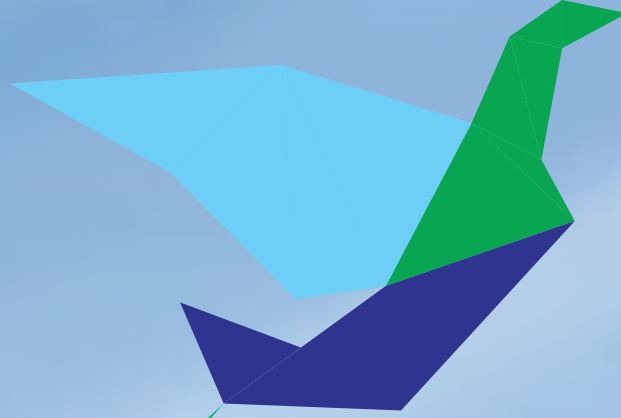


ANNUAL REPORT 2022



BDBL

বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড
BANGLADESH DEVELOPMENT BANK LIMITED

(A STATE OWNED COMMERCIAL BANK)

Website : www.bdbl.com.bd

SWIFT Code : BDDBBDDH



বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড (বিডিবিএল) এর সেবাসমূহ

সঞ্চয় স্কীমসমূহ

- মাসিক ডিপোজিট স্কীম (MDS)
- মাসিক আয় স্কীম (MIS)
- বিডিবিএল ত্রৈমাসিক আয় স্কীম (BTIS)
- বিডিবিএল লাখপতি ডিপোজিট স্কীম (BLDS)
- বিডিবিএল ডাবল বেনিফিট স্কীম (BDBS)
- বিডিবিএল সুপার সেভিংস স্কীম (BSSS)
- বিডিবিএল ওয়েজ আর্নার্স ডিপোজিট স্কীম (BWEDS)
- বিডিবিএল পল্লী সঞ্চয় স্কীম (BPSS)
- হজ্ব আমানত স্কীম (HAS)
- বিডিবিএল শিক্ষা সঞ্চয় স্কীম (SSS)
- চিকিৎসা সঞ্চয় স্কীম (CSS)

বৈদেশিক বাণিজ্য

- আমদানী
- রপ্তানী

ঋণসমূহ

- মেয়াদী ঋণ
- এসএমই ঋণ
- নারী উদ্যোক্তা ঋণ
- কৃষি ও পল্লী ঋণ
- চলতি মূলধন ঋণ
- ক্যাশ ক্রেডিট
- ব্যক্তিগত ঋণ
- স্টুডেন্ট ঋণ
- সকল ধরনের গৃহ নির্মাণ ঋণ
- ওভার ড্রাফট ঋণ
- ই-জিপি ঋণ
- এনজিও লিংকেজ ঋণ
- অন্যান্য

ব্যাংকের বিদ্যমান সুবিধাসমূহ

- সুইফট (SWIFT)
- বিইএফটিএন (BEFTN)
- আরটিজিএস (RTGS)
- এনপিএসবি (NPSB)
- ব্যাচ (BACH)
- ই-জিপি (e-GP)
- সঞ্চয়পত্র
- ট্রেজারী চালান (এ-চালান)
- গ্যাস, বিদ্যুৎ বিল
- ইন্টারনেট ব্যাংকিং
- ডেবিট কার্ড
- মোবাইল এ্যাপস
- রেমিট্যান্স

ব্যাংক থেকে ঋণ গ্রহণ করুন,
দেশের উন্নয়নে হাল ধরুন

About

Bangladesh Development Bank Limited (BDBL)

What We are

BDBL was established on November 16, 2009 with merger of former Bangladesh Shilpa Bank (BSB) and Bangladesh Shilpa Rin Sangstha (BSRS), two State-Owned Development Financing Institutions (DFIs).

Since then, the bank has been contributing significantly to the economic growth of the country in conformity with the Government's aim of achieving the target of attaining upper middle income status by 2031 & also aiming to achieve higher income status by 2041.

The Board and Management of BDBL have put their consistent and continued efforts, applied policy guidelines and maintained good governance to move forward with its vision and mission. BDBL has achieved increased growth in almost all its Key Performance Indicators (KPI). As a result, BDBL has been able to reach take-off stage which is shown with BDBL's three dimensional logo color: Blue, Green and Sky Blue along with a flying bird that symbolizes upward moving of the bank.

Corporate Profile

(1)	Name	: Bangladesh Development Bank Limited (BDBL) (Established through amalgamation of former BSB & BSRS)
(2)	Registered Office	: BDBL Bhaban, 8 RAJUK Avenue, Dhaka-1000
(3)	Legal Status	: Public Limited Company
(4)	Date of Incorporation	: November 16, 2009
(5)	Extent of Shareholding	: 100% share owned by the Government of Bangladesh.
(6)	Authorized Capital	: Tk.1000.00 crore
(7)	Paid - Up Capital	: Tk. 600.00 crore
(8)	Face Value Per Share	: Tk. 100.00
(9)	Accounting Period	: January – December
(10)	Date of Business Commencement Certificate	: November 16, 2009
(11)	Banking License Issued by Bangladesh Bank	: November 19, 2009
(12)	Date of Vendors' Agreements Signed	: December 31, 2009 between the Government of the People's Republic of Bangladesh and Bangladesh Development Bank Limited.
(13)	Start of Journey	: January 03, 2010
(14)	Line of Business	: All Types of Banking Businesses including Capital Market Operations.
(15)	Domestic Network	
	• Number of Divisions in Head Office	: 11
	• Number of Departments in Head Office	: 31
	• Number of Zonal Office	: 6
	• Number of Branch Office	: 50
	• Number of Urban Branch	: 33
	• Number of Rural Branch	: 17
	• Number of AD Branch	: 5
	• Number of Human Resource	: 659
(16)	Subsidiary Companies	: (1) BDBL Securities Limited, 12 Karwan Bazar, Dhaka. (2) BDBL Investment Services Limited, 8 RAJUK Avenue, Dhaka.
(17)	Corporate Tax Rate	: 40 %
(18)	Auditors	: Hoda Vasi Chowdhury & Co. and Khan Wahab Shafique Rahman & Co.
(19)	Income Tax Adviser	: K.M. HASAN & CO Chartered Accountants
(20)	Credit Rating Agency	: Credit Rating Agency of Bangladesh (CRAB)
(21)	Website	: www.bdbl.com.bd
(22)	SWIFT Code	: BDDBBDDH



Letter of Transmittal



To
All Shareholders
Registrar of Joint Stock Companies & Firms
Bangladesh Bank
Bangladesh Securities and Exchange Commission

Sub : Annual Report for the year ended December 31, 2022.

Dear Sir(s),

We are pleased to enclose herewith a copy of the Annual Report–2022 together with the Audited Financial Statements of Bangladesh Development Bank Limited and its subsidiaries – BDBL Securities Limited (BSL) and BDBL Investment Services Limited (BISL) for your kind information and record.

Yours Sincerely,

Md. Habibur Rahman Gazi
Managing Director & CEO

Contents

MANAGEMENT

Corporate Organogram	13
Board of Directors	15
Directors Profile	16
Board's Committee	19
Managing Director & CEO and his Management Team	20
Chairman's Foreword	29
From the Desk of the Managing Director & CEO	33
Management Discussion and Analysis	38

FINANCIAL REPORT

Five Years Performance of BDBL: At a Glance	50
Shareholding Structure	57
Report on Corporate Governance	60
Report on Human Resources	93
Directors' Report 2022	98
Report on Credit Rating	125
Report of the Board Audit Committee	126
Report of the Board Risk Management Committee	129
Report on Risk Management	131
Market Disclosures for December 2022 Under Pillar-III of Basel III	140
Report on Sustainable Banking	158
Report on Green Banking	163
Report on Financial Inclusion	167
Automation of BDBL	169
Corporate Social Responsibility	178
Directors' Responsibility for Financial Reporting & Internal Control	179

ABOUT BDBL

Notice of the 13th Annual General Meeting	05
List of Acronyms	06
Vision, Mission, Core Values and Strategic Priorities	07
Ethical Principles	11
Statement of Forward Looking Approach	12

STAKEHOLDERS

Stakeholders' Information	48
---------------------------	----

AUDITED REPORT

Auditors' Report and Audited Financial Statements -2022	181
Auditors' Report and Audited Financial Statement of BDBL Securities Ltd.	248
Auditors' Report and Audited Financial Statement of BDBL Investment Services Ltd.	281

ANNEXURES

Photo Gallery – Showing Bank's Activities	311
Organizational Network	327

Notice of the 13th Annual General Meeting



বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড

BANGLADESH DEVELOPMENT BANK LIMITED

(A STATE OWNED COMMERCIAL BANK)

বোর্ড ডিভিশন

নং-০৫.১.৩/৬২৫-৩৩

আষাঢ় ৫, ১৪২৯

জুন ১৯, ২০২৩

বিডিবিএল-এর সম্মানিত শেয়ারহোল্ডার এবং
পর্ষদের চেয়ারম্যান ও পরিচালকগণের প্রতি।

বিষয়: বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড-এর শেয়ারহোল্ডারদের ১৩তম বার্ষিক সাধারণ সভা।

মহোদয়,

আপনার সদয় অবগতির জন্য জানানো যাচ্ছে যে, বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড-এর শেয়ারহোল্ডারদের ১৩তম বার্ষিক সাধারণ সভা আগামী ১১ জুলাই, ২০২৩/ ২৭ আষাঢ়, ১৪৩০ তারিখ, মঙ্গলবার বেলা ১২:০০ ঘটিকায় ব্যাংকের প্রধান কার্যালয় (লেভেল ৩), ৮, রাজউক এভিনিউ, ঢাকায় অনুষ্ঠিত হবে।

০২। সভার আলোচ্যসূচী নিম্নরূপ:

- (০১) ৩১ জুলাই, ২০২২ তারিখে অনুষ্ঠিত বিডিবিএল-এর শেয়ারহোল্ডারদের ১২তম বার্ষিক সাধারণ সভার কার্যবিবরণী অবহিতকরণ;
- (০২) ব্যাংকের ২০২২ সালের ডাইরেক্টরস রিপোর্ট উপস্থাপন ও অনুমোদন;
- (০৩) ব্যাংকের ২০২২ সালের অডিটরস রিপোর্টসহ নিরীক্ষিত বার্ষিক হিসাব উপস্থাপন, গ্রহণ ও অনুমোদন;
- (০৪) পরবর্তী সাধারণ সভা পর্যন্ত নিরীক্ষক নিয়োগ ও নিরীক্ষকদের ফি নির্ধারণ;
- (০৫) বিডিবিএল-এর আর্টিকেলস অব এসোসিয়েশনের ১০৯(২), ১১০(১) ও ১১০(২) ধারা অনুযায়ী পরিচালকদের অবসর গ্রহণ ও পুনর্নিয়োগ; এবং
- (০৬) সভাপতি মহোদয়ের অনুমতিক্রমে অন্যান্য বিষয় (যদি থাকে)।

০৩। উক্ত সভায় অংশগ্রহণের জন্য আপনাকে বিনীত অনুরোধ করছি।

পরিচালনা পর্ষদের আদেশক্রমে,

(কামাল উদ্দিন আহমেদ মোল্লা)

কোম্পানী সচিব

ফোন-০২২২৩৩৫০৫২৭

মোবাইল-০১৭১৫০৫০০৭৭

List of Acronyms

AD	Authorized Dealer	ICAAP	Internal Capital Adequacy Assessment Process
ADB	Asian Development Bank	ICAB	Institute of Chartered Accountants of Bangladesh
ADP	Annual Development Program	ICMAB	Institute of Cost & Management Accountants of Bangladesh
ADR	Advance Deposit Ratio	ICT	Information & Communication Technology
AGM	Annual General Meeting	IMF	International Monetary Fund
ALCO	Asset Liability Committee	IT	Information Technology
ALM	Asset Liability Management	KPIs	Key Performance Indicators
AML	Anti- Money Laundering	KYC	Know Your Customer
ATM	Automated Teller Machine	LAN	Local Area Network
BACH	Bangladesh Automated Clearing House	LCR	Liquidity Coverage Ratio
BACPS	Bangladesh Automated Cheque Processing System	LIM	Loan Against Imported Merchandise
BAS	Bangladesh Accounting Standards	LRM	Liquidity Risk Management
BB	Bangladesh Bank	LTR	Loan Against Trust Receipt
BBTA	Bangladesh Bank Training Academy	MANCOM	Management Committee
BDBL	Bangladesh Development Bank Limited	MCO	Maximum Cumulative Outflow
BEFTN	Bangladesh Electronic Fund Transfer Network	MCR	Minimum Capital Requirement
BFRS	Bangladesh Financial Reporting Standards	MDGs	Millennium Development Goals
BIBM	Bangladesh Institute of Bank Management	MICR	Magnetic Ink Character Recognition
BISL	BDBL Investment Services Limited	MTF	Medium Term Funding
BO	Beneficiary Owner	MVA	Market Value Added
BRPD	Banking Regulatory and Policy Department	NAV	Net Asset Value
BSB	Bangladesh Shilpa Bank	NBFI	Non-Banking Financial Institution
BSEC	Bangladesh Securities and Exchange Commission	NFAs	No Frill Accounts
BSL	BDBL Securities Limited	NFI	Net Factor Income
BSRS	Bangladesh Shilpa Rin Sangstha	NII	Net Interest Income
CAMELS	Capital Adequacy, Asset Quality, Management, Earnings, Liquidity and Sensitivity to Market Risk	NPA	Non – Performing Assets
CAR	Capital Adequacy Ratio	NPL	Non – Performing Loan
CBS	Core Banking System	NSC	National Savings Certificate
CDR	Credit Deposit Ratio	NSFR	Net Stable Funding Ratio
CEO	Chief Executive Officer	OBS	Off – Balance Sheet
CFO	Chief Financial Officer	PAD	Payment Against Document
CFS	Consolidated Financial Statement	PCB	Private Commercial Bank
CIB	Credit Information Bureau	POL	Petroleum, Oil & Lubricants
CRG	Credit Risk Grading	POS	Point of Sales
CRM	Credit Risk Management	PPP	Public Private Partnership
CRR	Cash Reserve Requirement	PRSP	Poverty Reduction Strategy Paper
CSR	Corporate Social Responsibility	RBCA	Risk Based Capital Adequacy
CSE	Chattogram Stock Exchange	RE	Retained Earnings
CTR	Cash Transaction Report	RMC	Risk Management Committee
DOS	Department of Offsite Supervision	RMD	Risk Management Department
DSE	Dhaka Stock Exchange	RMU	Risk Management Unit
EEF	Equity Entrepreneurship Fund	ROA	Return on Asset
EFT	Electronic Fund Transfer	ROE	Return on Equity
EPS	Earnings Per Share	ROI	Return on Investment
ERM	Environmental Risk Management	RU	Recovery Unit
ERP	Enterprise Resources Planning	RWA	Risk Weighted Assets
ERQ	Exporter's Retention Quota	SAFA	South Asian Federation of Accountants
ERR	Environment Risk Rating	SCB	State – Owned Commercial Bank
ETPs	Effluent Treatment Plants	SLR	Statutory Liquidity Ratio
EVA	Economic Value Added	SMA	Special Mention Account
FBP	Foreign Bill Purchased	SME	Small and Medium Enterprises
FDI	Foreign Direct Investment	SOE	State – Owned Enterprise
FY	Financial Year (July – June)	SREP	Supervisory Review Evaluation Process
GAAP	Generally Accepted Accounting Principles	SRP	Supervisory Review Process
GDP	Gross Domestic Product	STR	Suspicious Transaction Report
GNI	Gross National Income	STRM	Short Term Road Map
GOB	Government of Bangladesh	SWIFT	Society for Worldwide Interbank Financial Telecommunication
HR	Human Resources	SWOT	Strength, Weakness, Opportunity & Threat
HRMD	Human Resources Management Department	TOR	Terms of Reference
IAS	International Accounting Standard	TP	Transaction Profile
IBP	Inland Bill Purchased	UC	Unclassified
		VAT	Value Added Tax

Vision, Mission, Core Values and Strategic Priorities

Vision

To emerge as the country's prime Financial Institution by supporting private sector industrial and other projects of great significance to the country's economic development. Also be active participant in commercial banking by introducing new lines of products and providing excellent services to the customers.



Mission

To be competitive with other Banks and Financial Institutions in rendering services ;

To contribute to the country's socio-economic development by identifying new and profitable areas for investment ;

To mobilize deposit for productive investment ;

To expand branch network in commercially and geographically important places ;

To employ quality human resources and enhance their capability through motivation and right-type of training at home and abroad ;

To delegate maximum authority ensuring proper accountability ;

To maintain continuous improvement and up gradation in business policies and procedures ;

To adopt and adapt to new technology ;

To maximize profit by strong, efficient and prudent financial performance ; and

To introduce new product lines according to market needs.

Core Values



Professionalism

We are committed to provide the best of our attention and ability for discharging our task, roles and responsibilities and continually upgrading our skill and knowledge base keeping abreast with ongoing local and global developments for attaining excellence in banking businesses.



Transparency & Accountability

We are committed to remain transparent and accountable to our stakeholders in discharging our responsibilities.



Customer Focus

We maintain strong customer focus and build relationships based on integrity, trust, commitment, timely solution and mutual benefit to accelerate the growth.



Corporate Social Responsibility

We promote protection of the environment for our people and are law-abiding in all that we do.

Strategic Priorities

ECO FRIENDLY INVEST

SELECT GEOGRAPHICAL LOCATION

POTENTIAL CUSTOMER

PUBLICATION

SWOT ANALYSIS

Strategic Imperatives	Strategy
<p>ECO FRIENDLY INVEST</p>	<p>Invest in Eco-friendly industries that help mitigate environmental degradation by lending more for renewable energy, and effluent treatment plants and other projects that employ energy efficient low-emission technologies including agro-based industries, small power projects, ICT, transport and infrastructure projects.</p>
<p>SELECT GEOGRAPHICAL LOCATION</p>	<p>Select and invest in industrial projects where locational advantages like local availability of raw materials, good infrastructural facilities (road communication, transport facilities, etc.) and utilities (power, gas, water, etc.) shall be available.</p>
<p>POTENTIAL CUSTOMER</p>	<p>Identify prospective and potential entrepreneurs and investors / clients and motivate, guide and help them select profitable industrial venture for investment.</p>
<p>PUBLICATION</p>	<p>Regularly publish financial disclosures.</p>
<p>SWOT ANALYSIS</p>	<p>Undertake from time to time SWOT (Strengths, Weaknesses, Opportunity and Threats) analysis for reviewing bank and its market position.</p>

BUSINESS CHALLENGES

- Intense competition in the domestic market
- Global economic slowdown
- Strict capital requirement under Basel – III
- Sharp fall in the interest rates on deposit
- Increasing Business Risk

OUR PROSPECTS

- Diversification of asset portfolios through introducing new lines of products
- Expansion of branch network
- Progressive automation

OUR STRENGTHS

- Good Corporate Governance & Practices
- Sound and strong capital & asset base
- Deep focus on quality control
- A dedicated line of human resource
- Culture of internal control and compliance

OUR CONFIDENCE

- Well-defined strategy and targets
- A spirit of care, concern and consciousness

Ethical Principles

A bank is a financial intermediary that accepts deposits and channels those deposits into lending activities, either directly by loaning or indirectly through capital markets. A bank links together customers that have capital deficits and customers with capital surpluses.

Banks perform 4 (Four) functions:

1. Intermediation

Banks serve as intermediaries between savers and investors. They mobilize savings from the members of the public in the form of deposits and make these savings available to those who are willing and able to make investment in the real sectors of the economy or to engage in trade which serves as the conduit for distribution of the produced goods and services to consumers and users of these goods and services.

2. Maturity Transformation

The banks accept deposits, a large part of which have to be returned immediately on demand or at short notice. But they use these deposits for giving loans and advances for investment which have longer gestation periods.

3. Credit Allocation

In granting loans & advances, banks determine allocation of credit by sectors, regions and groups of populations.

4. Facilitating Payments Flows

Between exporters and importers as well as between buyers and sellers of goods and services that is produced and consumed domestically. It is obvious that a modern and increasingly globalized economy could not operate if there were no banks to provide these services.

BDBL protects and upholds ethics, integrity and trust in every area of its customer services, management and business activities. The basic characteristics of employees' code of ethics and business conduct are as follows:

- ❖ Customer focus and fairness ;
- ❖ Quality ;
- ❖ Honesty and integrity ;
- ❖ Belief in our people ;
- ❖ Teamwork ;
- ❖ Good corporate governance ; and
- ❖ Corporate Social Responsibility.



Statement of Forward Looking Approach

Annual Report contains basically management's views and advance thinking based on BDBL's business, future plans, economy and financial condition, circumstances including its implications and sustainability. Forward looking statements involve some inherent risks and uncertainties, which are really difficult to predict. Therefore, future forecast, actual results and trend of business stated in forward looking statements may change significantly due to the following factors:

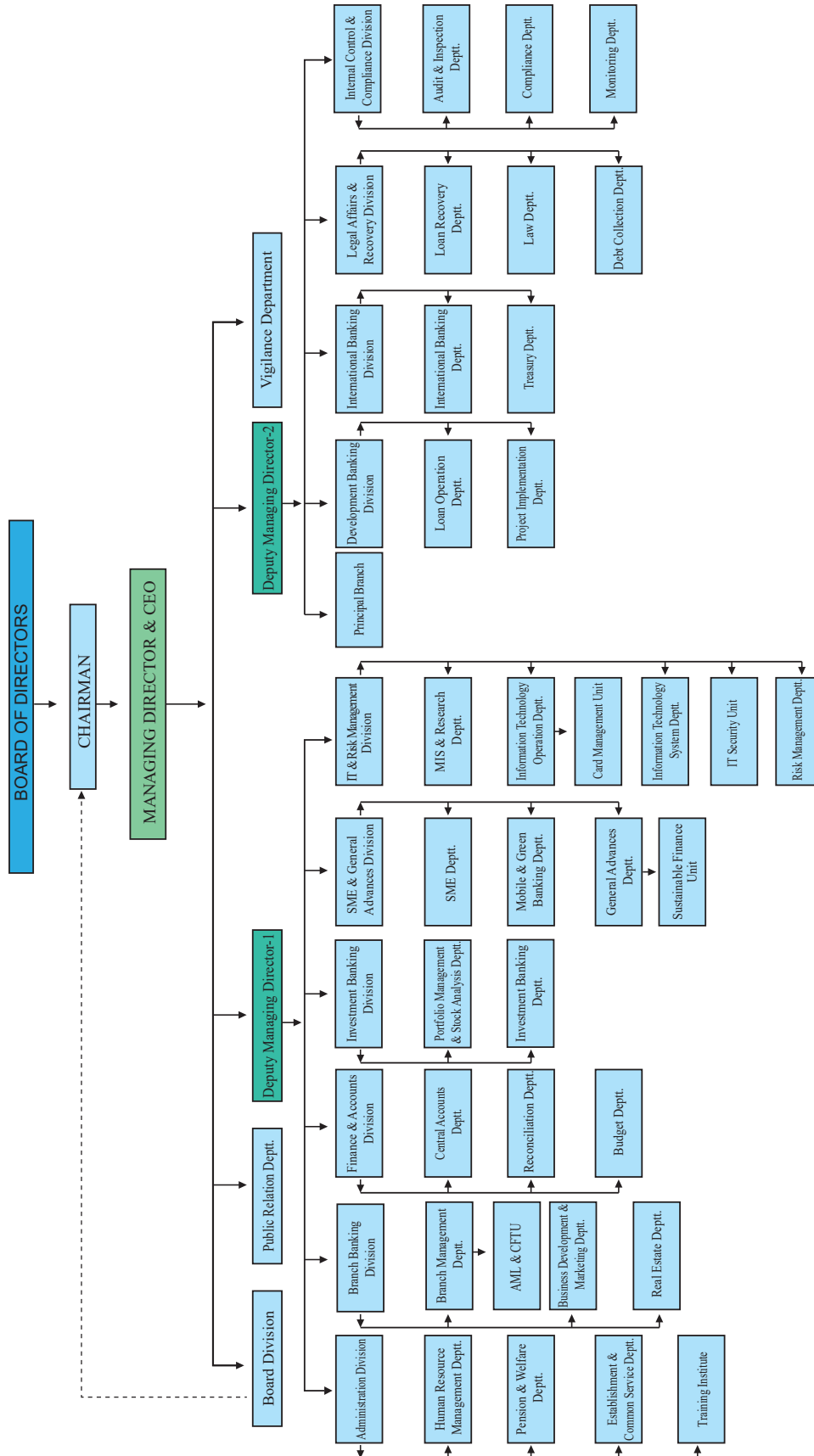
- Volatility in money market
- Instability in capital market
- Changes in regulatory guidelines
- Increase in CRR of the bank
- Volatility of interest rate
- Changes in corporate tax structure
- Changes in accounting standards
- Changes in legislation and regulation of VAT on banking services
- Changes in monetary and fiscal policies
- Changes in economic and financial conditions
- Changes in socio-economic condition arises from natural calamity and political disturbance
- Adverse impact of inflationary pressure
- Increases of business competitors
- Volatility in Foreign Exchange Market and fluctuation of exchange rate
- Increase of provision requirements causing reduction to ROA and ROE.

Besides the above factors, internal factors may also affect businesses resulting from inadequate or failure of internal processes & control, people and systems.



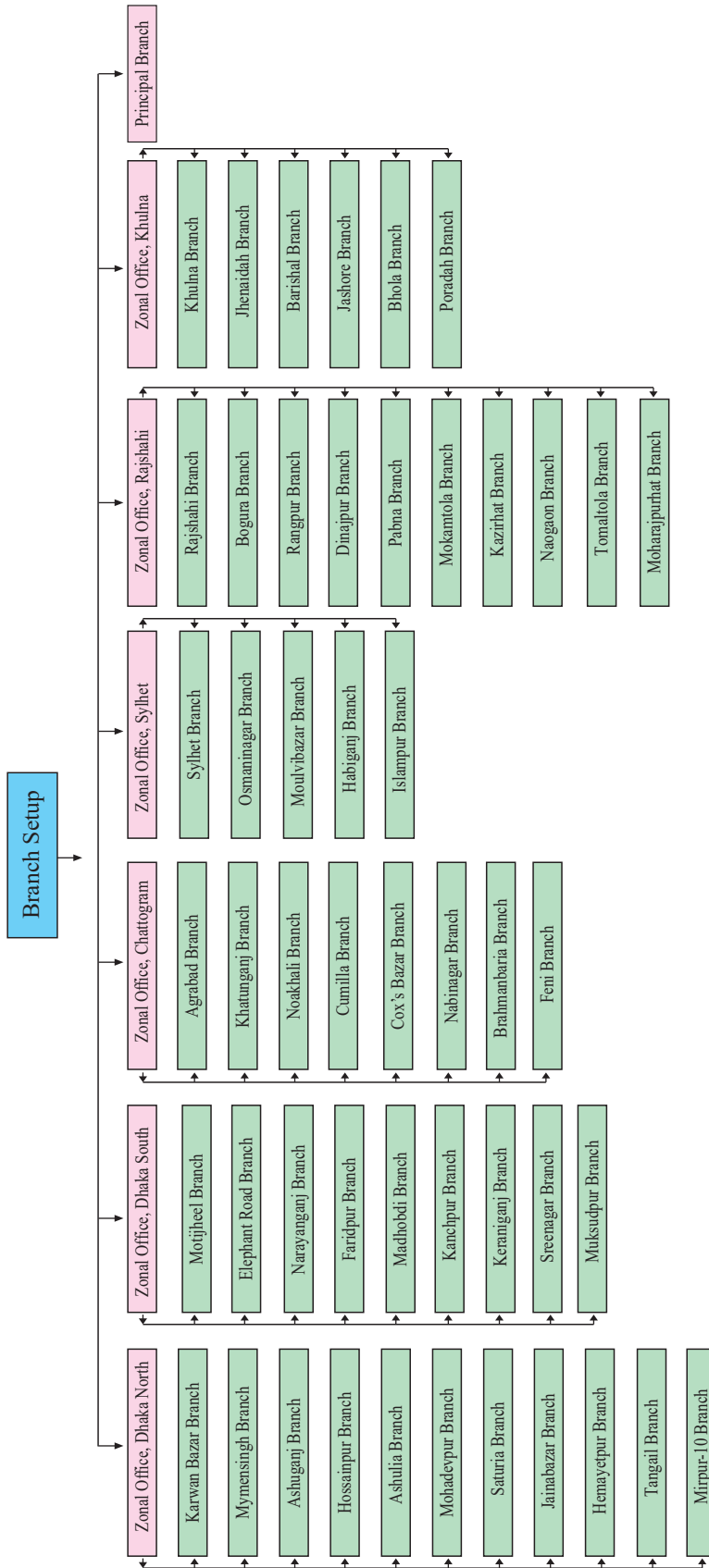
Corporate Organogram

BANGLADESH DEVELOPMENT BANK LIMITED



Corporate Organogram

BANGLADESH DEVELOPMENT BANK LIMITED



Board of Directors

Name	Position
Shamima Nargis	Chairman
Md. Ekhlasur Rahman	Director
Md. Abu Hanif Khan	Director
Subhash Chandra Sarker	Director
Quazi Shairul Hassan	Director
Md. Azizur Rahman	Director
K. M. Tariqul Islam	Director
Md. Habibur Rahman Gazi	Managing Director & CEO

Directors' Profile

01. SHAMIMA NARGIS, Chairman

Current Responsibility

- **Chairman**, Board of Directors, Bangladesh Development Bank Limited.

Past Responsibilities

- **Member (Senior Secretary)**, Physical Infrastructure Division (PID), Planning Commission, Government of the People's Republic of Bangladesh.
- **Member (Secretary)**, Industry and Energy Division, Planning Commission Government of the People's Republic of Bangladesh.
- **Additional Secretary**, Economic Relations Division (ERD), Government of the People's Republic of Bangladesh.

Education

- B.A (Hons) in English Literature, Dhaka University.
- M. A in English Literature, Dhaka University.
- Hubert H. Humphrey Fellowship, University of Minnesota, USA.



02. MD. EKHLASUR RAHMAN, Director

Current Responsibilities

- **Director**, Board of Directors, Bangladesh Development Bank Limited.
- **Managing Director & CEO**, National Human Resource Development Fund (NHRDF).

Past Responsibility

- **Additional Secretary**, Finance Division, Ministry of Finance, Government of the People's Republic of Bangladesh.

Education

- B.S.S. (Honours), M.S.S. in International Relations, University of Dhaka.
- Post Graduate Diploma in International Relations and Development, Institute of Social Studies (ISS), The Hague, The Netherlands.
- MBA, Maastricht School of Management (MSM), The Netherlands.



03. MD. ABU HANIF KHAN, Director

Current Responsibility

- **Director**, Board of Directors, Bangladesh Development Bank Limited.

Past Responsibilities

- **Deputy Managing Director**, Rupali Bank Limited.
- **Deputy Managing Director**, Rajshahi Krishi Unnayan Bank.
- **General Manager**, Karmasangsthan Bank.
- **General Manager**, Rajshahi Krishi Unnayan Bank.
- **Deputy General Manager**, Bangladesh Krishi Bank.

Education

- B. Sc. (Honours), M. Sc. in Economics.



Directors' Profile

04. SUBHASH CHANDRA SARKER, Director

Current Responsibility

- **Director**, Board of Directors, Bangladesh Development Bank Limited.

Past Responsibilities

- **Additional Secretary**, Ministry of Textiles and Jute, Government of the People's Republic of Bangladesh.
- **Additional Secretary**, Health Services Division, Ministry of Health and Family Welfare, Government of the People's Republic of Bangladesh.
- **Deputy Secretary, Joint Secretary & Additional Secretary**, Ministry of Health and Family Welfare, Government of the People's Republic of Bangladesh.

Education

- B.S.S (Honours), M.S.S (Social Science).
- M. Sc (Econ), University of Wales Swansea, UK.



5. QUAZI SHAIRUL HASSAN, Director

Current Responsibility

- **Director**, Board of Directors, Bangladesh Development Bank Limited.

Past Responsibilities

- **Managing Director**, Saudi-Bangladesh Industrial and Agricultural Investment Company Limited (SABINCO).
- **Senior Executive Vice President (SEVP)**, Head of Retail Banking, SME and Remittance, ONE Bank Limited (OBL).
- **Senior Vice President (SVP)**, Head of Consumer Banking, Eastern Bank Limited (EBL).
- **Manager**, Bangladesh (TRS Business) American Express Bank Limited, Dhaka, Bangladesh.

Education

- MBA (Marketing), Institute of Business Administration (IBA), University of Dhaka.
- Post Graduate Diploma in Industrial Management (PGDIM), BMDC, Dhaka.



6. MD. AZIZUR RAHMAN, Director

Current Responsibilities

- **Director, Board of Directors**, Bangladesh Development Bank Limited.
- **Secretary**, Medical Education and Family Welfare Division, Ministry of Health and Family Welfare, Government of the People's Republic of Bangladesh.

Past Responsibilities

- **Director General-II (Additional Secretary)**, Prime Minister's Office, Dhaka.
- **Director General-III**, Prime Minister's Office, Dhaka.
- **Director**, Prime Minister's Office, Dhaka.
- **Counsellor**, Bangladesh Embassy, Bangkok, Thailand.
- **Director**, Prime Minister's Office, Dhaka.
- **Deputy Secretary**, Ministry of Public Administration, Dhaka.

Education

- B.B.S (Honours), M.B.S (Management).



Directors' Profile

7. K. M. Tariqul Islam, Director

Current Responsibility

- **Director**, Board of Directors, Bangladesh Development Bank Limited.

Past Responsibilities

- **Director General (Grade-1)**, NGO Affairs Bureau, Prime Minister's Office, Dhaka.
- **Director (Ex officio)**, Karmasangsthan Bank.
- **Chairman**, Bangladesh Land Port Authority.
- **Divisional Commissioner**, Rangpur.
- **Director (Ex officio)**, Rajshahi Krishi Unnayan Bank.
- **Deputy Commissioner**, Bandarban.



8. MD. HABIBUR RAHMAN GAZI, Managing Director & CEO

Current Responsibility

- **Managing Director & CEO**, Bangladesh Development Bank Limited.

Past Responsibilities

- **Deputy Managing Director**, Agrani Bank Limited (ABL).
- **General Manager**, Janata Bank Limited (JBL).
- **Deputy General Manager**, Janata Bank Limited (JBL).

Education

Master of Science (M. Sc.) in Geography, University of Dhaka.
Post Graduate Diploma in Personnel Management, Bangladesh Institute of Management (BIM).

Certifications

- Diplomaed Associate of the Institute of Bankers, Bangladesh (DAIBB)



Board's Committee

Executive Committee

1.	Shamima Nargis, Chairman	Chairman of the Committee
2.	Md. Azizur Rahman, Director	Member
3.	K. M. Tariqul Islam, Director	Member
4.	Md. Habibur Rahman Gazi Managing Director & CEO	Member

Audit Committee

1.	Md. Ekhlashur Rahman, Director	Chairman of the Committee
2.	Md. Abu Hanif Khan, Director	Member
3.	Subhash Chandra Sarker, Director	Member
4.	Quazi Shairul Hassan, Director	Member

Board Risk Management Committee

1.	Shamima Nargis, Chairman	Chairman of the Committee
2.	Md. Abu Hanif Khan, Director	Member
3.	Quazi Shairul Hassan, Director	Member
4.	Md. Azizur Rahman, Director	Member
5.	K. M. Tariqul Islam, Director	Member

Managing Director & CEO and his Management Team

Managing Director & CEO



Md. Habibur Rahman Gazi
Managing Director & CEO

Deputy Managing Director



Shachindra Nath Samadder
Deputy Managing Director

Head of Divisions



Paritosh Sarker
General Manager
IT and Risk Management Division
&
International Banking Division



M Shafiqul Islam
General Manager
Finance & Accounts Division



Md. Shafiqul Islam
General Manager
CEO, BDBL Securities LTD



Afroza Nasrin Chowdhury
General Manager
Administration Division
&
Internal Control and Compliance Division



Md. Abdul Mannan Shaikh
General Manager
Legal Affairs and Recovery Division



Susmita Mandal
General Manager
Investment Banking Division



Md. Humayun Kabir
General Manager
Development Banking Division



Md. Ekhtiar Uddin
General Manager
Principal Branch, Dhaka



A.K.M Shamsul Islam
General Manager
Branch Banking Division



Kabir Ahmed
General Manager
SME & General Advance Division



Kamal Uddin Ahmed Mollah
Deputy General Manager
&
Company Secretary

Head of Departments



Shamal Kumar Das
Deputy General Manager
Business Development &
Marketing Department



Md. Jasim Uddin Khan
Deputy General Manager
Public Relation Department



Saifuddin Ahmad
Deputy General Manager
Information Technology Operation Department



Abdullah Al Bashed
Deputy General Manager
Establishment & Common Service Department



S M Wahiduzzaman
Deputy General Manager
Loan Recovery Department



Md. Shamsus Saber
Deputy General Manager
Loan Operation Department
&
Project Implementation Dept. (Add)



Mussammat Ummey Honey
Deputy General Manager
Reconciliation Department



Mohammad Anisur Rahman
Deputy General Manager
Law Department
&
Vigilance Department (Add.)



Ranjan Kumar Roy
Deputy General Manager
General Advances Department



Md. Masum Syeed
Deputy General Manager
BDBL Investment Services LTD



Md. Golam Hasnayen Khan
Deputy General Manager
Compliance Department
&
Monitoring Department (Add.)



Md. Reazul Islam
Deputy General Manager
Risk Management Department



A.K.M. Sharif Hossain
Deputy General Manager
Central Accounts Department
&
Budget Department (Add)



Md. Mahbub Morshed Khan
Deputy General Manager
International Banking Department



A.B.M. Mobinul Islam
Deputy General Manager
Treasury Department



Md. Asaduzzaman
Deputy General Manager
Real Estate Department



Mohd. Momtaz Uddin
Deputy General Manager
Investment Banking Department



Md. Imamur Rashid
Deputy General Manager
Debt Collection Department



Mohammad Mobasher Hossen
Deputy General Manager
Human Resource Management
Department



Fatema Khanam
Deputy General Manager
Branch Management Department



Shamima Begum
Deputy General Manager
Audit & Inspection Department



Afsana Ferdousi
Deputy General Manager
MIS & Research Department



Mohammad Mannan Hossain
Deputy General Manager
SME Department



Md. Rokouzzaman
Deputy General Manager
Information Technology System Department
&
Head of Card Management Unite.



Syeda Saleha Begum
Deputy General Manager
Training Institute

Head of Zonal Offices



Md. Rakeeb Hossain
Deputy General Manager
Zonal Office Dhaka South



Shaikh Sharafat Islam
Deputy General Manager
Zonal Office, Dhaka North



Mohammad Ayub Ali
Deputy General Manager
Zonal Office, Khulna



Liton Chandra Mazumder
Deputy General Manager
Zonal Office Sylhet



Delwer Hossain
Deputy General Manager
Zonal Office, Chittagong



Shankar Kumar Bhoumik
Deputy General Manager
Zonal Office, Rajshahi

Head of Branches



Md. Ekhtiar Uddin
General Manager
Principal Branch, Dhaka



Md. Iqbal Hossain
Deputy General Manager
Motijheel Branch, Dhaka



Md. Asaduzzaman
Deputy General Manager
Rangpur Branch, Rangpur



Md. Faidur Rahman
Deputy General Manager
Elephant Road Branch, Dhaka



Tanveer Ahmed Siddquee
Deputy General Manager
Ashuganj Branch, Ashuganj



Mohammad Moniruzzaman
Deputy General Manager
Mymensingh Branch, Mymensingh



Mohammad Manir Husain
Deputy General Manager
Agrabad Branch, Chattogram



Kazi Muhammad Najmul Hasan Khan
Assistant General Manager
Sreenagar Branch, Munshiganj



Biplob Chandra Ghosh
Assistant General Manager
Karwan Bazar Branch, Dhaka



Md. Younus Ali
Assistant General Manager
Moulvibazar Branch, Moulvibazar



Md. Imam Hossain
Assistant General Manager
Rajshahi Branch, Rajshahi



Argun Biswas
Senior Principal Officer
Jhinaidah Branch, Jhinaidah



Md. Abdul Monnaf
Senior Principal Officer
Dinajpur Branch, Dinajpur



Md. Rajib Hossain
Senior Principal Officer
Khulna Branch, Khulna



Harashit Kumar Mondal
Senior Principal Officer
Jashore Branch, Jashore



Mafizur Rahman
Senior Principal Officer
Hemayetpur Branch, Dhaka



S. M. Gias Uddin
Senior Principal Officer
Pabna Branch, Pabna



Mohammad Mushiur Rahman
Senior Principal Officer
Mirpur-10 Branch, Dhaka



Md. Rafiqul Islam Rakib
Senior Principal Officer
Jainabazar Branch, Gazipur



Nasir Ahmed
Senior Principal Officer
Ashulia Branch, Dhaka



Saibal Barua
Senior Principal Officer
Khatunganj Branch, Chattogram



F. M. H. Ahmed Bakhtiar
Senior Principal Officer
Tomaltola Branch, Natore



Khokan Kanti Das
Senior Principal Officer
Cumilla Branch, Cumilla



Md. Hasibuzzaman
Senior Principal Officer
Hossainpur Branch, Kishoreganj



Masura Sikder
Senior Principal Officer
Narayanganj Branch, Narayanganj



Md. Mizanur Rahman Khan
Senior Principal Officer
Islampur Branch, Sylhet



Sanjoy Kumar Biswas
Senior Principal Officer
Saturia Branch, Manikganj



Zohirul Islam Bhuiya
Senior Principal Officer
Osmaninagar Branch, Sylhet



Md. Abdur Razzak
Senior Principal Officer
Bogura Branch, Bogura



Raihan Sadiq
Senior Principal Officer
Mohadebpur Branch, Manikganj



Md. Mahfuzur Rahman
Senior Principal Officer
Poradaha Branch, Kushtia



Md. Nuruzzaman
Senior Principal Officer
Kazirhat Branch, Nilphamari



Md. Zillur Rahman
Senior Principal Officer
Mokamtola Branch, Bogura



Muhammad Rokibuzzaman
Senior Principal Officer
Faridpur Branch, Faridpur



Amzad Mahmud
Senior Principal Officer
Cox's Bazar Branch, Cox's Bazar



G.M. Zellur Rahman
Senior Principal Officer
Muksudpur Branch, Gopalganj



Partha Sarathi Das
Senior Principal Officer
Noakhali Branch, Noakhali



Sunirmal Chanda
Senior Principal Officer
Tangail Branch, Tangail.



Jony Kanu
Senior Principal Officer
Keraniganj Branch, Dhaka



Md. Zinnatul Alam
Senior Principal Officer
Naogaon Branch, Naogaon



Khondoker Mostafizur Rahaman
Senior Principal Officer
Barisal Branch, Barisal



Md. Rakibul Alam
Senior Principal Officer
Moharajpurhut Branch Chapai Nawabganj



Md. Ashraf-Ul-Alam
Senior Principal Officer
Sylhet Branch, Sylhet



Kalon Miah
Senior Principal Officer
Nabinagar Branch, Brahmanbaria



Mohd. Nurul Alam
Senior Principal Officer
Feni Branch, Feni



Md. Habib Ullah Milon
Senior Principal Officer
Madhobdi Branch, Narshingdi



Suman Chakraborty
Senior Principal Officer
Kanchpur Branch, Narayanganj



Subroto Kumar Biswas
Senior Principal Officer
Hobiganj Branch, Hobiganj



Sayeed Uddin Ahmed
Principal Officer
Brahmanbaria Branch, Brahmanbaria



Meher Chandra Howlader
Principal Officer
Bhola Branch, Bhola

Chairman's Foreword



Shamima Nargis
Chairman
Bangladesh Development Bank Limited

“As a Financial Intermediary, we emphasize to maintain balance between sustainable banking and profit growth.”

Chairman's Foreword

Respected Shareholders

Assalamu Alaikum

It is my great pleasure to welcome you all to the 13th Annual General Meeting of Bangladesh Development Bank Limited. On behalf of the Board of Directors and from myself, I would like to express my sincere thanks and gratitude to all of you for your active support and cooperation towards BDBL.

Though BDBL has crossed only 13 years since its amalgamation, it has had the rich historical experience of supporting industrial growth and development in Bangladesh through supply of technical and financial resources. The erstwhile Bangladesh Shilpa Bank (BSB) and Bangladesh Shilpa Rin Sanghtha (BSRS) were created in 1972 by the government of the Father of the Nation Bangabondhu Shiekh Mujibur Rahman to lay the foundation for a happy and prosperous Bangladesh. These two banks were pioneers in bankrolling nascent industrialization efforts in independent Bangladesh. A large section of the established industrial conglomerates in Bangladesh received technical and financial support from both BSB and BSRS that paved the path for future growth. I would like to recognize the efforts and contributions of former employees and Board of Directors of these two institutions.

Though BDBL has not grown till now in size and heft like some of the NCBs in Bangladesh, but it is contributing to national growth in its own modest ways. The capital base of the bank is quite deep and it suffers not from any provision shortfalls. It is also making some modest profits for the last few years in a row after paying tax. However, the bank is riddled with an unacceptably load of non-performing loans (NPLs) and is stuck in high cost deposit that are preventing its growth and expansion. Before presenting the report of the bank for the year 2022, a brief review of the global economic situation along with the performance of the Bangladesh Economy in 2022 are briefly enumerated here under :-

GLOBAL ECONOMIC GROWTH

According to the World Economic Outlook April 2023, Global economic growth was 6 % in 2021 and 3.4 % in 2022 and projected to declined to 2.8 % in 2023. Advanced economies was 5.2 % in 2021 and 2.7 % in 2022 and negative to 1.3 % in 2023 form in 2022. Emerging markets and developing economies was 6.6 % in 2021 and projected to decrease by 4 % in 2022.

BANGLADESH ECONOMY:

With multifaceted challenges from internal and external fronts, Bangladesh economy managed to maintain GDP growth rate in FY 2021-22 at 7.25 %. The industry sector contributed 37.07 %, The Agriculture sector contributed 11.5 % and the Service sector contributed 51.43 % to the GDP in FY 2021-22.

Inflationary downward pressures on the purchasing power of the consumers continued to soften due to fall in food inflation although the non-food inflation was high. As a result, annual average Consumer Price Index (CPI) inflation increased to 6.15 % in FY 2021-22 from 5.56 % in FY 2020-21.

Export earnings increased to 34.38% in FY 2021-22 from FY 2020-21. Import increased by 35.95% in FY 2021-22 from FY 2020-21.

The weighted averages of interest rate on bank advances decreased to 7.09% in FY 2021-22 from 7.33% in FY 2020-21 and deposits decreased to 3.97 % in FY 2021-22 from 4.13 % in FY 2020-21.

Government has focused on formulating economic policy-strategies & action plans such as the Government Election Manifesto 2018, Perspective Plan 2021-2041, Eighth Five Year Plan 2021-2025, Bangladesh Delta Plan 2100 and Sustainable Development Goals 2030 (SDGs)

Bangladesh is now the 41th largest economy in the world in terms of nominal GDP while the country's position is 30th in terms of purchasing power parity. The country has achieved near self-sufficiency in food production. Per capita income is \$ 2824 in FY 2021-22. Bangladesh is one of the world's fastest growing economy.

BANKING BUSINESS ENVIRONMENT

The overall business environment in the banking sector in 2022 was significantly more challenging than expected. Besides, the impact of COVID-19 pandemic and The Russia-Ukraine war, temporary relaxation in the loan classification policy, sluggish trend in the country's capital market, cautious monetary policy and Expenditure-Income Ratio (EI) caused significant reduction in the profitability of banks. The most important threat to the banking sector was the accumulation of huge amount of Non Performing Loans (NPL). The ratio of gross NPLs by type of banks such as SCBs, SBs, PCBs, and FCBs were 21.9, 11.7, 6.0 and 4.4% respectively in FY 2021-22. Total NPL ratio was 9.0 % in FY 2021-22 which was 7.9 % in FY 2020-21, showing an increasing trend.

BDBL's PERFORMANCE

Like the previous years, BDBL has posted profit. The bank took a strategy of quality growth by following regulatory and policy prescription compliance in all spheres of operations.

As a continued policy, the bank remained focused in all key areas covering capital adequacy, maintenance of required provision, sound management, good earnings and strong liquidity. As a result, the operating profit stood at Tk. 50.03 crore for the year 2022. Net Profit after Provision and Tax stood at Tk. 10.13 crore in 2022. In 2022, the Return On Asset (ROA) and Return On Equity (ROE) increased to 0.17% and 0.53% respectively than the Return On Asset (ROA) and Return On Equity (ROE) of 0.10% and 0.34% in 2021. At the same time, Earnings Per Share (EPS) stood at Tk. 1.69 in 2022 which was Tk. 1.06 in 2021.

Deposits of the bank slightly increased to Tk. 2914.50 crore during 2022 from Tk. 2900.51 crore in 2021. Loans and advances showed increasing growth by 2.74% to Tk. 2479.66 crore during the year 2022.

As I mentioned earlier, Non-Performing Loans, a huge burden for BDBL, stands as a barrier and threat for income generation and creates stumbling block to its profitability. However, the bank have taken a number of pro-active steps to recover the classified loans so that the Non Performing Loans decline to an acceptable level within the shortest possible time. The top management and also the Board remain fully engaged with the overall effort to bring down the NPLs of the bank to 25 % or less in the shortest possible time. As a mention, Bangladesh Development Bank Limited has signed Memorandum of Understanding with Bangladesh Bank.

In the year 2022, Capital to Risk Weighted Asset Ratio of the bank was 23.13% (core capital to Risk Weighted Assets 22.67% and supplementary capital to Risk Weighted Assets 0.46%) on solo basis, which was above the stipulated rate of 12.5%.

The bank operates under the overall supervision and guidance of the management and policy supports from the Board of Directors. The Board throughout the year remained vigilant about compliance of the existing rules and regulations. It also spent much of its time in delivering and updating policy directives to the management for improving the performance of the bank including service delivery. All these measures together enhanced the competitiveness of the bank during the year under review.

The bank always believes that human resource is one of the important assets for achieving goals of the bank. So, the bank invests substantially in human resource development. The bank hires, develops and retains the human resource base with the right level of attitude, skills and talent to meet current and future demand. The employees of the bank are given on-the-job training and sent to different training programs/seminars and workshop. The Training Institute of the bank arranges various courses on current issues of banking including workshops and seminars.

For improving the strength in latest technology driven activities, the IT Division of the bank has been working hard with a team of highly skilled officers. The IT team developed various in-house software which made the operating system faster and customer-friendly.

As a part of inclusive banking, BDBL's strategy is to reach the doorsteps of the customers/entrepreneurs to provide full range of banking services based on technology at a reasonable cost.

BDBL is well positioned to meet the challenges of 2022 and expects to achieve sustainable growth with improved asset quality that will maximize profit of the bank. The bank will focus on its small, medium and large customer base to generate more business from existing and new customers. It will also continue to harness the potential of Retail Banking, Remittance and Foreign Trade Financing including other businesses. In its pursuit of growth, the bank will always adhere to good corporate governance and practices and sound risk management policies and credit evaluation procedure. The bank also follows core principles of sustainability and flexibility to cope with internal and external shocks.

I would like to express my gratitude to the Government of the People's Republic of Bangladesh, Bangladesh Bank, Bangladesh Securities & Exchange Commission, Office of the Registrar of the Joint Stock Companies and Firms and the stock exchanges for their continued support and guidance. I would also like to thank all valued clients, patrons, well-wishers and all employees for their continued support and cooperation without which the bank would not be able to achieve its present position.

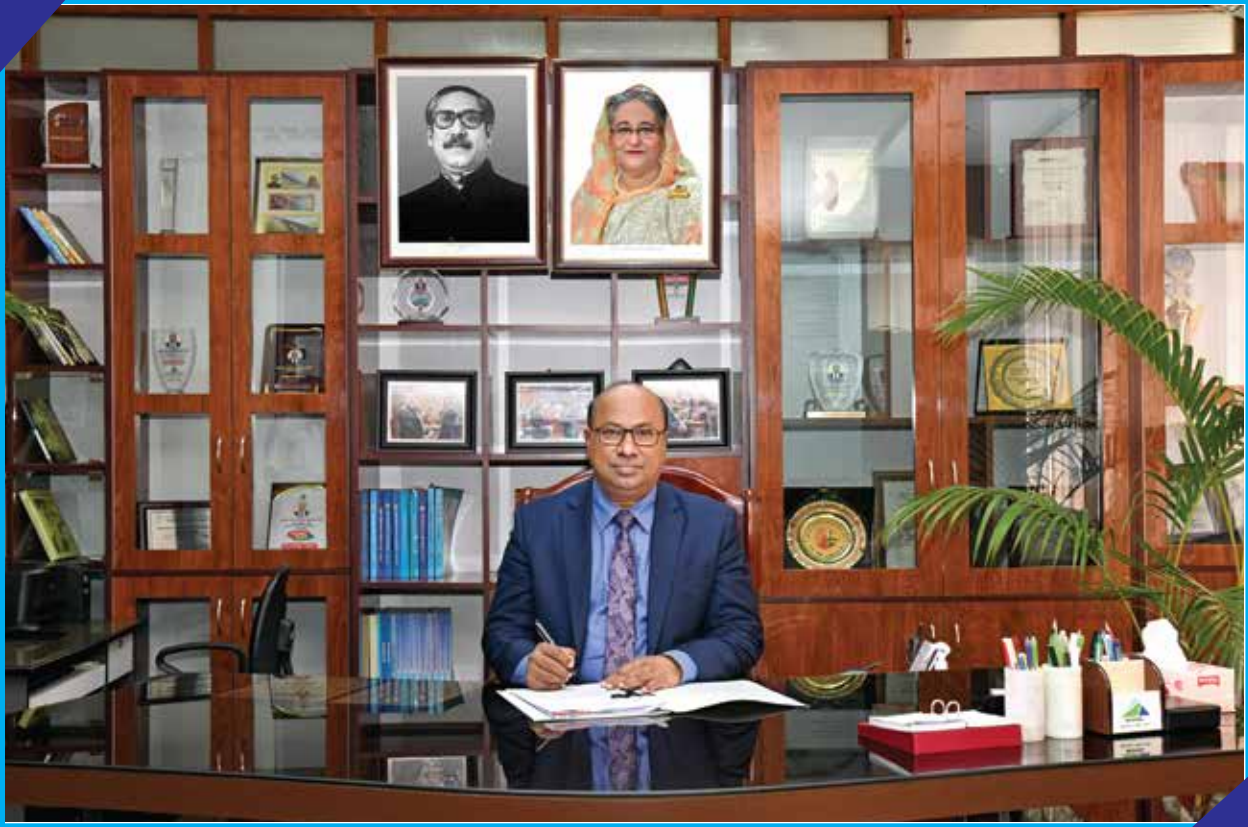
I am thankful to our statutory auditors, Hoda Vasi Chowdhury & Co. and Khan Wahab Shafique Rahman & Co. My appreciation also goes to my fellow members in the Board of Directors of the bank for their generous assistance, guidance and thoughtful leadership which contributed enormously in the steady growth of the bank's activities.

May Allah (SWT) lead us to more positive outlook in coming years.



(Shamima Nargis)
Chairman

From the Desk of Managing Director & CEO



Md. Habibur Rahman Gazi
Managing Director & CEO
Bangladesh Development Bank Limited

BDBL has been advancing towards achieving its goals with well defined targets and strategies of business activities under the guidance of expert and experienced Board of Directors.

From the Desk of Managing Director & CEO

It is my immense pleasure to welcome you all to the 13th Annual General Meeting of BDBL and to present the performance of the BDBL for 2022. I am also delighted to express my best regards and hearty felicitation to the respected shareholders, honorable Chairman and Directors of BDBL. Since its inception, BDBL has been endeavoring hard to achieve its desired goals with the continued support and co-operation of the visionary Board of Directors. As a result, the growth of BDBL through performing different business activities has been showing upward trend from year to year.

Before going to present operational and financial performance of the bank, it is pertinent to highlight on our domestic economic situation and state of banking industry during FY 2021-22.

DOMESTIC ECONOMIC REVIEW

GDP growth to hit 7.25 % in FY 2021-22. Bangladesh Bank's monetary and financial policies embraced, alongside price and macro-financial stability objectives, inclusivity and environmental sustainability dimensions in pursuit of employment creation focused inclusive growth support, in line with the government's SDG-focused sustainable development agenda.

BANKING INDUSTRY REVIEW

The Banking industry of the country in FY 2021-22 was passing through several backdrops, like the impact of COVID-19 pandemic and The Russia-Ukraine war, worldwide demand-supply chain anomaly, high cost global food, fuel and commodity price, besides growth-supportive monetary policy, uninterrupted inflow of credit to both the private and public sectors, re-fixation of the regulatory liquidity ratios to ensure additional liquidity, sufficient prudential guidelines to maintain proper office environment in the banks, issuance of various directives for banks as well as moderation of foreign trade and foreign currency transaction regulations, temporary relaxation in the loan classification policy, implementation of the government's stimulus packages for different segments of the economy and refinance schemes, introduction of special fund for capital market investment, policy regarding verification of audited financial statements submitted by borrowers before loan approval/renewal and temporary relaxation of loan classification, to contain Advance Deposit Ratio (ADR), All these had led to profit growth of banks in 2022.

PERFORMANCE REVIEW OF BDBL

The management of BDBL focused more on consolidating its strength in 2022 by way of capacity building, strong capital base and efficient liquidity management. Accordingly, in the area of capacity building, the bank adopted a number of administrative policies to make it more dynamic and delivery oriented. For this, it opened up new branches for expanding banking activities, liability marketing and branding. Strong Capital Base was also maintained to contain Advance Deposit Ratio (ADR) within the desired level.

The year 2022 was however good for BDBL. The Key Performance Indicators (KPIs) of banking operations are testimony to the achievement and growth of the bank. The bank earned Net Interest Income (NII) of Tk.38.92 crore against the target of Tk.35.60 crore, indicating 109.33 % achievement of the target. The total operating income of the bank increased by 8.80 % to Tk.176.75 crore in 2022 over the previous year.

As a result, the operating Profit before Provision and Tax stood at Tk.50.03 crore in 2022 against the target of Tk.46.36 crore. Net Profit after Provision and Tax stood at Tk.10.13 crore in 2022. Cost to Income Ratio decreased to 96.97% in 2022 which was 98.02% in 2021. Earning Per Share (EPS) of BDBL was decreased to Tk.1.69 in 2022 which was Tk.1.06 in 2021.

BUSINESS GROWTH IN 2022

Increased number of deposit accounts, intensified target and campaign were speed up in 2022. The campaign was strongly supported by opening of new branches, announcing deposit month, introducing online banking and upgrading IT infrastructure and increasing promotional activities including improved delivery capabilities to meet the growing needs of the customers.

At present, many banks of Bangladesh are operating in the money market with stiff competition for deposit hunting. The deposit of BDBL is Tk.2914.50 crore in 2022.

Loans and advances stood at Tk.2479.66 crore at the end of 2022 from Tk. 2413.43 crore in 2021, showing an increasing growth of about 2.74 % over the previous year.

The bank continued to grow and diversify its portfolio in 2022 to have a diversified client base to cover more and more sectors to reduce client specific and industry specific concentration and also to reduce overall portfolio risk.

NON-PERFORMING LOANS

Non-Performing loans of the bank increased to Tk.1025.90 crore in 2022 from Tk.742.62 crore in 2021. Due to failure of instalment against reschedule loan under BRPD Circular no 5/2019 again classified. The efforts to reduce non-performing loans ratio to total loans (excluding staff loan) did not yield desired result as was targeted in 2022. However, full provision was made against these classified loans. The bank took several measures to reduce the classified loan in future.

RISK MANAGEMENT

As a Financial Intermediary, BDBL also faces challenges from different types of risks that may have adverse impacts on the business and profitability. Risk management in bank's operation includes identification, measurement, assessment, monitoring and control of various risks with an aim to minimize adverse impact of risks taking on the financial outcome of the bank. The Risk Management Unit of the bank prepares monthly Risk Report on the financial health of the bank, ICAAP and Stress Test results on the financial position of the bank. This is presented to the Supervisory Review Process Team and high powered Board Risk Management Committee.

STRONG CAPITAL ADEQUACY

BDBL always puts much emphasis on strengthening and enhancing its risk management culture and internal control processes rather than increasing capital to cover up weak Risk Weighted Assets (RWA). As a result, the bank's Capital to Risk weighted Asset Ratio (CRAR) remains consistently at a higher level than required by the Basel-III . The Capital to Risk weighted Asset Ratio (CRAR) maintained at 23.13% (core capital 22.67% + supplementary capital 0.46%) in 2022 which was 23.38% (core capital 22.08% + supplementary capital 1.30%) in 2021.

BDBL'S CREDIT RATINGS

Credit rating is one of the important factors for deciding and establishing business relations including international trade. BDBL's Credit Rating has been done by Emerging Credit Rating Limited on the basis of Bank's Audited Financial Statements of 2021 as well as other qualitative and quantitative information like very good liquidity profile, strong capital base, good corporate governance, highly qualified management team, efficient fund management capacity and efficient human resource. As a separate entity, BDBL was awarded with A- for long term and ST-3 for short term with Stable outlook.

OTHER ACTIVITIES

BDBL is consistently improving its IT backbone to expand its products and services. It has always been striving to cater to the banking needs of a wider customer base and enhance the mission of promoting financial inclusiveness. Internet Banking, Mobile apps, e_KYC already have introduced. Credit Policy-2022, CMSME Credit Policy-2022, Audit Manual-2022 have been amended to enhance the loan activities.

It is true that the global financial industries contributed substantially to the ongoing crisis by their mindless pursuit of profit, causing negative impacts on the People and Planet. Our bank is more sensitive to the needs of the community and environment and not concentrates solely on profit maximization. Considering the needs, the bank formulated Green Banking Policy according to the guidelines given by the Central Bank in order to implement the same for betterment of the Society and Planet.

BUSINESS OUTLOOK FOR 2023

It is apprehended that the year 2023 would be more challenging year for the economy as well as for Banking Sector. The major challenges of the banking industry in 2023 would be optimum utilization of fund through achieving desired investment growth, preventing the deterioration of asset quality and maintenance of Capital Adequacy Ratio. We are quite optimistic that we would be able to achieve our goals in 2023 by strategic planning and implementation of the same through a dedicated line of human resource.

However, from the lessons of 2022, we will make every effort to focus the following in 2023:

- Explore potential depositors and take steps to make them our customers to increase investable fund and contain cost of fund by no cost and low cost deposit mix.
- Enhance image of the bank by taking customer focused, need-based and solution-driven activities.
- Enhance automation process & system in the bank.
- Ensure better customer services according to the needs of the customers at reasonable cost.
- Achieve business growth through enhancing non-funded activities and loans and advances with special thrust on CMSMEs, cluster-based finance, green projects, entrepreneurs finance including others aiming to speed up sustainable business growth.
- Drive Export-Import business in full swing.
- Determine realistic strategy to turn loss incurring branches into profit earning branches for healthy profit growth of the bank.
- Reduce NPL according to Short Term Road Map (STRM).
- Accelerate recovery process in commensurate with the annual target.
- Devise new strategy and processes to realize written-off loans.
- Stay vigilant about financial scams, irregularities and other operational failure.
- Maintain adequate liquidity to ensure smooth transactions.
- Maintain ethical standard in every step of the way through compliance of all directives from the ministry and the regulatory authority.
- Upgrade cyber security system to control the cyber crimes.
- BDBL has no branch in 29 districts. Therefore, at least 2 branches will be introduced in all these districts for making banking services available to the un-banked people of the society.

- Improve performance and productivity of the employees through pursuing greater cost efficiency and capacity building.
- Activate guidance, supervision and monitoring of the branch level activities by senior management which will play a lead role in achieving the strategic objectives of the bank.
- Work out SWOT analysis regularly for reviewing the bank and its market position.
- Increase digitized services to the customers such as Bangla QR Code Based Payment System for Cashless Banking, IVAC (Indian Visa Fee Collection), BREB (Prepaid Bill Collection), Online Merchant Payment and SOC (Security Operational Centre) will be set up for cyber security monitoring and immediate remedial/preventive measures.

We are optimistic in achieving our goals through well-defined strategy and targets thereby to provide long term sustainable improvement in our all indicators for our stakeholders with a dedicated line of human resources who act with special care, concern and consciousness.

Finally, I express sincere and special thanks to my colleagues of all levels for their efforts and dedication in achieving the desired results. I would like to express my sincere thanks and gratitude to the Financial Institution Division, Ministry of Finance for their directives and continual monitoring.

I would also like to express my gratitude to the Board of Directors of BDBL for their consistent guidance, support and cooperation.

We are also indebted to the Government of the People's Republic of Bangladesh, Bangladesh Bank, Bangladesh Securities & Exchange Commission, Office of the Registrar of Joint Stock Companies & Firms, DSE & CSE for their continued support and cooperation.

A handwritten signature in black ink, appearing to be 'Md. Habibur Rahman Gazi', is positioned above the printed name.

Md. Habibur Rahman Gazi
Managing Director & CEO

Management Discussion and Analysis



BUSINESS ENVIRONMENT

During 2022, the business environment of Bangladesh showed macro-economic stability and high growth by overcoming all type of barriers. Bangladesh economy maintained 7.25 % growth in GDP during FY 2021-22 with the support of high growth in industry and service sectors.

BANKING SECTOR OF BANGLADESH

The performance of banking sector during this time was influenced by some factors like the impact of COVID-19 pandemic and The Russia-Ukraine war, very high NPL rate in public sector banks, slower demand for credit etc.

The banking sector of Bangladesh is consists of four categories of scheduled banks. These are State-owned Commercial Banks (SCBs), State-owned Development Financial Institutions (DFIs), Private Commercial Banks (PCBs) and Foreign Commercial Banks (FCBs). The number of banks was 61 in as on June, 2022. These banks had a total number of 10963 branches as on June 2022. Total Deposits of the banks in as on June, 2022 rose to BDT 15785.5 billion.

LENDING AND DEPOSIT RATES

The weighted averages of interest rate on bank advances decreased to 7.09% in FY 2021-22 from 7.33% in FY 2020-21 and deposits decreased to 3.97 % in FY 2021-22 from 4.13 % in FY 2020-21. The spreads between lending rates and deposit rates also increased to 3.12 % in FY 2021-2022 from 3.20 % in FY 2020-2021.

CAPITAL ADEQUACY REQUIREMENT

The Basel Committee on Banking Supervision (BCBS) introduced Basel-III capital regulations as global regulatory standards to improve the banking sector's ability to absorb shocks arising from financial and economic stress with the aim of reducing the risk of spillover from the financial sector to the real economy. It is to mention that Basel-III is largely enshrined in the capital buffers. Both the buffers i.e. the capital conservation buffer and the countercyclical buffer are intended to protect the banking sector from periods of excess credit growth.

In line with the Basel framework, Bangladesh Bank issued transitional arrangements for Basel-III implementation by banks in phases starting from 2015 which would be fully implemented as on January 01, 2015. Under these arrangements, BDBL has implemented Basel-III regulations.

EMERGENCE OF BANGLADESH DEVELOPMENT BANK LIMITED

With the decision of the Government, Bangladesh Development Bank Ltd. (BDBL) was incorporated on 16 November, 2009 as a Public Company Limited by shares under the Companies Act, 1994 by merger of former Bangladesh Shilpa Bank (BSB) and Bangladesh Shilpa Rin Sangstha (BSRS), two Development Financial Institutions (DFIs) in the public sector.

Bangladesh Shilpa Bank (BSB) was established in October 31, 1972 for accelerating the industrial pace of the country through providing loan and equity to the industrial projects as per Bangladesh Shilpa Bank Order, 1972 (President's Order No. 129 of 1972).

With the same objective, Bangladesh Shilpa Rin Sangstha (BSRS) was also established in October 31, 1972 as per Bangladesh Shilpa Rin Sangstha Order, 1972 (President's Order No. 128 of 1972).

In order to carry on business of BDBL, Bangladesh Bank issued banking license on November 19, 2009.

Two Vendors' Agreements were signed between the Government of the People's Republic of Bangladesh and the BDBL on December 31, 2009 to acquire and take-over all of their (BSB & BSRS) assets, benefits, rights, powers, authorities, privileges, liabilities, borrowings and obligations and to carry on with the same business.

As a Public Limited Company, BDBL formally embarked its journey on January 03, 2010. It extends financial assistance for setting up industries and provides all kinds of commercial banking services to its customers through its branch network in Bangladesh.

BDBL also established two subsidiary companies namely, BDBL Securities Limited and BDBL Investment Services Limited. These act as stock dealer and stock broker and operate Brokerage Houses one at 12, Karwan Bazar, Dhaka and the other at 8 RAJUK Avenue, Motijheel, Dhaka to provide services to the Investors.

PRODUCTS AND SERVICES OF BDBL

The bank is always committed to serve the clients with the best values and innovative products and services to enrich its portfolio.

SAVINGS DEPOSIT OF BDBL

- ❖ Current Deposit
- ❖ Savings Deposit
- ❖ Short Term Deposit
- ❖ Fixed Deposit
- ❖ BDBL Provide 10 Tk A/C

Other Special Savings Deposit :

- (i) Shikkha Sanchay Scheme (SSS)
- (ii) Chikitsha Sanchay Scheme (CSS)
- (iii) Monthly Income Scheme (MIS)
- (iv) Monthly Deposit Scheme (MDS)
- (v) BDBL Wage_Earner's Deposit Scheme (BWEDS)
- (vi) BDBL Troimasik Income Scheme (BTIS)
- (vii) BDBL Lacpoti Deposit Scheme (BLDS)

- (viii) BDBL Palli Sanchay Scheme (BPSS)
- (ix) Hajj Amanat Scheme (HAS)
- (x) BDBL Double Benefit Scheme (BDDBS)
- (xi) BDBL Super Savings Scheme (BSSS)
- (xii) BDBL Students Saving Account
- (xiii) Green Savings Deposit Scheme

LOAN PRODUCTS OF BDBL

Development Financing :

- ❖ Industrial loan with emphasis in syndicated arrangement (Power & Energy, Telecommunication, Fiber Optic Cable, etc.).
- ❖ Public - Private Partnership (PPP) project (Port Development, Transport & Communication like Road, Water & Air Ways etc.).
- ❖ Agro-based ventures depending on indigenous raw materials (like Jute Twine/Yarn and other industries).
- ❖ Green Banking (Environment & Eco- Friendly industries like automatic brick kiln, renewable energy, effluent treatment plant, etc.).
- ❖ Pay Order Limit under e-GP Loan Products
- ❖ House Building Loan (Residential/commercial) & Flat Buy Loan.

CMSME Loan:

- Purpose : To Encourage Cottage, Micro, Small & Medium Entrepreneur.
- Time Period : 1-5 Year (With highest 06 Month Grace Period).
- Interest Rate : 9% per annum.

CMSME Special Packages:

- Refinance Scheme Amounting BDT. 25000 Crore in CMSMEs Sector;
- Refinance Scheme for Providing Loan/ Investment Facility to Support COVID-19 Affected CMSMEs;
- COVID-19 Emergency Crisis Response Facility Project (CECRFP);
- Start-up Fund Refinance Facility Amounting BDT. 500 (Five Hundred) Crore by Bangladesh Bank;
- Refinance Scheme for setting up Agro-Based Product Processing Industries in Rural Areas;
- Small Enterprise Refinance Scheme;
- Refinance Scheme for New Entrepreneurs in Cottage, Micro and Small Enterprise Sector; and
- Incentive Facilities for women entrepreneurs in the CMSME sector against to Loan/ Investment.

Agriculture & Rural Credit:

- Purpose : To Encourage Marginal/ Landless Farmers.
- Time Period : 1-5 Year.
- Interest Rate : 8% per annum.

Agriculture & Rural Credit Special Packages:

- Refinance Scheme of 5000 Crore taka for agriculture sector to ensure Food Security of the Country;
- Special Agricultural Credit (Pulse, Oil Seed, Spices, Maize) at 4% concessional Interest Rate;
- “Ghore Phera” 500.00 (Five Hundred) Crore Refinance Scheme.

10/50/100 Account Holders Refinance Scheme:

- Refinance Scheme for Taka 10/50/100 Account Holders Marginal/ Landless Farmers, Low Income Professionals, School Banking Account Holders and Micro Businessmen under Financial Inclusion Program.

Short Term Loans :

- ❖ Cash Credit (Hypothecation)
- ❖ Working Capital (Hypothecation)
- ❖ Over Draft (OD)
- ❖ **Retail Banking :**
 - (i) Consumers' Credit
 - (ii) Personal Loan

FOREIGN TRADE FINANCING & FOREIGN EXCHANGE BUSINESS:

Export Finance:

- ❖ Export Cash Credit (ECC)
- ❖ Packing Credit (PC)
- ❖ Back to Back L/C
- ❖ Advising of Export L/C
- ❖ Export bill collection
- ❖ Letter of Credit Confirmation
- ❖ Advance against Bills for Collection

Import Finance:

- ❖ Purchase of local & foreign documentary bills
- ❖ Local L/C
- ❖ Import L/C (foreign) – Cash, Sight & Deferred
- ❖ Post Import Financing (LIM, LTR, etc.)
- ❖ Payment Against Documents (PAD)
- ❖ Foreign currency buy & sale.
- ❖ Issuance counter guarantee
- ❖ Remittance Service through Xpress Money Service Ltd.




OTHER BANKING SERVICES :





- ❖ Demand Draft Issue
- ❖ Payment Order Issue
- ❖ Selling of Prize Bond
- ❖ Selling of Savings Certificates, etc.

REVIEW OF BDBL'S BUSINESS PERFORMANCE

In the banking sector, BDBL is one of the leading State-owned Commercial Bank in terms of asset quality, profitably, product diversification, capital adequacy, service portfolio etc. With continuous challenges in overall banking sector, BDBL pursued a strategic approach of cost rationalization, service delivery excellence and innovative activities. This has resulted in positive growth in many of its indicators.

The prime achievements of BDBL in key areas during 2022 were:

-  In 2022 Net Profit after Provision and Tax was Tk.10.13 crore;
-  50 branches were computerized;
-  In 2022, the Capital Adequacy Ratio (CAR) maintained at 23.13% (Core Capital 22.67% + supplementary Capital 0.46%) which is 85.04% higher than the required rate of 12.50%;

-  In 2022, Earning Per Share (EPS) was Tk. 1.69 which was Tk. 1.06 in 2021;
-  In 2022, the rate of classified loan was 41.37 %;
-  Extended online banking network to all branches;
-  Ensured corporate governance and sustainable banking activities;

ACHIEVEMENTS IN 2022

The achievement of BDBL during the year 2022 are given below:-

a) Profit before Tax

The bank registered Profit before Tax at Tk.24.93 crore in 2022 against Tk.25.18 crore in 2021.

b) Net Profit after Provision and Tax

The Net Profit after Provision and Tax increased by Tk.10.13 crore in 2022 compared to Tk.6.38 crore in 2021. The growth of Net Profit after Provision and Tax of the bank contributed to Tier -I capital as well as total capital adequacy ratio and strengthened the capital base and business opportunities of the bank.

c) Deposit Volume and Growth

In the midst of challenging scenario in the money market, BDBL's deposit mobilization increased to Tk. 2914.50 crore in 2022 which was Tk. 2900.51 crore in 2021.

d) Investment Income

BDBL's investment income consists of interest/discount earned on treasury bills/bonds, gains on Government security trading, dividend received on shares, interest on reverse repo and capital gains from sale of securities of listed companies. Investment income of the bank in 2022 decreased by 26.57% to Tk. 74.66 crore over the previous year.

e) Growth of Interest Income

Due to tough economic situation, interest income of BDBL was 196.17 crore in 2022. Interest Income also increase by 11.80% compared to the previous year.

f) Classified Loan Recovery

BDBL management is very much concern and proactive about recovery and reduction of Classified Loans (CL) since its inception. So, keeping eye on the recovery of the broad spectrum of default loans, bank designed various action plans and also took all out efforts to implement the same for reducing classified loans and increased cash recovery as well.

g) Strengthening Capital Base

By maintaining growth of profit, BDBL always ensures internal generation of capital to meet the business growth. As a result, capital adequacy of the bank as per Basel -III on consolidated basis remained strong at 22.66% as against minimum statutory requirement of 12.50%.

BUSINESS ACTIVITIES OF BDBL

CMSME Banking

For enhancing domestic investment to meet rising demand for employment generation, women's empowerment and regional development, the role of CMSME is indispensable. In line with the Government and Bangladesh Bank's policy guidelines, promoting a dynamic CMSME sector is a priority for the bank to reduce poverty and stimulate economic growth.

For achieving these objectives as well as for financial inclusion of unbanked people, the CMSME department of the bank was entrusted with the following tasks:-

- To emphasize loan financing activities for priority sectors of CMSMEs in line with the policy guidelines of the Government and Bangladesh Bank.
- To guide, monitor and supervise CMSME related activities.
- To follow up and monitor timely implementation of projects under CMSME.
- To ensure regular recovery of CMSME loan so that loans do not turn into classified loan.

The bank took several steps for enhancing and accelerating CMSME loan portfolio, some of which were:

- Fixation of delegation of power categorically for sanctioning of CMSME loan by the Zonal, Branch Head and officers concerned in Head Office;
- Fixation of target for General and Women Entrepreneurs;
- For the convenience of selecting CMSME Projects, a list based on area, sectors and clusters was prepared and sent to all branches;
- Nomination of one Focal Officer in each branch as well as in CMSME department at Head Office;
- Set up of CMSME cell, a help desk / Women Entrepreneur Dedicated Desk at all branch offices to advise and assist CMSME entrepreneurs particularly, women entrepreneurs for advisory services including all related assistance;
- Set up of Women Entrepreneur Development Unit at all branch and zonal offices as per instruction of Bangladesh Bank;
- Compilation of NGO-Linkage Wholesale Credit Policy;
- Preparation of CMSME Manual relating to rules, regulations and other related up-to-date information;
- Creation of Database & Market Segmentation Reporting as per Software given by Bangladesh Bank;
- Creation of database of Women Entrepreneurs Reporting as per software given by Bangladesh Bank;
- Arrangement of Area-Based meeting with the entrepreneurs on a regular basis;
- Preparation of a comprehensive report on Flower Cultivation for financial inclusion of flowers cultivators according to instruction of Bangladesh Bank;
- Arrangement of different training programs by the Bank on CMSME related issues for enhancing knowledge and awareness of the employees on SME financing; and
- Participation in different CMSME fairs and seminars.

Treasury Function

Treasury operation concerned on funding operation and foreign exchange dealings. Treasury of BDBL provides diversified products and services and has three desks concentrated on funding operation, maintaining liquidity & managing market risk and foreign exchange dealings.

(a) Money Market Desk

The money market desk regularly participates in the inter-bank market of the country and exercises all types of existing money market products like call money, term placement, repo & reverse repo with the Bangladesh Bank and inter-bank mostly on overnight basis.

(b) Foreign Exchange Desk

One of the parts of treasury is Foreign Exchange Dealing. BDBL is a very young member of Foreign Exchange Dealing market in the country. The bank has started to set up a dealing room for Foreign Exchange Dealing purpose. Meanwhile, the bank has prepared a guideline for managing Foreign Exchange risk. Hope it would be functional very shortly. At present BDBL is purchasing and selling Foreign Exchange on need basis to fulfill the commitments of its customers, e.g. settlement of L/C liabilities and purchasing inland and foreign bills of our customers. Hence risk arising from Foreign Exchange is minimum.

(c) Asset Liability Management Desk

Treasury is the driving force of the Asset Liability Committee (ALCO). It executes the strategies of the ALCO for effective management and monitoring of various balance sheet gaps and risk limits set by the regulator. It takes various decisions regarding interest rate structure of deposits, loan pricing, credit-deposit ratio, contingency funding plan, stress testing, Liquidity Coverage Ratio (LCR), transfer pricing mechanism for internal funding and investments in Government securities including corporate bonds by evaluating the market trend and scenario.

(d) Regulatory Compliance

Treasury complies with regulatory requirement to maintain CRR and SLR. The department also maintains exchange position (overbought/oversold position) of the bank in line with Bangladesh Bank approved open position limit set for BDBL.

Information and Communication Technology

BDBL has always upgraded itself with the latest technology and time- to-time the bank has adopted different advantages of the technology which has enriched its IT infrastructure and IT based service facilities to the customer. Technological development of the bank tremendously increased its customer service as well as trustworthiness of the stakeholders towards the bank. The bank is dedicated towards its customer satisfaction with the help of the technological advantages. The IT division is well equipped not only with technology but also with a dedicated professional workforce which has been built up for support as well as development of new application. For developing IT backbone, the bank has invested throughout the year in an efficient manner considering return on investment. BDBL will established Disaster Recovery Site Software Technology Park in joshore. That is why BDBL will invest 25 crore taka. Already BDBL paid 1% Seed Money.

Bangladesh Automated Cheque Processing System (BACPS) and Bangladesh Electronic Funds Transfer Network (BEFTN)

As per the plan of Bangladesh Bank for automation of payment system of the country, Bangladesh Automated Clearing House (BACH) has been introduced in the bank since its inception. The two components of BACH namely Bangladesh Automated Cheque Processing System (BACPS) and Bangladesh Electronic Fund Transfer Network (BEFTN) are functioning in the bank. A total of 50 branches are operating BACPS successfully. BACH & BEFTN software has been interfaced with CBS. For this purpose, hardware, MICR cheque scanner, network connectivity has been installed at all branches. An account holder of BDBL can avail of the opportunity of a 24/7 banking transaction facility using a Debit Card. The registered Account holder of BDBL can avail of the opportunity for Money Transfer within Bank/ to other Bank and Mobile Financial Services (MFS): Bkash, Nagad, etc, TopUp/ Mobile recharge facility and Utility Bill Pay

Inauguration of New Branches

Opening of a new branch involves a series of actions. The key areas are carrying out detailed feasibility study of business through Business Development & Marketing Department, obtaining the Bangladesh Bank's permission, site/premises selection satisfying bank's distinctive requirement, testing structural feasibility of premises, hiring of suitable premises, interior and exterior design by divisional engineers/ architectural firm, supply of all kinds of electro-mechanical and electronic equipment and furniture/ fixture etc. In 2022, BDBL opened 1 new branches such as Mirpur-10, Dhaka district of the country.

Capital Management

Capital Management of the bank is based on the objective to maintain an adequate capital base to support the projected business and regulatory requirement. This is done by drawing an annual planned business growth vis-a-vis capital requirement. BDBL recognizes the impact of shareholders' return on the level of equity and seeks to maintain a prudent balance between Tier-I and Tier-II capital. Total capital fund of the bank stood at Tk. 1124.06 crore during 2022. Tier-I capital stood at Tk. 1101.81 crore during the year. Total capital fund is equivalent to 23.13% of total Risk Weighted Assets.

Human Resources

Like other resources, human resource is one of the important resources of the bank to carry on its activities. Human Resource Management Department entrusted with the task of managing its workforces in an effective and efficient manner. The department encompasses recruitment, assessment, overseeing, transfer posting and ensuring compliance with employment and service rules creating business values to strategic management with all the policy support from the Board and the management. The Administration Division is giving more importance on employees to equip them as human capital.

Knowledge and skill development is a continuous process, which is enriched by proper training. In order to enhance operational skill and efficiency of the officers, the bank established a Training Institute of its own. BDBL sent a large number of officers to participate in different training programs, workshops and seminars arranged by BIBM and Bangladesh Bank Training Academy (BBTA) including other institutions.

Besides, in house need-based training courses were also arranged with resource persons drawn from inside as well as from outside to keep the officers abreast of the latest development in the banking and financial sector.

Monitoring Performance through Key Performance

The bank tracks the performance against a number of bench marks known as Key Performance Indicators (KPIs) the KPIs fall under two categories- Financial and Non-financial. The KPIs are used to track performance against the planned targets, comparison of previous years' results and industry bench mark..

Financial Key Performance Indicators

There are some key performance indicators those are:

- Deposit performance is assessed in terms of cost of deposit, mix of deposit;
- Credit functioning is mentioned in terms of yield on advance and impairment charges;
- Credit –Deposit Ratio is observed and measured regularly;
- Asset-liability mix is monitored to expected profitability efficiency as well as to achieve diversification;
- Off-balance sheet exposure i.e. letter of credit, guarantee etc. are monitored as these are important source of fee based income;
- NPL ratio gives the idea of the asset quality of the bank and helps in managing asset portfolio;
- Net Profit before Tax measures the operating efficiency of the management and is important for determining the productivity of the employees;
- Return on Average Equity measures the return on the average capital invested in the business;
- The Earnings per Share ratio shows the level of earnings generated per ordinary shares.

Non-Financial Key Performance Indicators

- The most important indicator is customer satisfaction. It is the key to the development of business;
- The expansion of branch and increase of customers in branches indicates customer satisfaction.

Green Banking









Green banking is like a normal bank, which considers all the social and environment /ecological factors with an aim to protect the environment and conserve natural resources. It is also called as an ethical bank or a sustainable bank with an additional agenda toward taking care of the Earth's environment/habitants/resources. Basically green banking avoids as much paper work as possible and relies on online/ electronic transactions. As a part of financial intermediary as well as environmentally conscious bank, BDBL has been playing an important role in mitigating environmental hazards through green banking. The bank approved a considerable fund in the annual budget for green banking and disbursed in 2022.

Future outlook

The global financial meltdown caused a spillover effect in the economy around the world. The efficacy of policy tools and their applications in managing systematic crises were challenged. These almost inevitably compelled the policy makers and financial sectors supervisors to revisit their policy choices. The Russia-Ukraine war is inflicting high and rising human costs not only Bangladesh but also worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the Bangladesh economy effects.

BDBL is well positioned to meet the challenges of 2023 and will continue to strive to innovate and capture opportunity for growth and value creation.

Against the backdrop for achieving the short and long term goals, BDBL will concentrate its focus on the following:

-  Continue to launch new deposit and improve deposit mix, loan products and innovating banking services.
-  Build relationship with customers and client with innovative and customized solutions and services.
-  Enhance customers' delight by ensuring customers' safety, adapting with dreams and changing demands of the customers.
-  Maintain asset quality and recover the dues in time.
-  Pursue a strategy of flexibility for absorbing shocks and adapting to new realities & challenges occurring in the market from internal and external causes.
-  Carry on expansion of branch network in rural and urban areas.
-  Ensure sustainable banking through green banking, corporate social responsibility and financial inclusion.
-  Continue to invest in people and technology to improve productivity and customers' satisfaction.

Stakeholders' Information

FINANCIAL HIGHLIGHTS

(Tk. in crore)

Particulars	2022	2021	Change %
Deposit	29 14.50	2900.51	16.76
Loans & Advances	24 79.66	2413.43	2.74
Operating Profit	50.03	41.08	21.79
Profit after Tax	10.13	6.38	58.78
Earning Per Share (EPS) in Tk.	1.69	1.06	59.43
Capital Adequacy Ratio (CAR)	23.13	23.38	(1.07)
Number of Branches	50	49	2.04
Number of Employees	659	697	(5.45)
Import	215.96	195.96	10.21
Export	396.24	347.53	14.02

STAKEHOLDERS OF BDBL

The prime motto of BDBL is sustainable banking, which creates long-term resilient and sustainable economic, social and environmental values having a green, responsible and inclusive strategy through transparent and efficient utilization of resources. As a result, sustainability reporting helps the bank in devising a means to communicate and engage with its stakeholders. Our key stakeholders are: investors, customers, employees, suppliers, communities and the environment as a whole. So, we put importance on stakeholders' financial needs and objectives while designing a product or a service. At the same time, we ensure that these products and services should create positive outcomes for the society and the environment. We want to be a responsible business partner of our stakeholders by attaching highest priority to ethical conduct and integrity and by protecting their interest. Major groups of stakeholders of BDBL including their inclusiveness and engagement are mentioned as follows:

Stakeholders' Inclusiveness and Engagement

Government and other Regulators	Customers	Shareholders	Employees	Suppliers and Service Providers	Community
<ul style="list-style-type: none"> Ministry of Finance 	<ul style="list-style-type: none"> Retail Customers 	<ul style="list-style-type: none"> Government of the People's Republic of Bangladesh 	<ul style="list-style-type: none"> Permanent Staffs 	<ul style="list-style-type: none"> Correspondent Banks 	<ul style="list-style-type: none"> Professionals and Self-Employers
<ul style="list-style-type: none"> Bangladesh Bank 	<ul style="list-style-type: none"> Rural Credit Customers 		<ul style="list-style-type: none"> Contractual Staff 	<ul style="list-style-type: none"> Foreign Remittance Agent 	<ul style="list-style-type: none"> Civil Society
<ul style="list-style-type: none"> National Board of Revenue 	<ul style="list-style-type: none"> SME and Corporate Client 		<ul style="list-style-type: none"> Management Trainees & Interns 	<ul style="list-style-type: none"> Landlord of Leased Premises 	<ul style="list-style-type: none"> Student
<ul style="list-style-type: none"> BSEC 	<ul style="list-style-type: none"> Remittance Customers 		<ul style="list-style-type: none"> Outsourced Staffs 	<ul style="list-style-type: none"> Suppliers of Fixed Assets 	<ul style="list-style-type: none"> Different Communities
<ul style="list-style-type: none"> ICAB, ICMAB 	<ul style="list-style-type: none"> Importer & Exporter 			<ul style="list-style-type: none"> Maintenance and Security Service Provider 	
<ul style="list-style-type: none"> Comptroller of Auditor General of Bangladesh 					
<ul style="list-style-type: none"> External Auditors 					
<ul style="list-style-type: none"> All Business Chambers 					

5 (Five) Years Performance of BDBL: At a Glance



(Tk. in crore)

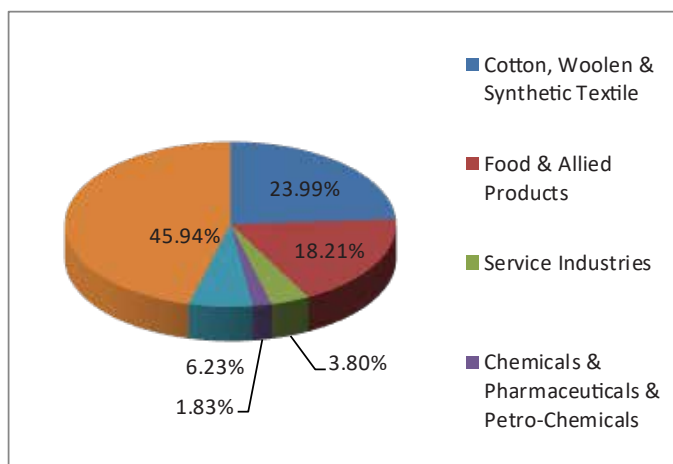
Sl. No.	Particulars	2022	2021	2020	2019	2018
Balance Sheet Matrix						
1	Authorized Capital	1000	1000	1000	1000	1000
2	Paid up Capital	600	600	400	400	400
3	Statutory Reserve	271.49	266.49	261.46	259.24	255.54
4	Retained Earnings	58.10	46.06	44.77	42.54	39.69
5	Other Reserve	981.01	986.91	1196.04	1205.36	1214.96
6	Total Equity	1910.60	1899.46	1902.3	1907.2	1910.2
7	Capital Required (As per Basel III)	607.53	630.40	577.56	563.35	501.01
8	Capital Maintained/Eligible Capital (As per Basel III)	1124.06	1178.87	1057.3	999.55	1137.2
9	Core Capital (Tier- I)	1101.81	1113.57	1044.6	987.98	1058.9
10	Supplementary Capital (Tier- II)	22.25	65.30	12.67	11.57	78.28
11	Capital Surplus (As per Basel III)	516.53	548.47	479.71	436.2	636.19
12	Total Risk Weighted Assets (Basel III)	4860.25	5043.19	4620.5	4506.8	4219
13	Capital Adequacy Ratio (Basel III)	23.13%	23.38%	22.88%	22.18%	26.95%
14	Deposits (including Bills Payable)	2914.50	2900.51	2421.9	2764.6	2831.2
15	Investments	869.84	839.72	840.45	972.06	981.41
16	Loans & Advances	2479.66	2413.43	2129	1998.4	1930.7
17	Fixed Assets	765.74	779.78	775.48	781.54	794.04
18	Total Assets	6096.86	6115.66	5530.2	5839.6	5919.1
19	Advances to Deposit Ratio (ADR)	84.46%	82.66%	87.91%	72.29%	68.19%
20	Classified Loans & Advances (excluding Staff Loan)	1025.90	742.62	596.26	766.25	889.56
21	% of Classified Loans & Advances (excluding Staff Loan)	41.37%	30.77%	28.01%	38.34%	46.07%
22	Required Provision against Classified Loans & Advances	387.80	406.14	389.75	389.64	380.28
23	Provision Maintained	388.63	406.16	389.75	389.75	380.46
24	Surplus of Loan Provision	0.83	0.02	0	0.11	0.18
25	Amount of Written of Loan	1520.42	1538.09	1544.8	1757.4	1778.9
26	Interest Income	196.17	175.46	192.83	234.84	273.89

Sl. No.	Particulars	2022	2021	2020	2019	2018
27	Interest Paid on Deposit & Borrowings	157.25	159.29	158.83	168.9	158.3
28	Net Interest Income	38.92	16.17	34.01	65.93	115.59
29	Income from Investment & Capital Market Operation	74.66	101.68	51.4	30.75	84.4
30	Non-Funded & Other Operating Income	63.17	44.60	44.64	51.68	48.85
31	Total Operating Income	176.75	162.45	130.05	148.36	248.84
32	Administrative & Operating Expenditure	126.72	121.37	118.99	104.85	131.57
33	Net Profit before Tax	24.93	25.17	11.06	18.46	109.18
34	Provision for Income Tax	14.80	18.79	6.57	11.90	34.29
35	Net Profit after tax	10.13	6.38	4.49	6.56	74.89
36	Import L/C (Sight)					
37	Import L/C (Deferred)	215.96	195.96	157.33	117.64	143.64
38	Export	396.24	347.53	209.28	167.89	147.28
39	Dividend Paid to the Govt.	-	200.00 (Stock Dividend)	-	-	-
40	Net Assets Value Per Share (Taka)	318.43	316.58	475.57	476.8	477.56
41	Earning Per Share (Taka)	1.69	1.06	1.12	1.64	18.72
G.						
42	Net Operating Income to Assets	2.90%	2.66%	2.35%	2.54%	2.25%
43	Cost of Fund	7.45%	7.78%	8.13%	7.85%	8.25%
44	Cost to Income Ratio	96.97%	98.02%	96.17%	86.28%	79.61%
45	Return On Assets (ROA)	0.17%	0.10%	0.08%	0.11%	1.27%
46	Return On Investment (ROI)	8.58%	12.11%	6.12%	3.16%	8.60%
47	Return On Equity (ROE)	0.53%	0.34%	0.24%	0.34%	3.98%
48	Number of Shareholders	100% Govt. owned	100% Govt. owned	100% Govt. owned	100% Govt. owned	100% Govt. owned
49	Number of Zonal Offices	6	6	6	4	4
50	Number of Branch Offices	50	49	47	46	44
51	Number of Employees (Regular)	659	697	748	753	772

Sector-Wise Loan Portfolio Position As on 31 December, 2022

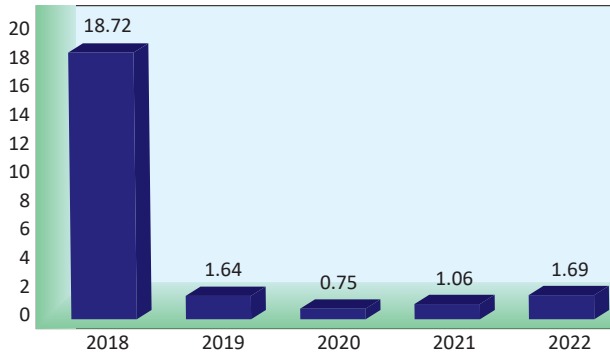
SL. No.	Particulars	No. of Projects	Outstanding			
			Not Due	Overdue	Total	% of Total
01.	Food & Allied Products	1735	186.21	356.19	451.63	18.21
02.	Jute & Allied Fibre Products	8	5.98	26.09	18.46	0.74
03.	Cotton, Woolen & Synthetic Textile	1049	342.70	220.10	594.90	23.99
04.	Paper, Paper Products & Printing	65	4.29	14.49	11.37	0.46
05.	Tannery & Its Products	45	2.32	2.99	4.09	0.16
06.	Non-metallic Mineral Products	73	15.66	21.54	29.34	1.18
07.	Forest, Wood Products & Saw Mills	188	10.94	16.05	25.16	1.01
08.	Rubber & Rubber Products	15	0.84	1.99	1.92	0.08
09.	Metal Products	93	108.43	29.23	154.41	6.23
10.	Electrical Machinery & Goods	59	7.23	11.14	20.65	0.83
11.	Machinery & Spare Parts	60	3.48	2.84	6.31	0.25
12.	Water Transport	25	1.48	3.63	3.02	0.12
13.	Road Transport	14	1.69	10.25	6.65	0.27
14.	Chemicals & Pharmaceuticals	71	20.72	13.29	31.85	1.28
15.	Petro-Chemicals	23	9.99	1.58	13.50	0.54
16.	Service Industries	945	50.57	41.83	94.10	3.79
17.	Miscellaneous	11316	594.10	339.79	1012.29	40.82
Total:		15784	1366.64	1113.02	2479.65	100.00

Loan Portfolio in 2022 (In %)

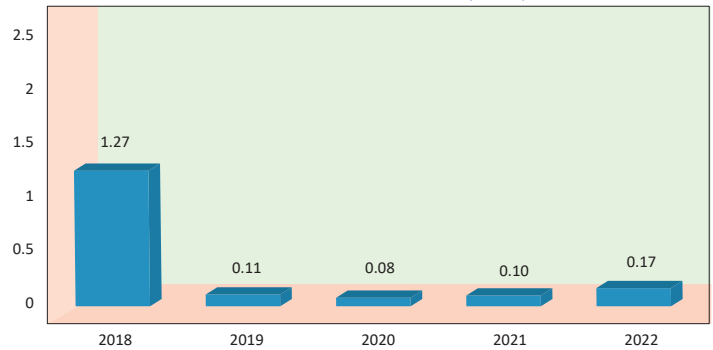


GRAPHICAL PRESENTATION OF KEY PERFORMANCE INDICATORS

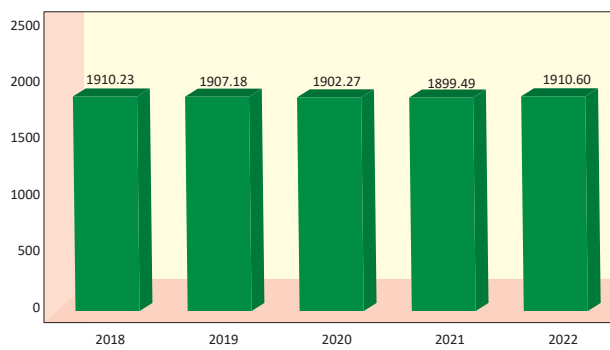
Earning Per Share (in Taka)



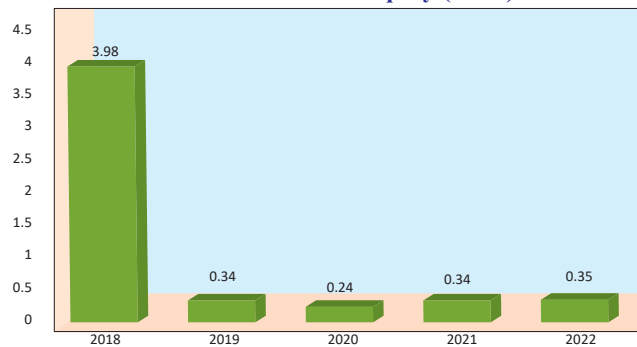
Return on Assets (In%)



Shareholders Equity (Tk. In Crore)

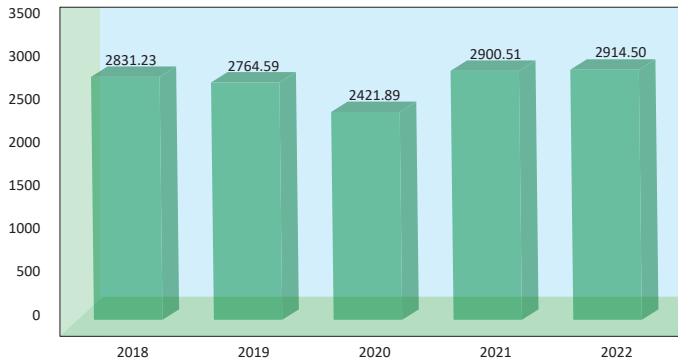


Return on Equity (In %)

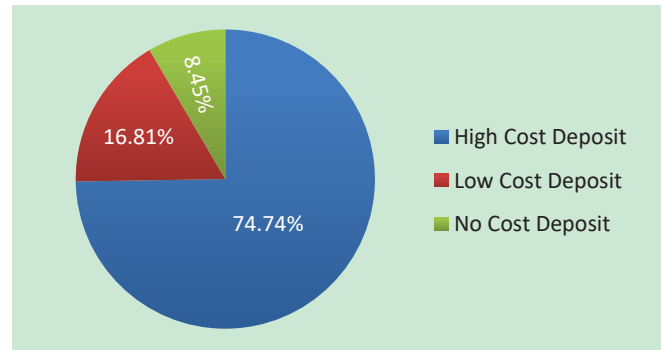


GRAPHICAL PRESENTATION OF OPERATIONAL AND FINANCIAL PERFORMANCE

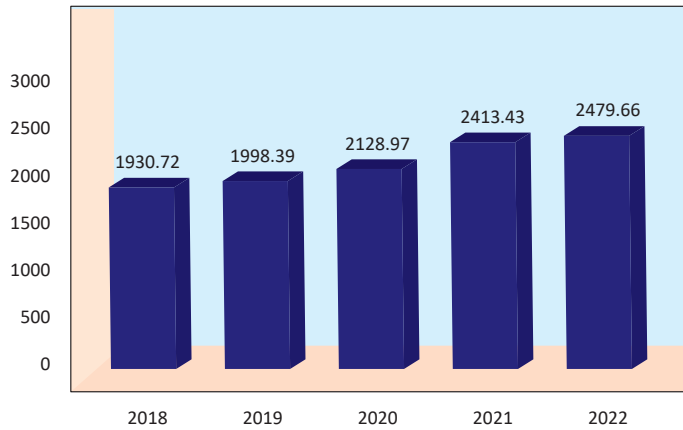
Deposit (Tk. In Crore)



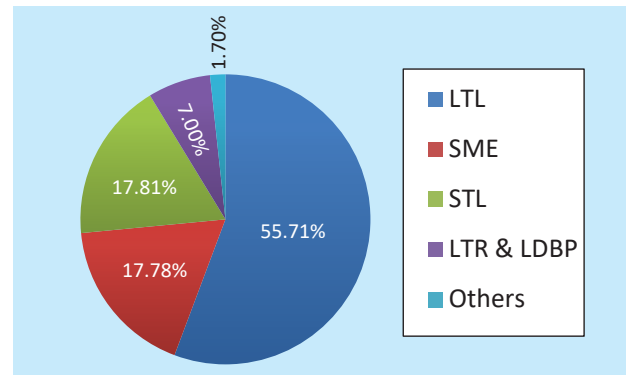
Deposit Mix in 2022 (In%)



Loans and Advances (Tk. In crore)

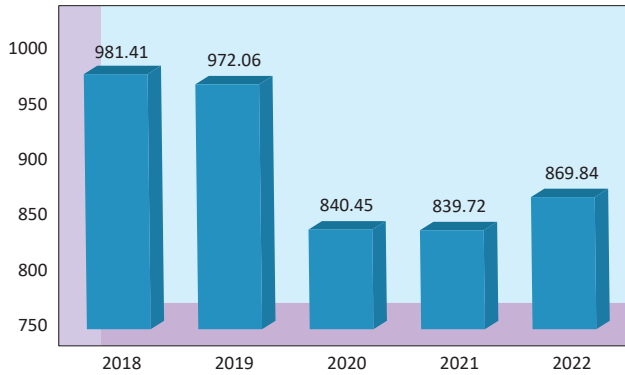


Loans and Advances Mix in 2022 (In%)

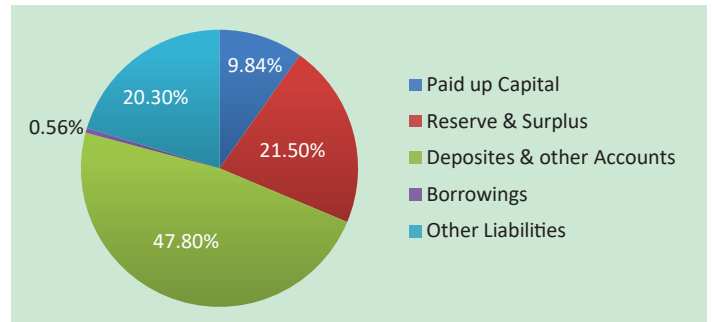


GRAPHICAL PRESENTATION OF OPERATIONAL AND FINANCIAL PERFORMANCE

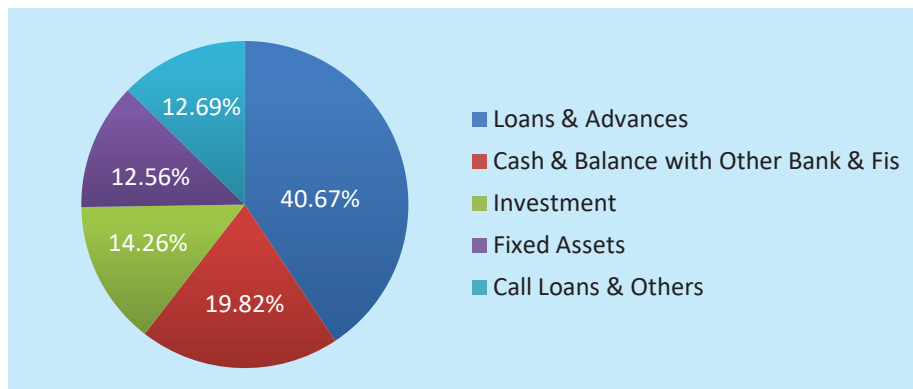
Investment (Tk. In crore)



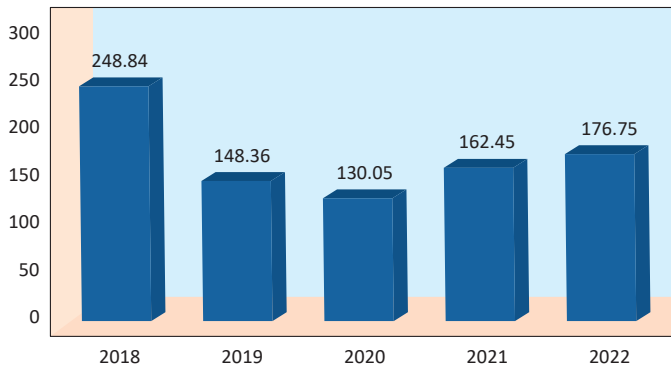
Sources of Fund in 2022 (in %)



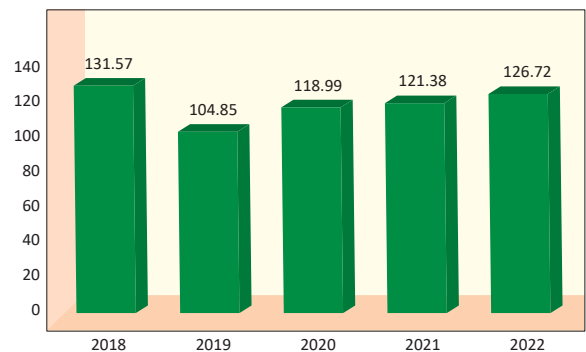
Application of Fund in 2022 (in %)



Total Operating Income (Tk. in crore)

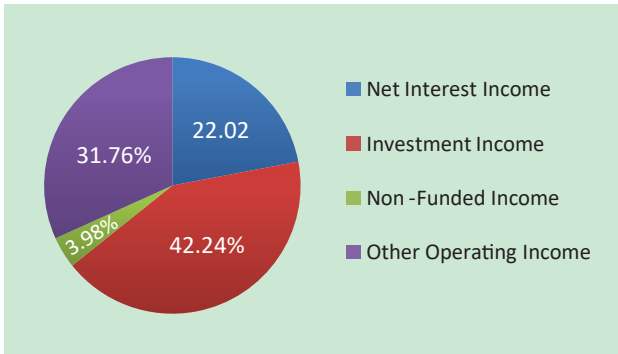


Total Operating Expenditure (Tk.in crore)

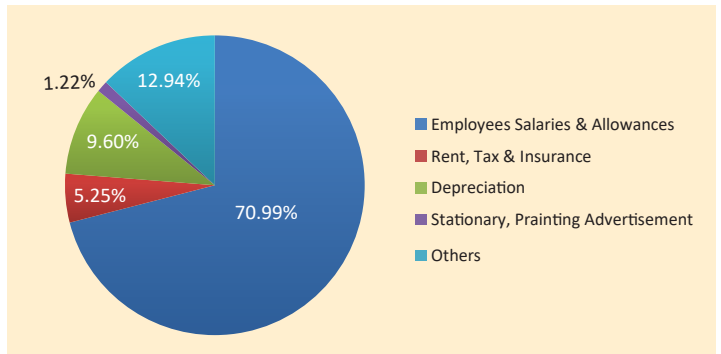


GRAPHICAL PRESENTATION OF OPERATIONAL AND FINANCIAL PERFORMANCE

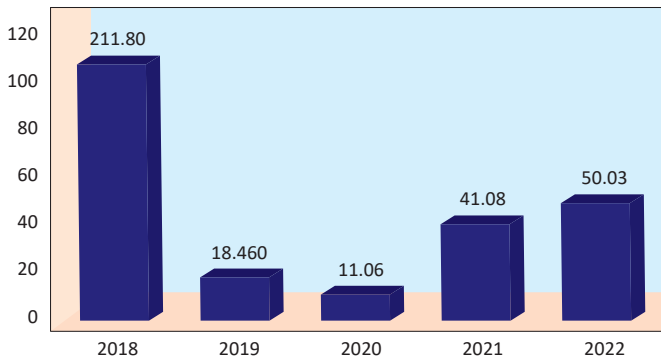
Composition of Operating Income in 2022 (In%)



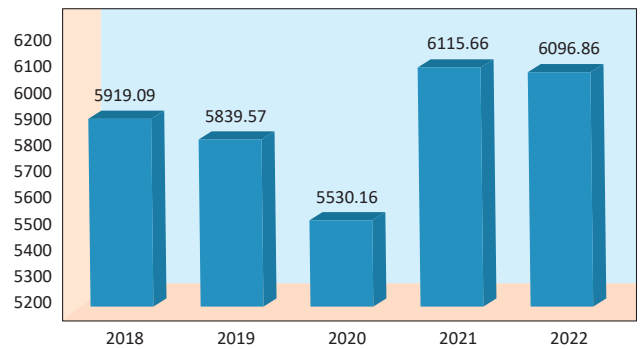
Composition of Operating Expenditure in 2022 (In %)



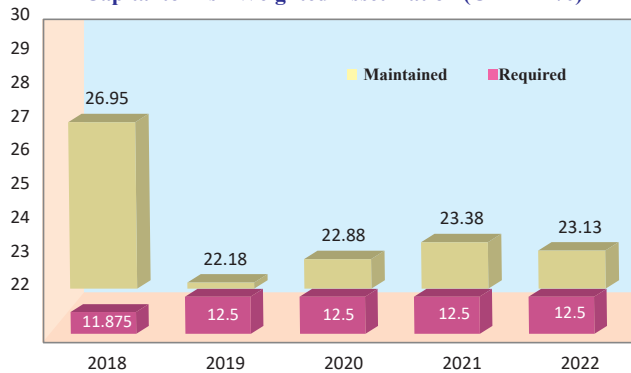
Trend of Operating Profit (Tk. In crore)



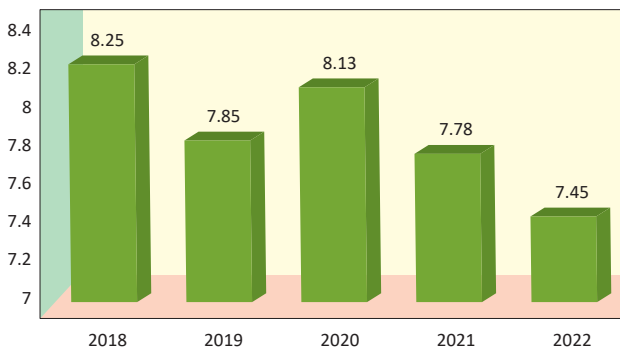
Total Assets (Tk. In crore)



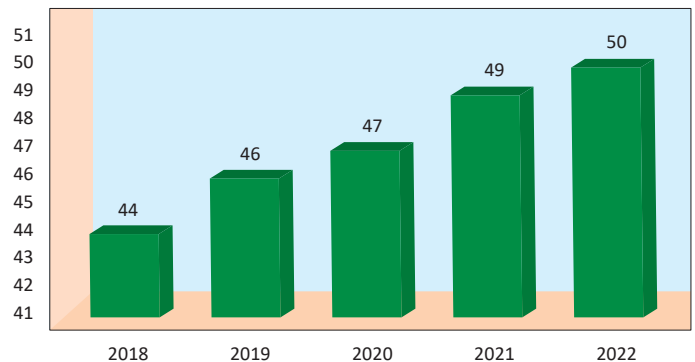
Capital to Risk Weighted Asset Ratio (CAR In %)



Cost of Fund (In %)



Branch Network



Shareholding Structure



As on 31 December, 2022

Shareholders of BDBL		No. of Shares	Amount (Taka)
The Government of the People's Republic of Bangladesh represented by : Secretary, Finance Division, Ministry of Finance, Government of the People's Republic of Bangladesh.		5,99,99,993	5,99,99,99,300.00
Directors nominated by the Govt.			
1.	Mr. Shamima Nargis Chairman	1 (One)	100.00
2.	Mr. Md. Ekhlalur Rahman Director	1 (One)	100.00
3.	Mr. Md. Abu Hanif Khan Director	1 (One)	100.00
4.	Subhash Chandra Sarker Director	1 (One)	100.00
5.	Quazi Shairul Hassan Director	1 (One)	100.00
6.	Md Azizur Rahman Director	1 (One)	100.00
7.	K. M. Tariquul Islam Director	1 (One)	100.00
Total :		6,00,00,000	6,000,000,000.00

VALUE ADDED STATEMENT

Value addition means the wealth created by the bank through its different banking operations. The Value Added Statement shows the total wealth created, how it was distributed to meet certain obligations and rewarded those responsible for its creation, and the portion retained for the continued operation and expansion of the bank. The Value Added Statement of BDBL showed how the value is created and distributed to different stakeholders of the bank.

Economic Value Added Statement

Economic Value Added (EVA) is a performance tool developed to measure the true economic profit produced by a company. It is also frequently refers to as “economic profit”, and provides a measurement of a bank’s economic success (or failure) over a period of time. Such a metric is useful for shareholders’ who wish to determine how well the bank has produced value for its investors and it can be compared against the bank’s peers for a quick analysis of how well the bank is operating.

Market Value Added Statement

Market Value Added (MVA) is simply the difference between the current total market value of a company and the capital contributed by investors. As a wealth metric it measures the level of value, the bank has accumulated over time. The formula used to find market value added is:

Market Value Added = Market Value – Capital Invested

Since BDBL is not enlisted in share market, so it is not possible to calculate MVA in a regular method. The liquidity policy of the Bank has always been to carry a positive mismatch in the interest earning assets and interest bearing liabilities in the 1-30 days category.

PAYMENT OF DIVIDEND

The Dividend Policy of the Bank aims to provide a notable amount of dividend to shareholders including retaining sufficient profit to strengthen funds, maintain positive growth and fulfill capital requirements. As a result of this prudent Dividend policy, the Bank has developed shareholders’ fund at a satisfactory level. BDBL paid dividend to the government up to 2017.

ECONOMIC IMPACT REPORT

Production, distribution and consumption of goods and services are integral elements of an economic system. By analyzing economic impact, it is tried to find out how a company adds value to the society. Economic impact can be classified into two broad areas: (I) Direct and (II) Indirect. Direct impacts are the immediate economic effects of a company’s financial transactions while the indirect impacts are the economic effects that are created through a company’s operation or production of goods and services.

Bank’s direct contributions to the economy of its nation would include creation of employment opportunities, collection of taxes on behalf of the Government, creation of savings habit among the members of the community; while improvement of socio-economic and environmental performance through lending is the indirect contribution.

BDBL creates value through providing financial services in line with its mission: “To contribute to the economic development of the country.” The Bank is always mindful to add value on a sustainable basis to all stakeholders through fair and ethical means.

MAINTAINING CAPITAL ADEQUACY

To cope with the international best practices and to make the Bank’s capital more risk sensitive, Bangladesh Bank issued Basel-III guidelines for all scheduled banks on “Risk Based Capital Adequacy (RBCA)” to report their capital requirement which came fully into effect from 2015.

As on December 31, 2022, the Bank’s Capital Adequacy Ratio (Basel-III) stood at 23.13% as against 12.5% of total Risk Weighted Assets, which indicates Bank’s strong capital base.

Comparative picture of Risk Weighted Assets, Minimum Capital Requirement (MCR) and the Capital Adequacy Ratio (CAR) and capital surplus of BDBL for 2021 and 2022 were mentioned below:

Particulars	(Tk. in crore)	
	2021	2022
Total Risk Weighted Assets	5043.19	4860.25
Core Capital (Tier I)	1113.57	1101.81
Supplementary Capital (Tier II)	65.30	22.25
Total Capital	1178.87	1124.06
Required Capital	504.32	486.02
Required Capital with Conservation Buffer	630.40	607.53
Tier I Capital Adequacy Ratio	22.08 %	22.67 %
Tier II Capital Adequacy Ratio	1.30 %	0.46 %
Capital To Risk Weighted Assets Ratio (CRAR)	23.38 %	23.13 %
Capital Surplus	548.47	516.53

Report on Corporate Governance



Corporate governance is the system of rules, practices and processes by which a company is directed and controlled. Corporate Governance refers to the way in which companies are governed and to what purpose. It identifies who has power and accountability, and who makes decisions. It is, in essence, a toolkit that enables management and the board to deal more effectively with the challenges of running a company. Corporate governance ensures that businesses have appropriate decision-making processes and controls in place so that the interests of all stakeholders (shareholders, employees, suppliers, customers and the community) are balanced.

Governance at a corporate level includes the processes through which a company's objectives are set and pursued in the context of the social, regulatory and market environment. It is concerned with practices and procedures for trying to make sure that a company is run in such a way that it achieves objectives, while ensuring that stakeholders can have confidence that their trust in that company is well founded.

As the home of good governance, the bank believes that good governance is important as it provides the infrastructure to improve the quality of the decisions made by those who manage businesses. Good quality, ethical decision-making builds sustainable businesses and enables them to create long-term value more effectively.

LEGAL AND REGULATORY COMPLIANCE

BDBL has been carrying out its activities in accordance with the Legal and Regulatory requirement of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC). BDBL operates within the legal framework of the Companies Act, 1994 and as a banking Company complies with the provisions of the Bank Company Act, 1991 (Amended in 2013), Income Tax Ordinance, 1984, Negotiable Instrument Act, 1881, Anti-Money Laundering Act, 2008 and other related laws, regulations and reporting requirements.

BDBL's corporate governance structure encompasses the following elements:

STRUCTURE OF THE BOARD

According to clause 95 of the Article of Association of BDBL, the number of directors shall not be less than seven and not more than thirteen, excluding the Managing Director. The Board of Directors of BDBL is currently formed with 7 (Seven) Directors including Managing Director. The Board of Directors is accountable to owners/stockholders for the overall direction and control of the bank. The major responsibilities of the Board are to approve all policies and strategies. The Board reviews the policies and manuals of the various segments of business with a view to establishing effective risk management in credit and other key areas of operations. The management of the bank operates within the policies and guidelines approved by the Board. The Board guided in formulating different policies and strategies for smooth operation of the bank. The board meetings are regularly held. 22 meetings were held during 2022.

BOARD COMMITTEES AND THEIR RESPONSIBILITIES

To ensure good governance i.e. corporate governance in bank management, Bangladesh Bank issued a circular (BRPD Circular No. 06, dated February 04, 2010) where in Bangladesh Bank instructed to form three committees or sub-committees of the Board.

To ensure proper accountability and transparency through "due diligence", BDBL has three committees with board members namely Audit Committee, Executive Committee and Risk Management Committee mainly to oversee and direct the operations, performance and strategic direction of the bank.

AUDIT COMMITTEE (AC)

As per Bangladesh Bank's BRPD Circular No. 11, dated October 27, 2013, Audit Committee (AC) of BDBL provide with independent oversight of the company's financial reporting, non-financial corporate disclosures, internal control systems and compliance to governing laws, rules and regulations etc. Basically, the Audit Committee plays the role of watchdog on behalf of the Board.

At present Audit Committee comprise of the following Directors:

1.	Mr Md. Ekhlashur Rahman, Director	Chairman of the Committee
2.	Mr Md. Abu Hanif Khan, Director	Member
3.	Mr Subhash Chandra Sarker, Director	Member
4.	Mr Quazi Shairul Hassan, Director	Member

08 (Eight) meetings of the Audit Committee were held in the year 2022 and had detailed discussions and review session with the Head of Internal Audit, Head of Internal Control and Compliance, External Auditors etc. Regarding their findings, observations and suggestions with corrective measures on the related areas and on other issues of bank affairs that need to be improvement. Those were communicated and informed the decision in Board of directors and meeting. The Audit Committee instructed the management to follow those suggestions and monitored accordingly from time to time.

EXECUTIVE COMMITTEE (EC)

In compliance with BRPD Circular No. 11, dated October 27, 2013, the Board of Directors of BDBL re-constituted the Executive Committee (EC) comprising of the following Board of Directors:

1.	Ms Shamima Nargis, Chairman	Chairman of the Committee
2.	Mr Md Azizur Rahman, Director	Member
3.	Mr K. M. Tariqul Islam, Director	Member
4.	Mr Md. Habibur Rahman Gazi, Managing Director & CEO	Member

This Executive Committee (EC) is entrusted with the following broader responsibilities and functions:

- Reports regarding the bank's own investment portfolio (securities);
- Approval of double the powers of Capital & Non Recurring Expenditure;
- Approval of double term loan and working capital loan proposals of the managing director in favor of any commercial enterprise which is good and proven in the business interest of the bank.
- Reviewing the situation of recovery of defaulted loans and providing guidance;
- Approval of issuing of Power of attorney, foreign tour of general manager, applying higher study, application for disciplinary action against Officer/Staff;
- Approval of special decision for developing banking business. such as Bank Guarantee, Performance Bank Guarantee issue;
- Approval of taking emergency decision according instruction of Bangladesh Bank and Finance Ministry;

- FINTECH can be introduced in accordance with innovative activities and development of Bank;
- Execution of additional expenditure against budget for urgent needs which shall be notified to the Board later;
- Incurring additional financial expenditure equivalent to double the adaptive capacity of branch offices, rent increase, office renovation; and
- Miscellaneous.

In 2022, 04 (Four) meetings of EC were held.

BOARD RISK MANAGEMENT COMMITTEE (BRMC)

Board Risk Management Committee (BRMC) reviews the identification of the credit risk, foreign exchange risk, internal control & compliance risk, money laundering risk, information & technology risk, operational risk, interest risk, liquidity risk, green banking policy and other risk related activities. The bank established a Board Risk Management Committee (BRMC) with the following Board of Directors:

1.	Ms Shamima Nargis, Chairman	Chairman of the Committee
2.	Mr Md. Abu Hanif Khan, Director	Member
3.	Mr Quazi Shairul Hassan, Director	Member
4.	Mr Md Azizur Rahman, Director	Member
5.	Mr K. M. Tariqul Islam, Director	Member

The BRMC is entrusted with the following responsibilities and functions:

- Identification and controlling strategies of risks;
- Preparation of organizational framework;
- Reviewing and resolving of Risk Management Policy;
- Information / document preservation & reporting;
- Follow-up the implementation of Risk Management Policy as a whole; and
- Miscellaneous.

In 2022, 04 (Four) meetings of Board Risk Management Committee (BRMC) were held.

The board has formed the following committees with the executives and officers of the Bank:

ASSET LIABILITY COMMITTEE (ALCO)

Asset Liability Committee (ALCO) has been formed by the Board of Directors at its 8th meeting held on 10/03/2010. The Asset Liability Committee (ALCO) of the bank was constituted with the following officials, where the Managing Director is the President of the Committee:-

1.	Managing Director & CEO	President
2.	Deputy Managing Director-1	Member
3.	Deputy Managing Director-2	Member
4.	General Manager of Finance & Accounts Division	Member
5.	General Manager of Legal Affairs & Recovery Division	Member
6.	General Manager of Branch Banking Division	Member
7.	General Manager of Development Banking Division	Member
8.	General Manager of SME & General Advances Division	Member
9.	General Manager of International Banking Division	Member
10.	Department Head, Risk Management Department	Member
11.	Department Head, Treasury Management Department	Member -Secretary

The key role and responsibilities of ALCO are as follows:

- Review of actions taken in previous ALCO.
- Directing general policies on risk exposures.
- Setting target of deposit and advances.
- Setting interest rate mismatch / gap limit.
- Analyzing liquidity position.
- Establishing monitoring system for exposure, control and limit management.
- Evaluating market risk and outlook;
- Miscellaneous.

The meeting of the Asset Liability Management Committee is held in every month to review the overall position of the balance sheet and achievement of targets.

APPRECIATION LETTER RECOMMEND COMMITTEE:

The bank has formed an appreciation letter recommend committee to review, evaluate and recommend appreciation letter for the accomplished officials. The members of the committee are as follows:-

1.	Deputy Managing Director-1 (BDBL)	President
2.	Deputy Managing Director-2 (BDBL)	Member
3.	General Managers of Administration Division, SME & General Advance Division (GAD), Development Banking Division, International Banking Division, Information Technology & Risk Management Division, Internal Control & Compliance Division, Finance & Accounts Division, Investment Banking Division, Branch Banking Division, Legal Affairs and Recovery Division.	Member
4.	Deputy General Manager, Human Resource Management Department	Member-Secretary

The key role and responsibilities of Appreciation Letter Recommend Committee are as follows:

- To perform special roles and achieve success/significant contribution in the identified areas and submit clear recommendations from the bank managing director and CEO after evaluating and reviewing them according to the promotion policy-2020.

SUPERVISORY REVIEW PROCESS (SRP) TEAM

SRP Team has been formed by the Board of Directors at its 243rd meeting held on 26/12/2019. The members of the Team are as follows:-

1.	Managing Director & CEO	Chairman
2.	Deputy Managing Director-1	Member
3.	Deputy Managing Director-2	Member
4.	Chief Risk Officer (CRO)	Member
5.	Chief Financial Officer (CFO)	Member
6.	General Manager, Internal Control and Compliance Division	Member
7.	Department Head, MIS & Research Department	Member
8.	Department Head, Risk Management Department	Member-Secretary

The Supervisory Review Process (SRP) Team assists in the following Areas:

- Valid capital analysis-process to establish correlation between risk management and required capital.
- Comprehensive risk analysis-identification and assessment of relevant risks and their management;
- Adequate oversight and governance by the board of directors and top management;
- Monitoring and reporting-establishment a structure of regular reporting on the bank's risk profile and capital position along with stress test findings
- Internal audit mechanisms-independent review under the framework of the internal control system (Internal governance).
- Preparation of process document-internal Capital Adequacy Assessment Process of the Bank.

CHIEF RISK OFFICER (CRO)

Bangladesh Bank (BB) has continued its effort for upgrading the initiatives taken to manage various risks of banks in a prudent manner. In compliance with DOS Circular No. 04, dated October 8, 2018, the bank shall review the guideline at least once a year for adapting with the changing bank environment. Besides, banks shall reconstruct its risk management organogram and appoint Chief Risk Officer (CRO) as the head of Risk Management Department (RMD).

Chief risk officer (CRO) is the corporate executive tasked with assessing and mitigating significant competitive, regulatory and technological threats to an enterprise's capital and earnings.

The Chief risk officer (CRO) assists in the following Areas:

- To bring better transparency, synergy and prudence into risk management structure in the bank,
- Leading the independent risk management department shall have sufficient stature, authority and seniority.

- Direct access to the board of directors and make direct reports to the board or its Risk Management Committee.
- Supervised by the Board Risk Management Committee (BRMC). CRO should not have any reporting relationships with business verticals of the bank and should not be given any business targets.
- Provide all the key risk issues prevailing in the bank to BRMC meetings and a copy to the CEO for acknowledgement.
- Access to any information necessary for performing his/her duties. In this context board and CEO/MD will provide full support to him/her.

CHIEF FINANCIAL OFFICER (CFO)

Chief financial officer (CFO) manages all aspects of financial strategy and reporting. They establish policies, analyze performance, ensure regulatory compliance, and lead a team of analysts, accountants and other finance professionals.

The Chief Financial officer (CRO) assists in the following Areas:

- Leading and supervising about generating report on Financial Condition, Financial Position, Financial Planning, Strategic planning for financial operation and financial projection etc

EXECUTIVE RISK MANAGEMENT COMMITTEE (ERMC)

An Executive Risk Management Committee (ERMC) was formed with the following officials of the bank to strongly observe the risk level, monitor compliance of the risk management guidelines by the Divisions, Departments and Branches and do stress testing regularly and thereby take necessary steps to check and control the risk relating to banking activities :-

01.	General Manager, IT and Risk Management Division	President
02.	General Manager, SME and General Advances Division	Member
03.	General Manager, Internal Control and Compliance Division	Member
04.	Department Head, Business Development and Marketing Department	Member
05.	Department Head, Central Accounts Department	Member
06.	Department Head, Branch Management Department	Member
07.	Department Head, Loan Recovery Department	Member
08.	Department Head, Risk Management Department	Member-Secretary
09.	Department Head, IT System Department	Member
10.	Department Head, International Banking Department	Member

An Executive Risk Management Committee will take advance preparation to address any kind of financial stress and inform the Chief Executive Officer.

SUSTAINABLE FINANCE UNIT (SFU)

With the view of performing green banking activities effectively and efficiently, BDBL has formed a Sustainable Finance Unit .The members of the Unit are as follows:-

1.	Department Head, General Advances Department	Unit Head
2.	Assistant General Manager, Sustainable Finance Unit	Focal Point Officer
3.	Senior most SPO/PO/SO of Sustainable Finance Unit	Fallback Person

SUSTAINABLE FINANCE COMMITTEE (SFC)

BDBL has formed a sustainable finance committee to review, evaluate and approve the banking activities effectively and efficiently, the bank has formed a Sustainable Finance committee with the following member follows:-

1.	Deputy Managing Director-1	President
2.	General Manager, SME & General Advances Division	Member
3.	General Manager, International Banking Division	Member
4.	General Manager, Internal Control and Compliance Division	Member
5.	Department Head, Human Resource Management Department	Member
6.	Department Head, Branch Management Department	Member
7.	Department Head, Loan Recovery Department	Member
8.	Department Head, Central Accounts Department	Member
9.	Department Head, General Advances Department	Member
10.	Department Head, IT System Department	Member
11.	Department Head, Compliance Department	Member
12.	Department Head, Risk Management Department	Member
13.	Department Head, Business Development & Marketing Department	Member
14.	Department Head, Establishment & Common Services Department	Member
15.	Assistant General Manager, Sustainable Finance Unit	Member-Secretary

The Sustainable Finance Committee (SFC) and Sustainable Finance Unit (SFU) assists in the following Areas:

- Conducting green banking and sustainable development activities.

Committees are formed by Managing Director & CEO for handling daily operational activities. Managing Director & CEO is the Chief Executive Officer (CEO) of the bank. In an effective corporate governance structure Bank Management work under the leadership of MD & CEO to carry out daily operations to the best interest of the shareholders. Besides, conventional segregation of functional departments, BDBL has some designated committees entrusted with specific objectives. The composition of all these committees is shown below-

MANAGEMENT COMMITTEE (MANCOM)

To bring dynamism in bank as well as to assist the Managing Director & CEO in handling the daily operational activities to the best interest of the stakeholders, a Management Committee (MANCOM) was formed with the following officials, where the Deputy Managing Director (DMD)-1 acts as the President.

1.	Deputy Managing Director-1	President
2.	Deputy Managing Director-2	Member
3.	All General Managers of All Divisions	Member
4.	Department Head, General Advance Department	Member
5.	Department Head, Human Resource Management Department	Member
6.	Department Head, Compliance Department	Member -Secretary
7.	Department Head, IT Operation Department	Member
8.	Department Head, IT System Department	Member
9.	Department Head, Central Accounts Department	Member

The Management Committee (MANCOM) assists the Managing Director & CEO in the following Areas:

- Set or review vision, mission and strategies of the bank as a whole for effective discharging of management responsibilities.
- Analyze business and financial performance of the bank.
- Review and discuss policies and procedures of the bank and make compile/amendment/extension if necessary before taking to the Board (if needed).
- Market analysis and internal service quality.
- Review of control and compliance.
- Management and development of human resources.
- Exploring ways to strengthen and vitalize support functions (Operations, HRD, ITD, CRM etc.)
- Miscellaneous.

The meetings of the MANCOM are held in every month to review and address the relevant issues timely.

NAITIKATA COMMITTEE

Government of Bangladesh formulated its National Integrity Strategy (NIS) as a comprehensive good governance strategy to prevent corruption and improve national integrity in all sphere of life. In this respect Naitikata Committee of BDBL has been formed with the following members:

1.	Managing Director& CEO	President
2.	Deputy Managing Director (Senior most)	Member
3.	General Manager (Senior most)	Member
4.	General Manager (Administration)	Member and Focal Point
5.	Department Head (HRMD)	Member-Secretary

The key role and responsibilities of NAITIKATA COMMITTEE are as follows:

- Identifying the successes and obstacles in establishing integrity in banks;
- Formulate, implement and monitor time-bound action plans to address identified barriers;
- Determining who is responsible for implementing the action plan;
- Report on the progress of implementation of the reform to the higher authorities;
- Miscellaneous.

CENTRAL COMPLIANCE COMMITTEE (CCC)

Money laundering poses a significant risk to the financial sector globally and to society as a whole. The bank is firmly committed for participating in international efforts to combat money laundering, fraud or other financial crimes including the financing of terrorists or terrorist operations. Accordingly, the bank prepared an Anti-Money Laundering Manual which includes written policy and procedure and formed a Central Compliance Committee (CCC) with the following officials:-

1.	Deputy Managing Director, Administration Division	Head of CCC & CAMLCO
2.	General Manager, Branch Banking Division	Member
3.	Department Head, Human Resource Management	Member
4.	Department Head, General Advances Department	Member
5.	Department Head, Risk Management Department	Member
6.	Department Head, International Banking Department	Member
7.	Department Head, Branch Management Department	Member -Secretary of CCC and Deputy CAMLCO
8.	Department Head, IT System Department	Member

The key role and responsibilities of CCC are as follows:

- The committee acts in keeping consistency with the Anti-Money laundering Manual and guidelines given by the Central Bank from time to time to protect fraud / forgery and financing of terrorist activities;
- Circulate all Anti-Money laundering Manual and guidelines time to time to protect fraud / forgery;
- Appoint BAMLCO for Branch level money laundering.
- Miscellaneous.

FUND MANAGEMENT COMMITTEE (FMCO)

The Fund Management Committee (FMCO) of the bank was constituted with the following officials:-

1.	Deputy Managing Director-1	President
2.	Deputy Managing Director-2	Member
3.	General Manager of Legal Affairs & Recovery Division	Member
4.	General Manager of Finance & Accounts Division	Member
5.	General Manager of International Banking Division	Member
6.	General Manager of Development Banking Division	Member
7.	Deputy General Manager, Central Accounts Department	Member
8.	Head of Treasury Section, Central Accounts Department	Member-Secretary

The key role and responsibilities of FMCO are as follows:

- Inquiry and identification of sources of funds.
- Collection of funds including summons.
- Expenditure of funds and proper utilization of surplus funds term deposits of the bank.
- Analyzing liquidity position.
- Evaluating market risk and outlook.
- Miscellaneous.

CREDIT COMMITTEE (CC)

With a view to bringing dynamism in the activities of the bank and assisting the Managing Director & CEO to perform credit related activities efficiently and effectively. A Credit Committee (CC) was formed in Head Office, Zonal and Branch Offices in the following ways:

Head Office Credit Committee:

1.	Deputy Managing Director-1	President
2.	Deputy Managing Director-2	Member
3.	General Manager, SME & General Advances Division	Member
4.	General Manager, Development Banking Division	Member
5.	General Manager, Branch Banking Division	Member
6.	General Manager, Legal Affairs and Recovery Division	Member
7.	General Manager, Finance & Accounts Division	Member
8.	General Manager, International Banking Division	Member
9.	General Manager, IT & Risk Management Division	Member
10.	Head of Loan Operation Department	Member-Secretary

ZONAL OFFICES CREDIT COMMITTEE

1.	Head of Zonal Office	President
2.	Branch Manager under Zonal Office	Member
3.	Second Senior Officer of Zonal Office	Member
4.	Concerned Officer of Loans & Advances in Zonal Office	Member-Secretary

BRANCH CREDIT COMMITTEE

1.	Head of Branch	President
2.	Second Senior Officer of Branch	Member
3.	Concerned Officer of Loans & Advances in Branch	Member-Secretary

Credit proposals that merit considerations in the opinion of the Credit Committee are presented before the Managing Director & CEO of the bank for approval. The credit proposals that are beyond the delegated business power of the Managing Director & CEO are placed before the Executive Committee / Board of Directors for consideration / approval. The meetings of the Committee hold regularly to approve and review loan proposals.

The key role and responsibilities of CREDIT COMMITTEE is as follows:

- Credit Committee deals with project management, collateral, financial, technical, commercial, legal and overall in the loan proposal;
- Probability (Fixed Funds), Bank Manuals, Various Circulars, Government Acts and Notifications Bangladesh Bank Policies Proper verification, examination and whether all loan norms are properly followed etc;
- Appraisal will give clear opinion/recommendation regarding loan sanction and renewal;
- Miscellaneous.

EVALUATION TEAM

Evaluation Team is formed under Internal Control and Compliance Division to evaluate loan proposal of BDT 5.00 crore and above. Evaluation Team has been formed with the following officials:-

1.	Shamal Kumar Das, Deputy General Manager, BDMD	Team Leader
2.	Md. Anisur Rahman, Deputy General Manager, Law Department	Member
3.	Nazrul Islam Talukdar, Senior Principal Officer, Audit & inspection Department	Member
4.	Md. Shagadur Rahman, Senior Principal Officer, MIS & Research Department	Member-Secretary
5.	Koushik Prosad Ghosh, Senior Principal Officer, Compliance Department	Member
6.	Md. Ariful Haque, Senior Principal Officer, Risk Management Department	Member

The key role and responsibilities of Evaluation Team are as follows:

- Verification of existing loan policy compliance status of the bank in evaluating loan proposals;
- Borrower identity verification;
- Verification of updated CIB report;
- Verification of supporting documents.

The members of the Special Task Force were as follows:-

1.	Managing Director & CEO	President
2.	Deputy Managing Director-1	Member
3.	Deputy Managing Director-2	Member
4.	General Manager, IT & Risk Management Division	Member
5.	General Manager, Legal Affairs and Recovery Division	Member
6.	General Manager, Branch Banking Division	Member
7.	Deputy General Manager, Loan Recovery Department	Member
8.	Deputy General Manager, Law Department	Member
9.	Department Head, Debt Collection Department	Member
10.	Branch Manager, Principal Branch	Member
11.	Branch Manager, Motijheel Branch	Member
12.	AGM-2, Loan Recovery Department	Member
13.	AGM-1, Loan Recovery Department	Member-Secretary

The key role and responsibilities of Special Task Force are as follows:

- Collection, progress and review of top 20 defaulted loans of banks;
- Recovery, progress and review of defaulted loans other than top-20 defaulters;
- Realization, progress and review from deferred projects;
- Convening and taking decisions of STF meeting every month.

RECOVERY SQUAD

The members of the Squad were as follows:-

1.	Managing Director & CEO	President
2.	Deputy Managing Director	Vice President
3.	General Manager, Legal Affairs and Recovery Division	Member
4.	Deputy General Manager, Law Department	Member
5.	Deputy General Manager, Debt Collection Department	Member
6.	Related Branch Manager	Member
7.	Deputy General Manager, Loan Recovery Department	Member-Secretary

The key role and responsibilities of RECOVERY SQUAD are as follows:

- Collection of dues through negotiation under the rules of the bank keeping the interests of the bank intact by discussing with the entrepreneurs of the projects under litigation.
- All the cases in which the possession/ownership of the project property has been transferred in favor of the Bank under Section 33(5) and 33(6) of the Finance Court Act 2003 are arranged to sell all those properties to find potential buyers.
- All those projects that have not settled the loan account after selling the project property, the other private property of the project promoters should be found and attachment.
- Miscellaneous.

BUDGET COMMITTEE (BC)

The Budget Committee (BC) of the bank was constituted with the following officials:-

1.	Deputy Managing Director-1	President
2.	Deputy Managing Director-2	Member
3.	All General Managers of All Divisions/Consultant	Member
4.	General Manager, Principal Branch	Member
5.	Head of Budget Department	Member-Secretary

CREDIT RISK MANAGEMENT COMMITTEE

Bangladesh Bank has given clear guidelines for mitigating different risks. Accordingly, a Credit Risk Management Committee has been formed for fixing, Inspection and controlling credit risk level with the following officials:-

1.	General Manager, SME & General Advances Division	President
2.	Department Head, SME Department	Member
3.	Department Head, General Advances Department	Member
4.	Department Head, Risk Management Department	Member
5.	Department Head, Loan Operation Department	Member
6.	Concerned SPO/PO, Loan Operation Department	Member-Secretary

The key role and responsibilities of CRMC are as follows:

- Determination, observation and controlling Credit Risk Level independently
- Close supervision of the Sub-Divisions, Departments and Desks entrusted with the implementation of Credit Risk guidelines for proper compliance and Inform BRMC time to time;
- Pre-preparedness to deal with all types of risks related to Credit Risk;
- Time to time amend/enhance/modify the Credit Risk manual and checklist prepared by the concerned department.
- Miscellaneous.

INTERNAL CONTROL & COMPLIANCE RISK MANAGEMENT COMMITTEE (ICCRM)

An Internal Control & Compliance Risk Management Committee has been formed with the following officials:-

1.	General Manager, Internal Control & Compliance Division	President
2.	Department Head, Human Resource Management Department	Member
3.	Department Head, Branch Management Department	Member
4.	Department Head, Audit & Inspection Department	Member
5.	Department Head, Compliance Department	Member
6.	Department Head, Risk Management Department	Member
7.	Concerned SPO/PO of Compliance Department	Member-Secretary

The key role and responsibilities of ICCRM are as follows:

- Determination, observation and controlling ICC Risk Level independently
- Close supervision of the Sub-Divisions, Departments and Desks entrusted with the implementation of Internal Control and Compliance Risk guidelines for proper compliance and Inform BRMC time to time;
- Pre-preparedness to deal with all types of risks related to Internal Control and Compliance Risk;
- Time to time amend/enhance/modify the Internal Control and Compliance Risk (ICCR) manual and checklist prepared by the concerned department.
- Miscellaneous.

FOREIGN EXCHANGE RISK MANAGEMENT COMMITTEE (FERMC)

Bangladesh Bank has given clear guidelines for mitigating risks relating to foreign exchange business. Accordingly, a risk manual for foreign exchange business has been prepared for strategic management of risks. Besides, a Foreign Exchange Risk Management Committee (FERMC) has been formed with the following officials:-

1.	General Manager, International Banking Division	President
2.	Department Head, Risk Management Department	Member
3.	Department Head, International Banking Department	Member
4.	Department Head, Treasury Department	Member
5.	Concerned SPO/PO of International Banking Department	Member-Secretary

The key role and responsibilities of FERMC are as follows:

- The Committee will independently monitor the Foreign Exchange Risk level of the Bank strictly;
- BRMC will inform Risk from time to time regarding compliance with the guidelines regarding Foreign Exchange Risk.
- Pre-preparedness to deal with all types of risks related to Foreign Exchange Risk;
- Time to time amend/enhance/modify the Foreign Exchange Risk manual and checklist prepared by the concerned department.
- Miscellaneous.

ICT SECURITY RISK MANAGEMENT COMMITTEE

Bangladesh Bank has given clear guidelines for mitigating risks relating to information & communication technology. Accordingly, a manual for ICT Security Risk Management has been prepared for strategic management of risks. Besides, an ICT Security Risk Management Committee has been formed with the following officials:-

1.	General Manager, IT & Risk Management Division	President
2.	Department Head, Compliance Department	Member
3.	Department Head, IT Operation Department	Member
4.	Department Head, Risk Management Department	Member
5.	Department Head, IT System Department	Member
6.	Concerned SPO/PO, IT System Department	Member-Secretary

The key role and responsibilities of ISRMC are as follows:

- Determination, observation and controlling ICT Risk Level;
- Taking Initiative against risk of Core Banking Solution;
- Preparation against ICT risk and inform ERMC about this risk;
- Inform BRMC about maintaining ICT risk guideline time to time;
- Miscellaneous.

ENVIRONMENTAL RISK MANAGEMENT AND GREEN BANKING COMMITTEE

Bangladesh Bank has given clear guidelines for mitigating different risks. Accordingly, an Environmental Risk Management and Green Banking Committee (ERM&GBC) has been formed with the following officials:-

1.	General Manager, SME & General Advances Division	Chairman
2.	Department Head, General Advances Department	Member
3.	Department Head, SME Department	Member
4.	Department Head, Risk Management Department	Member
5.	Department Head, Loan Operation Department	Member
6.	Assistant General Manager, Sustainable Finance Unit	Member
7.	Concerned SPO/PO of Sustainable Finance Unit	Member-Secretary

The key role and responsibilities of ERM&GBC are as follows:

- Provides direction to the bank in any type of environmental and green banking related risk determination, observation and control.
- Development of Environmental and Green Banking Risk Manual and Checklist by integrating environmental risks with proposed green business practices;
- Close supervision of the Sub-Divisions, Departments and Desks entrusted with the implementation of Environmental Risk Management and Green Banking guidelines for proper compliance;
- Pre-preparedness to deal with all types of risks related to Environmental Risk Management and Green Banking;
- Time to time amend/enhance/modify the Environmental Risk Management and Green Banking manual and checklist prepared by the concerned department.
- Miscellaneous.

CENTER CUSTOMER SERVICE AND COMPLAIN MANAGEMENT CELL

In order to bring discipline and to create a congenial environment in the banking activities, customer service and complain management cell was set up with the efficient and experienced officials of the bank to review complains against the officers and staff of the bank. The Managing Director & CEO regularly monitors the activities of the Complain Cell. The Complain Cell was formed with the following officials of the bank:

1.	Deputy General Manager / Department Head of Compliance Department.	Head Of Cell
2.	Assistant General Manager/Senior Principal Officer of Compliance Department.	Member
3.	Principal Officer / Senior Officer of Compliance Department.	Member-Secretary

key role and responsibilities of CENTER CUSTOMER SERVICE AND COMPLAIN MANAGEMENT CELL are as follows:

- To establish the basic institutional approach and ethical ideals regarding customer service of the bank;
- Formulating/updating necessary policies for proper customer service and general management in branches;
- Formulating/updating clear code of conduct for bank officers/employees;
- Formulating/updating service standards and customer charters;
- Miscellaneous.

SHARE BUY - SALE COMMITTEE (SBSC)

A committee in the name of Share Buy and Sale Committee (SBSC) were formed for buying and selling share / debentures on behalf of the Bank with the recommendations / instructions of the Committee. The members of the Committee were as follows:-

1.	Deputy Managing Director (Investment Banking Division)	President
2.	General Manager (Senior Most)	Member
3.	General Manager of Finance and Accounts Division	Member
4.	General Manager of Investment Banking Division	Member
5.	Chief Executive Officer of BDBL Securities Limited (BSL)	Member
6.	Chief Executive Officer of BDBL Investment Services Limited (BISL)	Member
7.	Mr.Md.Golam Hasnayin Khan, Deputy General Manager, Compliance Department	Member
8.	Deputy General Manager/Department Head (Investment Banking Department)	Member
9.	Assistant General Manager/ Senior Most 2 nd Officer of Investment Banking Department	Member-Secretary

The key role and responsibilities of SHARE BUY - SALE COMMITTEE (SBSC) are as follows:

- Providing recommendations for buying and selling shares/securities of BDBL's in primary and secondary markets;
- Providing investment recommendations in private placements, bonds, sukuk etc;
- Share buying and selling activities will be conducted as per the recommendation of the committee.

ANNUAL PERFORMANCE AGREEMENT (APA) COMMITTEE

Financial Institution Division of Ministry of Finance has given clear guidelines for Annual Performance Agreement (APA) Committee. Annual Performance Agreement Committee has been formed with the following officials:-

1.	Deputy Managing Director	Leader APA Team
2.	General Manager, IT & Risk Management Division.	Member
3.	Department Head, Central Accounts Department	Member
4.	Department Head of SME Department	Member
5.	Department Head of Budget Department	Member
6.	Department Head of MIS & Research Department	Member
7.	Md Shagadur Rahman, Senior Principal Officer, MIS & Research Department	Member-Secretary

The key role and responsibilities of Annual Performance Agreement (APA) are as follows:

- To review the desired achievements against the objectives of the Association by holding a meeting on a quarterly basis;
- Reviewing the progress/achievements of every quarter and sending the information to the Ministry on time;
- Miscellaneous.

IT SECURITY UNIT

IT Security Unit has been formed for maintenance the activities of Cyber Security Operation Centre, IT risk management and IT audit. This unit Co-Operate with Computer Incidents Response Team of the bank, Bangladesh Bank and Ministry. Formulate and ensure execution of different relevant policies and plans of operation. Design IT security architecture as well as ensure IT Security of the entire bank. Comply and Monitor the execution status of all the IT related policies of the bank. Conduct periodic IT risk assessment of ICT related assets. IT Security Unit has been formed with the following officials:-

1.	Mr Md Moniruzzaman Monir, Senior Principal Officer, IT System Department	Head
2.	Mr Md. Tasfin Adnan, Principal Officer, IT Operation Department	Member (Permanent)
3.	Mr Monirul Islam, Principal Officer, IT Operation Department	Member
4.	Mr Md. Shaharear Hassan Lalin, Principal Officer, IT Operation Department	Member (Permanent)
5.	Fariha Binta Rahman, Principal Officer, IT Operation Department	Member
6.	Mr Ripon Mondol, Senior Officer (IT), IT System Department	Member

The key role and responsibilities of IT Security Unit is as follows:

- Work to form a Cyber Security Governance Committee (CSGC) for overseeing overall IT Security of the bank;
- Report to CSGC on regular basis;
- Co-operate with the Computer Incidents Response Team of the bank, Bangladesh Bank and Ministry;
- Maintain Liaison with Bangladesh Computer Emergency Response Team;
- Formulate and ensure execution of different relevant policies and plans of IT Operation;
- Comply and Monitor the execution status of all the IT related Policies of the bank;
- Design IT Security Architecture as well as ensure IT Security/Cyber Security of the entire bank on 24/7 basis.
- Miscellaneous.

CARD MANAGEMENT UNIT

A Card Management Unit has been made for starting Debit Card Service of BDBL. The members of the Team were as follows:-

1.	Md. Rokonuzzaman, Assistant General Manager, IT System Department	Head (Part Time)
2.	Raju Ahmend, Senior Principal Officer, IT System Department	Member (Part Time)
3.	Fariha Binta Rahman, Principal Officer, IT Operation Department	Member (Permanent)
4.	Md Nazrul Islam, Senior Officer (IT), IT System Department	Member (Part Time)
5.	Tanvir Ahmed Shawan, Senior Officer (IT), IT Operation Department	Member (Permanent)
6.	Md. Mostafizur Rahman, Senior Officer (IT), IT System Department	Member (Permanent)

The key role and responsibilities of CARD MANAGEMENT UNIT is as follows:

- To maintain regular contact with the vendor organization ITCL and provide overall support/assistance for providing Dabit Card service to the bank;
- Regular monitoring of Dabit Card service in the bank to ensure uninterrupted and successful service delivery;
- Collection of customer application form from branch, issue of card pin by contacting vendor company ITCL and issuance of pin and delivery to customer through branch;
- To follow the instructions of the Financial Institutions Department, Bangladesh Bank, Board of Directors and Bank Management Authority in this regard regularly;
- Carrying out work related to card stock management;
- Collection of expired cards and re-issuance of new cards;
- Collection/Deduction of card annual fee.

DELEGATION OF POWER

The Board delegated appropriate finance and business power to the Management for quick disposal of credit proposals and other financial matters. Board also delegated authority to Executive Committee (EC) of the Board to approve proposals within certain limit.

AUDIT BY CENTRAL BANK

Bangladesh Bank (Central Bank) conducts comprehensive inspection of the bank. The Central Bank also exchanges views with the BDBL's External Auditors regarding the various process of audit. The reports are reviewed by the Audit Committee and the Board of BDBL. BDBL gives top priority to the inspection reports and corrective measures are taken for the lapses mentioned in the reports.

AUDIT BY THE EXTERNAL AUDITORS

External Auditors also play the supreme role in auditing and cover about 80 percent of the risk weighted assets. They also discuss with the Management and Audit Committee of the Board on various issues including internal control and compliance. Suggestions of the auditors are given due consideration and are implemented by the Management. The reports of the auditors are also discussed in the board.

AUDIT AND INSPECTION

To reduce operational risks of the bank, BDBL conducts regular audit and inspection on the business affairs of the bank based on different manuals, instructions, rules and procedures given by Bangladesh Bank and other Regulatory Authority from time to time. Audit also verifies the implementation status of various instructions given by the Board of Directors, Executive Committee and Audit committee of the Board.

INTERNAL CONTROL AND COMPLIANCE

Internal Control contains self-monitoring mechanisms and actions are taken to correct errors and deficiencies as they are identified. To assess the position of internal control and anti-money laundering compliance in various branches of BDBL, Internal Control and Compliance Division carried out onsite inspection of various branches during 2022.

BB Guidelines for Corporate Governance : Our Compliance Status

To ensure good governance i.e. corporate governance in bank management, Bangladesh Bank (BB) issued three circulars in 2013 covering three broad areas as follows:

1. BRPD Circular No. 11 dated 27 October, 2013 : Formation and Responsibilities of Board of Directors (BOD).
2. BRPD Circular Letter No. 18 dated 27 October, 2013 : Appointment and Responsibilities of Chief Executive Officer (CEO).
3. BRPD Circular Letter No. 19 dated 27 October, 2013 : Contractual Appointment of Advisor and Consultant.

The summary of the BB guidelines and BDBL's compliance thereto are presented below :

1. Formation and Responsibilities of Board Of Directors (BOD).

Sl. No.	Particulars	Compliance Status
1.	Formation of BOD: Prior approval from BB to be taken before appointment of new Directors, as well as dismissal, termination or removal of any Director from the post. Qualification and competency of Directors, maximum number of Directors of the Board, appointment of Independent Directors, appointment of maximum 02 (two) members from a family as Director.	Complied
1.1	Appointment of New Directors: Every bank company, other than specialized banks, at the time of taking prior approval from BB while appointing Directors should furnish the following information along with the application:	N/A
	a. Personal information of the nominated person	-
	b. Declaration of nominated person	-
	c. Declaration for confidentiality by the nominated person	-
	d. In case of Independent Director, the approval letter from BSEC	-
	e. CIB report of the nominated person	-
	f. Updated list of Directors	-
1.2	Vacancy of office of a Director	
(a)	The office of a Director shall be vacated as per the provision of section 108 (1) of Companies Act, 1994. Besides, provision of section 17 of Bank Company Act, 1991, providing false declaration at the time of appointment or observing shortfall of qualification as a Director.	N/A
(b)	In the office of a Director is vacated as per section 17 of Bank Company Act, 1991, she/he will not be eligible to become Director of that bank company or any other bank company or Financial Institutions within one year from the date of repayment of the total dues to the bank. The dues can be adjusted with the shares held by the Director in that bank company and he cannot transfer his shares of that bank company until he repays his all the liabilities of that bank company or Financial Institutions.	N/A

Sl. No.	Particulars	Compliance Status
(c)	BB can remove Directors or Chairman of a bank company other than the State-owned banks for doing any activity that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can also dissolve the Board of a bank company under Section 47 of Bank Company Act, 1991 (Amended in 2013).	No Such Incident
1.3	Removal of Directors from office: With the prior approval of Bangladesh Bank, any Director of a bank company other than Specialized banks can be removed from his office for the reasons specified in its Articles of Association. The reason and grounds of the dismissal/removal and the copy of such decision taken by BOD and a list of Directors shall be submitted to Bangladesh Bank. Such removal shall be effective from the date of BB's approval.	N/A
1.4	Appointment of Alternate Director: An alternate Director can be appointed to act for a Director during his absence for a continuous period of not less than three months from Bangladesh by fulfilling the following instructions:	All Board Members are nominated by the Government. They are treated as independent director.
(a)	Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original Director while traveling abroad. If there is any exception, the CEO should immediately inform it to BB.	N/A
(b)	The copy of the decision of the BOD regarding appointment of alternate Director, with original Director's probable returning date from abroad should be sent to BB within 7 days of taking the decision and the Director's arrival date must be intimated to BB immediately after his/her return.	N/A
(c)	Any loan defaulter or any person who is not eligible to become a Director as per any relevant guiding rules and regulations will not be appointed as an alternate Director.	N/A
(d)	As an alternate Director is appointed temporarily; therefore, he/she will not be included in any kind of committee constituted by the BOD.	N/A
(e)	The alternate Director or his/her affiliated organization will not get any kind of loan facilities from the bank. In case of previous loan, enhancement of limit or extension of time period or any kind of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to Directors according to rules and regulations will also be applicable to the alternate Director.	N/A
2.	Director from Depositors: As per Bank Company Act, 1991 (amended in 2013) appointment of Directors from depositors is no longer required. But, in compliance with the provision of section 15 (9) of Bank Company Act, 1991 (amended in 2013), bank company may consider the tenure of existing Directors from depositors or may appoint them as the Independent Director of the company.	N/A
3.	Information regarding Directors: Banks are advised to take the following steps regarding Directors information:	
(a)	Every bank should keep an updated list of bank Directors.	Complied
(b)	Banks should send a Directors' list to other banks or Financial Institutions immediately after the appointment or release of Directors.	Complied
(c)	Banks should display a list of Directors on the website and update it on a regular basis.	Complied
4.	Responsibilities of the Board of Directors (BOD)	
4.1	Responsibilities and Authorities of the BOD:	

Sl. No.	Particulars	Compliance Status
(a)	<p>Work planning and strategic management</p> <p>(i) The BOD shall determine the objectives and goals and to this end shall chalk out strategies and work plans on annual basis. It shall analyze/monitor at the quarterly rests the development of implementation of work plans.</p>	Complied
	<p>(ii) The BOD shall have its analytical review presented in the Annual Report as regard to success/failure in achieving the business and other targets as set out in its annual work plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO and executives immediate two tiers below the CEO and have it evaluated at times.</p>	Complied
(b)	Loan and Risk Management:	
	<p>(i) The policies, procedures, strategies, etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, re-scheduling and write-off thereof shall be made with the BOD's approval under the purview of the existing laws, rules and regulations. The BOD shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No Director, however, shall interfere, directly or indirectly, into the process of loan approval.</p>	Complied
	<p>(ii) The Board shall frame policies for Risk Management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the board meeting. The BOD shall monitor the compliance of the guidelines of BB regarding key risk management.</p>	Complied
(c)	Internal Control management:	
	<p>The Board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory health or grade of its loan/investment portfolio. The Board will establish such an internal control system so that the internal audit process can be conducted independently from the management. It shall review at quarterly rests the reports submitted by its audit committee regarding the compliance of recommendations made in internal and external audit reports and the BB inspection reports.</p>	Complied
(d)	Human Resources (HR) Management and Development:	
	<p>(i) Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the BOD. The Chairman or the Directors shall in no way involve themselves and interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the BOD shall included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer and punishment of the executives immediate two tiers below the CEO shall, however, rest upon the BOD. Such recruitment and promotion shall have to be carried out complying with the service rules i.e. policies for recruitment and promotion.</p>	Complied BDBL Board approves HR Policy from time-to-time and related works done accordingly

Sl. No.	Particulars	Compliance Status
	(i) The BOD shall place special attention to the development of skills set of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies, and the introduction of effective Management Information System (MIS). The BOD shall get these programs incorporated in its annual work plan.	Complied
	(ii) The BOD will compose Code of Ethics for every tier of employees and they will follow it properly. The BOD will promote healthy code of conducts for developing a compliance culture.	Complied
(e)	Financial Management : (i) The annual budget and the statutory financial statements will be prepared with the approval of the BOD. It will at quarterly rests review/monitor the positions in respect of bank's income, expenditure, liquidity, non-performing assets, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.	Complied
	(ii) The BOD will frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be taken with the approval of BOD.	Complied
	(iii) The BOD will review whether the Asset-Liability Committee (ALCO) has been formed and it is working according to BB guidelines.	Complied
(f)	Appointment of Chief Executive Officer (CEO): In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the BOD is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The BOD will appoint a competent CEO for the bank with the approval of BB.	Complied
(g)	Other Responsibilities of the BOD: In accordance to BB Guidelines issued from time to time.	Always Complied
4.2	Meetings of the Board of Directors: Board of Directors may meet once or more than once in a month upon necessity and shall meet at least once in every three months. Excessive meetings are discouraged.	Complied
4.3	Responsibilities of the Chairman of the BOD:	
(a)	As the Chairman of the BOD or Chairman of any committee formed by the BOD or any Director does not personally possess the jurisdiction to apply policy making or executive authority, he/she shall not participate in or interfere into the administrative or operational and routine affairs of the bank.	Complied
(b)	The Chairman may conduct on-site inspection of any bank branch or financing activities under the purview of the oversight responsibilities of the BOD. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the BOD or the Executive Committee and if deemed necessary, with the approval of the BOD, he shall effect necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to BB through the BOD along with the statement of the CEO.	Complied

Sl. No.	Particulars	Compliance Status
(c)	The Chairman may be offered an office room, a personal secretary/assistant, a peon/MLSS, a telephone at the office, a mobile phone usable inside the country and a vehicle in the business interest of the bank subject to the approval of the BOD.	Complied
5.	Formation of Supportive Committees of the Board: The BOD of every bank company can form only three supporting committees of the BOD i.e. Executive Committee (EC), Audit Committee (AC) and Risk Management Committee (RMC).	Complied
5.1	<p>Executive Committee (EC): EC is to be formed for taking decision on urgent and day-to-day or routine activities between the intervals of two BOD meetings. The EC will perform according to the terms of reference set by the BOD.</p> <p>The EC will be formed with maximum of 07 (seven) members for a period of 03(three) years. The Chairman of the BOD can also be the member of the EC. The company secretary of the bank shall act as the secretary of the EC. EC members, besides being honest and sincere, should have reasonable knowledge on banking business, its operations and risk management and be capable of making valuable and effective contributions in the functioning of the committee. The committee shall discharge responsibilities and take decision on the matters as instructed by the BOD except discharging of those responsibilities and taking decisions that are specifically assigned to the full BOD by the Bank Company Act, 1991(Amended in 2013) or other related laws and regulations. The decisions taken by the committee shall be ratified in the next BOD meeting. Upon necessity the committee can call meeting at any time. The committee may invite CEO, Chief Risk Officer or any Executive to attend the committee meeting.</p>	Complied
5.2	Audit Committee (AC): The AC should have maximum five members and two of them shall be Independent Directors. It should be constituted of such members who are not members of the EC of the BOD. The members of the committee may be nominated for three years and the company secretary of the bank shall act as the secretary of the committee.	Complied
5.3	<p>Risk Management Committee (RMC): The RMC is to be formed to mitigate impending risks which could be arisen during implementation of BOD approved policies, procedures and strategies. This committee is entrusted to examine and review whether management is properly working on identifying and mitigation of credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, information and communication technology risk, operation risk, interest rate risk and liquidity risk and keeping adequate capital and provision against the risks identified.</p> <p>The RMC is to be formed with maximum five members who will be appointed for 03 (three) years. Each member should be capable of making valuable and effective contributions in the functioning of the committee. The company secretary of the bank shall act as the secretary of the committee. RMC shall review the risk management policy and guidelines of the bank at least once in a year, make necessary modifications as per requirement and submit the same to the BOD for approval. Besides, lending limits and other limits should be reviewed at least once in a year and should be amended, if necessary.</p>	Complied
6.	Training of the Directors: The Directors of the Board will acquire appropriate knowledge of the banking laws and other relevant laws, rules and regulations to effectively discharge the responsibilities as a Director of the bank.	Complied
7.	Intimation of the Circular to the Board and related persons by CEO: The CEO will inform about this Circular to the Directors and other related persons.	Complied

2. Appointment and Responsibilities of Chief Executive Officer

Sl. No.	Particulars	Compliance Status
A.	Rules and regulations for appointment of the CEO	
1.	<p>Moral Integrity: In case of appointment to the post of CEO, satisfaction in respect of the concerned person should be ensured to the effects that:</p> <ul style="list-style-type: none"> a) He has not been convicted by any Criminal Court of Law. b) He has not been punished for violating any rules, regulations or procedures/norms set by any regulatory authority. c) He has not associated with any such company/organization; registration or license of which has been cancelled. 	Complied
2.	<p>Experience and Suitability:</p> <ul style="list-style-type: none"> a) For appointment as a CEO, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years experience in a post immediate below the CEO of a bank. b) He must have a Master's degree at minimum from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person. c) In respect of service, the concerned person should have excellent track record of performance. d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was Chairman/Director/Official of any company. e) Any Director of any bank or Financial Institution or any person who has business interest in the concerned bank will not be eligible for appointment to the post of the CEO. 	Complied
3.	<p>Transparency and Financial Integrity: Before making appointment as a CEO, satisfaction should be ensured to the effects that:</p> <ul style="list-style-type: none"> a) The concerned person was not involved in any illegal activity while performing duties in his own or banking profession. b) He has not deferred payment to creditors or has not compromised with his creditors to be relieved from debts or he is not a loan defaulter. c) He is not a tax defaulter. d) He has never been adjudicated a bankrupt by the Court. 	Complied
4.	<p>Age Limit: No person crossing the age of 65 years shall hold the post of CEO of a bank.</p>	Complied
5.	<p>Tenure: The tenure of the CEO shall not be more than 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for that shorter period.</p>	Complied
6.	<p>Guidelines in fixing the salary and allowances: Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposal to BB:</p> <ul style="list-style-type: none"> a) In fixing the salary and allowances of the CEO, financial condition, scope of operation, business-volume and earning capacity of the bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration. 	Complied

Sl. No.	Particulars	Compliance Status
	<p>b) Total salary shall be comprised of direct salary covering “Basic Salary” and “House Rent” and allowances as “Others”. The allowances (e.g. provident fund, utility bill, leave-fare assistance) in “Others” head should be specified in amount/ceiling. Besides, other facilities (e.g. car, fuel, driver etc.), as far as possible, shall have to be converted in the monetary value and thus determining monthly total salary, it shall have to be mentioned in the proposal submitted to BB. In the proposal, basic Salary, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount.</p> <p>c) Without improving the bank’s major financial indicator like-CAMELS, annual salary increment will not be payable.</p> <p>d) Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the work performance of the current CEO.</p> <p>e) The CEO so appointed shall not get any other direct or indirect facilities (e.g. dividend, commission, club expense, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above.</p> <p>f) The bank shall not pay any income tax for the CEO, i.e. the CEO so appointed shall have to pay it.</p>	Complied
7.	Incentive Bonus: The CEO will get incentive bonus subject to paying incentive bonus to all executives/officers/workers of the bank and the said bonus amount will not exceed BDT1,000,000 in a year.	Complied
8.	Honorarium for attending the Board Meeting: Being a salaried Executive, CEO will not get any honorarium for attending the Board meeting or Board formed committee meeting.	Complied
9.	Evaluation Report: For reappointment of the CEO, the Chairman of the bank shall have to submit a Board approved evaluation report to BB.	Complied
10.	Prior Approval from Bangladesh Bank: Prior Approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of Bank Company Act, 1991 (amended up to 2013). For processing such approval, along with the proposal signed by the Chairman of the BOD, the selected person’s complete resume, offer letter, (mentioning the direct & indirect remuneration and facilities) and copy of Board’s approval must be submitted to BB. The selected person must also submit declarations as per Annexure A & Annexure B to BB.	Complied
11.	Decision of Bangladesh Bank is final: The decision of BB for appointment of the CEO will be treated as final and the CEO such appointed cannot be terminated, released or removed from his/her office without prior approval from BB.	Complied
B.	Responsibilities and Authorities of the CEO: The CEO of the bank, whatever name called, shall discharge the responsibilities and exercise the authorities as follows:	

Sl. No.	Particulars	Compliance Status
	a. In terms of the financial, business and administrative authorities vested upon him by the BOD, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.	Complied
	b. The CEO shall ensure compliance of the Bank Company Act, 1991 and other relevant laws and regulations in discharging of routine functions of the bank.	Complied
	c. The CEO shall include clearly any violation from Bank Company Act, 1991 (amended in 2013) and/or other relevant laws and regulations in the “Memo” presented to the meeting of the BOD or any other committee(s) engaged by the BOD.	Complied
	d. The CEO shall report to Bangladesh Bank of issues in violation of the Bank Company Act, 1991 (amended in 2013) or of other laws/regulations.	Complied
	e. The recruitment and promotion of all staffs of the bank except those in the two tiers below him/her shall rest on the CEO. He/she shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and approved delegation of employees as approved by the BOD.	Complied
	f. The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him/her which he/she shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the BOD, he/she shall nominate officers for training etc.	Complied

3. Contractual appointment of Advisor and Consultant

Sl. No.	Particulars	Compliance Status
A.	Rules and regulations for appointment of an Advisor	
1.	<p>Experience and Suitability: For appointment as Advisor, the concerned person will have to fulfill the following requirements with regard to experience and qualifications:</p> <ul style="list-style-type: none"> a. Experience in banking or administration for at least 15 (fifteen) years or have a long experience in social activities. b. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person. c. Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/Director/Executive of any company. d. The person who is working in any bank or Financial Institution or who has business interest in that bank will not be eligible for appointment to the post of Advisor. e. Satisfaction should be ensured that the concerned person is not a loan defaulter or tax defaulter and has never been adjudicated a bankrupt by the Court. 	N/A
2.	<p>Responsibilities of the Advisor: The roles and responsibilities of the Advisor should be defined specifically. The Advisor can advise the Board of Directors or CEO only on those matters specified in the appointment letter. The routine and general activities of the bank will not be included in his terms of reference. He will not be entitled to exercise any power or involved himself in the decision making process of financial, administrative, operations or other activities of the bank.</p>	N/A

Sl. No.	Particulars	Compliance Status
3.	Prior approval from Bangladesh Bank: Prior approval from BB is mandatory before appointing an Advisor. For such appointment, the justifications of the post of Advisor, responsibilities or terms of reference, complete resume of the concerned person, terms of appointment (mentioning remuneration and facilities) and copy of BOD's approval shall be submitted to BB. The nominated person has to make a declaration as per Annexure A. This declaration shall also be submitted to BB.	N/A
4.	Remuneration and other facilities of Advisor: The post of Advisor is not a fixed and substantive post in the bank's organization structure. Advisor will not be entitled to salaries and allowances as regular employee except gross amount of remuneration, transport and telephone facilities. Remunerations inconsistent with the terms of reference of the Advisor will not be considered as acceptable to BB.	N/A
5.	Tenure of Advisor: The tenure of the Advisor shall be maximum 01 (one) year, which is renewable. An evaluation report (by the Chairman that is approved by the BOD) of previous tenure should be submitted to BB with the re-appointment proposal.	N/A
6.	Appointment of Ex-executive: For ensuring good governance, any former Director, CEO or any other Executive of the bank will not be eligible to become an Advisor in the same bank immediately after their retirement or resignation. However, after one year from such retirement or resignation, he/she will be eligible for appointment as Advisor.	N/A
B.	Rules and Regulations for Appointment of a Consultant	
1.	Terms of reference of Consultant: Consultant can be appointed for specialized tasks like tax, law and legal procedures, engineering and technical works, information technology, etc. Consultants' appointment should be avoided as much as possible for those works that could be done by regular employees of the bank.	Complied
2.	Responsibilities of a Consultant: The responsibilities or terms of reference of a Consultant should be specified. He/she should not be involved in any activities beyond his/her terms of references and he/she cannot exercise any kind of power in bank operation or cannot participate in the decision making process.	Complied
3.	Appointment of a Consultant: A Consultant can be appointed with the approval of BOD. After such appointment the bank shall send the Consultant's complete resume, terms of reference and details of remuneration to BB immediately.	Complied
4.	Tenure of a Consultant: The tenure of a Consultant should be consistent with the terms of reference, but would not exceed 02 (two) years. Generally the consultant will not be eligible for re-appointment. But to complete the unfinished tasks, his contract may be extended for maximum period of 01 (one) year with the approval of BB. The Chairman of the bank upon approval of the BOD shall have to submit the extension proposal to BB with the evaluation report of his previous tenure.	Complied
5.	Remuneration/honorarium of a Consultant: The Consultant's remuneration should be in the form of monthly or single lump-sum payment, and he is not entitled to any other facilities.	Complied
6.	Appointment of Ex-executive: For ensuring good governance, any former Director, CEO or any other Executive of the bank will not be eligible for appointment as a Consultant in the same bank immediately after their retirement or resignation. However, after one year from such retirement or resignation, he/she will be eligible for appointment as a Consultant.	Complied

Compliance Status of Bangladesh Securities and Exchange Commission Guidelines for Corporate Governance.

Status of compliance with the conditions imposed by the 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 :

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.0	Board of Directors			
1.1	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).	✓		Stated in Annual Report
1.2	Independent Director			
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);	N/A		
1.2 (b)	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;	N/A		
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: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	N/A		
1.2 (b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	N/A		
1.2 (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	N/A		
1.2 (b) (v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	N/A		
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;	N/A		
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;	N/A		
1.2 (b) (viii)	who is not independent director in more than 5 (five) listed companies;	N/A		
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	N/A		
1.2 (b) (x)	who has not been convicted for a criminal offence involving moral turpitude;	N/A		
1.2 (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	N/A		Approved the Government Order
1.2 (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	N/A		-
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: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the, ()(Companies Act, 1994). Explanation: For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.	N/A		-
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;	N/A		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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	N/A		
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 Explanation: Top level executive includes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.	N/A		
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	N/A		
1.3 (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	N/A		
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;	N/A		
1.3 (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	N/A		
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;			Chairman of the Board nominated by Govt.
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.	✓		
1.5	Directors' Report to Shareholders			
1.5 (i)	An industry outlook and possible future developments in the industry;	✓		Stated in Annual Report
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;	✓		
1.5 (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		No such gain or loss
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;	N/A		-
1.5 (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	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;	N/A		
1.5 (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5 (x)	A statement of remuneration paid to the directors including independent directors;	N/A		
1.5 (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1.5 (xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1.5 (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1.5 (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1.5 (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
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;	N/A		
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;	✓		
1.5 (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
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)	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 (top five salaried employees of the company other than stated in 1.5 (xxi) b);	✓		
1.5 (xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details); Explanation: For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.	N/A		
1.5 (xxiv)	In case of appointment/re-appointment of a Director the Company shall disclose 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)	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;	✓		
1.5 (xxv) (c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1.5 (xxv) (d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 ; 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;	N/A		
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.	N/A		
2.0	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;	N/A		-
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.	✓		
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 sub-committees:			
4(i)	Audit Committee; and	✓		-
4(ii)	Nomination and Remuneration Committee.	✓		
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;	✓		
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) members;	✓		
5.(2) (b)	The Board shall appoint members of the Audit Committee who shall be non-executive 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; Explanation: The term "financially literate" means the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement and a person will be considered to have accounting or related financial management expertise if he or she possesses professional qualification or Accounting or Finance graduate with at least 10 (ten) years of corporate management or professional experiences.	✓		
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;	✓		
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.	N/A		
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)	Meeting 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.	✓		
5.(5)	Role of Audit Committee (The Audit Committee shall):			
5.(5) (a)	Oversee the financial reporting process;	✓		
5.(5) (b)	Monitor choice of accounting policies and principles;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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.	N/A		
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) (ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5.(6) (ii) (a)	Report on conflicts of interests;	✓		
5.(6) (ii) (b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	✓		
5.(6) (ii) (c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	✓		
5.(6) (ii) (d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	✓		
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.			
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 sub-committee of the Board;	N/A		
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;	N/A		
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).	N/A		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6 (2)	Constitution of the NRC:			
6 (2) (a)	The Committee shall comprise of at least three members including an independent director;	N/A		
6 (2) (b)	All members of the Committee shall be non-executive directors;	N/A		
6 (2) (c)	Members of the Committee shall be nominated and appointed by the Board;	N/A		
6 (2) (d)	The Board shall have authority to remove and appoint any member of the Committee;	N/A		
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;	N/A		
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;	N/A		
6 (2) (g)	The company secretary shall act as the secretary of the Committee;	N/A		
6 (2) (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	N/A		
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.	N/A		
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;	N/A		
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;	N/A		
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.	N/A		
6 (4)	Meeting of the NRC:			
6 (4) (a)	The NRC shall conduct at least one meeting in a financial year;	N/A		
6 (4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	N/A		
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);	N/A		
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.	N/A		
6 (5)	Role of the NRC:			
6 (5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	N/A		
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 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;	N/A		
6 (5) (b) (i) (b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	N/A		
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;	N/A		
6 (5) (b) (ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	N/A		
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;	N/A		
6 (5) (b) (iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	N/A		
6 (5) (b) (v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and			

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;			
7	External or 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.			
8 (2)	The company shall keep the website functional from the date of listing.	✓		
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).			
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. Explanation: "Chartered Accountant" means Chartered Accountant as defined in the Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973); "Cost and Management Accountant" means Cost and Management Accountant as defined in the Cost and Management Accountants Ordinance, 1977 (Ordinance No. LIII of 1977); "Chartered Secretary" means Chartered Secretary as defined in the, () (Chartered Secretaries Act, 2010).			
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.			

Report on Human Resources



Report on Human Resources

1. Human Resource (HR)

It goes without saying that the most important resource of any institution, more so for a bank, is its human resource. Timely and efficient customer service is very important in present competitive banking industry. Employees of the bank play significant role in providing better customer service with personal care which eventually builds a strong and ever-lasting business relationship with the customers. Employees are one of the most valuable assets of BDBL, embodying its commitment to maximizing wealth of the bank.

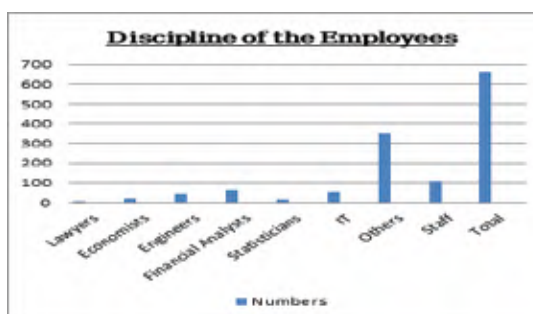
2. Employee Information

As on 31 December 2022, the BoD approved total manpower in BDBL is 1499. At present, total 659 employees are working against the approved manpower. 50 Branch, 6 Zonal Office, 31 Department, 11 Division, 1 Institute, 2 Subsidiary Company and 4 Office of the bank are being managed by existing manpower. Informational description of the employees is given below:

2.1 Discipline of the Employees

As on December 31, 2022, the total human resource was 659. Among these, officers working in different disciplines including staff position are mentioned below:

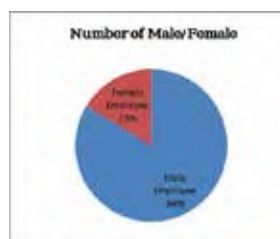
Discipline	Numbers
Lawyers	7
Economists	22
Engineers	43
Financial Analysts	61
Statisticians	16
IT	51
Others	351
Staff	108
Total	659



2.2 Male and Female Employees

It is worth mentioning here that, among total human resource of BDBL 108 was female employee as on December 31, 2022 which is about 16%, showing a healthy picture of woman participation in the corporate culture.

Number of Male/ Female	Officer	Staff	Total
Male Employee	446	105	551
Female Employee	101	7	108
Total	547	112	659



2.3 Recruitment of Officer

The bank adopted comprehensive plans to employ, develop and retain its human resource based on the right level of skills and talent to meet current and future needs. In the year 2022, the bank appointed 11 officers in the following post:

Post	Numbers
Senior Officer	3
Senior Officer (IT)	8
Officer	0
Officer (cash)	0
Total	11



2.4 Promotion 2022

Promotion is the most effective way for reward and motivation as well as improvement of employee's skill and job satisfaction. In 2022, the bank gave promotion to 163 officers in different posts and grades shown below:

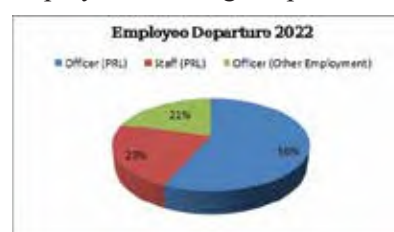
Post	Numbers
General Manager	2
Deputy General Manager	15
Deputy General Manager (PR)	0
Assistant General Manager	5
Senior Principal Officer	14
Principal Officer	105
Senior Officer	22
Total	163



2.5 Employee Departure 2022

In 2022, 30 officers and 12 staffs in different posts or grades went to Post Retirement Leave (PRL). Moreover, 11 officers in different posts leave their job for other employment during the period under review.

Post	Numbers
Officer (PRL)	30
Staff (PRL)	12
Officer (Other Employment)	11
Total	53



3. Health Facility

The physical and mental well-being of the employees are very important especially, the stressful effects of the performance driven culture in the Banking Sector. Effective counseling and proper treatment for employees plays pivotal role in this respect. To get the immediate treatment, the bank appointed two doctors on part time basis at two intervals in Head Office, Zonal and Branch Offices. Moreover, area-wise part time doctors will be also appointed by the bank for general treatment.

4. Leave Facility

In BDBL, all the employees are provided several types of leaves in accordance with the rule of Govt. and BB. As banking is a stressful and risky job, employees in this sector need refreshment which will increase their integrity, regularity, responsibility and ability to work successfully. In 2022, 186 employees availed recreation leave. Besides, the employees of BDBL has availed casual leave, sick leave, education leave, extraordinary leave, earned leave, ex-Bangladesh leave etc.

5. Day Care Centre

BDBL has its own Day Care Center in Head Office which is designed to provide childcare services for employees' children, allowing parents to have their children close by while they work. Having a daycare center at or near employees' workplace provides convenience and peace of mind, knowing that their children are nearby and well cared for. For BDBL, offering an office daycare center can be a valuable employee benefit that helps attract and retain top talent. It promotes work-life balance by supporting working parents and reducing stress related to childcare arrangements.

6. Pro-Women Work Environment

BDBL involves implementing policies and practices that promote gender equality, support the advancement of women and ensure a safe and inclusive workplace for all employees. BDBL ensures that women have equal access to job opportunities, promotions, and career development programs as well as has established transparent and merit-based processes for recruitment, performance evaluations, and promotions, without any gender bias. BDBL regularly assess the effectiveness of implemented initiatives, makes adjustments as needed, and fosters a culture where diversity and inclusion are celebrated.

7. Employees' Welfare

The BoD and Management of BDBL are always cordial in extending facilities relating to the needful welfare of the employees. Some of the areas of welfare as follow:

- Advance facility for house building;
- Executive car loan facility;
- Motorcycle/Bicycle loan and computer loan facility;
- Transport facility;
- Financial assistance for treatment;
- Educational stipend for the children of the employees;
- Financial assistance to the families of late and retired employees;
- Financial aid to the distressed families for cloths in religious festivals;
- Providing NOC for passport;
- Providing insurance coverage;
- Doctor facility at the time of office;
- Medicine aid at the time of office;
- Giving incentive every year;
- Suddhachar Award for integrity;
- Appreciation Letter for best employees;
- Providing Day Care Centre;
- Providing Harassmentless free-fair work environment;
- Ensuring pro-women work environment;
- All Govt. Leave facility (Including Maternity, Recreation, Education Leave);
- Ensuring equal opportunity for all;
- Providing performance based succession;
- Providing local and foreign training facility;
- Opportunity for higher education;
- Opportunity to seat Banking Professional Examination; and so on.

8. HR & Payroll Management System

BDBL introduced HR & Payroll Management System is a software application that helps to manage human resources and payroll processes. It integrates various functions related to employee management, attendance tracking, leave management, payroll processing and reporting. HR & Payroll Management System equipped with-

- **Employee Database Management:** The system allows BDBL to maintain a centralized employee database with relevant information such as personal details, employment history, job roles and contact information, etc.
- **Attendance and Leave Management:** It helps track employee attendance, leaves, and time-off requests. It can automatically calculate leave balances and allow employees to submit leave requests online.
- **Payroll Processing:** The system automates payroll calculations based on predefined salary structures, tax regulations and deductions. It can generate pay slips, manage bonuses, handle overtime calculations and process reimbursements.
- **Taxation and Compliance:** The system ensures compliance with tax regulations by automatically calculating taxes, generating tax forms, and keeping track of tax-related information such as employee tax deductions and employer contributions.
- **Performance Management:** It provides tools for managing employee performance, setting goals, conducting performance reviews and tracking progress. It can help identify top performers, provide feedback and support performance-related decisions.
- **Employee Self-Service:** The system typically includes a self-service portal where employees can access their personal information, view pay stubs, update contact details, and submit requests for leaves or reimbursements.
- **Reporting:** It offers reporting capabilities to generate various HR and payroll reports, such as employee attendance reports, payroll summaries, tax reports and employee performance metrics. These reports provide insights into HR and payroll data for decision-making purposes.

- Integration: The system may integrate with other systems such as time and attendance tracking devices, accounting software and third-party applications.

HR & Payroll Management System has increased efficiency, accuracy, and compliance in HR and payroll processes, reduced administrative burden, improved data security, enhanced employee self-service capabilities, and better decision-making through access to real-time HR and payroll information.

9. Development of Human Resource

- BDBL's success and competitiveness prevailing at the pinnacle of the banking sector of Bangladesh for it's believe that developed human resources can catch the falling star. BDBL considers following aspects to the development of human resources:
- Selection and Recruitment: Bangladesh Bank has established an effective selection processes to attract and hire talented individuals with the necessary skills and qualifications for various roles within the banks of Bangladesh and recommended to recruitment. After that BDBL implement recruitment procedures that focus on assessing candidates' competency, aptitude, cultural fitness, fitness of health, police verification and so on.
- Training and Development: By its own Training Institute along with BIBM, BBTA, etc, BDBL provides comprehensive training programs to enhance employees' knowledge, skills, and capabilities. This includes both technical training, such as banking regulations and software systems, as well as soft skills training, such as customer service, communication, and leadership development. In 2022, the institute has arranged various training programs in where 1749 participants/ employees were present.
- Performance Management: Establish a robust performance management system that sets clear goals, provides regular feedback, and evaluates employee performance. Use performance appraisals to identify areas of improvement, recognize achievements and align individual performance with the goals of BDBL.
- Career Development: BDBL has created a structured career development framework that enables employees to grow within the Bank. Provides opportunities for job rotations, promotions, and cross-functional experiences to broaden skill set and enhance career progression.
- Succession Planning: BDBL identifies high-potential employees and develop succession plans to ensure a smooth transition for key roles within the bank. This involves grooming employees for leadership positions and implementing strategies to retain top talent.
- Employee Engagement: BDBL has developed a positive work environment and culture that encourages employee engagement and satisfaction. Offer competitive compensation and benefits packages, recognize and reward employees' contributions and provide opportunities for work-life balance.
- Diversity and Inclusion: BDBL emphasizes diversity and inclusion in all aspects of the bank's operations. Encourage a diverse workforce and create an inclusive environment that values different perspectives and experiences. Implement diversity and inclusion training programs to promote understanding and reduce bias.
- Talent Analytics: BDBL works with leverage data and analytics to gain insights into workforce trends, identify skill gaps and make informed decisions about human resource planning and development strategies.
- Continuous Learning: BDBL promotes a culture of continuous learning and professional development. Encourage employees to participate in workshops, conferences and industry events to stay updated on the latest trends and best practices in the banking sector.
- Leadership Development: BDBL invests in developing effective leaders within the bank. Provide leadership training programs, coaching and mentoring opportunities to develop the necessary skills and competencies for leading teams and driving BDBL's success.

Directors' Report: 2022

Bangladesh Development Bank Limited (BDBL) Directors' Report briefly describes the Global and Domestic economic environment prevailing during the year 2022, with a view to enable understanding and appreciation of the intensely overall challenging macro-economic environment within which Bangladesh Development Bank Limited had to carry out its banking and allied business operation.

This Report also presents analysis and evaluation of the key operational and financial performance of Bangladesh Development Bank Limited during 2022, based on which business goals for 2023 have been formulated.

Directors' Report : 2022

The Board of Directors of Bangladesh Development Bank Limited (BDBL) would like to extend a very warm welcome to you all at the 13th Annual General Meeting (AGM) of the bank and is pleased to present herewith the Audited Balance Sheet and Profit and Loss Statement for the year ended on 31st December, 2022 for your perusal and consideration.

Prior to the commencement of the main report, a brief review of the Global economic situation along with the performance of the Domestic Economy during 2022 has been provided, with the objective of enabling a broader understanding of the then prevailing operating environment.

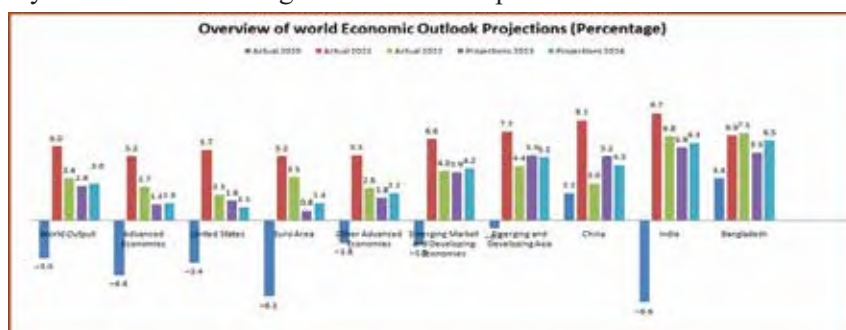
GLOBAL ECONOMIC SCENARIO

Global economic activity continued to experience a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weighed heavily on the outlook. Global growth was forecast to slow from 6.0 % in 2021 to 3.4 % in 2022 and 2.8 % in 2023. This is the weakest growth profile since 2001, except for the global financial crisis and the acute phase of the COVID-19 pandemic. Global inflation was forecast to rise from 4.7 % in 2021 to 8.8 % in 2022 but to decline to 6.5 % in 2023 and to 4.1 % by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation.

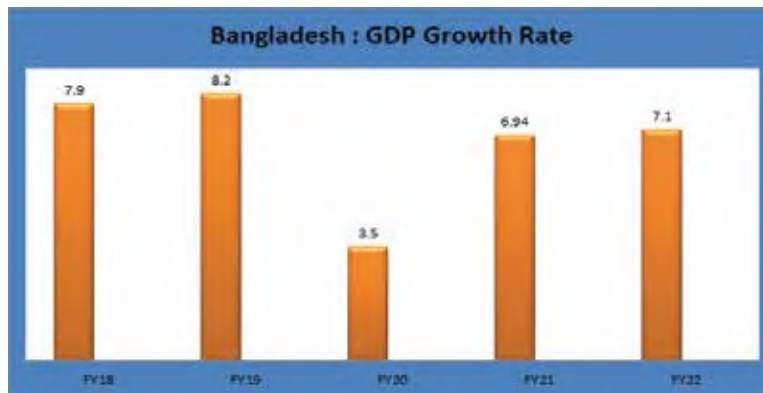
The slowdown in global economic activity is broad-based and sharper-than-expected, with inflation higher than seen in decades. The economic outlook depends on a successful calibration of monetary and fiscal policies, the course of the war in Ukraine, and growth prospects in China. Risks remain unusually large: monetary policy could miscalculate the right stance to reduce inflation; diverging policy paths in the largest economies could exacerbate the US dollar's appreciation; tightening global financing could trigger emerging market debt distress; and a worsening of China's property sector crisis could undermine growth. Policymakers should focus on restoring price stability and alleviating cost-of-living pressures. Multilateral cooperation remains necessary to fast-track the green energy transition and prevents fragmentation.

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict has contributed to a significant slowdown in global growth in 2022 and added to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. Global growth slowed from an estimated 6.0 % in 2021 to 3.4 % in 2022. This is 2.6% and 0.6 % points lower for 2021 and 2022. Beyond 2023, global growth is forecasted to decline 2.8 % over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 7.2 % in advanced economies and 9.9 % in emerging market. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.

The year-over-year world economic growth scenario is presented as follows:



Source: World Economic Outlook Update, October, 2022 and April, 2023.



Source: Bangladesh GDP: Bangladesh Bank Annual Report 2021-2022.

GLOBAL INFLATION SCENARIO

Global inflation was expected to fall from 8.8 % in 2022 to 6.6 % in 2023 and 4.3 % in 2024. The balance of risks remained tilted to the downside, but adverse risks have moderated since the World Economic Outlook (WEO), October 2022. On the upside, a stronger boost from pent-up demand in numerous economies or a faster fall in inflation is plausible. On the downside, severe health outcomes in China could hold back the recovery, Russia’s war in Ukraine could escalate, and tighter global financing costs could worsen debt distress. Financial markets could also suddenly re-price in response to adverse inflation news, while further geopolitical fragmentation could hamper economic progress.

In most economies, amid the cost-of-living crisis, the priority remains achieving sustained disinflation. With tighter monetary conditions and lower growth potentially affecting financial and debt stability, it is necessary to deploy macro prudential tools and strengthen debt restructuring frameworks. Accelerating COVID-19 vaccinations in China would safeguard the recovery, with positive cross-border spillovers. Fiscal support should be better targeted at those most affected by elevated food and energy prices, and broad-based fiscal relief measures should be withdrawn. Stronger multilateral cooperation is essential to preserve the gains from the rules-based multilateral system and to mitigate climate change by limiting emissions and raising green investment.

WORLD TRADE VOLUME

World trade expected to hit a record \$32 trillion for 2022, but a slowdown that began in the second half of the year is expected to worsen in 2023 as geopolitical tensions and tight financial conditions persist, according to the latest world Trade Update, published by United Nations Conference on Trade and Development (UNCTAD) on 13 December 2022.

Despite the war in Ukraine and the lingering impact of the pandemic, trade in both goods and services have seen strong growth this year. Trade in goods grew 10% from last year to an estimated \$25 trillion, due in part to higher energy prices.

Services were up 15% to a record \$7 trillion. But the UNCTAD report warns that the slowdown during the second half of this year points to tougher conditions in 2023.

“Economic growth forecasts for 2023 are being revised downwards due to high energy prices, rising interest rates, sustained inflation in many economies, and negative global economic spillovers from the war in Ukraine,” the report says. The ongoing tightening of financial conditions is expected to further heighten pressure on highly indebted governments, amplifying vulnerabilities and negatively affecting investments and international trade flows.

While global economy was recovering strongly from the COVID-19 pandemic, the war in Ukraine posed a setback to the ongoing recovery. A rise in the global commodity prices and sluggish economic activities due to the war induced supply chain disruption is being observed. International organizations revised their forecasts for economic growth prospects and inflations. As per the United Nations (UN) publication ‘World Economic Situation and Prospect 2022, the global economy grew by 5.5 % in 2021, the highest growth rate since 1976, after contracting 3.4 % in 2020. Global economy was expected to grow by 4.0 % in 2022 and

3.5 % in 2023. In the World Bank's Global Economic Prospect, January 2022, the global economic growth is projected 4.1 and 3.2 % in 2022 and 2023 respectively, while growth was estimated 5.5 % in 2021. Sluggish growth rates between advanced economies and emerging and developing economies will be divergent. Growth in advanced economies is expected to decline from 5 % in 2021 to 3.8 % in 2022 and 2.3 % in 2023. This growth rate will be sufficient to restore output and investment to their pre pandemic trend in these economies. In emerging and developing economies, however, growth is expected to drop from 6.3 % in 2021 to 4.6 % in 2022 and 4.4 % in 2023.

The report stressed that by 2023, all advanced economies will have achieved a full output recovery; yet output in emerging and developing economies will remain 4 % below its pre pandemic trend. For many vulnerable economies, the setback is even larger: output of fragile and conflict-affected economies will be 7.5 % below its pre-pandemic trend, and output of Small Island states will be 8.5 % below. In the World Economic Outlook April 2023, International Monetary Fund projected that the global economy will grow by 3.6 % both in 2022 and 2023. The projections for 2022 and 2023 are 0.8 and 0.2 % points lower than in the World Economic Outlook, January 2022. Global growth is forecast to decline to about 3.3 % over the medium term beyond 2023.

A REVIEW OF BANGLADESH ECONOMY IN FY 2021-22

Bangladesh economy was growing consistently high over a decade, crossing 7.0 % milestone in FY 2015-16 and 8.0 % milestone in FY 2018-19. However, the COVID-19 pandemic reduced the growth rate to 3.45 % in FY 2019-20. The economy grew by 6.94 % in FY 2020-21. According to the provisional estimates of Bangladesh Bureau of Statistics, the Gross domestic product growth stood at 7.25 % in FY 2021-22, 0.05 % points higher than the target rate and 0.31 % points higher than the previous fiscal year. According to provisional estimate of Bangladesh Bureau of Statistics, per capita Gross domestic product and per capita national income stood respectively at US\$ 2,723 and US\$ 2,824 in FY 2021-22 compared to US\$ 2,462 and US\$ 2,591 respectively in FY 2020-21. The consumption increased to 78.44 % of Gross domestic product in FY 2021- 22 from 74.66 % in FY 2020-21. The gross investment stood at 31.68 % of Gross domestic product in FY 2021-22, where public investment and private investment accounted for 7.62 % and 24.06 % of Gross domestic product respectively. Medium-term forecasts for Gross domestic product growth rates are 7.5 % in FY 2022-23, 7.8 % in FY 2023-24 and 8.0 % in FY 2024-25. Likewise public investment to Gross domestic product ratio also increased to 7.62 % in FY22 from 7.32 % in FY21.

Foreign exchange reserves stood at USD 41826.73 million at the end of June 2022 covering 6 months of prospective import payments which was USD 46391.44 million at the end of June 2021. Higher trade deficit than inflow of remittances and lower inflows in the capital and financial accounts led to fall in the foreign exchange reserves. In FY22, the volatility of world foreign exchange market became relatively higher than previous year. Bangladesh Bank tried to stabilize the foreign exchange market through selling a huge amount of USD. For this purpose, Bangladesh Bank sold USD 7621.70 million, while purchased USD 210 million during FY22. Consequently, annual average exchange rate stood at BDT 93.33 per USD in 2022. The nominal effective exchange rate (NEER) index as calculated with trade weighted 15-currency basket (base: FY16=100) increased by 0.28 % in FY22. Similarly, the real effective exchange rate (REER) index increased by 1.19 % in the same fiscal year indicating also depreciating pressure on Taka against Bangladesh's trade partners' currencies.

Consumer price index (CPI) based annual average headline inflation exerted an upward trend throughout FY22 except for the first four months of the financial year and rose to 6.15 % in June 2022 which was 5.56 % in June 2021. Inflation Rate in Bangladesh increased by 9.24 % in April 2023 over the same month in the previous year.

The annual average inflation rate increased by 0.35 % point compared to the revised annual target of 5.80 % set in the national budget for FY22. On the other hand, point-to-point inflation rate reached to 7.56 % in June 2022 which was 5.64 % in June 2021. In FY22, the volatility of world foreign exchange market became relatively higher than previous year. BB tried to stabilise the foreign exchange market through selling a huge amount of USD. For this purpose, BB sold USD 7621.70 million, while purchased USD 210

million during FY22. Consequently, annual average exchange rate stood at BDT 86.30 per USD in FY22, much higher than BDT 84.81 per USD in FY21 indicating depreciating pressure in nominal exchange rate. The nominal effective exchange rate (NEER) index as calculated with trade weighted 15-currency basket (base: FY16=100) increased by 0.28 % in FY22. Similarly, the real effective exchange rate (REER) index increased by 1.19 % in the same fiscal year indicating also depreciating pressure on Taka against Bangladesh's trade partners' currencies.

Broad money (M2) growth decelerated to 9.43 % in FY22 from 13.62 % in FY21 but much lower than programmed ceiling of 15.0 %. The deceleration in broad money was driven by negative growth in net foreign assets (NFA) during FY22. Net domestic assets (NDA) grew by 16.21 % in FY22 against the target growth of 16.5 % and 9.81 % actual growth in FY21. Net foreign assets decreased by 11.22 % in FY22 against the programmed growth of 10.4 %. Bangladesh Tax revenue: percentage of Gross domestic product was reported at 7.9 in Dec 2022.



SECTORAL GROWTH PERFORMANCE

Agriculture Sector

The growth of agriculture sector decreased to 2.20 % in FY22 from 3.17 % in FY21. This downfall is mainly due to less production of crops and horticulture; and fishing subsectors. In contrast, the growth of animal farming; and forest and related services subsectors increased notably during the period under review. Among various subsectors, the growth of forest and related services subsector increased slightly to 5.08 % in FY22 from 4.98 % in FY21 which was the highest growth compared to the growth of other subsectors of agriculture. On the contrary, crops and horticulture subsector experienced a huge growth fall which is 1.06 % in FY22 compared to 2.29 % in FY21. Fishing subsector also fell from 4.11 % in FY21 to 2.08 % in FY22 which describes almost half of the growth fall this time. Overall, the growth of agriculture sector in FY22 was not good enough. This sector needs to be propped up by necessary interventions and supports.

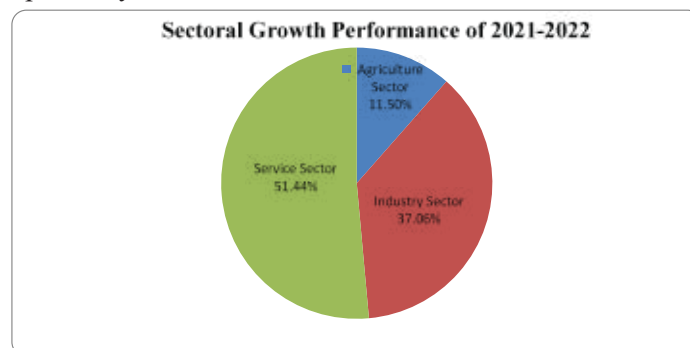
Industry Sector

Nonetheless, simultaneously bashed by COVID-19 pandemic aftermath and economic disruption amid Russia-Ukraine war, industry sector has performed well by achieving 10.44 % growths in FY22, which was higher than previous financial year. The industry sector, constituting more than one-third of gross value-added (GVA) in the economy, grew healthy even during the economic crisis because of rapid surge in both domestic and foreign demand. Growth in the industry sector was highly underpinned by the external demand which is mostly reflected by export growth, supported by different policy supports like incrementing export development fund (EDF), working capital loans for the export-led industries, etc. Among the subsectors, mining and quarrying undergone negative growth of -1.94 % in FY22 which was 6.49 % in FY21. Likewise electricity, gas, steam and air conditioning supply subsector also experienced decreasing growth of 5.96 % in FY22 which was 9.54 % in FY21. Of the manufacturing subsectors, large industry and cottage industry registered higher growth of 12.87 and 11.75 % respectively in FY22 from 10.61 and 10.27 % respectively in FY21. However, the growth of small, medium and micro industry decreased to 11.71 % in FY22 from 13.89 % in FY21. The growth of construction subsector increased to 8.94% in FY22 from 8.08% in FY21.

Services Sector

Despite the incessant economic downturn caused by COVID-19 pandemic which further reinforced by the Russia-Ukraine war, the service sector, comprising more than half of gross value added (GVA), stands firmly to its recovery phase in FY22 with a growth of 6.31 % against 5.73% in FY21. Within the sector, a

large growth impulse in FY22 primarily came from human health and social work activities; and; wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods. Among various sub-sectors of services, human health and social work activities; wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods; financial and insurance activities; education; information and communication; arts, entertainment and recreation; transport and storage; accommodation and food service activities; and administrative and support service activities registered the growth of 9.78, 8.72, 7.60, 6.23, 6.15, 6.07, 5.70, 5.59 and 5.48% in FY22 which were 10.60, 7.64, 5.82, 5.81, 7.11, 5.76, 4.04, 4.53 and 6.02 % respectively in FY21.



Source: Bangladesh Bank's Annual Report, FY 2021-22.

OTHER MACRO ECONOMIC INDICATORS

Savings

Gross domestic savings (GDSs) at current market price, stood at 21.56 % of Gross domestic product in FY22, lower than 25.34 % of Gross domestic product in the previous financial year. Gross national savings (GNSs) decreased to 25.45 % of Gross domestic product in FY22 from 30.79 % in FY21.

Investment

Investment as a percentage of Gross domestic product increased to 31.68 in FY22 from 31.02 in FY21. Private investment to Gross domestic product ratio slightly increased to 24.06 % in FY22 from 23.70 % in FY21 due mainly to different monetary and fiscal policy supports to accelerate the business activities and investments. Likewise public investment to Gross domestic product ratio also increased to 7.62 % in FY22 from 7.32 % in FY21 (Table 2.04). 2.18 Gross domestic savings (GDSs) and Gross National Savings (GNSs) at current market prices decreased by -4.15 and -6.90 % respectively in FY22 compared to FY21. Domestic savings-investment gap as % of Gross domestic product increased to (-) 10.12 % in FY22 from (-) 5.68 % in FY21 since the ratio of investment to Gross domestic product increased slightly but the ratio of domestic savings to Gross domestic product decreased considerably.

Price Developments

During the first four months of FY22, twelve-month average Consumer price index inflation showed a downward trend and reached at 5.44 % in October 2021. After that, it started to increase gradually and stood at 6.15 % in June 2022, higher than 5.56 % in June 2021. Inflation increased by 0.59 % points and it exceeded the targeted ceiling of 5.30 % in FY22. The higher general Consumer price index inflation was the result of the increase in both food and non-food inflation in FY22 compared to the previous year. Food and non-food inflation increased to 6.05 % and 6.31 % respectively, in June 2022, from 5.73 % and 5.29 % in June 2021. The surge in both food inflation (0.32 % points) and non-food inflation (1.02 % points) indicates inflationary pressure prevailed in the economy in FY22, due mainly to lingering supply shocks and surging global energy and commodity prices.

Import

Total imports (L/C settlement) through Islamic banking system was USD 23280.14 million in 2021 which was USD 15220.42 million in 2020. Among these, fully fledged Islamic banks settled USD 16407.05 million, while Islamic branches and windows in conventional banks settled USD 6637.52 million and USD 235.57 million, respectively in 2021. During January-June 2022, total import of IBS recorded at USD 13857.51 million.

Export

In 2021 total export earnings through Islamic banking system was USD 10718.25 million which was USD 7254.91 million in 2020. The full-fledged Islamic banks earned USD 9175.93 million, while Islamic banking branches and windows in conventional banks earned USD 1365.48 million and USD 176.85 million respectively in 2021. During January-June 2022, total export earnings of IBS stood at USD 6595.95 million.

Remittances Mobilization

Islamic banking systems have continued to show robust growth in remittances mobilization. The total inward remittances through Islamic banking system stood at USD 7367.30 million in 2021 which was USD 6747.69 million in 2020. The full-fledged Islamic banks alone mobilized USD 7343.18 million, and Islamic banking branches and windows in conventional banks contributed USD 16.09 million and USD 8.03 million respectively in 2021. During January-June 2022, total remittances mobilized by IBS stood at USD 2942.24 million.

Foreign Aid

Total official foreign aid receipts increased by 25.77 % to USD 10008.38 million in FY22 from USD 7957.56 million in FY21. Total foreign aid commitment was USD 8187.14 million during FY22. The disbursement of food aid stood at USD 2.53 million in FY22 which was USD 16.50 million in FY21. The disbursement of project aid stood at USD 10005.85 million in FY22 which was USD 7941.06 million in FY21. As of 30 June 2022, total outstanding of official external debt stood at USD 57625.05 million (12.51 % of GDP) against USD 50879.95 million (12.22 % of GDP) as of 30 June 2021. Repayment of official external debt and services was USD 2,117.58 million (excluding repurchases from the IMF) in FY22 which was USD 202.77 million or 10.59 % higher than the repayment of USD 1914.81 million in FY21. Total repayments of principal and interest payments were USD 1606.35 million and USD 511.23 million respectively in FY22 which were USD 1418.63 million and USD 496.18 million respectively in FY21. External debt service payment (MLT) as % of exports, stood at 4.30 % in FY22 which was 5.19 % in FY21.

Foreign Exchange Reserves

Foreign exchange reserves, refers to foreign assets held or controlled by central bank that acts as important indicator for any economy's ability to absorb external shocks. Bangladesh Bank's gross foreign reserves comprise major currencies (G-7), gold and special drawing rights (SDR); are used to finance Balance of payments obligations and/or to control exchange rates regime. The global war scenario and the pandemic situation had highly elevated commodity and energy prices resulting in surge in import payment growth relative to export earnings. Concurrently, moderate remittance inflows and enhancing trade deficit caused deluge in Balance of payments deficit of USD 5.4 billion in FY22. This evidentially declined foreign exchange reserves to USD 41.8 billion (equivalent to 4.7 months of imports of goods and services) at end of FY22 from USD 46.4 billion at the end of FY21.

Source: Bangladesh Bank's Annual Report, FY 2021-2022

NEAR AND MEDIUM TERM OUTLOOK FOR BANGLADESH ECONOMY

The overall macroeconomic performances and prospects of the world economy immensely depend on the improvement of the existing pandemic and its successful prevention through implementation of public health related safety measures including rapid vaccination for the common people especially in the emerging markets and developing economies. However, some big sources of uncertainties still existed in the world economy. The first source of uncertainty is the emergence of more transmissible and deadlier SARS-CoV-2 and Omicron variants which can create a prolonged pandemic situation and may further pullback the economic activities. The second source of uncertainty lies in the persistence of supply-demand mismatches which may lead to rise in inflationary expectations due to price pressure. The third source of uncertainty rests on a set of factors comprising financial market volatility.

A faster pace of vaccination can overcome the uncertainties and strengthen the economic recovery by boosting confidence of consumers and firms along with rising spending and investments. Besides, implementation of structural investment plan can lead to more robust near-term growth.

According to the International Monetary Fund (IMF)'s Global Financial Stability Report of April 2023, financial stability risks have increased rapidly as the resilience of the global financial system has faced a number of tests. Recent turmoil in the banking sector is a powerful reminder of the challenges posed by the interaction between tighter monetary and financial conditions and the buildup in vulnerabilities since the global financial crisis. The emergence of stress in financial markets complicates the task of central banks at a time when inflationary pressures are proving to be more persistent than anticipated. Large emerging markets have so far avoided adverse spillovers, but smaller and riskier economies continue to confront worsening debt sustainability trends. Despite repeated waves of the Covid-19, Bangladesh economy has managed to return to the recovery phase aided by appropriate policies and 28 stimulus packages.

Bangladesh Bureau of Statistics (BBS) has calculated real Gross Domestic Product (GDP) growth rate at 7.25 percent per cent for FY 2021-2022, which was 6.94 per cent in FY21.

Rising geopolitical tensions among major economies have intensified concerns about global economic and financial fragmentation, which could have potentially important implications for global financial stability. Fragmentation induced by geopolitical tensions could affect the cross-border allocation of capital, international payment systems, and asset prices. This could pose macro-financial stability risks by increasing banks' funding costs, reducing their profitability, and lowering the provision of credit to the private sector. Greater financial fragmentation could also exacerbate capital flow and macro-financial volatility by limiting international risk diversification. Policymakers need to be aware of potential financial stability risks associated with a rise in geopolitical tensions and assess and quantify geopolitical shock transmission to financial institutions. Financial institutions may need to hold adequate capital and liquidity buffers against rising geopolitical risks. The global financial safety net also needs to be buttressed through adequate levels of international reserves held by countries, central bank liquidity swap arrangements, and precautionary credit lines from international financial institutions.

PERSPECTIVE PLAN 2021-2041

The Government has adopted "Making Vision 2041 a Reality: Perspective Plan of Bangladesh 2021-2041" which highlights Interventions in socio-economic areas critical for realization of the dream of Father of the Nation Bangabandhu Sheikh Mujibur Rahman is to end absolute poverty and to graduate into higher middle-income status by 2031, and eradicate poverty on way to becoming a developed nation by 2041. The Perspective Plan 2021-2041 has been prepared to translate the policies and programs enshrined in the Vision 2041 into development strategies. It is the development vision of the Government for a prosperous Bangladesh, a strategic description of the goals and objectives and a roadmap for its implementation.

The following strategic goals will be pursued as the essential components of economic policy over the long-term:-

- Eradication of Extreme Poverty by 2031; reducing Poverty to less than 3 % by 2041.
- Achieving Upper middle-income country status by FY 2031; High-income country by 2041.
- Industrialization with export-oriented manufacturing will drive structural transformation into the future.
- Paradigm shifts in Agriculture will enhance productivity and ensure nutrition and food security for the future.
- A Service sector of the future will provide the bridge for the transformation of the rural agrarian economy to a primarily industrial and digital economy.
- The Urban transition will be an essential part of the strategy to move to a high-income economy Perspective Plan of Bangladesh, 2021-2041.
- Efficient Energy and Infrastructure will be essential components of the enabling environment that facilitates rapid, efficient and sustainable growth.
- Building a Bangladesh resilient to climate change and other environmental challenges.
- Establishing Bangladesh as a knowledge hub country for promoting a skill-based society.

* Source: Making Vision 2041 a Reality PERSPECTIVE PLAN OF BANGLADESH 2021-2041

REVIEW OF BANKING BUSINESS ENVIRONMENT

During FY21, the main priority of Bangladesh Bank (BB) was to maintain resilience and stability of financial system as well as to support the government initiatives of recovering the economy from the challenging domestic and global market conditions caused by the ongoing COVID-19 pandemic. Almost all the large financial markets around the world have been extremely affected due to the lockdown and other restrictive measures aiming at restricting the escalation of pandemic. Bangladesh also lost the pace of internal production as well as export earnings due to regional or countrywide lockdown during the first wave of the pandemic. However, while the pandemic subsided and the economy started to recover in response to the various policy measures taken by the government and Bangladesh Bank, second wave of the pandemic hit again in April 2021. Despite being under enormous pressure created by the internal and external situations of the financial market, all scheduled banks of the country remained operational for normal business hours or for specified time in every working day during the lockdown period to provide regular banking services to their customers throughout the pandemic over the last one year and a half. To assist the scheduled banks and non-bank financial institutions (NBFIs) to survive in this critical situation and to continue their contribution in revamping the country's economy, BB has issued a series of policies and prudential measures from the very beginning of the pandemic situation. These include but not limited to: re-fixation of the regulatory liquidity ratios to ensure additional liquidity in the banking sector, issuance of various directives for banks to follow from time to time for preventing the outbreak of COVID-19 by maintaining proper office environment in the banks as well as compensation package for the employees as frontline workers during the lock down period, easing of foreign trade and foreign currency transaction regulations, temporary relaxation in the loan classification policy, implementation of the government's stimulus packages for different segments of the economy and refinance schemes to provide liquidity support to those packages, introduction of special fund for capital market investment, restriction on dividend payouts with a view to strengthening banks' capital base to improve their risk resilience capacity under present situation, etc.

Other major policies and circulars issued during the financial year were guidelines on interest rate risk in the banking book for effective measurement and management of interest rate risk by banks, guidelines on country risk management (GCRM) for banks to address the risk of both on and off-balance sheet exposures to minimize loss of banks caused by adverse events in a foreign country, policy regarding verification of audited financial statements submitted by borrowers before loan approval/renewal and preserving the same in the loan file, policy for post import financing, etc. Besides, as part of supervisory activities, Bangladesh Bank conducted regular and special on-site inspections throughout the year. The performance of the risk management committees of the board of directors of banks were evaluated routinely. Special monitoring was continued by BB to oversee the liquidity level of the banking sector and consequently, a sufficient and strong level of aggregate liquidity was observed at the end of FY21. Moreover, Bangladesh Bank continued its efforts to reduce overall NPLs of the banking sector.

The banking system structure is mentioned below including bank types, number of banks and number of branches and Their Assets and Deposits Shares as on June 2022.

(In billion BDT)

Bank Types	Number of Banks	Number of Branches	Total assets	Share in industry assets (in %)	Total deposits	Share in industry deposits (in %)
State-owned commercial banks (SCBs)	6	3812	5216.0	24.9	4050.2	25.7
Specialized banks (SBs)	3	1519	470.9	2.2	441.3	2.8
Private commercial banks (PCBs)	43	5567	14665.7	67.4	10633.3	67.4
Foreign commercial banks (FCBs)	9	65	1193.9	5.5	660.7	4.2
Total	61	10963	18406.0	100.0	15785.5	100.0

REVIEW OF BDBL'S BUSINESS STRATEGY AND OPERATIONS DURING 2022:

Bangladesh Shilpa Bank was established on October 31, 1972 as a development finance institution vide the Bangladesh Shilpa Bank Order, 1972 with the aim of accelerating the pace of industrialization of the country by providing loans and equity assistance to medium and large-scale industrial projects as per the desire of Father of the Nation Bangabandhu Sheikh Mujibur Rahman.

Similarly, Bangladesh Shilpa Rin Sangstha was established on 31st October, 1972 as a development financing institution vide the Bangladesh Shilpa Rin Sangstha Order, 1972.

The decision to merge the two institutions was taken by the Government of the People's Republic of Bangladesh, under the direct direction of Hon'ble Prime Minister Sheikh Hasina. These two organizations merged on 31/12/2009 with the signing of Vendors' Agreements with the Government of the People's Republic of Bangladesh.

The newly merged two entities, was renamed as Bangladesh Development Bank Limited (BDBL), which officially commenced its business activities on January 3, 2010.

As a state-owned commercial bank, Bangladesh Development Bank Limited is committed to play an active role in extending industrial financing as in the past. It is also mandated to operate commercial banking activities including foreign exchange and international trade financing as per the Memorandum and Articles of Association.

Bangladesh Development Bank Limited has been playing a significant role in the capital market development of the country through its two wholly owned subsidiary companies.

In industrial financing, the bank provides loans to eco-friendly projects including other projects of significance to the economy. It also provides working capital advances and trade finance for corporate customers, loans to SME traders, business and women entrepreneurs, personal and retail credit including agro & agro-based and house building loans etc.

It also operates foreign exchange businesses through its 5 (five) Authorized Dealer (AD) branches namely Principal branch, Motijheel, Karwan Bazar, Agrabad and Narayanganj branches.

Besides, there are various special deposit schemes which are suitable for both retail and institutional customers. At present, Bangladesh Development Bank Limited has 17 rural branches. The main aims of these branches are to facilitate agriculture output, employment opportunities and generating income in the rural areas of the country.

The year 2022 was extremely challenging as it relates to banking business activities, particularly due to Russia-Ukraine war and the fallout from the pandemic. However, in order to face this challenging situation, the Board of Directors of Bangladesh Development Bank Limited undertook various initiatives leading to policy flexibility. Further, amendment of Bangladesh Development Bank Limited's Credit Policy-2022, CMSME Credit Policy-2022, Audit Manual-2022 and Foreign Exchange Risk Management Manual-2022 has been amended, improved and upgraded to set directions for the institution to become a dynamic and viable banking company.

DOMESTIC NETWORK:

With the objective of inclusive banking, expansion and management of the business activities, Bangladesh Development Bank Limited has opened a new monitoring department as well as new branches in commercially and geographically important places of the country. With the addition of 1 new branch in 2022, total number of branches now stands at 50 under 6 zonal offices in Dhaka North, Dhaka South, Chittagong, Sylhet, Khulna and Rajshahi. Among the total branches, 33 branches are located in urban and 17 branches in rural areas.

HUMAN RESOURCES:

Unquestionably, the foremost resource of any institution, more so for a bank, is its Human Resources. Ensuring equal opportunities regardless of gender, the Board of Directors of the bank has already adopted a number of administrative policies focusing on improvement of skill and performance of its human resources.

Among these, promotion on regular basis, posting and transfer, employees' welfare including Day Care Center, training activities for skill development etc. are notable. As on December 2022, 659 employees (officers: 551 & Staff:108) were working for the bank. Included in the workforce were 111 female employees which is 16.84 % of total employees.

CAPACITY DEVELOPMENT:

Bangladesh Development Bank Limited is working with a vision of converting human resource into productive human capital through imparting appropriate knowledge, skills, abilities and personal attributes. Knowledge and skill development is a continuous process, which is enriched by proper training. In order to enhance operational skill and efficiency of the officers, the Bank has its own Training Institute at Karwan Bazar, Dhaka. Bangladesh Development Bank Limited also regularly nominates a large number of officers to participate in different external training programs, workshops and seminars arranged by Bangladesh Institute of Bank Management (BIBM), Bangladesh Bank Training Academy (BBTA) and other external institutions.

DEVELOPMENT OF ICT:

As a part of the Government's "Smart Bangladesh" program for technological development, the Bank has undertaken an action plan to automate all banking activities and introduce a new Smart Service to serve the client.

Bank has served the customer with Core Banking Solution (CBS) according to the guidelines of Bangladesh Bank from 01 July 2015. All branches are, therefore 'real-time online' while carrying out all banking transactions on the Core Banking Solution.

Adhering to Bangladesh Bank's plan for automation of the payment system of the country, Bangladesh Automated Clearing House (BACH) is in operation since its inception at Bangladesh Development Bank Limited. The two components of BACH namely the Bangladesh Automated Cheque Processing System (BACPS) and Bangladesh Electronic Funds Transfer Network (BEFTN) are functioning in the bank. The Real-Time Gross Settlement (RTGS) system is operating in all branches smoothly. Foreign Exchange / Trade Finance transaction facility is given to clients through Authorized Dealer (AD) branches by bank's own the Society for Worldwide Interbank Financial Telecommunication.

The bank has established a corporate e-mail service/system in its own domain "bdbl.com.bd" for all officers. Bangladesh Development Bank Limited has implemented an Human resources payroll Management System and performed the activity of centralized payroll and staff loan processing.

Bank has implemented the Module for Loan Classification report from Core Banking Solution which provides crucial information about borrower loan status. Moreover, the bank is reporting monthly Credit Information Bureau batch using a separate system and information is taken from Core Banking Solution.

As per Government instructions bank has started -nothi activities & e-Attendance System as a part of e-Governance.

BDBL has launched new services for the customer. The new launched services of BDBL for the customer are :

- i. **e-KYC:** It provides the opportunity for the new customer to open an account using the National ID from home by his/her smart phone or computer. Moreover, customers are having the facility to open the bank account on nearest branch with onboard technology
- ii. **Debit Card:** An account holder of Bangladesh Development Bank Limited can avail of the opportunity of a 24/7 banking transaction facility using a Debit Card.
- iii. **Internet Banking:** The registered Account holder of Bangladesh Development Bank Limited can avail of the opportunity for Money Transfer within Bank/ to other Bank and Mobile Financial Services (MFS): Bkash, Nagad, etc, TopUp/ Mobile recharge facility, and Utility Bill Pay.
- iv. **Mobile Apps:** Registered Account holder of Bangladesh Development Bank Limited can avail of the opportunity for Money Transfer within Bank/ to others Bank and MFS, Mobile recharge facility, and Utility Bill Pay.
- v. **E-commerce facility:** Account holders can purchase online using Bangladesh Development Bank Limited Debit Card.
- vi. **A-Challan System:** Bangladesh Development Bank Limited can collect Treasury Challan on behalf of the Bangladesh Government.
- vii. **National Savings Schemes (Shanchaypatra):** Customers can avail Shanchaypatra facility from Bangladesh Development Bank Limited on behalf of the Department of Savings, Bangladesh Government. Besides, introducing new Fintech, the bank has implanted modern security devices to protect against Cyber-attacks to enhance Cyber Security by which Security Experts of the bank can monitor all system simultaneously.
- viii. **Utility Bills:** Bangladesh Development Bank Limited is giving the facilities to take electricity and gas bills on OTC (Over the Counter), mobile apps and Internet Banking system. Customers can now pay their bills at any time by online system.
- ix. **Video Conferencing:** Bangladesh Development Bank Limited has implemented automated and modern technology based conferencing facilities (Zoom).
- x. **Mobile TOP UP :** Mobile Top-Up is a convenient and secure way to recharge mobile phone balance. With this feature, BDBL customers can easily top-up their mobile phone balance using the BDBL Mobile App and BDBL iBanking without having to visit a physical recharge store or buy a recharge card. The process is simple and quick. Customers can choose their mobile operator, enter their mobile number and recharge amount, and pay using their BDBL account. The app supports major mobile operators like (Grameenphone, Banglalink, Robi, Airtel, Teletalk) in Bangladesh, making it easy for customers to recharge their phones on the go. Overall, Mobile Top-Up through BDBL Mobile App is a hassle-free way to stay connected, and is a great addition to the range of services offered by BDBL.

Indian Visa Application Fee: As part of digitalization, Bangladesh Development Bank Limited has launched Indian Visa Application Processing fee payment. In this context, all Bangladesh Development Bank Limited customers can submit Indian visa fee through their own accounts using Bangladesh Development Bank Limited mobile apps and internet banking very easily.

Besides, introducing new Fintech, the bank also has installed modern security devices to protect against Cyber-attacks to enhance Cyber Security by which Security Experts of the bank can monitor all system simultaneously.

CREDIT RATING:

Bangladesh Bank has declared credit rating to be mandatory for commercial banks and to be conducted by recognized rating agencies. Accordingly, Credit Rating Agency of Bangladesh (CRAB) had been assigned to rate the bank and accordingly they have graded the Bangladesh Development Bank Limited on the basis of Bank’s Audited Financial Statements 2022, and also provided additional qualitative and quantitative information. The latest rating was as follows:

Date of declaration	Valid till	Rating mode	Long Term Rating	Short Term Rating	Outlook
14 June, 2023	30 June, 2024	Government Support	AAA	ST-1	Stable
		Without Government Support	A ₃	ST-3	Stable

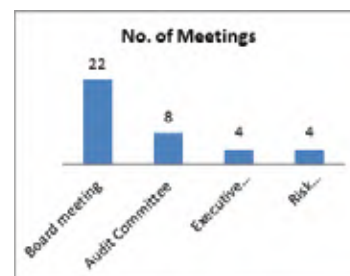
Rating	Meaning
AAA	Indicates Extremely Strong Capacity
A ₃	Indicates Strong Capacity
ST-1	Indicates Highest Capacity
ST-3	Indicates Average Capacity
Stable	Means Rating is likely to remain unchanged

CORPORATE GOVERNANCE:

Bangladesh Development Bank Limited complies with good corporate governance practices in line with the direction and control measures of the company and regulatory requirements ensuring transparency, accountability, responsibility and fairness in each and every area of its business operations to maximize better performance with governance.

Towards ensuring proper accountability and transparency in business, financial and administrative activities, Bangladesh Development Bank Limited has four high powered Board committees.

The committee nomenclature and the number of meetings held in 2022 are mentioned in the graph:



INTERNAL CONTROL AND COMPLIANCE:

Banking business encompasses complex and diversified financial activities involving high risks. Consequently, the issue of effective internal control system, corporate governance, transparency and accountability have become significant drivers to ensure smooth operational performance of the bank.

INTERNAL CONTROL AND COMPLIANCE:

Banking business encompasses complex and diversified financial activities involving high risks. Consequently, the issue of effective internal control system, corporate governance, transparency and accountability have become significant drivers to ensure smooth operational performance of the bank.

Internal Control Process is driven by the active participation of the company's Board of Directors, Management and other relevant responsible personnel, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations and internal policies.

Internal Controls are the policies and procedures established and implemented alone, or in concert with other policies or procedures to manage and control a particular risk or business activity or combination of risks and business activities to which the company is exposed or in which it is engaged.

Bangladesh Development Bank Limited has an appropriate and effective internal control environment to ensure that the bank is managed and controlled in a sound and prudent manner. The bank identifies its weaknesses through internal control system and takes appropriate measures to overcome the weaknesses. The Board of Directors of the bank has empowered the Board Audit Committee to monitor the effectiveness of internal control system of the bank. The Board Audit Committee meets the senior management periodically (8 meetings held in 2022) to discuss the effectiveness of the internal control system of the bank and ensures that the management take appropriate actions as per the recommendations of the Auditors and the Internal Control and Compliance Division (ICCD).

CUSTOMER CARE:

According to the Right to Information Act-2009, Bangladesh Development Bank Limited has issued a circular instructing all concerned to ensure free flow of information and people's right to information. Besides, in order to improve clients' service standard, a Central Client service and Complaint Management Cell has been established under Compliance Department. Apart from this, complaint boxes have been set up in all branches and Bangladesh Development Bank Limited Head Office. Reasonable complaints of customers are instantly met with due seriousness. Bangladesh Development Bank Limited has a help desk on the ground floor of the Head Office under the control of Human Resource Management Department (HRMD). As per regulatory directives, citizen charter has also been displayed at the entrance of the Head Office as well as in all other branches.

RISK MANAGEMENT

Risk Management has become one of the most sensitive and crucial factors in banking business all over the world. In the course of banking operations, banks are invariably faced with different types of risks that may have a potentially adverse effect on their business. Bangladesh Development Bank Limited has established an appropriate and effective internal control environment to ensure that the bank is managed and controlled in a sound and prudent manner.

Bangladesh Development Bank Limited has its own full-fledged Risk Management Department (RMD) and 07 (seven) distinct Core Risk Management Committees to identify, evaluate, monitor and supervise its entire risk related works as per guidelines and directions of Bangladesh Bank with the approval of Board of Directors and competent authorities.

The Executive Risk Management Committee (ERMC) of Bangladesh Development Bank Limited has been formed to establish a comprehensive risk management process in the bank and to ensure a continuous sound banking practice. The committee is constituted with 10 (ten) members and headed by the Chief Risk Officer (CRO) of the bank.

Bangladesh Development Bank Limited has an exclusive body called Supervisory Review Process (SRP) team where Risk Management Department is an integral part. The team comprises 07 (seven) members and headed by the Managing Director & CEO of the bank. It assesses capital adequacy in relation to overall risk profile of the bank, implements strategy for maintaining capital at an 'adequate level' through monitoring and reporting.

The bank has a high powered Board Risk Management Committee (BRMC) comprising five members of the Board of Directors as per the directives of Bangladesh Bank. Board Risk Management Committee reviews risk management policies and monitors the overall risk management system of the bank and updates to the Board of Directors from time to time. Board of Directors formulates the guiding policies and procedures of overall risk management of the bank.

RISK MITIGATION

Smooth banking operation requires several strategic steps for risk identification and its mitigation. The vital and first step of risk mitigation is the identification, analysis and measurement of risks. For these purposes ‘Monthly Risk Management Report (MRMR)’ and Half-Yearly ‘Comprehensive Risk Management Report (CRMR)’ are prepared covering all potential key risks to bank’s assets, liabilities, liquidity & earnings. The Risk Management Committee discusses on the reports in its monthly meeting, identifies the risks and gives direction to mitigate them.

Risk Management Department (RMD) of Bangladesh Development Bank Limited prepares quarterly ‘Stress Testing Report’ to assess Capital to Risk Weighted Asset Ratio (CRAR) of the bank considering specific shock factors and shock levels. Risk Management Department also reviews position of credit rating, abnormal change in AD Ratio, recovery position, self-assessment of internal control and other core risk factors associated with banking activities. To mitigate those risk factors, appropriate steps are taken under the supervision of the top management of the bank continuously.

Risk Management Department, under direct supervision of Supervisory Review Process team, prepares ‘Internal Capital Adequacy Assessment Process (ICAAP) Report’ for assessing the bank’s overall capital adequacy. Bangladesh Development Bank Limited has a capital plan to raise its capital against risks to fulfill the Bangladesh Bank’s regulatory requirement.

The overall focus of Risk Management of Bangladesh Development Bank Limited in 2022 was on maintaining the risk profile in line with its strategy, strengthening its capital base and supporting the strategic goals.

Bangladesh Development Bank Limited has separate mitigation methodology for each core risk which is given below:

Risk Types	Definition of Risks	Governing Documents	Summary of Mitigation Activities
Credit Risk	Risk arising from contractual failure of the borrower with the Bank. The failure may result from unwillingness or inability of the counter party in discharging financial obligation.	1. Credit Risk Management Manual; 2. Credit Policy; 3. Interest Waiver Policy; 4. Loan Reschedule Policy; 5. CMSME Manual; 6. Start-up fund Policy; 7. Internal Credit Risk Rating System (ICRRS) Guideline; 8. Risk Appetite Statement; 9. Credit Risk Assessment & Resolution Report	<ul style="list-style-type: none"> • Overall planning of credit operations. • Credit analysis and approval. • Credit supervision and monitoring. • Internal Credit Risk Rating. • Accurate collateral value identification. • Credit concentration analysis

Risk Types	Definition of Risks	Governing Documents	Summary of Mitigation Activities
Asset-Liability Management Risk	Risk arising from imbalance of assets and liabilities in times of volatile interest rates and more generally a continuously changing economic environment.	<ol style="list-style-type: none"> 1. Asset Liability Risk Management Manual & Checklist; 2. Liquidity Contingency Plan; 3. ICAAP Manual & Checklist; 4. Stress Testing Report; 5. Recovery Plan 	<ul style="list-style-type: none"> • Overall planning for funding and treasury operation. • Maintaining standard liquidity profiles. • Duration Gap Analysis. • Forecasting money market and capital market trend. • Limits to control the maximum net cash outflow.
Foreign Exchange Risk	Possibility of losses due to change in exchange rates according to market forces.	Foreign Exchange Risk Management Manual	<ul style="list-style-type: none"> • Monitoring Foreign Exchange Transactions. • Set limit for open position. • Monitor market movements.
Money Laundering and Terrorist Financing Risk	Risk of unusual/suspicious transaction through banking channel.	<ol style="list-style-type: none"> 1. Money Laundering & Terrorist Financing Risk Prevention Manual; 2. Prevention of Trade Based Money Laundering Manual 	<ul style="list-style-type: none"> • Implementation of uniform Know Your Customer (KYC) and Transaction Profile (TP). • Monitoring unusual/suspicious transactions. • Cash transaction report to Bangladesh Bank. • Arrange training/workshops for developing awareness and skill.
Internal Control and Compliance Risk	Risk arising from errors and fraud due to regulatory failure of Internal Control and Compliance.	<ol style="list-style-type: none"> 1. Internal Control & Compliance Risk Management Manual; 2. Audit Manual 	<ul style="list-style-type: none"> • Ensuring compliance of regulatory requirements. • Maintaining efficiency and effectiveness of overall operating activities.
ICT Security Risk	Risk of hardware and software failure, human error, spam, viruses and malicious attacks as well as natural disasters such as fires, cyclones or floods.	<ol style="list-style-type: none"> 1. ICT Security Policy; 2. Data Backup & Recovery Policy; 3. Business Continuity Plan; 4. Disaster Recovery Plan; 5. IT Asset Management and Disposal Policy; 6. E-mail and Internet Usage Policy; 	<ul style="list-style-type: none"> • Building standard and compliant Data Centre (DC). • Set up Near Far Disaster Recovery Site (DRS). • Sufficient physical as well as logical access control systems. • Keeping sensitive information in the restricted area of networking environment.
Environmental and Social Risk	Risk arising from environmental and social concerns that might affect performance of the bank.	Environmental and Social Risk Management Policy	<ul style="list-style-type: none"> • Ensuring that projects are developed in a socially responsible manner. • Enhancement of green finance.

BRAND IMAGE:

Bangladesh Development Bank Limited was established through merger of Bangladesh Shilpa Bank (BSB) and Bangladesh Shilpa Rin Sangstha (BSRS). These two institutions, BSB and BSRS, being the prime Development Financing Institutions (DFIs) had created a brand image associated with accelerating the pace of industrial development of the country.

After merger, Bangladesh Development Bank Limited has become a public limited company and has been operating its business activities as a state-owned commercial bank. Employees are adequately well trained to provide smart and efficient services to enhance and reinforce the brand image further, where focus on customers, quality services to the customers and customers' right are of prime concern.

It is one of the prime objectives of Bangladesh Development Bank Limited to establish itself, as a bank superior to others banks and financial institutions in the same category.

OPERATIONAL PERFORMANCE OF BDBL:

Deposit:

Deposit mobilization is considered as a vital source of available liquidity for operating banking activities. The deposit balance at the end of 2022 was Tk. 2,914.50 crore.

Loans and Advances:

Bank has reviewed its Credit Policy periodically with a view to providing prompt and efficient services to the clients in a consistent manner. The loans and advances of the bank posted an increase by about 2.74% to Tk. 2479.66 crore in 2022 over Tk. 2413.43 crore in 2021.

The loan portfolio of the bank remained well diversified and consisted of large, small and medium enterprises and businesses loans. The loans and advances portfolio included food & allied products, jute & jute goods, cotton, woolen and synthetic textiles, paper, paper products and printing, electrical machinery, machinery spare parts, water transport, chemical and pharmaceuticals, petro chemical products, service industries, real estate, loans under consumer's scheme, various trading businesses, etc.

Long Term Loan:

The bank extends long term credit facilities for establishing new projects, balancing, modernization, replacement of machinery and expansion (BMRE) of existing capacity of the projects.

SME Financing:

For enhancing domestic investment to meet rising demand for employment generation, women's empowerment and regional development, the role of CMSME is indispensable. In line with the Government and Bangladesh Bank's policy guidelines, promoting a dynamic CMSME sector is a priority for the bank to reduce poverty and stimulate economic growth.

For achieving these objectives as well as for financial inclusion of unbanked people, the SME Department of the bank was entrusted with the following tasks:-

- To emphasize financing activities for priority sectors of CMSMEs in line with the policy guidelines of the Government and Bangladesh Bank.
- To guide, monitor and supervise CMSME related activities.
- To follow up and monitor timely implementation of projects under CMSME.
- To ensure regular recovery of CMSME loan so that loans do not turn into classified loan.

The bank has signed the following 5 (Five) refinancing agreements with Bangladesh Bank:-

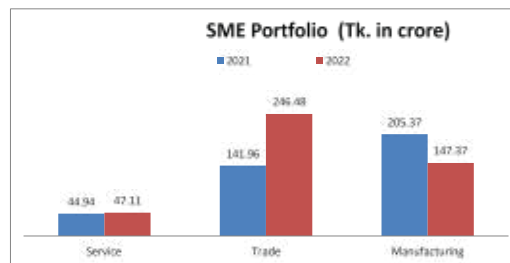
- Refinance Scheme for disbursement of term and working capital loan to cottage, Micro, Small and Medium (CMSME) Sectors.
- Refinance Scheme for providing working capital loan facility to support Covid-19 affected CMSMEs.
- Small Enterprise Refinance Scheme.
- Refinance Scheme for Setting Up Agro-based Products Processing Industries in Rural Areas.
- Refinance scheme for New Entrepreneurs in Cottage, Micro and Small Enterprise Sector.

The bank took several steps for enhancing and accelerating CMSME loan portfolio, some of which were:

- Fixation of delegation power categorically for sanctioning of CMSME loan by the Branch Manager, Zonal Manager and Executives concerned in Head Office;
- Fixation of target as per SMESPD Circular No.-2, dated 05-09-2019;
- For the convenience of selecting CMSME Projects, a list based on divisions area, sectors and clusters was prepared and sent to all branches and zonal offices;
- Nomination of one Focal Officer in each branch and zonal office as well as in SME department at Head Office;
- Set up of CMSME cell, a help desk / Women Entrepreneur Dedicated Desk at all branch offices to advise and assist CMSME entrepreneurs particularly, women entrepreneurs for advisory services including all related assistance;
- Preparation of CMSME Manual relating to rules, regulations and other related up-to-date information;
- Creation of Database along with Women Entrepreneurs Reporting;
- Input Template fund on Bangladesh Bank e-refinance system;
- Input of Database on Dashboard Reporting of Covid-19 CMSME package as per Software provided by Bangladesh Bank;
- Arrangement of different training programs by the Bank on CMSME related issues for enhancing knowledge and awareness of the employees along with Entrepreneurs on CMSME financing;
- Participation in different CMSME fairs and seminars and
- Participation of CMSME meeting quarterly at Bangladesh Bank for achievement and implement the instruction given by Bangladesh Bank;

SME Portfolio Position:

The portfolio position of SME loan as on 31-12-2021 and 31-12-2022 are shown in the graph.



BDBL SME Term Loan Tk. 347.86 crore and SME (CC) Loan Tk. 93.10 crore.

Green Financing:

As a part of financial intermediary as well as environmentally conscious bank, Bangladesh Development Bank Limited has been playing an important role in mitigating environmental hazards through green banking. The bank approved a considerable fund in the annual budget for green banking and disbursed Tk. 0.05 crore in 2022.

Foreign Exchange and International Trade Financing:

Bangladesh Development Bank Limited has been performing Foreign Exchange and International Trade Financing under the International Banking Department. Experienced and efficient officers are deployed in this department to manage foreign exchange business smoothly. Five (5) AD (Authorized Dealers) branches namely; Principal, Motijheel, Karwan Bazar, Narayanganj and Agrabad deal with foreign exchange business.

As a part of primary effort, the bank has been running its foreign exchange business such as open local and foreign sight L/C, deferred L/C and back to back L/C, Bill Purchase, Bill Collection, provide PIF facility, Acceptance of Bill, etc. BDBL provides with Packing Credit (PC) and open L/C under Export Development Fund (EDF) from Bangladesh Bank to facilitate client's export business. Besides these, the Bank is doing Foreign Currency money market activities.



Foreign Trade Financing & Foreign Exchange Business:

Bangladesh Development Bank Limited extends all sorts of foreign trade related business facilities.

Treasury and Money Market:

- ❖ Foreign currency buy & sale;
- ❖ Foreign currency lending and borrowing;
- ❖ Foreign currency overnight (call) and
- ❖ Remittance Service through SWIFT, RIA and Western Union

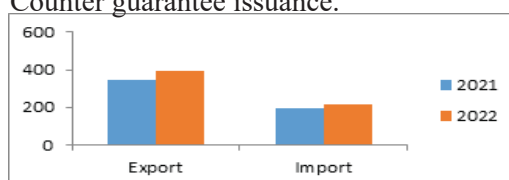


Export Finance:

- ❖ Export Cash Credit (ECC);
- ❖ Packing Credit (PC);
- ❖ Back to Back L/C;
- ❖ Advising of Export L/C;
- ❖ Export bill collection;
- ❖ Letter of Credit Confirmation;
- ❖ Advance against Bills for Collection and
- ❖ Purchase of local & foreign documentary bills.

Import Finance:

- ❖ Letter of Credit (local & foreign) issuance;
- ❖ Post Import Financing (LIM, LTR, etc.);
- ❖ Payment against Documents (PAD) and
- ❖ Counter guarantee issuance.



A comparative picture of foreign exchange business transacted during last 2 (Two) years by the bank, is depicted below:

(Tk. in crore)

Import Finance							
SL. No	Name Of Branches	2021			2022		
		No. of LC Opened	Target	Achievement	No. of LC Opened	Target	Achievement
1.	Principal	150	84.00	188.48	142	84.00	203.10
2.	Motijheel	1	6.00	2.23	3	15.00	4.04
3.	Narayanganj	43	6.00	3.69	8	6.00	3.50
4.	Karwan Bazar	-	6.00	-	17	6.00	4.50
5.	Agrabad	8	3.00	1.56	5	9.00	0.82
Total:		202	105.00	195.96	175	120	215.96

(Tk. in crore)

Export Finance							
Sl. No.	Name Of Branches	2021			2022		
		No. of Export Bill	Target	Achievement	No. of Export Bill	Target	Achievement
1.	Principal	962	150.00	247.09	787	150.00	218.49
2.	Motijheel	109	15.00	95.00	133	15.00	177.05
3.	Narayanganj	33	12.00	5.28	9	14.00	0.60
4.	Karwan Bazar	4	11.00	0.16	3	11.00	0.10
5.	Agrabad	-	7.00	-	-	10.00	-
Total :		1108	195.00	347.53	932	200	396.24

Earning from Foreign Exchange Business

(Tk. in crore)

SL. No	Name	2021	2022
1	L/C Commission and others	6.32	8.55
2	Exchange Commission and others	3.13	10.48
Total :		9.45	19.03

➤ Plan 2023:

- ❖ To solicit good exporter/importer for doing business with Bangladesh Development Bank Limited;
- ❖ To increase income from treasury and money market activities;
- ❖ To increase remittance business through Exchange House like SWIFT Go/ Placid/ Money Gram/ Instant Cash/UAE Exchange/IME etc.;
- ❖ To increase the number of RMA worldwide;
- ❖ To increase clientele base; and
- ❖ To ensure better service to attract potential clientele and generate more revenue.

PERFORMANCE AND BUSINESS ACHIEVEMENTS IN 2022:

The banking business of BDBL comprised of mainly deposits, loans and advances, export, import, remittance, investment, non-funded facilities along with recovery of regular and Non-Performing Loans (NPLs).

Disbursement of Loans and Advances:

Due to Russia-Ukraine war and the impact of COVID pandemic and, the year 2022 was very challenging for banking business. In spite of this, Bangladesh Development Bank Limited disbursed Loans and Advances of Tk. 951.39 crore against the target of Tk. 883 crore, an 107.75% achievement against annual target.

Recovery of Loans and Advances:

For 2022, Bangladesh Development Bank Limited had set a loan recovery target of Tk. 794.36 crore including Tk. 97.74 crore from classified loans and Tk. 15.00 crore from written-off loan. Against these targets, Tk. 819.08 crore was recovered, out of which Tk. 748.72 crore were from unclassified category, Tk. 59.23 crore from classified and Tk. 11.13 crore from written-off loan, representing 103.11% of the target.

Throughout 2022, the Board of Directors along with bank's senior management maintained regular reminder and follow up for bringing down the level of classified loans and accelerating recovery from written-off projects.

Bank management endeavored to minimize the existing classified loans by way of cash recovery and regularization and through rescheduling. As a part of regular recovery, the written off loan amount of Bangladesh Development Bank Limited brought down to Tk. 1520.42 crore in 2022 from Tk. 1538.09 crore in 2021.

Provision for Classified Loan:

In accordance with Bangladesh Bank's policy, classification of a loan is made on the basis of its quality, performance and risk involved in its recovery. A provision has to be made against a loan on a particular date for protecting the interest of shareholders and depositors.

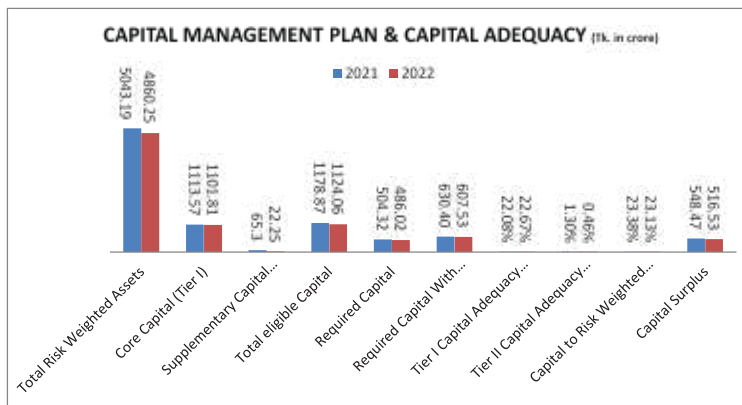
In 2022, required provision against loans & advances was Tk. 387.80 crore, the bank maintained a provision of Tk. 388.63 crore.

CAPITAL MANAGEMENT PLAN & CAPITAL ADEQUACY RATIO:

To cope with the international best practices and to raise quality capital, Bangladesh Bank issued Basel-III guidelines for all scheduled banks on "Risk Based Capital Adequacy (RBCA)" to report their capital requirement which came into effect from 2015.

As on December 31, 2022, the bank’s Capital to Risk Weighted Asset Ratio (Basel-III) stood at 23.13% (core capital 22.67% and supplementary capital 0.46%) as against mandated requirement of 10% and with buffer of 2.50% of total risk weighted assets, which indicates bank’s strong capital base.

Comparative picture of risk weighted assets, minimum capital requirement and the Capital to Risk Weighted Asset Ratio and capital surplus of BDBL for 2021 and 2022 are depicted graphically:



SUBSIDIARY ORGANIZATIONS:

Bangladesh Development Bank Limited inherited membership of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited at the time of amalgamation. In order to keep core banking activities, separate from capital market operation, the bank created two subsidiary companies namely (i) BDBL Securities Limited (BSL) and (ii) BDBL Investment Services Limited (BISL).

BDBL Securities Ltd (BSL), Dhaka:

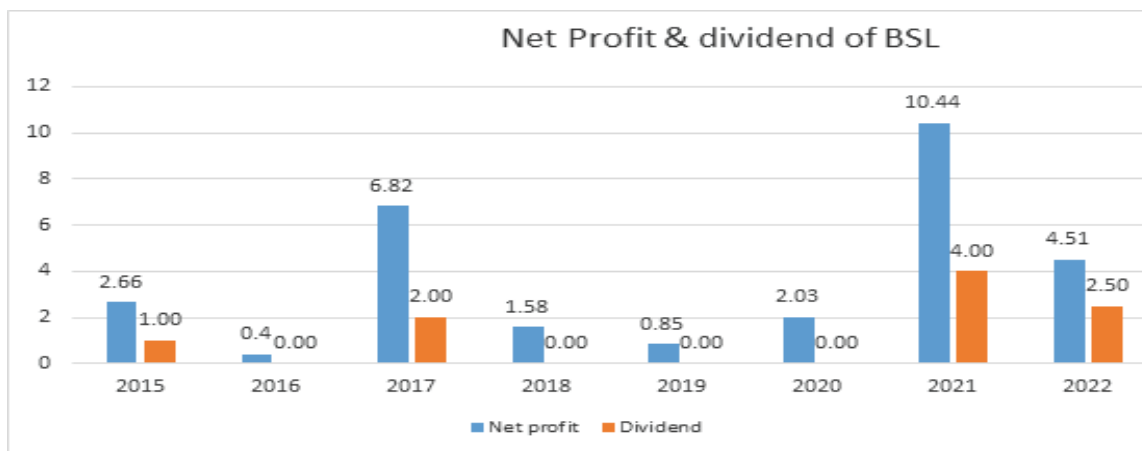
BDBL Securities Limited was incorporated vide Reg. # C-92946/11 dated as on 23 May 2011 as a public company limited by shares under the Companies Act, 1994. The company obtained certificate for commencement of business as on 23 May 2011. The commercial operation of the company commencement as on 01 March 2012.

BDBL Securities Limited (BSL) is a subsidiary company of Bangladesh Development Bank Limited (BDBL) situated at BDBL Bhaban (Level-16), 12 Karwan Bazar, Dhaka-1215. BSL is constituted by acquiring and taking over membership No. 20 of Dhaka Stock Exchange Ltd. (held by erstwhile Bangladesh Shilpa Rin Sangastha now BDBL) and membership No.78 of Chittagong Stock Exchange Ltd. (held by erstwhile Bangladesh Shilpa Bank now BDBL). Afterwards, under Demutualization Act-2013 the membership converts as a Trading Right Entitle Certificate (TREC) 20 for Dhaka Stock Exchange & 78 for Chittagong Stock Exchange.

The authorized capital is Tk.400 crore and its paid up capital is Tk. 50 crore as on December 31, 2022. There are 8330 Beneficiary Owners’ (BO) accounts maintained by this company. The Net profit and dividend of the company during the last Eight years is shown below:

Years	Net profit	Growth	Dividend
2015	2.66	-	1.00
2016	.40	(85%)	0.00
2017	6.82	1605%	2.00
2018	1.58	(76%)	0.00
2019	0.85	(46%)	0.00
2020	2.03	138%	0.00
2021	10.44	414%	4.00
2022	4.51	(57%)	2.50

(Tk. in Crore)



Nature of business

The main object of BDBL Securities Limited is to act as a TREC holder of stock exchanges, the central depository system (CDS) companies and to carry on the business of broker, jobbers or dealers in stocks, shares, securities, bonds, debentures etc. The Company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of the Company in shares, stocks and fixed income securities of public companies.

Services: BSL is offering following services:

- BO Account Opening
- IPO Processing
- Trading of securities
- Margin loan facilities
- Internet trading & Mobile Apps trading
- SMS service & daily e-mailing of portfolio
- Online banking facilities
- Payment Settlement to the clients through BEFTN & RTGS
- Door to door one stop service

The company is committed to provide a high level of professional and personalized service to its client by maintaining strong moral and ethical practices and effective presence in the capital market.

BDBL Investment Services Ltd (BISL):

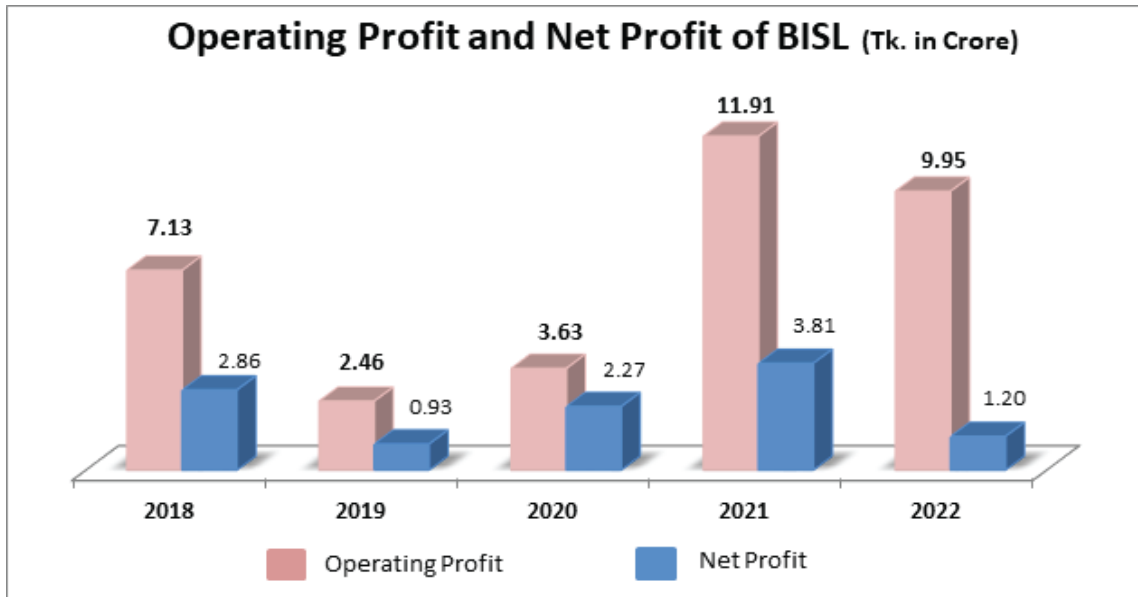
BDBL Investment Services Limited (BISL) is a public company limited by shares and a fully owned subsidiary of Bangladesh Development Bank Limited (BDBL). It was incorporated under the companies Act, 1994 on 06 August 2014 with a view to act as stock dealer and stock broker of Dhaka Stock Exchange Ltd (DSE). BISL is constituted by acquiring and taking over membership No. 152 of Dhaka Stock Exchange Ltd. held by erstwhile Bangladesh Shilpa Bank presently Bangladesh Development Bank Limited.

The company started its operation on 13 July 2016 after completion of required formalities with DSE and BSEC. It's authorized capital is Tk. 50 crores and paid up capital is Tk. 50 crores. As on December 31, 2022, 1888 Beneficiary Owners' (BO) accounts are maintained by this brokerage house.

BISL Services: BISL is offering the following services

- BO Account Opening
- IPO Application
- Trading of Securities
- G-Sec Trading
- Margin Loan Facilities
- SMS Service
- Daily Emailing of Portfolio
- Internet Trading & Mobile Trading
- BEFTN Service
- One Stop Service

The Operating Profit and Net Profit of the Company during the last Five years is shown here:



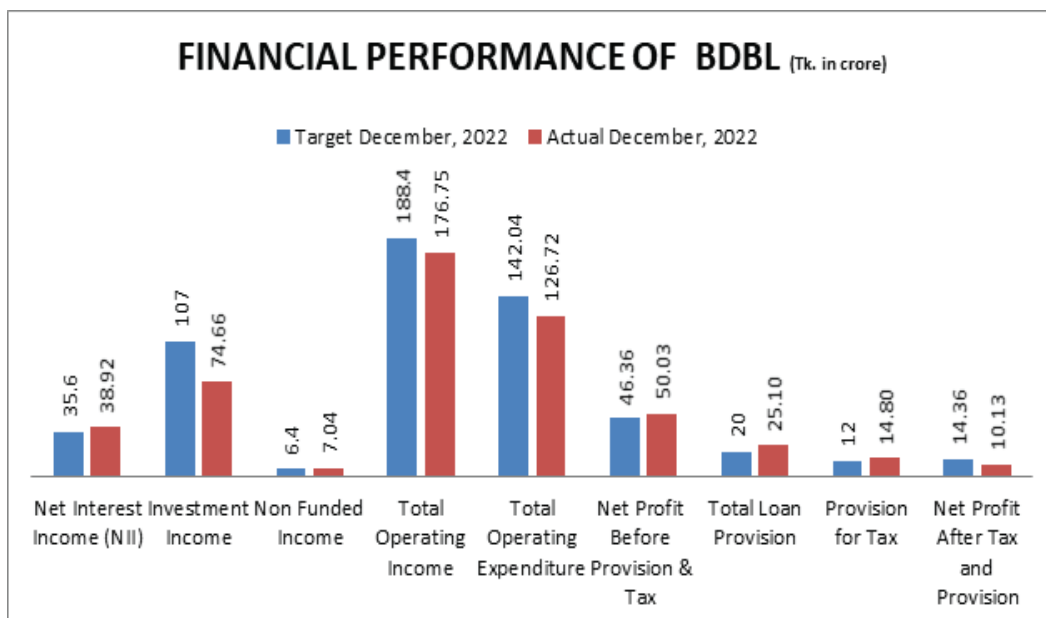
BDBL’s portfolio in share market :

Bangladesh Development Bank Limited (BDBL) invested Tk. 91.17 crore by purchasing shares, bonds and debentures of various companies from the primary and secondary market during 2022. At the same time, Bangladesh Development Bank Limited sold shares of various listed companies valued at Tk. 98.95 crore. Bangladesh Development Bank Limited also invested Tk. 106.00 crore in Bangladesh Fund as sponsor. In 2022, it was able to earn Tk.39.81 crore as capital gain, Tk.35.51 crore as dividends from such investment.

FINANCIAL PERFORMANCE OF THE BANK IN 2022:

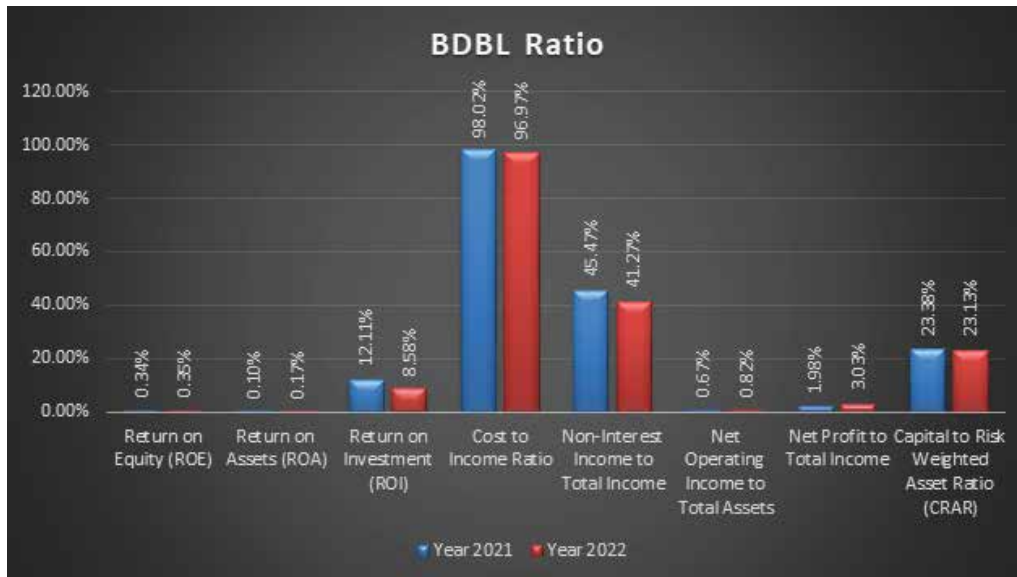
The bank successfully operated its business in an exceedingly challenging environment and earned an operating profit of Tk. 50.03 crore in 2022, as compared to Tk. 41.08 crore in 2021.

The targets and actual financial performances by the bank during 2022 are shown here in graphical form:



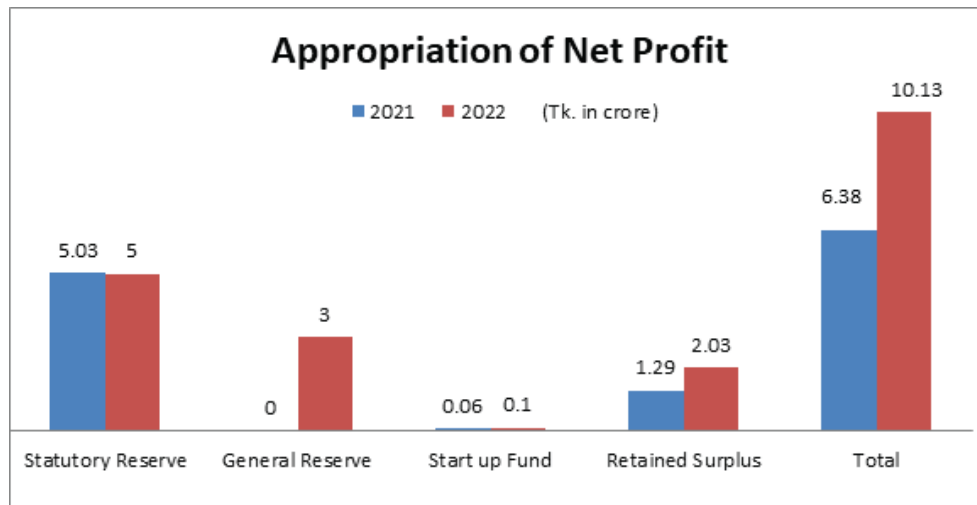
Net Profit after Provision and Taxes increased by 58.78 % to Tk. 10.13 crore during 2022 over the previous year, resultantly, some of the ratios including Return on Average Equity (ROE) and Return on Average Assets (ROA) recorded positive change. Earnings per Share was Tk. 1.69 in 2022 and Tk. 1.06 in 2021.

The comparative picture of few select financial ratios during 2021 versus 2022 is shown below:



BDBL APPROPRIATION OF PROFIT:

Net profit after provision and taxes for the year 2022 stood at Tk.10.13 crore. Appropriation of Profit has been shown graphically:



CONTRIBUTION TO THE NATIONAL EXCHEQUER:

Bangladesh Development Bank Limited pays income taxes regularly on its income in compliance to the relevant laws and regulations on the subject.

Additionally, in course of rendering banking services, Bangladesh Development Bank Limited on behalf of the Government also deducts income tax, value added tax and excise duty at source from various transaction and services, as required by the law. The amounts thus collected is accordingly deposited to the national exchequer.

CONTRIBUTION TO THE NATIONAL ECONOMY:

Bangladesh Development Bank Limited plays an important role in the development of urban and rural economy of the country. Currently, it has a network of 50 branches across the country. The bank operates through these branches in different districts to extend banking services to its clients. It also plays an important role in reducing unemployment problem by way of participating in different employment generation activities. Since its inception, the bank has been quite active in providing industrials loan as well as loans for commercial business operations, with a view to accelerate industrial development of the country.

The bank has also created employment generation opportunities by providing loans to different industrial ventures engaged in the production of goods and services in the country. In the interest of sustaining the economic sector of Bangladesh during the ongoing Covid-19 pandemic, the Government has announced various financial incentive packages for the borrowers. In order to sustain the economic sector of Bangladesh during the Covid-19 epidemic, the government has announced various financial incentive packages for borrowers. BDBL is also making a special contribution in this sector. BDBL has disbursed loans about Tk 75.78 crore in this sector.

SWOT Analysis:

S = Strength	<ul style="list-style-type: none"> • 100% Government owned Commercial bank. • Strong capital base. • Capital surplus after maintaining required Capital Adequacy as per Basel -111. • Long experience regarding Industrial Development Financing. • Adequate provision against Non Performing Loans (NPLs).
W = Weakness	<ul style="list-style-type: none"> • Insufficient number of branches across the country. • Huge amount of Non Performing Loans. • Shortage of manpower.
O = Opportunity	<ul style="list-style-type: none"> • Low lending rate compared to private commercial banks. • Diversification of asset portfolios through introducing new products and services fulfilling customers requirement. • Expansion of Branch Banking Network. • Scope of financing to large and reputed local corporate groups.
T = Threat	<ul style="list-style-type: none"> • Impact of conflict between Russia and Ukraine. • Global economic slowdown. • Strict capital requirement under Basel III. • Increasing business risk. • Intense competition in the domestic market. • Sharp rise in the interest rate on deposit.

ANNUAL PERFORMANCE AGREEMENT (APA):

The Financial Institution Division, Ministry of Finance, Government of the People's Republic of Bangladesh with the objective of achieving the Government's Election Manifesto 2018, Perspective Plan 2021-2041, Eighth Five Year Plan 2021-2025 had introduced a "Annual Performance agreement (APA)" methodology in 2015 with the objective improving the performance of the state-owned commercial banks of Bangladesh to a satisfactory level.

As a sequel, an "Annual Performance Agreement-APA" was signed between the Senior Secretary of Financial Institution Division and the Managing Director and CEO of Bangladesh Development Bank Limited for the financial year 2022-23 as well. Bangladesh Development Bank Limited had secured 3rd position in Annual Performance Agreement-APA for the financial year 2021-2022. Various achievement evaluation reports against the targets for various agreed criteria were being submitted periodically (quarterly, half-yearly and annually) to the Ministry of Finance as per their direction and need.

CHALLENGES for 2023:

BDBL identifies the following challenges which it anticipates to face and overcome during 2023:

- Resulting from between Russia and Ukraine' war and COVID-19 fall out effects on businesses, Bangladesh Development Bank Limited stands to achieve considerably reduced interest income from loans and advances.

- Loans & Advances expected to remain at low level, while Earning Assets will not increase as expected due to pandemic effect.
- Non-Interest Income resultantly will be considerably low.
- Fees, commissions, income from capital market and other income including rent expected to be considerably reduced. while overall Expenditure will continue to increase.
- Paucity of low-cost deposits in Bangladesh Development Bank Limited deposit mix.
- Insufficient number of branches in all districts and Upazilas.
- Withdrawal of Government institutional funds and other deposits.
- High classified loans (NPL) and declining recoveries.
- Lack of good and promising entrepreneur and customers.
- Shortage of skilled and trained manpower.

FUTURE OUT LOOK FOR THE BANK IN 2023 :

Considering the macro and global economic scenario, ongoing liquidity pressure and the prevailing interest rate in the market along with the monetary policy stance, Bangladesh Development Bank Limited in 2023 intends to continue to strengthen its growth trajectory and the brand image by expanding business activities, particularly in the area of SME and agro-based industries, green banking, trade finance, export and import business, foreign remittance and retail banking. Keeping in view the bank's goals, targeted growth in the annual budget has been determined for deposit, loans and advances specially loan for SMEs and green banking, export and import business including other activities.

The targeted growth will be supported by the introduction of a number of new products and services particularly in the SME, retail banking, export and import business along with expansion of new branch network and upgradation of IT platform and online banking system to provide quality and efficient services to the customers. Human resources will also be strengthened to improve operational efficiency and productivity.

Besides, Bangladesh Development Bank Limited plans to implement the following initiatives:

- At present our number of branches is 50. Plans are underway to open 5 branches and 15 sub-branches in 2023.
- In order to bring modern smart services to the customers such as Bangla QR Code Based Payment System for Cashless Banking, IVAC (Indian Visa Fee Collection), BREB (Prepaid Bill Collection), Online Merchant Payment and SOC (Security Operational Centre) will be set up for cyber security monitoring and immediate remedial/preventive measures.
- To increase the amount of interest free and low interest-bearing deposits by mobilizing retail deposits, through various fairs/programs with a view to increase retail deposit to at least 35% of the total deposits.
- Within 2023 strive to decrease Non-Performing Loans (NPL) to Taka 950.00 crore from Taka 1025.90 crore.
- Strengthen the due diligence practices and monitoring activities towards curbing increase of fresh Non-Performing Loans.
- Disburse Tk. 953 crore loans during 2023 to various business segments.
- Increase digital banking activities.
- Decrease the number of loss incurring branches.
- Basis of Promotion and posting of employees will be on merit and performance.
- Improve corporate governance, strengthen internal control and compliance.
- Top Management & the Board will proactively participate in the loan recovery from the large defaulters.
- Towards recognizing good borrowers allowing rebate/incentive facilities to as per guidelines of the central bank; and
- Aligning repayment schedule of the projects with the nature of projects and ground realities.

In order to support sustainable long-term growth and profitability and for the benefit of all stakeholders, the bank will continue to adhere to good corporate governance practices, sound risk management policies and prudent credit policies and practices. The bank looks forward to greater success in enhancing Shareholders' value in 2023.

ACKNOWLEDGEMENT:

The Board of Directors of the Bank would like to place on record their gratitude to the depositors, customers, patrons, well-wishers, auditors & other stakeholders for their continued support and cooperation, without which the bank would not have been able to make progress.

The Board also places on record its appreciation for the senior management team, officers and staff for their dedicated and committed services.

In particular, the Board offers sincere thanks for the guidance and generous co-operation received from the Financial Institutions Division, Ministry of Finance, Government of the People's Republic of Bangladesh and Bangladesh Bank. Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited deserve our gratitude for their valuable support, co-operation and assistance for enabling the bank to undertake new measures and initiatives since its inception.

The Board also expresses its appreciation to Hoda Vasi Chowdhury & Co. and Khan Wahab Shafique Rahman & Co. the Auditors of the bank, for completion of the audit in time.

Finally, the Board thanks the representatives of shareholder i.e. Government of Bangladesh and assure them of its commitment to add value to the shareholders' wealth and to develop the bank as a service-oriented and environment-friendly modern, dynamic and forward-looking financial institution in future.

On behalf of the Board of Directors,



Shamima Nargis
Chairman, Bangladesh Development Bank Limited (BDBL)

Report on Credit Rating

In compliance with the circular of Bangladesh Bank, Bangladesh Development Bank Limited appointed Credit Rating Agency of Bangladesh (CRAB) to evaluate the Credit Rating of the bank.

The Credit Rating of the Bank for the year 2023-2024 is as follows:-

Credit Rating awarded by Credit Rating Agency of Bangladesh (CRAB)

Date of declaration	Valid till	Rating mode	Long Term Rating	Short Term Rating	Outlook
14 June, 2023	30 June, 2024	Government Support	AAA	ST-1	Stable
		Without Government Support	A ₃	ST-3	Stable

Rating	Meaning
AAA	Indicates Extremely Strong Capacity
A ₃	Indicates Strong Capacity
ST-1	Indicates Highest Capacity
ST-3	Indicates Average Capacity
Stable	Means Rating is likely to remain unchanged

The above rating has been declared by Credit Rating Agency of Bangladesh (CRAB) on the basis of bank's Audited Financial Statements of 2022 as well as the following quantitative and qualitative factors :-

A. Quantitative Factors:	B. Qualitative Factors:
i) Capital Adequacy	i) Govt. Support
ii) Assets Quality	ii) Ownership
iii) Funding & Leverage	iii) Management Quality
iv) Liquidity & Requirements	iv) Risk Management
v) Earning and Profitability	v) MIS & IT
vi) Sectorwise Loan and Advance & Top 50 Loan Exposure	vi) Corporate Governance
vii) Investment	vii) Area and Size of Market
viii) Interest Rate Risk	
ix) Foreign Exchange Risk	
x) Off Balance Sheet Exposure	



Report of the Board Audit Committee

The Audit Committee of Bangladesh Development Bank Limited (BDBL) was formed following some specific guidelines. These guidelines included Bank Companies Act, Bangladesh Bank's guidelines, notifications of Bangladesh Securities & Exchange Commission (BSEC) and International Best Practices of Corporate Governance. The Audit Committee was formed by the Board of Director's of the bank with a view to ensuring the achievement of objectives of the bank, efficiency of operations and compliance with applicable laws, rules, regulations and internal policies. Fulfilling these objectives will make the bank a unique, strong and dependable organization for all stakeholders, specially shareholders, depositors and the society as a whole.

Objectives of the Audit Committee

- Review the financial reporting process, the system of internal control and compliance approach to manage risks, the audit process, findings of the Central Bank's comprehensive audit and the Bank's processes for monitoring compliance of laws and regulations and its own code of business conduct.
- Assist the Board in fulfilling its oversight responsibilities including implementation of the objectives, strategies, policies and overall business plans set by the Board for effective functioning of the Bank.

Role and Responsibilities of the Audit Committee

The roles and responsibilities of Audit Committee of BDBL has been chalked out on the basis of BRPD Circular No. 11 dated 27 October, 2013, new corporate governance notification issued by BSEC, dated 07 August, 2012 and other best practice corporate governance guidelines and standards. The important roles and responsibilities of audit committee are described below:

- i) Review the Internal Control System of the bank to ensure that sufficient Risk Management System is in place to manage core risk of the bank.
- ii) 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.
- iii) Review the Internal Audit Procedure.
- iv) Review the efficiency and effectiveness of Internal Control System.
- v) Consider the recommendations made by the internal and external auditors.
- vi) Ensure fair presentation of financial statements in compliance with the Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards.
- vii) Review compliance with the applicable rules and regulations of Bangladesh Bank, BSEC, Bank Companies Act- 1991 (amended in July, 2013) and Companies Act, 1994.
- viii) Report immediately to the Board of Directors on conflict of interest.

Composition of the Committee

The Audit Committee was reconstituted by the Board of Directors of the bank with the following members :-

Sl. No.	Name	Qualification	Status with the Bank	Status with the Committee
1.	Md. Ekhlasur Rahman	BSS (Honours), MSS, MBA, Post Graduate Diploma in International Relations and Development	Director	Chairman
2.	Md. Abu Hanif Khan	B.Sc (Honours), M.Sc. in Economics.	Director	Member
3.	Subhash Chandra Sarker	B. S.S (Honours), M. S. S (Social Science) & M. Sc. (Econ), University of Wales Swansea, UK.	Director	Member
4.	Quazi Shairul Hassan	MBA (Marketing), Institute of Business Administration (IBA), University of Dhaka & Post Graduate Diploma in Industrial Management (PGDIM), BMDC, Dhaka.	Director	Member

Meetings of the Audit Committee

During the Year 2022, 8 (Eight) meetings of the Committee were held.

Activities during the year

The Audit Committee carried out the following activities during 2022 :-

- Reviewed the comprehensive inspection report of Bangladesh Bank, evaluated compliance status thereof and advised the bank management to take necessary action as required.
- Reviewed performance of internal audit, 2021.
- Reviewed audited accounts and report of 2021 and recommended those audited report to place to the Board.
- Reviewed inspection report of different branches of the bank conducted by Internal Control and Compliance Department of the bank and advised the bank management to rectify the irregularities detected by the inspection team without delay.
- Reviewed cost of fund of the bank.
- Reviewed the compliance status of audit objections and advised the management to ensure full compliance of regulatory and legal issues meticulously.
- Reviewed annual financial statements of the bank with appointment of external auditors prior to submission to the Board for their approval.
- Reviewed Internal Audit Procedure of the bank and Internal Audit Program for 2022.
- Reviewed and approved the action plan for turning loss-incurring branches into profitable branches.
- Reviewed revised annual budget of 2021 including estimated budget of 2022 and recommended measures to achieve the targets in respect of deposit, loan disbursement and recovery of classified loan.
- Reviewed quarterly, half yearly and interim financial statements of the bank prior to recommending them for review by the Board.
- Reviewed operational performance of the bank from time to time and recommended remedies for improvement of performance of the bank.
- Reviewed overall IT system of the bank.

Acknowledgement

In conclusion, I would like to extend my sincere thanks to all members of the Audit Committee for allotting their valuable time with continuous support to go ahead with the task of Audit Committee and also express my profound gratitude to the members of Board for allowing the committee to discharge its due role independently.

I also express my thanks and gratitude to the management, auditors, regulatory authorities particularly, Bangladesh Bank and Financial Institutions Division, Ministry of Finance for their cordial cooperation in performing the duties.

For and on behalf of Audit Committee



Md. Ekhlasur Rahman
Chairman
Audit Committee

Report of the Board Risk Management Committee

Risk is an integral part of banking business activities. The core risks for banking business are Credit risk, Asset-Liability Management Risk, Foreign Exchange risk, Money Laundering and Terrorist Financing Risk, Internal Control & Compliance risk, ICT Security Risk and Environmental and Social Risk. Therefore, risk management is an essential part of planning for business especially for banking business where liquid assets are involved.

The main objectives of the Board Risk Management Committee (BRMC) are to set a comprehensive risk management policy and process for the Bank and to ensure a continuous sound banking practices through identifying, assessing, prioritizing and managing different types of risks. Risk management is also designed to protect all stakeholders of the bank from negative impacts of lurking potential risks.

Composition of Board Risk Management Committee (BRMC)

In compliance with Bank Company Act 1991 (Amended 2013) and BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of BDBL constituted the Board Risk Management Committee with the following honorable members (25/05/2023 based):

SL. No.	Name	Status with the Bank	Status with the Committee
1.	Ms. Shamima Nargis	Chairman	Chairman
2.	Mr. Md. Abu Hanif Khan	Director	Member
3.	Mr. Md. Abu Yusuf	Director	Member
4.	Mr. Quazi Shairul Hassan	Director	Member
5.	Mr. Md. Azizur Rahman	Director	Member

Responsibilities and functions of BRMC

The Board Risk Management Committee performs the following important responsibilities and functions:

- Reviewing risk management policies and strategies for sound risk management;
- Monitoring implementation of risk management policies & process to ensure effective prevention and control measures;
- Supervising the activities of Executive Risk Management Committee (ERMC);
- Monitoring compliance of BB instructions regarding implementation of core risk management;
- Reviewing risk appetite, limits and recommending these to Board of Directors for their review and approval;
- Approving adequate record keeping & reporting system and ensuring its proper use;
- Analyzing all existing and probable risk issues in the meeting, taking appropriate decisions for risk mitigation, incorporating the same in the meeting minutes and ensuring follow up of the decisions for proper implementation;
- Reviewing instructions issued from time to time by the regulatory body;
- Submitting proposal, suggestions & summary of BRMC meetings to board of directors at least on quarterly basis;
- Assessing overall effectiveness of risk management functions on yearly basis.

Meeting of the Board Risk Management Committee (BRMC) in 2022

The BRMC of BDBL held 04 (four) meetings during 2022 having detailed discussions and review sessions with Chief Risk Officer (CRO) regarding their findings, observations and recommendations on the issues of the bank affairs that need improvement. The major areas covered by BRMC were as follows:

- Review of various risk related business activities with a view of taking corrective measures for improvement of Core Risk Management Manuals and Comprehensive Risk Management Manual.
- Review of various circulars of Bangladesh Bank relating to risk management.
- Review of activities of ERMIC with a view of making the committee more dynamic.
- Review of risk management reports and statements of the bank.
- Review of management of Non-Performing Loans (NPLs) of the bank and thereafter initiating action plan to reduce classified loans.
- Review of litigation measures against written-off and defaulted projects to expedite overall recovery of the bank.
- Review of Top 20 (twenty) defaulters & Top-20 borrowers.
- Review of credit concentration and market concentration from different point of views to identify the potential risks and to suggest preventive & remedial measures.
- Review and approve Internal Capital Adequacy Assessment Process (ICAAP) report in relation to overall risk profile of the bank in order to increase the shock resilience;
- Review of liquidity position of the Bank on regular basis.

The BRMC will need to keep its vigil and watchful monitoring in the coming months to anticipate and manage potential risks before they become a threat to the effective running of the bank. It appears that the Bank's Internal Control and Compliance Division need a thorough overhauling including structural, operational and human resource to ensure that the Bank remains risk-free in its main areas of operations. In future another critical area for the BRMC would be monitoring investment by the Bank of its surplus funds.

In conclusion, I would like to express my heartiest thanks to the members of the BRMC for their valuable contribution and guidance. I am also thankful to the executives and officers of the Risk Management Department for their activities to carry forward the function of risk management. I take the advantage of extending my sincere thanks to the Board of Directors of the bank for encouraging the BRMC to perform its responsibilities with the right directions as set by the Central Bank as well as by the Board of Directors of the bank.

On behalf of the Board Risk Management Committee



(Shamima Nargis)

Chairman

Board Risk Management Committee

Report on Risk Management



Our effort is to build up a strong shield against risk throughout the bank. Our aim is to minimize risk by developing an early alert system and avoiding internal and external vulnerabilities. Risk management of the bank strives for keeping everything safe and secure. We believe our wealth maximization goal founded on a sound risk culture and a strong capital base.

Report on Risk Management

Risk Management has become one of the most sensitive and crucial factors in the banking business all over the world. Risks in banking are getting diversified more rapidly than it can be imagined. Banks are obliged to establish a comprehensive and reliable risk management system, integrated in all business activities and providing for the bank risk profile to be always in line with the established risk propensity.

To mitigate those risk factors, appropriate steps are being taken under the supervision of the top management of the bank continuously. The overall focus of Risk Management of BDBL in 2022 was on maintaining the risk profile in line with its strategy, strengthening its capital base and supporting the strategic goals.

RISK MANAGEMENT PROCESS

The process of assessing or measuring the actual or potential dangers of a particular situation can be defined as Risk Management. This process provides a foundation and organizational arrangement to design, implement, monitor, review and continually improve risk management throughout the bank. To ensure proper management of future events, an organization may use risk assumption, risk avoidance, risk retention, risk transfer, or any other strategy.



Diagram: Risk Management Process of BDBL

RISK CULTURE

Effective risk management requires a strong, robust, and inclusive risk management culture. An effective risk culture is one that enables and rewards individuals and groups for taking the right risks in an informed manner. It describes the values, beliefs, knowledge, attitudes and understanding about risk shared by a group of people with a common purpose. BDBL has developed an integrated and institution-wide risk culture, based on a full understanding of the risks it faces and how they are managed, considering risk tolerance and appetite.

RISK STRATEGY AND RISK APPETITE

Risk appetite statement plays an important role in cascading the risk strategy down through the institution. Risk appetite describes the absolute risks a bank is a priori open to take; while risk tolerance relates to the actual limits that a bank has set. Bank's strategy details the long-term, and in some cases, short-term goals and objectives, as well as how progress toward their achievement is measured. Along with business goals, the bank sets risk goals and risk strategies which enable it to achieve the desired risk profile. The board of directors approves the strategies and the senior management implements those strategies throughout the organization. The risk-appetite statement of BDBL is well-embedded and consistent with the bank's capacity to take risk, taking into consideration the capital constraints, and potential profit and loss consequences.

RISK GOVERNANCE

Risk governance refers to the structure, rules, processes, and mechanisms by which decisions about risks are taken and implemented. It covers the questions about what risk management responsibilities lay at what levels and the ways the board influences risk-related decisions; and the role, structure, and staffing of risk organization. The board has regular involvement in managing key risk issues, and risk management responsibilities are proportionate to the risks assumed at a particular level or unit. BDBL follows the three-lines-of-defense-model in risk governance throughout the organization.

First Line of Defense: Business and operation units of the bank are responsible for identifying, assessing, measuring, monitoring, mitigating, and reporting the risks properly.

Second Line of Defense: Implemented by Compliance Department and Monitoring Department that ensures effective and efficient operations.

Third Line of Defense: Consists of the bank's internal audit that performs independent periodic reviews of the first two lines of defense, provides assurance and informs strengths and potential weaknesses of the two first lines.

RISK MANAGEMENT FRAMEWORK

The primary goals of risk management are to ensure that the outcomes of risk-taking activities are consistent with the bank's strategies and risk appetite, and that there is an appropriate balance between risk and reward in order to maximize return. The bank's risk management framework provides the foundation for achieving these goals. This framework is subject to constant evaluation to ensure that it meets the challenges and requirements of the market in which the bank operates, including regulatory standards and industry best practices.



Diagram: Risk Management Framework of BDBL

- Board of Directors (BoD) ➤ Approve policies and procedures of Risk Management.
- Board Risk Management Committee (BRMC) ➤ Reviews risk management policies and risk related activities of the bank.
- Supervisory Review Process (SRP) Team ➤ Assesses overall capital adequacy in relation to the risk profile of the Bank, implements strategy for maintaining capital at an adequate level through monitoring and reporting.
- Executive Risk Management Committee (ERMC) ➤ Monitors and reviews adequacy & efficacy of control systems by organizing monthly meeting on various risk issues to determine strategies in consistent with risk management policy.
- Core Risk Management Committees ➤ Core Risk Management Committees are playing their due role in addressing, assessing, monitoring, reporting, mitigating and controlling various risks at different levels in order to strengthen risk management culture.

BDBL has established a separate Risk Management Department as per the guidelines of Bangladesh Bank. The department is fully guided by bank's Chief Risk Officer (CRO) with the responsibilities to upgrade, develop and implement the policies and guidelines of Bangladesh Bank for addressing the core risks of the bank.

CORE RISK MANAGEMENT

Core Risk Management is vital for continuous and harmonious improvement of the bank. Risk Management Department, in association with other relevant departments and Core Risk Management Committees, is involved in the compilation, renewal and up-gradation process of the Core Risk Management Manuals/Policies on the basis of latest Bangladesh Bank regulations/guidelines/instructions, Board's directive, market events and preparation of due diligence checklists for each and every 07 (seven) core risk aiming to appropriate implementation of Core Risk Management Manuals. In order to minimize the risks existing in banking business BDBL is managing core risks that are as follows:

1. Credit Risk Management:

'Credit Risk Management Manual' and 'Credit Policy' of the bank play a vital role in managing credit risk of the bank. Credit risk in the bank's Portfolio is monitored, reviewed and analyzed by the Loan Operation Department, SME Department, General Advances Department, International Banking Department and Loan Recovery Department. Credit Committee of the bank independently coordinates the overall Credit Risk Management activities of the bank. Internal Credit Risk Rating System (ICRRS) is followed by BDBL as per Bangladesh Bank's instruction in compliance all the criteria. In each eligible case, ICRR report is duly signed by Chief Risk Officer (CRO) of the bank. BDBL also follows the guidelines/circulars issued by Bangladesh Bank time to time to address, assess, monitor and mitigate credit risks at different layers in loan processing. Besides, reporting is properly done by the concerned departments to the competent authority and regulatory body.

In order to strengthen smooth recovery from loans and advances the bank follows some precautionary steps before sanctioning any credit. Among these steps, mandatory acceptance of certificate of authenticity from General Manager of ICC Division regarding compliance of Credit Policy, verification of borrower's identity and updated CIB report before sending any credit proposal of Tk. 5.00 Crore or above to Credit Committee is notable.

2. Asset and Liability Risk Management:

BDBL has an 'Asset Liability Committee (ALCO)' comprising of eleven (11) members headed by Managing Director & CEO. The Committee monitors and controls balance sheet risk, liquidity risks, Advance Deposit Ratio (ADR), deposit mix, credit mix, gap analysis etc. under the leadership of Managing Director & CEO of the Bank. ALCO reviews liquidity requirement of the bank, the maturity of assets and liabilities, deposit and credit pricing strategy, sensitivity of assets and liabilities, management indicators/ratios and the liquidity contingency plan. The bank is always maintaining optimum liquidity with required regulatory compliance. Besides, the bank follows 'Asset Liability Management Manual & Checklist' to manage liquidity risk.

3. Foreign Exchange Risk Management:

Foreign Exchange Risk is defined as the possibility of losses due to change in exchange rate according to market forces. The Foreign Exchange Risk of the bank is minimal as 'Foreign Exchange Risk Management Manual' is strictly followed by the bank. 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 the Bangladesh Bank at the month-end. All Nostro accounts are reconciled on monthly basis and outstanding entries beyond 30 days are reviewed by the Management for settlement. The Foreign Exchange Risk Management Committee of the bank plays vital role in assessing, monitoring and mitigating foreign exchange risks.

4. Money Laundering and Terrorist Financing Risk Management:

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risk, the bank has designated Chief Compliance Officer at Head Office and Compliance Officer at branches, who independently review the transactions of the accounts to verify suspicious transactions. *'Money Laundering and Terrorist Financing Prevention Manual'* has been prepared and uniform Know Your Customer (KYC) and Transaction Profile (TP) have been introduced. Moreover, executives and officers are being provided in-house, BIBM and Bangladesh Bank training sessions/workshops for developing awareness and skill for identifying suspicious transactions and other money laundering related activities.

BDBL has a Central Compliance Committee (CCC) headed by the Chief Anti Money Laundering Compliance Officer (CAMLCO) designated as Deputy Managing Director to supervise the overall Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT) activities. Each branch of BDBL has Branch Anti Money Laundering Compliance Officer (BAMLCO) who is responsible for compliance of Bangladesh Bank instructions relating to AML/CFT activities in the branch. Risk is identified by the Branch through analyzing the KYC, TP and Suspicious Transaction Report (STR) indicator. CTR (Cash Transaction Report) is sent to the Head Office on monthly basis for cash transaction of 10 (ten) lac and above of an account in a day. All these reports are sent to Bangladesh Bank through special software, goAML. If any suspicious transaction happens, STR is reported to as per Bangladesh Bank.

5. Internal Control and Compliance Risk Management:

Operational loss may arise from errors and fraud due to regulatory failure of Internal Control and Compliance. Internal Control and Compliance Division (ICCD) comprises with the three departments, namely Audit & Inspection Department, Compliance Department and Monitoring Department, to manage the cross-divisional and cross-regional operational risk as well as risk concentrations at branch level. Audit & Inspection Department undertakes periodical and special audit of the branches and departments at Head Office for review of the operation and compliance of the statutory requirement. The Audit Committee of the Board regularly reviews the audit reports of the Internal Control and Compliance Division. Besides, *'Internal Control & Compliance Risk Management Manual'* and *'Audit Manual'* of the bank plays crucial role in addressing, assessing, monitoring, mitigating and controlling the risks associated with Internal Control and Compliance (ICC). For oversight of Internal Control and Compliance Risk in the bank, bank's Internal Control & Compliance Risk Management Committee plays crucial role in assessing, monitoring, mitigating and controlling the risk(s) associated with Internal Control and Compliance (ICC).



Diagram: Internal Control and Compliance (ICC) Structure of BDBL

6. Information & Communication Technology (ICT) Security Risk Management:

Information Technology has improved over the years and BDBL is gradually becoming dependent on its use for performing most of the activities. Information & Communication Technology (ICT) encompasses all fields of data/information processing, transmission and communications by means of computers and telecommunication techniques. For smooth operation of the bank's activities with desirable efficiency, a network-based computerized system is established in the bank. A reliable computer-based information system is essential for efficient management and operation of all the areas of the organization and the bank is moving towards that direction.

Bank has formed two different departments namely IT Operation Department and IT System Department to manage all the IT activities in sound, compliant and standard manner. IT Operation Department is assigned to develop IT infrastructure and IT System Department is responsible for deployment and secure operation of different software including Core Banking Solution (CBS). Besides, IT Security Unit under IT & Risk Management Division and Card Management Unit under IT System Department have been launched to ensure security of sensitive data. The bank has built standard and compliant Data Centre (DC) in its Head Office premises. In addition, a near Disaster Recovery Site (DRS) has been placed at bank's Karwan Bazar Bhaban, Dhaka. Far DRS is being planned to set up in Hi-tech Software Park in Jashore in collaboration with other government banks and financial institutions. There are sufficient physical as well as logical access control systems to protect the bank's IT assets and client interest usefully. The sensitive information is kept in the restricted area in the networking environment.

The bank follows the guidelines of the Bangladesh Bank as well as its own '*Information and Communication Technology (ICT) Security Policy*' to govern and control the ICT areas, covering the functions of all the Departments in the Head Office, the Zonal Offices and the Branches located in different Districts of Bangladesh. For oversight of ICT Security Risk in bank, there is an ICT Security Risk Management Committee which plays a vital role in identifying, assessing and mitigating ICT Security Risks.

7. Environmental and Social Risk Management:

Environmental risk is a facilitating element of credit risk arising from environmental issues. These increase risks as they bring an element of uncertainty or possibility of loss in the context of a financing transaction.

'*Environmental and Social Risk Management (ESRM) Policy*' of BDBL has been prepared to address the Environmental and Social Risks. The core objective of the policy is to assist BDBL in addressing the Environmental & Social (E&S) risks through incorporating suitable risk mitigation measures into overall credit management. The role of ESRM is to reduce the probability of default in the bank's credits due to E&S risk factors while also instilling sustainability in the core business model. We can identify, assess, and manage the E&S risks related to our lending and investment activities with the use of our ESRM framework and policies, which build on our due diligence standards. The bank has formed Sustainable Finance Unit (SFU) and Sustainable Finance Committee to address, monitor & report the E&S risk issues to the management & regulator.

CAPITAL MANAGEMENT

Capital management in the bank usually refers to implementing measures aimed at maintaining adequate capital, assessing internal capital adequacy of the bank and calculating its capital adequacy ratio. Risk management is increasingly becoming difficult to separate from capital management. Most banking risks can be quantified as numerical indicators, and this quantification naturally leads to the principle that increased capital can be held to cover unexpected losses at a certain confidence level. The followings indicate the relationship between risk management and capital requirement:

- a) Capital management helps to ensure that the bank has sufficient capital to cover the risks associated with its activities;
- b) As part of the internal capital adequacy assessment process (ICAAP), management identifies the risks that the bank is exposed to, and determines the means by which these will be mitigated;

- c) Capital is used to cover some of these risks, and the remainder of these risks is mitigated by means of collateral or other credit enhancements, contingency planning, additional reserves and valuation allowances, and other mechanisms.

Basel-III Implementation

The Basel Accord is the cornerstone of international risk-based banking regulation and banking supervision. The Basel Framework is a banking risk and capital management framework dealing with three distinct areas commonly known as pillars where-

Pillar-1: Minimum Capital Requirement (MCR)

Pillar-2: Supervisory Review Process (SRP)

Pillar-3: Market Discipline through disclosure of material information

Basel-III is an extended version of Basel-II. In fact, it is a part of continuous effort made by the Basel Committee on Banking Supervision (BCBS) to enhance the Banking regulatory framework by improving the regulation, supervision and risk management within the Banking sector. Basel-III also contains entirely new liquidity requirements: the Net Stable Funding Ratio (NSFR) and the Liquidity Coverage Ratio (LCR). It mainly focuses on:

- Strengthening Capital Base;
- Maintaining Liquidity Standards;
- Seeks to improve the Banking sector's ability to deal with financial and economic stress;
- Improved risk management;
- Strengthen the Bank's transparency and
- Foster greater resilience at the individual Bank level.

BDBL started to implement the revised regulatory capital framework "Risk Based Capital Adequacy for Banks" from January 2009. Following the "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III) December 2014" of the Bangladesh Bank and related BB circulars/instructions, the bank has established capital management systems in order to calculate the capital adequacy ratio and secure adequate capital to cover the risks it faces, from the standpoint of ensuring soundness and appropriateness of the businesses.

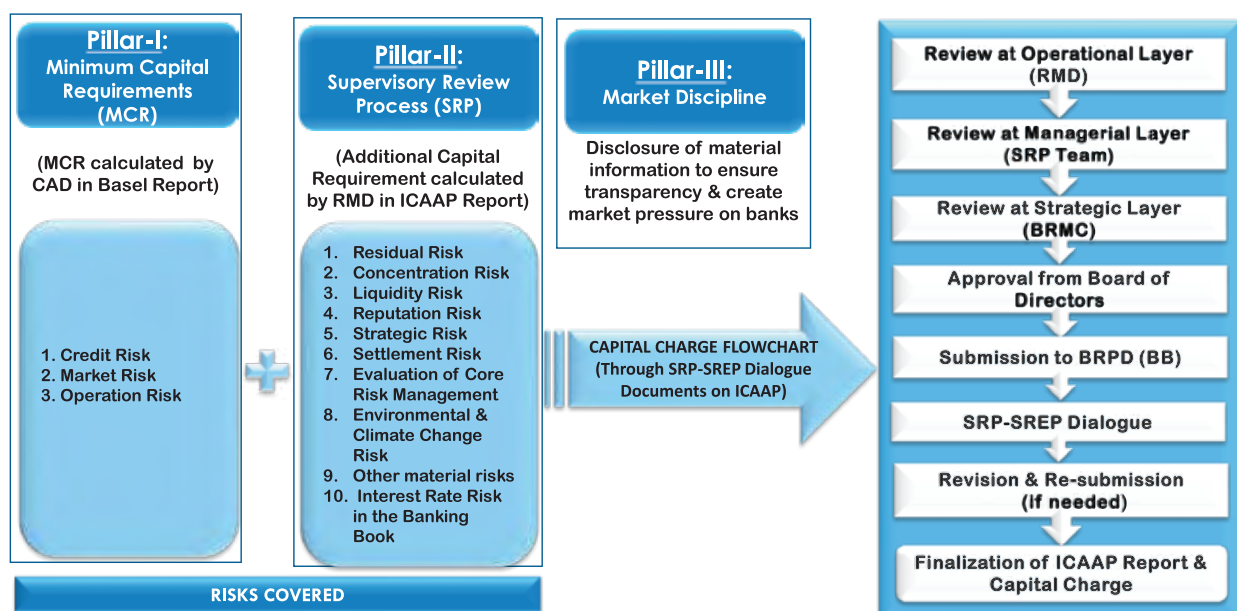


Diagram: Risk Based Capital Adequacy Framework of BDBL

Pillar-1: Minimum Capital Requirement (MCR) under Risk Based Capital Adequacy

The first pillar deals with maintenance of regulatory capital calculated for three major components of risk that a Bank faces i.e. credit risk, operational risk and market risk. Comparative scenario of Minimum Capital Requirement (MCR) of BDBL as per Risk Based Capital Adequacy Statement (Basel-III) is as follows:

(Tk. in Crore)

SL.	Regulatory Capital (Solo Basis)	December 2022	December 2021
1	Tier-1 Capital [Common Equity Tier-1 Capital (CET-1) (i.e. Going-Concern Capital) + Additional Tier-1 Capital (AT-1)]	1101.81	1113.57
2	Tier-2 Capital (Gone-Concern Capital)	22.25	65.30
3	Total Regulatory Capital (1+2)	1124.06	1178.87
4	Credit Risk Weighted Assets	3783.66	3955.66
5	Market Risk Weighted Assets	860.37	823.32
6	Operational Risk Weighted Assets	216.22	264.21
7	Total Risk Weighted Assets (RWA) (4+5+6)	4860.25	5043.19
8	Minimum Capital Requirement (MCR) without Conservation Buffer (10% of RWA)	486.02	504.32
9	Capital Conservation Buffer (2.5% of RWA)	121.51	126.08
10	Minimum Capital Requirement (MCR) with Conservation Buffer (8+9)	607.53	630.40
11	Capital Surplus (3-10)	516.53	548.47
12	Capital to Risk Weighted Assets Ratio (CRAR)	23.13%	23.38%
13	Tier-1 Capital to RWA	22.67%	22.08%
14	Tier-2 Capital to RWA	0.46%	1.30%

Pillar-2: Supervisory Review Process (SRP)

Supervisory Review Process (SRP) of Risk Based Capital Adequacy Framework is intended to ensure that banks have adequate capital to support all the risks in their business and at the same time to encourage banks to develop and use better risk management techniques in monitoring and managing their risks. The key principle of the SRP as per Bangladesh Bank's 'Revised Process Document for SRP-SREP Dialogue on ICAAP (May 2014)' is that "banks have a process for assessing overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital at an adequate level".

BDBL has an exclusive body called SRP team where RMD is an integral part. RMD, under direct supervision of SRP team of BDBL, prepares Internal Capital Adequacy Assessment Process (ICAAP) Report for assessing the bank's overall risk profile and a strategy for maintaining adequate capital. The following risks are considered to assess required capital under pillar-2: Residual risk, Credit concentration risk, Interest rate risk in the banking book, Liquidity Risk, Settlement risk, Strategic risk and other material risk. BDBL has a capital plan to raise its capital against risks to fulfill the Bangladesh Bank's requirement.

Pillar-3: Market Discipline through Disclosure of Material Information

BDBL has its own disclosure framework for disclosure of its material information that is the requirement of pillar-3 of Basel III. It includes both qualitative and quantitative information that are important for the stakeholders. The disclosure framework of BDBL is approved by the bank's Board of Directors and it describes the bank's risk management objectives and policies for each separate risk area (credit, market, operational, banking book interest rate risk, equity), including:

- strategies and processes;
- the structure and organization of the relevant risk management function;
- the scope and nature of risk reporting and/or measurement system;
- policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigates.

BDBL also disclosed (in website & annual report) the following components in a tabular form:

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

RISK MANAGEMENT REPORTS

In order to assess, monitor and mitigate various risks, RMD prepared and submitted the following reports to Bangladesh Bank in 2022:

SL.	Name of Reports	Frequency	No.	Functionality
1.	Monthly Risk Management Report (Except June & December)	Monthly	10	Analysis of core risk issues of the bank.
2.	Stress Testing Report	Quarterly	4	A series of tests to quantify the impact of changes in a number of risk factors on the assets and liabilities using a set of exceptional but reasonable events in abnormal market condition.
3.	Credit Risk Assessment & Resolution Report	Quarterly	4	Review the risks that may arise from top-20 borrowers to increase the shock resilience against large loans to prevent the systemic risk.
4.	Comprehensive Risk Management Report	Half Yearly	2	Comprehensive analysis of core risk issues of the bank.
5.	Interest Rate Risk in Banking Book (IRRBB) Calculation for Assets & Liabilities	Half Yearly	2	Measure and manage interest rate risk in the banking book (IRRBB).
5.	Internal Capital Adequacy Assessment Process (ICAAP) Report & Supplementary Documents	Yearly	1	Assess overall capital adequacy in relation to the risk profile of the bank to determine strategies for maintaining adequate capital.
6.	Risk Appetite Statement	Yearly	1	Fix risk appetite, tolerance and limit in line with bank's strategic business planning.
7.	Review Report of Risk Management Policies and Effectiveness of Risk Management Functions	Yearly	1	Review the risk management policies and effectiveness of risk management functions of the bank.
8.	Recovery Plan for bank	Yearly	1	Prepare responses to potential shocks in advance so that in the event of a stress situation the Bank can act promptly and effectively.

Market Disclosures for December 2022 Under Pillar-III of Basel III

The regulatory requirement of market disclosure is imposed by Bangladesh Bank to ensure the implementation of Risk Based Capital Adequacy (RBCA) – Basel-III and making banks more transparent to the stakeholders so that they can take rational economic decision. The reports will enable market participants to assess more effectively key information relating to a bank’s regulatory capital and risk exposures in order to instill confidence about a bank’s exposure to risk and overall regulatory capital adequacy.

The qualitative and quantitative disclosures of the bank under Basel-III requirements based on the audited financial statements of 31 December, 2022 are prepared as per the guidelines of Bangladesh Bank “Risk Based Capital Adequacy for Banks” to establish more transparent and more disciplined financial market.

(a) Scope of application

Qualitative Disclosures	(a)	The name of the top corporate entity in the group to which this guideline applies.	Bangladesh Development Bank Limited (BDBL).
Qualitative Disclosures	(b)	<p>An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group</p> <p>(a) that are fully consolidated;</p> <p>(b) that are given a deduction treatment; and</p> <p>(c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).</p>	<p>Bangladesh Development Bank Limited (BDBL) has 2 (two) subsidiaries viz. (i) BDBL Securities Limited (BSL) and (ii) BDBL Investment Services Limited (BISL).</p> <p>A brief description of the bank and its subsidiaries is stated below:</p> <p><u>Bangladesh Development Bank Limited:</u></p> <p>Bangladesh Development Bank Limited (“BDBL” or the “Bank”) was incorporated on 16 November 2009 under the Companies Act, 1994 as a public limited company and governed by the bank company Act, 1991 (as amended in 2018) to acquire and take-over, as going concern, the undertakings and businesses of statutory bodies of Bangladesh Shilpa Bank (BSB) and Bangladesh Shilpa Rin Sangstha (BSRS) constituted respectively under the Bangladesh Shilpa Bank Order, 1972 (President Order No.129 of 1972) and Bangladesh Shilpa Rin Sangstha Order, 1972 (President Order No.128 of 1972) with all of their assets, benefits, rights, powers, authorities, privileges, liabilities, borrowings and obligations and to carry on with the same business. Two vendors agreement were executed between the Government of the People’s Republic of Bangladesh and Bangladesh Development Bank Limited on 31 December 2009 in this regard.</p> <p>Subsidiaries of BDBL:</p> <p><u>i) BDBL Securities Limited:</u></p> <p>BDBL Securities Limited, a fully owned subsidiary company which was incorporated on 23 May, 2011 with</p>

			<p>the Registrar of Joint Stock Companies & Firms with authorized and paid up capital of Tk. 4000.00 million and 500.00 million respectively. The company is a member of Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. and obtained Stock Broker and Stock Dealer License of DSE on 18.01.2012 and CSE on 15.05.2012.</p> <p><u>ii) BDBL Investment Services Limited:</u></p> <p>BDBL Investment Services Limited, a fully owned subsidiary company which was incorporated on 06 August, 2014 with authorized and paid up capital of Tk. 500.00 million and 500.00 million respectively. A vendors Agreement was signed on 11 September, 2014 between BDBL and BISL for transfer of membership of DSE Trading Right Entitlement Certificate (TREC) # 152 & Shares (7215106 share10TK per). DSE approved conversion of DSE TREC # 152 & Shares in favor of BISL at its 813th Board Meeting held on 26 November 2015 and then BSEC issued Stock Dealer and Stock Broker Registration Certificate in favor of BISL on 19 January 2016.</p>
Qualitative Disclosures	(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

As per Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel III) the structure of regulatory capital consists of Tier 1, Tier 2 & Tier 3. Basel requirement for the regulatory capital is assessed in relation to overall risk exposures of a bank.

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 CET1, Additional Tier-1 or Tier-2.	<p>The capital of BDBL can be classified into two tiers. The total regulatory capital will consist of sum of the following categories:</p> <p>1. Tier 1 Capital (going-concern capital)</p> <p>a) Common Equity Tier 1 b) Additional Tier 1</p> <p>2. Tier-2 Capital (gone-concern capital)</p> <p>Tier-1 capital consists of CET1 and Additional Tier1 Capital</p>
--------------------------------	-----	---	---

			<p>highest quality capital items which are stable in nature and allow a bank to absorb losses on an ongoing basis. CET1 includes paid-up capital, statutory reserve, general reserve, retained earnings, minority interest in subsidiaries, dividend equalization account etc.</p> <p>Tier-2 capital lacks some of the characteristics of the core capital but also bears loss absorbing capacity to a certain extent. Capital consists of applicable percentage of revaluation reserves (assets, securities & equities) and general provision (against unclassified loans, SMA and off-balance sheet exposures). Presently the bank does not have any debt instruments eligible for capital counting.</p>																				
Quantitative Disclosures	(b)	The amount of Regulatory Capital, with separate disclosure of: CET1 Capital Additional Tier 1 Capital Total Tier 1 Capital	<table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th>Solo</th> <th>Consolidated</th> </tr> <tr> <th colspan="2">Taka in Thousand</th> </tr> </thead> <tbody> <tr> <td>Paid up Capital</td> <td>6000000</td> <td>6000000</td> </tr> <tr> <td>Statutory reserve</td> <td>2714871</td> <td>2714871</td> </tr> <tr> <td>General reserve</td> <td>2377755</td> <td>2377755</td> </tr> <tr> <td>Retained earnings</td> <td>580951</td> <td>915426</td> </tr> <tr> <td>Total Tier-1 Capital</td> <td>11673577</td> <td>12008052</td> </tr> </tbody> </table>	Particulars	Solo	Consolidated	Taka in Thousand		Paid up Capital	6000000	6000000	Statutory reserve	2714871	2714871	General reserve	2377755	2377755	Retained earnings	580951	915426	Total Tier-1 Capital	11673577	12008052
Particulars	Solo	Consolidated																					
	Taka in Thousand																						
Paid up Capital	6000000	6000000																					
Statutory reserve	2714871	2714871																					
General reserve	2377755	2377755																					
Retained earnings	580951	915426																					
Total Tier-1 Capital	11673577	12008052																					
Quantitative Disclosures	(c)	Tier 2 Capital	<table border="1"> <tbody> <tr> <td>General Provision</td> <td>222485</td> <td>222485</td> </tr> <tr> <td>Total Tier-2 Capital</td> <td>222485</td> <td>222485</td> </tr> </tbody> </table>	General Provision	222485	222485	Total Tier-2 Capital	222485	222485														
General Provision	222485	222485																					
Total Tier-2 Capital	222485	222485																					
		Total amount of Tier I & Tier II Capital	<table border="1"> <tbody> <tr> <td>Total Tier 1 & Tier 2 Capital</td> <td>11896062</td> <td>12230537</td> </tr> </tbody> </table>	Total Tier 1 & Tier 2 Capital	11896062	12230537																	
Total Tier 1 & Tier 2 Capital	11896062	12230537																					
Quantitative Disclosures	(d)	Regulatory Adjustments/ Deductions from capital	<table border="1"> <tbody> <tr> <td>Shortfall provision in share</td> <td>(655453)</td> <td>(725893)</td> </tr> </tbody> </table>	Shortfall provision in share	(655453)	(725893)																	
Shortfall provision in share	(655453)	(725893)																					
Quantitative Disclosures	(e)	Total eligible capital	<table border="1"> <tbody> <tr> <td>Total Eligible Capital</td> <td>11240609</td> <td>11504644</td> </tr> </tbody> </table>	Total Eligible Capital	11240609	11504644																	
Total Eligible Capital	11240609	11504644																					

(c) Capital Adequacy

Qualitative Disclosures	(a)	<p>A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.</p>	<p>For computing capital adequacy, the bank has adopted standardized approach for credit risk measurement, market risk measurement and basic indicator approach for operational risk measurement. Assessment of capital adequacy is carried out in combination with the capital adequacy reporting to the Bangladesh Bank.</p> <p>The bank has maintained Capital to Risk Weighted Asset Ratio (CRAR) at 23.13% on solo basis and 22.66% on consolidated basis against minimum regulatory</p>
--------------------------------	-----	---	---

			<p>requirement of 10% on Risk Weighted assets.</p> <p>Tier-1 capital adequacy for solo and consolidated basis is 22.67% and 22.22% respectively against the 6% minimum regulatory requirement.</p> <p>Capital Conservation Buffer (CCB) for the year 2022 is 13.13% on solo basis and 12.66% on consolidated basis.</p> <p>The bank's policy is to manage and maintain strong capital base considering all material risk of Basel III and the result of stress tests. The bank maintains sufficient capital level complying with the regulatory requirement to absorb all material risk and also to satisfy all other external stakeholders including depositors. The main objective of capital management process of BDBL is to ensure adequate capital to meet up its all sorts of obligations any time even in adverse condition as well as steady growth.</p>															
Quantitative Disclosures	(b)	Capital Requirement for Credit Risk	<table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th>Solo</th> <th>Consolidated</th> </tr> <tr> <th colspan="2">Taka in Thousand</th> </tr> </thead> <tbody> <tr> <td>On-Balance Sheet</td> <td>37227422</td> <td>35942491</td> </tr> <tr> <td>Off-Balance Sheet</td> <td>609157</td> <td>609157</td> </tr> <tr> <td>Total Credit Risk</td> <td>37836579</td> <td>36551648</td> </tr> </tbody> </table>	Particulars	Solo	Consolidated	Taka in Thousand		On-Balance Sheet	37227422	35942491	Off-Balance Sheet	609157	609157	Total Credit Risk	37836579	36551648	
Particulars	Solo	Consolidated																
	Taka in Thousand																	
On-Balance Sheet	37227422	35942491																
Off-Balance Sheet	609157	609157																
Total Credit Risk	37836579	36551648																
Quantitative Disclosures	(c)	The capital requirements for Market Risk	<table border="1"> <tbody> <tr> <td>Interest rate risk</td> <td>-</td> <td>-</td> </tr> <tr> <td>Equity position risk</td> <td>7780175</td> <td>10980759</td> </tr> <tr> <td>Foreign exchange risk</td> <td>823489</td> <td>823489</td> </tr> <tr> <td>Commodity risk</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total Market Risk</td> <td>8603664</td> <td>11804248</td> </tr> </tbody> </table>	Interest rate risk	-	-	Equity position risk	7780175	10980759	Foreign exchange risk	823489	823489	Commodity risk	-	-	Total Market Risk	8603664	11804248
Interest rate risk	-	-																
Equity position risk	7780175	10980759																
Foreign exchange risk	823489	823489																
Commodity risk	-	-																
Total Market Risk	8603664	11804248																
Quantitative Disclosures	(d)	The capital requirements for Operational Risk	<table border="1"> <tbody> <tr> <td>Operational risk</td> <td>2162222</td> <td>2425277</td> </tr> <tr> <td>Total Operational Risk</td> <td>2162222</td> <td>2425277</td> </tr> </tbody> </table>	Operational risk	2162222	2425277	Total Operational Risk	2162222	2425277									
Operational risk	2162222	2425277																
Total Operational Risk	2162222	2425277																
Quantitative Disclosures	(e)	Total capital, CET 1 capital, Total Tier 1 capital and Tier 2 capital ratio:	<table border="1"> <thead> <tr> <th>Components</th> <th colspan="2">Ratio</th> </tr> </thead> <tbody> <tr> <td>Total Capital</td> <td>23.13%</td> <td>22.66%</td> </tr> <tr> <td>CET 1 capital</td> <td>22.67%</td> <td>22.22%</td> </tr> <tr> <td>Tier 1 capital</td> <td>22.67%</td> <td>22.22%</td> </tr> <tr> <td>Tier 2 capital</td> <td>0.46%</td> <td>0.44%</td> </tr> </tbody> </table>	Components	Ratio		Total Capital	23.13%	22.66%	CET 1 capital	22.67%	22.22%	Tier 1 capital	22.67%	22.22%	Tier 2 capital	0.46%	0.44%
Components	Ratio																	
Total Capital	23.13%	22.66%																
CET 1 capital	22.67%	22.22%																
Tier 1 capital	22.67%	22.22%																
Tier 2 capital	0.46%	0.44%																
Quantitative Disclosures	(f)	Capital Conservation Buffer	<table border="1"> <tbody> <tr> <td>Capital Conservation Buffer (CCB)</td> <td>13.13%</td> <td>12.66%</td> </tr> </tbody> </table>	Capital Conservation Buffer (CCB)	13.13%	12.66%												
Capital Conservation Buffer (CCB)	13.13%	12.66%																
			<table border="1"> <tbody> <tr> <td>Total Risk Weighted Assets (RWA)</td> <td>48602465</td> <td>50781173</td> </tr> <tr> <td>10% of Risk Weighted Assets</td> <td>4860247</td> <td>5078117</td> </tr> <tr> <td>a. Required Capital (10% of risk weighted</td> <td>4860247</td> <td>5078117</td> </tr> </tbody> </table>	Total Risk Weighted Assets (RWA)	48602465	50781173	10% of Risk Weighted Assets	4860247	5078117	a. Required Capital (10% of risk weighted	4860247	5078117						
Total Risk Weighted Assets (RWA)	48602465	50781173																
10% of Risk Weighted Assets	4860247	5078117																
a. Required Capital (10% of risk weighted	4860247	5078117																

		assets or 400.00 crore which is higher)		
		b. Capital Conservation Buffer @ 2.50% on Risk Weighted Assets	1215062	1269529
		1. Total Required Capital with Conservation Buffer (a+b)	6075309	6347646
		2. Total eligible capital	11240609	11504644
		Capital Surplus (2-1)	5165300	5156998
Quantitative Disclosures	(g)	Available capital under Pillar 2 Requirement	Taka in Thousand 776100	

(d) Credit Risk

Qualitative Disclosures	(a)	<p>The general qualitative disclosure requirement with respect to credit risk, including:</p> <ul style="list-style-type: none"> Definitions of past due and impaired (for accounting purposes); 	<p>Bank classifies loans and advances into performing and non-performing loans (NPL) in accordance with the Bangladesh Bank guidelines in this respect.</p> <p>An NPA (impaired) is defined as a loan or an advance where interest and/ or Installments of principal remain overdue for more than 90 days in respect of a Continuous credit, Demand loan or Term Loan etc. Classified loan is categorized under following 03(three) categories:</p> <ol style="list-style-type: none"> i. Substandard ii. Doubtful iii. Bad & Loss <p><u>Any continuous loan will be classified as:</u></p> <ol style="list-style-type: none"> i. Sub-standard- if it remains past due/overdue for 3 months or beyond but than 9 months. ii. Doubtful- if it remains past due/overdue for 9 months or beyond but less 12 months. iii. Bad/Loss- if it remains past due/overdue for 12 months or beyond. <p><u>Any Demand Loan will be classified as:</u></p> <ol style="list-style-type: none"> i. Sub-standard- if it remains past due/overdue for 3 months or beyond but not over 9 months from the date of claim by the bank or from the date of creation of forced loan. ii. Doubtful- if it remains past due/overdue for 9 months or beyond but not over 12 months from the date of claim by the bank or from the date of creation of forced loan. iii. Bad/Loss- if it remains past due/overdue for 12 months or beyond from the date of claim by the bank or from the date of creation of forced loan. <p><u>Term Loan will be classified as:</u></p> <p>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. Such types of Fixed Term Loans are classified as:</p> <ol style="list-style-type: none"> i. Sub-standard- 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
--------------------------------	-----	---	--

		<p>be put into the “Sub-standard”.</p> <p>ii. Doubtful- 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”.</p> <p>iii. Bad/Loss- 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”.</p> <p><u>Short-term Agriculture and Micro Credit will be classified as:</u></p> <p>Short-term Agriculture and Micro Credit will be considered irregular if it is not repaid within the due date as stipulated in the loans agreement and will be classified as:</p> <p>i. Sub-standard-if the irregular status continues after a period 12 (twelve) months, the credit is classified as “Sub-standard”.</p> <p>ii. Doubtful-if the irregular status continues after a period 36 (thirty-six) months, the credit is classified as “Doubtful”.</p> <p>iii. Bad/Loss-if the irregular status continues after a period 60 (sixty) months, the credit is classified as “Bad/Loss”.</p>																																																					
	<ul style="list-style-type: none"> Description of approaches followed for specific and general allowances and statistical methods; 	<p>> If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 18 (eighteen) months, the entire loan will be classified as "Doubtful".</p> <p>> If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 24 (twenty-four) months, the entire loan will be classified as "Bad/Loss".</p> <table border="1"> <thead> <tr> <th rowspan="2">Types of loans</th> <th colspan="5">Provision</th> </tr> <tr> <th>STD</th> <th>SMA</th> <th>SS</th> <th>DF</th> <th>BL</th> </tr> </thead> <tbody> <tr> <td>House Finance</td> <td>1%</td> <td>1%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> <tr> <td>Loan to Professionals</td> <td>2%</td> <td>2%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> <tr> <td>Consumer Finance</td> <td>2%</td> <td>2%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> <tr> <td>Loans to BHs/MBs/SDs</td> <td>2%</td> <td>2%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> <tr> <td>Short term Agri. Credit and Micro Credit</td> <td>1%</td> <td>1%</td> <td>5%</td> <td>5%</td> <td>100%</td> </tr> <tr> <td>Small & Medium Enterprise</td> <td>0.25%</td> <td>0.25%</td> <td>5%</td> <td>20%</td> <td>100%</td> </tr> <tr> <td>Others</td> <td>1%</td> <td>1%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> </tbody> </table>	Types of loans	Provision					STD	SMA	SS	DF	BL	House Finance	1%	1%	20%	50%	100%	Loan to Professionals	2%	2%	20%	50%	100%	Consumer Finance	2%	2%	20%	50%	100%	Loans to BHs/MBs/SDs	2%	2%	20%	50%	100%	Short term Agri. Credit and Micro Credit	1%	1%	5%	5%	100%	Small & Medium Enterprise	0.25%	0.25%	5%	20%	100%	Others	1%	1%	20%	50%	100%
Types of loans	Provision																																																						
	STD	SMA	SS	DF	BL																																																		
House Finance	1%	1%	20%	50%	100%																																																		
Loan to Professionals	2%	2%	20%	50%	100%																																																		
Consumer Finance	2%	2%	20%	50%	100%																																																		
Loans to BHs/MBs/SDs	2%	2%	20%	50%	100%																																																		
Short term Agri. Credit and Micro Credit	1%	1%	5%	5%	100%																																																		
Small & Medium Enterprise	0.25%	0.25%	5%	20%	100%																																																		
Others	1%	1%	20%	50%	100%																																																		
	<ul style="list-style-type: none"> Discussion of the 	<p>Credit risk is the risk that the counterparty of a financial institution fails to meet its obligation and causes to incur a financial loss. Concentration of</p>																																																					

		Bank's credit risk management policy;	credit risk arises when a number of counter parties are engaged in similar business activities or activities in the same geographical region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Credit risk in the Bank's Portfolio is monitored, reviewed and analyzed by the Credit Risk Management Department (CRMD). CRMD determines the quality of the credit portfolio and assists in minimizing potential losses.		
Quantitative Disclosures	(b)	Total gross credit risk exposures broken down by major types of credit exposure.	Nature wise	Solo	Consolidated
			Taka in Thousand		
			Cash Credit	4416169	4416169
			Long Term Loan	13815035	13815035
			Over Draft	678914	678914
			Local Documentary Bill Purchase	580727	580727
			Consumer Loan	555406	555406
			Loan against trust receipt & others	1154190	937956
			Staff Loan	3596144	3596144
			Total Loans & Advances	24796585	24580351
Quantitative Disclosures	(c)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.	Division wise	Solo	Consolidated
			Taka in Thousand		
			Dhaka Division	10866305	10650071
			Mymensingh Division	1507899	1507899
			Chittagong Division	3648076	3648076
			Khulna Division	1217517	1217517
			Rajshahi Division	3644091	3644091
			Sylhet Division	780356	780356
			Barisal Division	555665	555665
			Rangpur Division	2576676	2576676
Total Loans & Advances	24796585	24580351			
Quantitative Disclosures	(d)	Industry or Counterparty type distribution of exposures, broken down by major types of credit exposure.	Industrial Sector wise	Solo	Consolidated
			Taka in Thousand		
			Food & Allied Products	4516395	4516395
			Jute & Allied Fiber Products	184622	184622
			Cotton, Woolen & Synthetic Textile	5949023	5949023
			Paper, Paper Products & Printing	113662	113662
			Tannery & its Products	40883	40883
			Non-metallic mineral Products	293409	293409
			Forest, Wood Products & Saw Mills	251635	251635
			Metal Products	1544093	1544093
			Electrical Machinery & Goods	206524	206524
			Machinery & Spare Parts	63081	63081
			Transport	96663	96663
			Chemicals & Pharmaceuticals	318478	318478
			Petro- Chemicals	135013	135013
			Service Industries	941002	941002
			Rubber Goods	19250	19250
Miscellaneous	10122852	9906618			
Total Loans & Advances	24796585	24580351			

Quantitative Disclosures	(e)	Residual Contractual maturity breaks down of the whole portfolio, broken down by major types of credit exposure.	Maturity wise		Solo	Consolidated	
			Taka in Thousand				
			Repayable – on demand	-	-		
			Up to 3 months	3266700	3320900		
			Over 3 months but below 1 year	7397000	3730917		
			Over 1 year but below 5 years	10188900	14106800		
			Over 5 years	3943985	3421734		
			Total Loans & Advances	24796585	24580351		
Quantitative Disclosures	(f)	By major industry or counterparty type: • Amount of impaired loans and if available, past due loans, provided separately; • Specific and general provisions; and • Charges for specific allowances and charge-offs during the period.	Not Available				
Quantitative Disclosures	(g)	Gross Non-Performing Assets (NPAs)	TK in thousand 10258982				
		Non-Performing Assets (NPAs) to Outstanding Loans & advances	41.37%				
		Movement of Non-Performing Assets (NPAs)	Particulars	TK in thousand			
			Opening balance	7426197			
			Additions	3595320			
			Deductions	(762535)			
			Closing balance	10258982			
		Movement of specific provisions for NPAs	Particulars	TK in thousand			
			Opening balance	2696058			
			Provisions made during the period	250000			
			Write-off	(420946)			
			Interest waiver of staff Loan	(4359)			
			Excess provision transferred from Special General Provision	40000			
			Excess provision transferred from Unclassified Loan	1088337			
			Closing balance	3649090			

(e) Equities: Disclosures for Banking Book Positions

Qualitative Disclosures	(a)	<p>The general qualitative disclosure requirement with respect to equity risk, including:</p> <ul style="list-style-type: none"> • differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and • 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>Investment in equity is mainly for investment like investment in shares, Marketable securities, Bond, Debentures etc. Quoted shares are valued at cost. Sufficient provision is maintained as per requirement. Unquoted shares are valued at cost. As per Basel-III guidelines, Provision on Shares was TK. 655453914.14 as on 31-12-2022 and it was deducted from common equity tier-1 capital accordingly for calculation of regulatory capital.</p>
Quantitative Disclosures	(b)	<p>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.</p>	<p>Value of quoted and unquoted shares has been shown at cost and market price in the financial statements as well as in the Basel-III statement.</p>
Quantitative Disclosures	(c)	<p>The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.</p>	<p>The cumulative realized gains (losses) arising from sales and liquidations is shown in the financial statements at reporting period.</p>
Quantitative Disclosures	(d)	<ul style="list-style-type: none"> • Total unrealized gains (losses) • Total latent revaluation gains (losses) • Any amounts of the above included in Tier 2 capital. 	<p>TK in thousand</p> <p>14120405</p> <p>-</p> <p>-</p>
Quantitative Disclosures	(e)	<p>Capital requirements broken down by appropriate equity groupings, consistent</p>	<p>Regulatory capital requirement has been calculated through breaking down equities consisting with the bank's methodology. Such as Investment in quoted and unquoted</p>

		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.	shares.
--	--	---	---------

(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.	To manage this risk in the banking book, bank considers the impact of interest changes on both assets and liabilities. Changes in interest rates affect both the current earnings as well as net worth of the bank. BDBL periodically determine and reports the interest rate risk to the board and regulatory authority that arises due to re-pricing mismatches in interest rate sensitive assets and liabilities.			
Quantitative Disclosures	(b)	The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).	Particulars	<3 Months	3-6 Months	6-12 Months
			Taka in Thousand			
			Risk Sensitive Assets	10840300	3972700	7945500
			Risk Sensitive Liabilities	7775500	3586200	7172300
			GAP	3064800	386500	773200
			Cumulative GAP	3064800	3451300	4224500

(g) Market Risk

Qualitative Disclosures	(a)	Views of BOD on trading/investment activities	The Board Of Directors (BOD) keeps tight watch on the activities and trading in order to maximize profit without violating banking rules, regulations.
		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 the risk according to sub-categories. For each risk category, minimum capital requirement is measured separately. Capital is charged for 'specific risk' and 'general market risk' respectively.
		Market Risk	BDBL makes investment decision based on historical data of market

		Management system	movements of all comparable financial institution instruments to avoid market risk. For managing specific risk BDBL emphasizes on investment in bonds and quality financial instruments, which are less volatile in nature. A separate section under central accounts department has been established for treasury related activities. Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meeting is held at least once in a month.		
		Policies and processes for mitigating market risk	There are approved policies for Market risk related instruments both on-balance sheet and off-balance sheet items. The investments are monitored and enforced on a regular basis to protect against market risks. Prevailing market condition, exchange rate, forex position and transactions are reviewed time to time to mitigate market risks.		
Quantitative Disclosures	(b)	The capital requirements for: *interest rate risk; *equity position risk; *foreign exchange risk; and *commodity risk.	Particulars	Solo	Consolidated
			Taka in Thousand		
			Interest rate risk	-	-
			Equity position risk	7780175	10980759
			Foreign exchange risk	823489	823489
			Commodity risk	-	-
Total			8603664	11804248	

(h) Operational Risk

Operational risk is defined as the risk of losses resulting from inadequate or disrupted internal process, people and systems or from external events.

Qualitative Disclosures	(a)	Views of BOD on system to reduce Operational Risk	The BOD keeps tight watch on the activities and trading in order to maximize profit without violating banking rules, regulations. The policy for operational risks including internal control & compliance risk is approved by the board taking into account relevant guidelines of Bangladesh bank. Audit committee of the Bank oversees the activities of Internal Control & Compliance Division (ICCD) to protect against all operational risk.
		Performance gap of executives and staffs	BDBL has a policy to provide equal opportunity and best working environment to the employees. BDBL's strong image plays an important role in employee motivation. As a result, there is no significant performance gap.
		Potential external events	No potential external events are expected to expose the Bank to significant operational risk.
		Policies and processes for mitigating operational risk	The policy for operational risks including internal control & compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh bank. Policy guidelines on Internal Audit system is in operation. Branches are audited regularly by Internal Control & Compliance Division (ICCD).

			<p>It is the policy of the bank to put all the branches of the bank under any form of audit at least once in a year. The audit & inspection department makes a year wise risk based audit plan to carry out comprehensive audits & inspection on the banking operations. Moreover, each and every state owned bank is audited by Government auditors and external audit firms.</p> <p>ICCD directly report to Audit Committee of the Bank. Bank's Anti-Money laundering activities are supervised by CAMLCO and their activities are devoted to protect against all money laundering and terrorist finance related activities. Apart from that, there is adequate check & balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk.</p>								
		Approach for calculating capital charge for operational risk	Basic Indicator Approach was used for calculating capital charge for operational risk as of the reporting date.								
Quantitative Disclosures	(b)	The capital requirements for Operational Risk	<table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th>Solo</th> <th>Consolidated</th> </tr> <tr> <th colspan="2">Taka in Thousand</th> </tr> </thead> <tbody> <tr> <td>The capital requirements for Operational Risk</td> <td>2162222</td> <td>2425277</td> </tr> </tbody> </table>	Particulars	Solo	Consolidated	Taka in Thousand		The capital requirements for Operational Risk	2162222	2425277
			Particulars		Solo	Consolidated					
Taka in Thousand											
The capital requirements for Operational Risk	2162222	2425277									

(i) Liquidity Ratio

Qualitative Disclosures	(a)	Views of BOD on system to reduce liquidity risk	<p>Liquidity risk is the risk that a given security or assets cannot be traded quickly in the market to prevent a loss (or make the required profit) or when a bank is unable to fulfill its commitments in time when payments falls due. Liquidity risk can be categorized into two types:</p> <p>i. Funding liquidity risk: The risk that a firm may be unable to meet its current and future cash flow and collateral needs without affecting its daily operation.</p> <p>ii. Market liquidity risk: The risk that a firm cannot easily offset or sell a position without incurring a loss due to inadequate depth in the market.</p> <p>The Board Of Directors (BOD) of bank keeps tight watch on managing the assets and liabilities of the bank in order to maximize shareholders' value and profitability and also to increase capital to protect the bank from any adverse financial consequences arising from liquidity risk. Various liquidity measurement reports are viewed by board. BOD plays important role in controlling the overall liquidity risk.</p>
		Methods used to measure liquidity risk	<p>The bank always tries to maintain adequate required liquidity at all times and in all situations (favorable or unfavorable). To maintain adequate liquidity BDBL identifies and monitors the driving factors of liquidity risk considering the following aspects:</p> <ol style="list-style-type: none"> Cash Reserve Requirement(CRR) Advance Deposit Ratio(ADR)/Investment Deposit Ratio(IDR) Liquidity Coverage Ratio(LCR) Net Stable Funding Ratio(NSFR) <p>The bank also uses its own liquidity monitoring tool:</p>

			a) Liquidity Contingency Plan b) Whole Sale Borrowing & Funding Guideline	
		Liquidity risk management system	Any gap at a particular maturity bucket, the liquidity risk will be managed through following systems: (i) Fund will be mobilized first from money market. (ii) Balance deposited with other banks will be withdrawn. (iii) The excess amount of CRR with BB will be withdrawn. (iv) Marketable securities will be sold with no or very negligible losses. (v) Fund will be mobilized through Repo or Reverse Repo activities	
		Policies and process for mitigating liquidity risk	Liquidity ratios are a class of financial metrics used to determine a company's ability to pay off its short-terms debts obligations at the lowest possible time and lowest possible cost. Generally, the higher the value of the ratio, the larger the safety that indicates the company is able to cover short-term debts. A company's ability to turn short-term assets into cash to cover debts is of the utmost importance when creditors are seeking payment. For this purpose the BOD of the bank has formed Asset Liability Management Committee (ALCO) which meets at least once a month to monitor the liquidity position and take necessary steps to manage liquidity risk. The bank maintains a board approved treasury manual and Liquidity Contingency Plan has been developed to keep enough liquidity to meet crisis situation.	
Quantitative Disclosures	(b)	*Liquidity Coverage Ratio	Liquidity ratio	SOLO
		*Net Stable Funding Ratio (NSFR)	Liquidity Coverage Ratio	150.78%
		*Stock of High quality liquid assets	Net Stable Funding Ratio (NSFR)	101.79%
		*Total net cash outflows over the next 30 calendar days	Stock of High quality liquid assets (In "000")	1802365
		*Available amount of stable funding	Total net cash outflows over the next 30 calendar days (In "000")	1195361
		*Required amount of stable funding	Available amount of stable funding (In "000")	47763361
			Required amount of stable funding (In "000")	46923705

(j) Leverage Ratio

Qualitative Disclosures	(a)	Views of BOD on system to reduce excessive leverage	In order to avoid excessive leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based requirements. The leverage ratio is intended to achieve the following objectives: a) Constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy b) Reinforce the risk based requirements with an easy to understand and a non-risk based measure. BDBL calculates leverage ratio on quarterly basis as prescribed by Bangladesh Bank through Guidelines on Risk Based Capital Adequacy
--------------------------------	-----	---	---

			and submits to Bangladesh Bank. The board of directors regularly reviews the leverage ratio and ensures that the management strictly maintains the leverage ratio as prescribed by Bangladesh Bank through Guidelines on Risk Based Capital Adequacy.																	
		Policies and processes for managing excessive on and off-balance sheet leverage	A minimum Tier 1 leverage ratio of 3% is being prescribed by Bangladesh Bank both at solo and consolidated basis. BDBL maintains leverage ratio on quarterly basis. The formula for calculating leverage ratio is: Leverage Ratio=Tier 1Capital (after related deduction)/ Total Exposure (after related deduction)																	
		Approach for calculating exposure	The exposure measure for the leverage ratio will generally follow the Accounting measure of exposure. In order to measure the exposure consistently with financial accounts, the following will be applied by the bank: i. On balance sheet, non-derivative exposures will be net of specific provisions and valuation adjustments (e.g. surplus/ deficit on Available for sale (AFS)/ Held-for-trading (HFT) positions). ii. Physical or financial collateral, guarantee or credit risk mitigation purchased is not allowed to reduce on-balance sheet exposure. Netting of loans and deposits is not allowed.																	
Quantitative Disclosures	(b)	*Leverage Ratio *On balance sheet exposure *Off balance sheet exposure Total exposure	<table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th>SOLO</th> <th>CONSOL</th> </tr> <tr> <th colspan="2">TK in Thousand</th> </tr> </thead> <tbody> <tr> <td>Leverage Ratio</td> <td>19.29%</td> <td>19.43%</td> </tr> <tr> <td>On balance sheet exposure</td> <td>37227422</td> <td>35942491</td> </tr> <tr> <td>Off balance sheet exposure</td> <td>609157</td> <td>609157</td> </tr> <tr> <td>Total exposure</td> <td>37836579</td> <td>36551648</td> </tr> </tbody> </table>	Particulars	SOLO	CONSOL	TK in Thousand		Leverage Ratio	19.29%	19.43%	On balance sheet exposure	37227422	35942491	Off balance sheet exposure	609157	609157	Total exposure	37836579	36551648
Particulars	SOLO	CONSOL																		
	TK in Thousand																			
Leverage Ratio	19.29%	19.43%																		
On balance sheet exposure	37227422	35942491																		
Off balance sheet exposure	609157	609157																		
Total exposure	37836579	36551648																		

(k) Remuneration

Qualitative Disclosures	(a)	<p>Information relating to the bodies that oversee remuneration. Disclosures should include: Name, composition and mandate of the main body overseeing remuneration.</p> <p>External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.</p> <p>A description of the scope of the bank's remuneration policy (eg by regions, business lines),</p>	<p>Bangladesh Development Bank Limited is one of the state owned specialized commercial banks operating in Bangladesh, has been playing important role in the overall financial development of the country especially in the industrial development of the country since inception. As BDBL is a state owned bank, the remuneration system is governed under National Pay Scale announced by the Government of the People's Republic of Bangladesh time to time. A fixation unit of Human Resource Department works on pay fixation as per national pay scale. National Pay Scale 2015 is being fully exercised and will continue till new pay scale is declared by the Government of the People's Republic Of Bangladesh.</p> <p>The branch managers, zonal head, divisional head and senior management of the head office are considered as the material risk takers.</p>
--------------------------------	-----	--	--

		<p>including the extent to which it is applicable to foreign subsidiaries and branches.</p> <p>A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.</p>	
Qualitative Disclosures	(b)	<p>Information relating to the design and structure of remuneration processes. Disclosures should include:</p> <p>An overview of the key features and objectives of remuneration policy.</p> <p>Whether the remuneration committee reviewed the firm’s remuneration policy during the past year, and if so, an overview of any changes that was made.</p> <p>A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.</p>	<p>The remuneration process is reviewed only when a new national pay scale is declared by the Government of the People’s Republic of Bangladesh.</p> <p>Not Applicable</p> <p>Salary Structure: Salary component is as under: (i) Basic salary (ii) House Rent Allowance (iii) Medical Allowance and (iv) Other allowances</p> <p>Remuneration Type:</p> <ul style="list-style-type: none"> • Employees under pension basis; • Employees under gratuity basis; • Employees under contractual basis;
Qualitative Disclosures	(c)	<p>Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures should include:</p> <p>An overview of the key risks that the bank takes into account when implementing remuneration measures.</p> <p>An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed).</p> <p>A discussion of the ways in which these measures affect</p>	<p>Not Applicable</p>

		<p>remuneration.</p> <p>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.</p>	
Qualitative Disclosures	(d)	<p>Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration. Disclosures should include:</p> <p>An overview of main performance metrics for bank, top-level business lines and individuals.</p> <p>A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.</p> <p>A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak.</p>	Not Applicable
Qualitative Disclosures	(e)	<p>Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance. Disclosures should include:</p> <p>A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable</p> <p>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> <p>A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by</p>	<p>As a state owned entity the remuneration system is governed under National Pay Scale announced by the Government of the People's Republic of Bangladesh. Moreover, various cash and non-cash benefits are provided as per the approval of the Board of Directors as follows :</p> <ul style="list-style-type: none"> • Bank provides car facilities for level executive level employees; • Car loan facility; • Staff loan at bank rate; • Travel allowance/TA/DA as required; • Festival bonus; • Allowance for employees' meritorious students; • Recreations leave for 15 days after every three year and Maternity leave as per guidelines.

		national law) after vesting through clawback arrangements.	
Qualitative Disclosures	(f)	<p>Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms. Disclosures should include:</p> <p>An overview of the forms of variable remuneration offered (i.e. cash, shares and share-linked instruments and other forms.</p> <p>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 the factors that determine the mix and their relative importance.</p>	There are no different forms of variable remuneration (i.e. cash, shares and share-linked instruments and other forms). There are no performance-based rewards. But in some special cases an increment is added as reward for outstanding performance of any employee. However, there is an incentive system on overall performance (based on profit). Salary and all types of benefits provided by the bank are in the form of cash.
Quantitative Disclosures	(g)	Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	Not Applicable
Quantitative Disclosures	(h)	<p>Number of employees having received a variable remuneration award during the financial year.</p> <p>Number and total amount of guaranteed bonuses awarded during the financial year.</p> <p>Number and total amount of sign-on awards made during the financial year.</p> <p>Number and total amount of severance payments made during the financial year.</p>	Not Applicable
Quantitative Disclosures	(i)	<p>Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.</p> <p>Total amount of deferred</p>	Not Applicable

		remuneration paid out in the financial year.		
Quantitative Disclosures	(j)	Breakdown of amount of remuneration awards for the financial year to show: - fixed and variable. - deferred and non-deferred. - different forms used (cash, shares and share linked instruments, other forms).	Particulars	Taka in Thousand
			Fixed Pay (including two festival bonus and Nabo barsha bonus)	373793
			Variable Pay (House rent and 3.00 incentive bonus equivalent to three month's basic salary)	222719
			Total	596512
Quantitative Disclosures	(k)	<p>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:</p> <p>Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.</p> <p>Total amount of reductions during the financial year due to ex post explicit adjustments.</p> <p>Total amount of reductions during the financial year due to ex post implicit adjustments.</p>	Not Applicable	

Report on Sustainable Banking



Report on Sustainable Banking

Sustainable development is a state of development that meets the needs of the present without destroying the ability of future generation to meet their own needs.

A sustainability report is a report published by a company or an organization about the economic, environmental and social impacts caused by its everyday activities. So a sustainability report presents the organization's values, governance model and demonstrate the link between its strategy and its commitment to a sustainable global economy.

Systematic sustainability reporting helps organizations to measure the impacts they cause or experience, set goals and manage change. A sustainability report is the key platform for communicating sustainability performance and impacts-whether positive or negative.

But here sustainability for banks means building a successful business today and delivering value over the long term. So, sustainability is a journey for long term. Along the way, organizations need to set goals, measure performance and integrate a sustainable strategy into their core business planning.

A sustainable economy should combine long term profitability with ethical behavior, social justice and environmental care. This means that when companies or organizations consider sustainability and integrate it into how to operate, they must consider four key areas of their performance and impacts:

- Economic;
- Environmental;
- Social; and
- Human Rights.

According to Global Reporting Initiative's (GRI's) Sustainability Reporting Framework, BDBL is reporting on sustainable banking system that enables it to measure, understand and communicate this information. BDBL's missions are to:

- make sustainable long term financial performance.
- provide sustainable and responsible financial services.
- contribute significantly in socio-economic development.
- create good governance, regulation and stakeholder engagement.
- help in building green environment.
- make a positive and consistent employee experience.

BUSINESS PARTNERS

Customers and clients are our business partners. Our relationship with them is based on mutual trust and respect. We sincerely strive to improve business relationship with them for mutual benefits and proudly offer various contemporary financial products and services to meet their needs without any hidden cost. We are fully aware of increasing the shareholders' value by optimizing financial performance at least cost.

REGULATORY AUTHORITIES

Being a responsible corporate body, we conform to all stringent regulations issued by the Government of Bangladesh, Bangladesh Bank and Bangladesh Securities & Exchange Commission.

ECONOMIC CONTRIBUTION

BDBL contributes indirectly to the economies by way of providing loans & advances to the industrial ventures which ultimately produce goods & services and create employment opportunities for the people of the country. The loans & advances provided to different industrial ventures by the bank was Tk. 2,479.66 crore in 2022 against Tk. 2,413.43 crore in 2021.

BDBL has contributed significantly to the Government's drive in collection of revenue. As per law, the bank deducts taxes, VAT and excise duty at source from various payments and services and deposits the same to government exchequer. Besides, the bank also pays income tax on its earnings.

Future Outlook

- Manage BDBL capital prudently which will enable it to meet future requirements.
- Operate in emerging markets for taking advantage of growth opportunities.
- Price BDBL products appropriately which will increase sales opportunities and competitiveness.
- Lend more responsibly to mitigate the risk of the customers on their repayments.
- Offer secured banking structures which will reduce the risk of financial crime and engenders trust and confidence among our customers.

ENVIRONMENTAL CONTRIBUTION

GREEN BANKING

As a part of green banking, BDBL is attaching importance to the activities that are not harmful to the environment. It has established a separate sustainable finance unit and various measures have been adopted to ensure green banking. BDBL has established Dedicated Sustainable Finance Help Desk at head office and branch offices to ensure the sustainable financing of the Bank. Among others, green financing, creating awareness among employees for efficient use of water, electricity and paper giving preference to preservation of ecosystem while financing commercial projects and reuse of equipment are some initiatives for turning BDBL as a green bank.

BDBL is following the Sustainable Finance Policy for Banks and Financial Institutions which is prepared by Bangladesh Bank. As per Bangladesh Bank's guidelines, BDBL has been taken initiatives to prepare its own Sustainable Finance Policy.

Alongside Internal Credit Risk Rating (ICRR), Environmental and Social Due Diligence (ESDD) check list, Environmental Risk Rating (ERR) has been made obligatory by the Central Bank for all banks at the time of processing of loan proposals. With the concurrence of the Central Bank's guidelines, BDBL has formulated Environment Risk Management Manual and conducting ERR for the projects as well as the credit facilities that fall within the threshold limit.

For In-house Environmental Management, BDBL has installed solar power system on its roof top for energy efficiency. Besides, in order to reduce paper based work, e-recruitment, e-procurement, documentation management system, leave management system, personal file update system, online salary and account statement, online office orders etc. have been introduced through intranet of bank. In addition, all the departments of bank's Head Office including all its branch offices have been brought under computer network (WAN, LAN). For availability of open data, BDBL has introduced its own website which is updated all time. Most of the regulatory reporting from bank is done through web upload and Enterprise Data Warehouse (EDW) System. Bangladesh Automated Cheque Processing System (BACPS), Bangladesh Electronic Fund Transfer Network (BEFTN), Credit Information Bureau (CIB) Online, online NID verification and Enterprise Resources Planning (ERP), Data verification system (DVS) have already started operation.

BDBL has signed 01 (one) refinancing agreements with Bangladesh Bank named Refinance scheme for green products/Initiatives.

Lastly, as a responsible corporate organization, BDBL has arranged a number of trainings, seminars, workshops etc. for making its employees environment sensitized.

BDBL monitors evolving environmental regulations and put in place the necessary measures to comply. It is actively engaging with government to ensure effective balance between addressing climate change and the impacts of related regulation on the economy and business. BDBL has an obligation to manage the environmental and social impacts by its activities, products and services have on society, and to respond strategically to the risks that global environmental and social pressures place on our ability to create sustainable value for the stakeholders.

Future Outlook

- Manage and measure our own carbon footprint in Bangladesh by investing in technology and resources.
- Reduce our resource consumption which will alleviate environmental impact and reduce operational cost.
- Encourage a further reduction in paper use by giving clients the option of ending printed communication for more and more products in the years ahead and by communicating digitally even more frequently.
- Encourage bank's officers and staff to use less paper by reducing the number of available printers and steadily promoting use of digital resources.
- Continue to focus beyond its own internal operation in the year ahead.
- Invest more in carbon finance and trading which will reduce carbon dioxide (CO₂) emissions while generating revenue.
- Discourage projects with unacceptable levels of carbon emission.

SOCIAL CONTRIBUTION

“Building sustainable society”

As a state-owned commercial bank, BDBL is making strong contribution to create wealth for the communities in which we operate, providing inclusive financial services and supporting SMEs, micro-credit providers, etc.

FINANCIAL INCLUSION

Financial inclusion is one of the most important tools for ensuring financial and social stability, especially in the developing countries. Access to finance by the poor and vulnerable groups is a pre-requisite for poverty reduction and social balance. This has become an integral part of our efforts to promote inclusive growth. BDBL is dedicated to serve financial services at an affordable cost to the vast sections of the disadvantaged and low-income groups. The various financial services include: credit in the form of short, medium and long term loans & advances facilities, savings by opening of various accounts and schemes and foreign exchange business including remittance facilities.

The objective of financial inclusion is to extend the scope of activities of the organized financial system to include people with low incomes within its network. BDBL's policies aim at increasing the income and employment opportunities on the one hand and on the other; it tries to finance programs which are conducive to make the growth more inclusive.

In Year 2022

- No. of deposit A/Cs is 154,630 in 2022, as against 134,633 in 2021.
- Total deposits in 2022 is Tk. 2,915.51 crore, as against Tk. 2,900.51 crore in 2021.
- Total loans & advances in 2022 is Tk. 2,479.66 crore, as against Tk. 2,413.43 crore in 2021.
- No. of Branches was 50 in 2022 where in 2021 it is 49.

HUMAN RESOURCES

Human resource development is one of the key competencies to enable individuals in any organization to perform current and future jobs in a strategic way. BDBL treats its human resource as distinctive resource and true capital rather than only the employees. BDBL has integrated the use of training and development as a path to improve quality and capability of the officers. The Training Institute of BDBL imparts training and arranges workshop on different contemporary areas of banking for its employees. Besides, BDBL ensures a gender environmentally playing field for women workforce in terms of promotion and placement. Following the rules and regulations of the Government, women employees enjoy up to 6 (six) months maternity leave with other facilities.

The bank is maintaining a welfare fund namely Benevolent Fund taking contribution from employees and the bank to support the employees and their families on the ground of medical, maternity, retirement, disability and death claim.

Staff Welfare Fund is being run by the bank out of the employees' regular contribution to stand before them for their well-being. The physical and mental well-being of the officers and staff are very important especially for the stressful effects of the performance driven culture in the Banking Sector.

Effective counseling and proper treatment for employees plays a pivotal role in this respect. To get the immediate treatment, the bank appointed two doctors on a part-time basis at two intervals in Head Office, zonal and branch offices. Besides, area-wise part-time doctors were also appointed by the bank for general treatment.

The Board and Management of the bank are always cordial in extending facilities relating to the needful welfare of the employees. Some of the areas of welfare are: contributory provident fund facility, gratuity fund, retirement benefits, leave encashment, two festival bonuses, incentive performance bonus, advance facilities for house building, transport facilities, financial assistance for complicated and expensive treatment, scholarship and educational stipend for the meritorious children of the employees, a lump sum grant / monthly grant to the families of late and retired employees and financial aid to the distressed families for purchasing cloths in religious festivals.

Report on Green Banking



Report on Green Banking

GREEN BANKING

Green Banking is a component of the global initiative by a group of stakeholders to save environment. Bangladesh is one of the most climate change vulnerable country. In line with global development and response to the environment degradation, financial sector in Bangladesh must play an important role as one of the key stakeholders. As a part of financial intermediation, Bangladesh Development Bank Limited is also responsible for safeguarding the environment.

POLICY FORMULATION AND GOVERNANCE

In accordance with Bangladesh Bank Circular No. BRPD-02, dated 27-02-2011, BDBL undertook required steps to implement the Green Banking Guidelines in three phases :-

- formulated Green Banking Policy and Strategy approved by the Board of Directors.
- approved a considerable fund in the annual budget for green banking.
- established Sustainable Finance Unit with the responsibilities of performing green banking and corporate social responsibility (CSR) activities effectively and efficiently and also established a sustainable finance committee to review, evaluate and approve the activities taken by Sustainable Finance Unit .
- prepared Environmental & Social Risk Management Policy.

Apart from these, the bank also undertook the following action plan under different Phases according to Policy Guidelines for Green Banking given by Bangladesh Bank :-

- formulating sector specific environmental policy.
- applying green strategic planning while financing projects.
- financing of Green Products.
- setting up of Green Branches considering the following factors :-
 - maximum use of natural light.
 - use of online banking.
 - use of renewable energy.
 - use of energy saving bulb and other equipment.
 - use of reduced water and electricity.
 - use of recycled water.
- introducing improved In-house Environmental Management in order to save electricity and reduce water and paper consumption.
- formulating bank specific environmental risk management plan and guidelines.
- adopting rigorous programs to educate clients.
- making disclosures and reporting green banking

IN-HOUSE ENVIRONMENT MANAGEMENT

BDBL took a number of steps for In-house environment management incongruence with Green Banking Policy. The following initiatives were taken to activate In-house environment management :

- a general circular was issued for efficient use of electricity, water, paper, eco-friendly ink, stationary, gas, fuel, etc.
- steps took for using energy savings bulbs instead of traditional bulbs / lights.
- duplex printer, pen-drive, e-mail, e-statement, automated power switching, etc. were introduced as a cohesive custom.
- LCD monitors were used instead of CRT for CCTV system for power consumption.
- instructions were given to ensure cleanliness in bank premises. and
- solar panels were installed in Head Office and some branches.

COMPLIANCE OF ENVIRONMENT & SOCIASL RISK MANUAL (ESRM)

Bank took steps to assess environmental risk along with existing credit risk to assess the credit risk measure. All projects would be rated as high, moderate and low using Environmental Due Diligence (EDD) checklist. The bank will also prepare data-base on the number of projects applicable for EDD checklists for environmental risk rating, number and amount disbursed to the rated projects financed and status of loan classification for rated projects financed. General and sector specific EDD checklists will be introduced covering poultry, dairy, cement, chemicals, pesticides, pharmaceuticals, engineering, housing, pulp & paper, sugar & distilleries, tannery, textile & apparels, ship breaking, etc.

GREEN FINANCING

Since its inception BDBL financed many projects which were environmentally responsive and avoided those projects which were harmful. Financing eco-friendly projects that helped mitigate environmental degradation by lending more for renewable energy, effluent treatment plants and other projects like bio-fertilizer plants, waste management plants, mushroom projects, etc. are priority for BDBL. Generation plants based on solar power, bio-gas and wind, and automatic brick manufacturing plants that use modern environment-friendly technology are especially favored projects of BDBL.

GREEN MARKETING

The bank is always keen to raise green awareness among its clients, stakeholders, entrepreneurs, employees, etc. Among other, it has also included installation of solar panel, bio-gas, tree plantation and agro-based projects as priority sectors in its SME loan portfolio. The Training Institute of the bank regularly arranges training, seminar and workshop on green banking to create awareness for green banking activities of the bank.

ONLINE BANKING

Online Banking is one of the important and easiest ways to save environment by doing paperless banking. It decreases use of paper, waste of paper along with reduction of carbon emission and printing & postal expenses. At present, all branches along with Head Office are fully online for branch banking. The bank has established data center and core banking software. The bank is also going to start mobile banking for its wide range of customers soon.

TRAINING AND AWARENESS

Training Institute of BDBL has organized several training courses on green banking. Executives/officers of related desk participated in these training courses. BDBL has planned to train up its clients and business houses to be encouraged and influenced to comply with the environmental regulations and undertake resource efficient and environmental activities as well as increase knowledge/awareness about green banking.

DISCLOSURE OF GREEN BANKING ACTIVITIES

- The bank has regularly been exposing its green banking activities in the Annual Report.
- It also discloses green banking activities in the website of the bank.

MANAGEMENT APPROACH TO GREEN BANKING

Management of BDBL has focused on socially responsible investment, designed to aid environmentally conscious businesses and consumers through better loan rates and other incentives. The bank has planned to increase sustainable green finance and has continued to increase its exposure to the sector. The bank has also a future plan to set up “Green Branch” and solar panels in all branches.

COMPLIANCE STATUS OF GREEN BANKING IN BDBL

Issue	Compliance Status
Own green banking policy guidelines	Yes
Green banking committee	Yes
Green banking unit	Yes
Budget allocation	Yes
Incorporation of ESRM in core risk management	Yes
In-house environment management	Yes
Introduction of green banking guide	Yes
Introduction of green finance	Yes
Introduction of green product	Yes
Creation of climate risk fund	-
Introduction of green marketing	-
Online Banking	Yes
Employee training	Yes
Consumer awareness	Yes
Sector specific environmental policy	Yes
Green strategic planning	Yes
Setting up green branches	-
Disclosure and reporting of green banking activities	Yes

Report on Financial Inclusion



Report on Financial Inclusion

Financial inclusion is currently considered as one of the most effective tools for ensuring financial and social stability especially in developing countries. It promotes access to appropriate financial services or products at affordable cost. Bangladesh Bank has taken various initiatives to bring the huge number of financially excluded people under the financial services. It issued directives to banks for opening No-Frill Accounts (NFAs) for farmers, freedom fighters, beneficiaries under social security program, small life insurance policy holders, hardcore poor beneficiary workers, banking for minors, school banking and banking for working/street children.

BDBL'S INITIATIVE FOR FINANCIAL INCLUSION

Financial inclusion promotes inclusive growth, productive capacity, youth employment and combats poverty by unblocking advancement opportunities for the disadvantaged poor. Lack of access to basic financial services leads to significant extent of social exclusion in education, employment opportunities and social safety net. Long term stability depends highly on quality of economic and social growth which targets all population of the society in the development journey.

To ensure promoting financial inclusion, there have already been established a committee to look after the issue as per BB guidelines.

To transport the services of financial inclusion of the bank among the beneficiaries the following arrangements has been made:

- Bank account for hardcore poor;
- Bank account for garments workers;
- Bank account for old-aged, disabled, widows and woman discarded by husband;
- Bank account for beneficiaries of social safety network program;
- Bank account for hardcore poor woman;
- Bank account for freedom fighters;
- Country wide expansion of branches;
- Bank account for unemployed youth;
- BACH, NPSB, BEFTN & RTGS operation;
- Arrangement of small-scale loan;
- Banking for working/street children;
- Online Sanchayapatra, Selling Service;
- Titas Gas Meter, Non-Meter & e-Gp, e-Tender, Automated Challan Service.
- Mobile apps, e-account;
- NESCO, DPDC, BGDCL Bill collection; and
- Debit Card, Internet Banking for inclusion program which is on operation;

FUTURE OUTLOOK

- Supporting the Government's inclusive growth strategy, BDBL will come forward to implement any further steps taken to serve the underserved/un-served economic sectors and population segments;
- Providing credit facilities to SME entrepreneurs, agricultural and other rural and urban farm and non-farm productive activities;
- Continue expansion of rural branches of the bank;
- Work with mutually-owned cooperative societies offering financial and other specified services;
- BDBL is currently working with Bangla QR Code which will be in operation soon.

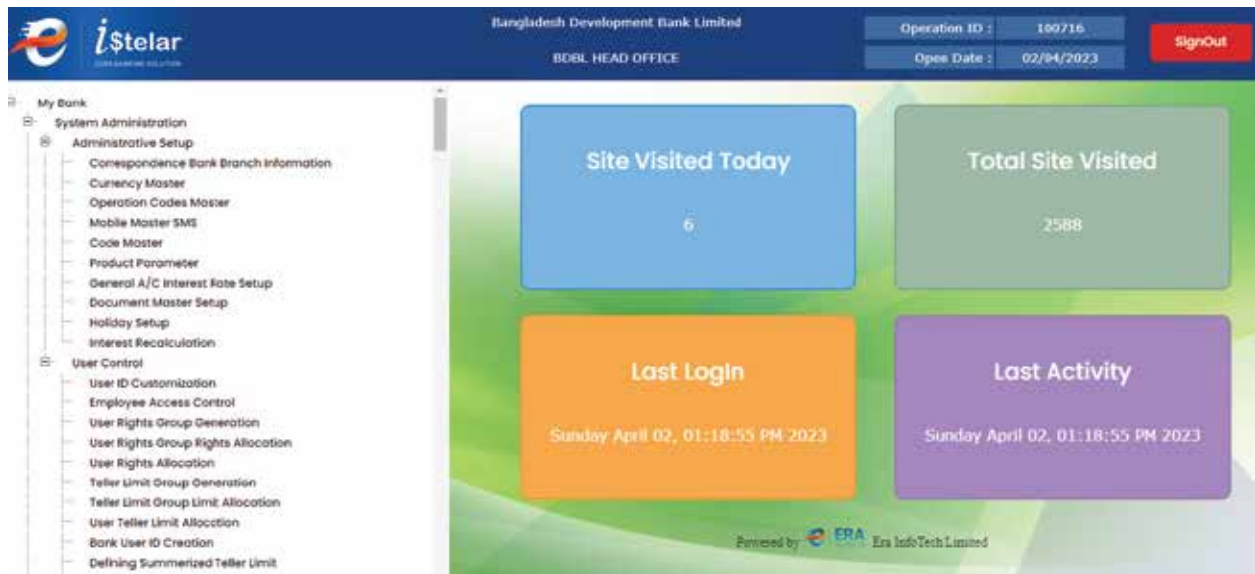
Automation of BDBL



Automation of BDBL

CBS (Core Banking Solution)

As a part of Government's "Smart Bangladesh" program for technological development, the Bank has undertaken an action plan to automate all banking activities and implemented a Core Banking Solution (CBS) according to the guideline of Bangladesh Bank. The bank has started CBS live operation from 01 July 2015. All branches are therefore "Real Time Online" while carrying out all banking transactions on the Core Banking Solution (CBS). The Bank continuously updates the CBS as per the requirement of Bangladesh Bank.



Deposit/Payment System of cash in BDBL

• BACH (Bangladesh Automated Clearing House)

Adhering to Bangladesh Bank plan for automation of payment system of the country, Bangladesh Automated Clearing House (BACH) is in operation since its inception at BDBL. The two components of BACH namely Bangladesh Automated Cheque Processing System (BACPS) and Bangladesh Electronic Funds Transfer Network (BEFTN) are functioning in the bank. All branches are operating BACPS and BEFTN smoothly. BACPS and BEFTN software have been interfaced with CBS for sound & secured operation.



• Real Time Gross Settlement (RTGS)

RTGS mechanism has opened a new horizon in the payment eco-system, accommodating instant settlement of large value and time critical payment in the country. Real-Time Gross Settlement (RTGS) payment is a special type of payment where the transfer of money takes place from one bank to another within Bangladesh on a real time and gross basis. Conceptually, the Real Time Gross Settlement (RTGS) is a highly developed technology that makes possible fund transfers between Banks on real time basis.

The minimum amount for an RTGS payment is Tk 1,00,000.00 (One Lac). Bangladesh Bank has launched RTGS (Real Time Gross Settlement) service in Bangladesh on October 29, 2015. BDBL has integrated and participated RTGS system to the valuable customers from the beginning of its operation. Customer can easily transfer their fund from all branches. We also provide this service through internet banking and mobile apps.

BD RTGS service launched foreign currency fund transfer system on 04 September, 2022.

BD RTGS Time Schedule:

1. Customer Transaction: 10.00 to 15.30
2. Custom Duty, Foreign Currency Transaction: 10.00 to 16.30
3. Treasury Transaction: 10.00 to 16.30

BD RTGS transaction time schedule can be changed by Bangladesh Bank.



e-KYC:

"BDBL e-Account" online service/Apps has been launched to open bank accounts at home with the aim of bringing banking services to the doorstep of customer. In "BDBL e-Account" customers can open their own account using the National ID in a short period of time. Moreover, customers get the facility to open the bank account on nearest branch with onboard technology.

Debit Card:

An account holder of BDBL can avail the opportunity of 24/7 banking transaction facility using Debit Card. BDBL started its first Debit card operation on both Qcash and NPSB Network on 15-03-2022. Through BDBL's debit card, it is possible to provide 24/7 banking services including money withdrawal and shopping through 12000+ ATMs and POS of all banks across the country. So far, more than 4100 customers have received BDBL Debit Card. There is a separate Card Unit which is responsible for monitoring card transactions, provide card information and issuance of debit card as per requirement of branch offices.

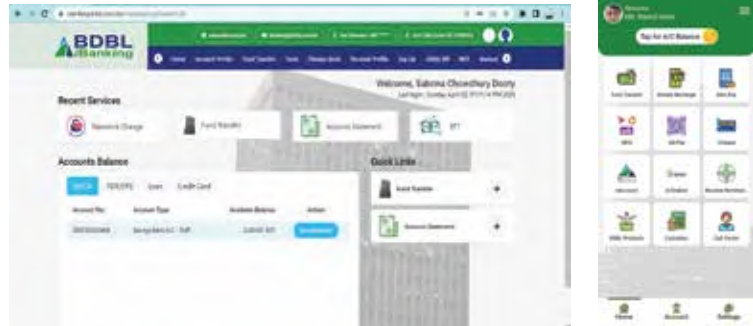


Internet Banking & Mobile Apps:

The financial sector in Bangladesh is continuously growing in response to the evolving needs of the growing economy. The rapid expansion of mobile phone users, modernization of payments and financial systems based on IT infrastructure, the country-wide reach of mobile operator's networks and the internet have opened up opportunities for innovating cost-efficient and prompt Mobile App Services for both urban and rural populations.

With a view of providing an orderly, enabling and optimal utilization of the new windows of opportunity and extension of the traditional financial services, Bangladesh Development Bank Limited (BDBL) has introduced Internet Banking and mobile apps for the registered Account holders. Mobile Apps and Internet Banking have the facility to transfer Fund within Bank as well as other Banks through EFT, RTGS and NPSB. Moreover, customer can transfer funds from apps to and from MFS (bKash, Nagad). These applications are giving opportunity to pay utility bills whenever required. Customer can top-up their mobile instantly and more securely from Mobile Apps and iBanking. Besides, our mobile Apps and iBanking has following features:

- o View Account Statement
- o Checkbook requisition
- o Instruction of Stop Payment
- o Instruction of Positive Pay



In-House Software:

BDBL in-house developed software such as File Transfer System (FTS), Online CIB Batch, Asset Management System, Training Management System (TMS), BDBL MIS Software, BDBL Law Suit Management, Monitoring System and e-Telephone Guide etc.

Website:

BDBL also developed an informative website containing description of its various products & services, audited annual accounts and other information about the bank. The web address www.bdbl.com.bd has been working as a primary source of information of the bank. Now BDBL’s website is connected with Bangladesh Government National portal developed by a2i (Aspire to Innovate). This site is available in both English and Bangla Language.



Domain Controller:

The bank has implemented secure Domain Controller service to bring all computers and servers under a common umbrella prohibiting unnecessary software installation, USB/CDROM restrictions etc. IT Departments can monitor logging information on each PC of the network and take necessary actions if needed.

Email and E-mail Security System:

As the sophistication of cyber attacks increases, phishing attacks against email security are getting popular. The bank has established corporate e-mail service/system for all officers in its own domain bdbl.com.bd. Moreover, with email security system bank can restrict promotional emails and emails from unauthorized domain. The bank can monitor all incoming emails with details and filter spam if required. Bank has prepared Internet and email usage policy as per instructions of ICT Ministry and Bangladesh Bank.

D-Nothi Implementation:

D-Nothi is the application of information and communication technology (ICT) for delivering government services, exchange of information, communication transactions, integration of various stand-alone systems and services between government-to-citizen, government-to-business, government-to-government, government-to-employees as well as back-office processes and interactions within the entire government framework. The bank has already trained up employees to implement D-Nothi and started its operation in head office.



e-GP:

National e-Government Procurement (e-GP) portal of the Government of the People's Republic of Bangladesh is developed, owned and being operated by the Central Procurement Technical Unit (CPTU), IME Division of Ministry of Planning. The e-GP system provides an on-line platform to carry out the procurement activities by the Public Agencies - Procuring Agencies (PAs) and Procuring Entities (PEs). This complete e-GP solution introduced under the Public Procurement Reform (PPR) Program is being supported by the World Bank and gradually used by all government organizations. BDBL purchase goods and services according to the rules of Public Procurement Rules in vogue through e-GP System.

SWIFT:

BDBL, as a member of Society for Worldwide Interbank Financial Telecommunication (SWIFT), provides facilities of foreign exchange/foreign trade transactions through its secured financial messaging system of SWIFT from its Authorized Dealer (AD) branches. The SWIFT code of the bank is BDDBBDDH. Automated Sanctions Screening System from SWIFT has been introduced in the Bank. It alerts unwanted transaction in favor of any sanctioned people, institutions, organizations, banks or countries.

e-Attendance System:

BDBL has implemented e-Attendance system in all branches, zone and head office. All Branches of BDBL are centrally connected through this system where employees can provide attendance with face, palm and fingerprint. These machines are connected with the HR and Payroll management system where all modules are integrated. Whenever an employee is transferred his/her templates are transferred to desired machine centrally.



Video Conferencing system:

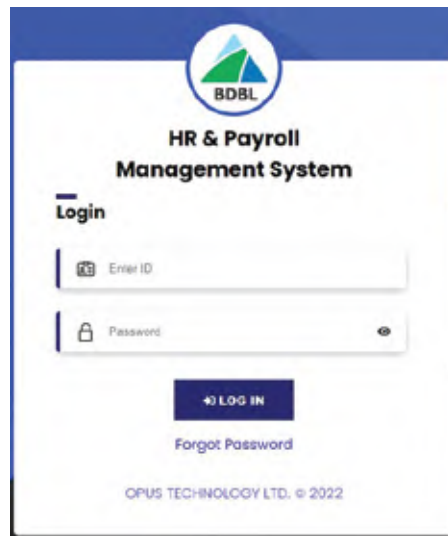
BDBL has implemented automated and modern technology based conferencing facilities through Zoom. As a result officials from different branches can connect them in online conference hosted by bank authority. It reduces transport cost and valuable time.

Data Center and Disaster Recovery Site (DRS)

BDBL has built a standard and compliant Data Center at its Head Office premises as well as a DRS (Data Recovery Site) at BDBL’s Karwan Bazar Bhaban for the security of CBS and to ensure business continuity and recovery of the systems in the event of any unexpected disaster. Besides, BDBL with other Government Banks namely Agrani, Janata, Sonali, Rupali, BKB & financial institutions led by Bangladesh Computer Council (BCC), High-Tech park authority and Investment Corporation of Bangladesh (ICB) has formed a company “Bangladesh Data Center and Disaster Recovery Site (DRS) Limited”. The company has already been registered with the Register of Joint Stock Companies. The purpose of the company is to establish a DRS at Jashore and allocate space to its members to setup Far DRS or for rental. We are hopeful that the Company will come into operation very soon.

HR & Payroll Management System:

BDBL has implemented HR & Payroll Management System. Human Resource Management Department & Central Accounts Department performs various activities such as centralized payroll processing, maintaining salary details of every employee in the organization, keeping track of deductions, fixation, allowance, bonus, staff loans, leave and attendance etc.



Digitalization of the Library:

BDBL has introduced e-Library system. Using the e-library, employees of the BDBL can collect book from library. Bank’s library officials already scanned more than 3000 books covers and updated on digital library system. Readers can also read e-books from this system.



E-commerce:

Online business has become increasingly popular. It allows customers to store payment information securely and make payments with just a few clicks. Account holder can purchase from online using BDBL Debit Card in NPSB and Q-Cash Network.

VAPT (Vulnerability Assessment & Penetration Testing) for Servers and Application:

A team of Bangladesh Computer Council (BCC) has completed Vulnerability Assessment and Penetration Testing (VAPT) of the Bank's servers, network devices, web applications and mobile applications according to Bangladesh Bank's ICT Security guideline. We have rectified security issues those were identified by the team.



Cyber Security System:

A separate IT Security Unit has been formed to strengthen the Cyber Security of the Bank. The unit monitors the bank's servers, network devices and applications through security tools and takes necessary steps to deal with the existence of an intruder immediately after notifying the management authorities. Besides, if any Back Door/Malware is identified in the bank's network the unit informs the National CIRT of Bangladesh (N-CIRT). N-CIRT takes necessary steps in formulating various IT security related policies/guide lines of the Bank. IT Security Unit organizes various awareness workshops to the general officers to ensure cyber security of the bank. In order to run the IT related activities of the Bank smoothly, IT Audit of all Branch/Zonal offices and Head office of the Bank is completed by the unit. This unit collaborates with BCC VAPT Team and resolves issues as per the VAPT report.

A-Challan System:

Automated Challan System (A-Challan System) has been introduced for online submission of various government service fees. The Automated Challan System (A-Challan) enables fast and secure deposit of VAT, Tax, Govt. fees, passport fees etc. BDBL is connected with Bangladesh Government's A-Challan System. Now all the branches can collect Treasury Challan on behalf of Bangladesh Government.

National Savings Scheme (Shanchaypatra):

National Savings Certificate in Bangladesh encompasses different types of savings schemes operated by National Savings Department, Bangladesh. It is supervised by Internal Resources Division of Ministry of Finance of Bangladesh Government. BDBL provides Shanchaypatra facility to the customer on behalf of Department of Savings, Bangladesh Government.

Indian Visa Application Fee:

As part of digitalization, Bangladesh Development Bank Limited has launched digital banking services such as Indian Visa Application Fee Processing. In this context, all BDBL subscribers can submit Indian visa fee through their own accounts using BDBL mobile apps and internet banking very easily.

Foreign Remittance Collection:

Foreign remittance has a lot of impact on our economy. BDBL is collecting foreign remittance through Western Union and Ria Money Transfer.

Utilities Bill Collection:

BDBL is collecting different utility bills such as TITAS gas, Bakhrabad gas, NESCO, DPDC etc through OTC as well as BDBL digital bank app and internet banking. With this facility bank is not only providing facilities to the customers to pay bill whenever required but also increasing secured low cost deposit accounts.

Future Plan

Bangla QR: Bangla QR Payment technology follows Push payments where the transactions are facilitated via smartphone, tablet, desktop or other application. Customers can pay any merchant pay by scanning Bangla QR. According to the instruction of Bangladesh Bank we will introduce Bangla QR very soon.

Software-Defined Networking (SDN) for proper utilization of Data Center (DC) and Disaster Recovery Site (DRS):

Implementation of SDN is essential for central monitoring and controlling the network system of the bank including all branches through software. SDN will be implemented after implementation of SOC. If this is implemented, the reliability of the bank's network connectivity will increase and disaster recovery will be faster. Above all, network management will be secure, fast and easier.

Establishment of Security Operation Center (SOC): The Bank has already implemented Network Operation Center (NOC) as per the guidelines and ICT policy of Bangladesh Bank. Data is being collected and reviewed from various banks for implementation of SOC under the direction of Bangladesh Bank.

Launch of Visa, Master Debit / Credit Card and Contactless Payment Service: The bank has taken initiative to introduce EMV Chip based Visa / Master Card. Data is being collected and reviewed from various banks with a view to introduce Chip based Debit / Credit Card in the bank. If it is possible to introduce such technology cards, the trust and acceptance of the bank towards the customers will increase.

Interoperable Digital Transaction Platform (IDTP): Bangladesh Bank has formulated policy 2022 for MFS (Mobile Financial Service) to MFS and MFS to Bank fund transfer. Under the said policy, if IDTP is implemented under the supervision of Bangladesh Bank, Bank to Bank, Bank to MFS (Mobile Financial Services e.g. bKash, Nagad etc.) and MFS to Bank will get the benefit of instant 24/7 fund transfer. BDBL has already made all the preparations and it will be implemented in this bank as soon as Bangladesh Bank starts live operation.

Cash withdrawal facility from Over the Counter (OTC) by scanning QR code

Cash withdrawal facility from Over The Counter (OTC) by scanning QR code will be introduced in BDBL. This System provides the facility of free and quick withdrawal of money without cheque. A maximum of 1,00,000 (one lac) taka at a time and a maximum of 5,00,000 (five lac) taka per day can be withdrawn in this method. Each branch of BDBL will have its own QR code. Customers will scan the QR code by logging into their account only through BDBL mobile apps. Two factor method will be used for verification. If it is possible to introduce QR Code based payment system in BDBL, the users of mobile apps will be benefited

by taking the said services easily. With the facility of cheque less and charge free cash withdrawal, the bank's customer base is expected to increase at a higher rate.

Facilities to Walking Customers (without accounts) through branches.

This service will be an alternative means of sending and receiving instant cash without an account within the country through mobile number, secret PIN and NID card verification. The bank account of the receiver and sender is not required for the transaction. Money can be sent and withdrawn from any branch of bank within the country. Each transaction has a maximum of Rs.1,00,000 (one lakh) and a maximum of 5 transactions per day. The service offers instant remittances, withdrawals and account-free cash receipts with full assurance. With the facility of account less and limited cost cash withdrawal, the bank's exposure and customer base are expected to increase at a higher rate. In addition to Walking Customer (without account), the bank's own customers can also take this service. The bank will be able to earn a significant amount of income by imposing different charges according to the amount of money transacted by the bank's own customers and external customers.

Report on Corporate Social Responsibility

Corporate Social Responsibility:

CSR also called the Corporate Citizenship or Sustainable Responsible Business is form of Corporate self-regulation integrated into a business model. CSR Policy functions as a self-regulatory mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical Standards and international norms. CSR objects to embrace responsibility for corporate actions and to encourage a positive impact on the environment and stakeholders including customers, employees, investors, communities and others. By definition, CSR means sense of responsibility towards the community and the environment. CSR reveals the enhancing development progression where no one behind the process.

CSR is mainly about the awareness of and actions in support of environmentally sustainable societal development. CSR actions aim at mitigating the diverse environmental impacts on the activities of the Business and at reducing inequalities and poverty in the communities across the Country.

CSR Activities:

As a state owned commercial bank in Bangladesh, BDBL with its 50 branches and 697 employees have also realized its responsibilities to the Society and are contributing to the development of the social life of destitute people. BDBL has been designed its CSR Policy with along the Sustainable Development Goal (SDG) Strategy. Ultimate goal of CSR activities of BDBL is building sustainable Society CSR budget is provided form the profit earned by the bank each year. Since its inception of BDBL, Total utilization of CSR fund activities are amount 4.27 crore taka.








DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING & INTERNAL CONTROL

The Board of Directors of BDBL is responsible for guiding the preparation of Financial Statements of the Bank to reflect a true and fair view of the state of its affairs. The Directors are to ensure that these Financial Statements have been prepared in conformity with the requirements of the Bangladesh Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh and Companies Act, 1994, Bank Companies Act, 1991 (Amended-2013) and Bangladesh Securities and Exchange Commission Rules, 1987 as considered relevant and appropriate under the circumstances. The financial information and data provided in this Annual Report is fully consistent with financial statements.

The financial statements are required by law and International Accounting Standards as adopted by ICAB to present fairly the financial position of the company and the performance for the period. In preparing the financial statements, the followings are observed:-

- ❖ Select suitable accounting policies and then apply them consistently;
- ❖ Make judgments and estimates that are reasonable and prudent;
- ❖ Ensure that financial statements have been prepared in accordance with International Accounting Standards (IAS) adopted by ICAB; and
- ❖ Prepare the financial statements on going concern basis unless it is appropriate to presume that the company will not continue in business.

In compliance with the requirements of the BSEC's Notification Dated 07 August, 2012, the Directors are also required to declare certain matters in the report which are as follows:

-  The financial statements prepared by the management represent fairly its state of affairs, the result 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 preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment;
-  International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been followed in preparation of financial statements with appropriate disclosures;
-  The system of internal control is sound in design and has been effectively implemented and monitored;
-  There is no significant doubt upon the company's ability to continue as a going concern. If the company is not considered to be a going concern, the fact along with reasons should be disclosed; and
-  Significant changes from last year in operating results of the company should be highlighted and reasons thereof should be explained.

The Directors fully confirm to the following procedures while preparing the annual accounts for the year 2022:

- ❖ The accounting policies, framed in accordance with the guidelines of Bangladesh Bank are consistently applied;
- ❖ Adequate accounting records are efficiently maintained in accordance with the provisions of the applicable laws governing banks in Bangladesh;
- ❖ Practical reasonable judgment and estimates are given to provide clear descriptive picture of the state of affairs and the profit of the Bank for the year 2022;
- ❖ Accounts have been prepared on a "going concern" basis; and
- ❖ Statutory payments have all been made up to date with full satisfaction of the Directors.

RESPONSIBILITY FOR INTERNAL CONTROL

To ensure adequate internal control, the Bank has taken proper and sufficient care in installing a system of internal control, which is reviewed, evaluated and updated on an ongoing basis. The Compliance Department of the Bank conducts periodic audits to provide reasonable assurance that the established / approved policies and procedures of the Bank are constantly followed. The auditors of the Bank, Hoda Vasi Chowdhury & Co. and Khan Wahab Shafique Rahman & Co. Chartered Accountants, have carried out annual audits to review the system of internal controls, as they consider appropriate and necessary, for expressing their opinion on the financial statements. They have also examined the financial statements made available by the management together with all the financial records, related data, minutes of shareholders and Board meetings, relevant policies and expressed their opinion.

The Board of Directors is responsible for ensuring adequate internal control on financial transactions and reporting. In order to ensure effective risk management, the Board also ensures that adequate internal control system is in place and it is consistently complied with to provide reasonable assurance that financial records are reliable for preparation of financial statements, that quality of financial reporting is maintained, that assets of the Bank are safeguarded against unauthorized use or disposition and that accountability for assets and business transactions are maintained. The Board monitors and updates internal control procedure on a continuous basis.

BDBL's accounting policies, financial reporting and internal control are under direct supervision of the Audit Committee of the Board that in turn report to the Board of Directors for general oversight and supervision. Audit Committee of the Board is fully independent of Executive Management. The Committee regularly reviews reports prepared by Internal Control & Compliance Division (ICCD) covering all the business operations of the Bank with particular focus on core risks.

Internal Control & Compliance Division of the Bank work under close coordination with Audit Committee of the Board for ensuring better internal control, effective operational procedure and reliable financial reporting. Internal Control & Compliance Division (ICCD) undertakes detail audit of the activities of Branches and Head Office on a regular basis. Its reports are presented directly to Audit Committee of the Board. ICCD has also direct access to the Audit Committee of the Board to discuss any matter related to their audit, adequacy of internal control procedure and compliance as well as overall risk management of the Bank. The auditors have full access to the audit committee to discuss any matter related to its audit to ensure reliability of financial reporting and effectiveness of internal control procedure.

In conclusion, the Board believes that effective control was maintained over preparation of financial statements for the year ended 31 December, 2022.

With best regards

On behalf of the Board of Directors.



(Shamima Nargis)
Chairman

Independent Auditors' Report and Audited Consolidated and Separate Financial Statements For the year ended 31 December 2022



Hoda Vasi Chowdhury & Co.
Chartered Accountants
BTMC Bhaban (6th & 7th Floor)
7-9 Kawran Bazar Road,
Dhaka-1215, Bangladesh.
Email: hvc@hodavasi.com
Web: www.hodavasi.com

Khan Wahab Shafique Rabman & Co.
Chartered Accountants
Rupali Bima Bhaban (5th & 6th Floor)
7 Rajuk Avenue, Motijheel,
Dhaka-1000, Bangladesh.
Email: kwsr@dhaka.net
Web: www.kwsrbd.com

Independent Auditors' Report to the Shareholders of Bangladesh Development Bank Limited
for the year ended 31 December 2022

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Bangladesh Development Bank Limited (BDBL) and its subsidiaries (the "Group") as well as the separate financial statements of Bangladesh Development Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2022 and the consolidated and separate profit and 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 and other explanatory information.

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 2.

Basis for Opinion

We conducted our audit in accordance with the 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), and 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.

Emphasis of matter

1. We draw attention to note 2.6.1 and 23.1 to the financial statements, which describes the policy of charging depreciation of revalued assets and present contribution to the employees' pension fund and the future contribution thereto. Our opinion is not modified in respect of these matters.

2. We draw attention to note 6.2 and 6.2.1 to the financial statements, which describes the investment in shares by listing status and quantity mismatch between CDBL and bank portfolio statement for some shares due to pending procedures of dematerialization.

Our opinion is not modified in respect of this matter.

Other Matters

The financial statements of the Bank for the year ended 31 December 2021, were audited by another auditor who expressed an unmodified opinion on those statements on 28 April 2022.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on accompanying financial statements.

Hoda Vasi Chowdhury & Co.
Chartered Accountants
BTMC Bhaban (6th & 7th Floor)
7-9 Kawran Bazar Road,
Dhaka-1215, Bangladesh.
Email: hvc@hodavasi.com
Web: www.hodavasi.com

Khan Wahab Shafique Rabman & Co.
Chartered Accountants
Rupali Bima Bhaban (5th & 6th Floor)
7 Rajuk Avenue, Motijheel,
Dhaka-1000, Bangladesh.
Email: kwsr@dhaka.net
Web: www.kwsrbd.com

1) Measurement of provision for loans and advances	
See notes # 7, 7(a), 12.6 & 12.7 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The process for estimating the provision for loans and advances is associated with credit risk and is judgmental, significant and complex. While estimating such provision certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> • Future business performance of the borrower; • Key assumptions relating to further business performance of the borrower; • Market value of the collateral; • Ability to repossess collateral; and • Recovery rates. <p>Furthermore, these provisions are processed through CBS system that deals with voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued time to time.</p> <p>Due to high level of judgment involved and using some manual process in estimating the provision for loans and advances, we considered this to be a key audit matter.</p> <p>At year end the Group and the Bank reported total gross loans and advances of BDT 24,580.35 million (2021: BDT 23,893.50 million) and provision as required by Bangladesh Bank for loans and advances of BDT 3,878.01 million (2021: BDT 4,061.40 million).</p> <p>We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012, BRPD circular no. 03 dated 21 April 2019, BRPD circular no. 17 dated 28 September 2020, BRPD circular no. 56 dated 10 December 2020 and BRPD Circular no. 51 dated 18 December 2022. <p>Later on, after 2020, Bangladesh Bank considered the negative impact of subsequent waves of Covid-19 and the macro-economic global crisis caused by the Russia-Ukraine war and from time to time issued several circulars including BRPD Circular no. 3 dated 31 January, 2021, no. 5 dated 24 March, 2021, BRPD Circular letter no, 51 dated 29 December 2021, no. 53 dated 30 December 2021 and BRPD Circular No. 14 dated 22 June 2022, letter no. 51 dated 18 December 2022. Through them Bangladesh Bank allowed banks to sustain a moratorium on downgrading the classification of loans and advances if they meet certain conditions, including receiving by 31 December 2021 at least 15% of the total instalments due on 2021, and by 31 December 2022, at least 50%, 60% and 50% of the total instalments due for the quarter April-June 2022, July-September 2022 and October-December 2022 respectively.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Reviewed quarterly Classification of Loans (CL). <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; • Evaluated the balances of loans and advances and provisions of overseas branches whether those are properly incorporated in the gross balances thereon; and <p>Finally, we compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained.</p>

Hoda Vasi Chowdhury & Co.
Chartered Accountants
BTMC Bhaban (6th & 7th Floor)
7-9 Kawran Bazar Road,
Dhaka-1215, Bangladesh.
Email: hvc@hodavasi.com
Web: www.hodavasi.com

Khan Wahab Shafique Rabman & Co.
Chartered Accountants
Rupali Bima Bhaban (5th & 6th Floor)
7 Rajuk Avenue, Motijheel,
Dhaka-1000, Bangladesh.
Email: kwsr@dhaka.net
Web: www.kwsrbd.com

2) Legal and regulatory matters	
The key audit matter	How the matter was addressed in our audit
<p>We focused on this area because the Bank and its subsidiary (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established as other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We obtained an understanding of the Group and the Bank's key controls over the legal compliance.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>
3) Carrying value of investments in subsidiaries by the Bank	
See note # 9 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Bank has invested in equity shares of its subsidiaries namely BDBL Securities Limited and BDBL Investment Services Limited. As at 31 December 2022 the carrying value of these investment in the subsidiaries is BDT 1,000 million (2021: BDT 1,000 million).</p> <p>The Bank is required to perform impairment test of investment in subsidiaries when impairment indication exists. The impairment testing is considered to be a key audit matter due to the complexity and judgments required in determining the assumptions to be used to estimate the recoverable amount which is higher of fair value less costs to sell and value in use.</p> <p>Management has not conducted impairment assessment and calculated recoverable values of its subsidiaries as no impairment indication exist.</p>	<p>We have reviewed management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36, Impairment of Assets.</p> <p>In particular, our discussion with the Management were focused on the continued appropriateness of the value in use model, the key assumption used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p>

Hoda Vasi Chowdhury & Co.

Chartered Accountants
BTMC Bhaban (6th & 7th Floor)
7-9 Kawran Bazar Road,
Dhaka-1215, Bangladesh.
Email: hvc@hodavasi.com
Web: www.hodavasi.com

Khan Wahab Shafique Rabman & Co.

Chartered Accountants
Rupali Bima Bhaban (5th & 6th Floor)
7 Rajuk Avenue, Motijheel,
Dhaka-1000, Bangladesh.
Email: kwsr@dhaka.net
Web: www.kwsrbd.com

4) Loans and Advances	
See note #7 & 7(a) to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Loans and advances are the vital component of financial statements of the bank. Income of the bank is primarily reliant on the portfolio of loans and advances. Management performance is highly dependent on the target achievement of loans and advances. Loan disbursement requires robust documentation followed by approval from appropriate level of authority.</p> <p>We identified loans and advances as a key audit matter because there is an inherent risk of fraud and error in disbursement of loans and advances by management to meet specific targets or expectations.</p> <p>At year end the Group and the Bank reported total gross loans and advances of BDT 24,580.35 million (2021: BDT 23,893.50 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on credit appraisal, loan disbursement procedures and monitoring process of loans and advances.</p> <p>We performed procedures to check whether the bank has ensured appropriate documentation as per Bangladesh bank regulations and Bank's policy before disbursement of loans and advances. In addition, we have performed procedures to check whether the loans and advances is recorded completely and accurately and that are existed at the reporting date.</p>
5) IT systems and controls	
The key audit matter	How the matter was addressed in our audit
<p>Our audit procedures have been focused on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>We have focused on master data management, user access management and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring operating effectiveness of manual with automated control as well as fully automated control systems.</p>	<p>We tested the design and operating effectiveness of the bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Group's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. Where deficiencies were identified, we tested compensating controls or performed alternate procedures.</p> <p>In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>

Hoda Vasi Chowdhury & Co.
Chartered Accountants
BTMC Bhaban (6th & 7th Floor)
7-9 Kawran Bazar Road,
Dhaka-1215, Bangladesh.
Email: hvc@hodavasi.com
Web: www.hodavasi.com

Khan Wahab Shafique Rabman & Co.
Chartered Accountants
Rupali Bima Bhaban (5th & 6th Floor)
7 Rajuk Avenue, Motijheel,
Dhaka-1000, Bangladesh.
Email: kwsr@dhaka.net
Web: www.kwsrbd.com

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 auditors' 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 consolidated and separate 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 to the board of directors of the Bank.

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 2, 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(as amended up to date) and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries. In preparing the 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.

Auditors' 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 auditors' 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:

Hoda Vasi Chowdhury & Co.
Chartered Accountants
BTMC Bhaban (6th & 7th Floor)
7-9 Kawran Bazar Road,
Dhaka-1215, Bangladesh.
Email: hvc@hodavasi.com
Web: www.hodavasi.com

Khan Wahab Shafique Rabman & Co.
Chartered Accountants
Rupali Bima Bhaban (5th & 6th Floor)
7 Rajuk Avenue, Motijheel,
Dhaka-1000, Bangladesh.
Email: kwsr@dhaka.net
Web: www.kwsrbd.com

- 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 auditors' 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 auditors' 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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

Hoda Vasi Chowdhury & Co.

Chartered Accountants
BTMC Bhaban (6th & 7th Floor)
7-9 Kawran Bazar Road,
Dhaka-1215, Bangladesh.
Email: hvc@hodavasi.com
Web: www.hodavasi.com

Khan Wahab Shafique Rabman & Co.

Chartered Accountants
Rupali Bima Bhaban (5th & 6th Floor)
7 Rajuk Avenue, Motijheel,
Dhaka-1000, Bangladesh.
Email: kwsr@dhaka.net
Web: www.kwsrbd.com

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 Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and 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 consolidated and separate 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; and
- 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 (other than matters disclosed in these financial statements);
- (iii) financial statements for the year ended 31 December 2022 of subsidiaries namely BDBL Securities Limited and BDBL Investment Services Limited have been audited by K. M. Hasan & Co., Chartered Accountants and have been properly reflected in the consolidated financial statements;
- (iv) in our opinion, proper books of account 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 loans & advance and other assets which are, in our opinion, doubtful of recovery as per tripartite meeting held on 13.04.2023 and Bangladesh Bank approval given vide letter no. DBI-8/51(2)/2023-257 Dated 18.04.2023 as explained in note no. 12.6, 12.7 & 12.5.b;
- (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 5,960 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Hoda Vasi Chowdhury & Co.

Chartered Accountants
BTMC Bhaban (6th & 7th Floor)
7-9 Kawran Bazar Road,
Dhaka-1215, Bangladesh.
Email: hvc@hodavasi.com
Web: www.hodavasi.com

Khan Wahab Shafique Rabman & Co.

Chartered Accountants
Rupali Bima Bhaban (5th & 6th Floor)
7 Rajuk Avenue, Motijheel,
Dhaka-1000, Bangladesh.
Email: kwsr@dhaka.net
Web: www.kwsrbd.com

Signed for & on behalf
of

Hoda Vasi Chowdhury & Co.
Chartered Accountants



Shaikh Hasibur Rhaman, FCA
Partner
ICAB Enrolment No.: 1512
DVC No.: 2304301512AS617307

Signed for & on behalf
of

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



Md. Abu Sina, FCA
Senior Partner
ICAB Enrolment No.: 619
DVC No.: 2304300619AS683335

Place: Dhaka.

Dated: 30 April 2023

Bangladesh Development Bank Limited and Its Subsidiaries
Consolidated Balance Sheet
As at 31 December 2022

	Notes	2022 Taka	2021 Taka
PROPERTY AND ASSETS			
Cash	3(a)	1,810,734,760	1,990,000,377
In hand (including foreign currencies)		133,519,474	96,221,417
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		1,677,215,286	1,893,778,960
Balance with other banks and financial institutions	4(a)	12,372,398,512	12,773,010,190
In Bangladesh		11,548,909,553	11,969,539,059
Outside Bangladesh		823,488,959	803,471,131
Money at call and on short notice	5	-	650,000,000
Investments	6(a)	10,656,959,478	10,211,187,843
Government		811,200	894,400
Others		10,656,148,278	10,210,293,443
Loans and advances	7(a)	24,580,351,264	23,893,495,928
Loans, cash credit and overdrafts, etc		23,999,623,740	23,298,844,627
Bill purchased and discounted		580,727,524	594,651,301
Fixed assets including premises, furniture and fixtures	8(a)	7,665,060,541	7,807,417,209
Other assets	9(a)	4,893,961,064	4,769,113,056
Total assets		61,979,465,619	62,094,224,603
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, financial institutions and agents	10	342,504,127	158,402,624
Deposits and other accounts	11(a)	29,143,590,120	29,004,666,489
Current and other accounts		4,788,880,194	3,429,150,175
Bills payable		110,182,120	112,056,316
Savings bank deposits		2,462,704,981	2,044,526,815
Fixed deposits		21,781,822,825	23,418,933,183
Other deposits		-	-
Other liabilities	12(a)	12,989,175,686	13,555,383,008
Total liabilities		42,475,269,933	42,718,452,121
Shareholders' equity			
Total shareholders' equity		19,504,195,686	19,375,772,482
Paid-up capital	13	6,000,000,000	6,000,000,000
Quasi equity	14	134,744,560	134,744,560
Statutory reserve	15	2,714,871,336	2,664,871,336
General reserve	16.1	2,377,755,115	2,347,755,115
Revaluation reserve	16.2(a)	6,231,724,815	6,320,705,403
Other reserve	16.3(a)	1,129,674,291	1,100,420,676
Retained earnings	16(a.i)	915,425,569	807,275,392
Total liabilities and shareholders' equity		61,979,465,619	62,094,224,603

Bangladesh Development Bank Limited and Its Subsidiaries
Consolidated Balance Sheet
As at 31 December 2022


Notes	2022 Taka	2021 Taka
OFF-BALANCE SHEET ITEMS		
Contingent liabilities	16.4	1,242,314,486
Acceptance and endorsements	-	-
Acceptance for FC guarantee	-	-
Letters of credit	796,208,974	757,335,731
Bills for collection	368,861,396	376,968,243
Other contingent liabilities	77,244,116	66,502,715
Other commitments	-	-
Documentary credits and other short term trade-related transaction	-	-
Liability on account of outstanding forward exchange contract	-	-
Forward assets purchased and forward deposit placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Total off-balance sheet items including contingent liabilities	1,242,314,486	1,200,806,689

The annexed notes from 1 to 35 form an integral part of these consolidated financial statements.

 Managing Director & CEO	 Director	 Director	 Chairman
---	--	---	---

This is the consolidated Balance Sheet referred to in our separate report of even date.

Signed for & on behalf
of
Hoda Vasi Chowdhury & Co.
Chartered Accountants


Shaikh Hasibur Rhaman, FCA
 Partner
 ICAB Enrolment No.: 1512
 DVC No.: 2304301512AS617307

Signed for & on behalf
of
Khan Wahab Shafique Rahman & Co.
Chartered Accountants


Md. Abu Sina, FCA
 Senior Partner
 ICAB Enrolment No.: 619
 DVC No.: 2304300619AS683335

Place: Dhaka.
Dated: 30 April 2023

Bangladesh Development Bank Limited and Its Subsidiaries

Consolidated Profit and Loss Account

As at 31 December 2022

	Notes	2022 Taka	2021 Taka
Interest Income	18(a)	1,960,423,322	1,724,442,000
Interest paid on borrowings, deposits, etc	19(a)	(1,572,531,006)	(1,592,862,269)
Net interest income		387,892,316	131,579,731
Investment income	20(a)	904,429,547	1,266,286,685
Commission, exchange and brokerage	21(a)	123,177,979	174,290,251
Other operating income	22(a)	564,238,521	363,208,755
Total operating income		1,591,846,047	1,803,785,691
Operating expenses			
Salaries and allowances	23(a)	925,510,611	912,540,557
Rent, taxes, insurance, lighting, etc	24(a)	71,144,575	63,090,975
Legal expenses	25(a)	1,178,718	1,734,941
Postage, telecommunication, etc	26(a)	9,423,701	9,869,644
Stationery, printing, advertisement, etc	27(a)	16,222,023	11,748,531
Managing Director's/Chief Executive's remuneration		3,887,500	3,762,460
Directors' fees	28(a)	3,139,656	2,102,387
Auditors' fees	28(b)	1,166,700	968,667
Depreciation and repair of Bank's assets	29(a)	125,944,373	106,506,255
Other expenses	30(a)	161,365,588	157,706,501
Total operating expenses		1,318,983,445	1,270,030,918
Profit before provision		660,754,918	665,334,504
Provision for loans and advances	31(a)	250,000,000	158,999,961
Provision for diminution in value of investments		71,317,589	70,651,738
Other provisions		-	-
Total provision		321,317,589	229,651,699
Total profit before taxes		339,437,329	435,682,805
Provision for taxation			
Current tax	12(a.i)	193,399,569	237,197,876
Deferred tax	12(a.ii)	(12,379,357)	(7,895,099)
Net profit after tax		181,020,212	229,302,777
Appropriations:			
Statutory reserve		50,000,000	50,300,000
General reserve		30,000,000	-
Start up fund		1,013,325	638,440
		81,013,325	50,938,440
Retained surplus	16(a)	77,403,792	155,441,588
Earnings per share (EPS)	33(a)	2.64	3.44

The annexed notes from 1 to 35 form an integral part of these consolidated financial statements.


Managing Director & CEO


Director


Director


Chairman

This is the consolidated Profit & Loss Account referred to in our separate report of even date.

Signed for & on behalf
of
Hoda Vasi Chowdhury & Co.
Chartered Accountants


Shaikh Hasibur Rhaman, FCA
Partner
ICAB Enrolment No.: 1512
DVC No.: 2304301512AS617307

Signed for & on behalf
of
Khan Wahab Shafique Rahman & Co.
Chartered Accountants


Md. Abu Sina, FCA
Senior Partner
ICAB Enrolment No.: 619
DVC No.: 2304300619AS683335

Place: Dhaka.
Dated: 30 April 2023

Bangladesh Development Bank Limited and Its Subsidiaries
Consolidated Cash Flow Statement
As at 31 December 2022

Notes	2022 Taka	2021 Taka
A. Cash flows from operating activities		
Interest receipts in cash	1,540,358,651	1,752,564,746
Interest payments	(1,593,496,746)	(1,467,265,709)
Dividends receipts	477,632,239	301,686,380
Fees and commission receipts in cash	123,177,979	174,290,251
Recoveries of loans previously written-off	85,160,395	61,534,314
Cash payments to employees	(901,651,417)	(883,896,474)
Cash payments to suppliers	(18,740,287)	2,391,859
Income taxes paid	(247,684,614)	(200,967,146)
Receipts from other operating activities	1,081,841,425	2,008,144,450
Payments for other operating activities	(873,546,958)	(1,322,369,829)
Operating profit before changes in operating assets and Increase/(Decrease) in operating assets and liabilities	(326,949,333)	426,112,842
Loans and advances	(237,495,462)	(2,851,177,257)
Other assets	(163,168,183)	(5,872,917)
Deposits from other banks	-	-
Deposits from customers and others	138,923,631	4,788,376,536
Other liabilities	(604,685,269)	1,012,235,378
Cash flow from/(used in) operating assets and liabilities	(866,425,284)	2,943,561,740
Net cash flow from/(used in) operating activities	(1,193,374,616)	3,369,674,582
B. Cash flows from investing activities		
Proceeds from sale of securities	760,051,918	2,612,882,022
Payments for purchase of securities	(1,084,121,261)	(2,605,585,893)
Purchase of fixed asset (property, plant and equipment)	(41,791,431)	(207,706,352)
Net cash (used in)/flow from investing activities	(365,860,774)	(200,410,223)
C. Cash flows from financing activities		
Decrease in long term borrowing	182,589,502	(175,806,158)
Dividend paid	(20,000,000)	-
Net cash (used in)/flow from financing activities	162,589,502	(175,806,158)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,396,645,888)	2,993,458,200
E. Effects of changes in exchange rate	166,768,593	24,513,744
F. Cash and cash equivalents at beginning of the year	15,413,010,567	12,395,038,622
G. Cash and cash equivalents at end of the year (D+E+F) 32(a)	14,183,133,272	15,413,010,567
Cash and cash equivalents at end of the year		
Cash in hand (including foreign currencies)	133,519,474	96,221,417
Balance with Bangladesh Bank and its agent bank(s)	1,677,215,286	1,893,778,960
Balance with other banks and financial institutions	12,372,398,512	13,423,010,190
	14,183,133,272	15,413,010,567

The annexed notes from 1 to 35 form an integral part of these consolidated financial statements.


Managing Director & CEO


Director


Director


Chairman

Place: Dhaka.
Dated: 30 April 2023

Bangladesh Development Bank Limited and Its Subsidiaries Consolidated Statement of Changes in Equity As at 31 December 2022

Particulars	(Amount in Taka)									
	Paid-up capital	Quasi equity	Statutory reserve	General reserve	Revaluation reserve	Other reserve	Retained earnings	Profit/(Loss)	Total equity	
Balance as at 01 January 2022	6,000,000,000	134,744,560	2,664,871,336	2,347,755,115	6,320,705,403	1,100,420,676	807,275,392	-	19,375,772,482	
Transfer to Capital Reserve	-	-	-	-	-	29,253,615	(29,253,615)	-	-	
Dividend adjusted	-	-	-	-	-	-	100,000,000	-	100,000,000	
Dep. during the year	-	-	-	-	(102,276,538)	-	-	-	(102,276,538)	
Adjustment for deferred tax	-	-	-	-	13,295,950	-	-	-	13,295,950	
Net profit for the year	-	-	-	-	-	-	-	158,417,117	158,417,117	
Appropriations made during the year	-	-	50,000,000	30,000,000	-	-	77,403,792	(157,403,792)	-	
Appropriations of profit to other liability for	-	-	-	-	-	-	-	(1,013,325)	(1,013,325)	
Start up fund	-	-	-	-	-	-	-	-	-	
Dividend paid	-	-	-	-	-	-	(40,000,000)	-	(40,000,000)	
Balance as at 31 December 2022	6,000,000,000	134,744,560	2,714,871,336	2,377,755,115	6,231,724,815	1,129,674,291	915,425,569	-	19,504,195,686	

For the year ended 31 December 2021

Particulars	(Amount in Taka)									
	Paid-up capital	Quasi equity	Statutory reserve	General reserve	Revaluation reserve	Other reserve	Retained earnings	Profit/(Loss)	Total equity	
Balance as at 01 January 2021	4,000,000,000	134,744,560	2,614,571,336	4,347,755,115	6,411,967,551	1,076,128,516	676,125,964	-	19,261,293,042	
Bonus share issued	2,000,000,000	-	-	(2,000,000,000)	-	-	-	-	-	
Transfer to Capital Reserve	-	-	-	-	-	24,292,160	(24,292,160)	-	-	
Dep. during the year	-	-	-	-	(104,899,013)	-	-	-	(104,899,013)	
Adjustment for deferred tax	-	-	-	-	13,636,865	-	-	-	13,636,865	
Net profit for the year	-	-	-	-	-	-	-	206,380,028	206,380,028	
Appropriations made during the year	-	-	50,300,000	-	-	-	155,441,588	(205,741,588)	-	
Appropriations of profit to other liability for	-	-	-	-	-	-	-	(638,440)	(638,440)	
Start up fund	-	-	-	-	-	-	-	-	-	
Balance as at 31 December 2021	6,000,000,000	134,744,560	2,664,871,336	2,347,755,115	6,320,705,403	1,100,420,676	807,275,392	-	19,375,772,482	



Managing Director & CEO



Director



Director



Chairman

Place: Dhaka.

Dated: 30 April 2023

Bangladesh Development Bank Limited
Balance Sheet
As at 31 December 2022

	Notes	2022 Taka	2021 Taka
PROPERTY AND ASSETS			
Cash	3	1,810,734,760	1,990,000,377
Cash in hand (including foreign currencies)		133,519,474	96,221,417
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		1,677,215,286	1,893,778,960
Balance with other banks and financial institutions	4	12,085,943,184	12,358,213,539
In Bangladesh		11,262,454,225	11,554,742,408
Outside Bangladesh		823,488,959	803,471,131
Money at call and on short Notice	5	-	650,000,000
Investments	6	8,698,436,871	8,397,227,868
Government		811,200	894,400
Others		8,697,625,671	8,396,333,468
Loans and advances	7	24,796,585,158	24,134,333,604
Loans, cash credit and overdrafts, etc		24,215,857,634	23,539,682,303
Bill purchased and discounted		580,727,524	594,651,301
Fixed assets including premises, furniture and fixtures	8	7,657,351,484	7,797,780,000
Other assets	9	5,919,541,365	5,829,063,323
Total assets		60,968,592,822	61,156,618,711
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, financial institutions and agents	10	342,504,127	158,402,624
Deposits and other accounts	11	29,145,022,652	29,005,102,268
Current and other accounts		4,790,312,726	3,429,585,954
Bills payable		110,182,120	112,056,316
Savings Bank deposits		2,462,704,981	2,044,526,815
Fixed deposits		21,781,822,825	23,418,933,183
Other deposits		-	-
Other liabilities	12	12,375,111,942	12,998,498,297
Total liabilities		41,862,638,721	42,162,003,189
Shareholders' equity			
Total shareholders' equity		19,105,954,101	18,994,615,521
Paid-up capital	13	6,000,000,000	6,000,000,000
Quasi equity	14	134,744,560	134,744,560
Statutory reserve	15	2,714,871,336	2,664,871,336
General reserve	16.1	2,377,755,115	2,347,755,115
Revaluation reserve	16.2	6,231,724,815	6,320,705,403
Other reserve	16.3	1,065,907,514	1,065,907,514
Retained earnings	16.5	580,950,761	460,631,593
Total liabilities and shareholders' equity		60,968,592,822	61,156,618,711

Bangladesh Development Bank Limited
Balance Sheet
As at 31 December 2022

Notes	2022 Taka	2021 Taka
OFF-BALANCE SHEET ITEMS		
Contingent liabilities	16.4	1,242,314,486
Acceptance and endorsements	-	-
Acceptance for FC guarantee	-	-
Letters of credit	796,208,974	757,335,731
Bills for collection	368,861,396	376,968,243
Other contingent liabilities	77,244,116	66,502,715
Other commitments	-	-
Documentary credits and other short term trade related transaction	-	-
Liability on account of outstanding forward exchange contract	-	-
Forward assets purchased and forward deposit placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal stand by facilities, credit lines and other commitments	-	-
Total off-balance sheet items including contingent liabilities	1,242,314,486	1,200,806,689

The annexed notes from 1 to 35 form an integral part of these financial statements.



Managing Director & CEO



Director




Director



Chairman


This is the Balance Sheet referred to in our separate report of even date.

Signed for & on behalf
of
Hoda Vasi Chowdhury & Co.
Chartered Accountants



Shaikh Hasibur Rhaman, FCA
Partner
ICAB Enrolment No.: 1512
DVC No.: 2304301512AS617307

Signed for & on behalf
of
Khan Wahab Shafique Rahman & Co.
Chartered Accountants



Md. Abu Sina, FCA
Senior Partner
ICAB Enrolment No.: 619
DVC No.: 2304300619AS683335

Place: Dhaka.
Dated: 30 April 2023

Bangladesh Development Bank Limited
Profit and Loss Account
As at 31 December 2022

	Notes	2022 Taka	2021 Taka
Interest income	18	1,961,685,828	1,754,574,023
Interest paid on borrowings, deposits, etc	19	(1,572,531,006)	(1,592,862,269)
Net Interest Income		389,154,822	161,711,754
Income from investments	20	746,626,352	1,016,784,059
Commission, exchange and brokerage	21	70,414,706	85,735,205
Other operating income	22	561,277,923	360,302,894
Total operating income		1,378,318,981	1,462,822,158
Operating expenses		1,767,473,803	1,624,533,912
Salaries and allowances	23	899,697,469	885,076,422
Rent, taxes, insurance, lighting, etc	24	66,455,321	59,137,643
Legal expenses	25	874,918	1,594,641
Postage, telecommunication, etc	26	9,277,932	9,690,569
Stationery, printing, advertisement, etc	27	15,481,722	11,082,678
Managing Director's/Chief Executive's remuneration		3,887,500	3,762,460
Directors' fees		1,424,800	852,587
Auditors' fees	28	868,500	807,667
Depreciation and repair of Bank's assets	29	121,621,400	101,830,019
Other expenses	30	147,569,519	139,941,275
Total operating expenses		1,267,159,081	1,213,775,961
Profit before provision		500,314,722	410,757,951
Provision for loans and advances	31	250,000,000	158,999,961
Provision for diminution in value of investments		-	-
Other provisions		1,000,000	-
Total provision		251,000,000	158,999,961
Total profit before taxes		249,314,722	251,757,990
Provision for taxation			
Current tax	12.1	160,294,672	195,808,084
Deferred tax	12.1.1	(12,312,443)	(7,893,972)
		147,982,229	187,914,112
Net profit after tax		101,332,493	63,843,878
Appropriations:			
Statutory reserve		50,000,000	50,300,000
General reserve		30,000,000	-
Start up fund		1,013,325	638,440
		81,013,325	50,938,440
Retained surplus		20,319,168	12,905,438
Earnings per share (EPS)	33	1.69	1.06

The annexed notes from 1 to 35 form an integral part of these financial statements.


Managing Director & CEO



Director


Director


Chairman

This is the Profit & Loss Account referred to in our separate report of even date.

Signed for & on behalf
of
Hoda Vasi Chowdhury & Co.
Chartered Accountants


Shaikh Hasibur Rahman, FCA
Partner
ICAB Enrolment No.: 1512
DVC No.: 2304301512AS617307

Signed for & on behalf
of
Khan Wahab Shafique Rahman & Co.
Chartered Accountants


Md. Abu Sina, FCA
Senior Partner
ICAB Enrolment No.: 619
DVC No.: 2304300619AS683335

Place: Dhaka.
Dated: 30 April 2023

Bangladesh Development Bank Limited
Cash Flow Statement
As at 31 December 2022

	Notes	2022 Taka	2021 Taka
A. Cash flows from operating activities			
Interest receipts in cash		1,536,929,736	1,761,068,681
Interest payments		(1,633,729,823)	(1,507,498,786)
Dividend receipts		419,933,032	250,777,364
Fees and commission receipts in cash		70,414,706	85,735,205
Recoveries on loans previously written-off		85,160,395	61,534,314
Cash payments to employees		(901,651,417)	(883,896,474)
Cash payments to suppliers		(18,740,287)	2,391,859
Income taxes paid		(204,813,385)	(172,919,731)
Receipts from other operating activities	22(b)	708,732,396	900,639,344
Payments for other operating activities	30(b)	(284,354,710)	(261,635,163)
Operating profit before changes in operating assets and Increase/(Decrease) in operating assets and liabilities		(222,119,357)	236,196,613
Loans and advances		(237,495,462)	(2,851,177,257)
Other assets		(163,168,183)	(5,872,917)
Deposits from other banks		-	-
Deposits from customers and others		139,920,384	4,786,199,637
Other liabilities		(604,685,269)	1,012,235,378
Cash flow from/(used in) operating assets and liabilities		(865,428,531)	2,941,384,841
Net cash flow from/(used in) operating activities		(1,087,547,887)	3,177,581,454
B. Cash flows from investing activities			
Proceeds from sale of securities		760,051,918	2,612,882,022
Payments for purchase of securities		(1,084,121,261)	(2,605,585,893)
Purchase of property, plant and equipment		(40,788,838)	(206,448,440)
Net cash (used in)/flow from investing activities		(364,858,181)	(199,152,311)
C. Cash flows from financing activities			
Increase in long term borrowing		184,101,503	(173,790,158)
Dividend paid		-	-
Net cash (used in)/flow from financing activities		184,101,503	(173,790,158)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)		(1,268,304,565)	2,804,638,985
E. Effects of changes in exchange rate		166,768,593	24,513,744
F. Cash and cash equivalents at beginning of the year		14,998,213,916	12,169,061,187
G. Cash and cash equivalents at end of the year (D+E+F)	32	13,896,677,944	14,998,213,916
Cash and cash equivalents at end of the year			
Cash in hand (including foreign currency)		133,519,474	96,221,417
Balance with Bangladesh Bank and its agent bank(s)		1,677,215,286	1,893,778,960
Balance with other banks and financial institutions		12,085,943,184	13,008,213,539
		13,896,677,944	14,998,213,916

The annexed notes from 1 to 35 form an integral part of these financial statements.


 Managing Director & CEO


 Director


 Director


 Chairman

Place: Dhaka.
 Dated: 30 April 2023

Bangladesh Development Bank Limited
Statement of Changes in Equity
As at 31 December 2022

Particulars	(Amount in Taka)								
	Paid-up capital	Quasi equity	Statutory reserve	General reserve	Revaluation reserve	Other reserves	Retained earnings	Profit/(loss)	Total equity
Balance as at 01 January 2022	6,000,000,000	134,744,560	2,664,871,336	2,347,755,115	6,320,705,403	1,065,907,514	460,631,593	-	18,994,615,521
Dividend adjusted	-	-	-	-	-	-	100,000,000	-	100,000,000
Depreciation during the year	-	-	-	-	(102,276,538)	-	-	-	(102,276,538)
Adjustment for deferred tax	-	-	-	-	13,295,950	-	-	-	13,295,950
Net profit for the year	-	-	-	-	-	-	-	101,332,493	101,332,493
Appropriations made during the year	-	-	50,000,000	30,000,000	-	-	20,319,168	(100,319,168)	-
Appropriations of profit to other liability for Start up fund	-	-	-	-	-	-	-	(1,013,325)	(1,013,325)
Balance as at 31 December 2022	6,000,000,000	134,744,560	2,714,871,336	2,377,755,115	6,231,724,815	1,065,907,514	580,950,761	-	19,105,954,101

For the year ended 31 December 2021

Particulars	(Amount in Taka)								
	Paid-up capital	Quasi equity	Statutory reserve	General reserve	Revaluation reserve	Other reserves	Retained earnings	Profit/(loss)	Total equity
Balance as at 01 January 2021	4,000,000,000	134,744,560	2,614,571,336	4,347,755,115	6,411,967,551	1,065,907,514	447,726,155	-	19,022,672,231
Bonus share issued	2,000,000,000	-	-	(2,000,000,000)	-	-	-	-	(104,899,013)
Depreciation during the year	-	-	-	-	(104,899,013)	-	-	-	13,636,865
Adjustment for deferred tax	-	-	-	-	13,636,865	-	-	-	63,843,878
Net profit for the year	-	-	-	-	-	-	-	63,843,878	63,843,878
Appropriations made during the year	-	-	50,300,000	-	-	-	12,905,438	(63,205,438)	-
Appropriations of profit to other liability for Start up fund	-	-	-	-	-	-	-	(638,440)	(638,440)
Balance as at 31 December 2021	6,000,000,000	134,744,560	2,664,871,336	2,347,755,115	6,320,705,403	1,065,907,514	460,631,593	-	18,994,615,521


Managing Director & CEO


Director


Director


Chairman

Place: Dhaka.
Dated: 30 April 2023

Bangladesh Development Bank Limited
Liquidity Statement (Analysis of Maturity of Assets and Liabilities)
 As at 31 December 2022

Particulars	(Amount in Taka)					Total
	Not more than 1	1-3 months term	3-12 months	1-5 years term	Above 5-years	
Assets						
Cash in hand	133,519,474	-	-	-	-	133,519,474
Balance with Bangladesh Bank and Sonali Bank (incl. Balance with other banks and financial institutions and Money at call and on short notice)	9,180,573	-	-	-	1,668,034,713	1,677,215,286
Investments	5,344,300,000	5,897,800,000	843,843,184	-	-	12,085,943,184
Loans and advances	-	811,200	7,452,400,000	134,300,000	1,110,925,671	8,698,436,871
Fixed assets including premises, furniture and fixtures	-	3,266,700,000	7,397,000,000	10,188,900,000	3,943,985,158	24,796,585,158
Other assets	86,400,000	631,700,000	552,900,000	2,369,000,000	7,657,351,484	7,657,351,484
Non-banking assets	-	-	-	-	2,279,541,365	5,919,541,365
Total Assets	5,573,400,047	9,797,011,200	16,246,143,184	12,692,200,000	16,659,838,391	60,968,592,822
Liabilities						
Borrowing from Bangladesh Bank, Other banks, Deposits and other accounts	160,000,000	-	97,400,000	83,242,917	1,861,210	342,504,127
Provision and other liabilities	1,942,700,000	6,448,000,000	12,246,700,000	8,507,622,652	-	29,145,022,652
Total Liabilities	2,102,700,000	6,619,100,000	12,444,490,000	10,503,365,569	10,192,983,152	41,862,638,721
Net liquidity gap	3,470,700,047	3,177,911,200	3,801,653,184	2,188,834,431	6,466,855,239	19,105,954,101


 Managing Director & CEO


 Director


 Director


 Chairman

Place: Dhaka.

Date: 30 April 2023

- i) Balance with other banks and financial institutions, Money at call and on short notice are on the basis of their maturity.
- ii) Investments are on the basis of their maturity.
- iii) Loans and advances are on the basis of their maturity.
- iv) Fixed assets including premises land and buildings, furniture and fixtures are on the basis of their useful life.
- v) Other assets are on the basis of their adjustment.
- vi) Borrowings from Bangladesh Bank, other banks, financial institutions and agents are on the basis of their payment.
- vii) Deposits and other accounts are on the basis of their maturity and payment.
- viii) Provision and other liabilities are on the basis of their adjustment.

Bangladesh Development Bank Limited and Its Subsidiaries

Notes to the consolidated and separate financial statements

As at & for the year ended 31 December 2022

1. Status of the Bank

1.1 Legal form of the Bank

Bangladesh Development Bank Limited (“BDBL” or the “Bank”) a state owned Bank was incorporated in Bangladesh on 16th November, 2009 under the Companies Act, 1994 to acquire and take-over, as a going concern, the undertakings and business of two specialized Banks i.e.. Bangladesh Shilpa Bank (BSB) and Bangladesh Shilpa Rin Sangstha (BSRS) constituted respectively under the Bangladesh Shilpa Bank Order, 1972 (President Order No.129 of 1972) and Bangladesh Shilpa Rin Sangstha Order, 1972 (President Order No.128 of 1972) with all of their assets, benefits, rights, powers, authorities, privileges, liabilities, borrowings and obligations and to carry on with the same business. Two vendors agreements were executed between the Government of Bangladesh and Bangladesh Development Bank Limited on 31 December 2009 in this regard. The Bank has 50 Branches & 02 (two) 100% owned subsidiaries named BDBL Securities Limited (BSL) and BDBL Investment Services Limited (BISL).

The registered office of the Bank is located at 8 Rajuk Avenue, Motijheel, Dhaka-1000 and the website address is www.bdbl.com.bd

1.2 Nature of business

Bangladesh Development Bank Limited extends financial assistance both in local and foreign currencies for setting up of new industries and provides all kinds of commercial banking services to its customer through its branches in Bangladesh.

The principal activities of the bank are to provide a comprehensive range of financial services:

(a) personal and commercial banking, including accepting deposits, remittance, money transfer, foreign exchange transaction, guarantee, commitments, trade and services, cash management, selling of savings certificate etc. to its customers. Besides this, BDBL introduces Debit card, mobile apps, e-GP (e-Govt. Procurement), A-Challan (Automated Challan System).

(b) Fund based services include short term & long term loans, Project wise industrial credit, discounting and purchasing bills, consumers and staff loans, House & car loans etc.

1.3 BDBL Securities Limited (BSL)

BDBL Securities Limited, a fully owned subsidiary company which was incorporated on 23 May 2011 with the Registrar of Joint Stock Companies & Firms with an authorised and paid up capital of BDT 4000 million and BDT 500 million respectively. The company is a member of Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. and obtained Stock Broker and Stock Dealer Licenses of DSE on 18 January 2012 and CSE on 15 May 2012.

1.4 BDBL Investment Services Limited (BISL)

BDBL Investment Services Limited, another fully owned subsidiary company which was incorporated on 06 August, 2014 with authorised and paid up capital of BDT 500 million and BDT 500 million respectively. A vendor's Agreement was signed on 11 September, 2014 between BDBL and BISL for transfer of membership of DSE Trading Right Entitlement Certificate (TREC) # 152 and shares (7,215,106 share of BDT 10 each). DSE approved conversion of DSE TREC # 152 and shares in favor of BISL at its 813th Board Meeting held on 26 November 2015 and then BSEC issued Stock Dealer and Stock Broker Registration Certificate in favor of BISL on 19 January 2016.

2. Significant accounting policies

2.1 Basis of preparation of the financial statements

The consolidated financial statements of the Group and separate financial statements the Bank have been prepared under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs) with reference to the provisions of the Bank Company Act, 1991 (as amended up to date) and other circulars/instructions of Bangladesh Bank and the Companies Act, 1994.

Bangladesh Development Bank Limited and Its Subsidiaries

Notes to the consolidated and separate financial statements

As at & for the year ended 31 December 2023

In case any requirement of the Bank Companies Act 1991 (as amended up to date) and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs as adopted, the requirements of the Bank Company Act 1991 and provisions and circulars issued by Bangladesh Bank shall prevail.

As such the Group and the Bank has departed from those which are the requirements of IAS and IFRS in order to comply with the rules and regulations of Bangladesh Bank are disclosed below:

i) **Presentation of financial statements**

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 flow statement, statement of changes in equity, liquidity statement) is prescribed in the “First Schedule” of section 38 of the Bank Company Act 1991 (as amended) and BRPD circular no. 15 dated 09 November 2009 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**

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

iii) **Revaluation gains/losses on Government securities**

IFRS: As per requirement of IFRS 9 “Financial Instruments: where securities will fall under the category of fair value through profit or loss account and any change in fair value of the asset is recognised through profit or loss account. Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as amortized cost are measured at effective interest rate method and interest income is recognized through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized at the year end and gains or losses on amortization are recognized in other reserve as a part of equity.

iv) **Provision on investments and off-balance sheet items**

IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on investments (loan) based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for investment (loan) at an amount equal to the lifetime expected credit losses if the credit risk on these investments has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those investments (loans) for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on investments that are possible within 12 months after reporting date.

Bangladesh Development Bank Limited and Its Subsidiaries

Notes to the consolidated and separate financial statements

As at & for the year ended 31 December 2022

Bangladesh Bank: As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012), BRPD circular No. 05 (29 May 2013), BRPD circular No. 16 (18 November 2014), BRPD Circular No. 15 (27 September 2017), BRPD Circular No. 01 (20 February 2018), BRPD Circular No. 03 (21 April 2019) and BRPD Circular No. 07 (19 March 2020) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively (except short-term agricultural and micro-credits where 5% for sub-standard and doubtful investments and 100% for bad & loss investments) for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures (except LC issued against Fast Track Electricity Project & Bills for Collection according to BRPD circular letter no. 01 dated 03 January 2018 & BRPD circular no. 07 dated 21 June 2018 respectively). Such provision policies are not specifically in line with those prescribed by IFRS 9 “Financial Instruments”.

v) Recognition of investment income in suspense

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

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

vi) Other comprehensive income

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

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

vii) Financial instruments – presentation and disclosure

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

viii) Financial guarantees

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

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

ix) Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash items as per IAS 7 “Statement of Cash Flows”.

Bangladesh Development Bank Limited and Its Subsidiaries

Notes to the consolidated and separate financial statements

As at & for the year ended 31 December 2022

Bangladesh Bank: Some cash and cash equivalent items such as ‘money at call on short notice’, treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the balance sheet, and treasury bills, prize bonds are shown in investments.

x) Non-Banking assets

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

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, there must exist a face item named Non-Banking asset.

xi) Cash flow statement

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

Bangladesh Bank: As per BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, cash flow is the mixture of direct and indirect methods.

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

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

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

xiii) Presentation of intangible asset

IFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38 “Intangible Assets”.

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14 dated 25 June 2003.

xiv) Off-balance sheet items

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

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately under the balance sheet.

xv) Disclosure of appropriation of profit

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) Investments net off provision

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

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, provision on loans and investments are presented separately as liability and cannot be net-off against loans and advances.

xvii) Recognition of Interest in Suspense

IFRS: Loans and advances/Investments 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 an investment is classified, interest on such investments are not allowed to be recognised as income, rather the corresponding amount needs to be credited to suspense account, which is presented as liability in balance sheet.

Bangladesh Development Bank Limited and Its Subsidiaries

Notes to the consolidated and separate financial statements

As at & for the year ended 31 December 2022

2.2 Consolidation

The consolidated Financial Statements include the Financial Statements of Bangladesh Development Bank Limited (BDBL) including and the Financial Statements of its subsidiaries named BDBL Securities Limited (BSL) and BDBL Investment Services Limited (BISL) made up to the end of the financial year.

The consolidated Financial Statements have been prepared in accordance with IFRS 10. 'Consolidated Financial Statements'. The consolidated Financial Statements are prepared to a common financial year ending 31 December 2022.

2.3 Subsidiary

Subsidiary is that enterprise which is controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise to obtain benefits from its activities from the date that control commences until the date that control ceases. The Financial Statements of subsidiary are included in the consolidated Financial Statements from the date that control effectively commences until the date the control effectively ceases.

2.4 Transactions eliminated on consolidation

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit & Loss resulting from transaction between groups are also eliminated on consolidation.

2.5 Use of estimates and judgments

The preparation of Financial Statements requires the Bank to make certain estimates and to form judgments about the application of accounting policies which may affects the reported amounts of assets, liabilities, income and expenses; due to that actual results may differ to reasonable extent.

Estimates and underlying assumptions are reviewed on an ongoing basis and recognized its effects on present and future financial positions. The most significant areas where estimates and judgments have been made are on provision for investments, Income Taxes & Deferred Tax.

2.6 Fixed assets and depreciation

Fixed assets, except land building are stated at cost less accumulated depreciation as per IAS-16. Land and building are shown at revalued amount.

Depreciation is charged on fixed assets other than motor vehicles and computer on reducing balance method. Depreciation on motor vehicles and computer is charged on straight line method. Depreciation is charged when the assets are ready to use. The relevant rates for depreciation are as follows:

Assets	Rates
Building / Premises	2.5%
Furniture and Fixtures, Interior Decoration	10%
Electric / Gas Installation	20%
Typewriters, Ceiling Fans, Office Equipment (including Computer) and SBBL Gun	20%
Motor Cars, Other Vehicles	20%
Software	25%

Depreciation at the applicable rates is charged proportionately on additions made during the year from the date when the asset are ready to use after their acquisition.

Upon disposal of items of fixed assets the net book values are eliminated from the accounts and the resulting gains or losses, if any, are transferred to Profit and Loss Account.

Repairs and maintenance costs of fixed assets are charged to Profit and Loss Account when incurred.

2.6.1 Revalued depreciation

Depreciation on revalued assets are being charged against revaluation reserve/ surplus as per Bangladesh Bank instruction since 2015 consistently.

Bangladesh Development Bank Limited and Its Subsidiaries

Notes to the consolidated and separate financial statements

As at & for the year ended 31 December 2022

2.6.2 Impairment of assets

An asset is impaired when its carrying amount exceeds its recoverable amount as per IAS 36 "Impairment of Assets". The Bank assesses at the end of each reporting period whether there is any indication that an asset may be impaired and/or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recovered. If any such indication exists, the Bank makes an estimate of the recoverable amount of the assets. The carrying amount of the asset is reduced to its recoverable amount, if the recoverable amount is less than its carrying amount and impairment losses are recognized in the profit and loss account. However, impairment of financial assets is guided by the relevant Bangladesh Bank Circulars/Instructions and IAS 36.

2.6.3 Disposal of fixed assets

On the disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets schedule and gains or losses on such disposal are reflected in the statement of comprehensive income (profit and loss account) as per provision of IAS 16 "Property, Plant and Equipment".

2.6.4 IFRS 16: Leases

Bangladesh Development Bank Limited has applied IFRS 16: "Leases" for the first time with the date of initial application of 01 January 2020 using modified retrospective approach where the bank measured the lease liability at the present value of the remaining lease payments and recognized a right-of-use asset at the date of the initial application on a lease by lease basis.

In according to IFRS 16 Leases, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

"An asset is typically identified by being explicitly specified in a contract, but an asset can also be identified by being implicitly specified at the time it is made available for use by the customer. Upon lease commencement the bank recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the Bank. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After lease commencement, the Bank measures the right-of-use asset using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

The lease liability is initially measured at the present value of the lease payments payable over the lease term.

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. Bank only has recognised the leases for those agreements those complied the criteria of IFRS 16 Lease in the financial statements.

2.6.5 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Bank for its own use, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Initial Recognition

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. There is two model of the initial recognition of Investment property:

- a. Cost model
- b. Fair Value model

Subsequent recognition

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property, and the fair value is reassessed.

If the Investment property is measured at cost model then it shall follow the criteria as applicable IAS 16. and if the entity follow the fair market value, after initial recognition, investment property is carried at fair value.

Bangladesh Development Bank Limited and Its Subsidiaries

Notes to the consolidated and separate financial statements

As at & for the year ended 31 December 2022

Disposal

Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed of. Where the entity disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

Transfer of Fixed Assets to Investment Property

When an entity uses the cost model, transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

2.7 Investments

Investment in subsidiaries

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", IAS 36 "Impairment of Assets" and IFRS 10 "Consolidated Financial Statements".

2.8 Loans and advances

- i. Loans and advances have been stated at gross value as per requirement of the Bangladesh Bank.
- ii. Interest on unclassified loans and advances are calculated on a daily product basis but charged and accounted for on quarterly basis and in some cases on monthly basis.
- iii. No interest is charged on loan classified as bad loss.
- iv. Interest is charged on classified loans and advances other than bad loss as per BCD Circular no. 34 of 1989, BCD Circular no. 20 of 1994, BCD Circular no.12 of 1995, BRPD Circular no. 16 of 1998 and BRPD Circular no.9 of 2001, BRPD Circular no. 05 of 2006, BRPD Circular no.08 of 2007, BRPD Circular no.10 of 2007 and such interest is not included in income and credited to interest suspense account. This interest is credited to income on realisation.
- v. Interest and penal interest, if any, calculated on classified loans and advances are taken as income in the year of its receipt from the defaulting borrowers.
- vi. Interest on Special Mention Account (SMA) loan is charged and credited to interest income account as per Bangladesh Bank BRPD Circular no.14 dated 23 September 2012, BRPD Circular no. 05 dated 29 May 2013.
- vii. Provision for loans and advances are made on the basis of information furnished by the branches and of instructions contained in Bangladesh Bank BRPD Circular no.14 dated 23 September 2012, BRPD Circular no.19 dated 27 December 2012 and BRPD Circular 8 dated 02 August 2015, BRPD Circular no. 05 dated 29 May 2013, BRPD Circular no. 01 dated 20 February 2018, BRPD Circular no. 03 dated 21 April 2019 and other applicable circulars issued during the year 2020, 2021 & 2022.
- viii. Loans and advances are written-off as per BRPD Circular no. 1 dated 6 February 2019.
- ix. The provision of the loans and advances were maintained as follows and also considering the relevant circulars issued by the year 2022.

Types of loans	Provision				
	STD	SMA	SS	DF	BL
House Finance	1%	1%	20%	50%	100%
Loan to Professionals	2%	2%	20%	50%	100%
Consumer Finance	2%	2%	20%	50%	100%
Loans to BHs/MBs/SDs	2%	2%	20%	50%	100%
Short term Agri. Credit and Micro Credit	1%	1%	5%	5%	100%
SME	0.25%	0.25%	5%	20%	100%
Others	1%	1%	20%	50%	100%

*2% general provision for other than SME and 1% general provision for SME under BRPD circular letter no-51/2022 were maintained duly as per circular.

Bangladesh Development Bank Limited and Its Subsidiaries

Notes to the consolidated and separate financial statements

As at & for the year ended 31 December 2022

2.9 Rental income

Rental income is accounted for on accrual basis.

2.10 Revenue recognition

The revenue is recognized as follows complying the conditions of revenue recognition as provided in IFRS 15.

- Income from investments has been accounted for on accrual basis.
- Income from investment in Securities is recognized at the time of sale.
- Dividend income is recognised when shareholders' right to receive is established.
- Income from bills purchased and discounted is recognized at the time of realization.
- Fees and commission income are recognized when earned.

2.11 Foreign currency transactions

The transactions in foreign currencies are converted into equivalent Taka currency using the ruling exchange rates on the dates of such transactions. At the Balance Sheet date related assets and liabilities are converted to Taka using exchange rates prevailing on that date.

2.12 Statement of changes in equity

Statement of changes in equity is prepared principally in accordance with IAS-1 "Presentation of Financial Statements" and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003.

2.13 Statement of liquidity

The liquidity statement has been prepared in accordance with the remaining maturity-wise grouping of the value of the assets and liabilities as on the reporting date.

- i. Balance with other banks and financial institutions, money at call and on short notice, etc. are on the basis of their maturity term.
- ii. Investment is on the basis of their respective maturity.
- iii. Loans and advances are on the basis of their repayment schedule.
- iv. Property, plant and equipment (lined assets) are on the basis of their useful lives.
- v. Other assets are on the basis of their realisation/amortisation.
- vi. Borrowing from government and other agencies, etc. are as per their maturity.
- vii. Deposits and other accounts are on the basis of their maturity and payment.
- viii. Provisions and other liabilities are on the basis of their payment/adjustment schedule.

2.14 Retirement benefit scheme

The Bank has number of retirement benefit schemes as applicable for the employees of Bangladesh Development Bank Limited and erstwhile Bangladesh Shilpa Bank and Bangladesh Shilpa Rin Sangstha:

- i. Gratuity and CPF Scheme:
 - (a) Contributory Provident Fund
 - (b) Gratuity Scheme
- ii. GPF and Pension and Death cum Retirement Benefit Scheme:
 - (a) General Provident Fund (GPF)
 - (b) Pension and Death cum Retirement Benefit Scheme

Contribution to the above retirement benefit schemes is made by the Bank as per rules and regulations of the respective schemes and outcome of actuarial valuation. These schemes are managed and administered by separate trust formed for that purpose.

2.15 Capital/ Shareholders' equity

2.15.1 Authorised capital

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

2.15.2 Paid-up capital

Paid up capital represents total amount of share capital that has been paid in full by the Govt. Holders of ordinary shares are entitled to receive dividends as declared from time to time.

Bangladesh Development Bank Limited and Its Subsidiaries

Notes to the consolidated and separate financial statements

As at & for the year ended 31 December 2022

2.16 Statutory reserve

The Bank Companies Act, 1991 requires the Bank to transfer from its current year's profit before tax to reserve until such reserve together with share premium account equals to its paid up capital. Accordingly 20% of the current year's profit before tax (PBT) has been transferred to this reserve.

2.17 Asset revaluation reserve

This represent the differences between the book value and the re-valued amount of premises (Land, Building and Vehicles) of the bank as assessed by professional valuers in the year 2010. To calculate Capital Adequacy Ratio (CAR), 50% of the same was considered as a component of supplementary capital as per Bangladesh Bank BRPD circular no.24 dated 03 August 2010 up to 2014. However, as per BRPD circular 18 dated December 21,2014, the revaluation reserve for Fixed Assets (Property, Plant and Equipment) will gradually be deducted from Tier-2 capital with phase starting from 2015. Accordingly, 20% of the revaluation reserve that qualified for Tier-2 capital has been deducted while calculation eligible capital at the year ended 2015, 40% of the revaluation reserve that qualified for Tier-2 capital has been deducted while calculation eligible capital at the year ended 2016, 60% of the revaluation reserve that qualified for Tier-2 capital has been deducted while calculation eligible capital at the year ended 2017, 80% of the revaluation reserve that qualified for Tier-2 capital has been deducted while calculation eligible capital at the year ended 2018 and 100% of the revaluation reserve that qualified for Tier-2 capital has been deducted while calculation eligible capital at the year ended 2019.

2.18 Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity.

2.18.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Provision for current tax has been made as under as per the Income Tax Ordinance, 1984 and the Finance Act, 2022.

- On business income, rental income and interest from bond at 40%;
- On dividend income at 20%;
- On capital gain from sale of shares at 10%;
- On capital gain from sale of assets at 15%; and
- On 82C related income as per provisions of Section 82C of the Income Tax Ordinance, 1984.

2.18.2 Deferred tax

Deferred tax is accounted for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purpose. Tax rate (@ 40%) prevailing at the balance sheet date is used to determine deferred tax. Deferred tax assets are reviewed at each reporting date and are changed to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax relating to unrealised surplus on revaluation of Land & Building is recognised directly in revaluation reserve.

2.19 Earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period as per IAS - 33 "Earnings Per Share". Diluted Earnings per Share is not required to be calculated for the year, as there exist no dilution possibilities during the year.

2.20 Reconciliation position

a. Nostro A/C:

There are five NOSTRO accounts being maintained with Foreign Banks and all those accounts are reconciled at year end. There is no outstanding entry for more than one month.

b. Inter-branch transactions:

As CBS-Core Banking System has been established, inter-branch transactions are performed reciprocally and the balance is netted-off at a particular point of time. The position of inter branch outstanding entries as on 31 December 2022 is as under:

Bangladesh Development Bank Limited and Its Subsidiaries
Notes to the consolidated and separate financial statements
As at & for the year ended 31 December 2022

Outstanding Period	Debit Entry		Credit Entry		Total Entry
	No. of entry	BDT '000'	No. of entry	BDT '000'	
Less than 3 months	4	15,694	2	68	6
3 months to 6 months	-	-	-	-	-
6 months to 9 months	-	-	-	-	-
9 months to 12 months	-	-	-	-	-
More than 12 months	21	935	15	558	36
Total	25	16,629	17	626	42
Unadjusted amount (Dr.)	16,003		-	-	-

*Adequate provision has been made for the amount of outstanding entries for one year and above.

2.21 Core Risk Management

Risk Management has become one of the most sensitive and crucial factors in the banking business all over the world. Banking sector environment of Bangladesh has undergone a monumental change in recent years. In the course of banking operations, banks are invariably faced with different types of risks that may have a potentially adverse effect on their business. Banks are obliged to establish a comprehensive and reliable risk management system in line with the established risk propensity.

To mitigate those risk factors, appropriate steps are being taken under the supervision of the top management of BDBL continuously. The overall focus of Risk Management of the bank in 2022 was on maintaining the risk profile in line with its strategy, strengthening its capital base and supporting the strategic goals. Besides, the objective of risk management policy of BDBL is to build up a strong shield against risk throughout the bank and to minimize risk by developing an early alert system and avoiding internal and external vulnerabilities.

The Credit Policy, ALM Manual, SME Manual, Credit Risk Management Manual, Comprehensive Risk Management Manual of the bank and other core risk manuals cover identification and mitigation of risk associated with commercial lending activities, project loan, SME loan and all other risk associated with credit, market and operational activities of the bank.

However, the bank has continued its effort for upgrading the initiatives taken to manage various risks of bank in a prudent manner. Core risk management manuals and other risk related policies have been revised in the previous year. Moreover, modification of the prudential regulations is done on regular basis. As part of this endeavor, Core Risk Management Committees have been reconstructed for ensuring sound risk management culture effectively in the bank. As 'Core Risk Management' is vital for continuous and harmonious improvement of the bank, BDBL is managing core risks which are as follows:

a. Asset Liability Risk Management

The Asset Liability Committee (ALCO) of the Bank identifies, monitors, mitigates and controls the risks associated with overall asset liability management i.e. balance sheet risk, liquidity risk, advance deposit ratio (ADR), deposit mix, credit mix, gap analysis etc. under the leadership of Managing Director of the Bank. The Asset Liability Committee prepares monthly ALCO paper as per guidelines of Bangladesh Bank and reviews liquidity requirement of the Bank, the maturity of assets and liabilities, deposit and credit pricing strategy, sensitivity of assets and liabilities, management indicators/ratios and the liquidity contingency plan. As a result, the Bank always maintains optimum liquidity with required regulatory compliance. BDBL has its own Manual / Guideline for asset and liability management and the bank reviews / updates its "Asset Liability Risk Management Manual & Checklist" as per the updated ALM guideline of the Bangladesh Bank.

b. Credit Risk Management

Credit risk is one of the major risks faced by the Bank. This can be described as potential loss arising from contractual failure of the borrower with the Bank. The failure may result from unwillingness or inability of the counter party in discharging financial obligation. Therefore, bank's credit risk management activities have been designed to address all these issues. The bank reviews "Credit Risk Management Manual" as per updated Credit Policy (Board approved) and the updated Credit Risk Management Guideline of the Bangladesh Bank. Credit risk in the Bank's Portfolio is monitored, reviewed and analyzed by the Loan Operation Department, SME Department, General Advances Department, International Banking Department and Loan Recovery Department. Credit Risk Management Committee of the Bank independently co-ordinates the overall Credit Risk Management activities of the Bank.

Bangladesh Development Bank Limited and Its Subsidiaries

Notes to the consolidated and separate financial statements

As at & for the year ended 31 December 2022

Internal Credit Risk Rating system (ICRRs) is followed by BDBL as per Bangladesh Bank's instruction complying all the criteria. BDBL also follows Bangladesh Bank guidelines regarding CIB reporting, Loan Classification & provisioning, bad debts written-off and interest suspense. Besides, the Bank follows the guidelines/circulars issued by Bangladesh Bank time to time to address, assess, monitor and mitigate credit risks at different layers in loan processing. In addition, reporting is properly done by the concerned departments to the competent authority and regulatory body. In order to strengthen smooth recovery from loans and advances the bank follows some precautionary steps before sanctioning any credit. Among these steps, mandatory acceptance of certificate of authenticity from General Manager of ICC Division regarding compliance of Credit Policy, verification of borrower's identity and updated CIB report before sending any credit proposal of Tk. 5.00 Crore or above to Credit Committee is notable.

c. Foreign Exchange Risk Management

Foreign Exchange Risk is defined as the possibility of losses due to change in exchange rates according to market forces. The Foreign Exchange Risk of the bank is minimal as all the transactions are carried out on behalf of the customers against underlying Foreign Exchange transactions. Treasury Section 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 the Bangladesh Bank at the month-end. All Nostro accounts are reconciled on monthly basis and outstanding entries beyond 30 days are reviewed by the Management for settlement. On the basis of Bangladesh Bank's Foreign Exchange Risk Management Policy and Guideline, a manual of Foreign Exchange Risk Management has been approved by BDBL's Board of Directors. The manual plays vital role in assessing, monitoring and mitigating Foreign Exchange Risks.

d. Money Laundering and Terrorist Financing Risk Management

Money Laundering and Terrorist Financing Risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering and terrorist financing. For mitigating the risk, the Bank has designated Chief Compliance Officer at Head Office and Compliance Officer at Branches, who independently review the transactions of the accounts to verify suspicious transactions. Risk Management Guideline & Manual for Prevention of Money Laundering and Terrorist Financing has been prepared and uniform Know Your Customer (KYC) and Transaction Profile (TP) have been introduced. Moreover, In-house, BIBM and Bangladesh Bank training sessions/workshops are carried out continuously for all Executives and Officers in order to develop awareness and skill for identifying suspicious transactions and other Money Laundering related activities.

BDBL has a Central Compliance Committee (CCC) headed by the Chief Anti Money Laundering Compliance Officer (CAMLCO) designated as Deputy Managing Director to supervise the overall Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT) activities. Each branch of BDBL has Branch Anti Money Laundering Compliance Officer (BAMLCO) who is responsible for compliance of Bangladesh Bank instructions relating to AML/CFT activities in the branch. Risk is identified by the Branch through analyzing the KYC, TP and Suspicious Transaction Report (STR) indicator. CTR (Cash Transaction Report) is sent to the Head Office on monthly basis for cash transaction of 10 (ten) lac and above of an account in a day. All these reports are sent to Bangladesh Bank through special software, goAML. If any suspicious transaction happens, STR is reported to as per Bangladesh Bank.

e. Internal Control and Compliance Risk Management

Operational loss may arise from errors and fraud due to regulatory failure of Internal Control and Compliance. Internal Control and Compliance Division (ICCD) comprises with the three departments to manage the cross-divisional and cross-regional operational risk as well as risk concentrations at branch level. Audit & Inspection Department undertakes periodical and special audit of the branches and departments at Head Office for review of the operation and compliance of the statutory requirement. The Audit Committee of the Board regularly reviews the audit reports of the Internal Control and Compliance Division. Besides, 'Internal Control & Compliance Risk Management Manual' and 'Audit Manual' of the bank plays crucial role in addressing, assessing, monitoring, mitigating and controlling the risks associated with Internal Control and Compliance (ICC). For oversight of Internal Control and Compliance Risk in the bank, bank's Internal Control & Compliance Risk Management Committee plays crucial role in assessing, monitoring, mitigating and controlling the risk(s) associated with Internal Control and Compliance (ICC).

Bangladesh Development Bank Limited and Its Subsidiaries Notes to the consolidated and separate financial statements As at & for the year ended 31 December 2022

Internal Control and Compliance (ICC) structure of BDBL is shown below:



f. Information and Communication Technology Security Risk Management

Information technology has improved over the years and BDBL is gradually becoming dependent on its use for performing most of the activities. Information & Communication Technology (ICT) encompasses all fields of data/information processing, transmission and communications by means of computers and telecommunication techniques. For smooth operation of the bank's activities with desirable efficiency, a network-based computerized system is established in the bank. A reliable computer-based information system is essential for efficient management and operation of all the areas of the organization and the bank is moving towards that direction.

In order to govern and control the ICT areas, covering the functions of all the Departments in the Head Office, the Zonal Offices and the Branches located in different Districts of Bangladesh, the Bank follows its "IT Security Policy" and the Guidelines of the Bangladesh Bank. These policies are strictly followed at each level in the Bank.

The Bank has formed two different departments namely Information Technology Operation Department (ITOD) and Information Technology System Department (ITSD) to manage all the IT activities in sound, compliant and standard manner. IT Operation Department is assigned to develop IT infrastructure and IT System Department is responsible for deployment and secure operation of different software including Core Banking System (CBS). The Bank has a standard and compliant Data Centre (DC) in its Head Office premises. Also, a near Disaster Recovery Site (DRS) has been placed at bank's Karwan Bazar Bhaban, Dhaka. Far DRS is being planned to set up in Hi-tech Software Park in Jashore in collaboration with other government banks and financial institutions.

Besides, IT Security Unit under IT Operation Department and Card Management Unit under IT System Department have been launched to ensure data security more effective. There are sufficient physical as well as logical access control systems to protect the bank's IT assets and client interest usefully. The sensitive information is kept in the restricted area in the networking environment.

For oversight of ICT Security Risk in Bank, there is an ICT Security Risk Management Committee which plays vital role in assessing and mitigating ICT Security Risks.

g. Environmental and Social Risk Management

Environmental risk is a facilitating element of credit risk arising from environmental issues. These increase risks as they bring an element of uncertainty or possibility of loss in the context of a financing transaction.

Environmental and Social Risk Management Policy" of BDBL has been prepared to address the Environmental and Social Risks. The main objective of the policy is to contribute to establish an environment friendly banking business system which may be achieved through proper utilization of human & physical resources and encouraging channeling of fund to projects/businesses those expose no or very little risk to the environment/climate. Besides, Sustainable Finance Committee is working to mitigate the risks arising from the business operation. In order to identify, monitor, manage and control Environmental risk and the risk related to Green banking, Sustainable Finance Committee and Sustainable Finance Unit of the Bank play key role.

Bangladesh Development Bank Limited and Its Subsidiaries

Notes to the consolidated and separate financial statements

As at & for the year ended 31 December 2022

2.22 Implementation of Basel-III

Calculation of MCR

Bangladesh Development Bank Limited is regularly reporting The Risk Based Capital Adequacy under Basel-III. The Bank is complying the minimum capital requirement under Master Circular of Capital Adequacy issued and amended from time to time by the Central Bank.

Implementation of ICAAP

The key principle of the Supervisory Review process (SRP) as per Bangladesh Bank Guidelines is that “banks have a process for assessing overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital at an adequate level”. The Board approved the ‘Supervisory Review Process (SRP) Team’ of the bank and the ‘ICCAP Manual & Checklist’ to establish the Internal Capital Adequacy Assessment Process (ICCAP). The Bank is periodically (annually) reporting “ICAAP Report and Supervisory Review Process Documents (i.e. Supplementary Documents)” to Bangladesh Bank. The latest ICAAP Report-2021 of BDBL (based on audited accounts as on 31 December 2021).

Stress testing

The Bank is periodically reporting “Stress Testing Report” to Bangladesh Bank. In fact, Stress Testing is a simulation technique being used on asset and liability portfolios to determine their sensitivity to different financial situations. The stress testing report of BDBL on the basis of financial statement as on 31 December 2022 depicts very strong position of the bank’s capability to absorb Minor and Moderate shock relating to Capital Adequacy.

Risk Management Report

The bank, as per Bangladesh Bank instruction, prepares and submits ‘Monthly Risk Management Report’ and ‘Half-Yearly Comprehensive Risk Management Report (CRMR)’ to the Bangladesh Bank. The reports are prepared by the Risk Management Department and reviewed by the Management-Level Risk Management Committee and the Board level Risk Management Committee of the bank. Here it is to be noted that, Comprehensive Risk Management Report (CRMR) covers the core risk issues of the Bank. RMD also prepares “Credit Risk Assessment & Resolution Report” focusing Top 20 borrowers of the bank. The report is prepared on quarterly basis and reviewed by Managing Director & BoD of the Bank.

Besides, the department prepares “Risk Appetite Statement” in line with bank’s board approved strategic planning in order to minimize risks being under a strategic business planning. The department also prepares “A Review report of Risk Management Policies and effectiveness of risk management functions” on yearly basis with a view to examining what amendments required in the existing policies.

Market discipline

Market discipline is a market based promotion of the transparency and disclosure of the risks associated with the business or entity. BDBL has already complied with the requirement of ‘Market Discipline’ under Basel-III Capital Adequacy Guideline. The aim of the market discipline is to inform all concerned stakeholders like depositors, creditors, shareholders, Government, Central Bank and the others about the overall risk profile and risk mitigating position of the Bank.

2.23 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. These runoffs are in addition to contractual outflows.

$$\text{LCR} = \frac{\text{Stock of quality liquid assets}}{\text{Total net cash outflows over the next 30 calendar days}} \geq 100\%$$

Bangladesh Development Bank Limited and Its Subsidiaries

Notes to the consolidated and separate financial statements

As at & for the year ended 31 December 2022

2.24 Net Stable Funding Ratio (NSFR)

NSFR or Net Stable Funding Ratio is another new standard introduced by the Basel Committee. 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 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.

$$\text{NSFR} = \frac{\text{Available amount of stable funding (ASF)}}{\text{Required amount of stable funding (RSF)}} \geq 100\%$$

2.25 Credit Rating of the Bank

As per the BRPD circular no. 6 dated 5 July 2006, the Bank has done its credit rating by Emerging Credit Rating Limited based on the financial statements of Bangladesh Development Bank Limited dated 31 December 2021. The following ratings had been awarded:

Date of Declaration	Valid till	Rating Mode	Long Term	Short Term	Outlook
31-Jul-22	30-Jul-23	Govt. Support	AAA	ST-1	Stable
		Without Govt. Support	A-	ST-3	

2.26 Audit committee

2.26.1 Member

An audit committee has been reconstituted by the Board of Directors of the Bank in its 274th meeting held on 30 November, 2021. The members of the Audit Committee are as under:

Sl. No.	Name	Qualification	Designation in the Bank	Designation in the Committee
1	Md. Ekhlashur Rahman	MSS	Director	Chairman
2	Md. Abu Hanif Khan	MSC	Director	Member
3	Subhash Chandra Sarker	MSS	Director	Member
4	Quazi Shairul Hassan	MBA (IBA)	Director	Member

2.26.2 Activities

The committee reviews the policy and planning executed by the Board of Directors for smooth operation of the bank. The committee acknowledges their responsibility for the system of internal controls, effectiveness and suitable monitoring procedures, proper accounting policies, compliance with the regulations, computerization system, management information system, different risk management of the bank, etc. The committee also ensures the implementation of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh as IAS and IFRS and other applicable laws at the time of preparation of the annual financial statements. The committee meets with the external auditors and top management of the bank at the time of reviewing the annual financial statements. The committee also reports to the Board of Directors on the findings detected by the Internal Audit Division, External Auditors and Bangladesh Bank Inspection Team on a regular basis.

During the year 2022 the committee conducted 08 (Eight) meetings in which among others, the following issues were discussed:

- Review of present status of internal audit activities;
- Approval of audited accounts of BDBL for the year 2021;
- Review of key performance indicators of the branches
- Review of compliance and implementation of comprehensive inspection report as on 31 December 2020 by Bangladesh Bank
- Approval of internal audit plan of BDBL for the year 2022.

Bangladesh Development Bank Limited and Its Subsidiaries

Notes to the consolidated and separate financial statements

As at & for the year ended 31 December 2022

2.27 Risk Management Committee

2.27.1 Member

An Risk Management Committee has been reconstituted by the Board of Directors of the Bank in its 274th meeting held on 30 November, 2021. The members of the Risk Management Committee are as under:

Sl. No.	Name	Qualification	Designation in the Bank	Designation in the Committee
1	Shamima Nargis	MA	Director & Chairman	Chairman
2	Md. Abu Hanif Khan	MSC	Director	Member
3	Quazi Shairul Hassan	MBA (IBA)	Director	Member
4	Md. Azizur Rahman	MBS	Director	Member

2.27.2 Activities

A Risk Management Committee has been created in addition to the Executive and Audit Committee of the Board, and it is responsible for planning and leading the bank's overall risk management. The chairman of the board chairs this Committee, which is made up of 03 members of the board of Directors. The Committee's prime responsibilities is to define the risk appetite, designing organizational structure to manage risk within the bank, understanding the inherent risks of the bank, then reviewing and approving risk management policy. The Committee is also involved in enforcing and using adequate recordkeeping and reporting systems, reviewing and approving limits and reviewing at least annually and last but not the least monitoring compliance with overall risk management policies and limits.

During the year 2022 the committee conducted 04 (Four) meetings.

2.28 Executive committee

2.28.1 Member

An Executive committee has been reconstituted by the Board of Directors of the Bank in its 274th meeting held on 30 November, 2021. The members of the Executive Committee are as under:

Sl. No.	Name	Qualification	Designation in the Bank	Designation in the Committee
1	Shamima Nargis	MA	Director & Chairman	Chairman
2	Md. Azizur Rahman	MBS	Director	Member
3	Md. Habibur Rahman Gazi	MSC	MD & CEO	Member

2.28.2 Activities

BDBL's Executive Committee is made up of four members of Board of Directors and is led by the bank's Chairman. The committee makes emergency decisions as needed and supports the BOD in fulfilling its obligations, such as setting objectives, strategies, and general business plans for the bank's effective operation. The committee examines the Bangladesh Bank's credit rules and procedures, as well as the banking industry's other activities. The Board's Executive Committee authorizes credit applications in accordance with the Board's authorized policy. At the time of presenting credit proposals, management assures due scrutiny of the credit policy and risk management.

During the year 2022 the committee conducted 04 (Four) meeting.

2.29 Loan Write off

Write off describes a reduction in recognized value. It refers to recognition of the reduced or zero value of an asset. Generally, it refers to loan for which a return on the loan is now impossible or unlikely. The item's potential return is thus cancelled and removed from (Written off) the banks statement of financial position. recovery against debts written off / provided for is credited to provision or revenue considering the previous position of the loans.

Bangladesh Development Bank Limited and Its Subsidiaries

Notes to the consolidated and separate financial statements

As at & for the year ended 31 December 2022

2.30 Reporting Period

The Financial Statements cover one calendar year from 01 January 2022 to 31 December 2022.

2.31 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.32 Corporate Governance

The Bank has given the priority to the compliance of the rules, regulations and guidelines of Bangladesh Bank, National Board of Revenue (NBR) & Bangladesh Securities and Exchange Commission (BSEC). The Bank has also complied with all related International Financial Reporting Standards (IFRS).

2.33 Regulatory & Legal Compliance

The bank has complied with the requirement of following regulatory & legal authority:

- (a) The Bank Company Act, 1991 (as amended up to date)
- (b) The Companies Act, 1994
- (c) Rules, Regulation and Directives issued by Bangladesh Bank
- (d) Security & Exchange Rules, 2020
- (e) Security & Exchange Ordinance, 1969
- (f) Security & Exchange Commission Act, 1993
- (g) The Income-Tax Ordinance, 1984
- (h) The Value Added Tax and Supplementary Duty Act, 2012
- (i) The Value Added Tax and Supplementary Duty Rules, 2016
- (j) Labor Act, 2006 (Amended 2013)
- (j) Other applicable laws and regulations

2.34 Contingent liabilities and Contingent assets

A contingent liability is any possible obligation that arises from the 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 any present obligation that arises from past events but is not recognized because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.
- Contingent liabilities are not recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.
- Contingent assets are not recognized in the financial statements as this may result in the recognition of income which may never be realized.

2.35 Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not include any adjustments should the bank be unable to continue as a going concern.

2.36 General

- i. Figures appearing in these Financial Statements have been rounded off to the nearest Taka.
- ii. Figures of previous year have been rearranged whenever necessary to conform to current year's presentation.

Bangladesh Development Bank Limited and Its Subsidiaries
Notes to the consolidated and separate financial statements
As at & for the year ended 31 December 2022

2.37 Compliance of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs). While preparing the financial statements, the Bank applied most of IASs and IFRSs as adopted by ICAB. Details are given below:

Sl. No.	IASs No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting policies, Changes in accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	12	Income Taxes	Complied
7	16	Property, Plant and Equipment	Complied
8	19	Employees Benefits	Complied
9	20	Accounting for Government Grants and Disclosure of Government Assistance	N/A
10	21	The Effects of Changes in Foreign Exchange Rates	Complied
11	23	Borrowing Costs	Complied
12	24	Related Party Disclosures	Complied
13	27	Separate Financial Statements	Complied
14	28	Investment in Associates & joint venture	N/A
16	33	Earning Per Share	Complied
17	34	Interim Financial Reporting	N/A
18	36	Impairment of Assets	Complied
19	37	Provision, Contingent Liabilities and Contingent Assets	Complied
20	38	Intangible Assets	N/A
22	40	Investment Property	Complied
23	41	Agriculture	N/A
Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time Adoption of International Financial Reporting Standards	N/A
2	2	Share-based Payment	N/A
3	3	Business Combinations	N/A
4	4	Insurance contracts	N/A
5	5	Non-Current Assets Held for Sale and Discontinued Operations	N/A
6	6	Exploration for and Evaluation of Mineral	N/A
7	7	Financial Instruments: Disclosures	Complied *
8	8	Operating Segments	Complied
9	9	Financial Instruments	Complied *
10	10	Consolidated Financial Statements	Complied
11	11	Joint Arrangements	N/A
12	12	Disclosure of Interest in other Entities	Complied
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	N/A
15	15	Revenue from Contract with Customers	Complied
16	16	Leases	Complied

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

Bangladesh Development Bank Limited and Its Subsidiaries

Notes to the consolidated and separate financial statements

As at & for the year ended 31 December 2022

2.38 Disclosure of FRC Policy on Use of Audited Financial Statements in Processing Loans (Compliance of BRPD circular no. 04 & 35)

Audited Financial Statements are mandatory documents for any existing company applying for new loan facility for the first time from the bank. The bank uses the Audited Financial Statements while assessing any new credit proposal or approving any new credit / Loan facilities to any new customer(s). In compliance with BRPD Circular Letter No. 04, dated January 04, 2021 and BRPD Circular Letter No. 35, dated August 17, 2021, the bank will have to obtain audited financial statements while approving any new loan or renewing any loan and have to disclose in the note to the financial statements of the clients/borrowers specifying the percentage of coverage of verification through DVS. Audited Financial Statements are preserved with the Loan File by the bank. The bank also verifies borrower audited financial statements through DVS as the bank already get user ID from ICAB. However, in some especial circumstances where latest Audited Financial Statements may not be available, the bank uses interim Management Accounts for the Borrower Risk Rating (BRR) or ICRR for the purpose of renewal of any loan facilities. Such BRR or ICRR is approved by the Management only for Interim use with an instruction to update the same with the Audited Financial Statements.

Bangladesh Development Bank Limited and Its Subsidiaries
Notes to the consolidated and separate financial statements
As at 31 December 2022

Notes	2022 Taka	2021 Taka
3. Cash		
3.1 Cash in hand		
In local currency	133,519,474	96,221,417
In foreign currencies	-	-
Balance with Bangladesh Bank and Sonali Bank Limited	1,677,215,286	1,893,778,960
	1,810,734,760	1,990,000,377
3(a) Consolidated cash in hand		
Bangladesh Development Bank Limited	1,810,734,760	1,990,000,377
BDBL Securities Limited	-	-
BDBL Investment Services Limited	-	-
	1,810,734,760	1,990,000,377
3.2 Balance with Bangladesh Bank and Sonali Bank Limited		
Local currency - Bangladesh Bank	1,392,283,543	1,843,208,592
Local currency - Sonali Bank Limited	9,180,573	11,617,511
Foreign currency - Bangladesh Bank	275,751,170	38,952,857
	1,677,215,286	1,893,778,960
3.3 Cash reserve ratio (CRR)		
Required reserve (4.00% of demand and time liabilities)	1,198,500,000	1,221,960,000
Actual reserve held with Bangladesh Bank	1,224,048,000	1,254,559,000
Excess reserve (average/day)	25,548,000	32,599,000
Cash reserve ratio (CRR) has been calculated and maintained in accordance with the Section 33 of the Bank Company Act 1991 and subsequent BCD circular no. 13 dated 24 May 1992; BRPD circular no. 12 dated 20 September 1999, BRPD circular no. 22 dated 06 November 2003, BRPD circular no. 11 dated 25 November 2005, BRPD circular no. 01 dated 12 January 2009 & MPD circular no. 04 dated 01 December 2010, MPD circular no. 01 dated 23 June 2014 and MPD circular 03, Dated 06 April 2020.		
3.3.1 Statutory liquidity ratio (SLR)		
This is not applicable for Bangladesh Development Bank Limited, since both Bangladesh Shilpa Bank and Bangladesh Shilpa Rin Sangstha were exempted from maintaining SLR vide Notification from Ministry of Finance.		
4. Balance with other banks and financial institutions		
In Bangladesh	11,262,454,225	11,554,742,408
Outside Bangladesh	823,488,959	803,471,131
	12,085,943,184	12,358,213,539
4.1 In Bangladesh		
Current and other accounts:		
Current account	85,655,949	70,295,750
Term deposit	9,295,146,157	8,355,146,156
Term deposit - depreciation fund	72,000,000	72,000,000
Term deposit - building fund	543,800,000	553,800,000
Term deposit - loan redemption fund	54,959,500	204,959,500
Short term deposit	1,210,892,619	2,298,541,002
	11,262,454,225	11,554,742,408
4.1.1 Current deposit		
Janata Bank Limited	50,588,743	45,463,869
Rupali Bank Limited	7,728,638	7,112,564
Sonali Bank Limited	92,603	471,638
IFIC Bank Limited	4,179,069	7,309,651
Dutch Bangla Bank Limited	4,185,805	253,460
AB Bank Limited	2,587	3,622
Prime Bank Limited	305,614	96,430
Trust Bank Limited	3,848,001	13,357
BDBL Securities Limited	9,213	5,757
Jamuna Bank Limited	7,944	12,842
National Bank Limited	2,490,338	1,706,658
Shahjalal Islami Bank Limited	-	2,004
NCC Bank Limited	2,776,287	4,578,033
Rajshahi Krishi unnayan Bank Limited	4,886,017	2,210,652
Eastern Bank Limited	130	130
Islami Bank Limited	2,010,085	1,005,598
Social Islami Bank Limited	2,544,875	49,485
	85,655,949	70,295,750

4.1.2 Term deposit

Notes	2022 Taka	2021 Taka
AB Bank Limited	300,000,000	300,000,000
ICB Islami Bank Limited	5,146,157	5,146,156
Padma Bank Limited	450,000,000	500,000,000
Al-Arafa Islami Bank Limited	100,000,000	300,000,000
Standard Bank Limited	-	300,000,000
EXIM Bank Limited	125,000,000	1,000,000,000
Phoenix Finance and Investment Limited	140,000,000	140,000,000
Reliance Finance Limited	455,000,000	480,000,000
Peoples Leasing and Financial Services Limited	50,000,000	50,000,000
Karmasangsthan Bank	-	140,000,000
Social Islami Bank Limited	-	10,000,000
Global Islami Bank Limited	110,000,000	210,000,000
Rupali Bank Ltd	200,000,000	-
Islamic Finance and Investment Limited	10,000,000	20,000,000
IFIC Bank Limited	-	300,000,000
Investment Corporation of Bangladesh	2,800,000,000	2,800,000,000
Bangladesh Krishi Bank	950,000,000	-
Community Bank Ltd	300,000,000	-
Modhumoti Bank Ltd	50,000,000	-
Pubali Bank Ltd	50,000,000	-
Janata Bank Ltd	1,500,000,000	1,000,000,000
Rajshahi Krishi Unnayan Bank	1,150,000,000	300,000,000
Agrani Bank Ltd	550,000,000	500,000,000
	9,295,146,157	8,355,146,156

4.1.3 Term deposit - depreciation fund

NRB Global Bank Limited	72,000,000	72,000,000
-------------------------	-------------------	-------------------

Depreciation fund was created by erstwhile BSB with a view to meet capital replacement obligation of the organisation as per directive of Ministry of Finance through office memorandum no. MF(ABW-3)MISC-17/85/94(13) dated 15 August 1985. The Board of Directors of that Bank in its 100th ordinary meeting held on the 19 January 1988 approved the creation and investment of the fund in Government approved securities/term deposit, when necessary, for the purpose mentioned above.

4.1.4 Term deposit - building fund

Union Bank Limited	-	10,000,000
The Premier Bank Limited	290,000,000	290,000,000
First Security Islami Bank Limited	93,800,000	143,800,000
Rajshahi Krishi Unnayan Bank	50,000,000	-
EXIM Bank Limited	20,000,000	-
Social Islami Bank Ltd	80,000,000	100,000,000
Global Islami Bank Limited	10,000,000	10,000,000
	543,800,000	553,800,000

*Building fund was made to build up a building in Uttara, Dhaka.

4.1.5 Term deposit - loan redemption fund

ICB Islamic Bank Limited	4,959,500	4,959,500
Union Bank Limited	-	150,000,000
First Security Islami Bank Limited	50,000,000	50,000,000
	54,959,500	204,959,500

Loan redemption fund was created by erstwhile BSB by transferring BDT 50 million (60 million subsequently) per month from the loan recovery amount in order to capacitate the Bank to repay the Bangladesh Bank borrowings.

4.1.6 Short term deposit

Agrani Bank Limited	39,633,613	93,081,996
First Finance Limited	136,000,000	136,000,000
Premier Leasing and Finance Limited	119,500,000	119,500,000
Peoples Leasing and Financial Services Limited	230,400,000	230,400,000
The Farmers Bank Limited	170,000,000	198,700,000
Bangladesh Industrial Finance Company Limited	221,359,006	221,359,006
FAS Finance and Investment Limited	158,500,000	158,500,000
International Leasing and Financial Services Limited	11,800,000	11,800,000
Phoenix Finance and Investment Limited	-	4,400,000
Union Capital Limited	88,800,000	88,800,000
GSP Finance Co. Bangladesh Limited	34,900,000	36,000,000
Union Bank Ltd	-	300,000,000
NCC Bank Ltd.	-	250,000,000
Community Bank Bangladesh Ltd	-	450,000,000
	1,210,892,619	2,298,541,002

Notes	2022 Taka	2021 Taka
4.2 Outside Bangladesh		
Modhumoti Bank Limited	5,710,013	4,800,068
Mashreq Bank Limited	642,100,650	149,748,220
BHF Bank AG, Germany	5,606,798	5,846,244
Sonali Bank Limited, India	14,108,772	126,704,996
Sonali Bank Limited, UK	342,115	42,663
AB Bank(Depo)	-	426,625,000
Axis Bank Limited	155,620,611	89,703,940
	823,488,959	803,471,131
Foreign currency transactions have been converted into BDT at the rates prevailing on the transaction dates. At the balance sheet date the monetary assets and liabilities are converted into BDT using exchange rate prevailing on that date. The resultant gain during and at the end of year has been reflected in the profit and loss account of the Bank.		
A Schedule of Balance with other banks - outside Bangladesh (nostro account) is given in Annexure-D .		
4.3 Maturity-wise grouping (balance with other banks and financial institutions)		
On demand	118,600,000	177,700,000
Less than three months	11,123,500,000	10,363,400,000
More than three months but less than one year	843,843,184	1,817,113,539
More than one year but less than five years	-	-
More than five years	-	-
	12,085,943,184	12,358,213,539
4(a) Consolidated balance with other banks and financial institutions		
In Bangladesh		
Bangladesh Development Bank Limited Note: 4.1	11,262,454,225	11,554,742,408
BDBL Securities Limited	181,188,854	188,872,539
BDBL Investment Services Limited	105,266,474	225,924,112
	11,548,909,553	11,969,539,059
Outside Bangladesh		
Bangladesh Development Bank Limited Note: 4.2	823,488,959	803,471,131
BDBL Securities Limited	-	-
BDBL Investment Services Limited	-	-
	823,488,959	803,471,131
	12,372,398,512	12,773,010,190
5. Money at call and on short notice		
In Bangladesh	-	650,000,000
Outside Bangladesh	-	-
	-	650,000,000
6. Investments		
Government securities Note: 6.1	811,200	894,400
Other investment Note: 6.2	8,697,625,671	8,396,333,468
	8,698,436,871	8,397,227,868
A Schedule of Statement of Investment (for cost) is given in Annexure-F .		
6.1 Government securities		
Treasury bonds	-	-
Prize bond	811,200	894,400
	811,200	894,400
6.2 Other investments		
Shares Note: 6.2.1	7,634,694,412	7,333,402,209
Debentures	2,931,259	2,931,259
Investment in Bangladesh fund	1,060,000,000	1,060,000,000
	8,697,625,671	8,396,333,468
6.2.1 Investment in shares by listing status		
Quoted shares	7,435,265,217	7,111,112,674
Unquoted shares	148,517,095	171,377,435
Others*	50,912,100	50,912,100
	7,634,694,412	7,333,402,209
Market value (Annexure -F)	21,755,099,703	29,473,920,975
Investment in quoted and unquoted shares are recorded at cost. At 31 December 2022 market value/fair value of this investment is above cost, thus no provision is required to make for the year.		
There is a difference between CDBL and bank portfolio statement for number of shares due to Mat. and Demate shares. The difference is 4,920,357. Mat. share is in the physical paper from which is not included in CDBL portfolio. When dematerialization has been completed by the Bank then it will be available in CDBL portfolio. After completing fully dematerialization there will be no difference in both the CDBL and Bank portfolio. Dematerialization is an ongoing process.		
6.3 Maturity-wise grouping of investments		
On demand	-	-
Less than three months	811,200	8,000,000
More than three months but less than one year	7,452,400,000	4,001,200,000
More than one year but less than five years	134,300,000	1,456,500,000
More than five years	1,110,925,671	2,931,527,868
	8,698,436,871	8,397,227,868

	Notes	2022 Taka	2021 Taka
6.4 Provision for investment			
Required provision		93,643,359	93,643,359
Provision maintained		93,643,359	93,643,359
Provision excess/(shortage)		-	-
6(a) Consolidated investment			
(i) Government securities			
Bangladesh Development Bank Limited	Note: 6.1	811,200	894,400
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		811,200	894,400
(ii) Other investments			
Bangladesh Development Bank Limited	Note: 6.2	8,697,625,671	8,396,333,468
BDBL Securities Limited		1,222,403,286	1,175,777,479
BDBL Investment Services Limited		736,119,321	638,182,496
		10,656,148,278	10,210,293,443
		10,656,959,478	10,211,187,843
7. Loans and advances			
Loans, cash credits, overdrafts, etc			
In Bangladesh		24,215,857,634	23,539,682,303
Outside Bangladesh		-	-
		24,215,857,634	23,539,682,303
Bills purchased and discounted :			
In Bangladesh		580,727,524	594,651,301
Outside Bangladesh		-	-
		580,727,524	594,651,301
		24,796,585,158	24,134,333,604
7.1 Nature-wise loans and advances			
Cash credits		4,416,169,508	4,566,353,812
Long term (amount due and not due)		13,815,034,869	12,967,365,066
Overdrafts		678,913,608	641,016,862
Local documentary bill purchased		580,727,524	594,651,301
Consumer loan		555,405,771	401,716,713
Loan against trust receipt and others		1,154,189,732	1,270,392,462
Staff loan		3,596,144,146	3,692,837,388
		24,796,585,158	24,134,333,604
7.2 Maturity-wise grouping of loans and advances			
On demand		-	-
Not more than three months		3,266,700,000	3,320,900,000
Over three months but not more than one year		7,397,000,000	3,284,900,000
Over one year but not more than five years		10,188,900,000	14,106,800,000
Over five years		3,943,985,158	3,421,733,604
		24,796,585,158	24,134,333,604
7.3 Particulars of advances			
i. Debts considered good in respect of which the Bank is fully secured.		14,537,603,056	16,708,136,604
ii. Debts considered good for which the Bank hold no other security than the debtors personal security.		1,136,133,295	996,368,014
iii. Debts considered good and secured by the personal liabilities of one or more persons in addition to the personal security of the debtors.		-	-
iv. Debts considered doubtful or bad provision not provided for.		-	-
v. Debts due by directors or officers, employees of the banking company or any of them either severally or jointly with any other persons and debt due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies, as members, directors.		3,596,144,146	3,692,837,388
vi. Maximum total amount of advances, including temporary advances made any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.		10,385,000	10,385,000
vii. Debts due from companies or firms in which the directors of the Bank are interested as directors, partners, or managing agents or in case of private companies, as members.		-	-

Notes	2022 Taka	2021 Taka
viii. Maximum total amount of advances including temporary advances granted during the year to the company or firm in which the directors of the banking company are interested as directors, partners, managing agents or in the case of private companies as members.	-	-
ix. 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 are interested as directors, partners or managing agents or in the case of private companies as members.	-	-
x. Due from Banking Companies	-	-
xi. Classified advances on which no interest has been charged.	9,025,625,414	6,916,644,000
(a) The balance of bad loan written-off is BDT 15,204,233,265 which has been written-off as per Bangladesh Bank's Circular No. 01 dated 06 February 2019 and a debt collection department has been established to take initiative for recovery of that bad loan.	15,204,233,265	15,380,880,719
7.4 Movement of loans and advances		
Opening balance	24,134,333,604	21,289,651,005
<u>Add:</u> Disbursed during the year	6,297,300,000	7,279,565,000
<u>Add:</u> Interest charged during the year	1,342,170,620	1,739,128,406
	31,773,804,224	30,308,344,411
<u>Less:</u> Recovery during the year	(6,556,272,982)	(6,149,624,090)
	25,217,531,242	24,158,720,321
<u>Add/Less:</u> Written-off during the year	(420,946,084)	(24,386,717)
	24,796,585,158	24,134,333,604
7.5 Significant concentration-wise grouping		
Other executives and officers of the Bank	3,596,144,146	3,692,837,388
Customers	2,388,509,111	2,313,126,037
Industries	18,811,931,901	18,128,370,179
	24,796,585,158	24,134,333,604
7.6 Division-wise loans & advances		
Dhaka Division	10,866,305,582	10,695,133,604
Mymensingh Division	1,507,898,714	1,710,800,000
Chittagong Division	3,648,075,711	3,200,100,000
Khulna Division	1,217,516,790	1,394,200,000
Rajshahi Division	3,644,090,657	2,967,300,000
Sylhet Division	780,356,593	744,900,000
Barisal Division	555,665,071	693,400,000
Rangpur Division	2,576,676,040	2,728,500,000
	24,796,585,158	24,134,333,604
7.7 Classification status of loans and advances		
Unclassified loan:		
Standard	9,708,017,110	10,496,867,085
Standard (C.F)	441,337,988	329,549,798
Special mention account	804,136,004	2,200,915,000
Staff loan	3,584,111,954	3,680,804,721
	14,537,603,056	16,708,136,604
Classified:		
Sub-standard	1,060,606,223	304,316,000
Doubtful	172,750,465	205,237,000
Bad/Loss	9,025,625,414	6,916,644,000
	10,258,982,102	7,426,197,000
	24,796,585,158	24,134,333,604

As at 31 December 2022 bad/loss loans includes staff loan of BDT 12 million. These loans have been classified as bad/loss due to non-payment of loans resulting from death of employees or discontinuance of unemployment with the bank. Most of the loans are recoverable as the employees have retirement benefits unsettled with the bank.

Provisions required against loans and advances
Unclassified loan:

Notes	2022 Taka	2021 Taka
Standard	77,281,843	148,443,977
Standard (C.F)	8,826,760	57,313,108
Special mention account	115,119,879	1,082,841,900
Staff loan	35,961,446	36,928,374
Special General Provision-COVID-19	-	40,000,000
	237,189,928	1,365,527,359

Classified:

Sub-standard	111,517,495	10,686,861
Doubtful	21,604,002	18,053,665
Bad/Loss	3,507,697,144	2,667,132,115
	3,640,818,641	2,695,872,641

Total required provision

	3,878,008,569	4,061,400,000
--	----------------------	----------------------

Provisions maintained

	3,886,280,412	4,061,585,687
--	----------------------	----------------------

Provisions surplus/(deficit)

	8,271,843	185,687
--	------------------	----------------

7.8 Sector-wise loans & advances
Industrial sector

Food and allied products	4,516,394,982	4,395,774,332
Jute and allied fibre products	184,622,376	179,691,595
Cotton woolen and synthetic textile	5,949,022,465	5,790,139,615
Paper, paper products and printing	113,662,055	110,626,438
Tannery and its products	40,883,207	39,791,323
Non-metallic mineral products	293,409,249	285,573,054
Forest, wood products & saw mills	251,635,134	244,914,617
Metal products	1,544,092,442	1,502,853,766
Electrical machinery and goods	206,523,874	201,008,161
Machinery and spare parts	63,081,303	61,396,566
Transport sector	96,662,837	94,081,225
Chemicals and pharmaceuticals	318,477,962	309,972,248
Petro-chemicals	135,013,135	131,407,287
Service industries	941,002,205	915,870,494
Rubber goods sector	19,249,647	18,735,539
Miscellaneous sector	10,122,852,286	9,852,497,345
	24,796,585,158	24,134,333,604

7.9 Loans written-off

As per BRPD circular no. 01 dated 6 february 2019 classified loans and advances have been written-off from the books as and when necessary. The balance position of the written-off loans as on 31 December 2022 is BDT 15,204,233,265. The movement of the written-off loans is as follows:

Opening balance	15,380,880,719	15,447,771,959
Add: Addition during the year	420,946,084	24,386,717
	15,801,826,803	15,472,158,676
Less: Recovery during the year	(85,160,395)	(71,834,314)
Less: Waiver during the year	(512,433,143)	(19,443,643)
Closing balance	15,204,233,265	15,380,880,719

Classified loans and advances have been written-off during the year from the books is BDT 420,946,084. Recovery of loans for the year under reporting is BDT 85,160,395 and waived during the year with outstanding balance of BDT 512,433,143.

7.10 Top 20 Funded Borrower as on 31-12-2022

SL	Name of the Borrower	Sanction Amount	Outstanding Amount
1	M. M. Vegetable Oil Products Ltd.	1,103,195,024	1,037,900,000
2	Tallu Spinning Mills Ltd.	696,067,972	660,600,000
3	R. R. Spinning & Cotton Mills Ltd.	655,200,826	667,300,000
4	Zarina Composite Textile Ind. Ltd.	582,858,331	779,126,816
5	AA Knit Spin LTD.	519,119,474	500,000,000
6	Delta Spinners Ltd.	470,754,850	423,976,518
7	BR Spinning Mills Ltd.	470,210,592	454,975,837
8	Confidence Power Bogura Limited	423,875,000	500,000,000
9	Urmee Knitwear Ltd.	404,958,173	429,800,000
10	BDBL Securities Ltd.	404,958,173	450,000,000
11	Media International	387,122,245	326,500,000
12	Gonga Foundry Limited	340,290,784	597,500,000
13	Sonargaon Textiles Ltd	303,437,807	263,000,000
14	Confidence Power Rangpur Limited	293,660,742	367,100,000
15	Shamsuddin Spinning Mills Ltd.	262,673,647	250,000,000
16	North Bengal Agro Concern	260,110,746	305,300,000
17	Hasan Jute & Spinning Mills Ltd.	253,867,468	253,900,000
18	Tatka Agro Industries Ltd.	247,993,289	200,000,000
19	Padakhep Manabik Unnayan Kendra	217,460,243	300,000,000
20	North Bengal Poultry & Hatchery Ltd.	189,018,785	153,000,000
	Total	8,486,834,170	8,919,979,171

7.11 Non-Funded Borrower as on 31-12-2022

SL	Name of the Borrower	Sanction Amount	Recovery Amount	Outstanding Amount
1	National Accessories Ltd	4,610,259	4,610,259	-
2	UNIQUE TRADE INTERNATIONAL	1,076,400	1,076,400	-
3	UNITED TRADING	2,477,365	2,477,365	-
4	M/S Everchem International	1,953,993	-	1,953,993
5	M/s Radha enterprise	32,355,533	32,355,533	-
6	Bangladesh Power Development board	880,217,703	569,347,546	310,870,157
7	Directorate Deberal Defence Purchase	62,714,226	-	62,714,226
8	Zarina Composite Textile Industries Ltd.	1,548,334,709	1,513,366,624	34,968,085
9	Urmee Knitwear Ltd.	611,850,793	258,769,498	353,081,295
10	Awal and Brothers Chemical Co. Pvt. Ltd.	106,877,056	103,812,800	3,064,256
11	Daika (Chemiland) Ltd.	14,527,344	14,527,344	-
12	Kanchpur Processing	2,800,200	1,164,800	1,635,400
13	Lark Hi-tech Ltd.	27,287,624	9,878,024	17,409,600
14	Ratul Associate	8,098,480	3,510,000	4,588,480
15	Rahman and Brothers	3,041,543	-	3,041,543
16	ASHA ENTERPRISE	26,564	26,564	-
17	Goldfire ENGINEERING	6,100	6,100	-
18	BT LIMITED	227,014	74,484	152,530
19	AHMED ENTERPRISE	27,169	8,600	18,569
20	Wheels Incorporation	129,000	67,400	61,600
21	Y J Enterprise	7,160	-	7,160
Total		3308646235	2,515,079,340	793,566,895

7.12 Top 20 Defaulter as on 31-12-2022

SL	Name of the Borrower	Disbursed Amount	Recovery Amount	Outstanding Amount
1	M. M. Vegetable Oil Products Ltd.	676,200,000	70,100,000	1,103,200,000
2	Tallu Spinning Mills Ltd.	591,700,000	966,300,000	696,100,000
3	R. R. Spinning & Cotton Mills Ltd.	352,500,000	60,400,000	655,200,000
4	Delta Spinners Ltd.	408,200,000	903,100,000	470,800,000
5	BR Spinning Mills Ltd.	224,000,000	10,900,000	470,200,000
6	Media International	278,000,000	185,200,000	387,100,000
7	Sonargaon Textiles Ltd	366,300,000	604,700,000	303,400,000
8	North Bengal Agro Concern	305,300,000	13,500,000	260,100,000
9	Tatka Agro Industries Ltd.	200,000,000	8,300,000	248,000,000
10	North Bengal Poultry & Hatchery Ltd.	94,500,000	-	189,000,000
11	Ranangan Cold Storage Ltd.	158,900,000	4,200,000	175,600,000
12	Ganoshasthaya Grameen Textile Mills Ltd.	114,700,000	146,500,000	168,300,000
13	T. R. Specialized Cold Storage (Pvt) Ltd.	103,700,000	34,900,000	135,200,000
14	Dhanshiri Composite Ltd.	71,800,000	9,100,000	132,400,000
15	Jhenai Tex Ltd.	87,800,000	15,900,000	114,600,000
16	Asha Agro Industries (pvt) Ltd.	73,700,000	24,200,000	106,900,000
17	Subat knit Composit Ltd.	80,600,000	18,900,000	98,900,000
18	Mita Bricks Field Ltd.	50,000,000	16,300,000	96,600,000
19	Bogra Multipurpose Industries Ltd.	77,000,000	11,700,000	91,800,000
20	Dulamia Cotton Spinning Mills Ltd.	212,900,000	354,900,000	86,900,000
Total		4,527,800,000	3,459,100,000	5,990,300,000

7.13 A. Loan Reschedule for the year

SL No.	No. of Borrower	Rescheduled Amount	Down Payment & Recovery	Outstanding Amount
1	ASMA GARMENTS	1,413,244	201,980	1,493,653
2	SHILPEE BEAUTY PARLOUR	321,775	150,966	247,800
3	M/S. ISLAMIA HASKING MILLS	4,318,500	2,699,500	2,751,451
4	PADMA DODHI BHANDAR	455,712	129,600	370,212
5	AHAD FURNITURE MART	839,717	145,000	970,160
6	SS FLOUR MILLS LTD.	32,182,911	9,300,000	28,548,794
7	M/S. IFAT TIMBER YEARD	396,291	92,599	410,989
8	MD. MAHAMUDUL HASAN PRAMANIK	184,603	67,000	156,381
9	SUMON RICE & SAW MILL	1,094,898	492,521	1,133,113
10	LOKNATH FABRICS	274,435	46,934	278,061

11	NOWME ENTERPRISE	263,925	45,662	267,076
12	SANDIP SWARNO SHIPALROY	495,225	78,074	507,746
13	MEGHNA LIBRARY	476,000	124,725	418,033
14	HASAN JUTE & SPINNING MILLS LTD.	253,867,468	3,800,000	253,867,468
15	S. K. BROILER & POULTRY FIRM	402,705	45,000	431,253
16	MR. DULAL ROY	451,505	74,224	455,516
17	NAYEM TRADERS	681,818	299,410	474,918
18	ARIF GENERAL STORE	797,843	189,500	737,747
19	HASAN POLTRY COMPLEX	228,725	640,021	101,111
20	SHAH MOKHDUM MEDICAL HOSPITAL	5,248,423	1,827,960	4,587,879
21	M/S SHAHARA DAIRY FIRM	2,786,921	350,300	2,989,851
22	M/S SHAHARA DAIRY FIRM	1,395,161	408,314	1,259,213
23	SREE DHRUBO PADA ADHIKARI	205,783	74,300	191,491
24	RIMI MANUFACTURING INDUSTRIES	4,840,000	1,278,263	4,634,332
25	M/S. INQUISITIVE COMPUTER SERVICE	173,538	60,000	141,087
26	BROTHERS AUTO RICE MILL	5,492,786	2,799,185	2,983,215
27	MD. KHAYER MIAH	2,379,003	116,000	2,456,775
28	RAIYA FOODS	117,265	14,000	122,945
29	KHANDAKER MD. SHAFIQUK ISLAM	489,114	60,000	499,451
30	AAS-SIFAT AGRONOMICS	901,655	141,393	902,039
31	RIGHT CHOICE	439,428	202,094	326,864
32	SPY TECHNOLOGY	727,115	164,000	648,354
33	M/S TASHIR MOTSHAW KHAMAR	7,108,204	1,283,012	7,248,361
34	MA ENTERPRIZE	2,107,247	274,943	2,136,343
35	M/S SARDAR FISH	508,326	70,328	510,232
36	M/S TOSLIMA HEALTH AND PHARMACY	261,367	34,424	252,247
37	GOODLY CERAMICS WARE	1,302,240	53,000	1,313,275
38	WOMA HAIR DRESSER SALOON	1,318,676	63,000	1,318,676
39	M H FABRICS	320,000	50,020	321,110
40	M/S AZAD STORE	494,421	40,000	494,421
41	M/S AZAD STORE	666,718	60,000	668,385
42	M/S RAFA ENTERPRISE	316,108	15,000	316,653
43	SALEHA FOOD PRODUCTS	2,842,733	150,000	2,848,575
Total		341,589,532	28,212,252	332,793,256

B. Loan Restructured for the year

SL No.	No. of Borrower	Restructured Amount	Down Payment & Recovery	Outstanding Amount
	Nil			
Total			-	-

7.14 No. of Cases in Artha Rin Adalat, amount involved & recovery in that case

No. of Case	Amount	Recovery
409	27,998,700,000	197,000,000
Total	27,998,700,000	197,000,000

Notes	2022 Taka	2021 Taka	
7(a) Consolidated loans and advances			
(i) Loans, cash credits, overdrafts, etc			
Bangladesh Development Bank Limited	24,215,857,634	23,539,682,303	
<u>Less: Inter group loan (BSL & BISL)</u>	(608,438,766)	(577,819,764)	
BDBL Securities Limited	127,820,212	118,919,672	
BDBL Investment Services Limited	264,384,660	218,062,416	
	23,999,623,740	23,298,844,627	
(ii) Bills purchased and discounted			
Bangladesh Development Bank Limited	580,727,524	594,651,301	
BDBL Securities Limited	-	-	
BDBL Investment Services Limited	-	-	
	580,727,524	594,651,301	
	24,580,351,264	23,893,495,928	
8. Fixed assets including premises, furniture and fixtures			
<u>Owner Occupied Property (IAS-16)</u>			
Opening balance	807,419,710	600,971,270	
<u>Add: Addition during the year</u>	40,788,838	219,884,193	
<u>Less: Disposal/adjustment during the year</u>	(26,510,620)	(13,435,753)	
	821,697,928	807,419,710	
<u>Less: Accumulated depreciation at the year end</u>	(513,052,033)	(463,343,738)	
	308,645,895	344,075,972	
<u>Add: Revaluation balance at the year end</u>	4,292,973,068	4,395,249,606	
Written Down Value (A+B)	4,601,618,963	4,739,325,578	
<u>Investment property (IAS-40)</u>			
Opening balance	4,213,035,632	4,213,035,632	
Add: Transfer of Property, plant and equipment to Investment Property	-	-	
Adjusted opening balance	4,213,035,632	4,213,035,632	
Add: Addition during the year	-	-	
	4,213,035,632	4,213,035,632	
Less : Disposal during the year	-	-	
	4,213,035,632	4,213,035,632	
<u>Less: Accumulated depreciation at the year end</u>	(1,186,273,505)	(1,181,392,763)	
Written Down Value (C)	3,026,762,127	3,031,642,869	
<u>Lease Assets (ROU)</u>			
Opening balance	36,019,261	31,319,507	
Add: Addition during the year	8,254,112	4,699,754	
	44,273,373	36,019,261	
Less: Disposal during the year	174,091	-	
	44,099,282	36,019,261	
<u>Less: Accumulated depreciation at the year end</u>	(15,128,888)	(9,207,708)	
Written Down Value (D)	28,970,394	26,811,553	
Total Fixed Assets including Investment property and Lease (A+B+C+D)	7,657,351,484	7,797,780,000	
A Schedule of Fixed Assets is given in <u>Annexure- A.</u>			
8(a) Consolidated fixed assets including premises, furniture and fixtures			
Bangladesh Development Bank Limited	Note: 8	7,657,351,484	7,797,780,000
BDBL Securities Limited		3,223,934	2,893,234
BDBL Investment Services Limited		4,485,123	6,743,975
		7,665,060,541	7,807,417,209

*The Bank has decided to reclassify the property, plant and equipment to Investment Property those actually met the criteria of Investment Property as per International Accounting Standard (IAS) 40- Investment Property from the financial year 2021. The Bank used the cost model, for the transfer of owner- occupied property to investment property. For this reason, there is no change in the carrying amount of the property transferred and there is no change in the cost of that property for measurement or disclosure purposes (as per Para 59 of IAS 40). If there is any changes in fair market value, the adjustment will be given subsequently in future for the impairment loss.

Notes	2022 Taka	2021 Taka
9. Other assets		
Stationery and stamps in hand	4,710,535	4,586,450
Tax paid in advance	Note: 9.1	3,635,782,647
Prepaid expenses and security deposit	20,168,942	18,650,737
Accrued income (CAD and Branches)	Note: 9.2	531,143,646
Suspense A/C (CAD and branches)	7,418,513	6,122,400
Exchange risk adjustment account	11,345,062	11,345,062
Depreciation fund - interest receivable	26,462,500	26,462,500
Sanchaya patra encashment A/C	186,362,235	210,137,417
Legal expenses realizable A/C	54,599,414	54,812,735
Misc. receivable and sundry for adjustment purpose	8,710,379	22,181,911
Inter office adjustment	Note: 12.13	16,002,757
Temporary advance	7,198,337	6,491,617
Investment in subsidiaries (BSL & BISL)	1,000,000,000	1,000,000,000
Receivable from subsidiaries (BSL & BISL)-Salary & Allowances	46,779,655	51,029,914
Receivable from subsidiaries (BSL & BISL)-Share	180,127,666	249,377,531
*Receivable from forfeited CPF	-	226,749
Deferred tax asset (for ROU Assets)	Note: 9.3	998,102
Other charges receivables from write-off project	8,577	8,577
	5,919,541,365	5,829,063,323

* The balance represents the portion of employer's contribution to those employee who have left service before completion of 05 (Five) years as per FRC Notification No 179/FRC/FRM/Proggapan/2020/2 dated 07 July 2020. This forfeited fund shown as Miscellaneous income in the Profit & Loss statement. The PF audit is completed upto 2021.

9.1 Tax paid in advance

Movement of the advance tax paid during the year is as follows:

Opening balance	3,635,782,647	3,653,057,110
Add: Addition during the year	204,813,385	172,919,731
	3,840,596,032	3,825,976,841
Less: Adjustment during the year	-	(190,194,194)
	3,840,596,032	3,635,782,647

Year wise break-up of the above amount is shown as follows:

A: Erstwhile BSRS:

Accounting year	Assessment year	Corporate advance tax	Deducted at source	Total BDT
1997 - 1998	1998 - 1999	-	5,666,165	5,666,165
1998 - 1999	1999 - 2000	-	6,620,718	6,620,718
1999 - 2000	2000 - 2001	12,500,000	4,731,041	17,231,041
2000 - 2001	2001 - 2002	45,473,000	4,391,185	49,864,185
2001 - 2002	2002 - 2003	16,000,000	5,558,725	21,558,725
2002 - 2003	2003 - 2004	4,500,000	7,314,644	11,814,644
2003 - 2004	2004 - 2005	10,000,000	7,020,445	17,020,445
2004 - 2005	2005 - 2006	-	6,936,472	6,936,472
2005 - 2006	2006 - 2007	-	13,412,159	13,412,159
2006 - 2007	2007 - 2008	20,000,000	18,913,584	38,913,584
2007 - 2008	2008 - 2009	10,000,000	20,865,579	30,865,579
2008 - 2009	2009 - 2010	34,848,614	22,489,729	57,338,343
2009 - 2010	2010 - 2011	-	13,223,817	13,223,817
Total (A)		153,321,614	137,144,263	290,465,877

B: Erstwhile BSB:

Accounting year	Assessment year	Corporate advance tax	Deducted at source	Total BDT
1994-95	1995-1996	-	223,455,120	223,455,120
1995-96	1996-1997	-	1,388,566	1,388,566
1996-97	1997-1998	-	101,091,067	101,091,067
1997-98	1998-1999	-	69,230,875	69,230,875
1998-99	1999-2000	-	18,911,461	18,911,461
2000-01	2001-2002	-	13,926,730	13,926,730
2001-02	2002-2003	-	25,698,639	25,698,639
2003-04	2004-2005	-	32,943,494	32,943,494
2008-09	2009-2010	-	18,992,160	18,992,160
2009-10	2010-2011	-	7,727,586	7,727,586
Total (B)		-	513,365,698	513,365,698

	Notes	2022 Taka	2021 Taka
C: BDBL			
Accounting year	Assessment year	Corporate advance tax	Deducted at source
			Total BDT
2010	2011-2012	10,000,000	73,748,710
2011	2012-2013	61,232,451	89,333,534
2012	2013-2014	82,370,218	120,350,190
2013	2014-2015	60,735,632	194,793,491
2014	2015-2016	-	289,235,544
2015	2016-2017	154,782,467	244,926,149
2016	2017-2018	41,371,000	242,688,379
2017	2018-2019	15,000,000	228,700,911
2018	2019-2020	64,617,766	283,409,498
2019	2020-2021	-	268,593,078
2020	2021-2022	-	133,142,323
2021	2022-2023	50,000,000	122,919,731
2022	2023-2024	8,798,732	196,014,653
Total		548,908,266	2,487,856,191
			3,036,764,457
Total advance tax paid (A+B+C)			3,840,596,032
9.2	Accrued income (CAD and Branches)		
	CAD, Head office		
	Dividend Receivable		194,635,895
	Accrued Rent		133,704,757
	Accrued income on FDR		179,712,007
		508,052,659	531,143,646
	Branch Offices		-
		508,052,659	531,143,646
9.3	Deferred tax asset on ROU assets		
	WDV of ROU		28,970,394
	Closing balance of Lease liability		31,465,648
	Deductable temporary difference		2,495,254
	Tax Rate		40.00%
	Deferred tax asset		998,102
			703,430
9(a)	Consolidated other assets		
	Bangladesh Development Bank Limited	Note:9	5,919,541,365
	Less: Receivable from subsidiaries (BSL& BISL)		(226,907,321)
	Less: Investment in subsidiaries (BSL & BISL)		(1,000,000,000)
	BDBL Securities Limited (BSL)		111,789,682
	BDBL Investment Services Limited (BISL)		89,537,338
			4,893,961,064
			4,769,113,056
10.	Borrowing from other banks, financial institutions and agents		
	In Bangladesh	Note:10.1	342,504,127
	Outside Bangladesh		-
			342,504,127
			158,402,624
a)	Security based segregation		
	Secured		-
	Un-secured		342,504,127
			342,504,127
			158,402,624
b)	Maturity based segregation		
	On demand		160,000,000
	On maturity		182,504,127
			342,504,127
			158,402,624
10.1	In Bangladesh		
	DM 3.00 million K.F.W. loan		1,861,210
	SME refinance from BB		180,642,917
	*Call borrowing		160,000,000
			342,504,127
			158,402,624

*The call loan is taken from Sonali Bank Limited for fund requirement. The rate of interest is 5.75%.

	Notes	2022 Taka	2021 Taka
11. Deposits and other accounts			
Current and other accounts	Note: 11.1	4,790,312,726	3,429,585,954
Bills payable	Note: 11.2	110,182,120	112,056,316
Saving bank deposits		2,462,704,981	2,044,526,815
Fixed deposits		21,781,822,825	23,418,933,183
		29,145,022,652	29,005,102,268
11.1 Current and other accounts			
Short notice deposit		2,783,972,669	1,792,867,447
Scheme deposit		780,173,571	696,279,990
Sundry deposit		435,791,452	190,425,722
Current account		551,555,767	451,533,199
Margin deposits		137,785,051	86,194,756
Guarantee margin security deposits		3,512,712	127,818,531
Earnest money		72,200	72,200
Payable under investment scheme		97,366,099	81,355,311
Deposit in foreign currency		83,205	3,038,798
		4,790,312,726	3,429,585,954
11.2 Bills payable			
Payment order		109,942,268	110,947,726
Drafts payable		239,852	1,108,590
		110,182,120	112,056,316
11.3 Deposits and other accounts by maturity			
On demand		225,100,000	142,400,000
Repayable within one month		1,717,600,000	2,729,100,000
More than one month but not more than six months		6,448,000,000	7,268,500,000
More than six months but not more than one year		12,246,700,000	4,959,100,000
More than one year but not more than five years		8,507,622,652	13,906,002,268
More than five years but not more than ten years		-	-
Unclaimed deposits held by the bank more than ten years		-	-
		29,145,022,652	29,005,102,268
11(a) Consolidated deposit and other accounts			
(i) Current and other accounts			
Bangladesh Development Bank Limited	Note:11.1	4,790,312,726	3,429,585,954
BDBL Securities Limited		(934,113)	(177,230)
BDBL Investment Services Limited		(498,419)	(258,549)
		4,788,880,194	3,429,150,175
(ii) Bills payable			
Bangladesh Development Bank Limited	Note:11.2	110,182,120	112,056,316
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		110,182,120	112,056,316
(iii) Savings bank deposit			
Bangladesh Development Bank Limited		2,462,704,981	2,044,526,815
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		2,462,704,981	2,044,526,815
(iv) Fixed deposit			
Bangladesh Development Bank Limited		21,781,822,825	23,418,933,183
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		21,781,822,825	23,418,933,183
		29,143,590,120	29,004,666,489
12. Other liabilities			
Provision for income tax	Note: 12.1	3,305,691,264	3,145,396,592
Provision for deferred tax	Note: 12.2	988,472,299	1,013,786,020
Accrued expenses	Note: 12.3	664,061,845	729,680,727
Others funds	Note: 12.4	92,832,092	109,660,575
Provision for B/D equity		48,412,100	48,412,100
Provision for B/D debenture		2,931,259	2,931,259
Provision for investment and share		42,300,000	42,300,000
Other provisions	Note: 12.5	516,882,138	609,347,318
Provision for unclassified loan	Note: 12.6	237,189,928	1,325,527,359
Special General Provision-COVID-19	Note: 12.6.1	-	40,000,000

	Notes	2022 Taka	2021 Taka
Provision for classified loan	Note: 12.7	3,649,090,484	2,696,058,328
Interest suspense	Note: 12.8	2,483,749,780	2,340,683,250
Advance deposit receipts	Note: 12.9	222,242,292	199,785,679
Lease Liability	Note: 12.10	31,465,648	28,570,127
Start up fund	Note: 12.11	2,100,661	1,087,336
Miscellaneous	Note: 12.12	87,690,152	665,271,627
		12,375,111,942	12,998,498,297
12.1 Provision for income tax			
Opening balance		3,145,396,592	3,139,782,702
Add: Provision made during the year	Note:12.1.1	160,294,672	195,808,084
		3,305,691,264	3,335,590,786
Less: Adjustment made during the year		-	(190,194,194)
		3,305,691,264	3,145,396,592
12.1.2 Current Year Deferred Tax Provision:			
Deferred tax on asset revaluation		(25,313,721)	(21,221,898)
Less: Adjustment during the year		13,295,950	13,636,865
Deferred tax on Right use of asset (RoU)		294,672	308,939
		(12,312,443)	(7,893,972)
12.1.3 Income tax assessment status			

A) Erstwhile BSB

Financial Year	Assessment Year	Assessment Status
2003-2004	2004-2005	Settled upto AY 2004-05 and Tax refundable is BDT 12.65 Crore.
2008-2009	2009-2010	Pending with Appeal tribunal
2009-2010	2010-2011	ADR Revised order and Appeal order yet to be received

B) Erstwhile BSRS

Financial Year	Assessment Year	Assessment Status
1995-1996	1996-1997	Tax cases settled. No demand by tax authority.
1996-1997	1997-1998	
1997-1998	1998-1999	
1998-1999	1999-2000	
1999-2000	2000-2001	Tax assessment order has not yet been revised as per tribunal order.
2000-2001	2001-2002	"do"
2001-2002	2002-2003	"do"
2002-2003	2003-2004	"do"
2003-2004	2004-2005	Refundable BDT 17,020,445
2004-2005	2005-2006	Not yet assessed refundable BDT 6,936,472
2005-2006	2006-2007	Tax assessment has not yet been revised as order CT appeal
2006-2007	2007-2008	Self assessment
2007-2008	2008-2009	To be revised as per CT appeal
2008-2009	2009-2010	Appealed before the commissioner of taxes.
2009-2010	2010-2011	Appealed before the commissioner of taxes.

C) BDBL

Financial Year	Assessment Year	Assessment Status
2010	2011-2012	DP BDT 7,47,000.00 not credited. The taxes Appellate Tribunal order dated 29 April 2015 available but revised order is yet to be received.
2011	2012-2013	DP BDT 11,000,000.00 not credited. The taxes Appellate Tribunal order disposed dated 30 April 2015.
2012	2013-2014	TDS BDT 1,948,242 not credited. The appeal filed on 27 June 2016 for rectification.
2013	2014-2015	TDS BDT 542,649 not credited. The appeal filed on 18 October 2016 for rectification.
2014	2015-2016	Return file normal in procedure.
2015	2016-2017	Return filed
2016	2017-2018	Return filed
2017	2018-2019	Return filed
2018	2019-2020	Return filed
2019	2020-2021	Return filed
2020	2021-2022	Return filed
2021	2022-2023	Return filed
2022	2023-2024	Yet to be filed

Notes	2022 Taka	2021 Taka
12.2 Provision for deferred tax		
A. Deferred tax on fixed asset		
Deferred tax liabilities have been computed in accordance with IAS-12 based on taxable temporary difference in carrying amount of the fixed assets and its tax base as follows:		
WDV of fixed assets as per tax records	324,622,020	334,888,414
WDV of fixed assets as per accounts	463,891,944	504,202,763
Taxable temporary difference	(139,269,924)	(169,314,349)
Applicable tax rate	40.00%	40.00%
Deferred tax liabilities	(55,707,969)	(67,725,739)
B. Deferred tax on asset revaluation reserve		
Asset revaluation reserve on 01 January 2022*	6,320,705,403	6,411,967,551
<u>Less:</u> Adjustment for depreciation during the year (Owner occupied)	(28,647,921)	-
<u>Less:</u> Adjustment for depreciation during the year (Investment Property)	(73,628,617)	104,899,013
	6,218,428,865	6,307,068,538
Applicable tax rate	15%	15%
Deferred tax liability	(932,764,330)	(946,060,281)
Total deferred tax liability (A+B)	(988,472,299)	(1,013,786,020)
*Detail of the revaluation reserve given in Annexure A and Note: 16.2(a).		
12.3 Accrued expense		
Accrued interest	566,174,695	629,403,512
Accrued expense	97,887,150	100,277,215
	664,061,845	729,680,727
12.4 Other funds		
Pension and death cum retirement fund	78,905,106	79,923,232
Employees provident fund	10,754,032	9,775,221
Employees gratuity fund	2,552,862	18,040,625
Employees benevolent fund	620,092	1,921,497
	92,832,092	109,660,575
As per valuation report submitted by AIR Consulting , Actuary , a shortfall of provision to the employees gratuity & pension fund stood at BDT 2164 million as on 31 December 2017. To makeup this shortfall the actuary recommended compensation of BDT 250 million lumpsum per annum and monthly contribution of 41% of basic pay. Whereas Tk. 50.00 million has been provided for the said fund to meet the shortfall in the year 2022 due to insufficiency of profitability. The left will be maintained accordingly in the following years.		
12.5 Other provisions	516,882,138	609,347,318
12.5.a Other provisions (Miscellaneous)		
Provision for bonus	79,999,990	78,066,438
Provision for unadjusted inter branch current account	2,800,000	2,800,000
Dividend payable to Govt.	-	100,000,000
Payable to Govt. against share dividend	56,714,678	52,113,410
	139,514,668	232,979,848
12.5.b Provision for other assets		
Provision for realisable legal expenses	53,648,000	53,648,000
Provision for interest on depreciation fund	26,462,500	26,462,500
Provision for off balance sheet items	13,008,067	12,008,067
Provision for exchange risk adjustment A/C	11,345,000	11,345,000
Provision for investment in other bank and financial institution*	213,611,300	213,611,300
Provision for other assets	59,292,603	59,292,603
	377,367,470	376,367,470
12.6 Provision for un-classified loan		
Provision held at the beginning of the year	1,325,527,359	1,402,926,131
<u>Less:</u> Fully provided debts written-off	-	-
<u>Add:</u> Recoveries of amount previously written-off	-	-
<u>Add:</u> Specific provision for the year	-	-
Provision transfer to other assets	-	-
Less: Excess provision transferred to provision to CL loan	(1,088,337,431)	(77,398,772)
<u>Add:</u> Specific provision for special mentioned A/C	-	-
Provision held at the end of the year	237,189,928	1,325,527,359

Notes	2022 Taka	2021 Taka
12.6.1 Special General Provision-COVID-19	-	40,000,000
As per BRPD circular letter no-53 of Bangladesh Bank dated 30 Dec, 2021 Bank has to maintain additional 2% Special General provision COVID-19 for unclassified loans.		
12.7 Provision for classified loan		
Provision held at the beginning of the year	2,696,058,328	2,479,220,380
<u>Less:</u> Fully provided debts written-off/loan liquidated	(420,946,084)	(18,244,009)
<u>Less:</u> Fully provided against interest waiver of staff loan	(4,359,191)	-
<u>Add:</u> Specific provision for the year	250,000,000	134,383,185
<u>Add:</u> Recoveries and provision no longer required	-	-
<u>Less:</u> Excess provision transferred to provision for off-balance sheet Items	-	-
<u>Add:</u> Excess provision transferred from provision for Special General	40,000,000	-
<u>Add:</u> Excess provision transferred from un-classified loan	1,088,337,431	77,398,772
<u>Add:</u> Excess provision transferred from other asset	-	23,300,000
Provision held at the end of the year	3,649,090,484	2,696,058,328
Total provision maintained	3,886,280,412	4,061,585,687
Required provision	3,878,008,569	4,061,400,000
(Shortfall)/Excess	8,271,843	185,687
12.8 Interest suspense		
Opening balance	1,688,145,734	1,017,973,559
<u>Add:</u> Credited/Added during the year	333,841,481	926,809,858
<u>Less:</u> Transferred to interest income	(10,643,958)	(12,654,323)
<u>Less:</u> Written-off during the year	-	-
<u>Less:</u> Adjustment during the year	(180,130,993)	(243,983,360)
	1,831,212,264	1,688,145,734
<u>Add:</u> Interest suspense A/C (IDCP)	652,537,516	652,537,516
	2,483,749,780	2,340,683,250
12.9 Advance deposits receipts		
Other deposits received in advance	12,396,795	52,537,820
L/C Charges Received in Advance	910,589	702,793
Advance rent received on Bank's premises	3,786,627	2,192,246
Sundry - unadjusted recovery from loan	138,089,747	95,865,266
Sundry deposits(write-off)	67,058,534	48,487,554
	222,242,292	199,785,679
12.10 Lease Liability		
Opening balance	28,570,127	27,914,633
Add: Addition during the year	10,886,950	6,956,462
	39,457,077	34,871,095
Less: Disposal/Adjustment during the year	(7,991,429)	(6,300,968)
	31,465,648	28,570,127
The Bank has recognised the IFRS 16 Lease from the financial year 2020 and it measured lease liability in respect of the appropriate criteria. The lease liability will be paid within the lease term to the lessor. The interest was capitalised and charged accordingly.		
12.11 Start up fund		
Opening balance	1,087,336	448,896
Add: Addition during the year	1,013,325	638,440
Closing Balance	2,100,661	1,087,336
As per Bangladesh Bank SMESPD circular no. 05 dated 26 April 2021, this fund was created through compulsory appropriation of 1% Net profit after tax of 2022 and bank has to maintain it from 2020 to following five years to facilitate/finance start up entrepreneurs.		

Notes	2022 Taka	2021 Taka
12.12 Miscellaneous		
FCTA exchange premium	46,028,469	46,028,469
FCTA penal premium	7,446,350	7,446,350
Liabilities towards BSB and EPF	6,394,900	6,394,900
Sanchaya patra sold	-	750,000
Special adjustment account	16,512,178	9,988,928
Managed fund	725,542	725,542
Liability for other finance	1,444	1,444
Other payable	597,414	348,007
Suspense others	-	-
Liability for other expenses	4,561,572	4,581,062
Employees Income Tax	5,422,283	5,744,073
Inter office adjustment account	-	583,262,852
Note: 12.13		
	87,690,152	665,271,627
12.13 Inter office adjustment account		
CAD current account in branch office book	(9,205,363,549)	(8,226,258,313)
Branch office current account in CAD's book	9,189,437,895	8,811,913,913
LAD's current account in CAD's book	(17,044,397)	(426,972,585)
CAD's current account in LAD's book	16,561,084	423,864,957
LAD's current account in branch office book	189,827,456	(530,310,946)
Branch office current account in LAD's book	(189,827,456)	530,363,284
Brokerage house C/A in Pr. Br.	136,000	136,000
Inter branch current account	270,210	526,542
	(16,002,757)	583,262,852
*The balance of 2022 of inter office adjustment account is transferred to Other Asset for having negative balance.		
12(a) Consolidated other liabilities		
Bangladesh Development Bank Limited	12,375,111,942	12,998,498,297
BDBL Securities Limited	468,142,154	449,977,836
BDBL Investment Services Limited	372,828,911	407,310,405
Less: Payable to BDBL (BSL & BSL)	(226,907,321)	(300,403,530)
	12,989,175,686	13,555,383,008
12.a.i Consolidated current tax		
Bangladesh Development Bank Limited	160,294,672	195,808,084
BDBL Securities Limited	16,988,737	19,535,376
BDBL Investment Services Limited	16,116,160	21,854,416
	193,399,569	237,197,876
12.a.ii Consolidated deferred tax		
Bangladesh Development Bank Limited	(12,312,443)	(7,893,972)
BDBL Securities Limited	1,527	47,526
BDBL Investment Services Limited	(68,441)	(48,653)
	(12,379,357)	(7,895,099)
13 Share Capital		
Authorised capital:		
100,000,000 shares of Taka 100 each	10,000,000,000	10,000,000,000
Issued, subscribed and paid-up capital:		
60,000,000 Shares of Taka 100 each fully paid by the government and government nominated shareholders	6,000,000,000	6,000,000,000
13.1 Capital to risk weighted asset ratio (CRAR)		
Consolidated CRAR		
i) Core capital (Tier-i)		
Paid-up capital	6,000,000,000	6,000,000,000
General reserve	2,377,755,115	2,347,755,114
Statutory reserve	2,714,871,336	2,664,871,336
Retained earnings	915,425,569	807,275,393
Less: Provision shortfall as per RBCA (Basel-III)	(725,893,488)	(440,373,839)
	11,282,158,532	11,379,528,005
ii) Supplementary capital (Tier-ii)		
General provision	222,485,390	653,007,358
	222,485,390	653,007,358

Notes	2022 Taka	2021 Taka
A Total eligible capital (Tier-i+ii)	11,504,643,922	12,032,535,363
B Total risk weighted assets	50,781,173,436	52,371,622,817
C Required capital(10% of risk weighted assets)	5,078,117,344	5,237,162,282
D Capital conservation buffer (2.5% on risk weighted assets)	1,269,529,336	1,309,290,570
E Total required capital with conservation buffer (C+D)	6,347,646,680	6,546,452,852
F Capital surplus (A-E)	5,156,997,242	5,486,082,511
Capital adequacy ratio	22.66%	22.98%
Core capital to risk weighted assets	22.22%	21.73%
Supplementary capital to risk weighted assets	0.44%	1.25%
Solo CRAR		
i) Core capital (Tier-i)		
Paid-up capital	6,000,000,000	6,000,000,000
General reserve	2,377,755,115	2,347,755,114
Statutory reserve	2,714,871,336	2,664,871,336
Retained earnings	580,950,761	460,631,595
<u>Less</u> : Provision shortfall as per RBCA (Basel-III)	(655,453,914)	(337,587,358)
	11,018,123,298	11,135,670,687
ii) Supplementary capital (Tier-ii)		
General provision	222,485,390	653,007,358
	222,485,390	653,007,358
A Total eligible capital (Tier-i+ii+iii)	11,240,608,688	11,788,678,046
B Total risk weighted assets	48,602,465,325	50,431,895,455
C Required capital (10% of risk weighted assets)	4,860,246,532	5,043,189,546
D Capital conservation buffer (2.5% on risk weighted assets)	1,215,061,633	1,260,797,386
E Total required capital with conservation buffer	6,075,308,166	6,303,986,932
F Capital surplus (A-E)	5,165,300,522	5,484,691,114
Capital adequacy ratio	23.13%	23.38%
Core capital to risk weighted assets ratio	22.67%	22.08%
Supplementary capital to risk weighted assets ratio	0.46%	1.30%
14. Quasi equity	134,744,560	134,744,560
This was created as per government decision in 1982 by converting the 3rd, 5th, 6th and 8th UK credits received by erstwhile BSB. This liability has been waived by the Government of Bangladesh.		
15. Statutory reserve		
Opening balance	2,664,871,336	2,614,571,336
<u>Add</u> : Addition made for the year	50,000,000	50,300,000
	2,714,871,336	2,664,871,336
16. General, revaluation and other reserve	9,675,387,444	9,734,368,032
This is the cumulative reserve maintained in notes General reserve 16.1, Asset revaluation reserve 16.2 & Other reserves in 16.3 accordingly.		
16.1 General reserve		
Opening balance	2,347,755,115	4,347,755,115
<u>Add</u> : Addition/Adjustment during the year	30,000,000	(2,000,000,000)
	2,377,755,115	2,347,755,115
16.2 Asset revaluation reserve		
Opening balance	6,320,705,403	6,411,967,551
<u>Less</u> : Adjustment for depreciation for the year	(102,276,538)	(104,899,013)
<u>Add/(Less)</u> : Adjustment for deferred tax	13,295,950	13,636,865
	6,231,724,815	6,320,705,403

Note: 16.2.1

	Notes	2022 Taka	2021 Taka
Asset-wise break-up of revaluation surplus is as under:			
Particulars	Land Taka	Building Taka	Motor vehicle Taka
Valuation surplus	2,761,481,886	3,559,223,516	1
Less: Adjustment for depreciation (owner occupied property)	-	(28,647,921)	-
Less: Adjustment for depreciation (Investment Property)	-	(73,628,617)	-
Add: Adjustment for deferred tax liabilities @15%	-	13,295,950	-
Balance as at 31 December 2022	2,761,481,886	3,470,242,928	1
			6,231,724,815

16.2(a) Consolidated asset revaluation reserve

Bangladesh Development Bank Limited	Note: 16.2	6,231,724,815	6,320,705,403
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		6,231,724,815	6,320,705,403

16.2.1 Deferred tax liabilities on asset revaluation reserve has been computed in accordance with IAS-12, on the assumption that this will be taxable in the form of capital gain and hence relevant tax rate is applied.

16.3 Other reserve

	2022 Taka	2021 Taka
Capital reserve		
Opening balance	66,503,916	66,503,916
Add: Appreciation made for the year	-	-
	66,503,916	66,503,916
Reserve for unforeseen losses		
Opening Balance	560,000	560,000
Add: Appreciation made during the year	-	-
	560,000	560,000
Building fund		
Opening balance	639,241,000	639,241,000
Add: Appropriation made for the year	-	-
	639,241,000	639,241,000
Special assistance fund		
Opening balance	109,161,572	109,161,572
Add: Appreciation made for the year	-	-
	109,161,572	109,161,572

In accordance with the Industrial Policy 1986, a Special Assistance Fund (SAF) was created by erstwhile BSB as the prime DFI of the country to provide concessional loans to projects:

- Based on local innovation and invention of product and process;
- Utilizing locally manufactured capital goods; and
- For production of capital machinery and other non-traditional items.

Equity adjustment reserve

Opening balance	43,206,475	43,206,475
Add: Appreciation made for the year	-	-
Less: Adjustment during the year	-	-
	43,206,475	43,206,475

Exchange equalisation reserve

Opening Balance	131,518,243	131,518,243
Add: Addition/adjustment for the year	-	-
	131,518,243	131,518,243

Special reserve

Opening balance	75,716,308	75,716,308
Add: Appreciation made for the period	-	-
Less: Adjustment during the year	-	-
	75,716,308	75,716,308

Special reserve was created by erstwhile BSRS as per section 29(1)(V) of the Income Tax Ordinance, 1984.

16.3(a) Consolidated other reserve

Bangladesh Development Bank Limited	1,065,907,514	1,065,907,514
BDBL Securities Limited	53,907,845	28,461,709
BDBL Investment Services Limited	9,858,932	6,051,453
	1,129,674,291	1,100,420,676

16.4 Contingent liabilities

Acceptance for FC guarantee	-	-
Letters of credit	796,208,974	757,335,731
Bills for collection	368,861,396	376,968,243
Other contingent liabilities	77,244,116	66,502,715
	1,242,314,486	1,200,806,689

16.5 Retained earnings

Opening Balance	460,631,593	447,726,155
Add: Appropriation during the year	20,319,168	12,905,438
Add: Adjustment during the year	100,000,000	-
	580,950,761	460,631,593

16(a) Consolidated current year retained earnings

Bangladesh Development Bank Limited	20,319,168	12,905,438
BDBL Securities Limited	45,076,202	104,461,358
BDBL Investment Services Limited	12,008,422	38,074,792
	77,403,792	155,441,588

16(a.i) Consolidated retained earnings

Bangladesh Development Bank Limited	Note: 16.5	580,950,761	460,631,593
BDBL Securities Limited		202,369,497	222,739,431
BDBL Investment Services Limited		132,105,311	123,904,368
		915,425,569	807,275,392

Notes	2022 Taka	2021 Taka	
17. Profit and loss account			
Profit before tax during the year	249,314,722	251,757,990	
<u>Less: Provision for income tax</u>	(160,294,672)	(195,808,084)	
Add: Provision for Deferred Tax	12,312,443	7,893,972	
<u>Less: Statutory Reserve</u>	(50,000,000)	(50,300,000)	
<u>Less: General Reserve</u>	(30,000,000)	-	
<u>Less: Start up Fund</u>	(1,013,325)	(638,440)	
<u>Less: Retained Surplus</u>	(20,319,168)	(12,905,438)	
	-	-	
18. Interest income			
Interest on taka loans	225,910,387	219,171,824	
Interest on amount due	612,124	632,411	
Interest on money at call and on short notice	71,952,011	71,279,017	
Interest on term deposit	674,142,098	624,694,105	
Interest on F.C. A/C. with Bangladesh Bank	27,131,587	2,298,993	
Interest on advances	793,884,832	679,484,872	
Interest on staff loan	98,456,276	100,013,496	
Interest on LTR	32,487,301	27,093,913	
Interest on LDBP	37,109,212	29,905,392	
	1,961,685,828	1,754,574,023	
18(a) Consolidated interest income			
Bangladesh Development Bank Limited	Note: 18	1,961,685,828	1,754,574,023
BDBL Securities Limited		11,175,860	9,794,881
BDBL Investment Services Limited		32,834,182	306,173
<u>Less: Interest income from Subsidiaries (BSL & BISL)</u>		(45,272,548)	(40,233,077)
		1,960,423,322	1,724,442,000
19. Interest paid on borrowing, deposits			
Interest on L/C borrowing from GOB	63,808	80,642	
Interest on borrowing from B. Bank	5,500,000	6,332,720	
Interest on deposit at call	14,560,347	11,738,889	
Interest on F.D. account	1,337,155,467	1,402,816,176	
Interest on S.B account and schemes	126,405,789	95,291,999	
Interest on deposit pension scheme and SND	86,212,757	74,345,135	
Interest expense on Lease	2,632,838	2,256,708	
	1,572,531,006	1,592,862,269	
19 (a) Consolidated interest paid on borrowing, deposits			
Bangladesh Development Bank Limited	Note: 19	1,572,531,006	1,592,862,269
Interest income from Subsidiaries (BSL & BISL)		45,272,548	40,233,077
<u>Less: Interest paid to BDBL by BSL & BISL</u>		(45,272,548)	(40,233,077)
		1,572,531,006	1,592,862,269
20. Investment income			
Profit on sale of shares/securities	399,383,461	626,384,508	
Dividend on shares/securities	347,242,891	390,399,551	
Interest on debentures	-	-	
Interest on bond	-	-	
	746,626,352	1,016,784,059	
20(a) Consolidated investment income			
Bangladesh Development Bank Limited	Note: 20	746,626,352	1,016,784,059
BDBL Securities Limited		101,907,891	162,303,753
BDBL Investment Services Limited		55,895,304	87,198,873
		904,429,547	1,266,286,685
21. Commission, exchange and brokerage			
Other fees commission and charges	3,440,439	3,299,263	
Commission on F.C./ L/C	14,967,850	9,883,438	
Commission on bills for collection	1,357,260	1,213,775	
Acceptance commission	-	1,000	
Exchange commission	46,526,815	58,087,636	
Brokerage commission	3,311,160	10,581,697	
Commission on remittance	83,075	49,961	
Commission on Taka guarantee	728,107	2,618,435	
	70,414,706	85,735,205	

	Notes	2022 Taka	2021 Taka
21(a) Consolidated commission, exchange and brokerage			
Bangladesh Development Bank Limited	Note: 21	70,414,706	85,735,205
BDBL Securities Limited		18,704,239	30,196,521
BDBL Investment Services Limited		34,059,034	58,358,525
		123,177,979	174,290,251
22. Other operating income			
Rent on Bank's premises		265,842,123	246,714,327
Profit on sale of assets		900,259	-
Technical examination fees		13,525,305	6,357,732
Legal amount and documentation fees		133,450	115,492
Gain or loss on re-valuation of F.C A/C		166,768,593	24,513,744
Income from write-off loan account		85,160,395	61,534,314
Miscellaneous earnings		28,947,798	21,067,285
		561,277,923	360,302,894
22(a) Consolidated other operating income			
Bangladesh Development Bank Limited	Note: 22	561,277,923	360,302,894
BDBL Securities Limited		2,000,616	1,937,357
BDBL Investment Services Limited		959,982	968,504
		564,238,521	363,208,755
22(b) Receipt from other operating activities			
Profit on sale of securities		399,383,461	626,384,508
Rent on Bank's premises		265,842,123	246,714,327
Others		43,506,812	27,540,509
		708,732,396	900,639,344
23. Salaries and allowances			
Salaries and allowances		481,335,966	496,437,641
Bank's contribution to employees P.F and gratuity fund		9,736,878	25,083,666
Staff salary (outsourcing)		65,048,827	51,542,951
Staff overtime allowances		11,967,812	12,998,389
Employees pension fund	Note: 23.1	191,838,532	181,041,026
Staff welfare facilities		18,043,200	16,281,847
Staff education expenses		-	71,500
Incentive Bonus	Note: 23.2	79,376,350	46,025,000
Festival Bonus		42,349,904	55,594,402
		899,697,469	885,076,422
Managing Director/Chief Executive's remuneration		3,887,500	3,762,460
Breakup of the remuneration includes in the total Salary and allowances			
Basic		1,500,000	1,500,000
House rent		1,050,000	1,050,000
Medical allowance		300,000	300,000
House maintenance		300,000	300,000
Entertainment		150,000	150,000
Bonus		587,500	462,460
		3,887,500	3,762,460
23.1 Employees Gratuity & Pension			
As per valuation report submitted by AIR Consulting , Actuary , a shortfall of provision to the employees gratuity & pension fund stood at BDT 2164 million as on 31 December 2017. To makeup this shortfall the actuary recommended compensation of BDT 250 million lumpsum per annum and monthly contribution of 41% of basic pay. Whereas Tk. 50.00 million has been provided for the said fund to meet the shortfall in the year 2022 due to insufficiency of profitability. The left will be maintained accordingly in the following years.			
23(a) Consolidated salaries and allowances			
Bangladesh Development Bank Limited	Note: 23	899,697,469	885,076,422
BDBL Securities Limited		14,789,009	16,598,703
BDBL Investment Services Limited		11,024,133	10,865,432
		925,510,611	912,540,557
24. Rent, taxes, insurance, lighting			
Rent and property taxes		36,327,059	35,551,656
Electricity, light and gas		18,755,557	13,503,543
Insurance, telex and rental		11,372,705	10,082,444
		66,455,321	59,137,643

Notes	2022 Taka	2021 Taka	
24(a) Consolidated rent, taxes, insurance, lighting			
Bangladesh Development Bank Limited	Note: 24	66,455,321	59,137,643
BDBL Securities Limited		3,964,759	3,584,362
BDBL Investment Services Limited		724,495	368,970
		71,144,575	63,090,975
25. Legal and professional expenses			
Legal and documentation charges		417,168	900,724
Professional charges		457,750	693,917
		874,918	1,594,641
25(a) Consolidated legal and professional expenses			
Bangladesh Development Bank Limited	Note: 25	874,918	1,594,641
BDBL Securities Limited		165,800	82,800
BDBL Investment Services Limited		138,000	57,500
		1,178,718	1,734,941
26. Postage, telecommunication, etc			
Postage and telegram		4,000,700	5,456,222
Telephone - local and trunk call		2,138,721	1,729,574
Internet & Connectivity charge		3,138,511	2,504,773
		9,277,932	9,690,569
26(a) Consolidated postage, telegram and telephone			
Bangladesh Development Bank Limited	Note: 26	9,277,932	9,690,569
BDBL Securities Limited		61,890	72,215
BDBL Investment Services Limited		83,879	106,860
		9,423,701	9,869,644
27. Stationery, printing and advertisement			
Printing and stationery		9,693,597	8,455,534
Advertisement		5,788,125	2,627,144
		15,481,722	11,082,678
27(a) Consolidated stationery, printing and advertisement			
Bangladesh Development Bank Limited	Note: 27	15,481,722	11,082,678
BDBL Securities Limited		681,893	544,427
BDBL Investment Services Limited		58,408	121,426
		16,222,023	11,748,531
28. Directors' fees		1,424,800	852,587
Each director is paid BDT 8,000 per board meeting for per attendance.			
Auditor fees		868,500	807,667
28(a) Consolidated Director fees			
Bangladesh Development Bank Limited	Note: 28	1,424,800	852,587
BDBL Securities Limited		879,649	532,200
BDBL Investment Services Limited		835,207	717,600
		3,139,656	2,102,387
(b) Consolidated auditor fees			
Bangladesh Development Bank Limited		868,500	807,667
BDBL Securities Limited		217,700	80,500
BDBL Investment Services Limited		80,500	80,500
		1,166,700	968,667
29. Depreciation and repair of Bank's assets			
Depreciation of fixed assets (including lease)		79,219,402	63,301,916
Repair and maintenance of Bank's properties		42,401,998	38,528,103
		121,621,400	101,830,019
29(a) Consolidated Depreciation and repair of Bank's assets			
Bangladesh Development Bank Limited	Note: 29	121,621,400	101,830,019
BDBL Securities Limited		1,782,451	1,779,898
BDBL Investment Services Limited		2,540,522	2,896,338
		125,944,373	106,506,255

Notes	2022 Taka	2021 Taka
30. Other expenses		
Entertainment	6,140,513	7,728,802
Donation and subscription	3,201,000	9,616,000
Sundries	32,661,703	9,421,790
Books and periodicals	60,855	68,205
Lunch subsidy	30,123,400	30,911,100
Business development expenditure	1,583,394	1,388,298
Expenditure in minor assets	220,672	128,969
Staff training expenses	6,075,261	4,615,065
Liveries and uniform	1,929,361	724,070
Local conveyance	4,320,676	3,843,982
Staff medical facilities	1,195,484	1,261,333
TA/DA and conveyances	6,048,017	4,838,873
TA/DA Directors	-	34,230
Motor car running expenses	4,783,709	4,915,990
Staff bus facilities	10,573,418	12,463,813
Honorarium	1,715,150	2,095,499
Branch opening expense	241,644	681,690
Other expenditure	13,630,753	29,331,057
Corporate Social Responsibility	2,314,981	2,065,949
Sports, culture and recreation	3,961,795	-
Executive car maintenance allowances	7,616,443	11,122,224
Incentive for Banking diploma & national Integrity	2,566,830	-
Recreation Leave	6,604,460	-
Generator & Substation	-	2,684,336
	147,569,519	139,941,275
30(a) Consolidated other expenses		
Bangladesh Development Bank Limited	147,569,519	139,941,275
BDBL Securities Limited	5,281,013	5,319,301
BDBL Investment Services Limited	8,515,056	12,445,925
	161,365,588	157,706,501
30(b) Payment for other operating activities		
Rent, taxes, insurance and lighting	66,455,321	59,137,643
Law charges	874,918	1,594,641
Postage, telegram and telephone	9,277,932	9,690,569
Audit fee	868,500	807,667
Stationary, printing and advertisement	15,481,722	11,082,678
Directors' fee	1,424,800	852,587
Repair & maintenance of Bank's properties	42,401,998	38,528,103
Motor car running expenses	4,783,709	4,915,990
Staff bus facilities	10,573,418	12,463,813
Lunch Subsidy	30,123,400	30,911,100
Others	102,088,992	91,650,372
	284,354,710	261,635,163
31. Provision for loans and advances and other investments		
Provision for loan and advances		
For unclassified loans	-	-
For classified loans	250,000,000	158,999,961
	250,000,000	158,999,961
Other provision		
Off-Balance sheet items	1,000,000	-
Investment in shares	-	-
Others	-	-
	1,000,000	-
	251,000,000	158,999,961
31(a) Consolidated provision for loans and advances		
Bangladesh Development Bank Limited	250,000,000	158,999,961
BDBL Securities Limited (Margin Loan)	-	-
BDBL Investment Services Limited	-	-
	250,000,000	158,999,961
Provision for investment & others		
Bangladesh Development Bank Limited	1,000,000.00	-
BDBL Securities Limited	13,276,930	18,943,437
BDBL Investment Services Limited	57,040,659	51,708,301
	71,317,589	70,651,738

Notes	2022 Taka	2021 Taka
32. Closing cash and cash equivalent		
Cash in hand	133,519,474.00	96,221,417.00
Balance with Bangladesh Bank (including foreign currencies)	1,677,215,286	1,893,778,960
Balance held with other banks	12,085,943,184	13,008,213,539
	13,896,677,944	14,998,213,916
32(a) Consolidated closing cash and cash equivalent		
Bangladesh Development Bank Limited	Note: 32	13,896,677,944
BDBL Securities Limited		182,122,967
BDBL Investment Services Limited		105,764,893
Less: Intergroup cash and cash equivalent (BSL)		(934,113)
Less: Intergroup cash and cash equivalent (BISL)		(498,419)
		14,183,133,272
		15,413,010,567
33. Earnings per share (EPS)		
a) Profit attributable to ordinary share holders	101,332,493	63,843,878
b) Weighted average number of outstanding shares	60,000,000	60,000,000
Earnings per share (EPS) (a ÷ b)	1.69	1.06
Earnings per Share (EPS) has been calculated in accordance with “International Accounting Standard (IAS) - 33. Earnings per Share” which has been shown on the face of Profit & Loss Account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.		
33(a) Consolidated earnings per share		
a) Profit attributable to ordinary equity holders	158,417,117	206,380,028
b) Weighted average number of outstanding shares	60,000,000	60,000,000
Earnings per share (EPS) (a ÷ b)	2.64	3.44

34 Related parties and its transactions**Name of the Directors of BDBL and their interest in the bank as at 31 December 2022**

Name	Present Address	Date of Appointment	Number of Shares
Shamima Nargis	Islam Heights, Apartment No# 5/A, 10/8, Block A, Iqbal Road, Mohammadpur, Dhaka-1207	14-11-21	1 Share
Md. Ekhlashur Rahman	Falguni-1, Eskaton Garden, Officers Colony, Dhaka-1000.	13/01/2022 (Re-appointment)	1 Share
Md. Abu Hanif Khan	Flat # D-2, 4/1, Dilu Road, New Eskaton, Dhaka-1000.	27/01/2022 (Re-appointment)	1 Share
Subhash Chandra Sarker	Flat # C-1, Bosilia Asset, House No # 44, Road No # 4/A, Dhanmondi R/A, Dhaka	27/01/2022 (Re-appointment)	1 Share
Quazi Shairul Hassan	House # 59, Flat # S 5, Road: 25/A, Banani, Dhaka-1213.	18/01/2023 (Re-appointment)	1 Share
Md. Azizur Rahman	Director General-2, Additional Secretary, Prime Minister's Office, Dhaka	21-06-21	1 Share
Md. Habibur Rahman Gazi	Flat # 1-B, House # 8,9 Road No # Avenue-10, Block-G, Aftabnagar, Badda, Dhaka.	28-11-22	N/A

Notes	2022 Taka	2021 Taka
-------	--------------	--------------

Particulars of directors and their interest in other entities as at 31 December 2022

Name	Status in Bank	Name of the firms/Companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Status
Shamima Nargis	Director & Chairman	Government of the People's Republic of Bangladesh.	Ex- Senior Secretary
		BDBL Securities Ltd. (BSL)	Chairman
Md. Ekhlasur Rahman	Director	Government of the People's Republic of Bangladesh.	Ex-Additional Secretary
Md. Abu Hanif Khan	Director	Rajshahi Krishi Unnyan Bank	Ex-DMD
Subhash Chandra Sarker	Director	Government of the People's Republic of Bangladesh.	Ex-Additional Secretary
Quazi Shairul Hassan	Director	SABINCO	Ex- Managing Director
Md. Azizur Rahman	Director	Government of the People's Republic of Bangladesh.	Additional Secretary
Md. Habibur Rahman Gazi	MD & CEO	BDBL Investment Services Ltd. (BISL)	Chairman
		Investment Corporation of Bangladesh (ICB)	Director

Related party relationship disclosure during the year 2022 (in compliance of IAS-24)

Name of related party	Relationship	Nature of Transaction	Amount in (TK)
BDBL Securities Ltd. (BSL)	Subsidiary Company	Investment in subsidiary Company	500,000,000
BDBL Investment Services Ltd. (BISL)	Subsidiary Company	Investment in subsidiary Company	500,000,000
Investment Corporation of Bangladesh (ICB)	Associate Company	Investment in associate Company	2,831,423,500

Related Party Transaction

All the directors of the Bank are appointed by the Government of Bangladesh. There was no related party transaction involved with the directors and they have no loan liability with the Bank during the year. The following transactions related with fully owned two subsidiaries for deputed employees salaries and claim for share sale.

(Amount in TK.)

Receivable against salaries	BSL	BISL
Opening balance	21,336,870	29,693,044
Addition	-	-
Deduction/Adjustment	(3,243,435)	(1,006,824)
Closing balance	18,093,435	28,686,220

Receivable against shares	BSL	BISL
Opening balance	112,065,982	137,311,549
Addition	-	-
Deduction/Adjustment	(52,881,562)	(16,368,303)
Closing balance	59,184,420	120,943,246

Overdraft Loan	BSL	BISL
Opening balance	419,764,370	150,430,676
Addition	3,176,215	35,067,505
Deduction/Adjustment	-	-
Closing balance	422,940,585	185,498,181

35. Events after the reporting period

35.1 Approval of financial statements

The Board of Directors of the Bank in its 301st meeting held on 30 April 2023 approved the financial statements and authorised the same for issue.

35.2 Others

There is no other significant event that has occurred between the reporting date and the date when the financial statements were authorised for issue by the Board of Directors.



Managing Director & CEO



Director



Director



Chairman

Bangladesh Development Bank Limited
Schedule Of Fixed Assets
As at 31 December 2022

Annexure-A
 (Amount in Taka)

Particulars	Cost / Revaluation			Rate (%)	Depreciation			Written down value as at
	Balance as at 01.01.2022	Addition during the year	Disposal/ adjustment		Balance as at 01.01.2022	Charged during the year	Disposal/ adjustment	
Owner Occupied Property								
At cost								
Land	13,854,848			-				13,854,848
Premises and Building	174,876,704	2,015,833		2.5	106,904,373	2,092,448	-	67,895,716
Building U/C	304,490			2.5	-		-	304,490
Vehicles	87,269,598	-		20	87,269,559			87,269,559
Equipments	58,936,352	9,549,103	571,281	20	46,359,194	3,192,889	(46,922)	18,315,169
Computer equipments and	389,928,389	25,787,321	24,089,183	20	172,917,365	59,527,693	17,383,574	215,061,484
Furniture and fixtures	55,466,238	2,768,764	164,090	10	35,108,103	2,218,602	147,044	20,891,251
Sundry asset	1,225,091		1,225,091	20	1,051,394	5	1,051,399	-
Interior decoration	25,558,000	667,817	460,975	20	13,760,083	1,185,420		10,819,339
Sub-Total (A)	807,419,710	40,788,838	26,510,620		463,370,071	68,217,057	18,535,095	308,645,895
At revaluation								
Land	3,175,704,168			-				3,175,704,168
Premises and Building	1,614,430,402			2.5	468,513,582	28,647,921	-	1,117,268,899
Vehicles	8,620,180			20	8,620,179		-	8,620,179
Sub-Total (B)	4,798,754,750				477,133,761	28,647,921		4,292,973,068
Investment Property								
Premises and Buildings (at cost)	411,731,709			2.5	251,578,586	4,907,074	-	155,246,049
Revalued Premises & Buildings	3,801,303,923			2.5	856,159,228	73,628,617	-	2,871,516,078
Sub-Total (C)	4,213,035,632				1,107,737,814	78,535,691		3,026,762,127
Lease Asset (IFRS-16)								
Right of Use (ROU) Assets	36,019,261	8,254,112	174,091	As	9,207,708	6,095,271	174,091	28,970,394
Sub-Total (D)	36,019,261	8,254,112	174,091	per	9,207,708	6,095,271	174,091	28,970,394
Balance as at 31.12.2022	9,855,229,353	49,042,950	26,684,711	Lease Term	2,057,449,354	181,495,940	18,709,186	7,657,351,484
Balance as at 31.12.2021	9,644,081,159	224,583,947	13,435,753		1,889,248,424	168,200,929	-	7,797,780,000

As

per

Lease

Term

Bangladesh Development Bank Limited
Detail of information on advances More than 15% of bank's total capital (funded and non-funded)
As at 31 December 2022

Annexure- B

Sl. No.	Name of the Borrower	Outstanding as at 31 December 2022			Remarks
		Funded	Non funded	Total	
	Nil	-	-	-	-
	Total	-	-	-	-

Bangladesh Development Bank Limited
Highlights on the overall activities of the Bank
As at 31 December 2022

Annexure- C

Sl. No.	Particulars	2022 Taka	2021 Taka
1	Paid-up capital	6,000,000,000	6,000,000,000
2	Total capital	19,105,954,101	18,994,615,522
3	Capital surplus / (deficit)	5,165,300,522	5,484,691,113
4	Total assets	60,968,592,822	61,156,618,711
5	Total deposits	29,145,022,652	29,005,102,268
6	Total loans and advances	24,796,585,158	24,134,333,604
7	Total contingent liabilities and commitments	1,242,314,486	1,200,806,689
8	Credit deposit ratio (%)	84.46%	82.66%
9	Percentage of classified loans against total loans and advances	41.37%	30.77%
10	Profit after tax and provision	101,332,493	63,843,878
11	Amount of classified loans during the year	10,258,982,102	7,426,197,000
12	Provisions kept against classified loans	3,649,090,484	2,696,058,328
13	Provision surplus / (deficit)	8,271,843	185,687
14	Cost of fund (%)	7.45%	7.78%
15	Interest earning assets	26,495,986,002	29,760,918,802
16	Non-interest earning assets	34,472,606,820	31,395,699,909
17	Return on investment (ROI)(%)	8.58%	12.11%
18	Return on assets (ROA)(%)	0.17%	0.10%
19	Income from investments	746,626,352	1,016,784,059
20	Earning per share	1.69	1.06
21	Net income per share	1.69	1.06
22	Price earning ratio	N/A	N/A

Bangladesh Development Bank Limited
Balance with other banks - outside Bangladesh (nostro account)
As at 31 December 2022

Annexure-D

Name of the Bank	Name of the Country	Currency Name	2022			2021		
			Amount in FC	Conversion rate per unit	Amount in Taka	Amount in FC	Conversion rate per unit	Amount in Taka
Modhumoti Bank Limited	Bangladesh	USD	56,256	101.50	5,710,013	56,256	85.33	4,800,068
Mashreq Bank Limited	USA	USD	6,326,115	101.50	642,100,650	1,755,033	85.33	149,748,220
BHF Bank AG, Germany	Germany	EUR	50,604	110.80	5,606,798	59,949	97.52	5,846,244
Sonali Bank Limited	India	ACU	139,003	101.50	14,108,772	1,484,969	85.33	126,704,996
Sonali Bank Limited	UK	USD	3,371	101.50	342,115	500	85.33	42,663
AB Bank(Depo)	Bangladesh	USD	-	-	-	5,000,000	85.33	426,625,000
Axis Bank Limited	India	ACU	1,533,208	101.50	155,620,611	1,051,321	85.33	89,703,940
Total					823,488,959			803,471,131

Bangladesh Development Bank Limited
Name of the Directors of BDBL and their interest in other different entities
As at 31 December 2022

Annexure-E

Name	Status in Bank	Name of Firms/Companies in which interested
Shamima Nargis	Director & Chairman	Ex-Senior Secretary of Government of the People's Republic of Bangladesh.
		BDBL Securities Ltd. (BSL)
Md. Ekhlashur Rahman	Director	Ex-Additional Secretary of Government of the People's Republic of Bangladesh.
Md. Abu Hanif Khan	Director	Ex-DMD of Rajshahi Krishi Unnyan Bank
Subhash Chandra Sarker	Director	Ex-Additional Secretary of Government of the People's Republic of Bangladesh.
Quazi Shairul Hassan	Director	Ex-Managing Director of SABINCO
Md. Azizur Rahman	Director	Additional Secretary of Government of the People's Republic of Bangladesh.
Md. Habibur Rahman Gazi	MD & CEO	BDBL Investment Services Ltd. (BISL)
		Investment Corporation of Bangladesh (ICB)

Bangladesh Development Bank Limited
Statement of Investment
As at 31 December 2022

Annexure-F

Particulars	Cost Price	Market Price
A. Investment in share		
Quoted shares	7,435,265,217	21,606,582,608
Un-quoted share	148,517,095	148,517,095
	7,583,782,312	21,755,099,703
B. Investment in Debenture & Equity		
Debenture	2,931,259	2,931,259
Other equity	50,795,000	50,795,000
EFAS-1983	117,100	117,100
	53,843,359	53,843,359
C. Others		
Bangladesh Bank prize bond	811,200	811,200
Bangladesh fund	1,060,000,000	1,060,000,000
	1,060,811,200	1,060,811,200
Grand Total (A+B+C)	8,698,436,871	22,869,754,262

* Market value of Taka 22,869,754,262 of the Investment has been disclosed Taka 21,755,099,703 for quoted & unquoted share investment and the left Taka 1,114,654,559 was shown for Debenture, Equity, Prize bond and Bangladesh Fund.

BDBL Securities Limited

INDEPENDENT AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS

As on 31 December 2022



Shamima Nargis
Chairman



Md. Shafiqul Islam
Chief Executive Officer

Table of Contents

Contents	Page No.
* Independent Auditor's Report	249-250
* Statement of Financial Position	251
* Statement of Profit or Loss and Other Comprehensive Income	252
* Statement of Changes in Equity	253
* Statement of Cash Flows	254
* Notes to the Financial Statements	255-273
* Annexure - A: Statement Showing Computation of Capital Adequacy	274
* Annexure - B: Schedule of Fixed Assets	275
* Annexure - C: Schedule of Intangible Assets	276
* Annexure - C1: Schedule of Investment in Marketable Securities- Dealer Account	277-278
* Annexure - C2: Schedule of Investment in Share- Strategic Investment	279
* Annexure - D: Income Tax Assessment Status	280

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BDBL Securities Ltd., which comprise the statement of financial position as on December 31, 2022 and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as on December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), The Securities and Exchange Rules 2020, BSEC's Risk Based Capital Adequacy Rules 2019, The Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants 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. We believe that the audit evidences 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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 2020, BSEC's Risk Based Capital Adequacy Rules 2019, 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 scepticism throughout the audit. We also:

- * Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- * Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Company' financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 2020 and BSEC's Risk Based Capital Adequacy Rules 2019, 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 account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) the capital to total risk requirement ratio as required by Bangladesh Securities Exchange Commission has been maintained adequately during the year.
- e) the expenditure incurred was for the purposes of the Company's business.

Place: Dhaka
Date: 27 February 2023

For K. M. HASAN & CO.
Chartered Accountants

Sd/-
Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC No. 2303070331AS860181

BDBL Securities Limited

Statement of Financial Position

As on 31 December 2022

	<u>Notes</u>	<u>2022</u> <u>Taka</u>	<u>2021</u> <u>Taka</u>
Assets			
Current Assets			
Cash and Bank Balances	4	182,122,967	189,049,769
Receivable from Securities Trading	5	136,900	3,465,805
Receivable from Margin Clients	6	126,992,022	117,944,807
Receivable from other Clients	7	828,190	974,865
Proprietary Positions in Securities- Dealer Account	8	1,166,168,705	1,122,243,235
Other Receivables	9	20,638,926	53,317,551
Other Assets	10	90,772,751	77,277,205
Total Current Assets		1,587,660,461	1,564,273,237
Non-Current Assets			
Fixed Assets	11	3,021,853	2,869,129
Intangible Assets (Software)	12	202,081	24,105
Investment in Exchange Membership	13	7,970,000	7,970,000
Proprietary Positions in Securities (Strategic Investments)	14	48,264,581	45,564,243
Other Long Term Assets	15	241,105	242,632
Total Non-Current Assets		59,699,620	56,670,109
Total Assets		1,647,360,081	1,620,943,346
Liabilities & Equity			
Current Liabilities			
Payable to Clients	16	165,813,769	170,879,512
Short Term Business Liabilities	17	422,940,585	419,764,370
Payable to Securities Trading	18	943,581	-
Other Liabilities & Provision	19	263,336,369	257,765,369
Others Payable	20	18,048,435	21,332,955
Dividend Payable	21	20,000,000	-
Total Liabilities		891,082,739	869,742,206
Shareholders' Equity:			
Share Capital	22	500,000,000	500,000,000
Capital Reserve	23	14,907,845	4,461,709
Special Reserve	24	4,000,000	4,000,000
Dividend Equalisation Reserve	25	35,000,000	20,000,000
Retained Earnings	26	202,369,497	222,739,431
Total Shareholders' Equity		756,277,342	751,201,140
Total Equity and Liabilities		1,647,360,081	1,620,943,346
Net Assets Value (NAV) per Share of Tk. 100 each	27	151.26	150.24

The annexed notes from 1 to 45 form an integral part of these financial statements.

Sd/-
Director

Sd/-
Director

Sd/-
Chief Executive Officer

Signed in terms of our separate report of even date annexed.

For K. M. HASAN & CO.
Chartered Accountants

Sd/-
Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC No. 2303070331AS860181

Place: Dhaka
Date: 27 February 2023

BDBL Securities Limited

Statement of Profit or Loss and Other Comprehensive Income

As on 31 December 2022

	Notes	2022 Taka	2021 Taka
Operating Income			
Brokerage Commission	28	18,704,239	30,196,521
Interest on Margin Loan		11,110,468	9,418,343
Dividend Income		41,354,747	37,222,811
Capital Gain on Sale of Securities		60,553,144	125,080,942
Other Operating Income	29	2,000,616	1,937,357
Total Operating Income		133,723,214	203,855,974
Operating Expenses			
Salaries and Allowances	30	14,789,009	16,598,703
Rent, Rates, Taxes, Insurance and Lighting	31	3,964,759	3,584,362
Interest on Bank Overdraft		30,621,046	32,650,409
Brokerage Expenses	32	2,040,322	2,574,423
Legal and Professional Fees	33	165,800	82,800
Postage, Stamp and Telecommunication		61,890	72,215
Stationery, Printing and Advertisement	34	681,893	544,427
Expenses related with CDBL	35	734,226	1,254,964
Directors' Fees and Meeting Expenses	36	879,649	532,200
Audit Fees		217,700	80,500
Repairs and Maintenance Expenses	37	558,263	650,118
Network Connectivity Charges	38	692,115	688,729
Registration and Renewal Fees		444,484	655,171
Depreciation on Property, Plant and Equipment		470,198	421,101
Amortization on Intangible Assets		61,875	19,950
Other Operating Expenses	39	2,061,981	834,744
Total Operating Expenses		58,445,210	61,244,815
Net Operating Profit		75,278,004	142,611,159
Other Non-Operating Income	40	65,392	376,538
Profit before Provision		75,343,396	142,987,697
Provision for Margin Loan- Specific Provision		3,276,930	7,763,989
Provision for Margin Loan- General Provision		-	1,179,448
Provision for Proprietary Positions in Securities & Other Investment		10,000,000	10,000,000
Total provision		13,276,930	18,943,437
Net Profit before Tax		62,066,466	124,044,260
Provision for Taxation			
Current Tax	19.4	16,988,737	19,535,376
Deferred Tax	15	1,527	47,526
		16,990,264	19,582,902
Net Profit after Tax		45,076,202	104,461,358
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		45,076,202	104,461,358
Earnings Per Share (EPS) of Tk. 100 each	41	9.02	20.89

The annexed notes from 1 to 45 form an integral part of these financial statements.

Sd/-
Director

Sd/-
Director

Sd/-
Chief Executive Officer

Signed in terms of our separate report of even date annexed.

For K. M. HASAN & CO.
Chartered Accountants

Sd/-
Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC No. 2303070331AS860181

Place: Dhaka
Date: 27 February 2023

BDBL Securities Limited
Statement of Changes in Equity
As on 31 December 2022

Amount in Taka

Particulars	Share Capital	Dividend Equalisation Reserve	Special Reserve	Capital Reserve	Retained Earnings	Total
Balance as on 01 January 2022	500,000,000	20,000,000	4,000,000	4,461,709	222,739,431	751,201,140
Dividend	-	-	-	-	(40,000,000)	(40,000,000)
Transfer to Capital Reserve	-	-	-	10,446,136	(10,446,136)	-
Net profit for the year	-	-	-	-	45,076,202	45,076,202
Transfer to Dividend Equalisation Reserve	-	15,000,000	-	-	(15,000,000)	-
Balance as on 31 December 2022	500,000,000	35,000,000	4,000,000	14,907,845	202,369,497	756,277,342

For the year ended 31 December 2021

Particulars	Share Capital	Dividend Equalisation Reserve	Special Reserve	Capital Reserve	Retained Earnings	Total
Balance as on 01 January 2021	500,000,000	-	4,000,000	2,436,584	140,303,198	646,739,782
Transfer to Capital Reserve	-	-	-	2,025,125	(2,025,125)	-
Net profit for the year	-	-	-	-	104,461,358	104,461,358
Transfer to Dividend Equalisation Reserve	-	20,000,000	-	-	(20,000,000)	-
Balance as on 31 December 2021	500,000,000	20,000,000	4,000,000	4,461,709	222,739,431	751,201,140

Sd/-

Director

Sd/-

Director

Sd/-

Chief Executive Officer

Signed in terms of our separate report of even date annexed.

For K. M. HASAN & CO.
Chartered Accountants

Sd/-

Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC No. 2303070331/AS860181

Place: Dhaka

Date: 27 February 2023

BDBL Securities Limited

Statement of Cash Flows

As on 31 December 2022

	<u>Notes</u>	<u>2022</u> <u>Taka</u>	<u>2021</u> <u>Taka</u>
A. Cash Flows from Operating Activities			
Receipt from Brokerage Commission		18,704,239	30,196,521
Receipt from Interest on Margin loan		11,110,468	9,418,343
Receipt from Dividend Income		39,589,443	33,954,438
Receipt from Non-Operating Income		65,392	376,538
Receipt from Other Operating Income		2,000,616	1,919,196
Receipt/(Payment) from Security trading		3,328,904	1,015,407
Receipt/(Payment) for Margin clients		(9,047,215)	(46,846,129)
Receipt/(Payment) for Other client		146,675	796,099
Short Term Business Liabilities		3,176,214	25,090,921
Payment for Purchase of Securities		(217,317,013)	(433,025,118)
Receipt from Sale of Securities		185,182,610	438,649,456
Other (Payment)/ Receipt		(11,619,580)	125,151,047
Refund received of application money		63,395,670	-
Receipt/(Payment) Investment in IPO(Customer)		17,110,000	(17,110,000)
Payment for Operating Expenses		(71,190,066)	(79,747,201)
Income tax paid		(20,700,386)	(12,280,804)
Net Cash (used in)/ Flow from Operating Activities	41	13,935,971	77,558,716
B. Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment		(862,773)	(220,919)
Disposal of Property, Plant and Equipment		-	32,475
Net Cash used in Investing Activities		(862,773)	(188,444)
C. Cash Flows from Financing Activities			
Dividend		(20,000,000)	-
Net Cash Flow from Financing Activities		(20,000,000)	-
Net cash (used in)/surplus for the year (a+b+c)		(6,926,802)	77,370,272
Cash and Bank Balances at the beginning of the year		189,049,769	111,679,497
Cash and Bank Balances at the end of the year		182,122,967	189,049,769
Net Operating Cash Flow Per Share of Tk. 100 each		2.79	15.51

The annexed notes from 1 to 45 form an integral part of these financial statements.

Sd/-

Director

Sd/-

Director

Sd/-

Chief Executive Officer

Place: Dhaka
Date: 27 February 2023

BDBL Securities Limited

Notes to the Financial Statements

As on 31 December 2022

1. The Company and its Activities

1.1 Legal status and nature of the company

BDBL Securities Limited was incorporated vide Reg. # C-92946/11 dated as on 23 May 2011 as a public company limited by shares under the Companies Act, 1994. The company also obtained certificate of commencement of business on 23 May 2011. The commercial operation of the company started on 01 March 2012.

BDBL Securities Limited (BSL) is a subsidiary company of Bangladesh Development Bank Limited (BDBL) situated at BDBL Bhaban (Level-16), 12 Karwan Bazar, Dhaka-1215. BSL is constituted by acquiring and taking over membership No. 20 of Dhaka Stock Exchange Ltd. (held by erstwhile Bangladesh Shilpa Rin Sangastha now BDBL) and membership No.78 of Chittagong Stock Exchange Ltd. (held by erstwhile Bangladesh Shilpa Bank now BDBL). Afterwards, under Demutualization Act-2013 the membership converted as a Trading Right Entitle Certificate (TREC) 20 for Dhaka Stock Exchange & 78 for Chittagong Stock Exchange.

1.2 Nature of business

The main object of BDBL Securities Limited is to act as a TREC holder of stock exchanges, the central depository system (CDS) company and to carry on the business of broker, jobbers or dealers in stocks, shares, securities, bonds, debentures etc. The Company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of the Company in shares, stocks and fixed income securities of public companies.

2. Significant Accounting Policies

2.1 Basis of Presentation of Financial Statements

The financial statements have been prepared on a going concern basis applying accrual basis of accounting except for statement of cash flows in accordance with and in compliance with International Financial Reporting Standards (IFRSs). Further the financial statements also drawn up in compliance with the Companies Act 1994, Securities and Exchange Rules 2020, BSEC Notification dated 22 May 2019 on Risk Based Capital Adequacy Rules, 2019. Conditions and regulations issued by the Bangladesh Securities and Exchange Commission (BSEC) and other applicable laws and regulations.

2.2 Components of the financial statements

The financial statements of the Company include the following components:-

- a. Statement of Financial Position as at 31 December 2022.
- b. Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2022.
- c. Statement of Changes in Equity for the year ended 31 December 2022.
- d. Statement of Cash Flows for the year ended 31 December 2022.
- e. Notes, comprising a summary of significant Accounting Policies and Other Explanatory Information.

2.3 Basis of Measurement

The financial statements have been prepared based on historical cost convention basis. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

2.4 Use of Estimates and Judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. Provisions and accrued expenses are recognized in the financial statements in line with the International Accounting Standard (IAS) 37: "Provisions, Contingent Liabilities and Contingent Assets" when - The Company has a legal or constructive obligation as a result of past event and as when-

- i) it is probable that an outflow of economic benefit will be required to settle the obligation.
- ii) a reliable estimate can be made for the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

2.5 Statement of Cash Flows

Statement of Cash Flows is prepared under direct method in accordance with International Accounting Standard (IAS) 7: "Statement of Cash Flows".

2.6 Going Concern

The Company has adequate resources to continue its operation for foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.7 Receivables from Securities Trading, Margin Clients, Other Clients

Receivables are initially recognized when they are originated. A receivables without a significant financing component is initially measured at the transaction price. All other financial asset are initially recognized when the company become a part to the contractual provision of the investment.

2.8 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise and in accordance with the International Financial Reporting Standard (IFRSs) 15: "Revenue from Contracts with Customers":

a) Brokerage Commission

Brokerage commission is recognized as income when selling or buying order is signed and trade is executed.

b) Interest Income from Margin Loan

Interest income from margin loan is recognized on accrual basis except those account having negative equity. Such income is calculated on daily margin loan balance of the respective clients. Income is recognized on quarterly basis.

c) Dividend Income:

Dividend income is recognized when the right to receive payment is established.

d) Gain or Loss on Sale of Marketable Securities:

Gain or loss arising from the sale of securities is accounted for only when securities are sold.

e) Interest Income:

Interest income from Bank Deposit is recognized on accrual basis.

2.9 Interest income earned from CCA

Net interest income earned from Consolidated Customer's Account (CCA) is calculated and kept in separate account for distribution among the eligible customers following the guidelines contained in the BSEC Directive No. BSEC/CMRRCD/2009-193/21 date June 21, 2021.

2.10 Earning Per Share

The Company calculates earning per share in accordance with International Accounting Standard (IAS) 33: "Earning per Share" which has been shown in the face of Statement of Profit or Loss and Other Comprehensive Income.

2.11 Net Asset Value (NAV) Per Share

NAV per share of the company is calculated on the basis of Net Asset Value divided by number of ordinary shares outstanding during the year.

2.12 Cash and Bank Balances

Cash and Bank Balances include cash in hand and cash at bank which are held and are available for use by the Company without any restriction. There is insignificant risk of change in the value of the above items.

2.13 Property, Plant and Equipment and Depreciation

Property, Plant and Equipment are stated at cost less accumulated depreciation. Depreciation is charged using the straight-line method and reducing balance method on the acquisition cost of PPE and such cost is written off over the estimated useful lives of assets, in accordance with IAS 16.

Depreciation is calculated on the cost of fixed assets in order to write off such amounts over the estimated useful lives of such assets. The rates of depreciation used on a straight-line and reducing balance method are as follows:

Category of assets	Method	Rate
Furniture and Fixtures	Reducing Balance	10%
Office Equipments	Reducing Balance	20%
Computer	Straight Line	20%
Motor Vehicles	Straight Line	20%
Office Decoration	Reducing Balance	10%

Depreciation is charged from day when the asset is ready for use as intended by management. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit or Loss and Other Comprehensive Income.

2.14 Implementation of IFRS-16 'Leases'.

The Company has only lease agreement for hiring office premises with the parent company the term of which is going to be expired on 29 February, 2024 which less than 02 year from the date of statement of financial position. This lease agreement is considered as a short term one. As such the company has elected not to apply the requirement of IFRS-16 "Leases" and recognized the lease payment as an expense.

2.15 Intangible Assets

Intangible assets represent computer software which has been amortized @ 20% following straight line method.

2.16 Financial Instruments

Financial instruments have been presented as per IAS 32 "Financial Instruments: Presentation" and recognized as per IFRS 9- "Financial Instruments" and disclosure has been made in accordance with IFRS 7- "Financial Instruments: Disclosures".

2.17 Investment in DSE and CSE Shares

The subsequent measurement of Investment in DSE and CSE shares are made at cost as these have not a quoted market price in an active market and its fair value can not be reliably measured as per IFRS-9: "Financial Instrument".

2.18 Investment in Marketable Securities

Investment in securities are initially recognized at cost plus transaction costs that are directly attributable to the acquisition of the shares. After initial recognition, the subsequent measurement of investment in securities has been made at fair value through Profit or Loss as per IFRS 9: "Financial Instrument" as these are acquired or held for trading purposes in dealer account.

2.19 Provision for Tax

2.19.1 Current Tax

Provision for current tax is made in accordance with the provision of Income Tax Ordinance, 1984 and subsequent amendments made thereto from time to time.

2.19.2 Deferred Tax

Deferred Tax is calculated as per International Accounting Standard (IAS) 12: "Income Taxes". Deferred Tax is recognized on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred Tax liabilities are recognized for all taxable temporary differences. Deferred Tax assets are generally recognized for all deductible temporary differences.

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

2.20 Provision for expenses

Provision for expenses is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate of the amount can be made.

2.21 Related Party Disclosures

As per IAS 24: "Related Party Disclosures", a related party is a person or entity that is related to the entity (i.e. BDBL Securities Limited) that is preparing its financial statements. Related party transaction is a transfer of resources, services, or obligations between a reporting entity and a related party, regardless of whether a price is charged as per IAS 24.

Related parties include the company's directors, key management personnel, associates, companies under common directorship etc. as per IAS 24 "Related Party Disclosures". All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible. Related party transactions have been disclosed under note-43.

2.22 Events after the Reporting Date

Events after the reporting date that provide additional information about the company's position at the balance sheet date are reflected in the financial statements. Events after the reporting date that are not adjusting event are disclosed in the notes when material.

2.23 Reporting Period

The accounting period of the Company has been determined to be from 01 January to 31 December each year. These financial statements cover the year from 01 January 2022 to 31 December 2022.

2.24 Comparative Information

Comparative Information has been disclosed in respect of the previous period for all amounts reported in the Financial Statements, both in the face of Financial Statements and Notes to the Financial Statements.

2.25 Reclassifications

To facilitate comparison, certain relevant balances pertaining to the previous year has been rearranged/reclassified whenever considered necessary to conform to current year's presentation.

3. General

a) The financial statements have been presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest integer.

b) Previous year's figures have been rearranged, where necessary, to conform to current year's presentation.

			2022 Taka	2021 Taka
4 Cash and Bank Balances				
Cash in Hand			-	-
Cash at Banks (Note: 4.1)			182,122,967	189,049,769
			182,122,967	189,049,769
4.1 Cash at Banks	Branch	Account No.		
Company's A/C -				
Bangladesh Development Bank Ltd.	Kawran Bazar	SND A/C # 0670240000005	934,113	177,230
Stock Dealer A/C -				
IFIC Bank Ltd.	Stock Exchange	SND & CD A/C # 1090415778-001 & 041	1,056,807	2,247,195
Consolidated Customer A/C -				
IFIC Bank Ltd.	Stock Exchange	SND A/C # 1090397347041	179,780,355	186,194,189
IPO A/C -				
IFIC Bank Ltd.	Stock Exchange	SND A/c # 1090648920-041	262,306	254,719
Strategic A/C -				
IFIC Bank Ltd.	Stock Exchange	SND A/C # 0170227990041	89,386	176,436
			182,122,967	189,049,769
The bank balance are confirmed with respective bank statement and reconciled, where necessary.				
5 Receivable from Securities Trading				
Receivable from DSE (Note: 5.1)			-	3,465,533
Receivable from CSE (Note: 5.2)			136,900	272
			136,900	3,465,805
5.1 Receivable From DSE				
Receivable against A,B,G&N category			-	2,576,182
Receivable against Z category			-	889,351
			-	3,465,533
5.2 Receivable From CSE				
Receivable against A,B,G&N category			136,900	272
			136,900	272
6 Receivable from Margin Clients (Note: 6.1)			126,992,022	117,944,807
			126,992,022	117,944,807
6.1 Receivable from Margin Clients				
Receivable from Clients having no margin or full erosion of equity			19,439,434	16,162,504
Receivable from clients fall under force sale condition (Equity is >DB but < 125% of DB)			17,021,639	19,468,846
Receivable from clients fall under margin call (Equity is >125% of DB but <150% of DB)			11,489,795	18,759,622
Receivable from regular margin clients (Equity is > 150% of debit balance)			79,041,155	63,553,835
			126,992,022	117,944,807
7 Receivable from other Clients-				
Receivable after Securities Trading			102,979	98,493
Receivable arises from fee,commission & charges			725,211	876,372
			828,190	974,865

8 Proprietary Positions in Securities- Dealer Account

Proprietary position in equity securities (Note: 8.1)
 Proprietary position in MFs (Note: 8.2)
 Investment in share (non-Listed)

	2022	2021
	Taka	Taka
	1,121,345,849	1,078,410,573
	44,822,856	43,832,662
	-	-
	1,166,168,705	1,122,243,235
8.1 Proprietary Positions in Equity securities		
Opening Balance	1,078,410,573	979,106,680
Add: Investment made during the year	158,768,943	269,941,905
	1,237,179,517	1,249,048,585
Less: Sale/ Recovery during the year	(115,833,668)	(170,638,012)
Closing Balance	1,121,345,849	1,078,410,573
Value of "A" category instruments	901,985,672	864,572,058
Value of "B/N" category instruments	180,893,795	175,372,134
Value of OTC category instruments	38,466,381	38,466,381
	1,121,345,849	1,078,410,573
Market Value of Proprietary positions in equity securities	997,037,593	954,042,838
8.2 Proprietary position in MFs		
Opening Balance	43,832,662	26,274,554
Add: Investment made during the year	2,945,594	28,456,385
	46,778,256	54,730,939
Less: Sale/ Recovery during the year	(1,955,400)	(10,898,277)
Closing Balance	44,822,856	43,832,662
Value of listed Mutual funds	33,972,826	36,892,565
Value of Non -Listed Mutual Funds	10,850,030	6,940,097
	44,822,856	43,832,662
Market Value of Proprietary positions in MFs	44,213,567	45,646,103.90
9 Other Receivables		
Dividend Receivable	15,138,760	14,123,621
Interest Receivable	750,166	-
Subscription in IPOs(Dealer) but not yet allotted (Note: 9.1)	4,750,000	22,083,930
Subscription in IPO (Customer)	-	17,110,000
	20,638,926	53,317,551
9.1 Subscription in IPOs (Dealer) but not yet allotted		
Opening Balance	22,083,930	14,536,300
Add: Application made during the year	51,866,090	122,468,480
	73,950,020	137,004,780
Less: Alloted during the year	(5,804,350)	(114,920,850)
Less: Refund during the year	(63,395,670)	-
Closing Balance	4,750,000	22,083,930
10 Other Assets		
Advance Income Tax (Note: 10.1)	90,745,751	77,250,205
Security Deposit with CSE	25,000	25,000
Security Deposit with Duncan Product Ltd.	2,000	2,000
	90,772,751	77,277,205

10.1 Advance Income Tax

	2022 Taka	2021 Taka
Opening Balance	77,250,205	64,969,401
Add: Addition during the year	13,495,546	12,280,804
Closing Balance	90,745,751	77,250,205
Addition during the year		
TDS on Brokerage Commission-DSE	2,619,754	4,143,983
TDS on Brokerage Commission-CSE	42,719	142,026
DCT Circle 304, Zone-14 (Direct Payment)	1,000,000	-
TDS on Interest Income	1,482,758	620,233
TDS on Dividend Income	8,350,314	7,374,562
	13,495,546	12,280,804

Year wise Advance Income Tax

Year	Commission-DSE	Commission-CSE	Direct Payment	Dividend	FDR Interest	Bank Interest	Total
2013	2,095,598	62,645	-	121,683	512,676	288,018	3,080,620
2015	2,739,408	268,980	-	699,892	70,405	649,838	4,428,523
2016	2,815,008	287,365	7,210,889	6,606,821	-	436,872	17,356,954
2017	6,755,394	656,883	-	3,586,084	-	1,337,842	12,336,203
2018	3,444,102	454,283	549,239	6,435,958	-	1,136,784	12,020,366
2019	1,376,904	65,378	-	5,307,494	-	1,150,084	7,899,860
2020	1,459,330	47,949	-	5,819,480	-	520,115	7,846,874
2021	4,143,983	142,026	-	7,374,562	-	620,233	12,280,804
2022	2,619,754	42,719	1,000,000	8,350,314	-	1,482,758	13,495,546
Total							90,745,751

11 Fixed Assets**A. Cost**

Opening Balance	14,214,983	14,119,064
Add: Addition during the year	622,922	220,919
	14,837,905	14,339,983
Less: Adjusted during the year	-	125,000
Closing Balance	14,837,905	14,214,983

B. Accumulated Depreciation

Opening Balance	11,345,854	11,035,440
Add: Charged during the year	470,198	421,101
	11,816,053	11,456,540
Less: Adjusted during the year	-	110,686
Closing Balance	11,816,053	11,345,854

C. Written Down Value (A-B)

	3,021,853	2,869,129
--	------------------	------------------

A schedule of fixed assets is given in "Annexure-B".

12 Intangible Assets (Software)

A. Cost

Opening Balance	444,750	444,750
Add: Addition during the year	239,851	-
	684,601	444,750
Less: Adjusted during the year	-	-
Closing Balance	684,601	444,750

B. Accumulated Amortization

Opening Balance	420,645	400,695
Add: Charged during the year	61,875	19,950
	482,520	420,645
Less: Adjusted during the year	-	-
Closing Balance	482,520	420,645

C. Written Down Value (A-B)

A schedule of Intangible Assets is given in "Annexure-C".

13 Investment in Exchange Membership

Investment in DSE Shares (Note-13.1)	2,130,000	2,130,000
Investment in CSE Shares (Note-13.2)	5,840,000	5,840,000
	7,970,000	7,970,000

- 13.1** After selling of 25% DSE shares to Chinese Consortium as per the provisions of Exchange Demutualization Act, 2013 and in accordance with the BSEC approved Demutualization Scheme, the ordinary shares against the TREC membership stood as follows as on 31 December 2018:

Shares Allotted

40% Ordinary Shares i.e. 2,886,042 shares of Tk. 10/- each credited to BO A/C # 1202180045048887 of BDBL Securities Limited.

28,860,420	28,860,420
------------	------------

60% Ordinary Shares i.e. 2,525,287 Ordinary Shares of Tk. 10/- each credited to DSE Demutualization Blocked account maintained by DSE.

25,252,870	25,252,870
------------	------------

54,113,290	54,113,290
-------------------	-------------------

- 13.2** The Chittagong Stock Exchange Ltd. allotted 4,287,330 number of Ordinary share of Tk. 10 each against the membership held with them as approved scheme of Demutualization under the provision of Exchange Demutualization Act, 2013 as under:

Shares Allotted

40% Ordinary Shares i.e. 1,714,932 Shares of Tk. 10/- each credited to BO A/C # 1202180045048887 of BDBL Securities Limited.

17,149,320	17,149,320
------------	------------

60% Ordinary Shares i.e. 2,572,398 shares of Tk. 10/- each credited to CSE Demutualization Blocked account maintained by CSE.

25,723,980	25,723,980
------------	------------

42,873,300	42,873,300
-------------------	-------------------

	2022 Taka	2021 Taka
14 Proprietary Positions in Securities (Strategic Investments)		
Strategic Investment at cost (Note: 14.1)	48,264,581	45,564,243
14.1 Proprietary Positions in Securities (Strategic Investments)		
Opening Balance	45,564,243	40,517,269
Add: Investment made during the year	3,736,387	12,158,349
	49,300,630	52,675,618
Less: Sale/ Recovery during the year	(1,036,048)	(7,111,375)
Closing Balance	48,264,581	45,564,243
Value of "A" category instruments	45,755,416	43,055,078
Value of "B/N" category instruments	555,060	555,060
Value of listed Mutual funds	1,954,105	1,954,105
	48,264,581	45,564,243
Strategic Investment at market value	47,170,082	49,124,119
Investment in securities under Strategic Account has been shown as Non-current assets as per DSE Directive No. DSE/COM/TAD/CLR/AFS_2019/359 dated 27.02.2020.		
15 Other Long Term Assets		
Deferred Tax Assets		
Deferred tax assets have been recognized and measured in accordance with the provisions of 'IAS 12: Income Taxes'. Related deferred tax expense/income & assets/liabilities has been provided for during the year as shown below:		
Fixed Assets		
Carrying Amount	3,223,934	2,893,235
Tax Base	4,100,683	3,702,010
Deductible Temporary Difference	(876,749)	(808,776)
Applicable Tax Rate	27.5%	30.0%
Closing balance of Deferred Tax (Asset)/Liability	(241,105)	(242,632)
Opening balance of Deferred Tax (Asset)/Liability	(242,632)	(290,158)
Deferred tax expense/(income)	1,527	47,526
16 Payable to Clients	165,813,769	170,879,512
Payable to Clients(Trading)	165,813,769	170,879,512
	165,813,769	170,879,512

17 Short Term Business Liabilities
Payable to BDBL (Overdraft Loan)-
Name of Bank Name of the Branch
A/c no.

Bangladesh

Development

Kawranbazar Branch

0670520000001

Bank Ltd.

2022
Taka
2021
Taka

422,940,585

419,764,370

422,940,585
419,764,370

The above loan facility is obtained from Bangladesh Development Bank Limited under the following terms:

Particulars	Sanction Limit	Tenor	Interest Rate	Status
Bank Overdraft	45.00 Crore	1 year	7.78% (Quarterly Basis)	Revolving

Collateral /Guaranty:

i) Undertaking of BDBL Securities Limited.

18 Payable to Securities Trading

Payable to DSE (Note: 18.1)

943,581

-

943,581

-

18.1 Payable to DSE

Payable against A,B,G&N category

943,581

-

943,581

-

19 Other Liabilities & Provision

Accruals & Accounts Payable (Note: 19.1)

18,222,575

34,934,622

Provision for Margin Loan(Note: 19.2)

21,949,125

18,672,195

Employees Provident Funds (Note: 19.3)

-

-

Provision for Income Tax (Note 19.4)

88,056,182

78,272,285

Provision for Proprietary Positions in Securities & Other Investment (Note:19.5)

131,501,287

121,501,287

Provision for Strategic Investments (Note: 19.6)

1,250,000

1,250,000

Provision for Incentive Bonus

2,357,200

3,134,980

263,336,369
257,765,369
19.1 Accrued Expenses (A)

CDS Bill

50,000

90,000

Printing & Stationary

467,700

326,850

Audit Fees Payable

80,500

80,500

Electricity Bill

50,000

38,500

Water and Sewerage Bill

2,000

4,000

Telephone Bill

2,000

4,000

MSA Connectivity bill

2,313

3,524

Commission & Cont. Charge

250,000

-

Car Maintenance

30,000

20,000

Registration & renewal

88,316

130,000

Chairman Allowance

-

5,500

Postage & Stamp

7,200

-

Conveyance

17,800

-

Picnic

340,000

-

Overtime

4,800

-

Others

64,876

148,174

1,457,505
851,048
Accounts Payable (B)

Payable to Depository(CDBL)

1,236,739

1,326,804

VAT Payable

140,084

83,744

Source Tax Payable

4,045,522

34,020

Security Deposit

17,160

17,160

Other Payable

1,000

1,000

IPO Application A/c Payable

15,000

26,715,000

Sundry Creditor

147,181

109,173

Suspense Account(BO A/C Closed)

17,537

17,537

Interest Payable on CCA (Note 19.1.1)

9,086,557

5,197,085

Income Suspense Account

2,058,290

582,051

16,765,070
34,083,575
Total Accruals & Accounts Payable (A+B)
18,222,575
34,934,622

	2022 Taka	2021 Taka
19.1.1 The amount has been distributed on 30 January 2023 among the eligible customer as per BSEC/CMRRCD/2009-193/21.		
19.2 Provision against Margin Loan		
Specific Provision(Note: 19.2.1)	19,439,434	16,162,504
General Provision(Note: 19.2.2)	2,509,691	2,509,691
	21,949,125	18,672,195
19.2.1 Specific Provision:		
Negative equity i.e. required provision	19,439,434	16,162,504
Less: Provision maintained		
Opening Balance	16,162,504	8,398,515
Add: Provision made during the year	3,276,930	7,763,989
	19,439,434	16,162,504
Provision surplus/(shortfall)	-	-
As per Bangladesh Securities and Exchange Commission guidelines, the company has kept provision for Tk. 3,276,930.00 as against negative equity on margin loan during this financial year. The total provision maintained by the company stood at Tk.19,439,434.00 as on 31 December, 2022 which is equal to 100% required provision. Therefore, there is no provision shortfall against negative equity on margin loan as per BSEC Directive No. BSEC/SRI/POLICY/3/2020/68 dated 28-12 -2017		
19.2.2 General Provision		
Opening Balance	2,509,691	1,330,243
Add: Provision made during the year	-	1,179,448
Closing Balance	2,509,691	2,509,691
General provision made in the books of account stood at Tk. 2,509,691 as on December 31, 2022 against the required provision of Tk. 12,69,920 leaving surplus of Tk. 1,239,771 as mandatory provision 1% of outstanding margin exposures as prescribed by part B of schedule C rule 5(2) of BSEC notification no. BSEC/CMRRCD/2017-357/221/admin/89 dated May 22, 2019.		
19.3 Employees Provident Funds		
Opening Balance	-	-
Add: During the year :		
Employees Contribution	329,981	303,672
Company's Contribution	329,981	303,672
	659,962	607,344
Less : Transfer to CPF FUND	659,962	607,344
Closing Balance	-	-
19.4 Provision for Income Tax		
Opening Balance	78,272,285	58,736,909
Add: Provision made during the year	16,988,737	19,535,376
Add: Provision for Prior Years Tax	-	-
	95,261,022	78,272,285
Less: Adjustment made during the year	7,204,840	-
Closing Balance	88,056,182	78,272,285
Year wise breakup:		
Income year 2013	6,872,399	6,872,399
Income year 2015	15,917,519	15,917,519
Income year 2016	3,102,373	3,102,373
Income year 2017	12,885,442	12,885,442
Income year 2018	7,783,398	7,783,398
Income year 2019	5,117,282	5,117,282
Income year 2020	7,058,496	7,058,496
Income year 2021	19,535,376	19,535,376
Less: Adjustment made during the year	(7,204,840)	-
Income year 2022	16,988,737	-
	88,056,182	78,272,285

	2022 Taka	2021 Taka
19.5 Provision for Proprietary Positions in Securities & Other Investment		
Unrealised Loss - Dealer Account i.e. required provision	124,917,545	76,908,190
Less: Provision maintained		
Opening Balance	121,501,287	111,501,287
Add: Provision made during the year	10,000,000	10,000,000
	131,501,287	121,501,287
Provision surplus/(shortfall)	6,583,742	44,593,097

As Per Bangladesh Securities and Exchange Commission Rules, the Company already maintained provision for Tk. 121,501,287.00 for unrealized loss of Tk. 124,917,545.00 in company's own portfolio account at the end of the year 31 December, 2022. Moreover, with a view to reduce future risk in the Investment of Dealer Account a further provision of Tk. 1,00,00,000.00 has been made during the financial year ended on 31 December 2022, As a result, an amount of Tk. 6,583,742.00 has become surplus against the required provision on the date of statement of financial position.

19.6 Provision for Strategic Investments

Required provision	1,094,499	-
Less: Provision maintained		
Opening balance	1,250,000	1,250,000
Add: Provision made during the year	-	-
	1,250,000	1,250,000
Provision Surplus/(shortfall)	155,501	1,250,000

The company already kept provision for Tk. 12,50,000 against unrealized loss in company's strategic account against the unrealized loss of Tk. 1,094,499 in the Strategic Investment Account at the end of the year 31 December, 2022. As such no amount has been provided for during the year as per BSEC Directive No. BSEC/SRI/POLICY/3/2020/68 dated 12-01-2020.

20 Others Payable

Payable to BDBL

Opening Balance	21,332,955	15,239,389
Add: Addition during the year (Note: 20.1)	6,715,480	6,093,566
	28,048,435	21,332,955
Less: Adjusted during the year	10,000,000	-
Closing Balance	18,048,435	21,332,955

20.1 Addition during the year

Salary and Allowances of four deputed employees.	6,715,480	6,093,566
	6,715,480	6,093,566

21 Dividend Payable

Opening Balance	-	-
Addition during the year	40,000,000	-
	40,000,000	-
Adjusted during the year	20,000,000	-
Closing Balance	20,000,000	-

22 Share Capital

Authorized Capital

40,000,000 Ordinary Shares of Tk.100 each	4,000,000,000	4,000,000,000
---	----------------------	----------------------

Issued, Subscribed and Paid-up Capital

	500,000,000	500,000,000
--	--------------------	--------------------

Share Holding Position of the Company is as under:

Sl #	Name of the Shareholders	No. of Shares		
	Bangladesh Development Bank			
1.	Limited Represented by its Managing Director	4,999,993	499,999,300	499,999,300
2.	Shamima Nargis	1	100	100
3.	Dr. Md. Hasibur Rashid	1	100	100
4.	Md. Khurshed Hossain	1	100	100
5.	Kamrul Hoque Maruf	1	100	100
6.	Md. Rifat Hasan	1	100	100
7.	Mr. Md. Zahurul Islam	1	100	100
8.	Md. Shafiqul Islam	1	100	100
		5,000,000	500,000,000	500,000,000

22.1 Capital to Regulatory Capital Requirement as on 31.12.2022:

	2022 Taka	2021 Taka
A. Eligible Capital		
(i) Core Capital-		
Paid up Capital	500,000,000	500,000,000
Special Reserve	4,000,000	4,000,000
Capital Reserve	14,907,845	4,461,709
Dividend Equalisation Reserve	35,000,000	20,000,000
Retained Earnings	202,369,497	222,739,431
	756,277,341	751,201,140
(ii) Supplementary Capital-		
General Provision (80%)	2,007,753	2,007,753
Specific Provision (70%)	106,533,504	97,239,653
	108,541,256	99,247,406
B. Total Eligible Capital (i+ii)	864,818,598	850,448,546
C. Total Risk Requirement	145,249,350	137,848,919
D. Required Capital (120% of total Risk Requirement)	174,299,219	165,418,703
E. Capital Surplus (B-D)	690,519,378	685,029,843
F. Capital Adequacy Ratio	595.40%	616.94%
Core Capital to Total Risk Requirement	520.68%	544.95%
Supplementary Capital to Total Risk Requirement	74.73%	72.00%
G. Operational Risk Requirement	5,845,543	4,059,202
H. Core Capital to Operational Risk Requirement (Minimum 100%)	129 times	185 times

The detail Computation of Capital Adequacy has been shown in "Annexure -A"

22.2 Net capital to aggregate liabilities
Liquid Assets:

Cash in hand or in Bank	182,122,967	189,049,769
Long propriory securities position at market value	45,631,602	47,568,539
Customers' debit balances receivable within three days	126,992,022	117,944,807
Interest, dividend or commission receivable within thirty days	15,888,926	14,123,621
Amounts receivable in the ordinary course of business, but excluding amounts which are due to be settled against delivers of security and remain outstanding for more than five banking days	136,900	3,465,805
Market Value of investment in mutual fund	45,752,047	47,201,684
Market value of net investment in securities traded in a stock	997,037,593	999,688,942
Value of investment in securities not traded in the Exchange with haircut of 30% of its face value.	5,579,000	5,579,000
Other Recievable	828,190	974,865
Total Liquid Assets (A)	1,419,969,248	1,425,597,032

Designated Liabilities:

Overdrafts and loans from banks	422,940,585	419,764,370
Accrued expenses	1,457,505	851,048
Tax payable net of advance taxes.	(2,689,569)	1,022,080
All other liabilities that are regarded as liabilities under generally accepted accounting principles in Bangladesh which are payable	183,522,421	204,963,087
Total Designated Liabilities (B)	605,230,941	626,600,585

Net Capital Balance (A-B)

Net Capital Balance (A-B)	814,738,306	798,996,447
Aggregate liabilities (Total liabilities-Shareholders equity)	891,082,740	869,742,207
Net capital to aggregate liabilities ratio	1:1.09	1:1.09
Maximum Acceptable Ratio	1:20	1:20

	2022 Taka	2021 Taka
23 Capital Reserve		
Opening Balance	4,461,709	2,436,584
Add: Addition during the year	10,446,136	2,025,125
Closing Balance	14,907,845	4,461,709
The above Capital Reserve has been created @10% of profit after tax of last year as prescribed by Part 'B' of Schedule 'C' of Risk Based Capital Adequacy Rule, 2019 of Bangladesh Securities and Exchange Commission.		
24 Special Reserve		
Opening Balance	4,000,000	4,000,000
Add: Addition during the year	-	-
Closing Balance	4,000,000	4,000,000
The company has created the above reserve for future contingency as per decision of the Board of Directors.		
25 Dividend Equalisation Reserve		
Opening Balance	20,000,000	-
Add: Addition during the year	15,000,000	20,000,000
Closing Balance	35,000,000	20,000,000
The company has created the above reserve to maintain a balance dividend rate in future as per decision of the Board of Directors.		
26 Retained Earnings		
Opening	222,739,431	140,303,198
Less: Dividend	(40,000,000)	-
Less: Transfer to Capital Reserve	(10,446,136)	(2,025,125)
Add: Profit/(loss) for the year	45,076,202	104,461,358
Less: Dividend Equalisation Reserve	(15,000,000)	(20,000,000)
Closing Balance	202,369,497	222,739,431
27 Net asset value (NAV) Per Share		
Net asset value (NAV)	756,277,342	751,201,140
Number of ordinary shares outstanding	5,000,000	5,000,000
NAV Per Share of Tk. 100 each	151.26	150.24

	2022	2021
	Taka	Taka
28 Brokerage Commission		
Income from Dhaka Stock Exchange (DSE)	18,383,461	29,090,393
Income from Chittagong Stock Exchange (CSE)	320,779	1,106,128
	18,704,239	30,196,521
29 Other Operating Income		
Account Opening Fees	51,700	144,000
Annual Account Maintenance Fees	322,400	363,000
Documentation Fess	7,200	15,600
CDBL Charges Income	120,297	1,093,240
IPO Service Charge	63,335	282,170
Profit/Interest on Bond	1,364,032	18,161
Miscellaneous	71,652	21,186
	2,000,616	1,937,357
30 Salaries and Allowances		
Deputed & Regular Employees	11,960,826	10,954,070
Outsourcing Employees	997,222	1,057,449
Lunch Subsidy	791,000	814,200
Festival Bonus	709,980	669,312
Incentive Bonus	-	2,800,000
PF Contribution	329,981	303,672
	14,789,009	16,598,703
31 Rent, Rates, Taxes, Insurance and Lighting		
Rental Expenses	3,084,153	2,769,444
Insurance Expenses-Vehicles	42,030	42,030
Electricity Bill	816,917	737,588
Water and Sewerage Bill	21,659	35,300
	3,964,759	3,584,362
32 Brokerage Expenses		
Laga Charges	2,026,972	2,574,423
Howla Charges	13,350	-
	2,040,322	2,574,423
33 Legal and Professional Fees		
Tax Advisor Fees	-	-
Technical Advisor Fees (Note-32.1)	165,800	82,800
	165,800	82,800
33.1 Technical advisor fee represents meeting attendance fee paid for expert opinion in the board meeting.		
34 Stationery, Printing and Advertisement		
Printing and Stationery	581,893	519,427
Advertisement	100,000	25,000
	681,893	544,427

	2022 Taka	2021 Taka
35 Expenses related with CDBL	734,226	1,254,964
36 Directors' Fees and Meeting Expenses		
Directors' Fees	598,000	368,000
Meeting Expenses	281,649	164,200
	879,649	532,200
37 Repair and Maintenance Expenses		
Office Maintenance	365,916	466,177
Fuel for Car	133,000	140,032
Car Maintenance	59,347	43,909
	558,263	650,118
38 Network Connectivity Charges		
Internet Bill	194,674	174,324
MSA Connectivity Bill	487,441	500,805
Dish Bill	10,000	13,600
	692,115	688,729
39 Other Operating Expenses		
Office Entertainment	218,166	220,547
Board Entertainment	199,552	35,015
Subscription to DSE Members' Club	12,039	19,276
Driver Uniform	-	8,785
Electric & Computer accessories	31,007	29,840
Newspaper	20,307	18,064
Training expenses	36,403	44,000
Subscription Fee	27,000	41,000
Vat Expenses	545,351	-
Refreshment Allowance/Recreation	71,620	84,530
Business Development Expenses	17,133	-
Chairman Allowance	120,000	71,629
Overtime	57,600	-
Picnic expenses	343,223	-
Miscellaneous expenses	77,135	2,700
Bank Charges and Commission (Note: 38.1)	89,095	80,018
Travelling and Conveyance (Note: 38.2)	196,350	179,340
	2,061,981	834,744
39.1 Bank Charges and Commission		
Bank Charges	15,020	5,943
Excise Duty Expenses	74,075	74,075
	89,095	80,018

	2022 Taka	2021 Taka
39.2 Travelling and Conveyance		
Travelling Expenses and Allowances	4,200	-
Local Conveyance	192,150	179,340
	196,350	179,340
40 Other Non-Operating Income		
Interest on SND Account	65,392	376,538
	65,392	376,538
41 Earnings Per Share (EPS)		
Net Profit for the year (A)	45,076,202	104,461,358
Weighted Average Number of Shares Outstanding (B)	5,000,000	5,000,000
Earnings Per Share of Tk. 100 each	9.02	20.89
42 Cash Flows from Operating Activities under Indirect Method		
Cash Flows from Operating Activities		
Net Profit before tax	62,066,466	124,044,260
Depreciation	470,198	421,101
Amortization on Software	61,875	19,950
Gain on Disposal of Fixed Assets	-	(18,161)
	62,598,539	124,467,150
Changes in working capital		
(Increase)/Decrease in Receivable from Securities Trading	3,328,904	1,015,407
(Increase)/Decrease in Receivable from Margin Clients	(9,047,215)	(46,846,129)
(Increase)/Decrease in Receivable from other Clients	146,675	796,099
(Increase)/Decrease in Other Receivables	32,678,626	(42,462,303)
(Increase)/Decrease in Proprietary positions in securities-Dealer Account	(43,925,470)	(92,325,700)
(Increase)/Decrease in Proprietary positions in securities (strategic investments)	(2,700,338)	(5,046,974)
Increase/(Decrease) in Payable to Clients	(5,065,742)	95,583,373
Increase/(Decrease) in Short Term Business Liabilities	3,176,214	25,090,921
Increase/(Decrease) in Other Liabilities and Provisions	(4,212,897)	23,474,110
Increase/(Decrease) in Other Payable	(2,340,938)	6,093,566
	(27,962,181)	(34,627,630)
Income Tax Paid	(20,700,386)	(12,280,804)
Net cash provided from operating activities	13,935,971	77,558,716

43 Related Party Disclosures (IAS-24)

The following amounts are related to Bangladesh Development Bank Limited (BDBL) which is the parent company of BDBL Securities Limited:

Related party name	Opening balance	Addition during the year	Paid during the year	Closing balance	Nature of transaction
BDBL	21,332,955	6,715,480	10,000,000	18,048,435	For payment of salary and allowances of deputed employees.
BDBL	-	40,000,000	20,000,000	20,000,000	Dividend
BDBL	419,764,370	3,176,214	-	422,940,585	Bank Overdraft

44 Financial Risk Management

The Company has exposure to the following risks from its use of financial instruments:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework.

a) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loans and advances to customers and investment securities. These loans and advances are fully backed by the securities held by the customer. With respect to credit risk arising from the other financial assets of the company, the maximum exposure is equal to the carrying amounts of the financial assets.

b) Liquidity risk:

Liquidity risk is 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 liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses including financial obligations through preparation of the cash flow forecast based on time schedule of payment of the financial obligation and accordingly arrange for sufficient liquidity/ fund to make the expected payment within due date.

c) Market risk:

Market risk arises when the fair value or future cash flows of financial instruments of the company fluctuate due to changes in market variables, mainly equity price. BSL defines market risk as the risks taken in relation to price fluctuations in the financial market.

Equity risk is the potential loss due to an adverse change in the stock price and any negative change in stock price either leads to a loss or diminution in investments value. Equity risk remains the main market risk considering the company has an equity portfolio in excess of taka 1.17 billion as at the balance sheet date. This is managed on a portfolio basis based on trading or strategic investment. The company's accounting policies ensure to reflect investments in marketable securities at fair value recognising any realised gain or loss through profit and loss.

The risk of exchange rate movement doesn't impact this company directly because the BSL don't deal with foreign currency. The risk due to changes of interest rate on borrowing is insignificant.

45 Events After the Reporting Period

a) The Board of Directors of the Company in it's meeting held on 27 February 2023 approved the financial statements of the company for the year ended 31 December 2022 and authorized the same for issue. The Board of Directors also declared dividend @ 5% for the year which is subject to approval by the shareholders in the ensuing Annual General Meeting.

b) There is no other significant event that has occurred between the Reporting date and the date when the financial statements were authorized for issue by the Board of Directors.

Sd/-

Director

Sd/-

Director

Sd/-

Chief Executive Officer

Place: Dhaka

Date: 27 February 2023

BDBL Securities Limited

Statement Showing Computation of Capital Adequacy

As on 31 December 2022

"Annexure-A"

A. Eligible Amount

Components	B/S Amount	Haircut%	Haircut Amount	Eligible Amount	
				2022	2021
Paid-up-capital	500,000,000	-	-	500,000,000	500,000,000
Special Reserve	4,000,000	-	-	4,000,000	4,000,000
Capital Reserve	14,907,845	-	-	14,907,845	4,461,709
Dividend Equalisation Reserve	35,000,000	-	-	35,000,000	20,000,000
Retained Earnings	202,369,497	-	-	202,369,497	222,739,431
Sum of core capital	756,277,341	-	-	756,277,341	751,201,140
General Provision	2,509,691	20%	501,938	2,007,753	2,007,753
Specific Provision:	-	-	-	-	-
Margin loan	19,439,434	30%	5,831,830	13,607,604	11,313,753
Own Portfolio	132,751,287	30%	39,825,386	92,925,900	85,925,900
Sum of Supplementary Capital	154,700,412		46,159,154	108,541,256	99,247,406
Total Capital	910,977,753		46,159,154	864,818,597	850,448,546

B. Total Risk Requirement

	Risk Factor	Applicable Amount	Applicable Amount
Operation Risk Requirement (ORR):			
Based on Average Annual Gross Income (see clause (b) of sub-rule (7.1) of rule 7)	5%	5,845,543	4,059,202
Proprietary positions in Equity securities:			
Value of "A" category securities	10%	94,774,109	90,762,714
Value of "B/G/N." category securities	12%	21,773,863	21,111,263
Value of OTC category instrument	20%	7,693,276	7,693,276
Proprietary positions in MFs :			
Value of listed funds	10%	4,677,696	4,578,677
Value of Non -Listed Fund	3%	325,501	208,203
Counterparty Risk Requirement (CPRR):			
Exposure of credit facilities to Clients	8%	10,159,362	9,435,585
Total Risk Requirement		145,249,350	137,848,920

$$\text{Capital Adequacy Ratio (CAR)} = \frac{\text{Total Capital(TC)}}{\text{Total Risk Requirement(TRR)}} \times 100$$

595.40% i.e.5.95 times 616.94% i.e.6.17 times

Sd/-

Director

Sd/-

Director

Sd/-

Chief Executive Officer

For K. M. HASAN & CO.
Chartered Accountants

Sd/-
Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC No. 2303070331AS860181

Place: Dhaka
Date: 27 February 2023

BDBL Securities Limited
Schedule of Fixed Assets
As on 31 December 2022

"Annexure-B"

Amount in Taka

Particulars	Cost			Depreciation					Written Down Value as on 31.12.2022	
	Balance as on 01.01.2022	Addition during the year	Adjustment/ Disposal during the year	Balance as on 31.12.2022	Rate %	Balance as on 01.01.2022	Charged during the year	Adjustment / Disposal during the year		Balance as on 31.12.2022
Furniture and Fixtures	1,352,882	-	-	1,352,882	10%	760,591	59,229	-	819,820	533,062
Office Equipments	2,287,316	49,122	-	2,336,438	20%	1,716,935	121,380	-	1,838,316	498,122
Computers	2,711,640	573,800	-	3,285,440	20%	2,640,586	126,048	-	2,766,635	518,805
Motor Vehicles	3,280,000	-	-	3,280,000	20%	3,279,999	-	-	3,279,999	1
Office Decoration	4,583,145	-	-	4,583,145	10%	2,947,743	163,540	-	3,111,283	1,471,862
As on 31 December 2022	14,214,983	622,922	-	14,837,905		11,345,854	470,198	-	11,816,053	3,021,853
As on 31 December 2021	14,119,064	220,919	125,000	14,214,983		11,035,440	421,101	110,686	11,345,854	2,869,129

BDBL Securities Limited
Schedule of Intangible Assets
As on 31 December 2022

"Annexure-C"

Amount in Taka

Particulars	Cost				Rate %	Amortization				Written Down Value as on 31.12.2022
	Balance as on 01.01.2022	Addition during the Year	Disposals/ Adjustments during the year	Balance as on 31.12.2022		Balance as on 01.01.2022	Charged during the Year	Disposals/ Adjustments during the year	Balance as on 31.12.2022	
Adasoft Software	409,750	239,851	-	649,601	20%	385,646	61,875	-	447,521	202,080
Salary Software	35,000	-	-	35,000	20%	34,999	-	-	34,999	1
As on 31 December 2022	444,750	239,851	-	684,601		420,645	61,875	-	482,520	202,081
As on 31 December 2021	444,750	-	-	444,750		400,695	19,950	-	420,645	24,105

BDBL Securities Limited

Schedule of Investment in Marketable Securities-Dealer Account

As on 31 December 2022

"Annexure-C1"

SL #	Instrument	Quantity	Avg.	Total Cost	Market	Market Value	Unrealised
		Total	Rate		Rate		Gain/Loss
Value of "A" category instruments							
1	ACI Limited	18,002	266.35	4,794,763.49	260.20	4,684,120.40	(110,643.09)
2	The ACME Laboratories Limited	153,938	86.39	13,298,014.64	85.00	13,084,730.00	(213,284.64)
3	Aman Feed Limited	27,091	36.05	976,709.38	33.50	907,548.50	(69,160.88)
4	Agricultural Marketing Company Ltd. (Pran)	51,457	225.38	11,597,173.04	265.60	13,666,979.20	2,069,806.16
5	Apex Footwear Limited.	632,580	318.42	201,427,458.61	262.10	165,799,218.00	(35,628,240.61)
6	Bank Asia Ltd.	143,954	18.22	2,623,416.40	20.20	2,907,870.80	284,454.40
7	Baraka Power Limited	359,734	30.63	11,019,601.00	21.30	7,662,334.20	(3,357,266.80)
8	British American Tobacco Bangladesh Company Limited	10,479	336.25	3,523,535.95	518.70	5,435,457.30	1,911,921.35
9	BBS Cables Limited	187,774	55.57	10,434,219.99	49.90	9,369,922.60	(1,064,297.39)
10	Berger Paints Bangladesh Ltd.	4,864	1,784.04	8,677,565.74	1,722.60	8,378,726.40	(298,839.34)
11	Bangladesh Export Import Company Ltd.	137,885	128.33	17,694,556.28	115.60	15,939,506.00	(1,755,050.28)
12	Bangladesh Shipping Corporation	16,100	56.92	916,390.80	115.30	1,856,330.00	939,939.20
13	Bangladesh Steel Re-Rolling Mills Limited	195,625	103.75	20,296,183.07	90.00	17,606,250.00	(2,689,933.07)
14	Beximco Pharmaceuticals Ltd.	163,200	103.22	16,845,873.20	146.20	23,859,840.00	7,013,966.80
15	Confidence Cement Ltd.	69,925	124.65	8,716,007.82	89.00	6,223,325.00	(2,492,682.82)
16	Doreen Power Generations and Systems Limited	42,572	62.58	2,664,057.65	61.00	2,596,892.00	(67,165.65)
17	Eastland Insurance Company Ltd.	340,694	31.88	10,859,670.91	24.40	8,312,933.60	(2,546,737.31)
18	Eastern Bank Ltd.	160,860	31.70	5,099,061.58	31.80	5,115,348.00	16,286.42
19	Eastern Housing Limited	286,023	51.81	14,817,560.01	78.90	22,567,214.70	7,749,654.69
20	Energypac Power Generation Limited	67,295	38.84	2,613,515.20	34.50	2,321,677.50	(291,837.70)
21	Esquire Knit Composite Limited	101,224	31.10	3,148,063.27	34.50	3,492,228.00	344,164.73
22	Far East Knitting & Dyeing Industries Limited	284,537	18.96	5,395,407.06	17.20	4,894,036.40	(501,370.66)
23	First Security Islami Bank Limited	215,450	10.72	2,309,700.00	9.80	2,111,410.00	(198,290.00)
24	Fortune Shoes Limited	52,148	24.93	1,300,085.98	75.70	3,947,603.60	2,647,517.62
25	Genex Infosys Limited	45,946	75.57	3,472,202.22	81.00	3,721,626.00	249,423.78
26	Grameenphone Ltd.	105,600	323.40	34,150,619.21	286.60	30,264,960.00	(3,885,659.21)
27	GPH Ispat Ltd.	668,249	26.28	17,558,235.36	44.80	29,937,555.20	12,379,319.84
28	Heidelberg Cement Bangladesh Ltd.	30,342	299.27	9,080,522.15	179.10	5,434,252.20	(3,646,269.95)
29	IDLC Finance Ltd.	38,625	49.67	1,918,587.90	46.50	1,796,062.50	(122,525.40)
30	IFAD Autos Limited	237,407	57.13	13,561,983.50	44.10	10,469,648.70	(3,092,334.80)
31	IFIC Bank Ltd.	2,565,974	17.25	44,252,916.60	11.50	29,508,701.00	(14,744,215.60)
32	Index Agro Industries Limited	61,554	69.37	4,270,094.20	103.60	6,376,994.40	2,106,900.20
33	Jamuna Bank Ltd.	668,882	17.99	12,033,634.90	21.30	14,247,186.60	2,213,551.70
34	Jamuna Oil Company Limited	132,648	200.84	26,641,656.00	167.30	22,192,010.40	(4,449,645.60)
35	LankaBangla Finance Ltd.	155,650	33.25	5,175,105.52	26.00	4,046,900.00	(1,128,205.52)
36	LafargeHolcim Bangladesh Limited	187,700	53.29	10,002,935.26	64.80	12,162,960.00	2,160,024.74
37	Lub-ref (Bangladesh) Limited	174,840	36.51	6,383,091.16	36.10	6,311,724.00	(71,367.16)
38	Marico Bangladesh Limited	4,760	2,140.25	10,187,598.84	2,421.50	11,526,340.00	1,338,741.16
39	Meghna Life Insurance Co. Ltd.	49,639	52.44	2,603,256.60	64.30	3,191,787.70	588,531.10
40	Mercantile Bank Ltd.	824,942	12.65	10,437,125.50	13.60	11,219,211.20	782,085.70
41	MJL Bangladesh Limited	77,524	80.90	6,271,476.30	86.70	6,721,330.80	449,854.50
42	Meghna Petroleum Limited	90,810	172.36	15,651,882.40	198.60	18,034,866.00	2,382,983.60
43	Mutual Trust Bank Ltd.	188,570	2.46	463,132.43	16.70	3,149,119.00	2,685,986.57
44	National Credit and Commerce Bank Ltd.	996,203	11.67	11,624,940.10	13.80	13,747,601.40	2,122,661.30
45	National Polymer Industries Ltd.	163,100	44.37	7,236,493.15	51.00	8,318,100.00	1,081,606.85
46	Olympic Industries Ltd.	47,620	152.46	7,260,057.10	124.00	5,904,880.00	(1,355,177.10)
47	One Bank Limited	781,693	10.96	8,568,828.20	10.20	7,973,268.60	(595,559.60)
48	Orion Pharma Ltd.	4,450	59.49	264,719.10	82.70	368,015.00	103,295.90
49	Padma Oil Co. Ltd.	169,192	252.39	42,703,016.89	209.20	35,394,966.40	(7,308,050.49)
50	Pacific Denims Limited	325,805	12.66	4,124,260.89	11.00	3,583,855.00	(540,405.89)
51	Pioneer Insurance Company Ltd.	114,981	64.01	7,360,330.37	71.50	8,221,141.50	860,811.13
52	Premier Bank Ltd.	840,801	11.05	9,288,434.90	13.30	11,182,653.30	1,894,218.40
53	Prime Bank Ltd.	196,245	4.95	971,949.34	19.20	3,767,904.00	2,795,954.66
54	Provati Insurance Company Limited	48,980	60.21	2,948,985.00	58.90	2,884,922.00	(64,063.00)
55	Reliance Insurance Ltd.	67,500	44.24	2,986,189.18	58.40	3,942,000.00	955,810.82
56	Ring Shine Textiles Limited	376,260	9.06	3,408,759.70	9.80	3,687,348.00	278,588.30
57	Ratanpur Steel Re-Rolling Mills Limited	289,367	37.24	10,775,488.40	16.60	4,803,492.20	(5,971,996.20)
58	Runner Automobiles Limited	145,803	62.71	9,142,942.50	48.40	7,056,865.20	(2,086,077.30)
59	Sea Pearl Beach Resort & Spa Limited	150	84.62	12,693.47	186.70	28,005.00	15,311.53
60	Silco Pharmaceuticals Limited	123,950	24.06	2,982,519.17	23.40	2,900,430.00	(82,089.17)

BDBL Securities Limited

Schedule of Investment in Marketable Securities-Dealer Account

As on 31 December 2022

"Annexure-C1"

SL #	Instrument	Quantity	Avg.	Total Cost	Market	Market Value	Unrealised
		Total	Rate		Rate		Gain/Loss
61	Square Textiles Ltd.	403,815	73.99	29,876,578.90	67.50	27,257,512.50	(2,619,066.40)
62	Square Pharmaceuticals Ltd.	140,050	208.09	29,142,792.27	209.80	29,382,490.00	239,697.73
63	S. S. Steel Limited	575,338	13.73	7,902,074.18	16.60	9,550,610.80	1,648,536.62
64	Summit Power Limited	237,700	39.07	9,286,630.20	34.00	8,081,800.00	(1,204,830.20)
65	Unique Hotel & Resorts Limited	40,800	62.71	2,558,660.00	57.70	2,354,160.00	(204,500.00)
66	United Power Generation & Distribution Company Ltd.	61,960	220.47	13,660,398.61	233.70	14,480,052.00	819,653.39
67	Uttara Finance and Investments Limited	177,106	65.34	11,572,816.00	33.80	5,986,182.80	(5,586,633.20)
68	VFS Thread Dyeing Limited	148,575	21.74	3,230,425.28	22.20	3,298,365.00	67,939.72
69	Achia Sea Foods Limited	5,760	10.00	57,600.00	25.20	145,152.00	87,552.00
70	Beacon Pharmaceuticals Limited	350	80.57	28,199.16	286.00	100,100.00	71,900.84
71	Beximco Green Sukuk Al Istisna'a	103,472	93.35	9,658,964.76	89.00	9,209,008.00	(449,956.76)
72	Dhaka Electric Supply Company Ltd.	183,060	42.59	7,796,788.15	36.60	6,699,996.00	(1,096,792.15)
73	Dominage Steel Building Systems Limited	125,626	23.81	2,990,705.58	21.00	2,638,146.00	(352,559.58)
74	Investment Corporation Of Bangladesh	76,284	110.13	8,401,229.34	87.60	6,682,478.40	(1,718,750.94)
75	JMI Syringes & Medical Devices Ltd.	5,572	237.68	1,324,363.98	255.50	1,423,646.00	99,282.02
76	Krishibid Seed Limited	47,981	10.00	479,810.00	27.40	1,314,679.40	834,869.40
77	Master Agro Limited	496,000	10.02	4,969,582.19	13.70	6,795,200.00	1,825,617.81
78	Mostafa Metal Industries Ltd	500,000	10.00	5,000,000.00	16.10	8,050,000.00	3,050,000.00
79	Star Adhesives Ltd.	25,980	32.34	840,147.34	68.40	1,777,032.00	936,884.66
80	Singer Bangladesh Limited	37,708	162.66	6,133,713.06	151.90	5,727,845.20	(405,867.86)
81	Unilever Consumer Care Limited	2,321	107.26	248,938.81	2,849.00	6,612,529.00	6,363,590.19
Total				901,985,672		864,387,171	(37,598,502)

Value of "B/N" category instruments

1	AB Bank Limited	260,796	0.72	187,585.53	9.90	2,581,880.40	2,394,294.87
2	Bangladesh Building Systems Ltd.	1,541,893	35.44	54,648,288.00	21.60	33,304,888.80	(21,343,399.20)
3	Coppertech Industries Limited	540	24.79	13,387.38	36.90	19,926.00	6,538.62
4	Golden Son Ltd.	85,683	18.67	1,599,621.90	18.20	1,559,430.60	(40,191.30)
5	Keya Cosmetics Ltd.	820,880	8.56	7,023,639.80	6.40	5,253,632.00	(1,770,007.80)
6	Prime Finance & Investment Ltd.	57,500	3.13	180,271.31	11.50	661,250.00	480,978.69
7	Union Bank Limited	248,863	10.38	2,583,630.00	9.30	2,314,425.90	(269,204.10)
8	Bd.Thai Aluminium Ltd.	181,480	22.01	3,994,676.10	16.50	2,994,420.00	(1,000,256.10)
9	Golden Harvest Agro Industries Ltd.	942,000	24.97	23,521,021.40	17.50	16,485,000.00	(7,036,021.40)
10	Global Islami Bank Limited	84,658	9.98	844,580.00	9.00	761,922.00	(82,658.00)
11	Hamid Fabrics Limited	440,531	24.79	10,921,655.76	21.20	9,339,257.20	(1,582,398.56)
12	Islami Commercial Insurance Company Limited	8,798	10.00	87,980.00	28.10	247,223.80	159,243.80
13	National Tubes Limited	47,198	91.34	4,311,027.66	79.50	3,752,241.00	(558,786.66)
14	Robi Axiata Limited	66,985	28.85	1,932,612.22	30.00	2,009,550.00	76,937.78
15	Zaheen Spinning Limited	3,118,500	17.92	55,892,308.30	12.40	38,669,400.00	(17,222,908.30)
16	Zahintex Industries Limited	648,573	20.28	13,151,510.00	9.00	5,837,157.00	(7,314,353.00)
Total				180,893,795.36		125,791,604.70	(55,102,191)

Value of OTC category instrument

1	UNITEDAIR	3,609,904	10.66	38,466,380.79	1.90	6,858,817.60	(31,607,563.19)
Total				38,466,381		6,858,818	(31,607,563)
Total				1,121,345,849		997,037,593	(124,308,256)

Mutual Fund

Value of Listed Fund

1	First Janata Bank Mutual Fund	27,000	5.54	149,529.17	6.10	164,700.00	15,170.83
2	AIBL 1st Islamic Mutual Fund	310,000	9.64	2,987,691.50	7.40	2,294,000.00	(693,691.50)
3	Asian Tiger Sandhani Life Growth Fund	378,090	8.69	3,284,776.56	9.70	3,667,473.00	382,696.44
4	DBH First Mutual Fund	507,000	9.43	4,783,300.00	6.90	3,498,300.00	(1,285,000.00)
5	EBL NRB Mutual Fund	435,000	7.06	3,073,125.00	6.50	2,827,500.00	(245,625.00)
6	Grameen One : Scheme Two	144,000	18.39	2,648,661.40	15.20	2,188,800.00	(459,861.40)
7	Green Delta Mutual Fund	104,831	8.80	922,394.50	6.90	723,333.90	(199,060.60)
8	LR Global Bangladesh Mutual Fund One	525,000	7.43	3,899,468.30	6.40	3,360,000.00	(539,468.30)
9	MBL 1st Mutual Fund	466,000	8.79	4,096,200.00	6.60	3,075,600.00	(1,020,600.00)
10	NCCBL Mutual Fund-1	800,000	7.35	5,880,750.79	7.10	5,680,000.00	(200,750.79)
11	Reliance One the first scheme of Reliance Insurance Mutual Fund	239,500	9.38	2,246,928.32	10.30	2,466,850.00	219,921.68
Total				33,972,826		29,946,556.90	(4,026,269)

Value of Non -Listed Fund

1	VIPB NLI 1st Unit Fund	485,875	8.05	3,909,933.30	10.00	4,858,750.00	948,816.70
2	VIPB SEBL 1st Unit Fund	940,826	7.38	6,940,097.07	10.00	9,408,260.00	2,468,162.93
Total				10,850,030		14,267,010	3,416,980
				44,822,856		44,213,567	(609,289)

Grand-total				1,166,168,704		1,041,251,160	(124,917,545)
--------------------	--	--	--	----------------------	--	----------------------	----------------------

BDBL Securities Limited

Schedule of Investment in Marketable Securities-Strategic investments

As on 31 December 2022

"Annexure-C2"

SL #	Instrument	Quantity	Avg.	Total Cost	Market	Market Value	Unrealised
		Total	Rate		Rate		Gain/Loss
Value of "A" category instruments							
1	The ACME Laboratories Limited	22,310	77.24	1,723,234.76	85.00	1,896,350.00	173,115.24
2	Apex Footwear Limited.	7,661	237.58	1,820,070.86	262.10	2,007,948.10	187,877.24
3	British American Tobacco bangladesh Company Limited	1,000	327.64	327,636.60	518.70	518,700.00	191,063.40
4	Bangladesh Steel Re-Rolling Mills Ltd.	14,140	89.15	1,260,547.50	90.00	1,272,600.00	12,052.50
5	Beximco Pharmaceuticals Ltd.	4,600	166.30	764,962.63	146.20	672,520.00	(92,442.63)
6	Eastland Insurance Company Ltd.	2,000	27.36	54,727.45	24.40	48,800.00	(5,927.45)
7	First Security Islami Bank Limited	33,450	10.11	338,197.86	9.80	327,810.00	(10,387.86)
8	Grameenphone Ltd.	24,550	370.50	9,095,860.29	286.60	7,036,030.00	(2,059,830.29)
9	GPH Ispat Ltd.	51,695	23.59	1,219,645.73	44.80	2,315,936.00	1,096,290.27
10	IFAD Autos Limited	44,352	63.50	2,816,502.50	44.10	1,955,923.20	(860,579.30)
11	Jamuna Bank Ltd.	260,000	17.98	4,674,025.50	21.30	5,538,000.00	863,974.50
12	Meghna Life Insurance Co. Ltd.	6,325	46.75	295,694.38	64.30	406,697.50	111,003.12
13	Mercantile Bank Ltd.	193,050	11.77	2,271,333.68	13.60	2,625,480.00	354,146.32
14	MJL Bangladesh Limited	11,550	87.01	1,004,940.00	86.70	1,001,385.00	(3,555.00)
15	National Credit and Commerce Bank Ltd.	184,000	12.57	2,312,271.40	13.80	2,539,200.00	226,928.60
16	One Bank Limited	106,575	11.54	1,229,830.34	10.20	1,087,065.00	(142,765.34)
17	Padma Oil Co. Ltd.	18,770	235.95	4,428,699.80	209.20	3,926,684.00	(502,015.80)
18	Prime Bank Ltd.	184,600	9.36	1,727,274.26	13.30	2,455,180.00	727,905.74
19	Square Textiles Ltd.	5,700	66.88	381,218.56	67.50	384,750.00	3,531.44
20	Square Pharmaceuticals Ltd.	19,500	228.28	4,451,460.20	209.80	4,091,100.00	(360,360.20)
21	S. S. Steel Limited	55,000	19.53	1,074,415.00	16.60	913,000.00	(161,415.00)
22	Aman Feed Limited	6,700	38.84	260,217.94	33.50	224,450.00	(35,767.94)
23	BBS Cables Limited	23,100	59.55	1,375,559.95	49.90	1,152,690.00	(222,869.95)
24	Confidence Cement Ltd.	6,877	123.18	847,089.00	89.00	612,053.00	(235,036.00)
Total				45,755,416		45,010,352	(745,064)
Value of "B/N" category instruments							
1	Golden Harvest Agro Industries Ltd.	35,500	15.64	555,060.00	17.50	621,250.00	66,190.00
Total				555,060		621,250	66,190
Value of Mutual Fund							
1	LR Global Bangladesh Mutual Fund One	75,000	8.87	665,000.00	6.40	480,000.00	(185,000.00)
2	DBH First Mutual Fund	59,200	9.71	574,740.00	6.90	408,480.00	(166,260.00)
3	EBL NRB Mutual Fund	100,000	7.14	714,364.80	6.50	650,000.00	(64,364.80)
Total				1,954,105		1,538,480	(415,625)
Grand-total				48,264,581		47,170,082	(1,094,499)

BDBL Securities Ltd.
Income Tax Assessment Status
As on 31 December 2022

"Annexure-D"

Accounting year	Assessment Year	Tax Provision made in Accounts	Tax Liability as per Return	Tax Liability as per Assessment order	Tax paid in advance	Payable / (Refundable)	Remarks
2013	2014-2015	6,872,399	2,602,598	-	3,080,620	(478,022)	Return submitted under self-assessment scheme(82BB).
2015	2016-2017	15,917,519	11,639,411	-	11,639,411	-	Return submitted under self-assessment scheme(82BB).
2016	2017-2018	3,102,373	6,504,952	15,538,937	10,146,066	(3,641,114)	TDS 8,09,856/- not credited & Paid Tk.20,00,000/-. The ADR order was passed on 31.05.2022. Misc. application u/s 173 dtd.27.12.2022 for settlement of unresolved issue (Restoration).
2017	2018-2019	12,885,442	12,885,442	-	12,885,442	-	Return submitted under self-assessment scheme(82BB).
2018	2019-2020	7,783,398	7,783,398	47,192,212	11,471,127	(3,687,729)	ADR application dtd.26.12.2022. But no hearing notice issued.
2019	2020-2021	5,117,282	7,899,860	-	7,899,860	-	Return submitted under self-assessment scheme(82BB).
2020	2021-2022	7,058,496	7,614,420	-	7,846,874	(788,378)	Return submitted under self-assessment scheme(82BB).
2021	2022-2023	12,330,536	12,280,804	-	12,280,804	49,732	Return submitted under self-assessment scheme(82BB).
2022	2023-2024	16,988,737	-	-	13,495,546	3,493,191	Return submitted under self-assessment scheme(82BB).
Total		88,056,182	69,210,885	62,731,149	90,745,750	(5,052,320)	

BDBL Investment Services Limited (BISL)

Independent Auditor's Report And Audited Financial Statements

For the year ended 31 December 2022



Md. Habibur Rahman Gazi
Chairman



Md. Masum Syeed
Chief Executive Officer

Table of Contents

Contents	Page No.
* Independent Auditor's Report	282-284
* Statement of Financial Position	285
* Statement of Profit or Loss and Other Comprehensive Income	286
* Statement of Changes in Equity	287
* Statement of Cash Flows	288
* Notes to the Financial Statements	289-304
* Annexure - A: Statement Showing Computation of Capital Adequacy	305
* Annexure - B: Schedule of Fixed Assets	306
* Annexure - C: Schedule of Intangible Asset	307
* Annexure - D: Schedule of Payable to BDBL	308
* Annexure - E: Income Tax Assessment Status	309
* Annexure - F: Computation of Total Income & Tax Liability	310

K. M. HASAN & CO.

Chartered Accountants

Home Town Apartment (8th & 9th Floor)

87, New Eskaton Road, Dhaka-1000

Phone : 9351564, 9351457

Fax : 00-08-9351564

E-mail: kmh_co@yahoo.com.bd

Web: www.kmhasan.com.bd

Independent Auditor's Report To the Shareholders of BDBL INVESTMENT SERVICES LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BDBL INVESTMENT SERVICES LIMITED, which comprise the statement of financial position as on December 31, 2022 and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as on December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Securities and Exchange Rules 2020, the BSEC's Risk Based Capital Adequacy Rules 2019, the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants 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. 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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 2020, the BSEC's Risk Based Capital Adequacy Rules 2019 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.
- 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
- Evaluate the overall presentation, structure and content of the Company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 2020 and the BSEC's Risk Based Capital Adequacy Rules 2019, 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 account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account
- d) the capital to total risk requirement ratio as required by Bangladesh Securities and Exchange Commission has been maintained adequately during the year.
- e) the expenditures incurred was for the purposes of the Company's business.

For K. M. HASAN & CO.
Chartered Accountants

Sd/-

Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC No. 2303270331AS872866

Place: Dhaka
Date: 16 March 2023

BDBL INVESTMENT SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	<u>Notes</u>	<u>2022</u> <u>Taka</u>	<u>2021</u> <u>Taka</u>
Assets			
Current assets			
Cash and bank balances	3	105,764,893	226,182,661
Receivable from securities trading	4	5,687,887	12,038,490
Receivable from margin clients	5	264,153,550	217,315,146
Receivable from other clients	6	231,110	747,270
Proprietary positions in securities-dealer account	7	691,096,011	593,685,675
Proprietary positions in securities-strategic investments	8	44,798,310	44,271,821
Other receivables	9	13,687,664	46,159,517
Other assets	10	70,122,907	47,952,064
Total current assets		1,195,542,332	1,188,352,644
Non current assets			
Fixed assets	11	4,202,083	5,028,747
Right of use assets	12	-	1,384,016
Intangible assets	13	283,040	331,212
Investment in exchange shares (DSE)	14	225,000	225,000
Deferred Tax Assets	21	38,880	-
Total non current assets		4,749,003	6,968,975
Total assets		1,200,291,335	1,195,321,619
Liabilities &			
Current liabilities			
Payable to clients	15	100,029,217	187,637,544
Short term business liabilities	16	28,686,220	29,693,044
Payable to exchange (DSE)	17	7,206	5,041,817
Other liabilities and provisions	18	429,604,449	341,504,544
Lease liabilities - current portion	19	-	1,459,288
Total current liabilities		558,327,092	565,336,237
Non current liabilities			
Deferred tax and other deferred liabilities	21	-	29,562
Total non current liabilities		-	29,562
Shareholders' equity:			
Share capital	22	500,000,000	500,000,000
Capital reserve	23	9,858,932	6,051,453
Retained earnings	24	132,105,311	123,904,367
Total shareholders' equity		641,964,243	629,955,820
Total liabilities & shareholders' equity		1,200,291,335	1,195,321,619
Net asset value (NAV) per share of Tk. 10 each	25	12.84	12.60

The annexed notes form an integral part of these financial statements.

Sd/-

Chief Executive Officer

Sd/-

Director

Sd/-

Chairman

Signed in terms of our separate report of even date annexed.

For K. M. HASAN & CO.
Chartered Accountants

Sd/-
Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC No. 2303270331AS872866

Place: Dhaka
Date: 16 March 2023

BDBL INVESTMENT SERVICES LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	<u>Notes</u>	<u>2022</u> <u>Taka</u>	<u>2021</u> <u>Taka</u>
Revenue			
Brokerage commission		34,059,034	58,358,525
Dividend income		21,188,528	17,835,001
Profit on investment in bond		466,883	-
Margin interest from client		32,551,524	22,310,799
Realized gain on sale of securities	26	34,239,893	47,053,073
Other operating income	27	959,982	968,504
		123,465,844	146,525,902
Cost of services	28	(4,700,002)	(7,685,663)
Gross profit		118,765,843	138,840,238
Administrative and general expenses	29	(19,247,486)	(19,763,044)
Operating profit		99,518,357	119,077,194
Other income	30	282,658	306,173
Interest on Overdraft		(14,651,502)	(7,582,668)
Lease finance expense	29.1	(52,713)	(211,844)
Profit before provision		85,096,800	111,588,857
Less: Provision for diminution in value of investment in marketable securities	18.2	(50,000,000)	(50,000,000)
Less: Provision against margin loan	18.1	(7,040,659)	(1,708,301)
Net profit before tax		28,056,141	59,880,555
Less: Provision for taxation			
Current tax	31	(16,116,160)	(21,854,416)
Deferred tax	31	68,441	48,653
Profit after tax		12,008,423	38,074,792
Other comprehensive income		-	-
Total comprehensive income for the year		12,008,423	38,074,792
Earnings per share (EPS) of Tk. 10 each	32	0.24	0.76

The annexed notes from an integral part of these financial statements.

Sd/-

Chief Executive Officer

Sd/-

Director

Sd/-

Chairman

Signed in terms of our separate report of even date annexed

For K. M. HASAN & CO.
Chartered Accountants

Sd/-
Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC No. 2303270331AS872866

Place: Dhaka
Date: 16 March 2023

BDBL INVESTMENT SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022

Amount in Taka

Particulars	Share capital	Capital reserve	Retained earnings	Total
Balance as on 01 January 2022	500,000,000	6,051,453	123,904,367	629,955,820
Transferred to capital reserve	-	3,807,479	(3,807,479)	-
Net profit for the year	-	-	12,008,423	12,008,423
Balance as on 31 December 2022	500,000,000	9,858,932	132,105,311	641,964,243

For the year ended 31 December 2021

Amount in Taka

Particulars	Share capital	Capital reserve	Retained earnings	Total
Balance as on 01 January 2021	500,000,000	3,784,418	88,096,610	591,881,028
Transferred to capital reserve	-	2,267,035	(2,267,035)	-
Net profit for the year	-	-	38,074,792	38,074,792
Balance as on 31 December 2021	500,000,000	6,051,453	123,904,367	629,955,820

Sd/-

Chief Executive Officer

Sd/-

Director

Sd/-

Chairman

Signed in terms of our separate report of even date annexed.

For K. M. HASAN & CO.
Chartered Accountants

Sd/-

Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC No. 2303270331AS872866

Place: Dhaka

Date: 16 March 2023

BDBL INVESTMENT SERVICES LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	<u>Notes</u>	2022 <u>Taka</u>	2021 <u>Taka</u>
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from brokerage commission		34,059,034	58,358,525
Receipt from dividend income		18,109,764	16,954,578
Receipt from margin interest income		32,551,524	22,310,799
Receipt from margin client		(46,838,404)	(170,830,168)
Receipt from other operating income		959,982	968,504
Receipt from non-operating income/interest income		282,658	306,173
Receipt from other client		36,533,660	(36,408,008)
Receipt/payment from security trading		6,350,603	11,325,233
Receipt from sale of securities-dealer account		123,479,948	150,887,026
Receipt from sale of securities- strategic account		18,025,354	42,004,539
Payment for purchase of securities- dealer account		(188,760,371)	(149,346,409)
Payment for purchase of securities- strategic account		(16,441,863)	(43,535,990)
Other receipt		(20,659,193)	299,965,970
Receipt/payment from short term business liability		(1,006,824)	9,048,995
Payment for operating expenses		(93,240,975)	(83,885,643)
Income tax paid		(22,170,843)	(15,766,611)
Net cash flow (used in) from operating activities	34	(118,765,948)	112,357,512
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(97,820)	(960,668)
Purchase of intangible assets		(42,000)	(136,500)
Sale of Assets		-	27,700
Net cash flow (used in) from investing activities		(139,820)	(1,069,468)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Principal portion of the lease liability paid		(1,459,288)	(1,804,156)
Interest portion of the lease liability paid		(52,713)	(211,844)
Net cash flow (used in) from financing activities		(1,512,001)	(2,016,000)
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(120,417,769)	109,272,044
E. OPENING CASH AND CASH EQUIVALENTS		226,182,661	116,910,616
F. CLOSING CASH AND CASH EQUIVALENTS (D+E)		105,764,893	226,182,661
Net operating cash flow per share of Tk 10 each		(2.38)	2.25

The annexed notes form an integral part of these financial statements.

Sd/-

Chief Executive Officer

Sd/-

Director

Sd/-

Chairman

Place: Dhaka
Date: 16 March 2023

BDBL INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2022

1. Legal status and background information

1.1 Legal form

BDBL Investment Services Limited (BISL) ("the Company") is a public Company limited by share and a fully owned subsidiary of Bangladesh Development Bank Limited (BDBL). It was incorporated under the Companies Act, 1994 vide RJSC Registration no.C-117425/14 on 06 August 2014 with a view to act as stock dealer and stock broker of Dhaka Stock Exchange Ltd. It's registered office is situated at BDBL Bhaban (Level-13), 8 Rajuk Avenue, Dhaka-1000. BISL is constituted by acquiring and taking over membership No. 152 of Dhaka Stock Exchange Ltd. held by erstwhile Bangladesh Shilpa Bank now Bangladesh Development Bank Limited.

The Company started operation on 13 July 2016 after completion of required formalities with DSE and BSEC.

1.2 Activities of the company

The principal activities of the Company are to act as a TREC Holder of Dhaka Stock Exchange Limited to carry on the business of stock broker and stock dealer of securities trading.

2. Significant accounting policies and other relevant information

2.1 Basis of preparation and presentation of financial statements

The financial statements have been prepared on a going concern basis following historical cost convention except for statement of cash flows in accordance with the requirements of International Financial Reporting Standards (IFRS). Further the financial statements also drawn up in compliance with the Securities and Exchange Rules, 2020, BSEC Notification dated 22 May, 2019 on Risk Based Capital Adequacy Rules 2019, the Companies Act, 1994, The Financial Reporting Act, 2015 and other applicable laws and regulations.

2.2 Use of estimates and judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

Provisions and accrued expenses are recognized in the financial statements in line with the International Accounting Standard (IAS) 37 "provisions, contingent liabilities and contingent assets" when

- The Company has a legal or constructive obligation as a result of past event.
- It is probable that an outflow of economic benefit will be required to settle the obligation.
- A reliable estimate can be made for the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

2.3 Components of the financial statements

- a) Statement of financial position as at 31 December 2022.
- b) Statement of profit or loss and other comprehensive income for the year ended 31 December 2022.
- c) Statement of changes in equity for the year ended 31 December 2022.
- d) Statement of cash flows for the year ended 31 December 2022.
- e) Notes, comprising a summary of significant accounting policies and other explanatory information.

2.4 Going concern

The Company has adequate resources to continue its operation for foreseeable future. For this reason the management continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.5 Fixed assets

Fixed Assets are stated at cost less accumulated depreciation. Depreciation is charged on straight-line method based on estimated useful life of each category of assets at the following annual rates:

Items	Rate (%)
Furniture & fixtures	10
Office equipment	20
Computer, printer & IT equipment	20
Air conditioners	20
Interior decoration	10
Digital Billboard	20

Depreciation is charged on the addition of assets from the date when such assets are available for use during the year upto the date of disposal on a straight-line basis.

Gain or loss arising on the disposal or retirement of an item of fixed assets are determined as the difference between sales proceeds and carrying amount of the asset and is recognized in statement of profit or loss and other comprehensive income as per provision of IAS-16 "Property, Plant & Equipment".

2.6 Intangible asset

Intangible asset is stated at cost less accumulated amortization. Amortization is charged on straight-line method based on estimated useful life of each category of intangible assets at the following annual rate.

Items	Rate (%)
Software	20

Amortization is charged on the addition of intangible assets from the date when such assets are available for use during the year upto the date of disposal.

2.7 IFRS 16: Leases

As per IFRS 16, the Company recognizes a right-of-use (ROU) asset (i.e.the right to use the office building) and corresponding lease liability in the financial statements. The assets and the liabilities are initially measured at the present value of unavoidable lease payments. The depreciation of the leased asset (ROU) and the interest on the lease liability is recognized in the statement of profit or loss over the lease term of the asset.

As per Para 9 of IFRS 16 "Leases", "At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. Also, Para 11 of IFRS 16 "Leases" stated "An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed. This policy is applied to contracts entered into, on or after 01 January 2019.

However, The Company has applied IFRS 16 "Leases" for the first time from 01 October 2020 the date of renewal of lease contract with the BDBL the parent Company for use of office premises.

The Company has only lease agreement for hiring office premises with the parent company, the term of which is going to be expired on 01 October 2023 which is less than one year from the date of statement of financial position. This lease agreement is considered as a short-term one. As such the company has elected not to apply the requirement of IFRS-16 "Leases" and recognized the lease payment as an expense since 01 October 2022.

2.8 Financial instruments

Financial instruments have been presented as per IAS 32 "Financial Instruments: Presentation" and recognized as per IFRS 9- "Financial Instruments" and disclosure has been made in accordance with IFRS 7 "Financial Instruments: Disclosures".

A financial asset is measured at amortized cost if both of the conditions are met: (i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

All financial liabilities are measured at amortized cost, except for financial liabilities at fair value through profit or loss.

2.9 Investment in exchange shares (DSE)

The Investment in exchange shares (DSE) are recognized and subsequently measured at cost due to not having active market for this kind of shares.

2.10 Proprietary positions in securities and other investments

The Investment in marketable securities are recognized at cost and subsequently measured at fair value through profit or loss. The fair value of these investments have been calculated by deducting the related provision for diminishing value of shares from its cost. The provision against these investments have been made as per the related circular issued by the Bangladesh Securities and Exchange Commission (BSEC).

2.11 Cash & bank balances

Cash and bank balances comprise cash on hand and cash at bank having maturity of three months or less which are available for use by the Company without any restriction.

2.12 Provision for tax

Current tax:

Provision for current tax is made in accordance with the provision of the Income Tax Ordinance, 1984 and subsequent amendments made thereto from time to time.

Deferred tax

Deferred tax is calculated as per International Accounting Standard (IAS) 12 "Income taxes". Deferred tax is recognized on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences.

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

2.13 Revenue recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the entity the revenue during the year and in accordance with the International Financial Reporting Standards (IFRS) 15: "Revenue from contracts with customer".

a) Brokerage commission:

Brokerage commission is recognized as income when selling or buying order is executed.

b) Dividend income:

Dividend income is recognized when the right to receive the payment is established.

c) Gain or loss on sale of marketable securities:

Gain or loss arising from the sale of securities is accounted for only when securities are sold.

d) Interest income:

Interest income from bank deposit is recognized on accrual basis.

e) Interest from margin loan:

Interest from margin loan is recognized on accrual basis

2.14 Interest received from CCA (Consolidated Customers' Account)

Net interest received from Consolidated Customer's Account (CCA) is calculated and kept in separate account for distribution among the eligible customers following the guidelines contained in the BSEC Directive No. BSEC/CMRRCD/2009-193/21 date June 21, 2021.

2.15 Earnings per share

The Company calculates earnings per share in accordance with International Accounting Standard (IAS) 33: "Earnings per share" which has been shown in the face of statement of profit or loss and other comprehensive income.

2.16 Net asset value (NAV) per share

NAV per share of the company is calculated on the basis of net asset value divided by number of ordinary shares outstanding during the year.

2.17 Related party disclosure

As per International Accounting Standards (IAS)-24 "Related party disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at with related parties. Related party transactions have been disclosed under note: 33.

2.18 Statement of cash flows

Statement of cash flows is prepared principally in accordance with IAS -7 "Statement of cash flows" and cash flows from operating activities have been presented under direct method.

2.19 Reporting period

The accounting period of the Company has been determined to be one year period from 01 January to 31 December each year. These financial statements cover the year from 01 January 2022 to 31 December 2022.

2.20 Comparative information

Comparative information has been disclosed in respect of the previous period for all amounts reported in the financial statements, both in the face of financial statements and notes to the financial statements.

2.21 Reclassifications

To facilitate comparison, certain relevant balances pertaining to the previous year has been usually rearranged/reclassified, whenever considered necessary, to conform to current year's presentation.

2.22 Reporting currency and level of precision

The financial statements are expressed in Bangladeshi Taka currency and rounded off to the nearest integer.

	2022 Taka	2021 Taka
3 Cash and bank balances		
Cash in hand	-	-
Cash at banks (note: 3.1)	105,764,893	226,182,661
	105,764,893	226,182,661
3.1 Cash at banks:		
Cash at bank in Company's account -	401,819	162,932
BDBL, Principal branch, SND A/C- 0650240000013	71,380	70,949
BDBL, Principal branch, CD A/C- 0650200002209	330,439	91,983
Cash at bank in trading accounts -	4,862,265	17,617,210
IFIC Bank, DSE branch, dealer A/C, SND A/C- 1090075180041	100,686	100,932
IFIC Bank, DSE branch, dealer A/C (corporate plus), A/C- 0000075180021	948,416	15,451,756
IFIC bank, DSE branch, strategic investment, SND A/C- 0170227398041	3,813,163	2,064,522
Cash at bank accounts for clients (Consolidated Customers' Account) -		
IFIC bank, DSE branch, customer A/C, SND A/C- 1090075177041	100,404,210	208,306,902
Cash at bank at IPO account -		
BDBL, Principal branch, (IPO) SND A/C- 0650240000016	96,600	95,617
	105,764,893	226,182,661
The bank balances are confirmed with respective bank statement and reconciled, where necessary.		
4 Receivable from securities trading		
Receivable from DSE - client A/C (Note:4.1)	5,687,887	9,208,298
Receivable from DSE - dealer A/C (note: 4.2)	-	2,830,193
Receivable from consolidated customer A/C	-	-
	5,687,887	12,038,490
4.1 Receivable from DSE - (Client A/C)		
Receivable against A, B, G, N and S category	5,687,887	7,732,195
Receivable against Z category	-	1,476,103
	5,687,887	9,208,298
4.2 Receivable from DSE -(Dealer A/C)		
Opening balance	2,830,193	778,949
Add: Addition during the year	-	2,830,193
	2,830,193	3,609,142
Less: Received during the year	2,830,193	778,949
Closing balance	-	2,830,193
The above balance comprises of the amount receivable from Dhaka Stock Exchange Limited on account of shares sold from dealer account.		
5 Receivable from margin clients		
Receivable to clients having no margin or full erosion of equity	6,572,274	-
Receivable to clients fall under force sale condition	30,609,561	288,976
Receivable to clients fall under margin call	61,864,517	4,565,346
Receivable to regular margin clients	165,107,198	212,460,824
	264,153,550	217,315,146

The above receivable represents credit facilities extended to margin clients for securities transactions as per margin rules, 1999.

	2022	2021
	<u>Taka</u>	<u>Taka</u>
6 Receivable from other clients		
Receivable after securities trading	30,160	263,633
Receivable arises from payment of fees paid to CDBL	198,105	469,779
Receivable arises from trading commission	2,845	13,858
	231,110	747,270
7 Proprietary positions in securities -Dealer account		
Opening balance	593,685,675	552,803,958
Investment made during the year (cost)	188,760,371	149,346,409
Cost of securities sold during the year (note: 7.1)	(91,350,035)	(108,464,692)
Closing balance at cost	691,096,011	593,685,675
Proprietary position in securities and other investment at fair value	527,278,484	421,032,350
Add: Unrealized loss	163,817,527	172,653,325
Proprietary position in securities and other investment at cost (note: 7.2)	691,096,011	593,685,675
7.1 Cost of securities sold during the year		
Sale of securities during the year at market price	123,479,948	150,887,026
Less: Realized (gain)/loss (note: 26.1)	(32,129,912)	(42,422,334)
Cost of securities sold during the year	91,350,035	108,464,692
7.2 Category wise investments:		
(i) Proprietary position in equity-		
A category instruments	538,718,071	447,479,467
B & N category instruments	135,716,897	129,601,147
Z category instruments	7,494,761	10,444,564
S category instruments	4,264,563	1,673,780
	686,194,292	589,198,958
(ii) Proprietary position in mutual funds-		
Listed funds	4,901,719	4,486,719
	4,901,719	4,486,719
Total: (i+ii)	691,096,011	593,685,675
8 Proprietary positions in securities-Strategic investments		
Opening balance	44,271,821	38,109,631
Investment made during the year (cost)	16,441,863	43,535,990
Cost of securities sold during the year (note: 8.1)	(15,915,373)	(37,373,800)
Closing balance at cost	44,798,310	44,271,821
Proprietary position in securities and other investment at fair value	31,742,962	27,245,550
Add: unrealized loss	13,055,348	17,026,271
Proprietary position in securities at cost (note: 8.2)	44,798,310	44,271,821

	2022 Taka	2021 Taka
8.1 Cost of securities sold during the year		
Sale of securities during the year at market price	18,025,354	42,004,539
Less: realized (gain)/loss (note: 26.2)	(2,109,981)	(4,630,739)
Cost of securities sold during the year	15,915,373	37,373,800
8.2 Category wise investments:		
<u>Category:</u>		
A category instrument	24,156,004	14,402,444
B & N category instrument	20,642,306	29,869,377
Z category instrument	-	-
Non listed securities	-	-
Mutual fund	-	-
	44,798,310	44,271,821
9 Other receivables		
Dividend receivable	13,220,781	10,142,017
IPO application for customer	-	3,980,000
IPO application for dealer	-	22,037,500
Margin deposit to DSE	-	10,000,000
Profit on investment in bond receivable	466,883	-
	13,687,664	46,159,517
10 Other assets		
Advance income tax (note: 10.1)	70,122,907	47,952,064
10.1 Advance income tax		
Opening balance	47,952,064	32,185,453
Add: Addition during the year (note: 10.1.1)	22,170,843	15,766,611
	70,122,907	47,952,064
Less: Adjustment	-	-
Closing balance during the year	70,122,907	47,952,064
10.1.1 Addition during the year		
TDS on dealer trading - DSE	147,376	148,225
TDS on customer trading - DSE	5,799,499	9,393,862
TDS on interest on bank deposit	877,934	901,274
TDS on dividend income	3,602,822	3,390,834
Payment for assessment year 2019-2020	3,099,000	-
Payment for assessment year 2021-2022	-	1,932,416
Payment for assessment year 2022-2023	8,020,221	-
Payment for assessment year 2023-2024	623,992	-
	22,170,843	15,766,611

	2022	2021
	Taka	Taka
11 Fixed assets, net off depreciation:		
Furniture & fixtures	908,597	1,038,155
Office equipment	270,369	351,190
Computer, printer & IT equipment	497,811	622,165
Air conditioners	357,859	513,989
Interior decoration	1,987,832	2,269,821
Digital billboard	179,615	233,427
	4,202,083	5,028,747
*Details are shown in 'Annexure -B'		
12 Right of use assets, net off depreciation:		
Right of use assets as per IFRS 16*	-	1,384,016
*Details are shown in 'Annexure -B'		
13 Intangible assets, net off amortization:		
Software	283,040	331,212
*Details are shown in 'Annexure -C'		
14 Investment in exchange shares (DSE)		
Opening balance	225,000	225,000
Less: cost of sale of 25% shares to chinese consortium by DSE as per demutualization scheme	-	-
Closing balance	225,000	225,000

The subsequent measurement of Investment in exchange shares (DSE) are made at cost due to not having active market for this kind of shares.

Number of shares	Face value per share (Taka)	Total face value (Taka)
2,886,042 nos. ordinary shares of DSE	10	28,860,420
2,525,287 nos. ordinary shares kept in a blocked account of DSE maintained with CDBL under demutualization scheme	10	25,252,870
Total 54,11,329 nos. ordinary shares		54,113,290

15 Payable to clients		
Payable to cash clients	95,709,451	185,229,952
Payable to margin clients	4,319,766	2,407,592
	100,029,217	187,637,544
16 Short term business liabilities		
Payable to BDBL - parent company (note: 16.1)	28,686,220	29,693,044
	28,686,220	29,693,044

	2022 Taka	2021 Taka
16.1 Payable to BDBL - parent company		
Opening balance	29,693,044	20,644,049
Add: Addition during the year	10,142,231	9,048,995
	39,835,275	29,693,044
Less : Paid during the year	11,149,055	-
Closing balance	28,686,220	29,693,044
*Details are shown in 'Annexure -D'		
17 Payable to exchange (DSE)		
Payable to DSE - client A/C (note: 17.1)	7,206	4,793,427
Payable to DSE - dealer A/C (note: 17.2)	-	6,915
Payable to consolidated customer A/C	-	241,475
	7,206	5,041,817
17.1 Payable to DSE- client A/C		
Payable against ABGN and S category	7,206	4,707,819
Payable against Z category	-	85,608
	7,206	4,793,427
17.2 Payable to DSE- dealer A/C		
This represent laga charge and tax of trading of shares on 31-12-2022 under dealer account which was subsequently paid.		
18 Other liabilities and provisions		
Provision for receivable from margin clients (note: 18.1)	9,213,810	2,173,151
Provision for diminution in value of proprietary position in securities and other investment (note: 18.2)	156,289,938	106,289,938
Provision for income tax (note: 18.3)	71,777,341	55,661,181
Provision for expenses (note: 18.4)	225,426	360,000
IPO application account	-	10,260,000
Overdraft loan	185,498,181	158,055,394
*Interest payable on Consolidated Customers' Account	4,891,671	7,830,392
Income suspense account	1,708,082	874,488
	429,604,449	341,504,544
*Interest payable on Consolidated Customers' Account has been distributed to the clients on 15 January, 2023 & the rest undistributed interest has been paid to DSE Investor Protection Fund on 17 January, 2023.		
18.1 Provision for receivable from margin clients		
General Provision (Note: 18.1.1)	2,641,536	2,173,151
Specific Provision (Note: 18.1.2)	6,572,274	-
	9,213,810	2,173,151

	2022	2021
	Taka	Taka
18.1.1 General Provision		
Opening balance	2,173,151	464,850
Add: Provision made for the year	468,385	1,708,301
	2,641,536	2,173,151
Less: Adjustment during the year	-	-
Closing balance	2,641,536	2,173,151
Provision of Tk 2,641,536 being 1% of outstanding margin exposures has been made for the year as mandatory provision as prescribed by part 'B' of schedule 'C' rule 5(2) of Risk Based Capital Adequacy Rules, 2019.		
18.1.2 Specific Provision		
Negative Equity i.e. required provision	6,572,274	-
Less: Provision Maintained		
Opening Balance	-	-
Add: Provision made during the year	6,572,274	-
Closing balance	6,572,274	-
Provision Surplus/(Shortfall)	-	-
As per Bangladesh Securities and Exchange Commission guidelines, the company has kept provision for Tk. 6,572,274 as against negative equity on margin loan during the year which is equal to 100% required Provision. Therefore, there is no provision shortfall against negative equity on margin loan as per BSEC Directive No. BSEC/SRI/POLICY/3/2020/68, dated: 28-12-2017		
18.2 Provision for diminution in value of proprietary position in securities and other investment		
Opening balance	106,289,938	56,289,938
Add: Provision made for the year	50,000,000	50,000,000
	156,289,938	106,289,938
Less: Adjustment during the year	-	-
Closing balance	156,289,938	106,289,938
As per Bangladesh Securities and Exchange Commission's directive no. BSEC/CMRRCD/2009-193/196 dated 28-12-2016 & directive no. BSEC/SRI/NE/2020/605 dated 28-12-2022, the company may keep 20% provision for unrealized loss in company's own investment portfolio account (Dealer account). Total unrealized loss in company's own investment portfolio account stood at Tk. 176,872,875 (note: 7 & 8) as on 31-12-2022. The company has already maintained provision for Tk. 106,289,938 upto 01-01-2022 which comes to 60.09% of the required provision. Further, an amount of Tk. 50,000,000 has been provided for during the year. As a result total provision stood at Tk. 156,289,938 as on 31-12-2022 which comes to 88.36% of the required provision. The shortfall amount will be provided for in the financial statements within December 31, 2023 as per BSEC directive no. BSEC/SRI/NE/2020/605 dated: 28-12-2022.		
18.3 Provision for income tax		
Opening balance	55,661,181	33,806,765
Add: Provision made for the year	16,116,160	21,854,416
	71,777,341	55,661,181
Less: Adjustment during the year	-	-
Closing balance	71,777,341	55,661,181
18.4 Provision for expenses		
Electricity bills	3,000	5,000
Water bill	3,800	4,000
Tax assessment fee	69,000	57,500
Telephone bill	1,200	1,000
CDS charges payable to CDBL	30,000	200,000
DSE charges payable to DSE	6,000	10,000
Audit fees	80,500	80,500
API connectivity charge	1,500	2,000
Salary & allowance	27,550	-
ISP_Ranks ITT	2,876	-
	225,426	360,000
19 Lease liabilities - Current portion		
Lease liabilities - Current portion	1,459,288	3,263,444
Less: Lease liabilities paid during the year	(1,459,288)	(1,804,156)
Closing balance	-	1,459,288
20 Lease liabilities - non current portion		
Total lease liabilities	-	1,459,288
Less: Transfer to-current portion	-	1,459,288
Closing balance	-	-

	2022	2021	
	Taka	Taka	
21 Deferred tax and other deferred liabilities			
Deferred tax Assets (note: 21.1)	(38,880)	52,143	
Other deferred Liabilities (note: 21.2)	-	(22,582)	
Closing balance	(38,880)	29,562	
21.1 Deferred tax liabilities / (assets)- PPE			
Opening balance	52,143	78,215	
Addition during the year	(91,023)	(26,072)	
Closing balance	(38,880)	52,143	
Calculation of deferred tax liabilities	Carrying amount	Tax base	Taxable/ (deductible) temporary difference
	BDT	BDT	BDT
<u>As on 31 December 2022</u>			
Property, plant and equipment & Intangible assets	4,485,123	4,626,506	(141,383)
Applicable tax rate			27.5%
			(38,880)
21.2 Deferred tax liabilities / (assets)- Lease Liabilities			
Opening balance		(22,582)	-
Addition during the year		22,582	(22,582)
Closing balance		-	(22,582)
Calculation of deferred tax liabilities (assets)	Right of use assets W.D.V	Outstanding Lease liabilities	Taxable/ (deductible) temporary difference
	BDT	BDT	BDT
<u>As on 31 December 2022</u>			
Deferred tax assets	-	-	-
Applicable tax rate			27.5%
			-
22 Share capital			
<u>Authorized capital</u>			
50,000,000 ordinary shares of BDT 10 each		500,000,000	500,000,000
<u>Issued, subscribed and paid up capital</u>			
50,000,000 ordinary shares of Tk. 10 each fully paid		500,000,000	500,000,000
Details of shareholding position :			
<u>Name of shareholders</u>	<u>No. of shares</u>		
Bangladesh Development Bank (Represented by: Kazi Alamgir Managing Director & CEO)	49,999,994	499,999,940	499,999,940
Muhammad Aminul Hoque FCA	1	10	10
Md. Abdur Rouf	1	10	10
Dr. Syed Mohammad Moazzam Hossain	1	10	10
Md. Abdul Matin	1	10	10
Md. Zakir Hossain Bhuiyan	1	10	10
Minakshi Barman	1	10	10
	50,000,000	500,000,000	500,000,000

Kazi Alamgir, Managing Director & CEO, BDBL is replaced by Md. Habibur Rahman Gazi, Managing Director & CEO, BDBL on 08 January, 2023

22.1 Capital to regulatory capital requirement :

	2022	2021
	Taka	Taka
A. Eligible capital		
(i) Core capital		
Paid up capital	500,000,000	500,000,000
Capital reserve	9,858,932	6,051,453
Retained earnings	132,105,311	123,904,367
	641,964,243	629,955,820
(ii) Supplementary capital		
General provision (20%)	7,371,048	1,738,521
Specific provision (30%)	109,402,957	74,402,957
	116,774,005	76,141,478
B. Total eligible capital (i+ii)	758,738,247	706,097,298
C. Total risk requirement	102,504,941	87,903,448
D. Required capital (120% of total risk requirement)	123,005,929	105,484,137
E. Capital surplus (B-D)	635,732,319	685,724,496
F. Capital adequacy ratio	740.20%	803.26%
Core capital to total risk requirement	626.28%	716.65%
Supplementary capital to total risk requirement	113.92%	86.62%
G. Operational risk requirement	4,196,011	3,178,225
H. Core capital to operational risk requirement (minimum 100%)	153.00 times	198.21 times

The detail computation of capital adequacy has been shown in "Annexure - A".

22.2 Net capital to aggregate liabilities:

	Amount	Amount
Liquid assets:		
Cash in hand or in bank	105,764,893	226,182,661
Long proprietary securities positions at market value	-	27,245,550
Customers' debit balances receivable within thirty days	-	-
Interest, dividend or commission receivable within thirty days	13,220,781	10,142,017
Amounts receivable in the ordinary course of business, but excluding amounts which are due to be settled against delivers of security and remain outstanding for more than five banking days	5,687,887	12,038,490
Market value of net investment in securities traded in a stock exchange	559,021,446	460,848,102
Total liquid assets (A)	683,695,007	736,456,820
Designated liabilities:		
Amount payable in the ordinary course of dealing in securities	7,206	5,041,817
Accrued expenses including payable to BDBL	28,911,646	30,053,044
Tax payable (net)	1,654,434	7,709,117
All other liabilities that are regarded as liabilities under generally accepted accounting principles in Bangladesh which are payable within thirty days.	292,127,151	364,657,818
Total designated liabilities (B)	322,700,437	407,461,796
Net capital balance (A-B)	360,994,570	328,995,024
Aggregate liabilities={total liabilities-total tax paid in advance (note:10)}	488,204,185	517,413,735
Net capital to aggregate liabilities	1 : 1.35	1 : 1.57
Maximum acceptable ratio	1 : 20	1 : 20

	2022 Taka	2021 Taka
23 Capital reserve		
Opening balance	6,051,453	3,784,418
Add: Addition during the year	3,807,479	2,267,035
Closing balance	9,858,932	6,051,453
The above Capital reserve has been created @10% of profit after tax of last year as prescribed by part 'B' of schedule 'C' of Risk Based Capital Adequacy Rules, 2019.		
24 Retained earnings		
Opening balance	123,904,367	88,096,609
Add: Net profit after tax during the year	12,008,423	38,074,792
Less: Amount transferred to capital reserve (note: 24.1)	3,807,479	2,267,035
Closing balance	132,105,311	123,904,367
24.1 An amount of Tk. 38,07,479 has been transferred to capital reserve account being 10% of profit after tax of last year as required by part 'B' of schedule 'C' rule 5(2) of Risk Based Capital Adequacy Rules,2019.		
25 Net asset value (NAV) per share		
Net asset value (NAV)	641,964,243	629,955,820
Number of ordinary shares	50,000,000	50,000,000
	12.84	12.60
26 Realized gain on sale of shares		
Realized gain from sale of shares-dealer account (note: 26.1)	32,129,912	42,422,334
Realized gain from sale of shares-strategic account (note: 26.2)	2,109,981	4,630,739
	34,239,893	47,053,073
26.1 Sale of securities during the year at market price (Dealer A/c)	123,479,948	150,887,026
Less: Cost of securities sold during the year (dealer A/c)	(91,350,035)	(108,464,692)
Realized gain/(loss) (dealer A/c)	32,129,912	42,422,334
26.2 Sale of securities during the year at market price (Strategic A/c)	18,025,354	42,004,539
Less: Cost of securities sold during the year (strategic A/c)	(15,915,373)	(37,373,800)
Realized gain/(loss) (strategic A/c)	2,109,981	4,630,739
27 Other operating income		
IPO commission	16,980	48,630
BO A/C opening fees	49,000	32,000
Annual account maintenance fee	800,100	806,850
Share transfer fees	63,902	24
Documentation fee	30,000	81,000
	959,982	968,504
28 Cost of services		
Howla charges	2,550	350
Laga charges (customer)	2,855,792	4,691,424
Laga charges (dealer)	73,658	74,113
DSE charges & fees	16,506	32,910
CDS charges & fees	1,498,076	2,633,317
ISP/connectivity charges	253,420	253,550
	4,700,002	7,685,663

29 Administrative and general expenses

	2022 Taka	2021 Taka
Salary and allowances	8,838,269	8,032,891
Festival & incentive bonus	2,185,864	2,832,541
Honorarium to directors and meeting related expenses	835,207	717,600
Chairman's honorarium	132,000	138,000
Annual general meeting expenses	207,980	209,470
Lunch subsidy	395,400	385,800
Office rent expense (note: 29.1)	690,997	272,040
Bank charges	103,000	531,005
Repair & maintenance	31,883	38,375
Printing and stationery	58,408	121,426
Conveyance	64,630	72,210
Postage and courier	8,080	900
Electrical goods	55,365	62,955
IPO charges & fees	24,000	38,000
Push SMS cost	16,806	21,853
Advertisement (recruitment & publicity)	58,750	67,431
CDBL annual account maintenance fee	623,350	831,250
Entertainment	202,416	340,027
Car maintenance	504,000	504,000
Business development	292,280	283,955
Books, periodical, & newspaper	8,945	6,174
Renewal & registration fee	461,240	432,474
Stamp Duty & revenue stamp	34,590	72,955
Telephone & mobile bill	41,209	33,905
Dish bill	4,200	4,200
Utility/electricity bill	33,498	96,930
Water bill	78,499	87,415
VAT	-	30,000
Crockery & cutleries	8,030	2,680
Audit fee	80,500	80,500
Tax advisor fee	138,000	57,500
Depreciation	2,308,501	2,692,869
Amortization on software	90,172	65,128
Miscellaneous	119,638	74,925
Back office software maintenance fee	85,000	75,000
RJSC Related expenses	67,000	70,000
Government charge & fees	48,702	8,073
Picnic	-	249,585
Computer maintenance fee	24,966	24,966
CSR	200,000	-
Training Related Fees & Charges	86,111	-
Loss on sale assets	-	96,036
	19,247,486	19,763,044

29.1 Office rent expense

Total Rent Paid	2,202,998	2,288,040
Less: Lease liabilities paid	(1,459,288)	(1,804,156)
Less: Transfer to finance expense as per IFRS 16	(52,713)	(211,844)
Closing balance	690,997	272,040

30 Other income

Interest on SND bank account	282,448	245,814
Others (Demat Charge)	210	60,359
	282,658	306,173

31 Provision for taxation

Current tax expense	16,116,160	21,854,416
Provision of income tax for prior years:	-	-
	16,116,160	21,854,416
Deferred tax expense/(income)	(68,441)	(48,653)
	16,047,719	21,805,763

	2022 Taka	2021 Taka
32 Earnings per share		
Net profit during the year	12,008,423	38,074,792
No. of shares	50,000,000	50,000,000
	0.24	0.76

33 Related party transactions (IAS-24)

The Company has carried out the following transactions with related party in the normal course of business:

Related party name	Relationship	Opening balance	Debit	Credit	Closing balance	Nature of transaction
BDBL	Parent Company	(29,693,044)	11,149,055	10,142,231	(28,686,220)	For payment of salary allowances of deputed employees & others.
BDBL	Parent Company	(158,055,394)	365,100,000	392,542,787	(185,498,181)	Overdraft Loan
BDBL	Parent Company	(137,298,558)	868,206,556	797,736,924	(66,828,926)	Brokerage Service

34 Cash flows from operating activities under indirect method**Cash flows from operating activities**

Net profit before tax & interest paid on lease liabilities	28,108,854	60,092,399
Depreciation	2,308,501	2,692,869
Loss on asset disposal	-	96,036
Amortization on software	90,172	65,128
	30,507,527	62,946,432

Changes in working capital

(Increase)/Decrease in receivable from securities trading	6,350,603	11,325,233
(Increase)/Decrease in receivable from margin clients	(46,838,404)	(170,830,168)
(Increase)/Decrease in receivable from other clients	516,160	(390,508)
(Increase)/Decrease in other receivables	32,471,853	(36,897,924)
(Increase)/Decrease in proprietary positions in securities and other investments	(97,936,825)	(47,043,907)
Increase/(Decrease) in payable to clients	(87,608,328)	71,431,077
Increase/(Decrease) in short term business liabilities	(1,006,824)	9,048,995
Increase/(Decrease) in payable to exchange (DSE)	(5,034,610)	4,576,717
Increase/(Decrease) in other liabilities and provisions	71,983,745	223,958,176
	(127,102,631)	65,177,692
Income tax paid	(22,170,843)	(15,766,611)
Net cash flow from operating activities	(118,765,948)	112,357,512

35 Financial risk management

The management of BISL has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedure and system are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks for its uses of financial instruments.

a) Credit risk:

Credit risk is the risk of a financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. BISL provide margin loan to its client and therefore have exposure to credit risk. Risk exposures from other financial assets i.e. cash at bank and other external

b) Liquidity risk:

Liquidity risk arises when a company encounters difficulty in meeting its obligations associated with financial liabilities that require to be settled either through cash or any other financial asset. BISL analyses the expected changes of its liquidity by comparing the maturity of its receivables and payables. Therefore, purpose of liquidity risk management is to assess the necessity of funds to meet financial obligations on time. The company's approach to managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. In extreme stressed conditions the company may get support from the parent company in the form of short term

The risk of exchange rate movement does not impact this company directly because the BISL do not deal with foreign currency. The risk due to changes of interest rate on borrowing is

36 Impact of Russia-Ukraine war after Covid-19:

The Russia-Ukraine war is having an outsized impact on the global supply chain, impeding the flow of goods, fueling dramatic cost increases and product shortages, and creating catastrophic food shortages around the world. The economic impact of the 2022 Russian invasion of Ukraine began in late February 2022. The resulting ripple effects are threatening the supply of key food resources like wheat and raising the possibility of a global famine. The Domino effect from multiple factors starting from the war between Russia and Ukraine fared commodity prices higher and higher. Following the other parts of the world, Bangladesh is also going through the troughs of supply crisis, forex volatility and blown remittance. The capital market of Bangladesh has also been affected adversely. Due to efficient management the company have managed to maintain a handsome profit in 2022. If the war continues for a longer period, the impact will intensify, the capital market too. In this context, our competent management has looking forward to maintain a standard profit in the coming year by adopting various policy initiatives.

37 Events after the reporting period

- 37.1** The Board of Directors in its meeting held on 16 March, 2023 approved the financial statements for the year ended 31 December, 2022. The Board of Directors also authorized the same for issue.
- 37.2** Except above, there was no other significant event occurred till the date of signing the financial statements.

Sd/-

Chief Executive Officer

Sd/-

Director

Sd/-

Chairman

Place: Dhaka

Date: 16 March 2023

BDBL INVESTMENT SERVICES LIMITED

STATEMENT SHOWING COMPUTATION OF CAPITAL ADEQUACY

As at 31 December 2022

"Annexure-A"

				2022	2021
				<u>Taka</u>	<u>Taka</u>
A. Eligible Capital					
Components	Amount	Haircut %	Haircut Amount	Eligible amount	Eligible amount
Paid-up-capital	500,000,000	-	-	500,000,000	500,000,000
Capital reserve	9,858,932	-	-	9,858,932	6,051,453
Retained earnings	132,105,311	-	-	132,105,311	123,904,367
Sum of core capital	641,964,243	-	-	641,964,243	629,955,820
General provision on margin	9,213,810	20%	1,842,762	7,371,048	1,738,521
Specific provision on portfolio	156,289,938	30%	46,886,981	109,402,957	74,402,957
Sum of supplementary	165,503,748		48,729,743	116,774,005	76,141,478
Total capital	807,467,991		48,729,743	758,738,247	706,097,298

B. Total Risk Requirement

	Risk factor	Applicable amount	Applicable amount
Operation Risk Requirement (ORR)			
Based on Average Annual Gross Income (see clause (b) of sub-rule (7.1) of rule 7)	5%	4,196,011	3,178,225
Position Risk Requirement (PRR)			
Proprietary positions in equity securities of dealer & strategic investment:			
Value of "A" category securities	10%	56,287,408	46,188,191
Value of "B/G/N/S." category securities	12%	19,274,852	19,136,463
Value of "Z" category instruments	15%	1,124,214	1,566,685
Value of listed funds	10%	490,172	448,672
Counterparty Risk Requirement (CPRR)			
Exposure of credit facilities to clients	8%	21,132,284	17,385,212
	Total Risk Requirement	102,504,941	87,903,448

C. Capital Adequacy Ratio

$$\begin{aligned}
 \text{Capital Adequacy Ratio (CAR)} &= \frac{\text{Total Capital (TC)}}{\text{Total Risk Requirement (TRR)}} \times 100 = 740.20 \% \text{ i.e. } 7.40 \text{ times} = 803.26 \% \text{ i.e. } 8.03 \text{ times} \\
 &= \frac{758,738,247}{102,504,941} \times 100 \\
 &= 740.20 \% \text{ i.e. } 7.40 \text{ times}
 \end{aligned}$$

Sd/-

Chief Executive Officer

Sd/-

Director

Sd/-

Chairman

For K. M. HASAN & CO.
Chartered Accountants

Sd/-
Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC No. 2303270331AS872866

Place: Dhaka
Date: 16 March 2023

BDBL INVESTMENT SERVICES LIMITED

Schedule of Fixed Assets As on 31 December 2022

"Annexure- B"

Amount in Taka

Particulars	Cost				Rate %	Depreciation				Written down value as on 31.12.2022				
	Balance as on 01.01.2022		Reclassification during the year			Balance as on 31.12.2022		Charged during the year			Disposal/ Adjustment during the year		Balance as on 31.12.2022	
	Taka		Taka			Taka		Taka			Taka		Taka	
Fixed Assets														
Furniture & fixtures	2,002,913	-	-	-	10%	2,002,913	-	-	129,558	-	1,094,316	908,597		
Office equipment	1,185,381	37,620	-	-	20%	1,223,001	-	-	118,442	-	952,632	270,369		
Computer, printer & IT equipment	1,450,490	60,200	-	-	20%	1,510,690	-	-	184,555	-	1,012,879	497,811		
Air conditioners	997,650	-	-	-	20%	997,650	-	-	156,130	-	639,791	357,859		
Interior decoration	4,459,086	-	-	-	10%	4,459,086	-	-	281,989	-	2,471,254	1,987,832		
Digital Billboard	269,060	-	-	-	20%	269,060	-	-	53,812	-	89,445	179,615		
Sub Total	10,364,580	97,820	-	-		10,462,400	-	-	924,486	-	6,260,318	4,202,083		
Right of use assets	3,690,708	-	-	-	-	-	-	-	1,384,015	3,690,708	-	-		
Balance as on 31 December 2022	14,055,288	97,820	-	-	-	10,462,400	-	-	2,308,501	3,690,708	6,260,318	4,202,083		
Balance as on 31 December 2021	13,550,320	960,668	-	-	-	14,055,288	-	-	2,692,869	331,964	7,642,525	6,412,763		

BDBL INVESTMENT SERVICES LIMITED
Schedule of Intangible Asset
As on 31 December 2022

"Annexure-C"

Amount in Taka

Particulars	Cost				Rate %	Amortization			Written down value as on 31.12.2022	
	Balance as on 01.01.2022	Addition during the Year	Disposal/ Adjustment during the year	Reclassification during the year		Balance as on 31.12.2022	Charged during the Year	Disposal/ Adjustment during the year		Balance as on 31.12.2022
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	
Software	632,875	42,000	-	-	20%	301,663	90,172	-	391,835	283,040
Balance as on 31 December 2022	632,875	42,000	-	-		301,663	90,172	-	391,835	283,040
Balance as on 31 December 2021	496,375	136,500	-	-		236,535	65,128	-	301,663	331,212

BDBL INVESTMENT SERVICES LIMITED
Schedule of Payable to BDBL
As on 31 December 2022

"Annexure-D"

Amount in Taka

Sl. No.	Items settled by BDBL on behalf of BISL	Balance as on 01.01.2022	Addition during the year	Paid during the year	Balance as on 31.12.2022
1	Salary & allowances	22,081,135	7,665,007	11,149,055	18,597,087
2	Closing entertainment	40,000	9,000	-	49,000
3	Lunch subsidy	1,179,600	395,400	-	1,575,000
4	Entertainment allowance to DGM	120,710	48,000	-	168,710
5	Incentive bonus	1,952,070	787,700	-	2,739,770
6	Festival bonus	2,316,780	729,124	-	3,045,904
7	Car maintenance allowance to DGM	1,948,709	504,000	-	2,452,709
8	Recreation leave	54,040	-	-	54,040
9	Mobile Bill to DGM	-	4,000	-	4,000
10	Short term liabilities	-	-	-	-
Total		29,693,044	10,142,231	11,149,055	28,686,220

BDBL INVESTMENT SERVICES LIMITED

Income Tax Assessment Status

As on 31 December 2022

"Annexure-E"

Assessment year	Tax provision made in accounts	Tax liability as per return	Total tax paid in advance	Assessment status
2017-2018	2,401,480	2,373,908	2,985,381	Return submitted u/s 82BB
2018-2019	6,599,736	6,599,736	6,599,736	Return submitted u/s 82BB
2019-2020	8,240,020	8,240,020	11,339,020	Pending at Tribunal Stage
2020-2021	7,566,680	7,416,840	7,416,840	Return submitted u/s 82BB
2021-2022	8,998,849	8,875,892	8,875,892	Return submitted u/s 82BB
2022-2023	21,854,416	20,707,900	21,854,416	Return submitted u/s 82BB
2023-2024	16,116,160	-	11,051,622	Return yet to be submitted
Total	71,777,341	54,214,296	70,122,907	

BDBL Investment Services Limited
Computation of Total Income and Tax Liability
Income year ended on 31 December 2022
Assessment year: 2023 - 2024

"Annexure-F"

<u>Particulars</u>	<u>Note</u>	<u>Taka</u>	<u>Taka</u>
Net profit as per Profit and Loss Account before Provision			85,096,800
<u>Add: Expenses add back for separate consideration</u>			
Accounting depreciation on Fixed Assets Annex-B & C	29	1,014,658	
Accounting depreciation As Per IFRS 16		<u>1,384,015</u>	
		2,398,673	
Entertainment	29	202,416	
Lease Rental Charged in P/L	29.1	<u>690,997</u>	3,292,086
			88,388,886
<u>Less: Income for Separate Consideration:</u>			
Interest on SND Bank Account & Others	30	282,658	
Dividend Income	P/L	<u>21,188,528</u>	
Add: Last Year Dividend Receivable	9	10,142,017	
Less: Current Year Dividend Receivable	9	<u>13,220,781</u>	
		18,109,764	
Other Operating Income	27	959,982	
Capital gain from sale of share	26	<u>34,239,893</u>	53,592,297
			34,796,589
<u>Less: Admissible expense</u>			
Tax Depreciation		651,205	
Office Rent Expenses as per IFRS 16 Note:29.01		<u>2,202,998</u>	2,854,203
			31,942,386
Less: Entertainment rule 65c			<u>202,416</u>
			Business Income 31,739,970
<u>Add: Income Other than Business:</u>			
Interest on SND Bank Account & Others		282,658	
Dividend Received During the Year		18,109,764	
Other Operating Income		959,982	
Capital Gain from Sale of Share		<u>34,239,893</u>	53,592,297
			<u>Total Income 85,332,267</u>
<u>Tax Calculation:</u>			
Tax on Business Income	31,739,970	27.5%	8,728,492
Tax on Interest on SND Bank Account	282,658	27.5%	77,731
Tax on Other Operating Income	959,982	27.5%	263,995
Tax on Dividend Income	18,109,764	20%	3,621,953
Tax on Sale of Share	34,239,893	10%	3,423,989
	<u>85,332,267</u>	Total Tax Liability	<u>16,116,160</u>



Important Events of BDBL



Reception of Mr. Md. Habibur Rahman Gazi, Managing Director & CEO, BDBL



Tribute to the Father of the Nation Bangabandhu Sheikh Mujibur Rahman by Managing Director & CEO of BDBL at Tungipara, Gopalganj.

Important Events of BDBL



Tribute to the Father of the Nation Bangabandhu Sheikh Mujibur Rahman by Managing Director & CEO of BDBL at Dhanmondi, Dhaka.



Memorandum of Understanding (MOU) was signed between the Finance Department of the Ministry of Finance and BDBL for providing Housing Loan Facility to Government officials and employees.

Important Events of BDBL



282th Board meeting of BDBL presided over by Shamima Nargis, Chairman of BDBL.



95th Audit Committee meeting of BDBL presided over by Md. Ekhlashur Rahman, Chairman of Audit Committee.

Important Events of BDBL



12th Annual General Meeting of BDBL Securities Limited (BSL), a subsidiary company of BDBL presided over by Chairman of BSL.



8th Annual General Meeting of BDBL Investment Services Limited (BISL), a subsidiary company of BDBL presided over by Chairman of BISL.

Important Events of BDBL



37th Naitikota Committee meeting chaired by Managing Director & CEO of BDBL



Managers' Conference-2023 inaugurated by Honorable Chairman of the Board of Directors of BDBL.

Important Events of BDBL



Photo session of Managers' Conference-2023 with Board of Directors', BDBL.



Inauguration Ceremony of Officers' Association of BDBL.

Important Events of BDBL



16th Foundation Course inaugurated by Managing Director & CEO at Training Institute of BDBL



A scenario of Fire Drill at BDBL

Important Events of BDBL



Deposit Collection and Loan Distribution Month, 2023 started by Managing Director & CEO of BDBL



Discussion meeting of Managing Director & CEO with customers at Motijheel Branch

Important Events of BDBL



Visit to Shreenagar Branch of Managing Director & CEO



Loan Recovery meeting of Managing Director & CEO with B.R. Spinning Mills Ltd.

Important Events of BDBL



TK. 25.07 Crore recovered of write-off loan from Northern Distilleries Ltd., funded by BDBL in 1981.



BDBL secured 3rd position in evaluation of Annual Performance Agreement (APA) FY 2021-2022 among the State owned Commercial Banks.

A View of BDBL Financed Project



Baxter (AY) Laboratory, financed by BDBL.



Shamsuddin Spinning Mills Ltd, a textile spinning mills, financed by BDBL.

A View of BDBL Financed Project



Hotel Saint Martin, financed by BDBL.

Observance of National Days



Discussion meeting on 47th Martyrdom Anniversary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman and National Mourning Day.



Photo session of International Mother Language Day, 2023 of BDBL employees.

Observance of National Days



Tribute to the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman at Dhanmondi-32 on 103th Birth Anniversary.



Tribute to the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman at Dhanmondi-32 on Independence Day.

Observance of National Days



Tribute to the War Heroes at Jatiyo Smriti Soudho, Saver on National Victory Day by Managing Director & CEO of BDBL.

Organizational Network Address (At the year end of 2022)

Head Office

Bangladesh Development Bank Limited.
BDBL Bhaban, 8 RAJUK Avenue, Motijheel, Dhaka-1000
Phone- +8802223351041
Fax : 02-223382061, Website : www.bdbl.com.bd

Zonal Offices

1. Dhaka North

BDBL Bhaban
12 Karwan Bazar,
Dhaka -1215
Phone: 02- 9144177, 9144172
Fax : 02- 9111274

2. Dhaka South

Head Office 8, Rajuk Avenue,
Dhaka Dhaka - 1000
Phone: 02- 9515063
Email :
zone_dhaka_south@bdbl.com.bd

3. Chattogram

106 Agrabad Commercial Area,
Chattogram
Phone : 031-710411, 031- 2520819
031-711022
Fax : 0321-2521202

4. Rajshahi

108/6 Kumarpara
(Dhaka Mahasarak), Rajshahi.
Phone : 0721-772689
Fax : 0721-774701

5. Sylhet

Alo-01, Century Shopping Centre
(1st Floor), Sunamganj Road,
Aberkhana, Sylhet
Phone : 0821-716627, 0821-726470

6. Khulna

25-26, KDA Commercial Area
Upper Jashore Road, Khulna.
Phone : 041-720263
Fax : 041-720262

Branches

1. Principal Branch

BDBL Bhaban (Level- 1)
8 RAJUK Avenue,
Motijheel, Dhaka-1000
Phone : 02-9558326, 9550012
9569908 (BACH), Fax : 02-9557622

2. Motijheel Branch

49, Motijheel, AK Khan
Building ,Dhaka-1000.
Phone : 02-223380169
Email: motijheel@
bdbl.com.bd

3. Karwan Bazar Branch

BDBL Bhaban
12 Karwan Bazar,
Dhaka-1215
Phone : 02- 9144173, 02-9144174
Fax : 02-91111274 (IBD)

4. Mymensingh Branch

19/D Shaheb Ali Road,
Natun Bazar, Mymensingh
Phone : 091-65825
Fax : 091-65825

5. Faridpur Branch

Maya Plaza, 53/48 Niltuly,
Faridpur.
Phone : 0631-63267
Fax : 0631-64465

6. Agrabad Branch

106 Agrabad Commercial
Area, Chattogram.
Phone : 031-716178, 2520425,
2514258, Fax : 031-2521202

7. Cumilla Branch

Samabay Bank Bhaban,
Kandirpar, Cumilla
Phone : 081-76191

8. Noakhali Branch

434 Dakkhin Bazar,
Choumuhuni, Noakhali
Phone : 0321-52306
Fax : 0321-51274

9. Sylhet Branch

1375 (Kha), Syeed Complex
(1st floor), Ambar Khana, Sylhet
Phone : 0821-716627
Fax : 0821-716627

10. Rajshahi Branch 108/6 Kumarpara (Dhaka Mahasarak), Rajshahi Phone : 0721-772337, 775802 Fax : 0721-774701	11. Bogura Branch Jewel Plaza (1st Floor) College Road, Kalitola, Bogura. Phone : 051-66154 Fax : 051-66154	12. Pabna Branch Bhai Bhai Super Market Bhaban (1st floor) Abdul Hamid Road, Pabna Phone : 0731-66160 Fax : 0731-66160
13. Rangpur Branch Sharif Building Station Road, Rangpur Phone : 0521-62487 Fax : 0521-55287	14. Dinajpur Branch Adhunik Abedin Complex (1st floor) Gonesh Tola, Dinajpur Phone : 0531-63972 Fax : 0531-64635	15. Khulna Branch 25-26 KDA Commercial Area, Upper Jashore Road, Khulna Phone : 041-720261, 724710
16. Jhenaidah Branch 18 Maowlana Bhashani Sarak, Jhenaidah Phone : 0451- 62464, 62285	17. Barishal Branch Dr. Sobhan Complex 130/C Sadar Road, Barishal. Phone : 0431-62261 Fax : 0431-64456	18. Narayanganj Branch 10 S M Maleh Road, Tan Bazar, Narayanganj Phone : 02-7643144 Fax : 02-7643904
19. Khatunganj Branch 6 Ramjoy Mahajan Lane, Post Office Goli Asadganj, Khatunganj Chattogram Phone : 031 - 618546, 618547	20. Elephant Road Branch 299 Elephant Road, Dhaka Phone : 02-9675282 Fax : 02-9677321	21. Ashuganj Branch 117 Station Road Ashuganj, Brahmanbaria Phone: 08528-74009 Fax : 08528-74008
22. Madhobdi Branch J & J Tower Choto Madhobdi, Jalpotti Road Madhobdi, Narsingdi Phone : 02-9446761 Fax : 02-9446762	23. Mokamtola Branch Rashida Market, Mokamtola Bazar, Shibganj, Bogura Phone/Mobile : 01755618955	24. Hossainpur Branch Mofiz Mansion School Road, Hossainpur Bazar Hossainpur, Kishoreganj Phone : 0942-556346 Fax : 0942-556346
25. Cox's Bazar Branch Ume Barmiz Market, Main Road, Tekpara, Cox's Bazar Phone : 0341-63753 Fax : 0341-63743	26. Ashulia Branch Three Star Super Market (1st floor), Beronchaitola, Jamgora Ashulia, Savar, Dhaka. Phone : 02-7789156 Fax : 02-7789156	27. Mohadevpur Branch Khushi Baniyyaloy (2nd floor), Barongail Bazar, Mohadevpur, Shibalaya, Manikganj. Phone/Mobile: 01766 679679

28. Saturia Branch

Belal Complex,
Shamsunnahar Eye Hospital
Saturia- Dorgram Road
Saturia Bazar, Saturia , Manikganj
Phone : 02-7725097
Fax : 02-7725049

29. Osmaninagar Branch

DM Tower (1st Floor),
Doyamir Bazar,
Balaganj, Sylhet.
Phone : 0824256101
Fax : 0824256102

30. Nabinagar Branch

Vashan Market (1st Floor),
701 Salam Road,
Nabinagar, Brahmanbaria
Phone : 0852575602

31. Kazirhat Branch

Sarker Plaza,
Uttara EPZ Junction, Songalshi
Kazirhat, Nilphamari
Mobile : 01713431502

32. Moulvibazar Branch

Rahmania Tower
361 M. Saifur Rahman Road,
Moulvibazar
Phone : 0861 64201
Fax : 0861 64202

33. Kanchpur Branch

Sonargaon Mega Complex (2nd
Floor), Kanchpur Bridge,
Sonargaon, Narayanganj
Mobile : 01709659710

34. Naogaon Branch

R Rahman Super Market (2nd
Floor), 247 Main Road (Batar
Mor), Naogaon
Phone : 074181418

35. Jashore Branch

Nazima Tower (1st Floor)
1247-00 M.M. Ali Road,
Jashore
Phone : 042161760

36. Keraniganj Branch

Semonti Shopping
Complex (2nd Floor),
Bridge Road, Aganagar
Keraniganj, Dhaka
Mobile : 01911392176

37. Habiganj Branch

A R Plaza (1st Floor),
4162-00 Town Hall Road
Habiganj
Phone : 0831 61594
Fax : 0831 61598

38. Jainabazar Branch

Nois Tower (1st Floor),
Jainabazar,
Sreepur, Gazipur
Mobile : 01930312165

39. Hemayetpur Branch

Hazi Bashar Shopping
Complex (2nd floor),
Bagbari, Hemayetpur
Savar, Dhaka
Mobile : 01712873185

40. Sreenagar Branch

Sikder Plaza (1st Floor),
Jhumur Cinema Hall Road,
Sreenagar, Munshiganj
Phone : 7627056

41. Tangail Branch

Bhasha Saynik Bhaban (1st
Floor), Main Road, Tangail
Phone : 092162221

42. Brahmanbaria Branch

349/2, Lucky Tower
(1st floor), East Paikpara,
Brahmanbaria.
Mobile : 01711396936

43. Islampur Branch

Ayesha Tamim Plaza (1st Floor),
Major Tila, Islampur Bazar,
Sylhet
Phone : 0821 760700

44. Bhola Branch

Islam Complex, 46 Mohajon
Potti, Sadar Road, Bhola
Phone: 0491-61442

45. Poradah Branch

Katdah, Poradah, Kushtia
Telephone : 01717994602

46. Tomaltala Branch

Modina Market (1st Floor),
Tomaltala bazar road,
Bagatipara, Natore
Telephone : 01719862990

47. Moharajpurhat Branch

Abdul Kayem Market,
Moharajpurhat, Chapainawab-
ganj Sadar, Chapainawabganj
Telephone : 01725620920

48. Feni Branch

597, Gofur Plaza (2nd Floor),
Post Office Road, Feni Sadar,
Feni, Telephone : 02-334474666,
02-334474665,
Cell Phone: 01814-311940

49. Muksudpur Branch

A Hannan Talukder Market(1st
Floor), Kodomtoli Road,
Muksudpur, Gopalganj
Phone : 01322881185
Telephone:01911-077135

50. Mirpur-10 Branch

Kamal Tower, Holding No:131,
Rokeya Saroni, word No-14,
Dhaka Noth City Corporation,
Mirpur-2, Dhaka
Telephone : 01322881181
Phone No : 01748-694849

Zonal Offices and Branches of BDBL







BDBL Karwan Bazar Bhaban, Dhaka-1215

BDBL BHABAN



বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড
BANGLADESH DEVELOPMENT BANK LIMITED
(A STATE OWNED COMMERCIAL BANK)

8, RAJUK Avenue, Dhaka-1000, Bangladesh

PABX : +8802223351041

Fax : 02-223382061

Website : www.bdbl.com.bd

SWIFT Code : BDDBBDDH