

Annual Report 2022



Community Bank








- Trust • Security • Progress

Empowering Community

Community Bank Bangladesh Limited is helping to advance local communities in a number of ways. It provides financial services that allow unbanked individuals and businesses to access credit, savings, and other banking products by using technology as the key enabler. It also provides capital to entrepreneurs and small businesses, which helps to create jobs and stimulate economic growth. In addition, Community Bank involves in various development initiatives to improve health care, education, and women empowerment in the communities. This year's annual report is a portrayal of Community Bank's commitment to the community and its contribution to the growth trajectory of Bangladesh.



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Letter of Transmittal

To

All Honorable Shareholders of the Bank

Bangladesh Bank

Bangladesh Securities and Exchange Commission

Financial Reporting Council

Registrar of Joint Stock Companies & Firms

Other Relevant Regulators and Stakeholders

Dear Sirs,

Annual Report of Community Bank Bangladesh Limited for the year 2022

We are pleased to present a copy of Annual Report of the Bank together with the Audited Financial Statements for the year ended 31 December 2022 of Community Bank Bangladesh Limited. The Annual Report 2022 of the Bank which includes financial statement, comprising of Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement along with Notes to the Accounts is placed for your kind information and record.

Sincerely yours,



Saiful Alam, FCS
SEVP & Company Secretary

Notice of the 4th Annual General Meeting

Notice is hereby given that the 4th Annual General Meeting (AGM) of the Honorable Members/Shareholders of Community Bank Bangladesh Limited (the Bank/ the Company) will be held on Sunday, April 16, 2023 at 11.00 A.M. at Hall of Pride, Police Headquarters, 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 ended December 31, 2022.
2. To declare the Dividend for the year ended December 31, 2022 as recommended by the Board of Directors.
3. To elect/re-elect Directors.
4. To appoint External Auditors for the year 2023 and fix up their remuneration.
5. To appoint Corporate Governance Compliance Auditors for the year 2023 and fix up their remuneration.

By order of the Board of Directors



Saiful Alam, FCS
SEVP & Company Secretary

Dated: Dhaka
March 23, 2023

Vision, Mission and Brand Pillars

Vision

Reach out to the members of different communities with innovative banking services

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

Community Bank runs on three building blocks
i.e. Trust, Security & 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, 2022)	Authorized Capital: BDT 1000,00,00,000.00 (Taka one thousand crore) Paid-up Capital: BDT 5,00,00,00,000.00 (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	Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM Inspector General of Police, Bangladesh
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	www.communitybankbd.com



প্রতিশ্রুতি স্টুডেন্ট অ্যাকাউন্ট

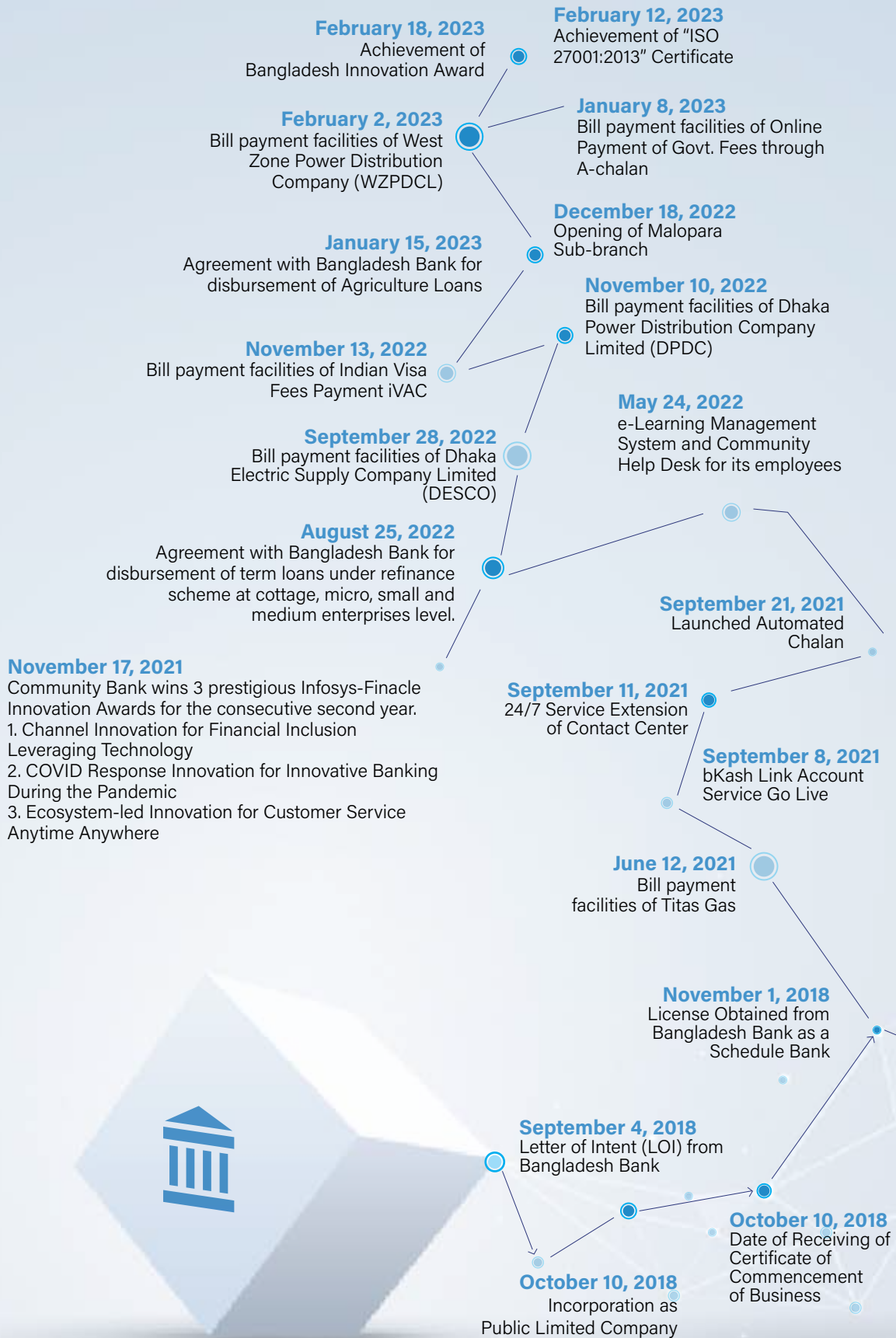
নিশ্চিত করুন আপনার সন্তানের ভবিষ্যত

সন্তানের ভবিষ্যত নিয়ে সচেতন বাবা-মায়াদের জন্য কমিউনিটি ব্যাংক-এর বীমা সুবিধা সহ প্রতিশ্রুতি স্টুডেন্ট অ্যাকাউন্ট।

বৈশিষ্ট্যসমূহ

- স্বাস্থ্য এবং জীবন বীমা সুবিধা
- আকর্ষণীয় মুনাফার হার
- স্কুল ও কলেজের শিক্ষার্থীদের সঞ্চয় স্কিম
- শিক্ষার্থীদের বয়সসীমাঃ ৬ বছর থেকে ১৮ বছরের নিচে

Milestones







Statement from the Chairman

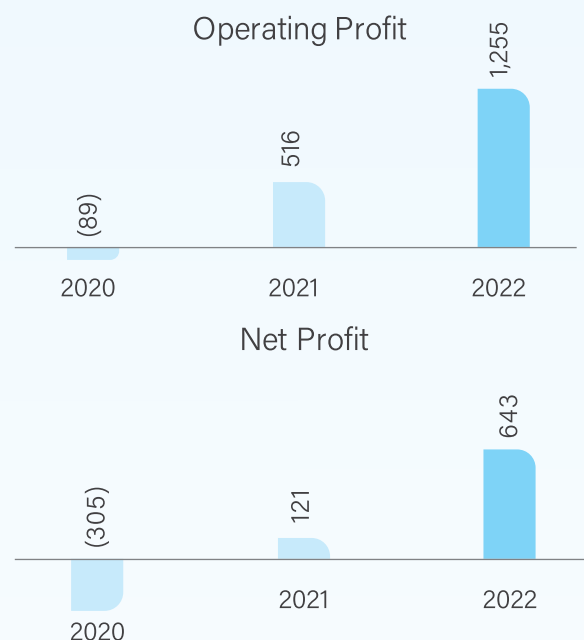
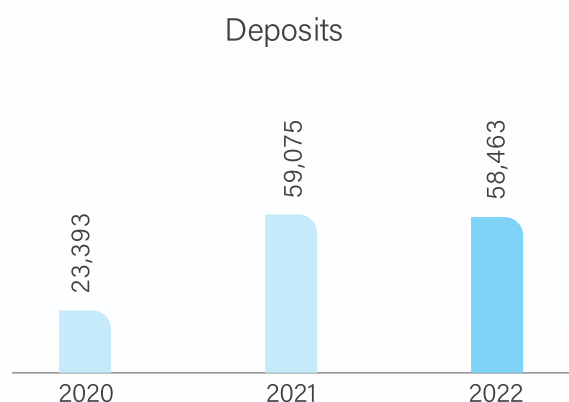
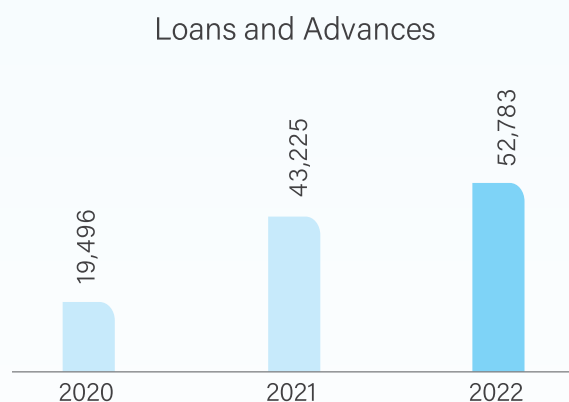
"The Bank believes that its workforce is critical to the long-term success of the Bank. Therefore, the Bank ensures that its employees remain empowered, motivated, skilled and receive relevant trainings, so that they remain competent and relevant to current and future need of the Bank."

Dear Shareholders,

It gives me great pleasure to welcome you to the 4th Annual General Meeting of Community Bank Bangladesh Limited. I would like to share the operating and financial performance and position of the Bank for the year ended December 31, 2022 through the Annual Report - 2022. The commercial operation of the Bank was inaugurated in September 2019 by the Honorable Prime Minister of Bangladesh. Amidst difficult economic environment, the Bank managed to deliver solid operating performance during the year 2022. In 2022, the Bank concentrated on keeping itself insulated against various market adversities and risks, while delivering solid financial results and securing dividend payment capacity. This has been possible due to the strong mandate and support given to us by our shareholders. We aim to build Community Bank as the safest and strongest one in the industry.

Review of Operating Performance

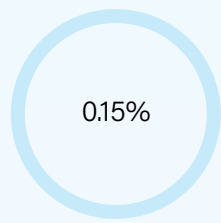
BDT Million



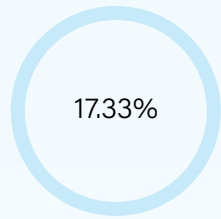
All data presented herewith are related to the solo performance of Community Bank unless or otherwise stated.

Despite the challenging economic conditions posed by the rising inflation and tight market liquidity, both in local and foreign currency, the Bank registered an operating profit of BDT 1,255 million in 2022, up by BDT 740 million from the previous year's figure of BDT 516 million. The improved operating profit was mainly driven by higher revenue from strong balance sheet growth, which is mostly skewed toward the first half of the year 2022. The Bank's net profit after tax for the year 2022 stood at BDT 643 million up by BDT 521 million against the previous year's figure of BDT 121 million. Due to the combined impact of higher operating income and low classified loan ratio, the Bank was able to protect its bottom-line profit.

Loans and advances of the Bank grew by BDT 9,558 million taking the figure to BDT 52,783 million at the end of 2022 against BDT 43,225 million in the previous year. In contrast, deposits declined by BDT 612 million in 2022 taking the figure to BDT 58,463 million against BDT 59,075 million in the previous year. The decline in deposits resulted from the withdrawal of few large ticket deposits which has been substantially refilled by the injection of fresh funds from new customers. During the turbulent market environment, the Bank has fortified itself on the liquidity front so that depositors' interest is protected and their confidence in us remains intact.



Classified Loan Ratio



Capital Adequacy Ratio

The classified loan ratio of the Bank stood at 0.15% as on December 31, 2022 vis-à-vis industry average of 9.36% (as on September 2022). The Capital Adequacy Ratio stood at 17.33%, which is well above the minimum regulatory requirement of 12.50% and above the industry average of 11.0% as of 30 September 2022. Loan to Deposit ratio increased to 86.76% in 2022 from 71.32% at the end of the previous year, as the loan growth outpaced deposits. Since inception till December 2022, the Bank has disbursed around 97,000 number of loans to police members, amounting to around BDT 49,000 million and provided payroll services to around 193,000 police members.

People

The Bank believes that its workforce is very critical to the long-term success of the Bank. Therefore, the Bank ensures that its employees remain empowered, motivated, skilled and receive relevant trainings, so that they remain competent and relevant to current and future need of the Bank and can get self-development opportunities.

Community Bank, through its modern training academy, provides a range of training to its employees, both through virtual and face-to-face learning platform. The Bank introduced a e-learning portal through which the employees can get on-demand training on various matters. Diversity, equity and an ethical culture are promoted throughout the Bank.

Technology

Community Bank offers various technology-led solutions to its customers, to make banking easier for them. The Bank believes that its commitment to technological adoption and innovation is aligned with the newly announced national agenda SMART Bangladesh Vision 2041. The Bank aims to use technology to reach-out to the underserved communities around the country and provide extraordinary services to its customers. At present around 99% of the total bank-wide transactions are being done through digital and ATM channels. Community Cash, the Bank's app-based

banking platform, has gained significant popularity amongst its retail consumers to meet their digital banking needs.

Distribution Channel

Community Bank has a total of 18 branches, 175 ATMs and 111 service desks across the country, through which it serves the Community. Additionally, the Bank has one School Banking Booth at Shahid Smrity School and the Bank opened its first sub-branch in 2022. The Bank plans to rollout cost-effective brick and mortar-based distribution channel in the future. The Bank remains committed to investing in technology-based solution to enlarge its outreach and meet everchanging expectations of the customers.

Corporate Governance

Strong governance, transparency and sound ethical practices are deeply rooted in the Bank's culture. The Bank maintains zero tolerance on integrity issues. The Bank has 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. The Bank pledges to stay vigilant about the regulatory changes, remain transparent and provide adequate disclosures to our customers, shareholders, regulators and other stakeholders. In its journey, the Bank tries to build partnership with its stakeholders and promote constructive dialogues with them to make sure that the strategies and decisions of the Bank are consistent with the expectations of the stakeholders. The Bank continues to strengthen its 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. The Bank has set a very high compliance and ethical standard to build its reputation as a well-governed Bank in Bangladesh.

Strategy

The Bank is built on three pillars - Trust, Security, Progress - which is deeply rooted in everything that we do. The strategy of the bank continues to revolve around financial inclusion of the diverse communities of the country. Through a variety of advertising, communication, sponsorship, and engagement activities, the Bank plans to connect with the communities and create emotional ties with them. As a part of the long-term strategy, the Bank plans to expand its outreach to every corner of the country and scale up its community-based financial inclusion programs. Apart from generating sustainable profit, the Bank promises to create positive change in the lives of the people. Our key focuses for the year 2023 will be on fees-based income to improve and diversify our revenue lines as well as maximize the bottom-lines.

Review of Global Economy

The year 2022 has been very challenging, both in global and local context. With the Covid-19 pandemic easing

out, the economic recovery process faced further setback by the war between Russian and Ukraine, which triggered the ripple effect on many fronts around the globe, such as disruption in energy supply, spike in energy cost, volatile exchange rates, rise in commodity and food price leading to inflationary pressure and lower GDP growth. As a result, global economy is showing sign of recession; it remains to be seen how long it could take for the world to regain its economic momentum.

Review of Bangladesh Economy

Bangladesh has done considerable progress in achieving the country's vision of Digital Bangladesh under the dynamic and visionary leadership of the Honorable Prime Minister. Building on the Digital Bangladesh, the Honorable Prime Minister unveiled the SMART Bangladesh Vision 2041. The Country crossed the Lower Middle-Income threshold in 2015 and is on track to emerge itself as a Developing Country by 2026. Under Vision 2041, the country is expected to move to the Upper Middle-Income Country and High-Income Country (HIC) by 2031 by 2041 respectively.

The GDP of Bangladesh stood at 7.25% for the fiscal year 2021-22 against 6.94% in the previous fiscal year. Bangladesh has consistently improved its per capita income which stood at USD 2,824 in FY 2021-22 against USD 2,591 in the previous fiscal year. 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. Over the years, Bangladesh has made significant progress in economic and social aspects of development. Bangladesh continues to outperformed many of its neighbors in social aspects relating to poverty reduction, improved child mortality and literacy rate and gender equality amongst other aspects.

Review of Banking Industry

The year 2022 was another challenging year for the financial sector. The liquidity, both in terms of foreign and local currency, has been a major area of concern in the Banking industry. The cost of deposit has been continuously shooting-up and as a result spreads are shrinking. Spread fell to 2.99% in December 2022 vis-à-vis 3.19% as in December 2021. The banking sector continues to suffer from the high level of classified loan ratio, with the ratio standing at 9.36% in September 2022 against 8.12% in September 2021. In addition, foreign trade business has slowed down. As a result, both funded and non-funded income have fallen, which has put strain on the overall profitability of the Banks.

Outlook

Like all other countries, Bangladesh is also facing some macroeconomic challenges which were triggered by Russian-Ukraine conflict. To tackle the challenges, the country has taken policy level initiatives such as increasing the interest rate, selling dollar in the market, providing liquidity support to Banks and Financial Institutions, extending refinance facilities, enhancing facilities to improve the export receipts and inward remittances and discouraging the import of luxury and non-essential goods. Despite the economic challenges and uncertainties, the resilience of the country has been proven over time and the economy yet again posted a healthy GDP growth rate of 7.25% in FY2021-22 and with some of the mega-projects coming into lights and strong domestic demand, the country is expected to shift its gear to register higher GDP growth rates in the coming years.

Acknowledgement

I would like to express my gratitude to all member of Bangladesh Police for their continued support regarding advancements of the Bank. I would also like to thank the management and employees of the Bank for their hard work and dedication and supporting the Bank during these challenging times and in taking the Bank forward. My heartiest thanks will go to my Board colleagues for their valuable contributions. We are also thankful to Bangladesh Bank for their guidance and support. We would also like to thank 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 cause of the existence of the Bank. I look forward to the next year where we will be able to share more success stories of your Bank with you.

Thank you.

May Allah SWT bless and remain with us.
With my best regards,



Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM

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



Statement from the Managing Director & CEO

“The Bank aims to build one of the safest and strongest balance sheets in the industry. Our low classified loan ratio stood at 0.15% as of December 31, 2022. The Bank also remains committed to fortifying itself on the liquidity front so that the interest of the depositors is protected and their confidence in us remains intact.”

Bismillahir Rahmanir Rahim,

Dear Shareholders, it is my immense pleasure to welcome you to the Annual Report – 2022 and present the operating and financial performance of the Bank through the pages of the annual report for the year ended 31 December 2022. Soon after the Bank started its commercial operation in September 2019, the Bank had to pass through stressful periods, due to the Covid-19 pandemic and thereafter, the war between Russia and Ukraine, which have shaken the economic stabilities of the world and the sweeping effect has also been felt in our country. Despite the challenging market environment, the Bank has delivered solid operating performance for the year 2022; thanks to our Honorable Board of Directors and Shareholders for keeping continued faith in us and supporting us all the way through the journey. We pledge to create sustainable value and give justified returns to our shareholders. Therefore, while growing, we always remain firmly focused on making sure that the Bank is insulated against various risks, including credit and liquidity risks. The Bank is founded on its three core pillars - Trust, Security, Progress - these are deeply rooted in everything that we do.

Our business broadly runs on three major dimensions:

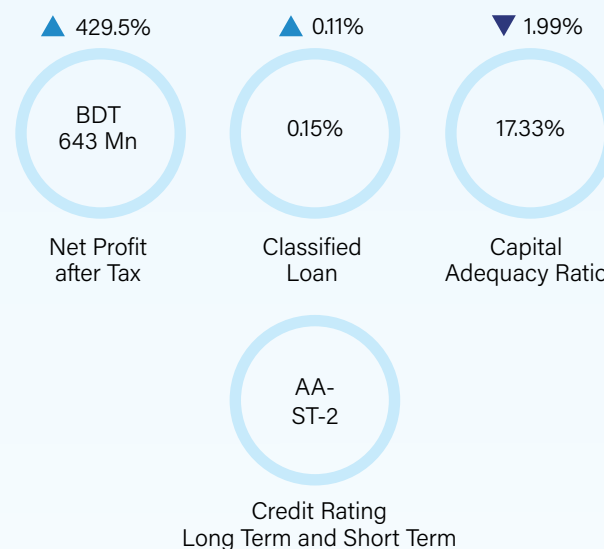
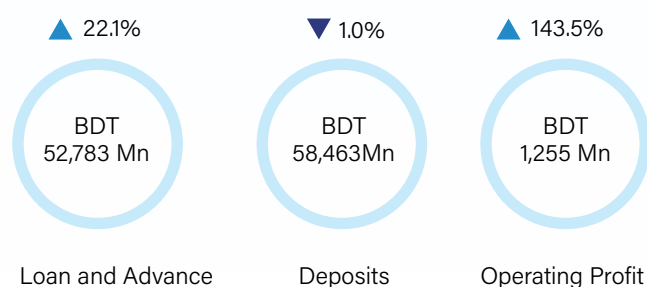


The key enablers that drive our business are:

- Technology
- People

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

Key Numbers



Growth or de-growth are denoted by up and down arrow in percentage terms, year on year basis

Business

Amidst challenging market realities, the Bank has grown its Loans and Advances by BDT 9,558 million during the year, taking the number to BDT 52,783 million at the end of December 2022. On the other hand, Deposit saw a marginal de-growth by BDT 612 million taking the figure to BDT 58,463 million at the end of December 2022, due to attrition of some few large ticket deposits, which have been refilled by the injection of relatively smaller size fresh deposits.

Strong balance sheet growth has driven up the revenue by BDT 928 million taking the figure to BDT 2,454 million in 2022 against BDT 1,526 million in the previous year. Operating expense for the year has increased by BDT 188 million to BDT 1,198 million in 2022, mostly due to increase in cost of doing business and increase in salary and benefit cost for cost-of-living adjustments and promotions. As a result of the increased revenue, cost-to-income has come down to 48.8% in 2022 from 66.2% in the previous year. The result is reflected by the surge in operating profit, which has grown by 2.4 times taking the figure to BDT 1,255 million for the year 2022 against BDT 516 million in the previous year. Similarly, Net Profit increased by 5.3 times taking the figure to BDT 643 million in 2022 against BDT 121 million in the previous year.

Service

Everything we do at the Bank is centered around our customers. We offer services through 18 branches, 1 sub-branch, 175 ATMs, and 1 school banking booth. We also have 111 service desks at ATM booths located in police establishments across 64 districts for geographically dispersed police customers. As of December 31, 2022, the Bank has disbursed around 97,000 loans and

managed payroll of 193,000 police members. Our goal is to eventually reach every corner of the country and provide financial services to the unbanked communities through cost efficient distribution model with technology being the key enabler.

Compliance and Governance

The Bank aims to build one of the safest and strongest balance sheets in the industry. Therefore, our borrowers are carefully selected and monitored rigorously. As a result, our low classified loan ratio stood at 0.15% as of December 31, 2022, compared to the industry average of 9.36% as of September 2022. The Bank remains committed to fortifying itself on the liquidity front so that the interest of the depositors is protected and their confidence in us remains intact. In that connection, the Bank maintained its CRR, SLR, AD ratio and other regulatory ratios within the regulatory limits set by Bangladesh Bank. Asset to deposit ratio of the Bank stood at 86.76% against the permissible limit of 87.0%. The capital adequacy ratio of the Bank stood at 17.33% on December 31, 2022 vis-à-vis 19.32% in the previous year, which is safely above the regulatory requirement of 12.5% and industry average of 11.0% as of September 2022. The robust capital base provides ample room for the Bank to grow its balance sheet and improve its shock absorbing capacity against various adverse scenarios. As a part of long-term capital plan, the Bank plans to issue subordinated bond to further strengthen its capital base and support growth trajectory of the Bank.

We pledge to stay vigilant to regulatory changes, maintain transparency and provide adequate disclosures to our customers, shareholders, regulators and other stakeholders. At Community Bank, we try to build partnerships with our stakeholders and get them engaged and promote constructive dialogues with them to ensure that our strategies and decisions align with their expectations. The Bank has a strong risk management framework which is complemented by sound internal control system, independent audit processes, internal policies and compliance with the laws. We promote an ethical culture in the Bank and have zero tolerance on integrity and compliance issues. Our goal is to set a high compliance standard and establish ourselves as a well-governed bank in Bangladesh. Our achievements in 2022 were made possible by the strong support of our Honorable Board of Directors and Shareholders, and the members of the Bangladesh Police.

Technology

From the technological perspective, we successfully implemented the world-class universal Core Banking System "Finacle" in a world-record 48 days, earning an Innovation Award from Infosys. We also constructed a state-of-the-art Data Center and Disaster Recovery sites,

launched the app-based banking platform "Community Cash" that handles over one million transactions per month, and reinforced security measures to safeguard the Bank against data and cyber risks. With 99% of transactions being conducted through ATMs and digital channels, we demonstrate our commitment to leading the banking industry in the digital space.

People

Our employees are a critical asset to our Bank. I firmly believe in the philosophy 'taking care of the best and being fair to the rest', which is deeply ingrained in our performance management culture and processes. The Bank promotes fairness and equal opportunity in recruitment processes and all aspects of performance management and career progression. The Bank also values work-life balance, diversity and ensure sufficient health and safety provisions for our employees. To enhance the competence level of our employees, the Bank invests in training and development.

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 run, we envisage 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. However, we have much to do in the coming days in taking the brand closer to the people. Therefore, the Bank will run various communication activities and campaigns in 2023 to improve its visibility and create brand awareness.

Outlook

Before the start of the Covid-19 pandemic, Bangladesh has consistently achieved GDP growth above 7.0% during the last decade. As the pandemic started to ease out, economy started recovering with the GDP growth rate for the fiscal year 2020-21 improving to 6.94% and further to 7.25% in the fiscal year 2021-22. The GDP of Bangladesh is projected to stand at 6.0% for the fiscal year 2022-23, according to IMF. The economy of Bangladesh has faced numerous challenges since 2020, starting with the Covid-19 pandemic, followed by the Russia-Ukraine crisis causing pressure on price level, dollar reserves and exchange rates. Despite the challenges, the economy remains resilient and performed relatively well. I believe that the current macroeconomic challenges are transitory and the economy of Bangladesh will regain its momentum. On a broader term, the consistent socio-economic performance has made Bangladesh eligible to move up its rank as a Developing Country in few years from LDC (Least Developed Country) status and we hope

that Bangladesh will emerge itself as an Upper Middle-Income Country by 2031 and High-Income Country (HIC) by 2041, as per the aspiration of the Honorable Prime Minister of Bangladesh. The Bank promises to stay adaptive to the macro-economic changes and aims to take the opportunities it provides. The Bank is in its early years of its journey; but it is on the right course in achieving its vision of financial inclusion of diverse communities of the country.

Acknowledgement

On behalf of management, I extend our warmest thanks to our Bank's Chairman, Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM, Inspector General of Police, Bangladesh, for his invaluable guidance and leadership. I also express my gratitude to the members of the Board of Directors for their valuable contribution and support. We are thankful to the Honorable Governor and other Officials of the Central Bank, Bangladesh Security Exchange Commission, the Registrar of Joint Stock Companies and Firms, National Board of Revenue, and

other regulatory bodies for their ongoing support and guidance. My heartfelt thanks go to all the employees of the Bank for their dedication and hard work in taking the Bank forward. Most importantly, we are grateful to our valued customers and the members of the Bangladesh Police, who are the prime reasons for the existence of the Bank.

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

Board of Directors



» **Chairman**
Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM
Inspector General of Police, Bangladesh

Directors

Mr. Md Kamrul Ahsan, BPM (Bar)
Additional Inspector General (Admin), Bangladesh Police

Mr. Md. Monirul Islam, BPM (Bar), PPM (Bar)
Additional Inspector General (Special Branch), Bangladesh Police

Mr. M. Khurshid Hossain, BPM (Bar), PPM
Director General, Rapid Action Battalion

Mr. S M Ruhul Amin
Additional Inspector General (Anti Terrorism Unit), Bangladesh Police

Mr. Md. Mazharul Islam
Additional Inspector General (Logistics & Asset Acquisition)
Bangladesh Police

Mr. Md. Atiqul Islam, BPM (Bar), PPM (Bar)
Additional Inspector General (Crime & Operations), Bangladesh Police

Dr. Hasan UI Haider, BPM
Additional Inspector General (APBN), Bangladesh Police

Mr. Md. Shahabuddin Khan, BPM (Bar)
Additional Inspector General (Highway Police),
Bangladesh Police

Mr. Md. Mahabubor Rahman, BPM (Bar), PPM
Additional Inspector General (Industrial Police),
Bangladesh Police

Mr. Habibur Rahman, BPM (Bar), PPM (Bar)
Additional Inspector General (Tourist Police),
Bangladesh Police

Mr. Md Aminul Islam, BPM (Bar)
Deputy Inspector General (Audit & Inspection),
Bangladesh Police

Mr. Md. Mahbubur Rahman Bhuiyan, BPM (Bar)
Deputy Inspector General (Railway Police),
Bangladesh Police

Mr. Quazi Zia Uddin, BPM
Deputy Inspector General (HRM),
Bangladesh Police

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

Managing Director & CEO
Mr. Masihul Huq Chowdhury

Mr. Sufian Ahmed
Superintendent of Police & Director (Academic),
Police Staff College

Mr. B M Forman Ali, PPM
Inspector, Bangladesh Police and
President, Bangladesh Police Association

Mr. Masud Khan FCA, FCMA
Chairman, Unilever Consumer Care Limited and
Chief Advisor, Crown Cement Group

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

Dr. Abdullah Al Mahmud
Professor, Department of Banking & Insurance
University of Dhaka



Directors' Profile



Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM
Inspector General of Police, Bangladesh
Chairman

Inspector General of Bangladesh Police Chowdhury Abdullah Al-Mamun BPM (Bar), PPM is one of the most talented, innovative, tech-savvy, dedicated civil servants who stand to be the glaring inspiration for the new generation officers. In his long and eventful career, he has truly become an icon and idol of Bangladesh Police by virtue of his outstanding performance, impeccable integrity and utmost professionalism.

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 of Police in 1989.

Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM was appointed as Inspector General of Police, Bangladesh on September 30, 2022.

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 served in various important capacities like DIG Operations, DIG Administration at PHQ and DIG, Dhaka Range. On promotion he served as Additional Inspector General, HRM at Police Headquarters and later on successfully led Criminal Investigation Department (CID). Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM served as Director General, Rapid Action Battalion forces, the elite force of Bangladesh Police from April 15, 2020 to September 29, 2022.

During the tenure as Head of CID (Addl. IGP) Mr. Mamun made all out efforts to expedite the process for enhancing the capacity building of Central Forensic Laboratory as well as Laboratories located at different Divisional Headquarters. The RAB Forces have played an important role in containing terrorists, pirates and militants, during his tenure as Director General of RAB Forces. Mr. Mamun is one of the pioneering officers who took most innovative and robust initiatives to combat extremism, terrorism and drugs. He took holistic awareness campaign against religious extremism, terrorism, drug trafficking, transnational crimes, cyber-crimes and the like. He always chose to lead from the front through his outstanding performance. Under his able guidance, RAB has done commendable job in combating Covid-19.

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.

IGP Chowdhury Abdullah Al-Mamun BPM (Bar), PPM had a distinguished career in United Nations peacekeeping mission in Bosnia Herzegovina, Liberia and Darfur, Sudan where he was awarded with the United Nations medal for his outstanding contribution.

He attended quite a few prestigious professional trainings both at home and abroad. Mr. Mamun likes travelling. He traveled around 30 countries throughout the globe.

In 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. Md Kamrul Ahsan, BPM (Bar)
Additional IGP, Administration (Grade-1)
Bangladesh Police
Director

Mr. Md Kamrul Ahsan, BPM (Bar), Additional Inspector General (Administration), Bangladesh Police, was born on 20 January 1966 in Chandpur. He joined Bangladesh Police Service as Assistant Superintendent of Police (ASP) through 12th BCS in 1991.

Mr. Ahsan did B.Sc Ag (Hons) from Bangladesh Agricultural University, Mymensingh. Later, he completed MBA from Southeast University.

He has served in many important capacities including SP Shariatpur, Chattogram and Jashore. He also acted as Police Commissioner, Sylhet Metropolitan Police (SMP); Range DIG, Sylhet; and DIG, Railway Police. Later, as Additional IGP, he commanded Anti-Terrorism Unit (ATU) for more than 2 years before taking over as Additional IGP, Administration at Police HQ on 4 September 2022.

Mr. Ahsan took part in a number of professional training courses, workshops, seminars and conferences both at home and abroad. He is credited with publication of a lot of articles on Beat Policing, Community Policing, Dispute Resolution etc. in reputed national dailies and magazines. His writings on 'Green Marketing in Bangladesh' and 'Critical Analysis of the Causes and Effects of Women and Child

Trafficking: Bangladesh Perspective' were published in the journal of Police Staff College Bangladesh.

His bright career has also been ornamented with different vital and strategic foreign appointments at both command & control and policy levels. During his stint with UNAMSIL in Sierra Leone, he held the position of UNPOL Deputy Team Leader in Kenema Province. He successfully led Bangladesh Police contingent in UN mission in Sudan (UNMIS) as Civpol Advisor. For his outstanding contributions to peacekeeping, he was decorated twice with UN Medals.

Mr. Ahsan has been awarded Bangladesh Police Medal (BPM) twice in recognition of his outstanding service and professional standards. He also won IGP's Good Service Badge twice and IGP Shield for Best Academic performance during Basic Training at BPA, Sardah.

Mr. Kamrul Ahsan devised the concept of 'Beat Policing at Union level' and propagated the same throughout Sylhet Division with a view to reaching out policing services to the grassroots. He also developed and fostered the concept of 'Long-standing dispute resolution', which contributed to marked reduction in murder cases alongside improved law and order. Additionally, he was engaged in the promotion and management of Community Policing through a wide range of activities including holding of rallies and conferences, police-people cooperation meetings, organizing committees, publishing Community Policing magazines, distribution of items to conduct night patrol by citizens etc.

Mr. Ahsan planned and infused insights into the publication of a book titled "Extremism and Terrorism in the Eye of Islam", a counter-narrative against frequently used extremist version of narratives, published by ATU in July 2022.

He participated in a number of professional and skill development training courses like Basic Training at BPA, Sardah; Foundation Training at BPATC, Savar; Police Command & Management Course, Transnational & Economic Crime Course and Leadership & Management Development Course at Police Staff College, Dhaka. He also attended Asia Region Head of Criminal Intelligence Working Group (Vietnam), Threat Assessment & Intelligence Analysis Course (Malaysia), High-level Course on Police, Civil & Military Relation (Italy), Anti-Terrorism Instructor Development Course, NESA Executive Seminar and Int'l Executive Combating Terrorism Seminar (USA) etc. and many online courses run by Peace Operation Training Institution, Williamsburg, VA, USA and the UN.

Addl. IGP (Administration) Mr. Md Kamrul Ahsan, BPM (Bar) is happily married to Advocate Munmun Ahsan and blessed with three sons.

Directors' Profile



Mr. Md. Monirul Islam, BPM (Bar), PPM (Bar)
Additional Inspector General, Bangladesh Police (Grade-1)
and Head of Special Branch
Director

Mr. Md. Monirul Islam, BPM (Bar), PPM (Bar) was born in 1970 in Gopalganj district. He obtained his HSC from Dhaka College and his BA and MA in English from Dhaka University. He joined the Bangladesh Police in 1995, securing first place in the 15th BCS Police Cadre. In addition to participating in various trainings at home and abroad to achieve professional excellence, he did earn an MSS in Criminology and Criminal Justice from the Department of Criminology, Dhaka University, a Postgraduate Diploma in Genocide Studies from the Center for Genocide Studies (CGS), and an LLB (Honors) from Northumbria University, United Kingdom. Apart from his official assignment, he is an adjunct faculty member at the Department of Criminology at Dhaka University.

Over the course of his 27-year career, Mr. Monirul Islam worked in a variety of field-level units in different capacities and demonstrated his utmost competency and professionalism. As a result, he has been decorated for many important posts in various police units. He worked in the Detective Branch of the Dhaka Metropolitan Police from 2009 to 2016, where he took that unit to new heights by uncovering the secrets of hundreds of clueless and sensational cases and apprehending the most notorious criminals, including some members of extremist groups. He also served as a spokesperson for the Dhaka Metropolitan Police from October 2010 to March 2021. During this time, he took part in more than five hundred press briefings and talk shows on various electronic and print media at home and abroad.

A specialized unit the Counter Terrorism and Transnational Crime Unit (CTTC) was formed under the DMP in February 2016 with the fervent effort of Mr. Monirul Islam to combat extremism and terrorism. He assumed responsibility for the CTTC as its founding head and served for five consecutive years. Under his strong leadership, the CTTC was able to effectively control terrorism in coordination with other police units and intelligence agencies by conducting numerous high-risk operations against extremist groups across the country. Bangladesh has been recognized as a "role model" in the fight against extremism around the world.

Mr. Monirul Islam is regarded as one of the premier counterterrorism experts, both at the domestic and international levels, with substantial professional and academic knowledge. Considering his extensive expertise in combating extremism and terrorism, numerous of his articles, research papers, and books have already been published both nationally and internationally. He writes frequently about extremism and terrorism and appears as an expert panelist at seminars, symposia, workshops, and conferences hosted by domestic and international organizations. As an invited visitor, he has shared his perspectives and experiences with Scotland Yard, the FBI, the NYPD, and Interpol, among several others.

Mr. Monirul Islam's books, papers, and articles include Emerging Trends of Terrorism in Bangladesh and Counter Approaches; Preventing Violent Extremism and Peacebuilding: Perspectives and Prospects ; Women in Terrorism: Bangladesh Perspective; The Looming Threat of Lone-Wolf Terrorism: A Critical Study in Bangladesh; Terrorism in Bangladesh: A Practitioner's Lookout; Terrorists' Exploitation of Social Media: A Critical Study on Bangladesh; Terrorism in Bangladesh: The Process of Radicalization and Youth Vulnerabilities; Ensuring Life without Terror: Responses to Terrorism in Bangladesh; Violent Extremism in Bangladesh: A Reader (Volume I-V), and many others.

Mr. Islam is affiliated with numerous service organizations, alumni groups, and non-profit advisory bodies. He is on his second term as president of the Bangladesh Police Service Association (BPSA). He served the BPSA successfully twice as general secretary and three times as vice president. Additionally, he has been the president of the 15th BCS Forum for four consecutive terms. Moreover, he serves as an honorary advisor to the Bangladesh Peace Observatory (a think tank affiliated with the Centre for Genocide Studies at the University of Dhaka) and the Center for Social Advocacy and Research Foundation (a Bangladesh-based think tank specializing in research and security threat analysis).

Mr. Monirul Islam is one of the most brilliant and highly decorated police officers in the Bangladesh Police. He has been awarded the Bangladesh Police Medal (BPM) and President Police Medal (PPM) several times in recognition of his outstanding contribution and exemplary services to the Bangladesh Police.

Mr. Islam is an avid reader and takes particular interest in criminology, terrorism and extremism, state security and policies, and international relations. He is happily married to Ms. Saila Farzana, Joint Secretary of the Bangladesh government, and blessed with a son and a daughter.

Directors' Profile



Mr. M Khurshid Hossain BPM (Bar), PPM
Additional Inspector General, Bangladesh Police (Grade-1)
and Director General, Rapid Action Battalion
Director

M Khurshid Hossain BPM (Bar), PPM was born on 5 June 1964 in a respectable Muslim family in Gopalganj, Bangladesh. He completed his Master's degree with Honors in Marketing from Dhaka University. He joined Bangladesh Civil Service as Assistant Superintendent of Police on 20 January 1991. He received 06 (six) months BMTC course from Bangladesh Military Academy and 01 (one) year basic training from Bangladesh Police Academy, Sardah, Rajshahi.

M Khurshid Hossain BPM (Bar), PPM has served in various important units of Bangladesh Police where he proved his professionalism, dedication and excellence. In his glorious career he has served as AC, ADC and DC of DMP, as Additional SP of Comilla and Pabna and Superintendent of Police of Chuadanga, Pabna, Moulvibazar and Madaripur District. He has also served as Additional DIG and DIG of Rajshahi Range and as AIG, DIG and Additional IGP in Police Headquarters.

M Khurshid Hossain BPM (Bar), PPM is currently serving as the Director General of Rapid Action Battalion (RAB), the elite force of Bangladesh Police from 30 September 2022. He has ornamented and flourished himself with various

professional training from home and abroad. He has visited over 20 countries in his official capacities among which the mentionable are: Australia, Albania, Brazil, China, Colombia, France, Germany, Italy, Japan, Kosovo, Macedonia, Malaysia, Singapore, Switzerland, Turkey, Thailand, United States, United Kingdom and United Arab Emirates.

M Khurshid Hossain BPM (Bar), PPM has served in the UN Peacekeeping Mission in Kosovo (MITRAVISA) as the Contingent Commander of Bangladesh Police Contingent.

M Khurshid Hossain BPM (Bar), PPM has been blessed with different accolades, awards and medals for his outstanding and glorious professionalism and dedication; among which UN Peace Medal, "Bangladesh Police Medal (BPM)" and "President Police Medal (PPM)" are mentionable.

M Khurshid Hossain BPM (Bar), PPM is happily married to Mrs. Dilruba Khurshid and blessed with two sons. His eldest son M Abir Hossain is serving in Bangladesh Army as Captain. Youngest son M Tanvir Hossain has completed his graduation in Bachelor of Computer Science.

Directors' Profile



Mr. S M Ruhul Amin

Additional IG (Anti Terrorism Unit), Bangladesh Police Director

Mr. S M Ruhul Amin has been serving as Chief of Anti Terrorism Unit, Bangladesh Police since September 2022. Prior to his present appointment, he served as Additional Inspector General, Finance & Development, Human Resource Management, Logistics & Asset Acquisition for more than two years.

In the span of thirty one years career, he served in different units in various capacities ranging from ASP to DIG. As ASP and Addl. SP, Mr. Amin served in several districts, DMP, APBN, Police Staff College and Police Headquarters. He commanded three districts as Superintendent of Police (Rajbari, Jhalokati and Sylhet) and as Deputy Commissioner of CMP. He enriched his experience by working in Chattogram Range Police as Addl. DIG, Police Headquarters as Addl. DIG. He has the experience of leading Railway Police, Dhaka as Deputy Inspector General of Police, Barisal Metropolitan Police as Police Commissioner. He also enriched his experience by working in Police Headquarters as DIG (Media & Planning) and DIG (Human Resource).

Born in Gopalganj district, Mr. Amin graduated with BSS honors in International Relations from Dhaka University and MSS in International Relations from Dhaka University. He joined Bangladesh Civil Service as ASP in 1991. Like his bright academic career, he started displaying his merit, sincerity and dedication right from the Basic Training at BPA, Sardah.

Mr. Amin also made his contribution in the international arena. He served as CPPO at UN Peacekeeping Mission in Angola (MONUA), as Rotation Officer & Deputy Chief of Rotation in Kosovo (UNMIK), Team Leader & Chief, FPU Liaison Office in South Sudan (ONUCI). He also held the responsibility of Contingent Commander of Bangladesh Contingent in Cote d'Ivoire. In recognition of his service he was awarded with UN Medals in the Missions.

Mr. Amin is an enthusiastic person, open to learn and enrich himself. He attended a number of professional courses in home and abroad. In personal life, he is blessed with one daughter & one son.

Directors' Profile



Mr. Md. Mazharul Islam

Additional IGP (L & AA), Bangladesh Police
Director

Mr. Md. Mazharul Islam joined in Bangladesh Police in 1991 as Assistant Superintendent of Police. Before his promotion as Additional IG in November, 2020, served in different capacities like, Assistant Superintendent of Police, Additional Superintendent of Police, Superintendent of Police, Additional Deputy Inspector General of Police and Deputy Inspector General of Police in different units of Bangladesh Police.

At present, Mr. Md. Mazharul Islam, Additional IGP (Logistics and Asset Acquisition), Police Headquarters, Bangladesh Police, is responsible to supervise, Logistics, Transport, Equipment, ICT and Supply section of Bangladesh Police.

He played a pivotal role for the reform in the recruitment system of Constable, Sub-Inspector and Sargent, departmental promotion examination and training in Bangladesh Police during his tenure as Additional IGP (HRM).

He was deputed in the United Nations Peace Keeping Operations in East Timor and Liberia for more than four years during 2000-2007.

He did his BSC Ag (Honors) and MBA in Bangladesh and Masters of Science in Information Systems and e-Government under CHEVENING Scholarship program in the United Kingdom.

He also took part in a number of professional courses, workshops and training programs at home and abroad.

Directors' Profile



Mr. Md. Atiqul Islam, BPM (Bar), PPM (Bar)
Additional IG (Crime & Operations), Bangladesh Police
Director

Mr. Md. Atiqul Islam, BPM (Bar), PPM (Bar), Additional Inspector General (Crime & Operations), Bangladesh Police was born on 10 June 1966 in Rangpur, Bangladesh. He joined Bangladesh Police Services on 1991 through 12th BCS as Assistant Superintendent of Police.

Mr. Islam completed his B. Sc (Hons.) in Pharmacology from Bangabandhu Sheikh Mujib Medical University (BSMMU), Bangladesh and PGD from Australia and M.Phil from Jahangirnagar University,

Throughout his professional career he served as ASP 6th & 8th APBN, Uttara, Dhaka, as Assistant Commissioner (AC), Additional Deputy Commissioner (ADC) and Deputy Commissioner of Police he served various wings of Dhaka Metropolitan Police (DMP). He also served Police Staff College, Dhaka as Additional SP. As Superintendent of Police he served at CID, Dhaka and Gazipur District. During his decorous career span Mr. Islam served as Deputy Inspector General (DIG) of HR at Police Headquarters, Highway Police, and River Police, as Additional Inspector General he served River Police, Dhaka and Additional IGP (Development), Police Headquarters, Dhaka. Now he has been serving as Additional Inspector General (Crime & Operations) at Police Headquarters, Dhaka.

Mr. Md. Atiqul Islam, BPM (Bar), PPM (Bar), took part in a number of professional courses, workshops, seminars, training programs, symposiums and conferences at home and abroad i.e. Basic Training from BMA, Chittagong and Police Academy, Sardha, Rajshahi; Foundation Training from BPATC, Savar, Dhaka, Aid to Good Investigation Course from CID, Dhaka, Post Blast Investigation Course (USA), Regional Training Course for Law enforcement Officers on counter narcotics (Maldives), Seminar for Foreign Senior Police Officers (Japan), INTERPOL-Training Course on UN sanctions and their implementation at the National Level (Malaysia), ADB-CITES-Conference: Innovation Enforcement strategies to combat wildlife crime and uphold the rule of law (Thailand), Training Academy Visit (India), Technical Co-operation to Royal Police (Malaysia), Join UN Medal parade of BANFPU-1 (Rotation-12), MONUSCO, DR Congo (Female).

In his personal life, Mr. Md. Atiqul Islam, BPM (Bar), PPM (Bar), Additional Inspector General (Crime & Operations), Bangladesh Police is happily married to Mrs. Zakia Sultana and blessed with two daughters.

Directors' Profile



Dr. Hasan UI Haider, BPM

Additional Inspector General (Armed Police Battalion)
Bangladesh Police
Director

Dr. Hasan UI Haider was born on 15 September 1964 in a respectable Muslim family of Vadadia village under Sonagazi Feni. He completed Master's of Science in Agriculture from Bangladesh Agriculture University. He is a member of BCS (Police) Cadre and joined Bangladesh Police as Assistant Superintendent of Police in 1991.

In his long successful career, Dr. Hasan UI Haider has served various important units of Bangladesh Police, namely Police Headquarters, Dhaka Metropolitan Police, Police Staff College, Armed Police Battalion and different districts. He brilliantly discharged his duty as Assistant Inspector General (O&M) at Police Headquarters. He also served as Superintendent of Police of Rangpur and Narail. He was the founding Commanding Officer of Airport Armed Police Battalion entrusted with the overall security of the Hazrat Shahjalal International Airport. He held vital positions like DIG (Director) of Central Police Hospital, Dhaka. Currently he is serving as Additional Inspector General of Police in the Armed Police Battalion. In recognition of his outstanding contribution and distinguished service to Bangladesh Police, he has been awarded the prestigious Bangladesh Police Medal (BPM).

Dr. Hasan UI Haider played pivotal roles while working in United Nations-led peacekeeping Missions in Angola and Cosovo. He attended quite a few prestigious professional trainings both at domestic and abroad. Dr. Hasan UI Haider likes travelling. He traveled around 20 countries throughout the world.

In his personal life, Dr. Hasan UI Haider is happily married to Sabera Rownak and blessed with two sons and one daughter.

Directors' Profile



Mr. Md. Shahabuddin Khan, BPM (Bar)

Additional Inspector General (Highway Police)
Bangladesh Police

Director

Mr. Md. Shahabuddin Khan, BPM (Bar), Additional Inspector General (Highway Police), Bangladesh Police was born on 31 December 1966 in Jhenaidah, Bangladesh. Md. Shahabuddin Khan, BPM (Bar) joined Bangladesh Police Services on 1995 through BCS as Assistant Superintendent of Police.

Mr. Khan completed his B.Sc (Hons.) and M.Sc both in Agriculture from Bangladesh Agricultural University, Mymensingh, Bangladesh.

Throughout his professional career he served as Superintendent of Police at Narayanganj, Narsingdi, Rajshahi, Kustia and Munsiganj Districts. During his dignified career span Mr. Khan served as Joint Commissioner of DMP and Commanding Officer of RAB forces at different units. He served as DIG of Industrial Police and Commissioner of Barishal Metropolitan Police. He also served as Additional Inspector General (Finance) at Police Headquarters, Dhaka. Now Mr. Khan has been serving as Additional Inspector General (Highway Police) at Highway Police Headquarters, Dhaka.

Mr. Khan took part in a number of professional courses, workshops, seminars, training programs, symposiums, and conferences at home and abroad. He participated training programme at Bangladesh Police Academy, Sardah, Seminar for foreign Senior Police Officers (Japan), Operational Analysis (Singapore) and Anti Terrorism Instructor Development Course (New Mexico, USA).

Md. Shahabuddin Khan, BPM (Bar) was awarded Best Man's Cup in Basic Training, Bangladesh Police Medal (BPM) two times and IGP's Good Service Badge two times. He also awarded UN Peacekeeping Medal.

In his personal life, Mr. Md. Shahabuddin Khan, BPM (Bar), Additional Inspector General (Highway Police), Bangladesh Police is happily married to Mrs. Afroza Parveen Topi and blessed with one son and daughter.

Directors' Profile



Mr. Md. Mahabubor Rahman, BPM (Bar), PPM
Additional Inspector General (Industrial Police)
Bangladesh Police
Director

Mr. Md. Mahabubor Rahman, BPM (Bar), PPM was born in 1968 in a respectable Muslim family in Jamalpur, Bangladesh. He is a highly educated person with an astonishing service career. He completed his Master's degree with Honors in Physics from Dhaka University. He joined Bangladesh Civil Service as Assistant Superintendent of Police on 15 November 1995 and took over the charge of present position on 22 January, 2022.

During his illustrious career, Mr. Md. Mahabubor Rahman, BPM (Bar), PPM has served various important units of Bangladesh Police where he proved his professionalism, dedication and excellence. Throughout his professional endeavor, he has served as Superintendent of Police in Comilla and Barishal District, Deputy Police Commissioner of Dhaka Metropolitan Police, Additional Deputy Inspector General of Dhaka and Chittagong Range, Police Commissioner of Rajshahi Metropolitan Police & Chattogram Metropolitan Police, Deputy Inspector General of Industrial Police. In recognition of his outstanding and glorious professionalism and dedication, he has been blessed with Bangladesh Police Medal (BPM) in 2018 & 2023 and President Police Medal (PPM) in 2013.

Beyond the national frontiers, Mr. Mahabubor has served in the UN Mission in Ivory Coast (UNOCI) and UN Mission in Kosovo (UNMIK), where he served as the Contingent Commander, Bangladesh Police Contingent.

Mr. Mahabubor took part in a number of professional courses, workshops, seminars, training programs, symposiums and conferences at home and abroad.

Mr. Mahabubor likes traveling. He traveled around many countries throughout the world. Moreover, he has also interest in sports and he is now President of Bangladesh Police Cricket Club. In his personal life, Mr. Md. Mahabubor Rahman, BPM (Bar), PPM is happily married to Mirza Mahabuba Mostofa and blessed with three sons and one daughter.

Directors' Profile



Mr. Habibur Rahman, BPM (Bar), PPM (Bar)
Additional Inspector General (Tourist Police)
Bangladesh Police
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 Additional Inspector General of Police, Tourist Police Bangladesh. He served as 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 Asadujjaman 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) have been 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



Mr. Md Aminul Islam, BPM (Bar)

Deputy Inspector General (Audit & Inspection)
Bangladesh Police

Director

Mr. Md Aminul Islam, BPM (Bar) was born on 9 May 1968 in a respectable muslim family of Rupganj, Narayanganj. He completed his M. Sc in Botany from University of Dhaka.

Mr. Md Aminul Islam, BPM (Bar) joined Bangladesh Police services in 1998 through 17th BCS as Assistant Superintendent of Police and served in different capacities.

Mr. Islam has served in many police command positions as he advanced through the ranks. As Additional superintendent he served as Deputy chief of District police and later on as Superintendent of Police (SP) in Jamalpur District. He was also Assistant Inspector General of Police at Police Headquarters. As Joint Police Commissioner he served as the Deputy chief of the then newly formed Counter Terrorism and Transnational Crime (CTTC) unit of Dhaka Metropolitan police. He now been serving as Deputy Inspector General of Police assigned to Police Headquarters.

Mr. Islam took part in a number of professional training at home & abroad including Asia Region Law Enforcement Management Program in RMIT International University Vietnam; Program on Terrorism and Security Studies in

George C. Marshal European Centre, Germany; Counter International Terrorism Training in Japan and the Counter Terrorism Training Program with FBI in USA.

Mr. Islam served as an UN peacekeeper in Liberia and as the commander of Formed Police Unit in DR Congo.

He has a keen interest in security issues including counter terrorism, international cooperation and crime prevention.

In recognition of his outstanding Contribution and distinguished service to Bangladesh police, he has been awarded the prestigious "Bangladesh Police Medal (BPM)" for two times.

Mr. Md Aminul Islam, BPM (Bar) is happily married to Mrs. Momtaz Jahan and blessed with one son and two daughters.

Directors' Profile



Mr. Md. Mahbubur Rahman Bhuiyan, BPM (Bar)

Deputy Inspector General (Railway Police)

Bangladesh Police

Director

Mr. Md. Mahbubur Rahman Bhuiyan, BPM (Bar) was born on 24 October 1969 in a respectable Muslim Family of 170 west Monipur, Mirpur, Dhaka. He completed his M.sc in Zoology from Dhaka University. He earned MBA in HRM. He joined Bangladesh Police as Assistant Superintendent of Police in 1999 as an officer of the 18th Batch of BCS Police Cadre.

In his long illustrious career Mr. Md. Mahbubur Rahman Bhuiyan has served various important positions in Bangladesh Police. Notably Police Headquarters different important responsibilities in UN Affairs, Confidential, INTERPOL, Crime and Finance wing. He served in Sylhet district, Sylhet Metropolitan Police, Armed Police Battalion, Special Security Force (SSF), Prime minister's office.

Mr. Md. Mahbubur Rahman Bhuiyan BPM (Bar) played pivotal roles while working in United Nations Peacekeeping Missions in Ivorycoast (UNOCI), Sudan (UNAMID), South Sudan (UNMISS) as the contingent commander. He joined in UN Profession Position P-3 level as the FPU Co-ordinator in UNAMID, Darfur Mission, Sudan.

He has ornamented and flourished himself with various Professional training from home & abroad. He also attended a number of seminars and workshops relating to INTERPOL, UN and law enforcement issues in different countries around the world.

In recognition of his outstanding Contribution and distinguished service to Bangladesh Police, he has been awarded the prestigious "Bangladesh Police Medal (BPM)" in 2015 and 2019. He also rewarded by INTERPOL as International Fugitive Award-2012.

Mr. Mahbub likes travelling. He travelled around 68 countries throughout the world. In his personal life Mr. Md. Mahbubur Rahman Bhuiyan BPM (Bar) is happily Married to Mrs Fowzia Ahmed, Associate Professor and blessed with one son and a daughter.

Directors' Profile



Mr. Quazi Zia Uddin, BPM

Deputy Inspector General (HRM), Bangladesh Police
Director

Mr. Quazi Zia Uddin, BPM was born on 22 December 1970 in a respectable Muslim family of Haliashahar, Chattogram. He completed his BA (Hons) and MA in English from Chittagong University.

Mr. Quazi Zia Uddin, BPM joined Bangladesh Police Services in 1999 through 18th BCS as Assistant Superintendent of Police and served in different capacities.

Throughout his professional career he served in Rangamati District and Sunamgonj District. He also served in Armed Police Battalion, Police Telecom & RAB. Presently he has been serving as DIG Human Resources at Police Headquarters.

He has decorated himself with various Professional training from home & abroad.

He also attended a number of seminars and workshops relating to Security, Environmental Crime and Criminal Justice Response etc in different countries around the world.

In recognition of his outstanding Contribution and distinguished service to Bangladesh Police, he has been awarded the prestigious "Bangladesh Police Medal (BPM)".

Mr. Uddin travelled USA, China, France, Japan, Spain, Malaysia, UAE, South Korea, Singapore and Nepal in various professional responsibilities. In his personal life Mr. Quazi Zia Uddin, BPM is happily Married to Mrs. Sharmin Farzana and blessed with two daughters.

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. Sufian Ahmed

Superintendent of Police, Bangladesh Police
Director

Sufian Ahmed joined Bangladesh Police on 2nd July 2005 as Assistant Superintendent of Police. He was approved as Director, Community Bank Bangladesh Limited (CBBL) by Bangladesh Bank on 2nd June 2022. By the time, he had worked at Bangladesh Police Kallyan Trust (BPKT), owner of CBBL, for 5 years. He has the pride of being one of the two members of Bangladesh Police, who were involved at every stage- starting from planning for a Bank under BPKT in June 2016 to formal inauguration of the bank by Honourable Prime Minister on 11th September 2019.

As per the decision of BPKT Trustee Board on 18th July 2016, Mr Ahmed, under the guidance of Dr Shoeb Reaz Alam, then Additional DIG (Welfare Trust), and with the assistance of Mr Zobraj Hosen, then Additional SP, BPKT, took the endeavour to manage the collection of fund for the capital of proposed bank from the members of Bangladesh Police. He played a key role in collecting monthly subscription from the contributors, depositing the collection, updating the Fund-raising Software against each contribution and maintaining the concerned accounts.

He undertook all attempts with the consent of the authority to realize the dream of owning a bank by the members of

Bangladesh Police. He was involved in finding an eligible consultant to guide BPKT to get the mission accomplished. He had to negotiate and arrange negotiations with different offices on the way to establish the bank. He was engaged in every stage of execution- collection of necessary documents and clearance from different authorities, formation of company, application for Letter of Intent (LoI) and obtaining the Certificate of Commencement of Business and finally License from Bangladesh Bank as a Scheduled Bank. Along with pursuing above mentioned tasks, he supported the recruitment of bank staff until HR section was formed and became self-dependent to complete the recruitment process. He had worked as the liaison officer between BPKT and CBBL for long time. As AIG (Welfare Trust), he used to brief the Chairman, CBBL about the bank when required.

He is a member of Risk Management Committee of the Board.

Directors' Profile



Mr. B M Forman Ali, PPM

Officer-in-charge (Gulshan Police Station),
Dhaka Metropolitan Police, Dhaka &
President Bangladesh Police Association.
Director

Mr. B M Forman Ali PPM is a highly respected law enforcement professional currently serving as the Officer-in-charge of the Gulshan police station in Dhaka, as well as the President of the Bangladesh Police Association. He was born on July 9th, 1975 in the Gimadanga village of Tungipara in Gopalganj. After completing his graduation from the National University, he joined the Bangladesh Police as an Outside Cadet Sub-Inspector in 2000.

Throughout his long and illustrious career, Mr. Forman Ali has served in various important units of the Bangladesh Police. He has successfully led as the Officer-in-charge of the Motijheel police station, the Banani police station and the Dhaka International Airport police station. He has also been awarded the Inspector General's Exemplary Good Service (IGP) Badge four times. In recognition of his outstanding contributions and distinguished service to the Bangladesh Police. In the year (2020), he received the President's Police Medal (PPM) from the Honorable Prime Minister.

Mr. Forman Ali is known for his leadership skills, attention to detail and ability to think strategically. He has a wealth of

experience in law enforcement, including investigating and solving complex cases, managing large teams of officers, and implementing community policing strategies. He is well-versed in the latest law enforcement techniques and technologies and is always looking for ways to improve the effectiveness of the police force.

Mr. Forman Ali is also highly dedicated to ensuring the well-being of the officers under his command. He is a strong advocate for the rights and welfare of the police force and works tirelessly to ensure that they are treated with respect and dignity.

Mr. Forman Ali is an avid reader and enjoys reading books on history, politics, and current affairs.

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 42 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 (CIFIC) 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.

Dr. Mahmud taught various courses on finance and economics such as fixed income securities, corporate finance, portfolio management, financial economics, 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

Mr. Masihul Huq Chowdhury has been serving as the Managing Director and Chief Executive Officer of Community Bank Bangladesh Limited since the inception of the Bank.

Mr. Masihul has over 30 years of progressive experience in the financial industry both at home and abroad. He started his career as a Management Trainee at American Express Bank in 1992. Thereafter, he worked in Standard Chartered Bank, Citibank N.A in different senior roles, mostly as the Head of various divisions, value centers and verticals including the role as the Head of Corporate Finance and Structured Finance and the Head of SME and Secured Retail Products. He also served as the Regional Head of SME Credit of Africa at Standard Chartered Bank, stationing at Lagos, Nigeria. In Bangladesh, he also worked as the Managing Director or Additional Managing Director in different banks and non-banking financial institutions such as Midland Bank, Shahjalal Islami Bank, Premier Bank, IPDC, amongst the others.

Mr. Masihul has in-depth experience and expertise in wholesale banking, retail banking, structured and syndication financing, credit, trade finance, SME lending, product development, operations and process re-engineering. Mr. Masihul was instrumental in launching

SME lending at Standard Chartered Bank in Bangladesh. During his stints both at Standard Chartered Bank and Citibank N.A, he took the pioneering role in developing local corporate portfolio including trade finance, syndication and structured finance in the respective Banks, which led the way to scaling-up their businesses subsequently, through this market segment.

Mr. Masihul is an Omega Certified Credit Professional and Certified Trade Professional. He received numerous trainings at home and abroad in relevant areas, such as, credit, leadership and contemporary management and technical issues.

Mr. Masihul is a regular writer in the areas of business, finance, economics and FinTech which are frequently published in the various Dailies, Weeklies and professional magazines. He was also an adjunct faculty of the Business School at BRAC University. In addition, he is the active members of many social clubs and industry associations. Mr. Masihul completed his MBA from the Institute of Business Administration (IBA), University of Dhaka. He also completed his Bachelors of Commerce in Accounting from the University of Dhaka. He earned his Higher Secondary School Certificate (HSC) from Notre Dame College and Secondary School Certificate (SSC) from St. Gregory High School and College.

In his personal life, Mr. Masihul is happily married and blessed with a daughter.



Senior Management



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

» Senior Management

Mr. S. M. Mainul Kabir
Deputy Managing Director & CBO

Mr. Mohammad Abdul Qaium Khan
SEVP & Chief Information Officer

Mr. Mohammad Khairul Alam FCA
SEVP & Head of Internal Control & Compliance

Mr. Saiful Alam, FCS
SEVP & Company Secretary

Mr. Benozeer Ahmed FCMA [UK], CPA [AUS]
EVP & Chief Financial Officer

Mr. Shamsul Haque Sufyani
EVP & Chief Operating Officer

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
EVP & Manager, Corporate Branch

Mr. Md. Tanjim Morshed Bhuiyan
SVP & Head of Core Application

Mr. Mohammad Abdul Majid
VP & Head of Audit & Inspection



Mr. Sarfuddin Md. Redwan Patwary
VP, Head of Operations & D-CAMLCO

Ms. Kaniz Fatema
VP & In-Charge, Human Resource Division

Mr. Nabadip Roy
SAVP & Head of Treasury

Mr. S M Shahin Iqbal
SAVP & Head of General Services Division



Corporate Governance

Directors' Report

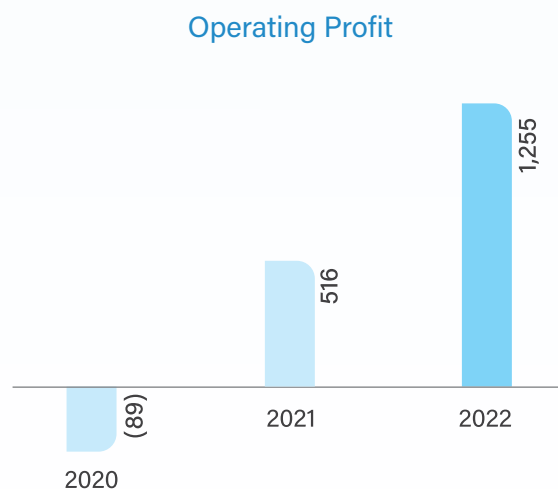
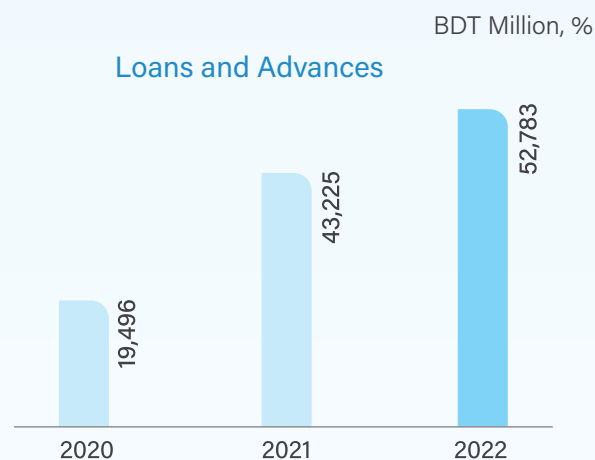
Dear Shareholders,

The Board of Directors of Community Bank Bangladesh Limited takes great pleasure in welcoming you to the 4th Annual General Meeting of your Bank. On behalf of the Board of Directors, I am presenting the Directors' Report containing the operational and financial activities of the Bank, together with the Audited Financial Statements for the year ended 31 December 2022, 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 the 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 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 remains at the heart of everything that we do.

The authorized capital of the Bank is BDT 10,000 million. The Bank's initial paid-up capital at the end on December 2019 was BDT 4,000 million. To strengthen the Bank's capital base, the Shareholders further injected paid-up capital of BDT 610 million and BDT 390 million during the year 2020 and 2021 respectively, taking the paid-up capital balance to BDT 5,000 million as on 31 December 2021 and the figure remained unchanged as on 31 December 2022. 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 process and internal control systems into the business, process, operation and technology, which are essential for the long-term sustainability of the business.

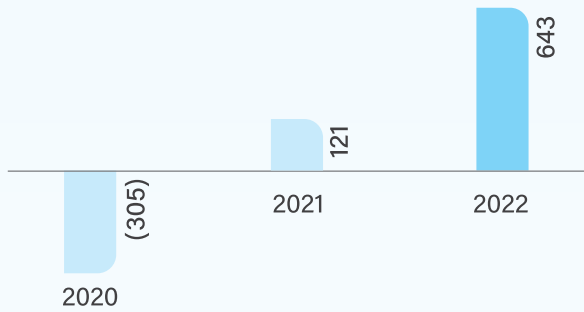
All data narrated and presented in the Directors' Report are related to the solo performance of Community Bank Bangladesh Limited unless otherwise stated. Figures presented are in BDT million and has been rounded-off to the nearest million, unless otherwise stated.

Performance Highlights

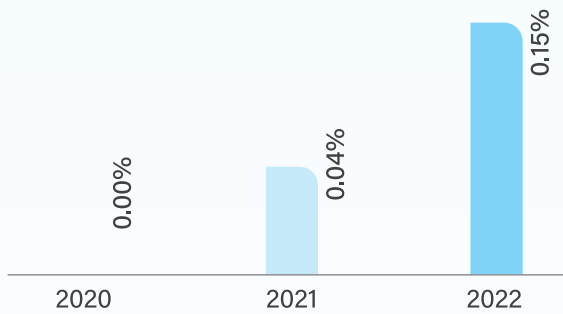


BDT Million, %

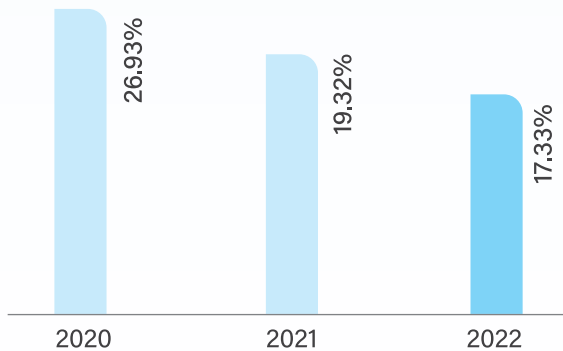
Net Profit



Classified Loan Ratio



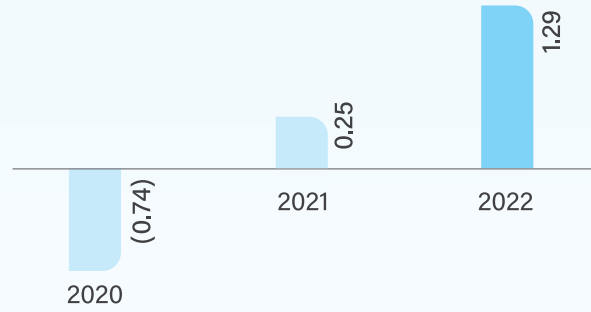
Capital Adequacy Ratio



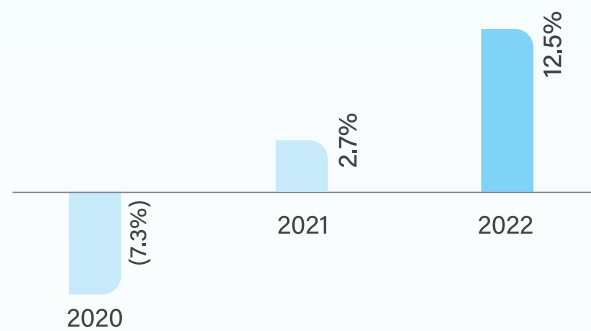
Key Investors' Ratios

BDT, %

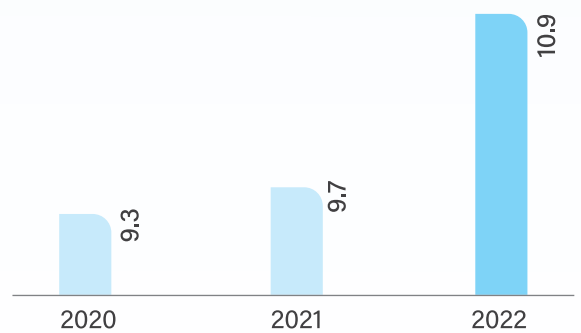
Earnings per Share



Return on Equity



NAV per Share



The year 2022 was expected to be a good one as the Covid-19 outbreak was contained in the country and the economy started to open-up and improve. However, the start of the war in Ukraine has led to multiple challenges in both local and global context. Rising inflation rate, increased fuel price, hike in dollar price, scarcity of dollar, pressure on liquidity, both in local and foreign currency and high classified loan ratio have put strain on the financial sector and the economy of the country.

During this difficult times, the Bank's Loans and Advances grew by BDT 9,558 million (+22.1%, Year-on-Year basis) during the year, taking the number to BDT 52,783 million at the end of December 2022 against BDT 43,225 in the previous year. Deposit on the other hand, shrunk by BDT 612 million (-1.0%, Year-on-Year basis) with the figure standing at BDT 58,463 million at the end of December 2022 against BDT 59,075 million in the previous year. As loans outpaced the deposit growth, the Asset to Deposit ratio increased to 86.76% as on 31 December 2022 from 71.32% a year ago. The Bank posted operating profit of BDT 1,255 million for the year 2022, a significant improvement from the last year's figure of BDT 516 million, which is an increase by 143.5%. The increase in operating profit was mainly driven by the solid Balance Sheet growth along with the greater investment incomes from government securities. However, spread continued to remain under pressure due to regulated interest rates on both lending and deposits and tightened market liquidity. Operating expense increased by BDT 188 million, taking the number to BDT 1,198 million in 2022 against BDT 1,010 million in 2021. The additional cost originated from the increase in headcounts, cost of living adjustments and promotions of the employees. Net Profit after Tax was recorded at BDT 643 million for the year 2022 vis-à-vis a BDT 121 million in 2021, leading to the Earnings per Share (EPS) to rise to BDT 1.29 in 2022 from BDT 0.25 in 2021.

The Board is committed to maintaining one of the lowest classified loan ratios, and building one of the safest and strongest Balance Sheets in the industry. The classified loan ratio of the Bank stood at 0.15% as at 31 December 2022, which is significantly below the industry average of above 9.36% (based on the latest available data as of September'22). The Bank also maintained a healthy Capital Adequacy Ratio of 17.33%, on solo basis, at the end of 2022 vis-a-vis 19.32% a year ago and against the regulatory requirement of 12.5% and industry average of around 11.0% as of 30 September 2022. [Source: Bangladesh Bank]

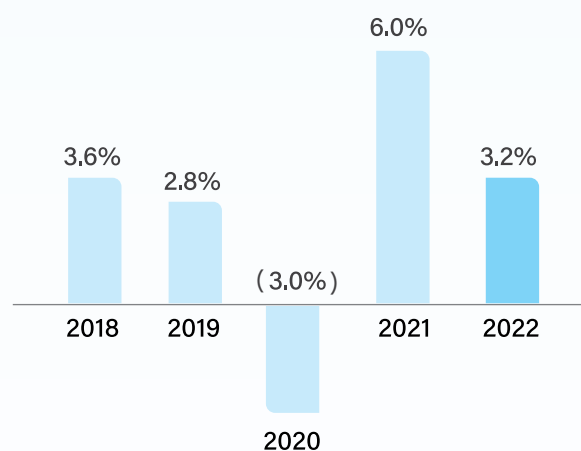
The Bank through its 18 Branches, 1 Sub-Branch, 175 ATMs and 111 Service Desks, serves its customers in 64 districts of the country. The Bank also manages the payroll of around 193,000 members of police force and since the inception of the Bank, it disbursed around 97,000 number of loans to the members of the police

force, which in total amounts to around BDT 50,000 million. The bank believes that technology will shape the future of the Banking industry in the way it operates and serves its customers. Therefore, from the outset, the 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 build a mobile banking platform, Community Cash and developed a technology-led ecosystem that connects the other Banks, Mobile Financial Services (MFS) and telecom partners and utility service providers, amongst the other.

Global Economic Review

Over the last couple of years, the world suffered major economic hardship due to the sudden emergence of the Covid-19 pandemic. With the pandemic easing out, the world was further hard-hit by the war between Russia and Ukraine. This conflict has triggered manifold macroeconomic challenges such as disruption in energy supply, spike in energy cost and rising inflation, increase in commodity price, volatility in exchange rates and disruption in global supply chain, which have led to reduction in the global output. The ripple effect could disturb the macroeconomic stabilities of many countries of the world. Therefore, the year 2023 could be even more challenging, both in global and local context.

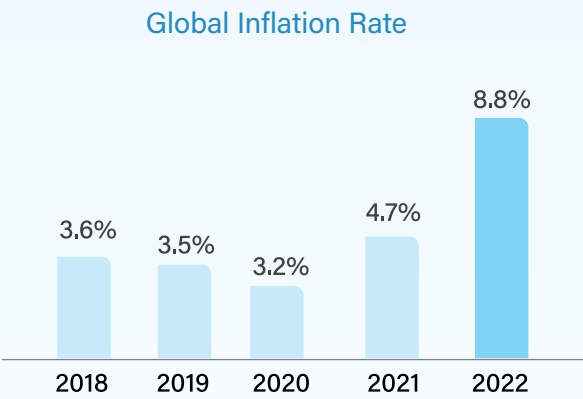
Global GDP Growth Rate



Global GDP growth in 2022 came down significantly to 3.2% against 6.0% in 2021. GDP contraction in the United States and Euro region, continuation of Covid-19 outbreaks and lockdowns and the war in Ukraine were the major contributors towards the reduction in the global GDP. Global growth is forecasted to come down even further to 2.7% in 2023. GDP growth in advanced economies is projected at 2.4% in 2022 and 1.1% in 2023, with the slowdown in growth being concentrated in the US and Europe. In emerging market and developing

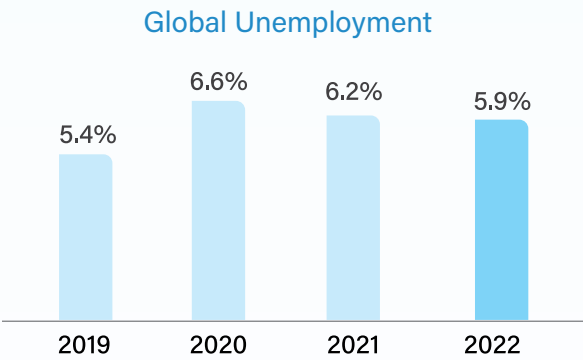
economies, GDP is expected to decline to 3.7% in 2022 and remain flat in 2023.

[Source: International Monetary Fund, IMF]



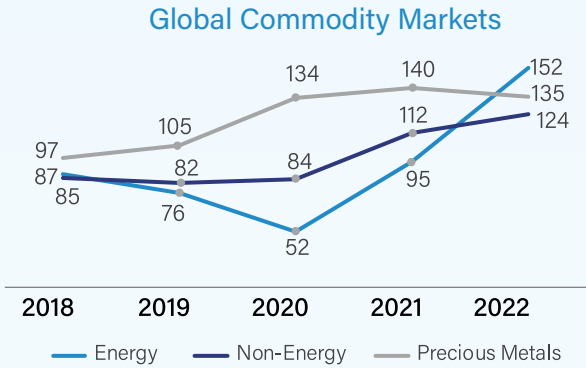
The global inflation rate has increased to 8.8% in 2022 against 4.7% in 2021. Inflation is now at its highest level in decades and is widely distributed across the countries with inflation in advanced economies reaching its highest rate since 1982. Food and energy prices were the main driver of global inflation in the year 2022 due to the war in Ukraine. It is expected that inflation will decrease to 6.5% in 2023 and 4.1% by 2024. Real interest rates have not yet returned to its pre-pandemic levels due to the current high inflation rate.

[Source: International Monetary Fund, IMF]



Global unemployment is estimated to stand at 5.9% in 2022. The total hours worked globally during the year 2022 is around 2% below the pre-pandemic level, which is equivalent to deficit of 52 million full-time equivalent jobs. It is projected that in 2023 the global unemployment rate will come down slightly to 5.7%

[Source: International Labour Organization]



Commodity prices started to increase immediately after the start of the war in Ukraine, particularly for the hike in commodity prices. As a result, the energy price index increased significantly to 152 in 2022 against 95 in the previous year. Natural gas prices in Europe reached all-time highs in August 2022 and coal prices continues to increase as many countries continue to move away from natural gas to coal. The non-energy index increased to 124 in 2022 from 112 in the previous year particularly due to large increase in cost of fertilizers, oilseeds and wheat.

[Source: World Bank]

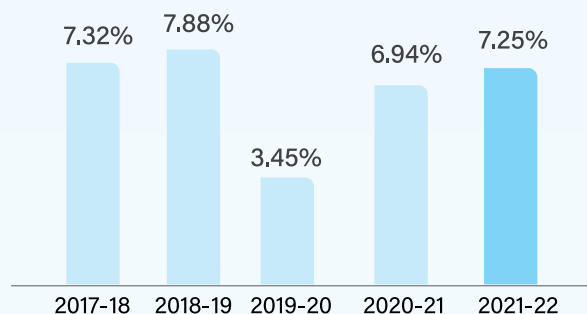
Regional Economic Review

Asia saw strong economic recovery during the year 2021 and the first half of the year 2022 after which the economy started to slowdown. South Asia region has been hit by one shock after another in 2022, ranging from floods in Pakistan, economic crisis in Sri Lanka, rising commodity price in the region due to the war in Ukraine along with the continued recovery from Covid-19. Higher energy prices also impacted the price of food and fertilizer. This has caused economic hardship for many people in the region. Falling remittance inflows through official channels have worsened the situation further for several countries leading to larger current-account deficits. Notwithstanding the challenges in the region, some of the countries in the region are making strong economic recovery such as Bhutan and Maldives where tourism has picked-up and in India where service export is picking up at a higher pace than the rest of the world. The region faces new headwinds from the global financial tightening and an expected slowdown of external and domestic demand. As per IMF, growth in Asia and Pacific is expected to decelerate to 4.0% in 2022, before rising to 4.3% in 2023 whereas the growth was 6.5% in 2021.

[Source: IMF]

Bangladesh Economy Review

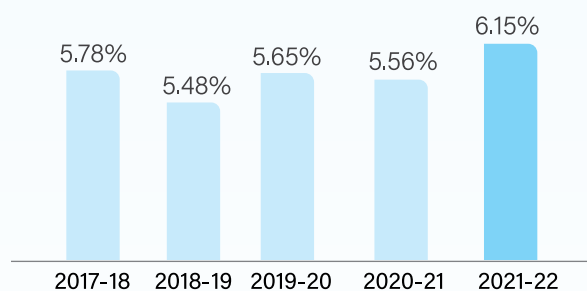
Global Growth Rate



Bangladesh consistently achieved GDP growth of more than 7.0% during the last decade before the pandemic. GDP growth in 2021-22 stood at 7.25% against 6.94% in the previous fiscal year. The improved GDP was made possible due to various initiatives taken by the Government of Bangladesh which has helped business and the economy to recover quickly. International Monetary Fund (IMF), projects that the GDP of Bangladesh will stand at 6.0% in the fiscal year 2022-23.

[Source: MOF - Bangladesh Economic Review 2022]

Inflation Rate



The twelve-month average inflation in Bangladesh increased to 6.15% in FY2021-22 from 5.56% in the previous fiscal year. Food inflation and non-food inflation reached 6.05% and 6.31% respectively in 2021-22 against 5.73% and 5.29% respectively in the previous fiscal year. The increasing dollar exchange rate, rising cost of fuel and war in Ukraine contributed towards the increase in inflation.

[Source: Bangladesh Bank]

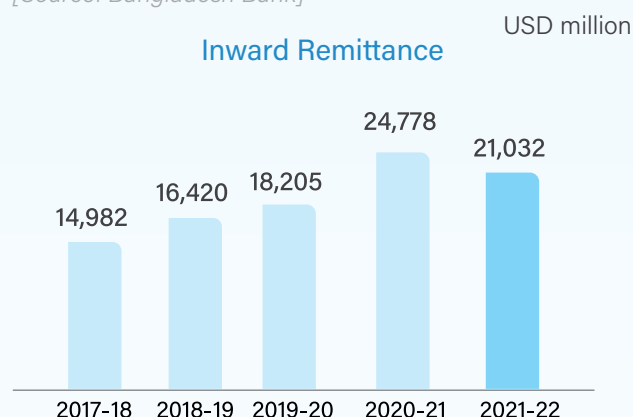
Export and Import



Exports grew in FY2021-22 by 34.4% and stood at USD 52,083 million compared to USD 38,758 million in the previous financial year. Import saw a higher growth rate at 46.5% and stood at USD 79,574 million in FY2021-22 against USD 54,332 in the previous financial year. The increase in export was driven by improved COVID-19 situation and full resumption of economic activities during the period.

[Source: Bangladesh Bank]

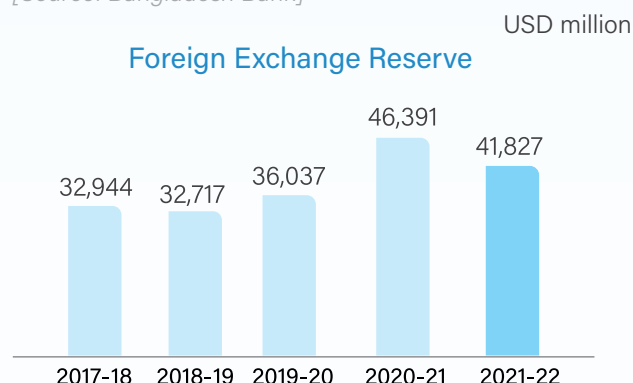
Inward Remittance



Inward remittance fell significantly by 15.1% and stood at USD 21,032 million in FY 2021-22 against USD 24,778 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 21.6% of the total remittance followed by the United States of America at 16.3%.

[Source: Bangladesh Bank]

Foreign Exchange Reserve



The foreign exchange reserve decreased to USD 41,827 million in June 2022 against USD 46,391 million in June 2021, a decrease by 9.8%.

[Source: Bangladesh Bank]

DSEX Index and Market Capitalization



The DSE Index (DSEX) came down to 6,206.81 at the end of 2022 against 6,756.66 in 2021. A downward pattern was caused by the lack of investor confidence brought on by concerns about escalating prices. In contrast, market capitalization increased to BDT 7,609 billion in the year 2022 against BDT 5,422 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

BDT Billion, %

Particulars	Sep 21	Sep 22	Δ %
Total Assets	19,769	21,680	9.7%
Loans	12,605	14,596	15.8%
Deposits	13,757	14,822	7.7%
AD Ratio	72.08%	76.30%	4.22%
Classified Loan Ratio	8.12%	9.36%	1.24%
Spread	3.16%	3.03%	-0.13%
Capital Adequacy Ratio	11.20%	11.01%	-0.19%

Loans and advances in the banking sector stood at BDT 14,596 billion at the end of September 2022 against BDT 12,605 billion in the September 2021, an increase by 15.8% year-on-year basis. Loans and advances accounted for 67.3% of the total assets of the Banks. Classified Loans Ratio increased to 9.36% the end of September 2022 against 8.12% at the end of September 2021. Deposit grew by 7.7% year-on-year basis and reached BDT 14,822 billion in September 2022 against BDT 13,757 billion in September 2021. The Advance to Deposit ratio increased to 76.3% in September 2022

from 72.1% in September 2021. Spread in the Banking Sector came down to 3.03% in September 2022 against 3.16% in September 2021. CAR came down to 11.01% in September 2022 from 11.20% in September 2021.

[Source: Bangladesh Bank, Financial Stability Assessment Report – September 2022]

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 7.0% from the fiscal year 2011 to 2019. The Covid-19 outbreak caused the growth to slowdown in FY2019 to 3.45% but picked up again to 6.94% in FY2020-21 and 7.25% in FY2021-22. Along with all other countries, Bangladesh is also facing the challenges relating to inflation, increased cost of living and impact of the Russian-Ukraine war. The coming few years will continue to remain crucial for the Country as it 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, Rooppur Power Project, Economic Zones, Akhaura Sylhet Railway and Karnaphuli Tunnel (Underwater Expressway). The year 2022, witnessed the completion of some of the key infrastructure projects including the opening of the Padma Bridge and partial operation of the Dhaka Mass Rapid-Transit. 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.

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 is; reach out to the members of different communities with innovative banking service. The vision aims 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). 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 payroll 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. The year 2022 focused on significantly increasing the profitability of the Bank and ensuring sustainable profit and returns to the shareholders of the Bank while at the same time ensuring quality of the balance sheet and ensuring sufficient liquidity to protect the interest of the depositors. The year 2022 was a challenging year for the financial sector in Bangladesh mainly due to the liquidity crunch which was as a result of increase in inflation rate caused by the war in Ukraine additionally the country also faced additional economic challenges such a deterioration of the foreign exchange reserve and currency devaluation. Despite the challenges, the Bank was able to generate strong profitability during the year. The bank will continue to focus on building the strongest and safest balance sheet

in the industry. The Bank is still on the right course to achieve its mission that it always believes in.

Quarterly Performance

As per the requirement of BSEC Notification No. BSEC/CMRRCD/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	Q1'22	Q2'22	Q3'22	Q4'22
Loan and Advances	50,181	55,927	53,638	52,783
Growth (%) - QoQ	16.1%	11.4%	-4.1%	-1.6%
Growth (%) - YoY	91.3%	75.9%	51.8%	22.1%
Deposits	62,660	62,338	57,958	58,463
Growth (%) - QoQ	6.1%	-0.5%	-7.0%	0.9%
Growth (%) - YoY	63.4%	29.3%	-4.5%	-1.0%
Revenue	482	636	664	672
Growth (%) - QoQ	1.1%	31.9%	4.5%	1.1%
Growth (%) - YoY	53.3%	97.4%	61.3%	40.8%
Operating Cost	281	293	314	311
Growth (%) - QoQ	1.9%	4.2%	7.4%	-1.1%
Growth (%) - YoY	25.1%	19.0%	19.2%	12.6%
Operating Profit	201	343	350	361
Growth (%) - QoQ	0.1%	70.5%	1.9%	3.2%
Growth (%) - YoY	123.2%	350.4%	136.4%	79.4%
Profit After Tax	59	148	212	224
Growth (%) - QoQ	65.0%	150.5%	43.9%	5.3%
Growth (%) - YoY	360.2%	633.2%	303.0%	526.3%

QoQ: Current Quarter vs Previous Quarter, YoY: Current Quarter vs same quarter of the previous year

Loans and advances witnessed growth during the first and second quarter of 2022 with a growth rate of 16.1% and 11.4% respectively. However, during Q3'22 and Q4'22, the loan saw a de-growth of 4.1% and 1.6% respectively. The de-growth in loans was mainly due to the tight liquidity situation in the market which caused a reduction in deposit and thus availability of loanable funds. Deposit in Q1'22 grew by 6.1% , after which deposits continued to fall throughout the next quarters due to attrition of some large ticket deposits. However, deposit concentration risk continued to improve with the booking of fresh funds from a number of depositors.

Revenue increased throughout the quarters with significant growth of 31.9% being observed in Q2'22, mainly due to the increase in loans and advances leading to higher interest income. Revenue in both Q1'22 and Q4'22 increased by 1.1% and 4.5% in Q3'22. Operating cost increased by 1.9% in Q1'2, 4.2% in Q2'22 and 7.4% in Q3'22, however cost decreased by 1.1% in Q4'22 due to reversal of surplus expense provisions as

part of the book closure process. Loan growth, mainly skewing towards the first half of 2022, and the follow-on effect of the balance sheet growth in 2021, combined with the contained cost commitment, have resulted in healthy operating profit throughout the quarters of the year 2022.

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. The Bank is offering 68 number of Green Finance products to the customers under Sustainable Finance Policy, as per SFD Circular No. 05 dated December 30, 2020 of Bangladesh Bank.

Complying with the 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 are committed towards establishing Sustainable Finance in the Community through integrating sustainability factors, such as environmental, social and economic considerations into our core banking activities and services.

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 very beginning of its journey, Community Bank started green transformation of operations like online and SMS banking, introduction of paperless banking like Community Cash App, E-statement, E-fund transfer, establishment of Automated Teller Machines, introduction of Loan Management System (LMS), online training, leave management system, usage of daylight on Head Office and reduction of electricity consumption.

Agricultural Finance

As per Bangladesh Bank Agricultural and Rural Credit Policy and Program for the FY 2021-2022, the bank has successfully achieved the disbursement target of Bangladesh Bank for Agri Finance. It has disbursed BDT 601.7 million in Agri Finance against set target of Bangladesh Bank for BDT 550.0 million i.e. 109.40% achievement in FY 2021-22. It is mentionable that the

Bank has disbursed BDT 203.3 million in Agri Finance so far (as on 31.12.2022) against set target of BDT 1,050.0 million for FY 2022-23.

Corporate Social Responsibility

Community Bank Bangladesh Limited has successfully disbursed 100% of the CSR Budget for 2022 as per approval of the Board of Directors of our Bank in its 30th meeting held on April 18, 2022. In 2022, Community Bank contributed total amount of BDT 12.14 million throughout the year in different sectors such as education, health, environment and climate change mitigation and adaptation, sports & culture, infrastructure development etc. as per Bangladesh Bank guidelines. The funds were handed over in the form of pay order to the respective officials of the beneficiaries as part of the Bank's Corporate Social Responsibility (CSR).

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	2021	2022
Permanent	308	313
Contractual	171	210
Total	479	523

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 2022 while the total number of ATMs stood at 175 across the country. The Bank opened its first Sub-Branch during the year 2022. Additionally, 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. 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.

Internal Control System

The Board of Directors has 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

The Capital Management data as presented below are based on the solo data of the Bank.

BDT Million, %

Particulars	2021	2022
Total Equity	4,826	5,464
Paid-up Capital	5,000	5,000
Tier I Capital	4,657	5,314
Tier II Capital	497	617
Total Regulatory Capital	5,154	5,931
Total risk weighted assets	26,681	34,232
Core Capital to Risk Weighted Assets	17.46%	15.52%
Capital Adequacy Ratio	19.32%	17.33%

Total equity of the Bank stood at BDT 5,464 million at the end of 2022 against 4,826 million in the previous year. Total regulatory capital (Tier I and Tier II) stood at BDT 5,931 million at the end of the year 2022 against BDT 5,154 million in the previous year. Capital Adequacy Ratio (CAR) stood at 17.33% in 2022 against 19.32% in the previous year. The capital adequacy ratio came down in 2022 mainly due to loan portfolio growth, 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%. The Board also endorsed the issuance of Subordinated Bond, amounting to BDT 3,000 million to further strengthen the capital base and support future growth of the Bank.

Credit Rating

Emerging Credit Rating Limited affirms the entity rating of Community Bank Bangladesh Limited as "AA-" 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, 2023 till March 17, 2024.

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:

Type of Risks	Risk Management Response
<p>Credit Risk</p> <p>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.</p>	<ul style="list-style-type: none"> • Selecting good borrowers • Reducing industry and sectoral concentration • Embedding credit assessment process • Diversifying credit portfolio • Monitoring and reviewing portfolio regularly • Deploying dedicated recovery team • Reducing large borrower concentration
<p>Liquidity Risk</p> <p>Risk that the organization fails to meet its contractual obligations, or it does not have adequate funding and liquidity to support its assets.</p>	<ul style="list-style-type: none"> • Matching tenor wise asset and liability • Maintaining strong line of credit with banks and financial institutions • Maintaining good relationship with banks and financial institutions • Reducing concentration on volatile deposits • Making short-term callable investments • Increasing focus on deposit customer retention • Observing and predicting state of market liquidity and taking position upfront • Setting trading limit and trigger points on treasury borrowing or lending.
<p>Interest Rate Risk</p> <p>Risk of loss and negative impact on cash flow due to adverse changes in the interest rates.</p>	<ul style="list-style-type: none"> • Matching of interest-bearing asset and liabilities according to maturity bucket to safeguard against changes in interest rates • Offering floating rate for long term loans to protect against adverse interest rate movement • Embedding call-ability feature when necessary while borrowing or lending • Reviewing interest rate frequently • Re-pricing assets or liabilities when necessary • Offering higher interest rate on the long-term loans to safeguard against volatility in market interest rates.
<p>Compliance Risk</p> <p>Risk of penalties, damages or fines due to failure to meet its legal and compliance obligations.</p>	<ul style="list-style-type: none"> • Promoting ethical and compliance culture throughout the organization • Maintaining strict compliance with relevant laws and regulations • Ensuring that sufficient internal policies and control mechanism are in place and monitoring effective implementation of those.
<p>Reputational Risk</p> <p>Risk of loss due to damage in reputation of the organization leading to a loss of current or future business of the company.</p>	<ul style="list-style-type: none"> • Managing good relationship with the stakeholders • Serving customers with the greatest integrity and sincerity • Treating suppliers with respect • Treating employees fairly • Promoting transparency and ensuring proper communication with the stakeholders • Not engaging in any activities which has a negative environmental and social consequences.

Technology Risk Risk of business loss due to failure of IT system.	<ul style="list-style-type: none"> • Creating IT security awareness and training among all employees • Implementing proper business continuity plan and disaster recovery plan • Assessing security threat on regular basis • Testing and monitoring system sanity on a regular interval • Building IT capacity in pace with the business volume and objectives.
Operational Risk The risk of loss due to inadequate or failure of system, processes, human or external factors.	<ul style="list-style-type: none"> • Conducting employee training and raising awareness about policies, procedures and control mechanisms • Assessing control system and policies on regular intervals to deal with the changing business and environmental needs • Ensuring adequate supervision, delegation of authority and segregation of duties • Ensuring proper record keeping and documentation and archiving

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	Stakeholder Management Approach
Customers	<ul style="list-style-type: none"> • Prompt service to customer • Design new products according to customer need or demand • Improve service quality and minimize errors, faults or lapses (that matters to customer) in each stage operation • Reduce customer turnaround time in every service or product delivery • Resolve of customer complaints and enquiry in quick time • Protect customers' personal information • Transparent communication to customers • Impose no hidden charge to customers • Do not commit to customers anything beyond organizational capacity • Treat customer with respect and professional courtesy
Shareholders	<ul style="list-style-type: none"> • Set high corporate governance standard • Create value for shareholders • Keep risk profile within the risk appetite of the shareholders • Engage with shareholders or Board of Directors in major decision-making process • Promote transparency and fluid communication and provide sufficient disclosure about the company performance and positions
Employees	<ul style="list-style-type: none"> • Fair and ethical treatment to all employees • Provide performance-linked benefit scheme • Give training to employees to develop skills and competence • Provide fair career progression opportunity • Harness recognition and reward culture • Promote sufficient provisions for health, hygiene and safety • Promote diversity and equal opportunity to all employees • Promote ethical practices across the organization • Allow the employees to use the independent channel of communication to raise their voices fearlessly against any illegal or unethical activities

Regulators	<ul style="list-style-type: none"> • Ensure timely returns and compliances with the Laws and regulations • Ensure strategies and actions are within the regulatory framework • Build mutually respectful relationship • Develop robust MIS system to satisfy the need of the regulator • Keep proper documentation and records
Suppliers	<ul style="list-style-type: none"> • Select suppliers through open and merit based competitive bidding process • Treat supplier with respect • Do not discriminate among the suppliers • Pay in time as per the credit and payment terms • Promote mutually beneficial and sustainable relationships • Ensure fair margin to suppliers • Adhere strictly to contractual terms • Deny any valuable gift or privileged treatments from the supplier
Media	<ul style="list-style-type: none"> • Maintain good relationship with media personnel and entities • Monitor and take actions, if necessary, on the reactions, feedbacks, queries etc. in media • Invite the media personnel on different occasions of the company • Send press briefing in connection with major events of the Bank • Establish right protocol while any employee speaking to the external world including press, electronic and social media about the organization
Other Communities	<ul style="list-style-type: none"> • Build sustaining relationship with the peer group • Do not indulge the bank in any unfair anti-competitive activities • Sponsor and donate to schools, colleges, universities hospitals, sports, marginalized and distressed people and other social initiatives around the communities • Contribute to sustainable social, economic and environmental context of development through product and other ancillary financial services • Promote financial inclusion of unbanked or underprivileged communities • Promote sustainable finance, green banking and comply with priority lending target as set by the central bank and other regulatory authorities

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 Bangladesh Bank Regulation the Board has three sub-committees: Executive Committee, Audit Committee and Risk Management Committee.

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 2022 the Bank paid BDT 944.5 million to Government Exchequer compared to BDT 462.5 million in 2021. Details are given below:

BDT Million

Particulars	2021	2022
VAT (Including Withholding)	57.6	69.2
Withholding Tax	282.4	623.7
Excise Duty	69.1	96.4
Advance Income Tax	53.4	155.2
Sum	462.5	944.5

Statement of utilization of Proceeds from Debt Instrument

There was 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 Directors, therefore, proposed a cash

dividend of 3.5% for the year 2022. This will be placed for the approval of Shareholders in the 4th Annual General Meeting.

Related Party Transaction

In the normal course of business, the Bank entered into transactions with related parties during the year 2022. 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 are 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

During the year 2022 the company incurred capital expenditure of BDT 44 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 2022 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 2022. The Board of Directors in its 37th Board meeting held on 23 March, 2023 has proposed 3.5% cash dividend subject to the approval of Bangladesh Bank and of the Shareholders at the next Annual General Meeting. This will be treated as a non-adjusting event as per IAS 10.

Litigation

As on December 31, 2022, there are no litigation against the Bank.

Protested Bill

As on December 31, 2022, there are no protested bill issued against the Bank or by the Bank.

Contingent Liabilities

As on December 31, 2022, 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, 2022, National Board of Revenue (NBR) has not made any claim against the Bank for any unpaid Tax or VAT and there remains no 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 2022 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.

Statutory Auditors

In the 3rd AGM, held in 2022, MABS & J Partners, Chartered Accountants was reappointed as the Statutory Auditor of the Company for the year 2022 with fees for BDT 400,000 (BDT Four Hundred Thousand Only) plus VAT and Suraiya Parveen and Associates was reappointed as Corporate Governance Auditor for the year 2022 by the shareholders with fees for BDT 40,000 (BDT Forty Thousand Only) plus VAT.

The reappointment of the Statutory Auditor and Corporate Governance Compliance Auditor along with their fees for the year 2023 will be placed in the 4th Annual General Meeting (AGM) scheduled to be held in the year 2023.

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 2022, a total 09 number of Meeting of Board of Directors and 07 number of Meeting of the

Board Audit Committee, 03 number of meetings of Board Risk Management Committee and were held and No meeting was held of Board Executive Committee. 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 4 (four) years has been included instead in Annexure-D and Annexure section of Financial Statements.

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, 02 (two) Honorable Directors' namely Mr. Abu Hasan Muhammad Tarique, BPM, Additional IG, Bangladesh Police & Principal, Bangladesh Police Academy; and Mr. Md. Ferdoush Ali Chowdhury, Superintendent of Police (Rangpur) were retired among the Directors except Independent Directors in the 3rd Annual General Meeting (AGM) held on 18 April 2022 of Community Bank Bangladesh Limited. The following Directors were duly appointed in the 3rd Annual General Meeting (AGM) held on 18 April 2022 of Community Bank Bangladesh Limited:

Sl. No.	Name
01.	Barrister Mahbubur Rahman, BPM, PPM Ex-Additional IG, Bangladesh Police
02.	Mr. Md. Monirul Islam, BPM (Bar), PPM (Bar) Additional IG (Special Branch), Bangladesh Police
03	Mr. M. Khurshid Hossain, BPM (Bar), PPM Director General, Rapid Action Battalion
04.	Mr. S M Ruhul Amin Additional IG (Anti-Terrorism Unit), Bangladesh Police
05.	Mr. Md. Mazharul Islam Additional IG (L & AA), Bangladesh Police
06.	Dr. Hasan UI Haider, BPM Additional IG (APBN), Bangladesh Police
07.	Mr. Md. Mahabubor Rahman, BPM (Bar), PPM Additional IG (Industrial Police), Bangladesh Police
08.	Mr. Md Aminul Islam, BPM (Bar) DIG (Audit & Inspection), Bangladesh Police
09.	Mr. Md. Mahbubur Rahman Bhuiyan, BPM (Bar) DIG (Railway Police), Bangladesh Police
10.	Mr. Quazi Zia Uddin, BPM Additional DIG (HRM), Bangladesh Police
11.	Mr. Sufian Ahmed Superintendent of Police and Director (Academic), Police Staff College
12.	Mr. B. M. Forman Ali, PPM Inspector, Bangladesh Police and President, Bangladesh Police Association

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 Capital (BDT)	Total Paid up Capital (Cumulative)
		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
Total						500,000,000	5,000,000,000	

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 go 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,



Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM

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

Pattern of Shareholding

Annexure-A

Sl. No	Name of the Shareholder	Status with the Bank	No of Shares @BDT 10/-	Percentage (% of Shareholding)
1.	Bangladesh Police Kallyan Trust (BPKT)	Sponsor	49,99,99,993	99.9999986
2.	Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM Inspector General of Police, Bangladesh	Chairman	1	0.0000002
3.	Mr. Md Kamrul Ahsan, BPM (Bar) Additional IG (Admin), Bangladesh Police	Director	1	0.0000002
4.	Mr. Md. Monirul Islam, BPM (Bar), PPM (Bar) Additional IG (Special Branch), Bangladesh Police	Director	1	0.0000002
5.	Mr. Md. Atiqul Islam, BPM (Bar), PPM (Bar) Additional IG (Crime & Operations), Bangladesh Police	Director	1	0.0000002
6.	Mr. Abu Hasan Muhammad Tarique, BPM Additional IG, Bangladesh Police	Ex-Director	1	0.0000002
7.	Mr. Habibur Rahman, BPM (Bar), PPM (Bar) Additional IG (Tourist Police), Bangladesh Police	Director	1	0.0000002
8.	Dr. Shueb Reaz Alam Additional DIG (Development Revenue-1), Bangladesh Police	Director	1	0.0000002
			50,00,00,000	100

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 2022 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, 2022 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 retails, 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 2022
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 2022 on the basis of "going concern assumption" is appropriate.

Attendance And Remuneration of Directors

Annexure-C

A) Attendance and Remuneration of Directors for Board Meeting

Nine (9) Meetings of the Board of Directors were held in the year 2022. Attendance and Remuneration of the existing Honorable Directors have appended below:

Sl. No.	Name of the Director	Status with the Bank	Total Meeting Held in his tenure	Total Meeting Attended	Total Remuneration (BDT)	Remarks
1.	Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM Inspector General of Police, Bangladesh	Chairman	9	7	56,000/-	Leave of absence was duly granted by the Board.
2.	Mr. Md Kamrul Ahsan, BPM (Bar) Additional Inspector General (Admin) Bangladesh Police (Appointed on December 05, 2022)	Director	1	1	8,000/-	During his tenure 1 meeting was held.
3.	Mr. Md. Monirul Islam, BPM (Bar), PPM (Bar) Additional Inspector General (Special Branch), Bangladesh Police (Appointed on June 02, 2022)	Director	6	6	48,000/-	During his tenure 6 meetings were held.
4.	Mr. M. Khurshid Hossain, BPM (Bar), PPM Director General, Rapid Action Battalion (Appointed on June 02, 2022)	Director	6	6	48,000/-	During his tenure 6 meetings were held.
5.	Mr. S M Ruhul Amin Additional Inspector General (Anti Terrorism Unit), Bangladesh Police (Appointed on June 02, 2022)	Director	6	6	48,000/-	During his tenure 6 meetings were held.
6.	Mr. Md. Mazharul Islam Additional Inspector General (L & AA) Bangladesh Police (Appointed on June 02, 2022)	Director	6	6	48,000/-	During his tenure 6 meetings were held.
7.	Mr. Md. Atiquel Islam, BPM (Bar), PPM (Bar) Additional Inspector General (Crime & Operations), Bangladesh Police (Appointed on December 05, 2022)	Director	1	1	8,000/-	During his tenure 1 meeting was held.
8.	Dr. Hasan Ul Haider, BPM Additional Inspector General (APBN) Bangladesh Police (Appointed on June 02, 2022)	Director	6	2	16,000/-	- During his tenure 6 meetings were held out of which he attended 2 meetings. - Leave of absence was duly granted by the Board.
9.	Mr. Md. Shahabuddin Khan, BPM (Bar) Additional Inspector General (Highway police), Bangladesh Police (Appointed on December 05, 2022)	Director	1	1	8,000/-	During his tenure 1 meeting was held.
10.	Mr. Md. Mahabubor Rahman, BPM (Bar) PPM Additional Inspector General (Industrial Police), Bangladesh Police (Appointed on June 02, 2022)	Director	6	6	48,000/-	During his tenure 6 meetings were held.

Sl. No.	Name of the Director	Status with the Bank	Total Meeting Held in his tenure	Total Meeting Attended	Total Remuneration (BDT)	Remarks
11	Mr. Habibur Rahman, BPM (Bar), PPM (Bar) Additional Inspector General (Tourist Police), Bangladesh Police	Director	9	7	56,000/-	Leave of absence was duly granted by the Board.
12	Mr. Md Aminul Islam, BPM (Bar) Deputy Inspector General (Audit & Inspection), Bangladesh Police (Appointed on June 02, 2022)	Director	6	6	48,000/-	During his tenure 6 meetings were held.
13	Mr. Md. Mahbubur Rahman Bhuiyan, BPM (Bar) Deputy Inspector General (Railway Police) Bangladesh Police (Appointed on June 02, 2022)	Director	6	6	48,000/-	During his tenure 6 meetings were held.
14	Mr. Quazi Zia Uddin, BPM Deputy Inspector General (HRM) Bangladesh Police (Appointed on June 02, 2022)	Director	6	6	48,000/-	During his tenure 6 meetings were held.
15	Dr. Shoeb Reaz Alam Additional Deputy Inspector General (Development Revenue- 1), Bangladesh Police	Director	9	9	72,000/-	
16	Mr. Sufian Ahmed Superintendent of Police & Director (Academic), Police Staff College (Appointed on June 02, 2022)	Director	6	6	48,000/-	During his tenure 6 meetings were held.
17	Mr. B M Forman Ali, PPM Inspector, Bangladesh Police and President, Bangladesh Police Association (Appointed on June 02, 2022)	Director	6	4	32,000/-	- During his tenure 6 meetings were held out of which he attended 4 meetings. - Leave of absence was duly granted by the Board.
18	Mr. Masud Khan, FCA, FCMA Chairman, Unilever Consumer Care Limited and Chief Advisor, Crown Cement Group	Independent Director	9	9	72,000/-	
19	Mr. Kazi Masihur Rahman Ex-Managing Director & CEO of Mercantile Bank Ltd	Independent Director	9	8	64,000/-	Leave of absence was duly granted by the Board.
20	Dr. Abdullah Al Mahmud Professor, Department of Banking and Insurance, University of Dhaka	Independent Director	9	9	72,000/-	
21.	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)	9	9	Nil	

Information regarding Attendance and Remuneration of Ex-Honorable Directors:

Sl. No.	Name of the Director	Status with the Bank	Total Meeting Held in his tenure	Total Meeting Attended	Total Remuneration (BDT)	Remarks
1.	Dr. Benazir Ahmed, BPM (Bar) Ex- Inspector General, Bangladesh Police	Ex-Chairman	7	7	56,000/-	- During his tenure 7 meetings were held. -Retired from the service of Bangladesh Police on September 30, 2022.
2.	Dr. Md. Moinur Rahman Chowdhury, BPM (Bar) Ex-Additional Inspector General, Bangladesh Police	Ex-Director	6	6	48,000/-	- During his tenure 6 meetings were held. -Retired from the service of Bangladesh Police on September 01, 2022.
3.	Barrister Mahbubur Rahman, BPM, PPM Ex-Additional Inspector General, Bangladesh Police	Ex-Director	3	3	24,000/-	- During his tenure 3 meetings were held. -Retired from the service of Bangladesh Police on July 31, 2022.
4.	Mr. Abu Hasan Muhammad Tarique, BPM Additional Inspector General Bangladesh Police	Ex-Director	3	3	24,000/-	- During his tenure 3 meetings were held. -Retired in the 3rd AGM of the Bank held on April 18, 2022.
5.	Mr. Md. Ferdoush Ali Chowdhury Superintendent of Police (Rangpur District), Bangladesh Police	Ex-Director	3	2	16,000/-	- During his tenure 3 meetings were held out of which he attended 2 meetings. - Leave of absence was duly granted by the Board. - Retired in the 3rd AGM of the Bank held on April 18, 2022.

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

No Meeting of the Executive Committee of the Board of Directors was held from 01/01/2022 to 31/12/2022.

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

Seven (7) Meetings of the Audit Committee of the Board of Directors were held from 01/01/2022 to 31/12/2022.

Attendance and Remuneration 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 tenure	Total Meeting Attended	Total Remuneration (BDT)	Remarks
1	Mr. Masud Khan, FCA, FCMA Chairman, Unilever Consumer Care Limited and Chief Advisor, Crown Cement Group	Independent Director	Chairman	7	7	56,000/-	
2	Mr. Habibur Rahman, BPM (Bar), PPM (Bar) Additional Inspector General (Tourist Police), Bangladesh Police	Director	Member	7	3	24,000/-	Leave of absence was duly granted by the Committee.
3	Dr. Shueb Reaz Alam Additional Deputy Inspector General (Development Revenue-1), Bangladesh Police	Director	Member	7	7	56,000/-	
4	Dr. Abdullah Al Mahmud Professor, Department of Banking & Insurance, University of Dhaka	Independent Director	Member	7	7	56,000/-	
5	Mr. B M Forman Ali, PPM Inspector, Bangladesh Police and President, Bangladesh Police Association (Appointed on June 02, 2022)	Director	Member	3	3	24,000/-	During his tenure 3 meetings were held.

Information regarding Attendance and Remuneration of Ex-Member of the Committee:

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)	Remarks
1.	Mr. Abu Hasan Muhammad Tarique, BPM Additional Inspector General Bangladesh Police	Ex-Director	Ex-Member	3	3	24,000/-	- During his tenure 03 meetings were held. - Retired in the 3rd AGM of the Bank held on April 18, 2022.

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

Three (3) Meetings of the Risk Management Committee of the Board of Directors were held from 01/01/2022 to 31/12/2022.

Attendance and Remuneration 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 tenure	Total Meeting Attended	Total Remuneration (BDT)	Remarks
1	Mr. Md. Monirul Islam, BPM (Bar) PPM (Bar) Additional Inspector General (Special Branch), Bangladesh Police (Appointed on June 02, 2022)	Director	Member	1	1	8,000/-	During his tenure 1 meeting was held.
2	Mr. S M Ruhul Amin Additional Inspector General (ATU) Bangladesh Police (Appointed on June 02, 2022)	Director	Member	1	1	8,000/-	During his tenure 1 meeting was held.
3	Mr. Sufian Ahmed Superintendent of Police and Director (Academic), Police Staff College (Appointed on June 02, 2022)	Director	Member	1	1	8,000/-	During his tenure 1 meeting was held.

Information regarding Attendance and Remuneration of Ex-Members of the Committee

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)	Remarks
1	Mr. Chowdhury Abdullah Al- Mamun, BPM (Bar), PPM Inspector General of Police, Bangladesh	Chairman	Ex-Member	3	3	24,000/-	Attended 3 meetings from 01.01.2022 to 30.09.2022 before reformation of the Committee.
2	Mr. Habibur Rahman, BPM (Bar), PPM (Bar) Additional Inspector General (Tourist Police), Bangladesh Police	Director	Ex-Member	2	1	8000/-	- Attended 1 meeting from 01.01.2022 to 13.06.2022 before reformation of the Committee. - Leave of absence was duly granted by the Committee.
3	Dr. Md. Moinur Rahman Chowdhury, BPM (Bar) Ex-Additional Inspector General, Bangladesh Police	Ex-Director	Ex-Member	3	3	24,000/-	Retired from the service of Bangladesh Police on September 01, 2022.

Key Operating and Financial Data of Preceding Years

Annexure-D

BDT Million

Financial Position	2019	2020	2021	2022
Authorized Capital	10,000	10,000	10,000	10,000
Paid up Capital	4,000	4,610	5,000	5,000
Total Assets	7,035	29,056	68,351	71,617
Loans and Advances	682	19,496	43,225	52,783
Deposits	2,849	23,393	59,075	58,463

BDT Million

Financial Performance	2019	2020	2021	2022
Operating Income	320	764	1,526	2,454
Operating Expense	266	853	1,010	1,198
Operating Profit	54	(89)	516	1,255
Net Profit after Tax	20	(305)	121	643

BDT Million, %

Capital Measure	2019	2020	2021	2022
Risk Weighted Assets	2,651	16,142	26,681	34,232
Core Capital (Tier-I)	3,977	4,129	4,657	5,314
Supplementary Capital (Tier-II)	8	219	497	617
Total Capital	3,984	4,347	5,154	5,931
Tier I Capital Ratio	149.99%	25.58%	17.46%	15.52%
Capital to Risk Weighted Asset Ratio	150.28%	26.93%	19.32%	17.33%

BDT Million, %

Credit Quality	2019	2020	2021	2022
Unclassified Loan	682	19,496	43,208	52,705
Classified Loans	-	-	17	77
Classified Loans Ratio	-	-	0.04%	0.15%

%

Key Ratios	2019	2020	2021	2022
Loan to Deposit Ratio	23.95%	82.33%	71.32%	86.76%
Spread	4.24%	4.65%	3.95%	3.48%
Return on Assets	0.57%	-1.69%	0.25%	0.92%
Return on Investment	1.02%	-7.33%	2.19%	7.52%
Earnings per Share	0.05	(0.74)	0.25	1.29

#

Distribution Network	2019	2020	2021	2022
Branches	6	18	18	18
Sub-Branches	-	-	-	1
Service Desks	-	110	111	111
ATMs	62	163	168	175

* Community Bank started commercial operation on 11 September 2019. Necessary data for 2019 has been annualized as and when required. All data presented in the table are based on the solo accounts of Community Bank Bangladesh Limited.

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. Community Bank Bangladesh Limited 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 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 20 (twenty) Directors including 01 (one) Non-Executive Chairman and 16 (sixteen) 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
1.	Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM Inspector General of Police, Bangladesh	Chairman
2.	Mr. Md Kamrul Ahsan, BPM (Bar) Additional Inspector General (Admin), Bangladesh Police	Director
3.	Mr. Md. Monirul Islam, BPM (Bar), PPM (Bar) Additional Inspector General (Special Branch), Bangladesh Police	Director
4.	Mr. M. Khurshid Hossain, BPM (Bar), PPM Director General, Rapid Action Battalion	Director
5.	Mr. S M Ruhul Amin Additional Inspector General (Anti Terrorism Unit), Bangladesh Police	Director
6.	Mr. Md. Mazharul Islam Additional Inspector General (Logistics & Asset Acquisition), Bangladesh Police	Director
7.	Mr. Md. Atiqul Islam, BPM (Bar), PPM (Bar) Additional Inspector General (Crime & Operations), Bangladesh Police	Director
8.	Dr. Hasan Ul Haider, BPM Additional Inspector General (APBN), Bangladesh Police	Director
9.	Mr. Md. Shahabuddin Khan, BPM (Bar) Additional Inspector General (Highway police), Bangladesh Police	Director
10.	Mr. Md. Mahabubor Rahman, BPM (Bar), PPM Additional Inspector General (Industrial Police), Bangladesh Police	Director
11.	Mr. Habibur Rahman, BPM (Bar), PPM (Bar) Additional Inspector General (Tourist Police), Bangladesh Police	Director
12.	Mr. Md Aminul Islam, BPM (Bar) Deputy Inspector General (Audit & Inspection), Bangladesh Police	Director
13.	Mr. Md. Mahbubur Rahman Bhuiyan, BPM (Bar) Deputy Inspector General (Railway Police), Bangladesh Police	Director
14.	Mr. Quazi Zia Uddin, BPM Deputy Inspector General (HRM), Bangladesh Police	Director
15.	Dr. Shueb Reaz Alam Additional Deputy Inspector General (Development Revenue- 1), Bangladesh Police	Director
16.	Mr. Sufian Ahmed Superintendent of Police & Director (Academic), Police Staff College	Director
17.	Mr. B M Forman Ali, PPM Inspector, Bangladesh Police and President, Bangladesh Police Association	Director
18.	Mr. Masud Khan FCA, FCMA Chairman, Unilever Consumer Care Limited and Chief Advisor, Crown Cement Group	Independent Director
19.	Mr. Kazi Masihur Rahman Ex- Managing Director & CEO, Mercantile Bank Limited	Independent Director
20.	Dr. Abdullah Al Mahmud Professor, Department of Banking & Insurance, University of Dhaka	Independent Director
21.	Mr. Masihul Huq Chowdhury	Managing Director & CEO

Chairman of the Board

The Non-Executive Chairman of the Board Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM, Inspector General of Police, Bangladesh 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. 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 42 years of working experience in leading multinational and local companies of which 21 years as a Senior Director at Board Level.

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.

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 17 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. The Managing Director & CEO, Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) are not holding any executive position in any other company.

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 2022 and Remuneration:

The details of Board Meeting and Remuneration have furnished in the other part of the Annual Report (at Page 64-66).

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 have 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
Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM Inspector General of Police, Bangladesh	Chairman	Chairman
Mr. M. Khurshid Hossain, BPM (Bar), PPM Director General, Rapid Action Battalion	Director	Member
Dr. Hasan UI Haider, BPM Additional Inspector General (APBN), Bangladesh Police	Director	Member
Mr. Md. Mahabubor Rahman, BPM (Bar), PPM Additional Inspector General (Industrial Police), Bangladesh Police	Director	Member
Mr. Md. Mahbubur Rahman Bhuiyan, BPM (Bar) Deputy Inspector General (Railway Police), Bangladesh Police	Director	Member
Mr. Kazi Masihur Rahman 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 of 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 2022 and Remuneration

The details of Executive Committee Meeting and Remuneration have furnished in the other part of the Annual Report (at Page 67).

Audit Committee of the Board (AC)

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

Name of the Director	Status with the Bank	Status with the Committee
Mr. Masud Khan FCA, FCMA Chairman, Unilever Consumer Care Limited and Chief Advisor, Crown Cement Group	Independent Director	Chairman
Mr. Habibur Rahman, BPM (Bar), PPM (Bar) Additional Inspector General (Tourist Police), Bangladesh Police	Director	Member
Dr. Shoeb Reaz Alam Additional Deputy Inspector General (Development Revenue- 1), Bangladesh Police	Director	Member
Mr. B M Forman Ali, PPM Inspector, Bangladesh Police and President, Bangladesh Police Association	Director	Member
Dr. Abdullah Al Mahmud Professor, Department of Banking & Insurance, University of Dhaka	Independent Director	Member

Number of Audit Committee Meeting held in 2022 and Remuneration

The details of Audit Committee Meeting and Remuneration have furnished in the other part of the Annual Report (at Page 67).

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
Mr. Md. Monirul Islam, BPM (Bar), PPM (Bar) Additional Inspector General (Special Branch), Bangladesh Police	Director	Member
Mr. S M Ruhul Amin Additional Inspector General (Anti Terrorism Unit), Bangladesh Police	Director	Member
Mr. Sufian Ahmed Superintendent of Police & Director (Academic), Police Staff College	Director	Member

Number of Risk Management Committee Meeting held in 2022 and Remuneration

The details of Risk Management Committee Meeting and Remuneration have furnished in the other part of the Annual Report (at Page 68).

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 the 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 2022 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
	Total	50,00,00,000	100

b. Shareholding of Directors and their spouses and minor children

Sl. No.	Name of the Director	Status	No of Shares	No. of Shares Spouse and Minor Children
1	Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM Inspector General of Police, Bangladesh	Chairman	01	Nil
2	Mr. Md Kamrul Ahsan, BPM (Bar) Additional Inspector General (Admin), Bangladesh Police	Director	01	
3	Mr. Md. Monirul Islam, BPM (Bar), PPM (Bar) Additional Inspector General (Special Branch) Bangladesh Police	Director	01	
4	Mr. M. Khurshid Hossain, BPM (Bar), PPM Director General, Rapid Action Battalion	Director	Nil	
5	Mr. S M Ruhul Amin Additional Inspector General (Anti Terrorism Unit) Bangladesh Police	Director	Nil	
6	Mr. Md. Mazharul Islam Additional Inspector General (Logistics & Asset Acquisition) Bangladesh Police	Director	Nil	
7	Mr. Md. Atiqul Islam, BPM (Bar), PPM (Bar) Additional Inspector General (Crime & Operations) Bangladesh Police	Director	01	
8	Dr. Hasan UI Haider, BPM Additional Inspector General (APBN), Bangladesh Police	Director	Nil	
9	Mr. Md. Shahabuddin Khan, BPM (Bar) Additional Inspector General (Highway Police) Bangladesh Police	Director	Nil	

10	Mr. Md. Mahabubor Rahman, BPM (Bar), PPM Additional Inspector General (Industrial Police) Bangladesh Police	Director	Nil	
11	Mr. Habibur Rahman, BPM (Bar), PPM (Bar) Additional Inspector General (Tourist Police) Bangladesh Police	Director	01	
12	Mr. Md Aminul Islam, BPM (Bar) Deputy Inspector General (Audit & Inspection) Bangladesh Police	Director	Nil	
13	Mr. Md. Mahbubur Rahman Bhuiyan, BPM (Bar) Deputy Inspector General (Railway Police), Bangladesh Police	Director	Nil	
14	Mr. Quazi Zia Uddin, BPM Deputy Inspector General (HRM), Bangladesh Police	Director	Nil	
15	Dr. Shueb Reaz Alam Additional Deputy Inspector General (Development Revenue- 1), Bangladesh Police	Director	01	
16	Mr. Sufian Ahmed Superintendent of Police & Director (Academic) Police Staff College	Director	Nil	
17	Mr. B M Forman Ali, PPM Inspector, Bangladesh Police and President, Bangladesh Police Association	Director	Nil	
18	Mr. Masud Khan FCA, FCMA Chairman, Unilever Consumer Care Limited and Chief Advisor, Crown Cement Group	Independent Director	Nil	
19	Mr. Kazi Masihur Rahman Ex- Managing Director & CEO, Mercantile Bank Limited	Independent Director	Nil	
20	Dr. Abdullah Al Mahmud Professor, Department of Banking & Insurance 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 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, 2022	Status	No of Shares held as on December 31, 2022	% 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	Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM Inspector General of Police, Bangladesh	Chairman	i) Board of Directors and ii) Executive Committee	34 years of Service experience with Bangladesh Police
2	Mr. Md Kamrul Ahsan, BPM (Bar) Additional Inspector General (Admin) Bangladesh Police	Director	i) Board of Directors	32 years of Service experience with Bangladesh Police
3	Mr. Md. Monirul Islam, BPM (Bar), PPM (Bar) Additional Inspector General (Special Branch) Bangladesh Police	Director	i) Board of Directors and ii) Risk Management Committee	27 years of Service experience with Bangladesh Police
4	Mr. M. Khurshid Hossain, BPM (Bar), PPM Director General, Rapid Action Battalion	Director	i) Board of Directors and ii) Executive Committee	32 years of Service experience with Bangladesh Police
5	Mr. S M Ruhul Amin Additional Inspector General (Anti Terrorism Unit) Bangladesh Police	Director	i) Board of Directors and ii) Risk Management Committee	32 years of Service experience with Bangladesh Police
6	Mr. Md. Mazharul Islam Additional Inspector General (Logistics & Asset Acquisition) Bangladesh Police	Director	i) Board of Directors	32 years of Service experience with Bangladesh Police
7	Mr. Md. Atiqul Islam, BPM (Bar), PPM (Bar) Additional Inspector General (Crime & Operations) Bangladesh Police	Director	i) Board of Directors	32 years of Service experience with Bangladesh Police
8	Dr. Hasan Ul Haider, BPM Additional Inspector General (APBN) Bangladesh Police	Director	i) Board of Directors and ii) Executive Committee	32 years of Service experience with Bangladesh Police
9	Mr. Md. Shahabuddin Khan, BPM (Bar) Additional Inspector General (Highway Police) Bangladesh Police	Director	i) Board of Directors	27 years of Service experience with Bangladesh Police
10	Mr. Md. Mahabubor Rahman, BPM (Bar), PPM Additional Inspector General (Industrial Police) Bangladesh Police	Director	i) Board of Directors and ii) Executive Committee	27 years of Service experience with Bangladesh Police

11	Mr. Habibur Rahman, BPM (Bar), PPM (Bar) Additional Inspector General (Tourist Police) Bangladesh Police	Director	i) Board of Directors and ii) Audit Committee	25 years of Service experience with Bangladesh Police
12	Mr. Md Aminul Islam, BPM (Bar) Deputy Inspector General (Audit & Inspection) Bangladesh Police	Director	i) Board of Directors	25 years of Service experience with Bangladesh Police
13	Mr. Md. Mahbubur Rahman Bhuiyan, BPM (Bar) Deputy Inspector General (Railway Police) Bangladesh Police	Director	i) Board of Directors and ii) Executive Committee	24 years of Service experience with Bangladesh Police
14	Mr. Quazi Zia Uddin, BPM Deputy Inspector General (HRM) Bangladesh Police	Director	i) Board of Directors	24 years of Service experience with Bangladesh Police
15	Dr. Shoeb Reaz Alam Additional Deputy Inspector General (Development Revenue- 1) Bangladesh Police	Director	i) Board of Directors and ii) Audit Committee	25 years of Service experience with Bangladesh Police
16	Mr. Sufian Ahmed Superintendent of Police & Director (Academic) Police Staff College	Director	i) Board of Directors and iii) Risk Management Committee	18 years of Service experience with Bangladesh Police
17	Mr. B M Forman Ali, PPM Inspector, Bangladesh Police and President, Bangladesh Police Association	Director	i) Board of Directors and ii) Audit Committee	23 years of Service experience with Bangladesh Police
18	Mr. Masud Khan FCA, FCMA Chairman, Unilever Consumer Care Limited and Chief Advisor, Crown Cement Group	Independent Director	i) Board of Directors and ii) Audit Committee	42 Years of Professional Experience with various multinational and local companies
19	Mr. Kazi Masihur Rahman Ex- Managing Director & CEO, Mercantile Bank Limited	Independent Director	i) Board of Directors and ii) Executive Committee	41 years of working experience in serving local and foreign Banks
20	Dr. Abdullah Al Mahmud Professor, Department of Banking & Insurance University of Dhaka	Independent Director	i) Board of Directors and ii) Audit Committee	More than 17 Years of Teaching Experience in Faculty of Business Studies, University of Dhaka
21	Mr. Masihul Huq Chowdhury	Managing Director & CEO	Ex-officio	31 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, 2022. 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 26, 2023



For Suraiya Parveen & Associates
Chartered Secretaries

Suraiya Parveen, FCS
Chief Executive Officer

Kaze Avalons (1st Floor), Flat- 1A. 1/15A Iqbal road, Mohammadpur, Dhaka-1207
Phone : 02 41023157 (Off), Mob : 01911 421998, 01713 110408
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)	Size of the Board of Directors 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)	Independent Directors 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)	For the purpose of this clause "independent director" means a director-			
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	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
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)	Qualification of Independent Director			
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)	Independent director shall have following qualifications:			
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)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
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)	The Directors' Report to Shareholders 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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
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)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with wise name details where stated below) held by:-			
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)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
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)	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:			
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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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	
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 Annexure-A ; 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 Annexure-B and Annexure-C	✓		
1(6)	Meetings of the Board of Directors 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)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
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.	Governance of Board of Directors of Subsidiary Company			
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.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
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)	Requirement to attend Board of Directors' Meetings 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)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	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:			
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.	Board of Directors' Committee 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	
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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)	Constitution of the Audit Committee			
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)	Chairperson of the Audit Committee			
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)	Chairperson of the Audit Committee			
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	✓		
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	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)	Role of Audit Committee			
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)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
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	
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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(6)(b)	Reporting to the Authorities: 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)	Reporting to the Shareholders and General Investors : 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	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
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)	Constitution of the NRC			
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;			
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			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(3)	Chairperson of the NRC			
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)	Meeting of the NRC			
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)	Role of the NRC			
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;			
6 (5) (b) (iv)	formulating the criteria for evaluation of performance of independent directors and the Board;			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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	External / Statutory Auditors			
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	Maintaining a website by the Company			
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
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 Annexure-C 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: 23 March 2023
The Board of Directors,
Community Bank Bangladesh Limited

Subject: Declaration on Financial Statements for the year ended 31 December 2022

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 2022 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 2022 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 November 29, 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 31st Board meeting held on June 14, 2022 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	7/7
Mr. Habibur Rahman BPM (Bar), PPM (Bar)	Director	Member	M. Ed	7/3
Dr. Shoeb Reaz Alam	Director	Member	M. Sc (Eng.), PhD	7/7
Dr. Abdullah Al Mahmud	Independent Director	Member	MBA, PhD	7/7
Mr. B M Forman Ali, PPM (Appointed as Director of the Bank on June 02, 2022 and as Member of the committee on June 14, 2022)	Director	Member	BA	3/3

Mr. Abu Hasan Muhammad Tarique, BPM, Additional Inspector General, Bangladesh Police and Principal, Bangladesh Police Academy, Ex-Director and Ex-Member of the Audit Committee retired in the 3rd AGM of the Bank held on April 18, 2022. He attended 3 (out of 3 meetings) meetings of ACB in his tenure.

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 2022, 7 (Seven) meetings of the Audit Committee were held in which, the following major issues, amongst others, were reviewed and discussed:

- Audited Financial Statements for the year 2021 ended on 31.12.2021 of Community Bank Bangladesh Limited.
- Recommended the appointment of External Auditors for the year 2022.
- Recommended the appointment of Corporate Governance Compliance Auditor for the year 2022.
- Approved the Risk based Audit Plan for the year 2022.
- Management Report from the External Auditor on the Financials of 2021.
- Summary Audit Report on various Branches and divisions with compliance.
- Compliance Policy for Community Bank Bangladesh Limited.
- Annual Integrated Health Report of Community Bank Bangladesh Limited for the year 2021.
- Cyber Security and Bank's preparedness.
- Reviewed the different Policies of the Bank and recommended to Board of Directors of the Bank for final approval.

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.

The minutes of the Audit Committee meetings are placed regularly to the meetings of the Board of Directors for ratification.

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 2022

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.

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

A) Scope of Application

Qualitative Disclosures	
a) The name of the top corporate entity in the group to which this guidelines applies	Community Bank Bangladesh Limited
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"> that are fully consolidated; that are given a deduction treatment; and that are neither consolidated nor deducted(e.g. where the investment is risk-weighted). 	<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>"Community Bank Investment Limited"</p> <p>Community Bank Investment Limited (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 & 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"> ▪ 'Solo Basis' refers to all position of the Bank ▪ 'Consolidated Basis' refers to all position of the Bank and its Subsidiaries

	<p>The principle activities of the Bank are 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, 2022 along with 01 (one) Sub-Branch, 175 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. Sub Branch located at Malopara, Rajshahi.</p> <p>Currently, the Bank does not have any Off-shore Banking Unit (OBU).</p>
c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Not applicable
Quantitative Disclosures	
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"> Paid-up Capital, Statutory Reserve and Retained Earnings. <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 3,963.16 million (max)	Complied

Quantitative Disclosures		
b) The amount of Regulatory Capital of Community Bank Bangladesh Limited under Basel-III as of 31st December 2022 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	273.33	273.33
Retained Earnings	179.18	179.77
Subtotal	5,452.51	5,453.10
Less: Regulatory Adjustment for Tier 1 Capital Goodwill and all other intangible assets (WDV of Software)	138.19	138.19
Total Common Equity Tier 1 Capital	5,314.32	5,314.91
2. Tier 2 Capital (Gone-Concern Capital)		
General Provision	616.96	616.96
Total Admissible Tier 2 Capital	616.96	616.96
3. Total Regulatory Capital (1+2)	5,931.28	5,931.87

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 & 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"> • Standardized approach for Credit risk • Standardized approach for Market risk • Basic indicator approach for Operational risk <p>Assessing regulatory capital in relation to overall risk exposure 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, credit rating of the borrowers, segregation of portfolio to different risk weight groups etc.</p> <p>As of 31st December 2022, Bank maintained total regulatory capital (CET-1/Tier 1 and Tier 2) of BDT 5,931.28 million (solo) & BDT 5,931.87 million (consolidated) against the minimum requirement including capital conservation buffer of BDT 4,000.00 million with a surplus of BDT 1,931.28 million (solo) & BDT 1,931.87 million (consolidated). Bank's capital to Risk-Weighted Asset Ratio (CRAR) as of 31st December 2022 stood at 17.33% (consisting of 15.52% in CET 1 capital and 1.81% in Tier 2 capital) on solo basis and 17.33% (consisting of 15.52% in CET 1 capital and 1.81% in Tier 2 capital) on consolidated basis against the regulatory requirement of minimum including capital conservation buffer 12.50%. The Bank managed to maintain conservation buffer capital of 7.33% both on solo and consolidated basis against the requirement 2.50%.</p> <p>This surplus capital both in term 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>

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	30,394.36	30,102.35
Portfolio subject to standardized approach - Funded	28,867.63	28,575.62
Portfolio subject to standardized approach - Non Funded	1,526.73	1,526.73
c) RWA for Market Risk (standardized approach)	1,462.88	1,749.87
d) RWA for Operational Risk (basic indicator approach)	2,374.33	2,384.33
Total Risk Weighted Assets (b+c+d)	34,231.58	34,236.56
Minimum Capital Required (10% of RWA)		
e) Capital Required for Credit Risk	3,039.44	3,010.24
f) Capital Required for Market Risk	146.29	174.99
g) Capital Required for Operational Risk	237.43	238.43
Total Capital Required (e+f+g)	3,423.16	3,423.66
Minimum Capital Requirement (MCR) BDT 4,000.00 million or 10% of RWA, whichever is higher	4,000.00	4,000.00
Total Regulatory Capital and Capital to Risk-weighted Asset Ratio (CRAR):		
1) Total Tier 1 Capital	5,314.32	5,314.91
Common Equity Tier 1 Capital	5,314.32	5,314.91
Additional Tier 1 Capital	-	-
2) Total Tier 2 Capital	616.96	616.96
Total Regulatory Capital (1+2)	5,931.28	5,931.87
Capital Ratio		
1. Common Equity Tier 1 (CET 1) Ratio	15.52%	15.52%
2. Tier 1 Capital Adequacy Ratio	15.52%	15.52%
3. Tier 2 Capital Adequacy Ratio	1.81%	1.81%
Capital to Risk-weighted Asset Ratio (CRAR)	17.33%	17.33%
Capital Conservation Buffer	7.33%	7.33%
Available capital under Pillar 2 requirement	1,931.28	1,931.87

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, CMSME, Retail and Agri. business are being assessed by Credit Risk Management Division (CRMD). After approval, Credit Administration Division (CAD) disburses the credit while operation team both branches & 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 & Guidelines (CRMP&G) approved by the Board of Directors, first in 2019 and review in subsequent years (latest review in 2022). The CRMP&G defines organization structure, roles 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, CMSME, Retail and Agri. 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 04 (four) categories namely- (a) Continuous Loan (b) Demand Loan (c) Fixed Term Loan and (d) Short-term Agricultural & Micro Credit.</p> <p>Definition of past due/ overdue:</p> <ul style="list-style-type: none"> 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. <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>Definition of impaired/ classified/ non-performing loans and advances are as follows</p> <ul style="list-style-type: none"> 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)". A Continuous Loan, Demand Loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 09 (nine) months or beyond but less than 12 (twelve) months, the entire loan will be put into the "Doubtful (DF)".

	<ul style="list-style-type: none">• 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)".• Loans have to be treated as defaulted loan as per section 5(GaGa) of the Bank Company 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. <p>Short-term Agricultural and Micro-credit:</p> <ul style="list-style-type: none">• 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. <p>Loan Classification of Cottage, Micro and Small credits under CMSME:</p> <ul style="list-style-type: none">• 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)".• 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)".• 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)".																																																																						
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 & 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%
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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 approved by the Bank's Board of Directors. The Policy document defines credit risk organization structure, roles & responsibilities and the processes whereby the management of credit risk carried out by the Bank can be identified, quantified & 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>The 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"> • Creating credit risk awareness culture • Approved credit policy by the Board of Directors • Separate Credit Risk Management Division • Centralized Credit Administration Division • Formation of Law and Recovery Division • Approved Delegation of Lending Authority • Independent internal audit and direct access to Board/Audit committee • Credit quality and portfolio diversification • Early warning system • Provision and suspension of interest • Scientific lending and credit approval process • Counterparty credit rating • Strong NPL management system
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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 2022 were as follows:																											
	BDT in Million																											
	<table><tr><th>Particulars</th><th>Outstanding</th><th>Mix (%)</th></tr><tr><td>Overdrafts/Continuous Loan</td><td>9,120.71</td><td>17.28%</td></tr><tr><td>Demand Loan</td><td>4,793.19</td><td>9.08%</td></tr><tr><td>Term Loan</td><td>37,743.33</td><td>71.51%</td></tr><tr><td>Credit Card</td><td>662.52</td><td>1.26%</td></tr><tr><td>Short Term Agri and Micro Credit</td><td>206.11</td><td>0.39%</td></tr><tr><td>Staff Loans</td><td>192.52</td><td>0.36%</td></tr><tr><td>Bills Purchased and Discounted</td><td>64.47</td><td>0.12%</td></tr><tr><td>Total loans and advances</td><td>52,782.85</td><td>100.00%</td></tr></table>	Particulars	Outstanding	Mix (%)	Overdrafts/Continuous Loan	9,120.71	17.28%	Demand Loan	4,793.19	9.08%	Term Loan	37,743.33	71.51%	Credit Card	662.52	1.26%	Short Term Agri and Micro Credit	206.11	0.39%	Staff Loans	192.52	0.36%	Bills Purchased and Discounted	64.47	0.12%	Total loans and advances	52,782.85	100.00%
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Bills Purchased and Discounted	64.47	0.12%																										
Total loans and advances	52,782.85	100.00%																										

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

	Geographical distribution (based on end-use) of credit exposures as per the disclosures in the audited financial statements as of 31st December 2022 were as follows:		
	BDT in Million		
	Particulars	Outstanding	Mix (%)
	Dhaka Division	35,164.78	66.62%
	Chattogram Division	5,086.98	9.64%
	Khulna Division	3,197.35	6.06%
	Rajshahi Division	2,567.10	4.86%
	Barisal Division	1,565.39	2.97%
	Sylhet Division	1,576.91	2.99%
	Rangpur Division	2,396.45	4.54%
	Mymensingh Division	1,227.89	2.33%
	Total loans and advances	52,782.85	100.00%

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 2022 were as follows:		
	BDT in Million		
	Particulars	Outstanding	Mix (%)
	Agriculture Loan	651.26	1.23%
	RMG	1,213.95	2.30%
	Textile	2,203.34	4.17%
	Ship building & Ship breaking	-	0.00%
	Agro-Base Industry	1,174.89	2.23%
	Pharmaceutical industries	1,402.03	2.66%
	Leather & Leather-based Industry	25.76	0.05%
	Other Industries (Large Scale)	4,848.37	9.19%
	Other Industries (Small, Medium & Cottage)	66.94	0.13%
	Industrial (Services)	1,669.06	3.16%
	Transport & Communication	345.78	0.66%
	Other Service Industries	2,704.37	5.12%
	Credit Card	662.52	1.26%
	Autos (Car) Loan	10.72	0.02%
	Personal Loan General	103.88	0.20%
	Housing Finance	366.54	0.69%
	Trade & Commerce (Commercial Loans)	1,637.13	3.10%
	Merchant Banks	420.65	0.80%
	Bangladesh Police Payroll	32,897.73	62.33%
	Other Loans	185.41	0.35%
	Staff Loan	192.52	0.36%
	Total loans and advances	52,782.85	100.00%

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 2022 were as follows:

BDT in Million

Particulars	Outstanding	Mix (%)
Repayable on demand	4,875.30	9.24%
More than 1 month to 3 months	3,377.96	6.40%
More than 3 months to 1 Year	7,542.04	14.29%
More than 1 year to 5 years	17,836.09	33.79%
More than 5 years	19,151.45	36.28%
Total loans and advances	52,782.85	100.00%

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 2022 were as under:

BDT in Million

Particulars	Amount	
	NPL	SMA
Continuous Loan	4.94	2.36
Demand Loan	-	99.93
Term loans	72.41	11.56
Short Term Agri and Micro Credit	-	-
Total	77.35	113.85

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 2022 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	34.03
General provision for loans and advances	550.20
General provision for off-balance sheet exposures	66.76
Total	650.99

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 2022 were as under:

BDT in Million

Particulars	2022	2021
Specific provisions for loans and advances	34.03	3.94
General provisions for loans and advances		
Opening balance	496.86	218.55
Additions during the year		
On balance sheet	89.74	258.12
Off balance sheet	30.37	20.19
Total general provisions for loans and advances	616.97	496.86
Total provisions for loans and advances	651.00	500.80

g) Gross Non-Performing Assets (NPAs):			
	BDT in Million		
Particulars	2022	2021	
Gross Non-Performing Assets (NPAs):	77.35	17.10	
NPAs to outstanding loans & advances	0.15%	0.04%	
Movement of Non-Performing Assets (NPAs):			
Opening Balance	17.10	-	
Additions	70.35	17.10	
Less: Reductions	10.10	-	
Closing Balance	77.35	17.10	
Movement of specific provision for NPAs			
Opening Balance	3.94	-	
Provision made during the period	30.09	3.94	
Write-off	-	-	
Write-back of express provisions	-	-	
Closing Balance	34.03	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; and	<p>Bank's total equity share holding comprises of two purposes i.e. capital gain and other strategic reasons like equity participation and investment diversification. Bank's investment in equity securities are broadly fall under 2 categories:</p> <ul style="list-style-type: none"> • 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.	<p>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.</p> <p>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.</p> <p>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. In addition, the DOS circular letter no-30 dated 04 August 2022 considered for setting the Bank's highest exposure limit in the capital market.</p>

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 2022 was as under:			
	BDT in Million			
	Particulars	Cost Price	Market Price	
	Solo basis			
	Investment in quoted share	369.95	369.95	
	Investment in un-quoted share	842.50	842.50	
	Consolidated basis			
	Investment in quoted share	513.45	493.33	
	Investment in un-quoted share	842.50	842.50	
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)	4.28	14.11	
	Total unrealized gains (losses)*	--	(20.11)	
	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 2022 were as under:			
	BDT in Million			
	Particulars	Market value	Risk Weight	Capital Charge
	Solo Basis			
	Specific Risk	569.95	10%	57.00
	General Market Risk	569.95	10%	57.00
	Consolidated Basis			
	Specific Risk	713.45	10%	71.34
	General Market Risk	713.45	10%	71.34

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 2022 under earning perspective with simple sensitivity analysis was furnished below:

BDT in Million

Particulars	3 months	6 months	1 year
Rate sensitive assets [A]	9,064.10	3,958.15	4,190.25
Rate sensitive liabilities [B]	29,362.00	10,286.16	12,424.25
Net GAP [A-B]	(20,297.90)	(6,328.01)	(8,234.00)
Cumulative GAP	(20,297.90)	(26,625.91)	(34,859.90)
Interest rate change (IRC) [Note 1]	1.00%	1.00%	1.00%
Net Interest Income (NII) = i(Change in interest rate) X gap	(50.74)	(31.64)	(82.34)
Negative impact on earnings	50.74	31.64	82.34

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 2022 was furnished below:

Particulars	Duration in years
Weighted average duration of assets	3.78
Weighted average duration of liabilities	0.86
Duration gap	2.98

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	(1,977.96)	(3,955.91)	(5,933.87)
After shock Equity (CAR)	11.55%	5.77%	-0.01%

G) Market Risk

Qualitative Disclosures

a)	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

b)	The capital requirements for market risk	BDT in Million		
		The Capital Requirement for:	Solo	Consolidated
		Interest rate risk	8.12	8.12
		Equity position risk	113.99	142.69
		Foreign exchange risk	24.18	24.18
		Commodity risk	-	-
		Total capital requirement for Market Risk	146.29	174.99

H) Operational Risk

Qualitative Disclosures

a)	i) 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.
	ii) 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.
	iii) Potential external events	No potential external events are expected to expose the Bank to significant operational risk.

	<div>iv) Policies and processes for mitigating operational risk</div>	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.		
	<div>v) Approach for calculating capital charge for operational risk</div>	<div>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 α (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:</div> <div>$K = [(GI1 + GI2 + GI3) \alpha]/n$</div> <div>Where:</div> <div>K = the capital charge under the Basic Indicator Approach</div> <div>GI = only positive annual gross income over the previous three years</div> <div>α = 15 percent</div> <div>n = number of the previous three years for which gross income is positive.</div>		
Quantitative Disclosures				
	<div>b) The capital requirement for operational risk</div>	BDT in Million		
		Particulars	Solo	Consolidated
		Total Capital Requirement for Operational Risk	237.43	238.43

I) Liquidity Ratio

Qualitative Disclosures		
a)	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"> • Asset-Liability Maturity Analysis (Liquidity profile); • Wholesale borrowing capacity; • Maximum Cumulative Outflow (MCO); • Cash Reserve Ratio (CRR); • Statuary Liquidity Ratio (SLR); • Advance Deposit Ratio (ADR); • Undrawn Commitment Limit; • Liquid Assets to total Deposit; and • Liquid Assets to Short Term Liabilities.
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 & 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 & 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>Liquidly Risk Management is guided by Asset Liability Management Policy of the Bank. Liquidly 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

b)	The liquidity ratios & indicators as on 31st December 2022 were represent below:	
	BDT in Million	
	Particulars	Amount
	Liquidity Coverage Ratio (LCR) [%]	122.97%
	Net Stable Funding Ratio (NSFR) [%]	101.21%
	Stock of High quality liquid assets (SHQLA)	12,658.65
	Total net cash outflows over the next 30 calendar days	10,293.85
	Available amount of stable funding	61,379.27
	Required Stable Funding (RSF)	60,647.85

J) Leverage Ratio

Qualitative Disclosures			
a)	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> <p>Leverage Ratio (LR)= $\frac{\text{Tier 1 Capital (after related adjustment)}}{\text{Total Exposure (after related deductions)}} \geq 3\%$</p>	
Quantitative Disclosures			
b)	BDT in Million		
	Particulars	Solo	Consolidated
	Leverage Ratio (%)	71.4%	71.5%
	On balance sheet exposure	71,583.00	71,528.60
	Off balance sheet exposure	2,948.01	2,948.01
	Less: Regulatory adjustment	138.19	138.19
	Total exposure	74,292.82	74,338.42

K) Remuneration

Qualitative Disclosures		
a)	Information relating to the bodies that oversee remuneration:	
	i) Name of the bodies that oversee remuneration	The Bank's HR Policy & 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.
	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	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. Presently Community Bank Bangladesh Ltd. does not have any separate body or external consultant to oversee remuneration.
	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	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. Scope of the CBBL Remuneration Policy: Policy applies to all the permanent employees of the Bank. Any other benefit is guided by the contract agreement with individual employees.
	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	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 & compliances and risk management) are considered as material risk taker of the Bank.
b)	Information relating to the design and structure of remuneration processes:	
	i) An overview of the key features and objectives of remuneration policy	The 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. The remuneration policy is designated to establish pay structure based on performance, skills and competencies. Salary Structure: (i) Basic (ii) House Rent (iii) Medical (iv) Conveyance (v) Leave Fare Assistance (vi) Other Benefits (such as car, furniture, telephone etc.) 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.
	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	Bank takes into account the following key risks when managing and determining remuneration: i) Financial Risk; ii) Operational Risk; iii) Compliance risk In addition, Bank also has taken consideration when implementing remuneration such as turnover rate, attract & retain the experienced & productive officials, general inflation and peer banks comparison.
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	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.
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 2022.
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), Return on Equity (ROE), Return on Asset (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	<p>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.</p> <p>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.</p>
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> <ol style="list-style-type: none"> i. Short term incentive or reward <ul style="list-style-type: none"> • Yearly increment • Business accomplishment financial award • Non-Cash form such as accelerate promotion, award & certification, training etc. ii. Long term service benefits <ul style="list-style-type: none"> • Provident fund • Gratuity • Employee house building loan with simple interest rate • Leave encashment
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 2022 was equivalent to two basic salary and the total amount in Taka was Tk. 45.51 million.										
	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 2022 were as follows:										
		BDT in Million										
		<table><tr><th>Particulars</th><th>Amount</th></tr><tr><td>Salary</td><td>429.96</td></tr><tr><td>Festival Bonus</td><td>45.51</td></tr><tr><td>PF contribution</td><td>23.02</td></tr><tr><td>Total</td><td>498.49</td></tr></table>	Particulars	Amount	Salary	429.96	Festival Bonus	45.51	PF contribution	23.02	Total	498.49
		Particulars	Amount									
		Salary	429.96									
		Festival Bonus	45.51									
		PF contribution	23.02									
		Total	498.49									
		ii) Deferred and non-deferred (paid during the year)										
		BDT in Million										
<table><tr><th>Particulars</th><th>Amount</th></tr><tr><td>Deferred</td><td>-</td></tr><tr><td>Non-deferred</td><td>-</td></tr></table>	Particulars	Amount	Deferred	-	Non-deferred	-						
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										



Other Information



CREDIT RATING

Long Term	AA-	A+	A
Short Term	ST-2	ST-2	ST-2
Valid From	March 18, 2023	March 18, 2022	March 18, 2021
Valid Till	March 17, 2024	March 17, 2023	March 17, 2022

Emerging Credit Rating Limited affirms the entity rating of Community Bank Bangladesh Limited as “AA-” 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.

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.

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, SME-linked financing 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: 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 175 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 Sustainable Finance 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 where required.

Upcoming Green Planning: 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)
- 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. We are offering 68 nos. of Green Finance products to the customers 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.

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 2021-22, we have successfully achieved the disbursement target of Bangladesh Bank for Agri Finance. We have disbursed BDT 60.17 Crore in Agri Finance against set target of BB for BDT 55 crore i.e. 109.40% achievement in FY 2021-22. It is mentionable here that we have disbursed BDT 20.33 Crore in Agri Finance so far (as on 31.12.2022) against set target of BDT 105 Crore for FY 2022-23. We are hopeful that we will achieve our target of BB for FY 2022-23 within the stipulated time period.

CSR Activities

Community Bank Bangladesh Limited has successfully disbursed 100% of the CSR Budget for 2022 as per approval of the Board of Directors of our Bank in its 30th meeting held on April 18, 2022. In 2022, Community Bank contributed total amount of BDT 1.21 core throughout the year in different sectors i.e. education, health, environment and climate change mitigation and adaptation, sports & culture, infrastructure development etc. as per Bangladesh Bank guidelines. The funds were handed over in the form of pay order to the respective officials of the beneficiaries as part of the Bank's Corporate Social Responsibility (CSR).

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 Bangladesh Ltd. considers its human resources as most important asset and its strongest competitive advantage. The Bank provides a facilitative workplace environment that enables employee empowerment, which translates into sustainable business gains. Human resource Division endeavors and makes extensive efforts in developing human resources, treating employees fairly and providing them with opportunities to grow and achieve the business targets that is aligned with Bank's long term goal.

Since inception, the Bank is recruiting the best professionals and implementing programs to develop and retain high quality employees for facing upcoming challenges and achieve vision of the bank.

Talent Acquisition

HR Division plays a vital role to achieve the vision of the bank by hiring best fit people for the job role. Community Bank is an equal opportunity employer and its recruitment process is designed to attract and hire people having positive attitude and enthusiasm to improve them along with the organization. The Bank never allows any discrimination on grounds of gender, religion, caste or creed. All our employment opportunities are circulated through daily newspaper, online job portals, Bank website as well as social media to ensure proper transparency in the 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.

Manpower of Community Bank at a glance

Particulars	As on December 31, 2022	As on December 31, 2021
Total Manpower	523	479
Permanent Employee	313	308
Contractual Employee	210	171
Male Employee	414	385
Female employee	109	94
Male-Female Ratio	79:21	80:20

Reward and Recognition

One of the integral parts of an effective and efficient team is to keep employees highly engaged and motivated through healthy competition and appropriate recognition to sustain a high performance culture. In this regards, The Bank arranged half yearly Business conference to recognize and reward the performing employees of the bank which was assessed on three pillars – Business, Service and

Compliance. We also introduced deposit campaign award to recognize the contribution of our employees. This Reward and recognition approach has been impacting positively where individual and team performance are appreciated and recognized to keep the employees motivated.

Performance Focused Culture

Performance management is a continuous process to measure performance against individual target and business objectives. Community Bank's performance management process is based on Balanced Scorecard driven SMART KPIs for each role which is linked with yearly business objective. The Bank aims to create a performance based compensation plan in order to attract and retain its talent.

The Bank also introduced role wise employee productivity target to enhance employee individual productivity. This process keeps employees highly engaged and motivated through healthy competition and appropriate recognition to sustain a high performance culture.

Workplace Diversity

Community Bank recognizes the immense contribution of its women workforce and focuses on increasing women participation in the organization. The Bank is committed to adoption of fair employment practices. It ensures diversity of workplace through efforts to recruit, development and retain the most talented people from a diverse candidate pool. At present total 109 female employees are working in different functions according to their capacities which is approximately 21% of the total employee size.

People Development

Right set of skills are important for developing any professional career as well as for achieving organization vision and mission. Considering this importance, CBBL amplifies equal learning and career development opportunities for all employees of the bank. The Bank organized training courses & workshops for employees to continue their professional education and skills development as per yearly training plan throughout the year round of 2022. In total 32 (online & on campus) training programs were organized on several operational banking areas like AML & CFT, General Banking, Credit Risk Management, ISS Reporting, Retail Credit Management, Compliance Issues etc.

External Training

In addition to internal training, our employees were sent to participate in their job specific training courses in BIBM, BBTA, and other training institutions in 2022 to equip them with right set of skills to face upcoming banking challenges.

A summary table of internal & external training programs of 2022 is given below:

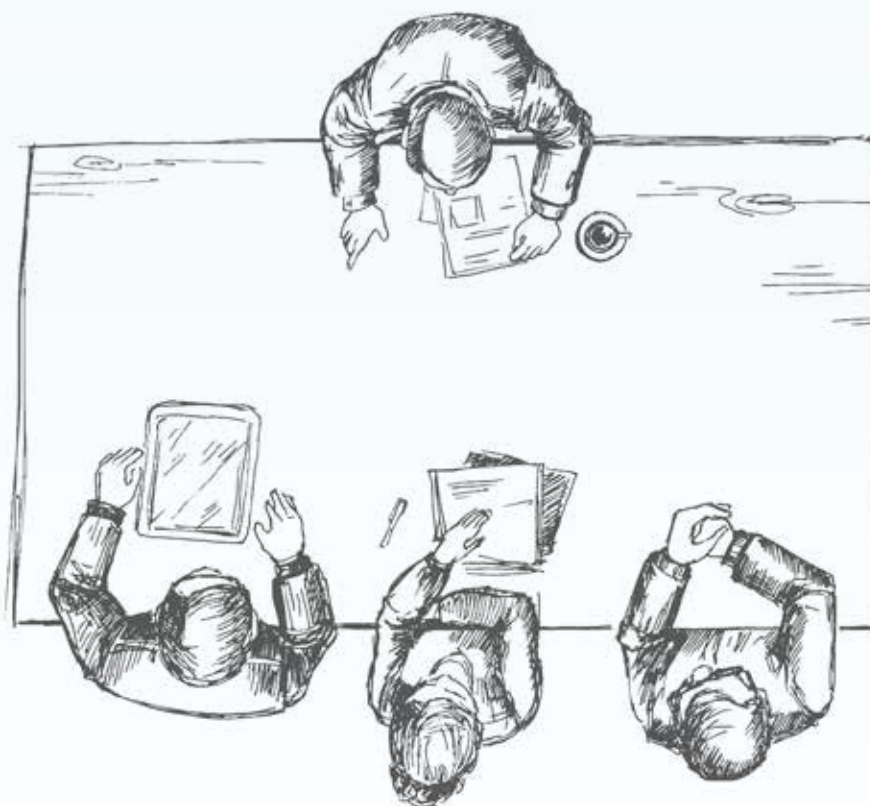
Total Training Courses (Internal & External)	Total Participants	Total Man-hours	Employee Coverage
71	1,477	12,164	96%

At Community Bank, in 2022, the focus of our Learning & Development team was transforming the learning experience through digital platform along with regular classroom learning intervention.

Retention Strategy

The Bank is hiring the right people and shaping their growth and development. We have an excellent reward package and we maintain good work environment. The Bank provides leadership opportunities and develops

leaders through mentoring & internal development program. The Bank believes in Speak up and encourages open communication. The Bank introduced voice of the employee program where employees shared their opinions and suggestions about their experiences which creates a better workplace culture by capturing an individual's deeper understanding about the Bank and giving on time feedback to employees. We also look after employee's wellness and provide a safe & healthy environment to ensure that the employees feel it is a great place to work.

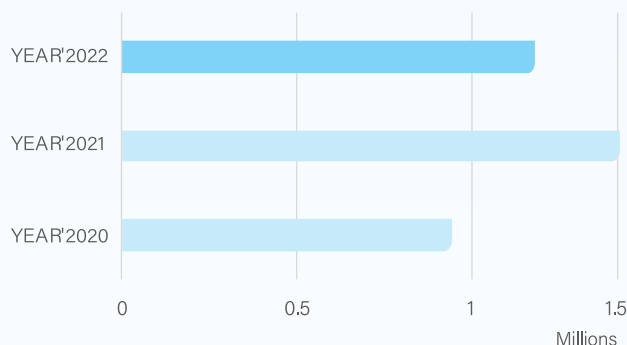


Digital Banking and ICT Update 2022

Community Bank has implemented globally renowned Core Banking Application - Finacle of Infosys, with robust network and infrastructure to ensure smooth banking operations. Currently Bank is handling approximately 1.5 million transactions per month without any unplanned downtime of the core systems.

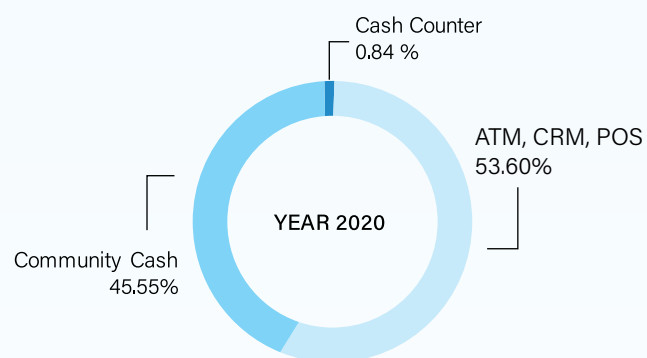
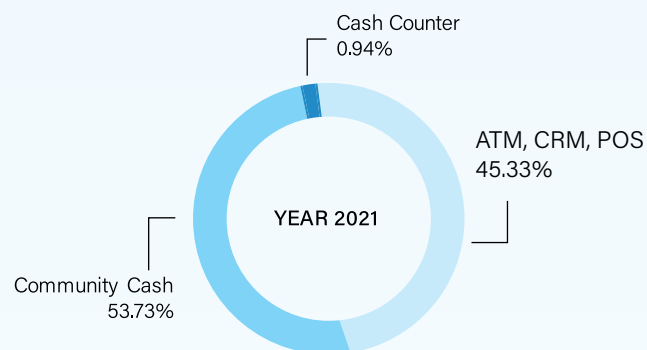
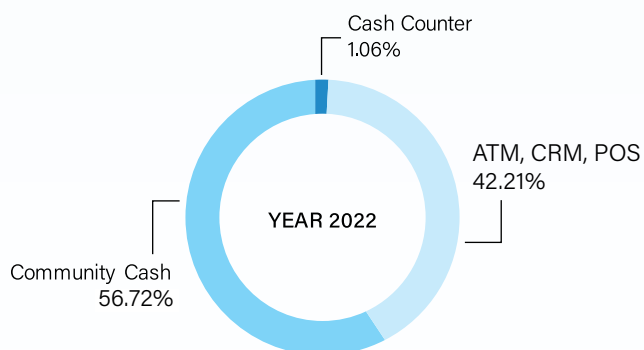
For its achievement and excellent display in the digital platform, Community Bank has been recognized globally by Infosys as the first and only bank in Bangladesh, for fastest implementation of Core Banking Application, and later enabling the business growth and service efficiency through effective usages of the system.

Monthly Average No. of Transactions In Digital, Atm & Cash Counters



Digital Banking Journey

Community Bank after inaugurating its operations in September 2019; focused on to serve all the customers digitally - had introduced digital banking apps - "Community Cash" and quickly became popular among the users with onboarding 76% of its total active customers.



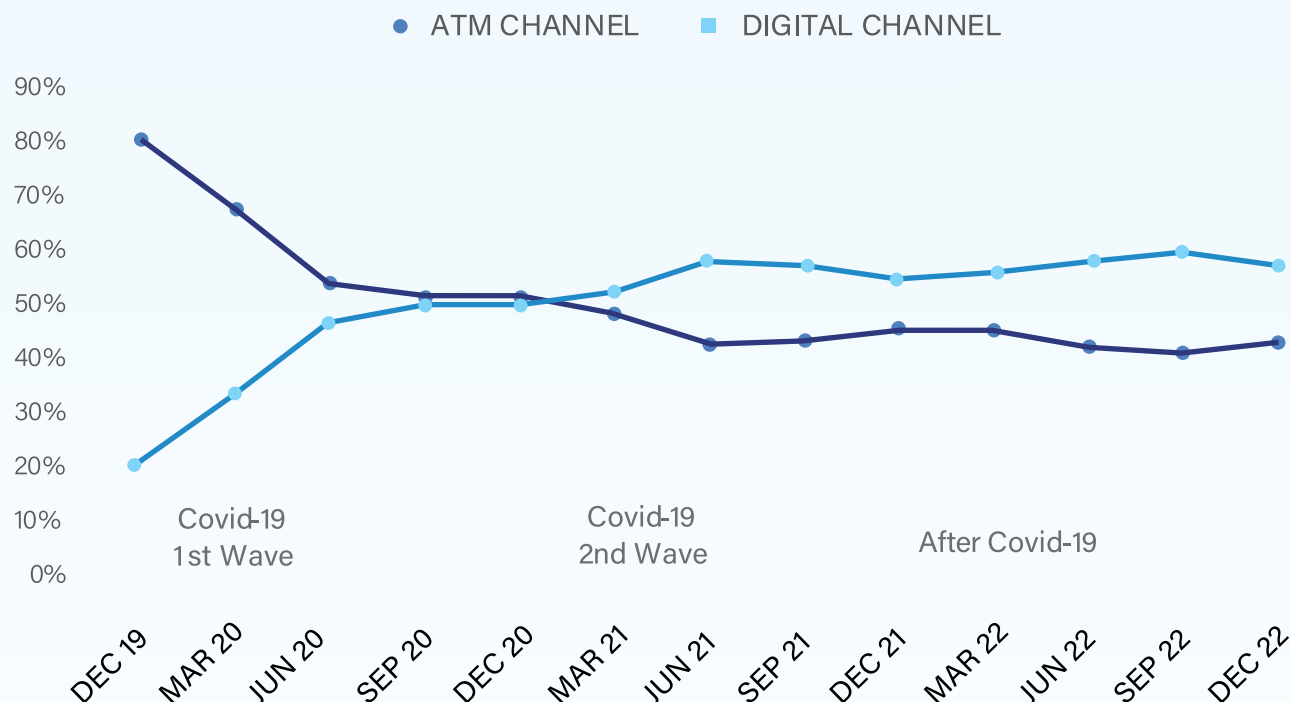
In 2022, more than 56.72% customer induced transactions were generated through mobile apps, 42.21% through ATM, and only 1.06% at Cash Counters.

Channel Wise Transactions



Due to readiness of the Bank with the Digital Banking facilities, during the lockdowns of Covid-19, transactions had never decreased, rather the trend shifted towards the digital channel of the Bank.

Transaction in Digital and ATM Channels



Even after Covid-19, we are observing that Customer Induced transactions are still being shifted from ATM/ CRM (from 45.33% in 2021 to 42.21% in 2022) to Digital Platform (from 53.7% in 2021 to 56.72% in 2022) due to its robustness, convenience and security. Customer footprints at Branches has also increased after Covid-19 (from 0.84% in 2020 to 1.06% in 2022).

Building-up on Robust Core Applications, Infrastructure & Security Management System

Utilizing the Open API architecture, Bank has successfully integrated with some leading MFS partners, Utility service providers, and other Payment systems operating in Bangladesh. Now, with recent improvements in the core system, Community Bank has the capability to process 1.0 Lac EFT payments in just 15 minutes.

Community Bank Bangladesh Limited has achieved the ISO 27001:2013 certification as the youngest bank in Bangladesh. ISO 27001, an international standard, certifies compliance of an organization to the specific requirements for establishing a robust information security management system.



- Accredited international certification to ISO 27001 demonstrates that our bank has a defined and focus on best-practice information security processes with continuous improvement. Our Bank's Information Security Management System (ISMS) applies to Data Centre Operations & Core Banking Services, supported by Information & Communication Technology (ICT) Division, HR & Training, Internal Control and Compliance, Legal and General Service Division.
- Community Bank is committed to ensure high levels of service quality and banking security. For Cyber

Security and ICT risk mitigation, bank has updated ICT security policy, which is in line with the latest Bangladesh Bank ICT guideline and the vastly practiced framework and international standards ISO 27001. ICT policy provides a framework for best practice that followed by all employees while it ensures overall Data and Information assurance for the organization. It outlines the responsibilities and requirements of the Bank and its employees with regard to Information Technology resources.

- As a part of the Cyber security journey, Bank has also upgraded ACS version of VISA EMVCo to 3DS 2.0 (earlier version. 3DS 1.0) for issuing ecommerce transactions. In addition, bank has also undertaken multiple security projects such as Privileged Access Management, established DR site, built 24/7 Security Operation Center (SOC) etc.
- Bank regularly conduct face to face information security awareness sessions, Cyber security awareness campaign, awareness through email/ notifications etc. This awareness communication are being done externally also.
- Bank has already introduced Chip based Credit Card, PIN based POS, strengthen ATM security through implementing anti skimming and PIN-shield. During ISO 27001 implementation process, bank had involved global consultant to consider the best practices and aligned the internal practices and processes accordingly.
- Bank also had reviewed the core application/system features and functionalities by global consultants, vulnerability assessment and penetration testing (VAPT), discovery and network analysis (DNA) to identify any gap and mitigate accordingly.
- As part of governance initiative, Bank has formed ICT Steering Committee. For emergency response handling bank has formed CERT and have developed BCP.

Bank has also embraced various core technological improvement initiatives including:

- Banks ICT Division has launched "iTicket" a help desk portal to capture any service, issues or incident reports, provide online supports to all officials of the Bank, and also to measure performance of the ICT support officers.
- The ICT division developed central management information system (MIS) "Community Bank MIS". Through Community Bank MIS,
 - We are able to mitigate both the regulatory and internal MIS requirements.
 - Deposit and Advance reports at MIS has been

added for taking strategic decisions.

- To monitor credit card position, we have added Office Account monitoring (Suspense and Sundry).
- To monitor Card transactions related to anonymous and suspicious threats, a report called "Top Card Transaction" has been developed at MIS.
- Moreover, this MIS has also been enriched with automated generation of Statement of Affairs, Profit Loss Account, NPL status, Loan List, Branch Position, Customer Position, Structured Transaction reports, and other monitoring reports as well.
- In addition, TP Exception Report also been added. However, we have automated our MIS and various report for Management as well as strategic monitoring.

- In 2022, Bank has also launched its own "Corporate Internet Banking" for the non-individual customers to avail online banking services like Fund Transfers to other Bank accounts through EFT, IBFT, RTGS; Transfer Money to MFS (bKash, Nagad, Rocket) wallets, Bill Payments (Utilities, Mobile recharge), Salary Disbursement, Bank Statements and Reconciliations.
- Bank is also connected with A-Challan payment systems, and all "Corporate Internet Banking" customers of the Bank can directly pay Govt. fees directly through this portal.
- Bank has implemented fast cash solution to process bulk EFT. Using this solution, bank can able to process 2 lac EFT salaries within 30 minutes.
- Bank has implemented PAM (Privilege Access System) solution to secure, control, manage and monitor privileged access to the critical assets.
- IVAC (Indian Visa Application Center) Fee payment facility through any Branches.
- Utility bills (DESCO, DPDC, WZPDCL, TITAS, WASA etc.) payment facility through any Branches.
- Digital Learning Management and Learning Assessment portal to provide remote training and assessment tests of all Bank employees.
- Bangladesh Bank monthly CIB report generation has been automated integrated with Core Banking System (CBD) and Card Management System (CMS) through central MIS.

Treasury

Treasury Division of Community Bank Bangladesh Limited consists of various activities with developing and diversified asset characteristics for 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:

- Fund Management
- Management of Statutory Requirements (CRR, SLR, LCR, NSFR etc.)
- 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 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 2022 Treasury Division contributed making revenue of Tk. 4.41 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 2022 Treasury Division contributed

making revenue of Tk. 5.11 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:

- 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-days maturities and Bangladesh Government Treasury Bonds (BGTB) of 2, 5, 10, 15 and 20-years 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 2022 Treasury Division contributed making revenue of Tk. 57.85 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, Perpetual bond, Commercial Paper, Preference Shares etc.)
- During the year 2022 Treasury Division contributed making revenue of Tk. 24.43 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 a month but in case of urgent situation special meeting is arranged. The desk proposes balance sheet strategy to the management.

Horizontal Analysis of Balance Sheet

BDT Million

Asset	2020	Growth	2021	Growth	2022	Growth
Cash	2,264	283.3%	4,048	78.8%	3,996	-1.3%
Balance with other banks and financial institutions	1,085	-75.8%	6,952	540.7%	130	-98.1%
Money at call and short notice	1,540	2980.0%	140	-90.9%	600	328.6%
Investments	2,862	395.5%	11,617	305.9%	11,864	2.1%
Loans, advances and leases	19,496	2756.9%	43,225	121.7%	52,783	22.1%
Fixed assets inc. land, building, furniture and fixture	1,204	387.2%	1,177	-2.3%	1,008	-14.3%
Other assets	604	49.1%	1,193	97.5%	1,237	3.8%
Non-banking assets	-	0.0%	-	0.0%	-	0.0%
Total assets	29,056	313.0%	68,351	135.2%	71,617	4.8%

Liabilities and Equity	2020	Growth	2021	Growth	2022	Growth
Borrowings from other banks, FIs and agents	-	0.0%	1,947	0.0%	4,861	149.7%
Deposits and other accounts	23,393	1387.0%	59,075	152.5%	58,463	-1.0%
Other liabilities	1,356	634.7%	2,503	84.6%	2,830	13.0%
Total liabilities	24,748	1308.0%	63,525	156.7%	66,153	4.1%
Shareholders' equity	4,307	7.7%	4,826	12.0%	5,464	13.2%
Total liabilities and shareholders' equity	29,056	404.6%	68,351	135.2%	71,617	4.8%

Horizontal Analysis of Profit and Loss

BDT Million

Particulars	2020	Growth	2021	Growth	2022	Growth
Interest income	948	182%	3,196	237%	4,808	50%
Interest expenses	433	1847%	2,413	457%	3,424	42%
Net interest income	515	64%	783	52%	1,384	77%
Investment income	189	3244%	622	229%	836	34%
Commission, exchange and brokerage	59	6672%	119	101%	228	91%
Other operating income	1	227%	2	122%	5	200%
Operating income	764	138%	1,526	100%	2,454	61%
Operating expenses	853	221%	1,010	18%	1,198	19%
Operating profit	(89)	-	516	-	1,255	143%
Provision for loans and advances	195	2484%	262	35%	120	-54%
Provision for diminution in value of investments	-	0%	1	0%	9	1700%
Provision for off-balance sheet items	16	0%	20	25%	30	50%
Provision for investment in subsidiary	-	0%	-	0%	7	0%
Other provision	-	0%	-	0%	2	0%
Total provisions	211	2699%	283	34%	168	-40%
Profit before tax	(300)	-	233	-	1,087	367%
Provision for taxation	4	-83%	111	2437%	444	299%
Net Profit after tax	(305)	-	121	-	643	430%

Vertical Analysis of Balance Sheet

BDT Million

Particulars	2020	Mix %	2021	Mix %	2022	Mix %
Cash	2,264	7.8%	4,048	5.9%	3,996	5.6%
Balance with other banks and financial institutions	1,085	3.7%	6,952	10.2%	130	0.2%
Money at call and short notice	1,540	5.3%	140	0.2%	600	0.8%
Investments	2,862	9.9%	11,617	17.0%	11,864	16.6%
Loans, advances and leases	19,496	67.1%	43,225	63.2%	52,783	73.7%
Fixed assets inc. land, building, furniture and fixture	1,204	4.1%	1,177	1.7%	1,008	1.4%
Other assets	604	2.1%	1,193	1.7%	1,237	1.7%
Non-banking assets	-	-	-	-	-	-
Total assets	29,056	100.0%	68,351	100.0%	71,617	100.0%

Particulars	2020	Mix %	2021	Mix %	2022	Mix %
Borrowings from other banks, FIs and agents	-	-	1,947	2.8%	4,861	6.8%
Deposits and other accounts	23,393	80.5%	59,075	86.4%	58,463	81.6%
Other liabilities	1,356	4.7%	2,503	3.7%	2,830	4.0%
Total liabilities	24,748	85.2%	63,525	92.9%	66,153	92.4%
Shareholders' equity	4,307	14.8%	4,826	7.1%	5,464	7.6%
Total liabilities and shareholders' equity	29,056	100.0%	68,351	100.0%	71,617	100.0%

Note: Vertical Analysis of Balance Sheet refers to the components of Balance Sheet items as a % of total Assets over the periods which would be termed as common sizing of Balance Sheet.

Vertical Analysis of Profit and Loss

BDT Million

Particulars	2020	Mix %	2021	Mix %	2022	Mix %
Interest income	948	124.1%	3,196	209.5%	4,808	196.0%
Interest expenses	433	56.7%	2,413	158.2%	3,424	139.5%
Net interest income	515	67.4%	783	51.3%	1,384	56.4%
Investment income	189	24.7%	622	40.8%	836	34.1%
Commission, exchange and brokerage	59	7.8%	119	7.8%	228	9.3%
Other operating income	1	0.1%	2	0.1%	5	0.2%
Operating income	764	100.0%	1,526	100.0%	2,454	100.0%
Operating expenses	853	111.7%	1,010	66.2%	1,198	48.8%
Operating profit	(89)	-11.7%	516	33.8%	1,255	51.2%
Provision for loans and advances	195	25.5%	262	17.2%	120	4.9%
Provision for diminution in value of investments	-	0.0%	1	0.0%	9	0.4%
Provision for off-balance sheet items	16	2.1%	20	1.3%	30	1.2%
Provision for investment in subsidiary	-	0.0%	-	0.0%	7	0.3%
Other provision	-	0.0%	-	0.0%	2	0.1%
Total provisions	211	27.6%	283	18.5%	168	6.9%
Profit before tax	(300)	-39.3%	233	15.3%	1,087	44.3%
Provision for taxation	4	0.6%	111	7.3%	444	18.1%
Net Profit after tax	(304)	-39.9%	121	8.0%	643	26.2%

Note: Vertical Analysis of Profit & Loss Account refers to the components of Profit & Loss Account as a % of Operational Income over the periods which would be termed as common sizing of Profit & Loss Account.

Value Added Statement

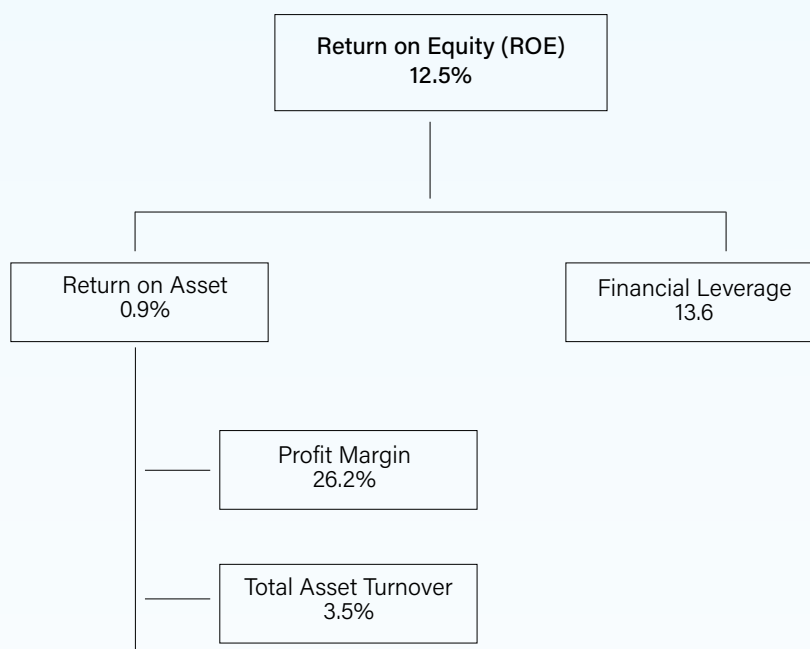
BDT Million

Value Added	2019	%	2020	%	2021	%	2022	%
Interest Income	335.7	137.9%	948.0	163.5%	3,196.0	99.0%	4,808.5	93.0%
Commission, Exchange & Brokerage	0.9	0.4%	59.3	10.2%	119.2	3.7%	228.3	4.4%
Investment Income	5.6	2.3%	188.8	32.6%	621.9	19.3%	836.1	16.2%
Other Income	0.2	0.1%	0.8	0.1%	1.7	0.1%	5.2	0.1%
Management expenses excluding salaries & allowances, depreciation	(91.5)	-37.6%	(406.1)	-70.0%	(429.1)	-13.3%	(541.9)	-10.5%
Provision for doubtful losses	(7.5)	-3.1%	(211.0)	-36.4%	(282.8)	-8.8%	(168.3)	-3.3%
Total Value Added By The Company	243.5	100.0%	579.8	100.0%	3,227.1	100.0%	5,167.8	100.0%

Distribution of Value Addition	2019	%	2020	%	2021	%	2022	%
Employees								
As salaries & allowance	156.4	64.2%	378.9	65.3%	463.7	14.4%	528.4	10.2%
Provider of Capital								
Dividends to shareholders	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Government								
As taxes	26.4	10.8%	4.4	0.8%	111.5	3.5%	444.5	8.6%
Customers								
As Interest Income	22.2	9.1%	433.1	74.7%	2,413.2	74.8%	3,424.2	66.3%
Expansion & Growth								
Retained as capital and reserve	20.3	8.3%	(304.6)	-52.5%	121.4	3.8%	642.7	12.4%
Depreciation	18.2	7.5%	68.0	11.7%	117.3	3.6%	128.0	2.5%
Total Expansion & Growth	38.5	15.8%	(236.6)	-40.8%	238.7	7.4%	770.7	14.9%
Total Distribution of Value Addition	243.5	100.0%	579.8	100.0%	3,227.1	100.0%	5,167.8	100.0%

Dupont Analysis

DuPont analysis is an approach that consists of a detailed examination of Return on Equity (ROE) of a company which analyses Net Profit Margin, Asset Turnover, and Financial Leverage. DuPont Analysis gives a broader view of the Return the company in earnings on its Equity. The dupont analysis of the Bank shows that the Bank was able to increase its Return on Equity to 12.5% in the year 2022 vis-à-vis 2.7% in the previous year. The return on asset increased from 0.2% in the year 2021 to 0.9% in 2022 mainly due to higher net interest income and investment income.



Dupont	Description	2020	2021	2022
Net Profit Margin	Profit after Tax / Income	-39.9%	8.0%	26.2%
Total Asset Turnover	Income / Average Asset	4.2%	3.1%	3.5%
Return on Asset	Profit after Tax / Average Asset	-1.7%	0.2%	0.9%
Financial Leverage	Average Asset / Average Equity (in Times)	4.3	10.7	13.6
Return on Equity	PAT / Average Equity	-7.3%	2.7%	12.5%

Financial Statements of Community Bank



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 2022 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 2022, 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 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:

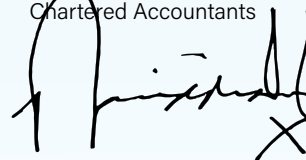
- I. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- II. to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility 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 2022 of its subsidiary namely, Community Bank Investment Limited have not been audited.
- 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.

Place: Dhaka, Bangladesh
Date: 23 March 2023

Signed for & on behalf of
MABS & Partners
Chartered Accountants



Nasir Uddin Ahmed
FCA, FCS, CGMA, ACMA
(UK), FCA (England & Wales)
Deputy Managing Partner
ICAB Enrollment No: 535
DVC No: 2303280535AS482387

Community Bank Bangladesh Limited and Its Subsidiary

Consolidated Balance Sheet

As at 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including foreign currency)	3.1(a)	1,182,387,805	1,086,583,556
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currency)	3.2(b)	2,813,305,917	2,961,820,880
		3,995,693,722	4,048,404,436
Balance with other Banks and Financial Institutions	4(a)		
In Bangladesh	4.1(a)	111,731,700	6,941,912,219
Outside Bangladesh	4.2(a)	17,935,887	10,014,410
		129,667,587	6,951,926,629
Money at call on short notice	5(a)	600,000,000	140,000,000
Investments	6(a)		
Government	6.1(a)	8,681,091,102	8,795,272,389
Others	6.2(a)	3,365,449,705	2,982,798,724
		12,046,540,807	11,778,071,113
Loans and Advances	7(a)		
Loans, Cash Credit, Overdrafts etc.	7.1(a)	52,718,378,673	43,188,295,666
Bills purchased and discounted	7.2(a)	64,474,371	36,415,420
		52,782,853,044	43,224,711,086
Fixed assets including premises, furniture and fixtures	8(a)	1,008,855,090	1,177,533,012
Other assets	9(a)	998,975,671	983,637,229
Non-banking assets		-	-
Total Assets		71,562,585,921	68,304,283,505
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	4,860,955,052	1,946,728,899
Deposits and other accounts	12(a)		
Current Accounts and other Accounts	12.1(a)	20,194,115,688	11,005,272,285
Bills payable	12.2(a)	542,025,770	1,004,643,268
Savings Bank deposits	12.3(a)	9,857,994,800	9,924,705,391
Fixed deposits	12.4(a)	27,791,744,844	37,090,711,075
Other deposits	12.5(a)	7,948,372	1,106,503
		58,393,829,474	59,026,438,522
Other liabilities	13(a)	2,843,486,623	2,507,014,202
Total Liabilities		66,098,271,149	63,480,181,623
Capital/ Shareholders' Equity			
Paid-up share capital	14.2	5,000,000,000	5,000,000,000
Statutory reserve	15	273,326,492	55,898,760
Revaluation reserve	16	11,216,691	10,068,629
Surplus in Profit and Loss account	17(a)	179,771,589	(241,865,507)
Total shareholders' equity		5,464,314,772	4,824,101,882
Total Liabilities and Shareholders' Equity		71,562,585,921	68,304,283,505

Community Bank Bangladesh Limited and Its Subsidiary

Consolidated Balance Sheet

As at 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Off-Balance Sheet Items			
Contingent Liabilities	18		
Acceptances and Endorsements	18.1	28,603,091	-
Letters of Guarantee	18.2	4,998,526,757	2,456,592,242
Irrevocable Letters of Credit	18.3	1,628,681,149	1,182,593,425
Bills for Collection	18.4	181,347,735	53,523,856
Other Contingent Liabilities		-	-
Sub total		6,837,158,732	3,692,709,523
Other Commitments			
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		-	-
Sub total		-	-
Total Off-Balance Sheet items including contingent liabilities		6,837,158,732	3,692,709,523

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

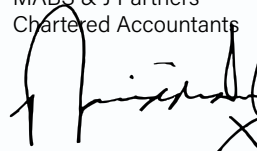


Director
Dr. Shoeb Reaz Alam



Chairman
Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM

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: 2303280535AS482387

Place: Dhaka, Bangladesh
Dated: 23 March 2023

Community Bank Bangladesh Limited and Its Subsidiary

Consolidated Profit and Loss Account

For the year ended 31 December 2022


Particulars	Note	2022 Taka	2021 Taka
Interest income	20(a)	4,808,460,354	3,196,510,810
Interest paid on deposits and borrowings etc.	21(a)	3,422,201,876	2,407,559,563
Net interest income		1,386,258,478	788,951,247
Investment income	22(a)	854,065,273	622,764,515
Commission, exchange and brokerage	23(a)	228,290,368	119,247,080
Other operating income	24(a)	5,240,447	1,745,877
Total operating income		2,473,854,566	1,532,708,719
Salary and allowances		519,389,049	449,368,856
Rent, taxes, insurance, electricity etc.	25(a)	208,869,901	179,177,775
Legal expenses		597,448	44,266
Postage, stamp, telecommunication etc.	26(a)	25,819,654	12,948,709
Stationery, printings, advertisements etc.	27(a)	14,746,800	13,367,043
Chief Executive's salary and fees	28	16,825,000	16,724,700
Directors' fees	29(a)	1,744,400	1,591,600
Auditors' fees	30(a)	537,625	471,500
Depreciation and repair of bank's assets	31(a)	208,567,872	174,645,009
Other expenses	32(a)	211,291,513	166,969,223
Total operating expenses		1,208,389,262	1,015,308,681
Profit/(loss) before provision		1,265,465,304	517,400,038
Provision for loans and advances	33.1(a)	119,828,243	262,062,604
Provision for off-balance sheet items	33.2(a)	30,370,753	20,190,247
Provision for diminution in value of investments	33.3(a)	25,811,754	3,802,411
Provision for other assets	33.4(a)	1,656,846	-
Total provision	33(a)	177,667,596	286,055,262
Total Profit/(loss) before taxes		1,087,797,708	231,344,776
Provision for Taxation			
Current tax expense	34.1(a)	349,105,122	136,708,313
Deferred tax expense/(income)	34.2(a)	93,200,907	(24,517,747)
Total provision for Tax	34(a)	442,306,029	112,190,566
Net Profit/(loss) after taxation		645,491,679	119,154,210
Retained earnings brought forward from previous year		(241,865,507)	(313,236,446)
		403,626,172	(194,082,236)
Appropriations			
Statutory reserve	15	217,427,732	46,569,545
General reserve		-	-
Start-up fund	13.10	6,426,851	1,213,726
Dividend etc.		-	-
		223,854,583	47,783,271
Retained surplus		179,771,589	(241,865,507)
Earnings per share	35(a)	1.29	0.24

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
 Dr. Shoeb Reaz Alam


 Chairman
 Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM

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: 2303280535AS482387

Place: Dhaka, Bangladesh
 Dated: 23 March 2023

Community Bank Bangladesh Limited and Its Subsidiary

Consolidated Cash Flow Statement

For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
A Cash flows from operating activities			
Interest receipts in cash		5,675,559,751	3,299,916,878
Interest payments		(3,570,787,206)	(1,808,413,857)
Dividends receipts		75,559,564	57,591,438
Fees and commissions receipts in cash		228,290,368	119,247,080
Recoveries on loans previously written off		-	-
Cash payments to employees		(536,214,049)	(466,093,556)
Cash payments to suppliers		(40,566,454)	(26,315,752)
Income tax paid		(222,767,836)	(54,133,552)
Receipts from other operating activities	37	5,240,447	1,748,377
Payment for other operating activities	38(a)	(503,351,239)	(405,223,784)
Operating profit/(loss) before changes in operating assets and liabilities (i)		1,110,963,347	718,323,272
Increase/decrease in operating assets and liabilities			
Purchase/sale of trading securities		341,601,627	(402,060,652)
Loans and advances to other banks		-	-
Loans and advances to customers		(9,558,141,958)	(23,728,219,006)
Other assets		48,152,681	(7,160,363)
Deposits from other banks		470,000,000	-
Deposits from customers		(1,102,609,048)	35,633,936,738
Borrowing from Bangladesh Bank		94,226,153	256,728,899
Borrowing from other Banks and FIs		2,820,000,000	1,690,000,000
Trading liabilities		-	-
Other liabilities		9,392,836	49,957,974
Cash utilised in operating assets and liabilities (ii)		(6,877,377,709)	13,493,183,590
Net cash (used)/flows from operating activities (i+ii)		(5,766,414,362)	14,211,506,862
B Cash flows from investing activities			
Proceeds from sale of securities		-	-
Payments for purchase of securities		(608,911,658)	(8,505,496,471)
Purchase/sale of property, plant and equipment		(39,632,135)	(95,051,329)
Purchase/sale of subsidiary		-	-
Net cash from investing activities		(648,543,794)	(8,600,547,801)
C Cash flows from financing activities			
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		-	-
Net cash from financing activities		-	640,000,000
Net increase/decrease in cash (A+B+C)		(6,414,958,156)	6,250,959,061
Cash and cash equivalents at beginning of the year		11,140,616,365	4,889,657,304
Cash and cash equivalents at end of the year	36(a)	4,725,658,209	11,140,616,365
Cash and cash equivalents			
Cash in hand (including foreign currency)		1,182,387,805	1,086,583,556
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		2,813,305,917	2,961,820,880
Balance with other banks and financial institutions		129,667,587	6,951,926,629
Money at call on short notice		600,000,000	140,000,000
Prize bond		296,900	285,300
Total		4,725,658,209	11,140,616,365

Managing Director & CEO
Masihul Huq Chowdhury

Director
Masud Khan, FCA, FCMA

Director
Dr. Shueb Reaz Alam

Chairman
Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM

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: 2303280535AS482387

Place: Dhaka, Bangladesh
Dated: 23 March 2023

Community Bank Bangladesh Limited and Its Subsidiary

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

Particulars	Amount in Taka				
	Paid-up Capital	Statutory Reserve	Revaluation Reserve	Surplus in Profit and Loss account	Total
Balance as at 01 January 2022	5,000,000,000	55,898,760	10,068,629	(241,865,507)	4,824,101,882
Changes in accounting policy	-	-	-	-	-
Restated balance	5,000,000,000	55,898,760	10,068,629	(241,865,507)	4,824,101,882
Surplus/deficit on account of revaluation of properties	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	1,148,062	-	1,148,062
Currency translation difference	-	-	-	-	-
Net gains and losses not recognized in the income statement	5,000,000,000	55,898,760	11,216,691	(241,865,507)	4,825,249,944
Net profit/(loss) for the year	-	-	-	645,491,679	645,491,679
Dividends Paid	-	-	-	-	-
Statutory reserve	-	217,427,732	-	(217,427,732)	-
Transfer to Start-up fund	-	-	-	(6,426,851)	(6,426,851)
Balance as at 31 December 2022	5,000,000,000	273,326,492	11,216,691	179,771,589	5,464,314,772



Managing Director & CEO
Masihul Huq Chowdhury



Director
Masud Khan, FCA, FCMA



Director
Dr. Shueb Reaz Alam



Chairman
Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM

Community Bank Bangladesh Limited and Its Subsidiary

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

Amount in Taka					
Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve	Surplus in Profit and Loss account	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)
Balance as at 31 December 2021	5,000,000,000	55,898,760	10,068,629	(241,865,507)	4,824,101,882



Managing Director & CEO
Masihul Huq Chowdhury



Director
Masud Khan, FCA, FCMA



Director
Dr. Shoaib Reaz Alam



Chairman
Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM

Community Bank Bangladesh Limited

Balance Sheet

As at 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (Including foreign currency)	3.1	1,182,380,382	1,086,583,556
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	3.2	2,813,305,917	2,961,820,880
		3,995,686,299	4,048,404,436
Balance with other banks and financial institutions	4		
In Bangladesh	4.1	111,731,700	6,941,912,219
Outside Bangladesh	4.2	17,935,887	10,014,410
		129,667,587	6,951,926,629
Money at call on short notice	5	600,000,000	140,000,000
Investments	6		
Government	6.1	8,681,091,102	8,795,272,389
Others	6.2	3,182,450,251	2,821,543,948
		11,863,541,353	11,616,816,337
Loans and Advances	7		
Loans, Cash Credit, Overdrafts etc.	7.1	52,718,378,673	43,188,295,666
Bills purchased and discounted	7.2	64,474,371	36,415,420
		52,782,853,044	43,224,711,086
Fixed assets including premises, furniture and fixtures	8	1,007,868,915	1,176,596,230
Other assets	9	1,237,372,026	1,192,596,355
Non-banking assets	10	-	-
Total Assets		71,616,989,224	68,351,051,073
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	4,860,955,052	1,946,728,899
Deposits and other accounts	12		
Current Accounts and other Accounts	12.1	20,201,878,618	11,033,807,756
Bills Payable	12.2	542,025,770	1,004,643,268
Savings Bank Deposits	12.3	9,857,994,800	9,924,705,391
Fixed Deposits	12.4	27,852,839,424	37,110,711,075
Other Deposits	12.5	7,948,372	1,106,503
		58,462,686,984	59,074,973,993
Other liabilities	13	2,829,620,540	2,503,027,880
Total Liabilities		66,153,262,576	63,524,730,772
Capital / Shareholders' Equity			
Paid-up Capital	14.2	5,000,000,000	5,000,000,000
Statutory Reserve	15	273,326,492	55,898,760
Revaluation Reserve	16	11,216,691	10,068,629
Surplus in Profit and Loss account	17	179,183,465	(239,647,088)
Total Shareholders' Equity		5,463,726,648	4,826,320,301
Total Liabilities and Shareholders' Equity		71,616,989,224	68,351,051,073

Community Bank Bangladesh Limited

Balance Sheet

As at 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Off-Balance Sheet Items			
Contingent Liabilities	18		
Acceptances and Endorsements	18.1	28,603,091	-
Letters of Guarantee	18.2	4,998,526,757	2,456,592,242
Irrevocable Letters of Credit	18.3	1,628,681,149	1,182,593,425
Bills for Collection	18.4	181,347,735	53,523,856
Other Contingent Liabilities		-	-
Sub total		6,837,158,732	3,692,709,523
Other Commitments			
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		-	-
Sub total		-	-
Total Off-Balance Sheet items including contingent liabilities		6,837,158,732	3,692,709,523

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

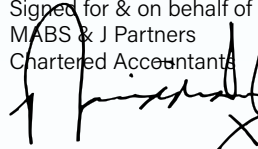


Director
Dr. Shoeb Reaz Alam



Chairman
Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM

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: 2303280535AS482387

Place: Dhaka, Bangladesh
Dated: 23 March 2023

Community Bank Bangladesh Limited

Profit and Loss Account

For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Interest income	20	4,808,460,354	3,195,958,287
Interest paid on deposits and borrowings etc.	21	3,424,188,091	2,413,226,392
Net interest income		1,384,272,263	782,731,895
Investment income	22	836,051,200	621,918,535
Commission, exchange and brokerage	23	228,290,368	119,247,080
Other operating income	24	5,240,447	1,745,877
Total operating income		2,453,854,278	1,525,643,387
Salary and allowances		511,614,931	446,966,275
Rent, taxes, insurance, electricity etc.	25	208,195,252	178,625,608
Legal expenses		597,448	44,266
Postage, stamp, telecommunication etc.	26	25,804,705	12,933,594
Stationery, printings, advertisements etc.	27	14,733,152	13,364,928
Chief Executive's salary and fees	28	16,825,000	16,724,700
Directors' fees	29	1,591,600	1,315,600
Auditors' fees	30	506,000	442,750
Depreciation and repair of bank's assets	31	207,980,380	174,544,062
Other expenses	32	210,564,554	165,081,030
Total operating expenses		1,198,413,022	1,010,042,813
Profit/(loss) before provision		1,255,441,256	515,600,574
Provision for loans and advances	33	119,828,243	262,062,604
Provision for off-balance sheet items	33	30,370,753	20,190,247
Provision for diminution in value of investments	33	9,000,000	500,000
Provision for investment in subsidiary	33	7,446,756	-
Provision for other assets	33	1,656,846	-
Total provision	33	168,302,598	282,752,851
Total Profit/(loss) before taxes		1,087,138,658	232,847,723
Provision for Taxation			
Current tax expense	34.1	348,197,633	136,014,423
Deferred tax expense/(income)	34.2	96,255,889	(24,539,329)
Total provision for Tax		444,453,522	111,475,094
Net Profit/(loss) after taxation		642,685,136	121,372,629
Retained earnings brought forward from previous year		(239,647,088)	(313,236,446)
		403,038,048	(191,863,817)
Appropriations			
Statutory reserve	15	217,427,732	46,569,545
General reserve		-	-
Start-up fund	13.10	6,426,851	1,213,726
Dividend etc.		-	-
		223,854,583	47,783,271
Retained surplus		179,183,465	(239,647,088)
Earnings per share	35	1.29	0.25

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

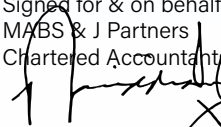

 Managing Director & CEO
 Masihul Huq Chowdhury


 Director
 Masud Khan, FCA, FCMA


 Director
 Dr. Shoeb Reaz Alam


 Chairman
 Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM

Signed for & on behalf of
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 Chartered Accountants



Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
 Deputy Managing Partner
 ICAB Enrollment No: 535
 DVC No: 2303280535AS482387

Place: Dhaka, Bangladesh
 Dated: 23 March 2023

Community Bank Bangladesh Limited

Cash Flow Statement

For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
A Cash flows from operating activities			
Interest receipts in cash		5,659,765,246	3,295,066,956
Interest payments		(3,570,787,206)	(1,808,413,857)
Dividends receipts		73,186,560	56,882,665
Fees and commissions receipts in cash		228,290,368	119,247,080
Recoveries on loans previously written off		-	-
Cash payments to employees		(528,439,931)	(463,690,975)
Cash payments to suppliers		(40,537,857)	(26,298,522)
Income tax paid		(221,881,930)	(53,408,412)
Receipts from other operating activities	37	5,240,447	1,748,377
Payment for other operating activities	38(a)	(501,356,402)	(402,723,946)
Operating profit/(loss) before changes in operating assets and liabilities (i)		1,103,479,295	718,409,366
Increase/decrease in operating assets and liabilities			
Purchase/sale of trading securities		341,601,627	(402,060,652)
Loans and advances to other banks		-	-
Loans and advances to customers		(9,558,141,958)	(23,728,219,006)
Other assets		13,257,712	31,148,368
Deposits from other banks		470,000,000	-
Deposits from customers		(1,082,287,009)	35,682,472,209
Borrowing from Bangladesh Bank		94,226,153	256,728,899
Borrowing from other Banks and FIs		2,820,000,000	1,690,000,000
Trading liabilities		-	-
Other liabilities		9,469,635	49,930,172
Cash utilised in operating assets and liabilities (ii)		(6,891,873,839)	13,579,999,990
Net cash (used)/flows from operating activities (i+ii)		(5,788,394,544)	14,298,409,356
B Cash flows from investing activities			
Proceeds from sale of securities		-	-
Payments for purchase of securities		(587,166,981)	(8,344,241,695)
Purchase/sale of property, plant and equipment		(39,404,054)	(93,208,600)
Purchase/sale of subsidiary		-	-
Net cash from investing activities		(626,571,035)	(8,437,450,295)
C Cash flows from financing activities			
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
Dividends paid		-	-
Net cash from financing activities		-	390,000,000
Net increase/decrease in cash (A+B+C)		(6,414,965,579)	6,250,959,061
Cash and cash equivalents at beginning of the year		11,140,616,365	4,889,657,304
Cash and cash equivalents at end of the year	36(a)	4,725,650,786	11,140,616,365
Cash and cash equivalents			
Cash in hand (including foreign currency)		1,182,380,382	1,086,583,556
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		2,813,305,917	2,961,820,880
Balance with other banks and financial institutions		129,667,587	6,951,926,629
Money at call on short notice		600,000,000	140,000,000
Prize bond		296,900	285,300
Total		4,725,650,786	11,140,616,365

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
Dr. Shueb Reaz Alam



Chairman
Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM

Community Bank Bangladesh Limited

Statement of Changes in Equity

For the year ended 31 December 2022

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve	Surplus in Profit and Loss account	Amount in Taka	
					Total	
Balance as at 01 January 2022	5,000,000,000	55,898,760	10,068,629	(239,647,088)	4,826,320,301	
Changes in accounting policy	-	-	-	-	-	
Restated balance	5,000,000,000	55,898,760	10,068,629	(239,647,088)	4,826,320,301	
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	
Surplus/deficit on account of revaluation of investments	-	-	1,148,062	-	1,148,062	
Currency translation difference	-	-	-	-	-	
Net gains and losses not recognized in the income statement	5,000,000,000	55,898,760	11,216,691	(239,647,088)	4,827,468,363	
Net profit/(loss) for the year	-	-	-	642,685,136	642,685,136	
Dividends Paid	-	-	-	-	-	
Statutory reserve	-	217,427,732	-	(217,427,732)	-	
Transfer to Start-up fund	-	-	-	(6,426,851)	(6,426,851)	
Balance as at 31 December 2022	5,000,000,000	273,326,492	11,216,691	179,183,465	5,463,726,648	



Managing Director & CEO
Masihul Huq Chowdhury



Director
Masud Khan, FCA, FCMA



Director
Dr. Shueb Reaz Alam



Chairman
Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM

Community Bank Bangladesh Limited

Statement of Changes in Equity

For the year ended 31 December 2021

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve	Surplus in Profit and Loss account	Amount in Taka	
					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)	
Balance as at 31 December 2021	5,000,000,000	55,898,760	10,068,629	(239,647,088)	4,826,320,301	



Managing Director & CEO
Masihul Huq Chowdhury



Director
Masud Khan, FCA, FCMA



Director
Dr. Shueb Reaz Alam



Chairman
Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM

Community Bank Bangladesh Limited

Liquidity Statement

(Asset and Liability Maturity Analysis)

As at 31 December 2022

Particulars		Amount in Taka					
	Upto 01 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years	Total	
Assets							
Cash in hand	1,182,380,382	-	-	-	-	1,182,380,382	
Balance with other banks and financial Institutions	276,677,821	71,567,103	15,642,438	10,055,853	2,569,030,289	2,942,973,504	
Money at call on short notice	600,000,000	-	-	-	-	600,000,000	
Investments	-	296,900	499,736,891	1,742,745,734	9,620,761,828	11,863,541,353	
Loans and advances	4,875,303,374	3,377,962,031	7,542,040,649	17,836,092,320	19,151,454,670	52,782,853,044	
Fixed assets including premises, furniture and fixtures	-	-	-	343,357,545	664,511,370	1,007,868,915	
Other assets	-	435,830,697	97,775,346	-	703,765,983	1,237,372,026	
Non-banking assets	-	-	-	-	-	-	
Total Assets	6,934,361,577	3,885,656,731	8,155,195,324	19,932,251,452	32,709,524,140	71,616,989,224	
Liabilities							
Borrowings from Bangladesh bank, other banks, financial institutions and agents	201,646,779	93,367,766	55,940,507	-	-	350,955,052	
Money at call on short notice	4,510,000,000	-	-	-	-	4,510,000,000	
Deposits and other accounts	6,284,002,313	19,351,417,682	23,448,972,028	8,988,282,954	390,012,007	58,462,686,984	
Provision and other liabilities	-	616,942,045	-	-	2,212,678,495	2,829,620,540	
Total Liabilities	10,995,649,092	20,061,727,493	23,504,912,535	8,988,282,954	2,602,690,502	66,153,262,576	
Net Liquidity Gap	(4,061,287,515)	(16,176,070,762)	(15,349,717,211)	10,943,968,498	30,106,833,638	5,463,726,648	

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 2022

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, sub branch, 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.

1.4 Consolidated and separate financial statements

The consolidated financial statements include the financial statements of Community Bank Bangladesh Limited and its subsidiary, i.e. Community Bank Investment Limited. The separate and consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS)-27: "Separate Financial Statements" and International Financial Reporting Standard (IFRS)- 10: "Consolidated Financial Statements". The consolidated financial statements are prepared to a common financial year ended on 31 December 2022.

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.

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 2022 to 31st December 2022.

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.
- 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, BRPD Circular Letter No. 51, dated December 29, 2021, BRPD Circular No. 14, dated June 22, 2022, BRPD Circular No. 16, dated July 07, 2022, BRPD Circular Letter No. 51, dated December 18, 2022 and BRPD Circular Letter No. 52, dated December 21, 2022. The rates of provision for loans and advances are given below:

Head	Rate
General provision on:	
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%
Specific provision on:	
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%
Provision for Cottage, Micro and Small credits under CMSME:(As per BRPD Circular 06/2020)	
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.

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 and T-bonds-Held For Trading (HFT)	Cost	Fair value	Loss to profit and loss account, gain to revaluation reserve
Govt. T-bills and 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 and 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.

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:

Catagory of fixed assets	Rate
Furniture and fixture	10%
Office equipment, appliance and machinery	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), fixed asset and inventory management system and other integrated customised software for call centre and HR operations i.e. CCS, I-ORBITS 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.

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. 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 made available for 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)
- 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 under IFRS 16 with minor departure as such the recognition, measurement, presentation and disclosure do not conflict with the reporting guideline issued by Central Bank via BRPD circular no. 14, date 25 June 2003.

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 and BRPD circular no. 04 date 12 April 2022.

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.

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).

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, 2022 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 shall be calculated on the basis of the basic salary which will be calculated at average pay earned during twelve months immediately preceding the date of his/her ceasing to be in the service of the Bank. 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.

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.

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.

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.

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.

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.

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.

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 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 26th meeting held on 16 March 2023 and was subsequently approved by the Board in its 37th meeting held on 23 March 2023.

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 2022

Particulars	Note	2022 Taka	2021 Taka
3 Cash			
Cash in hand (Including foreign currencies)	3.1	1,182,380,382	1,086,583,556
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	3.2	2,813,305,917	2,961,820,880
		3,995,686,299	4,048,404,436
3.1 Cash in hand			
Local currency		1,182,380,382	1,086,583,556
Foreign currency		-	-
		1,182,380,382	1,086,583,556
3.1(a) Consolidated Cash in hand			
Community Bank Bangladesh Limited		1,182,380,382	1,086,583,556
Community Bank Investment Limited		7,423	-
		1,182,387,805	1,086,583,556
3.2 Balance with Bangladesh Bank and its agent bank(s)			
Local currency		2,793,919,766	2,797,686,701
Foreign currency		19,386,151	164,134,179
		2,813,305,917	2,961,820,880
Sonali Bank as agent of Bangladesh Bank (Local currency)		-	-
		2,813,305,917	2,961,820,880
Reconciliation statements regarding Bangladesh Bank balance are given in Annexure-B			
3.2(b) Consolidated Balance with Bangladesh Bank and its agent bank			
Community Bank Bangladesh Limited		2,813,305,917	2,961,820,880
Community Bank Investment Limited		-	-
		2,813,305,917	2,961,820,880
3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)			
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 2022 is maintained on the basis of weekly ATDTL of October 2022) 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 2022		64,225,757,000	66,395,540,000
3.3.1 Cash Reserve Requirement (CRR)			
Daily basis			
Required reserve @ 3.5% of ATDTL		2,247,902,000	2,323,843,900
Actual reserve held (As per Bangladesh Bank statement)		2,775,812,764	2,772,564,399
Surplus		527,910,764	448,720,499
Bi-weekly basis			

The bank maintained excess cash reserve of BDT 1,456.69 million in the last fortnight of 2022 (BDT 1370.31 Million in 2021) calculated by summing up excess cash reserve maintained over required CRR on daily basis.

Particulars	Note	2022 Taka	2021 Taka
3.3.2 Statutory Liquidity Ratio (SLR)			
Required reserve @ 13% of ATDTL		8,349,348,000	8,631,420,200
Actual reserve held	3.3.3	10,070,254,248	9,998,598,744
Surplus		1,720,906,248	1,367,178,544
Total surplus	3.3.1+3.3.2	2,248,817,012	1,815,899,043
3.3.3 Actual reserve held	3.1		
Cash in hand	3.3.3.a	1,182,380,382	1,086,583,556
Excess balance with Bangladesh Bank		206,782,764	116,742,799
Unencumbered approved securities (HFT)	6	237,690,050	578,143,615
Unencumbered approved securities (HTM)	6	8,443,104,152	8,216,843,474
Other eligible securities (Prize bond)		296,900	285,300
		10,070,254,248	9,998,598,744
3.3.3.a Excess balance with Bangladesh Bank			
Balance with Bangladesh Bank		2,775,812,764	2,772,564,399
Less: Required cash reserve on bi-weekly average basis (4% of ATDTL)		2,569,030,000	2,655,821,600
Excess of cash reserve as on the reporting date		206,782,764	116,742,799
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.			
4 Balance with other banks and financial institutions			
In Bangladesh	4.1	111,731,700	6,941,912,219
Outside Bangladesh	4.2	17,935,887	10,014,410
		129,667,587	6,951,926,629
4.1 In Bangladesh			
Current accounts			
Sonali Bank Limited		1,773,949	7,241,183
Eastern Bank Limited		11,716,630	4,033,874
Mercantile Bank Limited		17,108,052	1,974,061
Trust Bank Limited		16,575,714	25,066,843
		47,174,345	38,315,961
Short notice deposit (SND) accounts			
Sonali Bank Limited		21,520,908	6,728,191,977
Eastern Bank Limited		13,027,384	9,490,504
Mercantile Bank Limited		30,009,063	15,913,777
		64,557,355	6,753,596,258
Fixed deposit with Financial Institutions			
Lanka Bangla Finance Company Limited		-	150,000,000
		-	150,000,000
		111,731,700	6,941,912,219
4.2 Outside Bangladesh (NOSTRO Accounts)			
Current account			
Habib America, NY-USD		7,241,543	3,423,282
AB Bank Limited Mumbai, India		6,459,812	6,591,128
Sonali Bank (UK) -USD		4,234,532	-
		17,935,887	10,014,410
Details of Foreign currency amounts and exchange rates are presented in 'Annexure-C'.			
4.3 Maturity grouping of balance with other banks and financial institutions			
Up to 1 months		276,677,821	2,275,660,576
More than 1 months to 3 months		71,567,103	3,420,123,465
More than 3 months to 1 Year		15,642,438	950,853,874
More than 1 year to 5 years		10,055,853	611,288,714
More than 5 years		2,569,030,289	2,655,800,000
		2,942,973,504	9,913,726,629
4(a) Consolidated Balance with other banks and financial institutions			
4.1(a) In Bangladesh			
Community Bank Bangladesh Limited		111,731,700	6,941,912,219
Community Bank Investment Limited		68,857,510	48,535,471
		180,589,210	6,990,447,690
Less: Inter-company transactions			
CBIL bank account balance maintained with CBBL		68,857,510	48,535,471
		111,731,700	6,941,912,219

Particulars	Note	2022 Taka	2021 Taka
4.2(a) Outside Bangladesh			
Community Bank Bangladesh Limited		17,935,887	10,014,410
Community Bank Investment Limited		-	-
		<u>17,935,887</u>	<u>10,014,410</u>
		129,667,587	6,951,926,629
5 Money at call on short notice			
AB Bank Limited		-	140,000,000
Delta Brac Housing Finance Corporation Limited		600,000,000	-
		<u>600,000,000</u>	<u>140,000,000</u>
5.1 Maturity grouping of money at call on short notice			
Up to 1 month		600,000,000	140,000,000
More than 1 month to 3 month		-	-
More than 3 month to 1 Year		-	-
More than 1 year to 5 years		-	-
More than 5 years		-	-
		<u>600,000,000</u>	<u>140,000,000</u>
5(a) Consolidated Money at call on short notice			
Community Bank Bangladesh Limited		600,000,000	140,000,000
Community Bank Investment Limited		-	-
		<u>600,000,000</u>	<u>140,000,000</u>
6 Investments			
Government securities	6.1	8,681,091,102	8,795,272,389
Other investments	6.2	3,182,450,251	2,821,543,948
		<u>11,863,541,353</u>	<u>11,616,816,337</u>
Investment in securities are classified as per Bangladesh Bank circular:			
Held for trading (HFT)		237,690,050	578,143,615
Held to maturity (HTM)		8,443,104,152	8,216,843,474
Other securities		3,182,747,151	2,821,829,248
		<u>11,863,541,353</u>	<u>11,616,816,337</u>
6.1 Government securities			
Treasury bills	6.1.1	-	356,735,503
Treasury bonds	6.1.2	8,680,794,202	8,438,251,586
Prize bond		296,900	285,300
		<u>8,681,091,102</u>	<u>8,795,272,389</u>
6.1.1 Treasury bills			
364 days treasury bills		-	356,735,503
		<u>-</u>	<u>356,735,503</u>
6.1.2 Treasury bonds			
2 years Government treasury bonds		9,786,640	150,089,165
5 years Government treasury bonds		820,245,733	632,748,449
10 years Government treasury bonds		3,090,140,165	2,897,394,849
15 years Government treasury bonds		1,133,010,381	1,170,341,595
20 years Government treasury bonds		3,627,611,283	3,587,677,528
		<u>8,680,794,202</u>	<u>8,438,251,586</u>
6.2 Other investments			
6.2.1 Preference shares			
Summit LNG Terminal Co. Pvt. Ltd.		40,000,000	60,000,000
Confidence Power Bogura Unit 2		50,000,000	75,000,000
Confidence Power Bogura		112,500,000	131,250,000
Impress-newtex Comp Tex Limited		200,000,000	200,000,000
Flamingo Fashions Limited		160,000,000	200,000,000
City Sugar Industries Limited		160,000,000	200,000,000
		<u>722,500,000</u>	<u>866,250,000</u>

Particulars	Note	2022 Taka	2021 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	100,000,000	
		<u>300,000,000</u>	<u>300,000,000</u>	
b) Islamic Bond				
Beximco Green-Sukuk al Istisna'a		200,000,000	200,000,000	
		<u>200,000,000</u>	<u>200,000,000</u>	
c) Perpetual Bonds				
Under Conventional Banking				
Trust Bank Limited Perpetual Bond		150,000,000	150,000,000	
The City Bank Limited Perpetual Bond		150,000,000	150,000,000	
Jamuna Bank Limited Perpetual Bond		150,000,000	150,000,000	
United Commercial Bank Limited Perpetual Bond		200,000,000	200,000,000	
NCC Bank Limited Perpetual Bond		200,000,000	200,000,000	
Dhaka Bank Limited Perpetual Bond		170,000,000	-	
Pubali Bank Limited Perpetual Bond		200,000,000	-	
		<u>1,220,000,000</u>	<u>850,000,000</u>	
Under Islamic Banking				
Shahjalal Islami Bank Limited Mudaraba-Perpetual Bond		250,000,000	250,000,000	
		<u>250,000,000</u>	<u>250,000,000</u>	
		<u>1,970,000,000</u>	<u>1,600,000,000</u>	
6.2.3 Investments in ordinary shares				
Investment in listed securities		369,950,333	314,656,474	
		<u>369,950,333</u>	<u>314,656,474</u>	
6.2.4 Investments in mutual fund				
Investment in open-end mutual fund		119,999,918	39,999,974	
		<u>119,999,918</u>	<u>39,999,974</u>	
6.2.5 Investments for IPO and private placement				
Applied for IPO		-	637,500	
		<u>-</u>	<u>637,500</u>	
		<u>3,182,450,251</u>	<u>2,821,543,948</u>	
Details of investment in shares are presented in 'Annexure-D'				
6.3 Maturity wise grouping of investment				
Up to 1 month		-	-	
More than 1 month to 3 month		296,900	256,719	
More than 3 month to 1 year		499,736,891	762,018,792	
More than 1 year to 5 years		1,742,745,734	1,799,126,854	
More than 5 years		9,620,761,828	9,055,413,972	
		<u>11,863,541,353</u>	<u>11,616,816,337</u>	
6.4 (i) Disclosure regarding outstanding repo				
Counterparty name	Agreement date	Reversal date	Amount	Amount
(i) Bangladesh Bank	28-Dec-2022	4-Jan-2023	330,343,751	-
(ii) Trust Bank Limited	29-Dec-2022	1-Jan-2023	259,728,381	-
Total	-	-	<u>590,072,132</u>	<u>-</u>
(ii) Disclosure regarding outstanding reverse repo				
Counterparty name	Agreement date	Reversal date	Amount	Amount
Total	-	-	<u>-</u>	<u>-</u>
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	237,500,000	1,335,787,352	547,465,848	-
ii) with other Banks & FIs	142,431,615	1,707,275,921	720,500,000	337,572,084
Securities purchased under reverse repo				
i) from Bangladesh Bank	-	-	-	-
ii) from other Banks & FIs	248,352,178	1,206,508,336	523,552,082	-

Particulars	Note	2022 Taka	2021 Taka
6(a) Consolidated Investments			
6.1(a) Government			
Community Bank Bangladesh Limited		8,681,091,102	8,795,272,389
Community Bank Investment Limited		-	-
		8,681,091,102	8,795,272,389
6.2(a) Other investments			
Community Bank Bangladesh Limited		3,182,450,251	2,821,543,948
Community Bank Investment Limited		182,999,454	161,254,776
		3,365,449,705	2,982,798,724
		12,046,540,807	11,778,071,113
7 Loans and advances			
Loans, cash credits, overdrafts etc.	7.1	52,718,378,673	43,188,295,666
Bills purchased and discounted	7.2	64,474,371	36,415,420
		52,782,853,044	43,224,711,086
7.1 Loans, cash credits, overdrafts etc.			
Continuous Loans (Excluding Credit Card)		9,120,707,713	7,231,651,749
Demand loans (Excluding Bills)		4,793,191,870	3,924,413,510
Term loans		37,743,331,724	31,093,826,039
Credit Card		662,521,960	145,418,572
Short Term Agri and Micro Credit		206,105,999	703,392,040
Staff loans	7.8	192,519,407	89,593,756
		52,718,378,673	43,188,295,666
7.2 Bills purchased and discounted			
Local bills /documents		64,474,371	36,415,420
Foreign bills /documents		-	-
		64,474,371	36,415,420
7.3 Net loans and advances			
Gross loans and advances		52,782,853,044	43,224,711,086
Less: Interest suspense		6,044,287	1,153,911
Less: Provision for loans and advances		584,235,248	464,407,005
		52,192,573,509	42,759,150,170
7.4 Maturity wise grouping of loans and advances			
Repayable on demand		4,875,303,374	1,854,434,717
More than 1 month to 3 months		3,377,962,031	3,783,468,403
More than 3 months to 1 year		7,542,040,649	6,429,072,134
More than 1 year to 5 years		17,836,092,320	21,672,013,497
More than 5 years		19,151,454,670	9,485,722,335
		52,782,853,044	43,224,711,086
7.5 Loans and advances under the following broad categories			
In Bangladesh:			
Loans		43,662,145,331	35,847,640,765
Cash credits		-	-
Overdrafts		9,120,707,713	7,377,070,321
		52,782,853,044	43,224,711,086
Outside Bangladesh:			
Loans		-	-
Cash credits		-	-
Overdrafts		-	-
		52,782,853,044	43,224,711,086
7.6 Geographical location wise portfolio grouping			
In Bangladesh:			
Dhaka Division		40,866,317,757	34,603,476,881
Chattogram Division		5,927,669,547	4,789,651,596
Khulna Division		1,857,908,638	1,560,551,654
Sylhet Division		1,456,523,196	1,181,580,352
Barishal Division		-	-
Rajshahi Division		-	-
Rangpur Division		1,354,164,683	1,089,450,603
Mymensingh Division		1,320,269,223	-
		52,782,853,044	43,224,711,086
Outside Bangladesh:			
		-	-
		52,782,853,044	43,224,711,086

Particulars	Note	2022 Taka	2021 Taka
7.7 Significant concentration wise grouping			
Directors and others		-	-
Staff:			
Managing Director and CEO		-	-
Senior Executives		43,118,001	75,022,259
Others		149,401,405	14,571,497
		<u>192,519,406</u>	<u>89,593,756</u>
Industries:			
Agricultural		645,732,409	773,348,611
Large and Medium		14,746,656,140	11,458,494,350
Small and Cottage		430,481,358	203,100,014
		<u>15,822,869,907</u>	<u>12,434,942,975</u>
Consumers		468,948,267	345,870,138
Trade and commercial		1,628,666,099	2,076,267,302
Others (Include loan against police payroll)		34,669,849,365	28,278,036,915
		<u>52,782,853,044</u>	<u>43,224,711,086</u>
7.8 Staff loan			
Car loans		74,227,937	45,055,471
Housing loans		118,291,470	44,538,285
		<u>192,519,407</u>	<u>89,593,756</u>

7.9 Detail of large loans and advances

Below statement represents number of clients with outstanding to each customer exceeding BDT 593.13 million which is equivalent to 10% of total risk based regulatory capital of the bank as at 31 December 2022. Total risk based regulatory capital of the Bank was BDT 5,931.28 million as at 31 December 2022 (BDT 5,154.11 million in 2021).

Number of clients	10	19
Amount of outstanding advances	9,157,288,733	8,850,974,552
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.	662,914,741	-	662,914,741	-
2		Ananta apparels ltd.	607,475,708	-	607,475,708	-
3	Anwar	Anwar ispat ltd.	-	-	-	552,632,797
4	ADN	ADN telecom limited	17,888,408	18,794,531	36,682,939	44,479,921
		Tech valley networks ltd. co-borrower adn technologies limited & ingen technology ltd	459,391,212	510,342,813	969,734,025	562,033,096
Subtotal			477,279,620	529,137,344	1,006,416,964	606,513,017
5	BBS cables	BBS cables limited	632,699,960	121,728,304	754,428,264	630,990,989
6	Energypac	Energypac engineering ltd.	429,501,708	865,921,979	1,295,423,687	1,215,829,433
7	Rangdhanu	Rongdhanu builders (pvt). Ltd	636,727,709	-	636,727,709	653,088,372
		RG media ltd.	33,425,147	-	33,425,147	-
Subtotal			670,152,856	-	670,152,856	-
8	Max	Max infrastructure limited	567,785,485	95,406,642	663,192,128	599,042,838
9	Confidence	Confidence power holdings limited co-borrower confidence power bogra ltd.	162,500,000	1,035,800,000	1,198,300,000	440,800,000
		Confidence batteries limited	426,805,253	-	426,805,253	211,869,044
Subtotal			589,305,253	1,035,800,000	1,625,105,253	652,669,044
10	Noman	Ismail anzuman ara fabrics limited	-	-	-	273,815,405
		Zaber & Zubair fabrics limited	-	-	-	351,157,192
Subtotal			-	-	-	624,972,597

SL No.	Group name	Name of clients	Outstanding		Total	Total
			Funded	Non-funded		
11	Rangs	Rangs Limited	-	-	-	
		Pharma solutions bangladesh limited	56,819,882	793,353,568	850,173,450	864,223,719
		Rangs electronics limited	157,800,392	70,930,689	228,731,081	324,942,209
Subtotal			214,620,274	864,284,257	1,078,904,531	1,189,165,928
12	DBL	DB tex limited	-	-	-	230,419,169
		Jinnat knitwears limited	-	-	-	101,348,907
		Flamingo fashions ltd	-	-	-	302,313,796
Subtotal			-	-	-	634,081,871
13	Kader	A A coarse- spun ltd.	-	-	-	682,263,082
14	Paramount	Paramount textile limited	591,849,089	201,425,512	793,274,601	809,724,583
Total			5,443,584,695	3,713,704,038	9,157,288,733	8,850,974,552

7.10 Grouping as per classification rules

Unclassified

Standard including staff loan	52,591,654,699	43,201,737,599
Special mention account (SMA)	113,845,090	5,878,326
	52,705,499,789	43,207,615,925

Classified

Sub standard	42,170,223	14,555,292
Doubtful	15,992,965	2,539,869
Bad/Loss	19,190,067	-
	77,353,255	17,095,161
	52,782,853,044	43,224,711,086

7.11 Sector-wise allocation of loans and advances

Government

	-	-
Private:		
Agriculture, fishing, forestry and dairy firm	645,732,409	456,374,347
Industry (Jute, textile, garments, chemicals, cements etc.)	4,807,740,053	7,673,491,216
Working capital financing	9,547,170,665	2,549,249,684
Export credit	350,955,052	293,144,319
Commercial credit	1,674,570,667	3,241,054,967
Small and cottage industries	425,367,160	297,895,744
Miscellaneous (Include loan against police payroll)	35,331,317,038	28,713,500,809
	52,782,853,044	43,224,711,086

7.12 Securities against loans/advances including bills purchased and discounted

Collateral of movable/immovable assets	3,163,413,681	3,553,349,888
Local banks and financial institutions guarantee	-	-
Government guarantee	-	-
Foreign banks guarantee	-	-
Export documents	-	-
Fixed deposit receipts (FDR)	4,837,322,053	5,402,573,457
FDR of other banks	-	-
Government bonds	-	-
Corporate Guarantee	9,608,989,545	4,880,106,317
Personal guarantee and other securities	31,580,358,346	26,097,474,096
Other securities	3,592,769,419	3,291,207,328
	52,782,853,044	43,224,711,086

7.13 Particulars of required provisions for loans and advances

Particulars	Outstanding balance as at 31 December 2022	Base for provision	Percentage of required provision	Required provision December 2022	Required provision December 2021
Unclassified - General provision					
All unclassified loans (Other than Small and Medium enterprise Financing, Consumer Financing/ MBs/SDs, Housing and loans for professional)	16,408,654,832	16,408,654,832	1%	164,086,548	131,801,364
Small and Medium enterprise financing (MFI linkage)	302,829,341	302,829,341	1%	3,028,293	3,393,920
Small and Medium enterprise financing	1,179,441,429	1,179,441,429	0.25% - 1%	3,837,577	1,843,786
Loans to BHs/MBs/SDs against share etc	420,663,911	420,663,911	2%	8,413,278	5,083,347
Housing and loan for professional	366,543,697	366,543,697	1%	3,665,437	1,452,384
Consumer finance - BP Special Loan*	31,162,456,446	31,162,456,446	1%	311,624,564	260,143,810
Consumer finance	1,903,322,622	1,903,322,622	2%	38,066,452	48,943,849
Credit Card	655,223,015	655,223,015	2%	13,104,460	-
Staff loan	192,519,406	192,519,406	1%	1,925,194	-
Special mention account	113,845,090	113,845,090	1%	1,133,324	-
Sub Total				548,885,129	452,662,460
Classified - Specific provision					
Sub-standard	42,170,223	39,577,259	20%	7,915,452	2,726,324
Doubtful	15,992,965	14,630,739	50%	7,315,369	1,154,815
Bad/Loss	19,190,067	17,100,970	100%	17,100,970	-
Sub Total				32,331,791	3,881,139
Total required provision for loans and advances				581,216,920	456,543,599
Total provision maintained (Note 13.1+13.2)				584,235,248	464,407,005
Excess/(Short) provision as at 31 December				3,018,328	7,863,406

* 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 2022	Base for provision	Percentage of required provision	Required provision December 2022	Required provision December 2021
Letter of guarantee	4,998,526,757	4,998,526,757	1%	49,985,268	24,565,922
Letter of credit	1,628,681,149	1,628,681,149	1%	16,286,811	11,825,934
Acceptances and Endorsements	28,603,091	28,603,091	1%	286,031	-
Total required provision for off balance sheet exposures				66,558,110	36,391,856
Total provision maintained (Note 13.3)				66,762,609	36,391,856
Excess/(Short) provision as at 31 December				204,499	-

Particulars	Note	2022 Taka	2021 Taka
7.15 Particulars of loans and advances			
i) Debts considered good in respect of which Bank is fully secured		10,134,263,697	12,247,130,673
ii) Debts considered good for which Bank holds no other security than the debtor's personal security		32,133,805,619	2,267,668,932
iii) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors .		10,514,783,728	28,709,911,481
iv) Debts considered doubtful or bad, not provided for		-	-
		52,782,853,044	43,224,711,086
v) Debts due by directors or officers of the banking company or any of these either separately or jointly with any other persons;		10,630,360,903	89,593,756
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;		10,630,360,903	89,593,756
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		17,100,970	-
c) Interest creditable to the Interest Suspense a/c.		4,890,376	1,153,911
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		-	-
7.16 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.		-	-
7(a) Consolidated Loans and advances			
7.1(a) Loans and advances			
Community Bank Bangladesh Limited		52,718,378,673	43,188,295,666
Community Bank Investment Limited		-	-
		52,718,378,673	43,188,295,666
7.2(a) Bills purchased and discounted			
Community Bank Bangladesh Limited		64,474,371	36,415,420
Community Bank Investment Limited		-	-
		64,474,371	36,415,420
		52,782,853,044	43,224,711,086

Particulars	Note	2022 Taka	2021 Taka
8 Fixed assets including premises, furniture and fixtures			
Cost of Property plant and equipments:			
Furniture and fixture		165,570,915	163,100,798
Office equipment, appliance and machinery		117,381,104	110,490,739
IT hardware		276,228,014	256,078,213
Motor vehicles		31,812,140	26,812,140
Capital work in progress		878,588	5,394,063
		<u>591,870,761</u>	<u>561,875,953</u>
Intangible assets			
IT software		193,469,022	186,702,098
License fee		8,608,209	8,608,209
Membership fee		2,500,000	2,500,000
		<u>204,577,231</u>	<u>197,810,307</u>
		796,447,992	759,686,260
Less: Accumulated depreciation and amortization		<u>328,858,828</u>	<u>203,470,107</u>
		467,589,164	556,216,153
Lease assets-Premises			
Right-of-use assets (As per IFRS 16)		759,695,538	759,695,538
Less: Accumulated depreciation		219,415,787	139,315,461
		<u>540,279,751</u>	<u>620,380,077</u>
Net book value at the end of the year		1,007,868,915	1,176,596,230
Details of the fixed assets are presented in 'Annexure-E'			
8(a) Consolidated Fixed assets including premises, furniture and fixtures			
Community Bank Bangladesh Limited		1,007,868,915	1,176,596,230
Community Bank Investment Limited		986,175	936,782
		<u>1,008,855,090</u>	<u>1,177,533,012</u>
9 Other assets			
9.1 Income generating other assets			
Interest receivables	9.1.1	435,830,697	587,598,911
Investment in subsidiary		250,000,000	250,000,000
Dividend receivable - Preference share		32,799,537	18,096,866
Interest receivable - Subordinated bond		3,911,738	402,950
Interest receivable - Perpetual Bond		52,006,514	15,947,568
Interest receivable - Sukuk Bond		9,057,557	-
Balance with sheltech brokerage limited		277,648	300,438
		<u>783,883,691</u>	<u>872,346,733</u>
9.1.1 Interest receivables			
Interest receivables consists of interest receivable on loans, investments etc.			
Receivable against Government securities		146,222,530	101,044,291
Receivable against balance with other bank		312,500	261,525,255
Receivable against loans and advances		289,295,667	225,029,365
		<u>435,830,697</u>	<u>587,598,911</u>
9.2 Non income generating other assets			
Stock of stamps and cartridge paper		3,369,605	4,813,930
Stock of security stationery*		8,834,400	6,910,012
Advance to staff		663,960	184,000
Advance payment of income tax	9.2.1	346,371,229	124,489,299
Deferred tax asset	9.2.2.a	-	103,632,519
Advance to vendor and supplier		800,000	625,035
Advance against office rent		45,136,661	45,755,170
Security deposit		2,330,849	2,330,849
Prepaid expenses		32,076,569	24,305,366
Trade Receivable		13,687,882	7,203,442
Clearing receivable		217,180	-
		<u>453,488,335</u>	<u>320,249,622</u>
Total other assets	9.1+9.2	1,237,372,026	1,192,596,355

* Security stationary includes such items but not limited to Debit and Credit cards, Cheque books, Pay order books etc.

Particulars	Note	2022 Taka	2021 Taka
9.2.1 Advance payment of income tax			
Opening balance		124,489,299	71,080,887
Payment made during the year		221,881,930	53,408,412
		346,371,229	124,489,299
Adjustment made during the year		-	-
Closing balance		346,371,229	124,489,299

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 (estimated)	-	259,081,300
Tax rate	40%	40%
Deferred tax asset	-	103,632,519
Opening deferred tax asset	103,632,519	42,710,937
Deferred tax expense/(income)	103,632,519	(60,921,582)

b. Deferred tax liability

I. Temporary timing difference in written down value of fixed assets

Between tax base and carrying value

Carrying amount of fixed assets	467,589,171	553,591,153
Tax base	442,141,020	488,791,000
Taxable temporary difference	25,448,151	64,800,153
Tax rate	40%	40%
Deferred tax liability	10,179,260	25,920,061

II. Temporary timing difference in interest receivable from treasury bills and bonds

Accounting base	146,222,530	125,312,103
Tax base	-	-
Taxable temporary difference	146,222,530	125,312,103
Tax rate	40%	40%
Deferred tax liability	58,489,012	50,124,841
Total Deferred tax liability (I+II)	68,668,272	76,044,902
Opening deferred tax liability	76,044,902	39,662,649
Deferred tax expense/(income)	(7,376,630)	36,382,253

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.

9(a) Consolidated other assets

Community Bank Bangladesh Limited	1,237,372,026	1,192,596,355
Community Bank Investment Limited	12,189,945	41,305,258
	1,249,561,971	1,233,901,613
Less: Inter-company transactions		
Investment in Community Bank Investment Limited	250,000,000	250,000,000
Interest receivable from Community Bank	586,300	264,384
	998,975,671	983,637,229

10 Non-banking assets

	-	-
	-	-

Particulars	Note	2022 Taka	2021 Taka
11 Borrowing from other banks, financial institutions and agents:			
Call borrowings from banks			
AB Bank Limited		-	200,000,000
Basic Bank Limited		-	600,000,000
NRB Bank Limited		100,000,000	-
Mercantile Bank Limited		200,000,000	-
Uttara Bank Limited		140,000,000	-
Short notice borrowings from banks and financial institutions			
Modhumoti Bank Limited		780,000,000	-
Basic Bank Limited		500,000,000	-
Dhaka Bank Limited		130,000,000	-
Citizen Bank Limited		400,000,000	-
One Bank Limited		200,000,000	-
Bangladesh Development Bank Limited		-	450,000,000
Uttara Bank Limited		160,000,000	300,000,000
IFIC Bank Limited		400,000,000	-
National Credit and Commerce Bank Limited		450,000,000	140,000,000
Delta Brac Housing Finance Corporation Limited		600,000,000	-
IPDC Finance Limited		200,000,000	-
IDLC Finance Limited		250,000,000	-
Borrowings from Bangladesh Bank (EDF)		350,955,052	256,728,899
		4,860,955,052	1,946,728,899
11(a) Consolidated Borrowings from other banks, financial institutions and agents			
Community Bank Bangladesh Limited		4,860,955,052	1,946,728,899
Community Bank Investment Limited		-	-
		4,860,955,052	1,946,728,899
12 Deposit and other accounts			
Current accounts and other accounts	12.1	20,201,878,618	11,033,807,756
Bills payable	12.2	542,025,770	1,004,643,268
Saving bank deposits	12.3	9,857,994,800	9,924,705,391
Fixed deposits	12.4	27,852,839,424	37,110,711,075
Other deposits	12.5	7,948,372	1,106,503
Total deposit and other accounts		58,462,686,984	59,074,973,993
12.1 Current accounts and other accounts			
Deposits in local currency			
-Current deposits		1,888,009,043	1,316,851,906
-Short term deposit		17,682,283,074	9,481,787,091
-Margin on facilities (LC, LG, Acceptance etc.)		631,586,501	235,168,759
Deposits in foreign currencies		-	-
		20,201,878,618	11,033,807,756
12.2 Bills payable			
Bills in local currency			
-Payment Order Issued		542,025,770	1,004,643,268
Bills in foreign currencies		-	-
		542,025,770	1,004,643,268
12.3 Saving bank deposits			
Deposits in local currency		9,857,994,800	9,924,705,391
Deposits in foreign currencies		-	-
		9,857,994,800	9,924,705,391
12.4 Fixed deposits			
Deposits in local currency:			
-Term deposits		26,892,024,790	36,596,182,311
-Scheme deposit		960,814,634	514,528,764
Deposits in foreign currencies:		-	-
		27,852,839,424	37,110,711,075
12.5 Other deposits			
Deposits in local currency:			
-Prepaid card balance		1,482,269	1,004,958
-Credit balance of credit card		558,158	101,545
Deposits in foreign currencies:		5,907,945	-
		7,948,372	1,106,503

Particulars	Note	2022 Taka	2021 Taka
12.6 Deposits and other accounts of the Bank			
Deposits from Banks and FIs	12.6.1	570,939,143	927,827
Deposits from customers	12.6.2	57,891,747,841	59,074,046,166
		58,462,686,984	59,074,973,993
12.6.1 Deposits from Banks and FIs			
Special notice deposits	12.6.1a	939,143	927,827
Fixed deposits	12.6.1b+12.6.1c	570,000,000	-
		570,939,143	927,827
12.6.1a Special notice deposits from FIs			
Uttara Finance and Investment Limited		25,303	26,010
IPDC Finance Limited		874,389	862,420
Lanka Bangla Finance Limited		39,451	39,397
		939,143	927,827
12.6.1b Fixed deposits from Banks			
Bangladesh Development Bank Limited		300,000,000	-
Dhaka Bank Limited		170,000,000	-
		470,000,000	-
12.6.1c Fixed deposits from FIs			
Uttara Finance and Investment Limited		100,000,000	-
		100,000,000	-
12.6.2 Deposits from customers			
Current accounts and other accounts		20,200,939,475	11,032,879,929
Bills payable		542,025,770	1,004,643,268
Saving deposits		9,857,994,800	9,924,705,391
Fixed deposits		27,282,839,424	37,110,711,075
Other deposits		7,948,372	1,106,503
		57,891,747,841	59,074,046,166
12.7 Deposit details concentrating liquidity nature			
i) Demand deposit			
Current deposit		2,519,595,544	1,552,020,665
Saving deposit (9%)		887,219,532	893,223,485
Bills payable		542,025,770	1,004,643,268
Other deposit		7,948,372	1,106,503
		3,956,789,218	3,450,993,921
ii) Time deposit			
Saving deposit (91%)		8,970,775,268	9,031,481,906
Fixed deposit		26,892,024,790	36,596,182,311
Short term deposit		17,682,283,074	9,481,787,091
Deposit pension scheme		960,814,634	514,528,764
		54,505,897,766	55,623,980,072
		58,462,686,984	59,074,973,993
12.8 Maturity analysis of deposits			
a) Maturity analysis of deposits from Banks and FIs			
Payable on demand		18,783	92,783
Payable within 1 month		70,436	162,370
Over 1 month but within 6 months		570,446,093	333,090
Over 6 month but within 1 year		140,871	214,328
Over 1 year but within 5 years		262,960	125,256
Over 5 years but within 10 years		-	-
Over 10 years		-	-
		570,939,143	927,827
b) Maturity analysis of customer deposits			
Payable on demand		718,538,492	1,930,452,999
Payable within 1 month		5,565,374,602	5,436,740,449
Over 1 month but within 6 months		28,995,399,219	26,383,554,487
Over 6 month but within 1 year		13,234,403,527	12,290,110,944
Over 1 year but within 5 years		8,988,019,994	12,815,458,640
Over 5 years but within 10 years		390,012,007	97,977,891
Over 10 years		-	119,750,756
		57,891,747,841	59,074,046,166
		58,462,686,984	59,074,973,993

Particulars	Note	2022 Taka	2021 Taka
12(a) Consolidated Deposits and other accounts			
12.1(a) Current accounts and other accounts			
Community Bank Bangladesh Limited		20,201,878,618	11,033,807,756
Community Bank Investment Limited		-	-
		<u>20,201,878,618</u>	<u>11,033,807,756</u>
Less: Inter-company transactions			
CBIL SND account balance maintained with CBBL		<u>7,762,930</u>	<u>28,535,471</u>
		<u>20,194,115,688</u>	<u>11,005,272,285</u>
12.2(a) Bills payable			
Community Bank Bangladesh Limited		542,025,770	1,004,643,268
Community Bank Investment Limited		-	-
		<u>542,025,770</u>	<u>1,004,643,268</u>
12.3(a) Savings bank deposits			
Community Bank Bangladesh Limited		9,857,994,800	9,924,705,391
Community Bank Investment Limited		-	-
		<u>9,857,994,800</u>	<u>9,924,705,391</u>
12.4(a) Fixed deposits			
Community Bank Bangladesh Limited		27,852,839,424	37,110,711,075
Community Bank Investment Limited		-	-
		<u>27,852,839,424</u>	<u>37,110,711,075</u>
Less: Inter-company transactions			
CBIL FD account balance maintained with CBBL		<u>61,094,580</u>	<u>20,000,000</u>
		<u>27,791,744,844</u>	<u>37,090,711,075</u>
12.5(a) Other deposits			
Community Bank Bangladesh Limited		7,948,372	1,106,503
Community Bank Investment Limited		-	-
		<u>7,948,372</u>	<u>1,106,503</u>
		<u>58,393,829,474</u>	<u>59,026,438,522</u>
13 Other liabilities			
Provisions for loans and advances	13.1	584,132,898	464,304,655
Special general provision for Covid-19	13.2	102,350	102,350
Provisions for off balance sheet items	13.3	66,762,609	36,391,856
Provisions for diminution in value of Investments	13.4	9,500,000	500,000
Provision for investment in subsidiary	13.5	7,446,756	-
Provisions for other assets	13.6	1,656,846	-
Provision for taxation	13.7	504,945,301	156,747,668
Deferred tax liability	9.2.2	68,668,272	76,044,902
Payable against preliminary expenses	13.8	-	41,656,259
Payable to Bangladesh Police Kallyan Trust (BPKT)	13.9	-	38,311,329
Start-up fund*	13.10	7,640,577	1,213,726
Interest suspense		6,044,287	1,153,911
Withholding tax payable		144,289,191	57,204,325
Withholding VAT payable		10,224,896	1,072,161
VAT payable		1,869,159	948,361
Excise duty Payable		71,540,350	57,719,650
Interest payable		616,942,045	763,541,160
Accrued expense		44,539,617	46,096,574
Provision for expenses-Auditors' fees		506,000	442,750
Provision for expenses-AGM		1,200,000	1,215,460
Suppliers payable against operating expenses		1,137,672	228,863
Card related payables		80,157,615	100,824,337
Unearned Income		754,040	2,778,899
Inter-bank Clearing payable		6,474,691	3,903,374
ATM and POS settlement account		2,372,000	1,861,500
Trade payables to strategic partners		21,337,768	23,414,479
Security deposit by vendor		13,304,725	31,626,929
Lease liabilities as per IFRS 16		540,279,751	592,155,853
Others		<u>15,791,124</u>	<u>1,566,549</u>
		<u>2,829,620,540</u>	<u>2,503,027,880</u>

*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 6,426,851 has been created for the year 2022 which is 1% of the net profit after tax for the year 2022.

Particulars	Note	2022 Taka	2021 Taka
13.1 Provision for loans and advances			
A. Movement in general provision on unclassified loans			
Provisions held at the beginning of the year		460,362,345	202,242,051
Add: Net charge to Profit and Loss A/C		89,736,948	258,120,294
Provisions held at the end of the year		550,099,293	460,362,345
B. Movement in specific provision on classified loans			
Provisions held at the beginning of the year		3,942,310	-
Less: Fully provided debts written off during the year		-	-
Add: Recoveries of amounts previously written off		-	-
Add: Net charge to profit and loss account		30,091,295	3,942,310
Provisions held at the end of the year		34,033,605	3,942,310
Total provision held at the end of the year (A+B)		584,132,898	464,304,655
13.2 Special general provision for Covid-19			
Provisions held at the beginning of the year		102,350	102,350
Add: Net charge to Profit and Loss A/C		-	-
Provisions held at the end of the year		102,350	102,350
13.3 Provision for off-balance sheet exposures			
Provisions held at the beginning of the year		36,391,856	16,201,609
Add: Provision made during the year		30,370,753	20,190,247
Provision held at the end of the year		66,762,609	36,391,856
13.4 Provisions for diminution in value of Investments			
Provisions held at the beginning of the year		500,000	-
Add: Provision made during the year		9,000,000	500,000
Provision held at the end of the year		9,500,000	500,000
13.5 Provision for investment in subsidiary			
Provisions held at the beginning of the year		-	-
Add: Provision made during the year		7,446,756	-
Provision held at the end of the year		7,446,756	-
13.6 Provisions for other assets			
Provisions held at the beginning of the year		-	-
Add: Provision made during the year		1,656,846	-
Provision held at the end of the year		1,656,846	-
13.7 Provision for current taxation			
Current tax expense			
Opening balance		156,747,668	20,733,245
Add: Addition during the year		348,197,633	136,014,423
		504,945,301	156,747,668
Less: Adjustment of tax provision for previous years		-	-
Balance at the end of the year		504,945,301	156,747,668
13.8 Payable against preliminary expenses			
Fees for Banking License		-	1,000,000
Fees and associated cost paid to BSEC for raising capital		-	905,000
Fees and associated cost paid to RJSC for incorporation		-	11,558,031
Purchase of pool car		-	9,068,000
Other preliminary expenses		-	19,125,228
		-	41,656,259

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. The amount of the transaction was duly paid to Bangladesh Police Kallyan Trust (BPKT) in the current year.

Particulars		Note	2022 Taka	2021 Taka
13.9 Payable to Bangladesh Police Kallyan Trust (BPKT)				
Interior decoration - Head Office and Corporate Branch			-	11,938,531
Supply and installation of air conditioning at Head Office			-	24,012,824
Other expenses			-	2,359,974
			<u>-</u>	<u>38,311,329</u>
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. The amount of the transaction was duly paid to Bangladesh Police Kallyan Trust (BPKT) in the current year.				
13.10 Start-up Fund				
Opening balance			1,213,726	-
Provision made during the year			6,426,851	1,213,726
			<u>7,640,577</u>	<u>1,213,726</u>
13(a) Consolidated Other liabilities				
Community Bank Bangladesh Limited			2,829,620,540	2,503,027,880
Community Bank Investment Limited			21,899,139	4,250,706
			<u>2,851,519,679</u>	<u>2,507,278,586</u>
Less: Inter-company transactions				
Interest payable to Community Bank Investment Limited			586,300	264,384
Provision for investment in subsidiary			7,446,756	-
			<u>2,843,486,623</u>	<u>2,507,014,202</u>
14 Share capital				
14.1 Authorized capital				
1,000,000,000 ordinary shares of Taka 10 each			<u>10,000,000,000</u>	<u>10,000,000,000</u>
14.2 Issued, subscribed and fully paid up capital				
500,000,000 ordinary shares of Taka 10 each issued for cash		14.2.1	<u>5,000,000,000</u>	<u>5,000,000,000</u>
			<u>5,000,000,000</u>	<u>5,000,000,000</u>
14.2.1 Issued, subscribed and fully paid up capital				
Balance at the beginning of the year			5,000,000,000	4,610,000,000
39,000,000 ordinary shares of Taka 10 each issued for cash in 2021			-	390,000,000
Closing balance at the end of the year			<u>5,000,000,000</u>	<u>5,000,000,000</u>
14.3 Ordinary shares				
		No. of Shares	% of shareholding 2022	% of shareholding 2021
Bangladesh Police Kallyan Trust		499,999,993	99.9999986%	99.9999986%
Directors		7	0.0000014%	0.0000014%
		<u>500,000,000</u>	<u>100%</u>	<u>100%</u>
14.4 Classification of shareholding				
Range of holding of shares	No. of Shareholders	No. of Shares	% of holding of Shares 2022	% of holding of Shares 2021
Less than 500	7	7	0.0000014%	0.0000014%
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%	99.9999986%
Total	8	500,000,000	100%	100%

Particulars	Note	2022 Taka	2021 Taka
14.5 Capital to risk weighted assets ratio (CRAR)			
Common equity tier -1 capital			
Paid up capital		5,000,000,000	5,000,000,000
Statutory reserve		273,326,492	55,898,760
Retained earnings		179,183,465	(239,647,088)
		5,452,509,957	4,816,251,672
Less: Adjustments as per regulation			
Goodwill and all other intangible assets (WDV of software, membership fee and license fee)		138,192,837	159,000,640
Deferred tax asset		-	-
		138,192,837	159,000,640
Total tier-1 capital		5,314,317,120	4,657,251,032
Tier -2 capital			
General provision		616,964,252	496,856,551
Revaluation reserves (50% of fixed assets and securities)		-	-
		616,964,252	496,856,551
Less: Adjustments as per regulation			
Revaluation reserves for fixed assets and securities		-	-
		-	-
Total tier-2 capital		616,964,252	496,856,551
A. Total regulatory capital		5,931,281,372	5,154,107,583
B. Total risk weighted assets (RWA)		34,231,576,763	26,681,155,484
C. Minimum capital requirement (MCR) (10% on B)		3,423,157,676	2,668,115,548
D. Surplus/(deficiency) [A - C]		2,508,123,696	2,485,992,035
Capital to risk weighted assets ratio (CRAR)			
Common equity tier-I (Against standard of minimum 6%)		15.52%	17.46%
Total capital to risk weighted asset ratio (Against standard of minimum 10% with capital conservation buffer of 2.5%)		17.33%	19.32%
14.5(a) Consolidated capital to risk-weighted asset (CRAR)			
Common equity tier-1 capital			
Paid up capital		5,000,000,000	5,000,000,000
Statutory reserve		273,326,492	55,898,760
Consolidated Retained earnings		179,771,589	(241,865,507)
		5,453,098,081	4,814,033,253
Less: Adjustments as per regulation			
Goodwill and all other intangible assets (WDV of software, membership fee and license fee)		138,192,837	159,000,640
Deferred tax asset		-	-
		138,192,837	159,000,640
Total tier-1 capital		5,314,905,244	4,655,032,613
Tier-2 capital			
General provision		616,964,252	496,856,551
Revaluation reserves (50% of fixed assets and securities)		-	-
		616,964,252	496,856,551
Less: Adjustments as per regulation			
Revaluation reserves for fixed assets and securities		-	-
		-	-
Total tier-2 capital		616,964,252	496,856,551
A. Total regulatory capital		5,931,869,496	5,151,889,164
B. Total risk weighted assets (RWA)		34,236,561,255	26,626,859,463
C. Minimum capital requirement (MCR) (10% on B)		3,423,656,125	2,662,685,946
D. Surplus/(deficiency) [A - C]		2,508,213,370	2,489,203,218
Capital to risk weighted assets ratio (CRAR)			
Common equity tier-I (Against standard of minimum 6%)		15.52%	17.48%
Total capital to risk weighted asset ratio (Against standard of minimum 10% with capital conservation buffer of 2.5%)		17.33%	19.35%

Particulars	Note	2022 Taka	2021 Taka
15 Statutory reserve			
Balance at the beginning of the year		55,898,760	9,329,215
Add: Transferred from profit during the year		217,427,732	46,569,545
		273,326,492	55,898,760
16 Revaluation reserve			
Revaluation reserve on govt. securities		4,120,556	8,709,168
Amortization reserve on govt. securities		7,096,135	1,359,461
		11,216,691	10,068,629
16.1 Revaluation reserve on govt. securities			
Opening balance		8,709,168	1,215,903
Add adjustment during the year in mark to market method on treasury bond		11,867,251	7,809,339
Add adjustment during the year in mark to market method on treasury bill		6,239,398	28,228,216
Less: adjustment during the year in mark to market, maturity, sale and repo on treasury bond		16,390,202	-
Less: adjustment during the year in mark to market, maturity, sale and repo on treasury bill		6,305,059	28,544,290
		4,120,556	8,709,168
16.2 Amortization reserve on govt. securities			
Opening balance		1,359,461	2,974
Add: Adjustment of amortization of HTM securities		5,950,782	1,356,487
Less: Adjustment due to bond maturity		214,108	-
		7,096,135	1,359,461
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.			
17 Surplus in profit and loss account/retained earnings			
Balance at the beginning of the year		(239,647,088)	(313,236,446)
Profit/(Loss) for the year		642,685,136	121,372,629
Transfer to statutory reserve		217,427,732	46,569,545
Transfer to start-up fund		6,426,851	1,213,726
		179,183,465	(239,647,088)
17(a) Consolidated surplus in profit and loss account/Retained earnings			
Community Bank Bangladesh Limited		179,183,465	(239,647,088)
Add: Retained surplus from Community Bank Investment Limited		(6,858,632)	(2,218,419)
Add: Inter company transaction relating to Provision for investment in subsidiary		7,446,756	-
		179,771,589	(241,865,507)
18 Contingent liabilities			
Acceptance and endorsements	18.1	28,603,091	-
Letters of guarantee	18.2	4,998,526,757	2,456,592,242
Irrevocable letters of credit	18.3	1,628,681,149	1,182,593,425
Bills for collection	18.4	181,347,735	53,523,856
Other contingent liabilities		-	-
		6,837,158,732	3,692,709,523
18.1 Acceptance and endorsements			
Acceptances (Back to back)		1,746,989	-
Acceptances (ULC-Cash)		26,856,102	-
		28,603,091	-
18.2 Letters of guarantee			
Letters of guarantee (Local)		4,998,526,757	2,456,592,242
Letters of guarantee (Foreign)		-	-
		4,998,526,757	2,456,592,242
Balance for which the Bank is contingently liable in respect of guarantees issued favouring:			
Directors or officers		-	-
Government		4,413,485,889	2,148,570,167
Banks and other financial institutions		195,239,461	30,844,924
Others		389,801,407	277,177,151
		4,998,526,757	2,456,592,242

Particulars	Note	2022 Taka	2021 Taka
18.3 Irrevocable letters of credit			
Letters of credit back to back (Inland)		41,730,251	-
Letters of credit (General)		1,586,950,898	1,182,593,425
Back to back L/C		-	-
		1,628,681,149	1,182,593,425
18.4 Bills for collection			
Local bills for collection		179,672,673	53,523,856
Foreign bills for collection		1,675,062	-
		181,347,735	53,523,856
19 Income statement			
Income:			
Interest, discount and similar income	19.1	5,563,824,868	3,615,392,311
Dividend income	22	87,889,231	73,044,841
Fees, commission and brokerage	19.2	228,290,368	119,227,135
Gains less losses arising from dealing securities	22	(1,237,485)	(22,942,214)
Gain or (loss) on REPO	22	(10,244,758)	(262,897)
Reclassification gain/(loss) on T-bond	22	2,050	15,743,619
Gains less losses arising from investment securities	22	4,277,648	136,901,162
Gains less losses arising from dealing from foreign currencies		-	19,945
Income from non-banking assets		-	-
Other operating income	24	5,240,447	1,745,877
Profit less losses on interest rate changes		-	-
		5,878,042,369	3,938,869,779
Expenses:			
Interest, fees and commission	21	3,424,188,091	2,413,226,392
Administrative expenses	19.3	859,817,426	727,667,571
Other operating expenses	32	210,564,554	165,081,030
Depreciation on banking assets	31	128,031,042	117,294,212
		4,622,601,113	3,423,269,205
Operating Profit/(Loss)		1,255,441,256	515,600,574
19.1 Interest, discount and similar income			
Interest on loans and advances		4,671,975,195	2,762,967,054
Interest on money at call on short notice		77,047,931	24,950,820
Interest on placement with banks and financial institutions		59,437,228	408,040,413
Interest on treasury bills and bonds		594,269,609	351,606,794
Interest on subordinated bond		21,123,979	14,099,663
Interest on commercial paper		119,313,369	53,727,567
Profit on sukuk bond		20,657,557	-
		5,563,824,868	3,615,392,311
19.2 Fees, commission and brokerage			
Fees		97,051,897	59,538,052
Commission		131,238,471	59,689,083
		228,290,368	119,227,135
19.3 Administrative expenses			
Salaries and allowances		511,614,931	446,966,275
Rent, taxes, insurance, electricity etc.		208,195,252	178,625,608
Legal expenses		597,448	44,266
Postage, stamps, telecommunication etc.		25,804,705	12,933,594
Stationery, printing, advertisement etc.		14,733,152	13,364,928
Chief Executive's salary and fees	28	16,825,000	16,724,700
Directors' fees and expenses		1,591,600	1,315,600
Auditors' fee		506,000	442,750
Repairs and maintenance		79,949,338	57,249,850
		859,817,426	727,667,571
20 Interest income			
Interest on loans and advances		4,671,975,195	2,762,967,054
Interest on money at call on short notice		77,047,931	24,950,820
Interest on placement with banks and financial institutions		59,437,228	408,040,413
		4,808,460,354	3,195,958,287

Particulars	Note	2022 Taka	2021 Taka
20(a) Consolidated Interest income			
Community Bank Bangladesh Limited		4,808,460,354	3,195,958,287
Community Bank Investment Limited		1,986,215	6,219,352
		<u>4,810,446,569</u>	<u>3,202,177,639</u>
Less: Inter-company transactions			
Interest income from parent		1,986,215	5,666,829
		<u>4,808,460,354</u>	<u>3,196,510,810</u>
21 Interest paid on deposits and borrowings			
Interest on current accounts		15,790,048	8,008,405
Interest on special notice deposits (SND)		1,150,633,819	452,838,059
Interest on savings deposits		163,033,738	121,542,139
Interest on term deposits		1,997,970,095	1,821,901,267
		<u>3,327,427,700</u>	<u>2,404,289,870</u>
Interest on money at call on short notice		92,843,822	8,936,522
Interest on Bangladesh Bank borrowings		3,916,569	-
		<u>3,424,188,091</u>	<u>2,413,226,392</u>
21(a) Consolidated Interest paid on deposits and borrowings			
Community Bank Bangladesh Limited		3,424,188,091	2,413,226,392
Community Bank Investment Limited		-	-
		<u>3,424,188,091</u>	<u>2,413,226,392</u>
Less: Inter-company transactions			
Interest paid to subsidiary		1,986,215	5,666,829
		<u>3,422,201,876</u>	<u>2,407,559,563</u>
22 Investment income			
Interest on treasury bills and bonds		589,934,130	351,606,794
Gain/(Loss) on dealing of securities		(1,237,485)	(22,942,214)
Interest on reverse REPO		4,335,479	-
Gain/ (Loss) on REPO		(10,244,758)	(262,897)
Reclassification gain/(loss) on T-bond		2,050	15,743,619
Interest on subordinated bond		21,123,979	14,099,663
Interest on perpetual bond		119,313,369	53,727,567
Profit on sukuk bond		20,657,557	-
Gain on trading shares (Realized)		4,277,648	136,901,162
Dividend on preference shares		69,117,291	64,276,314
Dividend on ordinary shares		18,771,940	8,768,527
		<u>836,051,200</u>	<u>621,918,535</u>
22(a) Consolidated investment income			
Community Bank Bangladesh Limited		836,051,200	621,918,535
Community Bank Investment Limited		18,014,073	845,980
		<u>854,065,273</u>	<u>622,764,515</u>
23 Commission, exchange and brokerage			
Commission on general banking (PO, FDD)		164,487	144,067
Commission on trade business (LG, LC, Acceptance)		67,715,512	42,276,111
Commission on digital banking service		11,011,637	10,236,740
Commission on underwriting Treasury bill/ Bond		2,148,820	461,805
Commission on automated chalan		441,243	-
Other commission		397,546	220,766
Exchange gain (net of exchange loss)	23.1	49,359,226	6,369,539
Service fees and charges		97,051,897	59,538,052
		<u>228,290,368</u>	<u>119,247,080</u>
23.1 Service fees and charges			
Account service charges		3,231,838	2,321,208
Appraisal/processing fees		4,733,895	4,915,185
Fees and charges (Debit, Credit, Prepaid Cards, etc.)		82,983,670	48,841,433
SMS banking charges		1,816,287	1,385,262
BACH/BEFTN charges		888,848	378,069
Trade finance charges		2,882,179	1,384,445
Locker charges		493,300	303,000
Pay order fees		21,880	9,450
		<u>97,051,897</u>	<u>59,538,052</u>

Particulars	Note	2022 Taka	2021 Taka
23(a) Consolidated commission, exchange and brokerage			
Community Bank Bangladesh Limited		228,290,368	119,247,080
Community Bank Investment Limited		-	-
		228,290,368	119,247,080
24 Other operating income			
Miscellaneous income		5,240,447	1,745,877
		5,240,447	1,745,877
24(a) Consolidated other operating income			
Community Bank Bangladesh Limited		5,240,447	1,745,877
Community Bank Investment Limited		-	-
		5,240,447	1,745,877
25 Rent, taxes, insurance, electricity etc.			
Rent, rates and taxes	25.1	141,237,018	135,823,688
Insurance*		43,189,423	28,074,680
Power and electricity		11,699,056	2,789,083
Other utility		12,069,755	11,938,157
		208,195,252	178,625,608
25.1 Due to the adoption of IFRS 16, depreciation on ROU assets (Tk. 80,100,325) and interest expenses (Tk. 35,647,685) are included in rental expense.			
Depreciation of ROU assets		80,100,325	80,100,325
Interest expenses on lease liabilities		35,647,685	38,290,249
		115,748,010	118,390,574
* The major portion of insurance premium (BDT 35,419,388 in 2022 and 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.			
25(a) Consolidated rent, taxes, insurance, electricity etc.			
Community Bank Bangladesh Limited		208,195,252	178,625,608
Community Bank Investment Limited		674,649	552,167
		208,869,901	179,177,775
26 Postage, stamp, telecommunication etc			
Postage and courier		2,405,874	1,965,673
Telegram, telex, fax and network		6,687,633	5,703,782
Court fees and stamps		32,445	139,740
Telephone and mobile		16,678,753	5,124,399
		25,804,705	12,933,594
26(a) Consolidated postage, stamps, telecommunication etc.			
Community Bank Bangladesh Limited		25,804,705	12,933,594
Community Bank Investment Limited		14,949	15,115
		25,819,654	12,948,709
27 Stationery, printing, advertisement etc.			
Office stationery and printing		5,576,895	6,089,593
Security stationery		3,794,481	5,425,936
Advertisement		5,361,776	1,849,399
		14,733,152	13,364,928
27(a) Consolidated stationery, printing, advertisements etc.			
Community Bank Bangladesh Limited		14,733,152	13,364,928
Community Bank Investment Limited		13,648	2,115
		14,746,800	13,367,043
28 Chief Executive's salary and fees			
Basic salary		10,250,000	10,167,000
Festival bonus		1,700,000	1,694,000
Leave fair assistance		850,000	847,000
House rent allowance		1,800,000	1,800,000
Bank's contribution to PF		1,025,000	1,016,700
House Maintenance and Security		1,200,000	1,200,000
		16,825,000	16,724,700

Particulars	Note	2022 Taka	2021 Taka
29 Directors' fees and expenses			
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 2022.			
Meeting attendance fees		1,591,600	1,315,600
		1,591,600	1,315,600
29(a) Consolidated Directors' fees			
Community Bank Bangladesh Limited		1,591,600	1,315,600
Community Bank Investment Limited		152,800	276,000
		1,744,400	1,591,600
30 Auditors' fees			
Annual audit fees		440,000	385,000
VAT on audit fees (i.e. 15%)		66,000	57,750
		506,000	442,750
30(a) Consolidated Auditors fees			
Community Bank Bangladesh Limited		506,000	442,750
Community Bank Investment Limited		31,625	28,750
		537,625	471,500
31 Depreciation on and repairs to bank's assets			
Depreciation of property plant and equipments*			
Furniture and fixtures		18,324,701	15,496,774
Office equipments, appliance and machinery		22,849,141	21,056,906
IT hardware		53,170,045	48,847,832
Motor vehicles		6,112,428	5,352,869
Amortization of intangible assets			
IT software		27,574,727	26,539,831
		128,031,042	117,294,212
Repairs and maintenance expenses			
Transport maintenance		31,187,152	21,298,467
Building maintenance		85,173	242,705
Hardware and software maintenance		30,147,554	21,019,474
Premises maintenance		3,132,980	2,473,830
Maintenance expense-Cards		5,868,772	6,981,224
Maintenance expense-ATM		9,527,707	5,234,150
		79,949,338	57,249,850
		207,980,380	174,544,062
*Due to the adoption of IFRS 16, depreciation on ROU assets (Tk. 80,100,326) is included in rental expenses.			
31(a) Consolidated depreciation and repairs of Bank's assets			
Community Bank Bangladesh Limited		207,980,380	174,544,062
Community Bank Investment Limited		587,492	100,947
		208,567,872	174,645,009
32 Other expenses			
Local conveyance		4,154,384	4,846,772
Fuel expenses		5,776,950	5,824,842
Staff traveling		1,217,356	1,092,152
Professional fees		2,443,604	2,129,447
Regulatory fees and charges		601,515	438,552
Office refreshment		6,094,577	4,701,697
Promotional expenses		8,512,375	7,299,679
Books, news papers and periodicals		194,007	178,518
Excise duty and Government levies		577,821	994,870
Staff training, development and engagement		4,489,551	2,164,979
Staff recruitment		2,157,240	2,259,391
Cash carrying charges		18,474,908	17,302,863
Bank charges		12,352,738	12,660,415
Utensils		88,778	162,447
IT enabled services		20,500	1,559,893
IT consumables		1,126,492	1,932,682
Security expense		53,427,343	52,656,419
Cleaning expense		246,804	107,443
Card issue and renewal expense		19,986,885	9,567,460
Card transaction driven expenses		21,945,360	3,074,323
AGM expenses		1,046,498	871,189
SWIFT cost		3,801,335	7,069,298
Membership fees and subscriptions		8,832,124	5,095,682
Sponsorship / CSR expenses		12,290,000	-

Particulars	Note	2022 Taka	2021 Taka
Outsourced support staff salary and allowance		18,072,603	17,780,852
Office consumable		1,475,252	2,114,516
CDBL charges		54,488	375,585
NID verification expense		470,066	692,054
Loss on sale of fixed assets		-	27,010
Archiving expense		633,000	100,000
		210,564,554	165,081,030
32(a) Consolidated other expenses			
Community Bank Bangladesh Limited		210,564,554	165,081,030
Community Bank Investment Limited		726,959	1,888,193
		211,291,513	166,969,223
33 Provision			
For classified loans and advances		30,091,295	3,942,310
For unclassified loans and advances		89,736,948	258,120,294
		119,828,243	262,062,604
For off balance sheet items		30,370,753	20,190,247
For diminution in value of Investments		9,000,000	500,000
Provision for investment in subsidiary		7,446,756	-
Provision for other assets		1,656,846	-
		168,302,598	282,752,851
33(a) Consolidated provision for loans and advances and investments			
33.1(a) For loans and advances			
Community Bank Bangladesh Limited		119,828,243	262,062,604
Community Bank Investment Limited		-	-
		119,828,243	262,062,604
33.2(a) For off balance sheet items			
Community Bank Bangladesh Limited		30,370,753	20,190,247
Community Bank Investment Limited		-	-
		30,370,753	20,190,247
33.3(a) For diminution in value of Investments			
Community Bank Bangladesh Limited		9,000,000	500,000
Community Bank Investment Limited		16,811,754	3,302,411
		25,811,754	3,802,411
33.4(a) For other assets			
Community Bank Bangladesh Limited		1,656,846	-
Community Bank Investment Limited		-	-
		1,656,846	-
34 Provision for taxation			
34.1 Current tax expense			
Current year		348,197,633	136,014,423
Adjustment for prior year		-	-
		348,197,633	136,014,423
34.2 Deferred tax expense/(income)			
Net deferred Tax expense/(income) originated for temporary differences		96,255,889	(24,539,329)
		96,255,889	(24,539,329)
34(a) Consolidated provision for taxation			
34.1(a) Current tax expense			
Community Bank Bangladesh Limited		348,197,633	136,014,423
Community Bank Investment Limited		907,489	693,890
		349,105,122	136,708,313
34.2(a) Deferred tax expense/(income) (net)			
Community Bank Bangladesh Limited		96,255,889	(24,539,329)
Community Bank Investment Limited		(3,054,982)	21,582
		93,200,907	(24,517,747)
		442,306,029	112,190,566

Particulars	Note	2022 Taka	2021 Taka
35 Earnings per share			
Earnings per share (EPS) has been computed by dividing the profit after tax (PAT) by the number of ordinary shares outstanding as on 31 December 2022 as per IAS 33: Earnings per share. Diluted EPS was not required to calculate as there was no dilution possibilities during the year.			
Net profit after tax (Numerator)		642,685,136	121,372,629
Number of Ordinary shares outstanding (Denominator)		500,000,000	490,013,699
Earnings per share (EPS)		1.29	0.25
35(a) Consolidated earnings per share			
Net profit after tax (Numerator)		645,491,679	119,154,210
Number of Ordinary shares outstanding (Denominator)		500,000,000	490,013,699
Consolidated earnings per share (CEPS)		1.29	0.24
36 Cash and cash equivalent			
Cash in hand (Including foreign currency)		1,182,380,382	1,086,583,556
Balance with Bangladesh Bank and its agents banks (Including foreign currency)		2,813,305,917	2,961,820,880
Balance with other banks and financial institutions		129,667,587	6,951,926,629
Money at call on short notice		600,000,000	140,000,000
Prize bond		296,900	285,300
		4,725,650,786	11,140,616,365
36(a) Consolidated cash and cash equivalent			
Community Bank Bangladesh Limited		4,725,650,786	11,140,616,365
Community Bank Investment Limited		68,857,510	48,535,471
		4,794,508,296	11,189,151,836
Less: Inter-company transactions			
CBIL bank account balance maintained with CBBL		68,857,510	48,535,471
		4,725,650,786	11,140,616,365
37 Receipts from other operating activities			
Miscellaneous income		5,240,447	1,748,377
		5,240,447	1,748,377
38 Payment for other operating activities			
Rent, taxes, insurance, electricity etc.		208,195,252	178,625,608
Legal expense		597,448	44,266
Audit fees		506,000	442,750
Directors fees and expenses		1,591,600	1,315,600
Repair and maintenance		79,949,338	57,249,850
Other expenses		210,516,764	165,045,872
		501,356,402	402,723,946
38(a) Consolidated Payment for other operating activities			
Community Bank Bangladesh Limited		501,356,402	402,723,946
Community Bank Investment Limited		1,994,837	2,499,838
		503,351,239	405,223,784
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 31st Board Meeting held on June 14, 2022 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. Habibur Rahman, BPM (Bar), PPM (Bar)	Director	Member	M.Ed
3.	Dr. Shueb Reaz Alam	Director	Member	PhD, M.Sc (Engg.)
4.	Dr. Abdullah Al Mahmud	Independent Director	Member	MBA, PhD
5.	Mr. B M Forman Ali, PPM	Director	Member	BA

During year 2022, the Audit Committee of the Board conducted 07 (Seven) 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 2022
- > Recommended the appointment of Corporate Governance Compliance Auditors of the Bank for the year 2022
- > Management Report made by the External Auditors
- > Capital Management & Dividend Policy of Community Bank Bangladesh Limited
- > Review of different policies of the Bank

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/ outstanding amount 2022	Transaction/ outstanding amount 2021
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, 11th Floor and 12th Floor)	60,839,867	59,983,547
2	Bangladesh Police Kallyan Trust (BPKT)	Parent	Preliminary expenses paid	79,967,588	-
3	Police Trust 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)	40,331,609	38,722,663
4	Police Trust Tours and Travels	A unit of parent	Mainly airline tickets sales	79,172	Nil
5	Police News	A unit of Parent	Payment for advertisement of CBBL	1,200,000	400,000
6	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-5,10,11and 12)	13,313,646	11,506,564
7	Police Trust Industrial Product Limited	A unit of Parent	Payment for purchase of stationary and pantry items	657,480	143,832
8	PKT Security and Logistics Limited	A unit of parent	Current account maintained with CBBL	Net transaction-deposit BDT 576,666.00	Net transaction-withdrawal BDT 4,180,925.00
				Outstanding-BDT 2,185,646.86	Outstanding-BDT 1,608,980.86
9	PKT Security and Logistics Limited	A unit of parent	SND account maintained with CBBL	Net transaction-withdrawal BDT 37,455,370.93	Net transaction-deposit BDT 30,617,044.16
				Outstanding-BDT 856,327.35	Outstanding-BDT 38,311,698.28
10	Police Trust Tours and Travels	A unit of parent	Current account maintained with CBBL	Net transaction-00.00	Net transaction-withdrawal BDT 42,053.00
				Outstanding-BDT 2,849.99	Outstanding-BDT 2,849.99
11	Police Trust Tours and Travels	A unit of parent	SND account maintained with CBBL	Net transaction-deposit BDT 541,217.51	Net transaction-deposit BDT 98,680.95
				Outstanding-BDT 639,898.46	Outstanding-BDT 98,680.95

Sl no.	Name of the Related Parties	Relationship	Nature of transactions	Transaction/ outstanding amount 2022	Transaction/ outstanding amount 2021
12	Police Trust Tours and Travels	A unit of parent	Fixed deposit account maintained with CBBL	Net transaction-deposit BDT 3,000,000.00	Net transaction-deposit BDT 00.00
				Outstanding-BDT 3,000,000.00	Outstanding-BDT 00.00
13	Bangladesh Police Kallyan Trust Bank Tahabil Kendriya	A unit of parent	Current account maintained with CBBL	Net transaction-withdrawal 7,875,405.25	Net transaction-deposit BDT 3,078,163.00
				Outstanding-BDT 4,720,416.22	Outstanding-BDT 12,595,821.47
14	Bangladesh Police Kallyan Trust Anudan Tahabil	A unit of parent	Current account maintained with CBBL	Net transaction-withdrawal 2,759,577.00	Net transaction-withdrawal 41,639,554.00
				Outstanding-BDT 252,258.00	Outstanding-BDT 3,011,835.00
15	Police Plaza Nondonkanon Chattagram	A unit of parent	Current account maintained with CBBL	Net transaction-deposit BDT 70,000.00	Net transaction-withdrawal 29,580,000.00
				Outstanding-BDT 71,515.00	Outstanding-BDT 1,515.00
16	Bangladesh Police Kallyan Trust Nirman	A unit of parent	Current account maintained with CBBL	Net transaction-BDT 00.00	Net transaction-withdrawal 2,329,913.00
				Outstanding-BDT 30,509.12	Outstanding-BDT 30,509.12
17	BPKT Dew Drinking Water	A unit of parent	Current account maintained with CBBL	Net transaction-Deposit BDT 55,579.00	Net transaction-withdrawal 996,297.00
				Outstanding-BDT 59,184.45	Outstanding-BDT 3,605.45
18	Police Trust Convention Centre Chattogram	A unit of parent	Current account maintained with CBBL	Net transaction-withdrawal BDT 929,927.13	Net transaction-withdrawal 12,236,470.00
				Outstanding-BDT 427.87	Outstanding-BDT 930,355.00
19	Police Plaza Munshigonj	A unit of parent	Current account maintained with CBBL	Net transaction- 00.00	Net transaction-withdrawal 00.00
				Outstanding-BDT 145.00	Outstanding-BDT 145.00
20	Police Plaza Comilla	A unit of parent	Current account maintained with CBBL	Net transaction- 00.00	Net transaction-withdrawal 00.00
				Outstanding-BDT 145.00	Outstanding-BDT 145.00
21	Police Plaza Bogura	A unit of parent	Current account maintained with CBBL	Net transaction-withdrawal 788,470.30	Net transaction-deposit 1,600,481.00
				Outstanding-BDT 812,155.70	Outstanding-BDT 1,600,626.00
22	Kuakata Project Potuakhali	A unit of parent	Current account maintained with CBBL	Net transaction-withdrawal 160.00	Net transaction-withdrawal 141,765.00
				Outstanding-BDT 59.00	Outstanding-BDT 219.00
23	PSC Convention Hall Mirpur	A unit of parent	Current account maintained with CBBL	Net transaction-withdrawal 2,610,333.00	Net transaction-deposit 402,071.00
				Outstanding-BDT 6,177,486.00	Outstanding-BDT 8,787,819.00
24	PPC Biggapon AAI	A unit of parent	Current account maintained with CBBL	Net transaction-deposit 204,284.34	Net transaction-withdrawal 10,493,963.96
				Outstanding-BDT 204,930.38	Outstanding-BDT 646.04
25	Police Trust Construction and Development Limited	A unit of parent	Current account maintained with CBBL	Net transaction-deposit 4,110,641.75	Net transaction-00.00
				Outstanding-BDT 4,110,641.75	Outstanding-BDT 00.00

Sl no.	Name of the Related Parties	Relationship	Nature of transactions	Transaction/ outstanding amount 2022	Transaction/ outstanding amount 2021
26	A separate customer account maintained by BPKT on account of Community Bank Bangladesh Limited	Parent	Current account maintained with CBBL	Net transaction- 00.00	Net transaction-withdrawal 8,014,000.00
				Outstanding- BDT 669.33	Outstanding- BDT 669.33
27	Bangladesh Police Kallyan Trust (Donation Fund)	Parent	SND account maintained with CBBL	Net transaction-withdrawal 1,504,295.17	Net transaction-deposit 653,580.67
				Outstanding- BDT 6,752.29	Outstanding- BDT 1,511,047.46
28	Police Trust Construction and Development Limited	A unit of parent	SND account maintained with CBBL	Net transaction-deposit 5,254,221.38	Net transaction-deposit 28,257,609.99
				Outstanding- BDT 33,511,831.37	Outstanding- BDT 28,257,609.99
29	Police Trust Industrial Products Limited	A unit of parent	SND account maintained with CBBL	Net transaction-deposit 14,571,668.85	Net transaction - deposit 17,499,400.13
				Outstanding- BDT 32,071,068.98	Outstanding- BDT 17,499,400.13
30	Police Trust Security and Logistics Limited	A unit of parent	SND account maintained with CBBL	Net transaction-deposit 40,003,119.11	Net transaction- 00.00
				Outstanding- BDT 40,003,119.11	Outstanding- BDT 00.00
31	Bangladesh Police Kallyan Trust Employees Provident Fund	A unit of parent	SND account maintained with CBBL	Net transaction-deposit 323,584.76	Net transaction- 00.00
				Outstanding- BDT 323,584.76	Outstanding- BDT 00.00
32	Police Trust Construction and Development Limited	A unit of parent	Fixed deposit account maintained with CBBL	Net transaction-deposit 20,000,000.00	Net transaction-deposit 00.00
				Outstanding- BDT 20,000,000.00	Outstanding- BDT 00.00
33	Police Plaza Bogura	A unit of parent	Fixed deposit account maintained with CBBL	Net transaction-deposit 00.00	Net transaction-deposit 24,000,000.00
				Outstanding- BDT 24,000,000.00	Outstanding- BDT 24,000,000.00
34	Bangladesh Police Service Foundation	A unit of parent	SND account maintained with CBBL	Net transaction-deposit 5,079,454.07	Net transaction-deposit 4,204,194.95
				Outstanding- BDT 12,327,486.65	Outstanding- BDT 7,248,032.58
35	Bangladesh Police Kallyan Trust (BPKT)	Parent	Current account maintained with CBBL	Net transaction-withdrawal BDT 128,156.00	Net transaction-deposit BDT 3,078,163
				Outstanding- BDT 36,215.50	Outstanding- BDT 164,371.50
36	Bangladesh Police Kallyan Trust (BPKT)	Parent	SND account maintained with CBBL	Net transaction-withdrawal BDT 12,957,253.60	Net transaction withdrawal BDT 13,368,250
				Outstanding- BDT 104,102,732.42	Outstanding- BDT 117,059,986.02
37	Bangladesh Police Kallyan Trust (BPKT)	Parent	Fixed deposit account maintained with CBBL	Net transaction-deposit BDT 117,200,000.00	Net transaction-deposit 744,500,000.00
				Outstanding- BDT 1,061,700,000.00	Outstanding- BDT 944,500,000.00
38	Police Plaza Concord	A unit of parent	Current account maintained with CBBL	Net transaction-withdrawal BDT 39,595,497.92	Net transaction-deposit BDT 34,301,577.07
				Outstanding- BDT 18,745,343.34	Outstanding- BDT 58,340,841.26

39	Community Bank Investment Limited	Subsidiary	SND account maintained with CBBL	Net withdrawal BDT 20,763,540.97	Net withdrawal BDT 73,076,023
				Outstanding- BDT 7,771,930.31	Outstanding- BDT 28,535,471.28
40	Community Bank Investment Limited	Subsidiary	Fixed deposit account maintained with CBBL	Net deposit BDT 41,094,580	Net deposit BDT 20,000,000.00
				Outstanding- BDT 61,094,580.00	Outstanding- BDT 20,000,000.00

ii) Name of the Directors and the entities in which they have interest as on 31 December 2022

Sl no.	Name of Director	Status with The Bank	Name of the firms/ companies in which they have interest	Educational qualification
1	Mr. Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM Inspector General of Police, Bangladesh	Chairman	Bangladesh Police Kallyan Trust	BSS (Hons), MSS
2	Mr. Md Kamrul Ahsan, BPM (Bar) Additional IG (Admin), Bangladesh Police	Director	Bangladesh Police Kallyan Trust	B.Sc Agri (Hons), MBA
3	Mr. Md. Monirul Islam, BPM (Bar), PPM (Bar) Additional IG (Special Branch), Bangladesh Police	Director	Bangladesh Police Kallyan Trust	BA (Hon's), MA, LLB (Hon's), MSS
4	Mr. M. Khurshid Hossain, BPM (Bar), PPM Director General, Rapid Action Battalion	Director	Bangladesh Police Kallyan Trust	B. Com (Hons), M. Com
5	Mr. S M Ruhul Amin Additional IG (Anti Terrorism Unit), Bangladesh Police	Director	Bangladesh Police Kallyan Trust	BSS (Hon's), MSS
6	Mr. Md. Mazharul Islam Additional IG (L & AA), Bangladesh Police	Director	Bangladesh Police Kallyan Trust	B. Sc Agri (Hons), MBA (HRM), M. Sc
7	Mr. Md. Atiqul Islam, BPM (Bar), PPM (Bar) Additional IG (Crime & Operations), Bangladesh Police	Director	Bangladesh Police Kallyan Trust	B. Sc (Hons) Pharmacology (BSMMU), PGD (Australia) M.Phil
8	Dr. Hasan Ul Haider, BPM Additional IG (APBN), Bangladesh Police	Director	Bangladesh Police Kallyan Trust	M. Sc (Agri.), PhD
9	Mr. Md. Shahabuddin Khan, BPM (Bar) Additional IG (Highway Police), Bangladesh Police	Director	Bangladesh Police Kallyan Trust	B. Sc Agri (Hons), M. Sc (Agri.)
10	Mr. Md. Mahabubor Rahman, BPM (Bar), PPM Additional IG (Industrial Police), Bangladesh Police	Director	Bangladesh Police Kallyan Trust	B. Sc (Hons), M. Sc
11	Mr. Habibur Rahman, BPM (Bar), PPM (Bar) Additional IG (Tourist Police), Bangladesh Police	Director	Bangladesh Police Kallyan Trust	Masters in Education
12	Mr. Md Aminul Islam, BPM (Bar) DIG (Audit & Inspection), Bangladesh Police	Director	Bangladesh Police Kallyan Trust	M. Sc
13	Mr. Md. Mahbubur Rahman Bhuiyan, BPM (Bar) DIG (Railway Police), Bangladesh Police	Director	Bangladesh Police Kallyan Trust	M. Sc, MBA
14	Mr. Quazi Zia Uddin, BPM DIG (HRM), Bangladesh Police	Director	Bangladesh Police Kallyan Trust	BA (Hons), MA
15	Dr. Shoeb Reaz Alam Additional DIG (Development Revenue- 1) Bangladesh Police	Director	Bangladesh Police Kallyan Trust	M. Sc (Engg.), PhD
16	Mr. Sufian Ahmed Superintendent of Police & Director (Academic), Police Staff College	Director	Bangladesh Police Kallyan Trust	BURP, MURP (BUET)
17	Mr. B M Forman Ali, PPM Inspector, Bangladesh Police and President, Bangladesh Police Association	Director	Bangladesh Police Kallyan Trust	BA
18	Mr. Masud Khan, FCA, FCMA Chairman, Unilever Consumer Care Limited and Chief Advisor, Crown Cement Group	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

19	Mr. Kazi Masihur Rahman (Ex-Managing Director and CEO of Mercantile Bank Ltd)	Independent Director		MSS
20	Dr. Abdullah Al Mahmud	Independent Director	Professor, Department of Banking and Insurance, University of Dhaka	MBA, PhD
21	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 31.12.2022.

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 564 (2021: 473).

39.5 Post balance sheet events

The Board of Directors in its 37th Board meeting held on 23 March 2023 has proposed 3.5% cash 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
Dr. Shoeb Reaz Alam



Chairman
Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM

Community Bank Bangladesh Limited

Highlights on the overall activities

As at 31 December 2022

Amount in Taka unless otherwise specified

Sl no.	Particulars	2022	2021
1	Paid-up Capital	5,000,000,000	5,000,000,000
2	Total Capital	5,931,281,372	5,154,107,583
3	Capital (deficit)/surplus	2,508,123,696	2,485,992,035
4	Total Asset	71,616,989,224	68,351,051,073
5	Total Deposit	58,462,686,984	59,074,973,993
6	Total loans and advances	52,782,853,044	43,224,711,086
7	Total contingent liabilities and commitments	6,837,158,732	3,692,709,523
8	Credit deposit ratio	86.76%	71.32%
9	Percentage of classified loans against total loans and advances	0.15%	0.04%
10	Profit after tax and provision	642,685,136	121,372,629
11	Amount of classified loans during current year	77,353,255	17,095,161
12	Provisions kept against classified loans	34,033,605	3,942,310
13	Provision surplus against classified loans	1,701,814	61,171
14	Cost of fund	5.09%	4.71%
15	Interest earning assets	70,155,631,974	66,854,205,221
16	Non-interest earning assets	1,461,357,250	1,496,845,852
17	Return on investment (ROI) [PAT/(Shareholders' equity + Borrowing)]	7.52%	2.19%
18	Return on assets (ROA) [PAT/ Average assets]	0.92%	0.25%
19	Income from investment	836,051,200	621,918,535
20	Earnings per share	1.29	0.25
21	Net income per share	1.29	0.25
22	Price earning ratio	Not applicable	Not applicable

Community Bank Bangladesh Limited

Reconciliation statement of balance with Bangladesh Bank

As at 31 December 2022

	Detail	Total
1) Balance with Bangladesh Bank-Taka account of the Bank		
Balance as per Bank ledger		2,793,919,766
Unresponded debit entries in Bangladesh Bank statement	18,115,102	
Community Bank's ledger	-	18,115,102
		<u>2,775,804,664</u>
Unresponded credit entries in Bangladesh Bank statement	8,100	
Community Bank's ledger	-	8,100
Balance as per Bangladesh Bank statement		<u>2,775,812,764</u>
2) Balance with Bangladesh Bank-Foreign currency of the Bank		
Balance as per Bank ledger		19,386,151
Unresponded debit entries in Bangladesh Bank statement	-	
Community Bank's ledger	-	-
		<u>19,386,151</u>
Unresponded credit entries in Bangladesh Bank statement	-	
Community Bank's ledger	-	-
Balance as per Bangladesh Bank statement		<u>19,386,151</u>

Community Bank Bangladesh Limited

Balance with other banks-outside Bangladesh (nostro account)

As at 31 December 2022

Name of Bank	Account type	Currency type	2022			2021		
			FC Amount	Exchange Rate	Equivalent Taka	FC Amount	Exchange Rate	Equivalent Taka
Habib America, NY-USD	Current	USD	70,107	103.29	7,241,543	39,898	85.800	3,423,282
AB Bank Limited Mumbai, India	Current	USD	62,539	103.29	6,459,812	76,820	85.800	6,591,128
Sonali Bank (UK) -USD	Current	USD	40,995	103.29	4,234,532	-	-	-
Total			173,641		17,935,887	116,718		10,014,410

Community Bank Bangladesh Limited

Investment in Shares

As at 31 December 2022

Sl. no	Name of the company	Face value	No. of shares	Cost of holding	Average cost	Quoted rate per share as on 31.12.2022	Total market value as at 31.12.2022
Quoted							
1	Islami Commercial Insurance Company Limited	10	8,798	87,980	10.00	28.10	247,224
2	ICB AMCL CMSF Golden Jubilee Mutual Fund	10	1,870,235	18,702,350	10.00	9.90	18,515,327
Total				18,790,330			18,762,550
Quoted under Special Fund for Capital Market (SFCM)*							
1	British American Tobacco Bangladesh Company Limited	10	79,594	49,152,656	617.54		
2	Bangladesh Submarine Cable Company Limited	10	148,864	31,516,371	211.71		
3	Beximco Pharmaceuticals Limited	10	240,026	50,591,187	210.77		
4	The City Bank Limited	10	191,812	4,702,776	24.52		
5	Confidence Cement Limited	10	57,229	8,607,698	150.41		
6	Dhaka Insurance Limited	10	124,384	11,184,835	89.92		
7	Doreen Power Generations and Systems Limited	10	172,480	11,309,099	65.57		
8	Eastern Bank Limited	10	110,994	3,995,910	36.00		
9	Grameen Phone Limited	10	92,692	30,193,851	325.74		
10	IDLIC Finance Limited	10	166,015	10,537,171	63.47		
11	Lanka Bangla Finance Company Limited	10	100,000	4,180,425	41.80		
12	Power Grid Company of Bangladesh Limited	10	113,000	7,831,363	69.30		
13	Sandhani Life Insurance Company Limited	10	200,000	9,083,653	45.42		
14	Square Pharmaceuticals Limited	10	285,385	66,505,569	233.04		
15	United Power Generation and Distribution Co. Limited	10	37,473	10,115,409	269.94		
16	LafargeHolcim Bangladesh Limited	10	351,338	25,373,107	72.22		
17	SAIF Powertec Limited	10	106,000	4,380,926	41.33		
18	ACI Limited	10	46,311	11,897,996	256.92		
Total				351,160,003			
Total Quoted Shares				369,950,333			
Unquoted							

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	NAV at market price per share as on 31.12.2022	Total market value as at 31.12.2022
Mutual Fund - Non listed							
1	CWT-Sadharan Bima growth fund	10	678,886	9,999,991	14.73	12.94	8,784,785
2	CWT Opportunities fund	10	976,562	9,999,995	10.24	10.50	10,253,901
3	UCB AML first mutual fund	10	896,860	9,999,989	11.15	10.20	9,147,972
4	Vanguard AML growth fund	10	698,324	10,000,000	14.32	12.93	9,029,329
5	Edge high quality income fund	10	1,000,000	10,000,000	10.00	10.57	10,570,000
6	Ekush growth fund	10	1,000,000	10,000,000	10.00	10.02	10,020,000
7	AAML unit fund	10	273,373	4,999,992	18.29	15.08	4,122,465
8	Capitec-ibbl shariah unit fund	10	3,365,380	34,999,952	10.40	11.14	37,490,333
9	Edge al-amin shariah consumer fund	10	1,000,000	10,000,000	10.00	9.92	9,920,000
10	Sandhani aml slic fixed income fund	10	1,000,000	10,000,000	10.00	10.17	10,170,000
Total				119,999,919			119,508,785

Preference shares

1	Confidence Power Bogra Unit 2	50,000,000
2	Summit LNG terminal Co. Pvt. Ltd.	40,000,000
3	Confidence Power Bogra	112,500,000
4	Impress-newtex comp tex ltd	200,000,000
5	Flamingo fashions limited	160,000,000
6	City sugar industries limited	160,000,000
Total		722,500,000

* As per Banglaesh 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 2022

Asset Class	Cost			Accumulated Depreciation and Amortization				Net Book Value as at 31 December 2022
	Balance as at 01 January 2022	Addition	Disposal/ Adjustment	Balance as at 31 December 2022	Charge during the year	Disposal/ Adjustment	Balance as at 31 December 2022	
Furniture and fixture	163,100,798	4,979,100	2,508,983	165,570,915	18,324,696	2,508,978	41,339,296	124,231,619
Office equipment, appliance and machinery	110,490,739	6,890,365	-	117,381,104	22,849,141	-	58,313,503	59,067,601
Motor vehicles	26,812,140	5,000,000	-	31,812,140	6,112,428	-	19,237,163	12,574,977
IT software	186,702,098	6,766,924	-	193,469,022	25,853,086	-	61,799,733	131,669,289
License fee	8,608,209	-	-	8,608,209	1,721,642	-	4,584,662	4,023,547
Membership Fee	2,500,000	-	-	2,500,000	-	-	-	2,500,000
IT hardware	256,078,213	20,283,139	133,338	276,228,014	53,170,044	133,338	143,584,471	132,643,543
Capital work in progress	5,394,063	2,834,213	7,349,688	878,588	-	-	-	878,588
Sub total	759,686,260	46,753,741	9,992,009	796,447,992	128,031,037	2,642,316	328,856,828	467,589,164
Lease assets-Premises (As per IFRS 16)								
Right-of-use assets	759,695,538	-	-	759,695,538	80,100,326	-	219,415,787	540,279,751
Sub total	759,695,538	-	-	759,695,538	80,100,326	-	219,415,787	540,279,751
As at 31 December 2022	1,519,381,798	46,753,741	9,992,009	1,556,143,530	208,131,363	2,642,316	548,274,615	1,007,868,915
As at 31 December 2021	1,349,400,254	170,959,203	977,658	1,519,381,799	197,394,539	7,638	342,785,569	1,176,596,230

Amounts in Taka

Community Bank Bangladesh Limited

Operating cash flow reconciliation statement

For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Net Profit After Tax		642,685,136	121,372,629
<u>Adjustments for non-cash items</u>			
Add: Depreciation expenses		128,031,042	117,294,212
Add: Provision for loans, advances and investments		168,302,598	282,752,851
Add: Loss on sale of fixed assets		-	27,010
Add/(Less): Provision for Current Tax		348,197,633	136,014,423
Add/(Less): Deferred Tax		96,255,889	(24,539,329)
		1,383,472,298	632,921,796
Changes in operating assets and liabilities			
Purchase/sale of trading securities		341,601,627	(402,060,652)
(Increase)/Decrease in Loans and advances		(9,558,141,958)	(23,728,219,006)
(Increase)/Decrease in Other assets		101,697,964	(434,776,333)
Increase/(Decrease) in Deposits from other banks		-	-
Increase/(Decrease) in Deposits from customers		(612,287,009)	35,682,472,209
Increase/(Decrease) in Borrowing		2,914,226,153	1,946,728,899
Increase/(Decrease) in Other liabilities		(137,081,690)	654,750,855
Payment of Income Tax		(221,881,930)	(53,408,412)
Cash received/(paid) from operating assets and liabilities		(7,171,866,842)	13,665,487,560
Net cash (used)/flows from operating activities		(5,788,394,544)	14,298,409,356

Financial Statements of Community Bank Investment



Independent Auditor's Report

To the Shareholders of Community Bank Investment Limited

Report on the Audit of the Financial Statements

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 2022, 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 Company as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) 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 Auditor's 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) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as explained in note 3, the Companies Act 1994 and other applicable laws and regulations 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 the 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 for 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 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,

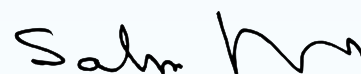
including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Place: Dhaka, Bangladesh
Date: 23 March 2023
DVC: 2303270770AS662876



Sabbir Ahmed FCA, Partner
Enrolment no: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Community Bank Investment Limited

Statement of Financial Position

As at December 2022

Particulars	Note(s)	Amount in Taka	
		31-Dec-22	31-Dec-21
Assets			
Non-current assets			
Property, plant and equipment	4	986,175	936,783
Investments in bond	5	39,502,434	57,211,566
Deferred tax assets	7	3,033,400	-
Total non-current assets		43,522,009	58,148,349
Current assets			
Investment in shares	6	143,497,020	104,043,210
Balance with Sheltech Brokerage Ltd.	8	3,297,763	38,031,731
Accounts receivable	9	3,339,416	1,506,637
Advances, deposits and prepayments	10	2,491,796	1,766,890
Cash and cash equivalents	11	68,864,934	48,535,471
Total current assets		221,490,928	193,883,939
Total assets		265,012,937	252,032,288
Equity and liabilities			
Share capital	12	250,000,000	250,000,000
Retained earnings/(accumulated losses)		(6,858,632)	(2,218,419)
Total equity		243,141,368	247,781,581
Liabilities			
Non-current liabilities			
Deferred tax liabilities	7	-	21,582
Total non-current liabilities		-	21,582
Current liabilities and provisions			
Accounts payable	13	115,311	176,272
Other liabilities	14	40,714	56,552
Provision for diminution in value of investments	6	20,114,165	3,302,411
Provision for taxation	15	1,601,379	693,890
Total current liabilities		21,871,569	4,229,125
Total equity and liabilities		265,012,937	252,032,288
Net asset value per share of Tk. 10 each		9.73	9.91

These financial statements should be read in conjunction with the annexed notes. For and on behalf of the board of directors of Community Bank Investment Limited.


Managing Director & CEO
Rahat-Ul-Amin
CEO (Current Charge)



Director
Benozeer Ahmed,
CPA (AUS), FCMA (UK)


Director
Abu Hasan Muhammad Tarique, BPM


Chairman
Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM

See the annexed report of even date

Place: Dhaka, Bangladesh
Date: 23 March 2023
DVC: 2303270770AS662876


Sabbir Ahmed FCA, Partner
Enrolment No: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Community Bank Investment Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

Particulars	Note(s)	Amount in Taka	
		2022	2021
Operating income			
Interest income	16	-	-
Income from investment	17	19,552,189	1,662,887
Service income	18	-	-
Total operating income		19,552,189	1,662,887
Other income	19	448,099	5,402,445
Total income		20,000,289	7,065,332
Operating expenses			
Salaries and allowances	20	7,774,118	2,402,581
Rent, taxes, insurance, utilities, etc	21	674,649	552,167
Repairs, maintenance and depreciation	22	178,688	100,947
Stationery, printing and advertising	23	13,648	2,115
Postage, stamp and telecommunication	24	14,949	15,115
Audit fee		31,625	28,750
Legal and professional fees		-	143,073
Directors' fee		152,800	276,000
Other expenses	25	1,135,763	1,745,120
Total operating expenses		9,976,240	5,265,868
Operating profit		10,024,049	1,799,464
Finance expense	26	-	-
Profit before provision and taxes		10,024,049	1,799,464
Provision for diminution in value of investments	6	16,811,754	3,302,411
Profit /(loss) before tax		(6,787,706)	(1,502,947)
Income tax expense			
Current tax expenses	15	907,489	693,890
Deferred tax expenses/(income)	7	(3,054,982)	21,582
Profit for the year		(4,640,213)	(2,218,419)
Other comprehensive income		-	-
Total comprehensive income		(4,640,213)	(2,218,419)
Earnings Per Share (EPS)		(0.19)	(0.09)

These financial statements should be read in conjunction with the annexed notes. For and on behalf of the board of directors of Community Bank Investment Limited.



Managing Director & CEO
Rahat-Ul-Amin
CEO (Current Charge)



Director
Benazeer Ahmed,
CPA (AUS), FCMA (UK)




Director
Abu Hasan Muhammad Tarique, BPM



Chairman
Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM

See the annexed report of even date

Place: Dhaka, Bangladesh
Date: 23 March 2023
DVC: 2303270770AS662876



Sabbir Ahmed FCA, Partner
Enrolment No: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Community Bank Investment Limited

Statement of Changes in Equity

For the year ended 31 December 2022

Particulars	Share capital Taka	Retained earnings Taka	Total Taka
Year 2022			
Balance at 01 January 2022	250,000,000	(2,218,419)	247,781,581
Loss for the year	-	(4,640,213)	(4,640,213)
Balance at 31 December 2022	250,000,000	(6,858,632)	243,141,368
Year 2021			
Balance at 01 January 2021	250,000,000	-	250,000,000
Loss for the year	-	(2,218,419)	(2,218,419)
Balance at 31 December 2021	250,000,000	(2,218,419)	247,781,581

These financial statements should be read in conjunction with the annexed notes. For and on behalf of the board of directors of Community Bank Investment Limited.



Managing Director & CEO
Rahat-Ul-Amin
CEO (Current Charge)



Director
Benazeer Ahmed,
CPA (AUS), FCMA (UK)



Director
Abu Hasan Muhammad Tarique, BPM



Chairman
Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM

Community Bank Investment Limited

Statement of Cash Flows

For the year ended 31 December 2022

	Amount in Taka	
	2022	2021
A. Cash flows from operating activities		
Net profit after income tax	(4,640,213)	(2,218,419)
Add (subtract) items that affect net income and cash flow differently:		
Depreciation and amortization	178,688	100,947
Decrease or (increase) in trading investment in quoted shares	(39,453,810)	(104,043,210)
Decrease or (increase) in balance with sheltech brokerage Ltd.	34,733,969	(38,031,731)
Decrease or (increase) in accounts receivable	(1,832,779)	(1,506,637)
Decrease or (increase) in advances, deposits and prepayments	(724,906)	(1,766,890)
Decrease or (increase) in deferred tax assets	(3,033,400)	-
Increase or (decrease) in accounts payable	(60,961)	176,272
Increase or (decrease) in other liabilities	(15,838)	56,552
Increase or (decrease) in provision for taxation	907,489	693,890
Increase or (decrease) in provision for diminution in value of investments	16,811,754	3,302,411
Increase or (decrease) in deferred tax liability	(21,582)	21,582
Net cash (used)/flows from operating activities	2,848,411	(143,215,233)
B. Cash flows from investing activities		
Investment in zero coupon bond	17,709,133	(57,211,566)
Acquisition of property plant and equipment	(228,081)	(1,037,729)
Net cash from investing activities	17,481,052	(58,249,295)
C. Cash flows from financing activities		
Issuance of share capital	-	250,000,000
Net cash from/(used in) financing activities	-	250,000,000
D. Net changes in cash and cash equivalents (A+B+C)	20,329,463	48,535,471
E. Opening cash and cash equivalents	48,535,471	-
F. Closing cash and cash equivalents	68,864,934	48,535,471

These financial statements should be read in conjunction with the annexed notes. For and on behalf of the board of directors of Community Bank Investment Limited.

Managing Director & CEO
Rahat-Ul-Amin
CEO (Current Charge)

Director
Benazeer Ahmed,
CPA (AUS), FCMA (UK)

Director
Abu Hasan Muhammad Tarique, BPM

Chairman
Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM

Community Bank Investment Limited

Notes To Financial Statements

As at and for the year ended 31 December 2022

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 merchant 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

The financial year of the Company has been determined to be from 1 January to 31 December each year. These financial statements cover the period from 1 January 2022 to 31 December 2022.

2.6 Date of authorisation

The audited financial statements for the year ended 31 December 2022 were authorised by the Board of Directors on 23 March 2023.

2.7 Components of financial statements

- Statement of financial position (balance sheet);
- Statement of profit or loss and other comprehensive income (income and expenditure statement);
- Statement of changes in equity;
- Statement of cash flows; and
- 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

i) 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.

ii) 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.

iii) 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%

iv) 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.

i) 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.

ii) 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.

iii) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank in SND account and cash at Sheltech Brokerage House and there was no risk of changes in value of these current assets.

iv) Accounts receivables

Accounts receivables are recognised at original invoiced amount.

v) 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.

i) 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.

ii) Accounts payable

Accounts payables are recognised at fair value.

iii) 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.

a) 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.

b) 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.

c) 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.

d) 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 2022.

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 2022.

3.13 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				Rate (%)	DEPRECIATION				Written Down value
	Balance as at 01.01.2022	Addition during the period	Adjustments/ disposal during the period	Balance as at 31.12.2022		Balance as at 01.01.2022	Charged during the period	Adjustments /disposal during the period	Balance as at 31.12.2022	
Furniture and fixtures	668,710		-	668,710	10%	52,848	66,871	-	119,719	548,991
IT Hardware	273,631	228,081	-	501,712	20%	30,610	92,740	-	123,350	378,362
Office equipment	95,388	-	-	95,388	20%	17,488	19,078	-	36,565	58,823
Total as at 31 December 2022	1,037,729	228,081	-	1,265,810		100,947	178,688	-	279,635	986,175
Total as at 31 December 2021	-	1,037,729	-	1,037,729		-	100,947	-	100,947	936,783

Advance-Registration Fees for Depository Participant

Particulars	COST				Rate (%)	DEPRECIATION				Written Down value
	Balance as at 01.01.2022	Addition during the period	Adjustments/ disposal during the period	Balance as at 31.12.2022		Balance as at 01.01.2022	Charged during the period	Adjustments /disposal during the period	Balance as at 31.12.2022	
Registration Fees	805,000	-	-	805,000	20%	40,250	161,000	-	201,250	603,750
Total as at 31 December 2022	805,000	-	-	805,000		40,250	161,000	-	201,250	603,750
Total as at 31 December 2021	-	805,000	-	805,000		-	40,250	-	40,250	764,750

		Amount in Taka	
		31-Dec-22	31-Dec-21
5	Investment in Bond		
	Opening balance	57,211,566	-
	Add/(Less): New investment/(Redemption) during the year	(17,709,133)	57,211,566
	Closing Balance	39,502,434	57,211,566
The Company in prior year has made investment of Tk. 57,211,566 in a zero coupon bond issued by Thengamara Mohila Sabuj Sangha (TMSS) out of which a portion has been re-deemed during the year.			
6	Trading investment in quoted shares		
	Cost value	143,497,020	104,043,210
	Add/(Less): Change in fair value during the period/year	(20,114,165)	(3,302,411)
	Fair value	123,382,855	100,740,799
	Investment in shares	Cost Price	Fair Value
	Investment in Quoted Shares:	143,497,020	123,382,855
	Investment in IPO/QIO Shares	-	-
		143,497,020	123,382,855
7	Deferred tax		
a	Deferred tax asset		
	Deferred tax assets arises from carry forward tax credit:	-	-
	Business Loss as per taxable income calculation (2021 actual + 2022 estimated)	8,162,587	-
	Tax rate	37.50%	37.50%
	Deferred tax asset	3,060,970	-
	Opening deferred tax asset	-	-
	Deferred tax expense/(income)	(3,060,970)	-
b	Deferred tax liability		
	Carrying amount of fixed assets	986,175	936,783
	Tax base	912,655	879,230
	Taxable temporary difference	73,520	57,553
	Tax rate	37.50%	37.50%
	Deferred tax liability	27,570	21,582
	Opening deferred tax liability	21,582	-
	Deferred tax expense/(income)	5,988	21,582
	Net deferred tax assets/(liabilities)	3,033,400	(21,582)
8	Balance with Sheltech Brokerage Ltd.	3,297,763	38,031,731
9	Accounts receivable		
	Interest receivable from SND	-	-
	Interest receivable from FDR	586,300	264,384
	Dividend receivable from trading investments	2,371,620	689,730
	Interest receivable from zero coupon bond	381,496	552,523
		3,339,416	1,506,637
10	Advances, deposits and prepayments		
	Security deposit with Central Depository Bangladesh Ltd.	200,000	200,000
	Advance Income Tax Paid	1,611,046	725,140
	Advance-Registration Fees for Depository Participant	603,750	764,750
	Advance-Establishment Rent	77,000	77,000
	Closing Balance	2,491,796	1,766,890
11	Cash and cash equivalents		
	Cash in Hand	7,423	-
	Bank balance with Community Bank Bangladesh Limited (SND Account)	7,762,930	28,535,471
	Fixed Deposit with Community Bank Bangladesh Limited	61,094,580	20,000,000
	Closing Balance	68,864,934	48,535,471

		Amount in Taka		
		31-Dec-22	31-Dec-21	
12	Share capital			
	Authorised			
	50,000,000 shares of BDT 10 each	500,000,000	500,000,000	
	Issued, subscribed and paid up			
	25,000,000 ordinary shares of BDT 10 each	250,000,000	250,000,000	
	Name of shareholder	No. of shares	Value of shares	% of share holding
	Bangladesh Police Kallyan Trust (BPKT)	10	100	0.00004%
	Community Bank Bangladesh Limited	24,999,990	249,999,900	99.99996%
		25,000,000	250,000,000	100%
13	Accounts payable			
	AGM Expense		46,412	150,000
	Service charge		8,189	8,189
	Electricity		2,800	4,000
	Support staff salary		10,810	10,810
	Mobile bill		-	2,000
	Telephone bill		-	173
	Support staff overtime bill		600	600
	Excise Duty		45,000	-
	CDS fees		1,500	500
	Closing balance		115,311	176,272
14	Other liabilities			
	Payable-Auditors' Fees		31,625	28,750
	Withholding Tax payable		610	11,408
	Withholding VAT payable		8,419	16,334
	Others payable		60	60
	Closing balance		40,714	56,552
15	Provision for taxation			
	Opening balance		693,890	-
	Add: current tax expense (Note 15.1)		907,489	693,890
			1,601,379	693,890
	Less: Paid/Adjustment during the period		-	-
	Closing balance		1,601,379	693,890
15.1	Current tax expenses			
	Profit / (loss) before tax		(6,787,706)	-
	Add: Net inadmissible expenses		(3,039,181)	-
	Loss for the year		(9,826,887)	-
	Add: Interest income for the year		1,664,299	-
	Business loss for the year		(8,162,587)	-
	Provision made during the year			
	Income tax on capital gain on share		983,934	-
	Income tax on dividend income		430,073	-
	Total provision made during the year		1,414,007	-
	Less: Adjustment for over provision in prior period/years		(506,518)	-
	Current tax expense		907,489	

		Amount in Taka	
		31-Dec-22	31-Dec-21
16 Interest income			
Interest on margin loan		-	-
17. Income from investment			
Interest on fixed deposit		1,538,116	264,384
Interest on Zero Coupon Bond		4,119,841	552,523
Realised gains on sale of listed securities		9,839,338	-
Dividend from ordinary shares		4,054,895	845,980
		19,552,189	1,662,887
18 Service income			
Corporate advisory fees		-	-
Settlement fees		-	-
Portfolio management fees		-	-
Documentation charge		-	-
		448,099	5,402,445
19 Other income			
20 Salaries and allowances			
Gross salaries		6,770,918	2,160,581
Festival bonus		1,003,200	242,000
Closing balance		7,774,118	2,402,581
21 Rent, taxes, insurance, utilities			
Rent		531,300	442,750
Electricity		45,081	28,400
Other Utility		98,268	81,017
Closing balance		674,649	552,167
22 Repairs, maintenance and depreciation			
Repair and maintenance		-	-
Depreciation-PPE		178,688	100,947
Closing balance		178,688	100,947
23 Stationery, printing and advertising			
Printing and stationery		13,648	2,115
Closing balance		13,648	2,115
24 Postage, stamp and telecommunication			
Postage and courier charge		-	-
Stamps, court fees and legal doc		660	3,090
Telephone charges		14,289	12,025
Closing balance		14,949	15,115
25 Other expenses			
Formation Expense		-	757,611
Regulatory fees and charge		75,296	362,755
Staff recruitment		174,650	217,955
Govt levies excise duties vat		63,000	80,000
Bank charges		1,354	1,051
Office refreshment exp		41,321	52,317
IT consumables		-	5,322
Office support service expenses		140,530	65,982
Local conveyance		14,019	6,260
Office Consumable		16,385	-
IT enabled services		38,850	5,617
Car expenses		408,804	-
Book and Newspaper		554	-
Amortization of Registration Fees		161,000	40,250
AGM expense		-	150,000
Closing balance		1,135,763	1,745,120

		Amount in Taka	
		31-Dec-22	31-Dec-21
26 Finance Expense			
Short term loan		-	-
Overdraft loan		-	-
		<u>-</u>	<u>-</u>

27 Related parties

Parent company

Community Bank Bangladesh Limited (CBBL) owns 99.99996% shares of the Company. Thus, CBBL holds the controlling interest in the Company.

28 Financial risk management

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

28.1 Credit risk

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

Cash and cash equivalents	68,864,934
Trading Investments	143,497,020
Accounts receivables	3,339,416
	<u><u>215,701,370</u></u>

28.2 Liquidity risk

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 meet 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.

These financial statements should be read in conjunction with the annexed notes. For and on behalf of the board of directors of Community Bank Investment Limited.

Managing Director & CEO
Rahat-Ul-Amin
CEO (Current Charge)

Director
Benazeer Ahmed,
CPA (AUS), FCMA (UK)

Director
Abu Hasan Muhammad Tarique, BPM

Chairman
Chowdhury Abdullah Al-Mamun, BPM (Bar), PPM



Events and CSR

Corporate Social Responsibility



Signing Ceremony



Community Bank signed a participation agreement with Bangladesh Bank on Export Support Pre-financing Fund



Community Bank signs agreement with Bangladesh Bank for disbursement of Agriculture Loans



Community Bank signs agreement with Bangladesh Bank for disbursement of term loans under refinance scheme at cottage, micro, small and medium enterprises level



Community Bank signed a participation agreement with Bangladesh Bank on Green Transformation Fund



Community Bank signs an Agreement with City Bank Capital and Community Bank Investment Limited on the issuance of Subordinated Bond for an amount of BDT 3,000 million



Community Bank signed agreement with Guardian Life Insurance Limited. Community Bank Bangladesh Limited has launched a new student account named "Protisruti Student Account"



Community Bank and WZPDCL signed an agreement for collecting postpaid and prepaid bills

Opening Ceremony



Community Bank inaugurates its first sub-branch in Malopara of Rajshahi City



Community Bank opened its Panchabati Branch in a relocated address in Janata Super Market (1st Floor), Dalda Road, Panchabati, Narayanganj

Partnership



Community Bank Bangladesh Limited visited one of their valued clients- Pride Group at its Banani showroom in Dhaka

Board Meeting



Community Bank Bangladesh Limited holds its 37th Board Meeting



Community Bank Bangladesh Limited holds its 36th Board Meeting



Community Bank Bangladesh Limited holds its 35th Board Meeting

Events



Community Bank organized day-long activities including placing floral wreath at the Mujib Corner in its Head Office, which was followed by a tree plantation program and offering special dua to observe the National Mourning Day



Community Bank celebrated the Birthday of the Father of The Nation Bangabandhu Sheikh Mujibur Rahman and National Children's Day by organizing an art competition in its Head Office



Community Bank was the proud banking partner of Web Foundation to honor 22 female entrepreneurs across the country under the title 'Bijoynee Shommanona 2022'



Community Bank celebrated Pahela Falgun with its employees



Community Bank launched an insurance-backed student account styled 'Protisruti Student Account' especially designed for the school and college students aged between 6 and below 18

Achievements



Community Bank Bangladesh Limited has been awarded with internationally acclaimed ISO 27001:2013 certification by Intertek Bangladesh for attaining the United Kingdom Accreditation Service (UKAS) Standard in the Information Security Management System applies to Data Centre Operations & Core Banking Services, supported by Information & Communication Technology Division, HR & Training, Internal Control and Compliance, Legal and General Service Division



Community Bank is the proud winner of the Bangladesh Innovation Award 2023 for Digital Ecosystem to Reach Unbanked Community

THRIVING FASTER TO SERVE YOU BETTER...

With 18 **BRANCHES**, A **SUB BRANCH**, 110+ **Service Booths** & 175 **ATMS** across the country, Community Bank Bangladesh is committed to deliver unique products and unparalleled services to it's customers through cutting-edge technology.



Community Bank Branches

Corporate Branch

Police Plaza Concorde
(Level 5, Tower 2) Plot 2
Road 144 Gulshan 1
Dhaka-1212
+88 09612 712001

Gulshan Branch

South Breeze Square (Gr. Floor)
52, Gulshan Avenue
Gulshan 1, Dhaka-1212
+88 09612 712007

Dhanmondi Branch

Taj Lily Green (1st Floor)
751, Satmosjid Road
Dhanmondi, Dhaka-1209
+88 09612 712008

Motijheel Branch

Cosmos Tower,
Holding No.28/1/2,
Toyenbee Circular Road
Motijheel, Dhaka-1000
+88 09612 712002

Uttara Branch

Rajuk Rajib Cosmo,
Shopping Complex (1st Floor)
Plot No. 71, Sector No. 7
Uttara, Dhaka
+88 09612 712010

Chawkbazar Branch

Shahjahan Imam Tower,
29-31 Water Works Road
(1st Floor) Chawkbazar, Dhaka.
+88 09612 712009

Mawna Branch

Bhai Bhai City Complex,
Holding No.255
Sreepur Road, Word 8
Sreepur Pourashava,
Gazipur-1704
+88 09612 712003

Panchabati Branch

Janata Super Market (2nd Floor),
Dalda Road, Panchabati,
Narayangan
+88 09612 712004

Agrabad Branch

Chamber House (Ground Floor),
38 Agrabad Commercial Area,
Chattogram-4100
+88 09612 712006

Noapara Branch

Chowdhury Bhaban (1st Floor)
Saihamnagar, Noapara Bazar
Madhabpur, Habiganj-3333
+88 09612 712005

Panchdona Branch

Amzad Tower (1st Floor)
Burairhat, Panchdona
Madhabdi, Narsingdi-1603
+88 09612 712011

Mirazpur Branch

Holding 159, Ward No - 03,
Bimhati, Kakoly Moor,
Kalibari Road,
Mirzapur, Tangail-1940
+88 09612 712012

Gouripur Branch

Afia Plaza (1st Floor), Gouripur
Daag No. 7715, 7716, Angaura
Gouripur Bazar, Daudkandi
Cumilla-3517
+88 09612712013

Khulna Branch

Tayamun Center, 181/1
Jashore Road, Ward 17
Shib Bari More, Khulna- 9100
+88 09612712014

Ranirbandar Branch

Grameen Tower (1st Floor),
Daag No. 3377 & 3378,
Dinajpur-5241
+88 09612712015

Nawabganj Branch

Sajeda Complex (Ground Floor)
Kolakopa, Kashimpur
Nawabganj, Dhaka-1320
+88 09612712016

Anderkilla Branch

Ismail Trade Center,
183 Nazir Ahmed Chowdhury Road
Ward 32, Anderkilla, Kotwali
Chattogram-4000
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