Commercial Bank of Ceylon PLC
Bangladesh Operations

AAA 15 CONSECUTIVE YEARS

FINANCIAL STATEMENTS FOR THE YEAR 2025

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

Opinion

We have audited the financial statements of Commercial Bank of Ceylon PLC - Bangladesh Operations ("the Bank"), which comprise the Balance Sheet as at 31 December 2025 and Profit and Loss Account, Cash Flow Statement and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with Rules and Regulations issued by Bangladesh Bank and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as explained in note -2.

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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Bangladesh. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note -2 to the financial statements where management has explained the basis of preparation of financial statements including compliance with Rules and Regulations issued by Bangladesh Bank on classification of loans and advances, and required impairment provision.

Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

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

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Rules and Regulation issued by Bangladesh Bank and IFRS Accounting Standards as issued by the IASB as explained in note-2 and for such internal control as management determines is necessary to enable the preparation of the 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 material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994, the Bank Company Act 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

ii) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books;

iii) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

iv) the balance sheet and profit and loss account dealt with by the report are in agreement with the books of account and returns;

v) 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;

vi) adequate provisions have been made for advances and other assets which are in our opinion, doubtful of recovery;

vii) based on our checking of samples, no advance or loan in excess of the amount determined by Bangladesh Bank from time to time has been sanctioned or allowed;

viii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities for the Audit of the Financial Statements section in forming the above opinion on the financial statements 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 Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls:

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;

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 6,000 person hours;

xi) Capital to Risk-weighted Asset Ratio (CRAR), Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) as required by Bangladesh Bank have been maintained adequately as at 31 December 2025;

xii) As part of our going concern assessment, we reviewed maturity mismatch between assets and liabilities which may negatively affect bank's liquidity position subsequently.

For and on behalf of

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129

ATM Shamim Reza FCA
Partner
Enrolment No.:1766
DVC: 2604161766AS326774
Dhaka, Bangladesh.
Dated: 16 April 2026

Balance Sheet
As at 31 December 2025

	Notes	2025 Amounts in BDT	2024 Amounts in BDT
PROPERTY AND ASSETS			
Cash	3	**8,436,513,990**	**8,980,464,669**
Cash in hand (including foreign currencies)	3.1	676,683,030	685,342,454
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)	3.2	7,759,830,960	8,295,122,215
Balance with other Banks and financial institutions	4	**21,643,373,679**	**5,397,143,504**
In Bangladesh	4.1	16,851,448,519	3,485,762,819
Outside Bangladesh	4.2	4,791,925,160	1,911,380,685
Money at call on short notice	5	-	-
Investments	6	**55,805,551,617**	**54,126,332,216**
Government	6.1	55,697,119,671	54,116,915,556
Others	6.2	108,431,946	9,416,660
Loans and advances	7	**84,467,584,561**	**74,958,170,549**
Loans, cash credit, overdrafts, etc.		60,866,453,087	53,075,503,777
Bills purchased and discounted	8	23,601,131,474	21,882,666,772
Fixed assets including premises, furniture and fixtures	9	**632,663,142**	**610,490,951**
Other assets	10	**13,458,655,138**	**9,628,332,729**
Non-Banking Assets		-	-
Total Assets		**184,444,342,127**	**153,700,934,618**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, financial instructions and agents	11	**6,149,041,886**	**4,602,382,678**
Deposits and other accounts	12	**123,963,138,944**	**103,842,608,354**
Current and other accounts	12.1	53,765,770,507	39,199,095,082
Bills payable	12.2	273,059,175	222,404,279
Savings Bank deposits	12.3	6,596,574,398	6,234,769,912
Fixed deposits	12.4	63,261,725,515	58,125,045,787
Other deposits	12.5	66,009,349	61,293,294
Other liabilities	13	**21,268,913,282**	**18,181,110,991**
Total Liabilities		**151,381,094,112**	**126,626,102,023**
Capital/ Shareholders' Equity			
Paid-up capital/ Deposit kept with Bangladesh Bank	14	8,611,300,000	7,738,700,000
Statutory reserve		-	-
Other reserves		306,148,078	23,331,685
Surplus in profit and loss account	15	24,145,799,937	19,312,800,910
Total Shareholders' Equity		**33,063,248,015**	**27,074,832,595**
Total Liabilities and Shareholders' Equity		**184,444,342,127**	**153,700,934,618**
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	16		
Acceptances and endorsements	16.1	-	-
Letters of guarantee	16.2	12,189,913,937	11,030,336,085
Irrevocable letters of credit	16.3	21,237,340,042	20,144,359,711
Bills for collection	16.4	10,344,851,865	10,857,050,185
Other contingent liabilities	16.5	69,367,577	69,367,577
Total:		**43,841,473,421**	**42,101,113,558**
Other commitments	17		
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		28,720,132,643	29,315,464,715
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total:		**28,720,132,643**	**29,315,464,715**
Total Off-Balance Sheet Items Including Contingent Liabilities		**72,561,606,064**	**71,416,578,273**

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

Benozeer Ahmed	**Haily Algewatte**	**Najith Meewanage**
Chief Financial Officer	Deputy Chief Executive Officer & Chief Operating Officer	Chief Executive Officer

Signed as per our annexed report of same date.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-129

ATM Shamim Reza FCA
Partner
Enrolment Number: 1766
DVC: 2604161766AS326774

Dated: Dhaka
16 April 2026

Profit and Loss Account
For the year ended as on 31 December 2025

	Notes	2025 Amounts in BDT	2024 Amounts in BDT
Interest income	18	10,333,995,150	9,123,845,935
Less: Interest paid on deposits and borrowings, etc.	19	6,600,226,637	4,215,640,733
Net interest income		**3,733,768,513**	**4,908,205,202**
Investment income	20	5,313,434,942	3,792,139,207
Commission, exchange and brokerage	21	2,866,287,556	4,281,758,753
Other operating income	22	191,539,246	78,541,038
Total operating income		**12,105,030,257**	**13,060,644,200**
Salary and allowances	23	849,196,554	747,256,242
Rent, taxes, insurance, electricity, etc.	24	110,497,327	105,563,004
Legal expenses	25	2,161,619	8,130,536
Postage, stamps , telecommunication, etc.	26	23,729,244	19,609,316
Stationery, printing and advertisements, etc.	27	35,962,292	31,455,686
Chief executive's salary and fees	28	27,698,896	25,279,531
Directors' fees		-	-
Auditors' fees		2,932,500	690,000
Charges on loan losses		-	-
Depreciation and repairs of Bank's assets	29	294,728,413	248,721,162
Other expenses	30	1,253,697,690	1,311,033,161
Total operating expenses		**2,600,604,535**	**2,497,738,638**
Profit before provisions		**9,504,425,722**	**10,562,905,562**
Provision for loans and advance		**(142,749,946)**	**258,431,453**
Specific provision		130,250,054	12,431,453
General provision	31	(273,000,000)	246,000,000
Provision for diminution in value of investment		944,328	-
Other Provision		-	-
Total provision		**(141,805,618)**	**258,431,453**
Profit/(Loss) before taxes		**9,646,231,340**	**10,304,474,109**
Provision for taxation	13.5.1	3,883,000,000	4,300,000,000
Current tax		3,887,504,340	4,293,172,860
Deferred tax		(4,504,340)	6,827,140
Net profit after taxation		**5,763,231,340**	**6,004,474,109**

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

Benozeer Ahmed	**Haily Algewatte**	**Najith Meewanage**
Chief Financial Officer	Deputy Chief Executive Officer & Chief Operating Officer	Chief Executive Officer

Signed as per our annexed report of same date.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-129

ATM Shamim Reza FCA
Partner
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Dated: Dhaka
16 April 2026

Cash Flow Statement
For the year ended as on 31 December 2025

	Notes	2025 Amounts in BDT	2024 Amounts in BDT
Cash flows from operating activities			
Interest receipts in cash		9,496,285,242	8,944,995,831
Interest payments		(5,845,605,062)	(3,779,175,689)
Dividend receipts		8,179,439	13,708,332
Fees and commission receipts in cash		1,048,838,108	867,353,789
Recoveries on loans previously written off		1,845,335	5,844,500
Recoveries on loans provisions		89,037,467	45,054,962
Cash Payments to employees		(842,930,765)	(744,273,765)
Cash Payments to suppliers		(170,188,863)	(156,628,006)
Receipts from other operating activities	33	1,917,449,448	3,441,693,566
Income taxes paid		(3,110,397,623)	(2,858,409,009)
Payments for other operating activities	34	(1,445,679,289)	(1,855,268,320)
Interest receipts from investment		5,305,255,503	3,778,430,875
Operating profit before changes in operating assets and liabilities		**6,452,088,940**	**7,703,327,066**
(Increase)/Decrease in operating assets and liabilities			
Statutory Deposits		-	-
Purchase/sale of trading securities		-	-
Loans and advances to other Banks		-	-
Loans and advances to customers		(9,509,414,012)	(9,767,924,028)
Other assets	35	117,785,122	148,031,299
Deposits from other Banks		1,417,072,889	744,509,494
Deposits from customers		20,250,116,909	6,440,097,170
Other liabilities account of customer	36	(1,324,635,204)	125,231,954
		10,950,925,704	**(2,310,054,111)**
Net cash from operating activities (a)		**17,403,014,644**	**5,393,272,955**
Cash flows from investing activities			
Payments / proceeds for purchase of securities		(1,678,759,201)	(27,770,753,961)
Payments / proceeds for purchase of shares		-	-
Purchase/sale of property, plant and equipment		(22,172,191)	105,522,934
Gains on disposal of property, plant and equipment		656,444	352,974
Net cash from investing activities (b)		**(1,700,274,948)**	**(27,664,878,053)**
Cash flows from financing activities			
Remittance received from Head Office, Colombo		-	-
Dividend paid/ profit remitted to HO		-	-
Net cash from financing activities (c)		**-**	**-**
Net increase/(decrease) in cash [d=(a+b+c)]		**15,702,739,696**	**(22,271,605,098)**
Effects of exchange rate changes on cash and cash equivalent		-	-
Cash and cash equivalents at beginning of the year (*) (e)		**14,378,019,173**	**36,649,824,271**
Cash and cash equivalents at end of the year (*) [f=(d+e)]		**30,080,758,869**	**14,378,219,173**
(*) **Cash and cash equivalents :**			
Cash		676,683,030	685,342,454
Prize bonds		871,200	411,000
Money at call and on short notice		-	-
Balance with Bangladesh Bank and its agent Bank(s)		7,759,830,960	8,295,122,215
Balance with other Banks and financial institutions		21,643,373,679	5,397,143,504
		30,080,758,869	**14,378,019,173**

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

Benozeer Ahmed	**Haily Algewatte**	**Najith Meewanage**
Chief Financial Officer	Deputy Chief Executive Officer & Chief Operating Officer	Chief Executive Officer

Signed as per our annexed report of same date.

A. Qasem & Co.
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ATM Shamim Reza FCA
Partner
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Dated: Dhaka
16 April 2026

Statement of Changes in Equity
For the year ended 31 December 2025

Amounts in BDT

Particulars	Paid-up capital/ Deposit kept with Bangladesh Bank	Statutory reserve	Other reserve	Profit and Loss	Total
Opening balance at 01 January 2025	7,738,700,000	-	23,331,685	19,312,800,910	27,074,832,595.00
Transfer from / to Deposit kept with Bangladesh Bank from / to Profit and Loss	872,600,000	-	-	(872,600,000)	-
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-
Adjustment of last year's revaluation on investments	-	-	(23,331,685)	-	(23,331,685)
Net Actuarial Gain / (Loss)	-	-	48,160,693	-	48,160,693
Surplus/(deficit) on account of revaluation of investments	-	-	257,987,385	-	257,987,385
Currency translation differences	-	-	-	-	-
Net gains and losses not recognised in profit and loss statement	-	-	-	-	-
Net profit for the year	-	-	-	5,763,231,340	5,763,231,340
Provision for Start-up Fund 2025	-	-	-	(57,632,313)	(57,632,313)
Dividends/Profit remittance	-	-	-	-	-
Issue of share capital/(Capital brought from Head Office, Colombo)	-	-	-	-	-
Balance at 31 December 2025	**8,611,300,000**	**-**	**306,148,078**	**24,145,799,937**	**33,063,248,015**

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

Benozeer Ahmed	**Haily Algewatte**	**Najith Meewanage**
Chief Financial Officer	Deputy Chief Executive Officer & Chief Operating Officer	Chief Executive Officer

Signed as per our annexed report of same date.

A. Qasem & Co.
Chartered Accountants
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ATM Shamim Reza FCA
Partner
Enrolment Number: 1766
DVC: 2604161766AS326774

Dated: Dhaka
16 April 2026

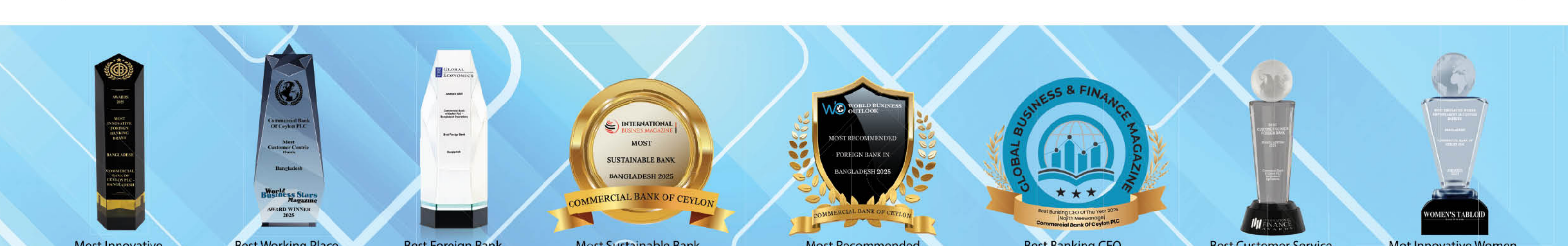
Liquidity Statement (analysis of maturity of assets and liabilities)
As at 31 December 2025

Amounts in BDT

Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	Above 5 years maturity	Total
Assets:						
Cash in hand	8,436,513,990	-	-	-	-	8,436,513,990
Balance with other Banks and financial institutions	21,643,373,679	-	-	-	-	21,643,373,679
Money at call and on short notice	-	-	-	-	-	-
Investments	13,254,596,114	4,369,046,533	12,900,872,524	25,233,135,780	47,900,666	55,805,551,617
Loans and advances	19,848,608,705	18,773,413,218	38,839,286,167	4,733,602,999	2,272,673,472	84,467,584,561
Fixed assets including premises, furniture and fixtures	334,459,950	14,800	2,776,460	284,958,603	10,453,329	632,663,142
Other assets	13,458,655,138	-	-	-	-	13,458,655,138
Non-Banking assets	-	-	-	-	-	-
Total Assets	**76,976,207,576**	**23,142,474,551**	**51,742,935,151**	**30,251,697,382**	**2,331,027,467**	**184,444,342,127**
Liabilities						
Borrowings from Bangladesh Bank, other Banks, financial institutions and agents	6,149,041,886	-	-	-	-	6,149,041,886
Deposits	75,544,283,609	18,032,924,611	26,569,155,387	3,816,775,337	-	123,963,138,944
Other accounts	-	-	-	-	-	-
Provision and other liabilities	21,268,913,282	-	-	-	-	21,268,913,282
Total Liabilities	**102,962,238,777**	**18,032,924,611**	**26,569,155,387**	**3,816,775,337**	**-**	**151,381,094,112**
Net Difference in Liquidity	**(25,986,031,201)**	**5,109,549,940**	**25,173,779,764**	**26,434,922,045**	**2,331,027,467**	**33,063,248,015**

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

Benozeer Ahmed	**Haily Algewatte**	**Najith Meewanage**
Chief Financial Officer	Deputy Chief Executive Officer & Chief Operating Officer	Chief Executive Officer



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Commercial Bank of Ceylon PLC
Bangladesh Operations

AAA 15 CONSECUTIVE YEARS

FINANCIAL STATEMENTS FOR THE YEAR 2025

Notes to the financial statements
As at and for the year ended 31 December 2025

1. The Bank and its activities

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

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

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

2. Significant accounting policies

2.1 Basis of preparation of the financial statements

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

2.1.1 Statement of compliance

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

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

i) Investment in shares and securities

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

Bangladesh Bank: As per Department of Offsite Supervision (DOS) circular no. 01 dated 24 May 2023, investments in quoted shares are revalued at the year end at lower of market price and initial recognition price (cost price) of the quoted shares. Provision should be made for any loss arising from diminution in value of investment from the cost price; otherwise investments are recognised at cost. Provision can be made by netting of gain/ loss of particular class of quoted securities.

Bank's Methodology:

Methods of valuation of investment are as follows:

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

ii) Revaluation gains/losses on Government securities

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

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

Bank's Methodology:

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

Held to Maturity (HTM)

Investment classified as HTM is a non-derivative financial instrument with fixed or determinable future receipt on maturity that the Bank's management has the intention and ability to hold till maturity. This particular investment has been amortized as at 31 December 2025, and the amortized gains on such securities have been shown in the financial statements on P&L.

Held for Trading (HFT)

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

iii) Provision on loans and advances/investments

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

Bangladesh Bank: As per BRPD circular No. 29 (21 December 2025),BRPD circular No. 22 (13 October 2025), BRPD circular No.05 (25 June 2025), BRPD circular No. 15 (27 November 2024),BRPD circular No. 53 (22 December 2022),BRPD circular No. 51 (18 June 2022),BRPD circular No. 09 (07 April 2022),BRPD circular No. 14 (22 June 2022), BRPD Circular No. 53 (30 December 2021), BRPD circular No. 52 (29 December 2021), BRPD Circular No. 50 (14 December 2021), BRPD circular No. 56 (10 December 2020), BRPD circular No. 52 (20 October 2020), BRPD circular No. 17 (28 September 2020), BRPD Circular No. 16 (21 July 2020), BRPD circular No. 13 (15 June 2020), BRPD circular No. 04 (19 March 2020), BRPD circular No. 07 (19 March 2020), BRPD circular No. 24 (17 November 2019), BRPD circular No. 06 (19 May 2019), BRPD circular No. 04 (16 May 2019), BRPD circular No. 03 (21 April 2019), BRPD circular No. 01 (20 February 2018), BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013) a general provision at 0.50% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also specific provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on time past due. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

Bank's Methodology:

As per BRPD circular No. 29 (21 December 2025),BRPD circular No. 22 (13 October 2025), BRPD circular No.05 (25 June 2025), BRPD circular No. 15 (27 November 2024), BRPD circular No. 53 (22 December 2022), BRPD circular No. 51 (18 June 2022),BRPD circular No. 09 (07 April 2022),BRPD circular No. 14 (22 June 2022), BRPD circular No. 53 (30 December 2021), BRPD circular No. 52 (29 December 2021), BRPD Circular No. 50 (14 December 2021), BRPD circular No. 56 (10 December 2020), BRPD circular No. 52 (20 October 2020), BRPD circular No. 17 (28 September 2020), BRPD Circular No. 16 (21 July 2020), BRPD circular No. 13 (15 June 2020), BRPD circular No. 04 (19 March 2020), BRPD circular No. 07 (19 March 2020), BRPD circular No. 24 (17 November 2019), BRPD circular No. 06 (19 May 2019), BRPD circular No. 04 (16 May 2019), BRPD circular No. 03 (21 April 2019), BRPD circular No. 01 (20 February 2018), BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013) a general provision at 0.50% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also specific provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on time past due. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

At each balance sheet date and periodically throughout the year, the Bank reviews loans and advances to assess whether objective evidence that impairment of a loan or portfolio of loans has arisen supporting a change in the classification of loans and advances, which may result in a change in the provision required in accordance with BRPD circular No. 29 (21 December 2025),BRPD circular No. 22 (13 October 2025), BRPD circular No.05 (25 June 2025), BRPD circular No. 15 (27 November 2024), BRPD circular No. 50 (14 December 2021), BRPD circular No. 56 (10 December 2020), BRPD circular No. 52 (20 October 2020), BRPD circular No. 17 (28 September 2020), BRPD Circular No. 16 (21 July 2020), BRPD circular No. 13 (15 June 2020), BRPD circular No. 04 (19 March 2020), BRPD circular No. 07 (19 March 2020), BRPD circular No. 24 (17 November 2019), BRPD circular No. 06 (19 May 2019), BRPD circular No. 04 (16 May 2019), BRPD circular No. 03 (21 April 2019), BRPD circular No. 01 (20 February 2018), BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013). The guidance in the circular follows a formulaic approach whereby specified rates are applied to the various categories of loans as defined in the circular. The provisioning rates are as follows:

General provision on:	2025	2024
Unclassified general loans and advances/investments	1% - 5%	1.00%
Unclassified cottage,small and medium enterprise financing	0.50%	0.25%
Unclassified loans/investment for housing finance and on loans for professionals	1% - 5%	1.00%
Unclassified consumer financing other than housing finance and loans for professionals	1% - 5%	2.00%
Unclassified agricultural loans	0.50%	1.00%
Specific provision on:		
Substandard loans and advances/investments other than agricultural loans	20%	20%
Doubtful loans and advances/investments other than agricultural loans	50%	50%
Substandard and doubtful agricultural loans	20% & 50%	5%
Bad/loss loans and advances/investments	100%	100%

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

Loan under policy support

The bank has maintained sufficient provisions against the loans under policy support as per BRPD Circular no.07 dated 16 September 2025, and subsequent BRPD circular letter no. 26 dated 24 November 2025, and relevant instructions mentioned in the specific approval letter for specific loans issued by Bangladesh Bank in this regard.

Loan write-off

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

iv) Recognition of interest in suspense

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

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

Bank's Methodology:

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

v) Other comprehensive income (OCI):

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

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

vi) Financial instruments – presentation and disclosure

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

vii) Financial guarantees

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

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

viii) Cash and cash equivalents

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

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

ix) Non-Banking asset

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

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

x) Cash flow statement

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

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

Bank's Methodology:

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

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

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

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

xii) Presentation of intangible asset

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

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

xiii) Off-balance sheet items

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

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

Bank's Methodology:

Off-balance Sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank's guidelines. BRPD circular No.06 dated 25 April 2023 requires a general provision for off-balance sheet exposures to be calculated which has been followed by the Bank properly on the following off-balance sheet Items:

a. Acceptance and endorsements
b. Irrevocable letter of credit
c. Letter of guarantee
d. Other Commitments

xiv) Loans and advances/Investments net of provision

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

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

Bank's Methodology:
Loans and advances have been shown at gross amounts at 31 December 2025.

xv) Name of Financial Statements

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

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

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

2.2 Consolidation

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

2.2.1 Offshore Banking Unit (OBU)

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

2.3 Foreign currency transactions

(a) Foreign currency transactions are converted into equivalent BDT currency at the ruling exchange rates on the respective dates of such transactions as per IAS 21: "The effects of Changes in Foreign Exchange Rates".

(b) Assets and liabilities in foreign currencies at 31 December 2025 have been converted into BDT currency at average prevailing buying and selling rates of concerned foreign currencies at that date except balances with other Banks and financial institutions which have been converted as per directions of Bangladesh Bank vide its circular no. BRPD(R) 717/2004-959 dated 21 November 2004.

(c) Differences arising through transactions of foreign currencies buying and selling on different dates of the year have been adjusted by debiting /crediting exchange gains or loss account.

(d) Forward contracts outstanding at 31 December 2025 have been shown in the Balance Sheet under off-balance sheet items.

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

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

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

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

2.4.2 Intangible assets

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

Computer software	5 years	20% pa

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

2.5 Stock of stationery

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

2.6 Deposits

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

2.7 Employee benefits

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

(a) Provident fund

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

(b) Staff gratuity

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

In accordance with the requirements of IAS 19 Employee Benefits, the Bank's net obligation in respect of its gratuity fund is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; discounting the benefit to determine its present value; and deducting the fair value of any plan assets. The calculation is performed by a qualified actuary using the Projected Unit Credit method. As per actuarial valuation report as of 31st December 2025 required amount of gratuity was BDT 342,330,997 which was kept with the fund bank account namely 'Commercial Bank of Ceylon PLC-Bangladesh employees Gratuity Fund'.

2.8 Provision for taxation

(a) Current tax

Provision for corporate income tax is made @ 40% as prescribed in the Finance Act 2025 on accounting profit made by the Bank after considering taxable allowances and disallowances as per income tax laws.

(b) Deferred tax

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

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

2.9 Reconciliation of books of account

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

2.10 Provision for balances with other Banks and financial institutions

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

2.11 Provisions for other assets

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

2.12 Use of estimates and judgments

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

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

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

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

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

2.14 Statement of liquidity analysis

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

2.15 Revenue recognition

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

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

b. Interest income on investments in government and other securities and bonds is accounted for on an accrual basis and as per Bangladesh Bank guidelines.

c. Dividend income from investment is recognised when the Bank's right to receive dividend is established.

d. The Bank earns commission and fee income from a diverse range of services provided to its customers. Income earned from services provided is recognised as revenue as the services are provided.

e. Interest expenses for all deposits are recognised in the profit and loss account on an accrual basis.

2.16 Leases

The Bank has applied IFRS 16 Leases for the first time with the date of initial application of 01 January 2019. As IFRS 16 supersedes IAS 17 Lease, the Bank has made recognition, measurement and disclosure in the financial statements-2025 both as Lessee and Lessor as per IFRS 16.

Bank as lessee:

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

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

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

Right-of-use assets (RoU):

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

The Bank assessed all lease contracts live in 2025 and recognised as RoU of assets of all leases, except short term and low value of assets as per IAS 16 and IFRS 16. As leases under IFRS 16 has been first time adopted by the Bank, the Bank has followed modified retrospective approach of adoption with the date of initial application of 01 January 2019. The RoU assets are presented in the note 9.0 of these financial statements.

Lease Liabilities (Bank as a lessee):

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

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

2.17 Compliance of Document Verification System (DVS)

As per the BRPD Circular No. 4 issued by Bangladesh Bank dated 4 January 2021, the financial statements audited by Chartered Accountants and updated statutory audit report of loan applicants need to be maintained in loan files mandatorily for the sanction/renewal of the loan. During the year 2025 Bank has collected and maintained updated audited financial statements and audit reports to the loan file at the time of sanction/renewal of loans.

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

2.18 Reporting period

These financial statements cover one calendar year from 01 January 2025 to 31 December 2025.

2.19 Regulatory and legal compliance

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

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

2.20 New accounting standards not yet adopted

The Bank has consistently applied the accounting policies as set out in Note 42 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 01 January 2025 have been considered. However, these amendments have no material impact on the financial statements of the Bank.

2.21 General

a. Figures appearing in the financial statements have been rounded to the nearest BDT.

b. Figures and account titles of previous year have been rearranged whenever considered necessary to conform with current year's presentation.

c. Expenses irrespective of capital or revenue nature accrued but not paid have been provided for in the books of account of the Bank.

		2025 Amounts in BDT	2024 Amounts in BDT
3	**Cash**		
3.1	**Cash in hand**		
	In local currency	446,896,673	401,103,188
	In foreign currencies	229,786,357	284,239,266
		676,683,030	**685,342,454**
3.2	**Balance with Bangladesh Bank and its agent Bank(s)**		
	Balance with Bangladesh Bank:		
	In local currency (note 3.2.1)	4,576,985,788	5,019,658,716
	In foreign currencies (note 3.2.2)	3,182,833,783	3,275,456,419
		7,759,819,571	**8,295,115,135**
	Balance with agent Bank(s):	**11,389**	**7,080**
	In local currency	11,389	7,080
	In foreign currencies	-	-
		7,759,830,960	**8,295,122,215**
		8,436,513,990	**8,980,464,669**
3.2.1	**In local currency**		
	Lien portion (against the Bank's required equity)	-	-
	Non-lien portion	4,576,985,788	5,019,658,716
		4,576,985,788	**5,019,658,716**
3.2.2	**In foreign currencies**		
	Lien portion (against the Bank's required equity)	-	-
	Non-lien portion	3,182,833,783	3,275,456,419
		3,182,833,783	**3,275,456,419**

3.3 Cash Reserve Requirement and Statutory Liquidity Reserve

Cash reserve ratio (CRR) and statutory liquidity ratio (SLR) have been calculated and maintained in accordance with section 33 of the Banking Companies Act 1991 and Bangladesh Bank MPD's circular no. 03, 01, 01, 03 and 02 dated April 03, 2018, March 23, 2020, April 09, 2020 and December 10, 2013 and read with Bangladesh Bank Order no. BRPD(p-3)/744(27/2020-4086) dated 18 June 2020.

CRR is required @ 4% on time and demand liabilities of DBU operations. This has been maintained with Bangladesh Bank in current account. SLR is required @ 13% on time and demand liabilities of the total operations (DBU+OBU) and maintained in the form of treasury bills and bonds including balance with Bangladesh Bank. Both the reserves are maintained by the Bank as per statutory requirements, as shown below:

		2025 Amounts in BDT	2024 Amounts in BDT
3.3.1	**Cash Reserve**		
	Required reserve	4,866,284,000	4,157,144,000
	Actual reserve maintained (On the basis by weekly averge)	4,988,359,780	4,317,102,660
	Surplus	**122,075,780**	**159,958,660**
3.3.2	**Statutory Liquid Reserve**		
	Required reserve	16,365,045,000	14,152,119,000
	Actual reserve maintained (On the basis by weekly averge)	55,869,430,790	56,032,835,667
	Surplus	**39,504,385,790**	**41,880,716,667**
4	**Balance with other Banks and financial institutions**		
	In Bangladesh (note 4.1)	16,851,448,519	3,485,762,819
	Outside Bangladesh (note 4.2)	4,791,925,160	1,911,380,685
		21,643,373,679	**5,397,143,504**
4.1	**In Bangladesh**		
	Eastern Bank PLC	6,730,642,223	2,270,500,000
	The City Bank PLC	4,888,000,000	358,500,000
	Prime Bank PLC	2,444,000,000	838,233,529
	Midland Bank PLC	1,222,000,000	-
	United Commercial Bank PLC	1,200,000,000	-
	Modhumoti Bank PLC	360,000,000	-
	Islami Bank Bangladesh PLC	6,806,296	27,659
	Standard Chartered Bank	-	18,501,631
		16,851,448,519	**3,485,762,819**

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4.2 Outside Bangladesh

Name of the Banks	Nature	Location	Currency name	At 31 December 2025 Amount in foreign currency	Conversion rate	Equivalent BDT	At 31 December 2024 Amount in foreign currency	Conversion rate	Equivalent BDT
Kookmin Bank	Nostro	Seoul	USD	3,863.10	122.33	472,554	283,978	120.00	34,077,313
Standard Chartered Bank	Nostro	Karachi	USD	52,341.85	122.33	6,402,717	149,709	120.00	17,965,082
Commercial Bank of Ceylon	Nostro	Colombo	USD	2,110,800.77	122.33	258,203,704	571,690	120.00	68,602,807
Commerz Bank AG	Nostro	Frankfurt	EUR	383,580.18	143.71	55,123,310	-	124.89	-
Standard Chartered Bank	Nostro	London	GBP	6,117,751.44	164.74	1,007,845,714	1,288,644	150.62	194,100,716
Bank of Montreal	Nostro	Toronto	CAD	41,673.52	89.31	3,721,908	85,305	83.59	7,131,037
Commercial Bank of Ceylon	Nostro	Colombo	CHF	4,482.81	155.04	695,006	713	132.77	94,635
Standard Chartered Bank	Nostro	Hong Kong	HKD	4,748.76	15.74	74,724	5,814	15.45	89,830
Commercial Bank of Ceylon	Nostro	Colombo	AUD	443,473.84	81.90	36,319,000	226,170	74.65	16,884,055
Standard Chartered Bank	Nostro	New York	USD	-	122.33	-	-	120.00	-
ICICI Bank	Nostro	Mumbai	USD	1,182,109.69	122.33	144,601,568	-	120.00	-
JP Morgan Chase Bank	Nostro	New York	USD	-	122.33	-	-	120.00	-
Axis Bank	Nostro	Mumbai	USD	548,947.38	122.33	67,149,988	-	120.00	-
Standard Chartered Bank	Nostro	Singapore	SGD	198,434.89	95.15	18,880,365	42,115	88.23	3,715,853
Mashreq Bank	Nostro	Sydney	AED	215,873.29	33.31	7,190,200	34,588	32.67	1,130,029
Bank of China	Nostro	Colombo	CNY	37,408,497.91	17.39	650,481,407	17,954,040	16.69	299,716,885
Wells Fargo NA	Placement	New York	USD	-	122.33	-	1,750,000	120.00	210,000,000
Bank of Tokyo (OBU)	Nostro	Tokyo	JPY	611,028,565.00	0.78	477,885,441	1,217,730,731	0.77	931,669,952
Standard Chartered Bank (OBU)	Nostro	London	GBP	1,257,711.56	164.74	207,196,912	837,864	150.62	126,202,491
Citibank NA (OBU)	Nostro	New York	USD	14,261,751.81	122.33	1,744,568,790	-	120.00	-
Standard Chartered Bank (OBU)	Nostro	Frankfurt	EUR	731,429.64	143.71	105,111,852	-	121.41	-
Total						4,791,925,160			1,911,380,685

	2025 Amounts in BDT	2024 Amounts in BDT
4.3 Grouping by maturity		
Receivable on demand	4,808,373,679	1,721,643,504
Payable to customers on demand	-	-
	4,808,373,679	1,721,643,504
Below 3 months	10,725,000,000	3,675,500,000
Over 3 months but below 1 year	6,110,000,000	-
Over 1 year but below 5 years	-	-
Over 5 years	-	-
	21,643,373,679	**5,397,143,504**
4.4 Account-wise breakdown		
Current and other accounts	4,808,373,679	1,721,643,504
Placement (term)	16,835,000,000	3,675,500,000
	21,643,373,679	**5,397,143,504**
5 Money at call on short notice	-	-
	-	-
6 Investments		
Government (note 6.1)	55,697,119,671	54,116,915,556
Others (note 6.2)	108,431,946	9,416,660
	55,805,551,617	**54,126,332,216**
6.1 Government:		
Treasury bonds (note 6.1.1)	32,852,326,931	8,791,848,930
Treasury bills (note 6.1.2)	22,843,921,540	45,324,655,626
Prize bonds	871,200	411,000
	55,697,119,671	**54,116,915,556**
6.1.1 Treasury bonds		
HTM	13,509,378,790	5,948,486,850
HFT	19,342,948,141	2,843,362,080
	32,852,326,931	**8,791,848,930**
6.1.2 Treasury bills		
HTM	237,308,266	3,058,062,109
HFT	22,606,613,274	42,266,593,517
	22,843,921,540	**45,324,655,626**
6.2 Others:		
Central Depository Bangladesh Limited (CDBL) (note 6.2.1)	9,416,660	9,416,660
Quoted Shares	99,015,286	-
	108,431,946	**9,416,660**
Total	**55,805,551,617**	**54,126,332,216**

a.(i) Disclosure regarding outstanding Repo as on 31 December 2025

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

a.(ii) Disclosure regarding outstanding Reverse Repo as on 31 December 2025

Sl no.	Counter party name	Agreement Date	Reversal Date	Amount
1	Jamuna Bank PLC	30-Dec-25	4-Jan-26	983,234,817
2	Jamuna Bank PLC	30-Dec-25	6-Jan-26	983,234,817
3	South East Bank PLC	30-Dec-25	1-Jan-26	976,661,000
4	South East Bank PLC	30-Dec-25	1-Jan-26	726,688,500
5	South East Bank PLC	30-Dec-25	1-Jan-26	98,839,900
				3,768,659,034

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

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under repo:			
i) with Bangladesh Bank	-	-	-
ii) with other Banks and FIs	983,264,000	983,264,000	2,693,874
Securities purchased under reverse repo:			
i) from Bangladesh Bank	-	-	-
ii) from other Banks and FIs	397,570,800	18,639,855,943	7,899,476,100

6.2.1 Central Depository Bangladesh Limited (CDBL)

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

6.3 Value of investment at 31 December 2025

Particulars	Quantity	Face Value	Cost	Market Value	Market Value
Treasury bonds	79	30,709,700,000	30,578,509,916	30,855,473,595	8,791,848,930
Treasury bills	34	21,537,200,000	19,741,666,367	21,041,732,140	35,076,893,308
Treasury bills (Reverse Repo)	3	1,850,000,000	1,802,189,400	1,802,189,400	10,247,762,318
Treasury bonds (Reverse Repo)	2	1,980,000,000	1,968,262,560	1,996,853,336	-
Prize bonds	8,712	871,200	871,200	871,200	411,000
Quoted Shares	2,042,873	20,428,730	99,959,614	99,015,286	-
CDBL shares	3,427,083	34,270,830	9,416,660	9,416,660	9,416,660
		56,132,470,760	**54,200,875,717**	**55,805,551,617**	**54,126,332,216**

	2025	2024
6.4 Maturity grouping		
Repayable on demand	99,886,486	411,000
Below 3 months	17,523,756,161	37,967,740,367
Over 3 months but below 1 year	12,900,872,524	7,356,915,259
Over 1 year but below 5 years	25,233,135,780	8,753,756,785
Over 5 years	47,900,666	38,092,145
	55,805,551,617	**54,116,915,556**
7 Loans and advances		
7.1 Maturity grouping		
Repayable on demand	10,004,927,997	6,365,168,954
Below 3 months	28,617,093,926	28,267,312,083
Over 3 months but below 1 year	38,839,286,167	32,302,784,249
Over 1 year but below 5 years	4,733,602,999	4,144,306,949
Over 5 years	2,272,673,472	3,878,598,314
	84,467,584,561	**74,958,170,549**
7.2 Broad category-wise break-up		
i) Within Bangladesh		
Loans (general)	48,559,242,677	43,447,048,550
Overdrafts	9,872,249,937	6,236,475,734
Loans against trust receipt	2,071,361,202	2,836,914,891
Packing credit	-	218,210,396
Import loan	67,559,774	28,165,296
Credit card	132,678,060	128,693,220
Staff loan	163,361,437	179,995,690
	60,866,453,087	**53,075,503,777**
Loans against accepted bills		
ii) Inland bills	567,724,294	818,645,145
Foreign bills	23,033,407,180	21,064,021,627
	23,601,131,474	**21,882,666,772**
Outside Bangladesh	-	-
Total (i+ii)	**84,467,584,561**	**74,958,170,549**
7.3 Significant concentration		
Directors and others	-	-
Managing Director or Chief Executive Officer	-	-
Other executives	163,361,437	179,995,690
Industries	69,212,949,375	60,348,336,909
Other clients	15,091,273,749	14,429,837,950
	84,467,584,561	**74,958,170,549**
7.4 Advance to customers for more than 10% of Bank's total capital		
Number of clients	14	16
Amount of outstanding advances	36,730,564,282	29,785,357,247
Amount of classified advances	-	-
	36,730,564,282	**29,785,357,247**
7.5 Economic sector-wise distribution		
Industry	69,212,949,375	60,348,336,909
Trading	4,813,783,544	5,017,908,541
Agriculture	2,939,298,484	517,440,118
Others	7,501,553,158	9,074,484,981
	84,467,584,561	**74,958,170,549**
7.6 Geographical location-wise distribution		
Urban		
Dhaka region	72,686,558,215	61,387,847,817
Chattogram region	11,348,756,418	12,268,005,914
Sylhet region	432,269,928	1,302,316,818
	84,467,584,561	**74,958,170,549**
Rural		
Dhaka region	-	-
Chattogram region	-	-
Sylhet region	-	-
	-	-
	84,467,584,561	**74,958,170,549**
7.7 Classification of loans and advances as per Bangladesh Bank 's BRPD circulars		
Unclassified:	**83,735,967,465**	**74,507,936,801**
Standard	83,209,591,104	74,236,915,354
Special mentioned account (SMA)	526,376,361	271,021,447
Classified:	**731,617,096**	**450,233,748**
Sub-standard	181,734,707	41,859,216
Doubtful	52,759,723	17,524,516
Bad/ Loss	497,122,666	390,850,016
	84,467,584,561	**74,958,170,549**
7.8 Particulars of loans and advances		
(i) Loans considered good in respect of which the banking company is fully secured	83,735,967,465	74,507,936,801
(ii) Loans considered good against which the banking company holds no security other than the debtor's personal guarantee	335,234,255	152,733,667
(iii) Loans considered good secured by personal undertakings of one or more parties in addition to personal guarantee of debtor	396,382,841	297,500,081
(iv) Loans adversely classified; provision not maintained there against	-	-
(v) Loans due by Directors or Officers of the Bank or any of them either separately or jointly with any other persons	163,361,437	179,995,690
(vi) Loans due from companies or firms in which the directors of the Bank have interest as directors, partners or managing agents or, in the case of private companies, as members	-	-
(vii) Maximum total amount of advance including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person	182,535,000	181,574,000
(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private company, as members	-	-
(ix) Due from Banking companies	-	-
(x) (a) Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet	328,770,456	287,557,869
(b) (Decrease)/increase in provision	41,212,587	(32,623,508)
(c) Interest creditable to the interest suspense account	133,714,061	66,027,607
(xi) Loan written off	245,238,169	249,184,618
Opening balance	249,184,618	255,029,118
Add : Bad debts written of during the year	-	-
Less : Bad debts previously written off recovered during the year	1,845,335	5,844,500
Bad debts written off / settled	2,101,114	-
Closing balance	**245,238,169**	**249,184,618**
(xii) Cases filed for recovery of written off bad debts	**198,956,480**	**202,902,929**
8 Bills purchased and discounted		
Payable in Bangladesh	567,724,294	818,645,145
Payable outside Bangladesh	23,033,407,180	21,064,021,627
	23,601,131,474	**21,882,666,772**
8.1 Maturity grouping		
Payable within 1 month	3,250,284,500	3,022,055,184
Over 1 month but below 3 months	7,661,836,508	4,714,364,713
Over 3 months but below 6 months	10,877,004,401	13,389,568,435
6 months and over	1,812,006,065	756,678,440
	23,601,131,474	**21,882,666,772**
9 Fixed assets including premises, furniture and fixtures		
Furniture and fixtures	64,155,710	61,871,457
Interior decorations	116,049,541	112,223,491
Equipment and computers	347,131,351	317,334,663
Computer software	150,547,706	102,904,813
Motor vehicles	46,658,493	48,030,493
Capital work in progress	63,275,169	-
Right of use asset	1,297,687,783	1,218,608,340
Total	**2,085,505,753**	**1,860,973,257**
Less: Accumulated Depreciation	**1,452,842,611**	**1,250,482,306**
Written down value	**632,663,142**	**610,490,951**
Details are shown in Annex B.		
10 Other assets		
Income generating		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
Non-income generating:		
Advance payment of corporate income tax (note 10.1)	12,033,990,378	8,923,592,755
Receivable from Bangladesh Bank against Sanchaya Patras	-	-
Other income receivable	1,073,288,058	251,678,653
Prepaid expenses	16,967,920	17,085,710
Stock of stationery, stamps, printing materials, etc.	19,743,908	23,917,728
Receivable from Head Office	232,500	74,000
Security deposit	6,977,388	4,958,575
Interest receivable from other Banks (note 10.2)	30,445,754	14,345,251
Commission and brokerage receivable	1,998,384	-
Receivable from Offshore Banking Unit of the Bank	-	-
Others (note 10.3)	275,010,848	392,680,057
	13,458,655,138	**9,628,332,729**
Classification status of other assets		
Unclassified	13,458,655,138	9,628,332,729
Doubtful	-	-
Bad/Loss	-	-
	13,458,655,138	**9,628,332,729**
10.1 Advance payment of corporate income tax		
Opening balance	8,923,592,755	6,065,183,746
Less: Settlement during the year	(1,040,119,741)	(963,262,158)
Add: Income tax paid during the year	3,728,230,538	3,603,015,921
Add: Income tax withheld during the year on:		
L/C commission	9,256,565	8,633,074
Interest on government treasury bills/bonds/ fixed term deposits	411,659,428	208,651,339
Dividend on shares of CDBL	1,370,833	1,370,833
Closing balance (note 10.1.1)	**12,033,990,378**	**8,923,592,755**
10.1.1 Closing balance of advance payment of corporate income tax		
2025	1,541,835,454	-
2024	4,240,652,697	1,634,090,245
2023	3,229,121,163	3,229,121,163
2022	2,066,054,122	2,066,054,123
2021	-	1,038,000,282
2012	514,093,987	514,093,987
2011	442,232,955	442,232,955
	12,033,990,378	**8,923,592,755**
10.2 Interest receivable from other Banks		
Bangladesh Bank	29,012,371	14,345,251
Others	1,433,383	-
	30,445,754	**14,345,251**
10.3 Others		
Deferred tax assets (note 10.3.1)	151,871,169	147,366,829
Excess in Plan Assets Gratuity	35,192,008	-
Forward Equalisation, Sundry Debtors, etc.	87,947,671	245,313,228
	275,010,848	**392,680,057**
10.3.1 Deferred tax assets on		
Fixed assets	2,385,891	23,780,570
Right of use Asset	(133,779,383)	(164,873,607)
Lease Liability	151,756,479	173,436,718
Specific Provision	131,508,182	115,023,148
	151,871,169	**147,366,829**
Increase / (Decrease) in Deferred Tax Assets	**4,504,340**	**(6,827,140)**

Calculation of Deferred Tax Assets :

Particulars	Carrying Amount	Tax Base	(Taxable) / Deductible Temporary	Deferred Tax Assets / (Liabilities)
Fixed assets	298,214,684	304,179,412	5,964,728	2,385,891
Right of use Asset	334,448,458	-	(334,448,458)	(133,779,383)
Lease Liability	379,391,197	-	379,391,197	151,756,479
Specific provision	328,770,456	-	328,770,456	131,508,182
				151,871,169

	2025	2024
11 Borrowings from other Banks, financial institutions and agents		
In Bangladesh (note 11.1)	516,031,578	1,055,800,898
Outside Bangladesh (note 11.2)	5,633,010,308	3,546,581,780
	6,149,041,886	**4,602,382,678**
11.1 In Bangladesh		
Borrowings from:		
Bangladesh Bank (Refinance)	516,031,578	1,055,800,898
	516,031,578	**1,055,800,898**
11.2 Outside Bangladesh		
Commercial Bank of Ceylon (OBU)*	2,477,557,288	1,254,697,539
Citi N. A. (OBU)*	2,131,909,656	55,851,751
MUFG Bank*	432,387,633	863,312,628
Standard Chartered Bank*	328,238,944	402,546,068
J P Morgan Chase*	230,547,228	-
Kumari Bank*	23,107,523	22,596,964
Standard Chartered Bank (OBU)*	7,802,047	91,968,896
Public Bank Berhad*	1,459,989	1,428,862
Wells Fargo NA*	-	509,074,269
ICICI Bank*	-	131,715,421
Commercial Bank of Ceylon	-	121,034,522
Axis Bank*	-	89,072,403
CommerzBank AG*	-	3,282,457
	5,633,010,308	**3,546,581,780**

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

	2025	2024
Analysis by security		
Secured	-	-
Unsecured	6,149,041,886	4,602,382,678
	6,149,041,886	**4,602,382,678**
Grouping by maturity		
Repayable on demand	3,705,041,886	2,300,615,030
Others	2,444,000,000	2,301,767,648
	6,149,041,886	**4,602,382,678**
12 Deposits and other accounts		
12.1 Current and other accounts		
Current accounts (note 12.1.1)	48,428,175,232	34,045,625,124
Margin accounts (note12.1.2)	5,337,595,275	5,153,469,958
	53,765,770,507	**39,199,095,082**
Current and other accounts		
12.1.1 Current accounts		
Local currency		
Inter-Bank	45,227,951	541,414,270
Others	20,278,031,620	20,596,081,901
	20,323,259,571	**21,137,496,171**
Foreign currencies		
Inter-Bank	-	-
Others	28,104,915,661	12,908,128,953
	28,104,915,661	12,908,128,953
	48,428,175,232	**34,045,625,124**
12.1.2 Margin accounts		
Letters of guarantee	292,049,432	243,024,535
Letters of credit	4,994,580,143	4,855,910,779
Others	50,965,700	54,534,644
	5,337,595,275	**5,153,469,958**
	53,765,770,507	**39,199,095,082**
12.2 Bills payable		
Payment orders issued	273,059,175	222,404,279
	273,059,175	**222,404,279**
12.3 Savings Bank deposits		
Local currency		
Inter-Bank	-	-
Others	6,343,214,402	6,074,462,563
	6,343,214,402	**6,074,462,563**
Foreign currency		
Inter-Bank	-	-
Others	253,359,996	160,307,349
	253,359,996	**160,307,349**
	6,596,574,398	**6,234,769,912**
12.4 Fixed deposits		
Local currency		
Inter-Bank	-	-
Others	50,262,705,995	47,218,376,434
	50,262,705,995	**47,218,376,434**
Foreign currency		
Inter-Bank	366,600,000	-
Others	12,632,419,520	10,906,669,353
	12,999,019,520	**10,906,669,353**
	63,261,725,515	**58,125,045,787**
12.5 Other deposits		
Stale drafts-foreign currencies	8,912,791	10,156,274
Stale pay orders-local currency	57,096,558	51,137,020
	66,009,349	**61,293,294**
	123,963,138,944	**103,842,608,354**
12.6 Maturity analysis of customer deposits		
Repayable on demand	60,656,185,478	45,176,148,297
Repayable within 1 month	14,476,270,180	13,706,432,287
Over 1 month but within 6 months	32,239,164,982	29,213,379,172
Over 6 months but within 1 year	12,362,915,016	11,411,519,997
Over 1 year but within 5 years	3,816,775,337	3,793,714,331
Over 5 years but within 10 years	-	-
Unclaimed deposit for 10 years or more held by the Bank	-	-
	123,551,310,993	**103,301,194,084**
12.7 Maturity analysis of inter-Bank deposits		
Repayable on demand	45,227,951	541,414,270
Repayable within 1 month	366,600,000	-
Over 1 month but within 6 months	-	-
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years but within 10 years	-	-
Unclaimed deposits for 10 years or more held by the Bank	-	-
	411,827,951	**541,414,270**
	123,963,138,944	**103,842,608,354**
13 Other liabilities		
Accumulated general provision against loans and advances and Off-Balance Sheet items (note 13.1)	1,253,000,000	1,526,000,000
Specific provision (note 13.2)	328,770,456	287,557,869
Interest suspense account (note 13.3)	133,714,061	66,027,607
Interest payable on deposits	2,156,757,548	1,414,890,825
Interest payable on borrowings	22,892,415	10,137,563
Provision for corporate taxation (note 13.4)	14,572,094,469	11,724,709,870
Sundry creditors	36,828,558	364,092,742
Expenses payable	377,250,550	443,707,357
Start-up Equity Investment Fund	221,391,421	163,759,108
Commission and brokerage payable	-	17,080,617
Provision for head office expenses (note 30.1)	1,060,692,426	1,141,909,556
Lease liability	379,391,197	433,591,796
Others	726,130,181	587,646,081
	21,268,913,282	**18,181,110,991**
Opening balance	-	16,000,000
Add: Provision for the year	-	-
Less: provision no longer required	-	(16,000,000)
Closing balance	-	-
Required Provision	-	-
13.1 Accumulated general provision against loans and advances and Off-balance sheet items		
Opening balance	1,526,000,000	1,264,000,000
Less: Fully provided, written-off during the year	-	-
Less: Recovery of provision no longer required	-	-
Add: Provision for the year	(273,000,000)	262,000,000
Closing balance	**1,253,000,000**	**1,526,000,000**
Required Provision	**1,222,062,853**	**1,096,461,157**
13.1.1 General provision		
Opening balance	1,526,000,000	1,264,000,000
Add: Provision for the year (note 13.1.1.1)	(273,000,000)	262,000,000
Add: Transferred from specific provision during the year	-	-
Less: Transferred to specific provision during the year	-	-
Closing balance (note 13.1.1.2)	**1,253,000,000**	**1,526,000,000**
13.1.1.1 General provision for the year against		
Loans and advances	(279,350,000)	126,700,000
Off-balance sheet items	6,350,000	135,300,000
	(273,000,000)	**262,000,000**
13.1.1.2 General provision against		
Loans and advances	861,150,000	1,140,500,000
Off-balance sheet items	391,850,000	385,500,000
	1,253,000,000	**1,526,000,000**
Required Provision (Loans and advances)	830,917,962	711,368,944
Required Provision (Off-balance sheet items)	391,144,891	385,092,213
	1,222,062,853	**1,096,461,157**
13.2 Specific provision		
Opening balance	287,557,869	320,181,377
Less: Fully provided, written-off during the year	-	-
Add: Specific provision during the year	130,250,054	12,431,453
Less: Recovery of provision no longer required	(89,037,467)	(45,054,962)
Closing balance	**328,770,456**	**287,557,869**
Required provision	**328,770,456**	**287,557,869**

13.3 Loan under policy support

A total of five companies has availed special rescheduling facilities under policy support in accordance with BRPD Circular No. 07 dated 16 September 2025, issued by Bangladesh Bank. The Bank has maintained sufficient provisions against such loans, as per the said circular, and subsequent BRPD circular letter no. 26 dated 24 November 2025, and relevant instructions mentioned in the specific approval letter for specific loans issued by Bangladesh Bank in this regard.

	2025	2024
13.4 Interest suspense account		
Opening balance	66,027,607	66,340,161
Add: Amount transferred to interest suspense account during the year	76,825,311	1,387,214
Less: Transferred to income during the year	(9,138,857)	(1,699,768)
Less: Amount waived/written-off during the year	-	-
Closing balance	**133,714,061**	**66,027,607**
13.5 Provision for taxation		
Opening balance	11,724,709,870	8,394,799,168
Add: Provision during the year (note 13.5.1)	3,887,504,340	4,293,172,860
Less: Settlement during the year	(1,040,119,741)	(963,262,158)
Closing balance (note 13.5.2)	**14,572,094,469**	**11,724,709,870**

Filing of corporate income tax return of the Bank has been made up to the assessment year 2025-26. Corporate income tax return for the income year ended 31 December 2025 has not yet been due for filing. However, tax clearance certificate from National Board of revenue (NBR) was received up to 2021 (Assessment Year 2022-2023), except 2011 and 2012. Provision for corporate income tax for the year ended 31 December 2025 has been made after considering necessary taxable allowances and disallowances as per tax laws.

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Commercial Bank of Ceylon PLC
Bangladesh Operations

AAA 15 CONSECUTIVE YEARS

FINANCIAL STATEMENTS FOR THE YEAR 2025

Notes to the financial statements
As at and for the year ended 31 December 2025

	2025 Amounts in BDT	2024 Amounts in BDT
13.5.1 Provision made during the year		
Current tax	3,887,504,340	4,293,172,860
Deferred tax	(4,504,340)	6,827,140
	3,883,000,000	4,300,000,000
13.5.2 Provision for taxation		
Current year provision	3,896,873,878	-
Provision carried forward	-	-
2025	3,896,873,878	-
2024	4,301,328,011	4,301,328,011
2023	3,232,608,164	3,232,608,164
2022	2,084,642,925	2,084,642,925
2021	-	1,049,489,279
2012	575,202,852	575,202,852
2011	481,438,639	481,438,639
	14,572,094,469	11,724,709,870
14 Paid-up capital / Deposit kept with Bangladesh Bank		
Fund deposited with Bangladesh Bank	-	-
Investment in treasury bills/bonds (note 14.1)	8,611,300,000	7,738,700,000
	8,611,300,000	7,738,700,000

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

The Bank's deposits against equity with Bangladesh Bank at 31 December 2025 represents investment in treasury bills/bonds of BDT 8,611,300,000.

14.2 Capital to Risk Weighted Assets Ratio (CRAR)

In terms of section 13 (2) of the Banking Companies Act, 1991 and Bangladesh Bank BRPD circulars no. 01,14 ,10, 05 and 18 dated 08 January 1996,16 November 1996, 25 November 2002, 14 May 2007,21 December 2014 and 03 April 2018 respectively, required capital of the Bank at 31 December 2025 should be BDT 5,909,995,852 or 10% of risk weighted assets whichever is higher as against available capital of BDT 33,864,804,177 (Tier I Capital BDT 32,611,804,177 and Tier II Capital BDT 1,253,000,000). Details are shown below:

	2025	2024
Total assets including off-balance sheet items	257,005,948,191	225,117,512,891
Total risk weighted assets	59,099,958,521	55,138,606,246
10% of risk weighted assets	5,909,995,852	5,513,860,625
Required capital as per BRPD circular (a)	**5,909,995,852**	**5,513,860,625**
Actual capital maintained:		
Tier I		
Paid-up capital/Deposit kept with Bangladesh Bank	8,611,300,000	7,738,700,000
Statutory reserve	-	-
Other reserve	-	-
Retained earnings	24,145,799,937	19,312,800,910
Regulatory adjustments (deferred tax assets)	(145,295,760)	(141,615,672)
	32,611,804,177	26,909,885,238
Tier II		
General provision on unclassified loans and off-balance sheet items (Allowable as per Basel III)	1,253,000,000	1,526,000,000
Revaluation reserve (up to 50% of revaluation reserve) less phase-in deductions as per Basel III	-	-
	1,253,000,000	1,526,000,000
Total capital (b)	33,864,804,177	28,435,885,238
Capital surplus / (shortfall) (b-a)	27,954,808,325	22,922,024,613
Capital to Risk Weighted Assets Ratio (CRAR)	57.30%	51.57%

	2025	2024
15 Surplus in profit and loss account		
Opening balance	19,312,800,910	14,260,071,542
Add: Profit after taxation	5,763,231,340	6,004,474,109
Add: Capital from Head Office	-	-
Less: Provision for Start-up Fund (Note 32)	(57,632,313)	(60,044,741)
Less: Profit remittance	-	-
Add: Transfer from Deposit kept with Bangladesh Bank to Profit and Loss	(872,600,000)	(891,700,000)
Closing balance	24,145,799,937	19,312,800,910
16 Contingent liabilities		
16.1 Claims lodged with the Bank which are not recognized as loan	-	-
	-	-
16.2 Letter of guarantees		
Directors	-	-
Government	10,451,490,719	10,070,612,476
Banks and other financial institutions	301,591,800	281,555,200
Others	1,436,831,418	678,168,409
	12,189,913,937	11,030,336,085
Margin on guarantees	292,049,432	243,024,535
16.3 Irrevocable letters of credit		
Inward bills unsettled	6,311,125,570	4,357,694,224
Documentary credits	14,926,206,372	15,786,654,087
Shipping guarantee	8,100	11,400
	21,237,340,042	20,144,359,711
Margin on letters of credit	4,994,580,143	4,855,910,779
16.4 Bills for collection (*)		
Cheques for collection	46,544,218	140,720,434
Outward collection	10,298,307,647	10,716,329,751
	10,344,851,865	10,857,050,185

(*) The above amount represents cheques in hand for clearing and different outward bills sent on collection basis against which Bank is not taking any responsibilities. Hence, there is no chance for creating any liabilities for Bank in future.

	2025	2024
16.5 Other contingent liabilities		
Litigation pending against the Bank	69,367,577	69,367,577
	69,367,577	69,367,577
	43,841,473,421	42,101,113,558
17 Other commitments		
Forward assets purchased and forward deposits placed	28,720,132,643	29,315,464,715
	28,720,132,643	29,315,464,715

	2025 Amounts in BDT	2024 Amounts in BDT
18 Interest income		
Interest on loans and advances		
General loan	7,066,198,234	6,386,327,417
Overdrafts	907,581,991	713,505,340
Trust receipts	228,870,389	148,693,755
Import loans	6,567,713	3,153,373
Pre-shipment loan	5,669,609	9,069,938
Inland bills purchased	-	-
House building loan-others	70,825,074	59,792,782
Credit cards	21,826,461	16,142,134
Staff loans	11,318,221	10,511,560
	8,318,857,692	7,347,196,299
Interest on		
Accounts with foreign Banks	48,910,724	161,511,472
Deposits with other Banks	1,966,226,734	1,615,138,164
	2,015,137,458	1,776,649,636
	10,333,995,150	9,123,845,935
19 Interest paid on deposits and borrowings, etc.		
Interest on		
Fixed deposits	5,054,642,589	3,134,782,985
Short notice deposit / Money market A/C	552,637,075	500,460,870
Savings deposits	82,031,627	77,594,925
Foreign currency deposits	753,329,858	422,965,608
	6,442,641,149	4,135,804,388
Interest on		
Borrowings from local Banks	33,319,048	37,910,539
Borrowings from foreign Banks	96,857,422	14,259,641
	130,176,470	52,170,180
Interest expenses on lease liability	27,409,018	27,666,165
	6,600,226,637	4,215,640,733
20 Investment income		
Interest and profit on treasury bills	2,822,192,187	3,144,774,324
Interest and profit on treasury bonds	2,432,970,418	610,331,063
Capital gain on treasury bills and bonds	50,092,898	23,325,488
Dividend from CDBL shares / Quoted shares	8,179,439	13,708,332
	5,313,434,942	3,792,139,207
21 Commission, exchange and brokerage		
Commission	1,048,838,108	867,353,789
Exchange gain less losses arising from dealing in foreign currencies	1,817,449,448	3,414,404,964
	2,866,287,556	4,281,758,753
22 Other operating income		
Income from recovery of loans	89,037,467	45,054,962
Income from recovery of written off bad debts	1,845,335	5,844,500
Profit on disposal of fixed assets	656,444	352,974
Reversal of HO Expenses	-	27,288,602
Reversal of Banker Hospital Expenses	100,000,000	-
Profit less loss from interest fluctuation	-	-
	191,539,246	78,541,038
23 Salary and allowances		
Salaries	449,989,393	396,199,026
Leave fair assistance	35,233,147	30,621,678
Bonus	288,296,074	255,866,262
Bank's contribution to provident fund	20,626,771	18,083,866
Gratuity	33,964,685	28,262,008
Other allowances	72,000	66,000
Medical expenses	21,014,484	18,157,402
	849,196,554	747,256,242
24 Rent, taxes, insurance, electricity, etc.		
Rent, rates and taxes (Only VAT)*	25,838,007	23,884,331
Lease rent	7,113,469	6,540,823
Insurance	65,496,207	[illegible]
Lighting	11,514,407	14,456,465
Water charges	535,237	626,491
	110,497,327	105,563,004

(*) Actual rent expenses during the year 2025 is Tk. 206,953,254/- and Tk. 191,954,495 was for the year 2024.

However, to comply with IFRS 16: Leases, Bank has recognized depreciation and finance cost on right-of-use (RoU) assets and lease liabilities respectively. Therefore, measurement, recognition, presentation and disclosure in the financial statements have been made as per the relevant standard.

	2025	2024
25 Legal expenses		
Law charges	1,420,993	1,741,305
Other professional fees	740,626	6,389,231
	2,161,619	8,130,536
26 Postage, stamps, telecommunication, etc.		
Telephone	1,841,590	1,367,624
Swift charges	9,929,613	6,714,468
Postage and courier	11,958,041	11,527,224
	23,729,244	19,609,316
27 Stationery, printing, advertisements, etc.		
Publicity and advertisement	25,807,851	21,238,931
Printing and stationery	9,755,567	9,734,929
Newspapers and periodicals	398,874	481,826
	35,962,292	31,455,686
28 Chief Executive's salary and fees		
Salary	10,459,181	9,935,793
Bonus	10,431,991	9,477,871
Other allowances	6,807,724	5,865,867
	27,698,896	25,279,531

	2025 Amounts in BDT	2024 Amounts in BDT
29 Depreciation and repairs of Bank's assets		
Depreciation (Annex B).	216,052,343	197,754,698
Repairs and maintenance of:		
Equipment and computers	53,405,757	28,328,777
Premises, furniture and fixtures	13,913,689	10,671,081
Vehicles	11,356,624	11,966,606
	294,728,413	248,721,162
30 Other expenses		
Fees and charges for services	77,165,532	71,555,893
Travelling and conveyance	17,806,694	16,492,409
Entertainment	21,251,521	19,801,269
Security services	19,506,160	19,266,622
Training, seminar and workshop	894,696	861,606
Cash carrying expenses	5,601,497	6,003,251
Loss on disposal of fixed assets	70,329	7,307
Donation and subscription (CSR Expeses)	14,455,000	7,025,745
Sundry expenses	36,253,890	28,109,558
Head office expenses (note 30.1)	1,060,692,371	1,141,909,501
	1,253,697,690	1,311,033,161

30.1 As per FE Circular No. 15, dated: 10 June 2018, issued by Foreign Exchange Policy Department of Bangladesh Bank, provision for head office expenses has been kept @ 10% on the amount of profit before tax.

	2025	2024
31 Provision against loans and advances		
General provision for:		
Unclassified loans	(279,350,000)	126,700,000
Off-balance sheet items	6,350,000	135,300,000
Special general provision for COVID-19	-	(16,000,000)
	(273,000,000)	246,000,000

32 Start-Up Fund

As per SMESPD Circular No. 02 dated July 09, 2025 and SMESPD Circular No. 04 dated March 29, 2021, read with circular no. 5 dated 26 April 2021 Bank has to create a Start-up fund to disburse the loan to the startup entrepreneurs by transferring 1% of the Annual Net Profit (As per Audited Financial Statements) from the year 2020 onwards for next five years. To comply that in the year 2021 bank has transferred 1% of Net Profit amounting BDT 15,890,336, BDT 16,731,266 for the year 2020 and 2021. Subsequently from the year 2022, 2023, 2024 and 2025 we transfer BDT 26,789,724, BDT 44,303,041, BDT 60,044,741 and BDT 57,542,313 respectively.

	2025	2024
33 Receipts from other operating activities		
Other operating income	191,539,246	78,541,038
Income from commission, exchange and brokerage	2,866,287,556	4,281,758,753
Less: Fees and commission	(1,048,838,108)	(867,353,789)
Gain on disposal of property, plant and equipment, recovery of Loans Provisions	(91,539,246)	(51,252,436)
	1,917,449,448	3,441,693,566
34 Payments for other operating activities		
Total operating expenses	(2,600,604,535)	(2,497,738,638)
Less: Payments to employees	842,930,765	744,273,765
Less: Payments to suppliers	170,188,863	156,628,006
Less: General and other provisions	141,805,618	(258,431,453)
	(1,445,679,289)	(1,855,268,320)
35 Other assets		
Receivable from Bangladesh Bank against Sanchaya Patras	-	-
Prepaid expenses	16,967,920	17,085,710
Stock of stationery, stamps, printing materials, etc.	19,743,908	23,917,728
Receivable from Head Office	232,500	74,000
Security deposit	6,977,388	4,958,575
Others	275,010,848	392,680,057
	320,930,948	438,716,070
Increase /(Decrease) during the year	117,785,122	148,031,299
36 Other liabilities		
Accumulated provision against loans and advances and off-balance sheet items	1,253,000,000	1,526,000,000
Specific provision (note 13.2)	328,770,456	287,557,869
Interest suspense account (note 13.3)	133,714,061	66,027,607
Provision for corporate taxation (note 13.4)	14,572,094,469	11,724,709,870
Sundry creditors	36,828,558	364,092,742
Expenses payable	377,250,550	443,707,357
Commission and brokerage payable	-	17,080,617
Provision for head office expenses (note 30.1)	1,060,692,426	1,141,909,556
Gains on revaluation of treasury bills/ bonds and net Actuarial Gain/(Loss)	282,816,393	23,331,685
Others	1,011,176,009	1,124,952,244
	19,277,734,923	16,719,369,547
Less: Current year's corporate tax provision	(3,883,000,000)	(4,300,000,000)
Decrease during the year	(1,324,635,204)	125,231,954

37 Audit committee

Audit committee of the Bank consists of the following members:

SL. No.	Name	Designation	Educational and professional qualifications
1	Najith Meewanage	Chief Executive Officer	Master in Business Administration from University of Greenwich, London. Diploma in Banking and Associated member of Institute of Bankers in Sri Lanka.
2	Mahmud Hossain	Deputy CEO & Head of Corporate	Master in Business Administration from IBA, University of Dhaka, Bcom (Hons) in Finance and Banking from University of Dhaka.
3	Haily Priyadarshana Algewatte	Deputy CEO & Chief Operating Officer	Bachelor of Management Studies, Open University, Sri Lanka. Diploma in Banking & Finance-Institute of Bankers of Sri Lanka.Certification on "Risk in Financial Services"-Chartered institute for Securities & Investment-UK.
4	Samantha Ratnayaka	Chief Risk & Investment Strategy Officer	Bachelor of Science(General)-Business Administration(BSc) from the University of Sri Jayewardenepura. Masters of Business Admnitration(MBA) from the Postgraduate Institue of Management(PIM) of the University of Sri Jayewardenepura. Masters of Financial Economics(MFE) from the University of Colombo. Diploma in Banking and Finance (DBF) at the institute of Bankers of Sri Lanka. Level 3 Qualification in Risk in Financial Services from the Chartered Institute of Securities & Investment, UK. Fellow Member of the Sri Lanka Institute of Credit Management.
5	Shakir Khusru	Senior Assistant General Manager- Head of Internal Control & Compliance	BBA, MBA, Western International University Phoenix,Arigona, USA.
6	Benozeer Ahmed	Chief Financial Officer	MBA (Finance), University of Dhaka.BBA (Finance & Banking),University of Dhaka. CPA, Australia.CIMA, UK.ACCA (completed 12 out of 13 papers).
7	Moyeenul Haque Khan	Manager, Audit	Bachelors of Art's (BA) from University of Dhaka.

Four (04) numbers of Audit Committee meetings were held during the year 2025 where among others, following issues were discussed:

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

38 Core risks management of the Bank

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

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

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

38.a Credit risks

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

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

38.b Asset and liability/ Balance sheet risks

The Asset and Liability Management Committee (ALCO) oversees the Bank's asset and liability management framework to ensure balance sheet stability, adequate liquidity, and controlled risk exposure. The Committee is responsible for monitoring funding costs, asset yields, capital adequacy, and the balance sheet to support sustainable business growth.

ALCO regularly reviews the Bank's liquidity position and funding structure, including compliance with regulatory requirements such as the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The Committee also oversees the Liquidity Contingency Plan and ensures adherence to approved wholesale borrowing guidelines. Limits for off-balance-sheet exposures are set and monitored to manage contingent risks in line with regulatory standards.

Market risks, including interest rate risk and exchange rate risk, are managed through a combination of traditional and modern ALM techniques. These include gap analysis, interest rate sensitivity analysis, earnings-at-risk (EaR), economic value of equity (EVE) assessments, and scenario and stress testing. ALCO applies both static ALM approaches, which assess balance sheet exposures based on current positions, and dynamic ALM approaches, which incorporate projected business growth, behavioral assumptions, and changing market conditions. These analyses are reviewed regularly to ensure exposures remain within the approved risk appetite and that the Bank's net interest margin is resilient to adverse movements in market variables.

Liquidity risk is managed through regular cash flow monitoring, maturity gap analysis, and liquidity stress testing across multiple time horizons. Forward-looking assessments under the dynamic ALM framework support proactive funding strategies and ensure the availability of sufficient high-quality liquid assets under both normal and stressed conditions.

Through regular monitoring, application of static and dynamic ALM methodologies, policy oversight, and compliance with regulatory and internal risk limits, ALCO ensures that balance sheet risks are effectively managed and aligned with the Bank's overall risk management framework.

38.c Foreign exchange risks

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

38.d Internal control and compliance risks

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

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

38.e Money laundering risks

In line with the prevailing regulatory requirements of Bangladesh Bank and the Bangladesh Financial Intelligence Unit (BFIU) and international stander the Bank continues to strengthen and refine its risk-based Anti-Money Laundering and Counter-Terrorist Financing (AML & CFT) framework to effectively identify, assess, monitor, and mitigate money laundering and terrorist financing risks. Comprehensive policies, procedures, and internal control mechanisms remain in place to ensure timely detection, investigation, and reporting of suspicious transactions to the appropriate authorities.

Oversight of AML & CFT compliance is maintained through a clearly defined governance framework comprising the Central Compliance Committee, the AML & CFT Department, and the Chief Anti-Money Laundering Compliance Officer (CAMLCO), ensuring effective implementation of regulatory requirements and a strong compliance culture across the Bank. At the operational level, Branch Anti-Money Laundering Compliance Officers (BAMLCOs) conduct ongoing monitoring of customer accounts and transactions, while robust Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD) measures are applied, with enhanced scrutiny of high-risk customers including PEPs, IPs, and Heads of International Organizations, in line with the risk-based approach.

The Bank maintains Board-approved AML & CFT policies, procedures, and internal control mechanisms that ensure ongoing monitoring, timely detection, investigation, escalation, and reporting of suspicious transactions and activities to the competent authorities in accordance with applicable laws and regulations. The AML & CFT framework is subject to periodic review and enhancement to address emerging risks, evolving typologies, and regulatory developments.

38.f Information Technology Risks

As part of the Bank's continuous efforts to strengthen ICT security, operational resilience and regulatory compliance, the Bank has undertaken several strategic technology initiatives in line with industry best practices. The Bank implemented a new Loan Origination System (LOS) and successfully completed the SWIFT ISO message migration in accordance with international standards. These enhancements ensured a secure and efficient transactional environment across all banking operations.

The Bank operates under a comprehensive IT Security Policy that is fully aligned with the Bangladesh Bank Guidelines v4.0 on Information and Communication Technology for Scheduled Banks and Financial Institutions. The Bank further enhanced its technology risk management posture by migrating both its Data Center (DC) and Disaster Recovery (DR) sites to industry-standard Tier III colocation. Additionally, comprehensive Disaster Recovery exercises were successfully conducted covering all related services, validating system recoverability, business continuity, and overall operational preparedness.

Bank holds the latest version of the PCI-DSS certification and remains compliant with the SWIFT Customer Security Controls Framework, demonstrating its strong commitment to adhering to stringent global security standards.
Collectively, these initiatives significantly mitigate information technology risks and reinforce the Bank's commitment to maintaining a secure, resilient, and compliant technology environment.

38.g Internal Audit

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

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

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

39 Risk Management Committee (RMC)

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

40 Post balance sheet events

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

41 Related party disclosure

41.1 Transactions with key management personnel

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

Commercial Bank of Ceylon PLC- Bangladesh Operations, not being incorporated in Bangladesh, Operates in Bangladesh under the Banking license issued by Bangladesh Bank(as a branch of a foreign Bank) and therefore key management personnel, who do qualify as related party under IAS 24, refer to Commercial Bank of Ceylon officials located in outside Bangladesh.
So, there is no transactions between the Bank and the key management personnel of the Bank in 2025 (2024-nil).

41.2 Transactions with Post employment benefit plan

The Bank has two post employment benefit schemes, the nature of which is disclosed in note 2.7, Employee benefits. The total contribution to these schemes in 2025 by the Bank is disclosed in note 23, salaries and allowances.

41.3 Transactions with nostro and vostro accounts

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

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

41.4 Transactions with the Off-shore Banking unit

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

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

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

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

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

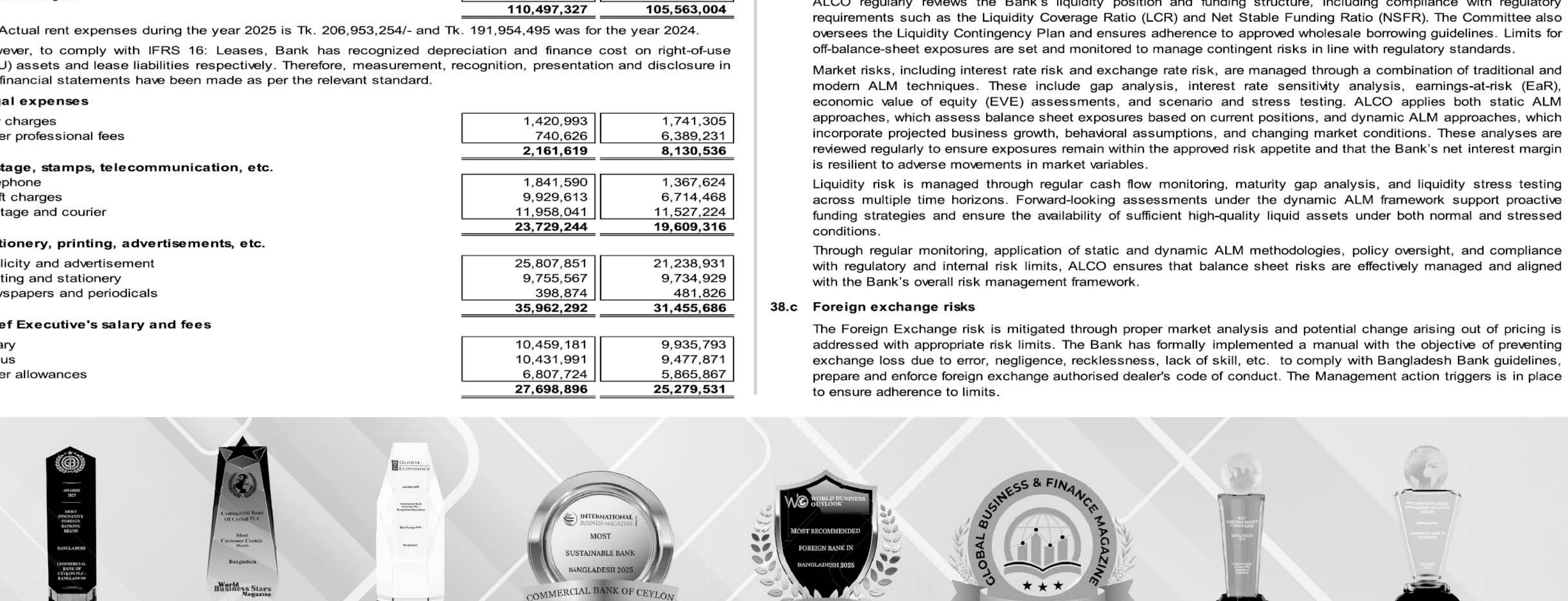
* Relevant disclosures are made according to the requirement of Bangladesh Bank.

43 Others

Assets and liabilities other than balances with other Banks and financial institutions at 31 December 2025 denominated in foreign currencies have been translated to local currency, BDT, at the following exchange rates:

Currency	Abbreviation and unit		Equivalent BDT
United Arab Emirate Dirham	AED	1.00	33.2707125
Australian Dollar	AUD	1.00	81.8678900
Canadian Dollar	CAD	1.00	89.2720167
Swiss Franc	CHF	1.00	154.8599671
Chinese Yuan	CNY	1.00	17.4474222
European Currency	EUR	1.00	143.8599500
Pound Sterling	GBP	1.00	165.0249900
Hong Kong Dollar	HKD	1.00	15.7106767
Indian Rupee	INR	1.00	1.3580984
Japanese Yen	JPY	1.00	0.7818548
Kuwaiti Dinar	KWD	1.00	397.3143888
Malaysian Ringgit	MYR	1.00	30.1598075
New Zealand Dollar	NZD	1.00	70.9432100
Qatar Riyal	QAR	1.00	33.5184804
Saudi Arabian Riyal	SAR	1.00	32.5836255
Swedish Kroner	SEK	1.00	13.3217050
Singapore Dollar	SGD	1.00	95.0344130
US Dollar*	USD	1.00	122.2000000

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



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COMMERCIAL BANK

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Commercial Bank of Ceylon PLC
Bangladesh Operations

AAA 15 CONSECUTIVE YEARS

FINANCIAL STATEMENTS FOR THE YEAR 2025

44 Reconciliation of inter-Bank and inter-branch transactions

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

45 Secured liabilities

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

46 Open position

The Bank's open position as of 31 December 2025 was USD 2,649,125.19 equivalent to Taka 323,722,691.12 against the approved limit of USD 14,430,000.00.

47 Credit rating

The Bank has been awarded "AAA" (triple A) for long term and ST-1 for short term ratings" by the Credit Rating Information and Services Limited (CRISL) on 02 June 2025.

48 Corporate Social Responsibility (CSR)

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

Social Projects:

Description of initiatives	Amount of investment		No. of beneficiaries
I. a)Environment and Climate Change Mitigation & Adaptation : Total nos. 2,000 trees planted in Dhaka (Panchkhola near Shatarkul), Gazipur, Sylhet, and Rangpur.	BDT	550,000	-
I. b) Environment and Climate Change Mitigation & Adaptation : Wetland Revival - Desilting for Climate Resilience, Community Welfare and installation of 4 tube wells in Syedpur Areas For safe drinking water.	BDT	1,050,000	-
II. a)Education: Granted to the Prime Minister's Education Assistance Trust.	BDT	450,000	-
II. b) Education: Teach For Bangladesh (TFB) organized a Professional Development Training for 134 Fellows across Dhaka, Chattogram, Rangpur, and Cox's Bazar, focusing on climate education and environmental citizenship, gender equity, bias reduction and digital literacy with socio-emotional learning.	BDT	350,000	-
II. c) Contribution to Kargill Government High School	BDT	100,000	-
II. d) Education: Teach For Bangladesh to train 6 Public University students with soft skills to train them for employability readiness. Locations include Dhaka, Chottogram, Sylhet, Rajshahi and Rangpur.	BDT	500,000	-
II. e) Education: Shakti Foundation to train 50 care givers, mostly women for direct employability at home and abroad.	BDT	1,000,000	-
III. a) Health: Treatment expenses of an underprivledged individual	BDT	20,000	-
III. b) Health: Treatment expenses of an underprivledged individual	BDT	35,000	-
III. c) Health: Day long health camp organized by Disabled Rehabilitation and Research Association (DRRA) for under privileged people of Satkhira district	BDT	204,000	-
IV. a) Other: Winter CSR. Blankets given to the people affected by cold wave in different parts of the country.	BDT	196,000	-
IV. b) Other: Special contribution to Bangladesh Bank for July Warriors and Martyrs Family Assistance Fund organized by Bangladesh Bank.	BDT	10,000,000	-
IV. c) Other: Special CSR to provide 40 refurbished desktop cmputers to three different schools - Swaninvour School and College, Dinajpur; Kamarkathi Girl's High School, Pirojpur; Kamarkathi N.K Institutions, Pirojpur	BDT	-	-
Total	**BDT**	**14,455,000**	

49 Sustainability Disclosure

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

50 Highlights of Activities

Sl.	Particulars	2025	2024
1	Paid-up capital / Deposit kept with Bangladesh Bank	8,611,300,000	7,738,700,000
2	Total capital for the purpose of CRAR	33,864,804,177	28,435,885,238
3	Capital to Risk Weighted Assets Ratio (CRAR) including OBU	57.30%	51.57%
4	Capital surplus/(shortfall)	27,954,808,325	22,922,024,613
5	Total assets	184,444,342,127	153,700,934,618
6	Total deposits	123,963,138,944	103,842,608,354
7	Total loans and advances	84,467,584,561	74,958,170,549
8	Total contingent liabilities and commitments	72,561,606,064	71,416,578,273
9	Credit-deposit ratio - DBU (%)	68.82%	69.73%
10	Credit-deposit ratio - Consolidated (%)	65.37%	67.86%
11	Ratio of classified loans against total loans and advances	0.87%	0.60%
12	Profit after tax and provision	5,763,231,340	6,004,474,109
13	Amount of Classified loans	731,617,096	450,233,748
14	Provision kept against classified loans	328,770,456	287,557,869
15	Provision surplus/(deficit)	30,937,147	429,538,843
16	Cost of fund	7.22%	4.95%
17	Interest earning assets	160,299,752,373	136,036,788,793
18	Non-interest earning assets	24,144,589,754	17,664,145,825
19	Return on investment	10.12%	8.59%
20	Return on average investment	11.03%	10.86%
21	Return on assets (Gross)	5.23%	6.70%
22	Return on assets (Net)	3.12%	3.91%
23	Income from investment	5,313,434,942	3,792,139,207
24	Earnings per share	N/A	N/A
25	Net income per share	N/A	N/A
26	Price earnings ratio	N/A	N/A

Benozeer Ahmed
Chief Financial Officer

Haily Algewatte
Deputy Chief Executive Officer
& Chief Operating Officer

Najith Meewanage
Chief Executive Officer

Disclosures on Risk based Capital Requirement under Pillar III of Basel III
Annexure A

For the year ended 31 December 2025

1 Disclosure Policy:

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

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

2 Scope of Applications:

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

3 Disclosures Framework:

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

3.1 Capital Structure

Qualitative Disclosure

The aim is for the capital structure to be as efficient as possible, both in terms of cost and in terms of compliance with the requirements of Bangladesh Bank. Bank's total capital as of 31 December 2025 was BDT 33,864.80 million out of which BDT 32,611.80 million was under Tier-I capital (out of that BDT 8,611.30 million was Deposit kept with Bangladesh Bank as per section 13 (3) of Banking Companies Act 1991 and remaining BDT 24,000.50 million was Retained Profit after regulatory deduction) and remaining BDT 1,253.00 million was under Tier-II capital (General Provision of BDT 1,253.00 million).

Quantitative Disclosure:

	Amounts in BDT
a) Amount of Tier I Capital	
i) Common equity Tier 1 (CET 1)	
Fully paid-up capital / capital deposited with Bangladesh Bank	8,611,300,000
Statutory Reserve	-
Actuarial gain/loss	-
Retained earnings	24,145,799,937
Non-repatriable interest-free fund	-
	32,757,099,937
Amount deducted from CET 1 Capital (Regulatory Adjustments)	
• Good will	-
• Shortfall	-
• Deferred tax assets	145,295,760
• Others	-
Total CET 1 Capital	**32,611,804,177**
ii) Additional Tier I capital	-
Total Tier I Capital (i+ii)	**32,611,804,177**
b) Total Tier II capital	**1,253,000,000**
Total eligible capital (a+b)	**33,864,804,177**

3.2 Capital Adequacy

Qualitative Disclosure of Capital Adequacy

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

At the end of 31 December 2025 Bank maintained capital of BDT 33,864.80 million (Tier 1: going-concern capital of BDT 32,611.80 million plus Tier 2: gone-concern capital of BDT 1,253.00 million) against its total Risk Weighted Asset (RWA) of BDT 59,099.96 million which leads to a Capital to Risk-weighted Asset Ratio (CRAR) of 57.30%, where the minimum requirement is 10.00% of RWA (BRPD circular no. 18 dated 21 December 2014) or BDT 5,000 million (BRPD circular letter no. 20 dated 24 July 2023) whichever is higher. Tier-I capital was 55.18% of RWA against minimum requirement of 6% of RWA. As a result the Bank has a buffer Capital of BDT 27,954.81 million to maintain to mitigate the additional uncertain risks which are not covered under Pillar-II.

Quantitative Disclosure of Capital Adequacy

		Amounts in BDT
a) Amount of Regulatory Capital to meet unforeseen loss:		
Amount of Capital required to meet Credit Risk		3,838,886,054
Amount of Capital required to meet Market Risk		292,220,178
Amount of Capital required to meet Operational Risk		1,778,889,621
		5,909,995,853
b) Actual Capital Maintained:		
Total CET 1 Capital		32,611,804,177
Total Tier I Capital		32,611,804,177
Total Tier II Capital		1,253,000,000
Total capital		**33,864,804,177**
% of Capital to risk weighted assets (CRAR)	**Required**	**Maintained**
CET 1	4.50%	55.18%
Tier I	6.00%	55.18%
Tier II		2.12%
Total	**12.50%**	**57.30%**
c) Capital conservation buffer	2.50%	2.50%
d) Available capital under pillar 2 requirement		**27,954,808,324**

3.3 Credit Risk

Qualitative Disclosures:

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

Definition of past due and impaired

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

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

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

Discussion of the Bank's credit risk management policy

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

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

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

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

Quantitative Disclosure

Total exposures of credit risk

A) Broken down by major types of credit exposure	Amounts in BDT
a) Cash and cash equivalents	676,683,030
b) Claims on Bangladesh Government and Bangladesh	21,506,518,016
c) Claims on other sovereigns and Central Banks*	-
d) Claims on Bank for international settlements, International Monetary Fund and European Central Bank	-
e) Claims on Multilateral Development Banks (MDBs)	-
f) Claims on Public Sector Entities (other than Govt. of Bangladesh) in BGD	-
g) Claims on Banks & NBFIs:	-
Maturity Over 3 Months	6,530,282,051
Maturity less than 3 Months	15,632,588,965
h) Claims on Corporate	57,901,667,678
i) Claims under Credit Risk Mitigation	12,438,615,128
j) Claims categorized as retail portfolio and small & medium enterprise (excluding consumer finance)	1,741,437,947
k) Consumer finance	312,585,989
l) Claims fully secured by residential property	327,094,128
m) Claims fully secured by commercial real estate	-
n) Past due loans/NPL	829,865,709
o) Investments in premises, plant and equipment and all other fixed assets	632,663,142
p) Claims on Fixed Assets under Operating Lease	-
q) All Other Assets	
i) Claims on GoB and BB (Advance Income Tax)	13,226,574,052
ii) Staff loan/investments	163,361,437
iii) Other assets	241,297,747
r) Off-balance sheet items:	
Claims on Banks:	
Maturity Over 3 Months	111,295,320
Maturity less than 3 Months	163,761,939
Claims on corporate	10,970,082,893
Retail portfolio and small & medium enterprises	1,196,987,345
	144,603,362,516

B. Geographical Distribution of Exposure — Amounts in BDT

Category	Dhaka	Chattagram	Sylhet	Total
Balance Sheet Items				
Claims on sovereigns and central Banks	22,056,118,386	103,481,266	23,601,394	22,183,201,046
Claims on Banks and NBFIs	22,162,871,016	-	-	22,162,871,016
Claims on corporate	64,799,065,835	6,156,521,173	214,561,507	71,170,148,515
Claims on retail portfolio and consumer	2,357,005,734	13,944,839	10,167,491	2,381,118,064
Fixed assets	621,876,874	9,314,807	1,471,461	632,663,142
Staff loan	163,361,437	-	-	163,361,437
All other assets	6,970,442,221	6,095,954,877	401,474,701	13,467,871,799
Total on balance sheet items	**119,130,741,503**	**12,379,216,962**	**651,276,554**	**132,161,235,019**
Off Balance Sheet Items				
Claims on Banks	275,057,259	-	-	275,057,259
Claims on corporate	9,065,810,200	1,892,083,905	12,188,788	10,970,082,893
Claims on retail portfolio and consumer finance	1,050,385,375	146,601,970	-	1,196,987,345
Total off balance sheet items	**10,391,252,834**	**2,038,685,875**	**12,188,788**	**12,442,127,497**
Total	**129,521,994,337**	**14,417,902,837**	**663,465,342**	**144,603,362,516**

C. Industry or Counterparty type distribution of exposures — Amounts in BDT

Category	Bank and NBFIs	Manufacturing industries	Retail & Consumer finance	Others	Total
Balance Sheet Items					
Claims on sovereigns	22,183,201,046	-	-	-	22,183,201,046
Claims on Banks and	22,162,871,016	-	-	-	22,162,871,016
Claims on corporate	-	71,170,148,515	-	-	71,170,148,515
Claims on retail portfolio	-	-	2,381,118,064	-	2,381,118,064
Fixed assets	-	-	-	632,663,142	632,663,142
Staff loan	-	-	-	163,361,437	163,361,437
All other assets	-	-	-	13,467,871,799	13,467,871,799
Total on balance sheet	**44,346,072,062**	**71,170,148,515**	**2,381,118,064**	**14,263,896,378**	**132,161,235,019**

Category	Bank and NBFIs	Manufacturing industries	Retail & Consumer finance	Others	Total
Off-balance sheet items					
Claims on Banks	275,057,259	-	-	-	275,057,259
Claims on corporate	-	10,970,082,893	-	-	10,970,082,893
Claims on retail portfolio	-	-	1,196,987,345	-	1,196,987,345
Total off balance sheet	**275,057,259**	**10,970,082,893**	**1,196,987,345**	**-**	**12,442,127,497**
Total	**44,621,129,321**	**82,140,231,408**	**3,578,105,409**	**14,263,896,378**	**144,603,362,516**

D. Residual Contractual Maturity — Amounts in BDT

Residual contractual maturity	Balance sheet items	Off-balance sheet items	Total
Up to 1 month maturity	24,693,100,468	1,884,986,731	26,578,087,199
1-3 months maturity	23,142,474,551	3,916,530,216	27,059,004,767
3-12 months maturity	51,742,935,151	6,338,933,294	58,081,868,445
1-5 years maturity	30,251,697,382	301,677,256	30,553,374,638
Above 5 years maturity	2,331,027,467	-	2,331,027,467
Total	**132,161,235,019**	**12,442,127,497**	**144,603,362,516**

E. Major Industry or Counterparty Type (past due)

	Amounts in BDT
i) Amount of impaired / classified loans by major industry/ sector type	
Major industry/sector	
Bank and NBFIs	-
Manufacturing industries	11,145,295
Retail and Consumer finance	85,014,072
Others	635,457,729
Total	**731,617,096**
ii) Specific and general provision	
General provision	
Loans and advances	861,150,000
Off-Balance sheet items	391,850,000
	1,253,000,000
Specific provision	**328,770,456**
iii) Charges for specific allowance and charges-offs during the year	
Specific provisions made during the period	130,250,054
Write-back of excess specific provisions	(89,037,467)
F) Gross non-performing assets (NPAs)	**731,617,096**
Total loans & advances	84,467,584,561
Non-performing loans and advances	**731,617,096**
Special mentioned account (SMA)	-
Sub-standard	181,734,707
Doubtful	52,759,723
Bad/ Loss	497,122,666
Non-Performing Assets (NPAs) to Outstanding Loans and advances	**0.87%**
G) Movement of Non-Performing Assets (NPAs)	
Opening balance	450,233,748
Add: Addition during the year	311,591,322
Less: Reduction during the year	(30,207,974)
Closing balance	**731,617,096**
H) Movement of specific provisions for NPAs	
Opening balance	287,557,869
Add: Provisions made during the period	130,250,054
Add: Recovery of advance previously written-off	-
Less: Write-off	-
Less: Write-back of excess provisions	(89,037,467)
Closing balance	**328,770,456**

3.4 Equities: Disclosures for Banking Book Positions

Qualitative Disclosure

Quantitative Disclosures Details of Unquoted and Quoted shares Investments

Central Depository Bangladesh Limited (CDBL) shares as unquoted investment.

Banking Book Assets (Unquoted Shares) — Amounts in BDT

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

Banking Book Assets (Quoted Shares) — Amounts in BDT

Sector	Number of shares	Face Value	Cost
Banks	1,303,056	13,030,560	34,400,142
Pharma	110,504	1,105,040	22,995,342
Consumer	5,253	52,530	14,456,559
Oil and Gas	95,293	952,930	8,487,790
Telecom	344,653	3,446,530	9,776,147
Textile	184,114	1,841,140	8,899,306
	2,042,873	**20,428,730**	**99,015,286**

3.5 Interest rate risk in the Banking book (IRRBB)

Qualitative Disclosure

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

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

External factors cover general economic conditions:

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

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

Combined Shock — in %

Magnitude of Shock	Minor	Moderate	Major
Capital Adequacy Ratio before shock (%)	57.30	57.30	57.30
Increase in NPLs in sector with the highest exposure	-0.29	-0.59	-0.89
Increase in NPLs in sector with second highest exposure	-0.31	-0.61	-0.93
Increase in NPLs in top 2 sectors	-0.60	-1.20	-1.81
Increase in NPLs	-1.55	-3.22	-5.02
Increase in NPLs due to default of top borrowers	-4.41	-7.44	-11.50
Depletion in Collateral	-0.06	-0.08	-0.11
Negative Shift in NPL categories	-0.02	-0.04	-0.05
Negative shift in rating categories	-2.00	-3.87	-5.62
Interest Rate	-3.07	-4.60	-6.13
FEX: Currency Appreciation	-0.05	-0.07	-0.09
Equity Shock	-0.02	-0.03	-0.04
Combined Shock	-5.72	-9.26	-13.27
CRAR after shock (%)	51.58	48.05	44.03

3.6 Market Risk

Qualitative Disclosure

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

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

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

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

Methods used to measure market risk:

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

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

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

Interest rate risk

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

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

Foreign exchange risk

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

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

Market risk on Trading Book	Amounts in BDT
The capital requirements for:	
A. Interest Rate Risk	258,566,579
B. Equity Position Risk	-
C. Foreign Exchange Risk	33,653,598
D. Commodity Risk	-
	292,220,177

3.7 Operational risk

Qualitative disclosure

Views of BOD on system to reduce operational risk

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

Performance gap of executives and staffs

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

Potential external events

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

Policies and processes for mitigating operational risk

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

Approach for calculating capital charge for operational risk

Presently Bank is following the Basic Indicator Approach (BIA) for calculating its operational risk capital charge and at 31 December 2025 Bank's operational risk capital requirement was Tk. 177.89 crore which was adequately maintained.

Quantitative Disclosure	Amounts in BDT
Capital requirements for operational risk is	**1,778,889,621**

3.8 Liquidity ratio

Qualitative disclosure

Views of BOD on system to reduce liquidity risk

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

Methods used to measure liquidity risk

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

Liquidity risk management system

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

Policies and processes for mitigating liquidity risk

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

Quantitative Disclosure

	Amounts in BDT
Liquidity coverage ratio	1291.02%
Net stable funding ratio	127.78%
Stock of high quality liquid assets	55,491,068,000
Total net cash outflows over the next 30 calendar days	4,298,242,701
Available amount of stable funding	150,536,436,900
Required amount of stable funding	117,806,603,100

3.9 Leverage ratio

Qualitative disclosure

Views of BOD on system to reduce excessive leverage

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

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

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

Approach for calculating exposure

Leverage ratio of the Bank is calculated in line with the RBCA Guideline of BB. As at 31st December 2025 Bank's leverage ratio was 16.60% and it was calculated as follows:

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

Quantitative Disclosure	Amounts in BDT
Leverage ratio (%)	**16.60%**
On balance sheet exposure	184,115,571,672
Off balance sheet exposure	12,442,127,497
Total exposure	196,557,699,169
Less: Regulatory adjustments	145,295,760
Total exposure for the purpose of leverage ratio	196,412,403,409

3.10 Remuneration

Information relating to the bodies that oversee remuneration

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

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

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

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

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

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

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

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

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

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

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

Material Risk Takers	Composition	Number of
Senior Managers	Members of Management Committee(CEO, DCEO &COO, DCEO & HEAD OF CORPORATE BANKING, CRISO, SAGM-ICC, SAGM-CBK, AGM & CFO, AGM-TREASURY CORPORATE SALES, AGM-TREASURY-ALM, AGM-INTERNATIONAL)	10
Other material risk takers	Head of Branches and SME Centres	19
	Head of Units, Corporate Banking	6
	Head of Departments, Units	19
	Total	**54**

Information relating to the design and structure of remuneration processes

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

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

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

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

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

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

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

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

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

Different forms of variable remuneration

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

Quantitative Disclosure

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

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

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

Particulars	No. of employee	Amounts in BDT
Variable remuneration awarded	50	109,417,614
Guaranteed bonuses awarded	56	213,852,159
Sign-on awards	-	-
Severance payments	3	13,971,026

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

Details of remuneration awards	Cash	Shares and share-linked instruments	Other forms
Fixed	213,852,159		-
Variable	109,417,614		-
Deferred and non-deferred	-		-

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

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

Schedule of Fixed assets including premises, furniture and fixtures
Annexure B

As at 31 December 2025

Amount in BDT

Asset category	Cost: Opening balance as on 01 Jan 2025	Cost: Addition during the year	Cost: Disposal/ adjustment during the year	Cost: Total balance as at 31 Dec 2025	Rate (%)	Depreciation: Opening balance as on 01 Jan 2025	Depreciation: Charge for the year	Depreciation: On disposal/ adjustment	Depreciation: Total balance as at 31 Dec 2025	Written down value at 31 Dec 2025
Furniture and fixtures	61,871,457	2,371,603	(87,350)	64,155,710	10	49,991,710	1,959,565	(70,219)	51,881,056	12,274,654
Interior decorations	112,223,491	4,693,872	(867,822)	116,049,541	20	81,821,537	9,172,025	(865,870)	90,127,692	25,921,849
Equipment and computers	317,334,663	41,324,438	(11,527,750)	347,131,351	20	202,080,328	33,530,159	(11,383,950)	224,226,537	122,904,814
Computer software	102,904,813	47,642,893	-	150,547,706	20	68,075,433	13,202,817	-	81,278,250	69,269,456
Motor vehicles	48,030,493	-	(1,372,000)	46,658,493	20	42,088,976	1,372,774	(1,371,999)	42,089,751	4,568,742
Capital work in progress	-	63,275,169	-	63,275,169		-	-	-	-	63,275,169
Right of use asset	1,218,608,340	79,079,443	-	1,297,687,783		806,424,322	156,815,003	-	963,239,325	334,448,458
Total at 31 December 2025	**1,860,973,257**	**238,387,418**	**(13,854,922)**	**2,085,505,753**		**1,250,482,306**	**216,052,343**	**(13,692,038)**	**1,452,842,611**	**632,663,142**
Total at 31 December 2024	**1,780,986,375**	**92,271,347**	**(12,284,465)**	**1,860,973,257**		**1,064,972,490**	**197,754,698**	**(12,244,882)**	**1,250,482,306**	**610,490,951**