: Provision for the year (note 13.1.1.1)	62,000,000	125,000,000
Add: Transferred from specific provision during the year	-	-
Less: Transferred to specific provision during the year	-	-
Closing balance (note 13.1.1.2)	<b>919,000,000</b>	<b>857,000,000</b>
<b>13.1.1.1 General provision for the year against</b>		
Loans and advances	151,000,000	31,200,000
Off-balance sheet items	(89,000,000)	93,800,000
	<b>62,000,000</b>	<b>125,000,000</b>
<b>13.1.1.2 General provision against</b>		
Loans and advances	720,200,000	569,200,000
Off-balance sheet items	198,800,000	287,800,000
	<b>919,000,000</b>	<b>857,000,000</b>
Required Provision (Loans and advances)	499,305,573	559,672,798
Required Provision (Off-balance sheet items)	114,265,922	186,619,531
	<b>613,571,495</b>	<b>746,292,329</b>
<b>13.2 Specific provision</b>		
Opening balance	141,593,344	168,126,095
Less: Fully provided, written-off during the year	(52,581,295)	-
Add: Recovery of advance previously written-off	-	-
Add: Specific provision during the year	262,720,025	5,249,237
Less: Recovery of provision no longer required	(27,966,036)	(31,781,988)
Closing balance	<b>323,766,038</b>	<b>141,593,344</b>
<b>Required provision</b>	<b>172,510,463</b>	<b>141,593,344</b>
<b>13.3 Interest suspense account</b>		
Opening balance	27,255,351	41,374,266
Add: Amount transferred to interest suspense account during the year	84,040,038	3,501,557
Less: Transferred to income during the year	(16,990,535)	(17,620,472)
Less: Amount waived/written-off during the year	(29,894,873)	-
Closing balance	<b>64,409,981</b>	<b>27,255,351</b>
<b>13.4 Provision for taxation</b>		
Opening balance	5,034,351,082	4,771,307,366
Add: Provision during the year (note 13.4.1)	2,030,616,756	919,216,902
Less: Settlement during the year	(935,197,567)	(656,173,186)
Closing balance (note 13.4.2)	<b>6,129,770,271</b>	<b>5,034,351,082</b>

Filing of corporate income tax return of the Bank has been made up to the assessment year 2022-23. Corporate income tax return for the income year ended 31 December 2022 has not yet been due for filing. However, tax clearance certificate from National Board of revenue (NBR) was received up to 2018 (Assessment Year 2019-2020), except 2011 and 2012. Provision for corporate income tax for the year ended 31 December 2022 has been made after considering necessary taxable allowances and disallowances as per

#### 13.4.1 Provision made during the year

	2022 Amounts in BDT	2021 Amounts in BDT
Current tax	2,030,616,756	919,216,902
Deferred tax	(76,616,756)	80,783,098
	<b>1,954,000,000</b>	<b>1,000,000,000</b>

#### 13.4.2 Provision for taxation

Current year provision	2,015,031,968	-
Provision carried forward	-	-
2022	2,015,031,968	
2021	1,049,489,279	1,034,007,060
2020	971,417,309	971,417,309
2019	1,037,190,224	1,037,190,224
2018	-	935,094,998
2012	575,202,852	575,202,852
2011	481,438,639	481,438,639
	<b>6,129,770,271</b>	<b>5,034,351,082</b>

#### 14 Paid-up capital / Deposit kept with Bangladesh Bank

Fund deposited with Bangladesh Bank	-	-
Investment in treasury bills/bonds (note 14.1)	6,788,000,000	5,058,823,303
	<b>6,788,000,000</b>	<b>5,058,823,303</b>

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 2022 represents investment in treasury bills/bonds of BDT 6,788,000,000.

#### 14.2 Capital to Risk Weighted Assets Ratio (CRAR)

In terms of section 13 (2) of the Banking Companies Act, 1991 and Bangladesh Bank BRPD circulars no. 01,14,10, 05 and 18 dated 08 January 1996,16 November 1996, 25 November 2002, 14 May 2007,21 December 2014 and 03 April 2018 respectively, required capital of the Bank at 31 December 2022 should be BDT 4,000,000,000 or 10% of risk weighted assets whichever is higher as against available capital of BDT 17,511,509,383 (Tier I Capital BDT 16,567,509,383 and Tier II Capital BDT 944,000,000). Details are shown below:

Total assets including off-balance sheet items	134,496,584,211	139,867,457,017
Total risk weighted assets	46,654,084,412	59,982,515,398
10% of risk weighted assets	4,665,408,441	5,998,251,540
<b>Required capital as per BRPD circular (a)</b>	<b>4,665,408,441</b>	<b>5,998,251,540</b>
<b>Actual capital maintained:</b>		
<b>Tier I</b>		
Paid-up capital/Deposit kept with Bangladesh Bank	6,788,000,000	5,058,823,303
Statutory reserve	-	-
Other reserve	-	-
Retained earnings	9,933,070,435	9,010,064,504
Regulatory adjustments (deferred tax assets)	(153,561,052)	(80,587,750)
	<b>16,567,509,383</b>	<b>13,988,300,057</b>

	2022 Amounts in BDT	2021 Amounts in BDT
<b>Tier II</b>		
General provision on unclassified loans and off-balance sheet items (Allowable as per Basel III)	944,000,000	886,000,000
Revaluation reserve as of 31 December 2014 (up to 50% of revaluation reserve) less phase-in deductions as per Basel III	-	-
	<u>944,000,000</u>	<u>886,000,000</u>
<b>Total capital (b)</b>	<u>17,511,509,383</u>	<u>14,874,300,057</u>
<b>Capital surplus / (shortfall) (b-a)</b>	<u>12,846,100,942</u>	<u>8,876,048,517</u>
<b>Capital to Risk Weighted Assets Ratio (CRAR)</b>	<u>37.53%</u>	<u>24.80%</u>
<b>15 Surplus in profit and loss account</b>		
<b>Opening balance</b>	9,010,064,504	7,945,237,618
Add: Profit after taxation	2,652,182,628	1,673,126,645
Add: Capital from Head Office	-	-
Less: Profit remittance	-	(269,304,046)
Add: Transfer from Deposit kept with Bangladesh Bank to Profit and Loss	(1,729,176,697)	(338,995,713)
<b>Closing balance</b>	<u>9,933,070,435</u>	<u>9,010,064,504</u>
<b>16 Contingent liabilities</b>		
<b>16.1 Claims lodged with the Bank which are not recognized as loan</b>	-	-
	-	-
<b>16.2 Letter of guarantees</b>		
Directors	-	-
Government	10,919,527,868	6,116,971,425
Banks and other financial institutions	210,426,176	593,750,337
Others	1,204,562,983	548,734,393
	<u>12,334,517,027</u>	<u>7,259,456,155</u>
Less: Margin on guarantees	225,375,954	171,207,999
	<u>12,109,141,073</u>	<u>7,088,248,156</u>
<b>16.3 Irrevocable letters of credit</b>		
Inward bills unsettled	2,153,952,750	3,716,081,870
Documentary credits	6,943,215,937	12,655,830,493
Shipping guarantee	3,900	2,100
	<u>9,097,172,587</u>	<u>16,371,914,463</u>
Less: Margin on letters of credit	3,663,054,323	718,817,366
	<u>5,434,118,264</u>	<u>15,653,097,097</u>
<b>16.4 Bills for collection (*)</b>		
Cheques for collection	54,262,335	53,842,467
Outward collection	6,201,708,889	6,548,642,050
	<u>6,255,971,224</u>	<u>6,602,484,517</u>

(\*) 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**

	2022 Amounts in BDT	2021 Amounts in BDT
Litigation pending against the Bank	67,638,549	64,638,549
	<u>67,638,549</u>	<u>64,638,549</u>
<b>17 Other commitments</b>	<u>23,866,869,110</u>	<u>29,408,468,319</u>
Forward assets purchased and forward deposits placed	8,293,232,962	10,043,416,294
	<u>8,293,232,962</u>	<u>10,043,416,294</u>

	2022 Amounts in BDT	2021 Amounts in BDT
<b>18 Interest Income</b>		
<b>Interest on loans and advances</b>		
General loan	2,644,068,600	2,545,044,835
Overdrafts	457,112,834	316,054,237
Trust receipts	217,439,464	153,332,746
Import loans	7,703,702	3,366,081
Pre-shipment loan	2,955,235	2,975,406
Inland bills purchased	19,554,176	12,682,066
House building loan-others	53,861,978	44,406,231
Credit cards	12,001,437	9,232,995
Staff loans	8,670,983	6,726,846
	<b>3,423,368,409</b>	<b>3,093,821,443</b>
<b>Interest on</b>		
Accounts with foreign Banks	26,219,283	563,263,542
Deposits with other Banks	1,218,058,692	99,108,077
	<b>1,244,277,975</b>	<b>662,371,619</b>
	<b>4,667,646,384</b>	<b>3,756,193,062</b>
<b>19 Interest paid on deposits and borrowings, etc.</b>		
<b>Interest on</b>		
Fixed deposits	1,126,462,859	1,167,676,533
Short notice deposit / Money market A/C	405,477,086	106,999,755
Savings deposits	75,958,234	83,802,051
Foreign currency deposits	177,108,574	128,995,835
	<b>1,785,006,753</b>	<b>1,487,474,174</b>
<b>Interest on</b>		
Borrowings from local Banks	38,547,378	188,043,250
Borrowings from foreign Banks	79,577,626	76,299,608
	<b>118,125,004</b>	<b>264,342,858</b>
Interest expenses on lease liability	29,265,203	35,248,466
	<b>1,932,396,960</b>	<b>1,787,065,498</b>
<b>20 Investment income</b>		
Interest and profit on treasury bills	273,143,582	12,365,841
Interest and profit on treasury bonds	367,296,056	512,597,985
Capital gain on treasury bills and bonds	33,424,649	174,237,425
Dividend from CDBL shares	8,567,708	8,567,708
	<b>682,431,995</b>	<b>707,768,959</b>
<b>21 Commission, exchange and brokerage</b>		
Commission	550,956,784	576,986,272
Exchange gain less losses arising from dealing in foreign currencies	2,575,700,851	809,087,503
	<b>3,126,657,635</b>	<b>1,386,073,775</b>
<b>22 Other operating income</b>		
Recovery of other provision/ written off bad debts	27,966,036	31,781,987
Profit on disposal of fixed assets	416,057	1,277,179
Profit less loss from interest fluctuation	-	-
Income from recovery of loans	-	-
	<b>28,382,093</b>	<b>33,059,166</b>

	2022 Amounts in BDT	2021 Amounts in BDT
<b>23 Salary and allowances</b>		
Salaries	332,912,514	307,083,548
Leave fair assistance	25,517,640	24,333,582
Bonus	186,075,946	169,330,675
Bank's contribution to provident fund	14,675,833	14,240,981
Gratuity	47,127,449	14,299,604
Other allowances	12,596,072	12,043,174
Medical expenses	15,255,820	14,090,758
	<b>634,161,274</b>	<b>555,422,322</b>
<b>24 Rent, taxes, insurance, electricity, etc.</b>		
Rent, rates and taxes (Only VAT)	21,631,870	20,536,619
Lease rent	2,289,508	1,250,869
Insurance	42,423,609	36,806,860
Lighting	11,315,154	10,812,359
Water charges	405,821	420,126
	<b>78,065,962</b>	<b>69,826,833</b>
<b>25 Legal expenses</b>		
Law charges	1,161,529	-
Other professional fees	4,555,660	2,194,353
	<b>5,717,189</b>	<b>2,194,353</b>
<b>26 Postage, stamps, telecommunication, etc.</b>		
Telephone	1,892,554	2,246,426
Swift charges	3,148,719	4,045,272
Postage and courier	8,019,793	6,544,780
	<b>13,061,066</b>	<b>12,836,478</b>
<b>27 Stationery, printing, advertisements, etc.</b>		
Publicity and advertisement	9,082,028	5,482,777
Printing and stationery	5,621,455	2,421,699
Newspapers and periodicals	307,018	249,493
	<b>15,010,501</b>	<b>8,153,969</b>
<b>28 Chief Executive's salary and fees</b>		
Salary	7,965,374	6,377,147
Bonus	4,854,089	7,250,448
Other allowances	4,300,136	2,203,929
	<b>17,119,599</b>	<b>15,831,524</b>
<b>29 Depreciation and repairs of Bank's assets</b>		
Depreciation ( <a href="#">Annex B</a> ).	175,993,375	181,833,647
Repairs and maintenance of:		
Equipment and computers	24,337,837	11,695,699
Premises, furniture and fixtures	9,372,036	7,863,927
Vehicles	10,011,186	8,093,841
	<b>219,714,434</b>	<b>209,487,114</b>



	2022 Amounts in BDT	2021 Amounts in BDT
<b>30 Other expenses</b>		
Fees and charges for services	58,487,447	51,124,919
Travelling and conveyance	5,560,626	4,784,065
Entertainment	14,355,684	4,608,575
Security services	15,007,128	14,680,868
Training, seminar and workshop	490,107	419,376
Cash carrying expenses	6,150,107	5,358,543
Loss on disposal of fixed assets	22,116	39,370
Donation and subscription	7,329,000	5,298,650
Sundry expenses	13,484,324	9,877,827
Head office expenses (note 30.1)	514,774,706	300,638,694
	<b>635,661,245</b>	<b>396,830,887</b>
<b>30.1</b> 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.		
<b>31 Provision against loans and advances</b>		
<b>General provision for:</b>		
Unclassified loans	151,000,000	31,200,000
Off-balance sheet items	(89,000,000)	93,800,000
Special general provision for COVID-19	(4,000,000)	(11,000,000)
	<b>58,000,000</b>	<b>114,000,000</b>
<b>32 Start-Up Fund</b>		
As per SMESPD Circular No. 04 dated March 29, 2021, read with circular no. 5 dated 26 April 2021 Bank has to create a Start-up fund to disburse the loan to the startup entrepreneurs by transferring 1% of the Annual Net Profit (As per Audited Financial Statements) from the year 2020 onwards for next five years. During the year 2021 bank has created a "start-up fund" by transferring of 1% of net profit after tax BDT 15,890,336, BDT 16,731,266 and BDT 26,789,724 for the year end 2020, 2021 and 2022 respectively.		
<b>33 Receipts from other operating activities</b>		
Other operating income	28,382,093	33,059,166
Income from commission, exchange and brokerage	3,126,657,635	1,386,073,775
Less: Fees and commission	(550,956,784)	(576,986,272)
Gain on disposal of property, plant and equipment, recovery of Loans Provisions	(28,382,093)	(33,059,166)
	<b>2,575,700,851</b>	<b>809,087,503</b>
<b>34 Payments for other operating activities</b>		
Total operating expenses	(1,619,028,770)	(1,271,031,980)
Less: Payments to employees	604,153,424	556,954,242
Less: Payments to suppliers	106,137,529	90,817,280
Less: General and other provisions	(347,509,749)	(151,870,839)
	<b>(1,256,247,566)</b>	<b>(775,131,297)</b>

	2022 Amounts in BDT	2021 Amounts in BDT
<b>35 Other assets</b>		
Receivable from Bangladesh Bank against Sanchaya Patras	15,602,664	26,199,964
Advance rent and advertisement	-	-
Prepaid expenses	18,387,172	21,693,382
Stock of stationery, stamps, printing materials, etc.	12,081,308	11,369,211
Receivable from Head Office	47,500	361,000
Security deposit	4,327,540	4,175,960
Commission and brokerage receivable	154,556,789	-
Others	618,002,784	473,200,025
	<b>823,005,757</b>	<b>536,999,542</b>
Increase /(Decrease) during the year	<b>(286,006,215)</b>	<b>(104,452,713)</b>
<b>36 Other liabilities</b>		
Accumulated provision against loans and advances and off-balance sheet items	919,000,000	857,000,000
Special general provision for COVID-19*	25,000,000	29,000,000
Specific provision (note 13.2)	323,766,038	141,593,344
Interest suspense account (note 13.3)	64,409,981	27,255,351
Provision for corporate taxation (note 13.4)	6,129,770,271	5,034,351,082
Sundry creditors	1,319,076	5,592,143
Expenses payable	435,044,452	210,035,037
Commission and brokerage payable	-	89,092,532
Provision for head office expenses (note 30.1)	514,774,761	578,531,311
Gains on revaluation of treasury bills/ bonds	54,005,672	31,837,191
Others	923,235,717	926,936,114
	9,390,325,968	7,931,224,105
<b>Less: Current year's corporate tax provision</b>	<b>(1,954,000,000)</b>	<b>(1,000,000,000)</b>
Decrease during the year	<b>(494,898,137)</b>	<b>(437,941,936)</b>

**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	Deputy Chief Executive Officer & 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	Binoy Gopal Roy	Chief Financial Officer	Masters in Accounting, Fellow Member of The Institute of Chartered Accountants of Bangladesh (ICAB).
4	Mosharaf Hossain	Chief Manager - Head of Internal Control & Compliance	Masters in Business Administration, Fellow Member of Institute of Chartered Accountants of Bangladesh (ICAB).
5	Moyeenul Haque Khan	Manager, Audit	Bachelors of Art's

Four (04) numbers of Audit Committee meetings were held during the year 2022 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 2022 (2021-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 2022 by the Bank is disclosed in note 23, salaries and allowances.

### **41.3 Transactions with nostro and vostro accounts**

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

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

#### 41.4 Transactions with the Off-shore Banking unit

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

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

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

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

SL no.	Title of Standard	IFRS no.	Status
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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 2022 denominated in foreign currencies have been translated to local currency, BDT, at the following exchange rates:

<u>Currency</u>	<u>Abbreviation and unit</u>	<u>Equivalent BDT</u>
United Arab Emirate Dirham	AED	1.00 27.3801
Australian Dollar	AUD	1.00 68.4770
Canadian Dollar	CAD	1.00 74.7447
European Currency	EUR	1.00 107.8032
Hong Kong Dollar	HKD	1.00 13.0218
Indian Rupee	INR	1.00 1.2260
Japanese Yen	JPY	1.00 0.7584
Kuwaiti Dinar	KWD	1.00 327.0817
New Zealand Dollar	NZD	1.00 64.3003
Pound Sterling	GBP	1.00 126.2166
Qatar Riyal	QAR	1.00 27.7763
Singapore Dollar	SGD	1.00 75.2716
Swedish Kroner	SEK	1.00 9.6973
Swiss Franc	CHF	1.00 109.4458
Chinese Yuan	CNY	1.00 14.5541
Malaysian Ringgit	MYR	1.00 22.9612
Saudi Arabian Riyal	SAR	1.00 26.6983
US Dollar*	USD	1.00 101.5000

\*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 2022 was USD 11,659,779.91 equivalent to Taka 1,183,467,660.58 against the approved limit of USD 14,430,000.00.

#### 47 Credit rating

The Bank has been awarded "AAA" (triple A) for long term and ST-1 for short term ratings" by the Credit Rating Information and Services Limited (CRISL) on 21 June 2022.

#### 48 Corporate Social Responsibility (CSR)

CSR is an integral part of the Bank's culture in addition to core business activity. The Bank contributes to the underprivileged and disadvantaged through different projects. CBC has always been active in CSR projects since inception. The bank has undertaken CSR activities, as per directives of the Bangladesh Bank through SFD Circular No 01 dated 09 January 2022 and SFD Circular Letter No. 01 dated 10 April 2022. the details of the activities are appended below:

##### Social Projects:

Description of Initiatives	Amount of investment	No. of beneficiaries
I. a) Disaster Management : 1000 Units of mosquito nets given to the poor people at Dhaka.	BDT 220,000.00	1,000
I. b) Disaster Management : 3950 Units of blankets given to the poor people affected by cold wave in different parts of the country.	BDT 1,222,000.00	3,950
II. Education: BDT 0.5 M has granted to the Prime Minister's Education Assistance Trust.	BDT 500,000.00	-
III. Health (Amortization Amount): BDT 5.29 M donated as part of special CSR to response Covid pandemic.	BDT 5,304,000.00	-

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 15,890,336. We have allocated BDT 5,298,650 and BDT 5,304,000 has been charged to the Profit and loss Account for the year end 2021 and 2022 respectively. Remaining amount will be adjusted by next year.

#### 49 Cost savings Initiatives as per Bangladesh Bank Guidelines

BRPD Circular no. 28, dated 26 July 2022

Bank is always preparing the budget considering efficient cost management. Being a compliant bank, it practices green banking through focusing on green transformation in the internal operation of the bank. As such, bank effectively uses all the resources are being placed for energy saving from electricity, fuel etc.

However, bank proactively has taken some austerity measures such as employee motivation for waste avoidance, day light utilization, deployment of officers for continuous monitoring of electricity and fuel consumption in every branch/dept. etc to control electricity & fuel consumption at the desired level.

In compliance of the said circulars and as a result of initiatives mentioned above, bank has achieved 10.45% (against 12.5%) reduction in electricity consumption and saved 23.54% (against 10%) in unit fuel consumption during the period from July 2022 to December 2022 despite increase in electricity charge and increase of fuel price from August 2022 (up to almost 52%).

BRPD Circular no. 30, dated 27 July 2022

In compliance of the above mentioned circular, bank has not purchased any motor vehicle during the year 2022.

Moreover, against the budget of capital expenditure i.e. purchase of motor vehicles, office furniture, equipments, computers etc. bank has spent only 10.29% and saved 11.49% in operational expenses i.e. entertainment & travelling against the budget for the period from July 2022 to December 2022.


## 50 Highlights of Activities

Sl.	Particulars	2022	2021
1	Paid-up capital / Deposit kept with Bangladesh Bank	6,788,000,000	5,058,823,303
2	Total capital for the purpose of CRAR	17,511,509,383	14,874,300,057
3	Capital to Risk Weighted Assets Ratio (CRAR) including OBU	37.53%	24.80%
4	Capital surplus/(shortfall)	12,846,100,942	8,876,048,517
5	Total assets	102,336,482,139	100,415,572,404
6	Total deposits	71,258,325,001	65,088,990,507
7	Total loans and advances	52,303,472,292	58,395,419,178
8	Total contingent liabilities and commitments	32,160,102,072	39,451,884,613
9	Credit-deposit ratio - DBU (%)	72.41%	67.07%
10	Credit-deposit ratio - Consolidated (%)	70.65%	78.14%
11	Ratio of classified loans against total loans and advances	1.23%	0.48%
12	Profit after tax and provision	2,652,182,628	1,673,126,645

13	Amount of Classified loans	645,487,223	281,880,652
14	Provision kept against classified loans	323,766,038	141,593,344
15	Provision surplus/(deficit)	456,684,080	110,707,671
16	Cost of fund	3.47%	3.04%
17	Interest earning assets	82,478,994,127	91,364,128,406
18	Non-interest earning assets	19,857,488,012	9,051,443,998
19	Return on investment	7.26%	3.46%
20	Return on average investment	4.77%	3.62%
21	Return on assets (Gross)	4.50%	2.66%
22	Return on assets (Net)	2.59%	1.67%
23	Income from investment	682,431,995	707,768,959
24	Earnings per share	N/A	N/A
25	Net income per share	N/A	N/A
26	Price earnings ratio	N/A	N/A


**Binoy G. Roy**

Chief Financial Officer


**Kapila Liyanage**Deputy Chief Executive Officer  
& Chief Operating Officer

**Najith Meewanage**

Chief Executive Officer

**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 2022

**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 one sub-branch at US Embassy, Bangladesh and 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 2022 was BDT 17,511.51 million out of which BDT 16,567.51 million was under Tier-I capital (out of that BDT 6,788.00 million was Deposit kept with Bangladesh Bank as per section 13 (4) of Banking Companies Act 1991 and remaining BDT 9,779.51 million was Retained Profit after regulatory deduction) and remaining BDT 944.00 million was under Tier-II capital (General Provision of BDT 944.00 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

6,788,000,000

-

-

9,933,070,435

-

**16,721,070,435**

Amount deducted from CET 1 Capital (Regulatory Adjustments)

• Good will

• Shortfall

• Deferred tax assets

• Others

-

-

153,561,052

-

<b>Total CET 1 Capital</b>	<b>16,567,509,383</b>
ii) Additional Tier I capital	-
<b>Total Tier I Capital (I+II)</b>	<b>16,567,509,383</b>
<b>b) Total Tier II capital</b>	<b>944,000,000</b>
<b>Total eligible capital (a+b)</b>	<b>17,511,509,383</b>

### 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 2022 Bank maintained capital of BDT 17,511.51 million (Tier 1: going-concern capital of BDT 16,567.51 million plus Tier 2: gone-concern capital of BDT 944.00 million) against its total Risk Weighted Asset (RWA) of BDT 46,654.08 million which leads to a Capital to Risk-weighted Asset Ratio (CRAR) of 37.53%, where the minimum requirement is 10.00% as per BRPD circular no. 18 dated 21 December 2014. Tier-I capital was 35.51% of RWA against minimum requirement of 6% of RWA. As a result the Bank has a buffer Capital of BDT 12,846.10 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:	<b>Amounts in BDT</b>
Amount of Capital required to meet Credit Risk	3,808,736,777
Amount of Capital required to meet Market Risk	127,287,672
Amount of Capital required to meet Operational Risk	729,383,992
	<b>4,665,408,441</b>

#### b) Actual Capital Maintained:

Total CET 1 Capital	16,567,509,383
Total Tier I Capital	16,567,509,383
Total Tier II Capital	944,000,000
<b>Total capital</b>	<b>17,511,509,383</b>

#### % of Capital to risk weighted assets (CRAR)

	Required	Maintained
CET 1	4.50%	35.51%
Tier I	6.00%	35.51%
Tier II		2.02%
<b>Total</b>	<b>12.50%</b>	<b>37.53%</b>

c) Capital conservation buffer	2.50%	2.50%
d) Available capital under pillar 2 requirement		<b>12,846,100,942</b>

### 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	489,929,876
b) Claims on Bangladesh Government and Bangladesh	21,412,338,652
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	621,710,248
Maturity less than 3 Months	22,103,904,182
h) Claims on Corporate	34,495,475,107
i) Claims under Credit Risk Mitigation	5,410,118,845
j) Claims categorized as retail portfolio and small & medium enterprise (excluding consumer finance)	2,141,502,314
k) Consumer finance	157,994,268
l) Claims fully secured by residential property	690,129,989
m) Claims fully secured by commercial real estate	2,349,066,564
n) Past due loans/NPL	870,361,419
o) Investments in premises, plant and equipment and all other fixed assets	741,891,854
p) Claims on Fixed Assets under Operating Lease	-
q) All Other Assets	-
i) Claims on GoB and BB (Advance Income Tax)	5,845,780,392
ii) Staff loan/investments	162,891,843
iii) Other assets	740,650,143
r) Off-balance sheet items:	-

Claims on Banks:	
Maturity Over 3 Months	233,391,583
Maturity less than 3 Months	89,360,633
Claims on corporate	4,239,831,367
Retail portfolio and small & medium enterprises	761,771,059
	<b>103,558,100,338</b>

## B. Geographical Distribution of Exposure

Amounts in BDT

Category	Dhaka	Chattagram	Sylhet	Total
<b>Balance Sheet Items</b>				
Claims on sovereigns and central Banks	21,743,102,120	124,099,486	35,066,922	21,902,268,528
Claims on Banks and NBFIs	22,725,614,430	-	-	22,725,614,430
Claims on corporate	36,417,140,503	6,052,581,696	655,299,736	43,125,021,935
Claims on retail portfolio and consumer	2,878,879,837	90,919,579	19,827,155	2,989,626,571
Fixed assets	736,212,498	4,169,923	1,509,433	741,891,854
Staff loan	162,891,843	-	-	162,891,843
All other assets	2,249,088,537	3,921,467,784	415,874,214	6,586,430,535
<b>Total on balance sheet items</b>	<b>86,912,929,768</b>	<b>10,193,238,468</b>	<b>1,127,577,460</b>	<b>98,233,745,696</b>
<b>Off Balance Sheet Items</b>				
Claims on Banks	322,752,216	-	-	322,752,216
Claims on corporate	3,415,080,485	824,460,739	290,143	4,239,831,367
Claims on retail portfolio and consumer finance	658,059,918	103,711,141	-	761,771,059
<b>Total off balance sheet items</b>	<b>4,395,892,619</b>	<b>928,171,880</b>	<b>290,143</b>	<b>5,324,354,642</b>
<b>Total</b>	<b>91,308,822,387</b>	<b>11,121,410,348</b>	<b>1,127,867,603</b>	<b>103,558,100,338</b>

## C. Industry or Counterparty type distribution of exposures

Amounts in BDT

Category	Bank and NBFIs	Manufacturing Industries	Retail & Consumer	Others	Total
<b>Balance Sheet Items</b>					
Claims on sovereigns	21,902,268,528	-	-	-	21,902,268,528
Claims on Banks and	22,725,614,430	-	-	-	22,725,614,430
Claims on corporate	-	43,125,021,935	-	-	43,125,021,935
Claims on retail portfolio	-	-	2,989,626,571	-	2,989,626,571
Fixed assets	-	-	-	741,891,854	741,891,854
Staff loan	-	-	-	162,891,843	162,891,843
All other assets	-	-	-	6,586,430,535	6,586,430,535
<b>Total on balance sheet</b>	<b>44,627,882,958</b>	<b>43,125,021,935</b>	<b>2,989,626,571</b>	<b>7,491,214,232</b>	<b>98,233,745,696</b>
<b>Off-balance sheet items</b>					
Claims on Banks	322,752,216	-	-	-	322,752,216
Claims on corporate	-	4,239,831,367	-	-	4,239,831,367
Claims on retail portfolio	-	-	761,771,059	-	761,771,059
<b>Total off balance sheet</b>	<b>322,752,216</b>	<b>4,239,831,367</b>	<b>761,771,059</b>	<b>-</b>	<b>5,324,354,642</b>
<b>Total</b>	<b>44,950,635,174</b>	<b>47,364,853,302</b>	<b>3,751,397,630</b>	<b>7,491,214,232</b>	<b>103,558,100,338</b>

**D. Residual Contractual Maturity**

Amounts in BDT

Residual contractual maturity	Balance sheet items	Off-balance sheet items	Total
Up to 1 month maturity	49,943,080,269	741,642,723	50,684,722,992
1-3 months maturity	19,100,430,513	1,875,117,883	20,975,548,396
3-12 months maturity	19,280,772,948	2,426,561,193	21,707,334,141
1-5 years maturity	8,495,449,383	280,432,843	8,775,882,226
Above 5 years maturity	1,414,012,583	600,000	1,414,612,583
<b>Total</b>	<b>98,233,745,696</b>	<b>5,324,354,642</b>	<b>103,558,100,338</b>

**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

-

Retail and Consumer finance

11,154,878

Others

634,332,345

**Total****645,487,223**

## ii) Specific and general provision

General provision

Loans and advances

745,200,000

Off-Balance sheet items

198,800,000

**944,000,000**

Specific provision

**323,766,038**

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

Specific provisions made during the period

262,720,025

Write-back of excess specific provisions

(27,966,036)

**F) Gross non-performing assets ( NPAs)****645,487,223**

Total loans &amp; advances

52,303,472,292

Non-performing loans and advances

**645,487,223**

Special mentioned account (SMA)

-

Sub-standard

486,488,697

Doubtful

76,715,043

Bad/ Loss

82,283,483

Non-Performing Assets (NPAs) to Outstanding Loans and advances

**1.23%****G) Movement of Non-Performing Assets ( NPAs)**

Opening balance

281,880,652

Add: Addition during the year

531,178,076

Less: Reduction during the year

(167,571,505)

Closing balance

**645,487,223****H) Movement of specific provisions for NPAs**

Opening balance

141,593,344

Add: Provisions made during the period

262,720,025

Less: Write-off

(52,581,295)

Less: Write-back of excess provisions

(27,966,036)

Closing balance

**323,766,038**



### 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

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

### 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	10,355.81	10,355.81	10,355.81
Total RWA before shock	4,665.41	4,665.41	4,665.41
Total increase in RWA after shock	57.72	115.42	173.10
Total increase Capital requirement after shock	5.77	11.54	17.31
Total RWA after shock	4,723.13	4,780.83	4,838.51
Eligible capital	1,751.15	1,751.15	1,751.15
Capital adequacy ratio after shock (%)	37.08	36.63	36.19
Capital adequacy ratio before shock (%)	37.53	37.53	37.53
Changes in CRAR (%)	(0.46)	(0.91)	(1.34)

#### 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	10,355.81	10,355.81	10,355.81
Total RWA before shock	4,665.41	4,665.41	4,665.41
Total increase in RWA after shock	5.20	10.40	15.59

Total increase in capital requirement after shock	0.52	1.04	1.56
Total RWA after shock	4,670.61	4,675.81	4,681.00
Eligible capital	1,751.15	1,751.15	1,751.15
Capital Adequacy Ratio after shock (%)	37.49	37.45	37.41
Capital Adequacy Ratio before shock (%)	37.53	37.53	37.53
Changes in CRAR (%)	(0.04)	(0.08)	(0.13)

**Combined Shock**

Amounts in BDT Crore

Magnitude of Shock	Minor	Moderate	Major
Capital Adequacy Ratio before shock (%)	37.53	37.53	37.53
Decrease in the FSV of the collateral	-0.02	-0.04	-0.09
Increase in NPLs	-0.55	-2.18	-5.49
Negative shift in NPLs categories	-0.08	-0.11	-0.17
Interest rate	0.00	0.00	0.00
FEX: Currency appreciation	-0.08	-0.16	-0.24
Equity shock	0.00	0.00	-0.01
Total change	-0.73	-2.50	-5.99
CRAR after shock (%)	36.80	35.04	31.54

**3.6 Market Risk****Qualitative Disclosure**

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

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

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

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

**Methods used to measure market risk:**

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

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

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

**Interest rate risk**

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

The securities (Treasury bills/bonds) acquired with the intention to trade by taking advantage of short-term price and interest

rate movement is classified under the trading book. The marked to market (MTM) of securities in the trading book is done at market value as per the Bangladesh Bank guidelines.

#### Foreign exchange risk

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

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

#### Market risk on Trading Book

Amounts in BDT

The capital requirements for:

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

	8,346,554
	-
	118,941,118
	-
	<b>127,287,672</b>

### 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 2022 Bank's operational risk capital requirement was Tk. 72.94 crore which was adequately maintained.

**Quantitative Disclosure**

Capital requirements for operational risk is

**Amounts in BDT**

**729,383,992**

**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**

572.03%

117.70%

15,114,120,000

2,642,190,095

69,758,448,000

59,267,243,600

**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 2022 Bank's leverage ratio was 15.42% 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

Amounts in BDT

Leverage ratio (%)	15.42%
On balance sheet exposure	102,253,586,727
Off balance sheet exposure	5,324,354,642
Total exposure	107,577,941,369
Less: Regulatory adjustments	153,561,052
Total exposure for the purpose of leverage ratio	<u>107,424,380,317</u>

### 3.10 Remuneration

#### Information relating to the bodies that oversee remuneration

The Bank is dedicated to uphold the principle of equality in offering our employees both career opportunities and competitive remuneration at an excellent working condition in compliance with relevant laws and rules. 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 (CEO), Deputy Chief Executive Officer & Chief Operating Officer (DCEO & COO), Deputy Chief Executive Officer (DCEO), Chief Financial Officer (CFO) & 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 (CEO, DCEO & COO, DCEO, DGM, SAGM, AGM)	10
Other material risk takers	Head of Branches and SME Centres	17
	Head of Units, Corporate Banking	6
	Head of Departments, Units	14
<b>Total</b>		<b>47</b>

#### 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:

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

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

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

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

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

The employee performance is being evaluated on the basis of achievement of objectives set upon discussion between the job holder and the Supervisor at the beginning of the year on agreed basis. On achievement of targets of top level business lines and individuals Bank achieves the budgeted profitability and announces the annual incentive bonus which is known as Annual Performance Bonus. Any individual having proven achievements of targets get recognition through the Performance Ratings done by the Supervisor in agreement with the job holder. The higher the ratings 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	47	71,680,017
Guaranteed bonuses awarded	47	12,537,376
Sign-on awards	-	-
Severance payments	2	4,007,608

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	167,488,479		-
Variable	71,680,017		-
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	-
Total amount of reductions during the financial year due to ex-post explicit adjustments	-

Commercial Bank of Ceylon PLC - Bangladesh Operations  
 Schedule of Fixed assets including premises, furniture and fixtures  
 As at 31 December 2022

Asset category	Cost				Rate (%)	Depreciation				Amount in BDT
	Opening balance as on 01 Jan 2022	Addition during the year	Disposal/ adjustment during the year	Total balance as at 31 Dec 2022		Opening balance as on 01 Jan 2022	Charge for the year	On disposal/ adjustment	Total balance as at 31 Dec 2022	Written down value at 31 Dec 2022
Furniture and fixtures	56,200,764	1,448,427	(1,012,801)	56,636,390	10	49,335,672	1,129,601	(1,012,718)	49,452,555	7,183,835
Interior decorations	97,383,230	3,112,450	(75,880)	100,419,800	20	82,220,649	5,610,507	(75,878)	87,755,278	12,664,522
Equipment and computers	191,825,822	19,000,536	(6,858,118)	203,968,240	20	158,753,680	16,888,120	(6,810,849)	168,830,951	35,137,289
Computer software	76,842,913	881,738	(7,794,990)	69,929,661	20	44,262,829	9,507,384	(7,794,986)	45,975,227	23,954,434
Motor vehicles	47,080,849	-	(4,902,500)	42,178,349	20	39,392,930	4,634,100	(4,902,499)	39,124,531	3,053,818
Right of use asset	1,130,991,032	56,905,215	-	1,187,896,247	-	389,774,628	138,223,663	-	527,998,291	659,897,956
<b>Total at 31 December 2022</b>	<b>1,600,324,610</b>	<b>81,348,366</b>	<b>(20,644,289)</b>	<b>1,661,028,687</b>		<b>763,740,388</b>	<b>175,993,375</b>	<b>(20,596,930)</b>	<b>919,136,833</b>	<b>741,891,854</b>
<b>Total at 31 December 2021</b>	<b>1,522,873,301</b>	<b>83,968,242</b>	<b>(6,516,933)</b>	<b>1,600,324,610</b>		<b>588,355,583</b>	<b>181,833,647</b>	<b>(6,448,842)</b>	<b>763,740,388</b>	<b>836,584,222</b>



Commercial Bank of Ceylon PLC - Bangladesh Operations  
Offshore Banking Unit (OBU)  
Balance Sheet  
As at 31 December 2022

Notes	2022		2021	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
<b>PROPERTY AND ASSETS</b>				
<b>Cash</b>				
In hand (foreign currencies)	-	-	-	-
Balance with Bangladesh Bank and its agent bank(s) (foreign currencies)	-	-	-	-
<b>Balance with other banks and financial institutions</b>	<b>72,494,447</b>	<b>7,269,450,277</b>	<b>96,762</b>	<b>11,198,022</b>
In Bangladesh	37,000,000	3,755,500,000	-	-
Outside Bangladesh	35,494,447	3,513,950,277	96,762	11,198,022
<b>Money at call on short notice</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investments</b>				
Government	-	-	-	-
Others	-	-	-	-
<b>Loans and advances</b>	<b>47,828,800</b>	<b>4,854,623,127</b>	<b>194,290,603</b>	<b>16,581,731,532</b>
Loans, cash credits, overdrafts, etc.	23,881,002	2,423,921,654	30,902,226	2,637,350,496
Bills purchased and discounted	23,947,798	2,430,701,473	163,388,377	13,944,381,036
<b>Fixed assets including premises, furniture and fixtures</b>	<b>7,036</b>	<b>714,126</b>	<b>11,727</b>	<b>1,000,779</b>
<b>Other assets</b>	<b>99,115</b>	<b>98,860,218</b>	<b>363</b>	<b>32,457</b>
<b>Non-banking assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>120,429,398</b>	<b>12,223,647,748</b>	<b>194,399,455</b>	<b>16,593,962,790</b>
<b>LIABILITIES AND CAPITAL</b>				
<b>Liabilities</b>				
<b>Borrowings from other banks, financial institutions and agents</b>	<b>36,821,530</b>	<b>3,737,385,330</b>	<b>135,723,282</b>	<b>11,583,303,515</b>
<b>Deposits and other accounts</b>	<b>56,444,223</b>	<b>5,729,088,635</b>	<b>32,187,852</b>	<b>2,747,072,292</b>
Current and other accounts	12,470,510	1,265,756,756	9,236,973	788,329,475
Bills payable	-	-	-	-
Savings bank deposits	4,415,093	448,131,962	5,143,734	438,992,013
Fixed deposits	39,558,620	4,015,199,917	17,807,145	1,519,750,804
Bearer certificates of deposit	-	-	-	-
Other deposits	-	-	-	-
<b>Other liabilities</b>	<b>12,036,556</b>	<b>1,491,135,776</b>	<b>13,446,256</b>	<b>1,191,364,514</b>
<b>Total Liabilities</b>	<b>105,302,309</b>	<b>10,957,609,741</b>	<b>181,357,390</b>	<b>15,521,740,321</b>
<b>Capital/ Shareholders' Equity</b>				
Paid-up capital	-	-	-	-
Statutory reserve	-	-	-	-
Other reserve	-	-	-	-
Retained earnings	15,127,089	1,266,038,007	13,042,065	1,072,222,469
<b>Total Shareholders' Equity</b>	<b>15,127,089</b>	<b>1,266,038,007</b>	<b>13,042,065</b>	<b>1,072,222,469</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>120,429,398</b>	<b>12,223,647,748</b>	<b>194,399,455</b>	<b>16,593,962,790</b>

**OFF-BALANCE SHEET ITEMS****Contingent Liabilities**

Acceptances and endorsements	12	-	-	-	-
Letters of guarantee	12.1	61,097	6,201,342	117,203	10,002,689
Irrevocable letters of credit	12.2	3,992,988	405,288,409	8,720,043	744,212,162
Bills for collection	12.3	14,715,112	1,493,583,887	7,973,659	680,511,945
Other contingent liabilities		-	-	-	-
<b>Total Contingent Liabilities</b>		<b>18,769,197</b>	<b>1,905,073,638</b>	<b>16,810,905</b>	<b>1,434,726,796</b>

**Other commitments**

Documentary credits and short term trade-related transactions	13	-	-	-	-
Forward assets purchased and forward deposits placed		-	-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-	-
<b>Total other commitments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Off-Balance Sheet Items including Contingent Liabilities</b>		<b>18,769,197</b>	<b>1,905,073,638</b>	<b>16,810,905</b>	<b>1,434,726,796</b>

## Annexure D

Commercial Bank of Ceylon PLC - Bangladesh Operations  
Offshore Banking Unit (OBU)  
Profit and Loss Account  
As at 31 December 2022

Notes	2022		2021		
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT	
<b>OPERATING INCOME</b>					
Interest income	14	5,028,935	467,469,871	7,735,826	660,214,153
Less: Interest paid on deposits, borrowings, etc.	15	2,733,283	254,075,090	4,964,208	423,670,274
<b>Net Interest Income</b>		<b>2,295,652</b>	<b>213,394,781</b>	<b>2,771,618</b>	<b>236,543,879</b>
Investment income		-	-	-	-
Commission, exchange and brokerage	16	(895,007)	(83,196,355)	1,380,509	117,819,533
Other operating income		32	2,999	-	-
<b>Total operating Income</b>		<b>1,400,677</b>	<b>130,201,425</b>	<b>4,152,127</b>	<b>354,363,412</b>
<b>OPERATING EXPENSES</b>					
Salary and allowances	17	51,671	4,803,128	60,620	5,173,616
Rent, taxes, insurance, electricity, etc.	18	19,118	1,777,132	20,373	1,738,748
Legal expenses	19	-	-	-	-
Postage, stamps, telecommunication, etc.	20	235	21,858	397	33,922
Stationery, printing, advertisements, etc.	21	314	29,182	186	15,942
Chief executive's salary and fees		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fees		-	-	-	-
Charges on loan losses		-	-	-	-
Depreciation and repairs of bank's assets	22	6,216	577,902	6,647	567,288
Other expenses	23	12,188	1,132,993	20,372	1,738,669
<b>Total operating expenses</b>		<b>89,742</b>	<b>8,342,195</b>	<b>108,595</b>	<b>9,268,185</b>
<b>Profit before provisions</b>		<b>1,310,935</b>	<b>121,859,230</b>	<b>4,043,532</b>	<b>345,095,227</b>
<b>Provision against loans and advances</b>		<b>(1,298,463)</b>	<b>(120,700,000)</b>	<b>(7,105)</b>	<b>(600,000)</b>
Specific provision		-	-	-	-
General provision		(1,298,463)	(120,700,000)	(7,105)	(600,000)
Provision for diminution in value of investment		-	-	-	-
Provision for other classified assets		-	-	-	-
<b>Total provision</b>		<b>(1,298,463)</b>	<b>(120,700,000)</b>	<b>(7,105)</b>	<b>(600,000)</b>
<b>Total profit before taxation for the year</b>		<b>2,609,398</b>	<b>242,559,230</b>	<b>4,050,637</b>	<b>345,695,227</b>
Provision for taxation		524,374	48,743,692	1,634,651	138,038,091
<b>Net Profit after taxation</b>		<b>2,085,024</b>	<b>193,815,538</b>	<b>2,415,986</b>	<b>207,657,136</b>

Commercial Bank of Ceylon PLC - Bangladesh Operations  
Offshore Banking Unit (OBU)  
Cash Flow Statement  
For the year ended 31 December 2022

	2022		2021	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
<b>Cash flows from operating activities</b>				
Interest receipts	4,931,260	457,555,858	7,735,829	660,214,378
Interest payments	(2,869,970)	(258,115,965)	(5,135,712)	(437,605,150)
Fees and commission receipts in cash	514,210	47,798,878	420,472	35,885,174
Recoveries of loans previously written off	-	-	-	-
Payments to employees	(51,671)	(4,803,128)	(60,620)	(5,173,616)
Payments to suppliers	(19,353)	(1,828,172)	(20,770)	(1,788,612)
Receipts from other operating activities	(1,409,185)	(130,992,234)	960,037	81,934,359
Corporate income tax paid	-	-	-	-
Payments for other operating activities	1,279,745	118,989,105	(20,100)	(1,705,957)
Interest receipts from investment	-	-	-	-
<b>Cash generated from/(used in) operating activities</b>	<b>2,375,036</b>	<b>228,604,342</b>	<b>3,879,136</b>	<b>331,760,576</b>
<b>(Increase)/ decrease in operating assets and liabilities</b>				
<b>(Increase)/ decrease in operating assets</b>				
Purchase/ sale of Government securities	-	-	-	-
Loans and advances to customers	146,461,803	11,727,108,405	7,136,449	427,775,870
Other assets	(1,077)	(88,913,748)	35,333	2,981,861
<b>Increase/ (decrease) in operating liabilities</b>				
Deposits and other accounts from banks	(98,901,752)	(7,845,918,185)	(11,215,971)	(824,981,743)
Deposits and other accounts from customers	24,256,371	2,982,016,343	14,908,956	1,287,955,993
Other liabilities	(1,797,387)	255,068,445	(17,204,787)	(1,431,175,947)
<b>Net (Increase)/ decrease in operating assets and liabilities</b>	<b>70,017,958</b>	<b>7,029,361,260</b>	<b>(6,340,020)</b>	<b>(537,443,966)</b>
<b>Net cash from/ (used in) operating activities (a)</b>	<b>72,392,994</b>	<b>7,257,965,602</b>	<b>(2,460,884)</b>	<b>(205,683,390)</b>
<b>Cash Flows from Investing Activities</b>				
Payments for purchase of shares	-	-	-	-
Purchase/ sale of property, plant and equipment	4,691	286,653	4,499	369,403
Gain on disposal of property, plant and equipment	-	-	-	-
<b>Net cash from/ (used in) investing activities (b)</b>	<b>4,691</b>	<b>286,653</b>	<b>4,499</b>	<b>369,403</b>
<b>Cash Flows from Financing Activities</b>				
<b>Net cash flows from financing activities (c)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/ (decrease) in cash and cash equivalents (a+b+c)</b>	<b>72,397,685</b>	<b>7,258,252,255</b>	<b>(2,456,385)</b>	<b>(205,313,987)</b>
Effects of exchange rate changes on cash and cash equivalents				
Cash and cash equivalents at beginning of the year (*)	96,762	11,198,022	2,553,147	216,512,009
<b>Cash and cash equivalents at end of the year (*)</b>	<b>72,494,447</b>	<b>7,269,450,277</b>	<b>96,762</b>	<b>11,198,022</b>
(*) Cash and cash equivalents :				
Cash	-	-	-	-
Prize bonds	-	-	-	-
Money at call on short notice	-	-	-	-
Balance with other banks and financial institutions	72,494,447	7,269,450,277	96,762	11,198,022
	<b>72,494,447</b>	<b>7,269,450,277</b>	<b>96,762</b>	<b>11,198,022</b>

Annexure F

Commercial Bank of Ceylon PLC - Bangladesh Operations  
Offshore Banking Unit (OBU)  
Statement of Changes in Equity  
For the year ended 31 December 2022

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 2022	-	-	-	1,072,222,469	13,042,065	1,072,222,469
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	-	-	-	193,815,538	2,085,024	193,815,538
Dividends/Profit remittance	-	-	-	-	-	-
Issue of share capital/(Capital brought from Head Office, Colombo)	-	-	-	-	-	-
<b>Balance at 31 December 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,266,038,007</b>	<b>15,127,089</b>	<b>1,266,038,007</b>

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

Statement of Liquidity Analysis (Maturity of Assets and Liabilities)  
As at 31 December 2022

Annexure G

Particulars	Amounts in USD and BDT											
	Up to 1 month		1-3 months		3-12 months		1-5 years		Above 5 years		Total	
	USD	BDT	USD	BDT	USD	BDT	USD	BDT	USD	BDT	USD	BDT
<b>Assets:</b>												
Cash in hand	-	-	-	-	-	-	-	-	-	-	-	-
Balance with other banks and financial institutions	72,494,447	7,269,450,277	-	-	-	-	-	-	-	-	72,494,447	7,269,450,277
Money at call and on short notice	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	(47,553,551)	(3,830,117,760)	61,687,884	5,264,752,480	16,115,253	1,635,698,145	17,579,214	1,784,290,262	-	-	47,828,800	4,854,623,127
Fixed assets including premises, furniture and fixtures	(4,683)	(286,128)	71	6,100	17	1,487	10,033	856,307	1,598	136,360	7,036	714,126
Other assets	99,115	98,860,218	-	-	-	-	-	-	-	-	99,115	98,860,218
Non-banking assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>25,035,328</b>	<b>3,537,906,607</b>	<b>61,687,955</b>	<b>5,264,758,580</b>	<b>16,115,270</b>	<b>1,635,699,632</b>	<b>17,589,247</b>	<b>1,785,146,569</b>	<b>1,598</b>	<b>136,360</b>	<b>120,429,398</b>	<b>12,223,647,748</b>
<b>Liabilities</b>												
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	20,821,530	2,371,865,330	6,000,000	512,070,000	10,000,000	853,450,000	-	-	-	-	36,821,530	3,737,385,330
Deposits	21,193,208	2,151,110,603	2,605,238	222,343,995	32,645,777	3,355,634,037	-	-	-	-	56,444,223	5,729,088,635
Other accounts	-	-	-	-	-	-	-	-	-	-	-	-
Provision and other liabilities	12,036,556	1,491,135,776	-	-	-	-	-	-	-	-	12,036,556	1,491,135,776
<b>Total Liabilities</b>	<b>54,051,294</b>	<b>6,014,111,709</b>	<b>8,605,238</b>	<b>734,413,995</b>	<b>42,645,777</b>	<b>4,209,084,037</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>#####</b>	<b>10,957,609,741</b>
<b>Net Difference in Liquidity</b>	<b>(29,015,966)</b>	<b>(2,476,205,102)</b>	<b>53,082,717</b>	<b>4,530,344,585</b>	<b>(26,530,507)</b>	<b>(2,573,384,405)</b>	<b>17,589,247</b>	<b>1,785,146,569</b>	<b>1,598</b>	<b>136,360</b>	<b>15,127,089</b>	<b>1,266,038,007</b>

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 2022

## 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 one sub-branch at US Embassy, Bangladesh and 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 other services to its customers and corresponding all over the world through its branches in Bangladesh.

## 2. Significant Accounting Policies

### 2.1 Basis of preparation of the financial statements

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

#### 2.1.1 Statement of compliance

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

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

**i) Provision on loans and advances**

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

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



**Bank's Methodology:**

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

**ii) Recognition of interest in suspense**

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

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

**Bank's Methodology**

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

**iii) Other comprehensive income**

**IFRS:** As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

**Bangladesh Bank:** Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statement of changes in equity.

**iv) Financial instruments – presentation and disclosure**

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

**v) Financial guarantees**

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

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

**vi) Cash and cash equivalent**

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

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

**vii) Non-banking asset**

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

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

**viii) Cash flow statement**

**IFRS:** The cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

**Bangladesh Bank:** As per BRPD 14, the cash flow statement is a mixture of both the direct and the indirect methods.

**Bank's Methodology:**

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

ix) **Presentation of intangible asset**

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

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

x) **Off-balance sheet items**

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

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

**Bank's Methodology:**

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

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

xi) **Loans and advances (net of provision)**

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

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

**Bank's Methodology:**

Loans and advances have been shown at gross amounts at 31 December 2022.

## 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 2022 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 2022 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 2022 to 31 December 2022.

## 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)

2022		2021	
Amounts In USD	Amounts In BDT	Amounts In USD	Amounts In BDT
37,000,000	3,755,500,000	-	-
35,494,447	3,513,950,277	96,762	11,198,022
<b>72,494,447</b>	<b>7,269,450,277</b>	<b>96,762</b>	<b>11,198,022</b>

**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

Citibank NA NY USD 34,336,022.49 99.00  
 Bank of Tokyo JPY 72,193,046.00 0.74  
 SCB, Frankfurt EUR 410,464.98 105.55  
 SCB, London GBP 147,709.53 119.34

34,336,022	3,399,266,227	-	-
542,744	53,731,624	-	-
437,617	43,324,107	-	-
178,064	17,628,319	96,762	11,198,022
<b>35,494,447</b>	<b>3,513,950,277</b>	<b>96,762</b>	<b>11,198,022</b>

**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

35,494,447	3,513,950,277	96,762	11,198,022
37,000,000	3,755,500,000	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<b>72,494,447</b>	<b>7,269,450,277</b>	<b>96,762</b>	<b>11,198,022</b>

**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

467,365	47,437,540	146,970	12,543,159
13,666,967	1,387,197,180	92,558,941	7,899,442,855
16,115,253	1,635,698,145	77,721,863	6,633,172,415
17,579,214	1,784,290,262	23,862,829	2,036,573,103
-	-	-	-
<b>47,828,799</b>	<b>4,854,623,127</b>	<b>194,290,603</b>	<b>16,581,731,532</b>

**4.2 Broad category-wise break-up**

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

21,778,522	2,210,519,940	29,451,559	2,513,543,297
467,365	47,437,540	146,970	12,543,159
-	-	-	-
-	-	-	-
1,635,115	165,964,174	1,303,697	111,264,040
<b>23,881,002</b>	<b>2,423,921,654</b>	<b>30,902,226</b>	<b>2,637,350,496</b>

Loans against accepted bills

	2022		2021	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
Inland bills	1,172,599	119,018,777	-	-
Foreign bills	22,775,199	2,311,682,696	163,388,377	13,944,381,036
	<b>23,947,798</b>	<b>2,430,701,473</b>	<b>163,388,377</b>	<b>13,944,381,036</b>
Outside Bangladesh	-	-	-	-
	<b>47,828,800</b>	<b>4,854,623,127</b>	<b>194,290,603</b>	<b>16,581,731,532</b>

#### 4.3 Significant concentration

Directors and others	-	-	-	-
Managing Director or Chief Executive Officer	-	-	-	-
Other executives	-	-	-	-
Industries	46,707,404	4,740,801,507	190,892,066	16,291,683,339
Other clients	1,121,395	113,821,620	3,398,538	290,048,193
	<b>47,828,799</b>	<b>4,854,623,127</b>	<b>194,290,604</b>	<b>16,581,731,532</b>

#### 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	46,707,404	4,740,801,507	190,892,066	16,291,683,339
Trading	-	-	864,372	73,769,838
Agriculture	-	-	-	-
others	1,121,395	113,821,620	2,534,166	216,278,355
	<b>47,828,799</b>	<b>4,854,623,127</b>	<b>194,290,604</b>	<b>16,581,731,532</b>

#### 4.6 Geographical location-wise distribution

##### Urban

Dhaka Region	41,426,436	4,204,783,255	170,114,605	14,518,430,962
Chattagram Region	6,402,363	649,839,872	24,175,998	2,063,300,570
Sylhet	-	-	-	-
	<b>47,828,799</b>	<b>4,854,623,127</b>	<b>194,290,603</b>	<b>16,581,731,532</b>

##### Rural

Dhaka Region	-	-	-	-
Chattagram Region	-	-	-	-
Sylhet	-	-	-	-
	-	-	-	-
	<b>47,828,799</b>	<b>4,854,623,127</b>	<b>194,290,603</b>	<b>16,581,731,532</b>

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

##### Unclassified :

Standard	47,828,799	4,854,623,127	194,290,603	16,581,731,532
Special mentioned account (SMA)	-	-	-	-
Classified :	-	-	-	-
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Bad/ Loss	-	-	-	-

	2022		2021	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
	47,828,799	4,854,623,127	194,290,603	16,581,731,532
<b>4.8 Particulars of loans and advances</b>				
(i) Loans considered good in respect of which the Bank is fully secured	47,828,799	4,854,623,127	194,290,603	16,581,731,532
(ii) Loans considered good for which the Bank holds no other security other than the debtor's personal security	-	-	-	-
(iii) Loans considered good, secured by personal liabilities of one or more parties in addition to the personal security of the debtors	-	-	-	-
(iv) Loans adversely classified; provision not maintained there against	-	-	-	-
(v) Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons	-	-	-	-
(vi) Loans due from companies or firms in which the directors of the Bank have interest as directors, partners or managing agents or, in the case of private companies, as members	-	-	-	-
(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to directors or managers or officers of the Bank or any of them either severally or jointly with any other persons	-	-	-	-
(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the directors of the Bank have interest as directors, partners or managing agents or, in the case of private company, as members	-	-	-	-
(ix) Due from banking companies	-	-	-	-
(x) (a) Classified loans on which interest has not been charged	-	-	-	-
(b) Provision made during the year against bad debts	-	-	-	-
(c) Interest creditable to the interest suspense account	-	-	-	-
Opening balance	-	-	-	-
Less: Bad debts written of during the year	-	-	-	-
Less: Bad debts recovered of during the year	-	-	-	-
Closing balance	-	-	-	-
(xi) Loan written off	-	-	-	-
Opening balance	-	-	-	-
Add: Bad debts written of during the year	-	-	-	-
Less: Bad debts previously written off recovered during the year	-	-	-	-
Bad debts written off settled	-	-	-	-
Closing balance	-	-	-	-
<b>5 Bills discounted and purchased</b>				
In Bangladesh	-	-	-	-
Outside Bangladesh	23,947,798	2,430,701,473	163,388,377	13,944,381,036
	<b>23,947,798</b>	<b>2,430,701,473</b>	<b>163,388,377</b>	<b>13,944,381,036</b>
<b>5.1 Grouping by maturity</b>				
Below 1 month	3,815,982	387,322,135	30,387,785	2,593,445,538
Over 1 month but below 3 months	5,449,481	553,122,298	59,400,755	5,069,557,400

	2022		2021	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
Over 3 months but below 6 months	9,211,102	934,926,891	44,773,777	3,821,217,999
6 months or over	5,471,233	555,330,149	28,826,060	2,460,160,099
	<b>23,947,798</b>	<b>2,430,701,473</b>	<b>163,388,377</b>	<b>13,944,381,036</b>

## 6 Fixed assets including premises, furniture and fixtures

Details are shown in [Annexure A](#).

	2022	2021
	7,036	11,727
	714,126	1,000,779
	<b>7,036</b>	<b>1,000,779</b>

## 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

Security deposit

Commission and brokerage receivable

Other

	-	-	-	-
	-	-	-	-
	97,675	9,914,013	-	-
	1,440	146,160	363	30,980
	-	88,800,045	-	1,477
	-	-	-	-
	<b>99,115</b>	<b>98,860,218</b>	<b>363</b>	<b>32,457</b>

## 8 Borrowings from other banks, financial institutions and agents

In Bangladesh

Outside Bangladesh

	-	-	37,000,000	3,157,765,000
	36,821,530	3,737,385,330	98,723,282	8,425,538,515
	<b>36,821,530</b>	<b>3,737,385,330</b>	<b>135,723,282</b>	<b>11,583,303,515</b>

### Call borrowings from

Citibank NA

Standard Chartered Bank

Commercial Bank of Ceylon

National Australia

	36,429,433	3,697,587,497	6,116,339	521,998,939
	351,560	35,683,363	2,489,630	212,477,501
	40,537	4,114,470	-	-
	-	-	117,313	10,012,075
	<b>36,821,530</b>	<b>3,737,385,330</b>	<b>8,723,282</b>	<b>744,488,515</b>

### Term borrowings from

Commercial Bank of Ceylon, Colombo

South East Bank Limited

Eastern Bank Limited

Jamuna Bank Limited

State Bank of India

Woori Bank

United Commercial Bank Limited

ICICI Bank

National Credit and Commerce Bank Limited

Kumari Bank

Sunrise Bank

	-	-	90,000,000	7,681,050,000
	-	-	11,000,000	938,795,000
	-	-	10,000,000	853,450,000
	-	-	8,000,000	682,760,000
	-	-	5,000,000	426,725,000
	-	-	3,000,000	256,035,000
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-



	2022		2021	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
	-	-	127,000,000	10,838,815,000
	<b>36,821,530</b>	<b>3,737,385,330</b>	<b>135,723,282</b>	<b>11,583,303,515</b>
<b>Analysis by security</b>				
Secured	-	-	-	-
Unsecured	-	3,737,385,330	135,723,282	11,583,303,515
	-	<b>3,737,385,330</b>	<b>135,723,282</b>	<b>11,583,303,515</b>
<b>Repayment pattern</b>				
Repayable on demand	36,821,530	3,737,385,330	8,723,282	744,488,515
Others	-	-	127,000,000	10,838,815,000
	<b>36,821,530</b>	<b>3,737,385,330</b>	<b>135,723,282</b>	<b>11,583,303,515</b>
<b>9 Deposits and other accounts</b>				
<b>Current deposits and other accounts</b>				
Current deposit	12,336,007	1,252,104,742	9,035,569	771,140,667
Margin Accounts	134,503	13,652,014	201,404	17,188,808
	<b>12,470,510</b>	<b>1,265,756,756</b>	<b>9,236,973</b>	<b>788,329,475</b>
<b>9.1 Current and other accounts</b>				
<b>Current accounts</b>				
Foreign currency	-	-	-	-
Inter-bank	-	-	-	-
Others	12,336,007	1,252,104,742	9,035,569	771,140,667
	<b>12,336,007</b>	<b>1,252,104,742</b>	<b>9,035,569</b>	<b>771,140,667</b>
<b>Margin accounts</b>				
Letters of credit and guarantees and other	134,503	13,652,014	201,404	17,188,808
	<b>134,503</b>	<b>13,652,014</b>	<b>201,404</b>	<b>17,188,808</b>
	<b>12,470,510</b>	<b>1,265,756,756</b>	<b>9,236,973</b>	<b>788,329,475</b>
<b>9.2 Savings bank deposits</b>				
Foreign currency	-	-	-	-
Inter-bank	-	-	-	-
Others	4,415,093	448,131,962	5,143,734	438,992,013
	<b>4,415,093</b>	<b>448,131,962</b>	<b>5,143,734</b>	<b>438,992,013</b>
<b>9.3 Fixed deposits</b>				
Foreign currency	-	-	-	-
Inter-bank	-	-	-	-
Others	39,558,620	4,015,199,917	17,807,145	1,519,750,804
	<b>39,558,620</b>	<b>4,015,199,917</b>	<b>17,807,145</b>	<b>1,519,750,804</b>
	<b>56,444,223</b>	<b>5,729,088,635</b>	<b>32,187,852</b>	<b>2,747,072,292</b>

	2022		2021	
	Amounts in USD	Amounts in BDT	Amounts in USD	Amounts in BDT
<b>9.4 Maturity analysis of other deposits</b>				
Repayable on demand	16,885,603	1,713,888,719	14,380,707	1,227,321,488
Repayable within 1 month	4,307,605	437,221,884	4,240,851	361,935,412
Over 1 month but within 6 months	28,970,663	2,940,522,276	6,684,470	570,486,123
Over 6 months but within 1 year	6,280,352	637,455,756	6,881,824	587,329,269
Over 1 year but within 5 years	-	-	-	-
Over 5 years but within 10 years	-	-	-	-
	<b>56,444,223</b>	<b>5,729,088,635</b>	<b>32,187,852</b>	<b>2,747,072,292</b>

**10 Other liabilities**

Accumulated general provision against loans and advances and Off-Balance Sheet items (note 10.1)	848,498	53,200,000	2,146,961	173,900,000
Specific provision (note 10.2)	-	-	-	-
Interest suspense account (note 10.3)	-	-	-	-
Payable to Domestic Banking Unit (DBU) of the Bank	5,452,257	939,040,664	4,156,751	417,903,270
Provision for corporate taxation (note 10.4)	5,014,850	425,718,564	6,466,436	541,858,830
Interest payable on deposits	471,971	47,905,054	174,499	14,892,651
Interest payable on borrowings	-	-	434,159	37,053,278
Commission and brokerage payable	-	-	-	-
Others	248,980	25,271,494	67,450	5,756,485
	<b>12,036,556</b>	<b>1,491,135,776</b>	<b>13,446,256</b>	<b>1,191,364,514</b>

**10.1 Accumulated general provision against loans and advances**

Opening balance	2,146,961	173,900,000	2,154,066	174,500,000
<u>Less:</u> Fully Provided, written off during the year	-	-	-	-
<u>Less:</u> Recovery of provision no longer required	-	-	-	-
<u>Add:</u> Provision for the year	(1,298,463)	(120,700,000)	(7,105)	(600,000)
Closing balance	<b>848,498</b>	<b>53,200,000</b>	<b>2,146,961</b>	<b>173,900,000</b>

**10.1.1 General provision against**

Loans and advances	805,148	48,800,000	2,055,567	166,100,000
Off-Balance Sheet items	43,350	4,400,000	91,394	7,800,000
	<b>848,498</b>	<b>53,200,000</b>	<b>2,146,961</b>	<b>173,900,000</b>

**10.2 Specific provision**

Opening balance	-	-	-	-
<u>Less:</u> Fully provided, written off during the year	-	-	-	-
<u>Add:</u> Recovery of advance previously written off	-	-	-	-
<u>Add:</u> Specific provision during the year	-	-	-	-
<u>Less:</u> Recovery of provision no longer required	-	-	-	-
Closing balance	-	-	-	-
<b>Required Provision</b>	-	-	-	-

**10.3 Interest suspense account**

Opening balance	-	-	-	-
<u>Add:</u> Amount transferred to interest suspense account during the year	-	-	-	-
<u>Less:</u> Transferred to income during the year	-	-	-	-
<u>Less:</u> Amount waived/written off during the year	-	-	-	-
Closing balance	-	-	-	-