Citibank, N. A. Bangladesh Branches

Auditors' Report, financial statements and other disclosures as at and for the year ended 31 December 2024

Independent Auditor's Report
To the Management of Citibank, N.A. Bangladesh Branches
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Citibank, N.A. Bangladesh Branches ("the Bank"), which comprise the balance sheet as at 31 December 2024 and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the financial postion of the Bank as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.2.

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of *Ethics for Professional Accountants (IESBA Code)* and the guidelines issued by 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.

Other Matter

The financial statements of the Bank for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 28 February 2024.

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

Management is responsible for the preparation of the financial statements of the Bank in accordance with IFRSs as explained in note 2.2, 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 and the Bangladesh Bank regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Bank Company Act, 1991 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 Responsibilities section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:

(a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;

(b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities {other than matters disclosed in these financial statements};

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

(viii) adequate provisions have been made for advance 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 1485 person hours; and

(xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Ashraf -Uz- Zaman Ali, Partner, Enrolment no: 1518
Rahman Rahman Huq, Chartered Accountants
Firm Registration Number: CAF-001-080

Dhaka, 26 February 2025
DVC: 2502261518AS856976

Balance Sheet
As at 31 December 2024

In BDT	Note	31 December 2024	31 December 2023
PROPERTY AND ASSETS			
Cash	4		
Cash in hand (including foreign currencies)		200,836,915	161,654,718
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)		15,195,040,778	12,939,789,438
		15,395,877,693	**13,101,444,156**
Balance with other banks and financial institutions	5		
In Bangladesh		3,509,789	64,055,530
Outside Bangladesh		19,259,042,080	17,640,560,059
		19,262,551,869	**17,704,615,589**
Money at call on short notice	6	-	**2,640,000,000**
Investments	7		
Government		20,644,570,336	17,750,718,850
Other		6,000,000	6,000,000
		20,650,570,336	**17,756,718,850**
Loans and advances	8		
Loans, cash credits, overdrafts etc		14,130,128,604	13,597,988,505
Bills purchased and discounted		10,613,984,273	11,393,915,107
		24,744,112,877	**24,991,903,612**
Fixed assets including premises, furniture and fixtures	9	**265,629,355**	**222,718,643**
Other assets	10	**873,193,881**	**1,045,159,447**
Non banking assets		-	-
Total assets		**81,191,936,011**	**77,462,560,297**
LIBILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	**876,624,000**	**6,198,133,862**
Deposits and other accounts	12		
Current account and other accounts, etc.		39,954,911,060	45,499,088,055
Bills payable		613,062,879	1,217,549,074
Savings deposits		1,027,207,173	533,462,458
Fixed deposits		14,363,360,594	3,330,473,102
Bearer certificates of deposits		-	-
Other deposits		-	-
		55,958,541,706	**50,580,572,689**
Other liabilities	13	**4,159,232,299**	**3,423,526,442**
Total liabilities		**60,994,398,005**	**60,202,232,993**
CAPITAL			
Fund deposited with Bangladesh Bank as capital	14.2	6,923,765,274	6,346,784,835
Other reserves	15	(33,570,304)	(44,913,988)
Surplus in Profit and Loss Account	16	13,307,343,036	10,958,456,457
Total equity		**20,197,538,006**	**17,260,327,304**
Total liabilities and equity		**81,191,936,011**	**77,462,560,297**
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements	17.1	4,012,286,410	5,923,517,016
Letters of guarantee	17.2	1,232,861,603	1,425,209,188
Irrevocable letters of credit	17.3	11,300,554,278	12,536,520,883
Bills for collection	17.4	2,007,188,103	3,043,719,814
Other contingent liabilities		-	-
		18,552,890,394	**22,928,966,901**
Other commitments	17.5		
Documentary credits and short term trade - related transactions		114,990,526	152,807,847
Forward assets purchased and forward deposits placed		1,754,105,841	7,674,734,078
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		1,869,096,367	**7,827,541,925**
Others	17.6		
Value of travelers' cheques on hand		-	-
Value of unprocessed cheques		-	-
Value of Bangladesh Sanchaypatra on hand		255,925,000	255,925,000
Value of Bangladesh Bank USD bond on hand		318,060,000	291,555,000
		573,985,000	**547,480,000**
Total off-balance sheet items including contingent liabilities		**20,995,971,761**	**31,303,988,826**

The accompanying notes 1 to 36 form an integral part of these financial statements.

Md Moinul Huq
Citi Country Officer, Bangladesh

S. H. Aslam Habib
Chief Financial Officer, Bangladesh

As per our report of same date.

Ashraf -Uz- Zaman Ali, Partner, Enrolment no: 1518
Rahman Rahman Huq, Chartered Accountants
Firm Registration Number: CAF-001-080

Dhaka, 26 February 2025
DVC: 2502261518AS856976

Profit and Loss Account
For the year ended 31 December 2024

In BDT	Note	2024	2023
Interest income	19	3,759,099,189	2,765,176,656
Interest paid on deposits and borrowings	20	(682,878,500)	(593,201,728)
Net interest income		**3,076,220,689**	**2,171,974,928**
Investment income	21	2,443,414,528	1,557,162,262
Commission, exchange and brokerage	22	2,274,164,655	2,114,507,336
Other operating income/(loss)	23	605,282	(255,202)
Total operating income		**7,794,405,154**	**5,843,389,324**
Salaries and allowances	24	(735,944,100)	(699,420,265)
Rent, taxes, insurance, electricity, etc.		(189,677,707)	(197,723,335)
Legal expenses		(2,115,380)	(2,649,100)
Postage, stamps, telecommunication, etc.		(37,741,470)	(25,141,309)
Stationery, printing, advertisement, etc.		(29,557,585)	(23,906,751)
Citi Country Officer's salary and allowances		(27,952,089)	(24,113,834)
Auditors' fees		(1,100,000)	(770,000)
Depreciation and repair of bank's assets	25	(125,792,275)	(106,627,331)
Other expenses	26	(146,679,464)	(132,823,769)
Total operating expenses		**(1,296,560,070)**	**(1,213,175,694)**
Profit before provisions		**6,497,845,084**	**4,630,213,630**
Provision for loans and advances:			
Specific provision for classified loans and advances	13.1	-	(75,500)
General provision for unclassified loans and advances	13.1	17,608,909	(56,996,127)
Provision for off balance sheet exposures	13.2	65,249,091	130,770,171
Provision for diminution in value of investments		-	-
Provision for nostro accounts		-	-
Recoveries from written off loans		4,312,127	-
Total provisions		**87,170,127**	**73,698,544**
Total profit before income tax		**6,585,015,211**	**4,703,912,174**
Provision for income tax:			
Current tax	27	(2,744,411,217)	(1,955,427,602)
Deferred tax	27	8,089,170	23,605,630
		(2,736,322,047)	**(1,931,821,972)**
Net profit after tax		**3,848,693,164**	**2,772,090,202**
Appropriations			
Profit remitted to Head Office		-	-

The accompanying notes 1 to 36 form an integral part of these financial statements.

Md Moinul Huq
Citi Country Officer, Bangladesh

S. H. Aslam Habib
Chief Financial Officer, Bangladesh

As per our report of same date.

Ashraf -Uz- Zaman Ali, Partner, Enrolment no: 1518
Rahman Rahman Huq, Chartered Accountants
Firm Registration Number: CAF-001-080

Dhaka, 26 February 2025
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Statement of Changes in Equity
For the year ended 31 December 2024

In BDT	Fund deposited with Bangladesh Bank	Other reserves	Surplus in Profit and Loss Account	Total
Balance as at 1 January 2023	**5,960,034,846**	**(75,313,684)**	**8,824,096,806**	**14,708,817,968**
Changes in accounting policy	-	-	-	-
Net profit for the year	-	-	2,772,090,202	2,772,090,202
Surplus on account of revaluation of investments (net of deferred tax liabilities)	-	(7,644,268)	-	(7,644,268)
Actuarial gain/(loss) net of deferred tax	-	38,043,964	-	38,043,964
Profit remitted to Head Office	-	-	(658,536,706)	(658,536,706)
Transfer to start-up fund	-	-	(27,720,902)	(27,720,902)
Exchange difference	386,749,989	-	48,527,057	435,277,046
Balance as at 31 December 2023	**6,346,784,835**	**(44,913,988)**	**10,958,456,457**	**17,260,327,304**
Changes in accounting policy	-	-	-	-
Net profit for the year	-	-	3,848,693,164	3,848,693,164
Surplus on account of revaluation of investments (net of deferred tax liabilities)	-	(492,083)	-	(492,083)
Actuarial gain/(loss) net of deferred tax	-	11,835,767	-	11,835,767
Profit remitted to Head Office	-	-	(1,540,422,649)	(1,540,422,649)
Transfer to start-up fund	-	-	(38,486,932)	(38,486,932)
Exchange difference	576,980,439	-	79,102,996	656,083,435
Balance as at 31 December 2024	**6,923,765,274**	**(33,570,304)**	**13,307,343,036**	**20,197,538,006**

The accompanying notes 1 to 36 form an integral part of these financial statements.

Cash flow statement
For the year ended 31 December 2024

In BDT	Note	2024	2023
Cash flows from operating activities			
Interest receipts in cash		3,460,070,411	2,461,714,534
Interest payments		(623,927,770)	(564,769,520)
Dividend receipts		6,000,000	6,000,000
Fee and commission receipts in cash		2,274,164,655	2,114,507,336
Recoveries of loans previously written off		4,312,127	-
Cash payments to employees		(733,208,376)	(750,587,873)
Cash payment to suppliers		(313,896,288)	(304,174,886)
Income taxes paid		(2,102,104,678)	(2,000,507,784)
Income from trading security		2,446,909,131	1,569,504,254
Receipts from other operating activities		101,307	97,792
Payment for other operating activities		(126,132,260)	(128,263,768)
Operating profit before changes in operating assets and liabilities		**4,292,288,259**	**2,403,520,085**
Increase/(decrease) in operating assets and liabilities			
Statutory deposits		-	-
Purchase/sale of trading securities		834,600,934	632,681,029
Loans and advances to other banks		-	-
Loans and advances to customers		551,361,479	(5,884,950,535)
Other assets		159,546,364	56,554,377
Deposits from other banks		(118,802,269)	(404,623,503)
Deposits from customers		5,496,771,286	(3,137,803,101)
Borrowing from other banks and financial institutions		(5,321,509,862)	3,874,461,815
Trading liabilities		-	-
Other liabilities		103,090,778	(336,690,416)
Net cash flow from operating activities (A)		**5,997,346,969**	**(2,796,850,249)**
Cash flows from investing activities			
Proceeds from sale of securities		-	-
Payment for purchase of securities		-	-
Purchase of fixed assets		(110,827,752)	(81,863,159)
Proceeds from sale of assets		-	-
Net cash flow from investing activities (B)		**(110,827,752)**	**(81,863,159)**
Cash flows from financing activities			
Profit remitted to head office		(1,540,422,649)	(658,536,706)
Fund received from head office as capital injection		-	-
Payment made for lease liabilites		(61,357,766)	(59,376,617)
Effect of change in foreign exchange rate		656,083,435	435,277,046
Net cash flow from financing activities (C)		**(945,696,980)**	**(282,636,277)**
Net increase/(decrease) in cash and cash equivalents (D = A + B + C)		**4,940,822,237**	**(3,161,349,685)**
Cash and cash equivalents as at 1 January (E)		43,613,077,554	46,774,427,239
Cash and cash equivalents at the end of the year (D + E)	29	**48,553,899,791**	**43,613,077,554**

The accompanying notes 1 to 36 form an integral part of these financial statements.

Notes to the financial statements
as at and for the year ended 31 December 2024

1 Status of the Bank

1.1 Legal form of the Bank

Citibank, N.A. Bangladesh Branches ("the Bank") commenced its banking operations in Dhaka, Bangladesh on 24 June 1995 after obtaining license from Bangladesh Bank dated 26 January 1995. Citigroup Inc., a holding company under the laws of the State of Delaware, United States of America, is the sole shareholder of Citibank, N.A. The Offshore Banking Unit (OBU) of the Bank started its operations on 26 April 2006.

1.2 Nature of business

Prior to obtaining a banking license Citibank, N.A. opened a representative office in Bangladesh in 1987. The Bank opened its first full-service branch in Dhaka in 1995. The Bank currently has three branches, these are in Motijheel, Gulshan and Chittagong, and two EPZ service counters of its OBU with 163 employees serving corporate customers. Since inception, the Bank's operations encompass primarily corporate and commercial banking services under the Institutional Clients Group (ICG).

1.3 Principal activities

The Bank provides a comprehensive range of financial services including treasury management, transaction services, foreign exchange and structured finance to corporate clients, governments and financial institutions. In 2008, the Bank started to offer Direct Custody and Clearing (DCC) services to its offshore clients.

2 Basis of preparation

2.1 Combined financial statements for DBU and OBU

Pursuant to Bangladesh Bank circular BRPD Circular No: 02, dated 25 February 2019 and FEPD Circular No. 01: Offshore Banking Act - 2024, these financial statements for the year ended 31 December 2024 comprise the operations of both the Domestic Banking Unit (DBU) and the Off Shore Banking Unit (OBU), together referred to as "the Bank".

2.2 Statement of compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) was formed in 2017 and has since then adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as banks with effect from 2 November 2020.

Accordingly, the financial statements of the Bank are prepared in accordance with IFRSs (including IASs) and the requirements of the Bank Company Act, 1991 (Amended up to date), the rules and regulations issued by Bangladesh Bank and the Companies Act 1994. In case any requirement of the Bank Company Act, 1991 (Amended up to date), and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs (including IASs), the requirements of the Bank Company Act, 1991 (Amended up to date), and provisions and circulars issued by Bangladesh Bank have been applied. Material departures from the requirements of IFRS are as follows:

i) Presentation of financial statements

IFRS: As per IAS 1 financial statements shall comprise statement of financial position, comprehensive income statement, statement of changes in equity, cash flows statement, adequate notes comprising summary of accounting policies and other explanatory information. As per para 60 of IAS 1, the entity shall also present current and non-current assets and liabilities as separate classifications in its statement of financial position.

Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity) and certain disclosures therein are guided by the "First Schedule" (section 38) of the Bank Company Act, 1991 (Amended up to date) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

ii) Investment in equity instruments

IFRS: As per requirements of IFRS 9, classification and measurement of investment in shares will depend on how these instruments are managed (i.e. 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".

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 recognized at costs. Citi recognizes investment in shares and securities at cost basis.

iii) Subsequent measurement of Government securities

IFRS: Debt instruments include both bonds and bills. As per requirements of IFRS 9 Financial Instruments, bonds can be categorized as "Amortized Cost (AC)", "Fair Value Through Profit or Loss (FVTPL)" or "Fair Value through Other Comprehensive Income (FVOCI)". Bonds designated as Amortized Cost are measured at amortized cost method and interest income is recognized through profit and loss account. Any changes in fair value of bonds designated as FVTPL is recognized in profit and loss account while changes in fair value of bonds designated as FVOCI is recognized in other reserve as a part of equity.

As per requirements of IFRS 9, bills can be categorized either as "Fair Value Through Profit or Loss (FVTPL)" or "Fair Value through Other Comprehensive Income (FVOCI)". Any change in fair value of bills is recognized in profit and loss or other reserve as a part of equity respectively.

Bangladesh Bank: As per DOS Circular no. 05 dated 26 May 2008 and subsequent clarification in DOS Circular no 05 dated 28 January 2009, Government securities are classified either into Held for Trading (HFT) or Held to Maturity (HTM). 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 recognized in other reserves as a part of equity and 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 amortization of discount are recognized in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized at the year end and gains or losses on amortization are recognized in other reserve as a part of equity. Moreover, as per DOS circular letter no. 27 dated 04 December 2023, the revaluation loss (if any) of treasury bonds, categorized under the HFT (Held for Trading) category, may be netted off with the revaluation reserve of the same bonds. However, if there is no revaluation reserve for that treasury Bond, it must be charged to profit or loss account for the period. Under no circumstances should the loss of one bond be netted off with the reserve of another bond. For treasury bills the prevailing accounting policy prescribed by the Bangladesh Bank should be followed.

iv) Repo and Reverse Repo transactions

IFRS: As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognized at amortized cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per DOS Circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS circular no. 02 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transaction and the financial asset is derecognized in the seller's book and recognized in the buyer's book.

However, as per DMD circular letter no. 7 dated 29 July 2012, non primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) programme, whereby such banks may enter collateralized repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognize the asset.

v) Provisions on loans and advances

IFRS: As per IFRS 9 an entity shall recognize an impairment allowance on loans and advances based on expected credit losses (ECL). At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime ECL 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 equivalent to 12 months expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 12 dated 20 August 2017, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 03 dated 21 April 2019, BRPD circular no. 16 dated 21 July 2020, BRPD circular letter no. 52 dated 20 October 2020, BRPD circular No: 14 dated 22 June 2022, BRPD circular No: 51 dated 18 December 2022, BRPD circular No: 53 dated 22 December 2022 and BRPD circular No: 03 dated 02 February 2023, a general provision at 0.25% to 2% under different categories of unclassified loans (standard/SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad/losses loans has to be provided at 5% to 20%, 5% to 50% and 100%, respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 07 dated 21 June 2018, BRPD circular no. 13 dated 18 October 2018 and BRPD circular no. 06 dated 25 April 2023, a general provision at 0% to 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by International Financial Reporting Standards (IFRS) 9: Financial Instruments. Notably, as per BRPD Circular Letter No. 03 dated 23 January 2025, Bangladesh Bank is planning to implement Expected Credit Loss (ECL) methodology-based provisioning system for banks in accordance with International Financial Reporting Standard (IFRS 9) by 2027.

vi) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified at amortized cost as per IFRS 9 and interest income is recognized in profit and loss account using the effective interest rate (EIR) method whereby the EIR is applied on the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the EIR to the amortized cost of these loans and advances.

Bangladesh Bank: In accordance with BRPD circular no. 14 dated 23 September 2012, interest accrued on sub-standard (SS) and Doubtful (DF) loans are credited to "interest suspense account" included in "other liabilities" instead of income account. Interest from loans and advances ceases to be accrued when they are classified as Bad and loss category.

vii) Other comprehensive income

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

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements through BRPD circular no. 14 dated 25 June 2003 which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include OCI nor are the elements of OCI allowed to be included in a single OCI statement. As such the Bank does not prepare an OCI statement. However elements of OCI, if any, are shown in the statements of changes in equity.

viii) Financial instruments – presentation and disclosure

As per BB guidelines, in certain instances, financial instruments are categorised, recognised, measured and presented differently from those prescribed in IFRS 7: Financial instruments - disclosure and IFRS 9: Financial instruments. As such, some disclosures and presentation requirements of IFRS 7, IAS 32 and IFRS 9 cannot be fully complied with these financial statements.

ix) 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 recognized 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 recognized less, income recognized in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD circular no. 07 dated 21 June 2018, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin.

x) 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 in the balance sheet. Money at call and on short notice are presented on the face of the balance sheet while treasury bills, Bangladesh Bank bills, prize bonds are shown as investments. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with Bangladesh Bank and other banks.

xi) Non banking assets

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, there must exist a face item named non banking asset.

xii) Cash flow statement

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, cash flow is the mix of direct and indirect methods.

xiii) 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: As per BRPD circular no.14 dated 25 June 2003, balance with Bangladesh Bank is treated as cash and cash equivalents.

xiv) Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items.

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 balance sheet.

xv) Loans and advance net of provision

IFRS: As per IFRS 9, Loans and advances shall be presented at amortised cost net of any write down for impairment (expected credit losses that result from all possible default events over the life of the financial instrument).

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

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Citibank, N. A. Bangladesh Branches

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xvi) Presentation of Intangible Assets

IFRS: An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

Bangladesh Bank: There is no specific regulation for intangible assets in BRPD circular no. 14 dated 25 June 2003; hence, it is shown in fixed assets.

xvii) Provision on financial guarantees

IFRS: As per IFRS 9 bank shall recognize credit losses on undrawn loan commitments as the present value of the difference between the contractual cash flow that are due by the customer if the commitment is drawn down and the cash flows that bank expects to receive.

Bangladesh Bank: As per BRPD Circular No.06 dated 25 April 2023, the Bank is required to maintain provision at 0% to 1% against undrawn commitments.

2.3 Basis of measurement

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

- Government treasury bills and bonds designated as 'Held for trading (HFT)' at market value using marking to market concept with gains credited to revaluation reserve as per DOS circular 05 dated 26 May 2008 and DOS circular 05 dated 28 January 2009, DMD circular number 06 dated 04 June 2024 and DOS circular letter 27 dated 04 December 2023.
- Government treasury bills and bonds are designated as 'Held to maturity (HTM)' and remeasured at present value using amortization concept as per DOS circular 05 dated 26 May 2008 and DOS circular 05 dated 28 January 2009 and DOS circular letter 27 dated 04 December 2023.
- Investment in shares of listed companies are valued at market price and unlisted companies at cost or book value of last audited balance sheet, whichever is lower.
- Net asset/(liability) of defined benefit scheme is net of present value of defined benefit obligations, total plan assets and other related items as required by IAS 19.

2.4 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT) which is the Bank's functional currency. The functional currency of OBU is US Dollar (USD). The financial statements of OBU have been translated to presentation currency (Taka/Tk/BDT) using the exchange rate prevailing at balance sheet date. Except as otherwise indicated, financial information presented in Taka has been rounded to the nearest integer.

2.5 Use of estimates and judgments

The preparation of these financial statements in conformity with Bangladesh Bank Circulars and IFRSs 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 recognized in the period in which the estimates are revised and in any future periods affected.

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

(a) Provisions for loans and advances

The Bank assesses its loans and advances for objective evidence of impairment on a regular basis and particularly at year end. Whilst the primary criteria set out in BRPD circular no. 14 dated 23 September 2012 for determining whether a loan is impaired is objective, being based on borrower's ability to make timely repayments, loans and advances may also be classified based on qualitative judgment. This involves making assessments regarding the economic environment in which borrowers operate in addition to making judgments about a borrower's financial situation and net realizable value of any underlying collateral.

(b) Taxation

The estimation of current tax provision involves making judgments regarding admissibility of certain expenses, estimating the amount of other expenses for tax purposes and applicability of provision of the Finance Act 2023, although return will be submitted for tax based on the Finance Act 2024.

In addition, the recognition of deferred tax assets requires the Bank to estimate the extent to which it is probable that future taxable profits will be available against which the deferred tax assets may be utilized.

(c) Post employment benefits-asset/(liability) from gratuity

The determination of Bank's asset/(liability) from gratuity involves the use of estimates regarding demographic variables (such as employee turnover and mortality) and financial variables (such as future increases in salaries and medical costs) that will influence the cost of the benefit.

(d) Depreciation

Depreciation is provided on a straight line basis over the estimated useful life of each item of fixed asset. The determination of useful life involves the use of estimates regarding expected use of the assets, expected physical wear and tear, technical or commercial obsolescence and legal or similar limits on the use of the assets.

(e) Provisions for expenses

A provision is recognized in the balance sheet when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation in compliance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

(f) Lease liabilities

The lease liability is initially measured at the present value of the lease payments, discounted at the Bank's incremental borrowing rate. The Bank determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the rental assets leased.

The lease liability is remeasured when there is a change in future lease payments or the changes in discount rate. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets and lease liabilities.

2.6 Reporting period

These financial statements cover one calendar year from 1 January to 31 December 2024.

The financial statements were authorized for issue by the Citi Country Officer and the Chief Financial Officer on 26 Feb 2025

2.7 Cash flow statement

Cash flow statement has been prepared in accordance with the BRPD Circular No. 14 dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

2.8 Statement of changes in equity

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth.

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

3.1 Foreign currencies

Transactions in foreign currencies are translated into the respective functional currency of the operation at the spot exchange rate at the date of the transaction.

Monetary assets, liabilities and fund deposited with Bangladesh Bank as capital denominated in foreign currency at the reporting date are translated into the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognized in the profit and loss account except for exchange rate differences on fund deposited with Bangladesh Bank as capital, which is recognized directly in equity.

3.2 Cash and cash equivalents

Cash and cash equivalents in cash flow statement include notes and coins in hand, both restricted and unrestricted balances held with Bangladesh Bank and its agent bank (including foreign currency), balance with other banks and financial institutions, money at call on short notice, 91 days treasury bills, Bangladesh Bank bills, reverse repo and prize bond.

3.3 Investments

All investment securities are initially recognized at cost, including acquisition charges associated with the investment. Premiums are amortized and discounts are accredited.

Held to maturity

Investments which have 'fixed or determinable payments' and are intended to be held to maturity are classified as 'Held to Maturity'.

Held for trading

Investment classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management.

Revaluation

As per DOS Circular letter no. 05 dated 26 May 2008 and DOS circular no. 05 dated 28 January 2009, HFT securities are revalued each week using Marking to Market concept. Gains arising from revaluation of HFT securities on 'Marking to Market' basis are recognized in revaluation reserve account while losses from revaluation of the same securities are recognized in profit or loss. As per DMD circular number 06 dated 04 June 2024, HFT treasury bonds need to be revalued using secondary market yields, while HFT treasury bills will be revalued using existing primary cut-off yields.

As per DOS Circular Letter No. 27 dated 4 December 2023 the Bank may transfer HTM amortization gain/loss to profit and loss account during the year. The weekly revaluation loss of treasury bonds can be netted off with revaluation reserve of that particular securities. However, if there is no reserve of that securities, the revaluation losses need to accounted for in profit and loss statement. Revaluation loss of one security can't be adjusted with revaluation reserve of other securities. For HFT treasury bills, the prevailing rule will be continued.

Value of investments has been shown as under:

Government treasury bills and bonds (HFT)	At market value (using marking to market concept)
Government treasury bills and bonds (HTM)	At present value (using marking to market concept)
Prize bond	At cost
Unquoted shares	At cost or book value of the last audited balance sheet whichever is lower

Details are shown in Note 7.

3.4 Loans and advances and provisions for loans and advances

a) Loans and advances are stated in the balance sheet at gross value. Loans and advances are initially measured at fair value and subsequently measured at amortized cost.

b) Provision for loans and advances is made on the basis of periodical review by the management and as per instructions contained in Bangladesh Bank BRPD Circular no. 14, dated 23 September 2012, BRPD circular no.15, dated 23 September 2012, BRPD Circular no. 19, dated 27 December 2012, BRPD Circular no. 05, dated 29 May 2013, BRPD Circular no. 16, dated 18 November 2014, BRPD Circular no. 08, dated 02 August 2015, BRPD Circular no. 12, dated 20 August 2017, BRPD Circular no. 15, dated 27 September 2017, BRPD Circular no. 01, dated 20 February 2018, BRPD Circular no. 07, dated 21 June 2018, BRPD Circular no 13, dated 18 October 2018 and BRPD Circular no. 03, dated 21 April 2019, BRPD circular no. 52 Dated 20 October 2020, BRPD circular no. 16 dated 21 July 2020, BRPD circular No: 56 dated 10 December 2020, BRPD circular No: 14 dated 22 June 2022, BRPD circular No: 51 dated 18 December 2022, BRPD circular No: 53 dated 22 December 2022 and BRPD circular No: 03 dated 02 February 2023. The guidance in the circulars follow a formulaic approach whereby s. These circulars also provide scope for further provisioning based on qualitative judgments. The rates of provision for different classifications are given below:

Particulars	Rates 2024	2023
General provision on:		
All unclassified loans and advances except following:	1.00%	1.00%
Small and medium enterprise financing	0.25%	0.25%
Consumer financing	2.00%	2.00%
Housing finance and loans for professionals to set up business under consumer financing scheme	1.00%	1.00%
Loan to BHs/MBs/SDs against shares	2.00%	2.00%
Agricultural loans	1.00%	1.00%

In accordance with BRPD Circular No.14 dated September 23, 2012, BRPD circular No. 05 dated 29 May 2013 and BRPD Circular No. 16 dated 18 November 2014, the rate of provision on the outstanding amount of loans kept in the 'Special Mention Account' will be the same as the rates stated above, i.e. 0.25% against all unclassified loans of Small and Medium Enterprise (SME), 5% on the unclassified amount for Consumer Financing, 2% on the unclassified amount for Housing Finance, 1% on the unclassified amount for agricultural loans and 1% against all other unclassified loans.

	Rates 2024	2023
Specific provision on:		
Substandard and doubtful agricultural loans	**5.00%**	5.00%
Substandard loans and advances	**20.00%**	20.00%
Doubtful loans and advances	**50.00%**	50.00%
Bad/loss loans and advances	**100.00%**	100.00%

c) Loans and advances are written off in accordance with BRPD circular no. 04 dated 18 February 2024 to the extent that:

i) there is no realistic prospect of recovery, and
ii) against which legal cases are filed and classified as bad/loss as per guidelines of Bangladesh Bank.

These write offs however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are maintained and followed up. Write-off loans and advances are reported to the Credit Information Bureau (CIB) of Bangladesh Bank and other relevant directives are followed accordingly.

Details are shown in note 8.

3.5 Fixed assets and depreciation

Recognition and measurement

Items of fixed assets, excluding land, are measured at cost/revaluation less accumulated depreciation and accumulated impairment losses, if any. Land is measured at cost/revaluation.

Cost includes expenditure that are directly attributable to the acquisition of the assets and bringing to the location and condition necessary for it to be capable of operating in the intended manner.

When parts of an item of fixed asset have different useful lives, they are accounted for as separate items (major components) of fixed assets.

The gain or loss on disposal of an item of fixed asset is determined by comparing the proceeds from disposal with the carrying amount of that item, and is recognized in other income/other expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of fixed assets is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Bank and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day to day servicing of fixed assets are recognized in the profit and loss account as incurred.

Depreciation

Depreciation is recognized in the profit and loss account on a straight line basis over the estimated useful life of each part of an item of fixed assets since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Bank will obtain ownership by the end of the lease. In case of acquisition of fixed assets, depreciation is charged from the month of acquisition, whereas depreciation on disposed off fixed assets is charged up to the month prior to the disposal. Asset category-wise depreciation rates are as follows:

Category of assets	Rate of depreciation
Furniture and fixtures	10% - 33.33%
Equipment	10% - 33.33%
Motor vehicles	20%

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted, if appropriate.

Retirement and disposals

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain and loss from disposal of asset under "Other operating income" in the profit and loss account.

3.6 Leases

As a lessee

The Bank recognizes a right-of-use (ROU) asset and a lease liability from the initial application date i.e. 1 January 2019 or the commencement date of a lease contract. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the initial application date or commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Bank by the end of the lease term or the cost of the right-of-use asset reflects that the Bank will exercise a purchase option. In that case the right-of-use assets will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the initial application date or commencement date, discounted at the Bank's weighted average rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, the Bank determines whether the arrangement is or contains a lease.

At inception or reassessment of an arrangement that contains a lease, the Bank separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair value. If the Bank concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Bank's incremental borrowing rate.

(ii) Right of use assets

At the commencement date (the date on which the underlying asset are available for use by a lessee or the right of use or control transferred to the lessee) the lessee shall recognize and measure the right-of-use asset at cost.
The cost of the right-of-use asset shall comprise:
(a) the amount of the initial measurement of the lease liability.
(b) any lease payments made at or before the commencement date, less any lease incentives received;
(c) any initial direct costs incurred by the lessee; and
(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

After the commencement date, a lessee shall measure the right-of-use asset applying a cost model, unless it falls under the definition of investment property as per IAS 40, or f right-of-use assets relate to a class of property, plant and equipment to which the lessee applies the revaluation model in IAS 16.
To apply a cost model, a lessee shall measure the right-of-use asset at cost:
(a) less any accumulated depreciation and any accumulated impairment losses; and
(b) adjusted for any remeasurement of the lease liability.

(iii) Lease payments

Payments made under operating lease are charged to profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expenses, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.7 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents includes interest-bearing borrowings against securities from Bangladesh Bank and other banks and call borrowing from other banks. These items are reported in the financial statements at the gross value of the outstanding balance.

Details are shown in note 11.

3.8 Deposits and other accounts

Deposits and other accounts include non interest-bearing current deposits redeemable at call, interest bearing on demand and short-term deposits, savings deposits and fixed deposits. These items are reported in the financial statements at the gross value of the outstanding balance.

Details are shown in note 12.

3.9 Other liabilities

Other liabilities comprise items such as provision for loans and advances, provision for taxation, interest payable, interest suspense, accrued expenses etc. Other liabilities are reported in the balance sheet according to the guidelines of Bangladesh Bank, Income Tax Act 2023 and internal policy of the Bank.

Details are shown in note 13.

3.10 Fund deposited with Bangladesh Bank

This represents amounts deposited with Bangladesh Bank in foreign currency as a part of minimum capital requirement. As per Section 24(1) of the Bank Company (amendment) Act, 2013, Banks which are incorporated outside Bangladesh do not require to set aside any reserve out of their profits.

According to subsection 3 of Section 13 of the Bank Company Act, 1991 (Amended up to date) as amended by BRPD Circular no. 18 dated 21 December 2014 and "Guidelines on Risk Based Capital Adequacy for Banks (Basel III) as of December 2014" of Bangladesh Bank, all banks are required to deposit with Bangladesh Bank the higher of Tk. 5,000 million (2023: Tk. 5,000 million) and minimum capital requirement calculated as 10% (2023: 10%) of risk weighted assets.

Details are shown in note 14.

3.11 Contingencies

3.11.1 Contingent liabilities

A contingent liability is:

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or

A present obligation that arises from past events but is not recognized because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

3.11.2 Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. An example is a claim that an entity is pursuing through legal processes, where the outcome is uncertain.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate. A contingent asset is disclosed where an inflow of economic benefits is probable.

3.12 Revenue recognition

3.12.1 Interest on loans and advances

Interest income are recognized in the profit and loss account on an accrual basis.

Interest is accrued on a daily basis and applied to customer accounts every month, quarter and at maturity depending on the product offerings.

In accordance with BRPD circular no. 14 dated 23 September 2012, interest accrued on sub-standard loans and doubtful loans are credited to 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.

3.12.2 Income from investment

Interest income on investments in government and other securities is recognized on accrual basis. Investment income includes interest income, capital gain, and revaluation loss on government securities. Investment income also includes dividend on investment in shares. Dividend income is recognized when the right to receive payment is established. This is the ex-dividend date for the equity securities.

3.12.3 Fees and commission income

The Bank earns fees and commissions from a diverse range of services provided to its customers. Commission on letter of guarantee is recognized on accrual basis. Other fees and commission income is recognized as revenue as the services are provided.

3.12.4 Exchange Income

Exchange income includes all gains and losses from foreign currency transactions.

3.13 Interest paid on borrowings and other deposits

Interest paid on deposits and other accounts except fixed deposit is accrued on a monthly basis, but credited to customer account on half yearly basis. Interest on fixed deposit is accrued on a daily basis and credited to customer account on maturity of fixed deposit. Interest on borrowing from other banks is accrued on a daily basis and paid through Bangladesh Bank account on maturity.

All other expenses are recognized on accrual basis.

3.14 Post employment benefit

The retirement benefits accrued for the employees of the Bank as on reporting date have been accounted for in accordance with IAS 19: Employee Benefits.

3.14.1 Provident fund

Provident fund scheme (defined contribution plan) is given to the eligible staff of the Bank in accordance with the rules of the locally registered provident fund constituted under an irrevocable trust. Payments to the provident fund are charged as expense in the profit and loss as they fall due.

3.14.2 Gratuity fund

The Bank operates a funded gratuity scheme duly approved by the National Board of Revenue. Under this scheme, the Bank's obligation to the members of the scheme is to pay one month's last drawn salary for each year of service on the termination of employment. Members who leave the Bank within the first five years of service are not entitled to any benefits under this scheme. The scheme is considered as a defined benefit plan as it meets the recognition criteria specified for this purpose. The fund is managed in accordance with rules of the locally registered fund constituted under an irrevocable trust.

Actuarial valuation of the gratuity scheme is done periodically to assess the adequacy of the liabilities provided for under the gratuity scheme as per IAS 19 Employee Benefits.

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; that benefit is discounted to determine its present value, and any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation is performed by a qualified actuary using the Projected Unit Credit method.

Actuarial gains and losses that arise are recognized in equity and presented in the statement of Changes in Equity in the period they arise. Past service costs are recognized immediately to the extent that benefits are vested and are otherwise recognized over the average period until benefits are vested on a straight line basis.

3.15 Short-term employee benefits

Short-term employee benefits are employee benefits which fall due wholly within twelve months after the end of the period in which the employee renders the related service, including salaries, bonuses and other allowances.

3.16 Provisions and accrued expenses

In compliance with IAS 37, provisions and accrued expenses are recognized in the financial statements when the Bank has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.17 Provisions for off balance sheet exposures

In compliance with Bangladesh Bank guidelines, off balance sheet items are disclosed under contingent liabilities. As per BRPD Circular No.06 dated 25 April 2023, the Bank is required to maintain provision against different components of off balance sheet exposure as defined in the circular.

Details are shown in note 13.2.

3.18 Provisions on balances with other banks and financial institutions (Nostro accounts)

Provisions made for unsettled debit transactions for more than three months on nostro accounts are reviewed at each balance sheet date by management and certified by external auditors in accordance with Bangladesh Bank Foreign Exchange Policy Department, Circular No. FEOD (FEMO)/01/2005-677 dated 13 September 2005.

Details are shown in note 13.

3.19 Provisions for other assets

BRPD Circular no. 04 dated 12 April 2022 requires provision on other asset items which are outstanding for a certain period. Specific rates are applied for various categories of other assets as defined in the circular.

Details are shown in note 13.

3.20 Provision for taxation

3.20.1 Income tax

Provision for taxation has been calculated using tax rates as prescribed in the Income Tax Act (ITA) 2023 and relevant Special Regulatory Orders (SROs) and any adjustment to tax payable in respect of previous years.

3.20.2 Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of prior years.

Provision for taxation for the year ended 31 December 2024 has been made on the basis of the provisions of the Income Tax Act 2023 and the Finance Act 2023. Currently the income tax rate applicable for banks is 40%.

3.20.3 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax relating to unrealized surplus on revaluation of held for trading (HFT) securities are recognized directly in revaluation reserve as part of equity and is subsequently recognized in profit and loss account on maturity of the security and disposal of land and buildings.

Details are shown in note 13.4.2.

3.21 Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.22 Reconciliation of inter-bank/inter-branch account

Books of account with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled and no material differences were found which may affect the financial statements significantly.

3.23 Core risk management

BRPD circulars no.17 dated 07 October 2003, BRPD circular no. 04 dated 05 March 2007 and DOS circular no. 2 dated 15 February 2012 require banks to put in place an effective risk management system. The risk management system of the Bank covers the following six broad risk areas:

- Credit risk
- Foreign exchange risk
- Asset liability management risk
- Money laundering risk
- Internal control and compliance risk
- Information and communication risk
- Technology security risk

The prime objective of the risk management is that the Bank undertakes well calculated business risks to safeguard its capital, financial resources and growth of sustainable profitability. In this context, the Bank has formed a risk management committee to overview regular monitoring of those critical risk areas.

3.23.1 Credit risk

Credit risk is one of the major risks faced by the Bank. This can be described as the situation when a borrower or counterparty of the Bank will fail to meet its obligations in accordance with agreed terms and conditions. To assess and to mitigate the credit risk, the Bank has policies and procedures in place, which is considered an important tool for retaining the quality and performance of the assets. Accordingly, the Bank's credit risk management functions have been designed to address all these issues including risks that arises from global changes in banking, finance and related issues.

The Bank has defined segregation of duties for all credit risk related activities like credit approval, administration, monitoring and recovery functions.

3.23.2 Foreign exchange risk

Foreign exchange risk is defined as situation when change in earnings may happen due to unfavourable change in foreign exchange rates and the relevant currency position of the Bank. Treasury front office conducts deal for commercial purpose and back office of the treasury keep records and passes entries in books of accounts. As per Bangladesh Bank guidelines, the Treasury Department is operationally and physically divided into front office and back office to mitigate any risk. Separate telephone were installed in the dealing room to meet Bangladesh Bank guidelines. In addition, the Bank has also implemented strong monitoring and control by setting limits on approval of a deal, net open position, maximum loss per day/month and DV01, which are monitored on a regular basis.

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3.23.3 Asset liability management risk

Changes in market liquidity and/or interest rate exposes Bank's business to the risk of loss. The Bank has an Asset Liability Committee (ALCO) which is responsible for managing short-term and long-term liquidity to ensure that the Bank has adequate liquidity at all times and at the most appropriate funding cost. ALCO reviews liquidity requirements of the Bank, maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan. The Asset Liability Committee also monitors Balance Sheet risk, which is defined as potential changes in earnings due to changes in rate of interest and exchange rates which are not of trading nature.

3.23.4 Prevention of money laundering

Money Laundering and Terrorist Financing have potentially devastating economic, security and social consequences. Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention, detection and reporting of money laundering. For mitigating the risk, Citi has established and maintains a Global AML Program that is commensurate with Citi's risk profile, approved by Citi's Board of Directors and noted in the Board minutes. This Policy, together with the Global AML KYC Customer Identification Program, constitute Citi's Global AML Program. The program is supported by other written policies and procedures, including the Global AML Know Your Customer Policy, the Global Transaction Monitoring Policy, and other related Standards and Procedures, and provides a globally consistent system of controls to identify and mitigate AML risks and comply with AML laws and regulations. To protect Citi, from being used to launder money and/or terrorist financing, and to guide all Citi employees as they conduct business in accordance with applicable anti-money laundering and counter-terrorist financing (collectively "AML") laws and regulations training has been continuously given to all the categories of Executives and Officers for developing awareness and skill for ensuring compliance with the AML laws and regulations.

3.23.5 Internal control and compliance risk

The internal control environment is the framework under which internal controls are developed, implemented and monitored. It consists of the mechanisms and arrangements that ensure internal and external risks to which the Bank is exposed are identified; appropriate and effective internal controls are developed and implemented to soundly and prudently manage these risks; reliable and comprehensive systems are to be put in place to appropriately monitor the effectiveness of these controls.

The Bank being one of the largest global banks has established an appropriate and effective internal control environment to ensure that the Bank is managed and controlled in a sound and prudent manner. The factors which together comprise the control environment are:

a) Management Committee (MANCOM) that is actively concerned with sound corporate governance and that understands and diligently discharges its responsibilities by ensuring that the Bank is appropriately and effectively managed and controlled;

b) Business Unit managements are those actively manage and operate the Bank in a sound and prudent manner; and

c) Control mechanism to monitor the effectiveness of the organizational and procedural controls is in place. An independent internal audit to engage a risk-based methodology in conducting periodic audits for the various businesses and functions in Bangladesh.

Three Lines of Defense:

Citi uses a lines of defense model as a key component of its Enterprise Risk Management (ERM) Framework to manage its risks. The lines of defense model brings together risk-taking, risk oversight, and risk assurance under one umbrella and provides an avenue for risk accountability of the first line of defense, a construct for effective challenge by IRM and ICRM ("second line of defense") and empowers independent risk assurance by Internal Audit ("third line of defense"). In addition, the lines of defense model includes organizational units tasked with supporting a strong control environment ("enterprise support functions").

The first, second and third lines of defense, along with enterprise support functions, have distinct roles and responsibilities and are empowered to perform their relevant risk management processes and responsibilities outlined in the ERM Framework and supporting suite of policy documents in order to manage Citi's risks in a consistent and effective manner.

First Line of Defense: The first line of defense ("first line") owns the risks and associated controls inherent in, or arising from, the execution of their business activities and is responsible for identifying, measuring, monitoring, controlling and reporting those risks consistent with Citi's strategy, Mission and Value Proposition, Leadership Principles and risk appetite. The first line is subject to the oversight and challenge of IRM/ICRM. The first line is comprised of the following front including Business Management and Front line units including Enterprise Support Functions (Human Resources, Legal, Finance etc.)

Second Line of Defense: The second line of defense ("second line") is independent of the first line. The second line is responsible for overseeing the risk-taking activities of the first line and challenging the first line in their execution of their risk management responsibilities. It is also responsible for independently identifying, measuring, monitoring, controlling and reporting aggregate risks and for setting standards for the management and oversight of risk.

The second line is comprised solely of IRM (Independent Risk Management) and ICRM (Independ Compliance Risk Management) and is led by the Group Chief Risk Officer (CRO) and Group Chief Compliance Officer respectively.

Third Line of Defense: The third line of defense ("third line") is independent of the first line, second line and enterprise support functions. The third line of defense is comprised solely of Internal Audit.

The role of Internal Audit, as set out in the Internal Audit Charter, is to provide independent, objective, reliable, valued and timely assurance to the Board, the Board Audit Committees, senior management and regulators over the effectiveness of governance, risk management and controls that mitigate current and evolving risks and enhance the control culture within the Bank.

3.23.6 Information technology risk

The Bank has an in-country Information Technology (IT) department for the support and services of IT systems locally, backed by a regional and global IT support team to manage core group-wide IT systems and processes. The Business Recovery Plan (BRP) is in place to support business incase of any disaster. The governance process(quarterly assessment, monthly governance review etc.) is in place to manage all kinds IT risks and to comply with group and regulatory requirement.

3.23.7 Audit committee

According to BRPD Circular No. 12 dated 23 December 2002, all banks are advised to constitute an audit committee comprising of member of the board. The audit committee will assist the board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plan set by board for the effective functioning of the Bank. The committee will review the financial reporting process, the system of internal control and management of the financial risk, the audit process and the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

The Bank, being a branch of a foreign bank, does not have a local board of directors from whom to select an Audit Committee but there is a Business Risk, Compliance and Control Committee (BRCC) where all risk issues are discussed, action points set to mitigate risks identified and documented. However, the Bank obtained formal dispensation from the Banking Regulation and Policy Department of Bangladesh Bank as regards to the formation of the committee as suggested in the BRPD Circular No 12 dated 23 December 2002.

3.23.8 Interest Rate Risk

Interest rate risk may arise either from trading portfolio or from non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills and bonds of different maturities as far as Interest rate risk is concern. Interest rate risk arises from mismatches between the future yield of an asset and their funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis and the Bank's Markets Treasury team actively manages the Balance Sheet gap to reduce the risk.

3.23.9 Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. Operational risk is inherent in the Bank's activities and as with other risk types is managed through an overall framework with checks and balances that include implementation of three line of defense, recognized ownership of the risk by the businesses and independent risk management oversight.

The operational risk policy codifies the core governing principles for operational risk management and provides a framework for operational risk. In accordance with the policy, each business area is responsible to identify its key operational risks as well as the controls established to mitigate those risks and to ensure compliance with laws, regulations, regulatory administrative actions and the Bank's policies.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the reputation of the Bank's reputation with overall cost effectiveness and innovation. In all cases, the bank's policy requires compliance with all applicable legal and regulatory requirements.

3.23.10 Operating Environment

The Bank's operating environment during the year ended 2024 were impacted by a number of major global geo-political events and conflict, volatile fuel and commodity price, unpredictable foreign exchange and interest rate etc. Most of these events also had significant impact in the local economic environment affecting the Bank's operation. From time to time, the Government of Bangladesh and the local Central Bank (Bangladesh Bank) has issued various directives to manage impacts from these events which the Bank has followed. Management on regular basis review and monitor the global and country specific macro-economic situation and factor these issues into the decision making process. However, the long-term effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from the actual results.

3.24 Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Bank has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

3.25 Comparatives

Figures of previous year have been rearranged whenever considered necessary to conform to current year's presentation. IAS 8: Accounting policies, Changes in Accounting Estimates and Errors requires an entity to correct material prior period errors retrospectively by restating the comparative amounts for the prior period presented in which the error occurs. No corrections of errors were made in the current period.

To enhance the financial statement presentation in line with the BRPD circular reference no: 17 dated 25 June 2003, the bank has renamed the heading in the note 4, from Cash (including Foreign currency) to Cash, Cash in hand to Cash in hand (including foreign currencies), Balances with Bangladesh Bank and its agent bank(s) to Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies), in note 5, inside Bangladesh to In Bangladesh; Loans, cash credits, overdrafts to Loans, cash credits, overdrafts etc in note 8; Equity to Capital in Balance sheet; Profit and loss account to Surplus in Profit and Loss Account in note 16; Government securities to Government, Other investments to Other in note 7. In note 10.1, Accounts receivable has been broken down and new line named Payment of advance tax for appeal has been added.

3.26 Operating segments

The Bank has no identified operating segment and as such presentation of segmental reporting is not made in the financial statements as per IFRS 8.

3.27 Going Concern

These financial statements have been prepared on the assessment of the bank's ability to continue as a going concern. Citibank N.A Bangladesh branches has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the bank's ability to continue as a going concern.

3.28 Events after the reporting period

All material events after the reporting period are considered and where necessary, adjusted for or disclosed in accordance with IAS 10: Events after the reporting period.

3.29 Standard issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning on 1 January 2024. However, none of these new and amended standards are expected to have a significant impact on the Bank's financial statements.

The following new standards and amendments to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted, but the Bank has not early adopted. However, none of these new and amended standards are expected to have a significant impact on the Bank's financial statements.

- Lack of exchangeability- Amendments to IAS 21
- Classification and measurement of financial instruments- Amendments to IFRS 9 and IFRS 7
- Annual improvements to IFRS accounting standards- Volume 11
- IFRS 18 Presentation and disclosure in financial statements
- IFRS 19 Subsidiaries without public accountability: Disclosures

4 Cash

In BDT	Note	31 December 2024	31 December 2023
Cash in hand (including foreign currencies)			
Local currency		190,933,126	156,215,542
Foreign currencies		9,903,789	5,439,176
		200,836,915	**161,654,718**
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)			
Local currency		7,532,734,216	4,009,249,505
Foreign currencies		7,662,306,562	8,930,539,933
		15,195,040,778	**12,939,789,438**
Balance with Sonali Bank Limited (as agent of Bangladesh Bank)			
Local currency		-	-
		15,395,877,693	**13,101,444,156**

Foreign currency balance with Bangladesh Bank includes USD 57,698,043.95, equivalent to BDT 6,923,765,274 (2023: BDT 6,346,784,835) maintained as capital. It has been adjusted for exchange rate differences resulting from revaluation at BDT 120.00 (2023: BDT 110).

4.1 Reconciliation with clearing accounts statement from Bangladesh Bank

There were no unidentified transactions appearing in the Bank's balances with Bangladesh Bank as at 31 December 2024. Transactions up to 5 June 2024 were completely adjusted. For the remaining balances, the unadjusted items have been identified and a reconciliation process is in place.

4.2 Cash Reserve Ratio (CRR) and Statutory Liquidity Reserve

Cash Reserve Ratio (CRR) and Statutory Liquidity Reserve (SLR) have been calculated and maintained in accordance with Section 33 of the Bank Company Act, 1991 (Amended upto date) and of instructions contained in MPD Circular nos. 1 dated 23 June 2014, DOS Circular No. 1 dated 19 Jan 2014, MPD Circular no. 1 dated 03 April 2018, MPD Circular no. 03 dated 09 April 2020, BRPD Circular no. 31 dated 18 June 2020 and FE Circular No. 07 dated 29 February 2024 issued by Bangladesh Bank.

The statutory Cash Reserve Ratio on the bank's time and demand liabilities has been calculated and maintained with Bangladesh Bank in current account, bi-weekly at the rate of 4% for onshore and daily at the rate of 3.5% for onshore. As per FE Circular No. 07 dated 29 February 2024, the Bank is not required to maintain any CRR with Bangladesh Bank for its off-shore banking operations. Cash reserve ratio maintained by the Bank is shown below:

4.2.1 Cash Reserve Ratio (CRR)

In BDT	Note	31 December 2024	31 December 2023
Daily 3.5% (onshore) of average demand and time liabilities:			
Required reserve		2,007,728,355	2,038,265,003
Actual reserve held		7,329,416,703	3,850,703,671
Surplus		**5,321,688,348**	**1,812,438,668**
Bi-weekly 4% of average demand and time liabilities of onshore book:			
Required reserve		2,294,546,691	2,360,461,709
Actual reserve held	Annexure G	5,578,337,049	3,435,211,414
Surplus		**3,283,790,358**	**1,074,749,705**

4.2.2 Statutory Liquidity Reserve (SLR)

As per new MPD circular no. 1 dated 23 June 2014 and DOS circular letter 26 dated 29 August 2019 (effective from 2019), 13% SLR has been maintained on the Bank's time & demand liabilities for both onshore and offshore banking operations in the form of treasury bills, bonds and debentures including foreign currency balance with Bangladesh Bank. Statutory Liquidity Reserve maintained by the Bank, is shown below:

In BDT	Note	31 December 2024	31 December 2023
Required reserve		8,612,198,119	8,377,114,370
Actual reserve held with Bangladesh Bank	4.2.3	25,880,276,953	19,402,615,237
Surplus		**17,268,078,834**	**11,025,500,867**

4.2.3 Actual reserve held for Statutory Liquidity Reserve

In BDT	Note	31 December 2024	31 December 2023
Cash in hand		200,836,915	161,654,718
Surplus balance with Bangladesh Bank for SLR		5,034,869,703	1,490,241,670
Balance with agent bank (Sonali Bank Ltd.) as per statement		-	-
Government treasury bills		20,402,257,620	17,004,099,822
Government treasury bonds		242,051,215	746,447,528
Bangladesh Bank Bill		-	-
Prize bond		261,500	171,500
Reverse Repo		-	-
		25,880,276,953	**19,402,615,237**

5 Balance with other banks and financial institutions

In BDT	Note	31 December 2024	31 December 2023
In Bangladesh	5.1	3,509,789	64,055,530
Outside Bangladesh	5.2	19,259,042,080	17,640,560,059
		19,262,551,869	**17,704,615,589**

5.1 In Bangladesh

In BDT	Note	31 December 2024	31 December 2023
Current account			
Prime Bank Ltd.		2,200,375	17,844,071
Sonali Bank Ltd.		-	6,482,002
Southeast Bank Ltd.		1,309,414	8,536,787
		3,509,789	**32,862,860**
Short notice deposit (SND)			
Sonali Bank Ltd.		-	31,192,670
Time placement		-	-
		-	-
		3,509,789	**64,055,530**

5.2 Outside Bangladesh

In BDT	Note	31 December 2024	31 December 2023
Interest bearing current account			
Citibank, Australia (AUD)		81,450	232,936
Citibank, Canada (CAD)		54,504	60,515
Citibank, Hong Kong (HKD)		110,483	75,487
Citibank, Ireland (EUR)		104,756,637	54,506,141
Citibank, Karachi (USD)		131,415,990	107,761,876
Citibank, London (CHF)		472,126	412,532
Citibank, London (GBP)		1,928,375	1,380,518
Citibank, London (EUR)		99,903,953	33,208,428
Citibank, London (DKK)		82,106	80,325
Citibank, London (SEK)		76,037	77,099
Citibank, Mumbai (USD)		944,429,495	509,462,165
Citibank, New York (USD)		17,973,160,772	14,728,838,289
Citibank, Norway (NOK)		50,269	18,748
Citibank, Singapore (SGD)		312,151	619,922
Citibank, Sri Lanka (USD)		375,110	343,851
Citibank, Tokyo (JPY)		1,832,622	3,481,227
		19,259,042,080	**15,440,560,059**
Time placement:			
Citibank, Singapore (USD)		-	2,200,000,000
		19,259,042,080	**17,640,560,059**

Details are shown in Annexure C.

5.3 Maturity grouping of balance with other banks and financial institutions

In BDT	Note	31 December 2024	31 December 2023
Repayable on demand		19,262,551,869	15,504,615,589
Not more than one months		-	2,200,000,000
Over one month but not more than three months		-	-
Over three months but not more than one year		-	-
Over one year but not more than five years		-	-
Over five years		-	-
		19,262,551,869	**17,704,615,589**

6 Money at call on short notice

In BDT	Note	31 December 2024	31 December 2023
In Bank:			
Pubali Bank Limited		-	1,300,000,000
The City Bank Limited		-	940,000,000
Agrani Bank Limited		-	400,000,000
		-	**2,640,000,000**

7 Investments

In BDT	Note	31 December 2024	31 December 2023
Government	-	20,644,570,336	17,750,718,850
Other	-	6,000,000	6,000,000
		20,650,570,336	**17,756,718,850**

7.1 Government

Government securities

In BDT	Note	31 December 2024	31 December 2023
Treasury bills	7.2	20,402,257,620	17,004,099,822
National investment bond		-	-
Bangladesh Bank bills		-	-
Government treasury bonds	7.2	242,051,216	746,447,528
Government notes/bond		-	-
Prize bonds		261,500	171,500
		20,644,570,336	**17,750,718,850**

7.2 Other

Other investments (unquoted)

In BDT	Note	31 December 2024	31 December 2023
Central Depository Bangladesh Ltd. (CDBL)*		6,000,000	6,000,000
Debentures and bond		-	-
Other investment		-	-
Gold, etc.		-	-
		6,000,000	**6,000,000**

*The Bank holds 3,000,000 ordinary shares in CDBL of Taka 10 each which is inclusive of 2,400,000 bonus shares and 600,000 fully paid up ordinary shares.

7.2.1 Classification of treasury bills and government treasury bonds

In BDT	Note	31 December 2024	31 December 2023
Held to maturity (HTM)			
Treasury bills		-	-
Treasury bonds		-	-
		-	-
Held for trading (HFT)			
Treasury bills	7.3	20,402,257,620	17,004,099,822
Treasury bonds	7.3	242,051,216	746,447,528
Bangladesh Bank bills		-	-
		20,644,308,836	**17,750,547,350**
		20,644,308,836	**17,750,547,350**

7.3 Category wise grouping of treasury bills and government bonds

In BDT	Note	31 December 2024	31 December 2023
Treasury bills			
Held to Maturity Securities (HTM)			
30 days Bangladesh Bank bills		-	-
91 day treasury bills		-	-
182 day treasury bills		-	-
364 day treasury bills		-	-
2 years treasury bills		-	-
5 year treasury bonds		-	-
		-	-
Held For Trading Securities (HFT)			
7 days Bangladesh Bank bills		-	-
30 days Bangladesh Bank bills		-	-
91 day treasury bills		13,895,208,729	10,166,846,309
182 day treasury bills		2,729,022,424	393,206,995
364 day treasury bills		3,778,026,467	6,444,046,518
2 years treasury bills		-	-
5 year treasury bonds		-	-
		20,402,257,620	**17,004,099,822**
Total treasury bills		**20,402,257,620**	**17,004,099,822**
Government Bonds			
Held to Maturity Securities (HTM)			
1 year bond		-	-
3 years bond		-	-
5 years bond		-	-
15 years bond		-	-
20 years bond		-	-
		-	-
Held For Trading Securities (HFT)			
1 year bond		-	-
2 years bond		189,409,883	-
5 years bond		52,641,333	495,808,334
10 years bond		-	250,639,194
15 years bond		-	-
20 years bond		-	-
		242,051,216	**746,447,528**
Total government bonds		**20,644,308,836**	**17,750,547,350**

7.4 Cost and market value of investments

In BDT	Note	31 December 2024	31 December 2023
Treasury bills (including Bangladesh Bank bills):			
Face value of HFT securities		20,733,900,000	17,250,000,000
Unamortised amount		(333,394,643)	(201,794,406)
MTM gain (charged in Equity)		2,536,273	5,607
MTM loss (charged in P&L)		(784,010)	(44,111,379)
Market value		**20,402,257,620**	**17,004,099,822**
Government bond:			
Face value of HFT securities		245,100,000	749,700,000
Unamortised amount		(4,629,329)	(1,001,331)
MTM gain (charged in Equity)		1,779,611	5,130,415
MTM loss (charged in P&L)		(199,066)	(7,381,556)
Market value		**242,051,216**	**746,447,528**
Prize bond		261,500	171,500
Central Depository Bangladesh Ltd. (CDBL)*		6,000,000	6,000,000
		20,650,570,336	**17,756,718,850**

*As per last audited financial statement of CDBL, Net Asset Value (NAV) per share is higher than the cost price of the investment.

7.5 Maturity grouping of investments

In BDT	Note	31 December 2024	31 December 2023
Repayable on demand		261,500	171,500
Not more than one month		14,657,344,334	8,566,952,954
Over one month but not more than three months		2,461,165,419	6,964,720,484
Over three months but not more than one year		3,408,678,858	2,218,873,912
More than one year but less than five years		117,120,225	-
Over five years		6,000,000	6,000,000
		20,650,570,336	**17,756,718,850**

7.6 Repo and Reverse-repo (other than Repo under ALS program)

There were no repo outstanding as at 31 December 2024 and 31 December 2023.

8 Loans and advances

In BDT	Note	31 December 2024	31 December 2023
Loans, cash credits, overdrafts etc	8.1	14,130,128,604	13,597,988,505
Bills purchased and discounted		10,613,984,273	11,393,915,107
		24,744,112,877	**24,991,903,612**

8.1 Loans, cash credits, overdrafts

In BDT	Note	31 December 2024	31 December 2023
Inside Bangladesh			
Continuous loan		215,731,052	262,181,645
Demand loan		13,604,494,379	13,206,678,826
Fixed term loan		8,021,923	28,041,923
Staff loan		-	-
Short-term agricultural & micro-credit		301,881,250	101,086,111
		14,130,128,604	**13,597,988,505**
Outside Bangladesh		-	-
		14,130,128,604	**13,597,988,505**

8.2 Maturity grouping of loans and advances including bills purchased and discounted

In BDT	Note	31 December 2024	31 December 2023
Repayable on demand		223,752,975	270,203,569
Not more than one month		49,532,081	3,073,883,425
More than one month but not more than three months		1,010,431,394	10,711,173,295
More than three month but not more than one year		23,460,396,427	10,936,643,323
More than one year but not more than five years		-	-
More than five years		-	-
		24,744,112,877	**24,991,903,612**

8.3 Analysis of significant concentration of loans and advances including bills purchased and discounted

In BDT	Note	31 December 2024	31 December 2023
Advances to allied concerns of directors		-	-
Advance to chief executive and other senior executives:			
Citi Country Officer		-	-
Other senior executives and staff of the Bank		-	-
		-	-
Advances to customers' group	8.4	19,082,618,432	16,727,325,768
Industry wise	8.5	24,744,112,877	24,991,903,612
Geographical location wise	8.6	24,744,112,877	24,991,903,612

8.4 Advances to customers' group (number of clients with amount of outstanding and classified loans to whom loans and advances sanctioned exceeds 10% of total capital of the Bank)

In BDT	Note	31 December 2024	31 December 2023
Number of the clients		39	23
Amount of outstanding advances		19,082,618,432	16,727,325,768

8.5 Particulars of loans and advances - industry wise

In BDT	Note	31 December 2024	31 December 2023
Agriculture (dairy, poultry, nursery, hatchery etc.)		301,881,250	101,086,111
Readymade garments		1,885,049,300	1,925,475,702
Pharmaceutical industries		2,263,220,800	2,050,053,322
Chemical industries		3,483,111,600	4,841,941,488
Fuel & electricity		-	159,817,341
Agro based industries		2,591,987,500	3,250,284,728
Telecommunication		8,021,923	1,524,696,923
Financial corporation		515,652,777	1,580,461,389
Others*		13,695,187,727	9,558,086,608
		24,744,112,877	**24,991,903,612**

* Others includes mainly food manufacturing, beverage, tobacco, leather products, electrical machinery, transport equipment, cement, telco, consumer goods sectors.

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8.6 Particulars of loans and advances - geographical location wise

In BDT	31 December 2024		31 December 2023	
	%	Loan outstanding	%	Loan outstanding
Dhaka division	100.00%	24,744,112,877	100.00%	24,991,903,612
Chattogram division	0.00%	-	0.00%	-
	100%	**24,744,112,877**	**100%**	**24,991,903,612**

8.7 Classification of loans and advances

In BDT	31 December 2024		31 December 2023	
	%	Loan outstanding	%	Loan outstanding
Unclassified:				
Standard	99.97%	24,736,090,954	99.97%	24,983,881,689
Special mention account	0.00%	-	0.00%	-
	99.97%	**24,736,090,954**	**99.97%**	**24,983,881,689**
Classified:				
Substandard	0.00%	-	0.00%	-
Doubtful	0.00%	-	0.00%	-
Bad/loss	0.03%	8,021,923	0.03%	8,021,923
	0.03%	**8,021,923**	0.03%	8,021,923
	100.00%	**24,744,112,877**	**100.00%**	**24,991,903,612**

8.8 Particulars of loans and advances

In BDT	Note	31 December 2024	31 December 2023
i) Loans considered good in respect of which the banking company is fully secured;		24,736,090,954	24,983,881,689
ii) Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;		-	-
iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor;		-	-
iv) Loans adversely classified; provision not maintained thereagainst;		-	-
v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons;		-	-
vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in 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;		-	-
viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in case of private companies as members;		-	-
ix) Due from banking companies		-	-
x) Classified loans for which interest has not been charged:			
(a) Increase/(Decrease) of provision (specific)		-	75,500
Amount of loans written off		-	-
Amount realised against the loan previously written off		4,312,126	-
(b) Provision against the loan classified as bad/loss at the date of balance sheet;		8,021,923	8,021,923
(c) Amount in interest suspense account;		-	-
xi) Loans written off:			
Current year		-	212,773,705
Cumulative to-date		212,773,705	212,773,705
The amount of written off loans for which lawsuit filed		208,461,578	212,773,705

8.9 Particulars of required provision for loans and advances

In BDT	31 December 2024				31 December 2023
	Outstanding	Base for provision	% of required provisio	Required provision	Required provision
Unclassified-general provision					
All unclassified loans (other than small enterprises, housing finance, loan to MBs, loans for professional, consumer financing and special mention account)	20,263,722,551	20,263,722,551	1.00%	202,637,226	216,826,065
Small and medium enterprise financing	4,170,487,153	4,170,487,153	0.25%	10,426,218	8,000,473
Loan to BHs/MBs/SDs against shares	-	-	2.00%	-	-
Housing and loan for professional	-	-	1.00%	-	-
Consumer finance	-	-	2.00%	-	-
Agriculture finance	301,881,250	301,881,250	1.00%	3,018,813	1,010,861
Special Mention Account (SMA)	-	-	1.00%	-	-
Required general provision				**216,082,257**	**225,837,399**
Classified - specific provision					
Sub-standard and doubtful - Agricultural loans	-	-	5.00%	-	-
Sub-standard	-	-	20.00%	-	-
Doubtful	-	-	50.00%	-	-
Bad/loss	8,021,923	8,021,923	100.00%	8,021,923	8,021,923
Required specific provision				**8,021,923**	**8,021,923**

In BDT	*Note*	31 December 2024	31 December 2023
Required provision for loans and advances		224,104,180	233,859,322
Total provision maintained		224,106,923	233,861,923
Excess provision as at 31 December		**2,743**	**2,601**

8.10 Bills purchased and discounted excluding treasury bills

In BDT	Note	31 December 2024	31 December 2023
In Bangladesh		10,613,984,273	11,393,915,107
Outside Bangladesh		-	-
		10,613,984,273	**11,393,915,107**

8.11 Maturity wise bills purchased and discounted

In BDT	Note	31 December 2024	31 December 2023
Payable within one month		49,532,081	1,240,500,706
Payable over one month but within three months		96,020,630	3,596,178,123
Payable over three months but within six months		5,116,193,766	4,013,105,668
Payable over six months		5,352,237,796	2,544,130,610
		10,613,984,273	**11,393,915,107**

9 Fixed assets including premises, furniture and fixtures

In BDT	Note	31 December 2024	31 December 2023
Premises used by the Bank		-	-
Vehicles		-	-
Furniture and fixtures		361,648,981	362,094,747
Office equipment		478,549,427	389,269,300
		840,198,408	751,364,047
Less: Accumulated depreciation			
Vehicles		-	-
Furniture and fixtures		263,969,945	273,853,696
Office equipment		310,599,108	254,791,708
		574,569,053	528,645,404
		265,629,355	**222,718,643**

For details refer to Annexure E.

10 Other assets

In BDT	Note	31 December 2024	31 December 2023
a) Income generating other assets		-	-
b) Non-income generating other assets:			
i) Investments in shares of subsidiary companies		-	-
ii) Stationery, stamps, printing materials in stock		2,485,554	1,472,639
iii) Advance rent and advertisement		-	-
iv) Interest accrued on investment but not collected		8,131,102	18,117,788
v) Commission and brokerage receivable on shares and debentures		-	-
vi) Other income receivables		-	3,769,780
vii) Security deposits		72,198,625	77,452,614
viii) Preliminary, formation and organizational expenses, renovation, development and prepaid expenses		-	-
ix) Branch adjustment		-	-
x) Suspense		-	-
xi) Silver		-	-
xii) Other prepaid expenses		217,311	2,649,827
xiii) Others	10.1	790,161,289	941,696,799
		873,193,881	**1,045,159,447**

10.1 Others

In BDT	Note	31 December 2024	31 December 2023
Foreign exchange revaluation		11,266,971	82,970,314
Deferred tax assets	13.4.2	163,007,931	162,585,621
Overdrawn on deposit account		50,150	56,468
Accounts receivable		34,491,461	39,259,892
Payment of advance tax for appeal		96,351,900	70,601,900
Asset retirement obligation		652,685	1,881,689
Right-of-use (ROU) assets	10.4	484,340,191	584,340,915
		790,161,289	**941,696,799**

10.2 Maturity grouping of other assets

In BDT	Note	31 December 2024	31 December 2023
On demand		-	-
Not more than one month		40,248,380	204,993,366
Over one month but not more than three months		12,628,006	15,604,303
Over three months but not more than one year		77,789,986	75,058,371
Over one year but not more than five years		258,245,345	271,690,144
Over five years		484,282,164	477,813,263
		873,193,881	**1,045,159,447**

10.3 Particulars of required provision for other asset

In BDT	31 December 2024			31 December 2023
	Base for provision	Required provision	Maintained provision	Maintained provision
Accounts receivable	**14,251,081**	**14,251,081**	**14,251,081**	20,536,003

10.4 Right-of-use (ROU) assets

In BDT	31 December 2024	31 December 2023
Opening Balance	584,340,915	663,353,762
Addition during the year	39,064,488	-
Adjustment during the year	(62,147,389)	-
Depreciation charged during the year	(76,917,823)	(79,012,847)
Closing Balance	**484,340,191**	**584,340,915**

11 Borrowings from other banks, financial institutions and agents

In BDT	Note	31 December 2024	31 December 2023
Inside Bangladesh	11.1	-	454,284,212
Outside Bangladesh	11.2	876,624,000	5,743,849,650
		876,624,000	**6,198,133,862**

11.1 Inside Bangladesh

In BDT	Note	31 December 2024	31 December 2023
Secured			
Repayable on demand		-	-
Others - call borrowings		-	-
Collateralized repo with Bangladesh Bank (under ALS programme)		-	-
		-	-
Others borrowings		-	-
EDF (Export Development Fund) from Bangladesh Bank		-	454,284,212
Unsecured		-	-
		-	**454,284,212**

11.2 Outside Bangladesh

In BDT	Note	31 December 2024	31 December 2023
Secured		-	-
Unsecured			
Others borrowings:			
Citibank, N.A. London		-	-
Citibank, N.A. Singapore		876,624,000	5,743,849,650
		876,624,000	**5,743,849,650**

11.3 Maturity wise grouping of borrowings from other banks, financial institutions and agents

In BDT	Note	31 December 2024	31 December 2023
On demand		-	-
Within one month		876,624,000	1,178,849,650
Over one month but within three months		-	4,731,519,460
Over three months but within one year		-	287,764,752
Over one year but within five years		-	-
Over five years		-	-
		876,624,000	**6,198,133,862**

12 Deposits and other accounts

In BDT	Note	31 December 2024	31 December 2023
Current account and other accounts, etc.			
Current account		24,828,728,003	26,527,164,484
Short notice deposits		5,653,752,267	15,047,014,787
Sundry deposits	12.5	9,472,430,790	3,924,908,784
		39,954,911,060	45,499,088,055
Bills payable	12.4	613,062,879	1,217,549,074
Savings deposits		1,027,207,173	533,462,458
Fixed deposits		14,363,360,594	3,330,473,102
		55,958,541,706	**50,580,572,689**

12.1 Classification of deposits from banks and others

In BDT	Note	31 December 2024	31 December 2023
Inter-bank deposits	12.1.1	280,142,713	398,944,982
Other customer deposits		55,678,398,993	50,181,627,707
		55,958,541,706	**50,580,572,689**

12.1.1 Inter bank deposits

In BDT	Note	31 December 2024	31 December 2023
Inside Bangladesh		-	-
		-	-
Outside Bangladesh			
Citibank Europe Plc.		183,072,857	264,248,024
Citibank, New York Foreign Exchange		6,370,672	83,634
Citibank, Mumbai		121,460	88,774,990
Citibank, Colombo		26,342,084	24,160,661
Citibank, London		63,780,112	20,240,955
Citibank, Japan Ltd.		74,090	74,090
Citibank Berhad		381,438	1,362,628
		280,142,713	398,944,982
		280,142,713	**398,944,982**

12.2 Unclaimed deposits for 10 years or more

In BDT	Note	31 December 2024	31 December 2023
Payment order		996,960	1,209,616
		996,960	**1,209,616**

12.3 Maturity wise grouping of deposits and other accounts (based on remaining maturity)

In BDT	2024			2023
	Deposit from inter banks	Deposit from others	Total	Total
Repayable on demand	280,142,713	1,320,224,693	1,600,367,406	1,697,005,126
Repayable within one month	-	6,273,172,719	6,273,172,719	1,413,752,265
Repayable over one month but within six months	-	10,749,978,889	10,749,978,889	5,005,506,444
Repayable over six months but within one year	-	3,792,673,683	3,792,673,683	3,694,747,191
Repayable over one year but within five years	-	33,542,349,009	33,542,349,009	38,769,561,663
Repayable over five years but within ten years	-	-	-	-
	280,142,713	**55,678,398,993**	**55,958,541,706**	**50,580,572,689**

12.4 Bills payable

In BDT	Note	31 December 2024	31 December 2023
Inside Bangladesh		613,062,879	1,217,549,074
Outside Bangladesh		-	-
		613,062,879	**1,217,549,074**

12.5 Sundry deposits

In BDT	Note	31 December 2024	31 December 2023
Deposit of retention quota for exporters (ERQ)		6,583,253,827	440,410,654
Margin deposits		1,155,712,936	1,020,180,088
Vostro accounts		280,142,713	398,944,982
Others		1,453,321,314	2,065,373,060
		9,472,430,790	**3,924,908,784**

13 Other liabilities

In BDT	Note	31 December 2024	31 December 2023
Provision for loans and advances	13.1	224,106,923	233,861,923
Provision for off balance sheet exposures	13.2	223,375,000	288,538,000
Provision for balances with other banks (Nostro accounts)		-	-
Interest suspense account	13.3	-	-
Provision for taxation	13.4	2,053,533,354	1,411,226,815
Liability for tax, VAT and excise duty deducted at source		203,005,820	114,157,778
Foreign exchange revaluation loss		254,699	10,754,470
Interest payable		107,600,297	48,649,567
Accounts payable		327,227,904	291,097,022
Provision for expenses		67,557,853	40,725,727
Unearned income		27,579,979	23,038,013
Bonus payable		70,435,006	77,353,466
Asset retirement obligation		10,039,246	11,798,271
Lease liability	13.6	674,346,562	760,128,250
Start-up fund		103,252,661	64,765,729
Provision for other assets		14,251,081	20,536,003
Net deficit of defined benefit scheme	13.5.1	52,665,914	26,895,408
		4,159,232,299	**3,423,526,442**

13.1 Provision for loans and advances

In BDT	Note	31 December 2024	31 December 2023
Movement in General Provision for unclassified loans and advances			
Balance as at 1 January		225,840,000	165,206,650
Add: Provision made during the year			
On general loans and advances		-	56,996,127
On Special Mention Account		-	-
Effects of changes in exchange rates		7,853,909	3,637,223
		233,693,909	225,840,000
Less: Provision no longer required		17,608,909	-
Effects of changes in exchange rates		-	-
Balance as at 31 December		**216,085,000**	**225,840,000**
Movement in Specific Provision for classified loans			
Balance as at 1 January		8,021,923	162,493,611
Add: Recoveries of amounts previously written off		4,312,127	-
Specific provision made during the year for other accounts		-	75,500
Net charge to profit and loss account		-	-
		12,334,050	162,569,111
Less: Fully provided debt written off		-	154,547,188
Recoveries and provisions no longer required		4,312,127	-
Balance as at 31 December		8,021,923	8,021,923
Total provision on loans and advances		**224,106,923**	**233,861,923**

13.2 Provision for off balance sheet exposures

In BDT	Note	31 December 2024	31 December 2023
Balance as at 1 January		288,538,000	419,178,000
Add: Provision made during the year		-	-
Effects of changes in exchange rates		86,091	130,171
		288,624,091	419,308,171
Less: Provision no longer required		65,249,091	130,770,171
Balance as at 31 December		**223,375,000**	**288,538,000**

13.3 Interest suspense account

In BDT	Note	31 December 2024	31 December 2023
Balance as at 1 January		-	58,226,517
Add: Amount transferred to "interest suspense" account during the year		-	-
		-	58,226,517
Less: Amount of interest suspense recovered		-	-
Amount written off during the year		-	58,226,517
Interest waiver during the year		-	-
		-	58,226,517
Balance as at 31 December		**-**	**-**

13.4 Provision for taxation

In BDT	Note	31 December 2024	31 December 2023
Provision for current tax	13.4.1	2,051,807,000	1,409,172,406
Provision for deferred tax	13.4.2	1,726,354	2,054,409
		2,053,533,354	**1,411,226,815**

13.4.1 Provision for current tax

In BDT	Note	31 December 2024	31 December 2023
Provision			
Balance as at 1 January		1,409,172,406	1,449,156,410
Provision made during the year		2,744,411,217	1,955,427,602
		4,153,583,623	3,404,584,012
Adjustments made during the year		(2,101,776,623)	(1,995,411,606)
Balance as at 31 December		**2,051,807,000**	**1,409,172,406**

Provision for current tax has been made at 40% as prescribed by The Finance Act 2023 on the accounting profit made by the Bank after considering add backs and deductions as per Income Tax Act 2023.

The tax authorities have audited the Bank's tax returns for various accounting years whereby they have demanded an additional amounts of tax. The Bank has challenged these demand as it believes the tax authority's position is unjustified. The appeal of the Bank against these disputed demands from tax authority are pending at various stages like High Court Division of Supreme Court of Bangladesh, Taxes Tribunal, the Commissioner of Taxes Appeal etc. and management has concluded that the current provision is adequate to cover pending demands of tax authority.

13.4.2 Provision for deferred tax

In BDT	Note	31 December 2024	31 December 2023
Deferred tax asset			
Balance as at 1 January		162,585,621	164,136,843
Add: Provision made during the year		198,658	-
Effects of changes in exchange rates		223,652	205,790
		163,007,931	164,342,633
Less: Adjustment made during the year		-	1,757,012
Balance as at 31 December (Annexure - F)		**163,007,931**	**162,585,621**
Deferred tax liability			
Balance as at 1 January		2,054,409	7,150,587
Add: Provision made during the year		-	-
		2,054,409	7,150,587
Less: Adjustment made during the year for revaluation reserve		328,055	5,096,178
Balance as at 31 December		**1,726,354**	**2,054,409**

13.5 Total expense recognized in the profit and loss account relating to the defined benefit plan

In BDT	Note	31 December 2024	31 December 2023
Current service cost		42,538,290	46,544,947
Interest cost		2,958,495	3,995,422
Expected returns on plan assets		-	-
Past service cost		-	-
		45,496,785	**50,540,369**

13.5.1 Net asset/(liability) recognized on the balance sheet in respect of the defined benefit plan

In BDT	Note	31 December 2024	31 December 2023
Citibank, N.A. Bangladesh Branches Employees Gratuity Fund		**(52,665,914)**	**(26,895,408)**

13.5.2 Post-employment defined benefit plans' principal actuarial financial assumptions

In BDT	Note	31 December 2024	31 December 2023
Discount rate		12.50%	11.00%
Salary escalation rate		10.00%	10.00%

13.5.3 Defined benefit plans

The reconciliation of the net liability under the Bank's defined benefit plan is set out below together with the return on plan assets used to measure the net defined benefit plan cost in each year.

In BDT	Note	Expected rates of return 31 December 2024	31 December 2023
Fair value of plan assets:			
Balance with Bank		63,893,157	84,743,394
Treasury bills/bonds		326,600,000	356,600,000
		390,493,157	441,343,394
Defined benefit obligation:			
Present value of funded obligations		443,159,071	468,238,802
Present value of unfunded obligations		-	-
		443,159,071	468,238,802
Net (liabilities)/assets		**(52,665,914)**	**(26,895,408)**

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13.5.4 Changes in the present value of defined benefit obligations

In BDT	Note	31 December 2024	31 December 2023
Opening Balance		468,238,802	470,670,535
Current Service cost		42,538,290	46,544,947
Interest cost		48,463,347	37,165,414
Past Service cost		-	-
Actuarial (gains)/losses		(3,677,947)	(94,728,143)
Experience (gains)/losses		(39,467,441)	32,262,587
Benefits paid		(72,935,980)	(23,676,538)
Closing Balance		**443,159,071**	**468,238,802**

13.5.5 Changes in the fair value of plan assets

In BDT	Note	31 December 2024	31 December 2023
Opening Balance		441,343,394	411,779,786
Interest income on plan assets		45,504,852	33,169,992
Contributions by the Bank		-	19,129,104
Return on plan assets greater/(lesser)than discount rate		(23,419,109)	941,050
Benefits paid during the year		(72,935,980)	(23,676,538)
Closing Balance		**390,493,157**	**441,343,394**

13.5.6 Summary

In BDT	Note	31 December 2024	31 December 2023
Defined benefit obligations		(443,159,071)	(468,238,802)
Fair value of plan assets		390,493,157	441,343,394
Net assets/ (liabilities)		**(52,665,914)**	**(26,895,408)**
Actuarial (gains)/losses		(3,677,947)	(94,728,143)
Return on plan assets greater/(lesser)than discount rate		23,419,109	(941,050)
Experience losses		(39,467,441)	32,262,587
Actuarial (gains)/losses recognized directly in equity		**(19,726,279)**	**(63,406,606)**

13.6 Lease liability

In BDT	31 December 2024	31 December 2023
Opening Balance	760,128,250	819,504,867
Addition during the year	39,064,488	-
Adjustment during the year	(63,488,410)	-
Interest accrued during the year	28,941,031	30,425,672
Payment made during the year	(90,298,797)	(89,802,289)
Closing Balance	**674,346,562**	**760,128,250**

13.7 Maturity wise grouping of other liabilities

In BDT	Note	31 December 2024	31 December 2023
On demand		-	-
Within one month		693,056,012	519,802,375
Over one month but within three months		518,189,196	539,989,729
Over three months but within one year		1,669,429,476	1,115,992,757
Over one year but within five years		883,557,434	856,220,817
Over five years		395,000,181	391,520,764
		4,159,232,299	**3,423,526,442**

14 Equity

The Bank's approach to capital management is driven by a desire to maintain a strong capital base to support the development of its business, to meet the regulatory capital requirements at all times and maintain good credit rating.

14.1 Compliance with capital adequacy regulations

Capital requirements for the banks at a local level are set and maintained by Bangladesh Bank. The capital that the Bank is required to hold is determined by its balance sheet and off balance sheet positions in accordance with guidelines and various circulars on risk based capital adequacy, subject to a minimum threshold. These are explained in greater details in note 14.1.1 below. The Bank has put in place processes and controls to monitor and manage capital adequacy, no breaches were reported during the year.

As per section 13(4) of the Bank Company (amendment) Act, 2013, BRPD circular no. 11 dated 14 August 2008, BRPD circular no. 18 dated 21 December 2014 and BRPD circular no. 18 dated 15 June 2023, the required value of the capital and reserves of the Bank at the close of the business on 31 December 2024 is Tk. 5,000,000,000 or 10% of risk weighted assets whichever is higher. Accordingly the required value of the capital and reserves of the Bank at the close of the business on 31 December 2024 was Tk. 5,000,000,000 (2023: Tk. 5,000,000,000). The Bank's capital was greater than the amount required above.

14.1.1 The calculation of the Capital to Risk Weighted Assets Ratio (CRAR)) has been done as per BRPD circular no. 18 dated 21 December 2014 and guidelines on Risk Based Capital Adequacy (Basel-III) as of December 2014 of Bangladesh Bank. The details of the capital as of 31 December are as follows:

In BDT	Note	31 December 2024	31 December 2023
(A) Total risk weighted assets (RWA)		48,411,835,122	43,268,961,259
10% of risk weighted assets		4,841,183,512	4,326,896,126
(B) Required capital - Higher of 10% of RWA and 5,000,000,000		5,000,000,000	5,000,000,000
Total capital held:			
Common Equity Tier 1 (CET 1 Capital)			
Fund deposited with Bangladesh Bank	14.2	6,923,765,274	6,346,784,835
Retained earnings		13,307,343,036	10,958,456,457
Actuarial gain/(loss)		(36,159,834)	(47,995,601)
Other regulatory adjustment		(1,467,526,486)	(1,138,275,725)
Deferred tax assets on specific provision		(3,048,331)	(3,048,331)
		18,724,373,659	16,115,921,635
Tier 2 Capital			
General Provision		439,460,000	514,378,000
		439,460,000	514,378,000
(C) Total capital		19,163,833,659	16,630,299,635
Surplus capital (C-B)		14,163,833,659	11,630,299,635
Capital adequacy ratio:			
Capital to Risk Weighted Assets Ratio (CRAR)		39.59%	38.43%
Common Equity Tier-1 to RWA		38.68%	37.25%

14.2 Fund deposited with Bangladesh Bank as capital

In BDT	Note	31 December 2024	31 December 2023
The make-up of paid up capital is as follows:			
Capital maintained in FCY (USD 57,698,043.95)		6,923,765,274	6,346,784,835
		6,923,765,274	**6,346,784,835**

15 Other reserves

In BDT	Note	31 December 2024	31 December 2023
Revaluation reserve on HFT securities			
Opening Balance		3,081,613	10,725,881
Addition to revaluation reserve		2,589,530	3,081,613
		5,671,143	13,807,494
Adjustment from revaluation reserve		(3,081,613)	(10,725,881)
Closing Balance		2,589,530	3,081,613
Actuarial gain/(loss)			
Opening Balance		(47,995,601)	(86,039,565)
Charge/(adjustment) for the year		19,726,279	63,406,606
Deferred tax asset/(liability)		(7,890,512)	(25,362,642)
Closing Balance		**(36,159,834)**	**(47,995,601)**
		(33,570,304)	**(44,913,988)**

16 Profit and loss account

In BDT	Note	31 December 2024	31 December 2023
Opening Balance		10,958,456,457	8,824,096,806
Currency translation difference		79,102,996	48,527,057
		11,037,559,453	8,872,623,863
Withdrawal of lien of Capital		-	-
Retained surplus for the year		3,848,693,164	2,772,090,202
Profit remittance		(1,540,422,649)	(658,536,706)
Transfer to start-up fund		(38,486,932)	(27,720,902)
Closing Balance		**13,307,343,036**	**10,958,456,457**

The profit and loss account as at 31 December 2024 includes non-distributable profit of BDT 1,467,526,486 (2023: BDT 1,138,275,725) which is equivalent to accumulated Workers Profit Participation Fund (WPPF) contribution if applicable since 2013. However, WPPF is not permissible as per Bank Companies Act, 1991; but it is a requirement of Bangladesh Labour Act. The banking industry is of the view that WPPF should not be applicable for banks. The Ministry of Finance has expressed its support for this view to the Ministry of Labour. Bangladesh Bank, as well as the Ministry of Finance, has requested the Ministry of Labour to take necessary steps to resolve the matter. Until this matter is resolved, Bangladesh Bank has advised the Bank to earmark the equivalent amount from retained earnings.

17 Contingent liabilities

17.1 Acceptances and endorsements

In BDT	Note	31 December 2024	31 December 2023
Acceptance under letters of credit - Import		4,012,286,410	5,923,517,016
Acceptance under letters of credit - Export		-	-
		4,012,286,410	**5,923,517,016**

17.2 Letters of guarantee

In BDT	Note	31 December 2024	31 December 2023
Letters of guarantee (Local)		506,247,899	454,138,165
Letters of guarantee (Foreign)		726,613,704	971,071,023
		1,232,861,603	**1,425,209,188**
Balance for which the Bank is contingently liable in respect of guarantee issued favoring:			
Government		645,355,899	916,405,644
Banks and other financial institutions		157,457,520	-
Others		430,048,184	508,803,544
		1,232,861,603	**1,425,209,188**

17.3 Irrevocable letters of credit

In BDT	Note	31 December 2024	31 December 2023
Back to back L/C		3,134,237,654	1,015,135,244
Others		8,166,316,624	11,521,385,639
		11,300,554,278	**12,536,520,883**

17.4 Bills for collection

In BDT	Note	31 December 2024	31 December 2023
Bills for collection (Local)		375,610,978	2,113,159,496
Bills for collection (Foreign)		1,631,577,125	930,560,318
		2,007,188,103	**3,043,719,814**

17.5 Other commitments

In BDT	Note	31 December 2024	31 December 2023
Documentary credits and short term trade related transactions		114,990,526	152,807,847
Forward assets purchased and forward deposits placed		1,754,105,841	7,674,734,078
Undrawn formal standby facilities, credit lines and commitments to lend		-	-
Spot exchange rate contracts		-	-
Forward exchange rate contracts		-	-
Other exchange rate contracts		-	-
		1,869,096,367	**7,827,541,925**

17.6 Others

In BDT	Note	31 December 2024	31 December 2023
Value of travelers' cheques on hand		-	-
Value of Bangladesh Sanchaypatra on hand		255,925,000	255,925,000
Value of Bangladesh Bank USD bond on hand		318,060,000	291,555,000
Value of unprocessed cheques		-	-
		573,985,000	**547,480,000**

18 Income statement

In BDT	Note	31 December 2024	31 December 2023
Income			
Interest, discount and similar income	19	3,759,099,189	2,765,176,656
Dividend income	21	6,000,000	6,000,000
Fees, commission and brokerage	22	489,626,563	425,385,964
Gains less losses arising from dealing securities	21	2,437,414,528	1,551,162,262
Gains less losses arising from investment securities		-	-
Gains less losses arising from dealing in foreign currencies	22	1,784,538,092	1,689,121,372
Income from non-banking assets		-	-
Other operating income	23	605,282	(255,202)
Profit less losses on interest rate changes		-	-
		8,477,283,654	**6,436,591,052**
Expenses			
Interest, fees and commission	20	682,878,500	593,201,728
Losses on loans and advances		-	-
Administrative expenses		1,024,088,331	973,724,594
Other operating expenses		202,816,126	184,445,783
Depreciation on banking assets		69,655,613	55,005,317
		1,979,438,570	1,806,377,422
Income over expenditure		**6,497,845,084**	**4,630,213,630**

19 Interest income

In BDT	Note	31 December 2024	31 December 2023
Interest on loans and advances		2,302,749,789	1,454,855,820
Interest on placement with other banks and financial institutions		129,084,645	162,574,269
Interest on balances with other banks and financial institutions		928,994	780,263
Interest on foreign currency balances		1,326,335,761	1,146,966,304
		3,759,099,189	**2,765,176,656**

20 Interest paid on deposits and borrowings

In BDT	Note	31 December 2024	31 December 2023
Interest on deposits		550,878,359	177,295,252
Interest on borrowings		132,000,141	415,906,476
Interest on Repurchase agreement (repo)		-	-
Interest on foreign bank accounts		-	-
		682,878,500	**593,201,728**

21 Income from investments

In BDT	Note	31 December 2024	31 December 2023
Interest income from government securities	21.1	2,399,676,203	1,608,415,091
Capital gain/(loss) on government securities	21.2	38,721,401	(5,759,894)
Revaluation gain/(loss) on government securities	21.3	(983,076)	(51,492,935)
Dividend on investment in shares		6,000,000	6,000,000
Gain on sale of investment in shares		-	-
		2,443,414,528	**1,557,162,262**

21.1 Interest income from government securities

In BDT	Note	31 December 2024	31 December 2023
Interest income on treasury bills and Bangladesh Bank bills		2,264,071,162	1,275,461,890
Interest income on treasury bonds		135,605,041	332,953,201
		2,399,676,203	**1,608,415,091**

21.2 Capital gain/(loss) on government securities

In BDT	Note	31 December 2024	31 December 2023
Capital gain on treasury bill		-	-
Capital gain on treasury bonds		38,721,401	-
		38,721,401	-
Capital loss on treasury bill		-	-
Capital loss on treasury bonds		-	(5,759,894)
		-	(5,759,894)
		38,721,401	**(5,759,894)**

21.3 Revaluation gain/(loss) on government securities

In BDT	Note	31 December 2024	31 December 2023
Revaluation gain on treasury bill		-	-
Revaluation gain on treasury bonds		-	-
		-	-
Revaluation loss on treasury bill		(784,010)	(44,111,379)
Revaluation loss on treasury bonds		(199,066)	(7,381,556)
		(983,076)	(51,492,935)
		(983,076)	**(51,492,935)**

22 Commission, exchange and brokerage

In BDT	Note	31 December 2024	31 December 2023
Commission income			
L/C commission		299,939,996	273,302,903
Collection		75,528,157	49,650,104
Transfer		36,182,270	29,407,566
Service charge		1,851,467	1,380,028
Guarantee		12,158,433	10,313,738
Syndication		-	-
Others		63,966,240	61,331,625
		489,626,563	425,385,964
Exchange income			
Net profit from foreign currency dealings		1,784,538,092	1,689,121,372
		2,274,164,655	**2,114,507,336**

23 Other operating income/(loss)

In BDT	Note	31 December 2024	31 December 2023
Gain/(loss) on sale of fixed assets		503,975	(352,994)
Miscellaneous income/(expense)		101,307	97,792
		605,282	**(255,202)**

24 Salaries and allowances

In BDT	Note	31 December 2024	31 December 2023
Salaries and allowances		617,562,474	577,051,848
Provident fund contribution		38,182,201	36,108,103
Gratuity		45,496,785	50,540,369
Bonus			
Current year expense		70,450,747	77,357,932
Adjustment related to prior year expense		(7,796,018)	(17,524,153)
Total salaries, bonus and allowances		763,896,189	723,534,099
Less: Citi Country Officer's (CCO) salary and allowances		(27,952,089)	(24,113,834)
Total salaries, bonus and allowances excluding CCO's salaries and allowances		**735,944,100**	**699,420,265**

25 Depreciation and repair of bank's assets

In BDT	Note	31 December 2024	31 December 2023
Depreciation on fixed assets*		69,655,613	55,005,317
Repairs and maintenance		56,136,662	51,622,014
		125,792,275	**106,627,331**

*For details refer to Annexure E.

26 Other expenses

In BDT	Note	31 December 2024	31 December 2023
Fuel and maintenance of vehicles		1,605,462	79,756
Membership entrance fee		4,317,951	3,400,433
Outsourced/contract staff costs		57,659,655	59,319,700
Professional fees		4,685,601	977,581
Seminar		3,137,982	4,115,831
Service charge - other bank		9,457,195	8,905,626
Sponsorship, meeting and events		3,867,702	3,444,664
Training		2,676,635	5,238,290
Travelling expenses		1,444,635	2,185,625
Charitable Expenses		8,181,108	3,983,440
Sundry expenses		49,645,538	41,172,823
		146,679,464	**132,823,769**

* Sundry expenses include mainly Freight & Cartage, Cash Handling & Transportation expenses, bank charges etc.

27 Tax expense

In BDT	Note	31 December 2024	31 December 2023
Current tax expenses:			
Current year		2,681,892,429	1,851,672,411
Adjustments for prior years		62,518,788	103,755,191
		2,744,411,217	1,955,427,602
Deferred tax (income)/expenses		(8,089,170)	(23,605,630)
		2,736,322,047	**1,931,821,972**

28 Reconciliation of effective tax rate

In BDT	2024 %	2024 Amount	2023 %	2023 Amount
Profit before tax as per profit and loss account		**6,585,015,211**		4,703,912,174
Income tax using the tax rate	**40.0%**	**2,634,006,084**	40.0%	1,881,564,870
Factors affecting the tax charge for current period				
Non-deductible expenses	**0.84%**	**55,406,857**	1.26%	59,192,568
Deductible expenses	**-0.10%**	**(6,320,512)**	-1.87%	(87,885,027)
Tax exempted income	**0.00%**	**-**	0.00%	-
Dividend income	**-0.02%**	**(1,200,000)**	-0.03%	(1,200,000)
Movement of temporary difference	**-0.12%**	**(8,089,170)**	-0.50%	(23,605,630)
Adjustment for prior years	**0.95%**	**62,518,788**	2.21%	103,755,191
Total income tax expenses	**41.55%**	**2,736,322,047**	**41.07%**	**1,931,821,972**

29 Cash and cash equivalent

In BDT	Note	31 December 2024	31 December 2023
Cash in hand (including foreign currencies)		200,836,915	161,654,718
Balance with Bangladesh Bank & its agent bank (including foreign currencies)		15,195,040,778	12,939,789,438
Balance with other banks and financial institutions		19,262,551,869	17,704,615,589
Money at call on short notice		-	2,640,000,000
91 days treasury bills		13,895,208,729	10,166,846,309
Reverse Repo		-	-
Bangladesh Bank bill		-	-
Prize bond		261,500	171,500
		48,553,899,791	**43,613,077,554**

30 Contingencies

There are no material contingent liabilities at the year end, other than those disclosed as "Off Balance Sheet Items" in the balance sheet and detailed in notes below.

30.1 Claim against the bank not acknowledged as loan for which the bank is contingently liable in respect of guarantees issued favoring:

In BDT	Note	31 December 2024	31 December 2023
Government		-	-
Bank and financial institution		-	-
Others		-	-
		-	-

31 Related party transaction

31.1 Transactions with key management personnel

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

Citibank N.A. Bangladesh Branches, not being incorporated locally, operate in Bangladesh under the Banking license issued by Bangladesh Bank and therefore, for this Bank, the key management personnel, who qualify as related party under IAS 24, refers to Citibank officials located outside Bangladesh.

There were no transactions between the Bank and the key management personnel of the Bank in 2024 (2023: nil).

31.2 Transactions with other related parties

31.2.1 Transactions with Citigroup Global Markets Limited (United Kingdom)

Citigroup Global Markets Limited (hereinafter called CGML) is a subsidiary of Citigroup Inc. which is also the parent company of Citibank N.A. CGML operates the below mentioned accounts in respect of portfolio investment in Bangladesh. The disclosure of the year end balance is considered to be the most meaningful information to represent transactions during the year. These transactions arose in the ordinary course of business and are on substantially the same terms, including interest rates and security, as for comparable transactions with third party counterparties.

The following balances were outstanding as at 31 December:

In BDT	Note	31 December 2024	31 December 2023
NITA (Non-resident Investors Taka Account)		92,134	62,801,500
Foreign Currency Account		7,850,206	7,200,606
		7,942,339	**70,002,105**

31.2.2 Transactions with Vostro Accounts

Some branches of Citibank maintains Vostro accounts with Citibank Bangladesh for interbranch transaction settlement. The disclosure of the year end balance is considered to be the most meaningful information to represent transactions during the year. As at year end, the balance with all vostro accounts (including other branches of Citibank) are given in the Annexure I.

31.2.3 Transactions with Nostro Accounts

Citibank Bangladesh maintains interest bearing nostro accounts with other Citibank branches. The disclosure of the year end balance is considered to be the most meaningful information to represent transactions during the year. As at year end, the balance with all nostro accounts are given in the Annexure C.

31.2.4 Transactions with overseas affiliates

Citi Bangladesh performed certain swift related functions for its overseas affiliates. The rate charged by the Bank to its affiliates is related to issuance of manager's check or for the telegraphic transfer purposes using SWIFT payment. Fee received from such service in 2024 amounted to BDT 17,000 from Citi Berhad, BDT 10,965,000 from Citi Ireland, BDT 92,000 from Citi New York and BDT 4,000 from Citi London.

The bank borrows foreign currency from overseas affiliates for its offshore banking operation. The transactions are done at market rates and are conducted on arm's length basis. As at year end, the amount of borrowing is disclosed in note 11.2.

In the normal course of banking business, the Bank enters into foreign exchange transactions with its affiliates to hedge its foreign exchange exposures. The transactions are done at market rates and are conducted on arm's length basis.

31.2.5 Transactions with post employment benefit plans

The Bank has two post employment benefit schemes, the nature of which is disclosed in note 3.14 Post employment benefits. The amount payable to these schemes or due from these schemes to the Bank as at 31 December 2024 is disclosed in note 13. The total contribution to these schemes in 2024 by the Bank is disclosed in Note 13.5.5.

The responsibility for fund management and administration of these schemes rest with the Trustee's of these schemes, however, these functions are delegated to the Bank's Human Resources Department. The Bank does not charge these schemes any fees for the day to day fund management or administrative services.

As at 31 December 2024, the provident fund has placed deposit of BDT 154,586,349 (2023: BDT 130,863,283) and the gratuity fund had placed deposits of BDT 63,893,157 (2023: BDT 84,743,394) with the Bank.

Interest expense incurred by the Bank on deposits placed by the provident fund in 2024 amounted to BDT 94,787 (2023: BDT 37,851) and on deposit placed by gratuity fund in 2024 amounted to BDT 43,513 (2023: BDT 26,016), both of which are included in the interest expense disclosed in the profit and loss account. These transactions arose in the ordinary course of business and are on substantially the same terms, including interest rates and security, as for comparable transactions with third party counterparties.

32 Credit Rating of the Bank

In accordance with the dispensation given by the Bangladesh bank, the Bank, being a branch of a foreign bank is not required to be credit rated, rather it can use the Credit Rating of its Parent Entity. The Parent Entity's (Citibank, N.A.) ratings as of 31 December 2024 are as follows:

Particulars	Long-Term Bank Deposits
Moody	Aa3
Standard & Poor	A+
Fitch	AA-

33 General

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Citibank, N. A. Bangladesh Branches

Auditors' Report, financial statements and other disclosures as at and for the year ended 31 December 2024

33.1 Exchange rates

The assets and liabilities as at 31 December in foreign currencies have been converted to Taka at the following rates:

In BDT		31 December 2024	31 December 2023
AUD	=	**74.7540**	75.2730
CAD	=	**83.3912**	83.2293
HKD	=	**15.4646**	14.0772
USD	=	**120.0000**	110.0000
CHF	=	**133.0598**	131.5789
GBP	=	**151.0380**	140.8220
EUR	=	**125.2320**	122.4465
DKK	=	**16.7898**	16.4256
SEK	=	**10.9240**	11.0765
NOK	=	**10.5656**	10.8792
SGD	=	**88.4238**	83.5930
JPY	=	**0.7603**	0.7821

33.2 Figures of previous year have been rearranged whenever considered necessary to conform to current year's presentation.

33.3 Figures appearing in these financial statements have been rounded off to the nearest Taka, unless otherwise indicated.

33.4 Sustainable finance activities of the Bank

In 2024, Citibank, N.A., Bangladesh disbursed BDT 2.92 billion loan as Sustainable Finance. The bank did not disburse any term loan during the year, therefore, there was no Green Finance disbursal.

33.5 Verification of financial statements through Document Verification System (DVS)

As per BRPD Circular Letter No. 4/2021, it has been ensured that latest available audited financials are preserved in the credit file of all our clients. In addition to that as per BRPD Circular Letter No. 35/2021, we have been granted access in DVS by The Institute of Chartered Accountants of Bangladesh (ICAB) on 27-Oct-2021 post which we have implemented verification of financials through DVS for all our clients. During 2024, we performed verification for all the clients of our portfolio, and 100% of our clients had DVC in the financials.

33.6 Creation of 'own Stat-up Fund' by Scheduled Banks through transferring 1% of the annual net profit

Pursuant to the SMESPD Circular no 4 dated 29 March 2021, Section 'Kha', all scheduled banks in Bangladesh are instructed to create own 'start-up fund' for disbursement of loan/Investment (for Islamic banks) to 'start-up entrepreneurs'. As per the subsequent amendment through SMESPD Circular no 5 dated 26 April 2021, for five years from 2021 banks shall maintain start-up fund to disburse in favour of 'Start-up entrepreneurs' through mandatory transfer of 1% net profit as per the audited financial statements. It was also stated that during the finalization of annual financial statements 31 for the year ended 31 December 2020, 1% fund transfer from net profit shall mandatorily start. A new account heading named 'start-up fund' shall be created and disclosed in balance sheet under 'other liabilities'.

Loans/investments disbursed from bank's own start-up fund created above shall be subject to maximum simple interest/profit of 4% per annum.

As per the policy maximum tenure of loan/investment from start-up fund shall be 5 years and a grace period of maximum one year can be provided with repayments fixed on quarterly/annual basis. If the customer failed to repay loan/investment on timely basis it shall be classified as per the existing rules. However, the provision requirement is reduced to 5% for sub-standard, 20% for doubtful and 30% for bad/loss.

The Circular also required banks to prepare a specific policy for disbursement of loan/investment from own start-up fund in line with the start-up fund reimbursement policy of Bangladesh Bank and approved by the bank's board of directors.

No further instruction has been issued in relation to the accounting of transactions (i.e. disbursement from the start-up fund and redemption of other liability). Until further instruction is received about the accounting of start-up fund, the Bank has assigned the required amount (1% of net profit) for the use as 'start-up fund' and subsequent disbursement to start-up entrepreneurs. This amount has been considered as appropriation through transfer from profit and loss account and disclosed under other liability.

Once further guideline is received on this matter the Bank will comply with those instructions which may result in reversal of the transaction recorded above.

33.7 Disclosure of willful defaulters

Citibank, N.A., Bangladesh formed its 'Willful Defaulter Identification Unit' on 05 April 2024 as per BRPD Circular No. 06 dated 12 March 2024. The unit is engaged in identification of the willful defaulters, and in 2024 the unit primarily identified 3 legacy classified clients as willful defaulters. However, further formalities around marking the clients so identified shall be completed and reported to the Central Bank in 2025.

33.8 Sustainability and Climate-related financial disclosure

Pursuant to the Bangladesh Bank Guideline on Sustainability and Climate-related financial disclosure issued on 26 December 2023 as per IFRS S1- General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2- Climate-related Disclosure, the Bank has prepared an additional disclosure named "Sustainability and Climate related Financial Disclosure of Citibank, N.A., Bangladesh for 2024" to be submitted to Bangladesh Bank along with these audited financial statements. The Bank is committed to continuously enhance its disclosure to align with the evolving global standards and implementation pathway given by Bangladesh Bank.

34 Number of employees

The number of employees engaged for the whole year or part thereof who received a total yearly remuneration of BDT 36,000 or above were 163 (2023: 172).

35 Highlights on the overall activities

Highlights on the overall activities of the Bank have been furnished in Annexure - A.

36 Events after the balance sheet date

There are no material events that had occurred after reporting period to the date of issue of these financial statements, which could affect the figures stated in the financial statements.

Md Moinul Huq
Citi Country Officer, Bangladesh

S. H. Aslam Habib
Chief Financial Officer, Bangladesh

Sustainability and Climate related Financial Disclosure of Citibank, N.A., Bangladesh for 2024 (Unaudited)

Governance:

Citigroup has a global approach to considering, evaluating, and integrating climate-related risks and opportunities throughout the global organization, including overseeing Citigroup's Net Zero Plan. For more information on Citigroup's Net Zero Plan, please refer to the 2023 Citi Climate Report and the 2023 Citi Climate Report Supplement (URL : https://www.citigroup.com/rcs/citigpa/storage/public/2023-Citi-Climate-Report.pdf; https://www.citigroup.com/rcs/citigpa/storage/public/2023-Citi-Climate-Report-Supplement-Net-Zero-Metrics-Methodology.pdf).

In Bangladesh, the Country Coordinating Committee, CCC (equivalent to local board), is the governance body responsible for the oversight of climate-related risks and opportunities. In addition, Bangladesh Country Risk Management Committee (CRMC) Asset and Liability Committee (ALCO) reports to the CCC and have the oversight responsibility for climate risk management related activities. On a monthly basis, Citibank, N.A., Bangladesh monitors its climate and other sustainability-related risks through its Climate Risk Dashboard which contains exposure details of the legal entity to the Climate Vulnerable Sectors.

Citibank, N.A., Bangladesh's climate-related governance structure continues to evolve as the understanding of its climate-related risks and opportunities grows. The bank's Bangladesh strategy with respect to climate risk management is currently in the process of being developed.

Strategy:

In 2021, Citigroup globally announced its commitment to achieving net zero financed GHG emissions by 2050. In line with this commitment, the bank has set 2030 interim emissions reduction targets for ten lending portfolios: Aluminium, Auto Manufacturing, Aviation, Cement, Commercial Real Estate, Energy, Power, Shipping, Steel and Thermal Coal mining. As of December'2024, Citibank N.A. Bangladesh has a very low percentage of direct exposure to/works with clients within major impacted industries which include Auto Manufacturing sector, Energy sector, Power sector under our corporate banking businesses.

We are aware that customer engagement is key to reaching the Group's net-zero target, however, there is no standard approach that can be applied across all of our customers' respective industries, and no single approach that will enable Citibank, N.A., Bangladesh and our clients to come together to limit global warming to 1.5°C. In this regard, Citibank, N.A., Bangladesh will embrace the Group's strategy of taking an integrated approach to advising clients, financing and facilitating business model transformation to deliver a sustainable economy. At the group level, our Net Zero Transition Principles and our Net Zero Plan provide the foundation for us to implement our goal of achieving net zero operational emissions by 2030 and for our financing by 2050. Our timeline indicating the steps we are taking, at a group level, to achieve our 2030 targets and net zero commitment can be noted in page 21 of the 2023 Citi Climate Report and the 2023 Citi Climate Report Supplement (URL : https://www.citigroup.com/rcs/citigpa/storage/public/2023-Citi-Climate-Report.pdf; ; https://www.citigroup.com/rcs/citigpa/storage/public/2023-Citi-Climate-Report-Supplement-Net-Zero-Metrics-Methodology.pdf).

In the context of its business model in Bangladesh, Citibank, N.A., Bangladesh will consider its current climate-related physical and transition impacts. Physical impacts refer to the consequences of climate change, including temperature, rainfall, cyclones, floods, and sea level rise on Citibank, N.A., Bangladesh. Transition impacts refer to the consequences of economic, regulatory, social, technological, and legal responses to climate change on Citibank, N.A., Bangladesh.

Risk Management:

Citigroup considers Climate Risk as a cross-cutting risk that can manifest through existing risks. Citibank, N.A., Bangladesh adopts Climate Risk Management Framework (CRMF) which is designed to promote a globally consistent approach to managing climate risk. The CRMF details the governance, roles and responsibilities and principles to support the identification, measurement, monitoring, controlling and reporting of climate risks.

The bank monitors its exposures to climate vulnerable sectors on a monthly basis. The report is presented to the senior management through the Country Coordinating Committee, Country Risk Management Committee, Asset Liability Committee. The bank will continue to consider and integrate climate-related matters into our overarching risk management framework and processes, as appropriate. Periodic trainings and knowledge sharing sessions on climate risks are also conducted for employees.

Metrics & Target:

At the group level, our Net Zero Transition Principles and our Net Zero Plan provide the foundation for us to implement our goal of achieving net zero operational emissions by 2030 and for our financing by 2050. Our timeline indicating the steps we are taking, at a group level, to achieve our 2030 targets and net zero commitment can be noted in page 21 of the 2023 Citi Climate Report the 2023 Citi Climate Report Supplement (URL : https://www.citigroup.com/rcs/citigpa/storage/public/2023-Citi-Climate-Report.pdf; https://www.citigroup.com/rcs/citigpa/storage/public/2023-Citi-Climate-Report-Supplement-Net-Zero-Metrics-Methodology.pdf).

Citigroup has committed to Net Zero by 2050 and has to-date set science-based GHG reduction targets for our ten of our highest emitting sectors. As a global bank supporting multi-national clients these targets and sector portfolios are managed at a group level. As such, we currently do not report Scope 3 Category 15 GHG data at a country level. We provide an annual update on our progress to meet these targets in our Climate Report. For further details please see 2023 Citi Climate Report the 2023 Citi Climate Report Supplement (URL : https://www.citigroup.com/rcs/citigpa/storage/public/2023-Citi-Climate-Report.pdf; https://www.citigroup.com/rcs/citigpa/storage/public/2023-Citi-Climate-Report-Supplement-Net-Zero-Metrics-Methodology.pdf).

Annexure - A

Citibank, N.A. Bangladesh Branches

Financial Highlights

In BDT			For the year ended 31 December 2024	2023
1	Capital - fund deposited with Bangladesh Bank	BDT	6,923,765,274	6,346,784,835
2	Total capital	BDT	19,163,833,659	16,630,299,635
3	Capital surplus/deficit	BDT	14,163,833,659	11,630,299,635
4	Capital adequacy ratio (required rate is 10%)	%	39.59%	38.43%
5	Total assets	BDT	81,191,936,011	77,462,560,297
6	Total deposits	BDT	55,958,541,706	50,580,572,689
7	Total loans and advances	BDT	24,744,112,877	24,991,903,612
8	Total contingent liabilities and commitments	BDT	20,995,971,761	31,303,988,826
9	Advances/deposit ratio	%	40.49%	49.41%
10	Classified advances as (%) of total advances	%	0.03%	0.03%
11	Net profit after tax and provisions	BDT	3,848,693,164	2,772,090,202
12	Amount of classified loans	BDT	8,021,923	8,021,923
13	Amount of provisions against classified loans	BDT	8,021,923	8,021,923
14	Provision surplus / (shortage)	BDT	2,743	2,601
15	Interest suspense account	BDT	-	-
16	Interest bearing assets	BDT	72,309,770,355	69,344,743,624
17	Non-interest bearing assets	BDT	8,882,165,656	8,117,816,673
18	Return on investment (ROI)	%	20.55%	17.34%
19	Return on assets (ROA)	%	4.85%	3.63%
20	Incomes from Investment	BDT	2,443,414,528	1,557,162,262
21	Cost of fund*	%	1.44%	0.36%

*Weighted Average interest on Deposit as reported to BBK as at 31 December.

Annexure - B

Citibank, N.A. Bangladesh Branches

Liquidity Statement - Asset and Liability Maturity Analysis

as at 31 December 2024

In BDT	Maturity up to 1 month	Maturity within 1 to 3 months	Maturity within 3 to 12 months	Maturity within 1 to 5 years	Maturity over 5 years	Total
Assets						
Cash in hand	200,836,915	-	-	-	-	**200,836,915**
Balance with Bangladesh Bank, agent bank,- other banks and financial institutions	25,173,365,664	-	-	-	9,284,226,983	**34,457,592,647**
Money at call or short notice	-	-	-	-	-	**-**
Investments	14,657,605,834	2,461,165,419	3,408,678,858	117,120,225	6,000,000	**20,650,570,336**
Loans and advances	273,285,056	1,010,431,394	23,460,396,427	-	-	**24,744,112,877**
Fixed assets including premises, furniture - and fixtures	-	-	-	265,629,355	-	**265,629,355**
Other assets	40,248,380	12,628,006	77,789,986	258,245,345	484,282,164	**873,193,881**
Non-banking assets	-	-	-	-	-	**-**
Total assets	40,345,341,849	3,484,224,819	26,946,865,271	640,994,925	9,774,509,147	**81,191,936,011**
Liabilities						
Borrowings from Bangladesh Bank, other - banks, financial institutions and agents	876,624,000	-	-	-	-	**876,624,000**
Deposits and other accounts*	7,873,540,125	10,749,978,889	3,792,673,683	33,542,349,009	-	**55,958,541,706**
Provision and other liabilities	693,056,012	518,189,196	1,669,429,476	883,557,434	395,000,181	**4,159,232,299**
Total liabilities	9,443,220,137	11,268,168,085	5,462,103,159	34,425,906,443	395,000,181	**60,994,398,005**
Net Liquidity Gap	30,902,121,712	(7,783,943,266)	21,484,762,112	(33,784,911,518)	9,379,508,966	**20,197,538,006**

*Maturity analysis of deposits and other accounts have been done based on trend analysis which has been performed based on clearing and cash withdrawals from demand deposit accounts net of withdrawals from time deposit accounts of the Bank.

Annexure - C

Citibank, N.A. Bangladesh Branches

Balance with other banks and financial institutions (Outside Bangladesh)

In BDT			2024			2023		
Name of the bank	**Deposit type**	**Foreign currency**	**FC amount**	**Exchange rate**	**Equivalent taka**	**FC amount**	**Exchange rate**	**Equivalent taka**
Citibank, Australia	Current	AUD	1,090	74.7540	81,450	3,095	75.2730	232,936
Citibank, Canada	Current	CAD	654	83.3912	54,504	727	83.2293	60,515
Citibank, Hong Kong	Current	HKD	7,144	15.4646	110,483	5,362	14.0772	75,487
Citibank, Ireland	Current	EUR	836,501	125.2320	104,756,637	445,142	122.4465	54,506,141
Citibank, Karachi	Current	USD	1,095,133	120.0000	131,415,990	979,653	110.0000	107,761,876
Citibank, London	Current	CHF	3,548	133.0598	472,126	3,135	131.5789	412,532
Citibank, London	Current	GBP	12,767	151.0380	1,928,375	9,803	140.8220	1,380,518
Citibank, London	Current	EUR	797,751	125.2320	99,903,953	271,208	122.4465	33,208,428
Citibank, London	Current	DKK	4,890	16.7898	82,106	4,890	16.4256	80,325
Citibank, London	Current	SEK	6,961	10.9240	76,037	6,961	11.0765	77,099
Citibank, Mumbai	Current	USD	7,870,246	120.0000	944,429,495	4,631,474	110.0000	509,462,165
Citibank, New York	Current	USD	149,776,340	120.0000	17,973,160,772	133,898,530	110.0000	14,728,838,289
Citibank, Norway	Current	NOK	4,758	10.5656	50,269	1,723	10.8792	18,748
Citibank, Singapore	Current	SGD	3,530	88.4238	312,151	7,416	83.5930	619,922
Citibank, Sri Lanka	Current	USD	3,126	120.0000	375,110	3,126	110.0000	343,851
Citibank, Tokyo	Current	JPY	2,410,279	0.7603	1,832,622	4,451,384	0.7821	3,481,227
Citibank, Singapore	Time placement	USD	-	120.0000	-	20,000,000	110.0000	2,200,000,000
					19,259,042,080			**17,640,560,059**

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Citibank, N. A. Bangladesh Branches

Auditors' Report, financial statements and other disclosures as at and for the year ended 31 December 2024

Annexure - D

Citibank, N.A. Bangladesh Branches
Schedule of treasury bill/treasury bonds

In BDT

Type	Face value	Amortized Cost (Bills)	Market value	Gain/(Loss)
Treasury Bill	10,000,000	9,649,652	9,619,785	(29,867)
Treasury Bill	500,000,000	499,085,057	499,084,878	(179)
Treasury Bill	4,000,000,000	3,992,680,455	3,992,679,027	(1,429)
Treasury Bill	7,000,000,000	6,940,897,053	6,942,279,404	1,382,350
Treasury Bill	600,000,000	545,958,067	545,205,531	(752,536)
Treasury Bill	500,000,000	494,683,861	494,806,293	122,433
Treasury Bill	300,000,000	287,817,352	287,854,853	37,501
Treasury Bill	1,500,000,000	1,474,201,078	1,474,769,345	568,267
Treasury Bill	500,000,000	491,401,254	491,589,782	188,528
Treasury Bill	2,250,000,000	2,231,428,323	2,231,446,951	18,629
Treasury Bill	1,000,000,000	991,673,467	991,754,201	80,734
Treasury Bill	2,573,900,000	2,441,029,739	2,441,167,571	137,832
	20,733,900,000	20,400,505,357	20,402,257,620	1,752,263

Type	Face value	Purchase Price (Bonds)	Market value	Gain/(Loss)
Treasury Bond	100,000	97,618	99,871	2,253
Treasury Bond	65,000,000	64,777,830	64,578,763	(199,066)
Treasury Bond	52,300,000	52,296,914	52,541,462	244,548
Treasury Bond	127,700,000	123,298,309	124,831,119	1,532,811
	245,100,000	240,470,671	242,051,216	1,580,545
	20,979,000,000	20,640,976,028	20,644,308,836	3,332,808

Annexure-E

Citibank, N.A. Bangladesh Branches
Schedule of fixed assets including premises, furniture and fixtures

2024

In BDT	Cost: Balance as 1 January	Cost: Additions during the year	Cost: * Adjustment/ disposal during the year	Cost: Balance as at 31 December	Rate of dep. (%)	Accumulated Depreciation: Balance as 1 January	Accumulated Depreciation: Charged during the year	Accumulated Depreciation: * Adjustment/ disposal during the year	Accumulated Depreciation: Balance as at 31 December	Written down value as at 31 December
Own assets										
Furniture and fixtures	362,094,747	21,859,662	(22,305,428)	361,648,981	10-33.33	273,853,696	14,138,790	(24,022,541)	263,969,945	**97,679,036**
Office equipment	389,269,300	88,968,090	312,037	478,549,427	10-33.33	254,791,708	55,516,823	290,577	310,599,108	**167,950,319**
Vehicle	-	-	-	-	20	-	-	-	-	-
	751,364,047	**110,827,752**	**(21,993,391)**	**840,198,408**		**528,645,404**	**69,655,613**	**(23,731,964)**	**574,569,053**	**265,629,355**

2023

In BDT	Cost: Balance as 1 January	Cost: Additions during the year	Cost: * Adjustment/ disposal during the year	Cost: Balance as at 31 December	Rate of dep. (%)	Accumulated Depreciation: Balance as 1 January	Accumulated Depreciation: Charged during the year	Accumulated Depreciation: * Adjustment/ disposal during the year	Accumulated Depreciation: Balance as at 31 December	Written down value as at 31 December
Own assets										
Furniture and fixtures	336,980,088	24,653,397	461,262	362,094,747	10-33.33	252,529,718	20,500,687	823,291	273,853,696	88,241,051
Office equipment	351,649,468	57,209,762	(19,589,930)	389,269,300	10-33.33	237,275,411	34,504,630	(16,988,333)	254,791,708	134,477,592
Vehicle	-	-	-	-	20	-	-	-	-	-
	688,629,556	**81,863,159**	**(19,128,668)**	**751,364,047**		**489,805,129**	**55,005,317**	**(16,165,042)**	**528,645,404**	**222,718,643**

* Adjustment (in both Cost and Accumulated Depreciation section) includes exchange difference arising from translation of fixed assets of OBU books in reproting currency (BDT).

Annexure - F

Citibank, N.A. Bangladesh Branches
Calculation of deferred tax assets and liability

In BDT	Balances as at 31 December 2024: Book value	Permanent difference	Accounting base	Tax base	Taxable/ (deductible) temporary difference	Deferred tax/ (asset) liability
Vehicles	-	-	-	-	-	-
Furniture and fixtures	71,675,051	-	71,675,051	123,142,875	(51,467,824)	(20,587,130)
Office equipment	134,024,064	-	134,024,064	241,557,344	(107,533,280)	(43,013,312)
Computer	59,930,241	-	59,930,241	56,771,676	3,158,565	1,263,426
Specific provision	(8,021,923)	-	(8,021,923)	-	(8,021,923)	(3,208,769)
Adjustment for RoU assets and lease liabilities (RoU assets - lease liabilities)	(190,006,372)	-	(190,006,372)	-	(190,006,372)	(76,002,549)
Unrealised MTM loss on Treasury bills/ bonds	(983,077)	-	(983,077)	-	(983,077)	(393,231)
Actuarial gain/(loss)	55,492,050	-	55,492,050	-	55,492,050	22,196,820
Gratuity provision	(108,157,964)	-	(108,157,964)	-	(108,157,964)	(43,263,186)
Closing balance as at 31 December	**13,952,071**	**-**	**13,952,071**	**421,471,895**	**(407,519,825)**	**(163,007,931)**

In BDT	Balances as at 31 December 2023: Book value	Permanent difference	Accounting base	Tax base	Taxable/ (deductible) temporary difference	Deferred tax/ (asset) liability
Vehicles	-	-	-	-	-	-
Furniture and fixtures	88,241,052	-	88,241,052	124,979,136	(36,738,084)	(14,695,234)
Office equipment	112,695,739	-	112,695,739	234,703,575	(122,007,837)	(48,803,135)
Computer	21,781,854	-	21,781,854	7,302,384	14,479,470	5,791,788
Specific provision	(8,021,923)	-	(8,021,923)	-	(8,021,923)	(3,208,769)
Adjustment for RoU assets and lease liabilities (RoU assets - lease liabilities)	(175,787,335)	-	(175,787,335)	-	(175,787,335)	(70,314,934)
Unrealised MTM loss on Treasury bills/ bonds	(51,492,935)	-	(51,492,935)	-	(51,492,935)	(20,597,174)
Actuarial gain/(loss)	35,765,771	-	35,765,771	-	35,765,771	14,306,308
Gratuity provision	(62,661,179)	-	(62,661,179)	-	(62,661,179)	(25,064,471)
Closing balance as at 31 December	**(39,478,956)**	**-**	**(39,478,956)**	**366,985,095**	**(406,464,051)**	**(162,585,621)**

Annexure - G

Citibank, N.A. Bangladesh Branches

Bi-weekly average balance of Bangladesh Bank statement for the month of December 2024

In BDT

Date	Actual balance held with Bangladesh Bank	Average balance held with Bangladesh Bank
15-Dec-24	8,004,646,652	
16-Dec-24	8,004,646,652	
17-Dec-24	4,218,023,053	
18-Dec-24	3,476,294,336	
19-Dec-24	4,378,148,001	
20-Dec-24	4,378,148,001	
21-Dec-24	4,378,148,001	
22-Dec-24	3,951,234,462	
23-Dec-24	6,235,947,460	
24-Dec-24	5,328,049,076	
25-Dec-24	5,328,049,076	
26-Dec-24	5,416,509,575	
27-Dec-24	5,416,509,575	
28-Dec-24	5,416,509,575	
29-Dec-24	6,242,032,929	
30-Dec-24	7,329,416,703	
31-Dec-24	7,329,416,703	**5,578,337,049**

Annexure - H

Citibank, N.A. Bangladesh Branches
Reconciliation between Bangladesh Bank's statement and Banks' statement as at 31 December 2024

In order to comply with the CRR and SLR requirements, the Bank considers the actual balances held with Bangladesh Bank according to their (Bangladesh Bank) books of accounts. However, when preparing the statutory accounts the Bank considers the actual balances held with Bangladesh Bank according to the Bank's books of accounts. This results in reconciling differences between the Bank's statutory accounts and CRR and SLR requirements.

	As per Bangladesh Bank statement	As per Bank's general ledger	Reconciling difference
	Taka	Taka	Taka
Local currency			
Bangladesh Bank Dhaka	7,248,989,068	7,452,306,581	(203,317,513)
Bangladesh Bank RTGS Settlement	-	-	-
Bangladesh Bank Chittagong	80,427,635	80,427,635	-
	7,329,416,703	7,532,734,217	**(203,317,513)**
Bank credited but Bangladesh Bank had not debited			161,654,299
Bank debited but Bangladesh Bank had not credited			(255,336,356)
Bangladesh Bank credited but Bank had not debited			39,389,246
Bangladesh Bank debited but the bank had not credited			(149,024,703)
			(203,317,513)

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	USD	USD	Taka	USD
USD clearing account	12,302,778	6,091,014	730,921,626	6,211,765
USD capital account	57,698,044	57,698,044	6,923,765,274	-
Total	70,000,822	63,789,058	7,654,686,900	**6,211,765**
Bank Credited but Bangladesh Bank had not debited				7,250,059
Bank Debited but Bangladesh Bank had not credited				(1,038,294)
Bangladesh Bank credited but Bank had not debited				-
Bangladesh Bank debited but the bank had not credited				-
				6,211,765

	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	GBP	GBP	Taka	GBP
GBP clearing account	26,911	26,911	4,064,611	-
Bank credited but Bangladesh Bank had not debited				-
Bank debited but Bangladesh Bank had not credited				-
Bangladesh Bank credited but Bank had not debited				-
Bangladesh Bank debited but the bank had not credited				-
				-

	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	EUR	EUR	Taka	EUR
EUR clearing account	28,388	28,388	3,555,050	-
Bank Credited but Bangladesh Bank had not debited				-
Bank Debited but Bangladesh Bank had not credited				-
Bangladesh Bank credited but Bank had not debited				-
Bangladesh Bank debited but the bank had not credited				-
				-
Total (Taka)			7,662,306,561	

Annexure - I

Citibank, N.A. Bangladesh Branches
Balance from other banks (Outside Bangladesh)

In BDT	Account type	Foreign currency	2024: FC amount	2024: Exchange rate	2024: Equivalent taka	2023: FC amount	2023: Exchange rate	2023: Equivalent taka
Citibank, Mumbai	Vostro A/C	USD	1,012	120.0000	121,460	807,045	110.0000	88,774,990
Citibank, Colombo	Vostro A/C	USD	219,517	120.0000	26,342,084	219,642	110.0000	24,160,661
Citibank, New York Foreign Exchange	Vostro A/C	BDT	6,370,672	1.0000	6,370,672	83,634	1.0000	83,634
Citibank, London	Vostro A/C	BDT	63,780,112	1.0000	63,780,112	20,240,955	1.0000	20,240,955
Citibank Europe Plc.	Vostro A/C	BDT	183,072,857	1.0000	183,072,857	264,248,024	1.0000	264,248,024
Citibank, Japan Ltd.	Vostro A/C	BDT	74,090	1.0000	74,090	74,090	1.0000	74,090
Citibank Berhad	Vostro A/C	BDT	381,438	1.0000	381,438	1,362,628	1.0000	1,362,628
					280,142,713			**398,944,982**

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Citibank, N. A. Bangladesh Branches

Auditors' Report, financial statements and other disclosures as at and for the year ended 31 December 2024

Disclosure on Market Discipline as required under Pillar III of Basel III
for the year ended 31 December 2024

The following detailed qualitative and quantitative disclosures are provided in accordance with Bangladesh Bank rules and regulations on capital adequacy under Basel III issued through BRPD Circular 18 (21 December 2014).The purpose of these requirements is to complement the minimum capital requirements and the Supervisory review process. These disclosures are intended for market participants to assess key information about the Bank's exposure to various risks and to provide a consistent and understandable disclosure framework for easy comparison among banks operating in the market.

The Bank follows the disclosure policy to observe the disclosure requirements as set out by the Bangladesh Bank and International Financial Reporting Standards (IFRSs) and International Accounting Standards (IAS).

Guidelines on Risk Based Capital Adequacy are structured around the following three aspects or pillars of Basel III:

Minimum capital requirements maintained by a bank against credit, market and operational risk;

Supervisory Review i.e. Process for assessing overall capital adequacy in relation to a bank's risk profile and a strategy for maintaining its capital at an adequate level;

Market Discipline i.e. public disclosure of information on the bank's risk profiles, capital adequacy and risk management.

1. Scope of Application

Qualitative Disclosures:

Bank has no subsidiaries or significant investments and Basel III is applied at the Bank level. Pursuant to Bangladesh Bank circular BRPD Circular No: 02, dated 25 February 2019, Basel III as of 31 December 2024 comprise the operations of both the Domestic Banking Unit (DBU) and the Offshore Banking Unit (OBU).

Quantitative Disclosures:

Not Applicable

2. Capital Structure

(a) Qualitative Disclosures:

Citibank, N.A. Bangladesh capital structure consists of Tier I Capital and Tier II Capital. For the purpose of calculating capital under capital adequacy framework, the capital of banks shall be classified into two tiers. The total regulatory capital will consist of a) Tier I Capital (going-concern capital; Common Equity Tier I & Additional Tier I) and b) Tier II Capital (gone-concern capital). All banks will be required to maintain the following ratios on an ongoing basis:

i. Common Equity Tier I of at least 4.5% of the total RWA.

ii. Tier-I capital of 6.0% of RWA

iii. Minimum CRAR of 10% of the total RWA.

iv. Additional Tier I capital can be admitted maximum up to 1.5% of the total RWA or 33.33% of CET I, whichever is higher.

v. Tier II capital can be admitted maximum up to 4.0% of the total RWA or 88.89% of CET I, whichever is higher.

vi. In addition to minimum CRAR, Capital Conservation Buffer (CCB) of 2.5% of the total RWA needs to be maintained in the form of CET I.

Tier I capital of the bank includes fund deposited with Bangladesh Bank, retained earnings and actuarial gain/(loss). Tier I capital, also called "Common Equity Tier I Capital" of the bank.

Tier II capital consists of the general provision subject to the provisions mentioned in the guidelines & relevant circulars.

The bank does not have any Additional Tier I capital.

Quantitative Disclosures:

(b) The details of capital structure are provided as under:

Tier-1 (going-concern capital)	2024 BDT	2023 BDT
Common Equity Tier 1 (CET 1 Capital)		
Fund Deposited with BB	6,923,765,274	6,346,784,835
Retained Earnings	13,307,343,036	10,958,456,457
Actuarial gain/(loss)	(36,159,834)	(47,995,601)
Other regulatory adjustment	(1,467,526,486)	(1,138,275,725)
Deferred tax assets on specific provision	(3,048,331)	(3,048,331)
Total CET 1 Capital	**18,724,373,659**	**16,115,921,635**
Additional Tier 1	-	-
Total Tier 1 Capital	**18,724,373,659**	**16,115,921,635**
Tier 2 Capital (gone-concern capital)		
General Provision	439,460,000	514,378,000
Total Tier 2 capital	**439,460,000**	**514,378,000**
(C) Total eligible capital	**19,163,833,659**	**16,630,299,635**

3. Capital Adequacy

(a) Qualitative Disclosures:

Citibank, N.A. Bangladesh Office is operating as Branch Office of the Head Quarter in New York, USA and is represented by appointed/nominated Citi Country Officer (CCO). Since Citibank, N.A. is not an incorporated banking company in Bangladesh and since there aren't any shareholder directors, CCO is the chief custodian for all franchise issues in Bangladesh. CCO along with other members of Senior Management representing the Country Coordination Committee (CCC) provide the governance oversight for Citibank, N.A. Bangladesh, which in case of a locally incorporated entity would have been expected from the Board of Directors.

Citi's Risk Capital framework relies on and is complementary to its Corporate Governance and Risk Management framework, which balances corporate oversight with independent risk management functions within each business.

A sound risk management process, strong internal controls and well documented policies and procedures are the foundation for ensuring the safety and soundness of the Bank. The Country Coordination Committee (CCC) and Senior Management ensure that capital levels are adequate for the Bank's risk profile. They also ensure that the risk management and control processes are appropriate in the light of the Bank's risk profile and business plans.

Senior Management including CCC deal with the following:

- Oversight of Basel III implementation and new requirements
- Annual review of risk limits and concentrations
- Capital planning
- Quarterly risk assessment and capital adequacy review against target
- Annual Review of ICAAP

Under the supervision of the senior management of the bank, the Country Risk Management Committee (CRMC) discusses, reviews and manages the material risks faced by the bank. The committee is headed by Chief Risk Officer and attended by Citi Country Officer and is also represented by all risk monitoring units within the bank. The committee meets at least once a month to review the current material risks faced by the bank.

Internal Capital Adequacy Assessment Process (ICAAP) represents the Bank's own assessment of its internal capital requirements. The Bank's approach for calculating its own internal capital requirement has been to take the minimum capital required for credit risk, market risk and operational risk under Pillar-I as the starting point and assess whether this is sufficient to cover those risks and then identify other risks (Pillar-II) and assess prudent level of capital to ensure capital adequacy.

The Bank's Asset Liability Committee (ALCO) is responsible for the review of overall asset and liability position, liquidity position, capital adequacy, balance sheet risk , interest risk and as and when required necessary changes are made to ensure various risks are adequately managed. The object of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due and regularly monitored. As per the Bangladesh Bank guideline, the Bank has implemented all of the core risk management guideline for banks.

Quantitative Disclosures:

Details of Risk Weighted Assets are as below:

Risk Weighted Assets as Risk Category:	2024 BDT	2023 BDT
Credit Risk		
On Balance Sheet Exposures	32,364,671,052	27,166,829,618
Off Balance Sheet Exposures	8,258,076,100	10,413,214,867
Total Credit Risk	40,622,747,152	37,580,044,485
Market Risk	1,055,629,356	402,268,900
Operational Risk	6,733,458,614	5,286,647,875
Total Risk Weighted Assets	**48,411,835,122**	**43,268,961,259**
Capital Requirement		
(b) Capital requirement for Credit Risk	4,062,274,715	3,758,004,448
(c) Capital requirement for Market Risk	105,562,936	40,226,890
(d) Capital requirement for Operational Risk	673,345,861	528,664,787
Total	**4,841,183,512**	**4,326,896,126**
(e) Ratios (stand alone basis)		
Capital to Risk Weighted Assets Ratio (CRAR)	39.59%	38.43%
Common Equity Tier-1 to RWA	38.68%	37.25%
Tier-1 Capital to RWA	38.68%	37.25%
Tier-2 Capital to RWA	0.91%	1.19%
Capital Conservation Buffer to RWA	29.59%	28.43%
(f) Surplus Capital	**14,163,833,659**	**11,630,299,635**

4. Credit Risk

(a) Qualitative Disclosures:

Definitions of past due and impaired (for accounting purposes)

Past dues and impaired exposures are defined in accordance with the relevant Bangladesh Bank regulations. Specific and general provisions are computed periodically in accordance with the Bangladesh Bank regulations.

Special Mention Account (SMA)

A Continuous loan, Demand loan or a Term Loan which will remain overdue for a period of 02 (two) months or more, will be put into the "Special Mention Account(SMA)".

Sub-Standard

A Continuous Loan, Demand Loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 03 (three) months or beyond but less than 09 (nine) months, the entire loan will be put into the "Sub-standard (SS)".

Doubtful.

A Continuous Loan, Demand Loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 09 (nine) months or beyond but less than 12 (twelve) months, the entire loan will be put into the "Doubtful (DF)".

Bad/ loss.

These are the loans that have a bleak recovery possibility.

Unclassified

These are the loans where bank is fully satisfied about its repayment.

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

As per relevant Bangladesh bank guidelines, 0.25% to 5% provision is maintained against unclassified loans, 5% to 20% provision is maintained against sub-standard loans, 5% to 50% provision is maintained against doubtful loans and 100% provision is maintained against bad/ loss after deducting value of eligible security, if any, as per Bangladesh Bank guidelines. All interest is suspended/ discontinued if the loan is identified as sub-standard, doubtful or bad/ loss.

Discussion of the bank's credit risk management policy

Credit risk is the risk of financial loss if a customer or counterparty fails to meet a payment obligation under a contract. It arises principally from direct lending, trade finance and leasing business, but also from off-balance sheet products such as guarantees and credit derivatives, and from the holdings of debt securities. The failure may result from unwillingness of the counter party or decline in his / her financial condition. Among the risks the Citibank N.A. Bangladesh engages in, credit risk generates the largest regulatory capital requirement. Citibank N.A. Bangladesh has standards, policies and procedures dedicated to controlling and monitoring risk from all such activities.

The aims of credit risk management, underpinning sustainably profitable business, are principally:

- to maintain a strong culture of responsible lending, supported by a robust risk policy and control framework;
- to both partner and challenge business originators effectively in defining and implementing risk appetite, and its re-evaluation under actual and scenario conditions; and
- to ensure independent, expert scrutiny and approval of credit risks, their costs and their mitigation.

The standardized approach is applied for risk weighting of exposure as per directive of Bangladesh Bank. It requires banks to use risk assessments prepared by External Credit Assessment Institutions (ECAIs) to determine the risk weightings applied to rated counterparties. The bank has used all customer ratings wherever available for use based on their entity rating as assigned by the approved ECAIs of Bangladesh Bank.

Credit risk is one of the major risks faced by the Bank. To assess and to mitigate the credit risk, the Bank has implemented risk management manual, which is considered an important tool for retaining the quality and performance of the assets. Accordingly, the Bank's credit risk management functions have been designed to address all these issues including risks that arise from global changes in banking, finance and related issues.

The Bank has defined segregation of duties for all credit risk related activties like credit approval, administration, monitoring and recovery functions.

The Bank has set policies and procedures for the controlling and monitoring of credit risks from these activities. A thorough risk assessment is done before sanction of any credit facility at risk management units. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the credit facility etc.

Bank also has established separate Credit Risk Management Services which helps in ensuring credit compliance with the post-sanction processes/ procedures laid down by the Bank from time to time. Bank has in place a risk grading system for analyzing the risk associated with credit. The parameters, while risk grading the customers, include financial condition and performance, quality of disclosures and management, facility structure, collateral and country risk assessment where necessary. Maximum counterparty/group exposures are limited to 15% (funded) of the bank's capital base as stipulated by Bangladesh Bank. Exposure beyond the said limit may be allowed only upon prior approval from Bangladesh Bank.

Quantitative Disclosures:

(b) Gross Credit Risk Exposure

	2024 BDT	2023 BDT
Claims on Bangladesh Government and Bangladesh Bank	15,404,270,296	13,119,733,445
Claims on Banks and NBFIs	19,778,204,647	21,928,846,737
Claims on corporate	24,220,438,175	23,403,420,299
Fixed assets	265,629,356	222,718,644
All other assets	871,062,777	1,029,271,901
Off-balance sheet items	7,221,201,437	9,549,224,524
Total	**67,760,806,689**	**69,253,215,551**
Major types of Loans & advances:		
Continuous loan	215,731,052	262,181,645
Demand Loan	24,218,478,652	24,600,593,933
Fixed term loan	8,021,923	28,041,923
Staff loan	-	-
Short-term agricultural & micro-credit	301,881,250	101,086,111
Total	**24,744,112,877**	**24,991,903,612**

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

Urban			
	Dhaka Division	24,744,112,877	24,991,903,612
	Chittagong Division	-	-
Rural			
	Dhaka Division	-	-
	Chittagong Division	-	-
		24,744,112,877	**24,991,903,612**

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

	2024 BDT	2023 BDT
Agriculture (Dairy, Poultry, Nursery, Hatchery etc.)	301,881,250	101,086,111
Readymade Garments	1,885,049,300	1,925,475,702
Pharmaceutical Industries	2,263,220,800	2,050,053,322
Chemical Industries	3,483,111,600	4,841,941,488
Fuel & Electricity	-	159,817,341
Agro based Industries	2,591,987,500	3,250,284,728
Telecommunication	8,021,923	1,524,696,923
Financial Corporation	515,652,777	1,580,461,389
Others	13,695,187,727	9,558,086,608
	24,744,112,877	**24,991,903,612**

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

Payable		
On demand	223,752,975	270,203,569
Within one month	49,532,081	3,073,883,425
Within one to three months	1,010,431,394	10,711,173,295
Within three to twelve months	23,460,396,427	10,936,643,323
Within one to five years	-	-
More than five years	-	-
Total	**24,744,112,877**	**24,991,903,612**

(f) Amount of impaired loans, Specific and general provisions & Charges for specific allowances and charge-offs during the period:

Amount of impaired loans:		
Special Mention Account	-	-
Substandard	-	-
Doubtful	-	-
Bad/Loss	8,021,923	8,021,923
	8,021,923	**8,021,923**
Specific and general provisions :		
General Provision	216,085,000	225,840,000
Special Provision	8,021,923	8,021,923
	224,106,923	**233,861,923**
Charges for specific allowances and charge-offs during	-	-
(g) Gross Non Performing Assets (NPAs)	8,021,923	8,021,923
Non Performing Assets (NPAs) to Outstanding Loans & advances	0.03%	0.03%
Movement of Non Performing Assets (NPAs)		
Opening balance	8,021,923	220,720,128
Additions (net)	-	-
Reductions	-	(212,698,205)
Closing balance	**8,021,923**	**8,021,923**
Movement of specific provisions for NPAs		
Opening balance	8,021,923	162,493,611
Provision made during the period	-	75,500
Write-off	-	(154,547,188)
Write -back of excess provisions	-	-
Closing balance	**8,021,923**	**8,021,923**

(5) Equities: Disclosures for Banking Book Positions

Qualitative Disclosures:

Citibank N.A. has equity holdings of unquoted shares of Central Depository Bangladesh Limited.

Valuation of Unquoted Shares:

Unquoted shares are valued at cost price as per latest audited accounts.

Quantitative Disclosures:

	2024 BDT	2023 BDT
Unquoted shares in Central Depository Bangladesh	6,000,000	6,000,000
The cumulative realized gains (losses) arising from sales	-	-
Total unrealized gains (losses)	-	-
Total latent revaluation gains (losses)	-	-
Any amounts of the above included in Tier 2 capital	-	-
Capital Charge on Equities	-	-

(6) Interest rate risk in the banking book (IRRBB)

Qualitative Disclosures:

Interest rate risk is the risk where changes in market interest rates might adversely affect a bank's financial condition. The immediate impact of changes in interest rates is on the Net Interest Income (NII). A long term impact of changing interest rates is on the Bank's net worth since the economic value of a Bank's assets, liabilities and off-balance sheet positions get affected due to variation in market interest rates. The responsibility of interest rate risk management rests with the Bank's Asset and Liability Management Committee (ALCO) and Markets Treasury (MT) department. Bank periodically computes the interest rate risk on the banking book that arises due to re-pricing mismatches in interest rate sensitive assets and liabilities. For the purpose of monitoring such interest rate risk, the Bank has in place a system that tracks the re-pricing mismatches in interest bearing assets and liabilities. For computation of the interest rate mismatches, Citi Policies are followed.

Bank adopts maturity method in measuring interest rate risk in respect of securities in trading book. The capital charge for entire market risk exposure is computed under the standardized approach using the maturity method and in accordance with the guideline issued by Bangladesh Bank.

Interest rate exposures as per Citi Policies are placed to ALCO.

Other Tools for measuring & analyzing interest rate risk

Interest Rate Gap Analysis utilizes the maturity or re-pricing schedules of balance sheet items and hedges accounted derivatives to determine the differences between maturing or re-pricing items within given tenor buckets.

Interest Rate Exposure ('IRE') measures the potential pre-tax accounting earnings impact, over specified reporting periods, from a defined parallel shift in the yield curve. It is a forward-looking measure, analogous to Factor Sensitivity on the trading portfolios.

Value-at-close is a point-in-time estimate of the 'fair value' of an accrual portfolio – not a liquidation value. It must be calculated for all Treasury Units and for those business units where the residual positions can be reliably marked-to-market.

Quantitative Disclosures:

	2024 BDT	2023 BDT
Market Value of Assets	75,399,979,893	72,530,601,869
Market Value of Liabilities	60,784,441,918	60,121,237,104
Weighted Average of Duration of Assets (DA)	0.08	0.08
Weighted Average of Duration of Liabilities (DL)	0.07	0.69
Duration GAP (DA-DL)	0.01	(0.61)
Yield to Maturity (YTM -Assets)	60.13%	48.97%
Yield to Maturity (YTM -Liability)	8.50%	0.78%
Fall in MV of Equity	(5,620,486,965)	(4,878,683,441)
Change in market value of equity due to an increase in interest rate @3%	(26,559,531)	718,603,407
Stress Testing (Interest Rate Shock):		
Regulatory capital (after shock)	19,175,761,061	15,939,417,129
CAR (after shock)	44.81%	41.52%

(7) Market Risk

Qualitative Disclosures:

Market Risk is the risk to the bank's earnings and capital due to changes in the market level of interest rates or prices of securities, foreign exchange and equities, as well as the volatilities of those changes.

Methods used to measure Market risk:

As per the instructions from the Bangladesh Bank, the Bank uses the standardized (market risk) approach to calculate market risk for trading book exposures. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for "specific risk" and "general market risk".

Market Risk Management system:

The Treasury Division manages market risk covering liquidity, interest rate and foreign exchange risk with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO meets at least once in a month.

Policies and processes for mitigating market risk:

The bank's policy is to control material risks through a framework of limits & triggers approved by ALCO and manage the same through robust controls over calculating, monitoring and reporting results. The risk appetite is largely determined and controlled due to regulatory limits on foreign exchange. The spot foreign exposure is limited through the Net Open Position which is approved by BB. Aggregate interest rate exposures on trading account is controlled by limits on DV01. Further, trading exposures are controlled through additional risk management tools such as Value-at-Risk (VaR) and Loss Trigger Limits for Trading and AFS book. All market risk taking activities in the Bank are centralized with Treasury and undertaken by authorized dealers. The independent Market Risk Management monitors the trading and banking book exposures against approved limits and triggers on a daily basis.

Trading book consists of positions in financial instruments held with trading intent or in order to hedge other elements of the Trading Book. A capital charge will be applicable for financial instruments which are free from any restrictive covenants on tradability, or able to be hedged completely. Generally, investments in 'Held for Trading' portfolios are focal parts of the Trading Book.

Capital charge means an amount of regulatory capital which the bank is required to hold for an exposure to a relevant risk which, if multiplied by 10.00, becomes the risk-weighted amount of that exposure for that risk.

Citibank Bangladesh follows its global policies for managing market risk.

DV01 and NOP limits are followed to ensure that the activity is run in a controlled manner.

A daily report on DV01 is circulated to the traders and the Head of Global Markets. The Traders are required to operate within approved limits which are reviewed at least once annually. Traders are encouraged to seek pre-approvals where they feel a proposed transaction can exceed the limits.

(8) Foreign exchange risk

Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. Treasury Department independently conducts the transactions and the back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate at the balance sheet date.

Quantitative Disclosures:

	2024 BDT	2023 BDT
The capital requirement for:		
Interest rate risk	22,887,554	24,000,694
Equity position risk	-	-
Foreign exchange risk	82,675,382	16,226,196
Commodity risk	-	-
	105,562,936	**40,226,890**

(9) Operational Risk

Qualitative Disclosures:

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. This definition of operational risk includes legal risk—which is the risk of loss (including litigation costs,settlements, and regulatory fines) resulting from the failure of the bank to comply with laws, regulations, prudent ethical standards, and contractual obligations in any aspect of the bank's business—but excludes strategic and reputation risks. Citi also recognizes the impact of Operational Risk on the reputation risk associated with Citi's business activities.

The Governance Risk & Compliance (GRC) taxonomy within Citi further categorises operational risk as

Fraud & Theft (excl Tech), Market Practices Risk, Customer/Client Protection, Data Management Risk, Reporting Risk, Model Risk, Physical Damage Risk, Human Capital Risk, Processing Risk, Third Party Risk, Technology Risk (incl. Cyber), Governance & Prudential Risk, Money Laundering Risk, Bribery Risk, Sanctions Risk, Risk Oversight Errors.

Operational risk is inherent in every business organization and covers a wide spectrum of issues. The Bank manages such risk through a robust internal control framework supported by regular monitoring of risk events and periodic reviews by internal audit.

Citi uses a lines of defense construct to manage its risk. The construct comprises units that create risks (first line of defense), those that independently assess risk (second line of defense) and units that provide independent assurance (third line of defense). Additionally, the firm has units tasked with maintaining a strong control environment (control and support functions). The high-level roles and responsibilities for operational risk management are as follows:

The 1st Line of Defense is responsible for implementing and maintaining effective controls to reduce the operational risks they are exposed to within operational risk appetite in accordance with the requirements of the Operational Risk Management Framework.

The 2nd Line of Defense is responsible for setting requirements around operational risk management, challenging the implementation of the overall ORM Framework, and challenging the quality and outcomes of 1st Line of Defense operational risk management activities.

The 3rd Line of Defense is responsible for providing senior management with independent opinions on the effectiveness of the Operational Risk Management Framework as a whole.

Governance over operational risks is ensured through a defined structure of risk committees at group, business function and country levels. Business Risk Compliance & Control ("BRCC") have the responsibility for oversight of operational risks and significant issues at a country level. Country Risk Management Committee (CRMC) has the responsibility for oversight of all risks and significant issues at the country level.

The bank has robust mechanism to identify and monitor operational risks. It follows Manager's Control Assessment program that helps managers to identify significant operational risks, assess effectiveness of controls, detect and address weakness in control design/ execution, determine issue severity and detect and address emerging operational risks to business activities.

At a global level the effectiveness of senior management is tracked through various risk metrics.

In line with the instructions from the Bangladesh Bank, the Bank uses the basic indicator approach to calculate its operational risk Capital Charge.

Quantitative Disclosures:	2024 BDT	2023 BDT
Capital Charge for operational risk	673,345,861	528,664,787

Capital charge means an amount of regulatory capital which the bank is required to hold for an exposure to a relevant risk which, if multiplied by 10.00 it becomes the risk-weighted amount of that exposure for that risk.

(10) Liquidity Risk

Qualitative Disclosures:

ALCO supervises the liquidity condition through ALCO meetings and takes appropriate measure to address liquidity related issues. As per the policy Treasury prepares the Funding and Liquidity Plan, which is endorsed by the Country ALCO. Citibank, N.A., Bangladesh Branch is also integrated into the overall Citi liquidity and funding process and liquidity-monitoring framework. The bank adheres to Group Liquidity policies as set out in the Liquidity Risk Management Policy for Citi including structural liquidity metrics like core regression for liability balances and S2 ratio for the overall balance sheet. Citigroup Liquidity Risk Management Policy defines the Liquidity Risk Appetite as necessitating that each Liquidity Management Unit (Citibank Bangladesh branch, in this case). Citibank must maintain sufficient liquidity to meet all maturing obligations for the next 12 months under the most conservative of their designated stress scenarios. MAR (Market Access Limit) Limits are established based on an evaluation of the contingent liquidity capacity of the LMUs under the most conservative stress scenario. This is evaluated for limits out to 12 months and incorporates stressed outflows of deposits. Additional metrics used to assess Structural liquidity on the balance sheet include Liquidity ratios specified for LCY & FCY like:

- Deposits/ loans
- Concentration ratios like top 5 Significant funding sources (SFS) as a % of total customer liabilities

Quantitative Disclosures:

	2024	2023
Liquidity Coverage Ratio (LCR)	177.00%	183.89%
Net Stable Funding Ratio (NSFR)	156.39%	153.94%
Stock of High quality liquid assets	29,658,756,167	24,832,979,374
Total net cash outflows over the next 30 calendar days	16,756,691,664	13,503,937,599
Available amount of stable funding	60,627,013,371	55,222,361,972
Required amount of stable funding	38,766,886,917	35,872,260,617

(11) Leverage Ratio

Qualitative Disclosures:

Leverage Ratio is calculated in accordance to Bangladesh Bank's Guidelines on Risk Based Capital Adequacy on a quarterly basis. The Country Coordination Committee (CCC) and senior management ensure that capital levels are adequate and is a good fit with the bank's risk profile and exposure level.

Leverage ratio is calculated by dividing Tier 1 capital with Total exposure. Total exposure comprises of :

i) On balance sheet, non-derivative exposures net of specific provisions and valuation adjustments
ii) Off-balance sheet exposure including commitments (applicable credit conversion factor (CCF) is used for the conversion)

The leverage ratio is intended to achieve the following objectives:
a) constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy; and
b) reinforce the risk based requirements with an easy to understand and a non-risk based measure.

Quantitative Disclosures:

	2024 BDT	2023 BDT
Leverage Ratio	21.18%	18.52%
On balance sheet exposure	81,180,865,757	77,451,490,045
Off balance sheet exposure	7,221,201,437	9,549,224,524
Total exposure	**88,402,067,195**	**87,000,714,569**

(12)Remuneration

Qualitative Disclosures:

The following remuneration disclosures have been prepared in accordance with 'Guidelines on Risk Based Capital Adequacy (RBCA) for banks' provided by Bangladesh Bank. The prudential disclosures require that all banks meet the minimum requirements for public disclosure of qualitative and quantitative information of the remuneration practices. The qualitative remuneration disclosures are broader in scope and cover all the individuals included where as the quantitative information relates to senior managers and material risk takers of the Citibank, N.A. Bangladesh for the financial year ended December 31, 2024.

a) The information relating to the bodies that oversee remuneration disclosure:

Citi has a presence in 98 countries & jurisdictions but does business in more than 100 countries & jurisdictions; the Bank often tries to leverage individual employee development and exposure to multifaceted challenges by utilizing its global footprint. Moreover, the Bank maintains matrix reporting structure where all in-country functions report to respective functions in the region in addition to country management Remuneration is looked after by Citi Regional Compensation and Benefit Team and respective Regional Business Heads.

The Country Coordinating Committee (CCC) of Citi Bangladesh is a committee that makes decision on major Human Resources related issue including but not limited to cross franchise compensation and benefits planning in Bangladesh.

At a regular interval Citibank, N.A. Bangladesh participates in Compensation & Benefit Surveys. In 2024, Citibank, N.A. participated in Compensation in Benefit Survey conducted by external consultant firm as per regional Compensation and Benefit Team approval.

The remuneration policy of the bank covers all employees employed by the bank and reviewed regularly based on individual performance. The Citibank, N.A. Bangladesh Management Team comprising of Citi Country Officer & Managing Director, Country Finance Officer, Citi Country Compliance Officer, Head of Operations, Country Legal Counsel, Head of Treasury & Trade Solutions, Head of Corporate & Investment Banking, Country HR Officer, Head of Internal Audit are the material risk takers.

b) Design and structure of remuneration process

Annual Salary Review

The annual salary review process is carried out through a common review date in 4th Quarter every year. All eligible employees come up for consideration for merit increase review on this date. The performance rating of an employee and current pay in the grade are important in determining the quantum of the increase. One important factor that determines that amount of merit increase is the organization's ability to pay. Accordingly, in 4th Quarter 2024, an annual complesation review for all eligible employees was being completed.

Annual Salary Increase Rate is expressed as a percentage of the current total cash salary and would indicate the merit increase budget for a year.

Annual Salary Increase percentage are determined both grade wise and function wise (for specialized functions) based on market data and the Citibank Senior Policy Committee decision on the targeted positioning for the two categories and regional compensation team guidance. Remuneration consists of Fixed Pay and Variable Pay and non cash Benefits.

Annual Bonus

If business conditions permit, and depending on an employee's performance, the Bank may pay a bonus to selected employees. The following is the bonus guideline: The decision of whether to pay a bonus and, if so, how much, is at the sole discretion of management. Anyone who is not an active employee of the Bank for at least minimum months (as stated by the regional team during year end process) of the period for which the bonus applies will not be entitled to receive, and therefore, will not be paid a bonus. The Bank reserves the right to pay all or part of bonuses in a form other than cash including, for example, a contingent, deferred stock award or stock options subject to rules and regulations of the country and management philosophy. The amount of the bonus will be determined by management based in part upon employee's individual performance, the performance of the business group, the performance of the Bank and the performance of Citigroup Inc. In 4th Quarter 2024, an annual bonus exercise was done for all eligible employees.

All eligible employees are entitled to Festival Bonus in line with HR policy and local regulation.

The Bank also have Provident Fund and Gratuity Fund for all eligible employees in line with local regulations.

Salary survey market report contains different percentiles of different job grades. During year end process, country HR and regional business heads review market data and employee performance ratings to come to decision in connection to individual pay grades within the approved the salary budget.

As mentioned previously, Citibank follows matrix structure of reporting. All employees belonging to Risk and Compliance are appraised by their respective regional chain. All bonus and annual salary increases (as admissible) are monitored and controlled by their respective business chain and concerned regional HR team independently.

c) Current and Future risks of remuneration process

The following risks are considered while evaluating current and future risks:

1. Internal Control and Compliance : Compensation Process is reviewed for compliance with local and regional guidelines. 2. Operational Risk : Compensation Process is reviewed to mitigate operational losses 3. Regulatory Risk : Compensation Process is reviewed to check compliance with local regulations 4. Reputational Risk Compensation Process is reviewed to mitigate any reputational risk.

d & e) Performance management

Performance Management Philosophy at Citi
Citi employs a consistent Performance Management process that drives meaningful & specific feedback used to clarify expectations, facilitate growth, and create a foundation for pay and promotion decisions. The resulting process is driven by the following guiding principles:
Drive a culture of meritocracy, differentiating based on performance
Manage performance against challenging goals
Evaluate employees on how goals were achieved, not just end results
Provide balanced feedback and direction regarding strengths and areas for development

Citi Performance Management Process Components
The Performance Management process is an ongoing, year-round process, and consists of 4 primary components:

Goal Setting
Development Planning
Mid-Year Conversation
Year-End Review

In addition, Performance Management is a dynamic process which includes ongoing review of goals, coaching, development, feedback and recognition throughout the year. These ongoing discussions are critical for a successful process. The bank has structured Performance Improvement Plan in the event when performance metrics are not in expected level.

f) Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms.

The purpose of the plan is to reward and retain eligible employees through discretionary incentive and/ or retention awards under specific terms and conditions contingent upon company's performance , an eligible employees sector or business unit performance , an eligible employees individual performance, or any combination of the foregoing. Cash Bonus : Usually paid during Year End Process (annually), which is payable to an employee in currency and not in shares of company common stock or derivatives thereof, and is not subject to deferral.

Quantitative Disclosures:

	2024 BDT	2023 BDT
Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	4	4
Remuneration paid to the member of body overseeing remuneration during the financial year.	-	-
Number of employees having received a variable remuneration award during the financial year.	115	119
Number of guaranteed bonuses awarded during the financial year.	135	137
Amount of guaranteed bonuses awarded during the financial year.	31,942,161	30,492,170
Number of sign-on awards made during the financial year.	-	5
Total amount of sign-on awards made during the financial year.	-	742,188
Number and total amount of severance payments made during the financial year	Number: 1; Amount: 17,145,000	-
Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	-	-
Total amount of deferred remuneration paid out in the financial year.	1,056,787	3,298,509
Fixed Amount of remuneration awards for the financial year	524,205,609	508,275,105
Variable Amount of remuneration awards for the financial year	77,411,420	69,103,036
Different forms used (cash, shares and share linked instruments, other forms).	Cash, Shares	Cash, Shares
Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	N/A	N/A
Total amount of reductions during the financial year due to ex post explicit adjustments.	N/A	N/A
Total amount of reductions during the financial year due to ex post implicit adjustments.	N/A	N/A

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