



ANNUAL REPORT 2021



BDBL

বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড
BANGLADESH DEVELOPMENT BANK LIMITED

(A STATE OWNED COMMERCIAL BANK)

Website : www.bdbl.com.bd

SWIFT Code : BDDBBDDH



BDBL Karwan Bazar Bhaban, Dhaka-1215

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	: 697
(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	: K.M. HASAN & CO and ACNABIN.
(19)	Income Tax Adviser	: MABS & J PARTNER. Chartered Accountants
(20)	Credit Rating Agency	: Emerging Credit Rating Limited.
(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, 2021.

Dear Sir(s),

We are pleased to enclose herewith a copy of the Annual Report–2021 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,



Kazi Alamgir
Managing Director & CEO

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Notice of the 12th Annual General Meeting



বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড BANGLADESH DEVELOPMENT BANK LIMITED (A STATE OWNED COMMERCIAL BANK)

বোর্ড ডিভিশন

নং-০৫.১.৩/ ৬৮১-৬৮৮

আষাঢ় ২১, ১৪২৯

জুলাই ০৫, ২০২২

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

বিষয়: বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড-এর শেয়ারহোল্ডারদের ১২তম বার্ষিক সাধারণ সভা।

মহোদয়,

আপনার সদয় অবগতির জন্য জানানো যাচ্ছে যে, বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড-এর শেয়ারহোল্ডারদের ১২তম বার্ষিক সাধারণ সভা **আগামী ৩১ জুলাই, ২০২২/ ১৬ শ্রাবণ, ১৪২৯ তারিখ, রবিবার সকাল ১১:০০ ঘটিকায়** ব্যাংকের প্রধান কার্যালয় (লেভেল ৩), ৮, রাজউক এডিনিউ, ঢাকায় অনুষ্ঠিত হবে।

০২। সভার আলোচ্যসূচী নিম্নরূপ:

- (০১) ২৩ সেপ্টেম্বর, ২০২১ তারিখে অনুষ্ঠিত বিডিবিএল-এর শেয়ারহোল্ডারদের ১১তম বার্ষিক সাধারণ সভার কার্যবিবরণী অবহিতকরণ;
- (০২) ব্যাংকের ২০২১ সালের ডাইরেক্টরস রিপোর্ট উপস্থাপন ও অনুমোদন;
- (০৩) ব্যাংকের ২০২১ 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 পুনঃনিয়োগ;
- (০৬) পরিশোধিত মূলধন ৬০০.০০(ছয়শত) কোটি টাকায় উন্নীতকরণ প্রসঙ্গে; এবং
- (০৭) সভাপতি মহোদয়ের অনুমতিক্রমে অন্যান্য বিষয় (যদি থাকে)।

০৩। উক্ত সভায় অংশগ্রহণের জন্য আপনাকে বিনীত অনুরোধ করছি।

পরিচালনা পর্ষদের আদেশক্রমে

(কামাল উদ্দিন আহমেদ মোস্তাফিজ)

কোম্পানী সচিব

ফোন-০২২২৩৩৫০৫২৭

মোবাইল-০১৭১৫০৫০০৭৭

০৫
১৯

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:

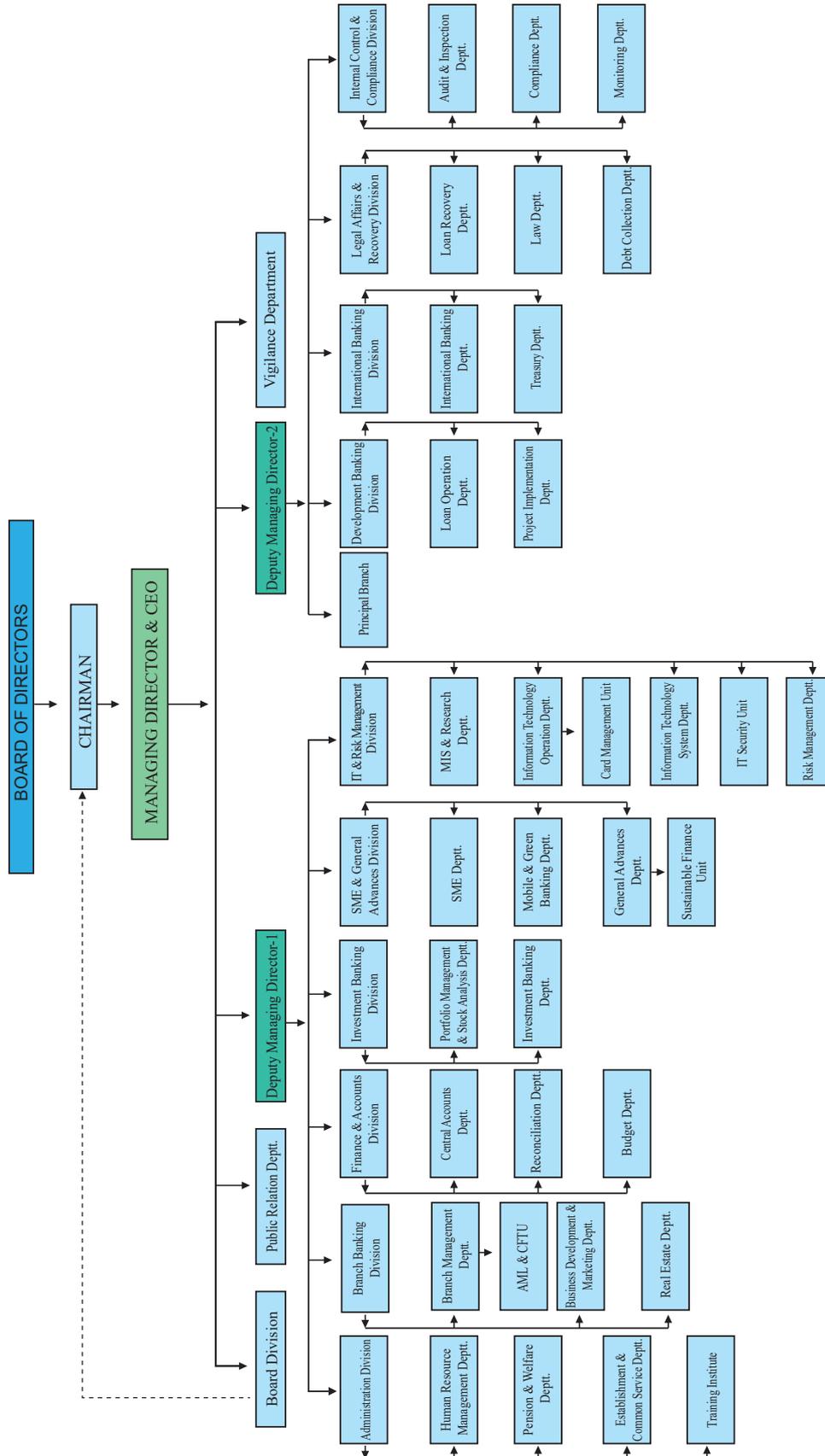
- Volatility in money market
- Instability in capital market
- Changes in regulatory guidelines
- Increase in CRR of the bank
- Volatility of interest rate
- Changes in corporate tax structure
- Changes in accounting standards
- Changes in legislation and regulation of VAT on banking services
- Changes 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.



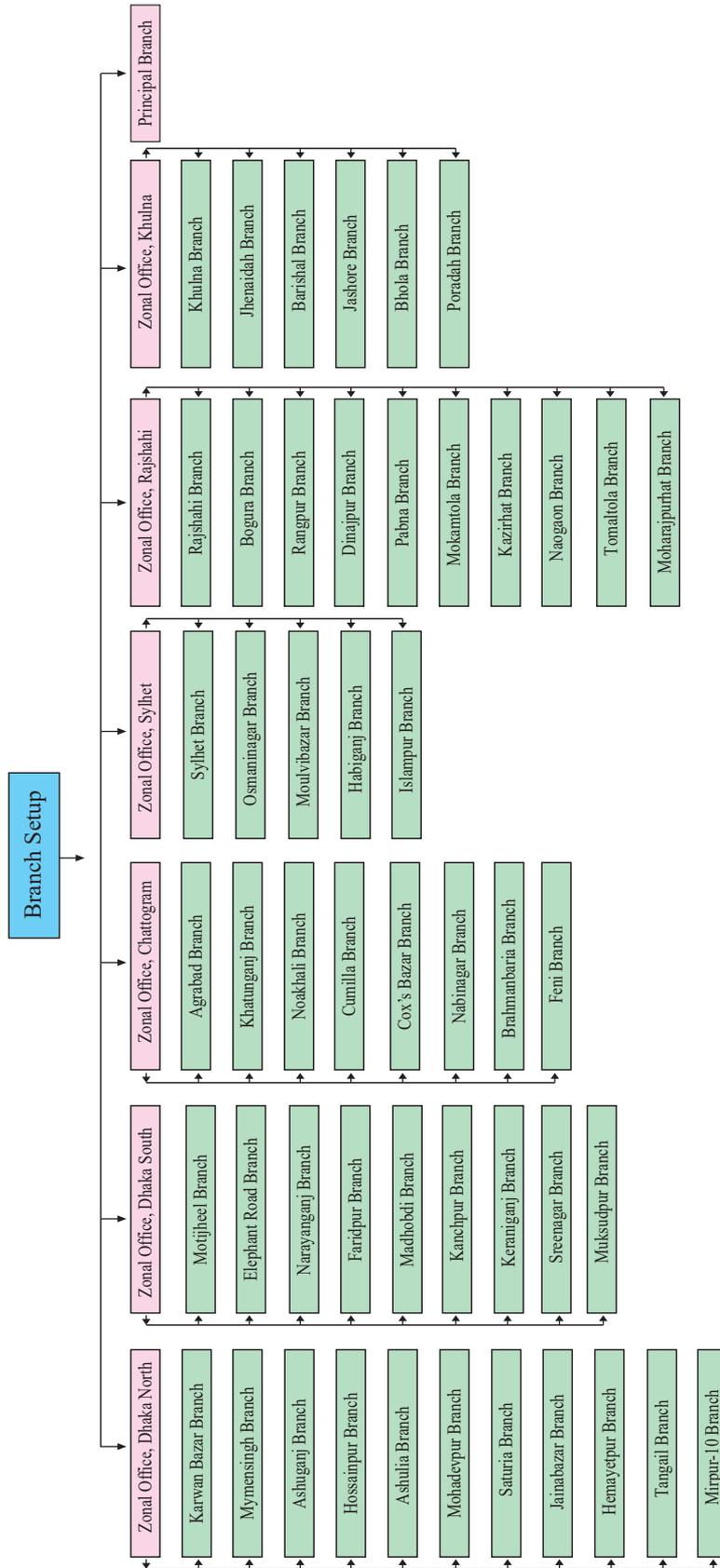
Corporate Organogram

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
Kazi Alamgir	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**, 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.
- **Director General-II (Additional Secretary)**, Prime Minister's Office, Dhaka.

Past Responsibilities

- **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. KAZI ALAMGIR, Managing Director & CEO

Current Responsibility

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

Past Responsibilities

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

Education

M. Sc (Soil Science), University of Dhaka.

MBA in Banking, University of Dhaka.

Post Graduate Diploma in Computer Science, Bangladesh Institute of Management (BIM).

International Technology based Certificates :-

- IT Service Management- Lead Auditor (ISO-20000)
- Information Security Management Standard (ISMS)-Lead Auditor (ISO-27001)
- IT Infrastructure Library (ITIL)
- Certified Information System Auditor (CISA)
- Certified Payment Card Industry Security Implementer (CPISI).



Board's Committee

Executive Committee

1.	Shamima Nargis, Chairman	Chairman of the Committee
2.	Md. Azizur Rahman, Director	Member
3.	Kazi Alamgir, 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

Managing Director & CEO and his Management Team

Managing Director & CEO



Kazi Alamgir
Managing Director & CEO

Deputy Managing Directors



Md. Refat Hasan
Deputy Managing Director



Shachindra Nath Samadder
Deputy Managing Director

Head of Divisions



Dr. Syed Mohammad Moazzam Hossain
General Manager
Administration Division,
SME and General Advances Division
&
Development Banking Division



Paritosh Sarker
General Manager & CRO
International Banking Division,
IT and Risk Management Division,
Legal Affairs & Recovery Division
&
Internal Control & Compliance Division



M Shafiqul Islam
General Manager & CFO
Finance & Accounts Division,
Branch Banking Division
&
Investment Banking Division



Kamal Uddin Ahmed Mollah
Deputy General Manager
&
Company Secretary

Head of Departments



Md. Shafiqul Islam
Deputy General Manager
BDBL Securities Limited



Md. Nazrul Islam
Deputy General Manager
Real Estate Department



Md. Hafizur Rahman
Deputy General Manager
Audit & Inspection Department



Afroza Nasrin Chowdhury
Deputy General Manager
Branch Management Department
&
Project Implementation Department (Add.)



Shamal Kumar Das
Deputy General Manager
Business Development &
Marketing Department



Kabir Ahmed
Deputy General Manager
Human Resource Management Department
&
Vigilance Department(Add.)



Saifuddin Ahmad
Deputy General Manager
Information Technology Operation Department
&
Information Technology System Department (Add.)



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 &
SME Department (Add.)



Mussammat Ummey Honey
Deputy General Manager
Reconciliation Department



Mohammad Anisur Rahman
Deputy General Manager
Law Department



Ranjan Kumar Roy
Deputy General Manager
General Advances Department



Md. Masum Syeed
Deputy General Manager
BDBL Investment Services Limited



Md. Golam Hasnayan Khan
Deputy General Manager
Compliance Department
&
Investment Banking 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. Jasim Uddin Khan
Deputy General Manager
Public Relation Department



Md. Mahub Morshed Khan
Deputy General Manager
International Banking Department
&
MIS & Research Department (Add)



A.B.M. Mobinul Islam
Deputy General Manager
Treasury 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
Training Institute

Head of Zonal Offices



ABM Zahirul Hoque
Deputy General Manager
Zonal Office Dhaka North



Md. Rakeeb Hossain
Deputy General Manager
Zonal Office Dhaka South



Md. Asaduzzaman
Deputy General Manager
Zonal Office Rajshahi



Sheikh Sarafat Islam
Deputy General Manager
Zonal Office Khulna



Liton Chandra Mazumder
Deputy General Manager
Zonal Office Sylhet



Bandana De
Assistant General Manager
Zonal Office Chittagong

Head of Branches



Patit Chandra Barik
General Manager
Principal Branch, Dhaka



Shamima Begum
Deputy General Manager
Motijheel Branch, Dhaka



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



Md. Iqbal Hossain
Assistant General Manager
Ashulia Branch, Dhaka



Biplob Chandra Ghosh
Assistant General Manager
Karwan Bazar Branch, Dhaka



Delower Hossain
Assistant General Manager
Narayanganj Branch, Narayanganj



Shankar Kumar Bhoumik
Assistant General Manager
Pabna Branch, Pabna



Md. Asaduzzaman
Assistant General Manager
Rangpur Branch, Rangpur



Mohd. Mafijul Islam
Assistant General Manager
Hossainpur Branch, Kishoreganj



Md. Faidur Rahman
Assistant General Manager
Mohadebpur Branch, Manikganj



Mohammad Mannan Hossain
Assistant General Manager
Keraniganj Branch, Dhaka



Tanveer Ahmed Siddquee
Assistant General Manager
Brahmanbaria Branch, Brahmanbaria



Mohammad Moniruzzaman
Assistant General Manager
Mymensingh Branch, Mymensingh



Mohammad Manir Husain
Assistant General Manager
Agrabad Branch, Chattogram



Zahangir Kabir
Assistant General Manager
Hemayetpur Branch, Dhaka



Mohammad Imam Hossain
Assistant General Manager
Rajshahi Branch, Rajshahi



Argun Biswas
Senior Principal Officer
Jhenaidah Branch, Jhenaidah



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



S. M. Gias Uddin
Senior Principal Officer
Tomaltola Branch, Natore



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
Nabinagar Branch, Brahmanbaria



Saibal Barua
Senior Principal Officer
Khatunganj Branch, Chattogram



Mujammel Hoque
Senior Principal Officer
Elephant Road Branch, Dhaka



Khokan Kanti Das
Senior Principal Officer
Cumilla Branch, Cumilla



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



Sanjoy Kumar Biswas
Senior Principal Officer
Saturia Branch, Manikganj



Md. Mahbubur Rahman
Senior Principal Officer
Ashuganj Branch, Ashuganj



Zohirul Islam Bhuiya
Senior Principal Officer
Osmaninagar Branch, Sylhet



Md. Abdur Razzak
Senior Principal Officer
Bogura Branch, Bogura



Md. Mahfuzur Rahman
Senior Principal Officer
Poradaha Branch, Kushtia



Md. Nuruzzaman
Senior Principal Officer
Naogaon Branch, Naogaon



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.



Md. AL-Amin
Senior Principal Officer
Hobiganj Branch, Hobiganj



Md. Zinnatul Alam
Senior Principal Officer
Kazirhat Branch, Nilphamari



Khondoker Mostafizur Rahaman
Senior Principal Officer
Barisal Branch, Barisal



Md. Rakibul Alam
Senior Principal Officer
Moharajpurhat Branch, Chapainawabganj



Md. Ashraf-UI-Alam
Senior Principal Officer
Moulvibazar Branch, Moulvibazar



Kalon Miah
Senior Principal Officer
Sylhet Branch, Sylhet



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



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 12th 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 12 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 2021, a brief review of the global economic situation along with the performance of the Bangladesh Economy in 2021 are briefly enumerated here under :-

GLOBAL ECONOMIC GROWTH

According to the World Economic Outlook April 2022, Global economic growth was -3.1 % in 2020 and 5.9 % in 2021 and projected to decline to 4.9 % in 2022. Advanced economies was -4.5 % in 2020 and 5.2 % in 2021 and negative to 4.5 % in 2022 form in 2021. Emerging markets and developing economies was -2.1 % in 2020 and projected to increase by 6.4 % in 2021.

BANGLADESH ECONOMY:

With multifaceted challenges from internal and external fronts, Bangladesh economy managed to maintain GDP growth rate in FY 2020-21 at 6.94 %. The industry sector contributed 34 %, The Agriculture sector contributed 14 % and the Service sector contributed 52 % to the GDP in FY 2020-21.

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 decreased to 5.56 % in FY 2020-21 from 5.65% in FY 2019-20.

According to Export Promotion Bureau (EPB) figures in spite of existing COVID-19 scenario, Export earnings increased to 15.10% in FY 2020-21 from FY 2019-20. Import increased by 19.71% in FY 2020-21 from FY 2019-20.

Bangladesh Bank preserved cautious but growth-supportive, inclusive and investment-friendly monetary policy stances in FY 2020-21 with a view to achieving price and macro-finance stability along with sustainable economic growth. Accordingly monetary and credit programs and policies were pursued.

The weighted averages of interest rate on bank advances decreased to 7.33% in FY 2020-21 from 7.95% in FY 2019-20 and deposits decreased to 4.13 % in FY 2020-21 from 5.06 % in FY 2019-20.

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 \$ 2825 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 2021 was significantly more challenging than expected. Besides, the COVID-19 pandemic situation, countrywide lockdown, 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 20.6, 11.4, 5.4 and 3.9 % respectively in FY 2020-21. Total NPL ratio was 8.2 % in FY 2020-21 which was 7.7 % in FY 2019-20, 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. 41.08 crore for the year 2021. Net Profit after Provision and Tax stood at Tk. 6.38 crore in 2021. In 2021, the Return On Asset (ROA) and Return On Equity (ROE) increased to 0.10% and 0.34% respectively than the Return On Asset (ROA) and Return On Equity (ROE) of 0.08% and 0.24% in 2020. At the same time, Earnings Per Share (EPS) stood at Tk. 1.06 in 2021 which was Tk. 0.75 in 2020.

Deposits of the bank slightly increased to Tk. 2900.51 crore during 2021 from Tk. 2421.89 crore in 2020. Loans and advances showed increasing growth by 13.36% to Tk. 2413.43 crore during the year 2021.

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 20 % or less in the shortest possible time.

In the year 2021, Capital to Risk Weighted Asset Ratio of the bank was 23.38% (core capital to Risk Weighted Assets 22.08% and supplementary capital to Risk Weighted Assets 1.30%) 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.

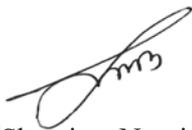
For improving the strength in latest technology driven activities, the IT Division of the bank has been working hard with a team of highly skilled officers. The IT team developed various in-house software which made the operating system faster and customer-friendly.

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 2021 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, K.M. HASAN & CO and ACNABIN. 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



Kazi Alamgir
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 12th Annual General Meeting of BDBL and to present the performance of the BDBL for 2021. 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 2020-21.

DOMESTIC ECONOMIC REVIEW

GDP growth to hit 6.9 % in FY 2020-21. 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 2020-21 was passing through several backdrops, like COVID-19 pandemic, lost huge export earning, long countrywide lockdown, re-fixation of the regulatory liquidity ratios to ensure additional liquidity, sufficient prudential guidelines to maintain proper office environment in the banks, re-fixation of the regulatory liquidity ratios, issuance of various directives for 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, introduction of special fund for capital market investment, policy regarding verification of audited financial statements submitted by borrowers before loan approval/renewal and preserving the same in the loan file, Central Bank's new rules for temporary relaxation of loan classification, to contain Advance Deposit Ratio (ADR), All these had led to profit growth of banks in 2021.

PERFORMANCE REVIEW OF BDBL

The management of BDBL focused more on consolidating its strength in 2021 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 2021 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.16.17 crore against the target of Tk.3.55 crore, indicating 355.49 % achievement of the target. The total operating income of the bank increased by 24.91 % to Tk.162.45 crore in 2021 over the previous year.

As a result, the Net profit before Provision and Tax (NBPT) stood at Tk.41.08 crore in 2021 against the target of Tk.20.52 crore, showing increased by almost 100.19 % of the target. Net Profit after Provision and Tax stood at Tk.6.38 crore in 2021. Cost to Income Ratio decreased to 87.23% in 2021 which was 96.17% in 2020. Earning Per Share (EPS) of BDBL was increased to Tk.1.06 in 2021 which was Tk.0.75 in 2020.

BUSINESS GROWTH IN 2021

Increased number of deposit accounts, intensified target and campaign were speed up in 2021. 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.2900.51 crore in 2021.

Loans and advances stood at Tk.2413.43 crore at the end of 2021 from Tk. 2128.97 crore in 2020, showing an increasing growth of about 13.36 % over the previous year.

The bank continued to grow and diversify its portfolio in 2021 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 is Tk.742.62 crore in 2021 which is 30.77%. The efforts to reduce non-performing loans ratio to total loans (excluding staff loan) did not yield desired result as was targeted in 2021. 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 23.38% (core capital 22.08% + supplementary capital 1.30%) in 2021 which was 22.88% (core capital 22.61% + supplementary capital 0.27%) in 2020.

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 2020 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 resources. As a separate entity, BDBL was awarded with A- for long term and ST-3 for short term with developing 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. Foreign Exchange Manual-2021, 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 2022

It is apprehended that the year 2022 would be more challenging year for the economy as well as for Banking Sector. The major challenges of the banking industry in 2022 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 2022 by strategic planning and implementation of the same through a dedicated line of human resource.

However, from the lessons of 2021, we will make every effort to focus the following in 2022:

- 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 strategies 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 15 sub-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.
- Introduce e-KYC, Internet Banking, Mobile apps and a wide range of remittances.

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.



Kazi Alamgir
Managing Director & CEO

Management Discussion and Analysis



BUSINESS ENVIRONMENT

During 2021, the business environment of Bangladesh showed macro-economic stability and high growth by overcoming all type of barriers. Bangladesh economy maintained 6.94 % growth in GDP during FY 2020-21 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 COVID-19 pandemic, 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, 2021. These banks had a total number of 10752 branches as on June 2021. Total Deposits of the banks in as on June, 2021 rose to BDT 13797.13 billion.

LENDING AND DEPOSIT RATES

The weighted average interest rates on deposits came down to 4.13% in FY 2020-2021 from 5.06 % in FY 2019-2020. Similarly, The weighted average lending rate declined to 7.33 % in FY 2020-2021 from 7.95 % in FY 2019-2020. The spreads between lending rates and deposit rates also increased to 3.20 % in FY 2020-2021 from 2.89 % in FY 2019-2020.

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 Notice Deposit
- ❖ Fixed Deposit
- ❖ 10 Tk Account

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 Savings 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 Entrepreneurs.
- Time Period : 1-5 Year (With highest 06 Month Grace Period).
- Interest Rate : 9% per annum.

CMSME Special Packages:

- 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:

- Special Agricultural Credit (Pulse, Oil Seed, Spices, Maize) at 4% concessional Interest Rate;
- Special Stimulus Refinance Scheme in Agricultural Sector (2nd Phase); and
- “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 2021 :

-  Net Profit after Provision and Tax is Tk.6.38 crore;
-  All branches are computerized;
-  The Capital Adequacy Ratio (CAR) maintained at 23.38% (Core Capital 22.08% + supplementary Capital 1.30%) which is 87.04% higher than the required rate of 12.50%;

-  Earning Per Share (EPS) was Tk. 1.06 which was Tk. 0.75 in 2020;
-  The rate of classified loan was 30.77 %;
-  Extended online banking network to all branches;
-  Ensured corporate governance and sustainable banking activities;
-  No shortfall of provision;
-  No shortfall in capital;

ACHIEVEMENTS IN 2021

The achievement of BDBL during the year 2021 are given below:-

a) Profit before Tax

The bank registered Profit before Tax at Tk.25.18 crore in 2021 against Tk.11.06 crore in 2020.

b) Net Profit after Provision and Tax

The Net Profit after Provision and Tax increased by Tk.6.38 crore in 2021 compared to Tk.4.49 crore in 2020. 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. 2900.51 crore in 2021 which was Tk. 2421.89 crore in 2020.

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 2021 increased by 97.82% to Tk. 101.68 crore over the previous year.

e) Growth of Interest Income

Due to tough economic situation, interest income of BDBL was 175.46 crore in 2021. Interest Income also decrease by 9.01% 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 22.98% 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 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 Jashore. That is why BDBL will invest Tk. 25 crore. 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 2021, BDBL opened 3 new branches such as Muksudpur Branch, Gopalganj, Feni Branch, Feni & 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. 1178.87 crore during 2021. Tier-I capital stood at Tk. 1113.57 crore during the year. Total capital fund is equivalent to 23.38% 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.

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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 a handsome amount in 2021.

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 COVID-19 pandemic 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 2022 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

Particulars	2021	2020	Change %
Deposit (cr.)	2900.51	2421.89	19.76
Loans & Advances (cr.)	2413.43	2128.97	13.36
Operating Profit (cr.)	41.08	11.06	271.43
Profit after Tax (cr.)	6.38	4.49	42.09
Earning Per Share (EPS) in Tk.	1.06	0.75	41.33
Capital Adequacy Ratio (CAR)	23.38	22.88	2.19
Number of Branches	50	47	4.26
Number of Employees	697	748	(6.82)
Import (cr.)	195.96	157.33	24.55
Export (cr.)	347.53	209.28	66.06

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

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



(Tk. in crore)

Sl. No.	Particulars	2021	2020	2019	2018	2017
A.	Balance Sheet Matrix					
1	Authorized Capital	1000	1000	1000	1000	1000
2	Paid up Capital	600	400	400	400	400
3	Reserve Fund & Other Reserve	1253.40	1457.5	1464.6	1470.5	1418.4
4	Retained Earnings	46.06	44.77	42.54	39.69	36.79
5	Total Equity	1899.46	1902.3	1907.2	1910.2	1855.2
6	Capital Required (As per Basel III)	630.40	577.56	563.35	501.01	463.35
7	Capital Maintained (As per Basel III)	1178.87	1057.3	999.55	1137.2	1197.8
8	Capital Surplus (As per Basel III)	548.47	479.71	436.2	636.19	734.42
9	Capital Adequacy Ratio (Basel III)	23.38%	22.88%	22.18%	26.95%	26.61%
10	Deposits (including Bills Payable)	2900.51	2421.9	2764.6	2831.2	2858
11	Investments	839.72	840.45	972.06	981.41	999.68
12	Loans & Advances	2413.43	2129	1998.4	1930.7	1794.6
13	Fixed Assets	779.78	775.48	781.54	794.04	807.98
14	Advances to Deposit Ratio (ADR)	82.66%	87.91%	72.29%	68.19%	62.79%
15	Total Assets	6115.66	5530.2	5839.6	5919.1	5805.8
B.						
16	Total Risk Weighted Assets (Basel III)	5043.19	4620.5	4506.8	4219	4501.7
17	Core Capital (Tier- I)	1113.57	1044.6	987.98	1058.9	1054.5
18	Supplementary Capital (Tier- II)	65.30	12.67	11.57	78.28	143.24
19	Total Eligible Capital (Tier I, II & III)	1178.87	1057.3	999.55	1137.2	1197.8
20	Paid up Capital & Statutory Reserve	866.49	661.46	659.24	655.54	633.54
C.						
21	Classified Loans & Advances (excluding Staff Loan)	742.62	596.26	766.25	889.56	835.03
22	% of Classified Loans & Advances (excluding Staff Loan)	30.77%	28.01%	38.34%	46.07%	46.53%
23	Required Provision against Classified Loans & Advances	406.14	389.75	389.64	380.28	364.25
24	Provision Maintained	406.16	389.75	389.75	380.46	374.25
25	Surplus of Loan Provision	0.02	0	0.11	0.18	10
26	Amount of Written of Loan	1538.08	1544.8	1757.4	1778.9	1800.7

D.						
27	Interest Income	175.46	192.83	234.84	273.89	192.69
28	Interest Paid on Deposit & Borrowings	159.29	158.83	168.9	158.3	140.45
29	Net Interest Income	16.17	34.01	65.93	115.59	52.24
30	Income from Investment & Capital Market Operation	101.68	51.4	30.75	84.4	150.38
31	Non-Funded Income	44.60	44.64	51.68	48.85	31.54
32	Total Operating Income	162.45	130.05	148.36	248.84	234.17
33	Administrative & Operating Expenditure	121.37	118.99	104.85	131.57	118.61
34	Net Profit before Tax	41.08	11.06	18.46	109.18	80.46
35	Provision for Income Tax	18.79	6.57	11.91	34.29	24.14
36	Net Profit after tax	6.38	4.49	6.56	74.89	56.32
E.						
37	Import L/C (Sight)					
38	Import L/C (Deferred)		157.33	117.64	143.64	60.23
39	Export		209.28	167.89	147.28	60.96
F. Shareholders' Information						
40	Dividend Paid to the Govt.		-	-	-	10
41	Net Assets Value Per Share (Taka)	316.58	475.57	476.8	477.56	463.8
42	Earning Per Share (Taka)	1.06	1.12	1.64	18.72	14.08
G.						
43	Net Operating Income to Assets	2.66	2.35%	2.54%	2.25%	1.99%
44	Cost of Fund	7.78%	8.13%	7.85%	8.25%	7.93%
45	Cost to Income Ratio	74.72%	91.50%	86.28%	79.61%	84.97%
46	Return On Assets (ROA)	0.10%	0.08%	0.11%	1.27%	0.97%
47	Return On Investment (ROI)	12.11%	6.12%	3.16%	8.60%	15.04%
48	Return On Equity (ROE)	0.34%	0.24%	0.34%	3.98%	3.04%
H.						
49	Number of Shareholders	100% Govt. owned				
50	Number of Zonal Offices	6	6	4	4	4
51	Number of Branch Offices	50	47	46	44	43
52	Number of Employees (Regular)	697	748	753	772	733

Sector-Wise Loan Portfolio Position As on 31 December, 2021

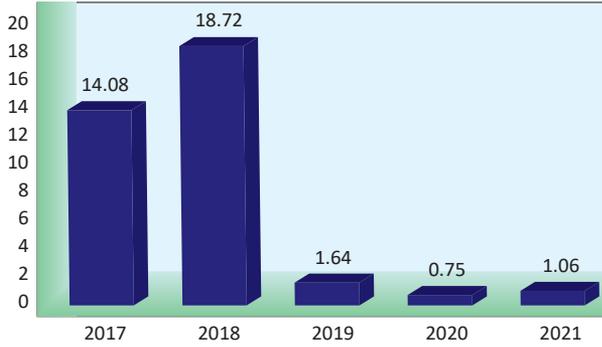
SL. No.	Particulars	No. of Projects	Outstanding			
			Not Due	Overdue	Total	% of Total
01.	Food & Allied Products	1529	210.79	277.27	439.58	18.21
02.	Jute & Allied Fibre Products	7	6.77	20.31	17.97	0.74
03.	Cotton, Woolen & Synthetic Textile	925	387.93	171.33	579.01	23.99
04.	Paper, Paper Products & Printing	57	4.86	11.28	11.06	0.46
05.	Tannery & Its Products	40	2.62	2.33	3.98	0.16
06.	Non-metallic Mineral Products	64	17.73	16.77	28.56	1.18
07.	Forest, Wood Products & Saw Mills	166	12.39	12.49	24.49	1.01
08.	Rubber & Rubber Products	13	0.95	1.55	1.87	0.08
09.	Metal Products	82	122.75	22.76	150.29	6.23
10.	Electrical Machinery & Goods	52	8.19	8.67	20.10	0.83
11.	Machinery & Spare Parts	53	3.94	2.21	6.14	0.25
12.	Water Transport	22	1.68	2.82	2.94	0.12
13.	Road Transport	12	1.91	7.98	6.47	0.27
14.	Chemicals & Pharmaceuticals	63	23.45	10.34	30.99	1.28
15.	Petro-Chemicals	20	11.31	1.23	13.14	0.54
16.	Service Industries	833	57.24	32.56	91.59	3.80
17.	Miscellaneous	9975	672.52	264.50	985.25	40.82
Total:		13913	1547.02	866.41	2413.43	100.00

Loan Portfolio in 2021 (In %)

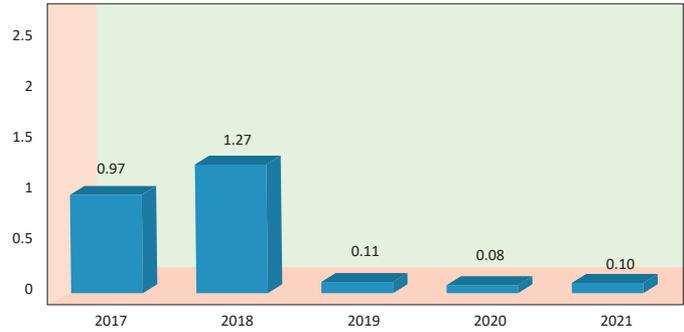


GRAPHICAL PRESENTATION OF KEY PERFORMANCE INDICATORS

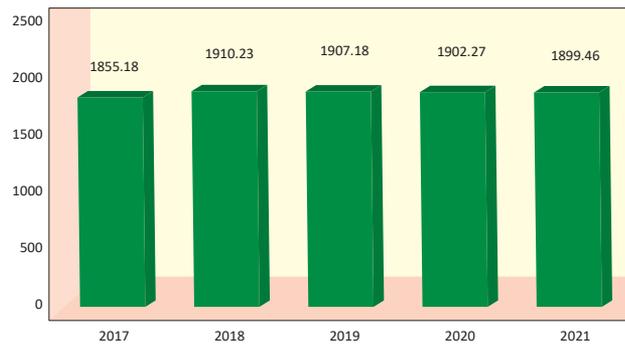
Earning Per Share (in Taka)



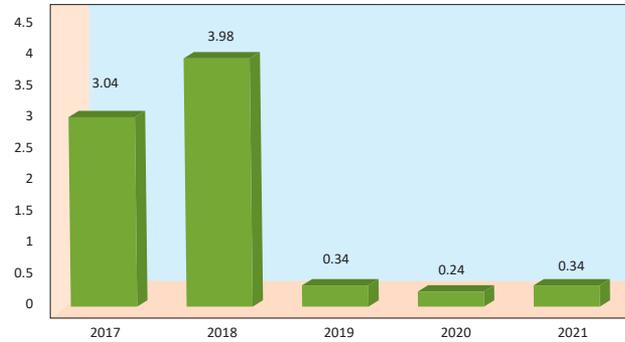
Return on Assets (In%)



Shareholders Equity (Tk. In Crore)

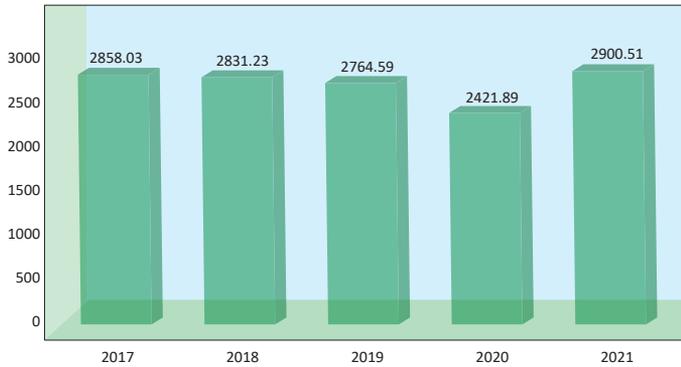


Return on Equity (In %)

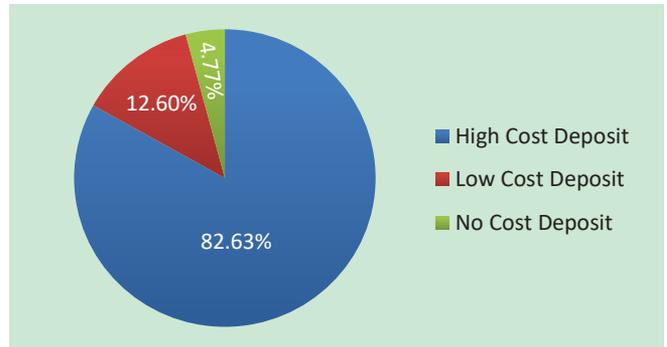


GRAPHICAL PRESENTATION OF OPERATIONAL AND FINANCIAL PERFORMANCE

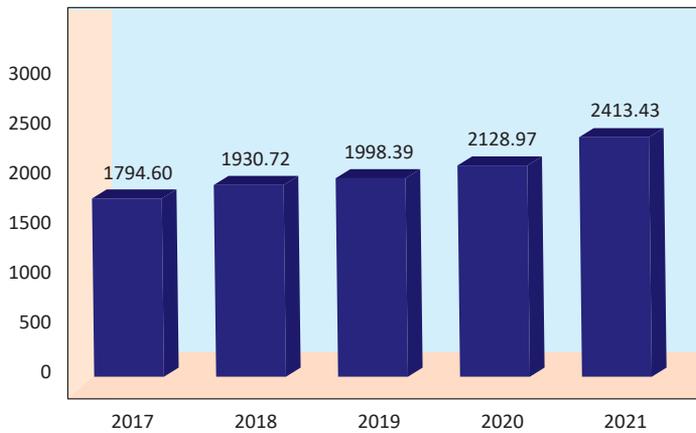
Deposit (Tk. In Crore)



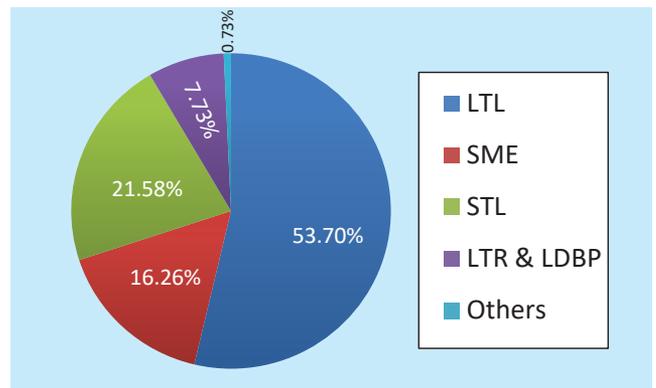
Deposit Mix in 2021 (In%)



Loans and Advances (Tk. In crore)

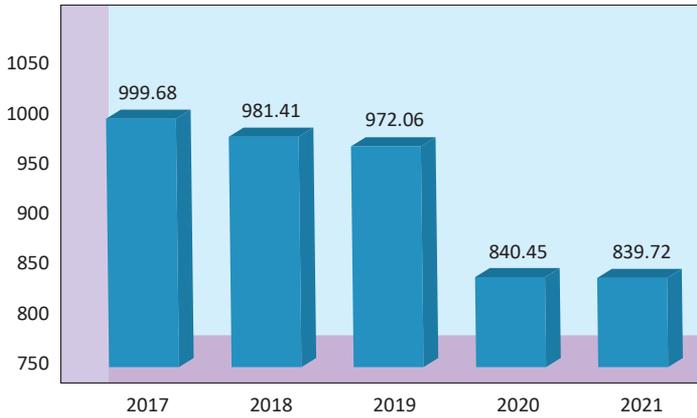


Loans and Advances Mix in 2021 (In%)

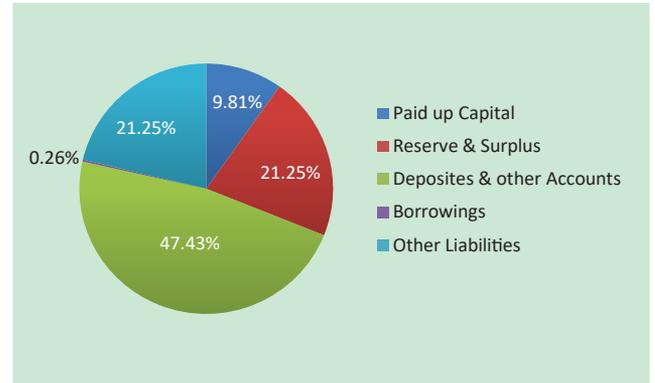


GRAPHICAL PRESENTATION OF OPERATIONAL AND FINANCIAL PERFORMANCE

Investment (Tk. In crore)



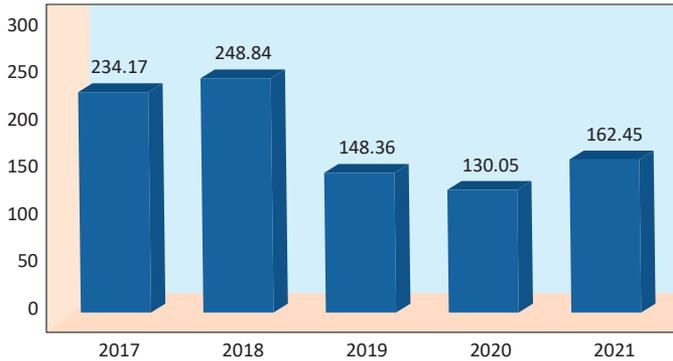
Sources of Fund in 2021 (in %)



Application of Fund in 2021 (in %)



Total Operating Income (Tk. in crore)

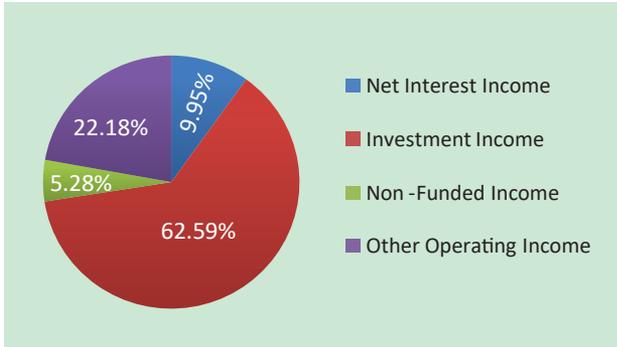


Total Operating Expenditure (Tk.in crore)

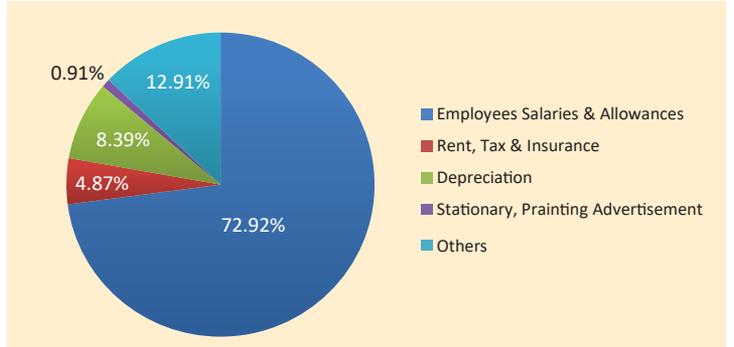


GRAPHICAL PRESENTATION OF OPERATIONAL AND FINANCIAL PERFORMANCE

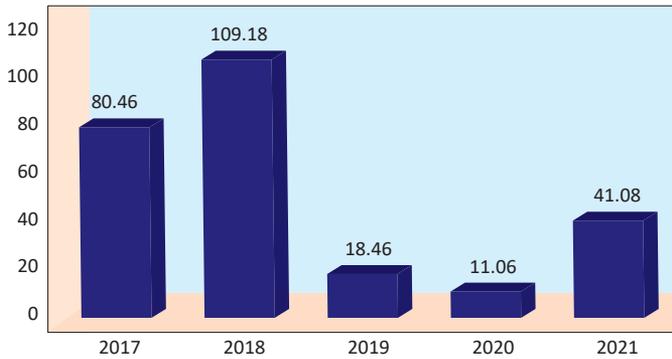
Composition of Operating Income in 2021 (In%)



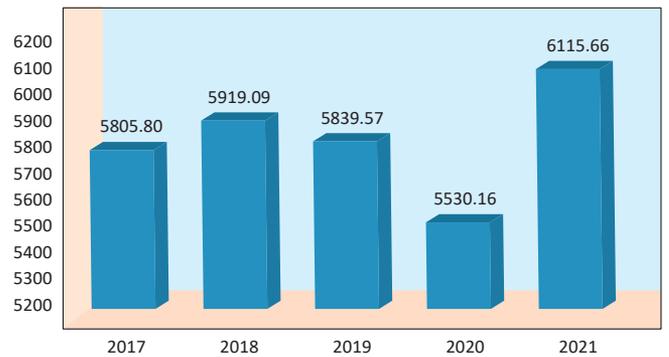
Composition of Operating Expenditure in 2021 (In %)



Trend of Operating Profit (Tk. In crore)



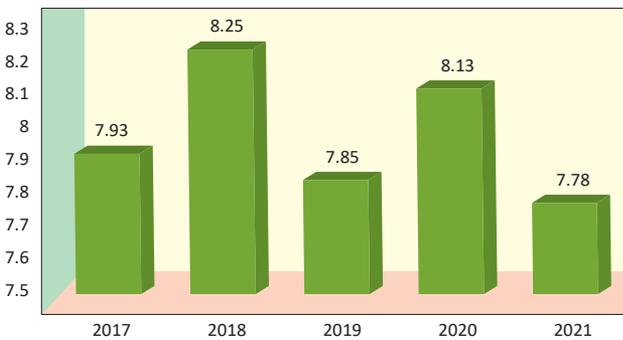
Total Assets (Tk. In crore)



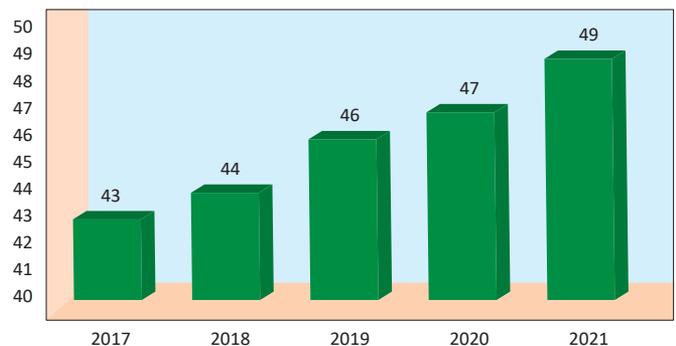
Capital to Risk Weighted Asset Ratio (CAR In %)



Cost of Fund (In %)



Branch Network



Shareholding Structure



As on 31 December, 2021

Shareholders of BDBL		No. of Shares	Amount (Taka)
The Government of the People's Republic of Bangladesh represented by : Senior Secretary, Finance Division, Ministry of Finance, Government of the People's Republic of Bangladesh.		5,99,99,994	5,99,99,99,400.00
Directors nominated by the Govt.			
1.	Shamima Nargis Chairman	1 (One)	100.00
2.	Md. Ekhlaur Rahman Director	1 (One)	100.00
3.	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
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.

As on December 31, 2021, the Bank’s Capital Adequacy Ratio (Basel-III) stood at 23.38% 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 2020 and 2021 were mentioned below:

Particulars	(Tk. in crore)	
	2021	2020
Total Risk Weighted Assets	5043.19	4620.50
Core Capital (Tier I)	1113.57	1044.60
Supplementary Capital (Tier II)	65.30	12.67
Total Capital	1178.87	1057.27
Required Capital	504.32	462.05
Required Capital with Conservation Buffer	630.40	577.56
Tier I Capital Adequacy Ratio	22.08 %	22.61 %
Tier II Capital Adequacy Ratio	1.30 %	0.27 %
Capital To Risk Weighted Assets Ratio (CRAR)	23.38 %	22.88 %
Capital Surplus	548.47	479.71

Report on Corporate Governance



Corporate Governance (CG) is the system of rules, practices, processes, set of laws, regulations and policies through which a corporation is directed, administered and controlled. There is no doubt that corporate governance plays an important role in economic growth and development. The governance of banks is of particular importance given their critical role in the financial system, channeling the public's savings and providing the main source of funding for business. The corporate governance structure specifies the rights and responsibilities and essentially involves balancing the interests of a company's many stakeholders involved and achievement of the goals for which the corporation is governed. The principal stakeholders are the shareholders, Board, management and employees. Other stakeholders include customers, creditors, suppliers, regulators and the community at large. Fairness, commitment to the organization, mutual respect, performance orientation, transparency, accountability and response ability are the accepted elements of good corporate governance. Corporate governance also provides the framework for attaining a company's objectives; it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

The purpose of good corporate governance is to help build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity, thereby supporting stronger growth and more inclusive societies. A sound banking system requires more prudential regulation and competitive banking environment. To be competitive banks must ensure corporate governance. In BDBL, corporate governance means increasing the stakeholders 'value by being efficient, transparent, professional and accountable to the organization, society and the environment. The Board of Directors plays a key role in corporate governance. It is their responsibility to endorse the organization's strategy, develop directional policies, appoint, supervise and remunerate senior executives and to ensure accountability of the organization to its owners and regulatory authorities.

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 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 consisted of 6 (Six) Directors including its 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 spends most of its time in formulating different policies and strategies in directing the BDBL towards a forward-looking bank. With this end, there held Board 13 meetings during January-December, 2021.

MANAGEMENT

The Managing Director & CEO and the Board of Directors are jointly responsible for the management of the bank. The Managing Director & CEO is responsible for the day-to-day operations and in this respect observes the policy and directions of the Board of Directors. The Managing Director & CEO implements this policy and directions through its line management.

BOARD COMMITTEE 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 it restricted banks to form three committees or sub-committees of the Board.

To ensure proper accountability and transparency through "due diligence", BDBL has 3 (three) Board committees 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 Board was last re-constituted in the 274th Board Meeting held on November 30, 2021, to provide 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.	Md. Ekhlasur 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

The Audit Committee of BDBL held 07 (Seven) meetings in the year 2021 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 improvement. 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) in the 274th Board Meeting held on November 30, 2021 comprising of the following Board of Directors:

1.	Shamima Nargis, Chairman	Chairman of the Committee
2.	Md Azizur Rahman, Director	Member
3.	Kazi Alamgir, Managing Director & CEO	Member

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

- Establish and periodically review the bank's overall credit and lending policies and procedures.
- Develop and implement uniform and minimum acceptable credit standards for the bank.
- Approve all revision, restructure and amendments made to the credit proposals initially approved by this Committee.

In 2021, 1 (One) meeting of EC was 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.	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

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 2021, 2 (Two) meetings of Board Risk Management Committee (BRMC) were held.

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

ASSET LIABILITY COMMITTEE (ALCO)

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	Chairman of the Committee
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 SME & General Advances Division	Member
8.	General Manager of Development Banking Division	Member
9.	General Manager of International Banking Division	Member
10.	Head of Risk Management Department	Member
11.	Head of Treasury 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.

Meetings of the Asset Liability Management Committee are 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	Chairman of the Committee
2.	Deputy Managing Director-2	Member
3.	General Managers of Administration Division, SME & General Advance Division, 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

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

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	Chairman of the Committee
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

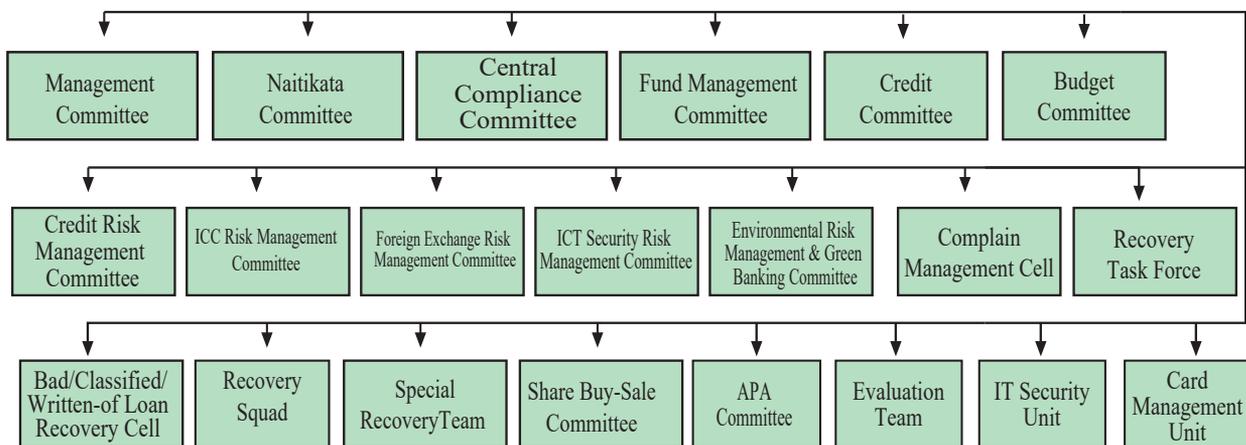
SUSTAINABLE FINANCE COMMITTEE (SFC)

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	Chairman of the Committee
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

MANAGEMENT COMMITTEE

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 committee entrusted with specific objectives. The composition of all these committee 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	Chairman of the Committee
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.)

The meetings of the MANCOM hold 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	Chairman of the Committee
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

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 to 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 included written policy and procedure and formed a Central Compliance Committee (CCC) with the following officials:-

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

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.

FUND MANAGEMENT COMMITTEE (FMCO)

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

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

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

Zonal Offices Credit Committee

1.	Head of Zonal Office	Chairman of the Committee
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	Chairman of the Committee
2.	Second 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.

BUDGET COMMITTEE (BC)

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

1.	Deputy Managing Director-1	Chairman of the Committee
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	Chairman of the Committee
2.	Department Head of SME Department	Member
3.	Department Head of General Advances Department	Member
4.	Department Head of Risk Management Department	Member
5.	Department Head of Loan Operation Department	Member
6.	Concerned SPO/PO of Loan Operation Department	Member Secretary

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	Chairman of the Committee
2.	Department Head of Human Resource Management Department	Member
3.	Department Head of Branch Management Department	Member
4.	Department Head of Audit & Inspection Department	Member
5.	Department Head of Compliance Department	Member
6.	Department Head of Risk Management Department	Member
7.	Concerned SPO/PO of Compliance Department	Member Secretary

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	Chairman of the Committee
2.	Department Head of Risk Management Department	Member
3.	Department Head of International Banking Department	Member
4.	Department Head of Treasury Department	Member
5.	Concerned SPO/PO of International Banking Department	Member Secretary

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	Chairman of the Committee
2.	Department Head of Compliance Department	Member
3.	Department Head of IT Operation Department	Member
4.	Department Head of Risk Management Department	Member
5.	Department Head of IT System Department	Member
6.	Concerned SPO/PO of IT System Department	Member Secretary

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

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

RECOVERY TASK FORCE (RTF)

A Recovery Task Force (RTF) was formed consisting of principle executives and other concerned officers for reviewing and expediting loan recovery activities. The members of the Committee were as follows:-

1.	Deputy Managing Director-2	Chairman of the Committee
2.	General Manager, Legal Affairs and Recovery Division	Member
3.	Manager, Principal Branch	Member
4.	Deputy General Manager, Loan Recovery Department	Member
5.	Deputy General Manager, Debt Collection Department	Member
6.	Deputy General Manager, Law Department	Member
7.	Deputy General Manager, General Advance Department	Member
8.	SPO/AGM of Loan Recovery Department	Member-Secretary

BAD/CLASSIFIED/WRITTEN-OFF LOAN RECOVERY CELL

The members of the BAD/CLASSIFIED/WRITTEN-OFF LOAN RECOVERY CELL were as follows:-

1.	General Manager, Legal Affairs and Recovery Division	Cell Chief
2.	Department Head, Branch Management Department	Member
3.	Department Head, SME Department	Member
4.	Department Head, Loan Operation Department	Member
5.	Department Head, MIS & Research Department	Member
6.	Department Head, Compliance Department	Member
7.	Department Head, General Advances Department	Member
8.	Department Head, Project Implementation Department	Member
9.	Department Head, Debt Collection Department	Member
10.	Department Head, Law Department	Member
11.	Branch Manager & General Manager, Principal Branch	Member
12.	Manager, Karwanbazar Branch	Member
13.	Manager, Motijheel Branch	Member
14.	Manager, Elephant Road Branch	Member
15.	Department Head, Loan Recovery Department	Member-Secretary

RECOVERY SQUAD

The members of the Squad were as follows:-

1.	Managing Director & CEO	Chairman of the Committee
2.	Deputy Managing Director	Vice Chairman
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

SPECIAL RECOVERY TEAM

A Special recovery team has been made for reducing classified loan of BDBL. The members of the Team were as follows:-

1.	Deputy Managing Director-2	Chairman of the Committee
2.	General Manager, Administration Division	Member
3.	General Manager, International Banking Division	Member
4.	General Manager, Branch Banking Division	Member
5.	Manager, Principal Branch	Member
6.	General Manager, Legal Affairs and Recovery Division	Member
7.	Department Head, General Advances Department	Member
8.	Department Head, Loan Recovery Department	Member
9.	Senior Principal Officer, Loan Recovery Department	Member-Secretary

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 clients as well as for doing the same for BDBL's own portfolio with the recommendations / instructions of the Committee. The members of the Committee were as follows:-

1.	Deputy Managing Director (Investment Banking Division)	Chairman of the Committee
2.	General Manager (Senior Most)	Member
3.	General Manager of Finance and Accounts Division	
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)	
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

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-1	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

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

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

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. Rokonzaman, Assistant General Manager, IT System Department	Head
2.	Raju Ahmend, Senior Principal Officer, IT System Department	Member
3.	Fariha Binta Rahman, Principal Officer, IT Operation Department	Member
4.	Md Nazrul Islam, Senior Officer (IT), IT System Department	Member
5.	Tanvir Ahmed Shawan, Senior Officer (IT), IT Operation Department	Member

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 2021.

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)	<p>Internal Control management: 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)	<p>Human Resources (HR) Management and Development: (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>	<p>Complied</p> <p>BDBL Board approves HR Policy from time-to-time and related works done accordingly</p>

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.	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: <ol style="list-style-type: none"> He has not been convicted by any Criminal Court of Law. He has not been punished for violating any rules, regulations or procedures/norms set by any regulatory authority. He has not associated with any such company/organization; registration or license of which has been cancelled. 	Complied
2.	Experience and Suitability: <ol style="list-style-type: none"> 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. 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. In respect of service, the concerned person should have excellent track record of performance. Satisfaction should be ensured that the concerned person was not dismissed from service when he was Chairman/Director/Official of any company. 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.	Transparency and Financial Integrity: Before making appointment as a CEO, satisfaction should be ensured to the effects that: <ol style="list-style-type: none"> The concerned person was not involved in any illegal activity while performing duties in his own or banking profession. 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. He is not a tax defaulter. He has never been adjudicated a bankrupt by the Court. 	Complied
4.	Age Limit: No person crossing the age of 65 years shall hold the post of CEO of a bank.	Complied
5.	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.	Complied
6.	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: <ol style="list-style-type: none"> 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 (NBFID); 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

HUMAN RESOURCES (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 a 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.

As on December 31, 2021, the total human resource were 697. Among these, officers working in different disciplines including staff position are mentioned below:

SL. No	Discipline	Numbers
1.	Lawyers	7
2.	Economists	23
3.	Engineers	45
4.	MBA / Financial Analysts	109
5.	Statisticians	15
6.	IT	24
7.	Others	354
8.	Staff	120
	Total	697

It is worth mentioning here that, among total human resource of BDBL 121 were female employees as on December 31, 2021 which is about 17.36%, showing a healthy picture of woman participation in corporate culture.

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 2021, the bank appointed officers in the following posts :-

SL. No	Post	Numbers
1.	Senior Officer	4
2.	Senior Officer (IT)	3
3.	Officer	6
4 .	Officer (cash)	5
	Total	18

PROMOTION

Promotion is the most effective way for reward and motivation as well as improvement of employee's skill and job satisfaction. In 2021, the bank gave promotion to 163 officers in different posts and grades shown below :

SL. No	Post	Numbers
1 .	General Manager	2
2 .	Deputy General Manager	15
3.	Deputy General Manager (PR)	0
4 .	Assistant General Manager	5
5 .	Senior Principal Officer	14
6 .	Principal Officer	105
7 .	Senior Officer	22
	Total	163

DEPARTURE

38 officers and staff in different grades went to Post Retirement Leave (PRL) during the period under review.

HEALTH FACILITY

The physical and mental well-being of the officers and staff 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. Besides, area-wise part time doctors were also appointed by the bank for general treatment.

RECREATION LEAVE

As banking job is a stressful job, employees in this sector need refreshment which will increase their integrity, regularity, responsibility and ability to work successfully. In the year 2021, total 206 employees of BDBL availed recreation leave.

EMPLOYEES' WELFARE

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 were as follows :-

- Advance facilities for house building ;
- Executive car loan, motorcycle loan and computer loan facilities ;
- 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.

PERSONNEL MANAGEMENT INFORMATION SYSTEM (PMIS)

BDBL introduced a web based real time Personnel Management Information System (PMIS) which contains all the basic and necessary information of employees. All Human Resource related functions will be conducted through using the database of PMIS.

DEVELOPMENT OF HUMAN RESOURCE

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 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. In 2021, 2091 officers were given training in various courses.

Directors' Report: 2021

Bangladesh Development Bank Limited (BDBL) Directors' Report briefly describes the Global and Domestic economic environment prevailing during the year 2021, with a view to enable understanding and appreciation of the intensely overall challenging macro-economic environment within which BDBL 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 BDBL during 2021, based on which business goals for 2022 have been formulated.

Directors' Report : 2021

The Board of Directors of Bangladesh Development Bank Limited (BDBL) avails this opportunity to extend a very warm welcome to you all to the 12th Annual General Meeting (AGM) of the bank and are pleased to present for your kind consideration the 12th Annual Report on the Performance of the Bank, together with the Audited Balance Sheet and Profit and Loss Account for the year ended 31 December 2021.

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 2021 has been provided with the objective of enabling a broad understanding of the then prevailing operating environment.

GLOBAL ECONOMIC SCENARIO

The global economies continue to recover, even as the pandemic resurges. The fault lines opened up by COVID-19 are looking more persistent, near-term divergences are expected to leave lasting imprint on medium-term performance. Vaccine access and early policy support are the principal drivers of the gaps.

The global economy was projected to grow 5.9 % in 2021 and 4.9 % in 2022, 1.0 % point lower for 2021 than in the July forecast. The downward revision for 2021 reflects a downgrade for advanced economies in part due to supply disruptions and for low-income developing countries, largely due to worsening pandemic dynamics. This is partially offset by stronger near-term prospects among some commodity-exporting emerging market and developing economies.

The threat of new variants has increased uncertainty about how quickly the pandemic can be overcome. Policy choices have become more difficult, with limited room to maneuver.

After rebounding to an estimated 5.5 % in 2021, global growth is expected to decelerate markedly in 2022 to 4.1 %, reflecting continued COVID-19 flare-ups according to World Bank, diminished fiscal support, and lingering supply bottlenecks.

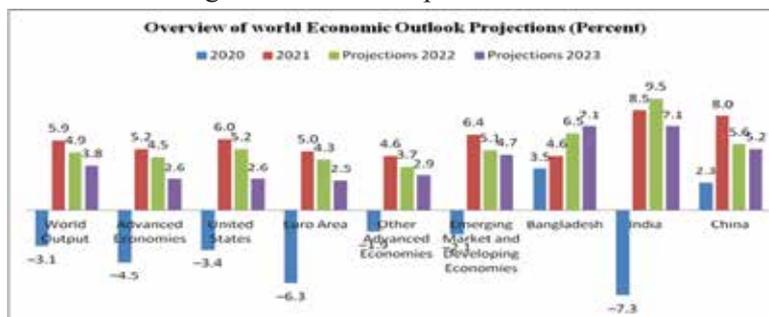
Although output and investment in advanced economies are projected to return to pre-pandemic trends next year, they will remain below in emerging market and developing economies (EMDEs), owing to lower vaccination rates, tighter fiscal and monetary policies, and more persistent scarring from the pandemic.

Various downside risks cloud the outlook, including simultaneous Covid-19 driven economic disruptions, further supply bottlenecks, a de-anchoring of inflation expectations, financial stress, climate-related disasters, and a weakening of long-term growth drivers.

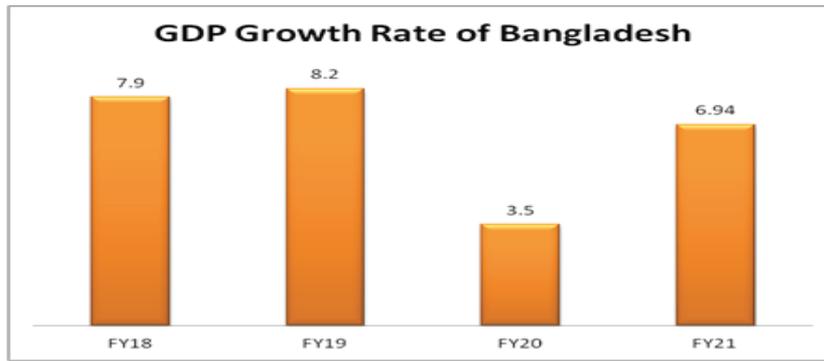
This underscores the importance of strengthening global cooperation to foster rapid and equitable vaccine distribution, calibrate health and economic policies, enhance debt sustainability in the poorest countries, and tackle the mounting costs of climate change.

The International Monetary Fund (IMF) had forecast 6.5% GDP growth for Bangladesh for the current fiscal year. The World Bank projected that Bangladesh's economy would grow at 6.4% in fiscal 2021-22 and 6.7 % in fiscal 2022-23 and the Asian Development Bank forecast that Bangladesh's GDP would expand by 6.9 % in FY22 and 7.1 % in FY23.

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



Source: World Economic Outlook Update, April, 2022.



Source: GDP of Bangladesh: Annual Report 2020-2021 of Bangladesh Bank.

GLOBAL INFLATION SCENARIO

Global Inflation has risen rapidly in advanced economies and emerging markets and developing economies since the beginning of 2021, driven by increasing demand, input shortage, and rapidly rising commodity prices. On the contrary, the low income countries have faced relatively stable inflation due to subdued demand. Core inflation the change in the prices of goods and services excluding food and energy has risen less than the headline inflation; although the core inflation rate is also picking up in the recent months. As per the latest World Economic Outlook, October 2021 of IMF, inflation forecasts for the advanced economies and emerging markets and developing economies for 2021 are 2.8 % and 5.5 % respectively which were 0.7 % and 5.1 % respectively in 2020.

WORLD TRADE VOLUME

The growth of World trade volume reduced drastically from a positive growth of 0.9 % in 2019 to -8.2 % in 2020 which was projected to rebound by 9.7 % in 2021 concentrated mostly in pandemic related purchases, consumer durables and medical equipment and rehabilitation efforts.

The growth of world trade volume may slightly decelerate to 6.7 % in 2022. The growth rate of imports for advanced economies declined sharply from 2.0 % in 2019 to -9.0 % in 2020. The import growth was expected to recover by 9.0 % in 2021 and further by 7.3 % in 2022.

A REVIEW OF BANGLADESH ECONOMY IN FY 2020-21

The economy of Bangladesh expanded 5.47 % in the fiscal year 2020-2021, following a revised 3.51 % growth in the previous period. In Bangladesh, services are the biggest sector of the economy and account for 52 % of total GDP. Within services the most important segments are: wholesale retail and trade; transport, storage and communication and real estate, renting and business activities (7 %). Industry accounts for almost 34 % of GDP with manufacturing and construction being the most important. The remaining 14 % is contributed by agriculture and forestry and fishing.

The estimated growth performance of the advanced economies, particularly with regard to the Euro Area and the USA has significant impact on Bangladesh economy since these two regions are the top most export destinations of Bangladesh's commodities. At the same time, anticipated strong performances of emerging markets and developing economies particularly related to India and China are also very crucial because of their geographical proximity and as leading sources of Bangladesh's imports for achieving reasonably high growth in Bangladesh economy.

Annual average inflation based on consumer price index (CPI) depicted an upward trend during the first four months of FY21. For the rest eight months of the financial year, the inflation rate maintained a declining trend.

As a result, the annual average headline inflation rate slightly declined to 5.56 % in June 2021 from 5.65 % in June 2020 but it was higher than the target (5.40 %) set in monetary policy due mainly to a rising trend of food inflation. In July 2020 average inflation marginally declined to 5.64 % and thereafter it started to gradually increase and reached to 5.77 % in October 2020 due mainly to disruption of supply chains from the devastating COVID-19.

However, with the substantial improvement of the pandemic situation of COVID-19, average inflation rate experienced a falling trend from November 2020 to June 2021. Total revenue-GDP ratio decreased to 10.7 % in FY21 which was 10.9 % in the original budget for FY21, but remained remarkably higher than 8.4 % in FY20.

Foreign exchange reserve reached a record high of USD 46.39 billion at the end of June 2021. The government’s 2.0 % cash incentive program and Bangladesh Bank’s initiatives of easing money transfer process along with the policy of stabilizing BDT against USD played pivotal role in augmenting remittance inflows (36.1 % growth) in FY21.

Measured at current market prices, the GDP of Bangladesh is estimated at BDT 35,301.85 billion for FY21 which is about 11.35 % higher compared to the preceding year. In FY21, per capita real GDP and GNI are estimated at BDT 167,579.94 and BDT 176,400.54 respectively. However, per capita real GDP growth in FY21 was 5.86 % which was almost double compared to the growth of FY20. During the same period, per capita nominal GDP and GNI were estimated at BDT 208,751 (USD 2462) and BDT 219,738 (USD 2591) respectively.

In FY21, foreign exchange market remained relatively stable due to Bangladesh Bank’s active intervention through the sale and purchase of USD in the foreign exchange market. For this purpose, BB sold USD 235 million, while purchased USD 7,937 million during FY21. Consequently, annual average exchange rate stood at BDT 84.81 per USD in June 2021, slightly higher than BDT 84.78 per USD in June 2020 indicating stability in nominal exchange rate.

Broad money (M2), reserve money and domestic credit were programmed to be within 15.0 %, 13.5 % and 17.4 % respectively in FY21. Broad money grew by 13.6 % against the target ceiling mentioned above. Although actual NFA growth outpaced the program path, NDA remained below the programmed level. NDA growth stood much lower at 9.7 % than that of 13.4 % of the previous year and also 13.6 % of programmed growth due mainly to slow growth of credit to both public and private sectors.

Private sector credit grew by 8.4 % against the targeted growth of 14.8 % in FY21. The public sector credit including net credit to the government grew by 21.2 % against the programmed growth of 31.7 % due mainly to larger than planned government borrowing (net) from the non-banking system, particularly from the national saving certificates. However, domestic credit grew moderately by 10.3 % against the targeted 17.4 % in FY21.



SECTORAL GROWTH PERFORMANCE:

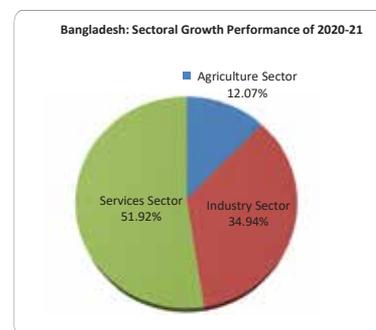
Agriculture Sector

Contribution of agriculture sector to GDP has gradually been declining and shifting towards services and industry sectors as per development paradigm, especially after 1980s. The share of agriculture slightly went down from 12.52 % in FY20 to 12.07 % in FY21. Out of this sector, the share of all subsectors of agriculture, forestry and fishing, crops and horticulture; fishing; animal farming; and forest and related services to GDP slowed-down from 5.96, 2.71, 2.06 and 1.78 % respectively in FY20 to 5.70, 2.64, 1.98 and 1.75 % respectively in FY21

The contribution of the industry sector to GDP increased from 34.94 % in FY20 to 36.01 % in FY21. Among the subsectors of industry, the shares of manufacturing; electricity, gas, steam and air conditioning supply; and construction increased slightly from 22.40, 1.22 and 9.31 % in FY20 to 23.36, 1.25 and 9.40 % in FY21.

Services Sector:

The services sector' share in GDP stood at 51.92 % in FY21 which was 52.54 % in the preceding year. Among the subsectors of service, the shares of transport and storage; public administration and defense; financial and insurance activities; education; real estate activities; accommodation and food service activities; administrative and support service activities; arts, entertainment and recreation; and other service activities marginally went down from 7.65, 3.56, 3.26, 2.71, 8.68; 1.12, 0.74; 0.15 and 5.03 % respectively in FY20 to 7.44, 3.52, 3.22, 2.68, 8.39; 1.09, 0.73; 0.14 and 4.85 % respectively in FY21.



Source: Bangladesh Bank's Annual Report, FY 2020-21.

OTHER MACRO ECONOMIC INDICATORS:

Savings:

Gross national savings 0.63% of GDP decreased to 30.79 % in FY21 from 31.42 % in FY20. However, domestic savings of GDP decreased by 174 basis points to 25.34 % during the same period. Gross domestic savings and investment at current market price grew by 4.21 % and 10.32 % respectively resulting in an increase of domestic savings investment gap as % of GDP to -5.68 % in FY21 from -4.23 % in FY20.

Investment:

Total investment in FY21 as a percentage of GDP decreased to 31.02 from 31.31 % in FY20. During the same period, the ratios of public investment to GDP stood at 7.32 % registering a 3 basis points increase and private investment to GDP decreased to 23.70 % from 24.02 %.

Price Developments:

During the first four months of FY21, twelve-month average CPI inflation experienced an upward trend and reached to 5.77 % in October 2020. Afterwards it started to decrease gradually and came down to 5.56 % in June 2021, which was lower than 5.65 % in June 2020.

Import:

Imports were USD 60,681 million in FY21 against the USD 50,690 million in FY20. As a result, the trade deficit widened and was recorded at USD 22,799 million in FY21, which was USD 17,858 million in FY20. However, supported by a record highest inflow of workers' remittances current account balance narrowed down and stood at USD (-)3,808 million in FY21 which was USD (-) 4,724 million in FY20. Workers' remittances inflow grew significantly by 36.1 % and stood at USD 24,778 million in FY21, which was USD 18,205 million in FY20. In FY21, there was a huge improvement in overall balance of payments which stood surplus at USD 9,274 million much higher than FY20's surplus of USD 3,169 million. This surplus was mainly attributable to the higher inflow of trade credit as well as other long term and short-term loans (net) along with a relatively small current account deficit supported by a very higher inward remittances growth.

Export:

Export Promotion Bureau (EPB) data, FY21 record export earnings increased by 15.1 %, while in the preceding year export earnings shrunk by 16.9 %. Export as percentage of GDP marginally decreased to 9.4 % in FY21 compared with 10.4 % in FY20. In FY21, almost all exports items experienced remarkable growth except shrimp, other frozen and live fish, vegetables, petroleum bi-products, and ships, boats and floating structures, while these items experienced negative growth during the period under review.

Workers' Remittances:

The overall balance of payment in FY21 witnessed a healthy surplus, supported by a relatively low current account deficit due mainly to record high inward remittances from the Bangladeshi nationals working in abroad. Remittance receipts increased by 36.10 % to USD 24,777.71 million in FY21 from USD 18,205.01 million in FY20.

Foreign Aid:

Total official foreign aid receipts decreased by 2.30 % and stood at USD 7,212.13 million in FY21 from USD 7,381.71 million in FY20 (Table 11.04). During FY21, total foreign aid commitment was USD 9,349.90 million. There was no food aid disbursement in FY21 against the disbursement of USD 10.71 million in FY20. The disbursement of project aid stood at USD 7,212.13 million in FY21 which was USD 7,371.00 million in FY20.

Foreign Exchange Reserves:

A foreign exchange reserve is another significant resource for stabilizing foreign exchange market. Foreign exchange reserves are the foreign assets held or controlled by the central banks. Bangladesh Bank's gross foreign reserves comprises of major currencies (G-7), gold and Special Drawing Rights (SDR). The reserves are generally used to finance the balance of payments related obligations or to control exchange rates. It is an important indicator for gauging an economy's ability to absorb external shocks.

At the beginning of FY21 Bangladesh Bank foreign exchange reserves stood at USD 37.29 billion which reached to a historical high of USD 46.39 billion at the end of June 2021.

Source: Bangladesh Bank's Annual Report, FY 2020-21

NEAR- AND MEDIUM-TERM OUTLOOK FOR BANGLADESH ECONOMY:

The overall macroeconomic performances and prospects of the world economy immensely depends 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.

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.

After recent rebasing from the fiscal year 2005-06 (FY06) to FY16, BBS has calculated real Gross Domestic Product (GDP) growth rate at 6.94 per cent for FY21, which was 3.45 per cent in FY20.

After being severely affected by Covid-19 pandemic in the fiscal year FY20, the economy of Bangladesh showed nascent signs of recovery backed by reopening of factories, rebound in exports, strong remittance inflows and robustness in service sector over the first three quarters of FY21. The livelihood of people was restored gradually along with improvement of food security in poor and slum areas. Considering the gradual recovery of the ongoing pandemic situation, the government has set a target of real GDP growth at 7.2% for FY22. This growth outlook is underpinned by how fast mass vaccination as well as strong recovery process can be achieved.

However, during the last quarter of FY21, the economy of Bangladesh further revolved around the unpleasant outcome of Covid-19, when economic activities were badly disrupted as consequence of back-to-back restrictions announced by the government. Nevertheless, the Covid-19 management program at the national level emerged as a key driving force underpinning recovery of Bangladesh economy in near term.

Despite slowdown of growth due to severe impact of Covid-19, the economy of Bangladesh steadily recovered over FY21. The government took some prudential measures to put the economy on the growth track. The growth of export-oriented industries and service sector was higher compared with that of the same period of the preceding financial year. The government's stimulus and social safety packages contributed to the early recovery and was considered as the dominant factor to keep the economy alive in the upcoming periods. The scenario of industrial sector, especially apparel production, has also improved because of the re-installation of earlier suspended international orders and new orders to come in the first half of FY21 and in the first quarter of FY22.

Relying on the ongoing global Covid-19 containment and economic recovery measures, many international organizations including the World Bank, IMF and ADB have already upgraded their growth forecasts for the World economies including Bangladesh in their latest economic updates. The recent sectoral trends suggest that the government's real GDP target for FY22 can be achieved subject to improving the Covid-19 situation with no major external or internal shocks.

The average inflation rate came down to 5.56 per cent in FY21 from 5.65 per cent in FY20 because of restrained pressure from demand side, moderate agricultural production along with coordinated fiscal and monetary policies. However, the targeted ceiling of average inflation rate was 5.4 per cent for FY21 which was not met because of upward inflationary pressure of food components. In this backdrop, the government has adopted several necessary steps to increase food stock from domestic and international sources. Accordingly, the government has set the target of average inflation rate for FY22 at 5.3%. However, excess liquidity stemming from the stimulus packages may engender inflationary bubbles in the upcoming months where strong vigilance will be required.

Bangladesh Bank has announced its monetary policy stance (MPS) for FY22. The stance is essentially expansionary and accommodative for all growth supportive needs while ensuring inflation target as well. The prime objectives of the MPS FY22 are to support investment and employment generating activities and create enabling conditions for the businesses to normalize production and supply chains. The MPS undertakes a strategy to provide adequate financial support to the priority sectors and to ensure required funds in the system through various policy options.

To mitigate the impact of the Covid-19 pandemic and to ensure safety of the mass people, Bangladesh began to administer Covid-19 vaccination since January 2021. As per latest available information of the Directorate General of Health Services (DGHS) of Bangladesh, more than 42 million people got at least two doses of vaccines up to 10 December 2021. The government kept working on the ongoing mass vaccination program to bring the whole population in vaccinated zone by June 2022. There have been signs of visible improvement in terms of management of the pandemic and economic recovery. However, the rapid mutation of the Corona virus is still posing serious risk to a complete recovery.

BANGLADESH 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 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.
- Reach Upper middle-income country status by FY 2031 and High-income by 2041.
- Industrialization with export-oriented manufacturing focus 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:

The Financial system of a country comprises of a broad range of industries including banks, investment companies, insurance companies, and real estate firms. Banking Sector is termed as the engine of growth of an economy, serving the multifarious financial transactional needs of the organization of all description and the Retail customers in the Economy.

With the view of enhancing the role of the banking sector in the growth and development of the economy, the Government including the Central Bank introduces policies and regulations to maintain strong discipline in the banking business activities.

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 BB, second wave of the pandemic hit again during 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 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. These include but is 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. The weighted average lending rate declined to 7.33 % in June 2021 from 7.95 % in June 2020. The weighted average deposit rate also came down to 4.13 % in June 2021 from 5.06 % in June 2020.

Banks are now operating almost all of their lending activities well below the 9.0 % interest rates cap and the existing lower trajectory of lending interest rates along with robust growth in deposits can be helpful for enhancing the private investment and economic provides loans & advances for industries and export-import businesses which add values to the economy. As on June, 2021, there were 61 scheduled banks in Bangladesh.

Structure of Bangladesh banking system in tabular form which includes bank types, number of banks and number of branches and their Assets and Deposits Shares as on 30 June 2021 appears in the table below:

(BDT in billion)

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 (SOCBs)	6	3798	4616.7	25.1	3570.2	25.9
Specialized banks (SDBs)	3	1492	401.0	2.1	350.6	2.5
Private commercial banks (PCBs)	43	5395	12378.7	67.3	9287.0	67.3
Foreign commercial banks (FCBs)	9	67	1009.6	5.5	590.1	4.3
Total	61	10752	18406.0	100.0	13797.90	100.0

REVIEW OF BDBL'S BUSINESS STRATEGY AND OPERATIONS DURING 2021:

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, BDBL 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.

BDBL 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, BDBL 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 2021 was extremely challenging as it relates to banking business activities, particularly due to the fallout from the ongoing pandemic. However, in order to face this challenging situation, the Board of Directors of BDBL undertook various initiatives leading to policy flexibility. Further, amendment of BDBL's Foreign Exchange Manual-2021 for enhancing LC activities, Credit Policy-2022, CMSME Credit Policy-2022, Audit 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, BDBL has opened a new monitoring department as well as new branches in commercially and geographically important places of the country. With the addition of 2 new branch in 2021, 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 2021, 697 employees (officers: 577 & Staff:120) were working for the bank. Included in the workforce were 121 female employees which is 17.36 % of total employees.

CAPACITY DEVELOPMENT:

BDBL 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. BDBL 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 "Digital Bangladesh" program for technological development initiative, the BDBL has undertaken an action plan to automate all possible banking activities and introduce new Digital Service to serve the client.

Since 01 July 2015, Bank serves the customer with Core Banking Solution (CBS) platform adhering to the guidelines of Bangladesh Bank. All our branches are, therefore 'real-time online'.

IN line with 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 BDBL. 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 are given to clients through Authorized Dealer (AD) branches by bank's own SWIFT.

The bank has established a corporate e-mail service/system in its own domain "bdbl.com.bd" for all officers. BDBL also has implemented an HR payroll Management System and performed the activity of centralized payroll processing.

Bank has implemented the Module for Loan Classification report from CBS which provides crucial information about borrower loan status. Moreover, the bank is generating CIB reports using CBS, which provides distinct information for the regulator.

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

BDBL has introduced the below services for the customer:

- i. e-KYC: It provides the opportunity for the new customer to open an account using the National ID from home by using smartphone or computer.
- ii. Debit Card: An account holder of BDBL can avail of the opportunity of a 24/7 banking transaction facility using a Debit Card.
- iii. Internet Banking: 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.
- iv. Mobile App: Account holder of BDBL can avail the services 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 BDBL Debit Card.
- vi. A-Challan System: BDBL has started collecting Treasury Challan on behalf of the Bangladesh Government.
- vii. National Savings Schemes (Sanchayapatra): Customers can avail Sanchayapatra purchase facility from BDBL on behalf of the Department of Savings, Bangladesh Government.

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, Emerging Credit Rating Limited had been assigned to rate the bank and accordingly they have graded the BDBL on the basis of Bank's Audited Financial Statements 2021, and also provided additional qualitative and quantitative information. The latest rating was as follows:

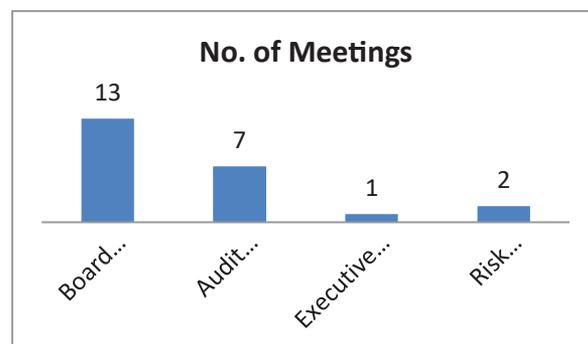
Date of declaration	Valid till	Rating mode	Long Term Rating	Short Term Rating	Outlook
28 June, 2022	30 July, 2023	Government Support	AAA	ST-1	Stable
		Without Government Support	A-	ST-3	Stable

Rating	Meaning
AAA	Indicates Exceptionally Strong Capacity
A-	Indicates Strong Capacity
ST-1	Indicates Superior Capacity
ST-3	Indicates Adequate Capacity
Stable	Means Rating is likely to remain unchanged

CORPORATE GOVERNANCE:

BDBL 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, BDBL has four high powered Board committees. The committee nomenclature and the number of meetings held in 2021 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 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.

BDBL 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 meet the senior management periodically (7 meetings held in 2021) to discuss the effectiveness of the internal control system of the bank and ensure 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, BDBL 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 BDBL Head Office. Reasonable complaints of customers are instantly met with due seriousness. BDBL 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 emerged as 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. BDBL has established an appropriate and effective internal control environment to ensure that the bank is managed and controlled in a sound and prudent manner.

BDBL with the approval of Board of Directors and competent authorities, has established 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

The BDBL Executive Risk Management Committee (ERMC) 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 of 10 (ten) members and headed by the Chief Risk Officer (CRO) of the bank.

BDBL has an exclusive body called Supervisory Review Process (SRP) team of which RMD 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 also has a high-powered Board Risk Management Committee (BRMC), comprising of five members of the Board of Directors as per directives of the Bangladesh Bank. BRMC reviews risk management policies and monitors the overall risk management system of the bank and updates the Board of Directors periodically. 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 BDBL prepares quarterly ‘Stress Testing Report’ to assess Capital to Risk Weighted Asset Ratio (CRAR) of the bank considering specific shock factors and shock levels. RMD 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.

RMD, under direct supervision of SRP team, prepares ‘Internal Capital Adequacy Assessment Process (ICAAP) Report’ for assessing the bank’s overall capital adequacy. BDBL 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 BDBL in 2021 was on maintaining the risk profile in line with its strategy, strengthening its capital base and supporting the strategic goals.

BDBL 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. Internal Credit Risk Rating System (ICRRS) Guideline; 4. Risk Appetite Statement; 5. 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 determination. Credit concentration analysis
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.	1. Asset Liability Risk Management Manual & Checklist; 2. Liquidity Contingency Plan; 3. ICAAP Manual & Checklist; 4. Stress Testing Report	<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.	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 sessions/workshops for developing awareness and skill.

Risk Types	Definition of Risks	Governing Documents	Summary of Mitigation Activities
Internal Control and Compliance Risk	Risk arising from errors and fraud due to regulatory failure of Internal Control and Compliance.	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.	1. ICT Security Policy; 2. Data Backup & Recovery Policy; 3. Business Continuity Plan; 4. Disaster Recovery Plan	<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:

BDBL 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, BDBL 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 BDBL 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 2021 was Tk. 2,900.51 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 13.36% to Tk. 2413.43 crore in 2021 over Tk. 2128.97 crore in 2020.

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 eligible citizens, the SME Department of the bank was entrusted with the following tasks:

- To emphasize on 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 has signed the following 4 (Four) refinancing agreements with Bangladesh Bank:

- Refinance Scheme: Working capital loan/investment supporting Covid-19 affected CMSMEs.
- Refinance Scheme: Small Enterprise.
- Refinance Scheme: Setting Up Agro-based products processing industries in Rural Areas.
- Refinance scheme: New Entrepreneurs in Cottage, Micro and Small Enterprise Sector.

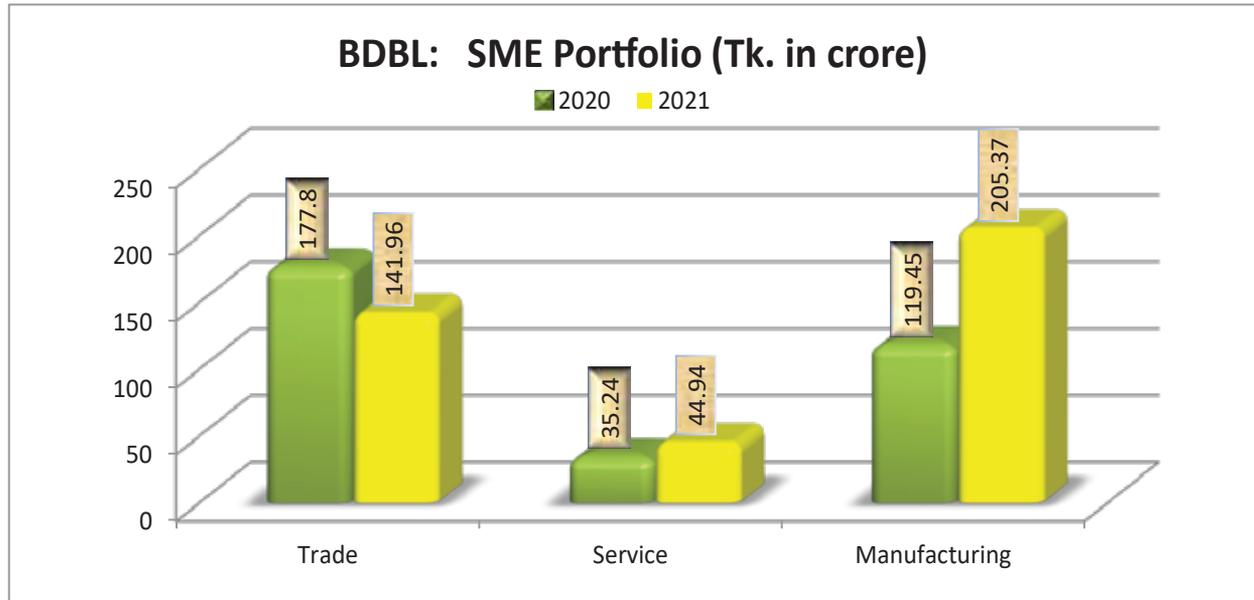
The bank took several initiatives for enhancing and accelerating CMSME loan portfolio:

- Loan approval authority fixation for sanctioning of CMSME loans at Branch Manager, Zonal Manager and at Head Office Executives levels.
- Target Fixation as per SMESPD Circular No.-2, dated 05-09-2019;
- For selecting CMSME Projects, a list based on divisions area, sectors and clusters was prepared and sent to all branches and zonal offices;
- One Focal Officer nominated in each branch and zonal office as well as in SME department at the Head Office;
- Setting 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 branches, and zonal offices and Head Office as per instruction of Bangladesh Bank;
- Preparation of CMSME Manual containing rules, regulations and other related up-to-date information;
- Creation of Database including those of Women Entrepreneurs and reporting as per Software provided by Bangladesh Bank;
- 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 in Bangladesh Bank CMSME quarterly meetings for achievement and implementing the instructions provided by Bangladesh Bank.

SME Portfolio Position:

The portfolio position of SME loan as on 31-12-2020 and 31-12-2021 are shown in the graph.



BDBL SME Term Loan Tk. 295.84 crore and SME (CC) Loan Tk. 96.53 crore.

Green Financing:

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 Tk. 1.66 crore in 2021.

Foreign Exchange and International Trade Financing:

BDBL 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 LTR facility, Acceptance of Bill, etc. BDBL also provides 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 also engaging in treasury activities.

Foreign Trade Financing & Foreign Exchange Business:

BDBL extends all sorts of foreign trade related business facilities.