

# Reinvent, Rescale & Return

Annual Report 2021



Community Bank

• Trust • Security • Progress

## Reinvent, Rescale & Return

In an ever-changing world, digital advancement is critical for financial services providers. It is the standard to lead a firm that embraces change. As a result, all team members must adapt to a shift in viewpoint in order to provide the highest degree of value return to clients.

The creation of new processes, products, and markets in the near future will be a whole different narrative. Increased revenue and rescaled firm value will boost business volume and improved sustainability in the ecosystem as a result.

Community Bank recognizes that the time has come to reinvent the best digital strategies in operations in order to improve sustainability, establish a competitive edge for customers, and ensure a return on investment for stakeholders. Let us revel in the optimum results of a globalized society.



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# Letter of Transmittal

All Honorable Shareholders of the Bank  
Bangladesh Bank  
Bangladesh Securities and Exchange Commission  
Financial Reporting Council  
Registrar of Joint Stock Companies and Firms  
Other Relevant Regulators and Stakeholders

Dear Sir(s),

## **Annual Report of Community Bank Bangladesh Limited for the year ended 31 December 2021**

We are pleased to present a copy of Annual Report of the Bank together with the Audited Financial Statements as at and for the year ended December 31, 2021 of Community Bank Bangladesh Bank Limited. The Annual Report 2021 of the Bank includes Financial Statements, comprising of Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement along with the Notes to the Accounts for kind information and record.

**With best regards,**

Sincerely yours,



**Saiful Alam, FCS**

Senior Executive Vice President and Company Secretary



## Notice of the 3rd Annual General Meeting

Notice is hereby given that the 3rd Annual General Meeting (AGM) of the Honorable Members/Shareholders of Community Bank Bangladesh Limited (the Bank/ the Company) will be held on Monday, April 18, 2022 at 3.00 P. M. at Hall of Pride, Police Headquarters, 6, Phoenix Road, Fulbaria, Dhaka, Bangladesh to transact the following business:

### Agenda

1. To receive, consider and adopt the Audited Financial Statements of the Bank together with the Auditors' Report thereon and the Directors' Report for the year December 31, 2021.
2. To elect/re-elect Directors.
3. To confirm appointment of External Auditors for the year ended December 31, 2022 and fix up their remuneration.
4. To confirm appointment of Corporate Governance Compliance Auditors regarding certification on compliance of Corporate Governance Code of BSEC for the year 2022 and fix up their remuneration.

By order of the Board of Directors



**Saiful Alam, FCS**  
SEVP & Company Secretary

Dated: Dhaka  
March 27, 2022

# Vision, Mission and Brand Pillars



## **Vision**

Reach out to the members of different communities with innovative banking service.



## **Mission**

- Deliver seamless services to the clients.
- Emphasize development of human capital.
- Adopt state-of-the-art technology to ensure transparency and accountability.
- Abide by the rules and regulations to establish the highest level of corporate governance.
- Offer services to the unbanked members of different communities to include them in the banking system gradually



## **Brand Pillars**

Trust, Security and Progress.

# CORPORATE PROFILE

Registered Name of the Company	Community Bank Bangladesh Limited.
Legal Form	A public limited company & Scheduled Bank. Sponsor Shareholder: Bangladesh Police Kallyan Trust
Capital (December 31, 2021)	Authorized Capital: BDT 1000,00,00,000.00 (Taka one thousand crore) Paid-up Capital: BDT 5,000,000,000.00 (Taka five hundred crore) Face value per share: BDT 10.00 (Taka Ten)
Company Registration No	C-147611/2018
Bangladesh Bank License	BRPD (P-3)745(71)/2018-8337; Date: 01 November 2018
Tax Payer Identification No	136115643249
VAT Registration No	001810084-0101
Chairman	Dr. Benazir Ahmed, BPM (Bar) Inspector General, Bangladesh Police
Managing Director & CEO	Mr. Masihul Huq Chowdhury
Company Secretary	Mr. Saiful Alam, FCS
Chief Financial Officer	Mr. Benozeer Ahmed, FCMA [UK], CPA [AUS]
Statutory Auditors	MABS & J Partners, Chartered Accountants
Corporate Governance Certificate Issuer	Suraiya Parveen & Associates
Registered Office & Head Office	Police Plaza Concord (Level 10, Tower 2) Plot 2, Road 144, Gulshan 1, Dhaka 1212, Bangladesh
Website of the Bank	<a href="http://www.communitybankbd.com">www.communitybankbd.com</a>

# PROUD WINNER OF INFOSYS-FINACLE INNOVATION AWARDS 2021

Community Bank Bangladesh Limited has been awarded globally acclaimed Infosys-Finacle Innovation Awards 2021 in three categories:

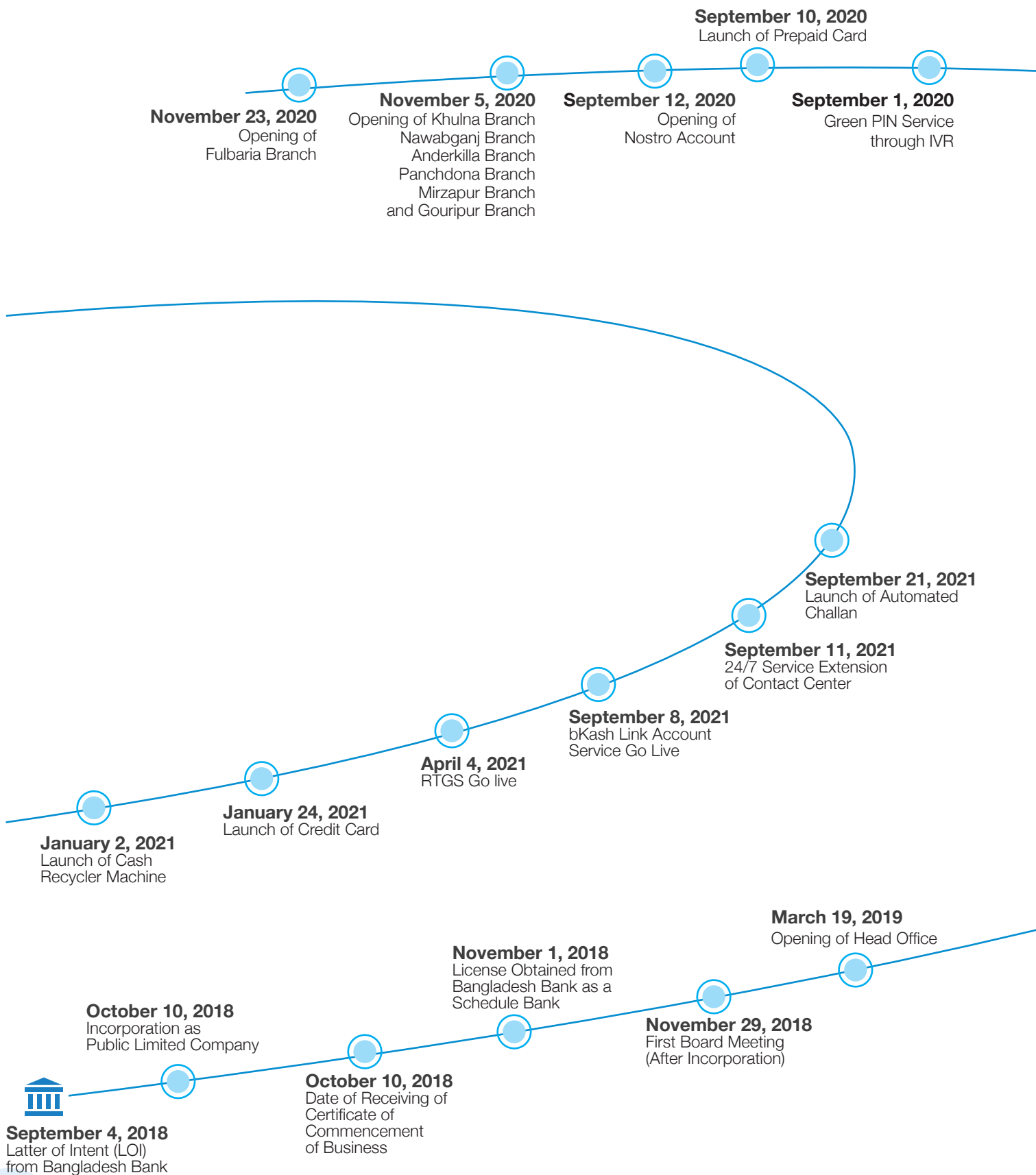
- ▶ Channel Innovation for Financial Inclusion Leveraging Technology
- ▶ COVID Response Innovation for Innovative Banking During the Pandemic
- ▶ Ecosystem-led Innovation for Customer Service Anytime Anywhere

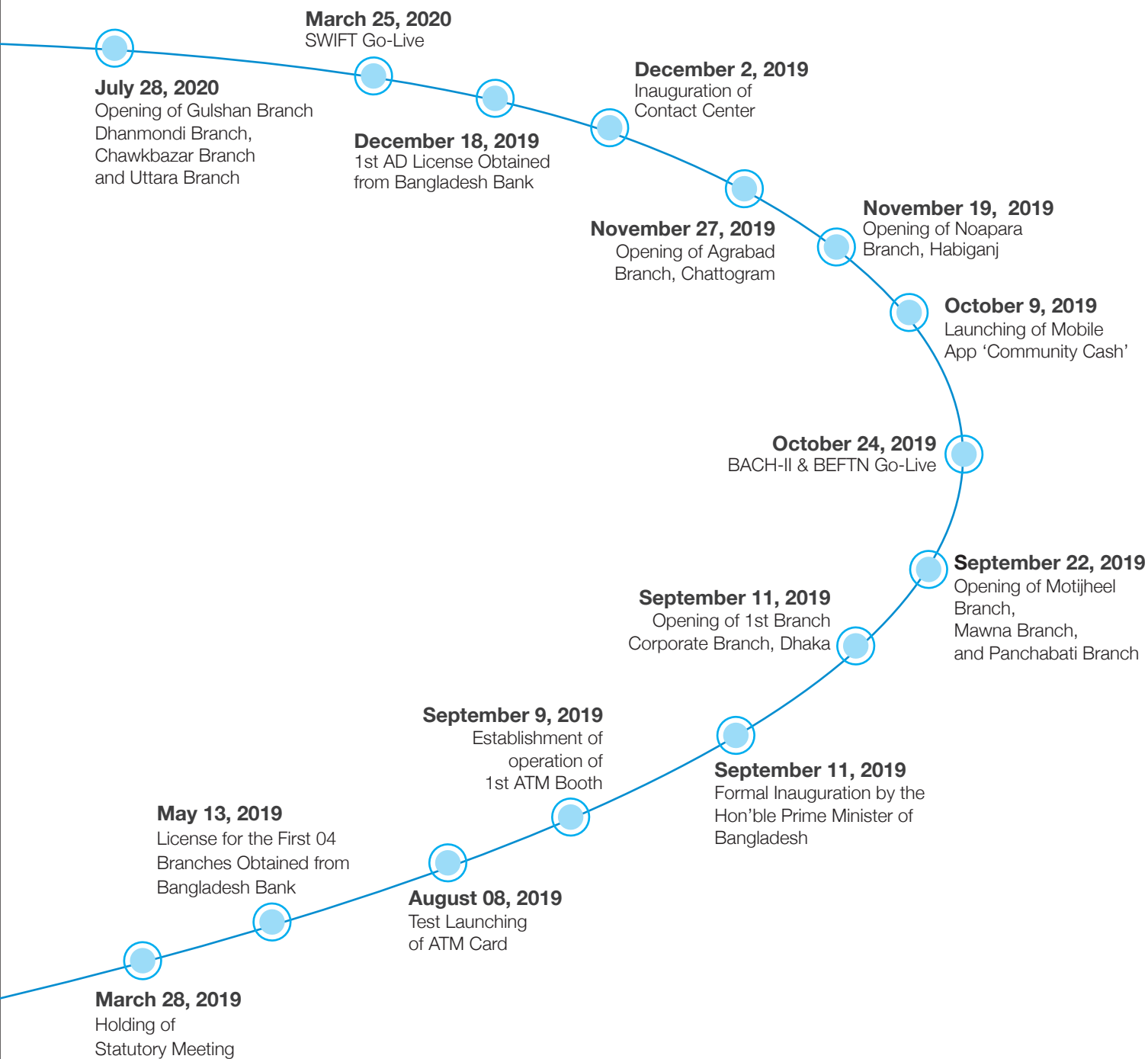


Community Bank has won these awards for successful rollout of its 'Digital-First' strategy to serve customers.



# Milestones





## Statement from the Chairman



“We promise to stay agile and embrace the changes in the macro-economic environment and aim to respond to the challenges and opportunity it creates. The Bank runs on its three pillars - Trust, Security, and Progress. These are deeply rooted in everything that we do. Beyond the economic aspects, our strategy revolves around financial inclusion of the diverse communities of the country. Aligned with our strategic intent, we have been purposefully investing in system, people, process, technology and distribution to build our capabilities to secure the sustainable future of the company.”

**Dr. Benazir Ahmed**, BPM (Bar)  
Inspector General, Bangladesh Police

# Statement from the Chairman

## Dear Shareholders,

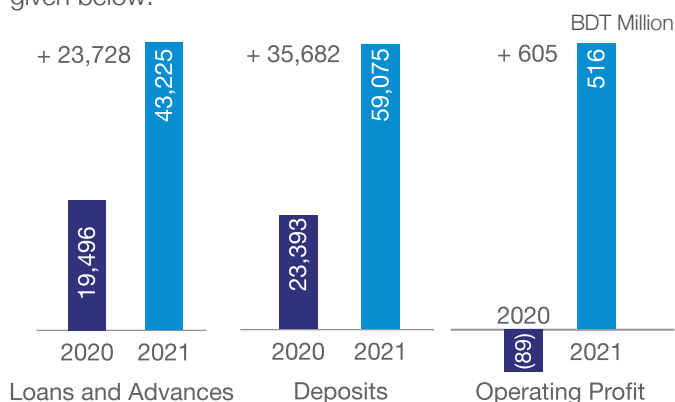
It is my great pleasure to welcome you to the 3rd Annual General Meeting of Community Bank Bangladesh Limited. I am delighted to present the performance and outlook of your Bank through the pages of our Annual Report for the year ended at 31 December, 2021.

## Performance Review

The Bank completed another successful year, 2021, after the Honorable Prime Minister inaugurated the commercial operation of the Bank in September, 2019. In 2021, the Covid-19 Pandemic entered into its 2nd year and continued to hard-hit every country of the world as the new variants of the virus such as *Delta* and *Omicron* emerged strongly in different parts of the world. As for Bangladesh, the situation was better-than-expected as the country was able to rise to the occasion to contain the spread; keeping the wheels of economy moving- thanks to the prudent and timely approach of the Honorable Prime Minister. Beyond delivering the numbers, the Bank continued its journey towards building the long-term capabilities of the organization and achieving the vision we set. This has been made possible due to the strong mandate given to us by our valued shareholders and the support from each member of Bangladesh Police Force.

All data presented herewith are related to the solo performance of Community Bank unless or otherwise stated.

Summary of Operating Performance of the year 2021 is given below:



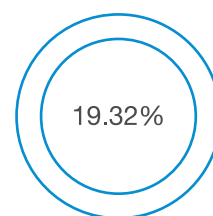
Loans and Advances witnessed a growth of BDT 23,728 million during the year taking the figure to BDT 43,225 million as of 31 December, 2021 against BDT 19,496 million in the year 2020. Deposits grew even at a faster pace and registered a growth of BDT 35,682 million in 2021, taking the figure to BDT 59,075 million at the end of the year 2021 against BDT 23,393 million in the previous year. Interest Spread and Yield on Investment and Interbank Placement remained under pressure due to ongoing regulation on interest rates, lower credit appetite and surplus liquidity that existed during the year 2021. However, in the later part of the year 2021, the Central Bank started mopping-up the idle money of the

economy by using its monetary instruments. On lending side, credit appetite gradually improved in the 4th quarter of the year 2021, due to the combined effect of growing export orders in RMG sector and pick-up in the import of capital machinery. However, economic recovery process in the year 2022 could face a set-back again due to the emergence of another strong wave of the *Corona virus*, which has been sweeping rapidly all over the country since the beginning of the year 2022 and therefore, complete revival of the economy could take a little longer than anticipated.

The Covid-19 pandemic emerged within a few months after Community Bank started its commercial operation in late 2019. The Bank made significant expansionary investments in the year 2020 by rolling out physical infrastructure, creating technology platform and recruiting people. Despite the expansions during the pandemic-hit period, the Bank delivered strong operating performance in the year 2021. Operating income was recorded at BDT 1,526 million in the year 2021 against BDT 764 million in the previous year. The rise in operating income was mainly driven by the solid balance sheet growth and healthy income from capital market operation. Operating expense also increased to BDT 1,010 million in 2021 from BDT 853 million in the previous year. The increase in expenses can be mostly attributed to the follow-on effect of the investment made in the year 2020. As the revenue lines outpaced operating expense, operating profit was registered at BDT 516 million in 2021 against an operating loss of BDT 89 million in 2020.



Classified Loan Ratio



Capital Adequacy Ratio

While growing our balance sheet, we remain firmly committed to building the safest and strongest Balance Sheet in the industry. As a result, the Bank's classified loan ratio was held in check at 0.0395% as of December 2021 against the industry average of 8.12% as of 30 September 2021. In addition, our Capital Adequacy Ratio stood firmly at 19.32%, which is well above the minimum regulatory requirement of 12.50% and industry average of 11.2% as of 30 September 2021. The strong capital base gives us the opportunity space to grow our balance sheet further and improve the Bank's shock-absorbing capacity against any adverse scenarios.

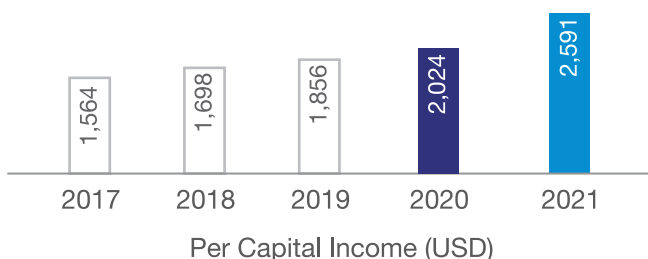
As the deposit volume outpaced loan growth, Asset to Deposit Ratio fell down to 71.3% at the end of 2021 from 82.3% a year ago. As for the financial services to our valued members of Bangladesh Police, you will be happy to know that we have disbursed 75,336 number of loans to them, amounting BDT 35,783 million and provided payroll services to around 193,000 police members as of December 2021.



## Macroeconomic Review

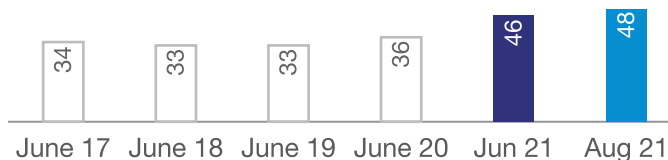
Under the dynamic and visionary leadership of the Honorable Prime Minister, Bangladesh crossed the Lower Middle-Income threshold in 2015 and fulfilled all the criteria for the graduation to a developing country from the status of Least Developed Country (LDC). Bangladesh is set to leave the LDC category and emerge as a Developing Country in 2026. From Information Technology perspective, Bangladesh has done considerable progress in achieving the country's vision of Digital Bangladesh. The country is also marching towards achieving the bigger milestone, Vision 2041. During the journey the country is expected to achieve the status of Upper Middle-Income Country (UMIC) by 2031 and High-Income Country (HIC) by 2041 with the per capita income crossing over USD 12,500 in today's price and poverty will see its extinction from the country.

The economy of Bangladesh has been growing at a rate of over 7% for a decade during pre-pandemic years; however, the growth slowed down in recent years due to the break-out of the pandemic. Bangladesh still achieved a GDP growth of 3.51% in the fiscal year 2019-20, which is a stand-out figure during the pandemic, given that many countries of the world including our neighboring economies posted negative or low GDP growth rate. Due to the quick response and actions by the Government of Bangladesh in fighting back against the pandemic, the economy was able to open up and recover quickly, when many other countries were still struggling to recover from the economic slow-down. Under the leadership of the Honorable Prime Minister, the Government issued stimulus packages in the fiscal year 2020-21 and the total amount of fiscal and stimulus packages till April 2021 amounted to over USD 15,000 million, which is 4.2% of the GDP. The stimulus packages were issued to support healthcare sector, humanitarian causes and above all, the entrepreneurs to revive their businesses. As a result of the various actions and initiatives, Bangladesh witnessed a GDP growth 6.94% in the fiscal year 2020-21, which is a much-improved figure compared to that of the previous year and growth posted by many countries of the world. This has been possible due to the pragmatic, bold and visionary leadership of our Honorable Prime Minister and the Nation's resilience to the adversities. It is forecasted that the GDP growth of Bangladesh will be 6.60% in 2022 and 7.10% in 2023 which is significantly higher than that of the global GDP growth. [Source: IMF and Ministry of Finance - Bangladesh Economic Review 2021]



The per capita income of Bangladesh stood at USD 2,591 in the fiscal year 2020-21 against USD 2,024 in the previous fiscal year. In 2007, the per capita income of Bangladesh was half of that of India. Now, Bangladesh's

per capita income is higher than India's per capita income of USD 1,947.



Foreign Exchange Reserve (USD Billion)

Trade deficit widened in fiscal year 2020-21 due to higher import payment compared to export earnings. The current account deficit came down to USD 3,808 million due to robust remittance inflows. The overall Balance of Payment recorded a surplus balance of USD 9,274 million in the fiscal year 2020-21 against a surplus balance of USD 3,169 million in the previous fiscal year. The increase in surplus balance was driven by the strong growth in Foreign Direct Investment (FDI) and inflows from loans. The foreign exchange reserve reached a record-breaking level of 48 billion in August 2021. [Source: Ministry of Finance - Bangladesh Economic Review 2021 and Bangladesh Bank's Website]

The nation has celebrated its 50th Years of Independence and the Birth Centenary of the Father of the Nation, Bangabandhu, Sheikh Mujibur Rahman. In the half-century since the birth of the nation, Bangladesh has made a remarkable turnaround in not just economic development but also in social development. Apart from economic performance, Bangladesh has outperformed its neighboring countries in social aspects of development as reflected in reduced poverty, improved child mortality and literacy rate, better gender parity and access to clean water and sanitation, amongst the others.

After completing 50th year of independence, the country has transformed itself from a bottom-less basket to this height, which speaks about the ability and perseverance of the Nation. With the consistent socio-economic performance and GoB's (Government of Bangladesh) mega initiatives, the country is on the right course towards becoming a developed nation and emerge itself as a major player in the world economy in the foreseeable future. Community Bank pledges to be a partner of the growth through its programs including financial inclusion of the unbanked and underprivileged communities across the country.

## Industry Review

The year 2021 was quite challenging for the financial sector as many Banks and Financial Institutions faced difficulties in growing their balance sheet and maintaining profitability amidst weaker private sector credit growth compared to the pre-pandemic times. In addition, growing amount of classified loans and weakened capital base under Basel III framework of the industry could have a deep impact on the overall long-term health of the industry. However, we are hopeful that investment climate would improve, and the industry would rebound in 2022. In response to the Covid-19 Pandemic, Bangladesh Bank took several commendable measures such as channeling the GoB's Stimulus Packages to the entrepreneurs, relaxing loan classification rules and offering loan

moratoriums to financially weakened business entities, capping on lending rates and re-fixing of Cash Reserve Ratio (CRR) and Advance Deposit Ratio (AD Ratio), amongst the other.

## People

Our young and vibrant workforce is the key to driving innovation, collaborative spirit and entrepreneurialism across the company. We invest significantly to attract, retain, train and develop people so that they remain motivated, competent and relevant to the current and future need of the company as well as maximize self-development opportunities. Community Bank has established a dedicated state-of-the-art training academy which provides various types of training to employees, both through engaging external as well as internal resources. We promote ethical culture, diversity, equity, good work-life balance, fun at work place and run various engagement activities and keep adequate health and safety provisions for our employees. We took all necessary measures in accordance with the local and international health guidelines to protect our employees from Covid-19 and provided facilities to employee to work from home, necessary transport and financial compensation to relevant employees during the lockdown period.

## Technology

Community Bank believes that innovation and digital transformation is required for reshaping the industry and providing innovative solutions to the customers. We promise to stay at the forefront of it and take advantage of any market opportunities. The Nation's agenda, Digital Bangladesh, perfectly fits our philosophy of being a technology driven bank. Therefore, we seek to leverage technology for connecting different communities of the nation and delivering seamless services and products to our customers located in every corner of the country. Currently, Community Bank handles over one million transactions per month, with 99.6% of the total bank-wide transactions being done through digital channels and ATMs. The Bank is currently operating its app-based banking platform, Community Cash, to meet the digital banking need of the retail customers. An integrated transaction platform has been launched, that created an ecosystem connecting banks, Mobile Financial Services (MFS), Telecom Partners and utility service providers, VISA, amongst the other. We continued to solidify our security architecture by constructing state-of-the-art Data Center and far and near Disaster Recovery (DR) sites, undertaking robust BCP (Business Continuity Planning) measures and embedding sufficient security and safety provisions into the core IT and satellite systems. During the year 2021, Community Bank received three global awards from Infosys for Channel Innovation, COVID Response Innovation and Ecosystem-led Innovation. With these awards from Infosys, Community Bank now joins the winners' league table along with the other renowned banks such as Paytm (India), ICICI Bank (India), State Bank of India, Axis Bank (India), Santander Bank (Spain), Sharjah Islamic Bank (UAE), Australia Military Bank, amongst others.

## Distribution Channel

Community Bank has a total of 18 branches, 168 ATMs and 111 service desks across the country at the end of the year 2021. Additionally, the Bank has one School Banking Booth at Shahid Smrity School. The Bank will continue to invest in technology-led distribution channel to maximize ROI (Return on Investment) and outreach and meet customers' digital expectations. As for brick-and-mortar based infrastructure roll-out programs, the Bank will make those investment after the pandemic eases out and sufficient profit reserves are accumulated from the existing profit centers.

## Corporate Governance

Strong governance, transparency and sound ethical practices are deeply rooted in our culture. We maintain zero tolerance on integrity issues. We have a very strong, experienced and diverse Board with a good balance of skills and competence. The Board provides the vision, strategic leadership and sets challenging targets for the management which collectively acts as a strong impetus for the executive team to continually push the boundaries to achieve the growth aspirations. We pledge to stay vigilant about the regulatory changes, remain transparent and provide adequate disclosures to our customers, shareholders, regulators and other stakeholders. In our journey at Community Bank, we try to build partnership with our stakeholders and promote constructive dialogues with them to make sure that our strategies and decisions are consistent with their expectations. We continued to strengthen our risk management framework, audit and assurance procedures and embed sound control system into the business, process, system and operation with technology being the key lever. We have set a very high compliance and ethical standard to build our reputation as a well-governed Bank in Bangladesh.

## Strategy

We promise to stay agile and embrace the changes in the macro-economic environment and aim to respond to the challenges and opportunity it creates. The Bank runs on its three pillars - Trust, Security, and Progress. These are deeply rooted in everything that we do. Beyond the economic aspects, our strategy revolves around financial inclusion of the diverse communities of the country. Aligned with our strategic intent, we have been purposefully investing in system, people, process, technology and distribution to build our capabilities to secure the sustainable future of the company. In the year 2021, the Bank started its merchant banking operation through its fully owned subsidiary, Community Bank Investment Limited. The Bank also launched its credit card business in 2021. On the business front, the Bank plans to increase non-funded income through scaling up of its trade-based services, drive credit card business and create technology-led enterprise solutions. Additionally, the Bank wants to drive supply chain finance through anchoring on large and reputed corporates. From brand and communication perspective, we aim to get closer to the communities through various promotion, communication, sponsorship and engagement activities. In the longer term, we envisage to extend our footprint

to every corner of the country and scale up community-based financial inclusion programs, not only to generate profits but also to create positive impact on the society.

## Outlook

Like all other countries, Bangladesh faces challenges to attain full economic recovery from the impacts of the Covid-19 pandemic. The pandemic has slowed-down the economic progresses achieved in the last decade. A rebuilding and reshaping of the economy will be a much-needed agenda. Strong remittance inflows and a rebound in export market have helped the economy to start recovering and gives us the reason to be hopeful. However, with the emergence of another wave of covid since January 2022, uncertainty remains as to when the economy will regain its full gear. IMF expects that the economy of Bangladesh will increase to 6.6% in the 2021-22 and 7.1% in 2022-23. Additionally, IMF projects that Bangladesh's economy will reach \$516 billion in the fiscal year 2024-25, outperforming some mid-sized advanced economies. [Published on The Business Standard, 13 October 2021, <https://www.tbsnews.net/economy/bangladeshs-gdp-surpass-denmark-singapore-hong-kong-2025-315460>]

Despite ongoing Pandemic, Bangladesh continues to implement its mega projects such as Padma Bridge, Dhaka Metro Rail, Dhaka to Chattogram High-Speed Railway, Dhaka-Sylhet Four Lane Highway, Dhaka Cox's Bazar Railway Link, Dhaka Elevated Expressway, Paira Deep Sea Port, Four Lane Expansion of Major Highways in Bangladesh, Ruppur Nuclear Power Plant and Karnaphuli Tunnel (Underwater Expressway), amongst other. These projects will bring transformational change in the Country and accelerate economic development. According to the Experts, it is expected that all the mega projects together will contribute an additional 2.0% growth to the GDP of Bangladesh.

Improvement in per capita income, rise in the middle-class population, improved gender parity and influx of youth population into the employment market along with the other positive changes in the demographic and socioeconomic areas are expected to drive the future economy of Bangladesh.

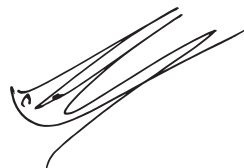
Despite the ongoing pandemic, we are hopeful that the investment climate will improve and the economy will start taking a V-shape recovery from late 2022. The up-turn of the economy will fuel-up the business growth and profitability of Community Bank. The Bank is still in the early stages of its journey; but it is on the right course towards building itself as the safest, and strongest bank in the industry. By taking our services at the doorsteps of the marginalized people, we are trying to reach the unreachable. We strive to be the Bank of first choice through maximizing value for our clients, shareholders and employees and contributing to the national economy with social commitments.

## Acknowledgements

We are thankful to our shareholders for their continued faith in us. We would like to thank the management and employees for their hard work, loyalty and commitment for taking the Bank forward. I, as the Chairman of the Board of Directors, would also like to thank my colleagues in the Board for their valuable contributions made into the proceedings and making the Board truly vibrant. We are truly grateful to Bangladesh Bank for their continuous guidance and support. We would like to thank the Government of Bangladesh, Bangladesh Security and Exchange Commission, National Board of Revenue and other regulators and valued business partners for their ongoing support. Finally, we are thankful to our customers and police members who are the prime reason for the bank's existence. The year ahead will have its challenges as the world continues to face health, social and economic challenges. However, I am fully confident that Community Bank will continue to rise to these challenges by driving efficiency, innovation, providing better customer service and meeting the expectations of our shareholders. We have been, and always will be, stronger together working hand in hand to match the client's constant demand for satisfaction.

May Allah SWT bless and remain with us.

Thank you. With my best wishes,



**Dr. Benazir Ahmed, BPM (Bar)**

Inspector General, Bangladesh Police &  
Chairman of Community Bank Bangladesh Limited



## Statement from the Managing Director and CEO



While growing, the Bank remains firmly focused on building the safest and strongest balance sheet in the industry. Our borrowers are carefully selected and rigorously monitored. We promise to stay vigilant about the regulatory changes, remain transparent and provide adequate disclosures to our customers, shareholders, regulators and other stakeholders. In our journey at Community Bank, we try to build partnership with our stakeholders and promote constructive dialogues with them to make sure that our strategies and decisions are consistent with their expectations.

**Masihul Huq Chowdhury**

Managing Director & CEO



# Statement from the Managing Director and CEO

## Bismillahir Rahmanir Rahim,

Dear Shareholders, by the grace of Almighty Allah SWT, Community Bank has completed another eventful year, after the launch of commercial operation by the Honorable Prime Minister in September 2019. It is my immense pleasure to present the performance and position of Community Bank for the year ended at 31 December 2021. The Bank is fully owned by Bangladesh Police Kallyan Trust (BPKT). The Bank is founded on three core pillars - Trust, Security, Progress - these are deeply rooted in everything that we do. Beyond the financial number, we continued our journey towards building the long-term capabilities of the Bank and achieving our vision to reach out to the diverse communities of the country with innovative technology led services and cost efficient distribution model.

The year 2021 has been another challenging year due to the ongoing Covid-19 pandemic along with the sudden emergence of the Delta and Omicron variant. The pandemic continued to put a strain on the economy. However, compared to the previous fiscal year, the economy recovered quickly and performed much better due to the quick response and initiatives taken by the Government of Bangladesh and timely intervention of the Bangladesh Bank through its regulations and policies.

Our business broadly runs on three major dimensions:

- Business
- Service
- Compliance and Governance

The key enablers that drive our business are:

- Technology
- People

All data narrated and presented here are related to the solo performance of Community Bank unless otherwise stated.

## Business

Amidst weaker credit appetite in the financial sector due to ongoing Covid-19 pandemic, the Bank has grown its Loans and Advances by BDT 23,728 million during the year, taking the number to BDT 43,225 million at the end of December 2021. Deposit has grown at a higher pace by BDT 35,682 million taking the figure to BDT 59,075 million at the end of December 2021.

Managing the profitability has been another key challenge for the year 2021. Spread on loans and advances and yield on investments remained under pressure, due to the regulation on interest rate and surplus liquidity that existed during the year. Despite the hurdles, operating

## Key Numbers

Amount in BDT Million, %



income was recorded at BDT 1,526 million in 2021 against BDT 764 million in the previous year. Increase in revenue was driven largely by strong balance sheet growth along with the healthy capital gain and dividends from the investments in capital market. The uptick of operating expenses in 2021 is mainly attributed to the follow-on effect of the expansionary investments made in 2020 on account of distribution, people, technology, and connectivity build-up. As a result, operating expense rose to BDT 1,010 million in 2021 against BDT 853 million in 2020. The operating profit for the year 2021 was registered at BDT 516 million against an operating loss of BDT 89 million in the previous year as revenue significantly outpaced operating expense. Net Profit for the year 2021 was recorded at BDT 121 million against a loss of BDT 305 million in the previous year.

Beyond delivering the numbers, the Bank founded its Merchant Banking wing through a fully owned subsidiary, Community Bank Investment Limited, launched visa credit card, obtained approval to disburse Government Employee Home Loan, started collection for the Government Treasury through Automated Challan System (ACS), integrated the Bank with MFS (Mobile Financial Service) providers, tied-up with utility service providers for bill collection and linked-up with Telco service providers through intermediaries for mobile top-up.

Community Bank is pushing ahead with strong growth momentum both in terms of balance sheet and profitability. The growth and profit trajectory remain upbeat in the coming year and beyond. The key focus for the coming years will be on profitability management through balanced investment and enhancement of revenue from non-funded business, anchor based supply chain finance, home loans and credit card.

## Service

Customer centricity is the main focus in everything we do. The Bank provides services to its customer through its 18 branches along with 168 ATMs and one school banking booth. In addition, the Bank established 111 service desks in major police establishments in 64 districts to serve the geographically dispersed customers of the police force. Community Bank has disbursed 75,336 number of loans and managed the payroll of around 193,000 members of the force as of 31 December 2021. The Bank has strengthened its call center facilities and continued to add new features in its app-based banking platform to make banking more convenient and accessible by our customers. As of now 151,064 customers are using the platform.

In the long run, the Bank envisages to reach out to every corner of the country and aims to provide financial services to the unbanked communities. While expanding, The Bank needs to make careful investment so that our profitability is sustained. Therefore, the Bank chooses to expand its brick

and mortar distribution channel and customer touch points through cost effective manner and leverage technology to provide services to its customer through digital channel.

## Compliance and Governance

While growing, the Bank remains focused on building the safest and strongest balance sheet in the industry. Our borrowers are carefully selected and rigorously monitored. The fact that our classified loan ratio is 0.0395% as on 31 December 2021 against the industry average of 8.1% as of September 2021 - tells a lot about our commitment towards maintaining the highest asset quality. Despite the ongoing pandemic, almost no borrowers showed any symptoms of delinquency. On liquidity front, the Bank stayed fortified in withstanding any market volatilities as reflected by the safe asset to deposit ratio of 71.3% against the regulatory permissible limit of 87.0%. Capital Adequacy Ratio (Solo) stood strongly at 19.32% on 31 December 2021 vis-a-vis 26.93% a year ago and against the regulatory requirement of 12.5% and industry average of 11.2% as of September 2021. The strong capital base gives the ample opportunity space to grow our loans further and improve our shock absorbing capacity against any adverse scenarios. Additionally, the Bank formulated a long-range capital plan including the contingency plan to raise additional capital according to its growth trajectory.

We promise to stay vigilant about the regulatory changes, remain transparent and provide adequate disclosures to our customers, shareholders, regulators and other stakeholders. In our journey at Community Bank, we try to build partnership with our stakeholders and promote constructive dialogues with them to make sure that our strategies and decisions are consistent with their expectations. We are committed to strengthen our risk management framework, audit procedures and embed sound internal control system in the business, process, operation and technology. We promote ethical culture and maintain zero tolerance on integrity and compliance issues. We have set a very high compliance standard to establish ourselves as a well-governed Bank in Bangladesh. The performance and the milestones, which we have achieved in 2021, has been only possible due to the strong mandate given to us by the Honorable Board of Directors and Shareholders of the Bank and above all, support from the members of Bangladesh Police.

## Technology

From technology point of view, we implemented "Finacle", the universal Core Banking System (CBS) in world-record-low 48 days and earned Innovation Award from Infosys, constructed state-of-the-art Data Center and two Disaster Recovery (DR) sites, built an app-based banking platform, Community Cash, which captures over one million transactions in a month and continued to strengthen security provisions to stay fortified against any data and cyber risks. The fact that around 99.6% of our bank-wide transactions happens through ATM and digital channel -

underlines our commitment towards leading the industry in the digital space. In 2021, we received three global awards from Infosys for Channel Innovation, COVID Response Innovation and Ecosystem-led Innovation. In 2022, we are going to implement an integrated internet banking solution for the business houses and strengthen our IT and cyber security architecture to safeguard our customers and uphold the Bank's image. We aim to build a technology led eco-system where the business entities can do banking at ease from any location.

## People

Our staff strength has improved to 479 at the end of year 2021 from 461 in 2020. The Bank promotes fairness and provide equal opportunity for all employees in its process of recruitment, selection, career progression and all aspects of performance management. Take care of the best; be fair to the rest- this philosophy is strongly rooted in our overall performance management culture and processes. The Bank is committed to ensure work-life balance, promote diversity and fun at work place; keep adequate health and safety provisions and conduct various engagement programs for its employees. The Bank continued its efforts towards the development of its Human Resources by providing them with adequate training to make sure that they remain competent and relevant to the current and future need of the company, as well as can maximize their self-development opportunities.

## Brand and Communication

From brand and communication perspective, we aim to get closer to the communities through various promotion, communication, sponsorship and engagement activities. In the longer term, we dream to reach out to every corner of the country and scale up community-based financial inclusion programs, not only to generate profits but also to create positive impacts on the society. During the year 2021, we have purposefully rationalized our efforts on mass branding and communication due to ongoing Covid-19 pandemic. However, with the pandemic easing out, we plan to implement a total marketing and communication program to improve visibility, create brand awareness and maximize business opportunities.

## Outlook

The resilience and prospect of Bangladesh economy has been proven over time with the GDP growing over 7.0% per annum, on an average, during the last decade except the pandemic-hit years and the nation overcoming the hurdles for many years. Despite the pandemic, the GDP of Bangladesh grew by 6.94% in the fiscal year 2020-21 which is almost double that of the previous fiscal year. The achievement is a stand-out figure in the context of the global economy. The quick recovery of the economy has been possible due to the bold and pragmatic leadership of the Honorable Prime Minister and timely approach of Government of Bangladesh in handling the situation and growth accommodating monetary policies and business-

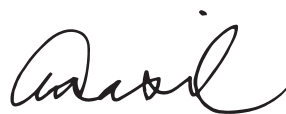
friendly regulations taken up by the Central Bank. As a result of consistent socio-economic performance, Bangladesh has been eligible to move up its rank as a Developing Country in few years from LDC (Least Developed Country) status. The nation is on the right track towards achieving the dream of the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman – poverty-free Bangladesh. The economy is expected to grow even at a faster pace in the coming years and emerge itself as a developed nation and major player in the world economy in the foreseeable future as many ongoing and planned mega projects and reform measures come into light. IMF projects that Bangladesh will achieve GDP growth of 6.6% in 2021-22 and 7.1% in 2022-23.

The Bank promises to stay adaptive to the changes in the macro-economic environment and aim to respond to the challenges and opportunity it creates. Beyond financial aspects, our strategy revolves around financial inclusion of the diverse communities of the country. Aligned with our strategic intent, we have been purposefully investing in system, people, process, technology and distribution to build our capabilities to secure the long-term sustainable growth of the company. Encouraging social and economic indicators, coupled with the Bank's performance in such pandemic-hit years, gives us the reason to be optimistic about the future of the economy and the Bank. The Bank is in its initial years of its journey; but it is on the right course towards achieving the vision that we always believed in.

## Acknowledgement

I, on behalf of the Management, would like to take this opportunity to express our heartiest felicitation to the Honorable Chairman of our Bank, Dr. Benazir Ahmed, BPM (Bar), Inspector General, Bangladesh Police, for his invaluable guidance, attention and directions. I, would also like to thank the Honorable Members of Board of Directors for their vital contribution and support. We are also grateful to the Honorable Governor and other Officials of Bangladesh Bank, Bangladesh Security Exchange Commission, the Registrar of Joint Stock Companies and Firms, National Board of Revenue and other officials of the regulatory bodies for their continuous support and guidance. I would also like to thank all employees of the Bank for their hard work and commitment for taking the Bank forward. Finally, I would like to thank our valued customers and the members of the Bangladesh Police, who are the sole reason for our existence.

May Allah SWT shower us with the choicest of the blessing in this journey.



**Masihul Huq Chowdhury**

Managing Director and Chief Executive Officer



# Board of Directors



## Chairman

**Dr. Benazir Ahmed, BPM (Bar)**

Inspector General, Bangladesh Police

**Dr. Md. Moinur Rahman Chowdhury, BPM (Bar)**

Additional Inspector General (A&I),  
Bangladesh Police

**Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM**

Additional Inspector General, Bangladesh Police &  
Director General, Rapid Action Battalion (RAB)

**Mr. Abu Hasan Muhammad Tarique, BPM**

Additional Inspector General, Bangladesh Police &  
Principal, Bangladesh Police Academy

**Mr. Habibur Rahman, BPM (Bar), PPM (Bar)**

Deputy Inspector General (Dhaka Range),  
Bangladesh Police

**Dr. Shoeb Reaz Alam**

Additional Deputy Inspector General  
(Development Revenue-1), Bangladesh Police

**Mr. Md. Ferdoush Ali Chowdhury**

Superintendent of Police (Rangpur District),  
Bangladesh Police

**Mr. Masud Khan, FCA, FCMA**

Chairman, Unilever Consumer Care Limited and  
Chief Advisor, Crown Cement Group

**Mr. Kazi Masihur Rahman**

Ex- Managing Director & CEO  
of Mercantile Bank Limited

**Dr. Abdullah Al Mahmud**

Professor, Department of Banking & Insurance  
Faculty of Business Studies, University of Dhaka

## Managing Director & CEO

**Mr. Masihul Huq Chowdhury**



# Executive Committee



## Chairman

**Dr. Benazir Ahmed, BPM (Bar)**  
Inspector General, Bangladesh Police

## Members

**Dr. Md. Moinur Rahman Chowdhury, BPM (Bar)**  
Additional Inspector General (A&I),  
Bangladesh Police

**Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM**  
Additional Inspector General, Bangladesh Police &  
Director General, Rapid Action Battalion (RAB)

**Mr. Md. Ferdoush Ali Chowdhury**  
Superintendent of Police (Rangpur District),  
Bangladesh Police

**Mr. Kazi Masihur Rahman**  
Ex- Managing Director & CEO  
of Mercantile Bank Limited

**Managing Director & CEO**  
**Mr. Masihul Huq Chowdhury**

# Risk Management Committee



## Chairman

**Dr. Md. Moinur Rahman Chowdhury, BPM (Bar)**

Additional Inspector General (A&I),  
Bangladesh Police

## Members

**Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM**

Additional Inspector General, Bangladesh Police &  
Director General, Rapid Action Battalion (RAB)

**Mr. Habibur Rahman, BPM (Bar), PPM (Bar)**

Deputy Inspector General (Dhaka Range),  
Bangladesh Police

## Managing Director & CEO

**Mr. Masihul Huq Chowdhury**



# Audit Committee



## Chairman

**Mr. Masud Khan FCA, FCMA**  
Independent Director

## Members

**Mr. Abu Hasan Muhammad Tarique, BPM**  
Additional Inspector General, Bangladesh Police &  
Principal, Bangladesh Police Academy

**Mr. Habibur Rahman, BPM (Bar), PPM (Bar)**  
Deputy Inspector General (Dhaka Range),  
Bangladesh Police

**Dr. Shueb Reaz Alam**  
Additional Deputy Inspector General  
(Development Revenue-1), Bangladesh Police

**Dr. Abdullah Al Mahmud**  
Professor, Department of Banking & Insurance  
Faculty of Business Studies, University of Dhaka

## Managing Director & CEO

**Mr. Masihul Huq Chowdhury**

## Directors' Profile



### **Dr. Benazir Ahmed, BPM (Bar)**

Inspector General, Bangladesh Police  
Chairman

Dr. Benazir Ahmed, BPM (BAR) was born in 1963 in a respectable family in Gopalganj, Bangladesh. He is a highly educated person with an astonishing service career. Apart from MA, MBA and LLB, he has completed his Doctorate in Business Administration from the Faculty of "Business Studies" in the University of Dhaka.

Dr. Benazir joined Bangladesh Police Service as Assistant Superintendent of Police in February 1988. He has served in various capacities of Bangladesh Police where he proved his professionalism, dedication and excellence. Throughout his professional endeavor, he has served as Superintendent of Police in various districts, Deputy Police Commissioner North, Dhaka Metropolitan Police, Assistant Inspector General of Police, Police Headquarters; Deputy Inspector General (Finance) and Deputy Inspector General (Admin & Ops), Police Headquarters, Police Commissioner, Dhaka Metropolitan Police. Moreover, he also had the opportunity to serve as Chief Instructor in Bangladesh Police Academy, Sardah and as Commandant of Police Training Center, Tangail.

Dr. Benazir has served in the UN Mission in Bosnia (UNMIBH) and UN Mission in Kosovo (UNMIK) where he served as the Contingent Commander, Bangladesh Police Contingent. He also worked as the Chief of "Mission Management & Support Section", Police Division, Department of Peace Keeping Operations, United Nations Headquarters, New York, U.S.A and as the OIC of the Police Division of UNDPKO.

Dr. Benazir served as Director General, Rapid Action Battalion forces, the elite force of Bangladesh Police from January 2015 to 14 April 2020.

He has ornamented and flourished himself with various professional training from home and abroad, out of which the mentionable are: Comprehensive Security Response to terrorism, Asia Pacific Center for Security Studies, Hawaii, United States of America; Intelligence Analysis & Assessment, Charles Strut University, Canberra, Australia in association with Australian Crime Commission & Australian Federal Police, Anti Money Laundering & Financing of Terrorism, IMF Regional Training Center; Singapore, HR Management, UN Training Center New York, USA. He also attended a number of Seminars and Workshops relating to Law Enforcement Issues in different countries around the world.

He has profound skills in a mastery of and specialization on different arenas of policing like Terrorism & Terror financing, Intelligence, Organizational Reform, Rebuilding, and Restructuring & Change Management.

The UN appointed him as an Expert member in a Global Level "Independent Panel" to review the UN Police Division (December 2015- May 2016).

Dr. Benazir has been blessed with different accolades, awards and medals for his outstanding and glorious professionalism and dedication among which Inspector General Police Exemplary Good Services Badge, UN Medal for the Service for Peace in Bosnia-1996, in Kosovo-2003, UN HQ, USA-2009 and outstanding Bangladesh Police Medal (BPM) in 2011, 2012, 2014, 2016, 2018 and 2019 are notable.

Dr. Benazir is also affiliated with a considerable number of Social Organizations at home and abroad. He is a proud member of IACP (International Association of Chiefs of Police) USA and International Police Association (IPA) UK.

Dr. Benazir is an extensive traveler. He has widely traveled in different countries on all 5 continents while on overseas and National assignments.

Dr. Benazir is happily married to Jissan Mirza and blessed with three daughters.

## Directors' Profile



### **Dr. Md. Moinur Rahman Chowdhury, BPM (Bar)**

Additional Inspector General (Administration and Inspection), Bangladesh Police  
Director

Dr. Md. Moinur Rahman Chowdhury, BPM (Bar) Additional Inspector General (Administration and Inspection), Bangladesh Police was born on 03 September 1963 in Satkhira, Bangladesh. He joined Bangladesh Civil Service as Assistant Superintendent of Police on 15 Feb 1988 and took over the charge of present position on 01 June 2021.

Dr. Chowdhury received tertiary schooling in University of Dhaka and majored in Public Administration with distinction both at undergraduate and graduate level. He was later on enrolled with American International University Bangladesh and earned Master's degree in Human Resource Management. In furtherance of professional excellence, he pursued doctoral degree and obtained Ph.D. with dissertation "Police reform in Bangladesh: An analysis of the role of selected institutional actors and factors in its implementation" from the department of Public Administration, University of Dhaka in 2018.

Dr. Chowdhury took part in a number of professional courses, workshops, seminars, training programs, symposiums, and conferences at home and abroad. He is credited with publishing a lot of articles on civil administration and criminal justice.

During his illustrious career, Dr. Chowdhury served in many operational, tactical and strategic appointments in foreign engagement. Apart from positions of command and control, he worked in numerous policy decision levels. He occupied the position of Provincial Commander of Zambezia Province, ONUMOZ, Mozambique while in peace keeping missions under United Nations for a span of one year which led to his being awarded with UN medal and badge in 1994. Government of Bangladesh conferred Bangladesh Police Medal (BPM) on him twice in recognition of his best professional standard and practices. Beneath the badges, Dr. Chowdhury retains the code of ethics in all layers of professional dispensations.

With a view to heightening professional skills and technicalities, he participated in a lot of training programs like basic training in Bangladesh Police Academy, Foundation Training in Bangladesh Public Administration Training Centre, Savar, BCS Orientation Course, Unarmed Combat and Tactics Course, Senior Staff Course, Command Officer Investigation and Court Course, Leadership Development Course, Police Professional Management Course, Hostage Negotiation Course, USA, Traffic Police Administration, Japan, INTERPOL Crisis & Major Event Conference, France, Tetra World Congress 2010, Singapore, National Crime Control Operation Monitoring, Philippine, Police Service Training & Forensic Investigation Facilities Inspection, South Africa.

He served in different criminal administrations ranging from circle to metropolitan area. Apart from occupying the position of SP in three general districts, he held the capacity of Police Commissioner in Chattogram and Khulna for a considerable span of time. During his glorious and dignified career span of 33 years, he has been awarded with the Bangladesh police medals twice for distinguished services, Insightful administrator and a visionary civil servant.

Dr. Chowdhury assumed the post of Director of Community Bank Bangladesh since its establishment. With a deep insight into financial services inter alia corporate finance, public finance, risk management, wealth management, regulatory and policy experience earned from senior positions in a range of administrative fronts, he continuingly promises enthusiasm and commitment to serving people which adds immense worth to the management of the bank. His long service life is studded with positions of command and control, unit management, strategic planning, and leadership development.

Dr. Chowdhury is a well-travelled man with a deep impulse to explore the unknown. He is happily settled in a family of five members including wife and three children. His son stays abroad for higher education and a daughter completed secondary education while another pursues higher secondary education at a University in Dhaka.



## Directors' Profile



### **Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM**

Additional Inspector General, Bangladesh Police and  
Director General, Rapid Action Battalion  
**Director**

Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM was born on 12 January 1964 in a respectable Muslim family of Shreehail village under Sullah, Sunamgonj. He completed his Master's degree with Honors in Sociology from Chittagong University. He joined Bangladesh Police as Assistant Superintendent in 1989 as an officer of the 1986 Batch of BCS Police Cadre.

In his long illustrious career, Mr. Chowdhury Abdullah Al-Mamun has served various important units of Bangladesh Police notably Police Headquarters, Dhaka Metropolitan Police, Armed Police Battalion and different districts. His glorious career has been furnished with assignments like Assistant Commissioner of DMP, ASP of APBn, Circle ASP of Brahmanbaria, Sirajganj and Chandpur district, Additional SP of Chandpur district and Assistant Deputy Commissioner of DMP. He also served as Superintendent of Police of Nilphamari district, Deputy Commissioner of DMP, AIG (Establishment) and AIG (Confidential) at Police Headquarters. Later he served Dhaka Range as Additional DIG. As Deputy Inspector General he was the first to serve Mymensingh Range. He held vital positions like DIG Operations, DIG Administration at PHQ and DIG, Dhaka Range. On promotion he served as Additional Inspector General, HRM at Police Headquarters. He successfully

led Criminal Investigation Department before joining as Director General of RAB Forces. In recognition of his outstanding contribution and distinguished service to Bangladesh Police, he has been awarded the prestigious "Bangladesh Police Medal (BPM)" in 2018 & 2021 and "President Police Medal (PPM) – Service" in 2010.

Mr. Chowdhury Abdullah Al-Mamun played pivotal roles while working in United Nations-led peacekeeping missions in Bosnia-Herzegovina, Liberia and Darfur. He attended quite a few prestigious professional trainings both at home and abroad. Mr. Mamun likes travelling. He traveled around 30 countries throughout the world. In his personal life, Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM is happily married to Dr. Tayyaba Musarrat Jaha Chowdhury and blessed with two sons and a daughter.



## Directors' Profile



### Mr. Abu Hasan Muhammad Tarique, BPM

Additional Inspector General, Bangladesh Police &  
Principal, Bangladesh Police Academy  
Director

Mr. Abu Hasan Muhammad Tarique, BPM was born on 23rd June 1967 in Rajshahi. He started his career in Bangladesh Police as an Assistant Superintendent of Police in 1991. Now he is serving as the Principal of Bangladesh Police Academy, Sardah.

Mr. Tarique passed the SSC examination from Government Laboratory High School, Rajshahi and HSC examination from Rajshahi College. He graduated in Finance and Banking from the University of Dhaka.

Along with all mandatory trainings and courses at home, he participated in several professional courses in the USA, Japan and Australia. He had the opportunity to share his knowledge and experience with divergent participants from different countries at the seminars held in France, the UK, Indonesia and Singapore. He also travelled a good number of countries in his official capacities which enriched his professional competency.

In his illustrious career, he served in diversified areas of policing which includes his tenure in Bagerhat District Police, 4th Armed Police Battalion Chittagong, Narayanganj District Police and Kishoreganj District Police as Assistant Superintendent of Police and Senior Assistant Superintendent of Police. He also worked

in Dhaka Metropolitan Police as Senior Assistant Commissioner and Additional Deputy Commissioner of Police. At Police Headquarters, he held notable appointments as Assistant Inspector General, Additional Deputy Inspector General and Deputy Inspector General of Police.

Beyond the national frontiers, Mr. Tarique had served in the United Nations Peacekeeping Missions in Bosnia-Herzegovina and Sudan.

In 2019, he was awarded the Bangladesh Police Medal (BPM), the most prestigious recognition for his outstanding professionalism and public service.

Mr. Tarique is a proud member of the Founding Team of the Community Bank Bangladesh Limited. His contribution is fuelling the endeavor of this Bank in playing its desired roles in the Financial Sector of Bangladesh.

He has a keen interest in reading, travelling and watching television programs in his leisure time. He is happily married to Humayra Sultana PhD, a member of BCS (Administration) cadre of 15th BCS and blessed with two daughters Tasfia Tasnim Revu and Tahniat Tazmin Bevu.

## Directors' Profile



### Mr. Habibur Rahman, BPM (Bar), PPM (Bar)

Deputy Inspector General (DIG) of Dhaka Range,  
Bangladesh Police, Dhaka  
Director

Mr. Habibur Rahman, BPM (Bar), PPM (Bar) is a prominent police officer was born on 1 January 1967 in noble muslim family of Gopalganj. Being Graduated from Dhaka University, he joined in Bangladesh Police as Assistant Superintendent of Police (ASP) through 17th BCS (Bangladesh Civil Service). He currently holds office of the Deputy Inspector General (DIG), Dhaka Range, Bangladesh Police. He served as DIG (Administration and Discipline) and Additional DIG (Personnel Management-1) in Police Headquarters, Dhaka. His preceding significant appointments were Police Super, Dhaka and Deputy Commissioner (Headquarters) of Dhaka Metropolitan Police (DMP). He also served as 'Deputy Commander' at United Nation Peace Keeping Mission (BANFPU) in Kosovo.

He is also the General Secretary of Bangladesh Kabaddi Federation, Vice President of International Kabaddi Federation, Vice President of Police Service Association, Vice President of Bangladesh Sports Secretary's Forum and Counsellor of Bangladesh Olympic Association. Beside the responsibilities of his official capacity in Police, he is also known for his special activities for underprivileged people of the country, especially Transgender People (Hijra), Water Gypsies (Bede) and

Children born in Brothel. His social responsibilities are unveiled in his role of Chairman & Founder of Uttaran Foundation, Dhaka and in his affiliation with various prestigious social and sports clubs in Dhaka. He is also founder President of 'Police Muktiyuddo Jadughor' in Rajarbagh, editor of different publications namely 'Muktijuddhe Prothom Protirodh', 'Muktijuddhe Poolisher Bhumika- 3Part', 'Nondito Shorastro Montri Bir Muktiyoddha Asadujaman Khan', 'Pita Tumi Bangladesh' and 'Thar: Bede Jonogoshthir Bhasha'. In addition to those, he is the Editor of 'the Detective'- a monthly magazine published by Bangladesh Police. It is the oldest magazine of Bangladesh (61 years in Publication). In his writing and researches, a stage play 'Obhishopto August' based on the tragic event took place on 15th August 1975 was appreciated by all.

Mr. Rahman is not keen for popularity but his philanthropic behavior made him a Pro-People personality. His contribution and commitment to society is revealed in the establishment of 'Rabeya- Ali Government Primary School' and 'Rabeya-Ali Girls School & College' in Gopalganj. Furthermore, he has been contributing in educational and religious institution building (physical) in different parts of the country.

Mr. Rahman was awarded the Bangladesh Police Medal (BPM) three times, President Police Medal (PPM) two times and IGP's badge three times for his discipline, leadership, extraordinary and exemplary services rendered in different appointments of Bangladesh Police.

Habibur Rahman BPM (Bar), PPM (Bar) has completed numerous trainings in home and abroad. He also represented Bangladesh police in different international events & occasions and visited across the world namely, United States of America (USA), United Kingdom (UK), United Arab Emirates (UAE), Kingdom of Saudi Arabia (KSA), State of Qatar, Japan, Republic of Turkey, Republic of Singapore, Kingdom of Thailand, Malaysia, Republic of Indonesia, Italian Republic, Federative Republic of Brazil, French Republic, Swiss Confederation, Slovak Republic, Hellenic Republic (Greece), Republic of India, Federal Democratic Republic of Nepal, People's Republic of China, Hong Kong (Special Administrative Region of the People's Republic of China), Democratic Republic of Congo, Republic of Kenya, Republic of Kosovo etc.

Mr. Rahman is a proud father of having a son- Aftan Afeef Abdullah and in a happy nuptial life with Dr. Wazed Sumsunnahar.

## Directors' Profile



### Dr. Shoeb Reaz Alam

Additional DIG (Development Revenue-1)  
Bangladesh Police  
Director

Dr. Shoeb Reaz Alam was born into a respectable Muslim family in Dhaka.

Belonging to the 17th BCS batch, Dr. Alam started his career with the Bangladesh Police in 1998 as Assistant Superintendent of Police. He was promoted to the rank of Superintendent of Police in 2005 and subsequently to the rank of Additional Deputy Inspector General of Police in 2016.

In his distinguished career, Dr. Alam served in various capacities in Mymensingh, Meherpur and Borguna and subsequently held senior positions at the Special Branch, DMP and the Police Headquarters. Presently, he is serving as Additional DIG (Development Revenue-1) at the Police Headquarters looking after civil construction works of the Bangladesh Police all across the country. The scope and outlay of the works have expanded significantly during his time. He also pioneered digitalization of monitoring and supervision of the construction works.

Dr. Alam holds a PhD in Civil Engineering from Lamar University, Texas, USA. He did his post-graduation from the same university. He obtained his bachelor's degree in Civil Engineering from the Bangladesh University of Engineering and Technology (BUET).

Dr. Alam is a part time faculty in the Department of Civil and Environmental Engineering, North South University, since September 2013. He has published widely in various international and national peer reviewed journals and featured in conference proceedings.

A sports enthusiast and organizer, Dr. Alam is currently the Joint Secretary of Bangladesh Chess Federation. In 2019, as the team captain, he led the Police Chess Club to championship in the Premier Division Chess League.

Known for his organizational skills, Dr. Alam was the president of 17th BCS All Cadre Forum for consecutive three terms from 2014 to 2020.

Dr. Alam is actively involved in welfare activities of the Bangladesh Police. He played a key role in establishment of the Community Bank Bangladesh Limited.

Dr. Alam is an avid reader and takes particular interest in world history and issues related to global macro economic developments and climate change.

He is married to Mrs. Anindita Rahman, Barrister-at-Law from Lincoln's Inn, UK. Their two sons, in teens, are pursuing their studies.

## Directors' Profile



### **Mr. Md. Ferdoush Ali Chowdhury**

Superintendent of Police (Rangpur District),  
Bangladesh Police  
Director

Mr. Md. Ferdoush Ali Chowdhury was born in Chuadanga district of Bangladesh. He obtained his B.Sc Engineering degree from Bangladesh University of Engineering and Technology. He also completed Masters in Applied Criminology and Police Science from National University. He joined Bangladesh Police Service in 2005 through 24th BCS as Assistant Superintendent of Police and served in different capacity at Dhaka Metropolitan Police, Police Bureau of Investigation, Cox's Bazar District. He participated in the United Nations Peace Keeping Missions at Darfur, Sudan. Now he is appointed as Superintendent of Police (Rangpur District), Bangladesh Police. In recognition to his contribution and service to Bangladesh police, he has been awarded with the Inspector General's exemplary Good Service Badge. He is married and blessed with one son.



## Directors' Profile



### **Mr. Masud Khan FCA, FCMA**

#### **Independent Director**

Mr Masud Khan is the Chairman of Unilever Consumer Care Limited and currently working as the Chief Advisor of the Board of Crown Cement Group Bangladesh. He is a seasoned professional with 41 years' work experience in leading multinational companies in Bangladesh. Prior to joining Crown Cement Group, he worked in Lafarge Holcim Bangladesh as Chief Financial Officer for 18 years. Earlier, he worked for British American Tobacco in finance and related fields for 20 years both at home and abroad.

He is an independent director of Singer Bangladesh Limited, Berger Paints Bangladesh Limited, Community Bank and Viyellatex Limited. His articles on professional and industry issues regularly feature in newspapers and international and local magazines. He regularly features on electronic media on talk shows and interviews and is often in the news for comments on industry and professional issues.

He also does public speaking on professional issues in educational institutions and all the Professional Institutes such as Institute of Chartered Accountants of Bangladesh, ACCA and ICMA Bangladesh. He is also a lecturer in the Institute of Chartered Accountants of Bangladesh for the past 44 years.

He did his Bachelor of Commerce with Honours from St Xaviers' College under University of Kolkata. Thereafter, he qualified with distinction both as a Chartered as well as a Cost and Management Accountant from the Indian Institutes being a silver medalist at all India level in the Chartered Accountancy Examination in the year 1977. He is also a fellow member of CMA (Australia and New Zealand).

## Directors' Profile



### **Mr. Kazi Masihur Rahman**

Independent Director

Mr. Kazi Masihur Rahman, Ex Managing Director & CEO of Mercantile Bank Limited and Exim Bank Limited developed an international banking career with in-depth knowledge, skills and experience, over a period of 41 years in 09 banks located in 5 countries, i.e. Bangladesh, U.K, Saudi Arabia, U.A.E and Canada.

He was born on 23 February 1954 in Bangladesh. He is a dynamic person with an academic background of Masters in Economics and post-graduation in Advanced Economics and Quantitative Techniques coupled with professional Diploma in Commercial & Investment Banking. He also completed M. Phil level 9-month Certificate Course on “Advanced Economics and Quantitative Techniques” sponsored by WIDER and United Nations University, Tokyo (1987-1988), conducted by BIDS and secured first position in first class. He also completed Banking Diploma (DAIBB) from the Institute of Bankers, Bangladesh, (1980) and completed Canadian Investment Fund Course (CIFC) Exam conducted by IFSE, Canada.

Mr. Rahman have comprehensive knowledge & understanding of Corporate, Retail and SME banking products and services, with special focus on regulatory compliance and possess a solid track record of progressive accomplishments in Strategic and Innovative

Change Management, Centralized Processing and Branch Operations, Standard Operating Procedures (SOP),

Process Re-engineering, Operational, Credit, Reputational and Market Risk Management, Productivity Analysis and Cost-Efficiency, Digital Financial Services and Product Development (both Liability and Asset), Corporate and Retail Credit Administration, IT Project Implementation, Budgeting, Asset & Liability Management (ALCO), Capital Planning, Cash Management, Internal Audit and Compliance, Merchant Banking. Highly exposed to the concepts and practices of TQM, MBO, KPI, Process Rationalization and Rightsizing of human resources. He is a highly customer-focused and result-oriented banker.

Mr. Rahman participated in international training courses and seminars on Leadership Skills, Operations Management, Change Management, Six Sigma, Problem Solving and Decision Making, Internal Control and Core Risk Management. Mr. Rahman served as a Member of Board of Governing Body, Association of Bankers BD (ABB), Member of Finance & Admin Committee, Institute of Bankers Bangladesh (IBB), Vice Chairman of Primary Dealers Bangladesh Ltd. (PDBL) and Member of Governing Board, Bangladesh Institute of Bank Management (BIBM). He also served on the Board of Directors of Mercantile Bank Securities Ltd., MBL Exchange UK Limited, Exim Exchange UK Limited & Exim Exchange Canada Limited.

## Directors' Profile



### **Dr. Abdullah Al Mahmud**

#### **Independent Director**

Dr. Abdullah Al Mahmud joined Community Bank Bangladesh Limited as an independent director in 2020. Dr. Mahmud was born in a renowned Muslim family in Dhaka. His home district is in Faridpur. He is currently serving as a Professor at Department of Banking and Insurance in the University of Dhaka.

Dr. Mahmud did his Bachelor of Business Administration in Finance and Banking and Master of Business Administration in Banking from University of Dhaka with perfect CGPA (4.00 on a 4.00 point scale). He was awarded Prime Minister Gold Medal for achieving outstanding results at University of Dhaka. Dr. Mahmud was also awarded prestigious Fulbright Scholarship from United States Department of State to pursue higher studies at USA. Dr. Mahmud did MBA in International Finance and M.Sc. in International Economics and Finance with distinction from Brandeis University, USA. Dr. Mahmud earned his PhD in International Economics and Finance with a dissertation focused on 'Empirical Corporate Finance' from Brandeis University, USA. In addition, he also participated in several academic and professional trainings in finance and banking arena at home and abroad.

Dr. Mahmud's research interest is in the area of empirical corporate finance, empirical entrepreneurial finance, and topics in applied game theory. His recent research

has focused on various aspects of the initial public offerings (IPOs) and seasoned issues of equity (SEOs); various aspects of venture capital; empirical topics in capital structure; theoretical and empirical topics in corporate governance and finally, various topics of empirical international trade. Dr. Mahmud has published several empirical articles in the above and other topics in the prominent domestic and international journals. Dr. Mahmud participated in several domestic and international academic conferences. He presented scholarly paper in the Northeast Decision Sciences Institute Conference, USA, Financial Management Association Conference, USA, and Doctoral Student Presentation in the American Finance Association Conference, USA. He is also serving as reviewer of several national and international journals. He has served on the program committees of many national and international finance conferences. His research was supported by various national and international grants such as SME foundation and Rosenberg Research Grant from the Rosenberg Institute of Global Finance at Brandeis International Business School, USA.

Insurance and Risk Management, Financial Institutions and Market, Development Economics, and Microeconomics. Dr. Mahmud also worked as an adjunct faculty in the reputed national and international universities such as Daffodils International University, United International University, Boston College (USA), Harvard Summer School of Harvard University (USA), and Brandeis University (USA). He served as an Associate Director of Master of Tax Management Program, Department of Banking and Insurance, University of Dhaka. Dr. Mahmud was a research associate at the Boston Research Data Center of the Center for Economic Studies of the U.S. Census Bureau and the National Bureau of Economic Research, USA. Currently, he is serving as a Director of MBA (Evening) Program, Department of Banking and Insurance, University of Dhaka.

Dr. Mahmud has keen interest in reading, travelling and writing in his leisure time. In his personal life, Dr. Mahmud is happily married with Mrs. Farah Diba and blessed with a son Ayaan Mahmud.

## Directors' Profile



### **Mr. Masihul Huq Chowdhury**

Managing Director & CEO

Masihul Huq Chowdhury is presently the Managing Director and Chief Executive Officer of Community Bank Bangladesh Limited. Community Bank Bangladesh Limited is the 59th Scheduled Bank in the country obtaining the license on 1st of November 2018. The Bank is fully owned by Bangladesh Police Kalyan Trust.

Mr. Masihul started his career with American Express Bank in 1992 just after obtaining Masters of Business Administration from The Institute of Business Administration (IBA), University of Dhaka. During the 30 years career he worked for Standard Chartered, Citibank N.A., IPDC and other leading financial institutions both in country and overseas. An Omega Certified Credit Professional, Masihul has in-depth work experience in Wholesale Banking, Retail Banking, Structured & Syndication Financing, Credit, Trade, SME, Operations and Process Re-engineering. Mr. Masihul takes keen interest on education and was adjunct faculty member in BRAC University. He is regular contributor to various English Dailies. In personal life Masihul is married and blessed with a daughter.



# Senior Management



## **Managing Director & CEO** **Mr. Masihul Huq Chowdhury**

### **Senior Officials**

#### **Mr. S.M. Mainul Kabir**

Deputy Managing Director & Chief Business Officer

#### **Mr. Mohammad Abdul Qaium Khan**

SEVP & Chief Information Officer

#### **Mr. Mohammad Khairul Alam FCA**

SEVP & Head of ICC

#### **Mr. Saiful Alam FCS**

SEVP & Company Secretary

#### **Mr. A H M Kamal FCMA**

EVP & Head of Human Resources

#### **Mr. Benazeer Ahmed FCMA, CPA [AUS]**

EVP & Chief Financial Officer

#### **Mr. Shamsul Haque Sufyani**

EVP & Head of Operations

#### **Mr. Mohammad Yasser Noor**

EVP & Chief Marketing Officer

#### **Ms. Hasi Rani Bepari**

EVP & Head of Credit Risk Management

#### **Mr. Z M Masir Bin Quddus**

EVP & Head of Credit Administration

#### **Mr. Sk. Zalal Uddin Ahmed**

SVP & Manager, Corporate Branch

#### **Mr. Mohammad Abdul Majid**

VP & Head of Audit & Inspection

#### **Mr. Nabadip Roy**

SAVP & Head of Treasury





# Corporate Governance



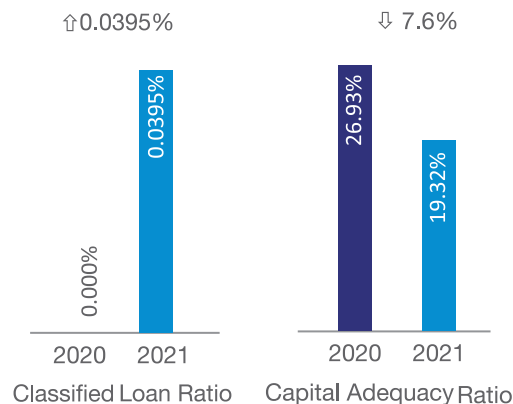
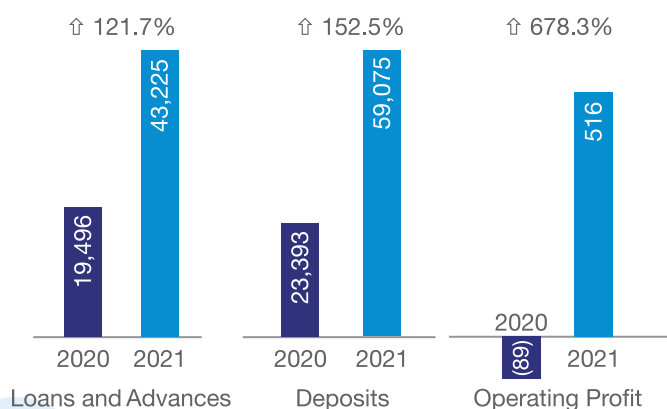
# Directors' Report

## Dear Shareholders,

The Board of Directors of Community Bank Bangladesh Limited takes great pleasure in welcoming you to the 3rd Annual General Meeting of the Bank. On behalf of the Board of Directors, I am presenting the Directors' Report containing the operational and financial activities of your Bank, together with the Audited Financial Statements for the year ended 31 December 2021, which also includes reports on business, strategy, risk management, corporate governance, internal control system, financial and operational highlights for your valued consideration, adoption and approval. This report has been prepared in compliance with Section 184 of the Companies Act 1994, Banking Companies Act 1991 and the guidelines issued by Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank and Financial Reporting Council, International Financial Reporting Standard (IFRS), other regulatory authorities and other relevant standards. The Honorable Prime Minister of the People's Republic of Bangladesh announced the commercial launching of the Bank on 11 September 2019. Prior to this event, the Bank received its banking license on 1 November 2018 from Bangladesh Bank. A Gazette notification was published in 2019. The Bank is founded on its core three pillars, "Trust, Security, Progress", which remain at heart of everything that we do.

The authorized capital of the Bank is BDT 10,000 million. To strengthen the Bank's capital base, the Shareholders further injected paid-up capital of BDT 390 million during the year 2021 taking the paid-up capital balance to BDT 5,000 million as on 31 December 2021, which was BDT 4,610 million as on 31 December 2020. As the Bank continues to grow, the Board remains firmly focused on ensuring that the Bank maintains high level of compliance and corporate governance standard and embeds robust risk management framework and internal control systems into the business, process, operation and technology, which are essential for the long-term sustainability of the business.

## Key Performance Highlights



All data narrated and presented in the Directors' Report are related to the solo performance of Community Bank unless otherwise stated. This is because the subsidiary of the Bank, Community Bank Investment Limited, started its commercial operation in the very late part of the year 2021 and hence the subsidiary does not have material impact on the overall performance of the Bank.

The year 2021 saw a sudden spike in Covid-19, resulting in reinforced shutdown to contain the virus. However, the spread of the virus was contained within a short period of time while keeping the economic momentum going and progress of mega infrastructure projects uninterrupted; thanks to the Honorable Prime Minister and the Government's timely initiatives, balanced intervention and much-needed assistance to the entrepreneurs in the form of financial stimulus packages. As a result, the economy quickly bounced back, with credit appetite in the banking industry gradually improving during the second half of the year 2021. During the Pandemic-hit difficult times, the Bank's Loans and Advances grew by BDT 23,728 million (+121.7%, Year-on-Year basis) during the year, taking the number to BDT 43,225 million at the end of December 2021 against BDT 19,496 in the previous year. Deposit grew significantly by BDT 35,682 million (+152.5%, Year-on-Year basis) with the figure standing at BDT 59,075 million at the end of December 2021 against BDT 23,393 million in the previous year. As deposit outpaced loan growth, the Asset to Deposit ratio dropped to 71.3% as on 31 December 2021 from 82.3% a year ago. The Bank posted operating profit of BDT 516 million in the year 2021, a turn-around figure, compared to the operating loss of BDT 89 million in the previous year. The increase in operating profit was mainly driven by the solid Balance Sheet growth along with the healthy capital gain and dividend income from the capital market during the year 2021. Spread and yield on treasury placement and investment continued to remain somewhat under pressure during the year due to the regulation on interest rate and surplus liquidity that existed through-out the year in the banking industry. Operating expense has increased to BDT 1,010 million in 2021 from BDT 853 million in 2020. The incremental cost is attributed to the follow-

on costs associated with the expansionary investments made in 2020. Net Profit After Tax was BDT 121 million for the year 2021 vis-à-vis a Net Loss of BDT 305 million in 2020 leading EPS (Earnings per Share) to increase to BDT 0.25 in 2021 from a negative EPS of BDT 0.74 in 2020.

The Board pledges to maintain lowest Classified Loan Ratio in the Industry and build the safest and strongest Balance Sheet in the industry. As at 31 December 2021, the Bank recorded the Classified Loan Ratio at 0.0395%, which is the lowest in the industry. The industry average of Classified Loan Ratio, with the relaxation in the classification rules during the pandemic, is around 8.1% as of 30 September 2021. In contrast, in our case, almost no clients showed any symptom of delinquency even during the pandemic. This has been made possible by the Bank's conscious and integrated approach in lending which involves careful selection of borrowers and sectors, robust portfolio monitoring, follow-up actions by the management, and most importantly, the BoD's (Board of Directors) prudential credit philosophy and guidance. In addition, the Bank maintained a healthy Capital Adequacy Ratio of 19.32% at the end of 2021 vis-a-vis 26.93% a year ago and against the regulatory requirement of 12.5% and industry average of around 11.2% as of 30 September 2021. [Source Bangladesh Bank Website]

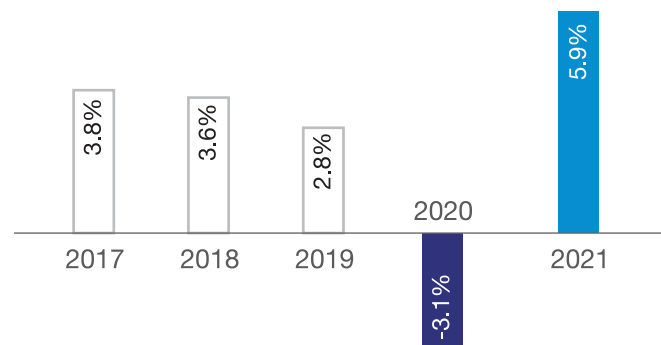
Along with growth, the Board remains committed towards building up the long-term capabilities of the Bank. Technology remains the key pillar of the building block. Therefore, Bank chose to implement "Finacle", a Universal Core Banking System (CBS), constructed state-of-art Data Center and Disaster Recovery (DR) sites, upgraded business continuity plan (BCP) and strengthened its security provisions and built an internet banking platform, Community Cash and developed a technology-led ecosystem that connects the other Banks, Mobile Financial Services (MFS) and telecom partners, VISA, and utility service providers, amongst the other. The Bank is able to serve its customers in 64 districts of the country through its Branches, ATMs and Service Desks and digital platform. As of now, The Bank is managing the payroll of around 193,000 members of police force and disbursed 75,336 number of loans amounting to BDT 35,783 million to individual Police Members since the inception of the Bank.

## Global Economic Review

Due to the ongoing Covid-19 pandemic, the global economic recovery remains under pressure and uneven amongst the various countries. The spread of the Delta variant and the emergence of the Omicron variant increases the uncertainty about when the world will return to normalcy and get back to its pre-pandemic stage. The vaccinations process has been proven effective against Covid-19 in some countries; however, from global perspective, the progress remains slower-than-expected due to inadequate supply of vaccines to many underprivileged countries and vaccine hesitancy among

a significant group of global population. This leaves much of the global population unvaccinated and hence remain vulnerable to infection and casualties. On economic ground, the ongoing pandemic continues to slow down the recovery process of the global economy and cause disruptions in the global supply chain, which could lead to reduction in cross border trade volume and hence the output. On the long-term horizon, other factors, such as continued geopolitical tensions among major global economic players, rising unemployment, inflationary pressure, volatile commodity prices, threat in food security and inadequate access to drinking water in some parts of the world and most importantly, effect of climate change cast serious doubts on the long-term growth prospect of the world. In recent times, climate change has become a key concern for the entire world and scientific evidence shows that the planet is getting hotter and negatively impacting the global environment and hence, the sustainability of the economic growth. In this connection, in 2021, a key topic of discussion called Net Zero was initiated in the United Nations' climate conference, short-titled as COP26. Net Zero refers to the balance between the amount of greenhouse gas produced and the amount removed from the atmosphere. Many nations and companies have pledged to Net Zero in the near future, which brings renewed hope in combating global climate change.

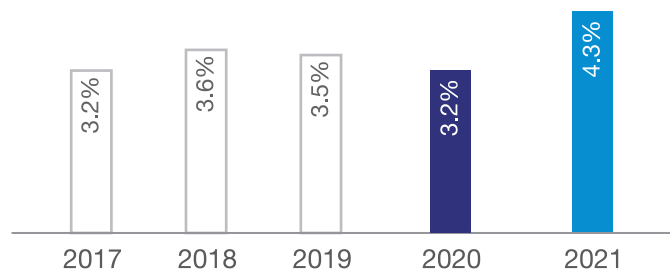
## Global GDP Growth



Global GDP grew by 5.9% in 2021, a good recovery from the negative growth of 3.1% in the previous year. The ongoing vaccination efforts has somewhat slowed down the spread of Covid-19 leading to many economies to rebound thus contributing toward the increase in global GDP growth. In 2021, GDP growth stood at 5.2% in advanced economies and 6.4% in emerging and developing economies. Although the year 2021 saw a turnaround in global growth, the future growth prospects for the year 2022 remains uncertain. It is projected that the global GDP growth will decline to 4.9% in 2022 due to continued flare-ups in Covid-19, diminished fiscal support and supply bottlenecks. Similarly, in advanced economies, GDP growth is projected to come down to 4.5% and in emerging and developing economies, the growth is projected to come down to 5.1%. [Source: International Monetary Fund, IMF]

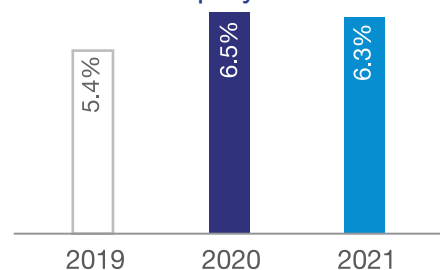


## Global Inflation



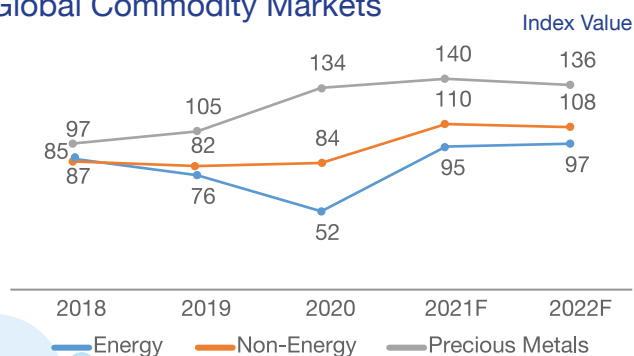
The global inflation rate increased to 4.3% in 2021 against 3.2% in the previous year. Supply shortages, and shoot-up in commodity prices have led to consumer price inflation to increase rapidly in many countries such as United States, Germany and other emerging market and developing economies. In some countries in sub-Saharan Africa, Middle East and Central Asia, food prices have increased significantly due to local shortages and the rise in global food prices. It is estimated that the inflation rate will decrease to 3.8% in 2022. [Source: International Monetary Fund, IMF]

## Global Unemployment



The Covid-19 pandemic had a devastating impact on global job market, employment and livelihood of people around the world. Countries have taken various steps to preserve jobs, income and livelihood of people. Despite such measures, many countries have seen a decline in employment and national income. It is projected that the global unemployment rate is going to be 6.3% in 2021 against 6.5% in the previous year and 5.4% in 2019. According to International Labour Organization (ILO), an estimated 8.8% of total working hours were lost – the equivalent of the hours worked in one year by 255 million full-time workers in 2020. In 2021, shortfall in total working hours stood at 4.8% in the first quarter and 4.4% in the second quarter. [Source: ILO]

## Global Commodity Markets



Energy prices continues its upward trend during the year 2021, with prices increasing sharply in the third quarter of 2021 adding towards the global inflationary pressure and the price is expected to remain high in 2022. Natural gas and coal prices reached record highs in 2021, due to supply constraints. However, the prices are expected to come down in 2022 as supply improves and demand eases. Energy price index stood at 95 in 2021 against 52 in 2020, while non-energy index was 110 in 2021 against 84 in the previous year and precious metal at 140 in 2021 against 134 in the prior year. Average crude oil price stood at \$72.87/bbl in December 2021 against \$48.73/bbl in December 2020. Oil demand is expected to continue its recovery and reach its pre-pandemic level by the second half of 2022. [Source: World Bank]

## Regional Economic Review

The spread of the Covid-19 infection is still rising worldwide with the spread of new variants. However, Covid-19 has regressed in developing Asia compared to the rest of the world. Most economies in the Asian region have scaled up their vaccine rollouts, but progress continues to vary from country to country. The decrease in Covid-19 cases and strong vaccination progress has allowed many economies in Asia to gradually reopen. As vaccination rates accelerate, the region is expected to grow slightly faster in 2022. The rise in inflation due to emergence of the new variants are expected to be transitory, though uncertainty remains high.

## Regional GDP

As vaccination continues to progress and contact-intensive sectors recover, the South Asia region is expected to grow by 7.6% in 2022 from 7.0% in 2021. The growth is expected to slow down to 6.0% in 2023. The emergence of Omicron variant poses a significant risk regarding the outlook of the region. Additionally inflationary pressures, tightening financing conditions, natural disasters, climate-related disaster remains to be some of the key risks in the region. In the South Asia region, Bangladesh witnessed strong growth in export as demand for Readymade Garment (RMG) increased along with strong local demand. India has seen its output level reach back to the pre-pandemic level as Covid cases and restrictions subsided. Pakistan also saw an upside in output due to high remittance inflow, accommodative monetary policy and reduced interest rate. Macroeconomic policy, monetary policy and fiscal policy were accommodative in 2021. However, in 2022, monetary and fiscal policy are expected to steadily relax and provide sequentially less support as it shifts its focus towards managing inflation expectations.

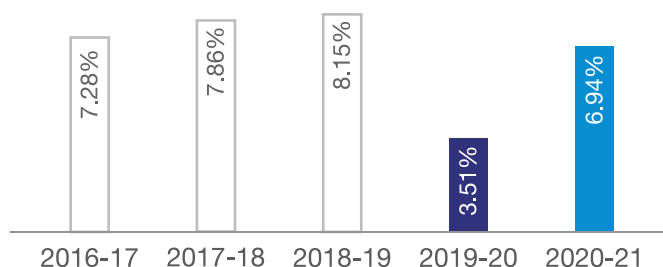
GDP growth in East Asia and Pacific (EAP) region is expected to come down to 5.1% in 2022 from 7.1% in 2021. Growth of China was 8.0% in 2021, largely driven by recovery in manufacturing activity and exports, but the growth forecasted to slow down to 5.1% in 2022. However, consumer spending remains restrained due to

the Covid-19 variants and recurrent mobility restrictions. Tightening of fiscal policy, market curbs in property and financial sectors has led to a sharp slowdown in investment relating to infrastructure and property. Excluding China, growth in the region has recovered modestly at 2.5% in 2021 and is forecasted to increase to 5% in 2022.

[Source: World Bank]

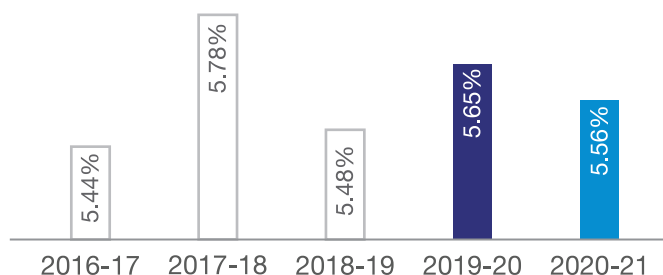
## Bangladesh Economy Review

### GDP Growth



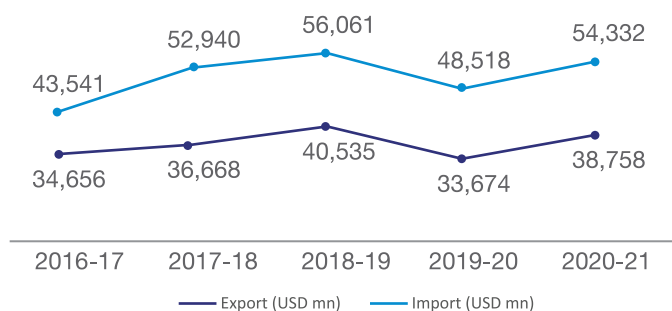
Bangladesh has continuously achieved GDP growth of more than 7.0% during the last decade before the pandemic. GDP growth of Bangladesh came down to 3.51% in 2019-20, which can be considered as a success, given that global GDP posted a negative growth of -3.1% in the corresponding period. Bangladesh took various steps to contain the spread of the virus and pushed for a strong vaccination program, which has helped contain the spread of the virus. The Government of Bangladesh, has also introduced various stimulus programs for entrepreneurs, which has helped business and the economy to open up and recover quickly. Bangladesh continues to remain highly resilient and continues to overcome any obstacles and hurdles on its way. The economic recovery is evident by the increase in GDP growth to 6.94% in the fiscal year 2020-21. As per International Monetary Fund, the economic growth in Bangladesh is anticipated to increase to 6.6% in the 2021-22 and 7.1% in 2022-23.

### Inflation



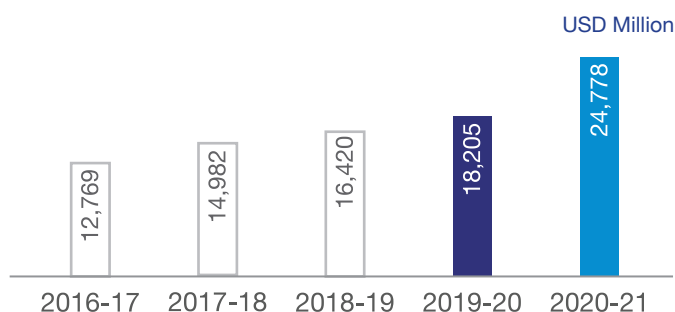
The twelve-month average inflation in Bangladesh decreased to 5.56% in FY2020-21 from 5.65% in the previous fiscal year. Food inflation and non-food inflation reached 5.73% and 5.29% respectively in 2020-21 against 5.52% and 5.85% respectively in the previous fiscal year. The Government effort to keep the food supply chain uninterrupted during COVID-19 pandemic helped to keep inflation under control.

### Export and Import



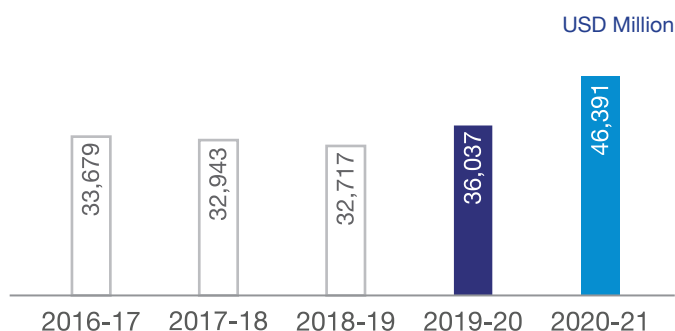
Exports saw a growth in FY2020-21 and stood at USD 54,322 million compared to USD 48,518 million in FY2019-20. Import also saw an upward trajectory and stood at USD 38,758 million in FY2020-21 against USD 33,674 in FY2019-20. The increase in import and export came off from the global economic reopening and gaining momentum along with strong demand for readymade garments.

### Inward Remittance



Inward remittance grew significantly by 36.1% and stood at USD 24,778 million in FY 2020-21 against USD 18,205 million in the previous fiscal year. A large portion of the inward remittance continues to come from the Gulf Cooperation Council (GCC) countries. Remittance from Saudi Arabia accounted for 23.1% of the total remittance followed by the United States of America at 14.0%.

### Foreign Exchange Reserve



Foreign exchange reserve increased to USD 46,391 million in June 2021 against USD 36,037 million in June 2020, an increase by 28.7%. The reserve reached its peaked at USD 48,060 million in August 2021.

## DSEX Index and Market Capitalization



The DSE Index (DSEX) saw strong growth in the year 2021, with the DSEX index standing at 6,756.66 at the end of 2021 against 5,402.07 in 2020. Similarly, market capitalization increased to BDT 5,422 billion in the year 2021 against BDT 4,482 billion at the end of the previous year.

### Sovereign Ratings

Standard and Poor's (S&P) has affirmed Bangladesh's sovereign long-term rating at BB- with a stable outlook as the Economy of Bangladesh remains resilient and gradually recovering from the impact of the Covid-19 pandemic. Similarly, Moody's has affirmed a long-term rating of Ba3 with a stable outlook. The Moody's rating reflects the country's economic strength and balanced robust growth prospects.

### Banking Sector Review

Particulars	BDT Billion, %		
	Sep 20	Sep 21	Growth
Total Assets	17,693	19,769	11.7%
Loans and Advances	11,424	12,605	10.3%
Deposits	15,438	17,482	13.2%
Advance to Deposit Ratio	74.0%	72.1%	-1.9%
Classified Loan Ratio	8.9%	8.1%	-0.8%
Spread	3.0%	3.1%	0.1%
Capital Adequacy Ratio [CAR]	11.9%	11.2%	-0.7%

Loans and advances in the banking sector stood at BDT 12,605 billion at the end of September 2021 against BDT 11,424 billion in the September 2020, an increase by 10.3% year-on-year basis. Loans and advances accounted for 63.8% of the total assets of the Banks. The increase in loans and advances was driven by the renewed credit appetite in the economy as it started to pick-up the momentum during the year 2021. Classified Loans Ratio came down to 8.1% at the end of September 2021 against 8.9% at the end of September 2020. The Classified Loan Ratio was kept in check mostly by the various loan moratorium policies and relaxation in classification rule issued by Bangladesh Bank from time to time, which would allow the borrowers to sustain and recover their business during the pandemic-hit difficult situation. Deposit grew by 13.2% year-on-year basis and reached BDT 17,482 billion in September 2021 against

BDT 15,438 billion in September 2020. The Advance to Deposit ratio came down 72.1% in September 2021 from 74.0% in September 2020, mainly as deposit growth outpaced loans growth. Spread in the Banking Sector improved to 3.1% in September 2021 against 3.0% in September 2020, despite the fact that the both the lending rate and deposit rate showed a downward trend between the periods from September 2020 to September 2021. CAR came down to 11.2% in September 2021 from 11.9% in September 2020. [Source: Bangladesh Bank, Financial Stability Assessment Report - September 2021]

### Economy and Industry Outlook

Bangladesh, is amongst the fastest growing economies in the world over the past decade, with the growth being driven by strong exports of ready-made garment (RMG), stable macroeconomic conditions, strong domestic demand, rise of middle-income households and large productive work force. Bangladesh reduced its poverty rate by almost half in the last 25 years. Bangladesh gained the status of lower middle-income in the year 2015 and fulfilled the United Nations (UN) eligibility criteria to graduate from the least developed country status (LDC) to a developing nation, with the graduation being effective from 2026. Since the fiscal year 2011, Bangladesh saw an average growth of more than 7% from the fiscal year 2011 to 2019. The Coronavirus outbreak caused the growth to slowdown in FY2019 but growth picked up again to 6.94% in FY2020-21 from 3.51% in the previous fiscal year. Like all other countries, Bangladesh also faces challenges in recovering from the Covid-19 pandemic. The coming few years are expected to be crucial for Bangladesh in many ways as the country graduates to a developing nation from the least developed one and aspires to be a middle-income country in a decade and upper-income country by 2041. This transformation will be aided by the significant infrastructure investment, including but not limited to, ongoing infrastructure projects such as deep-sea ports, Ruppur Power Project, Economic Zones, Padma Bridge and Railway and Akhaura Sylhet Railway, Dhaka Mass Rapid-Transit development and Karnaphuli Tunnel (Underwater Expressway). Bangladesh has also made outstanding progress in social aspects of development and is consistently outperforming its neighboring economies in many social indexes such as women empowerment, life expectancy, child mortality, gender parity, women empowerment, sanitation, health, vaccination, literacy and so on. The influx of youth population into the workforce, emergence of middle-class families, and growing purchasing power will drive the economy in the years to come. According to World Economic League Table (WELT 2022) issued by Centre for Economics and Business Research (CEBR), one of the UK's leading economics consultancies, Bangladesh is one of the world's fastest growing economies over the last decade and the country is forecast to rank 41st place

in 2022, 34th in 2026 and 24th in 2036. It is remarkable what the Country has achieved in such a short period of time, since its independence with Bangladesh celebrating the golden jubilee of its independence in 2021.

## Organizational Review

### Our Business Philosophy

Community Bank Bangladesh Limited started its commercial operation in September 2019 with a vision to serve communities with the tailor-made secured solutions. It aims to contribute to the economic growth of the country by providing financial products and services to the communities across the geographies. State-of-the-art Core Banking System is an enabler for the Bank to operate centrally. Community Bank runs on its three core building blocks-Trust, Security and Progress. The vision of the bank-reach out to the members of different communities with innovative banking service aimed at ensuring financial inclusion of different communities of the nation, which will contribute to the balanced and sustainable growth of the economy.

### Principal Activities

The principal businesses of the Company are related to banking and associated financial services. These areas include deposit mobilization, providing credit facilities, trade finance, remittance services, card operations, treasury, cash management, credit cards, prepaid cards, payroll management and bill collections and investment banking through subsidiary and so on.

### Business Review

Community Bank Bangladesh Limited started its journey with the commitment of providing financial services to all the communities of the nation in all market segments such as Corporate, Retail and CMSME (Cottage, Micro, Small and Medium Enterprise) segments. To serve the needs of the market, the bank developed different deposit and loan products and a digital transaction platform for Retail Customer. The Bank continues to seamlessly manage the pay-roll services and lending to the members of Bangladesh Police. Additionally, the Bank has strongly focused on lending to and soliciting deposits from Corporate, Retail and CMSME customers. The focus in the year 2020 was on building the capacity of the bank through rolling out of new Branches, ATMs, Service Desk, creating various technology platforms and connectivity with corresponding banks and platforms. The focus in the year 2021 was leaning more towards growing the quality balance sheet and making investment and profit centers financially sustainable, thus reaping the benefits of investment made during the 1st year of operation. Despite mixed ROIs from different investment centers mostly because of the Covid-19 Pandemic, the Bank as a whole managed to post healthy operating profit of BDT 516 million in 2021, a turn-around figure from the previous year that saw operating loss of BDT 89 million. The bank will continue to focus on building the strongest and safest

balance sheet in the industry, while generating sustainable profits. After setting aside money for giving justified returns to the shareholders, the accumulated profits will be ploughed back to drive the next phase of expansions. The Bank is on the right course to achieve its mission that we always believe in.

### Performance against Budget

In line with the voluntary disclosure guidelines under Integrated Report Framework issued by IIRC (International Integrated Reporting Council) and SAFA's (South Asian Federation of Accountants) guidelines for the Best Presented Annual Report, we hereby furnish quantitative information about budget and actual results on key performance matters or indicators. A summary of the Bank's (solo) performance against budget for the year 2021 is furnished below:

BDT Million, %			
Particulars	Actual	Budget	Variance
Loans and Advance	43,225	34,101	26.8%
Deposits	59,075	41,000	44.1%
Net Interest Income	783	1,064	-26.4%
Non-interest Income	743	504	47.4%
Revenue	1,526	1,568	-2.7%
Operating Expenses	1,010	1,191	-15.2%
Operating Profit	516	377	36.9%
Net Profit	121	81	49.3%

Loans and advances exceeded the budgetary target by 26.8% and stood at BDT 43,225 million against the target of BDT 34,101. Deposits stood at BDT 59,075 million against the target of BDT 41,000, which is significantly ahead of the target by 44.1%. Net interest income stood at BDT 783 million against a budgetary target of BDT 1,064 million that is 26.4% behind the target for the year 2021. Net interest income was behind the target mainly due to higher volume of deposit compared to the target. The higher volume of deposits led to interest expense exceeding the budgeted interest expense leading to a lower net interest income. The decision to enhance the deposits significantly beyond the budget was a conscious decision by the management, as the deposit fund will provide a strong base for business expansion in the near future. Revenue stood at BDT 1,526 million against a budgetary target of BDT 1,568 million that is 2.7% behind the budgetary target for the year 2021. The lower revenue was primarily due to lower net interest income due to the reason mentioned above. The lower revenue compared to the budget was offset by healthy non-interest income, mostly coming from capital market operation. Operating expense stood at BDT 1,010 million against a budgetary target of BDT 1,191 million that is 15.2% lower than the budgetary target for the year 2021. The lower operating expense was due to the decision by management not



to expand aggressively both in term of distribution and manpower along with the combined impact of tighter cost control. Operating profit stood at BDT 516 million and exceeded the budgetary figure of BDT 377 million that is 36.9% ahead of the budget. Operating profit exceed the target mainly due to the greater non-interest income combined with the cost control initiatives. Due to the combined impact of the above issues, Net profit stood at BDT 121 million and exceeded the target of BDT 81 million that is 49.3% ahead of the target.

### Quarterly Performance

As per the requirement of BSEC Notification No. BSEC/CMRRC/2006-158/ 207/ Admin/80 dated June 03, 2018, the directors' report shall include an explanation on any significant variance that occurs between quarterly financial performances and annual financial Statements.

BDT Million, %				
Particulars	Q1'21	Q2'21	Q3'21	Q4'21
Loan and Advances	26,226	31,794	35,333	43,225
Growth (%) - QoQ	34.5%	21.2%	11.1%	22.3%
Deposits	38,350	48,196	60,721	59,075
Growth (%) - QoQ	63.9%	25.7%	26.0%	-2.7%
Revenue	314	322	412	477
Growth (%) - QoQ	4.3%	2.4%	27.9%	15.9%
Operating Cost	224	246	264	276
Growth (%) - QoQ	-20.9%	9.6%	7.3%	4.7%
Operating Profit	90	76	148	201
Growth (%) - QoQ	402.6%	-15.5%	94.3%	35.9%
Profit After Tax	13	20	53	36
Growth (%) - QoQ	117.5%	57.2%	161.8%	-32.3%

Loans and advances witnessed continuous growth in all the quarters, with the highest level of growth taking place in first quarter of 2021 with a growth of 34.5% followed by loan growth of 21.2%, 11.1% and 22.3% in the next three quarters respectively. Loan growth in third quarter of 2021 came down mainly due to the impact of the slowdown in the economy due the renewed lockdown and sudden spike in Covid during the latter half of the year. Deposit saw growth of 63.9%, 25.7% and 26.0% respectively in the first three quarters of the year but witnessed a negative growth of 2.7% in the fourth quarter of 2021. The reduction in deposit growth was mainly due to encashment by some large deposits.

Revenue has continuously grown throughout the quarters, with the highest growth in revenue being in the third quarter of 2021 at 27.9% and 15.9% growth in the fourth quarter. Revenue saw marginal growth of 4.3% and 2.4% in the first and second quarter. Significant increase in revenue in third quarter of 2021 was mainly

derived from high capital gain from investments in private securities. Growth in revenue in the fourth quarter of 2021 was mainly due to increased revenue from non-funded income. Operating expense growth has remained relatively stable in all the quarters excluding the first quarter of 2021, where operating cost came down by 20.9%. The reduction in operating cost was mainly due to tighter cost control and greater one-off cost in the year last quarter of the previous year mainly associated with IT related cost. Due to the combined impact of significant increase in balance sheet growth and reduced operating expense in first quarter of 2021, the operating profit increased by 402.6%. In the second quarter of 2021, operating profit came down by 15.5% mainly due to operating expense increasing at a greater pace compared to revenue. In the third and fourth quarter of 2021, operating profit saw growth by 94.3% and 35.9% respectively as revenue growth outpaced operating expense growth. Due to the combined impact of increased revenue and reduced operating expense, profit after tax in the first quarter of 2021 witnessed growth by 117.5%. Growth in Profit after tax in third quarter grew significant compared to second quarter mainly due to greater growth in operating profit and in fourth quarter of 2021, growth in profit after tax was negative 32.3% mainly due to additional requirement for tax provision and general provision for the growth in loans and advances.

### Sustainable Finance

Community Bank Bangladesh Limited is strategically moving towards a sustainable future and envisage to play a pivotal role in community-based Financial Inclusion and hence, contributing to achieving 'Sustainable Development Goals (SDGs)' of the country. The bank also pledges to support environment friendly and socially impactful business initiatives. As per Bangladesh Bank letter no. SFD (GBMS) 1003/01/2021-1052 dated 8 April 2021, the Sustainable Finance target for Community Bank Bangladesh Limited was BDT 1,050 million for the year 2021 against which Community Bank disbursed BDT 1,350 million and the outstanding balance amounted to BDT 1,167 million as on December 31, 2021.

### Green Banking

Green Banking refers to the practices, policies and commitment of the Bank that will create positive impacts on the environment. It aims to make banking processes, the use of IT and physical infrastructures to enable the bank to create zero or minimal impact on the environment. The Bank always believes that Green Banking will not only improve its own standards but also promote socially responsible business activities and contribute to saving the planet. From the beginning, we started green transformation of operations like SMS notification of transactions, balance confirmation, debit card issuance for encouraging cash less transactions, promoting App based banking, through which services like e-statement, fund transfers to banks and MFS (Mobile Financial Services) operations and mobile phone

recharge can be done. Detail of the Green Banking can be found in the other section of the Annual Report. As per Bangladesh Bank letter no. SFD (GBMS) 1003/01/2021-1052 dated 8 April 2021, the Green Finance target for Community Bank Bangladesh Limited was BDT 150 million for the year 2021 against which Community Bank disbursed BDT 300 million and outstanding balance was BDT 300 million as on December 31, 2021.

### Agri-Finance

As per Bangladesh Bank Agricultural and Rural Credit Policy and Program for the FY 2020-2021, the agriculture loan target for Community Bank Limited was BDT 70 million and the target for FY 2021-2022 is BDT 550 million. As of June 2021, Community Bank has outstanding agricultural loan amount to BDT 251 million thus fulfilling the target for FY 2020-2021. As on December 31, 2021, Community Bank has outstanding agricultural loan amounting to BDT 456 million.

### Corporate Social Responsibility

Corporate social responsibility is now widely accepted as a strategically important issue for the sustainable growth and upholding the image of the Bank. CSR is the way in which an organization strikes a balance between economic, social and environmental imperatives on the one hand and the expectations and welfare of the stakeholders on the other. During the year 2021, the Bank has not made any CSR contribution as the Bank is still in its early years of operation and generated insufficient profits in the year 2020 to justify CSR expenses. From the year 2022, the Bank will contribute to CSR activities based on the profits for the year 2021. The Bank is committed to supporting the society and will make adequate CSR expenses when the opportunity arises.

### People

Community Bank considers its human resources as the most important asset. The company continues its effort to implement effective human resource policies and procedures with a view to attract, develop and retain the best human resources. Community Bank, from its inception, is recruiting the best professionals and implementing programs to develop and retain high-caliber employees to face the challenges of 21st Century and achieving objectives of the Bank. The Bank provides equal opportunity for all employees in its process of recruitment, selection, career progression and all aspects of performance management. The Bank will continue its efforts towards the development of its Human Resources by providing them adequate training to make sure that they remain relevant to the current and future need of the company as well as maximize their self-development opportunities.

		#
Employee Type	2020	2021
Permanent	309	308
Contractual	152	171
Total	461	479

### Technology

To ensure robust and dependable tech-enabled banking operation, the Bank has selected “Finacle”, one of the world’s best Core Banking Solutions (CBS). The CBS (Finacle) went live in world-record low of 48 days. Additionally, the Bank has developed a solid IT platform with high-level security architecture and other satellite systems to accommodate new products and services in a secured and efficient manner. In addition, the bank created an application “Community Cash” - to meet customers’ digital banking expectations. During the year, 2021 Community Bank received three global awards from Infosys for Channel Innovation, COVID Response Innovation and Ecosystem-led Innovation. Community Bank now joins the winners’ league table along with the Banks such as ICICI Bank (India), State Bank of India, Axis Bank (India), Santander Bank (Spain), Sharjah Islamic Bank (UAE) and Australia Military Bank amongst the other.

### Distribution Network

Total number of Branches of Community Bank stood at 18 branches in 2021 while the total number of ATMs stood at 168 across the country. The Bank records over 1 million transactions every month. Our app-based banking (Community Cash) and ATM channel captures 49% and 50% of the total bank wide transactions respectively and the remaining 1% of the transaction happens through over-the counter of the branches; an enviable piece of statistics for the competing banks which are intending to go digital. In addition, Community Bank has 111 Service Desks throughout the country. Mainly limited non-cash services are provided to members of the police through those service desks. The service desks are located in various police lines.

### Internal Control System

The Board of Directors have the responsibility of setting policies and reviewing the adequacy and effectiveness of the internal control system given the different risks at different layers that the organization is facing. The senior management is responsible to implement such policies. The management develops operational processes, formulates control mechanisms, sets up the right organizational structure with clear responsibility, authority, delegation and reporting relationships to ensure that responsibilities are effectively carried out and the internal control system works effectively at every level of management.

## Control Environment

The Board of Directors sets the tone for an effective control environment through policy approvals and regular reviews of the processes for identifying, evaluating, and managing the risks. Top management creates the right control framework and cascades down the tone across all business functions. Every year the top team conducts a self-assessment of key controls that affect the business and develops action plans to make sure that the internal control environment is aligned with the business philosophies and strategic objectives of the company and risk appetite of the shareholders.

## Capital Management

BDT Million, %		
Particulars (Solo Bank)	2021	2020
Total Equity	4,826	4,307
Paid-up Capital	5,000	4,610
Tier I Capital	4,657	4,129
Tier II Capital	497	218
Total Regulatory Capital	5,154	4,347
Total risk weighted assets	26,681	16,142
Core Capital to Risk Weighted Assets	17.46%	25.58%
Capital Adequacy Ratio	19.32%	26.93%

Total equity of the Bank stood at BDT 4,826 million at the end of 2021 against 4,307 million in the previous year. Total regulatory capital (Tier I and Tier II) stood at

BDT 5,154 million at the end of the year 2021 against BDT 4,347 million in the previous year. Capital Adequacy Ratio (CAR) stood at 19.32% in 2021 against 26.93% in the previous year. The capital adequacy ratio came down in 2021 mainly due to loan portfolio expansion, the bank still has sufficient capital base to expand its balance sheet further and the current capital adequacy ratio is sufficiently above the minimum regulatory requirement of 12.5%.

## Credit Rating

Emerging Credit Rating Limited affirms the entity rating of Community Bank Bangladesh Limited as “A+” in long term and “ST-2” in short term with “Stable Outlook”. The rating has been awarded on the basis of an in-depth analysis of the Bank. The validity of the credit rating is for the period from March 18, 2022 till March 17, 2023.

## Risk Management

The Board is responsible for defining the risk appetite of the company and the management is responsible to work within the risk appetite. Risk management is embedded in the organizational structure, culture, operations, systems and processes. Business risks across the company are addressed in a structured and systematic way through a predefined risk management framework. The Board continuously assess the risks facing the company and updates policies to strike a balance between risk and returns. While the Board sets the policies, management is responsible for executing this policies across the organization. A summary of the Risk Management approach is given below:

Types of Risks	Risk Management Response
<b>Credit Risk</b> Risk of loss from the failure of clients or customers to honor their obligations including the whole and timely payment of principal, interest and other receivables.	<ul style="list-style-type: none"> <li>• Selecting good borrowers</li> <li>• Reducing industry and sectoral concentration</li> <li>• Embedding credit assessment process</li> <li>• Diversifying credit portfolio</li> <li>• Monitoring and Reviewing portfolio regularly</li> <li>• Deploying dedicated recovery team</li> <li>• Reducing large borrower concentration</li> </ul>
<b>Liquidity Risk</b> Risk that the organization fails to meet its contractual obligations, or it does not have adequate funding and liquidity to support its assets.	<ul style="list-style-type: none"> <li>• Matching tenor wise asset and liability</li> <li>• Maintaining strong line of credit with banks and financial institutions</li> <li>• Maintaining good relationship with banks and financial institutions</li> <li>• Reducing concentration on volatile deposits</li> <li>• Making short-term callable investments</li> <li>• Increasing focus on deposit customer retention</li> <li>• Observing and predicting state of market liquidity and taking position upfront</li> <li>• Setting trading limit and trigger points on treasury borrowing or lending.</li> </ul>
<b>Interest Rate Risk</b> Risk of loss and negative impact on cash flow due to adverse changes in the interest rates.	<ul style="list-style-type: none"> <li>• Matching of interest-bearing asset and liabilities according to maturity bucket to safeguard against changes in interest rates</li> <li>• Offering floating rate for long term loans to protect against adverse interest rate movement</li> <li>• Embedding callability feature when necessary while borrowing or lending</li> <li>• Reviewing interest rate frequently</li> <li>• Repricing assets or liabilities when necessary</li> <li>• Offering higher interest rate on the long-term loans to safeguard against volatility in market interest rates.</li> </ul>

Types of Risks	Risk Management Response
<b>Compliance Risk</b> Risk of penalties, damages or fines due to failure to meet its legal and compliance obligations.	<ul style="list-style-type: none"> <li>Promoting ethical and compliance culture throughout the organization</li> <li>Maintaining strict compliance with relevant laws and regulations</li> <li>Ensuring that sufficient internal policies and control mechanism are in place and monitoring effective implementation of those.</li> </ul>
<b>Reputational Risk</b> Risk of loss due to damage in reputation of the organization leading to a loss of current or future business of the company.	<ul style="list-style-type: none"> <li>Managing good relationship with the stakeholders</li> <li>Serving customers with the greatest integrity and sincerity</li> <li>Treating suppliers with respect</li> <li>Treating employees fairly</li> <li>Promoting transparency and ensuring proper communication with the stakeholders</li> <li>Not engaging in any activities which has a negative environmental and social consequences.</li> </ul>
<b>Technology Risk</b> Risk of business loss due to failure of IT system.	<ul style="list-style-type: none"> <li>Creating IT security awareness and training among all employees</li> <li>Implementing proper business continuity plan and disaster recovery plan</li> <li>Assessing security threat on regular basis</li> <li>Testing and monitoring system sanity on a regular interval</li> <li>Building IT capacity in pace with the business volume and objectives.</li> </ul>
<b>Operational Risk</b> The risk of loss due to inadequate or failure of system, processes, human or external factors.	<ul style="list-style-type: none"> <li>Conducting employee training and raising awareness about policies, procedures and control mechanisms</li> <li>Assessing control system and policies on regular intervals to deal with the changing business and environmental needs</li> <li>Ensuring adequate supervision, delegation of authority and segregation of duties</li> <li>Ensuring proper record keeping and documentation and archiving</li> </ul>

## Stakeholder Management

Protecting and balancing the diverse and conflicting interests of the various stakeholders of the organization is one of the core principles of good corporate governance. A stakeholder is any individual, group of people or organization that can affect, be affected, or perceive itself to affect or to be affected by the existence and activities of the company. Different stakeholders will have different interest, needs and objectives. The different objectives and interests of the different stakeholders sometimes conflict with each other. Therefore, it is essential that the organization treat all of them fairly and ethically and take a balanced approach in protecting and aligning the stakeholders' interests. Our broad approach to stakeholder management is as follows (not limited to):

Stakeholder	Management Approach
<b>Customers</b>	<ul style="list-style-type: none"> <li>Prompt service to customer</li> <li>Design new products according to customer need or demand</li> <li>Improve service quality and minimize errors, faults or lapses (that matters to customer) in each stage of operation</li> <li>Reduce customer turnaround time in every service or product delivery</li> <li>Resolve of customer complaints and enquiry in quick time</li> <li>Protect customers' personal information</li> <li>Transparent communication to customers</li> <li>Impose no hidden charge to customers</li> <li>Do not commit to customers anything beyond organizational capacity</li> <li>Treat customer with respect and professional courtesy</li> </ul>



Stakeholder	Management Approach
Shareholders	<ul style="list-style-type: none"> <li>• Set high corporate governance standard</li> <li>• Create value for shareholders</li> <li>• Keep risk profile within the risk appetite of the shareholders</li> <li>• Engage with shareholders or Board of Directors in major decision-making process</li> <li>• Promote transparency and fluid communication and provide sufficient disclosure about the company performance and positions</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Fair and ethical treatment to all employees</li> <li>• Provide performance-linked benefit scheme</li> <li>• Give training to employees to develop skills and competence</li> <li>• Provide fair career progression opportunity</li> <li>• Harness recognition and reward culture</li> <li>• Promote sufficient provisions for health, hygiene and safety</li> <li>• Promote diversity and equal opportunity to all employees</li> <li>• Promote ethical practices across the organization</li> <li>• Allow the employees to use the independent channel of communication to raise their voices fearlessly against any illegal or unethical activities</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>• Ensure timely returns and compliances with the Laws and regulations</li> <li>• Ensure strategies and actions are within the regulatory framework</li> <li>• Build mutually respectful relationship</li> <li>• Develop robust MIS system to satisfy the need of the regulator</li> <li>• Keep proper documentation and records</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Select suppliers through open and merit based competitive bidding process</li> <li>• Treat supplier with respect</li> <li>• Do not discriminate among the suppliers</li> <li>• Pay in time as per the credit and payment terms</li> <li>• Promote mutually beneficial and sustainable relationships</li> <li>• Ensure fair margin to suppliers</li> <li>• Adhere strictly to contractual terms</li> <li>• Deny any valuable gift or privileged treatments from the supplier</li> </ul>
Media	<ul style="list-style-type: none"> <li>• Maintain good relationship with media personnel and entities</li> <li>• Monitor and take actions, if necessary, on the reactions, feedbacks, queries etc. in media</li> <li>• Invite the media personnel on different occasions of the company</li> <li>• Send press briefing in connection with major events of the Bank</li> <li>• Establish right protocol while any employee speaking to the external world including press, electronic and social media about the organization</li> </ul>
Other Communities	<ul style="list-style-type: none"> <li>• Build sustaining relationship with the peer group</li> <li>• Do not indulge the bank in any unfair anti-competitive activities</li> <li>• Sponsor and donate to schools, colleges, universities hospitals, sports, marginalized and distressed people and other social initiatives around the communities</li> <li>• Contribute to sustainable social, economic and environmental context of development through product and other ancillary financial services</li> <li>• Promote financial inclusion of unbanked or underprivileged communities</li> <li>• Promote sustainable finance, green banking and comply with priority lending target as set by the central bank and other regulatory authorities</li> </ul>

## Corporate and Financial Reporting Framework

The Board of Directors, in accordance with BSEC Notification No. BSEC/ CMRRCD/2006-158/207/ Admin/80 dated June 03, 2018 confirms compliance with the financial reporting framework for the following:

- The financial statements prepared by the management of Community Bank fairly presents the state of affairs, the results of its operations, cash flows and changes in equity
- Proper books of accounts of the Company have been maintained
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment
- International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there from has been adequately disclosed
- The company has designed sound internal control system and it is being effectively implemented and monitored
- Minority shareholders have been protected from abusive actions by, or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress.
- There are no significant doubts upon the Company's ability to continue as a going concern.

## The Preparation of Financial Statements

We hereby confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.
- adequate internal control system is in place to ensure integrity of the financial report
- adequate disclosure has been provided for the users of the financial statement to understand the impact of financial information, other events and conditions on the entity's financial position and financial performance
- reasonable efforts have been made to safeguard company assets and detect and prevent any fraud or other irregularities

## Board Committees

As per the requirement of Corporate Governance Code Bangladesh Securities and Exchange Commission's Notification No. BSEC/ CMRRCD/2006-158/207/ Admin/80 dated June 03, 2018, a company is required to have a Nomination and Remuneration Committee. As per the Bangladesh Bank Regulation the Board has three sub-committees: Executive Committee, Audit Committee and Risk Management Committee. Therefore, the Bank is not in a position to form any Nomination and Remuneration Committee. The detail of the existing Board Committees can be found in other section of this Annual Report.

## Appointment of Member of the Senior Management Team

At Community Bank, we believe that a competent senior management team is very critical to the success of the organization. Therefore, we recruit top level executives

who have proven track record and possess the right set of skills and competences. The Board, finally selects the incumbent (MD and two level down) after he/she is screened and interviewed by an independent Recruitment Committee.

## Statutory Payments

The Directors are satisfied that, to the best of their knowledge, belief and as affirmed by the management, all statutory payments to all authorities have been made on a regular basis. In the year 2021 the Bank paid BDT 462.5 million to Government Exchequer compared to BDT 209.5 million in 2020. Details are given below:

BDT Million		
Particulars	2021	2020
VAT (Including Withholding VAT)	57.6	58.7
Withholding Tax	282.4	66.6
Excise Duty	69.1	26.5
Advance Income Tax	53.4	57.6
Sum	462.5	209.5

## Statement of utilization of Proceeds from Debt Instrument

There were no issue of debt instruments such as Zero Coupon Bond or Subordinated Bond during the year. Thus, this provision is not applicable to the Bank.

## Statement of utilization of Proceeds from IPO (Initial Public Offering)

The Bank has not floated its share through IPO. Therefore, this provision does not apply to the Bank.

## Statement of utilization of Proceeds from Right Share

The Bank has not issued any right share as of this date. Therefore, this provision is not applicable for the Bank.

## Insider Trading

Being a non-listed company, this provision is not applicable for the Bank.

## Interim Dividend

No bonus share, stock dividend, scrip dividend or cash dividend has been declared as interim dividend.

## Proposed Dividends and Appropriation of Profit

While taking decision on dividend, the Company focuses on creating shareholder value by striking a balance between paying out dividend and retaining the surplus to plough back into the business. The company has completed another successful year of commercial operation. The Bank needs to conserve capital to continue supporting the growth potential of the bank and cover up the initial operational loss incurred during the investment phase and maintain minimum regulatory capital requirement. The Directors, therefore, proposed no dividend for the year 2021. This will be placed for the approval of Shareholders in the 3rd Annual General Meeting.

### Related Party Transaction

In the normal course of business, the Bank entered into transactions with related parties during the year 2021. The Bank makes sure that all transactions with the related parties are made on arm's length basis. A party is deemed to be related if it can exert control or exercise significant influence over the other party in making financial or operating decisions. The criteria for defining a related party is guided by IAS 24. These transactions have taken place on an arm's length basis and include rendering or receiving of services. The details of related party transactions are disclosed in the "Notes to the Financial Statements."

### Capital Expenditure

In 2021 the company incurred capital expenditure of BDT 94 million. The details of capital expenditure are reflected in the Annexure to the Financial Statements as Fixed Asset Schedule.

### Extra-ordinary Gain and Loss

During the year 2021 there were no incidence or events which led to any extraordinary gain or loss.

### Changes in Accounting Policies and Estimates and Errors

Being affirmed by the Management and based on the available reports from the Internal and External Auditor, the Board hereby declares that there has not been any significant change in the accounting policies and prior period errors that may require both retrospective and prospective adjustments in the Financial Statements. However, there could be immaterial changes in estimates, which are prospectively adjusted in the Financial Statements. The accounting issues are dealt as per IAS 8.

### Post Balance Sheet Event

As of this date there is no post balance sheet event (as per IAS 10) that could materially affect the true and fair view of the financial statements for the year 2021. Therefore, no adjustment or restatement in the reported figure is required.

### Litigation

As on December 31, 2021, there are no litigation against the Bank nor are there any litigation made by the Bank against any person or entity.

### Protested Bill

As on December 31, 2021, there are no protested bill issued against the Bank or by the Bank.

### Contingent Liabilities

As on December 31, 2021, the only contingent liabilities of the Bank are related to normal course of trade business as disclosed in the Off-Balance Sheet Item section of the Financial Statement. There are no other contingent liabilities other than the ones which are disclosed in the Financial Statements.

### Claim by Tax Authority

As of December 31, 2021, National Board of Revenue (NBR) has not made any claim against the Bank for

any unpaid Tax or VAT or any other payables to the Government Exchequer.

### Regulatory Fine or Penalties

Being affirmed by the Management and as per the available report from Internal Control and Compliance and Internal Audit team and the External Auditors, Central Bank, the Board of Directors, hereby, declares that there has been no regulatory fine or penalties relating to the year 2021 operations.

### Regulatory Returns and Compliance

As confirmed by the Management and as per the available report from Internal Control and Compliance and Internal Audit team and the External Auditors, Central Bank, and to the best of our knowledge, the Board of Directors, hereby, declares that the Bank has not made any material breach or misstatement in relation to statutory returns to regulators and other compliances.

### Rotation of Directors

In terms of provisions as contained in Schedule-1 Regulation 79 of Company Act – 1994 and clause 114 of Articles of Association of the Bank "At the ordinary general meeting in every subsequent year, one-third (1/3rd) of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office."

Further, as per the Corporate Governance (CG) Code issued by Bangladesh Securities and Exchange Commission (BSEC), Independent Director/s shall not be subject to retirement by rotation.

In compliance of the above, 03 (Three) Honorable Directors' namely Mr. Md. Mohsin Hossain ndc, Additional Inspector General (PRL); Dr. Shoeb Reaz Alam, Additional Inspector General (Development Revenue-1); Mr. Md. Ferdoush Ali Chowdhury, Superintendent of Police were retired in the 2nd Annual General Meeting (AGM) of Community Bank Bangladesh Limited, among the Directors except Independent Directors and 02 (Two) Honorable Directors' namely Dr. Shoeb Reaz Alam, Additional Inspector General (Development Revenue-1); Mr. Md. Ferdoush Ali Chowdhury, Superintendent of Police were re-appointed by the Honorable Shareholders in the 2nd Annual General Meeting (AGM) held on 21 April 2021 of Community Bank Bangladesh Limited.

### Statutory Auditors

In the 2nd AGM, held in 2021, MABS & J Partners, Chartered Accountants was appointed as the Statutory Auditor of the Company for the year 2021 at a fee of BDT 350,000 (BDT Three Hundred and Fifty Thousand Only) plus VAT and Suraiya Parveen and Associates was reappointed as the Corporate Governance Auditor for the year 2021 by the shareholders at a fee of BDT 35,000 (BDT Thirty Five Thousand Only) plus VAT. The appointment and reappointment of the Auditors along with their fees for the respective Audits relating to the year 2022 will be placed to the Shareholders for their approval in the 3rd AGM (Annual General Meeting) to be held in 2022.

## Capital Formation History

Build-up of paid-up capital is given below:

Particulars	Allotment Year	Number of Shares Issued		Face Value (BDT)	Premium	Number of Paid-up Shares	Amount of Paid-up (BDT)	Total Paid-up Capital (Cumulative) (BDT)
		Bonus	Cash					
First Tranche	2019	-	400,000,000	10	-	400,000,000	4,000,000,000	4,000,000,000
Second Tranche	2020	-	28,000,000	10	-	28,000,000	280,000,000	4,280,000,000
Third Tranche	2020	-	33,000,000	10	-	33,000,000	330,000,000	4,610,000,000
Fourth Tranche	2021	-	300,000,000	10	-	30,000,000	300,000,000	4,910,000,000
Fifth Tranche	2021	-	90,000,000	10	-	9,000,000	90,000,000	5,000,000,000
<b>Total</b>						<b>500,000,000</b>	<b>5,000,000,000</b>	

## Pattern of Shareholding

This can be found in Annexure-A of the Directors' Report.

## Statement of Going Concern

This can be found in Annexure-B of the Directors' Report.

## Board and Board Committee Meeting and Attendance

During the year 2021, a total 08 number of Meeting of Board of Directors and 10 number of Meeting of the Board Audit Committee, 04 number of meeting of Board Risk Management Committee and 01 number of Board Executive Committee were held. The Quorum were fulfilled and the remuneration were paid as per the Guidelines of Bangladesh Bank. The details of the meeting held and attendance can be found in Annexure-C of the Directors' Report.

## Directors' Remuneration

Community Bank pays remuneration to its directors based on the guidelines issued by Bangladesh Bank and other applicable laws. The detail of Director's Remuneration can be found in Annexure-C of the Directors' Report.

## The Certification by the CEO and CFO in relation to the Financial Statements

This can be found in other section of Annual Report.

## Status of Compliance on Corporate Governance

Corporate Governance status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued under Section 2CC of the Securities and Exchange Commission Ordinance 1969 and other circular issued by Bangladesh Bank is enclosed in the subsequent section of the Directors' Report. Statement of Compliance with Good Governance Guideline Issued by Bangladesh Bank is included in other section of Annual Report.

## Key Operating and Financial Information

As per the requirement of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018, key operating and financial data of the preceding five years and significant deviation are required to be presented in the annual report. However, as Community Bank started commercial operation in 2019 and as the

bank has not yet completed five years of operation, the financial performance of the preceding 3 (three) years has been included instead in Annexure-D and Annexure section of Financial Statements.

## Acknowledgement

The Board of Directors would like to take the time and opportunity to express its heartfelt gratitude and appreciation to its valued shareholders, clients, peer banks and financial institutions, depositors, lenders, borrowers, business partners, and other stakeholders for their continued support and co-operation. The Board also offers thanks to Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Registrar of Joint Stock Companies and Firms, the National Board of Revenue (NBR), the Ministry of Industries, the Ministry of Finance, other regulators and Government Agencies for their outstanding cooperation. We are committed to perform at the highest level and ensuring development in the economy, banking sector, society and lifestyle of the people of the nation. I, as the Chairman of the Board of Directors, would also like to thank my colleagues on the Board for their valuable contributions made into the proceedings and making the Board truly vibrant, well-functional and governed. The Board is thankful to the management and employees for their outstanding commitment and tremendous hard work in taking the bank forward. The Board is also grateful to the shareholders for their continued faith in us as a Board of Directors of the Bank.

Finally, our heartiest thanks goes to our customers and police members, who are the only reason for the bank's existence.

May Allah SWT bless us.

For and on behalf of the Board of Directors,



**Dr. Benazir Ahmed, BPM (Bar)**

Inspector General, Bangladesh Police and  
Chairman, Community Bank Bangladesh Limited



# Pattern of Shareholding

Annexure-A

Sl. No.	Name of the Shareholder	Status	No of Shares	Percentage (% of Share holding)
1.	Bangladesh Police Kallyan Trust (BPKT)	Sponsor	49,99,99,993	99.9999986
2.	<b>Dr. Benazir Ahmed, BPM (Bar)</b> Inspector General, Bangladesh Police	Chairman	01	0.0000002
3.	<b>Dr. Md. Moinur Rahman Chowdhury, BPM (Bar)</b> Additional Inspector General (A&I) Bangladesh Police	Director	01	0.0000002
4.	<b>Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM</b> Additional Inspector General, Bangladesh Police and Director General, Rapid Action Battalion (RAB)	Director	01	0.0000002
5.	<b>Mr. Abu Hasan Muhammad Tarique, BPM</b> Additional Inspector General, Bangladesh Police & Principal, Bangladesh Police Academy	Director	01	0.0000002
6.	<b>Mr. Habibur Rahman, BPM (Bar), PPM (Bar)</b> Deputy Inspector General, Dhaka Range Bangladesh Police	Director	01	0.0000002
7.	<b>Dr. Shueb Reaz Alam</b> Additional Deputy Inspector General (Development-Revenue-1), Bangladesh Police	Director	01	0.0000002
8.	<b>Mr. Md. Ferdoush Ali Chowdhury</b> Superintendent of Police (Rangpur District) Bangladesh Police	Director	01	0.0000002
	<b>Total</b>		<b>50,00,00,000</b>	<b>100</b>

# Statement on Going Concern

## Annexure-B

Going concern is one of the fundamental assumptions in the preparation of financial statements. As per the requirements of International Accounting Standards, Companies Act, Listing Rules and Bangladesh Securities & Exchange Commission Guidelines, management and directors should satisfy themselves about the appropriateness of using going concern assumption in the preparation of the financial statements. The management of an entity therefore has a responsibility to assess the entity's ability to continue as a going concern in the foreseeable future. Under the going concern assumption, an entity is normally viewed as continuing its business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading

or seeking protection from creditors pursuant to laws or regulations. The management and directors of the Company has made annual assessment for the year ended at 31 December 2021 of whether the Company is a going concern involves making appropriate inquiries including review of plan and future outcome of inherent risk associated in the business. The Management and Directors of the Company are satisfied from the following factors that the preparation of financial statement for the year ended December 31, 2021 on the basis of going concern assumption is appropriate.

The company displays no symptoms (as indicated below) of possible problems of going concern, thus the financial statements have been prepared on a going concern basis:

Particulars	Indication*
Deteriorating liquidity position of the company not backed by sufficient financing arrangements	No
High financial risk arising from increased gearing level making the company vulnerable to delays in payment of interest and loan principal	No
Inability of making debt payments when falling due	No
Over trading, that is, growing or trading beyond the financial capacity of the company	No
Significant trading losses being incurred for several years	No
Aggressive growth strategy not backed by sufficient finance	No
Increasing level of short term borrowing and overdraft not supported by increase in business	No
Inability of the company to maintain liquidity ratios as defined in the loan covenants	No
Serious litigations faced by the company or high off-balance sheet liability for which the company does not have the financial strength to pay the possible settlement	No
Inability of the company to develop a new range of commercially viable products	No
Refusal by finance providers to renew existing facility or give new funds	No
Operating in an industry which is no more profitable	No
Failure to innovate and respond to the changes in the external environment	No
Failure to adjust high operating gearing (fixed cost to total cost) while industry or company's revenue is falling	No
Falling margin with no sign or possibility of increase in sales volume in future	No

\* Indication of possible inability to continue as going concern

There are some other indicators which underline the company's ability to continue as a going concern. These are narrated below:

Strong Capability in Settling of Obligation	The Company has strong credibility in terms of settlement of obligation to the lenders and depositors. Company has no default in payment history for settlement of its obligation.
Expansion of Business	Company expanded its distribution channel and launched many retail, SME and Corporate Product
Employee Satisfaction and Working Environment	Community Bank promises to be an employee friendly organization. There exists a very good corporate environment in the Company. The Company pays a very competitive compensation package with fringe benefits like car facilities, provident fund and so on.
Maintenance of Capital Adequacy Ratio (CAR)	Company maintains higher-than-required CAR (Capital Adequacy Ratio) which indicates company's strong ability to absorb any external shock
Ability to Pay Day-to-Day Operational Expenses	The company has not faced any difficulties in meeting its day to day operational expenses and has continued its reputation of paying vendors in time. The company generates sufficient operating cash flow to meet operational expenses.
Off-balance Sheet Obligations	The company's off balance sheet exposure for which it has contra off-balance assets at the end of period 2021
Changes in Government's Policy	Management and Board anticipate no significant changes in legislation or government policy which may materially affect the business of the Company.

Based on the review and test of Going Concern in respect of major indicators and symptoms, the Management and Directors of the Company is of the view that the preparation of the financial statements of the Company for the year ended 31 December 2021 on the basis of "going concern assumption" is appropriate.

## Attendance and Remuneration of Directors

### A) Attendance and Remuneration of Directors for Board Meeting

Eight (8) Meetings of the Board of Directors were held in the year 2021. Attendance and Remuneration of the existing Honorable Directors is given below:

Sl. No.	Name of the Director	Designation	Total Meeting Held in his tenor	Total Meeting Attended	Total Remuneration
1.	Dr. Benazir Ahmed, BPM (Bar) Inspector General, Bangladesh Police	Chairman	08	08	64,000/-
2.	Dr. Md. Moinur Rahman Chowdhury, BPM (Bar) Additional Inspector General (A&I) Bangladesh Police	Director	08	08	64,000/-
3.	Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM Additional Inspector General Bangladesh Police & Director General Rapid Action Battalion (RAB)	Director	08	06*	48,000/-
4.	Mr. Abu Hasan Muhammad Tarique, BPM Additional Inspector General, Bangladesh Police & Principal, Bangladesh Police Academy	Director	08	08	64,000/-
5.	Mr. Habibur Rahman, BPM (Bar), PPM (Bar) Deputy Inspector General, Dhaka Range Bangladesh Police	Director	08	08	64,000/-
6.	Dr. Shoeb Reaz Alam Additional Deputy Inspector General (Development Revenue-1), Bangladesh Police	Director	08	08	64,000/-
7.	Mr. Md. Ferdoush Ali Chowdhury Superintendent of Police (Rangpur District), Bangladesh Police	Director	08	08	64,000/-
8.	Mr. Masud Khan, FCA, FCMA Chairman, Unilever Consumer Care Limited and Chief Advisor, Crown Cement Group	Independent Director	08	08	64,000/-
9.	Mr. Kazi Masihur Rahman Ex-Managing Director & CEO of Mercantile Bank Limited	Independent Director	08	08	64,000/-
10.	Dr. Abdullah Al Mahmud Professor Department of Banking and Insurance Faculty of Business Studies, University of Dhaka	Independent Director	08	08	64,000/-
11.	Mr. Masihul Huq Chowdhury Community Bank Bangladesh Limited Head Office, Police Plaza (Level-10, Tower-2) Gulshan-1, Dhaka	Ex-officio Director (Managing Director & CEO)	08	08	Nil

\*Leave of absence was granted by the Board.



Attendance and Remuneration (excluding VAT) of Ex-Honorable Director is given below:

Sl. No.	Name of the Director	Designation	Total Meeting Held in his tenor	Total Meeting Attended	Total Remuneration	Remarks
1.	Mr. Md. Mohsin Hossain ndc Additional Inspector General Bangladesh Police (PRL)	Ex-Director	02	01	8,000/-	- Retired from Board of Director of the Bank as on April 21, 2021 - During his tenure 02 meetings were held. He attended 1 (one) meeting. - Leave of absence was granted for the meeting in which he was not presented.

#### B) Attendance and Remuneration of Directors for Board Executive Committee Meeting

One (01) Meeting of the Executive Committee of the Board of Directors were held from 01/01/2021 to 31/12/2021. Attendance and Remuneration (excluding VAT) of the existing Honorable Directors of the Executive Committee Meeting is given below:

Sl. No.	Name of the Director	Status with the Bank	Status with the Committee	Total Meeting Held in his tenure	Total Meeting Attended	Total Remuneration (BDT)
01	Dr. Benazir Ahmed, BPM (Bar) Inspector General, Bangladesh Police	Chairman	Chairman	01	01	8,000/-
02	Dr. Md. Moinur Rahman Chowdhury, BPM (Bar) Additional Inspector General (A&I) Bangladesh Police	Director	Member	01	01	8,000/-
03	Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM Additional Inspector General, Bangladesh Police & Director General, Rapid Action Battalion (RAB)	Director	Member	01	01	8,000/-
04	Mr. Md. Ferdoush Ali Chowdhury Superintendent of Police (Rangpur District) Bangladesh Police	Director	Member	01	01	8,000/-
05	Mr. Kazi Masihur Rahman Ex-Managing Director and CEO of Mercantile Bank Limited	Independent Director	Member	01	01	8,000/-

### C) Attendance and Remuneration of Directors of Board Audit Committee Meeting

Ten (10) Meetings of the Audit Committee of the Board of Directors were held from 01/01/2021 to 31/12/2021. Attendance and Remuneration (excluding VAT) of the Audit Committee Meeting is given below:

Sl. No.	Name of the Director	Status with the Bank	Status with the Committee	Total Meeting Held in his tenor	Total Meeting Attended	Total Remuneration
01	Mr. Masud Khan, FCA, FCMA Chairman, Unilever Consumer Care Limited and Chief Advisor, Crown Cement Group	Independent Director	Chairman	10	10	80,000/-
02	Mr. Abu Hasan Muhammad Tarique, BPM Additional Inspector General, Bangladesh Police & Principal, Bangladesh Police Academy	Director	Member	10	10	80,000/-
03	Mr. Habibur Rahman, BPM (Bar), PPM (Bar) Deputy Inspector General, Dhaka Range Bangladesh Police	Director	Member	10	07*	56,000/-
04	Dr. Shoeb Reaz Alam Additional Deputy Inspector General (Development Revenue-1), Bangladesh Police	Director	Member	10	10	80,000/-
05	Dr. Abdullah Al Mahmud Professor Department of Banking and Insurance Faculty of Business Studies, University of Dhaka	Independent Director	Member	10	10	80,000/-

\*Leave of absence was granted by the Committee.

### D) Attendance and Remuneration of Directors for Board Risk Management Committee Meeting

Four (4) Meetings of the Risk Management Committee of the Board of Directors were held from 01/01/2021 to 31/12/2021. Attendance and Remuneration (excluding VAT) of the Risk Management Committee Meeting is given below:

Sl. No	Name of the Director	Status with the Bank	Status with the Committee	Total Meeting Held in his tenor	Total Meeting Attended	Total Remuneration
01	Dr. Md. Moinur Rahman Chowdhury, BPM (Bar) Additional Inspector General (A&I) Bangladesh Police	Director	Chairman	04	04	32,000/-
02	Mr. Chowdhury Abdullah Al- Mamun, BPM (Bar), PPM Additional Inspector General, Bangladesh Police & Director General, Rapid Action Battalion (RAB)	Director	Member	04	03*	24,000/-
03	Mr. Habibur Rahman, BPM (Bar), PPM (Bar) Deputy Inspector General, Dhaka Range Bangladesh Police	Director	Member	04	04	32,000/-

\*Leave of absence was granted by the Committee.

Attendance and Remuneration (excluding VAT) of Ex-Honorable Director is given below:

Sl. No	Name of the Director	Designation	Total Meeting Held in his tenure	Total Meeting Attended	Total Remuneration (BDT)	Remarks
01	Mr. Md. Mohsin Hossain ndc Additional Inspector General Bangladesh Police (PRL)	Ex-Director	01	01	8,000/-	- Retired from Board of Director of the Bank as on April 21, 2021 - During his tenure 01 meeting was held

## Key Operating and Financial Data of Preceding Years

BDT Million

Particulars	2019*	2020	2021
<b>Financial Position</b>			
Authorized Capital	10,000	10,000	10,000
Paid up Capital	4,000	4,610	5,000
Total Assets	7,035	29,056	68,351
Loans and Advances	682	19,496	43,225
Deposits	2,849	23,393	59,075

BDT Million

<b>Financial Performance</b>			
Operating Income	320	764	1,526
Operating Expense	266	853	1,010
Operating Profit	54	(89)	516

BDT Million, %

<b>Capital Measure (Solo Bank)</b>			
Risk Weighted Assets	2,651	16,142	26,681
Core Capital (Tier-I)	3,977	4,129	4,657
Supplementary Capital (Tier-II)	8	218	497
Total Capital	3,984	4,347	5,154
Tier I Capital Ratio	149.99%	25.58%	17.46%
Capital to Risk Weighted Asset Ratio	150.28%	26.93%	19.32%

BDT Million, %

<b>Credit Quality</b>			
Unclassified Loan	682	19,496	43,208
Classified Loans	-	-	17
Classified Loan Ratio	-	-	0.0395%

%

<b>Key Ratios</b>			
Asset to Deposit Ratio	23.95%	82.33%	71.32%
Spread	4.24%	4.65%	3.95%
Return on Assets	0.57%	-1.69%	0.25%
Return on Investment	1.02%	-7.33%	2.19%

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<b>Other Information</b>			
Number of Branches	6	18	18
Service Desk	-	110	111
ATM Booth	62	163	168

\*Community Bank started commercial operation on 11 September 2019. Necessary data for 2019 has been annualized as and when required.

# Corporate Governance

## Report of Corporate Governance

Corporate Governance is the system of rules, practices and processes by which a company is directed and controlled. The governance structure specifies the distribution of rights and responsibilities among different participants in the corporation and specifies the rules and procedures for making decisions in corporate affairs. Corporate Governance essentially involves balancing the interests of the many stakeholders including its Shareholders, Management, Customers, Suppliers, Financiers, Government and the Community. Corporate Governance also provides a framework for setting objectives and vision, managing risks, formulating strategies, providing policies, ensuring effective internal control systems and processes, directing company performance, taking supervisory responsibility over company affairs and management performance and actions. Corporate Governance comprises carefully considered rules and practices by which Board of Directors and Management of the Bank ensures accountability, fairness, transparency and independence of the operational activities of the Bank. The Bank has adequately complied with all the Corporate Governance Guidelines of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC). It is ensured by the Board that all activities and transactions of the Bank are conducted in compliance with international best practices to protect the highest interest of all the stakeholders.

The objective is to earn and maintain trust and confidence of the stakeholders and help the business to attain sustainability and maximizing value through performance with good governance is the responsibility of corporate management. In line with the best practice, the Corporate Governance systems and practices in Community Bank Bangladesh Limited are designed to ensure adequate internal control in operational process, transparency and accountability in doing business and proper and timely disclosures in financial reporting so that value is maximized for all the stakeholders.

## Corporate Governance Practice in Bangladesh

Bangladesh Securities and Exchange Commission (BSEC) issued 'Corporate Governance Code' vide notification no. BSEC/CMRRC/2006-158/207/ Admin/80 dated June 03, 2018 repealing the earlier issued 'Corporate Governance Guidelines'. The code has been designed to set higher standards of Corporate Governance practice in Bangladesh so as to promote fairness, accountability, transparency, responsibility and integrity in business and ensure the best practice for benefiting the economy.

Bangladesh Bank vide BRPD Circular No. 11, dated October 27, 2013 directed Banks to demarcate the responsibilities and authorities of Board of Directors in respect of Risk Management, Internal Controls, Internal

Audit and Compliance. Moreover Bangladesh Bank has set strict guidance on Risk Management Principles assuming that, there is strong relation between Good Corporate Governance and Sound Risk Management. In this regard, BASEL guidelines on Corporate Governance Principles for Banks has been adopted by Central Bank for implementation.

## Corporate Governance Practice by Community Bank Bangladesh Limited

Community Bank Bangladesh Limited is very meticulously follow Corporate Governance code set by the Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank. The Bank adequately complied with Corporate Governance as follows:

- There are 03 (three) independent directors in the Board of the Bank.
- Two of the independent directors are members of the Audit Committee of the Board with one being appointed as its Chairman.
- A certificate has been obtained from M/s. Suraiya Parveen & Associates, Chartered Secretaries on reporting and compliance of Corporate Governance Code of BSEC.
- Code of Conduct for the Directors as laid down by Bangladesh Bank and Bangladesh Securities and Exchange Commission in their respective Corporate Governance Code, is followed by the Directors and annual compliance has been reviewed and recorded.
- The Board has also clearly defined the respective roles, responsibilities and duties of the Company Secretary, Chief Financial Officer (CFO) and the Head of Internal Audit in line with Regulatory Authorities.
- Audit Committee of the Board has been functioning as per guidelines stipulated in BRPD Circular No.11 dated October 27, 2013 and Corporate Governance Code dated June 03, 2018 issued by Bangladesh Securities & Exchange Commission (BSEC) respectively.

## The Board

The Board is comprised of Directors who are highly educated, experienced and competent to add value towards better corporate governance of the Bank and to maximize value for all stakeholders.

The Board discharges its responsibilities itself or through various committees. The Board meets on a regular basis to discharge its responsibilities.

The Board is made up of 11 (eleven) Directors including 01 (one) Non-Executive Chairman and 06 (six) Non-Executive Directors, 03 (three) Independent Directors and 01 (one) Executive Managing Director & CEO comprising the following members:



Sl. No.	Name	Status with the Bank
01	<b>Dr. Benazir Ahmed, BPM (Bar)</b> Inspector General, Bangladesh Police	Chairman
02	<b>Dr. Md. Moinur Rahman Chowdhury, BPM (Bar)</b> Additional Inspector General (A&I) Bangladesh Police	Director
03	<b>Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM</b> Additional Inspector General, Bangladesh Police & Director General, Rapid Action Battalion (RAB)	Director
04	<b>Mr. Abu Hasan Muhammad Tarique, BPM</b> Additional Inspector General, Bangladesh Police & Principal, Bangladesh Police Academy	Director
05	<b>Mr. Habibur Rahman, BPM (Bar), PPM (Bar)</b> Deputy Inspector General, Dhaka Range Bangladesh Police	Director
06	<b>Dr. Shoeb Reaz Alam</b> Additional Deputy Inspector General (Development Revenue-1), Bangladesh Police	Director
07	<b>Mr. Md. Ferdoush Ali Chowdhury</b> Superintendent of Police (Rangpur District) Bangladesh Police	Director
08	<b>Mr. Masud Khan, FCA, FCMA</b> Chairman, Unilever Consumer Care Limited and Chief Advisor, Crown Cement Group	Independent Director
09	<b>Mr. Kazi Masihur Rahman</b> Ex-Managing Director & CEO of Mercantile Bank Ltd	Independent Director
10	<b>Dr. Abdullah Al Mahmud</b> Professor, Department of Banking and Insurance, Faculty of Business Studies, University of Dhaka	Independent Director
11	<b>Mr. Masihul Huq Chowdhury</b>	Managing Director & CEO

## Chairman of the Board

The Non-Executive Chairman of the Board Dr. Benazir Ahmed, BPM (Bar), Inspector General, Bangladesh Police is fully independent of the Managing Director & CEO of the Bank.

## Independent Director

As per existing rules and regulations, Independent Directors are not required to have any significant relationship, whether pecuniary or otherwise, with the Bank, its top management and the Board apart from receiving directors' remuneration for attending Board / Board Committee Meeting. The Bank complies with the requirement and appoints Independent Directors who do not hold any shares in the Bank and do not have any family or other relationship with its Board of Directors and its executive management.

The Bank also ensures compliance with Bangladesh Bank's guidelines and Bangladesh Securities and Exchange Commission's notification relating to appointment of Independent Directors and seeks

approval from Bangladesh Securities and Exchange Commission and Bangladesh Bank for appointing a person as an Independent Director which ensures the independence of the Independent Director. Community Bank Bangladesh Limited has three independent directors in the Board of the Bank. In compliance with Corporate Governance Code of BSEC and as per rule of Bangladesh Bank, three independent directors have been appointed by the Board of Directors.

Mr. Kazi Masihur Rahman is an independent director in the Board of the Bank. He was the Managing Director of Exim Bank Ltd and Mercantile Bank Ltd. Moreover he has 41 years of working experience in serving local and foreign Banks.

Mr. Masud Khan, FCA, FCMA is an independent director in the Board of the Bank. He is a Professional Chartered Accountant as well as Cost & Management Accountant having 41 years of working experience in leading multinational and local companies of which 20 years are as a Senior Director at Board Level.

Dr. Abdullah Al Mahmud is an independent director in the Board of the Bank. Dr. Abdullah is Professor, Department

of Banking & Insurance, University of Dhaka having more than 16 years of teaching experience in the field of Finance, Banking and Insurance.

### **Appointment of Managing Director & CEO, Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC).**

The Board appointed Managing Director & CEO, Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) as per the policy of the Bank and related rules and regulations.

The positions of Managing Director & CEO, Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) are held by different individuals and they are well conversant in the field of Regulatory, Financial and Corporate Laws to carry out their assigned roles, responsibilities and duties.

### **Key Objectives of the Directors**

The Board is responsible for ensuring Governance and performance of the company by directing and overseeing activities of the executive management by making them transparent, accountable and responsible. The Directors are expected to protect the long term interest of the Shareholders and all Stakeholders by setting key objectives for the Management and by monitoring and ensuring that those objectives are achieved by the Management in a sustainable way while maintaining transparency and accountability at every stage of operations.

The Board must be satisfied that sufficient risk management systems are in place to mitigate core risks of the Bank and that there are adequate checks and balances in the Internal Control System to protect the value and quality of assets of the Bank.

The Board of Directors is entitled to timely, accurate and adequate information & data to ensure effective control over Operational, Financial, Strategic, Compliance, Governance and Risk Management issues of the Bank.

### **The Board is responsible for ensuring the following:**

- Policy formulation and implementation, risk management, internal control, internal audit and its compliance.
- Setting key targets of the Bank and monitoring progress towards achievement of such targets.
- Approval of major policy decisions and long term strategic plans to achieve key objectives in an efficient and effective way.
- Disclosure of accurate, timely and reliable information to shareholders.

They are expected to

- Demonstrate the highest professional and ethical standards.
- Be fully independent from management.
- Be knowledgeable about the business and challenges that Community Bank Bangladesh Limited is facing.
- Apply prudence and judgment in decision making.
- Display commitments to the Bank and its all stakeholders through participation in the affairs of the Bank.

### **Number of Board Meetings held in 2021 and Remuneration**

The details of Board Meeting and Remuneration found in the other section of the Annual Report.

### **The Committees of the Board of Directors**

As per Bangladesh Bank guidelines, the Board has three committees namely

- Executive Committee
- Audit Committee and
- Risk Management Committee.

Each Committee operates under specific Terms of Reference (TOR) that sets out its responsibilities and composition as stipulated in the BRPD Circular No.11 dated October 27, 2013.

The TORs are designed and reviewed to ensure that the objectives of each committee are achieved in an effective way and that regulatory obligations and obligation to shareholders are fulfilled.

The Committee regularly evaluates progress towards key objectives. Accordingly, time and efforts are dedicated to focus on responsibilities those are central to achieve the core objectives of respective committees.

## Executive Committee of the Board

The Executive Committee of the Board is comprised of the following members of the Board.

Name of the Director	Status with the Bank	Status with the Committee
<b>Dr. Benazir Ahmed, BPM (Bar)</b> Inspector General, Bangladesh Police	Chairman	Chairman
<b>Dr. Md. Moinur Rahman Chowdhury, BPM (Bar)</b> Additional Inspector General (A&I), Bangladesh Police	Director	Member
<b>Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM</b> Additional Inspector General, Bangladesh Police & Director General, Rapid Action Battalion (RAB)	Director	Member
<b>Mr. Md. Ferdoush Ali Chowdhury</b> Superintendent of Police (Rangpur District), Bangladesh Police	Director	Member
<b>Mr. Kazi Masihur Rahman</b> Ex- Managing Director & CEO of Mercantile Bank Ltd	Independent Director	Member

## Responsibility of Executive Committee (EC)

The responsibility of Executive Committee of the Board is clearly delegated by the Board in line with regulatory guidelines. Accordingly, the EC exercises all the powers and functions on behalf of the Board in regards to:

- Approving credit proposals and monitoring quality of loan portfolio
- Administrative affairs and
- Financial affairs

However, all policy matters and strategic issues are dealt with by the Board of Directors of the Bank.

## Number of Executive Committee Meeting held in 2021 and Remuneration

The details of Executive Committee Meeting and Remuneration is found in the other section of the Annual Report.

## Audit Committee of the Board (AC)

The Audit Committee of the Board is comprised of the following members of the Board.

Name of the Director	Status with the Bank	Status with the Committee
<b>Mr. Masud Khan, FCA, FCMA</b> Chairman, Unilever Consumer Care Limited and Chief Advisor, Crown Cement Group	Independent Director	Chairman
<b>Mr. Abu Hasan Muhammad Tarique, BPM</b> Additional Inspector General, Bangladesh Police & Principal, Bangladesh Police Academy	Director	Member
<b>Mr. Habibur Rahman, BPM (Bar), PPM (Bar)</b> Deputy Inspector General, Dhaka Range, Bangladesh Police	Director	Member
<b>Dr. Shoeb Reaz Alam</b> Additional Deputy Inspector General (Development Revenue-1) Bangladesh Police	Director	Member
<b>Dr. Abdullah Al Mahmud</b> Professor, Department of Banking and Insurance Faculty of Business Studies, University of Dhaka	Independent Director	Member

## Number of Audit Committee Meeting held in 2021 and Remuneration

The details of Audit Committee Meeting and Remuneration can be found in the other section of the Annual Report.

## Risk Management Committee of the Board (RMC)

The Risk Management Committee of the Board is comprised of the following members of the Board.

Name of the Director	Status with the Bank	Status with the Committee
<b>Dr. Md. Moinur Rahman Chowdhury, BPM (Bar)</b> Additional Inspector General (A&I), Bangladesh Police,	Director	Chairman
<b>Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM</b> Additional Inspector General, Bangladesh Police & Director General, Rapid Action Battalion (RAB)	Director	Member
<b>Mr. Habibur Rahman, BPM (Bar), PPM (Bar)</b> Deputy Inspector General, Dhaka Range, Bangladesh Police	Director	Member

## Number of Risk Management Committee Meeting held in 2021 and Remuneration

The details of Risk Management Committee Meeting and Remuneration is found in the other section of the Annual Report.

Salient Feature of the Objectives and Responsibilities of the Risk Management Committee of the Board are given below:

The TORs of the RMC is to oversee as to whether various core risks of the Bank i.e. Credit Risk, Foreign Exchange Risk, Internal Control & Compliance Risk, Money Laundering Risk, ICT Risk, Operational Risk, Interest Rate Risk, Liquidity Risk and other residual risks have been identified and measured by the Bank management and whether adequate risk management and risk mitigation systems have been put in place by the Bank management and whether adequate provisions and capital have been maintained against combined risks undertaken by the Bank.

## Preparation of Financial Statements

Financial statements of Community Bank Bangladesh Limited give a true and fair view of the state of affairs of the Bank and the results of its operations and cash flows. All the applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by Financial Reporting Council (FRC) are complied with for preparation of financial statements. The financial statements are prepared by the management and approved by the Board of Directors and audited by auditors appointed in the Annual General Meeting.

## Directors' Responsibility for Internal Control and Financial Reporting

Directors' statement on their responsibility for internal control and financial reporting of the Bank can be found in the other section of the Annual Report.

## External audit

MABS & J Partners, Chartered Accountants is the statutory (external) auditors of the Bank. They don't provide any other accounting, taxation or advisory services.

## Compliance with Bangladesh Bank regulations

As a commercial bank, Community Bank Bangladesh Limited is regulated and supervised by Bangladesh Bank under the Banking Companies Act, 1991 and rules and regulations made there under. Community Bank Bangladesh Limited attaches highest priority to strict compliance with all regulatory requirements of Bangladesh Bank in terms of core risk management, capital adequacy ratio, foreign exchange regulations, liquidity management, KYC and anti-money laundering compliance etc.

## Audit and Inspection by Bangladesh Bank

In addition to Annual Comprehensive Inspection of Community Bank Bangladesh Limited, Bangladesh Bank also undertakes audit & inspection of Community Bank Bangladesh Limited timely. Compliance with observations and recommendations made by Bangladesh Bank helps the Bank to improve internal control, risk management, corporate governance and regulatory compliance maximizing benefit for all stakeholders.

## Shareholder's Information

The pattern of Shareholding of Community Bank Bangladesh Limited as of 31 December 2021 as per BSEC's Notification No. BSEC/ CMRR D/2006-158/207/Admin/80 dated 03 June 2018



a. Shareholding by Parent/Subsidiary/Associated Companies and other related parties:

Sl. No.	Name of the Shareholder	No of Shares	Percentage (%) of Share holding
1.	Bangladesh Police Kallyan Trust (BPKT) (Sponsor)	49,99,99,993	99.9999986
2.	Sponsor Director	7	0.0000014
<b>Total</b>		<b>50,00,00,000</b>	<b>100</b>

b. Shareholding of Directors and their spouses and minor children

Sl. No.	Name of the Director	Status	No of Shares	No. of Shares of Spouse and Minor Children
1.	<b>Dr. Benazir Ahmed, BPM (Bar)</b> Inspector General, Bangladesh Police	Chairman	01	Nil
2.	<b>Dr. Md. Moinur Rahman Chowdhury, BPM (Bar)</b> Additional Inspector General (A&I) Bangladesh Police	Director	01	
3.	<b>Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM</b> Additional Inspector General, Bangladesh Police & Director General, Rapid Action Battalion (RAB)	Director	01	
4.	<b>Mr. Abu Hasan Muhammad Tarique, BPM</b> Additional Inspector General, Bangladesh Police & Principal, Bangladesh Police Academy	Director	01	
5.	<b>Mr. Habibur Rahman, BPM (Bar), PPM (Bar)</b> Deputy Inspector General, Dhaka Range Bangladesh Police	Director	01	
6.	<b>Dr. Shueb Reaz Alam</b> Additional Deputy Inspector General (Development Revenue-1), Bangladesh Police	Director	01	
7.	<b>Mr. Md. Ferdoush Ali Chowdhury</b> Superintendent of Police (Rangpur District) Bangladesh Police	Director	01	
8.	<b>Mr. Masud Khan FCA, FCMA</b> Chairman, Unilever Consumer Care Limited and Chief Advisor, Crown Cement Group	Independent Director	Nil	
9.	<b>Mr. Kazi Masihur Rahman</b> Ex-Managing Director & CEO of Mercantile Bank Ltd	Independent Director	Nil	
10.	<b>Dr. Abdullah Al Mahmud</b> Professor, Department of Banking and Insurance Faculty of Business Studies, University of Dhaka	Independent Director	Nil	

c. Shareholding of Managing Director & CEO, Company Secretary, Chief Financial Officer, Head of Internal Control and Compliance and their spouses and minor children

Sl. No.	Name of the Person	Status	No of Shares	No. of Shares of Spouse and Minor Children
1.	Mr. Masihul Huq Chowdhury	Managing Director & CEO	Nil	Nil
2.	Mr. Mohammad Khairul Alam, FCA	SEVP & Head of Internal Control & Compliance		
3.	Mr. Saiful Alam, FCS	SEVP & Company Secretary		
4.	Mr. Benazeer Ahmed, FCMA, CPA	EVP & Chief Financial Officer		

d. Shareholding by Executives : Nil

e. Shareholders holding 10% or more voting interest in the Bank

Sl. No.	Name of the Shareholders who hold 10% or more shares as on December 31, 2020	Status	No of Shares held as on December 31, 2021	% of total no. of paid-up shares
1.	Bangladesh Police Kallyan Trust	Sponsor	49,99,99,993	99.9999986

Information of Directors in compliance with the condition No. 1(5) (xxiv) of Corporate Governance guidelines dated 03 June 2018 of Bangladesh Securities and Exchange Commission (BSEC):

Sl. No.	Name of the Director	Status	Membership of Committees of the Bank	Experience
1	<b>Dr. Benazir Ahmed, BPM (Bar)</b> Inspector General, Bangladesh Police	Chairman	i) Board of Directors and ii) Executive Committee	34 years of Service experience with Bangladesh Police
2	<b>Dr. Md. Moinur Rahman Chowdhury, BPM (Bar)</b> Additional Inspector General (A&I) Bangladesh Police	Director	i) Board of Directors, ii) Executive Committee and iii) Risk Management Committee	34 years of Service experience with Bangladesh Police
3	<b>Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM</b> Additional Inspector General, Bangladesh Police & Director General, Rapid Action Battalion (RAB)	Director	i) Board of Directors, ii) Executive Committee and iii) Risk Management Committee	33 years of Service experience with Bangladesh Police
4	<b>Mr. Abu Hasan Muhammad Tarique, BPM</b> Additional Inspector General, Bangladesh Police & Principal, Bangladesh Police Academy	Director	i) Board of Directors and ii) Audit Committee	31 years of Service experience with Bangladesh Police
5	<b>Mr. Habibur Rahman, BPM (Bar), PPM (Bar)</b> Deputy Inspector General, Dhaka Range Bangladesh Police	Director	i) Board of Directors, ii) Audit Committee and iii) Risk Management Committee	24 years of Service experience with Bangladesh Police
6	<b>Dr. Shoeb Reaz Alam</b> Additional Deputy Inspector General (Development Revenue-1), Bangladesh Police	Director	i) Board of Directors and ii) Audit Committee	24 years of Service experience with Bangladesh Police
7	<b>Mr. Md. Ferdoush Ali Chowdhury</b> Superintendent of Police (Rangpur District) Bangladesh Police	Director	i) Board of Directors and ii) Executive Committee	17 years of Service experience with Bangladesh Police
8	<b>Mr. Masud Khan, FCA, FCMA</b> Chairman, Unilever Consumer Care Limited and Chief Advisor, Crown Cement Group	Independent Director	i) Board of Directors and ii) Audit Committee	41 Years of Professional Experience with various multinational and local companies
9	<b>Mr. Kazi Masihur Rahman</b> Ex-Managing Director & CEO of Mercantile Bank Ltd	Independent Director	i) Board of Directors and ii) Executive Committee	41 years of working experience in serving local and foreign Banks
10	<b>Dr. Abdullah Al Mahmud</b> Professor Department of Banking and Insurance Faculty of Business Studies, University of Dhaka	Independent Director	i) Board of Directors and ii) Audit Committee	More than 16 Years of Teaching Experience in Faculty of Business Studies, University of Dhaka
11	<b>Mr. Masihul Huq Chowdhury</b>	Managing Director & CEO	Ex-officio	30 years of Banking Experience.



# Suraiya Parveen & Associates

(Chartered Secretaries, Financial & Management Consultants)

[Certificate as per condition No.1 (5) (XXVII)]

## Report to the Shareholders of Community Bank Bangladesh Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Community Bank Bangladesh Limited** for the year ended on December 31, 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

Dhaka, Dated  
February 23, 2022



For Suraiya Parveen & Associates  
Chartered Secretaries

Suraiya Parveen, FCS  
Chief Executive Officer

Avalon Serabella, (5th Floor), 09, Dilu Road, New Eskaton, Ramna, Dhaka-1000  
Cell : 01911 421 998, 01713 110 408  
E-mail : suraiyaparveenfcs@gmail.com, musfiquefcs@gmail.com

# Corporate Governance Compliance Status

[As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors			
1 (1)	<b>Size of the Board of Directors</b> The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	<b>Independent Directors</b> All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:-			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s)	√		
1(2)(b)	<b>For the purpose of this clause "independent director" means a director-</b>			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	√		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years	√		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	√		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	√		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies	√		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only	√		
1(3)	<b>Qualification of Independent Director</b>			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	√		
1(3)(b)	<b>Independent director shall have following qualifications:</b>			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	None		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	√		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	None		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	None		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission			N/A
1(4)	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	None		No such situation arisen in the reporting year
1(5)	<b>The Directors' Report to Shareholders</b> The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
1(5)(i)	An industry outlook and possible future developments in the industry	✓		
1(5)(ii)	The segment-wise or product-wise performance	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;			Not applicable
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	None		No such situation arisen in the reporting year
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	None		N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	None		N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements.	None		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;			N/A
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;			N/A
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized			N/A
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	<b>A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-</b>			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives;	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5)(xxiv)	<b>In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-</b>			
1(5)(xxiv)(a)	a brief resume of the director;	√		
1(5)(xxiv)(b)	nature of his / her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5)(xxv)	<b>A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:</b>			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;			N/A
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;			N/A
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	No	Financial performance of peer bank are not available	

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per <b>Annexure-A</b> ; and	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per <b>Annexure-B</b> and <b>Annexure-C</b>	√		
1(6)	<b>Meetings of the Board of Directors</b>  The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		The Committee was not formed as per instruction of Bangladesh Bank
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
2.	<b>Governance of Board of Directors of Subsidiary Company</b>			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	√		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company		Under Process	
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b>			
3(1)	<b>Appointment</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	√		
3(2)	<b>Requirement to attend Board of Directors' Meetings</b> The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters	√		
3(3)	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
3(3)(a)	<b>The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:</b>			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		
4.	<b>Board of Directors' Committee</b> For ensuring good governance in the company, the Board shall have at least following subcommittees:			
4.(i)	Audit Committee; and	√		
4.(ii)	Nomination and Remuneration Committee		The Committee was not formed as per instruction of Bangladesh Bank	

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5	<b>Audit Committee</b>			
5(1)	<b>Responsibility to the Board of Directors</b>			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	√		
5(2)	<b>Constitution of the Audit Committee</b>			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) member	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director	√		
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			No such event occurred
5(2)(e)	The company secretary shall act as the secretary of the Committee	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		
5(3)	<b>Chairperson of the Audit Committee</b>			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		
5(4)	<b>Chairperson of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	√		
5(5)	<b>Role of Audit Committee</b>			
5(5)(a)	Oversee the financial reporting process	√		
5(5)(b)	monitor choice of accounting policies and principles	√		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	oversee hiring and performance of external auditors	√		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval	√		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		
5(5)(h)	review the adequacy of internal audit function	√		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report	√		
5(5)(j)	review statement of all related party transactions submitted by the management	√		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:  Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	√		No such event occurred
5(6)	<b>Reporting of the Audit Committee</b>			
5(6)(a)	<b>Reporting to the Board of Directors</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-			
5(6)(a)(ii)(a)	Report on conflicts of interests;			Not applicable

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			Not applicable
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			Not applicable
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			Not applicable
5(6)(b)	<b>Reporting to the Authorities:</b> If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier			Not applicable
5 (7)	<b>Reporting to the Shareholders and General Investors :</b> Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company	✓		
6	<b>Nomination and Remuneration Committee (NRC)</b>			
6(1)	<b>Responsibility to the Board of Directors</b>			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board			The Committee was not formed as per instruction of Bangladesh Bank
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).			
6(2)	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;			
6(2)(b)	All members of the Committee shall be non-executive directors;			
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;			
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;			
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			
6(2)(g)	The company secretary shall act as the secretary of the Committee;			
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company			
6(3)	<b>Chairperson of the NRC</b>			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			
6 (3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.			
6 (4)	<b>Meeting of the NRC</b>			
6 (4) (a)	The NRC shall conduct at least one meeting in a financial year;			
6 (4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			
6 (4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			
6 (4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			
6 (5)	<b>Role of the NRC</b>			
6 (5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			
6 (5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6 (5) (b) (i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to 13 the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and			
6 (5) (b) (i) (c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			
6 (5) (b) (ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			
6 (5) (b) (iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6 (5) (b) (iv)	formulating the criteria for evaluation of performance of independent directors and the Board;			
6 (5) (b) (v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and			
6 (5) (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies;			
6 (5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			
7	<b>External / Statutory Auditors</b>			
7 (1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1) (i)	appraisal or valuation services or fairness opinions;	√		
7(1) (ii)	financial information systems design and implementation;	√		
7(1) (iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1) (iv)	broker-dealer services;	√		
7(1) (v)	actuarial services;	√		
7(1) (vi)	internal audit services or special audit services;	√		
7(1) (vii)	any service that the Audit Committee determines;	√		
7(1) (viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1) (ix)	any other service that creates conflict of interest.	√		
7 (2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	<b>Maintaining a website by the Company</b>			
8 (1)	The company shall have an official website linked with the website of the stock exchange.	√		New Company Incorporated on RJSC at 2018
8 (2)	The company shall keep the website functional from the date of listing	√		New Company Incorporated on RJSC at 2018
8 (3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		New Company Incorporated on RJSC at 2018

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
9	Reporting and Compliance of Corporate Governance			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9 (2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9 (3)	The directors of the company shall state, in accordance with the <b>Annexure-C</b> attached, in the directors’ report whether the company has complied with these conditions or not	√		

# Declaration by Managing Director & CEO and Chief Financial Officer

Date: 09 March 2022  
The Board of Directors,  
Community Bank Bangladesh Limited

Subject: Declaration on Financial Statements for the year ended 31 December 2021

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/ 207/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Community Bank Bangladesh Limited for the year ended on 31 December 2021 have been prepared in compliance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i). We have reviewed the financial statements for the year ended 31 December 2021 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



**Benazeer Ahmed FCMA [UK], CPA [AUS]**  
Chief Financial Officer



**Masihul Huq Chowdhury**  
Managing Director and CEO



# Report of the Audit Committee

The Audit Committee of Community Bank Bangladesh Limited was constituted in the 1st meeting of the Board of Directors held on 29 November, 2018 in compliance with the BRPD Circular #11, dated: 27 October, 2013. The Audit Committee was formed to assist the Board in fulfilling its oversight responsibilities. The Company Secretary acts as Secretary of the Audit Committee of the Board. The present Audit Committee was reconstituted by the Board in its 19th Board meeting held on December 14, 2020 consisting of the following members:

Name	Status with the Bank	Status with Committee	Educational Qualifications	Meeting Attendance
Mr. Masud Khan FCA, FCMA	Independent Director	Chairman	FCA, FCMA	10/10
Mr. Abu Hasan Muhammad Tarique BPM	Director	Member	M.Com	10/10
Mr. Habibur Rahman BPM (Bar), PPM (Bar)	Director	Member	M.Ed	7/10
Dr. Shoeb Reaz Alam	Director	Member	PHD, M.Sc (Eng.)	10/10
Dr. Abdullah Al Mahmud	Independent Director	Member	MBA, PHD	10/10

## Roles and Responsibilities of the Audit Committee

The Audit Committee is responsible for the following:

### Internal Control

- To evaluate whether management is setting an appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities.
- To review management's actions in computerization of the Bank and its applications and Management Information System (MIS) of the bank.
- To consider whether internal control strategies recommended by internal and external auditors have been implemented by the management.
- To consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the Board after reviewing whether necessary corrective measures have been taken by the management.

### Financial Reporting

- To check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules and regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank.
- To discuss with management and the external auditors to review the financial statements before its finalization.

## Internal Audit

- To monitor whether internal audit is working independently from the management.
- To review the activities and the organizational structure of the internal audit and ensure that no unjustified restriction or limitation hinders the internal audit process.
- To examine the efficiency and effectiveness of internal audit function.
- To examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.

## External Audit

- To review the performance of the external auditors and their audit reports.
- To examine whether the findings and recommendations made by the external auditors are duly considered by the management or not.
- To make recommendations to the Board regarding the appointment of the external auditors.

## Compliance with existing Laws and Regulations

- To review whether the laws and regulations framed by the regulatory authorities (central bank and other bodies) and internal regulations approved by the board are being complied with.

## Other Responsibilities

- To submit compliance report to the board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities.

- External and internal auditors will submit their related assessment report, if the committee solicit.
- To perform other oversight functions, as desired by the Board of Directors and evaluate the Committee's own performance on a regular basis.

In the year 2021, 10 (ten) meetings of the Audit Committee were held in which, the following issues, amongst others, were reviewed and discussed:

- i) Audited Financial Statements for the year 2020 ended on 31.12.2020 of Community Bank Bangladesh Limited.
- ii) Recommended the appointment of External Auditors for the year 2021.
- iii) Recommended the appointment of Compliance Auditor for the year 2021.
- iv) Approved the Audit Plan for the year 2021.
- v) Management Report from the External Auditor on the Financials of 2020.
- vi) Approval of Draft Audit Manual for Community Bank Bangladesh Limited.
- vii) Approval of Draft Policy of Risk Assessment Matrix & Risk Based Audit Plan.
- viii) Summary Audit Report on various Branches with compliance.
- ix) Compliance Policy for Community Bank Bangladesh Limited.
- x) Annual Integrated Health Report of Community Bank Bangladesh Limited for the year 2020.

#### **The Audit Committee has further satisfied that:**

- The rules and regulations of the Bangladesh Bank and all other regulatory authorities and Bank's own policy guidelines approved by the Board of Directors are duly complied with.
- Internal control and security measures have been adequately undertaken by the Bank towards facilitating Information Technology (IT) based banking.
- The system of internal control and the business processes have been strengthened by creation of a compliance culture in the Bank.
- The efforts have been made to keep assets of the Bank safeguard along with liabilities and commitments are made for credibility & transparency.
- The Financial Statements of the Bank have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank.

#### **Acknowledgement**

The Audit Committee expresses its sincere thanks to the members of the Board, Management and Auditors for their excellent support extended to the Committee, which facilitated in helping discharge their duties and responsibilities.



**Masud Khan FCA, FCMA**

Chairman, Audit Committee

# Disclosures on Risk Based Capital (Basel III) based on 31st December 2021

## Introduction

Basel III is a global regulatory capital and liquidity framework established by the Basel Committee on Banking Supervision ("Basel Committee"). Basel III includes three complementary pillars:

- **Pillar 1** establishes minimum capital requirements, defines eligible capital instruments and prescribes rules for calculating RWA.
- **Pillar 2** requires banks to have an internal capital adequacy assessment process and requires that banking supervisors evaluate each bank's overall risk profile as well as its risk management and internal control processes.
- **Pillar 3** encourages market discipline through disclosure requirements which allow market participants to assess the risk and capital profiles of banks.

Pillar 3 recognizes that market discipline has the potential to reinforce capital regulation and other supervisory efforts to promote safety and soundness in banks and financial systems. Market discipline imposes strong incentives on banks to conduct their business in a safe, sound and efficient manner. It can also provide a bank with an incentive to maintain a strong capital base as a cushion against potential future losses arising from its risk exposures.

## A) Scope of Application

In line with the Bangladesh Bank (BB), BRPD Circular No-18 dated December 21, 2014 on 'Guidelines on Risk Based Capital Adequacy', following detailed qualitative and quantitative disclosures are provided.

### Components of Disclosure:

Disclosure is organized as per Bangladesh Bank requirement in the following components:

- Scope of Application
- Capital Structure
- Capital Adequacy
- Credit Risk
- Equities: Disclosures for Banking Book Positions
- Interest Rate Risk in the Banking Book
- Market Risk
- Operational Risk
- Liquidity Ratio
- Leverage Ratio
- Remuneration

Qualitative Disclosures	
a) The name of the top corporate entity in the group to which this guidelines applies	<b>Community Bank Bangladesh Limited</b>
b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group <ol style="list-style-type: none"> <li>that are fully consolidated;</li> <li>that are given a deduction treatment; and</li> <li>that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).</li> </ol>	<p>Community Bank Bangladesh Limited (the "Bank") was incorporated in Bangladesh on 10th October 2018 under the Companies Act, 1994 as a Public Limited Company and received its banking license from Bangladesh Bank on 1st November 2018 as a scheduled commercial bank.</p> <p>Presently Community Bank Bangladesh Limited (CBBL) does not have any Associates and/or Joint Venture, but has one subsidiary which is:</p> <p style="text-align: center;">"Community Bank Investment Limited"</p> <p><b>Community Bank Investment Limited</b> (the 'Company'), a subsidiary of the Community Bank Bangladesh Limited, is a private company limited by shares. The Company was incorporated in Bangladesh on 30th December 2020 vide registration no. C-167238/2020 under the Companies Act 1994. Subsequently the Company obtained Merchant Banking License (Registration Certificate No: MB-98/2021) from Bangladesh Securities &amp; Exchange Commission on 28th June 2021. The core objectives of the Company are to carry on the business of full-fledged Merchant Banking, Portfolio Management, Underwriting, etc. Registered office of the Merchant Bank is located at Police Plaza Concord (Level-12, Tower-2), Plot-2, Road-144, Gulshan-1, Dhaka-1212.</p> <p>The disclosure made in the following sections has addressed CBBL as a single entity (Solo Basis) as well as a consolidated entity (Consolidated Basis), the scope of which is as under:</p> <ul style="list-style-type: none"> <li>• 'Solo Basis' refers to all position of the Bank</li> <li>• 'Consolidated Basis' refers to all position of the Bank and its Subsidiaries</li> </ul>

	The principle activities of the Bank is to provide all kinds of conventional banking services to its customers. Bank's aims to contribute to the economic growth of the country by providing financial products & services to the communities across geographies. CBBL has its 18 Branches as on December 31, 2021 with 168 ATM booths, mobile banking applications, service desks and vibrant alternative delivery channels in Bangladesh. Branches are located in different areas such as Dhaka, Gazipur, Narayanganj, Chattogram, Habiganj, Narsingdi, Tangail, Cumilla, Khulna, Dinajpur, Nawabganj and Mymensingh. Currently, the Bank does not have any Off-shore Banking Unit (OBU).
c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Not applicable
<b>Quantitative Disclosures</b>	
d) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.	Not applicable

## B) Capital Structure

### Qualitative Disclosures

a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or in Tier 2 capital.	<p>As per Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel III) introduced by Bangladesh Bank. Regulatory Capital base is quite different from accounting capital. Regulatory Capital is classified into two broad categories, namely, Tier 1 capital and Tier 2 capital. Additionally, Tier 1 capital is further divided into two categories, Common Equity Tier 1 (CET 1) and additional Tier 1 (AT 1).</p> <p>Capital of Community Bank consists of</p> <ol style="list-style-type: none"> <li>Paid-up Capital,</li> <li>Statutory Reserve and</li> <li>Retained Earnings.</li> </ol> <p>Community Bank does not have 'Additional Tier 1 (AT 1)' Capital since it did not issue any instrument that meets the qualifying criteria for Additional Tier 1 Capital.</p> <p>Tier 2 Capital consists of general provision against unclassified loans and advances.</p> <p>Compliance with Regulatory Requirements by CBBL: The Bank complied with all the required conditions for maintaining regulatory capital as stipulated in the Basel III guidelines as per following details:</p>
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Particulars	Minimum Criteria	Status of compliance
Common Equity Tier 1 (CET 1) Capital Ratio	4.50%	Complied
Tier 1 Capital Ratio	6.00%	Complied
Minimum Capital to Risk Weighted Asset Ratio (CRAR) including Capital Conservation Buffer	12.50%	Complied
Maximum limit of Tier 2 capital: Tier 2 capital can be maximum up to 4% of the total RWA or 88.89% of CET 1, whichever is higher.	BDT 3,546.90 million (max.)	Complied



## Quantitative Disclosures

b) The amount of Regulatory Capital of Community Bank Bangladesh Limited under Basel-III as of 31st December 2021 in below:

BDT in Million

1. Common Equity Tier 1 (Going-Concern Capital)	Solo	Consolidated
Paid-up Capital	5,000.00	5,000.00
Statutory Reserve	55.90	55.90
Retained Earnings	(239.65)	(241.87)
<b>Subtotal</b>	<b>4,816.25</b>	<b>4,814.03</b>
Less: Regulatory Adjustment for Tier 1 Capital Goodwill and all other intangible assets (WDV of Software)	159.00	159.00
<b>Total Common Equity Tier 1 Capital</b>	<b>4,657.25</b>	<b>4,655.03</b>
2. Tier 2 Capital (Gone-Concern Capital)		
General Provision	496.86	496.86
<b>Total Admissible Tier 2 Capital</b>	<b>496.86</b>	<b>496.86</b>
<b>3. Total Regulatory Capital (1+2)</b>	<b>5,154.11</b>	<b>5,151.89</b>

## C) Capital Adequacy

### Qualitative Disclosures

a) A summary discussion of the bank's approach for assessing the adequacy of its capital to support current and future activities	<p>The Bank assesses the adequacy of its capital in terms of Section 13 (1) of the Bank Company Act, 1991 (Amended up to 2018) and instruction contained in BRPD Circular No-18 dated 21 December 2014 [Guidelines on 'Risk Based Capital Adequacy for Banks' (Revised regulatory capital framework in line with Basel III)] and other relevant rules &amp; regulation issued by BB from time to time.</p> <p>The Bank follows following approaches for calculating Risk Weighted Assets (RWA):</p> <ul style="list-style-type: none"> <li>• Standardized approach for Credit risk</li> <li>• Standardized approach for Market risk</li> <li>• Basic indicator approach for Operational risk</li> </ul> <p>Assessing regulatory capital in relation to overall risk exposures of a bank is an integrated and comprehensive process. CBBL follows the 'asset based' rather than 'capital based' approach in assessing the adequacy of capital to support current and projected business activities. The Bank assesses the capital requirement considering the existing size of portfolio, concentration of portfolio to different risk weight groups, asset quality, profit trend etc. on quarterly rest. The Bank also forecasts the adequacy of capital in terms of its capacity of internal capital generation, maintaining the size of the portfolio, asset quality, conducting credit rating of the borrowers, segregation of portfolio to different risk weight groups etc.</p> <p>As of 31st December 2021, Bank maintained total regulatory capital (CET 1/Tier 1 and Tier 2) of BDT 5,154.11 million (solo) &amp; BDT 5,151.89 million (consolidated) against the minimum requirement including capital conservation buffer of BDT 4,000.00 million with a surplus of BDT 1,154.11 million (solo) &amp; BDT 1,151.89 million (consolidated). Bank's capital to risk-weighted asset ratio (CRAR) as of 31st December 2021 stood at 19.32% (consisting of 17.46% in CET 1 capital and 1.86% in Tier 2 capital) on solo basis and 19.35% (consisting of 17.48% in CET 1 capital and 1.87% in Tier 2 capital) on consolidated basis against the minimum regulatory requirement including capital conservation buffer 12.50%. The Bank managed to maintain conservative buffer capital of 9.32% on solo basis and 9.35% on consolidated basis against the requirement 2.50%.</p> <p>This surplus capital both in terms of absolute amount and ratio (CRAR) is considered to be adequate to absorb all the material risks to which the Bank may be exposed in future. The Bank maintained more than adequate capital against the regulatory requirement to uphold and strengthen the confidence of its investors, depositors and other stakeholders.</p>
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## Quantitative Disclosures

### Risk Weighted Assets & Minimum Capital requirement under following Risk:

BDT in Million

Risk Weighted Assets (RWA)	Solo	Consolidated
b) RWA for Credit Risk	24,480.17	24,224.39
Portfolio subject to standardized approach - Funded	23,782.00	23,526.22
Portfolio subject to standardized approach - Non Funded	698.17	698.17
c) RWA for Market Risk (standardized approach)	895.89	1,097.38
d) RWA for Operational Risk (basic indicator approach)	1,305.09	1,305.09
<b>Total Risk Weighted Assets (b+c+d)</b>	<b>26,681.15</b>	<b>26,626.86</b>
<b>Minimum Capital Required (10% of RWA)</b>		
e) Capital Required for Credit Risk	2,448.02	2,422.44
f) Capital Required for Market Risk	89.59	109.74
g) Capital Required for Operational Risk	130.51	130.51
<b>Total Capital Required (e+f+g)</b>	<b>2,668.12</b>	<b>2,662.69</b>
Minimum Capital Requirement (MCR) BDT 4,000.00 million or 10% of RWA, whichever is higher	4,000.00	4,000.00
<b>Total Regulatory Capital and Capital to Risk-weighted Asset Ratio (CRAR):</b>		
1) Total Tier 1 Capital	4,657.25	4,655.03
Common Equity Tier 1 Capital	4,657.25	4,655.03
Additional Tier 1 Capital	-	-
2) Total Tier 2 Capital	496.86	496.86
<b>Total Regulatory Capital (1+2)</b>	<b>5,154.11</b>	<b>5,151.89</b>
<b>Capital Ratio</b>		
1. Common Equity Tier 1 (CET 1) Ratio	17.46%	17.48%
2. Tier 1 Capital Adequacy Ratio	17.46%	17.48%
3. Tier 2 Capital Adequacy Ratio	1.86%	1.87%
<b>Capital to Risk-weighted Asset Ratio (CRAR)</b>	<b>19.32%</b>	<b>19.35%</b>
<b>Capital Conservation Buffer</b>	<b>9.32%</b>	<b>9.35%</b>
<b>Available capital under Pillar 2 requirement</b>	<b>1,154.11</b>	<b>1,151.89</b>

## D) Credit Risk

### Qualitative Disclosures

#### a) The general qualitative disclosure requirement with respect to credit risk:

(i) Definitions of past due and impaired (for accounting purposes)	<p>Credit risk is managed through a framework which sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the businesses and approvers in the Risk function. All credit exposure limits are approved within a defined credit approval authority framework.</p> <p>Credit risk of Corporate, Retail and CMSME business are being assessed by Credit Risk Management Division (CRMD). After approval, Credit Administration Division (CAD) disburses the credit approved by Credit Risk Management Division (CRMD) while operation team both branches &amp; head office are being act for credit collection. These both divisions are supported by Legal Division of the Bank. Additionally, Internal Control and Compliance Division (ICCD) conducts on-site and off-site audit for all credits.</p> <p>CBBL has a structured Credit Risk Management Policy known as Credit Risk Management Policy &amp; Guidelines (CRMP&amp;G) approved by the Board of Directors, first in 2019 and review on 2021. The CRMP&amp;G defines organization structure, role and responsibilities and, the processes whereby the credit risks carried by the bank can be identified, quantified and managed within the framework that the bank considers consistent with its mandate and risk tolerance.</p> <p>Bank also has a system of identifying and monitoring problem accounts at the early stages of their delinquency through auto generation of past- due report, so that timely corrective measures are initiated. Corporate, Retail and CMSME segment offer different customized products and are guided by separate Product Program Guidelines (PPGs) approved by the Board and/or Management.</p> <p>As per relevant Bangladesh Bank guidelines, the Bank defines the past due and impaired loans and advances for strengthening the credit discipline and mitigating the credit risk of the Bank. The impaired loans and advances are defined on the basis of (i) Objective/ Quantitative Criteria and (ii) Qualitative judgment. For this purposes, all loans and advances are grouped into 4 (four) categories namely- (a) Continuous Loan (b) Demand Loan (c) Fixed Term Loan and (d) Short-term Agricultural &amp; Micro Credit.</p> <p><b>Definition of past due/ overdue:</b></p> <ul style="list-style-type: none"> <li>Any Continuous Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the Bank will be treated as past due/overdue from the following day of the expiry date. Any Demand Loan if not repaid within the fixed expiry date for repayment or after the demand by the Bank will be treated as past due/overdue from the following day of the expiry date. Whereas, in case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue after six months of the expiry date.</li> </ul> <p>However, a continuous loan, demand loan or a term loan which will remain overdue for a period of 2 (two) months or more, will be put into the “Special Mention Account (SMA)”, the prior status of becoming the loan into impaired/ classified/ non-performing.</p> <p><b>Definition of impaired/ classified/ non-performing loans and advances are as follows:</b></p> <ul style="list-style-type: none"> <li>A Continuous Loan, Demand Loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 03 (three) months or beyond but less than 09 (nine) months, the entire loan will be put into the “Sub-standard (SS)”.</li> <li>A Continuous Loan, Demand Loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 09 (nine) months or beyond but less than 12 (twelve) months, the entire loan will be</li> </ul>
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	<ul style="list-style-type: none"><li>• A Continuous loan, Demand loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 12 (twelve) months or beyond, the entire loan will be put into the “Bad/Loss (B/L)”.</li><li>• Loans have to be treated as defaulted loan as per section 5(GaGa) of the Banking Companies Act, 1991 and to be reported accordingly as per formats given in BRPD Circular No-08 dated August 02, 2015. In this regard, a portion of the “Sub-standard (SS)” loans will be reported as defaulted loan.</li></ul> <p><b>Short-term Agricultural and Micro-credit:</b></p> <ul style="list-style-type: none"><li>• The Short-term Agricultural and Micro Credit will be considered irregular if not repaid within the due date as stipulated in the loan agreement. If the said irregular status continues, the credit will be classified as ‘Sub-standard’ after a period of 12 months, as ‘Doubtful’ after a period of 36 months and as ‘Bad/Loss’ after a period of 60 months from the stipulated due date as per the loan agreement.</li></ul> <p><b>Loan Classification of Cottage, Micro and Small credits under CMSME:</b></p> <ul style="list-style-type: none"><li>• A Continuous Loan, Demand Loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan remain(s) past due/overdue for a period of 06 (six) months or beyond but less than 18 (eighteen) months, the entire loan will be classified as “Sub-standard (SS)”.</li><li>• A Continuous Loan, Demand Loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan remain(s) past due/overdue for a period of 18 (eighteen) months or beyond but less than 30 (thirty) months, the entire loan will be classified as “Doubtful (DF)”.</li><li>• A Continuous loan, Demand loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan remain(s) past due/overdue for a period of 30 (thirty) months or beyond, the entire loan will be classified as “Bad/Loss (B/L)”.</li></ul>																																																																						
ii) Description of approaches followed for specific and general allowances and statistical methods	<table><tr><th rowspan="3">Loan Type</th><th colspan="5">Rates of Provision</th></tr><tr><th colspan="2">Un-Classified</th><th colspan="3">Classified</th></tr><tr><th>Standard</th><th>SMA</th><th>SS</th><th>DF</th><th>BL</th></tr><tr><td>All unclassified loans (other than loans under small enterprise and consumer financing and BHs, MBs, SDs)</td><td>1%</td><td>1%</td><td>20%</td><td>50%</td><td>100%</td></tr><tr><td>Medium enterprise financing</td><td>0.25%</td><td>0.25%</td><td>20%</td><td>50%</td><td>100%</td></tr><tr><td>Cottage, Micro and Small credits under CMSME Financing</td><td>0.25%</td><td>0.25%</td><td>5%</td><td>20%</td><td>100%</td></tr><tr><td>Consumer financing (other than housing finance, credit card and loans for professionals under consumer financing scheme)</td><td>2%</td><td>2%</td><td>20%</td><td>50%</td><td>100%</td></tr><tr><td>Consumer financing (for housing finance)</td><td>1%</td><td>1%</td><td>20%</td><td>50%</td><td>100%</td></tr><tr><td>Consumer financing (for credit card)</td><td>2%</td><td>2%</td><td>20%</td><td>50%</td><td>100%</td></tr><tr><td>Consumer financing (for professionals)</td><td>2%</td><td>2%</td><td>20%</td><td>50%</td><td>100%</td></tr><tr><td>Loans to Brokerage Houses (BHs)/ Merchant Banks(MBs)/ Stock Dealers (SDs) against Shares etc.</td><td>2%</td><td>2%</td><td>20%</td><td>50%</td><td>100%</td></tr><tr><td>Short term Agricultural &amp; Micro-Credits</td><td>1.00%</td><td>-</td><td>5%</td><td>5%</td><td>100%</td></tr></table>	Loan Type	Rates of Provision					Un-Classified		Classified			Standard	SMA	SS	DF	BL	All unclassified loans (other than loans under small enterprise and consumer financing and BHs, MBs, SDs)	1%	1%	20%	50%	100%	Medium enterprise financing	0.25%	0.25%	20%	50%	100%	Cottage, Micro and Small credits under CMSME Financing	0.25%	0.25%	5%	20%	100%	Consumer financing (other than housing finance, credit card and loans for professionals under consumer financing scheme)	2%	2%	20%	50%	100%	Consumer financing (for housing finance)	1%	1%	20%	50%	100%	Consumer financing (for credit card)	2%	2%	20%	50%	100%	Consumer financing (for professionals)	2%	2%	20%	50%	100%	Loans to Brokerage Houses (BHs)/ Merchant Banks(MBs)/ Stock Dealers (SDs) against Shares etc.	2%	2%	20%	50%	100%	Short term Agricultural & Micro-Credits	1.00%	-	5%	5%	100%
Loan Type	Rates of Provision																																																																						
	Un-Classified		Classified																																																																				
	Standard	SMA	SS	DF	BL																																																																		
All unclassified loans (other than loans under small enterprise and consumer financing and BHs, MBs, SDs)	1%	1%	20%	50%	100%																																																																		
Medium enterprise financing	0.25%	0.25%	20%	50%	100%																																																																		
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Short term Agricultural & Micro-Credits	1.00%	-	5%	5%	100%																																																																		



(iii) Discussion of the Bank's credit risk management policy	<p>The Bank has put in place a well-structured Credit Risk Management Policy duly the Bank's approved by the Bank's Board of Directors. The Policy document defines credit risk organization structure, roles &amp; responsibilities and the processes whereby the management of credit risk carried out by the Bank can be identified, quantified &amp; managed within policy. The framework that the Bank considers consistent with its mandate and risk tolerance. Credit Risk is monitored on a bank-wide basis and compliance with the risk limits approved by Board/Risk Management Committee of Board.</p> <p>Community Bank has taken earnest steps to put in place best credit risk management practices in the Bank. Besides, the Bank has framed a policy on Valuation Methodology, approved by the Board of Directors. According to methodology, such securities normally accepted by the Bank to protect the Bank interest. These securities act as mitigation against the credit risk to which the Bank is exposed.</p> <p>The Bank has adopted numerous strategies to manages its credit risk including:</p> <ul style="list-style-type: none"> <li>• Creating credit risk awareness culture</li> <li>• Approved credit policy by the Board of Directors</li> <li>• Separate Credit Risk Management Division</li> <li>• Centralized Credit Administration Division</li> <li>• Formation of Law and Recovery Division</li> <li>• Approved Delegation of Lending Authority</li> <li>• Independent internal audit and direct access to Board/Audit committee</li> <li>• Credit quality and portfolio diversification</li> <li>• Early warning system</li> <li>• Provision and suspension of interest</li> <li>• Scientific lending and credit approval process</li> <li>• Counterparty credit rating</li> <li>• Strong NPL management system</li> </ul>
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## Quantitative Disclosures

### b) Total gross credit risk exposures broken down by major types of credit exposures:

Major types of credit exposures as per disclosures in the audited financial statements as of 31st December 2021 were as follows:

BDT in Million

Particulars	Outstanding	Mix (%)
Overdrafts/Continuous Loan	7,231.65	16.73%
Demand Loan	3,924.41	9.08%
Term loan	31,093.83	71.93%
Credit Card	145.42	0.34%
Short Term Agri and Micro Credit	703.39	1.63%
Staff loans	89.59	0.21%
Bills purchased and discounted	36.42	0.08%
<b>Total loans and advances</b>	<b>43,224.71</b>	<b>100.00%</b>

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

Geographical distribution of credit exposures as per the disclosures in the audited financial statements as of 31st December 2021 were as follows:

BDT in Million

Particulars	Outstanding	Mix (%)
Dhaka Division	32,163.27	74.41%
Chittagong Division	4,789.65	11.08%
Khulna Division	1,560.55	3.61%
Rajshahi Division	889.00	2.06%
Barisal Division	612.50	1.42%
Sylhet Division	1,181.58	2.73%
Rangpur Division	1,089.45	2.52%
Mymensingh Division	938.71	2.17%
<b>Total loans and advances</b>	<b>43,224.71</b>	<b>100.00%</b>

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

Industry or counterparty type distribution of exposures, broken down by major types of credit exposures as per the disclosures in the audited financial statements as of 31st December 2021 were as follows:

BDT in Million

Particulars	Outstanding	Mix (%)
Agriculture Loan	456.37	1.06%
RMG	614.32	1.42%
Textile	2,154.22	4.98%
Food and allied industries	363.28	0.84%
Pharmaceutical industries	948.54	2.19%
Cement and ceramic industries	0.14	0.00%
Power and gas	826.02	1.91%
Steel Industries	1,065.94	2.47%
Paper Industries	14.44	0.03%
Electronic Goods Manufacturing	429.46	0.99%
Polymer and polythene industries	153.60	0.36%
Rubber and Plastic Industries	93.76	0.22%
Assembling Industry	194.95	0.45%
Service industries	1,917.69	4.44%
Retail Trading	117.60	0.27%
Wholesale Trading	1,167.79	2.70%
Residential Real Estate	168.72	0.39%
Infrastructure Development	867.13	2.01%
Consumer financing	323.94	0.75%
Merchant banks & brokerage houses	254.17	0.59%
Microfinance institutions and NGOs	586.41	1.36%
Bangladesh Police Payroll	28,153.68	65.13%
Others	2,262.95	5.24%
Staff loan	89.59	0.20%
<b>Total loans and advances</b>	<b>43,224.71</b>	<b>100.00%</b>

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

Residual contractual maturity of exposures as per the disclosures furnished in the audited financial statements as of 31st December 2021 were as follows:

BDT in Million

Particulars	Outstanding	Mix (%)
Repayable on demand	1,854.43	4.29%
More than 1 month to 3 months	3,783.47	8.75%
More than 3 months to 1 Year	6,429.07	14.87%
More than 1 year to 5 years	21,672.02	50.14%
More than 5 years	9,485.72	21.95%
<b>Total loans and advances</b>	<b>43,224.71</b>	<b>100.00%</b>

f) By major industry or counterparty type:

i) Amount of impaired loans/classified loans and past due loans under 4 (four) categories as on 31st December 2021 were as under:

BDT in Million

Particulars	Amount	
	NPL	SMA
Continuous Loan	-	0.11
Demand Loan	-	-
Term loans	17.10	5.77
Short Term Agri and Micro Credit	-	-
<b>Total</b>	<b>17.10</b>	<b>5.88</b>

ii) Specific and general provisions

Specific and general provisions for loans portfolio and general provision for off-balance sheet exposures of the Bank as per audited financial statements as of 31st December 2021 were as under:

BDT in Million

Particulars of specific and general provisions for entire loan portfolio and off-balance sheet exposures	Amount
Specific provision for loans and advances	3.94
General provision for loans and advances	460.47
General provision for off-balance sheet exposures	36.39
<b>Total</b>	<b>500.80</b>

iii) Charges for specific allowances and charges-offs (general allowances) during the period:

The specific and general provisions for loans portfolio and general provision for off-balance sheet exposures of the Bank charged during the year as per audited financial statements for the year ended 31st December 2021 were as under:

BDT in Million

Particulars	2021	2020
Specific provisions for loans and advances	3.94	-
General provisions for loans and advances		
Opening balance	<b>218.55</b>	<b>7.54</b>
Additions during the year		
On balance sheet	258.12	194.81
Off balance sheet	20.19	16.20
<b>Closing balance sheet</b>	<b>500.80</b>	<b>218.55</b>

g) Gross Non-Performing Assets (NPAs):

BDT in Million

Particulars	2021	2020
Gross Non-Performing Assets (NPAs):	17.10	-
NPAs to outstanding loans & advances	0.04%	-
Movement of Non-Performing Assets (NPAs):		
Opening Balance	-	-
Additions	17.10	-
Less: Reductions	-	-
Closing Balance	17.10	-
Movement of specific provision for NPAs		
Opening Balance	-	-
Provision made during the period	3.94	-
Write-off	-	-
Write-back of express provisions	-	-
Closing Balance	3.94	-

## E) Equities: Disclosures for Banking Book Positions

### Qualitative Disclosures

a) The general qualitative disclosure requirement with respect to equity risk, including:

Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons

CBBL's total equity share holding comprises of two purposes i.e. capital gain and other strategic reason like equity participation and investment diversification.

Bank's investment in equity securities are broadly fall under 2 categories:

- Quoted Securities  
(traded in the secondary market; trading book assets)
- Unquoted Securities  
(not traded in secondary market; banking book assets)

Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices

Our investment in shares are being monitored and controlled by the Investment Committee, are reflected in accounts through proper methodologies and accounting standards of the local & international.

As per Bangladesh Bank circular (ref: BRPD circular number -14 dated June 25, 2003), the quoted shares are valued as per market price in the stock exchange(s). Equity securities holdings in the banking book or unquoted are recognized at cost price.

Provisions for shares are maintained for unrealized loss (gain net off) arising from diminution in value of investments. Provision for shares against unrealized loss (gain net off) has been made according to DOS circular number-04 dated 24 November 2011 and for mutual funds (closed-end) according to DOS circular letter no-3 dated 12 March 2015 of Bangladesh Bank.



## Quantitative Disclosures

b) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value

Values disclosed in balance sheet of investment in share as on 31st December 2021 was as under:

BDT in Million

Particulars	Cost Price	Market Price
<b>Solo basis</b>		
Investment in quoted Share	315.29	296.47
Investment in Un-quoted Share	906.25	906.25
<b>Consolidated basis</b>		
Investment in quoted Share	419.34	397.21
Investment in Un-quoted Share	906.25	906.25

c) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.

- Realized gain (losses) from equity investments
- Total latent revaluation gains (losses)
- Any amounts of the above included in Tier 2 capital

BDT in Million

Particulars	Solo	Consolidated
Total Realized gain (losses)	136.90	136.90
Total unrealized gains (losses)*	0.69	(2.61)
Total latent revaluation gains (losses)	Nil	Nil
Any amounts of the above included in Tier 2 capital	Nil	Nil

\*As per BB, DOS Circular No-1, Dated 10-02-2020

d) Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements

The capital requirement for equity investment solo and consolidated basis as of 31st December 2021 were as under:

BDT in Million

Particulars	Market value	Risk Weight	Capital Charge
<b>Solo Basis</b>			
Specific Risk	296.47	10%	29.65
General Market Risk	296.47	10%	29.65
<b>Consolidated Basis</b>			
Specific Risk	397.21	10%	39.72
General Market Risk	397.21	10%	39.72

## F) Interest Rate Risk in the Banking Book (IRRBB)

### Qualitative Disclosures

- a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.
- Interest rate risk is the risk where changes in market interest rates might adversely affect a bank's financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as well as the net worth of the Bank (economic value perspective).
- Re-pricing risk is often the most apparent source of interest rate risk for a bank and is often gauged by comparing the volume of a bank's assets that mature or re-price within a given time period with the volume of liabilities that do so.

### Quantitative Disclosures

- b) The impact of changes in interest rate for on-balance sheet rate sensitive assets and rate sensitive liabilities of Community Bank Bangladesh Limited as per financial statements as of 31st December 2021 under earning perspective with simple sensitivity analysis was furnished below:

BDT in Million

Particulars	3 months	6 months	1 year
Rate sensitive assets [A]	11,157.70	6,852.71	934.00
Rate sensitive liabilities [B]	24,687.30	9,187.90	12,515.10
Net GAP [A-B]	(13,529.60)	(2,335.20)	(11,581.10)
Cumulative GAP	(13,529.60)	(15,864.80)	(27,445.90)
Interest rate change (IRC) [Note 1]	1.00%	1.00%	1.00%
Net Interest Income (NII) = i(Change in interest rate) X gap	(33.82)	(11.68)	(115.81)
Negative impact on earnings	33.82	11.68	115.81

Note 1: Assuming 1% rise in interest rates for both asset and liability portfolio of the Bank.

### Duration Gap Analysis:

The focus of the Duration Analysis is to measure the level of a bank's exposure to interest rate risk in terms of sensitivity of Market Value of its Equity (MVE) to interest rate movements. Duration Gap can be used to evaluate the impact on the Market Value of Equity of the bank under different interest rate scenarios. ALCO monitors the leveraged liability duration and duration gap of the total Bank balance sheet on a quarterly basis to assess the impact of parallel shift of the assumed yield curve. The duration gap analysis as per financial statements as of 31st December 2021 was furnished below:

Particulars	Duration in years
Weighted average duration of assets	3.69
Weighted average duration of liabilities	1.12
Duration gap	2.64

BDT in Million

Particulars	Impact on earnings due to change in interest rates		
	Minor shock (1%)	Moderate shock (2%)	Major shock (3%)
Changes in Equity	(1,683.33)	(3,366.65)	(5,049.98)
After shock Equity (CAR)	13.03%	6.71%	0.40%

## G) Market Risk

### Qualitative Disclosures

i) Views of BOD on trading/ investment activities	The Board approves all policies related to market risk, set limits and reviews compliance on a regular basis. The objective is to provide cost effective funding to finance assets growth and trade related transactions. The market risk covers the followings risks of the Bank's balance sheet: i) Interest rate risk ii) Equity price risk iii) Foreign exchange risk and iv) Commodity price risk
ii) Methods used to measure Market risk	Standardized approach has been used to measure the Market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of risk subcategories. For each risk categories minimum capital requirement is measured in terms of two separately calculated capital charges for "specific risk" and "general market risk".
iii) Market Risk Management System	The Treasury Division manages market risk covering liquidity, interest rate and foreign exchange risks with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the bank. ALCO is chaired by the Managing Director. ALCO meetings are held at least once in a month.
iv) Policies and processes for mitigating market risk	There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risks. The ALCO of the Bank meets on regular basis to review the prevailing market condition, exchange rate, foreign exchange position and transactions to mitigate foreign exchange risks.

### Quantitative Disclosures

The capital requirements for market risk	BDT in Million		
	<b>The Capital Requirement for:</b>	<b>Solo</b>	<b>Consolidated</b>
	• Interest rate risk	12.88	12.88
	• Equity position risk	59.29	79.44
	• Foreign exchange risk	17.42	17.42
	• Commodity risk	-	-
	Total capital requirement for Market Risk	89.59	109.74

## H) Operational Risk

### Qualitative Disclosures

a) Views of BOD on system to reduce operational risk	Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external causes, whether deliberate, accidental or natural. It is inherent in all of the Bank's activities. The policy for operational risks including internal control and compliance risk is approved by the Board taking in to account relevant guidelines of Bangladesh Bank. Audit Committee of the Board directly oversees the activities of the respective division to protect against all operational risk.
Performance gap of executives and staffs	Community Bank is an equal opportunity employer. It has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. At Community Bank, we recognize the importance of having the right people at right positions to achieve organizational goals.

Potential external events	No potential external events are expected to expose the Bank to significant operational risk.		
Policies and processes for mitigating operational risk	Internal control mechanism is in place to control and minimize the operational risks. If any controls are found to be ineffective during the course of Risk & Control Self-Assessment, corrective measures are adopted in due course. A monitoring system is also in place for tracking the corrective actions plan periodically.		
Approach for calculating capital charge for operational risk	<p>The Bank follows the Basic Indicator Approach (BIA) in terms of BRPD Circular No-18 dated 21 December 2014 Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III). The BIA stipulates the capital charge for operational risk is a fixed percentage, denoted by <math>\alpha</math> (alpha) of average positive annual gross income of the Bank over the past three years. It also states that if the annual gross income for any year is negative or zero, that should be excluded from both the numerator and denominator when calculating the average gross income. The capital charge for operational risk is enumerated by applying the following formula:</p> $K = [(GI1 + GI2 + GI3) \alpha]/n$ <p>Where:</p> <p>K = the capital charge under the Basic Indicator Approach</p> <p>GI = only positive annual gross income over the previous three years</p> <p><math>\alpha</math> = 15 percent</p> <p>n = number of the previous three years for which gross income is positive.</p>		
Quantitative Disclosures			
b) The capital requirement for operational risk	BDT in Million		
	Particulars	Solo	Consolidated
	Total Capital Requirement for Operational Risk	130.51	130.51

## I) Liquidity Ratio

Qualitative Disclosures	
i) Views of Board of Directors on system to reduce liquidity Risk	The Board of Directors of Community Bank that has always been giving most importance to minimizing the liquidity risk of the Bank. In order to reduce liquidity risk strict maintenance of Cash Reserve Ratio (CRR), Statutory Liquidity Reserve (SLR), Advance Deposit Ratio (ADR) and Maximum Cumulative Outflow (MCO) are also being emphasized on a regular basis. As per Basel-III requirement, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are also maintained well above the minimum requirement.
ii) Methods used to measure Liquidity risk	<p>Under Basel III, the following methods and tools are mandated for measuring the liquidity risk.</p> <p>a) Liquidity Coverage Ratio (LCR): LCR or Liquidity Coverage Ratio is a new liquidity standard introduced by the Basel Committee. This standard is built on the methodologies of traditional liquidity coverage ratio used by banks to assess exposure to contingent liquidity events. LCR aims to ensure that a bank maintains an adequate level of unencumbered, high-quality liquid assets that can be converted into cash to meet its liquidity needs for 30 calendar days. LCR goes beyond measuring the need for liquid assets over the next 30 days in a normal environment. It measures the need for liquid assets in a stressed environment, in which deposits and other sources of funds (both unsecured and secured) run off, to various extents, and unused credit facilities are also drawn down in various magnitudes.</p>



	<p>b) Net Stable Funding Ratio (NSFR): NSFR or Net Stable Funding Ratio is another new standard introduced by the Basel Committee.</p> <p>The NSFR aims to limit over-reliance on short-term wholesale funding during times of abundant market liquidity and encourage better assessment of liquidity risk across all on- and off-balance sheet items. The minimum acceptable value of this ratio is 100 percent, indicating that Available Stable Funding (ASF) should be at least equal to Required Stable Funding (RSF). ASF consists of various kinds of liabilities and capital with percentage weights attached given their perceived stability. RSF consists of assets and off-balance sheet items, also with percentage weights attached given the degree to which they are illiquid or “long-term” and therefore requires stable funding. The time horizon of the NSFR is one year. Like the LCR, the NSFR calculations assume a stressed environment.</p> <p>c) In addition to the above, the following tools measures have been put in place to monitor the liquidity risk management position of the Bank on a continued manner:</p> <ul style="list-style-type: none"> <li>• Asset-Liability Maturity Analysis (Liquidity profile);</li> <li>• Whole sale borrowing capacity;</li> <li>• Maximum Cumulative Outflow (MCO);</li> <li>• Cash Reserve Ratio (CRR);</li> <li>• Statuary Liquidity Ratio (SLR);</li> <li>• Advance Deposit Ratio (ADR);</li> <li>• Undrawn Commitment Limit;</li> <li>• Liquid Assets to total Deposit; and</li> <li>• Liquid Assets to Short Term Liabilities.</li> </ul>
iii) Liquidity Risk Management System	<p>The Board of Directors of the Bank set policy and different liquidity ratio limits for liquidity risk management. Asset and Liability Management Committee (ALCO) is responsible for both statutory and prudential liquidity management. Ongoing liquidity management is discussed as a regular agenda of ALCO meeting, which takes place on a monthly basis. The ALCO of the Bank monitors &amp; manages liquidity and interest rate risk in line with the business strategy.</p> <p>At the ALCO meeting, Bank’s liquidity position, limit utilization, changes in exposure and liquidity policy compliance are presented to the committee. Asset Liability Management Desk closely monitors and controls liquidity requirements on a daily basis. ALM activity including liquidity analysis &amp; management is conducted through coordination between various ALCO support groups residing in the functional areas of balance sheet management.</p>
iv) Policies and Processes for mitigating liquidity risk	<p>Liquidity Risk Management is guided by Asset Liability Management Policy of the Bank. Liquidity risk management and Liquidity Contingency Plan are the two major aspects in the ALM policy. Bank has Asset Liability Management Committee (ALCO) to monitor the liquidity risk on a regular basis. Based on the detail recommendation from ALM desk, ALCO take appropriate action to manage the liquidity risk.</p>

## Quantitative Disclosures

	<p>The liquidity ratios &amp; indicators as on 31st December 2021 were represent below:</p> <p style="text-align: right;">BDT in Million</p> <table> <tr> <th>Particulars</th><th>Amount</th></tr> <tr> <td>Liquidity Coverage Ratio (LCR) [%]</td><td>175.33%</td></tr> <tr> <td>Net Stable Funding Ratio (NSFR) [%]</td><td>111.29%</td></tr> <tr> <td>Stock of High Quality Liquid Assets (SHQLA) [Million]</td><td>12,819.63</td></tr> <tr> <td>Total net cash outflows over the next 30 calendar days [Million]</td><td>7,311.71</td></tr> <tr> <td>Available amount of stable funding [Million]</td><td>62,317.72</td></tr> <tr> <td>Required Stable Funding (RSF) [Million]</td><td>55,996.52</td></tr> </table>	Particulars	Amount	Liquidity Coverage Ratio (LCR) [%]	175.33%	Net Stable Funding Ratio (NSFR) [%]	111.29%	Stock of High Quality Liquid Assets (SHQLA) [Million]	12,819.63	Total net cash outflows over the next 30 calendar days [Million]	7,311.71	Available amount of stable funding [Million]	62,317.72	Required Stable Funding (RSF) [Million]	55,996.52
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Required Stable Funding (RSF) [Million]	55,996.52														

## J) Leverage Ratio

### Qualitative Disclosures

i) Views of Board of Directors on system to reduce excessive leverage	<p>In order to avoid building-up of an excessive on- and off-balance sheet leverage in the banking system, a simple, transparent and non-risk based leverage ratio has been introduced under the Base III framework. Board of Directors of our Bank continuously monitoring the exposure limit of lending, capital strength of our Bank in order to avoid building-up excessive on- and off-balance sheet leverage.</p> <p>Besides, Board Risk Management Committee (BRMC) also reviews the leverage ratio and other liquidity position/ratios while reviewing the comprehensive risk management report on time to time basis.</p>
ii) Policies and processes for managing excessive on and off-balance sheet leverage	<p>The Leverage Ratio is intended to achieve the following objectives:</p> <p>a) Constrain the build-up of leverage in the banking sector which could damage the broader financial system and the economy</p> <p>b) Reinforce the risk based requirements with any easy-to-understand and non-risk based measure.</p> <p>A minimum Tier 1 leverage ratio of 3% is being prescribed by Bangladesh Bank both at solo and consolidated level.</p> <p>In view of the impact of leverage into the business, our Bank Management takes decision about future investment. Considering the financial strength, the bank also prepares capital planning and business budget to go on a right way.</p>
iii) Approach for calculating exposure	<p>Community Bank meticulously maintain leverage ratio well above the BB minimum requirement. CBBL follows the approach mentioned in the revised RBCA for calculating exposure of the Bank. The exposure measure for the leverage ratio generally follows the accounting measure of exposure. The calculation of leverage ratio at the end of each calendar quarter is required to submit to BB based on the following definition of capital and total exposure:</p> $\text{Leverage Ratio (LR)} = \frac{\text{Tier 1 Capital (after related adjustment)}}{\text{Total Exposure (after related deductions)}} \geq 3\%$

### Quantitative Disclosures

	BDT in Million		
	Particulars	Solo	Consolidated
	Leverage Ratio (%)	6.68%	6.69%
	On balance sheet exposure	68,346.45	68,299.68
	Off balance sheet exposure	1,488.33	1,488.33
	Less: Regulatory adjustment	159.00	159.00
	<b>Total exposure</b>	<b>69,675.78</b>	<b>69,629.01</b>

## K) Remuneration

### Qualitative Disclosures

a)	Information relating to the bodies that oversee remuneration:	
i)	Name of the bodies that oversee remuneration	<p>Community Bank's HR Policy &amp; Practices focus to attract, retain and motivate top talents to meet its sustainable growth. The Community Bank Bangladesh Ltd. has a competitive compensation and benefits system that helps to ensure pay equity, is linked with performance and affordability. The compensation and benefits have set through market and peer group comparison. The Board of Directors of the Bank approved the remuneration policy recommended by senior management. Though the Bank has no permanent external consultant for managing remuneration but expert opinion may have been sought by management in case to case basis.</p> <p>The Human Resources Division comprises of executives and officers including Divisional Head. Human Resources Division (HRD) along with Chief Financial Officer of the Bank oversees the remuneration. The Board of Directors of the Bank approves remuneration policy and other policies time to time.</p> <p>Presently Community Bank Bangladesh Ltd. does not have any separate body or external consultant to oversee remuneration.</p> <p>Scope of the CBBL Remuneration Policy:</p> <p>Policy applies to all the permanent employees of the Bank. Additionally, separate compensation and benefit package is usually approved for temporary and casual staff on case to case basis. Any other benefit is guided by the contract agreement with individual employees.</p> <p>The senior management team, branch managers and the employees engaged in different functional division at head office, branches and units (except the employees involve in internal control &amp; compliances and risk management) are considered as material risk taker of the Bank.</p>
ii)	Composition of the main body overseeing remuneration	
iii)	Mandate of the main body overseeing remuneration	
iv)	External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process	
v)	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	
vi)	A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group	
b)	Information relating to the design and structure of remuneration processes:	
i)	An overview of the key features and objectives of remuneration policy	<p>Community Bank aims to create a performance based compensation plan in order to attract and retain its talent. As a part of employee motivation through monetary incentive, the management has already introduced performance based increment and benefit plan. Bank's Performance, Team Performance and Individual employee Performance will be taken into consideration. The remuneration policy is designated to establish pay structure based on performance, skills and competencies.</p> <p>Salary Structure:</p> <p>(i) Basic (ii) House Rent (iii) Medical (iv) Conveyance (v) Leave Fare Assistance (vi) Other Benefits (such as car, furniture, telephone etc.)</p> <p>Remuneration structure of the Bank is reviewed as and when management deem appropriate to allow for adjustments in the cost of living and market forces pertaining to the banking industry. HR Division initiates the process, makes proposal to Board for approval.</p>
ii)	Whether the remuneration committee reviewed the bank's remuneration policy during the past year, and if so, an overview of any changes that was made	
iii)	A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee	

c)	Description of the ways in which current and future risks are taken into account in the remuneration processes:	
	i) An overview of the key risks that the bank takes into account when implementing remuneration measures	<p>Bank takes into account the following key risks when managing and determining remuneration:</p> <p>i) Financial Risk; ii) Operational Risk; iii) Compliance risk</p> <p>In addition, Bank also has taken consideration when implementing remuneration such as turnover rate, attract &amp; retain the experienced &amp; productive officials, general inflation and peer banks comparison.</p>
	ii) An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure.	Both financial and non-financial measures are considered to take account of these risk. The management proposes competitive remuneration and other non-financial benefits like promotion, training etc. so that employees turnover ratio can be kept under tolerable limit. Sometimes few issues are difficult to measure relating to employees e.g. value, creativity, helpfulness to customers, commitment risk etc. In such cases, management applies qualitative judgment for determining the remuneration.
	iii) A discussion of the ways in which these measures affect remuneration	<p>While evaluating the performance of each employee annually, all financial and non-financial indicators as per pre-determined objectives are considered and accordingly the result of the performance varies from one to another and thus affect the remuneration as well.</p> <p>The Bank has introduced the following categories of evaluation for remuneration:</p> <ul style="list-style-type: none"> <li>• Evaluation of Bank's performance,</li> <li>• Evaluation of Team performance;</li> <li>• Evaluation of individual employee performance, and</li> <li>• Evaluation of values &amp; discipline.</li> </ul>
	iv) A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration	No material change has been made during the year 2021.
d)	Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration:	
	i) An overview of main performance metrics for bank, top-level business lines and individuals	The Bank sets the Key Performance Indicators (KPIs) while approving the business target/ budget for each year. The management sets the appropriate tools, techniques and strategic planning (with due concurrence/ approval of the Board) towards achieving those targets. The most common KPIs are the achievement of loan, deposit and profit target with the threshold of NPL ratio, cost income ratio, cost of fund, NIM, yield on loans, provision coverage ratio, capital to risk weighted asset ratio (CRAR), ROE, ROA, liquidity position (maintenance of CRR and SLR) etc.
	ii) A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance	The remuneration of each employee is paid based on her/his individual performance, team performance, Bank performance & cost of living adjustment. And, accordingly, the aggregate amount of remuneration of the Bank as a whole is linked/ impacted to the same extent
	iii) A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak. This should include the bank's criteria for determining "weak" performance metrics	The Bank follows remuneration process as per set criteria with no in general adjustment in the event of weak performance metrics.

e)	Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance:	
i)	A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance	CBBL believes that the individual and team performance should be regularly appreciated and recognized so as to keep our employees motivated to give their best efforts. The Bank has already introduced the value of longer term variable part of remuneration i.e. the amount of provident fund made provision on aggregate/ individual employee basis; actual payment is made upon retirement, resignation etc. as the case may be, as per rule. The gratuity fund is also approved by the Board of Directors, for implementation from 2021.
ii)	A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements	The Bank provides Provident Fund contribution and Gratuity Fund contribution for the employees as deferred payment. The Bank does not provide any deferred variable remuneration.
f)	Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms:	
i)	An overview of the forms of variable remuneration offered (i.e. cash, shares and share-linked instruments and other forms. A description of the elements corresponding to other forms of variable remuneration (if any) should be provided	<p>Bank recognizes the effort and performance of its employees based on its Compensation and Benefit policy which consist of base salary and different benefit packages mentioned earlier. The Bank is also paying variable remuneration on case to case basis on the basis of achieving monthly KPI.</p> <p>A summary of Short-term and Long-term compensation plan are as follows:</p> <p><b>i. Short term incentive or reward</b></p> <ul style="list-style-type: none"> <li>• Yearly increment</li> <li>• Business accomplishment financial award</li> <li>• Non-Cash form such as accelerate promotion, award &amp; certification, training etc.</li> </ul> <p><b>ii. Long term service benefits</b></p> <ul style="list-style-type: none"> <li>• Provident fund</li> <li>• Gratuity</li> <li>• Employee house building loan with simple interest rate</li> <li>• Leave encashment</li> </ul>
ii)	A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description of the factors that determine the mix and their relative importance	As a part of employee motivation through monetary incentive, the management is planning to introduce KPI based performance bonus system to the employees.



## Quantitative Disclosures

g)	Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member	Meeting regarding overseeing the remuneration was held on need basis.	
h)	i) Number of employees having received a variable remuneration award during the financial year	Not Applicable	
	ii) Number and total amount of guaranteed bonuses awarded during the financial year	The number of festival bonus disbursed to the employees during the year 2021 was equivalent to two basic salary and the total amount in Taka was Tk. 38,896,100.00	
	iii) Number and total amount of sign-on awards made during the financial year	Nil	
	iv) Number and total amount of severance payments made during the financial year	Nil	
i)	i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms	Nil	
	ii) Total amount of deferred remuneration paid out in the financial year	Nil	
j)	Breakdown of amount of remuneration awards for the financial year to show:	i) Fixed and variable remuneration paid in 2021 were as follows:	
		BDT in Million	
		Particulars	Amount
		Salary	322.03
		Festival Bonus	38.90
		PF contribution	40.20
		Total	401.13
		ii) Deferred and non-deferred (paid during the year)	
		BDT in million	
		Particulars	Amount
Deferred	-		
Non-deferred	-		
iii) Different forms used (cash, shares and share-linked instruments, other forms).			
• Remuneration is paid on cash basis (i.e. direct credit to the employee Bank account and/or Payment Order/ Cheque), as the case may be, as per rule/ practice.			
k)	Quantitative information about 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: Not Applicable		
	i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments		Not Applicable
	ii) Total amount of reductions during the financial year due to ex post explicit adjustments		Not Applicable.
	iii) Total amount of reductions during the financial year due to ex post implicit adjustments		Not Applicable

# A+

## CREDIT RATING

Long Term	A+
Short Term	ST-2
Outlook	Stable

Valid From	March 18, 2022
Valid Till	March 17, 2023

Emerging Credit Rating Limited affirms the entity rating of Community Bank Bangladesh Limited as “A+” in long term and “ST-2” in short term with “Stable Outlook”. The rating has been awarded on the basis of an in-depth analysis of the Bank.



**Community Bank**

• Trust • Security • Progress

# সরকারী কর্মকর্তা-কর্মচারীদের গৃহ নির্মাণ ঋণ

- একক আবাসিক বাড়ি নির্মাণ
- গ্রুপভিত্তিক জমি ক্রয়সহ আবাসিক বাড়ি নির্মাণ
- জমিসহ তৈরি বাড়ি ক্রয়ের জন্য একক ঋণ
- রেডি ফ্ল্যাট ক্রয়



কমিউনিটি ব্যাংক, বাংলাদেশ সরকার ঘোষিত  
সরকারী কর্মকর্তা-কর্মচারীদের জন্য  
গৃহ নির্মাণ ঋণ প্রদান করার জন্য তালিকাভুক্ত ব্যাংক।

স্বল্প সুদের এ গৃহ নির্মাণ ঋণের প্রয়োজনে  
ব্যাংকের শাখা/সার্ভিস ডেস্ক এ যোগাযোগ করুন।



# Green Banking and Sustainable Finance

## Introduction

Climate Change is deemed to be one of the major threats in today's world. Due to unusual weather pattern and rising pollution, society demands that business also take responsibility in safeguarding the environment. Banks also can't ignore the responsibility to balance sustainable economic development with environmental protection. So, they have to earn profit in such a way that does not jeopardize the wellbeing of the Community and sustainability of the environment.

Green Banking is also known as Socially Responsible Banking or Sustainable Banking. Green Banking can be defined as the financial services to support the activities that are not hazardous to the community and the environment. So, the broad objectives of the Green Banks are to use their resources giving priority to environment and community.

Bangladesh Bank (BB) has already issued circulars to the banks to have their own Green Banking Policy, CSR Policy, Environmental & Social Risk Management (ESRM) Policy and other relevant policies. In line with that, Community Bank formulated relevant policies and offers sustainable green financing solutions.

## CBBL Strategic Focus of Green Banking

### Going Green

Our green banking initiatives includes online and paperless banking, reducing greenhouse gas emission in its activities, using energy efficiently, financing sustainable projects and planting trees, etc.

### Financial Inclusion

One of the strategic priorities of our Bank is to promote financial inclusion through its deposit services, agricultural credit program, financing in SME sectors and solar projects, preferably through NGO-MFI partners.

### Giving Back to the Community

Community Bank believes in giving back to the Community through supporting and promoting education, community health, disaster management, clean environment, sports, art, culture etc.

### Customer Happiness

Community Bank is committed to achieving higher customer satisfaction and loyalty through ensuring quality service and involving itself more on Community-focused activities including Green Banking initiatives, CSR activities etc.

## Green Initiatives of CBBL: At A Glance

- Sustainable and Green Financing on Green Projects
- Digital Banking (Online and SMS Banking, Community Cash App, E-statement, E-fund transfer)

- Establishment of 168 nos. of Automated Teller Machines
- Paperless Banking and reduction of physical footfall
- Introduction of Loan Management System (LMS)
- Introduction of Fixed Asset Management System and Inventory Management System
- Formulation of Green Banking Policy of CBBL
- Video Conferencing and online meeting through Cisco Webex App
- Online Training through Learning Management System
- Leave Management System
- Usage of daylight on Head Office and reduction of electricity consumption
- Formulation of ESRM Policy of CBBL and compliance of ESDD checklist in Business proposals if required.

## Upcoming Green Planning of CBBL: At A Glance

- Water Efficiency and Waste Management
- Compliance with Environmental Laws and Regulations
- Green Banking Training and Development Programs
- Attending on Refinance Scheme on Green Transformation Fund (GTF)
- Reduction of Carbon Footprint
- Establishment of Green Branches with Green Technologies

## Sustainable & Green Finance

'Sustainable Finance' is a kind of finance with special focus on environmental, ecological and social factors, targeting conservation of nature and natural resources. It also includes the awareness creation and promotion of environment-friendly banking and selection of borrowers in such a way that a bank can contribute in the Sustainable Development Goals (SDGs) to eradicate poverty, protect the environment and ensure the peace and prosperity of all of our Community. There are 68 nos. of Green Finance products under Sustainable Finance Policy, as per SFD Circular No. 05 dated December 30, 2020 of Bangladesh Bank.

Complying with Bangladesh Bank's policy, Community Bank adopted Green Banking practices and activities from the very beginning of its journey which are the key areas of Sustainable Finance. Community Bank is committed towards establishing Sustainable Finance in the Community through integrating sustainability factors, i.e. environmental, social and economic considerations into our core banking activities and services.

In 2021, we have successfully achieved the disbursement target set by Bangladesh Bank for Sustainable Finance and Green Finance. We have disbursed BDT135 Crore in Sustainable Finance against set target of Bangladesh Bank for BDT105 Crore i.e. 129% achievement in 2021. We have disbursed BDT30 Crore in Green Finance against set target by Bangladesh Bank for BDT15 Crore i.e. 200% achievement in 2021.

We are committed to be profitable and sustainable in doing business following the environmental and social risk management guidelines of Bangladesh Bank.

### **Agri Finance**

Agricultural financing refers to the credit facilities allowed to the people engaged in farming, fishing, forestry or livestock. We provide Credit facilities to the people directly engaged in farming, fishing, forestry or livestock & other agricultural work. We also finance to the MFI/NGOs linkage to facilitate micro credit to the people engaged in the agriculture sectors as well as in poverty alleviation.

In FY 2020-21, we have successfully achieved the disbursement target of Bangladesh Bank for Agri Finance. We have disbursed BDT 25.07 Crore in Agri Finance against set target of BB for BDT 7 crore i.e. 358% achievement in FY 2020-21. It is mentionable here that we have disbursed BDT 35 Crore in Agri Finance so far (as on 31.12.2021) against set target of BDT 55 Crore for FY 2021-22.

### **Conclusion**

Community Bank is confident of reinforcing its green and environment-friendly portfolio and become a more sustainable bank for upcoming future with international standards and practices, while contributing to the community of the country.



# Human Resources Management and Development

Community Bank considers its human resources as the most important asset. Since inception, the Bank is recruiting the best professionals and implementing programs to develop and retain high quality employees for facing challenges of 21st Century and achieve vision of the bank. The bank is making equal opportunity for new talents in its process of recruitment and selection. The bank also arranges need based training, workshop and seminar to make its employees skilled and competent which will help the bank to achieve sustainable development.

Some Key Aspects of Human Resources Management are presented below:

## Employment:

Community bank is an equal opportunity employer and our recruitment process is designed to attract and hire people having positive boldness and enthusiasm to enrich them along with the organization. The main goal of the recruitment is to attract staff members of the highest caliber appropriate to job requirements under employment terms and conditions. Bank never allow any discrimination on grounds of gender, religions, caste or creed. Some key features of our recruitment process are:

- To make equal opportunity for all concerned.
- All of our employment opportunities are circulated through daily newspaper, online job portals, Bank website as well as social media to ensure proper transparency in our recruitment process.
- The interview panel for the recruitments are formed by the members from academicians of leading public universities, professionals and member from senior management team.
- At present total 94 female employees are working in different functions according to their capacities which is approximately 20% of our total employee size.
- Apart from that to ensure gender and religious diversity we have also employed tribal people.

## HR Philosophy:

Our Human Resource Management slogan is "Take Care of the Best, Be Fair to the Rest". We meticulously follow the 4 pillars namely:

- Meritocracy
- Transparency
- Equity
- Accountability

Our HR policies & procedures has been prepared & implemented based on the above four pillars.

	As on December 31, 2021	As on December 31, 2020
Total Manpower	479	461
Permanent Employee	308	309
Contractual Employee	171	152
Executives (AVP and Above)	38	42
Officer Level	270	266
Total Male Employee	385	372
Total Female Employee	94	89
Male-Female Ratio	80:20	81:19

## Training and Development:

In today's competitive era of banking environment Training plays an important role in Human Resources Development. In order to ensure that our employees are equipped with the right kind of skills, knowledge and abilities to perform their assigned tasks and ensuring the growth and success of our bank, the Bank established bank's own training institute in the prestigious area of the city at its Head office, Gulshan, Dhaka in 2021.

In 2021 considering 'Covid-19' pandemic situation, the bank organized both online and on campus training courses for employees to continue their professional education and skills development throughout the year round. Foundation training course for 1st Batch Management Trainees was organized in 2021. In total 29 (online & on campus) training programs were organized on major operational banking areas like AML & CFT, General Banking Operations, Credit Risk Management, ISS Reporting, Retail Credit Management, Compliance Issues etc.

A Summarized Table of Training Programs organized in 2021 is presented below:

Total Training Programs	Total Participants	Total Man-days	Total Man-hours
29	929	1,419	10,912

## Digital Banking & ICT Update 2021

In 2021, Community Bank has proved as one of the digital savvy Bank in Bangladesh, where more than 99% of transactions are happening through its digital channel. Since inception in 2019, Bank has implemented the state-of-the-art solutions like Finacle CBS, Community Cash Mobile apps, ATM networks and satellite solutions. For the exceptional achievement of implementing Finacle CBS in just 48 days, and also embedding the digital channels from the beginning had become exceptional in the industry and also was awarded as the winner in “Transformation Excellence” category of globally acclaimed Infosys-Finacle Client Innovation Awards 2020. In continuation of previous year, in 2021, Bank has

taken lots of digital initiatives like integration with bKash, Nagad, and other services. As a recognition of the Bank’s continuous improvements, this year again Infosys Finacle, part of EdgeVerve Systems, a product subsidiary of Infosys, recognized Community Bank Bangladesh Limited as Winner of the annual Infosys Finacle Innovation Awards 2021 in 03 different categories among 270 nominations in ten award categories submitted from across the world; which is unprecedented in the banking industry in Bangladesh.



No other Banks in Bangladesh received these types of recognitions from Infosys, and very few in the world have won more than one award in the same year.

Bank has received the winning award in the following three (03) categories:

Award Category	Name of Bank/NBFI	Status
Ecosystem-led Innovation	<b>Community Bank Bangladesh Limited</b>	<b>Winner</b>
	Australian Military Bank	Runners up
	Paytm Payments Bank	
Channel Innovation	<b>Community Bank Bangladesh Limited</b>	<b>Winner</b>
	The Cosmos Co-operative Bank Ltd	Runners up
COVID Response Innovation	<b>Community Bank Bangladesh Limited</b>	<b>Winner</b>
	Golomt Bank LLC	
	Chaitanya Godavari Grameena Bank	Runners up
	The Cosmos Co-operative Bank Ltd	



## Channel Innovation

To establish an effective Banking payment system, Bank had first established direct communication and connectivity with all the customers across the country through manned service desks, who initially were tasked with onboarding the payroll customers, collecting service requests and also provide primary

services and queries from their desks. Gradually, Bank also installed own ATMs along with every service desks and connected with two large ATM networks (NPSB and Q-Cash) to maximize mobility of the cash withdrawal facility. Already, Bank has reached at all 64 Districts through ATM & Service Desks at 102 locations at 64 Districts.

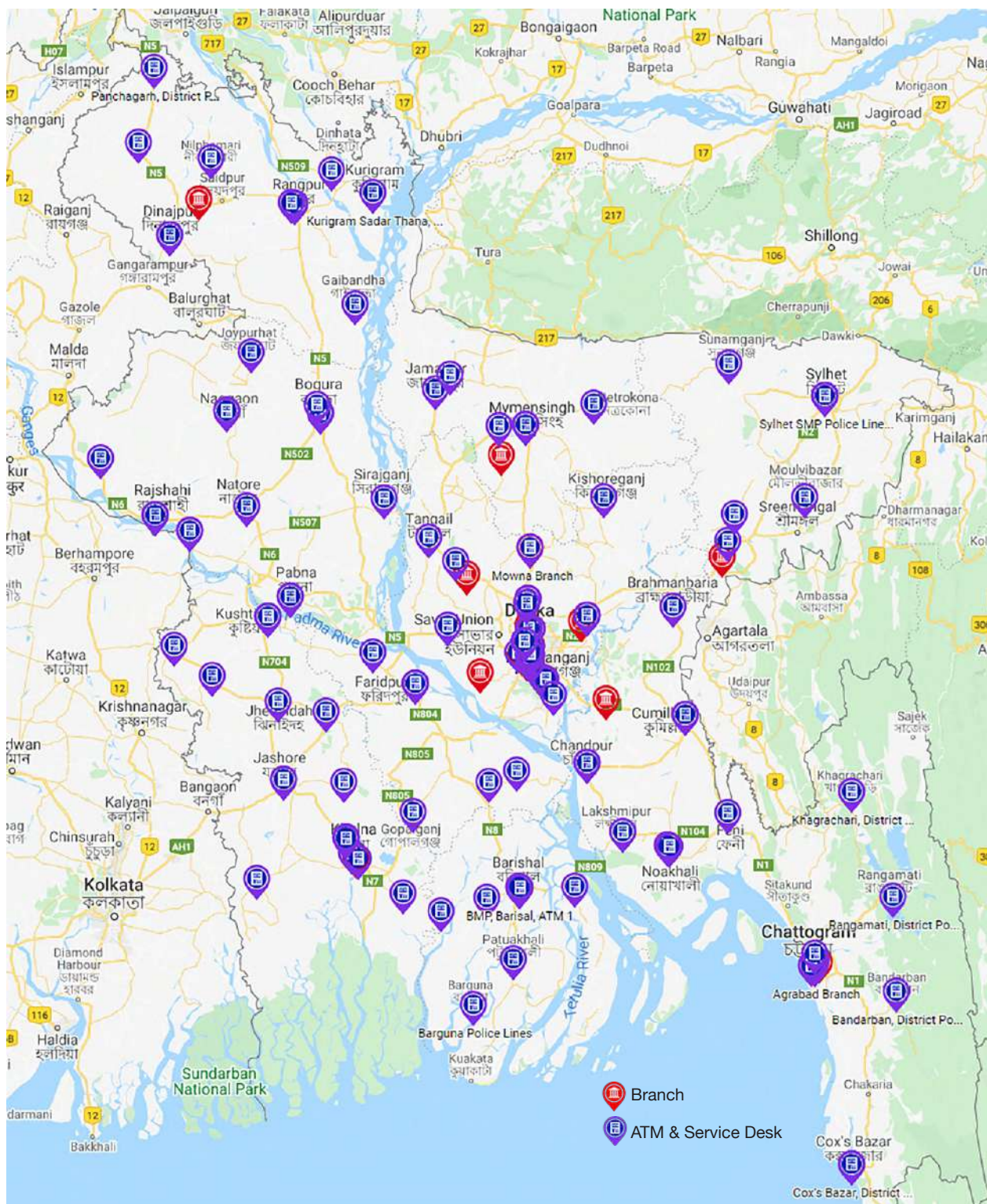
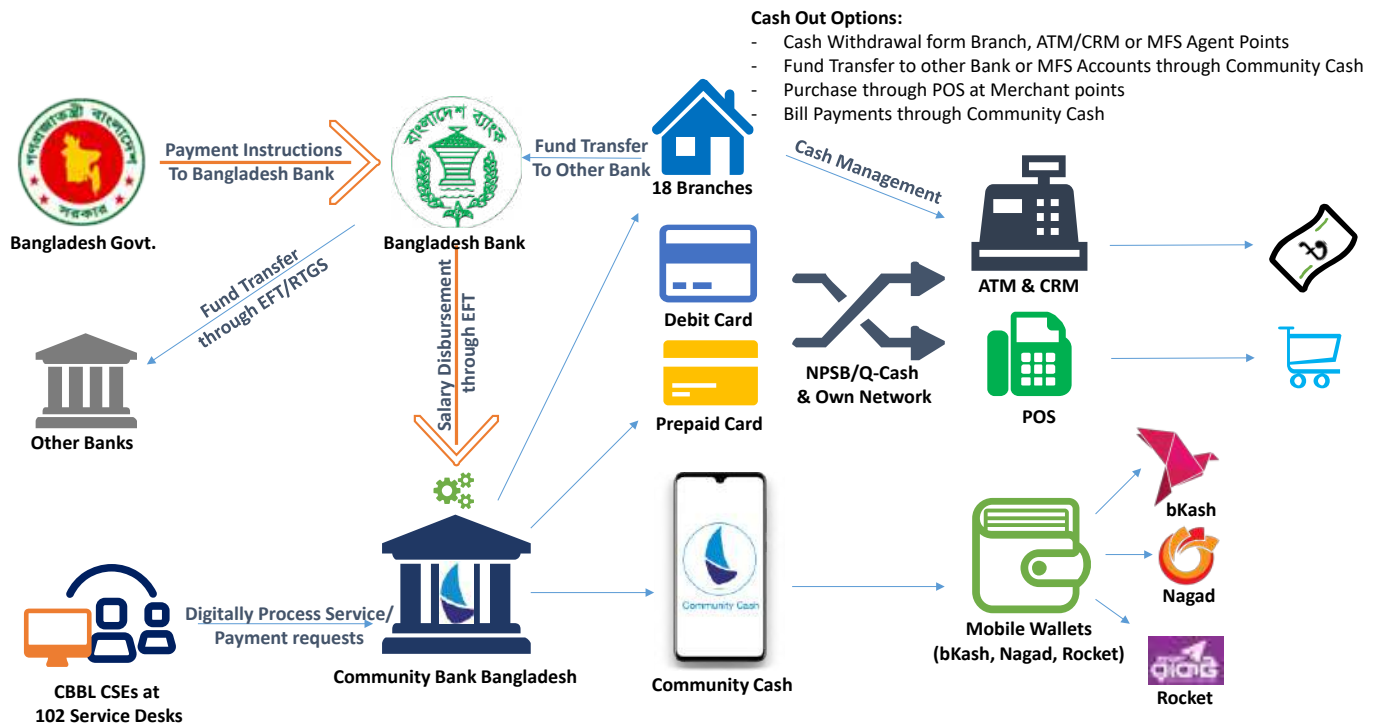


Figure: Branch, ATM & Service Desk Network

## Ecosystem-led Innovation

To enhance customer's experience to cash-out or sending money to their relatives anytime from anywhere of the country, Bank developed an Ecosystem by integrating with the biggest Mobile Financial Service (MFS) providers in Bangladesh, to directly send money to any wallets from "Community Cash", which has really helped Bank and its customers in fund

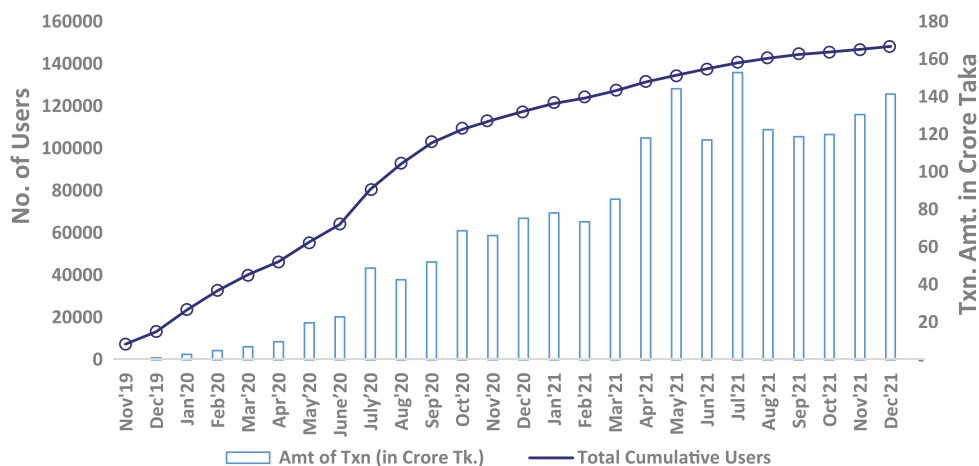
management. As few of the top MFSs in the country have already established numbers of agent points (1.06+ million) covering the remote locations across the country with more than 36.75+ million of active account/wallet holders, this Eco-System with these MFSs have enabled the Bank's customers to withdraw/send money from any of the agent points or the wallets of the relatives.



With these free digital transactions build up on the ecosystem, Community Bank wants to make banking as frictionless as possible for the unbanked and create a level playing field for all customers irrespective of their social and economic strata.

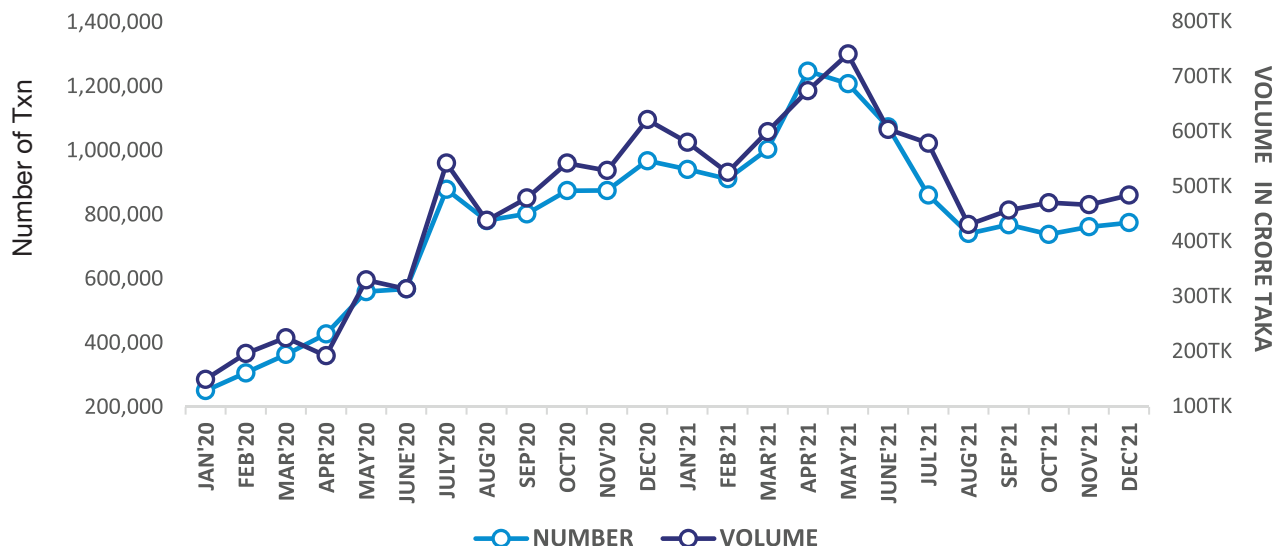
Though Bank had a lot of challenges to overcome as the newest (59th) Bank in the country, but at the same time had identified the need of the customers at the introductions of the new communication technology and reachability of internet to the mass people in the remote area. Hence, Bank gave huge importance to promote and popularize its Digital apps –“Community Cash”, “eLoan” and “Community Connect”. These apps are directly integrated with the Core Banking and other peripheral systems through a Middleware.

## COMMUNITY CASH USERS & TRANSACTIONS



Already 70%+ customers are actively using this channel for their regular banking needs, which has allowed Bank to provide timely service.

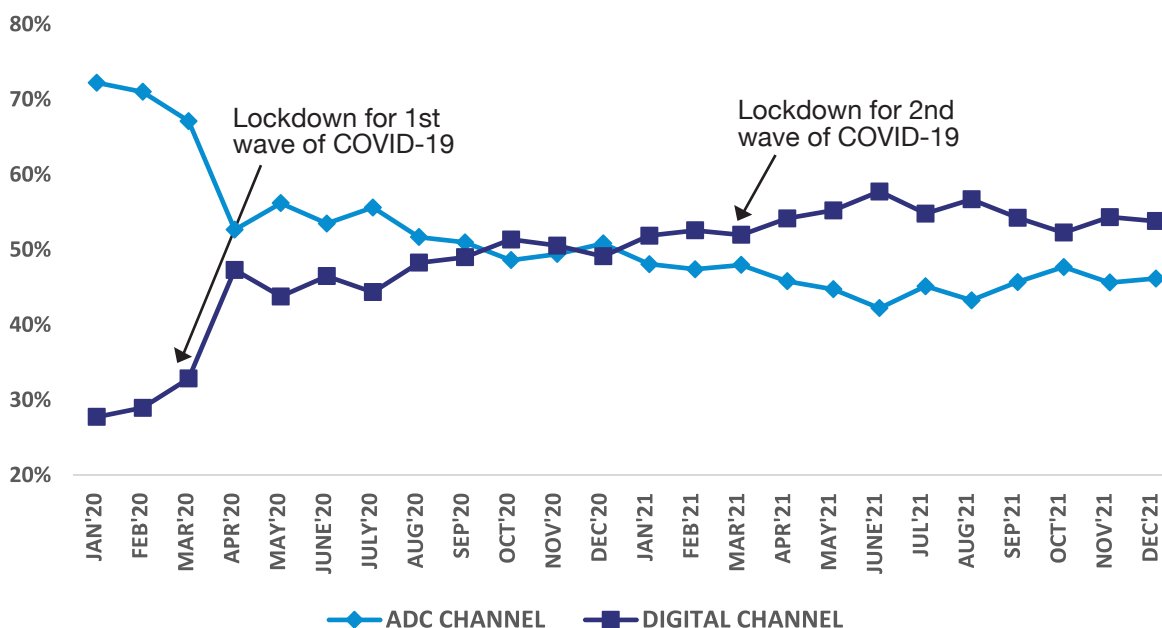
## OVERALL TRANSACTIONS IN BOTH ADC & DIGITAL CHANNELS



### COVID Response Innovation

During COVID lockdown, Community Bank Bangladesh with the help of an ecosystem for cashless transactions, and as a result Bank integrated its Core Applications with other MFS for real-time fund transfers; and the effect was immediately observed during the lockdown due to 1st wave of Covid-19 spread in the country– transaction drastically shifted from 32% to 47% through digital banking system. Again during the lockdown of the 2nd wave, this further rises up from 51% to 57%.

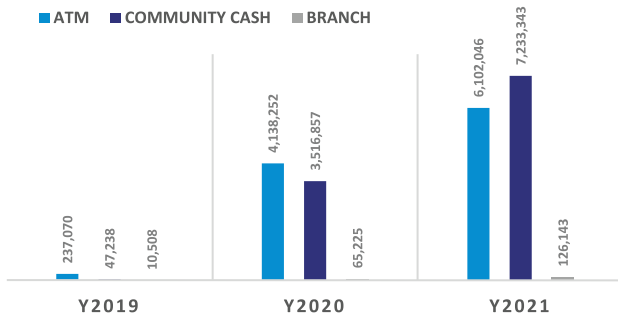
## TRANSACTIONS IN ADC & DIGITAL CHANNELS



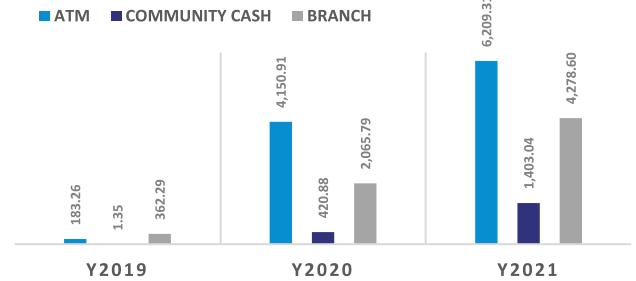
**Transaction Statistics:** During the pandemic, this payment system has helped Bank to shift the ATM channel's 30% traffic to Digital Banking platform, which is 19% in volume. This shift in digital channel has not only helped customers to perform cashless transactions without any physical movement, but also helped Bank to reduce extensive cash management operations during the lockdown.



## NO. OF TRANSACTIONS

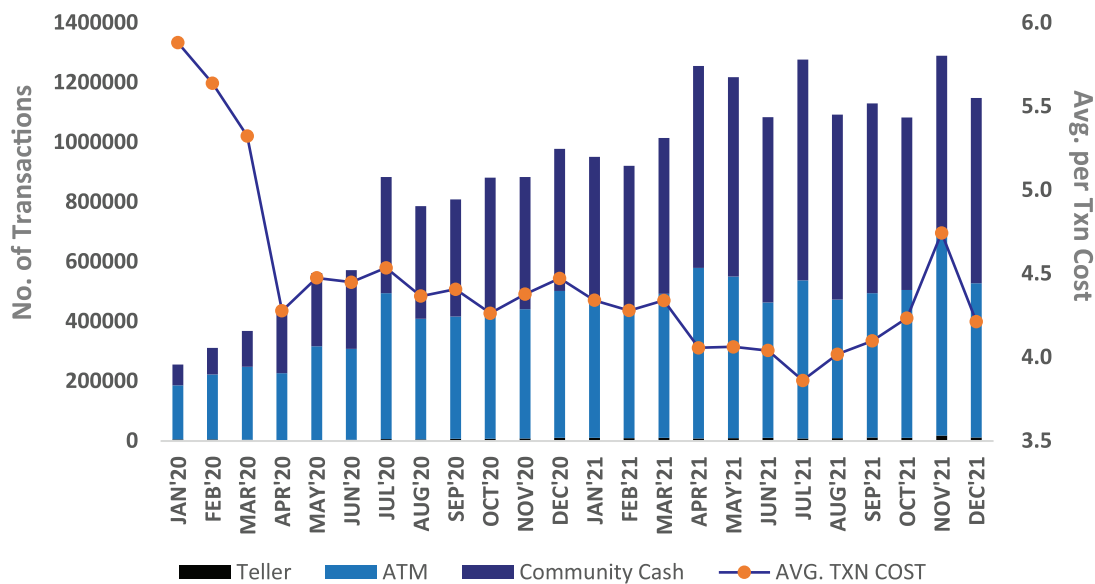


## VOLUME (IN CRORE TAKA) OF TRANSACTIONS



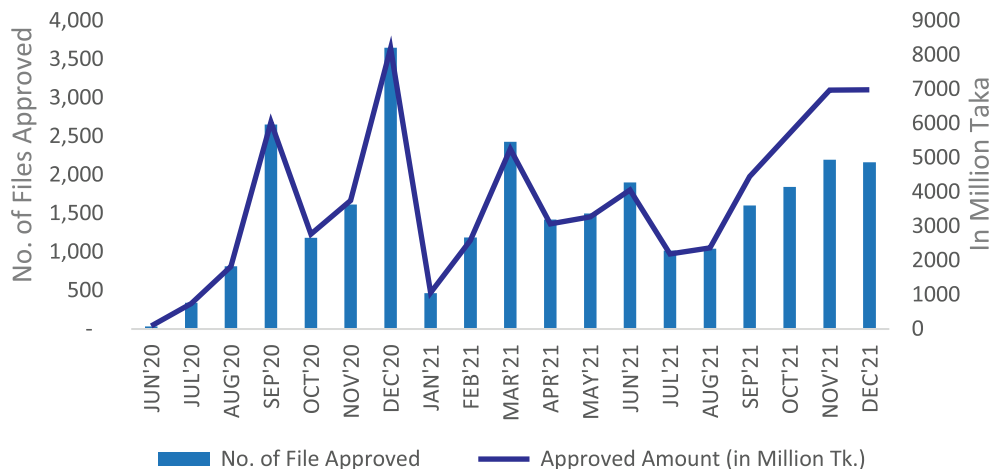
Community Bank has also been recognized for its innovation and application of some initiatives, which helps the Bank grow and also reach-out to customers with its diversified products and services.

## NO OF TRANSACTIONS VS AVG. TXN. COST



**Retail Loan Management System (RLMS):** With introduction of RLMS integrated with the other systems have helped Bank to digitally collect, analyze and process the retail loan applications from across the 102 service desks and 18 branches, anywhere-anytime.

## RETAIL LOAN APPROVED



**Fast Payment:** With the introduction of Fast Payment Solution directly integrated with both Core Banking Application, and Bangladesh Bank Payment Systems; Bank now can process and disburse 1lac+ payroll transactions in just 20 minutes, and has not capability of handling 3 million+ payroll transactions in a single day.

Community Bank Bangladesh Limited has also given focus on introduction of new products and services while ensuring compliance, security, and reliability. During the pandemic in 2021, Community Bank has completed several projects towards its goal to provide more services through digital channel.

**Linked Account Service with bKash:** Community Bank was the fastest private commercial Bank to integrate with the most renowned Mobile Financial Service Provider – bKash with its linked account service, which now allows Community Bank account holders to both add money from its account and transfer money to its account from bKash application in a secured way.

**Launching of Credit Card and Payment of Bills anytime-anywhere:** Bank has also launched **VISA Credit Card** and is receiving exception response from the market. Currently, customer has the option to choose from the following categories:

1. VISA Platinum
2. VISA Gold
3. VISA Silver

Simultaneously, Bank has also included card bill payments service in Community Cash, so cardholders can view the details and pay their bill anytime-anywhere without any hassle of physically coming to Branches.

**Establishment of own Disaster Recovery (DR) Site:**

Bank has established its own **DR site** at **Uttara, Dhaka;** to protect and ensure Banking services from an alternate site, at any moment whenever the situation demands.

**Central Surveillance System:** Bank has established **Central CCTV Monitoring System**, through which any incidents can be checked and monitored centrally. Data backup of video recordings are also being stored centrally.

These initiatives, integrations and developments are being managed and developed by the Banks strong core ICT team.

This transformations toward digital channel ensuring compliances and security, has helped Bank to reach to its customers, and as well provide services in real-time; and the transactions through Banking channel has also shifted from conventional Branch based banking towards modern Digital channel.

## Treasury Division

Treasury Division of Community Bank Bangladesh Limited consists of various activities with a developing and diversified asset characteristics from both Police Force and General Customers. With the rampant expansion of the Bank, Treasury Division is playing a pivotal role in its operations considering internal and external variables in competitive market. Treasury Division consists of four important desks - Investment & Govt. Securities Desk, Money Market Operation Desk, Foreign Exchange Operation Desk and ALM Desk are operating in full swing. Thus, wide variety of products and services with variant nature are dealt as the growing portfolio of the bank. The Treasury Division is also regarded as a Support Center, which generates income by trading instruments in the Financial and Capital Market and utilize and procure the Liquidity at the optimal level that assists generate more revenues. Treasury Division is constituted with three integral offices such as; Front, Mid and Back office as per regulatory requirements.

### Major Functions of Treasury Division:

- Liquidity Management
- Management of Statutory Requirements (CRR and SLR)
- Investment (Fixed Income, Capital Market and other Non-Listed Instruments)
- Trading of Forex & Money Market Instruments (Short-Term Markets)
- Asset Liability Management
- Risk Management

### Money Market

The Money Market states such an open market where banks and financial institutions play as intermediaries at over the counter (OTC) basis with having an age of less than a year. Interbank clean and collateral based (REPO) lending and also with the central bank by dint of REPO, ALS, Reverse Repo Auctions and Treasury Bills (91, 182 and 364 Days). During the year 2021 Treasury Division contributed making net revenue of Tk. 42.44 crore from Money Market Operations.

### Foreign Exchange

Foreign Exchange Market is known as the market in which currencies are traded. The Forex Market is expanding across the country due to extended business in home and abroad.

Trade is conducted over the counter (OTC). The International Forex Market is open 24 hours a day, five days a week, and these currencies are traded worldwide among the major financial centers of London, New York, Tokyo, Zurich, Frankfurt, Hong Kong, Singapore, Paris and Sydney.

During the year 2021 Treasury Division contributed making revenue of Tk. 0.64 crore from Foreign Exchange Operations.

## Investment Desk

### 1. Fixed Income Investment (Govt. Securities)

Fixed Income investment is such Treasury Instruments issued by Bangladesh Government that consist of fixed return/ coupon. Two types of instruments are there principally

- i) Bangladesh Government's Treasury Bond
- ii) Bangladesh Government's Treasury Bill

CBBL Treasury's Fixed Income Desk is an active player and participant in the fixed income and interbank repo/ reverse repo markets with a short-term and long-term horizon. The Bank also works as Primary Dealer (PD) in the auction. CBBL's Fixed Income Desk assists its individual and institutional clients in investing in fixed income securities that fit their long term goals in terms of yield, liquidity, and rating with the ultimate aim of building a well-diversified portfolio that can better sustain market volatility, thereby enhancing its overall performance. CBBL Treasury's Fixed Income Desk's main products are

- Tradable Securities issued by the Government include Treasury Bills (T- bills) of 91, 182, and 364-day maturities and Bangladesh Government Treasury Bonds (BGTB) of 2, 5, 10, 15, and 20-year maturities.
- On behalf of CBBL's customer, Treasury purchase or sell T-bill & T-Bond at a market based negotiable price which ensures their portfolio return and risk diversification.

During the year 2021 Treasury Division contributed making net revenue of Tk. 34.20 crore from Fixed Income (Govt. Securities) Investments.

### 2. Other Investments

Investment desk in Treasury Front Office operates within the policy frame approved by the Board of Directors of the Bank. The philosophy is to manage and maximize income within certain parameters and limits. It also includes use of effective duration, rate shock analysis, as well as total return to analyze and manage the investment portfolio and to determine the effect of movements on the yield and value of the bank's portfolio. Investment Desk operates within available investment opportunities in the country and abroad. The Desk keeps an eye on the market movement to reap on every opportunity and to get the best of every penny invested and maximize profit as well as shareholders value. Main Products are;

- i) Listed Securities (Tradable Shares and Securities etc.)
- ii) Non-listed securities (Sub Debt, Commercial Paper, Preference Shares etc.)

During the year 2021 Treasury Division contributed making revenue of Tk. 27.78 crore from Investments in Capital Market & others.

## Asset Liability Management Desk

Asset Liability Management is one of the major functions of Treasury Division. Community Bank Bangladesh Ltd. has a highly efficient ALM Desk, which is an independent unit within the Treasury Front Office. Objective of the desk is to ensure efficient allocation of fund within an acceptable, measurable and defined risk structure. The desk monitor & analyzes various cash flows, cash positions, balance sheet gaps, daily P&L, economic trends, investment options, arbitrage opportunities, future business growth and place the facts & findings before the ALCO. Regular ALCO meeting is conducted once in month but in case of urgent situation special meeting is arranged. The desk proposes balance sheet strategy to the management.

# Service Quality: Roadmap to ensure customer satisfaction, loyalty and commitment

Banking industry is a service oriented business in a highly competitive environment in today's world. To cope up with the high expectation from customers and to ensure quality service, it is pertinent to set methodology for measuring the quality of customer service. Bangladesh Bank also instructed all Scheduled Banks to develop their own board-approved methodology/formula regarding Methodology for Assessing Customer Service Delivery and Guidelines for Customer Services & Complaint Management. In this connection, to follow the guidelines of Bangladesh Bank, Marketing & Corporate Affairs Division of Community Bank developed the Guidelines and Methodology.

With a view to strengthening the corporate governance structure of Community Bank Bangladesh Limited and also to bring improvement in the quality of customer services of the bank Community Bank constitutes Customer Service & Complaints Management Cells.

## Customer Service & Complaints Management Cells

The institutional Frame Work is shown in diagram below



## Introducing Community Bank Customer Charter

Community Bank sees - a happy customer meets his financial needs through satisfactory services from us and gives us the opportunity to contribute in the national economy. With this vision, our Customer Charter provides brief information on various facilities or services provided to customers in ordinary course of business and highlight our commitments towards customer satisfaction and simultaneously ensure accountability and responsibility of its officials and staff.

## Compliant Management

With a view to safeguarding the interests of bank customers as well as fostering public confidence to the banking sector Community Bank introduced an effective complaint management System for addressing complaints of customers with specific emphasis on resolving such complaints fairly and expeditiously. The complaint management is a series of activities such as facilitating complaint lodgment, developing complaint

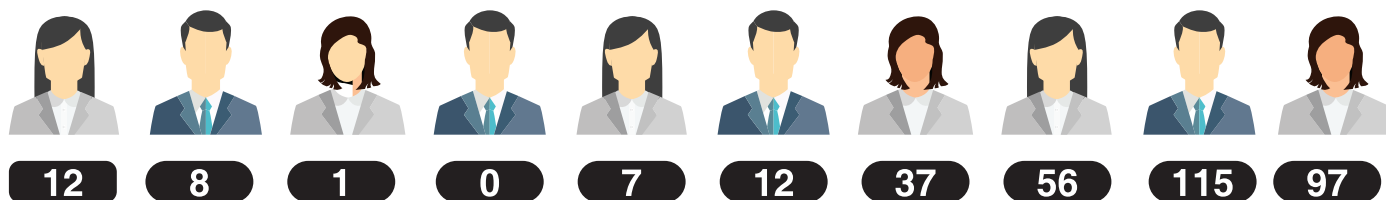
recording system, complaint resolution process, root cause analysis of the complaints raised and necessary policy formulation.

## Methodology to assess the quality of Customer Service

Community Bank is committed to deliver its innovative products and services conforming three basic pillars i.e. a) Compliance b) Service and c) Business. We believe, if the mentioned pillars are well calibrated it will ensure customer satisfaction and thus resulting in sustainable customer loyalty. Our promise is to provide quality customer service while ensuring highest corporate governance.

To maintain the desired customer service and to measure it, we follow the global rating system named NPS (Net Promoter Score). NPS is a customer loyalty metric that measures customers' willingness to not only return for another service but also make a recommendation to their family, friends, colleagues and/or peer groups.





## DETRACTORS

## PASSIVES

## PROMOTERS



**Detractors**

**40**

**11.6%**

**Total**

**Passives**

**93**

**26.9%**

**Promoters**

**212**

**61.5%**

**345**

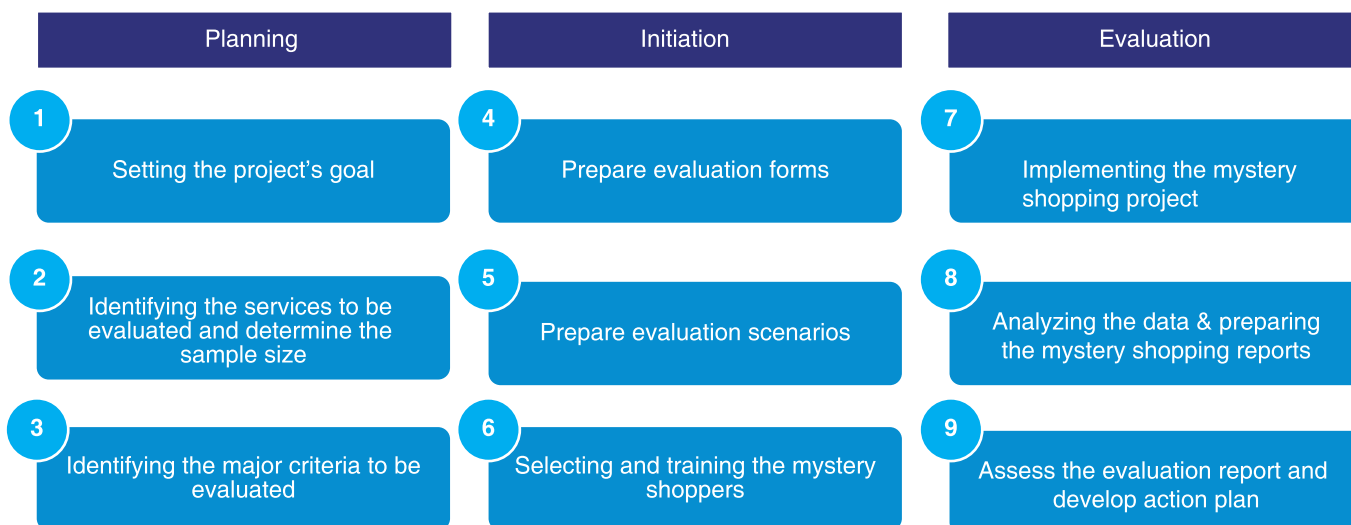
### Customer Satisfaction Score (C-SAT)

Customer Satisfaction, or CSAT, is a customer experience metric that measures happiness with a product, service, or support interaction through a customer satisfaction survey that asks: “How satisfied were you with [company]?” CSAT is short for customer satisfaction score. It’s a commonly used metric that acts as a key performance indicator for customer service and product quality in all kinds of businesses. While customer satisfaction as an idea is a general one, CSAT is a more defined metric that’s expressed as a percentage. 100% would be fantastic – 0% would be terrible.

### Mystery Shopping

Mystery shopping is an observational research methodology that involves the use of individuals trained or briefed to experience and measure quality compliance or any customer service process, by acting as potential or actual customers and in some way reporting on their experiences in a detailed and objective way.

Customers do not buy products or services—they buy results. In today’s world, the most important competitive advantage is service process performance for any successful business activity. Excellent service differentiates the company from its similar competitors, which is important to customers.



Community Bank  
Credit Card

QuickBuy

VISA



## LET IT BE A PART OF YOUR LIFE

The lowest cost card in the market

Community Bank brings you the lowest cost power packed Credit Cards to ensure the most secured and convenient transaction ever.

### FEATURES

- Lowest interest rate in the market
- Free supplementary card for life (for 1st Card)
- Lowest minimum monthly payment
- No annual fee for the first year
- Annual fee waived at 12 transactions per year
- Up to 45 days interest-free period

### FACILITIES

- Transaction alert through SMS
- Auto debit facility
- Minimum cash advance processing fee
- e-statement facility
- Local & international e-commerce transactions
- Monthly instalment facility on purchases at 0% interest
- Discounts and special privileges with various lifestyle partners



To know more  
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# Community Bank

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## FINANCIAL STATEMENTS OF COMMUNITY BANK BANGLADESH LIMITED





# Independent Auditor's Report

## To the Shareholders of Community Bank Bangladesh Limited

Report on the Audit of the Consolidated and Separate Financial Statements

### Opinion

We have audited the consolidated financial statements of Community Bank Bangladesh Limited, and its subsidiary ("the Group") as well as the Separate Financial Statements of Community Bank Bangladesh Limited ("the Bank"), which comprise the Consolidated and the Separate Balance Sheet as at 31 December 2021 and the Consolidated and Separate Profit & Loss Accounts, Consolidated and Separate Statements of Changes in Equity and Consolidated and Separate Cash Flow Statements for the year then ended, and notes to the Consolidated and Separate Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Consolidated financial statements of the Group and Separate Financial Statements of the Bank give a true and fair view of the Consolidated Balance Sheet of the Group and the Separate Balance Sheet of the Bank as at 31 December 2021, and of its Consolidated and Separate Profit and Loss Accounts and its Consolidated and Separate Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as explained in note # 02.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), guidelines issued by Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other matter

The Financial Statements of the Bank as at and for the year ended 31 December 2020 were audited by A. Qasem & Co. Chartered Accountants and expressed an unmodified opinion on those statements on 21 March 2021.

### Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the Consolidated and Separate Financial Statements and our auditors' 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 Consolidated and Separate Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter with those charged with governance.

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

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements of the Group and also Separate Financial Statements of the Bank in accordance with IFRSs as explained in note # 02, and for such internal control as management determines is necessary to enable the preparation of Consolidated and Separate 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 Consolidated and Separate Financial Statements, management is responsible for assessing the Group's and 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 Group and the Bank or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated and Separate Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated and Separate 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 Consolidated and Separate Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 Consolidated and Separate 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 Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated and Separate Financial

Statements, including the disclosures, and whether the Consolidated and Separate Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated and Separate 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 as amended up to date and the rules and regulations issued by Bangladesh Bank, we also report that:

- I) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- II) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the Consolidated Financial Statements of the Group and the Separate Financial Statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:



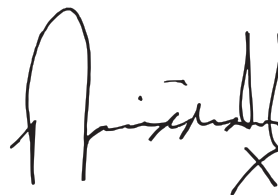
- a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
- b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities;
- III) Financial Statements for the year ended 31 December 2021 of its subsidiary namely, Community Bank Investment Limited have been audited by Hoda Vasi Chowdhury & Co. Chartered Accountants;
- IV) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- V) the records and statements submitted by the branches have been properly maintained and consolidated in the Financial Statements;
- VI) the Consolidated Balance Sheet and Consolidated

Profit and Loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

- VII) the expenditures incurred were for the purpose of the Bank's business for the year;
- VIII) the Consolidated Financial Statements of the Group and the Separate 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;
- IX) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- X) the information and explanations required by us have been received and found satisfactory;
- XI) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 1876 person hours; and
- XII) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Signed for & on behalf of

**MABS & J Partners**  
Chartered Accountants



**Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)**  
Deputy Managing Partner  
ICAB Enrollment No: 535  
DVC No: 2203270535AS471283

Place: Dhaka, Bangladesh  
Dated: 27 March 2022

# Community Bank Bangladesh Limited

## Consolidated Balance Sheet

As at 31 December 2021

Particulars	Note	2021 Taka
<b>PROPERTY AND ASSETS</b>		
<b>Cash</b>		
Cash in hand (Including foreign currency)	3.1(a)	1,086,583,556
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currency)	3.2(b)	2,961,820,880
		<b>4,048,404,436</b>
<b>Balance with other Banks and Financial Institutions</b>	4(a)	
In Bangladesh	4.1(a)	6,941,912,219
Outside Bangladesh	4.2(a)	10,014,410
		<b>6,951,926,629</b>
<b>Money at call on short notice</b>	5(a)	<b>140,000,000</b>
<b>Investments</b>	6(a)	
Government	6.1(a)	8,795,272,389
Others	6.2(a)	2,982,798,724
		<b>11,778,071,113</b>
<b>Loans and Advances</b>	7(a)	
Loans, Cash Credit, Overdrafts etc.	7.1(a)	43,188,295,666
Bills purchased and discounted	7.2(a)	36,415,420
		<b>43,224,711,086</b>
<b>Fixed assets including premises, furniture and fixtures</b>	8(a)	<b>1,177,533,012</b>
<b>Other assets</b>	9(a)	<b>983,637,229</b>
Non-banking assets		-
<b>Total Assets</b>		<b>68,304,283,505</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
Borrowings from other banks, financial institutions and agents	11(a)	<b>1,946,728,899</b>
<b>Deposits and other accounts</b>	12(a)	
Current Accounts and other Accounts	12.1(a)	11,005,272,285
Bills payable	12.2(a)	1,004,643,268
Savings Bank deposits	12.3(a)	9,924,705,391
Fixed deposits	12.4(a)	37,090,711,075
Other deposits	12.5(a)	1,106,503
		<b>59,026,438,522</b>
<b>Other liabilities</b>	13(a)	<b>2,507,014,202</b>
<b>Total Liabilities</b>		<b>63,480,181,623</b>
<b>Capital / Shareholders' Equity</b>		
Paid up share capital	14.2	5,000,000,000
Statutory reserve	15	55,898,760
Revaluation reserve	16	10,068,629
Surplus in profit and loss A/C	17(a)	(241,865,507)
<b>Total shareholders' equity</b>		<b>4,824,101,882</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>68,304,283,505</b>

# Community Bank Bangladesh Limited

## Consolidated Balance Sheet

As at 31 December 2021

Particulars	Note	2021 Taka
Off-Balance Sheet Items		
<b>Contingent Liabilities</b>	18	
Acceptances and Endorsements	18.1	-
Letters of guarantee	18.2	2,456,592,242
Irrevocable letters of Credit	18.3	1,182,593,425
Bills for Collection	18.4	53,523,856
Other Contingent Liabilities		-
<b>Sub total</b>		<b>3,692,709,523</b>
<b>Other Commitments</b>		
Documentary credits and short term trade-related transactions		-
Forward assets purchased and forward deposits placed		-
Undrawn note issuance and revolving underwriting facilities		-
Undrawn formal standby facilities, credit lines and other commitments		-
<b>Sub total</b>		<b>-</b>
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<b>3,692,709,523</b>

These financial statements should be read in conjunction with the annexed notes 1 to 39.

  
Managing Director & CEO  
Masihul Huq Chowdhury


  
Director  
Masud Khan, FCA, FCMA

  
Director  
Abu Hasan Muhammad Tarique, BPM

  
Chairman  
Dr. Benazir Ahmed, BPM (Bar)

Place: Dhaka, Bangladesh  
Dated: 27 March 2022

Signed for & on behalf of  
**MABS & J Partners**  
Chartered Accountants

  
Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)  
Deputy Managing Partner  
ICAB Enrollment No: 535  
DVC No: 2203270535AS471283

# Community Bank Bangladesh Limited

## Consolidated Profit and Loss Account

For the year ended 31 December 2021

Particulars	Note	2021 Taka
Interest income	20(a)	3,196,510,810
Interest paid on deposits and borrowings etc.	21(a)	2,407,559,563
<b>Net interest income</b>		<b>788,951,247</b>
Investment income	22(a)	622,764,515
Commission, exchange and brokerage	23(a)	119,247,080
Other operating income	24(a)	1,745,877
<b>Total operating income</b>		<b>1,532,708,719</b>
Salaries and allowances		449,368,856
Rent, taxes, insurance, electricity etc.	25(a)	179,177,775
Legal expenses		44,266
Postage, stamp, telecommunication etc.	26(a)	12,948,709
Stationery, printings, advertisements etc.	27(a)	13,367,043
Chief Executive's salary and fees	28	16,724,700
Directors' fees	29(a)	1,591,600
Auditors' fees	30(a)	471,500
Depreciation and repair of bank's assets	31(a)	174,645,009
Other expenses	32(a)	166,969,223
<b>Total operating expenses</b>		<b>1,015,308,681</b>
<b>Profit/(loss) before provision</b>		<b>517,400,038</b>
Provision for loans and advances	33.1(a)	262,062,604
Special general provision for Covid-19		-
Provision for off-balance sheet items	33.2(a)	20,190,247
Provision for diminution in value of investments	33.3(a)	3,802,411
Other provisions		-
<b>Total provision</b>	<b>33(a)</b>	<b>286,055,262</b>
<b>Total Profit/(loss) before taxes</b>		<b>231,344,776</b>
Provision for Taxation		
Current tax expense	34.1(a)	136,708,313
Deferred tax expense/ (income)	34.2(a)	(24,517,747)
<b>Total provision for Tax</b>	<b>34(a)</b>	<b>112,190,566</b>
<b>Net Profit/(loss) after taxation</b>		<b>119,154,210</b>
Retained earnings brought forward from previous year		(313,236,446)
		<b>(194,082,236)</b>
Appropriations		
Statutory reserve		46,569,545
General reserve		-
Start-up fund		1,213,726
Dividend		-
		47,783,271
<b>Retained surplus</b>		<b>(241,865,507)</b>
<b>Earnings per share</b>	<b>35(a)</b>	<b>0.24</b>

These financial statements should be read in conjunction with the annexed notes 1 to 39.


  
Managing Director & CEO  
Masihul Huq Chowdhury

  
Director  
Masud Khan, FCA, FCMA

  
Director  
Abu Hasan Muhammad Tarique, BPM

  
Chairman  
Dr. Benazir Ahmed, BPM (Bar)

Signed for & on behalf of  
**MABS & J Partners**  
Chartered Accountants

  
**Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)**  
Deputy Managing Partner  
ICAB Enrollment No: 535  
DVC No: 2203270535AS471283

Place: Dhaka, Bangladesh  
Dated: 27 March 2022

# Community Bank Bangladesh Limited

## Consolidated Cash Flow Statement

For the year ended 31 December 2021

Particulars	Note	2021 Taka
<b>A. Cash flows from operating activities</b>		
Interest receipts in cash		3,299,916,878
Interest payments		(1,808,413,857)
Dividends receipts		57,591,438
Fees and commissions receipts in cash		119,247,080
Recoveries on loans previously written off		-
Cash payments to employees		(466,093,556)
Cash payments to suppliers		(26,315,752)
Income tax paid		(54,133,552)
Receipts from other operating activities	37	1,748,377
Payment for other operating activities	38(a)	(405,223,784)
<b>Operating profit/(loss) before changes in operating assets and liabilities (i)</b>		<b>718,323,272</b>
<b>Increase/decrease in operating assets and liabilities</b>		
Purchase/sale of trading securities		(402,060,652)
Loans and advances to other banks		-
Loans and advances to customers		(23,728,219,006)
Other assets		(7,160,363)
Deposits from other banks		-
Deposits from customers		35,633,936,738
Borrowing from Bangladesh Bank		256,728,899
Borrowing from other Banks and FIs		1,690,000,000
Trading liabilities		-
Other liabilities		49,957,974
Cash (used)/flows from operating assets and liabilities (ii)		13,493,183,590
<b>Net cash (used)/flows from operating activities (i+ii)</b>		<b>14,211,506,862</b>
<b>B. Cash flows from investing activities</b>		
Proceeds from sale of securities		-
Payments for purchase of securities		(8,505,496,471)
Purchase/sale of property, plant and equipment		(95,051,329)
Purchase/sale of subsidiary		-
<b>Net cash from investing activities</b>		<b>(8,600,547,801)</b>
<b>C. Cash flows from financing activities</b>		
Receipts from issue of loan capital and debt security		-
Payments for redemption of loan capital and debt security		-
Receipts from issue of ordinary share		640,000,000
Dividends paid		-
<b>Net cash from financing activities</b>		<b>640,000,000</b>
Net increase/decrease in cash (A+B+C)		6,250,959,061
Cash and cash equivalents at beginning of the year		4,889,657,304
<b>Cash and cash equivalents at end of the year</b>	<b>36(a)</b>	<b>11,140,616,365</b>
<b>Cash and cash equivalents</b>		
Cash in hand (including foreign currency)		1,086,583,556
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		2,961,820,880
Balance with other banks and financial institutions		6,951,926,629
Money at call on short notice		140,000,000
Prize bond		285,300
<b>Total</b>		<b>11,140,616,365</b>

These financial statements should be read in conjunction with the annexed notes 1 to 39.

  
Managing Director & CEO  
Masihul Huq Chowdhury

  
Director  
Masud Khan, FCA, FCMA

  
Director  
Abu Hasan Muhammad Tarique, BPM

  
Chairman  
Dr. Benazir Ahmed, BPM (Bar)



# Community Bank Bangladesh Limited

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

Amount in Taka

Particulars	Paid-up capital	Statutory Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as at 01 January 2021	4,610,000,000	9,329,215	1,218,877	(313,236,446)	4,307,311,646
Changes in accounting policy	-	-	-	-	-
Restated balance	4,610,000,000	9,329,215	1,218,877	(313,236,446)	4,307,311,646
Surplus/deficit on account of revaluation of properties	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	8,849,752	-	8,849,752
Currency translation difference	-	-	-	-	-
Net gains and losses not recognized in the income statement	4,610,000,000	9,329,215	10,068,629	(313,236,446)	4,316,161,398
Net profit/(loss) for the year	-	-	-	119,154,210	119,154,210
Dividends	-	-	-	-	-
Issue of share capital	390,000,000	-	-	-	390,000,000
Statutory reserve	-	46,569,545	-	(46,569,545)	-
Start-up fund	-	-	-	(1,213,726)	(1,213,726)
<b>Balance as at 31 December 2021</b>	<b>5,000,000,000</b>	<b>55,898,760</b>	<b>10,068,629</b>	<b>(241,865,507)</b>	<b>4,824,101,882</b>
<b>Balance as at 31 December 2020</b>	<b>4,610,000,000</b>	<b>9,329,215</b>	<b>1,218,877</b>	<b>(313,236,446)</b>	<b>4,307,311,646</b>

These financial statements should be read in conjunction with the annexed notes 1 to 39.



Managing Director & CEO  
**Masihul Huq Chowdhury**



Director  
**Masud Khan, FCA, FCMA**



Director  
**Abu Hasan Muhammad Tarique, BPM**



Chairman  
**Dr. Benazir Ahmed, BPM (Bar)**

# Community Bank Bangladesh Limited

## Balance Sheet

As at 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3		
Cash in hand (Including foreign currency)	3.1	1,086,583,556	930,860,014
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	3.2	2,961,820,880	1,332,853,049
		<b>4,048,404,436</b>	<b>2,263,713,063</b>
<b>Balance with other banks and financial institutions</b>	4		
In Bangladesh	4.1	6,941,912,219	1,082,357,477
Outside Bangladesh	4.2	10,014,410	2,652,464
		<b>6,951,926,629</b>	<b>1,085,009,941</b>
<b>Money at call on short notice</b>	5	<b>140,000,000</b>	<b>1,540,000,000</b>
<b>Investments</b>	6		
Government	6.1	8,795,272,389	2,148,973,722
Others	6.2	2,821,543,948	713,339,516
		<b>11,616,816,337</b>	<b>2,862,313,238</b>
<b>Loans and Advances</b>	7		
Loans, Cash Credit, Overdrafts etc.	7.1	43,188,295,666	19,480,817,983
Bills purchased and discounted	7.2	36,415,420	15,674,097
		<b>43,224,711,086</b>	<b>19,496,492,080</b>
<b>Fixed assets including premises, furniture and fixtures</b>	8	<b>1,176,596,230</b>	<b>1,204,001,586</b>
<b>Other assets</b>	9	<b>1,192,596,355</b>	<b>603,981,361</b>
Non-banking assets	10	-	-
<b>Total Assets</b>		<b>68,351,051,073</b>	<b>29,055,511,269</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	11	1,946,728,899	-
<b>Deposits and other accounts</b>	12		
Current Accounts and other Accounts	12.1	11,033,807,756	4,548,438,137
Bills Payable	12.2	1,004,643,268	391,827,174
Savings Bank Deposits	12.3	9,924,705,391	7,430,012,847
Fixed Deposits	12.4	37,110,711,075	11,020,956,875
Other Deposits	12.5	1,106,503	1,266,751
		<b>59,074,973,993</b>	<b>23,392,501,784</b>
<b>Other liabilities</b>	13	<b>2,503,027,880</b>	<b>1,355,697,839</b>
<b>Total Liabilities</b>		<b>63,524,730,772</b>	<b>24,748,199,623</b>
<b>Capital / Shareholders' Equity</b>			
Paid up Capital	14.2	5,000,000,000	4,610,000,000
Statutory Reserve	15	55,898,760	9,329,215
Revaluation Reserve	16	10,068,629	1,218,877
Surplus in Profit and Loss A/C	17	(239,647,088)	(313,236,446)
<b>Total Shareholders' Equity</b>		<b>4,826,320,301</b>	<b>4,307,311,646</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>68,351,051,073</b>	<b>29,055,511,269</b>

# Community Bank Bangladesh Limited

## Balance Sheet

As at 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>Off-Balance Sheet Items</b>			
<b>Contingent Liabilities</b>	<b>18</b>		
Acceptances and Endorsements	18.1	-	-
Letters of guarantee	18.2	2,456,592,242	1,555,285,315
Irrevocable letters of Credit	18.3	1,182,593,425	63,475,846
Bills for Collection	18.4	53,523,856	21,023,064
Other Contingent Liabilities		-	-
<b>Sub total</b>		<b>3,692,709,523</b>	<b>1,639,784,225</b>
<b>Other Commitments</b>			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Sub total</b>		<b>-</b>	<b>-</b>
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<b>3,692,709,523</b>	<b>1,639,784,225</b>

These financial statements should be read in conjunction with the annexed notes 1 to 39.


  
 Managing Director & CEO  
**Masihul Huq Chowdhury**

  
 Director  
**Masud Khan, FCA, FCMA**

  
 Director  
**Abu Hasan Muhammad Tarique, BPM**

  
 Chairman  
**Dr. Benazir Ahmed, BPM (Bar)**

Signed for & on behalf of  
**MABS & J Partners**  
 Chartered Accountants

  
**Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)**  
 Deputy Managing Partner  
 ICAB Enrollment No: 535  
 DVC No: 2203270535AS471283

Place: Dhaka, Bangladesh  
 Dated: 27 March 2022

# Community Bank Bangladesh Limited

## Profit and Loss Account

For the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
Interest income	20	3,195,958,287	948,008,551
Interest paid on deposits and borrowings etc.	21	2,413,226,392	433,129,552
<b>Net interest income</b>		<b>782,731,895</b>	<b>514,878,999</b>
Investment income	22	621,918,535	188,842,131
Commission, exchange and brokerage	23	119,247,080	59,268,313
Other operating income	24	1,745,877	786,110
<b>Total operating income</b>		<b>1,525,643,387</b>	<b>763,775,553</b>
Salary and allowances		446,966,275	363,326,868
Rent, taxes, insurance, electricity etc.	25	178,625,608	133,595,297
Legal expenses		44,266	22,810
Postage, stamp, telecommunication etc.	26	12,933,594	16,440,819
Stationery, printings, advertisements etc.	27	13,364,928	32,739,795
Chief Executive's salary and fees	28	16,724,700	15,558,700
Directors' fees	29	1,315,600	1,222,226
Auditors' fees	30	442,750	470,063
Depreciation and repair of bank's assets	31	174,544,062	118,309,088
Other expenses	32	165,081,030	171,246,484
<b>Total operating expenses</b>		<b>1,010,042,813</b>	<b>852,932,150</b>
<b>Profit/(loss) before provision</b>		<b>515,600,574</b>	<b>(89,156,597)</b>
Provision for loans and advances		262,062,604	194,704,536
Special general provision for Covid-19		-	102,350
Provision for off-balance sheet items		20,190,247	16,201,609
Provision for diminution in value of investments		500,000	-
Other provisions		-	-
<b>Total provision</b>	<b>33</b>	<b>282,752,851</b>	<b>211,008,495</b>
<b>Total Profit/(loss) before taxes</b>		<b>232,847,723</b>	<b>(300,165,092)</b>
Provision for Taxation			
Current tax expense	34.1	136,014,423	7,181,430
Deferred tax expense/(income)	34.2	(24,539,329)	(2,788,153)
<b>Total provision for tax</b>		<b>111,475,094</b>	<b>4,393,277</b>
<b>Net Profit/(loss) after taxation</b>		<b>121,372,629</b>	<b>(304,558,369)</b>
Retained earnings brought forward from previous year		(313,236,446)	(8,678,077)
		<b>(191,863,817)</b>	<b>(313,236,446)</b>
Appropriations			
Statutory reserve		46,569,545	-
General reserve		-	-
Start-up fund		1,213,726	-
Dividends		-	-
		47,783,271	-
<b>Retained surplus</b>		<b>(239,647,088)</b>	<b>(313,236,446)</b>
<b>Earnings per share (EPS)</b>	<b>35</b>	<b>0.25</b>	<b>(0.74)</b>

These financial statements should be read in conjunction with the annexed notes 1 to 39.


  
Managing Director & CEO  
Masihul Huq Chowdhury

  
Director  
Masud Khan, FCA, FCMA

  
Director  
Abu Hasan Muhammad Tarique, BPM

  
Chairman  
Dr. Benazir Ahmed, BPM (Bar)

Signed for & on behalf of  
**MABS & J Partners**  
Chartered Accountants

  
Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)  
Deputy Managing Partner  
ICAB Enrollment No: 535  
DVC No: 2203270535AS471283

Place: Dhaka, Bangladesh  
Dated: 27 March 2022

# Community Bank Bangladesh Limited

## Cash Flow Statement

For the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>A. Cash flows from operating activities</b>			
Interest receipts in cash		3,295,066,956	1,155,799,909
Interest payments		(1,808,413,857)	(294,574,521)
Dividends receipts		56,882,665	30,551,950
Fees and commissions receipts in cash		119,247,080	59,268,313
Recoveries on loans previously written off		-	-
Cash payments to employees		(463,690,975)	(378,885,568)
Cash payments to suppliers		(26,298,522)	(49,180,614)
Income tax paid		(53,408,412)	(57,636,362)
Receipts from other operating activities	37	1,748,377	786,110
Payment for other operating activities	38	(402,723,946)	(355,537,715)
<b>Operating profit/(loss) before changes in operating assets and liabilities (i)</b>		<b>718,409,366</b>	<b>110,591,502</b>
<b>Increase/Decrease in operating assets and liabilities</b>			
Purchase/sale of trading securities		(402,060,652)	(118,980,194)
Loans and advances to other banks		-	-
Loans and advances to customers		(23,728,219,006)	(18,814,065,268)
Other assets		31,148,368	(228,801,164)
Deposits from other banks		-	550,000,000
Deposits from customers		35,682,472,209	19,993,130,207
Borrowing from Bangladesh Bank		256,728,899	-
Borrowing from other Banks and FIs		1,690,000,000	-
Trading liabilities		-	-
Other liabilities		49,930,172	230,290,134
Cash (used)/flows from operating assets and liabilities (ii)		13,579,999,990	1,611,573,715
<b>Net cash (used)/flows from operating activities (i+ii)</b>		<b>14,298,409,356</b>	<b>1,722,165,217</b>
<b>B. Cash flows from investing activities</b>			
Proceeds from sale of securities		-	200,000,000
Payments for purchase of securities		(8,344,241,695)	(2,363,476,408)
Purchase/sale of property, plant and equipment		(93,208,600)	(401,177,843)
Purchase/sale of subsidiary		-	-
<b>Net cash from investing activities</b>		<b>(8,437,450,295)</b>	<b>(2,564,654,251)</b>
<b>C. Cash flows from financing activities</b>			
Receipts from issue of loan capital and debt security		-	-
Payments for redemption of loan capital and debt security		-	-
Receipts from issue of ordinary share		390,000,000	610,000,000
Dividends paid		-	-
<b>Net cash from financing activities</b>		<b>390,000,000</b>	<b>610,000,000</b>
Net increase/decrease in cash (A+B+C)		6,250,959,061	(232,489,034)
Cash and cash equivalents at beginning of the year		4,889,657,304	5,122,146,338
<b>Cash and cash equivalents at end of the year</b>	36	<b>11,140,616,365</b>	<b>4,889,657,304</b>
<b>Cash and cash equivalents</b>			
Cash in hand (including foreign currency)		1,086,583,556	930,860,014
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		2,961,820,880	1,332,853,049
Balance with other banks and financial institutions		6,951,926,629	1,085,009,941
Money at call on short notice		140,000,000	1,540,000,000
Prize bond		285,300	934,300
<b>Total</b>		<b>11,140,616,365</b>	<b>4,889,657,304</b>

Reconciliation statements regarding operating cash flow is given in Annexure-F

These financial statements should be read in conjunction with the annexed notes 1 to 39.

  
Managing Director & CEO  
Masihul Huq Chowdhury

  
Director  
Masud Khan, FCA, FCMA

  
Director  
Abu Hasan Muhammad Tarique, BPM

  
Chairman  
Dr. Benazir Ahmed, BPM (Bar)



# Community Bank Bangladesh Limited

## Statement of Changes in Equity

For the year ended 31 December 2021

Particulars	Amount in Taka				
	Paid-up capital	Statutory Reserve	Revaluation Reserve	Surplus in Profit and Loss A/C	Total
Balance as at 01 January 2021	4,610,000,000	9,329,215	1,218,877	(313,236,446)	4,307,311,646
Changes in accounting policy	-	-	-	-	-
Restated balance	4,610,000,000	9,329,215	1,218,877	(313,236,446)	4,307,311,646
Surplus/deficit on account of revaluation of properties	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	8,849,752	-	8,849,752
Currency translation difference	-	-	-	-	-
Net gains and losses not recognized in the income statement	4,610,000,000	9,329,215	10,068,629	(313,236,446)	4,316,161,398
Net profit/(loss) for the year	-	-	-	121,372,629	121,372,629
Dividends	-	-	-	-	-
Issue of share capital	390,000,000	-	-	-	390,000,000
Statutory reserve	-	46,569,545	-	(46,569,545)	-
Start-up fund	-	-	-	(1,213,726)	(1,213,726)
<b>Balance as at 31 December 2021</b>	<b>5,000,000,000</b>	<b>55,898,760</b>	<b>10,068,629</b>	<b>(239,647,088)</b>	<b>4,826,320,301</b>

Particulars	Amount in Taka				
	Paid-up capital	Statutory Reserve	Revaluation Reserve	Surplus in Profit and Loss A/C	Total
Balance as at 01 January 2020	4,000,000,000	9,329,215	2,136	(8,678,077)	4,000,653,274
Changes in accounting policy	-	-	-	-	-
Restated balance	4,000,000,000	9,329,215	2,136	(8,678,077)	4,000,653,274
Surplus/deficit on account of revaluation of properties	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	1,216,741	-	1,216,741
Currency translation difference	-	-	-	-	-
Net gains and losses not recognized in the income statement	4,000,000,000	9,329,215	1,218,877	(8,678,077)	4,001,870,015
Net profit/(loss) for the year	-	-	-	(304,558,369)	(304,558,369)
Dividends	-	-	-	-	-
Issue of share capital	610,000,000	-	-	-	610,000,000
Statutory reserve	-	-	-	-	-
<b>Balance as at 31 December 2020</b>	<b>4,610,000,000</b>	<b>9,329,215</b>	<b>1,218,877</b>	<b>(313,236,446)</b>	<b>4,307,311,646</b>

These financial statements should be read in conjunction with the annexed notes 1 to 39.

  
 Managing Director & CEO  
**Masihul Huq Chowdhury**

  
 Director  
**Masud Khan, FCA, FCMA**

  
 Director  
**Abu Hasan Muhammad Tarique, BPM**

  
 Chairman  
**Dr. Benazir Ahmed, BPM (Bar)**

# Community Bank Bangladesh Limited

## Liquidity Statement

(Asset and Liability Maturity Analysis)

As at 31 December 2021

Particulars	Upto 01 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years	Total
<b>Assets</b>						
Cash in hand	1,086,583,556	-	-	-	-	1,086,583,556
Balance with other banks and financial Institutions	2,275,660,576	3,420,123,465	950,874,754	611,288,714	2,655,800,000	9,913,747,509
Money at call on short notice	140,000,000	-	-	-	-	140,000,000
Investments	-	256,719	762,018,792	1,799,126,854	9,055,413,972	11,616,816,337
Loans and advances	1,854,434,717	3,783,468,403	6,429,072,134	21,672,013,497	9,485,722,335	43,224,711,086
Fixed assets including premises, furniture and fixtures	-	-	-	418,638,933	757,957,297	1,176,596,230
Other assets	-	587,598,911	34,400,000	-	570,597,444	1,192,596,355
Non-banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>5,356,678,849</b>	<b>7,791,447,498</b>	<b>8,176,365,680</b>	<b>24,501,067,998</b>	<b>22,525,491,048</b>	<b>68,351,051,073</b>
<b>Liabilities</b>						
Borrowings from Bangladesh bank, other banks, financial institutions and agents	890,000,000	-	256,728,899	-	-	1,146,728,899
Money at call on short notice	800,000,000	-	-	-	-	800,000,000
Deposits and other accounts	7,367,448,600	16,389,832,074	22,284,380,775	12,815,583,896	217,728,648	59,074,973,993
Provision and other liabilities	203,118,617	330,750,612	217,024,310	8,676,263	1,743,458,078	2,503,027,880
<b>Total Liabilities</b>	<b>9,260,567,217</b>	<b>16,720,582,686</b>	<b>22,758,133,984</b>	<b>12,824,260,159</b>	<b>1,961,186,726</b>	<b>63,524,730,772</b>
<b>Net Liquidity Gap</b>	<b>(3,903,888,368)</b>	<b>(8,929,135,188)</b>	<b>(14,581,768,304)</b>	<b>11,676,807,839</b>	<b>20,564,304,322</b>	<b>4,826,320,301</b>

Net result of the Liquidity Statement represents the 'Shareholders' Equity' of the Bank.

# Community Bank Bangladesh Limited

## Notes to the financial statements

as at and for the year ended 31 December 2021

### 1.0 Community Bank Bangladesh Limited

#### 1.1 Legal form of Community Bank Bangladesh Limited

Community Bank Bangladesh Limited (the “Bank” or “CBBL”) was incorporated in Bangladesh on 10 October 2018 under the Companies Act, 1994 as a Public Limited Company and received its banking license from Bangladesh Bank on 01 November 2018 as a scheduled commercial bank. The Bank engaged in providing a wide range of banking and financial services within the stipulations laid down by the Bank Companies Act, 1991 (as amended up to date) and directive as received from the Bangladesh Bank from time to time. The Bank launched regular business activities from 11 September 2019. Registered office of the Bank is located at Police Plaza Concord, (Level 10-12, Tower 2), Plot - 2, Road - 144, Gulshan - 1, Dhaka - 1212.

#### 1.2 Principal activities

The principal activities of the Bank are to provide all kinds of conventional banking services to its customers through its branches, service desks, school banking booth and vibrant alternative delivery channels (ATM Booths, Mobile Banking app) in Bangladesh.

#### 1.3 Subsidiary of the Bank

Community Bank Investment Limited is a subsidiary company of Community Bank Bangladesh Limited incorporated as a private limited company on December 30, 2020 with the registrar of Joint Stock Companies and Firms, Dhaka vide certificate of incorporation no. C-167238/2020, dated December 30, 2020. Total 24,999,990 shares (out of 25,000,000 shares) of Community Bank Investment Limited are held by Community Bank Bangladesh Limited and only 10 shares are held by Bangladesh Police Kollayan Trust (BPKT). The main objectives of the company for which it was established are to carry out the business of full-fledged merchant banking activities like issue management, portfolio management, underwriting, corporate advisory services etc. Bangladesh Securities and Exchange Commission (BSEC) thereafter issued a full-fledged merchant banking license in favor of Community Bank Investment Limited, vide letter no. M.B - 98/2021, dated June 28, 2021. The Financial Statements of the company are shown in Annexure G.

### 2.0 Significant accounting policies

#### 2.1 Basis of preparation of financial statements

##### 2.1.1 Statement of compliance

The financial statements of the Bank have been prepared in accordance with the “First Schedule (Section 38) of the Bank Companies Act 1991 (amended up to date), BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS) and the standards set by the Financial Reporting Council (FRC) as per The Financial Reporting Act 2015 (FRA) enacted in 2015. Section 38 of the Bank Company Act 1991 has been replaced through BRPD Circular no. 10 dated October 04, 2015. The Bank complied with the requirement of the following regulatory and legal authorities:

- i. The Bank Company Act 1991 (amended up to date);
- ii. Companies Act 1994 (amended up to date);
- iii. Rules, regulations and circulars issued by the Bangladesh Bank from time to time;
- iv. The Securities and Exchange Ordinance 1969;
- v. The Securities and Exchange Rules 1987;
- vi. Income Tax Ordinance and Rules 1984;
- vii. Value Added Tax and Supplementary Duty Act, 2012.

# Community Bank Bangladesh Limited

## Notes to the financial statements

as at and for the year ended 31 December 2021

### 2.1.2 Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on a going concern basis. Revisions of accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The most significant areas where estimates and judgments have been applied are to calculate provision for loans, advances and investments as per Bangladesh Bank guidelines.

### 2.1.3 Statement of cash flows

Statement of cash flows has been prepared in accordance with the BRPD Circular No. 14, dated June 25, 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

### 2.1.4 Liquidity statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following basis:

- i) Balance with other banks and financial institutions, money at call on short notice, etc. are on the basis of their maturity term;
- ii) Investments are on the basis of their residual term;
- iii) Loans and advances are on the basis of their repayment schedule;
- iv) Fixed assets are on the basis of their useful life;
- v) Other assets are on the basis of their realization / amortization;
- vi) Borrowing from other banks, financial institutions and agents, etc. are as per their repayment terms;
- vii) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors;
- viii) Provisions and other liabilities are on the basis of their payment / adjustments schedule.

### 2.1.5 Reporting period

These financial statements cover one calendar year from 1st January 2021 to 31st December 2021. The Community Bank Investment Limited fully owned subsidiary of the bank was incorporated on 30 December 2020 but considering that the financial year of the Company starts from 1 January 2021 and no activities took place during the intervening period of 30 December to 31 December 2020. Therefore, on the ground of 'Relevance' or 'Materiality', no comparative information for consolidated financial statements is provided for the year 2020.

## 2.2 Assets and basis of their valuation

### 2.2.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank management for its short-term commitments.

### 2.2.2 Loans and Advances

- a) Loans and advances are stated in the balance sheet on gross basis.
- b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest on classified loans and advances is kept in suspense account as per Bangladesh Bank instructions and such interest is not accounted for as income until realised from borrowers. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

# Community Bank Bangladesh Limited

## Notes to the financial statements

as at and for the year ended 31 December 2021

c) Commission and discounts on bills purchased and discounted are recognized at the time of realization.

d) Provision for loans and advances is made on the basis of the following instructions contained in BRPD Circular no. 14, dated September 23, 2012, BRPD Circular no. 19, dated December 27, 2012, BRPD Circular no. 05, dated May 29, 2013, BRPD Circular no. 16, dated November 18, 2014, BRPD Circular no. 12, dated August 20, 2017, BRPD Circular no. 15, dated September 27, 2017 and BRPD Circular no. 1 dated February 2018, BRPD Circular No. 07, dated June 21, 2018, BRPD Circular No. 13, dated October 18, 2018, BRPD Circular No. 03, dated April 21, 2019, BRPD Circular No. 04, dated March 19, 2020, BRPD Circular No. 13, dated June 15, 2020, BRPD Circular No. 16, dated July 21, 2020, BRPD Circular No. 17, dated September 28, 2020, BRPD Circular Letter No. 52, dated October 20, 2020, BRPD Circular Letter No. 56, dated December 10, 2020, BRPD Circular Letter No. 59, dated December 30, 2020, BRPD Circular Letter No. 63, dated December 31, 2020, BRPD Circular No. 03, dated January 31, 2021, BRPD Circular No. 05, dated March 24, 2021, BRPD Circular No. 13, dated June 27, 2021, BRPD Circular No. 19, dated August 26, 2021, BRPD Circular Letter No. 45, dated October 4, 2021 and BRPD Circular Letter No. 51, dated December 29, 2021. The rates of provision for loans and advances are given below:

Head	Rate
<b>General provision on:</b>	
Unclassified (including SMA) small and medium enterprise	0.25%
Unclassified (including SMA) Loans to BHs/MBs/SDs against shares etc	2%
Unclassified (including SMA) loans for housing finance	1%
Unclassified consumer financing other than housing finance, credit card and loans for professionals	2%
Unclassified (including SMA) loans for credit card and loans for professionals	2%
Unclassified (including SMA) other loans and advances	1%
Short term agri credit and micro credit	1%
Off-balance sheet exposures (excluding Bills for collection)	0.5%-1%
<b>Specific provision on:</b>	
Substandard loans and advances other than short term agri credit and micro credit	20%
Doubtful loans and advances other than short term agri credit and micro credit	50%
Bad/Loss loans and advances	100%
Substandard & Doubtful short term agri credit and micro credit	5%
Bad/Loss short term agri credit and micro credit	100%
<b>Provision for Cottage, Micro and Small credits under CMSME:( as BRPD Circular 06/2020)</b>	
a) All unclassified credits	0.25%
b) Classified as 'Sub-standard'	5%
c) Classified as 'Doubtful'	20%
d) Classified as 'Bad/Loss'	100%

### 2.2.3 Investments

All investment securities are initially recognised at cost, being fair value of the consideration given, including acquisition charges associated with the investment. Premiums are amortized and discounts are accredited, using the effective yield method are taken to discount income. Government Treasury Bills and Bonds (categorized as HFT or/and HTM) are accounted for as per Bangladesh Bank DOS circular letter no. 05 dated 26 May 2008 and DOS circular no. 05 dated 28 January 2009. The valuation method of investments used are:

#### Held to maturity (HTM)

Investments which are intended to be held till maturity are classified as Held to Maturity (HTM). These are measured at amortised cost at each year-end by taking into account any discount or premium on acquisition. Premiums are amortised and discounts are accredited, using the effective or historical yield. Any increase in value of securities is booked to equity but decrease to profit and loss account. Income is recognised to profit and loss account on earned basis as per BB guideline.



# Community Bank Bangladesh Limited

## Notes to the financial statements

as at and for the year ended 31 December 2021

### Held for trading (HFT)

Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognised in the Profit and Loss Account for the period in which it arises. These investments are subsequently revalued at current market value on weekly basis as per Bangladesh Bank Guideline. Revaluation gain has been shown in revaluation reserve account & revaluation loss has been shown in Profit & Loss account. Value of investments has been enumerated as follows :

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt T-bills/T-bonds- Held For Trading (HFT)	Cost	Fair value	Loss to profit and loss account, gain to revaluation reserve.
Govt T-bills/T-bonds- Held To Maturity (HTM)	Cost	Amortised cost	Increase in value of such investments is booked to equity, decrease to profit and loss account
Debenture/bond	Cost	Cost	Not applicable
Prize bond	Cost	Cost	None

### REPO and reverse REPO

The Bank has been recording transactions of REPO and reverse REPO following DOS circular no. 6 dated 15 July 2010 of BB. In case of REPO of both coupon and non-coupon bearing (treasury bill) securities, the Bank adjusts the revaluation reserve account for HFT securities and stops the weekly revaluation (if the revaluation date falls within the REPO period) of the same security. For interest bearing security, the Bank does not accrue interest during REPO period.

### Investment in listed securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income which are reported at cost. Unrealised gains are not recognised in the profit and loss statement. But provision was made for diminution in value of investment.

### Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

### Investment in subsidiary

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the IAS 27 "Separate Financial Statements", IFRS 3 "Business Combination", IFRS 36 "Impairment of Assets".

## 2.2.4 Property, plant and equipment

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Bank and the cost of the assets can be reliably measured.

a) All fixed assets are stated at cost less accumulated depreciation as per IAS 16 Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

b) The Bank recognises, in the carrying amount of an item of fixed assets, the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the bank and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance, is normally charged off as revenue expenditure in the period in which it is incurred.

# Community Bank Bangladesh Limited

## Notes to the financial statements

as at and for the year ended 31 December 2021

c) Depreciation is charged for the year at the following rates on straight line method on all fixed assets and no depreciation is charged on land:

Category of fixed assets	Rate
Furniture and fixture	10%
Office equipments	20%
Motor vehicles	20%
IT softwares	20%
IT hardwares	20%

d) For addition during the year, depreciation is charged for the remaining days of the year and for disposal depreciation is charged up to the date of disposal.

e) On disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sale proceeds.

### 2.2.5 Intangible assets

Intangible asset is an identifiable non-monetary asset without physical substance. The Bank classifies its intangible assets as per IAS 38 Intangible assets which comprises the value of all licensed computer software including core banking software of the Bank, cards management software, cheque processing software (i.e. BEFTN) and other integrated customized software for call centre, ATM service, Fixed assets and inventory management system and HR operations i.e. CCS, I-ORBIT etc.

The Bank recognises an intangible asset if it is probable that future economic benefits that are attributable to the assets will flow to the entity and the cost of the asset can be measured reliably in accordance with IAS 38 Intangible Assets. Subsequent expenditure on intangible asset of the Bank is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates; otherwise is charged as expense when incurred. The value of the software is amortised using the straight line method over the estimated useful life commencing from the month at which the application of the software is available for use.

#### Core banking software of CBBL

The core banking software used by CBBL represents the value of application software licensed for the use of the Bank. The value of the software is carried at cost less accumulated amortisation. Initial cost comprises license fees paid at the time of purchase and other directly attributable costs incurred for customising the software for its intended use.

### 2.2.6 Impairment of Assets

The policy for all assets or cash-generating units for the purpose of assessing such assets for impairment is as follows:

The Bank assesses at the end of each reporting period or more frequently if events or changes in circumstances indicate that the carrying value of an asset may be impaired, whether there is any indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the bank makes an estimate of the asset's recoverable amount. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered as impaired and is written down to its recoverable amount by debiting to profit & loss account.

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired.

### 2.2.7 Leases

IFRS 16 Leases, defines a lease as "A contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration". In order for such a contract to exist the user of the asset needs to have the right to:

- Obtain substantially all the economic benefits from the use of asset (identifiable asset)

# Community Bank Bangladesh Limited

## Notes to the financial statements

as at and for the year ended 31 December 2021

- The right to direct the use of asset

### The Bank as a lessee (Note 8)

For any new contracts entered into on or after 1 January 2019, the Bank considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Bank assesses whether the contract meets two key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Bank
- the Bank has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Bank has the right to direct the use of the identified asset throughout the period of use. The Bank assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

### Measurement and recognition of leases as a lessee

At lease commencement date, the Bank recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Bank, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Bank depreciates the right-of-use assets on a straight-line basis over the remaining useful life of the asset. The Bank also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Bank measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Bank's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is premeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is premeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Bank has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included other liabilities.

### 2.2.8 Other assets

Other assets include mainly advance office rent, payment of advance income tax has not been closed yet and all other financial assets, fees and other unrealized income receivable, advance for operating expenditure and stocks of stationery and stamps etc. Any part of uncollectible other assets is subject to making provision based on their ageing as per Bangladesh Bank circular no. 14 date 25 June 2001.

### 2.2.9 Non-banking assets

Non-banking assets are acquired on account of the failure of a borrower to repay the loan on time after receiving the decree from the Court regarding the right and title of the mortgage property.

# Community Bank Bangladesh Limited

## Notes to the financial statements

as at and for the year ended 31 December 2021

### 2.2.10 Reconciliation of inter-bank and inter-branch account

Accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there are no material differences which may affect the financial statements significantly. There is no un-reconciled entries/balances in the case of inter-branch transactions as on the reporting date.

### 2.3 Share Capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

#### 2.3.1 Authorised Capital

Authorised capital is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association.

#### 2.3.2 Paid up Capital

Paid up capital represents total amount of shareholders' capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the Bank, ordinary shareholders are ranked after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

### 2.4 Statutory reserve

As per section 24 of Bank Companies Act 1991 (as amended upto date), the Bank requires to transfer 20% of its current year's profit before tax to statutory reserve until such reserve equals to its paid up capital.

### 2.5 Contingent liabilities

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

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

a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated. Contingent assets are not recognised in the financial statements as this may results in the recognition of income which may never be realised.

### 2.6 Deposits and other accounts

Deposits by customers and Banks are recognised when the Bank enters into contractual provisions of the arrangements with the counterparties, which is generally on trade date, and initially measured at the consideration received.

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

Borrowed funds include call money deposits, borrowings, re-finance borrowings and other term borrowings from banks, financial institutions and agents. These are stated in the balance sheet at amounts payable. Interest paid / payable on these borrowings is charged to the profit & loss account.

### 2.8 Other liabilities

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxes, interest payable on borrowing, interest suspense and accrued expenses etc. Individual item-wise liabilities are recognised as per the guidelines of Bangladesh Bank (BB) and International Financial Reporting Standards (IFRSs).

# Community Bank Bangladesh Limited

## Notes to the financial statements

as at and for the year ended 31 December 2021

### **2.9 Basis for valuation of liabilities and provisions**

#### **2.9.1 Provision for current taxation**

Provision for current income tax has been made as per prescribed rate in the Finance Act, 2021 on the taxable income as per income tax law and IAS 12 "Income Taxes".

#### **2.9.2 Deferred taxation**

Deferred tax assets or liabilities are recognised by the Bank on deductible or taxable temporary differences between the carrying amount of assets and liabilities used for financial reporting and the amount used for taxation purpose as required by IAS 12 "Income taxes" and BRPD circular no.11 dated 12 December 2011. Deferred tax assets is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which they can be used. Deferred tax assets and liabilities are reviewed at each reporting period and are measured at the applicable tax rate as per tax laws that are expected to be applied when the assets is realised and liability is settled. Any unrecognised deferred tax assets or liabilities are reassessed at each reporting period and recognised only if that has become probable that future taxable profit or loss will be available against which they can be used or settled. Details of deferred tax assets or liabilities and amount recognised in profit and loss account for deferred tax income or expense are given in note 9.2.2 (a and b) in the financial statements.

#### **2.9.3 Benefits to the employees**

The 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 Benefit". Basis of enumerating the benefit schemes operated by the Bank are outlined below:

##### **a) Provident fund**

Provident fund benefits are given to the permanent employees of the Bank in accordance with Bank's service rules. Accordingly a trust deed and provident fund rules were prepared. The Fund is operated by a Board of Trustees consisting five members (04 members from management and other 01 members from the Board of Directors) of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount of the employees' contribution.

##### **b) Gratuity fund**

Gratuity benefits are given to the employees of the bank in accordance with the approved gratuity scheme effective from January 2021. Subsequently the National Board of Revenue has approved the gratuity fund as a recognized gratuity fund on May 11, 2021. The fund is operated by a Board of Trustee consisting 5 (Five) members of the bank. Employees are entitled to gratuity benefit after completion of minimum 5 (five) years of service in the bank. The Gratuity is calculated on the basis of last basic pay and is payable at the rate of one month's basic pay for every completed year of service. Gratuity fund is a "Defined contribution Plan" as per IAS 19 Employee benefit.

##### **c) Worker's Profit Participation Fund (WPPF)**

Consistent with the industry practice and in accordance with the Bank Companies Act, 1991 (as amended up to date), no provision has been made for WPPF.

#### **2.9.4 Provision for liabilities**

A provision is recognised in the balance sheet when the Bank has legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

#### **2.9.5 Provision for Off-balance sheet exposures**

Off-balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines. The bank has maintained provision against Off-balance sheet items as per BRPD Circular # 14, dated September 23, 2012 and BRPD Circular # 07 dated June 21, 2018.



# Community Bank Bangladesh Limited

## Notes to the financial statements

as at and for the year ended 31 December 2021

### 2.10 Revenue recognition

#### 2.10.1 Interest income

Interest on unclassified loans and advances (except those of rescheduled and stay order accounts) is recognised as income on accrual basis, interest on classified loans and advances (including rescheduled and stay order accounts) is credited to interest suspense account with actual receipt of interest there from credited to income as and when received as per instruction contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 16 dated 18 November 2014 and BRPD circular no. 03 dated 21 April 2019.

#### 2.10.2 Investment income

Income on investments in Government and other securities, debentures and bonds is accounted for on accrual basis as per the provisions of IFRS 15 'Revenue from Contracts with Customers' and relevant BB guidelines.

#### 2.10.3 Fees and commission income

Fees and commission income arising from services provided by the Bank are recognised as income on earned basis as per IFRS 15 'Revenue from Contracts with Customers'. Fees and Commission charged to customers on trade finance i.e. L/C, L/G, Acceptance and other general banking services i.e card services, management fees, arrangement fees, locker charges etc. are recognised as income when a performance obligation is satisfied by transferring a promised service to customer by the bank.

#### 2.10.4 Dividend income on shares

Dividend income on shares is recognised during the period when right to receive is established.

#### 2.10.5 Interest paid on borrowings, deposits and others

Interest paid on borrowings and deposits are calculated on 360 days basis (except for some treasury instruments which are calculated on 364 days basis) in a year and recognised on accrual basis.

### 2.11 Risk management

Risk is inherent to the banking business and Bank adds shareholders' value by converting opportunities into profit. The Bank evaluates its opportunities in terms of risk-reward relationship. The risks that are taking by the Bank are reasonable, controlled, within its financial resources and credit competence.

In CBBL, risk is managed through a clear organizational structure, risk management and monitoring process that are closely aligned with the activities of the Bank's risk management policy and process as well as in line with the guidelines provided by the country's central bank, Bangladesh Bank.

The Bank's risk management policy and process is composed with all the structure, policies, process and strategies within the Bank so that it does not conflict with other risk management policies. The essential elements of an effective risk management framework are:

1. Clearly defined roles and responsibilities to avoid conflict of interest between business lines.
2. Developing a risk culture where everyone will understand the impact of risk before taking any business decision.
3. Robust risk management and governance by the board for understanding the risks taken by the Bank for safety and protection of the assets.

### 2.12 Core risk management

BRPD circulars no. 17 dated 07 October 2003 and BRPD circular no. 04 dated 05 March 2007 require banks to put in place an effective risk management system. The risk management system of the bank covers the following risk areas.

#### 2.12.1 Credit risk

It arises mainly from lending, trade finance, leasing and treasury businesses. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the Bank. The failure may result from unwillingness of the counter party or decline in his/her financial condition. Therefore, the Bank's credit risk management activities have been designed to address all these issues.

# Community Bank Bangladesh Limited

## Notes to the financial statements

as at and for the year ended 31 December 2021

The Bank has segregated duties of the officers / executives involved in credit related activities. A separate Corporate Division has been formed at Head Office which is entrusted with the duties of maintaining effective relationship with the customers, marketing of credit products, exploring new business opportunities, etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, three separate units have been formed within the credit division. These are (a) Credit Risk Management Unit (b) Credit Administration Unit and (c) Credit Monitoring Unit. Credit Risk Management Unit is entrusted with the duties of maintaining asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy / strategy for lending operation, etc.

A thorough assessment is done before sanction of any credit facility at Credit Risk Management Unit. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed credit facility, etc. The assessment process at Head Office starts at Corporate Division by the Relationship Manager / Officer and ends at Credit Risk Management Unit when it is approved / declined by the competent authority. Credit approval authority has been delegated to the individual executives. Proposals beyond their delegation are approved / declined by the Executive Committee and / or the Management of the Bank.

In determining Single borrower / Large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at periodical intervals to ensure compliance of Bank's and Regulatory policies. Loans are classified as per Bangladesh Bank's guidelines.

### 2.12.2 Foreign exchange risk

Foreign exchange risk is the exposure of an institution to the potential impact of movements in foreign exchange rates. The risk is that adverse fluctuations in exchange rates may result in a loss in earnings. As per the guidelines of Bangladesh Bank, CBBL has developed a detailed Foreign Exchange Risk Management policies to minimize different types of risks associated with foreign exchange transactions. The Bank has also developed different strategies to handle foreign exchange risk by setting different types of limits and risk parameters to measure and monitor foreign exchange risk exposure of the Bank.

The foreign exchange desk of treasury division is involved in foreign exchange dealing activities with different counterparts; the treasury back office is engaged in transfer of funds and passing of the transaction entries in the books of accounts, and the mid office is responsible for verification of the deals. All foreign exchange transactions are revalued at market rate as per the directive of Bangladesh Bank. All Nostro Accounts are reconciled on a monthly basis and outstanding entries beyond 30 days are reviewed by the management for its settlement.

### 2.12.3 Asset liability management

Banks are exposed to the several risks such as Liquidity Risk, Interest Rate Risk, Foreign Exchange Risk, Credit Risk and Operational Risk etc. Monitoring and controlling of these risks is vital to the survival of a financial institution. Asset-Liability Management is a tool to oversee whether different balance sheet risks are properly identified, appropriate policies and procedures are well established to control and limit these risks.

Asset-Liability Committee (ALCO) reviews country's overall economic position, the Bank's liquidity position, key performance ratios, interest rate risk, deposit and advance growth, cost of deposit & yield on advances, deposit & lending pricing strategy and different forecasted balance sheet risks of the Bank.

### 2.12.4 Money laundering risk

Money laundering is the generic term used to describe the process by which criminals disguise the original ownership and control of the proceeds of criminal conduct by making such proceeds appear to have derived from a legitimate source. If money laundering is done successfully, it allows the criminals to maintain control over their proceeds and ultimately to provide a legitimate cover for their source of income. Money laundering plays a fundamental role in facilitating the ambitions of the drug trafficker, the terrorist, the organized criminal, the insider dealer, the tax evader as well as the many others who need to avoid the attention from the authorities that sudden wealth brings from illegal activities. By engaging in this type of activity it is hoped to place the proceeds beyond the reach of any asset forfeiture laws.

Community Bank Bangladesh Limited (CBBL) has implemented an enterprise-wide AML (Anti-Money Laundering) and CFT (Combating the Financing of Terrorism) compliance program, which covers all the activities of the Bank and is reasonably designed to comply with applicable laws and regulations. It is the policy of CBBL to take all reasonable and appropriate steps to prevent persons engaged in money laundering, fraud, or other financial crime, including the financing of terrorists or terrorist operations, from utilizing CBBL products and services. CBBL makes every effort to remain in full compliance with all applicable AML and CFT laws, rules and standards in the jurisdictions in which it does business.

# Community Bank Bangladesh Limited

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In order to facilitate compliance with AML and CFT requirements, CBBL has appointed one of its Senior Executives as the CAMLCO (Chief Anti-Money Laundering Compliance Officer) and a team of employees with experience on AML and CFT requirements under law, as well as money laundering detection and prevention, to oversee CBBL AML and CFT program. CBBL has developed and implemented written AML and CFT policies, procedures, internal controls and systems, which include (but are not limited) a customer identification program and procedures; procedures to collect and refresh, as appropriate, customer due diligence information; processes to assess risk; processes and systems to monitor customer transactions and activity; processes and systems to identify and report suspicious activity; and, processes to keep required records. CBBL educates its all employees on AML and CFT requirements and activities and also subjects its AML and CFT program to regular independent testing. CBBL cooperates fully with law enforcement and regulatory investigations and inquiries in identifying the criminals involve in Money Laundering and Terrorist Activities/Financing.

### 2.12.5 Internal control and compliance risk

Internal control is fundamental to the successful operation and day-to-day running of a business and it assists the bank in achieving its business objectives. It encompasses all controls incorporated into the strategic, governance and management processes, covering the bank's entire range of activities and operations, and not just those directly related to financial operations and reporting. Its scope is not confined to those aspects of a business that could broadly be defined as compliance matters, but extends also to the performance aspects of a business.

Community Bank Bangladesh Ltd has established a System of Internal Control, which is designed to manage all the risks of failure to a reasonable level, achieve aims and objectives/goals of the Bank and this System provides reasonable assurance of effective & efficient operations covering all controls including financial & operational controls, reliability of the financial information, compliance with applicable laws & regulations, adherence to management policies, safeguarding of Banks Assets, prevention & detection of fraud & errors, and accuracy & completeness of the accounting records.

The Board of Directors of Community Bank Bangladesh Ltd regularly reviews the effectiveness of internal control process through its Audit Committee and Executive Committee and the Audit Committee plays an effective role amongst the Board of Directors, Management, Shareholders, Depositors and develops an efficient, powerful and a safe Banking System. The committee also performs a very important role for publishing Bank's financial statements, developing an appropriate internal control system and maintains an effective communication with internal and external Auditors. It significantly contributes in controlling and monitoring various risks factors that arise from the business activities of the Bank. Board Audit Committee reviews the actions taken on internal control issues identified in the reports prepared by the Internal & External Auditors and Regulatory Authorities. It has active oversight on the internal audit's independence, scope of work and resources and it also reviews the functions of Internal Control & Compliance Division of Head Office, particularly the scope of the annual audit plan and frequency of the internal audit activities.

### 2.12.6 Information and communication technology

The rapid development of information and communication technologies (ICTs) has effectively facilitated in reorganizing business processes and streamlining the provision of its products and services in today's dynamic business environment. Such adoption helps the bank to develop and maintain competitive advantage for ensuring bank's profitability and survivability in the market place. The competitive advantage often brings bank numerous benefits including fast business transactions, increasing automation of business processes, improved customer service, and provision of effective decision support in a timely manner. However, the adoption of ICT applications has also brought organizations risks related to ICT such as strategic risk, financial risk, operational risk and technological risk. Risk management plays a critical role in protecting the bank's information assets. An effective risk management process is an important component of a successful IT security program. ICT risk management is referred to as the essential process to aid enterprise achieving "the new business changes, future investment in information technology system, an increasing ICT threats and an increasing dependence on delivering information in system".

In order to minimize and control these risks successfully, the Bank has developed and implemented ICT risk management policies and strategies, strengthened ICT security infrastructure, acquired centralized real time security monitoring system, implemented centralized hardware system with high availability facility and implemented Disaster Recover Site (DRS), developed Business Continuity Plan (BCP) and human resource backup plan with segregation of duties for different ICT tasks.

# Community Bank Bangladesh Limited

## Notes to the financial statements

as at and for the year ended 31 December 2021

### 2.12.7 Liquidity risk

The object of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Bank is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance. Management of liquidity and funding is carried out by Treasury Department under approved policy guidelines. Treasury front office is supported by a very structured Mid office and Back office. The Liquidity management is monitored by Asset Liability Committee (ALCO) on a regular basis. A written contingency plan is in place to manage extreme situation.

### 2.12.8 Market risk

The exposure of market risk of the Bank is restricted to foreign exchange risk, interest rate risk and equity risk.

#### Foreign exchange risk

Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. No foreign exchange dealing on Bank's account was conducted during the year.

Treasury Department independently conducts the transactions and the back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by Bangladesh Bank at the month-end. All Nostro accounts are reconciled on a monthly basis and outstanding entry beyond 30 days is reviewed by the management for its settlement. The position maintained by the bank at the end of day was within the stipulated limit prescribed by the Bangladesh Bank.

#### Interest rate risk

Interest rate risk may arise either from trading portfolio or non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills and bonds with maturity varies from 14 days to 20 years. The short-term movement in interest rate is negligible or nil. Interest rate risk of non-trading business arises from mismatches between the future yield of an asset and its funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

### 2.12.9 Operational risk

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance Division undertakes periodical and special audit of the branches and divisions at the Head Office for review of the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division.

### 2.13 Earnings per share

Basic earnings per share has been calculated in accordance with IAS 33 "Earnings per Share" which has been shown on the face of the profit and loss account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

### 2.14 Events after the reporting period

Where necessary, all the material events after the reporting period have been considered and appropriate adjustment / disclosures have been made in the financial statements. As of the date no such event occurred.

### 2.15 Related party transaction

Related party transaction is a transfer of resources, services or obligation between related parties, regardless of whether a price is charged. Detail of related parties transaction are given in note-39.2.

# Community Bank Bangladesh Limited

## Notes to the financial statements

as at and for the year ended 31 December 2021

### 2.16 Departures from IASs/IFRSs

In case the requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory authorities and accounting standards, the provisions and circulars issued by Bangladesh Bank shall prevail. Bank have departed from certain contradictory requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

#### i) Presentation of financial statements

IAS/IFRS: As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: A format of financial statements (i.e. balance sheet, profit and loss account, cash flows statement, changes in equity, liquidity statement) is prescribed in the "First Schedule" of section 38 of the Bank Company Act 1991 (as amended up to date) and BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

#### ii) Investment in shares and Securities

IAS/IFRS: As per requirements of IFRS 9 investment in shares and securities generally falls under "Amortized cost", "fair value through profit or loss" or "fair value through other comprehensive income" where any change in the fair value at the year-end is taken to profit or loss account or other comprehensive income/ revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. As per DOS circular letter no. 03 dated March 12, 2015, investment in Mutual Fund (close-end) is revalued at lower of cost and (higher of market value and 85% of NAV). Provision is made for any loss arising from diminution in value of investment; otherwise investments are recognized at costs.

#### iii) Revaluation gain/loss on Government securities

IAS/IFRS: As per requirement of IFRS 9 where T-bills and T-bonds will fall under the category of "held for trading", any change in the fair value of held for trading assets is recognized through profit and loss account.

T-bills/bonds designated as "held to maturity" are measured at amortized cost method and interest income is recognized through the profit and loss account.

Bangladesh Bank: According to DOS circular no. 05 dated 26 May 2008 and subsequent clarification in DOS circular no. 05 dated 28 January 2009 loss on revaluation of Government securities (T-bill/T-bond) which are categorized as held for trading will be charged through profit and loss account, but any gain on such revaluation should be recorded under Revaluation Reserve account. T-bills designated as held to maturity are measured at amortized cost method but interest income/gain is recognized through reserve.

#### iv) Provision on loans and advances

IAS/IFRS: As per IFRS 9 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets which are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular no. 16 dated 18 November 2014, BRPD Circular 14 dated 23 September 2012, BRPD Circular no. 19 dated 27 December 2012 and BRPD Circular no. 05 dated 29 May 2013, 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 the duration of overdue. Provision for unclassified loan was made at the specified rate i.e. 0.25% to 5% based on different categories of loans and advances. Such provision policies are not specifically in line with those prescribed by IFRS 9. Also, a general provision @ 1% should be provided for off-balance sheet exposures.



# Community Bank Bangladesh Limited

## Notes to the financial statements

as at and for the year ended 31 December 2021

### v) Other comprehensive income

IAS/IFRS: As per IAS 1, Other Comprehensive Income is a component of financial statements or the elements of Other Comprehensive Income are to be included in a Single Other Comprehensive Income (OCI) 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 include in a Single Other Comprehensive Income (OCI) Statement. As such the company does not prepare the other comprehensive income statement. However elements of OCI, if any, are shown in the statements of changes in equity.

### vi) Financial instruments – presentation and disclosure

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

### vii) Repo transactions

IAS/IFRS: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a deposit, and the underlying asset continues to be recognized in the entity's financial statements. This transaction will be treated as loan and the difference between selling price and repurchase price will be treated as interest expense.

Bangladesh Bank: As per DOS Circular letter no. 06 dated 15 July 2010 and subsequent clarification in DOS Circular No. 02 dated 23 June 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (Repo or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

### viii) Financial guarantees

IAS/IFRS: As per IFRS 9, financial guarantees are contracts that require an entity to make specified payments to reimburse to the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 financial guarantees such as L/C, L/G will be treated as Off-Balance Sheet items. No liability is recognized for the guarantee except the cash margin and 1% general provision for all contingent liabilities.

### ix) Cash and cash equivalent

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

Bangladesh Bank: As per BRPD Circular 14 dated 25 June 2003, Cash and cash-equivalents consist of cash with Bangladesh Bank, with its agent bank(s), government securities (prize bond) and deposits with other banks.

### x) Non-banking asset

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

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

### xi) Cash flow statement

IAS/IFRS: Cash flow statement can be prepared either in direct method or in indirect method as per IAS 7 of Statement of Cash Flows. 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.

# Community Bank Bangladesh Limited

## Notes to the financial statements

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

### xii) Balance with Bangladesh Bank (CRR)

IAS/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 is treated as cash and cash equivalents.

### xiii) Presentation of intangible asset

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

Bangladesh Bank: There is no requirement for regulation of intangible assets in BRPD circular no. 14 dated 25 June 2003.

### xiv) Off-balance sheet items

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 off balance sheet items must be disclosed separately in face of balance sheet. Accordingly the Bank has recognized the following off balance sheet items:

-Acceptances and endorsements

-Letters of guarantee

-Irrevocable letters of credit

-Bills for collection

-Foreign exchange contracts

### xv) Disclosure of appropriation of profit

IAS/IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.

### xvi) Loans and advance net of provision

IAS/IFRS: Loans and advances should be presented net of provisions.

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

### xvii) Recognition of Interest in Suspense

IAS/IFRS: Loans and advances to customers are generally classified as "loans and receivables" as per IFRS 9 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per BRPD Circular No. 14 dated 23 September 2012, once a loan is classified, 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 liability in balance sheet.

## 2.17 The Bank's compliance with related pronouncements by Bangladesh Bank

### i) Internal Control

The objective of internal control is to ensure that management has reasonable assurance that (i) operations are effective, efficient and aligned with strategy, (ii) financial reporting and management information is reliable, complete and timely accessible, (iii) the entity is in compliance with applicable laws and regulations as well as its internal policies and ethical values including sustainability, and (iv) assets of the company are safeguarded and frauds or errors are prevented or detected.

# Community Bank Bangladesh Limited

## Notes to the financial statements

as at and for the year ended 31 December 2021

Community Bank Bangladesh Limited has established an effective internal control system whose primary aim is to ensure the overall control of risks and provide reasonable assurance that the objectives set by the Bank will be met. It has designed to develop a high level risk culture among the personnel of the Bank, establish efficient and qualified operating model of the Bank, ensure reliability of internal and external information including accounting and financial information, secure the Banks operations and assets, and comply with laws, regulatory requirements and internal policies.

The Board of Directors of Community Bank, through its Audit Committee, periodically reviews the effectiveness of Bank's internal control system covering all the material controls, including financial, operational and compliance controls, risk management systems, the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, training programs, budget, etc. Audit Committee of the Board reviews the actions taken on internal control issues identified by the Internal & External Auditors and Regulatory Authorities. It has active oversight on the internal audit's independence, scope of work and resources and it also reviews the functions of Internal Control and Compliance Division of Head Office, particularly the scope of the annual audit plan and frequency of the internal audit activities.

### ii) Internal Audit

Internal Audit is the continuous and systematic process of examining and reporting on the activities of an organization undertaken by the specially assigned staff(s). Internal Auditor works as the Eyes and Ears of the management. It may therefore be used to bridge the gap between management and shop floor. It can assure the management that the Internal Controls are adequate and in operations, the policies and systems laid down are being adhered to and accounting records provided by the lower level are correct.

Internal Audit Mechanism is used as an important element to ensure good governance of CBBL. Internal Audit Activity of CBBL is effective and it provides senior management with a number of important services. These include detecting and preventing fraud, testing internal control, and monitoring compliance with own policies and procedures, applicable rules and regulations, instructions/ guidelines of regulatory authority etc.

### iii) Fraud and Forgeries

The increasing wave of fraud and forgery cases in the banking sector in recent time calls for concerted steps in identifying ways for reducing or preventing frauds and forgeries by analysing the causes and effect of frauds and forgeries, and prescribing effective control strategies for salvaging frauds in the banking sector. CBBL always pays due attention on anti-fraud internal controls for prevention of fraud and forgery. The Bank has already implemented some strategies like Financial Control Strategy, Accounting Control Strategy, Credit Control Strategy, Administrative Control strategy, Process Control Strategy etc. in order to strengthening the control system further. Although it is not possible to eliminate all frauds because of the inherent limitations of Internal Control System, the Board of Directors and Management have taken all the measures to keep the operational risk in a very minimum level. Internal Control and Compliance Division (ICCD) assesses and evaluates the effectiveness of Bank's anti-fraud internal control measures, recommends for further improvement in implementation of aforesaid strategies and reports to the Bangladesh Bank on effectiveness of controls at the end of each quarter following their prescribed format.

## 2.18 Approval of Financial Statements

These financial statements were reviewed by the Board audit committee of the Bank in its 19<sup>th</sup> meeting held on 10 March 2022 and was subsequently approved by the Board in its 29<sup>th</sup> meeting held on 27 March 2022.

## 2.19 General

a) These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.

b) The expenses, irrespective of capital or revenue nature, accrued / due but not paid have been provided for in the books of the Bank.

c) Figures of previous year have been rearranged whenever necessary to conform to current years presentation.

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>3 Cash</b>			
Cash in hand (Including foreign currencies)	3.1	1,086,583,556	930,860,014
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	3.2	2,961,820,880	1,332,853,049
		<b>4,048,404,436</b>	<b>2,263,713,063</b>
<b>3.1 Cash in hand</b>			
Local currency		1,086,583,556	930,860,014
Foreign currency		-	-
		<b>1,086,583,556</b>	<b>930,860,014</b>
<b>3.1(a) Consolidated Cash in hand</b>			
Community Bank Bangladesh Limited		1,086,583,556	-
Community Bank Investment Limited		-	-
		<b>1,086,583,556</b>	<b>-</b>
<b>3.2 Balance with Bangladesh Bank and its agent bank(s)</b>			
Local currency		2,797,686,701	1,329,690,590
Foreign currency		164,134,179	3,162,459
		2,961,820,880	1,332,853,049
Sonali Bank as agent of Bangladesh Bank (Local currency)		-	-
		<b>2,961,820,880</b>	<b>1,332,853,049</b>
Reconciliation statements regarding Bangladesh Bank balance are given in Annexure-B			
<b>3.2(b) Consolidated Balance with Bangladesh Bank and its agent bank</b>			
Community Bank Bangladesh Limited		2,961,820,880	-
Community Bank Investment Limited		-	-
		<b>2,961,820,880</b>	<b>-</b>
<b>3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)</b>			
Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991 (amended upto date), DOS circular nos. 01 dated 19 January 2014, MPD circular no. 01, MPD circular no. 116/2018-592 dated 03 April 2018, DOS Circular Letter No. 26 dated August 19, 2019, BRPD Circular No. 31 dated June 18, 2020 and MPD Circular No. 03 dated April 09, 2020.			
The Cash Reserve Requirement is calculated on the Bank's weekly average total demand and time liabilities of a base month which is two months back of the reporting month (i.e. CRR of December 2021 is maintained on the basis of weekly ATDTL of October 2021) at the rate of 3.50% CRR on daily basis and 4.00% on bi-weekly basis and 13% Statutory Liquidity Ratio excluding CRR, on the same liabilities has also been maintained in the form of cash in hand, balance with Bangladesh Bank and its agent bank, treasury bills, bonds and debentures. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:			
Average total demand and time liabilities (ATDTL) of October 2021		66,395,540,000	15,904,730,000
<b>3.3.1 Cash Reserve Requirement (CRR)</b>			
Daily basis			
Required reserve @ 3.5% of ATDTL		2,323,843,900	556,665,550
Actual reserve held (As per Bangladesh Bank statement)		2,772,564,399	1,314,668,666
Surplus		<b>448,720,499</b>	<b>758,003,116</b>

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
Bi-weekly basis The bank maintained excess cash reserve of BDT 137.03 million in the last fortnight of 2021 (BDT 678.48 Million in 2020) calculated by summing up excess cash reserve maintained over required CRR on daily basis.			
<b>3.3.2 Statutory Liquidity Ratio (SLR)</b>			
Required reserve @ 13% of ATDTL		8,631,420,200	2,067,614,900
Actual reserve held	3.3.3	9,998,598,744	3,758,313,202
Surplus		<b>1,367,178,544</b>	<b>1,690,698,302</b>
<b>Total surplus</b>	(3.3.1+3.3.2)	<b>1,815,899,042</b>	<b>2,448,701,419</b>
<b>3.3.3 Actual reserve held</b>			
Cash in hand	3.1	1,086,583,556	930,860,014
Excess balance with Bangladesh Bank	3.3.3.a	116,742,799	678,479,466
Balance with Sonali bank as per statement		-	-
Unencumbered approved securities (HFT)	6	578,143,615	167,233,211
Unencumbered approved securities (HTM)	6	8,216,843,474	1,980,806,211
Other eligible securities (Prize bond)		285,300	934,300
		<b>9,998,598,744</b>	<b>3,758,313,202</b>
<b>3.3.3.a Excess balance with Bangladesh Bank</b>			
Balance with Bangladesh Bank		2,772,564,399	1,314,668,666
Less: Required cash reserve on bi-weekly average basis (4% of ATDTL)		2,655,821,600	636,189,200
Excess of cash reserve as on the reporting date		<b>116,742,799</b>	<b>678,479,466</b>
As per DOS circular no. 01 dated 19 January 2014, MPD circular No. 01 dated 03 April 2018 and DOS circular letter no. 26 dated 19 August 2019 issued by Bangladesh Bank, daily excess reserve (if any) is considered an eligible component of Statutory Liquidity.			
<b>4 Balance with other banks and financial institutions</b>			
In Bangladesh	4.1	6,941,912,219	1,082,357,477
Outside Bangladesh	4.2	10,014,410	2,652,464
		<b>6,951,926,629</b>	<b>1,085,009,941</b>
<b>4.1 In Bangladesh</b>			
<b>Current accounts</b>			
Sonali Bank Limited		7,241,183	8,797,627
Eastern Bank Limited		4,033,874	731,980
Mercantile Bank Limited		1,974,061	14,821,746
Trust Bank Limited		25,066,843	70,904
		<b>38,315,961</b>	<b>24,422,257</b>
<b>Short notice deposit (SND) accounts</b>			
Sonali Bank Limited		6,728,191,977	-
Eastern Bank Limited		9,490,504	17,890,202
Mercantile Bank Limited		15,913,777	90,045,018
		<b>6,753,596,258</b>	<b>107,935,220</b>
<b>Fixed deposit with Banks</b>			
Modhumoti Bank Limited		-	100,000,000
		-	<b>100,000,000</b>
<b>Fixed deposit with Financial Institutions</b>			
IPDC Finance Limited		-	250,000,000
Uttara Finance and Investment Limited		-	300,000,000
Lanka Bangla Finance Company Limited		150,000,000	300,000,000
		<b>150,000,000</b>	<b>850,000,000</b>
		<b>6,941,912,219</b>	<b>1,082,357,477</b>



# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>4.2 Outside Bangladesh (NOSTRO Accounts)</b>			
<b>Current account</b>			
Habib America, NY-USD		3,423,282	2,621,723
AB Bank Limited Mumbai, India		6,591,128	30,741
		<b>10,014,410</b>	<b>2,652,464</b>
Details of Foreign currency amounts and exchange rates are presented in 'Annexure-C'.			
<b>4.3 Maturity grouping of balance with other banks and financial institutions</b>			
Up to 1 month		1,969,660,576	235,009,941
More than 1 month to 3 months		3,420,123,465	250,000,000
More than 3 months to 1 Year		950,853,874	600,000,000
More than 1 year to 5 years		611,288,714	-
More than 5 years		-	-
		<b>6,951,926,629</b>	<b>1,085,009,941</b>
<b>4(a) Consolidated Balance with other banks and financial institutions</b>			
<b>4.1(a) In Bangladesh</b>			
Community Bank Bangladesh Limited		6,941,912,219	-
Community Bank Investment Limited		48,535,471	-
		6,990,447,690	-
Less: Inter-company transactions		48,535,471	-
		<b>6,941,912,219</b>	<b>-</b>
<b>4.2(a) Outside Bangladesh</b>			
Community Bank Bangladesh Limited		10,014,410	-
Community Bank Investment Limited		-	-
		<b>10,014,410</b>	<b>-</b>
		<b>6,951,926,629</b>	<b>-</b>
<b>5 Money at call on short notice</b>			
AB Bank Limited		140,000,000	-
IPDC Finance Limited		-	300,000,000
IDLC Finance Limited		-	300,000,000
Lanka Bangla Finance Limited		-	240,000,000
Delta Brac Housing Finance Corporation Limited		-	400,000,000
Uttara Finance and Investment Limited		-	300,000,000
		<b>140,000,000</b>	<b>1,540,000,000</b>
<b>5.1 Maturity grouping of money at call on short notice</b>			
Up to 1 month		140,000,000	1,540,000,000
More than 1 month to 3 months		-	-
More than 3 months to 1 Year		-	-
More than 1 year to 5 years		-	-
More than 5 years		-	-
		<b>140,000,000</b>	<b>1,540,000,000</b>

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>5(a) Consolidated Money at call on short notice</b>			
Community Bank Bangladesh Limited		140,000,000	-
Community Bank Investment Limited		-	-
		<b>140,000,000</b>	<b>-</b>
<b>6 Investments</b>			
Government securities	6.1	8,795,272,389	2,148,973,722
Other investments	6.2	2,821,543,948	713,339,516
		<b>11,616,816,337</b>	<b>2,862,313,238</b>
Investment in securities are classified as per Bangladesh Bank circular:			
Held for trading (HFT)		578,143,615	167,233,211
Held to maturity (HTM)		8,216,843,474	1,980,806,211
Other securities		2,821,829,248	714,273,816
		<b>11,616,816,337</b>	<b>2,862,313,238</b>
<b>6.1 Government securities</b>			
Treasury bills	6.1.1	356,735,503	69,999,650
Treasury bonds	6.1.2	8,438,251,586	2,078,039,772
Prize bond		285,300	934,300
		<b>8,795,272,389</b>	<b>2,148,973,722</b>
<b>6.1.1 Treasury bills</b>			
364 days treasury bills		356,735,503	69,999,650
		<b>356,735,503</b>	<b>69,999,650</b>
<b>6.1.2 Treasury bonds</b>			
2 years Government treasury bonds		150,089,165	150,730,100
5 years Government treasury bonds		632,748,449	154,522,515
10 years Government treasury bonds		2,897,394,849	694,565,535
15 years Government treasury bonds		1,170,341,595	113,798,659
20 years Government treasury bonds		3,587,677,528	964,422,963
		<b>8,438,251,586</b>	<b>2,078,039,772</b>
<b>6.2 Other investments</b>			
<b>6.2.1 Preference shares</b>			
Summit LNG terminal Co. Pvt. Ltd.		60,000,000	80,000,000
Confidence Power Bogura Unit 2		75,000,000	100,000,000
Confidence Power Bogura		131,250,000	150,000,000
Impress-newtex comp Tex Limited		200,000,000	-
Flamingo Fashions Limited		200,000,000	-
City Sugar Industries Limited		200,000,000	-
		<b>866,250,000</b>	<b>330,000,000</b>

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars		Note	2021 Taka	2020 Taka
6.2.2	Investment in Corporate bonds (issued by other banks and institutions)			
	a) Subordinated Bonds			
	Under Conventional Banking			
	UCBL 4th Subordinated Bond		100,000,000	100,000,000
	MTB 4th Subordinated Bond		100,000,000	100,000,000
	Jamuna Bank Limited Subordinated Bond		100,000,000	-
			300,000,000	200,000,000
	b) Islamic Bond			
	Beximco Green-Sukuk al Istisna'a		200,000,000	-
			200,000,000	-
	c) Perpetual Bonds			
	Under Conventional Banking			
	Trust Bank Limited Perpetual Bond		150,000,000	-
	The City Bank Limited Perpetual Bond		150,000,000	-
	Jamuna Bank Limited Perpetual Bond		150,000,000	-
	United Commercial Bank Limited Perpetual Bond		200,000,000	-
	NCC Bank Limited Perpetual Bond		200,000,000	-
			850,000,000	-
	Under Islamic Banking			
	Shahjalal Islami Bank Limited Mudaraba-Perpetual Bond		250,000,000	-
			250,000,000	-
			1,600,000,000	200,000,000
6.2.3	Investments in ordinary shares			
	Investment in listed securities		314,656,474	168,339,520
			314,656,474	168,339,520
6.2.4	Investments in mutual fund			
	Investment in open-end mutual fund		39,999,974	14,999,996
			39,999,974	14,999,996
6.2.5	Investments for IPO and private placement			
	Applied for IPO-BD Thai Food		637,500	-
			637,500	-
			2,821,543,948	713,339,516
	Details of investment in shares are presented in 'Annexure-D'.			
6.3	Maturity wise grouping of investment			
	Up to 1 month		-	1,000,000
	More than 1 month to 3 months		256,719	103,313,238
	More than 3 months to 1 year		762,018,792	251,000,000
	More than 1 year to 5 years		1,799,126,854	534,800,000
	More than 5 years		9,055,413,972	1,972,200,000
			11,616,816,337	2,862,313,238
6.4	(i) Disclosure regarding outstanding repo			
	Counterparty name	Agreement date	Reversal date	Amount
				-
				-
	Total			
	(ii) Disclosure regarding outstanding reverse repo			
	Counterparty name	Agreement date	Reversal date	Amount
				-
				-
	Total			

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars		Note	2021 Taka	2020 Taka
6.5 Disclosure regarding overall transaction of repo and reverse repo				
Counterparty name	Minimum Outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Daily average outstanding previous year
Securities sold under repo				
I) with Bangladesh Bank				-
ii) with other Banks & FIs	336,277,885	338,817,863	337,572,084	-
Securities purchased under reverse repo				
i) from Bangladesh Bank	Nil	Nil	Nil	Nil
ii) from other Banks & FIs	Nil	Nil	Nil	Nil
6(a) Consolidated Investments				
6.1(a) Government Securities				
Community Bank Bangladesh Limited			8,795,272,389	-
Community Bank Investment Limited			-	-
			8,795,272,389	-
6.2(a) Other investments				
Community Bank Bangladesh Limited			2,821,543,948	-
Community Bank Investment Limited			161,254,776	-
			2,982,798,724	-
			11,778,071,113	-
7 Loans and advances				
Loans, cash credits, overdrafts etc.	7.1	43,188,295,666	19,480,817,983	
Bills purchased and discounted	7.2	36,415,420	15,674,097	
			43,224,711,086	19,496,492,080
7.1 Loans, cash credits, overdrafts etc.				
Continuous Loans (Excluding Credit Card)		7,231,651,749	5,492,175,926	
Demand loans (Excluding Bills)		3,924,413,510	377,517,162	
Term loans		31,093,826,039	13,530,183,847	
Credit Card		145,418,572	-	
Short Term Agri and Micro Credit		703,392,040	-	
Staff loans	7.8	89,593,756	80,941,048	
			43,188,295,666	19,480,817,983
7.2 Bills purchased and discounted				
Local bills /documents		36,415,420	15,674,097	
Foreign bills /documents		-	-	
			36,415,420	15,674,097
7.3 Net loans and advances				
Gross loans and advances		43,224,711,086	19,496,492,080	
Less: Interest suspense		1,153,911	-	
Less: Provision for loans and advances		464,407,005	202,344,401	
			42,759,150,170	19,294,147,679

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>7.4 Maturity wise grouping of loans and advances</b>			
Repayable on demand		1,854,434,717	440,333,780
More than 1 month to 3 months		3,783,468,403	618,928,089
More than 3 months to 1 year		6,429,072,134	4,843,606,635
More than 1 year to 5 years		21,672,013,497	12,347,407,469
More than 5 years		9,485,722,335	1,246,216,107
		<b>43,224,711,086</b>	<b>19,496,492,080</b>
<b>7.5 Loans and advances under the following broad categories</b>			
<b>In Bangladesh</b>			
Loans		35,847,640,765	14,004,316,154
Cash credits		-	-
Overdrafts		7,377,070,321	5,492,175,926
		<b>43,224,711,086</b>	<b>19,496,492,080</b>
<b>Outside Bangladesh</b>			
Loans		-	-
Cash credits		-	-
Overdrafts		-	-
		<b>43,224,711,086</b>	<b>19,496,492,080</b>
<b>7.6 Geographical location wise portfolio grouping</b>			
<b>In Bangladesh</b>			
Dhaka Division		34,603,476,881	16,650,711,193
Chattogram Division		4,789,651,596	1,685,508,141
Khulna Division		1,560,551,654	315,498,126
Sylhet Division		1,181,580,352	624,674,351
Barishal Division		-	-
Rajshahi Division		-	-
Rangpur Division		1,089,450,603	220,100,269
		<b>43,224,711,086</b>	<b>19,496,492,080</b>
<b>Outside Bangladesh</b>			
		<b>43,224,711,086</b>	<b>19,496,492,080</b>
<b>7.7 Significant concentration wise grouping</b>			
Directors and others		-	-
<b>Staff</b>			
Managing Director and CEO		-	-
Senior Executives		75,022,259	33,231,202
Others		14,571,497	47,709,846
		<b>89,593,756</b>	<b>80,941,048</b>
<b>Industries</b>			
Agricultural		773,348,611	-
Large and Medium		11,458,494,350	6,611,203,370
Small and Cottage		203,100,014	43,935,272
		<b>12,434,942,975</b>	<b>6,655,138,642</b>
Consumers		345,870,138	105,471,784
Trade and commercial		2,076,267,302	127,113,698
Others (Include loan against police payroll)		28,278,036,915	12,527,826,908
		<b>43,224,711,086</b>	<b>19,496,492,080</b>



# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>7.8 Staff loan</b>			
Personal loan		-	-
Car loans		45,055,471	56,257,859
Housing loans		44,538,285	24,683,189
		<b>89,593,756</b>	<b>80,941,048</b>

### 7.9 Detail of large loans and advances

Below statement represents number of clients with outstanding to each customer exceeding BDT 515.41 million which is equivalent to 10% of total risk based regulatory capital of the bank as at 31 December 2021. Total risk based regulatory capital of the Bank was BDT 5,154.11 million as at 31 December 2021 (BDT 4,347.4 million in 2020).

Number of clients	19	4
Amount of outstanding advances	8,850,974,552	2,611,263,747
Amount of classified advances	-	-
Measures taken for recovery	N/A	N/A

SL No.	Group name	Name of clients	Outstanding		Total	Total
			Funded	Non-funded		
1	ACI	Advanced Chemical Industries Ltd.			-	549,830,132
2	City	City Edible Oil Limited			-	511,570,291
3		EBL Securities Limited			-	449,239,904
4	Anwar	Anwar ispat Ltd.	552,632,797	-	552,632,797	-
5	ADN	ADN telecom limited	26,369,038	18,110,883	44,479,921	-
		Tech valley networks ltd. co-borrower adn technologies limited & ingen technology ltd	357,634,455	204,398,641	562,033,096	-
Subtotal			384,003,493	222,509,524	606,513,017	
6		BBS cables limited	603,734,527	27,256,462	630,990,989	-
7	Energypac	Energypac engineering ltd.	395,909,038	819,920,395	1,215,829,433	-
8	Rangdhanu	Rongdhanu builders (pvt). Ltd	653,088,372	-	653,088,372	-
9	Max	Max infrastructure limited	567,750,952	31,291,886	599,042,838	-
10	Confidence	Confidence power holdings limited co-borrower confidence power bogra ltd.	206,300,000	234,500,000	440,800,000	-
		Confidence batteries limited	211,869,044	-	211,869,044	-
Subtotal			418,169,044	234,500,000	652,669,044	
11	Noman	Ismail anzuman ara fabrics limited	217,780,849	56,034,556	273,815,405	-
		Zaber & Zubair fabrics limited	351,157,192	-	351,157,192	-
Subtotal			568,938,041	56,034,556	624,972,597	
12	Rangs	Rangs Limited	-	-	-	1,100,623,420
		Pharma solutions bangladesh limited	185,594,021	678,629,698	864,223,719	-
		Rangs electronics limited	309,971,825	14,970,384	324,942,209	-
Subtotal			495,565,846	693,600,082	1,189,165,928	1,100,623,420
13	DBL	DB tex limited	230,419,169	-	230,419,169	-
		Jinnat knitwears limited	101,348,907	-	101,348,907	-
		Flamingo fashions ltd	302,313,796	-	302,313,796	-
Subtotal			634,081,871	-	634,081,871	
14	Kader	A A coarse- spun ltd.	352,328,969	329,934,113	682,263,082	-
15	Paramount	Paramount textile limited	654,766,711	154,957,872	809,724,583	-
Total			6,280,969,662	2,570,004,890	8,850,974,552	2,611,263,747

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>7.10 Grouping as per classification rules</b>			
Unclassified			
Standard including staff loan		43,201,737,599	19,496,492,080
Special mention account (SMA)		5,878,326	-
		<b>43,207,615,925</b>	<b>19,496,492,080</b>
Classified			
Sub standard		14,555,292	-
Doubtful		2,539,869	-
Bad/Loss		-	-
		17,095,161	-
		<b>43,224,711,086</b>	<b>19,496,492,080</b>
<b>7.11 Sector-wise allocation of loans and advances</b>			
Government		-	-
Private			
Agriculture, fishing, forestry and dairy firm		456,374,347	-
Industry (Jute, textile, garments, chemicals, cements etc.)		7,673,491,216	938,751,160
Working capital financing		2,549,249,683	5,350,828,157
Export credit		293,144,319	-
Commercial credit		3,241,054,967	302,728,653
Small and cottage industries		297,895,744	189,944,370
Miscellaneous (Include loan against police payroll)		28,713,500,809	12,714,239,740
		<b>43,224,711,086</b>	<b>19,496,492,080</b>
<b>7.12 Securities against loans/advances including bills purchased and discounted</b>			
Collateral of movable/immovable assets		3,553,349,888	912,113,610
Local banks and financial institutions guarantee		-	-
Government guarantee		-	-
Foreign banks guarantee		-	-
Export documents		-	-
Fixed deposit receipts (FDR)		5,402,573,457	1,409,701,860
FDR of other banks		-	-
Government bonds		-	-
Corporate Guarantee		4,880,106,316	5,105,864,688
Personal guarantee and other securities		26,097,474,096	11,207,635,662
Other securities		3,291,207,328	861,176,260
		<b>43,224,711,086</b>	<b>19,496,492,080</b>

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

### 7.13 Particulars of required provisions for loans and advances

Particulars	Outstanding balance as at 31 December 2021	Base for provision	Percentage of required provision	Required provision December 2021	Required provision December 2020
<b>Unclassified -General provision</b>					
All unclassified loans (Other than Small and Medium enterprise Financing, Consumer Financing/MBs/SDs, Housing and loans for professional)	13,180,136,434	13,180,136,434	1%	131,801,364	180,512,456
Small and Medium enterprise financing (MFI linkage)	339,392,033	339,392,033	1%	3,393,920	3,209,355
Small and Medium enterprise financing	737,514,462	737,514,462	0.25%	1,843,786	680,443
Loans to BHs/MBs/SDs against share etc*	254,167,348	254,167,348	2%	5,083,347	13,569,046
Housing and loan for professional	145,238,449	145,238,449	1%	1,452,384	-
Consumer finance - BP Special Loan**	26,014,381,004	26,014,381,004	1%	260,143,810	-
Consumer finance	2,447,192,438	2,447,192,438	2%	48,943,849	1,854,807
Special general provision for Covid-19	-	-	1%	-	102,350
<b>Sub total</b>				<b>452,662,461</b>	<b>199,928,457</b>
<b>Classified - Specific provision</b>					
Sub-standard	14,555,292	13,631,620	20%	2,726,324	-
Doubtful	2,539,869	2,309,630	50%	1,154,815	-
Bad/Loss	-	-	100%	-	-
<b>Sub total</b>				<b>3,881,139</b>	<b>-</b>
Total required provision for loans and advances				456,543,600	199,928,457
Total provision maintained (Note 13.1+13.2)				464,407,005	202,344,401
Excess/(Short) provision at 31 December 2021				7,863,405	2,415,944
* BHs = Brokerage Houses, MBs = Merchant Banks, SDs = Stock Dealers Against Shares					
** As per approval from Bangladesh Bank					

### 7.14 Particulars of required provisions for off balance sheet exposures - General Provision

Particulars	Outstanding balance as at 31 December 2021	Base for provision	Percentage of required provision	Required provision December 2021	Required provision December 2020
Letter of guarantee	2,456,592,242	2,456,592,242	1%	24,565,923	15,552,853
Letter of credit	1,182,593,425	1,182,593,425	1%	11,825,934	634,758
Total required provision for off balance sheet exposures				36,391,857	16,187,611
Total provision maintained (Note 13.3)				36,391,857	16,201,609
Excess/(Short) provision at 31 December 2021				-	13,998

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>7.15 Particulars of loans and advances</b>			
i) Debts considered good in respect of which Bank is fully secured		12,247,130,673	2,862,056,257
ii) Debts considered good for which Bank holds no other security than the debtor's personal security		2,267,668,932	320,935,473
iii) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors .		28,709,911,481	16,313,500,350
iv) Debts considered doubtful or bad, not provided for		-	-
		<b>43,224,711,086</b>	<b>19,496,492,080</b>
v) Debts due by directors or officers of the banking company or any of these either separately or jointly with any other persons;		89,593,756	80,941,048
vi) Debts due by companies or firms in which the directors or officers of the bank are interested as directors, partners or managing agents or in case of private companies as members;		-	-
vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;		89,593,756	80,941,048
viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in case of private companies, as members;			
ix) Due from banking companies		-	-
x) Amount of Classified loans on which interest has not been charged should be mentioned as follows:		-	-
a) Increase/decrease of provision (specific)			
amount of debts written off			
amount realized against loan previously written off.			
b) Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet		-	-
c) Interest creditable to the Interest Suspense a/c.			
xi) Cumulative amount of the written off loan and the amount written off during the current year should be shown separately. The amount of written off loan for which lawsuit has been filed should also be mentioned.			
- Current year		-	-
- Cumulative to date		-	-
The amount of written off loans for which law suit filed		-	-
<b>7.16</b> The directors of the Bank have not taken any loan from the Bank during the year or there is no outstanding loan balances with any director of the Bank.		-	-
<b>7(a) Consolidated Loans and advances</b>			
<b>7.1(a) Loans and advances</b>			
Community Bank Bangladesh Limited		43,188,295,666	-
Community Bank Investment Limited		-	-
		<b>43,188,295,666</b>	<b>-</b>

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>7.2(a) Bills purchased and discounted</b>			
Community Bank Bangladesh Limited		36,415,420	-
Community Bank Investment Limited		-	-
		36,415,420	-
		<b>43,224,711,086</b>	<b>-</b>
<b>8 Fixed assets including premises, furniture and fixtures</b>			
<b>Cost of Property plant and equipments:</b>			
Land		-	-
Building		-	-
Furniture and fixture		163,100,798	137,204,300
Office equipment		110,490,739	90,537,949
IT hardware		256,078,213	222,498,617
Motor vehicles		26,812,140	26,760,000
Capital work in progress		5,394,063	-
		561,875,953	477,000,866
<b>Intangible assets</b>			
IT software		186,702,098	182,520,431
License fee		8,608,209	6,993,025
Membership fee		2,500,000	-
		197,810,307	189,513,456
		<b>759,686,260</b>	<b>666,514,322</b>
Less: Accumulated depreciation and amortization		203,470,107	86,183,533
		<b>556,216,153</b>	<b>580,330,789</b>
<b>Lease assets-Premises</b>			
Right-of-use assets (As per IFRS 16)		759,695,538	682,885,932
Less: Accumulated depreciation		139,315,461	59,215,135
		620,380,077	623,670,797
<b>Net book value at the end of the year</b>		<b>1,176,596,230</b>	<b>1,204,001,586</b>
Details of the fixed assets are presented in 'Annexure-E'.			
<b>8(a) Consolidated Fixed assets including premises, furniture and fixtures</b>			
Community Bank Bangladesh Limited		1,176,596,230	-
Community Bank Investment Limited		936,782	-
		<b>1,177,533,012</b>	<b>-</b>
<b>9 Other assets</b>			
<b>9.1 Income generating other assets</b>			
Interest receivables	9.1.1	587,598,911	153,771,418
Investment in subsidiary		250,000,000	250,000,000
Dividend receivable - Preference share		18,096,866	1,934,690
Interest receivable - Subordinated bond		16,350,518	412,986
Balance with sheltech brokerage limited		300,438	6,278,411
		<b>872,346,733</b>	<b>412,397,505</b>



# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>9.1.1 Interest receivables</b>			
Interest receivables consists of interest receivable on loans, investments etc.			
Receivable against Government securities		101,044,291	17,014,276
Receivable against balance with other bank		261,525,255	39,614,228
Receivable against loans and advances		225,029,365	97,142,914
		<b>587,598,911</b>	<b>153,771,418</b>
<b>9.2 Non income generating other assets</b>			
Stock of stamps and cartridge paper		4,813,930	1,515,830
Stock of security stationery*		6,910,012	5,666,461
Advance to staff		184,000	676,240
Advance payment of income tax	9.2.1	124,489,299	71,080,887
Deferred tax asset	9.2.2.a	103,632,519	42,710,937
Advance to vendor and supplier		625,035	1,743,750
Advance against fixed assets	9.2.3	-	9,045,302
Advance against office rent**		45,755,170	33,430,538
Security deposit		2,330,849	4,808,049
Prepaid expenses		24,305,366	20,130,617
Protested bill		-	-
Trade Receivable		7,203,442	16,634
Receivable from subsidiary		-	758,611
		<b>320,249,622</b>	<b>191,583,856</b>
<b>Total other assets</b>	9.1+9.2	<b>1,192,596,355</b>	<b>603,981,361</b>

\* Security stationery includes such items but not limited to Debit and Credit cards, Cheque books, Pay order books etc.

\*\* Advance office rent is BDT 73,979,394 and include IFRS 16 adjustment of BDT 28,224,224.

### 9.2.1 Advance payment of income tax

Opening balance	71,080,887	13,444,525
Payment made during the year	53,408,412	57,636,362
	124,489,299	71,080,887
Adjustment made during the year	-	-
Closing balance	<b>124,489,299</b>	<b>71,080,887</b>

Advance payment of income tax represents corporate income tax paid to the Government Exchequer by way of advance tax under section 64 and tax deducted at source from different heads of income by third parties and tax paid under section 74 if the Income Tax Ordinance 1984, which would be adjusted with the corporate tax liability of the Company.

### 9.2.2 Deferred tax

#### a. Deferred tax asset

Deferred tax assets arises from carry forward tax credit

Business Loss as per taxable income calculation (2020 actual + 2021 estimated)	259,081,300	106,777,343
Tax rate	40%	40%
Deferred tax asset	103,632,519	42,710,937
Opening deferred tax asset	42,710,937	13,081,304
Deferred tax expense/(income)	<b>(60,921,582)</b>	<b>(29,629,633)</b>

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>b. Deferred tax liability</b>			
I. Temporary timing difference in written down value of fixed assets between tax base and carrying value			
Carrying amount of fixed assets		553,591,153	580,330,789
Tax base		488,791,000	498,188,442
Taxable temporary difference		64,800,153	82,142,347
Tax rate		40%	40%
Deferred tax liability		25,920,061	32,856,939
II. Temporary timing difference in interest receivable from treasury bills and bonds			
Accounting base		125,312,103	17,014,276
Tax base		-	-
Taxable temporary difference		125,312,103	17,014,276
Tax rate		40%	40%
Deferred tax liability		50,124,841	6,805,710
Total Deferred tax liability (I+II)		76,044,902	39,662,649
Opening deferred tax liability		39,662,649	12,821,169
Deferred tax expense/(income)		<b>36,382,253</b>	<b>26,841,480</b>
Deferred tax assets/(liabilities) have been recognised and measured as per IAS-12: Income Taxes and BRPD circular # 11 dated 12 December 2011. There is no other material temporary timing difference in assets/liabilities for which deferred tax asset/liability is required to be accounted for in the year.			
<b>9.2.3 Advance against fixed assets</b>			
Advance for software		-	2,625,000
Advance for branch interior and civil works		-	6,420,302
		<b>-</b>	<b>9,045,302</b>
<b>9(a) Consolidated other assets</b>			
Community Bank Bangladesh Limited		1,192,596,355	-
Community Bank Investment Limited		41,305,258	-
		<b>1,233,901,613</b>	-
Less: Inter-company transactions			
Investment in Community Bank Investment Limited		250,000,000	-
Interest receivable from Community Bank		264,384	-
		<b>983,637,229</b>	-
<b>10 Non-banking assets</b>		-	-
<b>11 Borrowing from other banks, financial institutions and agents</b>			
Call borrowings from banks			
- AB Bank Limited		200,000,000	-
- Basic Bank Limited		600,000,000	-
Short notice borrowings from banks			
- Bangladesh Development Bank Limited		450,000,000	-
- Uttara Bank Limited		300,000,000	-
- National Credit and Commerce Bank Limited		140,000,000	-
- Borrowings from Bangladesh Bank (EDF)		256,728,899	-
		<b>1,946,728,899</b>	-

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>11(a) Consolidated Borrowings from other banks, financial institutions and agents</b>			
Community Bank Bangladesh Limited		1,946,728,899	-
Community Bank Investment Limited		-	-
		<b>1,946,728,899</b>	<b>-</b>
<b>12 Deposit and other accounts</b>			
Current accounts and other accounts	12.1	11,033,807,756	4,548,438,137
Bills payable	12.2	1,004,643,268	391,827,174
Saving bank deposits	12.3	9,924,705,391	7,430,012,847
Fixed deposits	12.4	37,110,711,075	11,020,956,875
Other deposits	12.5	1,106,503	1,266,751
Total deposit and other accounts		<b>59,074,973,993</b>	<b>23,392,501,784</b>
<b>12.1 Current accounts and other accounts</b>			
Deposits in local currency			
-Current deposits		1,316,851,906	1,008,704,127
-Short term deposit		9,481,787,091	3,480,617,798
-Margin on facilities (LC, LG, Acceptance etc.)		235,168,759	59,116,212
Deposits in foreign currencies		-	-
		<b>11,033,807,756</b>	<b>4,548,438,137</b>
<b>12.2 Bills payable</b>			
Bills in local currency			
-Payment Order Issued		1,004,643,268	391,827,174
Bills in foreign currencies		-	-
		<b>1,004,643,268</b>	<b>391,827,174</b>
<b>12.3 Saving bank deposits</b>			
Deposits in local currency		9,924,705,391	7,430,012,847
Deposits in foreign currencies		-	-
		<b>9,924,705,391</b>	<b>7,430,012,847</b>
<b>12.4 Fixed deposits</b>			
Deposits in local currency			
-Term deposits		36,596,182,311	10,891,467,063
-Scheme deposit		514,528,764	129,489,812
Deposits in foreign currencies		-	-
		<b>37,110,711,075</b>	<b>11,020,956,875</b>
<b>12.5 Other deposits</b>			
Deposits in local currency			
-Prepaid card balance		1,004,958	1,266,751
-Credit balance of credit card		101,545	-
Deposits in foreign currencies		-	-
		<b>1,106,503</b>	<b>1,266,751</b>
<b>12.6 Deposits and other accounts of the Bank</b>			
Deposits from Banks and FIs	12.6.1	927,827	2,036,037,678
Deposits from customers	12.6.2	59,074,046,166	21,356,464,106
		<b>59,074,973,993</b>	<b>23,392,501,784</b>

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>12.6.1 Deposits from Banks and FIs</b>			
Special notice deposits	12.6.1a	927,827	1,486,037,678
Fixed deposits	12.6.1b	-	550,000,000
		<b>927,827</b>	<b>2,036,037,678</b>
<b>12.6.1a Special notice deposits from FIs</b>			
Uttara Finance and Investment Limited		26,010	1,086,018,063
IPDC Finance Limited		862,420	300,059,845
Lanka Bangla Finance Limited		39,397	99,959,770
		<b>927,827</b>	<b>1,486,037,678</b>
<b>12.6.1b Fixed deposits from Banks</b>			
Uttara Bank Limited		-	200,000,000
Midland Bank Limited		-	200,000,000
Mercantile Bank Limited		-	150,000,000
		<b>-</b>	<b>550,000,000</b>
<b>12.6.2 Deposits from customers</b>			
Current accounts and other accounts		11,032,879,929	3,062,400,459
Bills payable		1,004,643,268	391,827,174
Saving deposits		9,924,705,391	7,430,012,847
Fixed deposits		37,110,711,075	10,470,956,875
Other deposits		1,106,503	1,266,751
		<b>59,074,046,166</b>	<b>21,356,464,106</b>
<b>12.7 Deposit details concentrating liquidity nature</b>			
i) Demand deposit			
Current deposit		7,553,189,958	1,067,820,339
Saving deposit (9%)		893,223,485	668,701,156
Bills payable		1,004,643,268	391,827,174
Other deposit		1,106,503	1,266,751
		<b>9,452,163,214</b>	<b>2,129,615,420</b>
ii) Time deposit			
Saving deposit (91%)		9,031,481,906	6,761,311,691
Fixed deposit		36,981,221,263	10,891,467,063
Short term deposit		3,480,617,798	3,480,617,798
Deposit pension scheme		129,489,812	129,489,812
		<b>49,622,810,779</b>	<b>21,262,886,364</b>
		<b>59,074,973,993</b>	<b>23,392,501,784</b>
<b>12.8 Maturity analysis of deposits</b>			
a) Maturity analysis of deposits from Banks and FIs			
Payable on demand		92,783	148,603,768
Payable within 1 month		162,370	141,173,579
Over 1 month but within 6 months		333,090	1,021,445,453
Over 6 months but within 1 year		214,328	576,211,110
Over 1 year but within 5 years		125,256	148,603,768
Over 5 years but within 10 years		-	-
Over 10 years		-	-
		<b>927,827</b>	<b>2,036,037,678</b>

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
b) Maturity analysis of customer deposits			
Payable on demand		1,930,452,999	1,116,469,305
Payable within 1 month		5,436,740,449	2,412,786,876
Over 1 month but within 6 months		26,383,554,487	7,877,840,121
Over 6 months but within 1 year		12,290,110,944	7,195,592,715
Over 1 year but within 5 years		12,815,458,640	2,699,638,164
Over 5 years but within 10 years		97,977,891	54,136,925
Over 10 years		119,750,756	-
		<b>59,074,046,166</b>	<b>21,356,464,106</b>
		<b>59,074,973,993</b>	<b>23,392,501,784</b>
<b>12(a) Consolidated Deposits and other accounts</b>			
<b>12.1(a) Current accounts and other accounts</b>			
Community Bank Bangladesh Limited		11,033,807,756	-
Community Bank Investment Limited		-	-
		11,033,807,756	-
Less: Inter-company transactions		28,535,471	-
		<b>11,005,272,285</b>	-
<b>12.2(a) Bills payable</b>			
Community Bank Bangladesh Limited		1,004,643,268	-
Community Bank Investment Limited		-	-
		1,004,643,268	-
<b>12.3(a) Savings bank deposits</b>			
Community Bank Bangladesh Limited		9,924,705,391	-
Community Bank Investment Limited		-	-
		<b>9,924,705,391</b>	-
<b>12.4(a) Fixed deposits</b>			
Community Bank Bangladesh Limited		37,110,711,075	-
Community Bank Investment Limited		-	-
		37,110,711,075	-
Less: Inter-company transactions		20,000,000	-
		<b>37,090,711,075</b>	-
<b>12.5(a) Other deposits</b>			
Community Bank Bangladesh Limited		1,106,503	-
Community Bank Investment Limited		-	-
		1,106,503	-
		<b>59,026,438,522</b>	-
<b>13 Other liabilities</b>			
Provisions for loans and advances	13.1	464,304,655	202,242,051
Special general provision for Covid-19	13.2	102,350	102,350
Provisions for off balance sheet items	13.3	36,391,856	16,201,609
Provisions for diminution in value of Investments	13.4	500,000	-
Provisions for Others	13.5	-	-
Interest suspense		1,153,911	-
Start-up fund*		1,213,726	-
Withholding tax payable		57,204,325	16,251,311
Withholding VAT payable		1,072,161	15,547,614
VAT payable		948,361	162,608
Excise duty Payable		57,719,650	25,250,550



# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
Provision for taxation	13.6	156,747,668	20,733,245
Deferred tax liability	9.2.2	76,044,902	39,662,649
Interest payable		763,541,160	158,728,625
Accrued expense		46,096,574	73,500,818
Provision for expenses-Auditors' fees		442,750	470,063
Provision for expenses-AGM		1,215,460	1,180,000
Suppliers payable against operating expenses		228,863	3,428,411
Payable against preliminary expenses	13.7	41,656,259	41,656,259
Payable to Bangladesh Police Kallyan Trust (BPKT)	13.8	38,311,329	38,311,329
Card related payables		100,824,337	87,312,853
Unearned Income		2,778,899	16,634
Clearing account		3,903,374	8,972,048
ATM and POS settlement account		1,861,500	1,999,000
Trade payables to strategic partners		23,414,479	5,098,328
Payable against provident fund		-	29,700
Security deposit by vendor		31,626,929	32,281,667
Special purpose blocked fund		-	9,838,000
Lease liabilities as per IFRS 16		592,155,853	555,940,406
Others		1,566,549	779,711
		<b>2,503,027,880</b>	<b>1,355,697,839</b>

\*Start-up fund has been created as per the requirement of SMESPD Circular Letter No. 05 dated 26 April 2021 issued by Bangladesh Bank. Start-up fund amounting to BDT 1,213,726 has been created for the year 2021 which is 1% of the net profit after tax for the year 2021. No fund was created in the year 2020 as the Bank did not have any net profit after tax.

### 13.1 Provision for loans and advances

#### A. Movement in general provision on unclassified loans

Provisions held at the beginning of the year	202,242,051	7,537,515
Add: Net charge to Profit and Loss A/C	258,120,294	194,704,536
Provisions held at the end of the year	<b>460,362,345</b>	<b>202,242,051</b>

#### B. Movement in specific provision on classified loans

Provisions held at the beginning of the year	-	-
Less: Fully provided debts written off during the year	-	-
Add: Recoveries of amounts previously written off	-	-
Add: Net charge to profit and loss account	3,942,310	-
Provisions held at the end of the year	3,942,310	-
Total provision held at the end of the year (A+B)	<b>464,304,655</b>	<b>202,242,051</b>

### 13.2 Special general provision for Covid-19

Provisions held at the beginning of the year	102,350	-
Add: Net charge to Profit and Loss A/C	-	102,350
Provisions held at the end of the year	<b>102,350</b>	<b>102,350</b>

### 13.3 Provision for off-balance sheet exposures

Provisions held at the beginning of the year	16,201,609	-
Add: Provision made during the year	20,190,247	16,201,609
Provision held at the end of the year	<b>36,391,856</b>	<b>16,201,609</b>

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>13.4 Provisions for diminution in value of Investments</b>			
Provisions held at the beginning of the year		-	-
Add: Provision made during the year		500,000	-
Provision held at the end of the year		<b>500,000</b>	-
<b>13.5 Other provisions</b>			
Provisions held at the beginning of the year		-	-
Add: Provision made during the year		-	-
Provision held at the end of the year		-	-
<b>13.6 Provision for current taxation</b>			
<b>Current tax expense</b>			
Opening balance		20,733,245	13,551,815
Add: Addition during the year		136,014,423	7,181,430
		156,747,668	20,733,245
Less: Adjustment of tax provision for previous years		-	-
Balance at the end of the year		<b>156,747,668</b>	<b>20,733,245</b>
<b>13.7 Payable against preliminary expenses</b>			
Fees for Banking License		1,000,000	1,000,000
Fees and associated cost paid to BSEC for raising capital		905,000	905,000
Fees and associated cost paid to RJSC for incorporation		11,558,031	11,558,031
Purchase of pool car		9,068,000	9,068,000
Other preliminary expenses		19,125,228	19,125,228
		<b>41,656,259</b>	<b>41,656,259</b>
Preliminary expenses were born by promoter. Preliminary expenses includes those items which were incurred and paid by our promoter for the Bank before receiving the paid-up capital. Other preliminary expenses include recruitment cost, tender advertisement cost, salary, stationaries and other. All transactions were done on an arm's-length basis.			
<b>13.8 Payable to Bangladesh Police Kallyan Trust (BPKT)</b>			
Interior decoration - Head Office and Corporate Branch		11,938,531	11,938,531
Supply and installation of air conditioning at Head Office		24,012,824	24,012,824
Other expenses		2,359,974	2,359,974
		<b>38,311,329</b>	<b>38,311,329</b>
Above expenses are borne by Bangladesh Police Kollayan Trust (BPKT) on behalf of Community Bank Bangladesh Limited and all transactions were done on an arm's-length basis.			
<b>13(a) Consolidated Other liabilities</b>			
Community Bank Bangladesh Limited		2,503,027,880	-
Community Bank Investment Limited		4,250,706	-
		2,507,278,586	-
Less: Inter-company transactions			
Interest payable to Community Bank Investment Limited		264,384	-
		<b>2,507,014,202</b>	-
<b>14 Share capital</b>			
<b>14.1 Authorized capital</b>			
1,000,000,000 ordinary shares of Taka 10 each		<b>10,000,000,000</b>	<b>10,000,000,000</b>

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars		Note	2021 Taka	2020 Taka	
14.2	<b>Issued, subscribed and fully paid up capital</b>				
	500,000,000 ordinary shares of Taka 10 each issued for cash	14.2.1	5,000,000,000	4,610,000,000	
			<b>5,000,000,000</b>	<b>4,610,000,000</b>	
14.2.1	<b>Issued, subscribed and fully paid up capital</b>				
	Balance at the beginning of the year		4,610,000,000	4,000,000,000	
	39,000,000 (2020: 61,000,000) ordinary shares of Taka 10 each issued for cash		390,000,000	610,000,000	
	Closing balance at the end of the year		<b>5,000,000,000</b>	<b>4,610,000,000</b>	
14.3	<b>Ordinary shares</b>				
		<b>No. of Shares</b>	<b>% of shareholding 2021</b>	<b>% of shareholding 2020</b>	
	Bangladesh Police Kallyan Trust	499,999,993	99.9999986%	99.9999983%	
	Directors	7	0.0000014%	0.0000017%	
		<b>500,000,000</b>	<b>100%</b>	<b>100%</b>	
14.4	<b>Classification of shareholding</b>				
	<b>Range of holding of shares</b>	<b>No. of Shareholders</b>	<b>No. of Shares</b>	<b>% of holding of Shares 2021</b>	<b>% of holding of Shares 2020</b>
	Less than 500	7	7	0.0000014%	0.0000017%
	500 to 5, 000	-	-	0.00%	0.00%
	5,001 to 10,000	-	-	0.00%	0.00%
	10,001 to 20,000	-	-	0.00%	0.00%
	20,001 to 30,000	-	-	0.00%	0.00%
	30,001 to 40,000	-	-	0.00%	0.00%
	40,001 to 50,000	-	-	0.00%	0.00%
	50,001 to 100,000	-	-	0.00%	0.00%
	100,001 to 1,000,000	-	-	0.00%	0.00%
	Over 1,000,000	1	499,999,993	99.9999986%	99.9999983%
	<b>Total</b>	<b>8</b>	<b>500,000,000</b>	<b>100%</b>	<b>100%</b>
14.5	<b>Capital to risk weighted assets ratio (CRAR):</b>				
	Common equity tier -1 capital				
	Paid up capital		5,000,000,000	4,610,000,000	
	Statutory reserve		55,898,760	9,329,215	
	Retained earnings		(239,647,088)	(313,236,446)	
			<b>4,816,251,672</b>	<b>4,306,092,769</b>	
	Less: Adjustments as per regulation				
	Goodwill and all other intangible assets (WDV of software, membership fee and license fee)		159,000,640	177,243,619	
	Deferred tax asset		-	-	
			<b>159,000,640</b>	<b>177,243,619</b>	
	Total tier-1 capital		<b>4,657,251,032</b>	<b>4,128,849,150</b>	
	Tier -2 capital				
	General provision		496,856,551	218,546,010	
	Revaluation reserves (50% of fixed assets and securities)		-	-	
			<b>496,856,551</b>	<b>218,546,010</b>	
	Less: Adjustments as per regulation				
	Revaluation reserves for fixed assets and securities		-	-	
			-	-	

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
Total tier-2 capital		496,856,551	218,546,010
A. Total regulatory capital		<b>5,154,107,583</b>	<b>4,347,395,160</b>
B. Total risk weighted assets (RWA)		26,681,155,484	16,141,936,745
C. Minimum capital requirement (MCR) (10% on B)		2,668,115,548	1,614,193,674
D. Surplus/(deficiency) [A - C]		<b>2,485,992,035</b>	<b>2,733,201,486</b>
Capital to risk weighted assets ratio (CRAR)			
Common equity tier-I (Against standard of minimum 6%)		17.46%	25.58%
Total capital to risk weighted asset ratio (Against standard of minimum 10% with capital conservation buffer of 2.5%)		19.32%	26.93%
<b>14.5(a) Consolidated capital to risk-weighted asset (CRAR):</b>			
Common equity tier -1 capital			
Paid up capital		5,000,000,000	-
Statutory reserve		55,898,760	-
Consolidated Retained earnings		(241,865,507)	-
		<b>4,814,033,253</b>	-
Less: Adjustments as per regulation			
Goodwill and all other intangible assets (WDV of software, membership fee and license fee)		159,000,640	-
Deferred tax asset		-	-
		<b>159,000,640</b>	-
Total tier-1 capital		<b>4,655,032,613</b>	-
Tier -2 capital			
General provision		496,856,551	-
Revaluation reserves (50% of fixed assets and securities)		-	-
		<b>496,856,551</b>	-
Less: Adjustments as per regulation			
Revaluation reserves for fixed assets and securities		-	-
		<b>-</b>	-
Total tier-2 capital		<b>496,856,551</b>	-
A. Total regulatory capital		<b>5,151,889,164</b>	-
B. Total risk weighted assets (RWA)		26,626,859,463	-
C. Minimum capital requirement (MCR) (10% on B)		2,662,685,946	-
D. Surplus/(deficiency) [A - C]		<b>2,489,203,218</b>	-
Capital to risk weighted assets ratio (CRAR):			
Common equity tier-I (Against standard of minimum 6%)		17.48%	0.00%
Total capital to risk weighted asset ratio (Against standard of minimum 10% with capital conservation buffer of 2.5%)		19.35%	0.00%
<b>15 Statutory reserve</b>			
Balance at the beginning of the year		9,329,215	9,329,215
Add: Transferred from profit during the year		46,569,545	-
		<b>55,898,760</b>	<b>9,329,215</b>

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>16 Revaluation reserve</b>			
Revaluation reserve on govt. securities	16.1	8,709,168	1,215,903
Amortization reserve on govt. securities	16.2	1,359,461	2,974
		<b>10,068,629</b>	<b>1,218,877</b>
<b>16.1 Revaluation reserve on govt. securities</b>			
Opening balance		1,215,903	2,136
Add adjustment during the year in mark to market method on treasury bond		7,809,339	2,666,502
Add adjustment during the year in mark to market method on treasury bill		28,228,216	7,878,599
Less: adjustment during the year in mark to market, maturity, sale and repo on treasury bond		-	1,834,470
Less: adjustment during the year in mark to market, maturity, sale and repo on treasury bill		28,544,290	7,496,864
		<b>8,709,168</b>	<b>1,215,903</b>
<b>16.2 Amortization reserve on govt. securities</b>			
Opening balance		2,974	-
Add: Adjustment of amortization of HTM securities		1,356,487	2,974
		<b>1,359,461</b>	<b>2,974</b>
As per Bangladesh Bank's DOS circular letter # 5 dated May 26, 2008 all Government securities holding by scheduled banks with effect from July 1, 2008 must be segregated into HTM (Held to maturity) and HFT (Held for trading). HTM securities are to be amortized at the end of each year and any increase/decrease due such amortization is to be adjusted in the changes in equity system. HFT securities are to be revalued weekly as per mark to market method. Any increase/decrease due to such valuation (mark to market) can not be taken into Profit & Loss account until sale or maturity rather the same is to be transferred to reserve for revaluation accounts .			
<b>17 Surplus in profit and loss account/retained earnings</b>			
Balance at the beginning of the year		(313,236,446)	(8,678,077)
Profit/(Loss) for the year		121,372,629	(304,558,369)
Transfer to statutory reserve		46,569,545	-
Transfer to start-up fund		1,213,726	-
		<b>(239,647,088)</b>	<b>(313,236,446)</b>
<b>17(a) Consolidated surplus in profit and loss account/Retained earnings</b>			
Community Bank Bangladesh Limited		(239,647,088)	-
Add: Retained surplus from Community Bank Investment Limited		(2,218,419)	-
		<b>(241,865,507)</b>	<b>-</b>
<b>18 Contingent liabilities</b>			
Acceptance and endorsements	18.1	-	-
Letters of guarantee	18.2	2,456,592,242	1,555,285,315
Irrevocable letters of credit	18.3	1,182,593,425	63,475,846
Bills for collection	18.4	53,523,856	21,023,064
Other contingent liabilities		-	-
		<b>3,692,709,523</b>	<b>1,639,784,225</b>
<b>18.1 Acceptance and endorsements</b>			
Acceptances (Back to back)		-	-
Acceptances (ULC-Cash)		-	-
		<b>-</b>	<b>-</b>



# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>18.2 Letters of guarantee</b>			
Letters of guarantee (Local)		2,456,592,242	1,555,285,315
Letters of guarantee (Foreign)		-	-
		<b>2,456,592,242</b>	<b>1,555,285,315</b>
Balance for which the Bank is contingently liable in respect of guarantees issued favouring			
Directors or officers		-	-
Government		2,148,570,167	1,521,254,313
Banks and other financial institutions		30,844,924	10,762,022
Others		277,177,151	23,268,980
		<b>2,456,592,242</b>	<b>1,555,285,315</b>
<b>18.3 Irrevocable letters of credit</b>			
Letters of credit back to back (Inland)		-	-
Letters of credit (General)		1,182,593,425	63,475,846
Back to back L/C		-	-
		<b>1,182,593,425</b>	<b>63,475,846</b>
<b>18.4 Bills for collection</b>			
Local bills for collection		53,523,856	21,023,064
Foreign bills for collection		-	-
		<b>53,523,856</b>	<b>21,023,064</b>
<b>19 Income statement</b>			
<b>Income</b>			
Interest, discount and similar income	19.1	3,615,392,311	1,069,662,327
Dividend income	22	73,044,841	30,480,155
Fees, commission and brokerage	19.2	119,227,135	59,248,368
Gains less losses arising from dealing securities	22	(22,942,214)	15,249,768
Gain or (loss) on REPO	22	(262,897)	3,791,122
Reclassification gain/(loss) on T-bond	22	15,743,619	(1,167,731)
Gains less losses arising from investment securities	22	136,901,162	18,835,041
Gains less losses arising from dealing from foreign currencies		19,945	19,945
Income from non-banking assets		-	-
Other operating income	24	1,745,877	786,110
Profit less losses on interest rate changes		-	-
		<b>3,938,869,779</b>	<b>1,196,905,105</b>
<b>Expenses</b>			
Interest, fees and commission	21	2,413,226,392	433,129,552
Administrative expenses	19.3	727,667,571	613,712,476
Other operating expenses	32	165,081,030	171,246,484
Depreciation on banking assets	31	117,294,212	67,973,190
		<b>3,423,269,205</b>	<b>1,286,061,702</b>
<b>Operating Profit/(Loss)</b>		<b>515,600,574</b>	<b>(89,156,597)</b>
<b>19.1 Interest, discount and similar income</b>			
Interest on loans and advances		2,762,967,054	619,299,578
Interest on money at call on short notice		24,950,820	17,717,736
Interest on placement with banks and financial institutions		408,040,413	310,991,237
Interest on treasury bills and bonds		351,606,794	97,502,063
Interest on subordinated bond		14,099,663	8,690,602
Interest on commercial paper		53,727,567	15,461,111
		<b>3,615,392,311</b>	<b>1,069,662,327</b>

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>19.2 Fees, commission and brokerage</b>			
Fees		59,538,052	45,803,470
Commission		59,689,083	13,444,898
		<b>119,227,135</b>	<b>59,248,368</b>
<b>19.3 Administrative expenses</b>			
Salaries and allowances		446,966,275	363,326,868
Rent, taxes, insurance, electricity etc.		178,625,608	133,595,297
Legal expenses		44,266	22,810
Postage, stamps, telecommunication etc.		12,933,594	16,440,819
Stationery, printing, advertisement etc.		13,364,928	32,739,795
Chief Executive's salary and fees	28	16,724,700	15,558,700
Directors' fees and expenses		1,315,600	1,222,226
Auditors' fee		442,750	470,063
Repairs and maintenance		57,249,850	50,335,898
		<b>727,667,571</b>	<b>613,712,476</b>
<b>20 Interest income</b>			
Interest on loans and advances		2,762,967,054	619,299,578
Interest on money at call on short notice		24,950,820	17,717,736
Interest on placement with banks and financial institutions		408,040,413	310,991,237
		<b>3,195,958,287</b>	<b>948,008,551</b>
<b>20(a) Consolidated Interest income</b>			
Community Bank Bangladesh Limited		3,195,958,287	-
Community Bank Investment Limited		6,219,352	-
		3,202,177,639	-
Less: Inter-company transactions		5,666,829	-
		<b>3,196,510,810</b>	<b>-</b>
<b>21 Interest paid on deposits and borrowings</b>			
Interest on current accounts		8,008,405	1,250,779
Interest on special notice deposits (SND)		452,838,059	13,002,870
Interest on savings deposits		121,542,139	55,542,905
Interest on term deposits		1,821,901,267	358,940,153
		2,404,289,870	428,736,707
Interest on money at call on short notice		8,936,522	1,591,324
Interest on Bangladesh Bank borrowings		-	2,801,521
		<b>2,413,226,392</b>	<b>433,129,552</b>
<b>21(a) Consolidated Interest paid on deposits and borrowings</b>			
Community Bank Bangladesh Limited		2,413,226,392	-
Community Bank Investment Limited		-	-
		2,413,226,392	-
Less: Inter-company transactions		5,666,829	-
		<b>2,407,559,563</b>	<b>-</b>
<b>22 Investment income</b>			
Interest on treasury bills and bonds		351,606,794	97,502,063
Gain/ (Loss) on dealing of securities		(22,942,214)	15,249,768
Gain/ (Loss) on REPO		(262,897)	3,791,122
Reclassification gain/(loss) on T-bond		15,743,619	(1,167,731)
Interest on subordinated bond		14,099,663	8,690,602
Interest on perpetual bond		53,727,567	-
Interest on commercial paper		-	15,461,111

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
Gain on trading shares (Realized)		136,901,162	18,835,041
Dividend on preference shares		64,276,314	29,803,205
Dividend on ordinary shares		8,768,527	676,950
		<b>621,918,535</b>	<b>188,842,131</b>
<b>22(a) Consolidated investment income</b>			
Community Bank Bangladesh Limited		621,918,535	-
Community Bank Investment Limited		845,980	-
		<b>622,764,515</b>	<b>-</b>
<b>23 Commission, exchange and brokerage</b>			
Commission on general banking (PO, FDD)		144,067	119,600
Commission on trade business (LG, LC, Acceptance)		42,276,111	9,230,666
Commission on digital banking service		10,236,740	3,913,284
Commission on underwriting Treasury bill/ Bond		461,805	-
Other commission		220,766	29,753
Exchange gain (net of exchange loss)		6,369,539	171,540
Service fees and charges	23.1	59,538,052	45,803,470
		<b>119,247,080</b>	<b>59,268,313</b>
<b>23.1 Service fees and charges</b>			
Account service charges		2,321,208	1,439,621
Appraisal/processing fees		4,915,185	3,942,449
Fees and charges (Debit, Credit, Prepaid Cards, etc.)		48,841,433	39,271,411
SMS banking charges		1,385,262	938,095
BACH/BEFTN charges		378,069	22,351
Trade finance charges		1,384,445	49,543
Locker charges		303,000	127,000
Pay order fees		9,450	13,000
		<b>59,538,052</b>	<b>45,803,470</b>
<b>23(a) Consolidated commission, exchange and brokerage</b>			
Community Bank Bangladesh Limited		119,247,080	-
Community Bank Investment Limited		-	-
		<b>119,247,080</b>	<b>-</b>
<b>24 Other operating income</b>			
Miscellaneous income		1,745,877	786,110
		<b>1,745,877</b>	<b>786,110</b>
<b>24(a) Consolidated other operating income</b>			
Community Bank Bangladesh Limited		1,745,877	-
Community Bank Investment Limited		-	-
		<b>1,745,877</b>	<b>-</b>
<b>25 Rent, taxes, insurance, electricity etc.</b>			
Rent, rates and taxes	25.1	135,823,688	99,703,231
Insurance*		28,074,680	8,944,877
Power and electricity		2,789,083	15,682,657
Other utility		11,938,157	9,264,532
		<b>178,625,608</b>	<b>133,595,297</b>

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>25.1</b> Due to the adoption of IFRS 16, depreciation on ROU assets (Tk. 80,100,325) and interest expenses (Tk. 38,290,249) are included in rental expense.			
Depreciation of ROU assets		80,100,325	59,215,135
Interest expenses on lease liabilities		38,290,249	29,911,720
		<b>118,390,574</b>	<b>89,126,855</b>
* The major portion of insurance premium (BDT 20,076,016 in 2021) was paid to Bangladesh Bank as per DOS circular letter no 1 dated 10 January 2007 and Circular no. DID-02/2012 dated 02 October 2012 in exchange of coverage of deposits up to certain threshold in case the bank goes bankrupt. The rest of the premium covers Property, Cash security etc.			
<b>25(a) Consolidated rent, taxes, insurance, electricity etc.</b>			
Community Bank Bangladesh Limited		178,625,608	-
Community Bank Investment Limited		552,167	-
		<b>179,177,775</b>	<b>-</b>
<b>26 Postage, stamp, telecommunication etc</b>			
Postage and courier		1,965,673	2,761,569
Telegram, telex, fax and network		5,703,782	5,043,150
Court fees and stamps		139,740	885,616
Telephone and mobile		5,124,399	7,750,484
		<b>12,933,594</b>	<b>16,440,819</b>
<b>26(a) Consolidated postage, stamps, telecommunication etc.</b>			
Community Bank Bangladesh Limited		12,933,594	-
Community Bank Investment Limited		15,115	-
		<b>12,948,709</b>	<b>-</b>
<b>27 Stationery, printing, advertisement etc.</b>			
Office stationery and printing		6,089,593	9,344,626
Security stationery		5,425,936	15,579,254
Advertisement		1,849,399	7,815,915
		<b>13,364,928</b>	<b>32,739,795</b>
<b>27(a) Consolidated stationery, printing, advertisements etc.</b>			
Community Bank Bangladesh Limited		13,364,928	-
Community Bank Investment Limited		2,115	-
		<b>13,367,043</b>	<b>-</b>
<b>28 Chief Executive's salary and fees</b>			
Basic salary		10,167,000	9,317,000
Festival bonus		1,694,000	1,540,000
Leave fair assistance		847,000	770,000
House rent allowance		1,800,000	1,800,000
Bank's contribution to PF		1,016,700	931,700
House Maintenance and Security		1,200,000	1,200,000
		<b>16,724,700</b>	<b>15,558,700</b>
<b>29 Directors' fees and expenses</b>			
Each director of the Bank is paid as per BRPD circular letter no. 11 dated 4 October 2015 per board and it's committee meeting attended in 2021.			
Meeting attendance fees		1,315,600	1,222,226
		<b>1,315,600</b>	<b>1,222,226</b>
<b>29(a) Consolidated Directors' fees</b>			
Community Bank Bangladesh Limited		1,315,600	-
Community Bank Investment Limited		276,000	-
		<b>1,591,600</b>	<b>-</b>
<b>30 Auditors' fees</b>			
Annual audit fees		385,000	408,750
VAT on audit fees (i.e. 15%)		57,750	61,313
		<b>442,750</b>	<b>470,063</b>

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>30(a) Consolidated Auditors fees</b>			
Community Bank Bangladesh Limited		442,750	-
Community Bank Investment Limited		28,750	-
		<b>471,500</b>	<b>-</b>
<b>31 Depreciation on and repairs to bank's assets</b>			
Depreciation of property plant and equipments*			
Furniture and fixtures		15,496,774	8,288,803
Office equipments		21,056,906	12,142,179
IT hardware		48,847,832	33,524,240
Motor vehicles		5,352,869	5,352,000
Amortization of intangible assets			
IT software		26,539,831	8,665,968
		<b>117,294,212</b>	<b>67,973,190</b>
Repairs and maintenance expenses			
Transport maintenance		21,298,467	16,605,682
Building maintenance		242,705	96,600
Hardware and software maintenance		21,019,474	32,109,924
Premises maintenance		2,473,830	1,523,692
Maintenance expense-Cards		6,981,224	-
Maintenance expense-ATM		5,234,150	-
		<b>57,249,850</b>	<b>50,335,898</b>
		<b>174,544,062</b>	<b>118,309,088</b>
*Due to the adoption of IFRS 16, depreciation on ROU assets (Tk. 80,100,325) is included in rental expenses.			
<b>31(a) Consolidated depreciation and repairs of Bank's assets</b>			
Community Bank Bangladesh Limited		174,544,062	-
Community Bank Investment Limited		100,947	-
		<b>174,645,009</b>	<b>-</b>
<b>32 Other expenses</b>			
Local conveyance		4,846,772	3,184,180
Fuel expenses		5,824,842	3,757,767
Staff traveling		1,092,152	1,376,301
Professional fees		2,129,447	956,508
Regulatory fees and charges		438,552	389,367
Office refreshment		4,701,697	3,493,943
Promotional expenses		7,299,679	9,389,483
Books, news papers and periodicals		178,518	111,390
Excise duty and Government levies		994,870	1,861,700
Staff training, development and engagement		2,164,979	1,473,120
Staff recruitment		2,259,391	3,119,285
Cash carrying charges		17,302,863	13,345,730
Bank charges		12,660,415	4,628,839
Utensils		162,447	564,923
IT enabled services		1,559,893	2,666,889
IT consumables		1,932,682	1,097,261
Security expense		52,656,419	34,912,627
Cleaning expense		107,443	1,837,766
Card issue and renewal expense		9,567,460	27,333,734
Card transaction driven expenses		3,074,323	27,192,874
AGM expenses		871,189	1,180,000
SWIFT cost		7,069,298	3,463,021
Membership fees and subscriptions		5,095,682	2,575,819
Sponsorship / CSR expenses		-	2,486,592
Outsourced support staff salary and allowance		17,780,852	15,215,777
Office consumable		2,114,516	3,485,875
Vendor commission		-	33,222
CDBL charges		375,585	32,208



# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
NID verification expense		692,054	-
Loss on sale of fixed assets		27,010	-
Archiving expense		100,000	-
Other expense		-	80,283
		<b>165,081,030</b>	<b>171,246,484</b>
<b>32(a) Consolidated other expenses</b>			
Community Bank Bangladesh Limited		165,081,030	-
Community Bank Investment Limited		1,888,193	-
		<b>166,969,223</b>	<b>-</b>
<b>33 Provision</b>			
For classified loans and advances		3,942,310	-
For unclassified loans and advances		258,120,294	194,704,536
Special general provision for Covid-19		-	102,350
		262,062,604	194,806,886
For off balance sheet items		20,190,247	16,201,609
For diminution in value of Investments		500,000	-
Other provisions		-	-
		<b>282,752,851</b>	<b>211,008,495</b>
<b>33(a) Consolidated provision for loans and advances and investments</b>			
<b>33.1(a) For loans and advances</b>			
Community Bank Bangladesh Limited		262,062,604	-
Community Bank Investment Limited		-	-
		<b>262,062,604</b>	<b>-</b>
<b>33.2(a) For off balance sheet items</b>			
Community Bank Bangladesh Limited		20,190,247	-
Community Bank Investment Limited		-	-
		<b>20,190,247</b>	<b>-</b>
<b>33.3(a) For diminution in value of Investments</b>			
Community Bank Bangladesh Limited		500,000	-
Community Bank Investment Limited		3,302,411	-
		3,802,411	-
		<b>286,055,262</b>	<b>-</b>
<b>34 Provision for taxation</b>			
<b>34.1 Current tax expense</b>			
Current year		136,014,423	7,181,430
Adjustment for prior year		-	-
		<b>136,014,423</b>	<b>7,181,430</b>
<b>34.2 Deferred tax expense/(income)</b>			
Net deferred Tax liability/(asset) originated for temporary differences		(24,539,329)	(2,788,153)
		<b>(24,539,329)</b>	<b>(2,788,153)</b>
<b>34(a) Consolidated provision for taxation</b>			
<b>34.1(a) Current tax expense</b>			
Community Bank Bangladesh Limited		136,014,423	-
Community Bank Investment Limited		693,890	-
		<b>136,708,313</b>	<b>-</b>
<b>34.2(a) Deferred tax expense/(income) (net)</b>			
Community Bank Bangladesh Limited		(24,539,329)	-
Community Bank Investment Limited		21,582	-
		(24,517,747)	-
		<b>112,190,566</b>	<b>-</b>

# Community Bank Bangladesh Limited

## Notes to the financial statements

As at and for the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
<b>35 Earnings per share</b>			
Earnings per share (EPS) has been computed by dividing the profit after tax (PAT) by the weighted average number of ordinary shares outstanding as on 31 December 2021 as per IAS 33: Earnings per share. Diluted EPS was not required to calculate as there was no dilution possibilities during the year.			
Profit after taxation		121,372,629	(304,558,369)
Profit attributable for distribution to ordinary shareholders		121,372,629	(304,558,369)
Weighted average number of shares outstanding		490,013,699	410,024,658
Earnings per share (EPS)		<b>0.25</b>	<b>(0.74)</b>
<b>35(a) Consolidated earnings per share</b>			
Net profit after tax		119,154,210	-
Weighted average number of shares outstanding		490,013,699	-
Consolidated earnings per share (CEPS)		<b>0.24</b>	-
<b>36 Cash and cash equivalent</b>			
Cash in hand (Including foreign currency)		1,086,583,556	930,860,014
Balance with Bangladesh Bank and its agents banks (Including foreign currency)		2,961,820,880	1,332,853,049
Balance with other banks and financial institutions		6,951,926,629	1,085,009,941
Money at call on short notice		140,000,000	1,540,000,000
Prize bond		285,300	934,300
		<b>11,140,616,365</b>	<b>4,889,657,304</b>
<b>36(a) Consolidated cash and cash equivalent</b>			
Community Bank Bangladesh Limited		11,140,616,365	-
Community Bank Investment Limited		48,535,471	-
		11,189,151,836	-
Less: Inter-company transactions		48,535,471	-
		<b>11,140,616,365</b>	-
<b>37 Receipts from other operating activities</b>			
Miscellaneous income		1,748,377	786,110
		<b>1,748,377</b>	<b>786,110</b>
<b>38 Payment for other operating activities</b>			
Rent, taxes, insurance, electricity etc.		178,625,608	133,595,297
Legal expense		44,266	22,810
Audit fees		442,750	470,063
Directors fees and expenses		1,315,600	1,222,226
Repair and maintenance		57,249,850	50,335,898
Other expenses		165,045,872	169,891,421
		<b>402,723,946</b>	<b>355,537,715</b>
<b>38(a) Consolidated Payment for other operating activities</b>			
Community Bank Bangladesh Limited		402,723,946	-
Community Bank Investment Limited		2,499,838	-
		<b>405,223,784</b>	-

## 39 General disclosure

### 39.1 Audit committee

The Audit committee of the Bank was constituted in the 1st meeting of the Board of Directors held on 29 November, 2018 in compliance with the BRPD Circular No. 11, Dated 27 October, 2013. The Audit committee was formed to assist the Board in fulfilling its oversight responsibilities. The present Audit committee was reconstituted by the Board in its 19th Board Meeting held on December 14, 2020 consisting of the following members:

Sl no	Name of Director	Status with the Bank	Status with the Committee	Educational qualification
1.	Mr. Masud Khan, FCA, FCMA	Independent Director	Chairman	FCA, FCMA
2.	Mr. Abu Hasan Muhammad Tarique, BPM	Director	Member	B.Com (Hons), M.Com
3.	Mr. Habibur Rahman, BPM (Bar), PPM (Bar)	Director	Member	M.Ed
4.	Dr. Shoeb Reaz Alam	Director	Member	PhD, M.Sc (Engg.)
5.	Dr. Abdullah Al Mahmud	Independent Director	Member	MBA, PhD

During year 2021, the Audit Committee of the Board conducted 10 (Ten) meetings in which among others, the following issues were discussed:

#### Facts Discussed

- > Review the draft audit report, Audited Financial statement of the Bank and recommendations made thereof
- > Recommended the appointment of External Auditors of the Bank for the year 2021.
- > Recommended the appointment of Corporate Governance Compliance Auditors of the Bank for the year 2021
- > Management Report made by the External Auditors
- > Audit Manual for Community Bank Bangladesh Limited.
- > Employee Performance Management, Increment and Promotion Policy
- > Community Bank High Level Organogram.

### 39.2 Related party/(ies) transactions

i) Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24. The Bank in normal course of business had transactions with other entities that fall within the definition of 'Related Party' as contained in International Accounting Standards 24: Related party disclosures and as defined in the BRPD circular no 14, dated 25 June 2003.

The significant related party transactions during the year were as follows:

Sl no.	Name of the Related Parties	Relationship	Nature of transactions	Transaction amount 2021	Transaction amount 2020
1	Bangladesh Police Kallyan Trust (BPKT)	Parent	Rental payment for CBBL office premises at Police Plaza Concord, Tower-2, Gulshan, Dhaka. (5th Floor, 10th Floor and 11th Floor)	57,642,763	43,651,990
2	PKT Security and logistics Limited	A unit of parent	Payment for security services at Police Plaza Concord, Tower-2, Gulshan, Dhaka. (5th Floor, 10th Floor and 11th Floor)	38,722,663	22,675,948
3	PKT Security and logistics Limited	A unit of parent	Current account maintained with CBBL	Net deposit BDT 1,010,823	Net withdrawal BDT 5,669,897
4	PKT Security and logistics Limited	A unit of parent	SND account maintained with CBBL	Net deposit BDT 3,228,354	Net deposit BDT 7,694,654
5	PKT tours and travels	A unit of parent	Mainly airline tickets sales	Nil	26,596
6	PKT tours and travels	A unit of parent	Current account maintained with CBBL	Net withdrawal BDT 150	Net withdrawal BDT 45,237
7	Bangladesh Police Kallyan Trust (BPKT)	Parent	Current account maintained with CBBL	Net deposit BDT 3,078,163	Net deposit BDT 54,432,305
8	Bangladesh Police Kallyan Trust (BPKT)	Parent	SND account maintained with CBBL	Net withdrawal BDT 13,368,250	Net deposit BDT 264,012,111

Sl no.	Name of the Related Parties	Relationship	Nature of transactions	Transaction amount 2021	Transaction amount 2020
9	Bangladesh Police Kallyan Trust (BPKT)	Parent	Fixed deposit account maintained with CBBL	Nil	Net deposit BDT 200,000,000
10	Police news	A unit of Parent	Payment for advertisement of CBBL	400,000	Nil
11	Police plaza concord	A unit of Parent	Service charge and electricity bill payment for CBBL office premises at Police Plaza Concord, Tower-2, Gulshan, Dhaka. (Level-5,10,11 and 12)	11,506,564	7,836,594
12	Police trust industrial product limited	A unit of Parent	Payment for purchase of stationary and pantry items	143,832	Nil
13	Community Bank Investment Limited	Subsidiary	SND account maintained with CBBL	Net withdrawal BDT 73,076,023	Nil
14	Community Bank Investment Limited	Subsidiary	Fixed deposit account maintained with CBBL	Net deposit BDT 20,000,000	Nil

ii) Name of Directors and the entities in which they have interest as on 31 December 2021

Sl no.	Name of Director	Status with The Bank	Name of the firms/ companies in which they have interest	Educational qualification
1	Dr. Benazir Ahmed, BPM (Bar) Inspector General, Bangladesh Police	Chairman	Bangladesh Police Kallyan Trust	MA, LLB, MBA, PhD
2	Dr. Md. Moinur Rahman Chowdhury, BPM (Bar) Additional Inspector General (A & I) Bangladesh Police	Director	Bangladesh Police Kallyan Trust	MSS, PhD
3	Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM Additional Inspector General, Bangladesh Police & Director General, Rapid Action Battalion (RAB)	Director	Bangladesh Police Kallyan Trust	BSS (Hons), MSS
4	Mr. Abu Hasan Muhammad Tarique, BPM Additional Inspector General, Bangladesh Police Principal, Bangladesh Police Academy	Director	Bangladesh Police Kallyan Trust	B. Com (Hons), M. Com
5	Mr. Habibur Rahman, BPM (Bar), PPM (Bar) Deputy Inspector General, Dhaka Range Bangladesh Police	Director	Bangladesh Police Kallyan Trust	M.Ed
6	Dr. Shueb Reaz Alam Additional Deputy Inspector General (Development-Revenue- 1), Bangladesh Police	Director	Bangladesh Police Kallyan Trust	M.Sc (Engg.), PhD
7	Mr. Md. Ferdoush Ali Chowdhury Superintendent of Police (Rangpur District) Bangladesh Police	Director	Bangladesh Police Kallyan Trust	B.Sc (Engg.)
8	Mr. Masud Khan, FCA, FCMA	Independent Director	Chief Adviser of Crown Cement Group Chairman, Unilever Consumer Care Limited Independent Director of Berger Paints Bangladesh Ltd Independent Director of Singer Bangladesh Ltd	FCA, FCMA
9	Mr. Kazi Masihur Rahman (Ex-Managing Director and CEO of Mercantile Bank Ltd)	Independent Director		MSS
10	Dr. Abdullah Al Mahmud	Independent Director	Professor, Department of Banking and Insurance, Faculty of Business Studies, University of Dhaka	MBA, PhD
11	Mr. Masihul Huq Chowdhury	Managing Director & CEO		MBA

iii) Significant contracts where bank is a party and wherein Directors have interest:	Nil
iv) Shares issued to Directors and executives without consideration or exercisable at discount	Nil
v) Lending Policies to related parties:	
Related parties are allowed Loans and Advances as per General Loan Policy of the Bank.	Nil
vi) Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act-1991.	Nil
vii) Investment in the Securities of Directors and their related concern:	Nil

### 39.3 Claim not acknowledged as debt

There was no claim against the bank not acknowledged as debt as on 31.12.2021.

### 39.4 Number of employees

The number of employees including contractual engaged for the whole year or part there of who received a total yearly remuneration of Tk. 36,000 or above were 473 (2020: 461).

### 39.5 Post balance sheet events

The Board of Directors in its 29<sup>th</sup> Board meeting held on 27 March 2022 has proposed no dividend subject to the approval of the Shareholders at the next Annual General Meeting.



Managing Director & CEO  
Masihul Huq Chowdhury



Director  
Masud Khan, FCA, FCMA



Director  
Abu Hasan Muhammad Tarique, BPM



Chairman  
Dr. Benazir Ahmed, BPM (Bar)



# Community Bank Bangladesh Limited

## Highlights on the overall activities

As at 31 December 2021

Amount in Taka unless otherwise specified

Sl no.	Particulars	2021	2020
1	Paid-up Capital	5,000,000,000	4,610,000,000
2	Total Capital	5,155,321,310	4,347,395,160
3	Capital (deficit)/surplus	2,487,205,762	2,733,201,486
4	Total Asset	68,351,051,073	29,055,511,269
5	Total Deposit	59,074,973,993	23,392,501,784
6	Total loans and advances	43,224,711,086	19,496,492,080
7	Total contingent liabilities and commitments	3,692,709,523	1,639,784,225
8	Credit deposit ratio	71.32%	82.33%
9	Percentage of classified loans against total loans and advances	0.039%	0%
10	Profit after tax and provision	121,372,629	(304,558,369)
11	Amount of classified loans during current year	17,095,161	-
12	Provisions kept against classified loans	3,942,310	-
13	Provision surplus against classified loans	61,171	-
14	Cost of fund	4.71%	4.07%
15	Interest earning assets	66,854,205,221	27,659,925,827
16	Non-interest earning assets	1,496,845,852	1,395,585,442
17	Return on investment (ROI) [PAT/(Shareholders' equity + Borrowing)]	2.19%	(7.33%)
18	Return on assets (ROA) [PAT/ Average assets]	0.25%	(1.69%)
19	Income from investment	621,918,535	188,842,131
20	Earnings per share	0.25	(0.74)
21	Net income per share	0.25	(0.74)
22	Price earning ratio	Not applicable	Not applicable

# Community Bank Bangladesh Limited

## Reconciliation statement of balance with bangladesh bank

As at 31 December 2021

Particulars	Detail	Total
1) Balance with Bangladesh Bank-Taka account of the Bank		2,772,564,399
<b>Balance as per Bank ledger</b>		
Unresponded debit entries in Bangladesh Bank statement	25,122,302	
Community Bank's ledger	-	25,122,302
		<b>2,797,686,701</b>
Unresponded credit entries in Bangladesh Bank statement	-	
Community Bank's ledger	-	-
<b>Balance as per Bangladesh Bank statement</b>		<b>2,797,686,701</b>
2) Balance with Bangladesh Bank-Foreign currency of the Bank		
<b>Balance as per Bank ledger</b>		165,851,037
Unresponded debit entries in Bangladesh Bank statement	-	
Community Bank's ledger	-	-
		165,851,037
Unresponded credit entries in Bangladesh Bank statement	1,716,858	
Community Bank's ledger	-	1,716,858
<b>Balance as per Bangladesh Bank statement</b>		<b>164,134,179</b>

# Community Bank Bangladesh Limited

## Balance with other banks-outside bangladesh (nostro account)

As at 31 December 2021

Name of Bank	Account type	Currency type	2021			2020		
			FC Amount	Exchange Rate	Equivalent Taka	FC Amount	Exchange Rate	Equivalent Taka
Habib America, NY-USD	Current	USD	39,898	85.80	3,423,282	30,916	84.8025	2,621,723
AB Bank Limited Mumbai, India	Current	USD	76,820	85.80	6,591,128	363	84.8025	30,741
<b>Total</b>			<b>31,278</b>		<b>10,014,410</b>	<b>31,278</b>		<b>2,652,464</b>

# Community Bank Bangladesh Limited

## Investment in Shares

As at 31 December 2021

Sl. no	Name of the company	Face value	No. of shares	Cost of holding	Average cost	Quoted rate per share as on 31.12.2021	Total market value as at 31.12.2021
<b>Quoted</b>							
1	ACME Pesticides Limited	10	13,380	133,800	10.00	26.80	358,584
2	Bangladesh Submarine Cable Company Limited	10	149,634	31,293,140	209.13	210.10	31,438,103
3	Sena Kalyan Insurance Company Limited	10	6,995	69,950	10.00	77.30	540,714
4	United Power Generation and Distribution Co. Limited	10	5,000	1,374,428	274.89	244.20	1,221,000
5	Union Insurance Limited	10	4,643	46,430	10.00	10.00	46,430
<b>Total</b>				<b>32,917,748</b>			<b>33,604,831</b>
<b>Quoted under Special Fund for Capital Market (SFCM)*</b>							
1	ACI Limited	10	52,651	13,852,120	263.09		
2	British American Tobacco Bangladesh Company Limited	10	99,693	63,353,333	635.48		
3	Beximco Pharmaceuticals Limited	10	190,174	43,059,664	226.42		
4	The City Bank Limited	10	300,500	8,288,470	27.58		
5	Confidence Cement Limited	10	54,504	8,607,698	157.93		
6	Dhaka Insurance Limited	10	124,384	11,184,835	89.92		
7	Doreen Power Generations and Systems Limited	10	89,000	6,275,705	70.51		
8	Eastern Bank Limited	10	98,662	3,995,910	40.50		
9	Grameen Phone Limited	10	90,937	31,673,040	348.30		
10	IDLC Finance Limited	10	158,110	10,537,171	66.64		
11	Lanka Bangla Finance Company Limited	10	100,000	4,180,425	41.80		
12	Power Grid Company of Bangladesh Limited	10	70,000	4,078,403	58.26		
13	Sandhani Life Insurance Company Limited	10	200,000	9,083,653	45.42		
14	Square Pharmaceuticals Limited	10	235,777	55,973,673	237.40		
15	United Power Generation and Distribution Co. Limited	10	27,473	7,594,622	276.44		
<b>Total</b>				<b>81,738,725</b>			
<b>Total Quoted Shares</b>				<b>314,656,473</b>			
<b>Unquoted</b>							
<b>Mutual Fund - Non listed</b>							
1	CWT-Sadharan Bima growth fund	10	678,886	9,999,991	14.73	14.05	9,538,348
2	CWT Opportunities fund	10	976,562	9,999,995	10.24	10.49	10,244,135
3	UCB AML first mutual fund	10	896,860	9,999,989	11.15	11.32	10,152,455
4	Vanguard AML growth fund	10	698,324	10,000,000	14.32	14.47	10,104,748
<b>Total</b>				<b>39,999,974</b>			<b>40,039,687</b>
<b>Preference shares</b>							
1	Confidence Power Bogra Unit 2			75,000,000			
2	Summit LNG terminal Co. Pvt. Ltd.			60,000,000			
3	Confidence Power Bogra			131,250,000			
4	Impress-newtex comp tex ltd			200,000,000			
5	Flamingo fashions limited			200,000,000			
6	City sugar industries limited			200,000,000			
<b>Total</b>				<b>866,250,000</b>			

\*As per Bangladesh Bank DOS Circular No. 01, dated February 10, 2020 regarding Special Fund, Mark to Market revaluation will be suspended upto February 2025 and will be reported at cost price in financial statements

# Community Bank Bangladesh Limited

## Schedule of Fixed Assets

As at 31 December 2021

Amounts in Taka

Asset Class	Cost				Accumulated Depreciation and Amortization				Net Book Value as at 31 December 2021
	Balance as at 01 January 2021	Addition	Disposal/ Adjustment	Balance as at 31 December 2021	Balance as at 01 January 2021	Charge during the year	Disposal/ Adjustment	Balance as at 31 December 2021	
Furniture and fixture	137,204,300	26,601,870	705,372	163,100,798	10,034,441	15,496,775	7,638	25,523,578	137,577,220
Office equipments	90,537,949	20,048,178	95,388	110,490,739	14,407,456	21,056,906	-	35,464,362	75,026,377
Motor vehicles	26,760,000	52,140	-	26,812,140	7,771,866	5,352,869	-	13,124,735	13,687,405
IT software	182,520,431	4,181,667	-	186,702,098	11,047,699	24,898,948	-	35,946,647	150,755,451
License fee	6,993,025	1,615,185	-	8,608,210	1,222,138	1,640,883	-	2,863,021	5,745,189
Membership Fee	-	2,500,000	-	2,500,000	-	-	-	-	2,500,000
IT hardware	222,498,617	33,756,494	176,898	256,078,213	41,699,933	48,847,832	-	90,547,765	165,530,448
Capital work in progress	-	5,394,063	-	5,394,063	-	-	-	-	5,394,063
<b>Sub total</b>	<b>666,514,322</b>	<b>94,149,597</b>	<b>977,658</b>	<b>759,686,261</b>	<b>86,183,533</b>	<b>117,294,213</b>	<b>7,638</b>	<b>203,470,108</b>	<b>556,216,153</b>
<b>Lease assets-Premises (As per IFRS 16)</b>									
Right-of-use assets	682,885,932	76,809,606	-	759,695,538	59,215,135	80,100,326	-	139,315,461	620,380,077
<b>Sub total</b>	<b>682,885,932</b>	<b>76,809,606</b>	<b>-</b>	<b>759,695,538</b>	<b>59,215,135</b>	<b>80,100,326</b>	<b>-</b>	<b>139,315,461</b>	<b>620,380,077</b>
<b>As at 31 December 2021</b>	<b>1,349,400,254</b>	<b>170,959,203</b>	<b>977,658</b>	<b>1,519,381,799</b>	<b>145,398,668</b>	<b>197,394,539</b>	<b>7,638</b>	<b>342,785,569</b>	<b>1,176,596,230</b>
<b>As at 31 December 2020</b>	<b>265,336,479</b>	<b>1,084,063,775</b>	<b>-</b>	<b>1,349,400,254</b>	<b>18,210,344</b>	<b>127,133,794</b>	<b>(54,530)</b>	<b>145,398,668</b>	<b>1,204,001,586</b>



# Community Bank Bangladesh Limited

## Operating cash flow reconciliation statement

For the year ended 31 December 2021

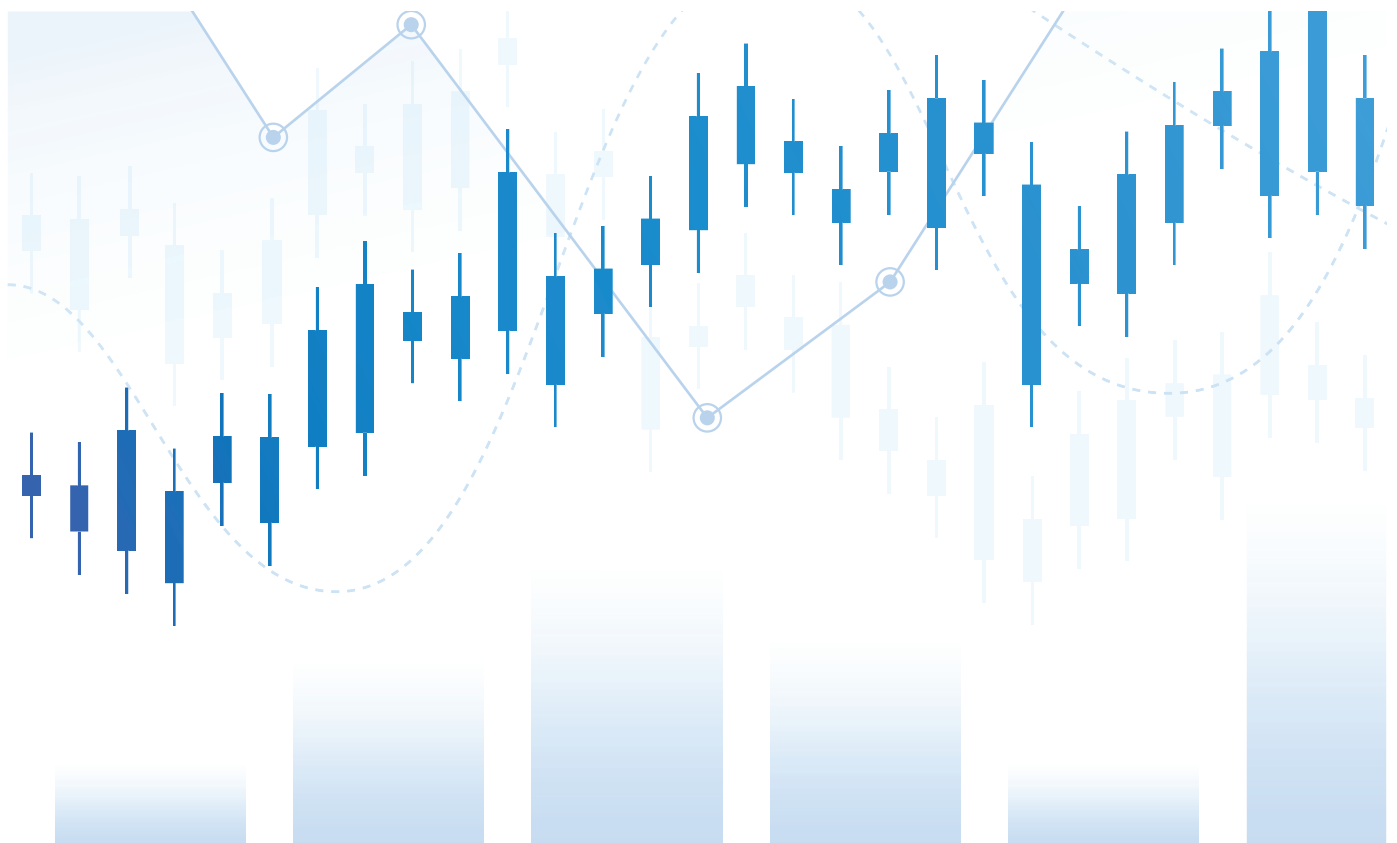
Particulars	Note	2021 Taka	2020 Taka
Net Profit After Tax		121,372,629	(304,558,369)
Adjustments for non-cash items			
Add: Depreciation expenses		117,294,212	67,973,190
Add: Provision for loans, advances and investments		282,752,852	211,008,495
Add: Loss on sale of fixed assets		27,010	-
Add/(Less): Provision for Current Tax		136,014,423	7,181,430
Add/(Less): Deferred Tax		(24,539,329)	(2,788,153)
		632,921,797	(21,183,407)
Changes in operating assets and liabilities			
Purchase/sale of trading securities		(402,060,652)	(118,980,194)
(Increase)/Decrease in Loans and advances		(23,728,219,006)	(18,814,065,268)
(Increase)/Decrease in Other assets		(434,776,333)	(179,299,987)
Increase/(Decrease) in Deposits from other banks		-	550,000,000
Increase/(Decrease) in Deposits from customers		35,682,472,209	19,993,130,207
Increase/(Decrease) in Borrowing		1,946,728,899	-
Increase/(Decrease) in Other liabilities		654,750,854	370,200,228
Payment of Income Tax		(53,408,412)	(57,636,362)
Cash received/(paid) from operating assets and liabilities		13,665,487,559	1,743,348,624
<b>Net cash from operating activities</b>		<b>14,298,409,356</b>	<b>1,722,165,217</b>



# Community Bank

Investment Limited

## FINANCIAL STATEMENTS OF COMMUNITY BANK INVESTMENT LIMITED



# Independent Auditor's Report

## to the Shareholders of Community Bank Investment Limited

### Report on the Audit of the Financial Statements

Annexure - G

#### Opinion

We have audited the financial statements of Community Bank Investment Limited (the "Company") which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 3.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other matters

This is the first year of operation of the Company hence no comparative information is available.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in note 3, Companies Act 1994, the Securities and Exchange Rules 1987 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 Company's to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings,

including any significant deficiencies in internal control that we identify during our audit.

### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020, 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 Company's so far as it appeared from our examination of those books; and
- (iii) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns.

Place: Dhaka, Bangladesh  
Date: 27 March 2022  
DVC:2203300770AS408827



**Sabbir Ahmed FCA, Partner**  
Enrolment no: 770  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

# Community Bank Investment Limited

## Statement of Financial Position

As at 31 December 2021

Particulars	Note	Figures in Taka 2021
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4	936,783
Investments in bond	5	57,211,566
<b>Total non-current assets</b>		<b>58,148,349</b>
<b>Current assets</b>		
Trading investment in quoted shares	6	104,043,210
Balance with Sheltech Brokerage Ltd.	8	38,031,731
Accounts receivable	9	1,506,637
Advances, deposits and prepayments	10	1,766,890
Cash and cash equivalents	11	48,535,471
<b>Total current assets</b>		<b>193,883,939</b>
<b>Total assets</b>		<b>252,032,288</b>
<b>Equity and liabilities</b>		
Share capital	12	250,000,000
Retained earnings/(accumulated losses)		(2,218,419)
<b>Total equity</b>		<b>247,781,581</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax liability	7	21,582
<b>Total non-current liabilities</b>		<b>21,582</b>
<b>Current liabilities and provisions</b>		
Accounts payable	13	176,272
Other liabilities	14	56,552
Provision for diminution in value of investments	6	3,302,411
Provision for taxation	15	693,890
<b>Total current liabilities</b>		<b>4,229,125</b>
<b>Total equity and liabilities</b>		<b>252,032,288</b>
<b>Net asset value per share of Tk. 10 each</b>		<b>9.91</b>

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



Managing Director & CEO  
Md. Mominul Hoque, CFA



Director  
Masihul Huq Chowdhury



Director  
Abu Hasan Muhammad Tarique, BPM



Chairman  
Dr. Benazir Ahmed, BPM (Bar)



Sabbir Ahmed FCA, Partner  
Enrolment No: 770  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

Place: Dhaka, Bangladesh  
Date: 27 March 2022  
DVC: 2203300770AS408827



# Community Bank Investment Limited

## Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021

Particulars	Note	Figures in Taka 2021
<b>Operating income</b>		
Interest income	16	-
Income from investment	17	1,662,887
Service income	18	-
<b>Total operating income</b>		<b>1,662,887</b>
Other income	19	5,402,445
<b>Total income</b>		<b>7,065,332</b>
<b>Operating expenses</b>		
Salaries and allowances	20	2,402,581
Rent, taxes, insurance, utilities, etc	21	552,167
Repairs, maintenance and depreciation	22	100,947
Stationery, printing and advertising	23	2,115
Postage, stamp and telecommunication	24	15,115
Audit fee		28,750
Directors' remuneration		276,000
Legal and professional fees		143,073
Other expenses	25	1,745,120
<b>Total operating expenses</b>		<b>5,265,868</b>
<b>Operating profit</b>		<b>1,799,464</b>
<b>Finance expense</b>	26	-
<b>Profit before provision</b>		<b>1,799,464</b>
Provision for diminution in value of investments	6	3,302,411
<b>Profit /(loss) before tax</b>		<b>(1,502,947)</b>
<b>Income tax expense</b>		
Current tax expenses	15	693,890
Deferred tax expenses	7	21,582
<b>Profit for the year</b>		<b>(2,218,419)</b>
Other comprehensive income		-
<b>Total comprehensive income</b>		<b>(2,218,419)</b>
<b>Earnings Per Share (EPS)</b>		<b>(0.09)</b>


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

  
Managing Director & CEO  
Md. Mominul Hoque, CFA

  
Director  
Masihul Huq Chowdhury

  
Director  
Abu Hasan Muhammad Tarique, BPM

  
Chairman  
Dr. Benazir Ahmed, BPM (Bar)

  
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Place: Dhaka, Bangladesh  
Date: 27 March 2022  
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# Community Bank Investment Limited

## Statement of Changes in Equity

For the year ended 31 December 2021

Particulars	Share capital Taka	Retained earnings/ (accumulated losses) Taka	Total Taka
Capital raised on 30 December 2020	250,000,000	-	250,000,000
Profit/(loss) for the year	-	(2,218,419)	(2,218,419)
<b>Balance at 31 December 2021</b>	<b>250,000,000</b>	<b>(2,218,419)</b>	<b>247,781,581</b>

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



Managing Director & CEO  
Md. Mominul Hoque, CFA



Director  
Masihul Huq Chowdhury



Director  
Abu Hasan Muhammad Tarique, BPM



Chairman  
Dr. Benazir Ahmed, BPM (Bar)

# Community Bank Investment Limited

## Statement of Cash Flows

For the year ended 31 December 2021

Particulars	Figures in Taka 2021
<b>A. Cash flows from operating activities</b>	
Net profit after income tax	(2,218,419)
<b>Add / (Subtract) Items that Affect Net Income and Cash Flow Differently:</b>	
Depreciation and Amortization	100,947
Decrease or (Increase) in Trading investment in quoted shares	(104,043,210)
Decrease or (Increase) in Balance with Sheltech Brokerage Ltd.	(38,031,731)
Decrease or (Increase) in Accounts receivable	(1,506,637)
Decrease or (Increase) in Advances, deposits and prepayments	(1,766,890)
Increase or (Decrease) in Accounts payable	176,272
Increase or (Decrease) in Other liabilities	56,552
Increase or (Decrease) in Provision for taxation	693,890
Increase or (Decrease) in Provision for diminution in value of investments	3,302,411
Increase or (Decrease) in Deferred tax liability	21,582
<b>Net cash (used)/flows from operating activities</b>	<b>(143,215,233)</b>
<b>B. Cash flows from investing activities</b>	
Investment in zero coupon bond	(57,211,566)
Acquisition of property plant and equipment	(1,037,729)
<b>Net cash from investing activities</b>	<b>(58,249,295)</b>
<b>C. Cash flows from financing activities</b>	
Issuance of share capital	250,000,000
<b>Net cash from/(used in) financing activities</b>	<b>250,000,000</b>
<b>D. Net changes in cash and cash equivalents (A+B+C)</b>	<b>48,535,471</b>
<b>E. Opening cash and cash equivalents</b>	-
<b>F. Closing cash and cash equivalents</b>	<b>48,535,471</b>

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

  
Managing Director & CEO  
Md. Mominul Hoque, CFA

  
Director  
Masihul Huq Chowdhury

  
Director  
Abu Hasan Muhammad Tarique, BPM

  
Chairman  
Dr. Benazir Ahmed, BPM (Bar)

# Community Bank Investment Limited

## Notes to Financial Statements

As at and for the year ended 31 December 2021

### 1 Reporting entity

#### 1.1 Company profile

Community Bank Investment Limited (the Company), a fully owned subsidiary of The Community Bank Bangladesh Limited, is a Private company limited by shares. The Company was incorporated in Bangladesh on 30 December 2020 vide registration no. C-167238/2020 under the Companies Act 1994. Subsequently the Company obtained Merchant Banking License (Registration Certificate No: MB-98/2021) from Bangladesh Securities & Exchange Commission on 28 June 2021. Registered office of the Merchant Bank is located at Police Plaza Concord, (Level 12, Tower 2), Plot - 2, Road - 144, Gulshan - 1, Dhaka - 1212.

#### 1.2 Nature of business

Community Bank Investment Limited delivers a wide range of investment banking services such as issue management, underwriting, portfolio management and corporate advisory and other services as mentioned in the Memorandum and Articles of Association of the company.

### 2 Basis of accounting

#### 2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as well as applicable requirements of the Companies Act 1994, Bangladesh Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules 1996 and other applicable laws and regulations. In case any rules and regulations issued by Bangladesh Securities and Exchange Commission differs from those of other regulatory authorities, the rules and regulations issued by Bangladesh Securities and Exchange Commission shall prevail.

#### 2.2 Basis of measurement

The financial statements have been prepared on accrual basis of accounting following going concern concept under historical cost convention except for financial instruments which are measured at fair value.

#### 2.3 Functional and presentation currency

The financial statements are presented in Bangladeshi Taka (BDT), which is both functional and presentation currency of the Company.

#### 2.4 Use of estimates and judgment

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period of revision and future periods if the revision affects both current and future periods. Critical estimates and judgements applied are relating to impairment provision and income tax.

#### 2.5 Reporting period

Although the Company has incorporated on 30 December 2020 but considering that the financial year of the Company starts from 1 January and no activities took place during the intervening period of 30 December to 31 December 2020, these financial statements cover the period from 1 January to 31 December 2021. Therefore, on the ground of 'Relevance' or 'Materiality', no comparative information is provided.

#### 2.6 Date of authorisation

The audited financial statements for the year ended 31 December 2021 were authorised by the Board of Directors on 27 March 2022

## 2.7 Components of financial statements

- a. Statement of financial position (balance sheet);
- b. Statement of profit or loss and other comprehensive income (income and expenditure statement);
- c. Statement of changes in equity;
- d. Statement of cash flows; and
- e. Summary of significant accounting policies and other explanatory information.

## 3 Significant accounting policies

The accounting policies set out below will be applied consistently (otherwise as stated) to all periods presented in these financial statements.

### 3.1 Property, plant and equipment

#### Recognition and measurement

Items of property, plant and equipment are measured initially at cost and subsequently at cost less accumulated depreciation in compliance with International Accounting Standard (IAS) 16 “Property, Plant and Equipment”. The cost of acquisition of an asset comprises its purchase price and any direct cost for bringing the asset to its working condition for its intended use. Expenditures incurred after the assets have been put into use, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

#### Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit and loss account as incurred.

#### Depreciation

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit and loss account as incurred.

The rates at which property, plant and equipment are depreciated for current year is as follows:

Category of assets	Rate of depreciation
Furniture and fixtures	10%
IT Hardware	20%
Office equipment	20%

#### Disposal

Gains and losses on disposal of an item of property, plant and equipment are to be determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment disposed off and will be recognised net with “other operational income” in profit or loss statement.

### 3.2 Leases

IFRS 16 (Leases) introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard- i.e. lessors continue to classify leases as finance or operating leases. However, this new standard has no material impact on the reported number presented in these financial statements considering the rented premise is low value considering the overall financial position.



### 3.3 Registration fees and amortisation

Registration fees paid for five years which is initially recognised at cost. It will be measured and reported in financial statement at cost less accumulated amortisation. Amortization expenses are to be recognized at profit and loss statement until wash out the total registration cost. The Company has decided to absorb the registration fees within five years i.e. at a rate of 20% on straight line basis.

### 3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non- derivative financial instruments comprise investments in trading securities, margin loans, receivables, cash and cash equivalents, term loans, trade payables, customer deposits and share capital.

#### 3.4.1 Financial assets

Financial assets refer to assets that arise from contractual agreements on future cash flows or from owning equity instruments of another entity.

The company initially recognises receivables and deposits on the date when they are originated. All other financial assets are recognised initially on the date at which the company becomes a party to the contractual provisions of the transaction.

The company derecognises a financial asset when the contractual rights or probabilities of receiving the cash from the assets expires, or it transfers the rights to receive the contractual cash flows from the financial assets in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVTOCI), financial assets at amortised cost, margin loans, cash and cash equivalents, accounts receivable.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. The Company holds investment securities which are strategically held and actively traded in a quoted market and those which are unquoted.

##### Financial assets at fair value through profit or loss (FVTPL)

Investment in quoted securities (such as stock/ shares, bonds) are securities those are officially listed (quoted) on a stock exchange for public trading. They are measured at fair value and subsequent to initial measurement any fall in value of investment below cost is recognised at profit or loss and a reserve for the fall in value is created.

Investment in shares which are not actively traded in a quoted market are measured at fair value unless the fair value can not be measured reliably, in which case they are measured at cost.

##### Financial assets at fair value through other comprehensive income (FVTOCI)

These equity securities represent investments that the Company intends to hold for the long term for strategic purposes. As permitted by IFRS 9, the Company has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss. Before the changes to IFRS 9: Financial Instruments, the Company was presenting these investment in available for sale category. The gain/loss arising from the changes in fair value have been put in other comprehensive income.

##### Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash at bank in SND account and FDR with Community Bank Bangladesh Limited and there was no risk of changes in value of these current assets.

##### Accounts receivables

Accounts receivables are recognised at original invoiced amount.

##### Margin loan

Margin loan is provided to clients to facilitate investment in equity securities. They are initially classified as financial assets at fair value and subsequently measured at amortised cost. The company has no margin loan during the reporting period.

### 3.4.2 Financial liabilities

A contractual obligation to deliver cash or another financial assets to another entity or to exchange financial instruments with another entity under conditions that are potentially unfavourable.

The company initially recognises financial liabilities on the transaction date at which the Entity becomes a party to the contractual provisions of the liability. The Entity recognises such financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.

The Entity derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. Financial liabilities as presented in these financial statements comprise loans and borrowings, accounts payable and other payables.

#### Loans and borrowings

Loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequently, the borrowings are stated at amortised cost using effective interest method.

#### Accounts payable

Accounts payables are recognised at fair value.

#### Offsetting financial assets and a financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the entity has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### 3.5 Revenue recognition

The Company has adopted IFRS 15: Revenue from Contracts with Customers from 1st January 2018. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when an entity fulfills the performance obligations regarding the contract of supplying the goods or rendering of service. The standard replaces all existing requirements of IAS 18: Revenue and IAS 11: Construction contracts and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 thus the company adopted IFRS 15 with a date of the said initial application.

It has been assessed that the implementation of IFRS 15 is not likely to have any significant impact on the financial statements. Management has assessed impact of IFRS 15 on the different agreement types that are used in company's business areas, most of the components are long-term in nature. Revenue from the contracts are recognised over the time if the service obligation satisfies over the time. No retrospective application has been made as due impact of adopting IFRS 15 does not affect the revenue recognised till date.

#### Interest income on margin loan

Income from interest on margin loan is recognised on an accrual basis. Such income is calculated based on daily margin loan balance of the respective margin loan holder's account. However, CBIL has no such income.

#### Fees and commission income

Fees and commission income are recognised when the corresponding services are provided. Fees and commission income presented in the financial statements generally include the following:

- i) Management fee is charged on client's portfolio value (at market price) on daily basis at the applicable rate
- ii) Settlement fee charged to customers' trading in the secondary capital market;
- iii) Documentation fees charged to clients for opening accounts with the company; and
- iv) Income from advisory is recognised when a service is rendered in line with the related agreement.

#### Dividend income

Dividend income is recognised when the right to receive dividend is established. Usually this is the record date for dividend declaration of equity securities.

#### Investment income

Income on investments is recognised on accrual basis. Investment income includes interest on zero coupon bond and fixed deposit with CBBL.

### **3.6 Taxation**

Income tax expense is recognised in the statement of profit or loss and other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax has been calculated on the basis of Finance Act, 2021.

### **3.7 Deferred Tax**

Deferred tax has been calculated based on the difference between the carrying amount of an asset or liability in the statement of financial position and its carrying amount by the tax authority; tax bases, that will be reversed in future, and where the change in the value of asset or liability has a tax consequence. This may result in either deferred tax assets or deferred tax liabilities in the financial statement of the company.

### **3.8 Provisions**

A provision is recognized when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### **3.9 Contingencies**

Contingencies arising from claims, litigations, assessments, fines, penalties, etc are recorded when it is probable that a liability would be created and the amount can be reasonably estimated.

### **3.10 Events after reporting period**

Events after the reporting period that provide additional information about the company's position at the reporting period are reflected in the financial statements. Events after the reporting period that are not adjusting event are disclosed in the note when material.

No material event had occurred after the reporting period, which could substantially effect the values reported in these financial statements.

### **3.11 Defined contribution plan- provident fund**

Defined contribution plan-provident fund is benefit plan where the entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to their service. The company has no such fund in the year 2021.

### **3.12 Defined benefit plan-gratuity**

Defined benefit plan-gratuity is post-employment benefit where entity guarantees a particular level of pension benefit to its employees upon retirement. The company has no such benefit plan in the year 2021.

### **3.13 COVID 19**

The adverse impact of COVID 19 which started in previous financial year continued to affect the business of the Company during the current financial period. To contain the spread of subsequent waves of COVID 19, Government has taken various measures including extended lock down, closure of business, restriction in people movement, social distancing etc. As a result of these measures as well as prevailing global situation, all business and economic activities are adversely affected which also impacted the Company. Impact from these COVID 19 related events that has occurred are already reflected in these financial statements. However, due to the inherent uncertainty associated with such matter it is not possible to reasonably assessed and quantify any potential impact of COVID 19 related matters on the Company's future operation and financial results.

### **3.14 Standards issued but not yet effective**

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted. However, the Company has not early applied the following new standards in preparing these financial statements.

#### **IFRS 17 Insurance contract**

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Company has not yet assessed potential impact of IFRS 17 on its financial statements.

4. Property, plant and equipment

Amount in taka

Particulars	COST				DEPRECIATION					Written Down value as at 31.12.2021
	Balance as at 01.01.2021	Addition during the year	Adjustments /disposal during the year	Balance as at 31.12.2021	Rate (%)	Balance as at 01.01.2021	Charged during the year	Adjustments /disposal during the year	Balance as at 31.12.2021	
Furniture and fixtures	-	668,710	-	668,710	10%	-	52,848	-	52,848	615,862
IT Hardware	-	273,631	-	273,631	20%	-	30,610	-	30,610	243,021
Office equipment	-	95,388	-	95,388	20%	-	17,488	-	17,488	77,900
<b>Total as at 31 December 2021</b>	<b>-</b>	<b>1,037,729</b>	<b>-</b>	<b>1,037,729</b>		<b>-</b>	<b>100,947</b>	<b>-</b>	<b>100,947</b>	<b>936,783</b>

Particulars		2021
5	<b>INVESTMETN IN BOND</b>	
	Opening balance	-
	Add: New investment during the year	57,211,566
	Closing Balance	<b>57,211,566</b>
	The Company has made investment of Tk. 57,211,566 in a zero coupon bond issued by Thengamara Mohila Sabuj Sangha.	
6	<b>TRADING INVESTMENT IN QUOTED SHARES</b>	
	Cost value of shares at 31 December 2021	104,043,210
	Add/(Less): Change in fair value during the year	(3,302,411)
	Fair value at 31 December 2021	<b>100,740,799</b>
	Cost value of shares at 31 December 2021:	
	Investment in Quoted Shares:	81,959,280
	Investment in IPO Shares	22,083,930
		<b>104,043,210</b>
		<b>100,740,799</b>
	<b>Investment in Quoted Shares:</b>	<b>Nos. of shares</b>
	ACMELAB	27,000
	BATBC	12,500
	BRACBANK	183,862
	BSCCL	33,981
	BXPHARMA	21,975
	DOREENPWR	40,000
	GP	17,811
	IDLC	15,000
	MATINSPINN	40,000
	POWERGRID	130,252
	SINGERBD	15,938
	SQUARETEXT	20,000
	SQURPHARMA	108,607
	<b>TOTAL</b>	<b>81,959,280</b>
	<b>Investment in IPO Shares</b>	<b>Nos. of shares</b>
	Union Insurance Co. Ltd.	4,643
	BD Thai Food & Beverage Ltd.	63,750
	Union Bank Limited	2,140,000
	<b>TOTAL</b>	<b>22,083,930</b>
7	<b>DEFERRED TAX (ASSETS)/LIABILTIES</b>	
	Fixed Assets (as per Financial Statements)	936,783
	Tax base carrying amount	879,230
		57,553
	Deferred Tax (assets)/liabilities	21,582
8	<b>BALANCE WITH SHELTECH BROKERAGE LTD.</b>	
	Balance With Sheltech Brokerage Ltd.	38,031,731
		<b>38,031,731</b>
9	<b>ACCOUNTS RECEIVABLE</b>	
	Interest receivable from fixed deposits	264,384
	Dividend receivable from trading investments	689,730
	Interest receivable from zero coupon bond	552,523
		<b>1,506,637</b>



Particulars		2021
<b>10</b>	<b>ADVANCES, DEPOSITS AND PREPAYMENTS</b>	
	Security deposit with Central Depository Bangladesh Ltd.	200,000
	Advance Income Tax Paid	725,140
	Advance-Registration Fees for Depository Participant	764,750
	Advance-Establishment Rent	77,000
		<b>1,766,890</b>
<b>11</b>	<b>CASH AND CASH EQUIVALENTS</b>	
	Bank balance with Community Bank Bangladesh Limited (SND Account)	28,535,471
	Fixed Deposit with Community Bank Bangladesh Limited	20,000,000
		<b>48,535,471</b>
<b>12</b>	<b>SHARE CAPITAL</b>	
	Authorised	
	50,000,000 shares of BDT 10 each	500,000,000
	Issued, subscribed and paid up	
	25,000,000 ordinary shares of BDT 10 each	250,000,000
Name of shareholder		No. of shares
		Value of shares
		% of share holding
Bangladesh Police Kallyan Trust (BPKT)		10
Community Bank Bangladesh Limited		100
		0.00004%
		24,999,990
		249,999,900
		99.99996%
		<b>25,000,000</b>
		<b>250,000,000</b>
		<b>100.00000%</b>
<b>13</b>	<b>ACCOUNTS PAYABLE</b>	
	Provision for operating expense (note 13.1)	176,272
<b>13.1</b>	<b>PROVISION FOR OPERATING EXPENSE</b>	
	AGM expense	150,000
	Service charge	8,189
	Electricity	4,000
	Support staff salary	10,810
	Mobile bill	2,000
	Telephone bill	173
	Support staff overtime bill	600
	CDS fees	500
		<b>176,272</b>
<b>14</b>	<b>OTHER LIABILITIES</b>	
	Payable-auditors' fees	28,750
	Withholding tax payable-vendor	11,408
	Withholding VAT payable-vendor	16,334
	Others payable	60
		<b>56,552</b>
<b>15</b>	<b>PROVISION FOR TAXATION</b>	
	Opening balance	-
	Add: Provision made during the year	693,890
	Less: Adjustment for over provision in prior years	-
		693,890
	Less: Paid/Adjustment during the year	-
	Closing balance	693,890
<b>16</b>	<b>INTEREST INCOME</b>	
	Interest on margin loan	-

Particulars		2021
<b>17</b>	<b>INCOME FROM INVESTMENT</b>	
	Interest on fixed deposit	264,384
	Interest on Zero Coupon Bond	552,523
	Dividend from ordinary shares	845,980
		<b>1,662,887</b>
<b>18</b>	<b>SERVICE INCOME</b>	
	Corporate advisory fees	-
	Settlement fees	-
	Portfolio management fees	-
	Documentation charge	-
		<b>-</b>
<b>19</b>	<b>OTHER INCOME</b>	
	SND Interest Income	<b>5,402,445</b>
<b>20</b>	<b>SALARIES AND ALLOWANCES</b>	
	Gross salaries	2,160,581
	Festival bonus	242,000
		<b>2,402,581</b>
<b>21</b>	<b>RENT, TAXES, INSURANCE, UTILITIES, ETC</b>	
	Rent	442,750
	Electricity	28,400
	Other Utility	81,017
		<b>552,167</b>
<b>22</b>	<b>REPAIRS, MAINTENANCE AND DEPRECIATION</b>	
	Repair and maintenance	-
	Depreciation-Property, Plant and Equipment	100,947
		<b>100,947</b>
<b>23</b>	<b>STATIONERY, PRINTING AND ADVERTISING</b>	
	Printing and stationery	2,115
		<b>2,115</b>
<b>24</b>	<b>POSTAGE, STAMP AND TELECOMMUNICATION</b>	
	Postage and courier charge	-
	Stamps, court fees and legal doc	3,090
	Telephone charges	12,025
		<b>15,115</b>
<b>25</b>	<b>OTHER EXPENSES</b>	
	Formation Expense (Note 25.1)	757,611
	Regulatory fees and charge	362,755
	Staff recruitment	217,955
	Govt levies excise duties VAT	80,000
	Bank charges	1,051
	IT enabled services	5,617
	Office refreshment	52,317
	IT consumables	5,322
	Office support service expenses	65,982
	Local conveyance	6,260
	Registration Fees for Depository Participant	40,250
	AGM expense	150,000
		<b>1,745,120</b>

Particulars		2021
<b>25.1</b>	<b>FORMATION EXPENSE</b>	
	Regulatory fees and charge	481,633
	Staff recruitment	274,978
	Application fees	1,000
		<b>757,611</b>
<b>26</b>	<b>FINANCE EXPENSE</b>	
	Short term loan	-
	Overdraft loan	-
		-
<b>27</b>	<b>RELATED PARTIES</b>	
	Parent company	
	Community Bank Bangladesh Limited (CBBL) owns 99.99996% shares of the Company. Thus, CBBL holds the controlling interest in the Company.	
<b>28</b>	<b>FINANCIAL RISK MANAGEMENT</b>	
	The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's management policies are established to identify and analyse the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The Company has provided in separate notes the information about the Company's exposure to each of the following risks, the Company's objectives, policies and processes for measuring and managing risks and the Company's management of capital. The Company has exposure to the following risks from its use of financial instruments.	
	- Credit risk	
	- Liquidity risk	
	- Market risk	
<b>28.1</b>	<b>CREDIT RISK</b>	
	Credit risk is the risk of financial loss to the company if any customer or counter party to a financial instrument fails to meet its contractual obligation. This principally arises from the company's receivables from customers.	
	Exposure to credit risk	
	The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:	
	Trading Investments	104,043,210
	Accounts receivables	1,506,637
		<b>105,549,847</b>
<b>28.2</b>	<b>LIQUIDITY RISK</b>	
	Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquid assets to meets its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or taking risk of damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses through preparation of the cash flow forecast, prepared based on time line payment of the financial obligation and accordingly arrange for sufficient liquidity/ fund to make the expected payment within the due date.	

### 28.3 MARKET RISK

Market risk is the risk that any changes in market price, such as interest rates and capital market condition will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters.

### 29 NUMBER OF EMPLOYEES

The number of employees engaged for the whole year or part thereof who received an yearly remuneration of BDT 36,000 or above was 1 (One).

### 30 OTHERS

Figures have been rounded off to the nearest BDT.



Managing Director & CEO  
Md. Mominul Hoque, CFA



Director  
Masihul Huq Chowdhury



Director  
Abu Hasan Muhammad Tarique, BPM



Chairman  
Dr. Benazir Ahmed, BPM (Bar)



# EVENTS

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## Celebrating 2 Years of Success





## Celebrating 2 Years of Success



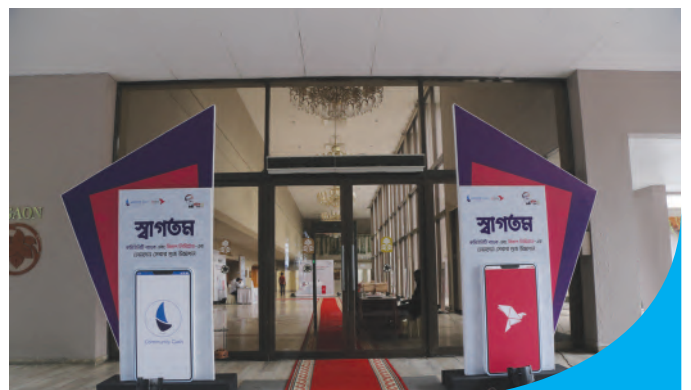


## Celebrating 2 Years of Success





## Launch of bKash Link Account Service



Dr. Benazir Ahmed, BPM (Bar), Inspector General of Police, Bangladesh and Chairman, Community Bank Bangladesh Limited inaugurated the joint financial service of Community Bank and bKash.



## Board Meetings



22nd Board Meeting of Community Bank



24th Board Meeting of Community Bank



26th Board Meeting of Community Bank



27th Board Meeting of Community Bank



28th Board Meeting of Community Bank



29th Board Meeting of Community Bank

## Executive Committee Meeting



3rd EC Meeting of Board of Directors of Community Bank



## Commemorating 15th August 2021



Community Bank organized discussion sessions, tree plantation and various programs to observe National Mourning Day.

## Oath Taking on 16 December 2021



Community Bank employees from branches and different business units took oath under the leadership of Honorable Prime Minister by joining the live telecast of the event to commemorate the Birth Centenary of Bangabandhu Sheikh Mujibur Rahman and 50 Years of Independence of Bangladesh.

## Agreements



Community Bank Bangladesh Limited and Bangladesh Bank have signed an agreement to collect Treasury Challan through Automated Challan System (ACS)



Community Bank Bangladesh Limited and PricewaterhouseCoopers Bangladesh Private Limited (PwC Bangladesh) have signed an agreement over ISO 27001:2013 ISMS Consultancy.

## Branch Business Review



Winners holding crests at the Branch Business Review (Urban Category)



Winner holding crests at the Branch Business Review (Rural Category)

## ADC Business Review



Award Distribution Ceremony at the ADC Business Review





## Training Sessions



Training sessions conducted by Community Bank Training Academy

## Branding



Community Bank branded items at different parts of Bangladesh

## Aporajita 2022



On the eve of International Women's Day on March 8, MGI presents Aporajita 2022 Powered by Community Bank Award was given to 8 eminent women for their outstanding contribution in 8 different sectors.



## Police Week 2022 Celebrations



**‘পুলিশকে হতে হবে জনগণের সেবক’**  
জাতির পিতা বঙ্গবন্ধু শেখ মুজিবুর রহমানের এই নির্দেশনা হোক ২০২২ মুজিববর্ষে  
পুলিশ সপ্তাহের অঙ্গীকার ও এগিয়ে যাবার অনুপ্রেরণা।

**দক্ষ পুলিশ  
সমৃদ্ধ দেশ  
বঙ্গবন্ধুর  
বাংলাদেশ**

**পুলিশ সপ্তাহ ২০২২ সফল হোক**  
বাংলাদেশ পুলিশ এর সকল সদস্যকে জানাই আন্তরিক অভিনন্দন।

## Celebrating International Women's Day



To commemorate International Women's Day, Community Bank organized a Free Medical Camp for its female employees in association with Labaid Group on the 8th of March 2022.







## Community Bank Branches

### Corporate Branch

Police Plaza Concord  
(Level 5, Tower 2) Plot 2  
Road 144 Gulshan 1  
Dhaka 1212  
Phone +88 09612 712001

### Gulshan Branch

South Breeze Square (Gr. Floor)  
52, Gulshan Avenue  
Gulshan 1, Dhaka-1212  
Phone +88 09612 712007

### Dhanmondi Branch

Taj Lily Green (1st Floor)  
751, Satmosjid Road  
Dhanmondi, Dhaka 1209  
Phone +88 09612 712008

### Motijheel Branch

Cosmos Tower  
Holding No.28/1/2  
Toyenbee Circular Road  
Motijheel, Dhaka 1000  
Phone +88 09612 712002

### Uttara Branch

Rajuk Rajib Cosmo  
Shopping Complex ( 1st Floor)  
Plot No. 71, Sector No. 7  
Uttara,Dhaka  
Phone +88 09612 712010

### Chawkbazar Branch

Shahjahan Imam Tower  
29-31 Water Works Road  
(1st Floor) Chawkbazar, Dhaka.  
Phone +88 09612 712009

### Mawna Branch

Bhai Bhai City Complex  
HoldingNo.255  
Sreepur Road, Word 8  
Sreepur Pourashava  
Gazipur 1704  
Phone +88 09612 712003

### Panchabati Branch

Akbar Tower, Hariharpara  
Enayetnagar, Fatullah  
Narayanganj 1400  
Phone +88 09612 712004

### Agrabad Branch

Chamber House (Ground Floor)  
38 Agrabad Commercial Area  
Chattogram 4100  
Phone +88 09612 712006

### Noapara Branch

Chowdhury Bhaban (1st Floor)  
Saihamnagar, Noapara Bazar  
Madhabpur, Habiganj 3333  
Phone +88 09612 712005

### Panchdona Branch

Amzad Tower (1st Floor)  
Burairhat, Panchdona  
Madhabdi, Narsingdi 1603  
Phone +88 09612 712011

### Mirzapur Branch

Holding: 159, Ward No-03  
Baimhati, Kakoly Moor,  
Kalibari Road  
Mirzapur, Tangail-1940  
Phone +88 09612 712012

### Gouripur Branch

Afia Plaza (1st Floor), Gouripur  
Daag No 7715, 7716, Angaura  
Gouripur Bazar, Daudkandi  
Cumilla 3517  
Phone +88 09612712013

### Khulna Branch

Tayamun Center, 181/1  
Jashore Road, Ward 17  
Shib Bari More, Khulna 9100  
Phone +88 09612712014

### Ranirbandar Branch

Grameen Tower (1st Floor)  
Daag No 3377, 3378  
Dinajpur 5241  
Phone +88 09612712015

### Nawabganj Branch

Sajeda Complex (Ground Floor)  
Kolakopa, Kashimpur  
Nawabganj, Dhaka 1320  
Phone +88 09612712016

### Anderkilla Branch

Ismail Trade Center,  
183 Nazir Ahmed Chowdhury Road  
Ward 32, Anderkilla, Kotwali  
Chattogram 4000  
Phone +88 09612712017

### Fulbaria Branch

Fulbaria Green City,  
Holding 516 Word 8,  
Mymensingh Fulbaria Road  
Fulbaria, Mymensingh 2216  
Phone +88 09612712018

Contact Center: 16707 , +88 096 127 16707