



INFORMATION FOR STAKEHOLDERS

Notice of the 15th Annual General Meeting



বাংলাদেশ ডেভেলপমেন্ট ব্যাংক পিএলসি.
BANGLADESH DEVELOPMENT BANK PLC.
(A State Owned Commercial Bank)

বোর্ড ডিভিশন

নং-০৫.১.৩/৭৮০ (ক)

শ্রাবণ ৭, ১৪৩২
জুলাই ২২, ২০২৫

পরিপত্র

বিষয়: বাংলাদেশ ডেভেলপমেন্ট ব্যাংক পিএলসি-এর শেয়ারহোল্ডারদের ১৫তম বার্ষিক সাধারণ সভা।

সকলের অবগতির জন্য জানানো যাচ্ছে যে, বাংলাদেশ ডেভেলপমেন্ট ব্যাংক পিএলসি-এর শেয়ারহোল্ডারদের ১৫তম বার্ষিক সাধারণ সভা আগামী ৩১ জুলাই, ২০২৫/ ১৬ শ্রাবণ, ১৪৩২ তারিখ, বৃহস্পতিবার বেলা ১২:০০ ঘটিকায় ব্যাংকের প্রধান কার্যালয় (লেভেল-৩), ৮, রাজউক এডিনিউ, ঢাকায় অনুষ্ঠিত হবে।

পরিচালনা পর্ষদের আদেশক্রমে,

স্বাঃ/-

(কামাল উদ্দিন আহমেদ মোল্লা)

কোম্পানী সচিব

ফোন-০২২২৩৩৫০৫২৭

সেল-০১৭১৫০৫০০৭৭

অনুলিপিঃ

- (১) সকল ডিপার্টমেন্ট হেড, বাংলাদেশ ডেভেলপমেন্ট ব্যাংক পিএলসি, হেড অফিস, ঢাকা।
- (২) সকল জোনাল ম্যানেজার, বাংলাদেশ ডেভেলপমেন্ট ব্যাংক পিএলসি।
- (৩) সকল জেনারেল ম্যানেজার, বাংলাদেশ ডেভেলপমেন্ট ব্যাংক পিএলসি, হেড অফিস, ঢাকা।
- (৪) ডেপুটি ম্যানেজিং ডিরেক্টর মহোদয়গণের অফিস, বাংলাদেশ ডেভেলপমেন্ট ব্যাংক পিএলসি, হেড অফিস, ঢাকা।
- (৫) ব্যবস্থাপনা পরিচালক ও সিইও মহোদয়ের অফিস, বাংলাদেশ ডেভেলপমেন্ট ব্যাংক পিএলসি, হেড অফিস, ঢাকা।
- (৬) চেয়ারম্যান মহোদয়ের অফিস, বাংলাদেশ ডেভেলপমেন্ট ব্যাংক পিএলসি, হেড অফিস, ঢাকা।

কোম্পানী সচিব

General Information for Stakeholders

Stakeholders of Bangladesh Development Bank PLC.

The primary motto of Bangladesh Development Bank PLC. is sustainable banking, which aims to create long-term resilient and sustainable economic, social, and environmental values through a green, responsible, and inclusive strategy, utilizing resources transparently and efficiently. Sustainability reporting enables the bank to effectively communicate and engage with its stakeholders. Our key stakeholders include investors, customers, employees, suppliers, communities, and the environment as a whole. Therefore, we prioritize understanding stakeholders' financial needs and objectives when designing products or services. Simultaneously, we ensure that these offerings generate positive outcomes for society and the environment. We strive to be a responsible business partner by prioritizing ethical conduct, integrity, and protecting their interests.

Financial Highlights

BDT in crore

Particulars	2024	2023	Change
Deposit	2753.06	3053.56	-9.84%
Loans & Advances	2554.95	2657.11	-3.84%
Operating Profit	27.59	25.55	7.98%
Profit after Tax & Provision	5.58	10.20	-45.29%
Earnings per share (EPS) in Tk.	0.93	1.7	-45.29%
Capital Adequacy Ratio (CRAR)	22.38%	22.56%	-0.80%
Number of Branches	50	50	0.00%
Number of Employees	611	651	-6.14%

Shareholding Structure (As of 30.06.2025)

Shareholders of Bangladesh Development Bank PLC.	No. of Shares	Amount (Taka)
The Government of the People's Republic of Bangladesh represented by: Secretary, Finance Division, Ministry of Finance.	5,99,99,992	5,99,99,99,200.00
Directors Nominated by the Govt.		
1. Mr. Ahmed Ismet, Chairman	1 (One)	100.00
2. Mr. K.M. Tariqul Islam, Director	1 (One)	100.00
3. Mr. Md. Abdul Mojid, Director	1 (One)	100.00
4. Mr. Md. Shah Alam, Director	1 (One)	100.00
5. Mr. Sultan Mahmud Bin Zulfiqar, Director	1 (One)	100.00
6. Mr. Shah Alam Mia, Director	1 (One)	100.00
7. Ms. Mahbubun Nahar, Director	1 (One)	100.00
8. Mr. Md. Chaynul Haque, Director	1 (One)	100.00
Total	6,00,00,000	6,000,000,000.00

Stakeholders' Inclusiveness and Engagement

Government and other Regulators:

Ministry of Finance, Bangladesh Bank, National Board of Revenue, BSEC, ICAB, ICMAB, Comptroller of Auditor General of Bangladesh, External Auditors, All Business Chambers

Customers:

Retail Customers, Rural Credit Customers, SME and Corporate Client, Remittance Customers, Importers & Exporters

Shareholders:

Government of the People's Republic of Bangladesh

Employees:

Permanent Staffs, Contractual Staff, Management Trainees & Interns, Outsourced Staffs

Suppliers and Service Providers:

Correspondent Banks, Foreign Remittance Agent, Land lord of Leased Premises, Suppliers of Fixed Assets, Maintenance and Security Service Provider

Community:

Professionals and Self- Employers, Civil Society, Students, Different Communities.

Five-Year Performance: At a Glance

BDT in crore (unless mentioned otherwise)

SL.	Particulars	2024	2023	2022	2021	2020
1.	Authorized Capital	1000.00	1000.00	1000.00	1000.00	1000.00
2.	Paid up Capital	600.00	600.00	600.00	600.00	400.00
3.	Statutory Reserve	280.05	276.60	271.49	266.49	261.46
4.	Retained Earnings	62.82	61.09	58.10	46.06	44.77
5.	Other Reserve	966.43	973.98	981.01	986.91	1196.04
6.	Total Equity	1909.30	1911.67	1910.60	1899.46	1902.27
7.	Capital Required (As per Basel III)	612.06	622.13	607.53	630.40	577.56
8.	Capital Maintained or Eligible Capital (As per Basel III)	1003.21	1102.33	1124.06	1178.87	1057.30
9.	Core Capital (Tier- I)	997.07	1087.02	1101.81	1113.57	1044.60
10.	Supplementary Capital (Tier- II)	6.14	15.31	22.25	65.30	12.67
11.	Capital Surplus (As per Basel III)	391.15	480.20	516.53	548.47	479.71
12.	Total Risk Weighted Assets (Basel III)	4482.39	4885.31	4860.25	5043.19	4620.5
13.	Capital Adequacy Ratio (Basel III)	22.38%	22.56%	23.13%	23.38%	22.88%
14.	Deposits (including Bills Payable)	2753.06	3053.56	2914.50	2900.51	2421.89
15.	Investments	1247.11	1137.18	869.84	839.72	840.45
16.	Loans & Advances	2554.95	2657.11	2479.66	2413.43	2128.97
17.	Fixed Assets	740.89	751.34	765.74	779.78	775.48
18.	Total Assets	5989.69	6350.43	6096.86	6115.66	5530.2
19.	Advances to Deposit Ratio (ADR)	85.23%	83.62%	84.46%	82.66%	87.91%
20.	Classified Loans & Advances (CL)	1055.22	993.41	1025.90	742.62	596.26
21.	% of Classified Loans & Advances	41.30%	37.39%	41.37%	30.77%	28.01%
22.	Required Provision	320.04	361.37	387.80	406.14	389.75
23.	Provision Maintained	301.58	382.71	388.63	406.16	389.75
24.	Surplus/(Deficit) of Loan Provision	(18.46)	21.35	0.83	0.02	0.00
25.	Amount of Written of Loan	1412.61	1326.96	1520.42	1538.09	1544.78
26.	Interest Income	230.65	225.67	196.17	175.46	192.83
27.	Interest Paid on Deposit & Borrowings	223.08	181.60	157.25	159.29	158.83
28.	Net Interest Income	7.57	44.07	38.92	16.17	34.01
29.	Income from Inv. & Capital Market Operation	90.94	28.09	74.66	101.68	51.4
30.	Non-Funded & Other Operating Income	55.61	78.95	63.17	44.60	44.64
31.	Total Operating Income	154.12	151.10	176.75	162.45	130.05
32.	Administrative & Operating Expenditure	126.53	125.55	126.72	121.37	118.99
33.	Profit before Provision & Tax	27.59	25.55	50.03	41.08	11.06
34.	Provision for Loans & Others	10.35	-	25.10	15.90	-
35.	Provision for Income Tax	11.66	15.35	14.80	18.80	6.57
36.	Net Profit	5.58	10.20	10.13	6.38	4.49
37.	Import	63.98	282.35	215.96	195.96	157.33
38.	Export	114.85	424.00	396.24	347.53	209.28
39.	Dividend Paid to the Govt.	-	-	2.00 (Cash Div.)	200.00 (Stock Div.)	-
40.	Net Assets Value Per Share (Taka)	318.22	318.61	318.43	316.58	475.57
41.	Earnings Per Share (Taka)	0.93	1.70	1.69	1.06	1.12
42.	Operating Income to Assets	2.57%	2.38%	2.90%	2.66%	2.35%
43.	Cost of Fund	8.82%	7.90%	7.45%	7.78%	8.13%
44.	Cost to Income Ration	82.10%	83.09%	71.69%	74.71%	91.50%
45.	Return On Assets (ROA)	0.09%	0.16%	0.17%	0.10%	0.08%
46.	Return On Investment (ROI)	7.29%	2.47%	8.58%	12.11%	6.12%
47.	Return On Equity (ROE)	0.29%	0.53%	0.53%	0.34%	0.24%
48.	Number of Shareholders	100% Govt. owned	100% Govt. owned	100% Govt. owned	100% Govt. owned	100% Govt. owned
49.	Number of Zonal Offices	6	6	6	6	6
50.	Number of Branch Offices	50	50	50	49	47
51.	Number of Employees (Regular)	611	651	659	697	748

Key Financials in Graphs

Earnings Per Share (EPS) in BDT



Return on Assets (ROA) in %



Shareholders Equity in BDT Crore



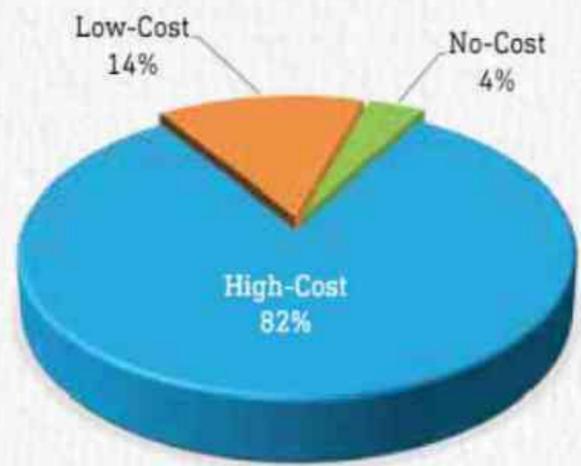
Return on Equity (ROE) in %



Deposit in BDT Crore



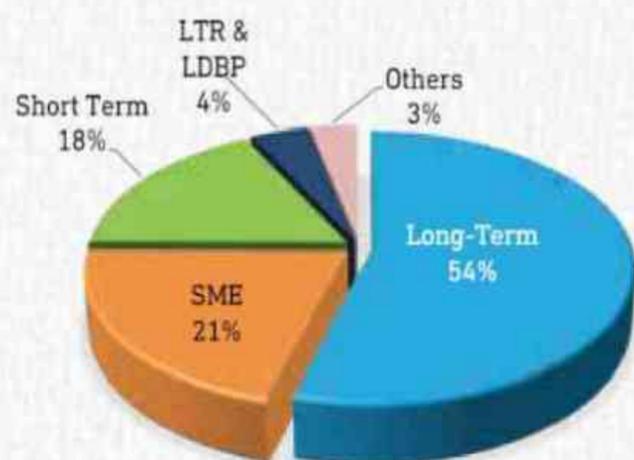
Deposit Mix 2024 in %



Loans & Advances in BDT Crore



Loans & Advances Mix 2024 in %



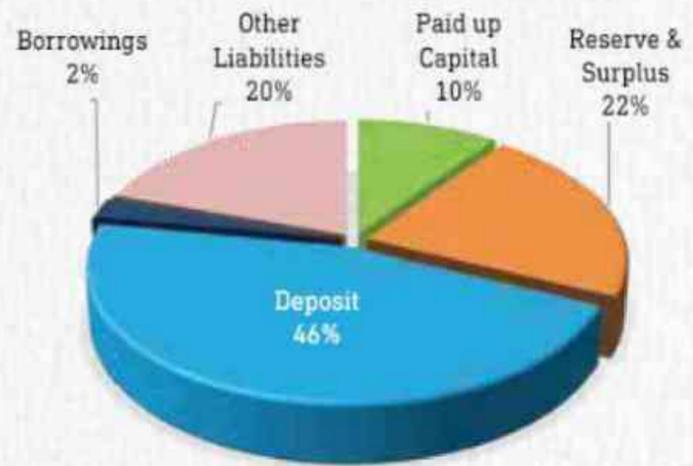
Investment

in BDT Crore



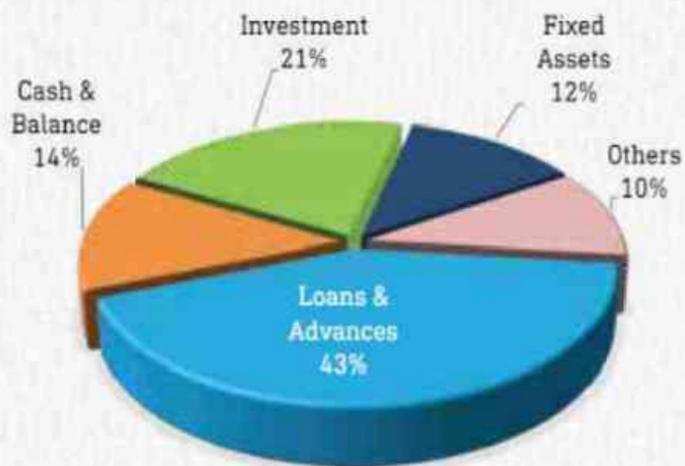
Source Of Fund 2024

in %



Application Of Fund 2024

in %



Total Operating Income

in BDT Crore



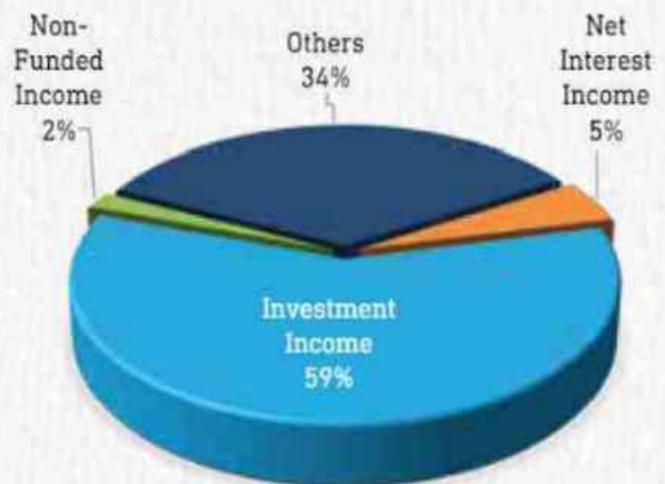
Total Operating Expense

in BDT Crore



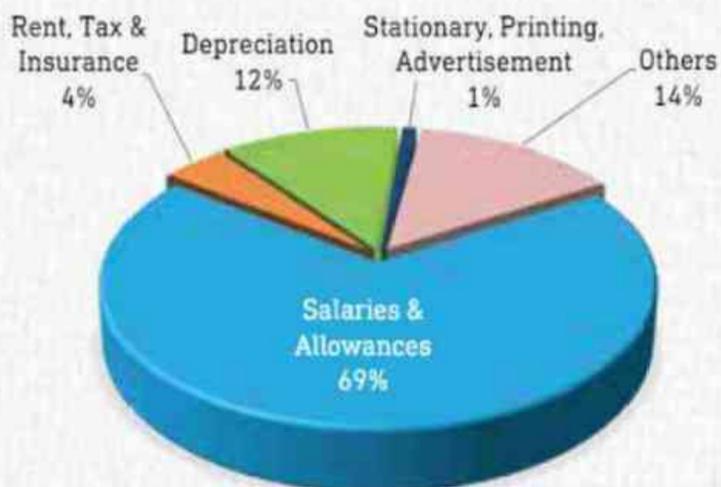
Composition Of Operating Income 2024

in %



Composition of Operating Expense 2024

in %



Trend of Operating Profit

in BDT Crore



Total Assets in BDT Crore



Capital to Risk Weighted Asset Ratio (CRAR) in %



Cost of Fund in %



Branch Network in Number



Value Added Statement

Value addition refers to the wealth created by the bank through its various banking operations. The Value Added Statement demonstrates the total wealth created, how it was distributed to fulfil obligations, reward those responsible for its creation, and the portion retained for the bank's ongoing operations and expansion. The Value Added Statement of Bangladesh Development Bank PLC illustrates how value is created and distributed among the bank's various stakeholders.

Economic Value Added (EVA) Statement

Economic Value Added (EVA) is a performance tool developed to measure the true economic profit generated by a company. Often referred to as 'economic profit,' EVA provides a gauge of a bank's financial success (or failure) over a specific period. This metric is beneficial for shareholders seeking to assess the bank's ability to create value for investors, and it allows for quick comparisons with peers to evaluate the bank's operational efficiency.

Market Value Added (MVA) Statement

Market Value Added (MVA) represents 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 accumulated by the bank over time. The formula to calculate Market Value Added is:

$$\text{Market Value Added} = \text{Market Value} - \text{Capital Invested}$$

Since Bangladesh Development Bank PLC is not listed on the stock market, it is not possible to calculate MVA using conventional methods. The liquidity policy of the Bank has consistently aimed to maintain a positive mismatch between 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 while retaining sufficient profits to bolster funds, sustain positive growth, and meet capital requirements. This prudent dividend policy has enabled the Bank to maintain shareholders' funds at a satisfactory level. Since inception, the Bank paid BDT 69.50 crore cash dividends and BDT 200.00 crore stock dividends to the government.

ECONOMIC IMPACT REPORT

Production, distribution, and consumption of goods and services are integral elements of an economic system. Analyzing the economic impact helps determine how a company contributes value to society. Economic impacts can be broadly classified into two areas: (i) Direct and (ii) Indirect. Direct impacts are the immediate economic effects of a company's financial transactions, while indirect impacts result from a company's operations or production of goods and services.

A bank's direct contributions to the national economy include creating employment opportunities, collecting taxes on behalf of the government, and fostering a savings culture within the community. Indirectly, the bank improves socio-economic and environmental performance through its lending activities.

Bangladesh Development Bank PLC creates value by providing financial services aligned with its mission: "To contribute to the economic development of the country." The Bank is committed to adding sustainable value to all stakeholders through fair and ethical practices.

In compliance with the circular of Bangladesh Bank, Bangladesh Development Bank PLC. appointed Credit Rating Agency of Bangladesh (CRAB) to evaluate the Credit Rating of the bank. The Credit Rating of the Bank for the year 2024-2025 is as follows:-

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

Date of declaration	Valid till	Rating mode	Long Term Rating	Short Term Rating	Outlook
25 June, 2024	30 June, 2025	With Government Support	AAA	ST-1	Stable
		Without Government Support	A ₃	ST-3	Stable

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

The above rating has been declared by Credit Rating Agency of Bangladesh (CRAB) on the basis of bank's Audited Financial Statements of 2023 as well as the following quantitative and qualitative factors :-

A. Quantitative Factors:

- i) Capital Adequacy
- ii) Assets Quality
- iii) Funding & Leverage
- iv) Liquidity & Requirements
- v) Earning and Profitability
- vi) Sector wise Loan and Advance & Top-50 Loan Exposure
- vii) Investment
- viii) Interest Rate Risk
- ix) Foreign Exchange Risk
- x) Off Balance Sheet Exposure

B. Qualitative Factors:

- i) Govt. Support
- ii) Ownership
- iii) Management Quality
- iv) Risk Management
- v) MIS & IT

“আপনার সঞ্চয়
আপনার সুরক্ষা”

“ক্ষুদ্র বিনিয়োগে বৃহৎ সঞ্চয়,
দুঃসময়ে বন্ধু বটে হয়”



আপনি জানেন কি?? বিডিবিপিএলসি. ই একমাত্র সরকারী ব্যাংক যার কোন মূলধন ঘাটতি নেই!!

“মিলিয়নিয়ার ডিপোজিট স্কীম”

মাসিক কিস্তির পরিমাণ	স্কীমের মেয়াদ (বছর)	গ্রাহক কর্তৃক জমাকৃত মোট টাকার পরিমাণ	সুদ/মুনাফার পরিমাণ	মোট প্রদেয়
১৪,১০০	৫	৮,৪৬,০০০/-	১,৮৩,০২৩/-	১০,২৯,০২৩/-
৫,৯০০	১০	৭,০৮,০০০/-	৩,৪৮,৩৫০/-	১০,৫৬,৩৫০/-
৩,২৫০	১৫	৫,৮৫,০০০/-	৪,৯৭,৮৪১/-	১০,৮২,৮৪১/-
২,০০০	২০	৪,৮০,০০০/-	৬,৩৪,৩৮৩/-	১১,১৪,৩৮৩/-

- ★ বিধি মোতাবেক সরকার নির্ধারিত হার অনুযায়ী উৎসে কর এবং আবগারী শুল্ক প্রযোজ্য হবে।
- ★ আজই আপনার নিকটস্থ ব্রাঞ্চে যোগাযোগ করুন।



BANGLADESH DEVELOPMENT BANK PLC.

(A State Owned Commercial Bank)





**CORPORATE
GOVERNANCE**

Report of the Audit Committee

The Audit Committee of Bangladesh Development Bank PLC was established in accordance with specific guidelines, including the Bank Companies Act, Bangladesh Bank's guidelines, notifications from the Bangladesh Securities & Exchange Commission (BSEC), and international best practices of corporate governance. Formed by the Board of Directors, the Audit Committee aims to ensure the bank's objectives are met, operations are efficient, and all applicable laws, regulations, and internal policies are followed. Achieving these goals will make the bank a unique, strong, and dependable institution for all stakeholders, particularly shareholders, depositors, and society at large.

Objectives of the Audit Committee

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

Role and Responsibilities of the Audit Committee

The roles and responsibilities of the Audit Committee of the bank have been outlined based on BRPD Circular No. 11 dated October 27, 2013, corporate governance notification issued by BSEC on August 7, 2012, and other best practice corporate governance guidelines and standards. The important roles and responsibilities of the Audit Committee are described below:

- i) Review the Internal Control System of the bank to ensure that a sufficient Risk Management System is in place to manage the core risks of the bank.
- ii) Consider reports related to fraud, forgery, deficiencies in internal control, or other similar issues detected by internal and external auditors and inspectors of the regulatory authority, and place them before the Board after reviewing whether necessary corrective measures have been taken by the management.
- iii) Review the Internal Audit Procedure.
- iv) Review the efficiency and effectiveness of the Internal Control System.
- v) Consider the recommendations made by the internal and external auditors.
- vi) Ensure fair presentation of financial statements in compliance with the Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards.
- vii) Review compliance with the applicable rules and regulations of Bangladesh Bank, BSEC, the Bank Companies Act of 1991 (amended in 2023), and the Companies Act of 1994.
- viii) Report immediately to the Board of Directors on conflicts of interest.

Meetings of the Audit Committee

In 2024, the Audit Committee held eight (8) meetings.

Activities during the year

The Audit Committee carried out the following activities during 2024:

- Reviewed the comprehensive inspection report of Bangladesh Bank, evaluated the compliance status, and advised the bank management to take necessary action as required.
- Reviewed the performance of the internal audit, 2023.
- Reviewed audited accounts and the report of 2023, and recommended the audited report to the Board.
- Reviewed the inspection reports of different branches conducted by the Audit & Inspection Department of the bank, and advised management to rectify the irregularities detected by the inspection team without delay.
- Reviewed the cost of funds of the bank.
- Reviewed the compliance status of audit objections and advised management to ensure full compliance with regulatory and legal issues meticulously.
- Reviewed the annual financial statements of the bank with the appointment of external auditors prior to submission to the Board for approval.
- Reviewed the Internal Audit Procedure and the Internal Audit Program for 2024.
- Reviewed and approved the action plan for turning loss-incurring branches into profitable branches.
- Reviewed the revised annual budget of 2023, including the estimated budget of 2024, and recommended measures to achieve targets for deposits, loan disbursement, and recovery of classified loans.
- Reviewed the quarterly, half-yearly, and interim financial statements of the bank before recommending them to the Board for review.
- Reviewed the operational performance of the bank periodically and recommended remedies for performance improvement.
- Reviewed the overall IT system of the bank.

Acknowledgement

In conclusion, I would like to extend my sincere thanks to all members of the Audit Committee for allotting their valuable time and providing continuous support to carry out the tasks of the Audit Committee. I also express my profound gratitude to the members of the Board for allowing the Committee to discharge its due role independently. I extend my thanks and gratitude to the management, auditors, regulatory authorities, particularly Bangladesh Bank and the Financial Institutions Division of the Ministry of Finance, for their cordial cooperation in performing our duties.

For and on behalf of the Audit Committee
Sd/-

K. M Tariqul Islam
Chairman
Audit Committee

Report of the Risk Management Committee

Risk is an integral part of banking business activities. Core risks for the banking business are credit risk, asset-liability management risk, foreign exchange risk, money laundering and terrorist financing risk, internal control and compliance risk, ICT security risk and environmental and social Risk. Therefore, risk management is an essential part of planning for business, especially for banking business where liquid assets are involved. The main objectives of the Risk Management Committee (RMC) are to set a comprehensive risk management policy and process for the Bank and to ensure a continuous sound banking practice through identifying, assessing, prioritizing and managing different types of risks. Risk management is also designed to protect all stakeholders of the Bank from the negative impacts of lurking potential risks.

Responsibilities and functions of the RMC

In compliance with the Bank Company Act 1991 (Amended 2013) and BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of Bangladesh Development Bank PLC constituted the Risk Management Committee (RMC). The RMC Committee performs the following important responsibilities and functions:

- Reviewing risk management policies and strategies for sound risk management;
 - Monitoring implementation of risk management policies & processes to ensure effective prevention and control measures;
 - Supervising the activities of the Executive Risk Management Committee (ERMC);
 - Monitoring compliance with BB instructions regarding the implementation of core risk management;
 - Reviewing risk appetite, limits and recommending these to the Board of Directors for their review and approval;
 - Approving adequate record-keeping & reporting system and ensuring its proper use;
 - Analyzing all existing and probable risk issues in the meeting, taking appropriate decisions for risk mitigation, incorporating the same in the meeting minutes and ensuring follow-up of the decisions for proper implementation;
 - Reviewing instructions issued from time to time by the regulatory body;
 - Submitting proposal, suggestions & summary of RMC meetings to the Board of Directors at least on a quarterly basis;
 - Assessing the overall effectiveness of risk management functions on yearly basis.
- Review of various risk-related business activities with a view of taking corrective measures for the improvement of the Core Risk Management Manuals and the Comprehensive Risk Management Manual;
 - Review of various circulars of Bangladesh Bank relating to risk management;
 - Review of the activities of ERMC with a view of making the committee more dynamic;
 - Review of risk management reports and statements of the bank;
 - Review of management of Non-Performing Loans (NPLs) of the bank and thereafter initiate action plans to reduce classified loans;
 - Review of litigation measures against written-off and defaulted projects to expedite the overall recovery of the bank;
 - Review of Top-20 defaulters & Top-20 borrowers;
 - Review of credit concentration and market concentration from different point of view to identify the potential risks and to suggest preventive & remedial measures;
 - Review and approve the Internal Capital Adequacy Assessment Process (ICAAP) report in relation to the overall risk profile of the bank to increase the shock resilience;
 - Review of "Review Report of Risk Management Policies and Effectiveness of Risk Management Functions" to assess the Risk Management Policies and Effectiveness of Risk Management Functions of the bank;
 - Review of "Risk Appetite Statement (RAS)" to fix Risk Appetite, Risk Tolerance & Risk Limit for the current year's target in line with strategic planning;
 - Review of the liquidity position of the Bank on a regular basis.

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

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

On behalf of the Risk Management Committee
Sd/-

(Sultan Mahmud Bin Zulfiqar)
Chairman
Risk Management Committee

Meeting of the RMC in 2024

In 2024, the Bank's RMC held three meetings with the Chief Risk Officer (CRO) to discuss findings, observations, and recommendations for improvement. The major areas covered by RMC were as follows:

Corporate Governance Report

Corporate governance is the system of rules, practices, and processes by which a company is directed and controlled. It defines how companies are governed and for what purpose, clarifying who holds power and accountability, and who makes decisions. Essentially, it serves as a toolkit that enables management and the board to address the challenges of running a company more effectively. Corporate governance ensures that businesses have appropriate decision-making processes and controls in place to balance the interests of all stakeholders, including shareholders, employees, suppliers, customers, and the community. At the corporate level, governance involves setting and pursuing a company's objectives within the context of the social, regulatory, and market environment. It focuses on practices and procedures that ensure a company achieves its goals while maintaining stakeholders' trust. Good corporate governance provides the framework to improve the quality of decisions made by those who manage businesses. High-quality, ethical decision-making builds sustainable businesses and enables them to create long-term value more effectively.

Legal and Regulatory Compliance

Bangladesh Development Bank PLC conducts its activities in compliance with the legal and regulatory requirements of Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC). The Bank operates within the legal framework of the Companies Act, 1994, and, as a banking company, adheres to the provisions of the Bank Company Act, 1991 (amended in 2023), the Income Tax Ordinance, 1984, the Negotiable Instruments Act, 1881, the Anti-Money Laundering Act, 2008, and other relevant laws, regulations, and reporting requirements.

Corporate Governance Structure of the Bank

Structure of the Board

According to Clause 95 of the Articles of Association of the bank, the number of directors shall be no less than seven and no more than thirteen, excluding the Managing Director. Currently, the Board of Directors comprises nine members, including the Managing Director. The Board is accountable to the owners/stockholders for the overall direction and control of the bank. Its major responsibilities include approving all policies and strategies. The Board reviews the policies and manuals of various business segments to establish effective risk management in credit and other key operational areas. The bank's management operates within the policies and guidelines approved by the Board. The Board plays a crucial role in formulating policies and strategies for the smooth operation of the bank. Board meetings are held regularly, with 21 meetings conducted during 2024.

Board Committees and Their Responsibilities

To ensure good corporate governance in bank management, Bangladesh Bank issued a circular (BRPD Circular No. 06, dated February 04, 2010) instructing the formation of three committees or sub-committees of the Board. In alignment with these guidelines, Bangladesh Development Bank PLC has established three committees comprising board members: the Audit Committee, the Executive Committee, and the Risk Management Committee. These committees are tasked with overseeing and directing the bank's operations, performance, and strategic direction to ensure proper accountability and transparency through due diligence.

Executive Committee

In compliance with BRPD Circular No. 11, dated October 27, 2013, the Board of Directors of the bank reconstituted the Executive Committee (EC), which now comprises the following Board members:

SL.	Name	Status with the Committee
1.	Mr. Ahmed Ismet, Chairman	Chairman
2.	Mr. Md. Abdul Mojib, Director	Member
3.	Mr. Sultan Mahmud Bin Zulfiqar, Director	Member
4.	Mr. Md. Shah Alam Mia, Director	Member
5.	Mr. Md. Chaynul Haque, Director	Member

In 2024, no meetings of the Executive Committee (EC) held. This Executive Committee (EC) is entrusted with the following broader responsibilities and functions:

- Reports regarding the bank's own investment portfolio (securities);
- Approval of capital and non-recurring expenditure up to double the authorized limit;
- Approval of term loan and working capital loan proposals, up to double the managing director's authorized limit, for any commercial enterprise that is in the bank's best interest;
- Reviewing the recovery status of defaulted loans and providing guidance;
- Approval of the issuance of power of attorney, foreign tours for the general manager, applications for higher studies, and disciplinary actions against officers/staff;
- Approval of special decisions for business development, such as issuing bank guarantees and performance bank guarantees;
- Approval of emergency decisions as per instructions from Bangladesh Bank and the Ministry of Finance;
- Introduction of FINTECH initiatives in line with the bank's innovative activities and development;
- Execution of additional budget expenditure for urgent needs, with notification to the Board later;
- Incurring additional financial expenditure up to double the adaptive capacity of branch offices, including rent increases and office renovations; and miscellaneous tasks.

Audit Committee (AC)

As per Bangladesh Bank's BRPD Circular No. 11, dated October 27, 2013, the Audit Committee (AC) of the bank provides independent oversight of the company's financial reporting, non-financial corporate disclosures, internal control systems, and compliance with governing laws, rules, and regulations. Essentially, the Audit Committee acts as a watchdog on behalf of the Board. Currently, the Audit Committee comprises the following Directors:

SL.	Name	Status with the Committee
1.	Mr. K. M. Tariqul Islam, Director	Chairman
2.	Mr. Md. Shah Alam, Director	Member
3.	Ms. Mahbubun Nahar, Director	Member

In 2024, eight meetings of the Audit Committee were held. During these meetings, detailed discussions and review sessions were conducted with the Head of Internal Audit, the Head of Internal Control and Compliance, and the External Auditors. They addressed findings, observations, and suggestions for corrective measures in related areas and other bank affairs that required improvement. These discussions and decisions were communicated to the Board of Directors. The Audit Committee instructed management to implement these suggestions and monitored their progress regularly.

Risk Management Committee

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

SL.	Name	Status with the Committee
1.	Mr. Sultan Mahmud Bin Zulfiqar, Director	Chairman
2.	Mr. K. M. Tariqul Islam, Director	Member
3.	Mr. Md. Abdul Mojid, Director	Member
4.	Mr. Md. Shah Alam, Director	Member
5.	Mr. Md. Chaynul Haque, Director	Member

In 2024, the RMC held three meetings. The RMC is entrusted with the following responsibilities and functions:

- Identification and implementation of strategies to control risks;
- Preparation of the organizational framework for risk management;
- Review and resolution of the Risk Management Policy;
- Preservation and reporting of information/documents related to risk management;
- Follow-up on the implementation of the Risk Management Policy in its entirety; and
- Miscellaneous tasks

Chief Risk Officer (CRO)

According to DOS Circular No. 04, dated October 8, 2018, the Bank appointed the Head of the Risk Management Division as the Chief Risk Officer (CRO). The CRO is responsible for assessing and mitigating significant threats to the bank's capital and earnings. Key responsibilities include:

- Enhancing transparency, synergy, and prudence in the bank's risk management structure;
- Leading an independent risk management department with sufficient authority and seniority;
- Having direct access to the board of directors and reporting to the board or its Risk Management Committee;
- Being supervised by the Risk Management Committee (RMC) without any reporting relationships with business verticals or business targets;
- Providing key risk issues to RMC meetings and informing the CEO;
- Accessing necessary information to perform duties, with full support from the board and CEO/MD.

Chief Financial Officer (CFO)

Being appointed by the Board, the Chief Financial Officer (CFO) oversees all aspects of financial strategy and reporting. He establishes policies, analyzes performance, ensures regulatory compliance, and leads a team of finance professionals. The CFO also supervises the generation of reports on financial condition, financial position, financial planning, strategic planning for financial operations, and financial projections.

Delegation of Power

The Board has delegated appropriate financial and business powers to the Management to expedite the approval of credit proposals and other financial matters. Additionally, the Board has delegated authority to the Executive Committee (EC) of the Board to approve proposals within certain limits.

Audit by Central Bank

Bangladesh Bank, as the central bank, conducts comprehensive inspections of the Bank. The central bank also exchanges views with the Bank's external auditors regarding the audit processes. The inspection reports are reviewed by the Audit Committee and the Board of the Bank. The Bank prioritizes these inspection reports, and corrective measures are promptly taken to address any identified lapses.

Audit by the External Auditors

External auditors play a crucial role in auditing, covering approximately 80 percent of the risk-weighted assets. They engage in discussions with the Management and Audit Committee of the Board on various issues, including internal control and compliance. Suggestions from the auditors are carefully considered and implemented by the Management. Audit reports are also thoroughly discussed in the board meetings.

Audit and Inspection

To mitigate operational risks, the Bank conducts regular audits and inspections of its business affairs. These audits are based on manuals, instructions, rules, and procedures provided by Bangladesh Bank and other regulatory authorities. The audit process also verifies the implementation status of various instructions issued by the Board of Directors, Executive Committee, and Audit Committee of the Board.

Internal Control and Compliance

The Internal Control and Compliance Division of the Bank conducted onsite inspections of various branches during 2024 to assess the status of internal control and compliance with anti-money laundering measures. These inspections include self-monitoring mechanisms and actions taken to rectify identified errors and deficiencies.

Directors' Responsibility for Financial Reporting

The Board of Directors of Bangladesh Development Bank PLC is responsible for overseeing the preparation of the Bank's financial statements to ensure they present a true and fair view of its financial position. The Directors must ensure that these financial statements are prepared in accordance with the requirements of the Bangladesh Accounting Standards, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act of 1994, the Bank Companies Act of 1991 (Amended in 2023), and the Bangladesh Securities and Exchange Commission Rules of 1987, as deemed relevant and appropriate under the circumstances. The financial information and data provided in this Annual Report are fully consistent with the financial statements.

The financial statements are required by law and International Accounting Standards, as adopted by ICAB, to present a fair view of the company's financial position and performance for the period. In preparing the financial statements, the following principles are observed:

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

In compliance with the requirements of the BSEC's Notification dated August 7, 2012, the Directors are also required to declare the following matters in the report:

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

The Directors fully confirm the following procedures while preparing the annual accounts for the year 2024:

- The accounting policies, framed in accordance with the guidelines of Bangladesh Bank, are consistently applied;
- Adequate accounting records are efficiently maintained in accordance with the provisions of the applicable laws governing banks in Bangladesh;
- Practical, reasonable judgment and estimates are applied to provide a clear and accurate depiction of the state of affairs and the profit of the Bank for the year 2024;
- Accounts have been prepared on a "going concern" basis; and
- Statutory payments have all been made up to date to the full satisfaction of the Directors.

With best regards

On behalf of the Board of Directors

Sd/-

(Ahmed Ismet)

Chairman

Directors' Statement on Internal Control System

To ensure adequate internal control, the Bank has taken proper and sufficient measures to establish a system of internal control that is reviewed, evaluated, and updated on an ongoing basis. The Compliance Department conducts periodic audits to provide reasonable assurance that the established and approved policies and procedures of the Bank are consistently followed.

The auditors of the Bank, UHY Syful Shamsul Alam & Co. and Basu Banerjee Nath & Co., Chartered Accountants, have carried out annual audits to review the internal control system, as they consider appropriate and necessary, to express their opinion on the financial statements. They have also examined the financial statements provided by the management, along with all financial records, related data, minutes of shareholders and Board meetings, and relevant policies, and have expressed their opinion accordingly.

The Board of Directors is responsible for ensuring adequate internal control over financial transactions and reporting. To ensure effective risk management, the Board ensures that an adequate internal control system is in place and consistently followed. This provides reasonable assurance that financial records are reliable for the preparation of financial statements, maintains the quality of financial reporting, safeguards the Bank's assets against unauthorized use or disposition, and ensures accountability for assets and business transactions. The Board continuously monitors and updates internal control procedures.

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

The ICCD of the bank works in close coordination with the Audit Committee to ensure better internal control, effective operational procedures, and reliable financial reporting. The ICCD conducts detailed audits of the activities of Branches and the Head Office on a regular basis. Its reports are presented directly to the Audit Committee. The ICCD also has direct access to the Audit Committee to discuss any matters related to their audits, the adequacy of internal control procedures, compliance, and overall risk management of the Bank. The auditors have full access to the Audit Committee to discuss any matters related to their audit to ensure the reliability of financial reporting and the effectiveness of internal control procedures.

In conclusion, the Board believes that effective control was maintained over the preparation of financial statements for the year ended December 31, 2024.

With best regards
On behalf of the Board of Directors
Sd/-
(Ahmed Ismet)
Chairman

BB Guidelines for Corporate Governance: Our Compliance Status

BRPD Circular no 11 dated 27 October 2013, BRPD Circular no 14 dated 18 October 2018 and BRPD Circular letter no-21 Dated 12.05.2024.

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

SL.	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
(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

SL.	Particulars	Compliance Status
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	
(a)	Work planning and strategic management (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	Complied
	(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.	Complied
(b)	Loan and Risk Management: (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	Complied
	(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	Complied
(c)	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.	Complied
(d)	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 be 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.	Complied Board approves HR Policy from time-to-time and related works done accordingly
	(ii) 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
	(iii) 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

SL.	Particulars	Compliance Status
	(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
	(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	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. 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.	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	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. 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.	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.	Particulars	Compliance Status
A.	Rules and regulations for appointment of the CEO	
1	<p>Moral Integrity: In case of appointment to the post of CEO, satisfaction in respect of the concerned person should be ensured to the effects that</p> <p>a) He has not been convicted by any Criminal Court of Law,</p> <p>b) He has not been punished for violating any rules, regulations or procedures/norms set by any regulatory authority.</p> <p>c) He has not associated with any such company/organization, registration or license of which has been cancelled.</p>	Complied
2	<p>Experience and Suitability:</p> <p>a) For appointment as a CEO, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years' experience in a post immediate below the CEO of a bank.</p> <p>b) He must have a Master's degree at minimum from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person.</p> <p>c) In respect of service, the concerned person should have excellent track record of performance.</p> <p>d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was Chairman/Director/Official of any company.</p> <p>e) Any Director of any bank or Financial Institution or any person who has business interest in the concerned bank will not be eligible for appointment to the post of the CEO.</p>	Complied
3	<p>Transparency and Financial Integrity: Before making appointment as a CEO, satisfaction should be ensured to the effects that:</p> <p>a) The concerned person was not involved in any illegal activity while performing duties in his own or banking profession.</p> <p>b) He has not deferred payment to creditors or has not compromised with his creditors to be relieved from debts or he is not a loan defaulter.</p> <p>c) He is not a tax defaulter.</p> <p>d) He has never been adjudicated a bankrupt by the Court.</p>	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	<p>Guidelines in fixing the salary and allowances: Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposal to BB:</p> <p>a) In fixing the salary and allowances of the CEO, financial condition, scope of operation, business-volume and earning capacity of the bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration.</p> <p>b) Total salary shall be comprised of direct salary covering "Basic Salary" and "House Rent" and allowances as "Others". The allowances (eg. provident fund, utility bill, leave-fare assistance) in "Others" head should be specified in amount ceiling. Besides, other facilities (eg. 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 proving 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 (eg. 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, ie, 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 BDT 1,000,000 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

SL.	Particulars	Compliance Status
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:	Complied
	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.	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> <p>a. Experience in banking or administration for at least 15 (fifteen) years or have a long experience in social activities.</p> <p>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.</p> <p>c. Satisfaction should be ensured that the concerned person was not dismissed from his service when Chairman/Director/Executive of any company. he was</p> <p>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.</p> <p>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.</p>	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
3	<p>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</p>	N/A
4	<p>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.</p>	N/A
5	<p>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</p>	N/A
6	<p>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</p>	N/A
B.	Rules and Regulations for Appointment of a Consultant	
1	<p>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</p>	Complied
2	<p>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</p>	Complied
3	<p>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</p>	Complied
4	<p>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</p>	Complied
5	<p>Remuneration/honorarium of a Consultant: The Consultant's remuneration should be in the form of monthly or single hump-sum payment, and he is not entitled to any other facilities</p>	Complied
6	<p>Appointment of Ex-executive: No former director, managing director or chief executive officer of any bank company, or any officer up to two tiers below the chief executive, shall be eligible for appointment as an adviser or consultant in the same bank until five years have passed since their retirement, resignation, or expiry of contract.</p>	Complied

Compliance Status of BSEFC Guidelines for Corporate Governance

Status of compliance with the conditions imposed by the Commission's Notification No BSEC/CMRRCD/2006-158/207/Admin/10 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 thereafter 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 of 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 of TREC holder of stock exchange or an intermediary of the capital market;	N/A		
1.2 (b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	N/A		
1.2 (b)(viii)	who is not independent director in more than 5 (five) listed companies;	N/A		
1.2 (b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	N/A		
1.2 (b)(x)	who has not been convicted for a criminal offence involving moral turpitude.	N/A		
1.2 (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	N/A		Approved the Government Order
1.2 (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	N/A		
1.2 (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e. three years from his or her completion of consecutive two tenures [i.e six years] Provided further that the independent director shall not be subject to	N/A		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	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			
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 an corporate laws and can make meaningful contribution to the business;	N/A		
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;	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.	✓		

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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	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.			
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, ie, actual position shall be explained to the shareholders in the next AGM,	✓		
1.5 (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 1(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;	✓		

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

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

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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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(5xb)		N/A	
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;			
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 member 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		N/A	

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	attract, retain and motivate suitable directors to run the company successfully;			
6 (5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	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			
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.			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	<p>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).</p>			
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			

Key Management Committees

COMMITTEES FORMED BY THE BOARD

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

The key roles and responsibilities of ALCO are as follows:

- Reviewing actions taken in previous ALCO meetings;
- Directing general policies on risk exposures;
- Setting targets for deposits and advances;
- Establishing interest rate mismatch/gap limits;
- Analyzing the liquidity position;
- Establishing a monitoring system for exposure, control, and limit management;
- Evaluating market risk and outlook; and
- Miscellaneous tasks.

Meetings of the Asset Liability Management Committee are held monthly to review the overall position of the balance sheet and assess target achievements.

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

The SRP Team assists in the following areas:

- Valid capital analysis: Establishing the correlation between risk management and required capital;
- Comprehensive risk analysis: Identifying and assessing relevant risks and their management;
- Adequate oversight and governance: Ensuring proper oversight by the board of directors and top management;
- Monitoring and reporting: Establishing a structure for regular reporting on the bank's risk profile and capital position, including stress test findings;
- Internal audit mechanisms: Conducting independent reviews under the internal control system framework (internal governance); and
- Preparation of process documents: Developing the internal Capital Adequacy Assessment Process (ICAAP) Report for the bank.

Executive Risk Management Committee (ERMC)	Status with the Committee
1. General Manager, IT and Risk Management Division	President
2. General Manager, SME and General Advances Division	Member
3. General Manager, Internal Control and Compliance Division	Member
4. Department Head, Business Development and Marketing Department	Member
5. Department Head, Central Accounts Department	Member
6. Department Head, Branch Management Department	Member
7. Department Head, Loan Recovery Department	Member
8. Department Head, Risk Management Department	Member-Secretary
9. Department Head, IT System Department	Member
10. Department Head, International Banking Department	Member

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

The Sustainable Finance Committee (SFC) and Sustainable Finance Unit (SFU) are involved in conducting green banking and sustainable development activities.

Appreciation Letter Recommendation Committee	Status with the Committee
1. Deputy Managing Director-1	President
2. Deputy Managing Director-2	Member
3. General Managers, All Divisions	Member
4. Deputy General Manager, Human Resource Management Department	Member-Secretary

The key roles and responsibilities of the Appreciation Letter Recommendation Committee are as follows:

- To evaluate and review the accomplishments and significant contributions of officials in identified areas.
- To submit clear recommendations to the bank's Managing Director and CEO based on the evaluation, in accordance with the Promotion Policy-2023.

COMMITTEES FORMED BY THE MANEGEMENT

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

The key roles and responsibilities of the Naitikata Committee are as follows:

- Identifying successes and obstacles in promoting integrity within banks.
- Formulating, implementing, and monitoring time-bound action plans to address identified barriers.
- Assigning responsibilities for implementing the action plan.
- Reporting on the progress of reform implementation to higher authorities.
- Miscellaneous tasks.

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

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

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

Management Committee (MANCOM)	Status with the Committee
1. Deputy Managing Director-1	President
2. Deputy Managing Director-2	Member
3. General Managers of All Divisions	Member
4. Department Head, Compliance Department	Member -Secretary

MANCOM assists the Managing Director & CEO in the following areas:

- Setting or reviewing the vision, mission, and strategies of the bank to ensure effective management.
- Analyzing the business and financial performance of the bank.
- Reviewing and discussing policies and procedures, making necessary amendments or extensions before presenting them to the Board if needed.
- Conducting market analysis and assessing internal service quality.
- Reviewing control and compliance measures.
- Managing and developing human resources.
- Exploring ways to strengthen and vitalize support functions such as Operations, HRD, ITD, and CRM.
- Handling miscellaneous tasks as required.

The MANCOM meetings are held monthly to review and address relevant issues in a timely manner.

Central Compliance Committee (CCC)	Status with the Committee
1. Deputy Managing Director, Administration Division	Head of CCC & CAMLCO
2. General Manager, Branch Banking Division	Member
3. Department Head, Human Resource Management	Member
4. Department Head, General Advances Department	Member
5. Department Head, Risk Management Department	Member
6. Department Head, International Banking Department	Member
7. Department Head, AML & CFT Department	Member-Secretary of CCC and Deputy CAMLCO
8. Department Head, IT System Department	Member

The key roles and responsibilities of the CCC are as follows:

- Ensure compliance with the Money Laundering & Terrorist Financing Risk Management Manual and guidelines provided by the Central Bank to prevent fraud, forgery, and the financing of terrorist activities.
- Circulate updates to the Money Laundering & Terrorist Financing Risk Management Manual and guidelines as needed to prevent fraud and forgery.
- Appoint BAMLCO for branch-level money laundering prevention.
- Handle miscellaneous tasks as required.

Fund Management Committee (FMCO)	Status with the Committee
1. Deputy Managing Director-1	President
2. Deputy Managing Director-2	Member
3. General Manager, Legal Affairs & Recovery Division	Member
4. General Manager, Finance & Accounts Division	Member
5. General Manager, International Banking Division	Member
6. General Manager, Development Banking Division	Member
7. Deputy General Manager, Central Accounts Department	Member
8. Deputy General Manager, Treasury Department	Member-Secretary

The key roles and responsibilities of the FMCO are as follows:

- Inquire and identify sources of funds.
- Collect funds, including summons.
- Manage the expenditure of funds and ensure the proper utilization of surplus funds and term deposits of the bank.
- Analyze the liquidity position.
- Evaluate market risk and outlook.
- Handle miscellaneous tasks as required.

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

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

Branch Credit Committee	Status with the Committee
1. Head of Branch	President
2. Second Senior Officer of Branch	Member
3. Concerned Officer of Loans & Advances in Branch	Member-Secretary

The key roles and responsibilities of the Credit Committee are as follows:

- Manage and assess various aspects of loan proposals, including project management, collateral, financial, technical, commercial, legal, and overall evaluation.
- Ensure proper verification and examination of loan proposals in accordance with fixed fund probabilities, bank manuals, various circulars, government acts and notifications, and Bangladesh Bank policies.
- Provide clear opinions and recommendations regarding loan sanction and renewal.
- Handle miscellaneous tasks as required.

Annual Performance Agreement (APA) Committee	Status with the Committee
1. Deputy Managing Director-1	Leader APA Team
2. Deputy Managing Director-2	Member
3. General Manager, IT & Risk Management Division.	Member
4. Department Head, Human Resource Management Department	Member
5. Department Head, IT System Department	Member
6. Department Head, Compliance Department	Member
7. Department Head, Branch Management Department	Member
8. Department Head, MIS & Research Department	Member
9. Mr. Md. Ariful Haque, Senior Principal Officer, MIS & Research Department	Member-Secretary (Focal Point)

The key roles and responsibilities of the Annual Performance Agreement (APA) Committee are as follows:

- Review the desired achievements against the targets by holding quarterly meetings.
- Review and report on the progress and achievements of each quarter to the Ministry in a timely manner.
- Handle miscellaneous tasks as required.

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

The key roles and responsibilities of the Share Buy and Sale Committee (SBSC) are as follows:

- Provide recommendations for buying and selling shares/securities of the bank in primary and secondary markets.
- Provide investment recommendations for private placements, bonds, sukuk, etc.
- Conduct share buying and selling activities in accordance with the recommendations of the committee.

Budget Committee (BC)	Status with the Committee
1. Deputy Managing Director-1	President
2. Deputy Managing Director-2	Member
3. All General Managers of All Divisions/Consultant	Member
4. General Manager, Principal Branch	Member
5. Head of Budget Department	Member- Secretary

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

The key roles and responsibilities of the CRMC are as follows:

- Independently determine, monitor, and control the credit risk level.
- Provide close supervision to Sub-Divisions, Departments, and Desks responsible for implementing credit risk guidelines, ensuring proper compliance, and informing the Risk Management Committee (RMC) as necessary.
- Maintain readiness to address all types of credit-related risks.
- Periodically amend, enhance, or modify the Credit Risk manual prepared by the relevant department.
- Handle miscellaneous tasks as required.

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

The key roles and responsibilities of the ICCRM are as follows:

- Independently determine, monitor, and control the Internal Control and Compliance (ICC) risk level.
- Provide close supervision to Sub-Divisions, Departments, and Desks responsible for implementing Internal Control and Compliance Risk Management Manual, ensuring proper compliance, and informing the RMC as necessary.
- Maintain readiness to address all types of risks related to Internal Control and Compliance.
- Periodically amend, enhance, or modify the Internal Control and Compliance Risk Management Manual prepared by the concerned department.
- Handle miscellaneous tasks as required.

Foreign Exchange Risk Management Committee (FERMC)	Status with the Committee
1. General Manager, International Banking Division	President
2. Department Head, Risk Management Department	Member
3. Department Head, International Banking Department	Member
4. Department Head, Treasury Department	Member
5. Concerned SPO/PO of International Banking Department	Member- Secretary

The key roles and responsibilities of the Foreign Exchange Risk Management Committee (FERMC) are as follows:

- Independently monitor and strictly control the Foreign Exchange Risk level of the Bank.
- Regularly inform the Risk Management Committee (RMC) regarding compliance with guidelines related to Foreign Exchange Risk.
- Maintain readiness to address all types of risks associated with Foreign Exchange.
- Periodically amend, enhance, or modify the Foreign Exchange Risk manual and checklist prepared by the concerned department.
- Handle miscellaneous tasks as required.

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

The key roles and responsibilities of the ICT Security Risk Management Committee (ISRMC) are as follows:

- Independently determine, monitor, and control ICT risk levels.
- Take proactive measures against risks related to Core Banking Solutions (CBS).
- Prepare and inform the ERM about ICT risks.
- Regularly inform the RMC about adherence to ICT risk guidelines.
- Handle miscellaneous tasks as required.

Environmental Risk Management and Green Banking Committee	Status with the Committee
1. General Manager, SME & General Advance Division	Chairman
2. Department Head, General Advances Department	Member
3. Department Head, SME Department	Member
4. Department Head, Risk Management Department	Member
5. Department Head, Loan Operation Department	Member
6. Assistant General Manager, Sustainable Finance Unit	Member
7. Concerned SPO/PO of Sustainable Finance Unit	Member- Secretary

The key roles and responsibilities of the Committee are as follows:

- Provide guidance to the bank on determining, monitoring, and controlling environmental and green banking-related risks.
- Develop an Environmental and Green Banking Risk Manual and Checklist that integrates environmental risks with proposed green business practices.
- Supervise Sub-Divisions, Departments, and Desks responsible for implementing Environmental Risk Management and Green Banking guidelines to ensure proper compliance.
- Maintain readiness to address all types of risks associated with Environmental Risk Management and Green Banking.
- Periodically amend, enhance, or modify the Environmental Risk Management and Green Banking manual and checklist prepared by the relevant department.
- Handle miscellaneous tasks as required.

Central Customer Service & Complaint Management Cell	Status with the Committee
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

The key roles and responsibilities of the Customer Service and Complaint Management Cell are as follows:

- Establishing fundamental institutional approaches and ethical standards regarding customer service within the bank.
- Formulating and updating necessary policies to ensure proper customer service and general management in branches.
- Formulating and updating a clear code of conduct for bank officers and employees.
- Formulating and updating service standards and customer charters.
- Handling miscellaneous tasks as required.

Evaluation Team	Status with the Committee
1. Mr. Md. Shamsus Saber, Deputy General Manager, Loan Operation Department	Team Leader
2. Mr. Sanjoy Kumar Biswas, AGM, Audit & Inspections Department	Member
3. Mr. Zohirul Islam Bhuiya, Assistant General Manager, Compliance Department	Member
4. Mr. Md. Ariful Haque, Senior Principal Officer, MIS & Research Department	Member-Secretary
5. Engr. Gautam Barua Robin, Senior Principal Officer, General Advances Department	Member
6. Mr. Md. Abdullah-Al-Mannan, Officer, Risk Management Department	Member

The key roles and responsibilities of the Evaluation Team are as follows:

- Verify compliance with the existing loan policies of the bank when evaluating loan proposals.
- Verify the identity of the borrower.
- Verify the updated Credit Information Bureau (CIB) report.
- Verify supporting documents related to the loan proposal.



**RISK
MANAGEMENT**

Report on Risk Management

Bangladesh Development Bank PLC. Deeply integrates risk management into its strategic and operational framework, adopting a proactive stance to ensure sustainability and resilience. Through continuous oversight and robust frameworks, the bank systematically identifies, assesses, and mitigates risks across all its operations.

Far beyond a compliance obligation, risk management is a core cultural element at the bank, woven seamlessly into every decision-making process. By prioritizing the interests of diverse stakeholders, the Bank builds a resilient foundation to navigate evolving challenges.

The bank actively monitors emerging risks, adapting its strategies to align with the dynamic financial landscape. This holistic approach safeguards assets, bolsters operational resilience, and reinforces stakeholder trust. By cultivating a risk-aware culture, the Bank solidifies its reputation as a forward-thinking, dependable financial institution dedicated to sustainable growth and value creation.

Risk Management Process

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



Risk Management Framework

BDBL's risk management aims to maintain a prudent balance between risk exposure and potential rewards by aligning risk-taking activities with the bank's strategic goals and risk tolerance. Risk management process of BDBPLC is based on the Bangladesh Bank guidelines and the clear concept of identification, assessment, parameter setting, controlling and monitoring activities. The primary goals of risk management are to ensure that the outcome so frisk-taking activities are consistent with the Bank's strategies and risk appetite, and that there is an appropriate balance between risk and reward in order to maximize return. The risk management framework is applied on an enterprise-wide basis and consists of following elements:

1. Risk Governance
 - a. Risk management governance structure
 - b. Risk management committees
 - c. Risk Culture
2. Risk Appetite
3. Risk Management Tools

Risk Management Governance Structure



Risk Management Committees

- | | |
|---|--|
| <ul style="list-style-type: none"> • Board of Directors (BoD) • Risk Management Committee (RMC) of the Board • Supervisory Review Process (SRP) Team | <ul style="list-style-type: none"> ➤ Approve policies and procedures of Risk Management. ➤ Reviews risk management policies and risk related activities of the bank. |
| <ul style="list-style-type: none"> • Executive Risk Management Committee (ERMC) | <ul style="list-style-type: none"> ➤ Assesses overall capital adequacy in relation to the risk profile of the Bank, implements strategy for maintaining capital at an adequate level through monitoring and reporting. ➤ Monitors and reviews adequacy & efficacy of control systems by organizing monthly meeting on various risk issues to determine strategies in consistent with risk management policy. |
| <ul style="list-style-type: none"> • Core Risk Management Committees | <ul style="list-style-type: none"> ➤ Core Risk Management Committees are playing their due role in addressing, assessing, monitoring, reporting, mitigating and controlling various risks at different levels in order to strengthen risk management culture. |

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

Risk Culture

Risk culture is the norms and traditions of behavior of all level of employees within the Bank that determine the way in which they identify, understand, manage the risks considering risk tolerance and appetite. A sound risk culture encourages effective risk management, promotes sound risk-taking and ensures that risk-taking activities beyond the Bank's risk appetite are recognized, assessed, reported and addressed in a timely manner. Weaknesses in risk culture are often the root cause for occurrence of significant risk events, financial institution failures, and financial crisis.

To develop a sound and consistent risk culture, employees at all levels of the bank must follow the latest risk management Manual of the bank and be trained regarding their responsibilities for risk. Business and operational units of the bank have the primary responsibility for managing risk on day-to-day basis, considering risk tolerance and risk appetite, and in line with Bank's risk guidelines and procedures.

Risk Appetite

Risk appetite refers to the extent and nature of risk that an organization is willing to accept or pursue to achieve its goals, as well as those of its shareholders and other stakeholders. Since the total business of the Bank involves risk-taking, the Bank has set the risk appetite and risk limit in major indicators as per the instructions of BB. The risk appetite statement plays an important role in passing the risk strategy down through the institution. Bangladesh Development Bank PLC's risk appetite framework comprises a risk capacity, risk appetite statement, and key risk appetite measures. The implementation of the risk appetite statement and the monitoring of key risk appetite measures are instrumental in ensuring that the Bank operates within suitable risk thresholds. Furthermore, the Bank's credit risk appetite delineates its risk tolerance concerning lending activities, counterparty credit risk, and other credit exposures, including investments. The bank has strategies to achieve long-term and short-term goals and objectives. Along with business goals, bank needs to have risk goals and risk strategies which enable them to achieve the desired risk profile. The board of directors sets the strategies and the senior management is responsible for implementing those strategies and communicating them throughout the organization.



Policies & Guidelines

Risk Policies & Limits

The policies are crafted with careful consideration of both industry standards and regulatory mandates. They are shaped by the Bank's risk tolerance and help establish clear boundaries and controls for the operations of the Bank and its subsidiaries.

- Key risk policies are approved by the Board of Directors.
- Management level risk policies/instructions manuals associated with processes such as credit instruction manual and new products initiations are approved by senior executive management and/or key risk committees.

Limits help managing risk-taking activities within the parameters set by the Board and senior executive management. Additionally, these limits assign responsibility for crucial tasks in the risk-taking process and define the thresholds or conditions for approving or executing transactions.

Guidelines

Guidelines ensure that the Bank possesses comprehensive insights into clients, products, and markets, ensuring a thorough understanding of associated risks. These guidelines are subject to periodic revisions, prompted by market dynamics or other factors. Any risk-taking beyond these guidelines typically necessitates approval from the Bank's Managing Director.

Processes

The activities are associated with identifying, evaluating, documenting, reporting and controlling risk.

Standards

Standards are developed on enterprise-wide basis, and documented in a series of policies, manuals and handbooks under the purview of Risk Management Division.

Forward-Looking Exercises

Stress testing programs at enterprise level allow the Bank to estimate the potential impact on income, capital and liquidity of significant changes in market conditions, credit environment, liquidity demands, or other risk factors. The development, approval and on-going review of the Bank's stress testing programs are subject to Bangladesh Bank's updated guidelines and instructions. Stress testing report is prepared on quarterly basis and presented to the Risk Management Committee of the Board.

Stress Testing Report

Stress test serves as a tool to evaluate the susceptibility of the bank to unforeseen yet possible shifts in various relevant factors, such as an escalation in non-performing loans, alterations in profit rates, or declines in the value of securities. The ramifications of this model are quantified by the resultant alterations in the overall Capital to Risk-Weighted Assets Ratio (CRAR) of the bank. The regulatory authority, the Central Bank, has mandated that all banks undertake stress testing on a quarterly frequency. Subsequent to review by senior management and the Board, the findings of the stress testing exercise are required to be submitted to Bangladesh Bank.

Stress Test Result

Particulars	Dec-24			Dec-23		
	Minor	Moderate	Major	Minor	Moderate	Major
Shock applied by the bank	3%	6%	9%	3%	9%	15%
Increase in NPL	22.02%	21.66%	21.30%	22.12%	21.12%	19.73%
Shock applied by the bank	30%	40%	50%	10%	20%	40%
Decrease in value of collateral taken against loans and advances	18.66%	17.34%	15.97%	21.41%	20.23%	17.75%
Shock applied by the bank	10%	15%	20%	5%	10%	15%
Negative Shifting of NPL	21.10%	20.47%	19.82%	21.41%	16.08%	13.31%
Shock applied by the bank	3%	6%	9%	3%	9%	15%
If some sectors become classified	22.21%	22.04%	21.86%	22.56%	22.56%	22.56%
Shock applied by the bank	2	3	5	3	7	10
If some large borrowers become classified	20.70%	20.33%	19.77%	21.65%	19.77%	19.54%
Combined credit risk result (after shock)	(6.77%)	(9.28%)	(11.97%)	(4.29%)	(13.42%)	(23.34%)
CRAR after combined credit shock	15.61%	13.10%	10.42%	18.27%	9.15%	(0.78%)

At the end of 2024 CRAR of Bangladesh Development Bank PLC was 22.38% and the CRAR after applying combined minor, moderate and major credit shocks became 15.61%, 13.10% and -10.42% respectively.

Risk Assessment, Monitoring and Reporting

Risk Assessment and Measurement

The Bank uses models for different purposes, including estimating the value of transactions, measuring risk exposures, determining credit risk ratings and parameters, and calculating economic and regulatory capital. The use of quantitative risk methodologies and models is balanced by a strong governance framework and includes the application of sound and experienced judgment.

Regular monitoring

The Bank ensures that business activities are within approved limits or guidelines, and are aligned with the Bank's strategies and risk appetite. Breaches, if any, of these limits or guidelines are reported to senior management, risk committees, and/or the Board depending on the limit or guideline.

Risk Report

As per the instructions of Bangladesh Bank, the Bank prepares and submits 'Monthly Risk Management Report' and 'Half-Yearly Comprehensive Risk Management Report (CRMR)' to Bangladesh Bank. The reports are prepared by the Risk Management Department and reviewed by the Executive Risk Management Committee (ERMC) and the Risk Management Committee (RMC) of the Board. Here it is to be noted that, Comprehensive Risk Management Report (CRMR) covers the core risk issues of the bank.

Risk Management Department also prepares "Credit Risk Assessment & Resolution Report" focusing Top 20 borrowers of the bank. The report is prepared on a quarterly basis and reviewed by the Managing Director & CEO and the BoD of the bank. The department also reports "Interest Rate Risk in Banking Book (IRRBB)" to Bangladesh Bank on a half-yearly basis.

Besides, the department prepares "Risk Appetite Statement" on a yearly basis and "Stress Testing Report" quarterly. Stress Testing is a series of tests to quantify the impact of changes in a number of risk factors on the assets and liabilities using a set of exceptional but reasonable events in abnormal market conditions. Different shocks in stress testing are: Minor shock, Moderate shock and Major shock. Risk Factors are: Credit Risk, Interest Rate Risk, Exchange Rate Risk, Equity Price Risk and Liquidity Risk.

Risk Management Department also prepares "Recovery Plan for bank" and "Internal Capital Adequacy Assessment Process (ICAAP)" reports on a yearly basis and submits all these reports to Bangladesh Bank in due time. The ICAAP report is reviewed by the Supervisory Review process (SRP) Team, Risk Management Committee and Board of Directors.

In order to assess, monitor and mitigate core risks, RMD prepared the following reports in 2024 and submitted to Bangladesh Bank as per approval of competent authority of the bank:

SL.	Name of Reports	Types of Report	Number of report	Reviewed by
1.	Monthly Risk Management Report (Except June & December)	Monthly	10	Executive Risk Management Committee, and Managing Director & CEO
2.	Stress Testing Report	Quarterly	4	Managing Director & CEO and Chairman of Board of Directors.
3.	Credit Risk Assessment & Resolution Report	Quarterly	4	Board of Directors.
4.	Comprehensive Risk Management Report (Only June & December)	Half Yearly	2	Executive Risk Management Committee & Board Risk Management Committee.
5.	Interest Rate Risk in Banking Book (IRRBB)	Half Yearly	2	Managing Director & CEO
6.	Recovery Plan for banks	Yearly	1	Board of Directors.
7.	Risk Appetite (Risk Appetite, Risk tolerance, Risk Limit)	Yearly	1	Executive Risk Management Committee, Board Risk Management Committee and Board of Directors.
8.	Review report of Risk Management Policies and effectiveness of risk management functions.	Yearly	1	Executive Risk Management Committee, Board Risk Management Committee and Board of Directors.
9.	ICAAP Report and Supplementary Documents.	Yearly	1	Supervisory Review process Team, Board Risk Management Committee and Board of Directors.

Management of Credit, Market, Liquidity and Other Risks

In managing credit, market, liquidity and operational risks, the bank has prepared core risk management manuals/policies on Credit, Foreign Exchange, Asset-Liability, Internal Control & Compliance, ICT security, Prevention of money laundering & terrorist financing and Environmental & Social risk management as per instructions/guidelines given by BB.

The bank has developed different tools and models for measuring credit, market and liquidity risks. For example: GINI Coefficient, Herfindahl–Hirschman Index (HHI) for measuring concentration risk, Credit Risk Modelling for measuring Expected Loss, Interest rate sensitivity and duration analysis for interest rate risk, Stress testing for credit, market and liquidity risk, structural liquidity profile for liquidity risk etc. guided by BB.

Core Risk Management is vital for the continuous and harmonious improvement of the bank. The bank is managing 07 (seven) core risks, aiming to minimize the risks existing in the banking business. Core Risks are as follows:

1. Credit Risk
2. Asset Liability Management Risk
3. Foreign Exchange Risk
4. Money Laundering and Terrorist Financing Risk
5. Internal Control and Compliance Risk
6. Information & Communication Technology Security Risk
7. Environmental Risk Management and Green Banking

1. Credit Risk Management

Credit risk is one of the major risks faced by the bank. This can be described as potential loss arising from contractual failure of the borrower with the bank. The failure may result from unwillingness or inability of the counter party in discharging financial obligation. Therefore, bank's Credit risk management activities have been designed to address all these issues. The bank reviews Credit Risk Management Manual as per updated Credit Policy-2022 (Board approved) and the updated Credit Risk Management Guideline of the Bangladesh Bank.

CRM Activities of the bank: To manage the overall Credit Risk of the bank, the following principles are maintained:

- Client due diligence, which is aligned with our country and industry portfolio strategies also emphasize on the size & type, purpose, structure (term, conditions, repayment schedule & interest rate) and securities of the loan proposed.
- Prevent undue concentration and large unexpected losses by ensuring a diversified and marketable credit portfolio.
- Assess and manage client, industry and product-specific concentrations actively against the bank's risk appetite.
- Initiate and review the assessment process periodically at Branch/Head Office level which is placed before Executive Committee (EC) of Board for approval. The process includes borrower analysis, industrial analysis, repayment sources analysis, mitigating factors etc.
- Strictly follow the conditions and instructions of the Bangladesh Bank and the bank's Credit Policy to set up single borrower exposure or large loan limit.

Credit risk in the bank's Portfolio is monitored, reviewed and analyzed by the Loan Operation Department, SME Department and General Advances Department. Credit Risk Management Committee of the bank independently coordinates the overall Credit Risk Management activities of the bank. Internal Credit Risk Rating System (ICRRS) is followed by the bank as per Bangladesh Bank's instruction following all the criteria. The bank also follows Bangladesh Bank guidelines regarding CIB reporting, Credit Rating Status Report, Loan Classification & provisioning, bad debts written-off and interest suspense.

2. Asset and Liability Risk Management

The bank has an "Asset Liability Committee (ALCO)" comprising of eleven (11) members headed by Managing Director. The Committee monitors and controls balance sheet risk, liquidity risks, advance deposit ratio (ADR), deposit mix, credit mix, gap analysis etc. under the leadership of Managing Director & CEO of the bank. ALCO reviews liquidity requirement of the bank, the maturity of assets and liabilities, deposit and credit pricing strategy, sensitivity of assets and liabilities, management indicators/ratios and the liquidity contingency plan. The bank is always maintaining optimum liquidity with required regulatory compliance. The bank has its own Board approved Asset Liability Management Manual & Checklist as per Bangladesh Bank updated ALM Guideline.

Asset Liability Committee of the bank regularly reviews risk exposures in the following manner:

- It analyses and advises for both the opportunities and threats to its liquidity and balance sheet position as well as positions of maturing assets and liquidity contingency plan.
- It oversees the liquidity management of treasury by-
 1. Setting tolerance for cumulative cash flow mismatches (maximum cumulative outflow limit 17% of balance sheet assets);
 2. Setting limit on loan to deposit ratio (87% maximum); and
 3. Setting limit on dependence on institutional deposits that are volatile in nature.
- ALCO also monitors the rate sensitive assets and liabilities of the bank.

ALCO paper is the main support for ALCO meeting in taking decision. This paper is prepared by the Treasury Department of the bank. The paper contains all the information regarding liquidity based on historical requirements, current liquidity position, current interest sensitive assets-liabilities position, anticipated future funding requirement, sources of fund and options for reducing funding needs, present and anticipated asset quality, present and future earning capacity along with capital position. Thus, all the decisions made by ALCO are based on practical scenario.

3. Foreign Exchange Risk Management

Foreign Exchange Risk is defined as the possibility of losses due to change in exchange rates according to market forces. The Foreign Exchange Risk of the bank is minimal as all the transactions are carried out on behalf of the customers against underlying Foreign Exchange transactions. Treasury Section independently conducts the transactions and the Back Office of Treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by the Bangladesh Bank at the month-end. All Nostro accounts are reconciled on monthly basis and outstanding entries beyond 30 days are reviewed by the Management for settlement.

On the basis of Bangladesh Bank's Foreign Exchange Risk Management Policy and Guideline, Foreign Exchange Risk Management Manual has been updated with the approval of Board of Directors. The Foreign Exchange Risk Management Manual and Foreign Exchange Risk Management Committee of the bank plays vital role in assessing, measuring and mitigating foreign exchange risks.

4. Money Laundering and Terrorist Financing Risk Management

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

The bank has a Central Compliance Committee (CCC) headed by the Chief Anti Money Laundering Compliance Officer (CAMLCO) designated as Deputy Managing Director to supervise the overall Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT) activities. Besides, Deputy Anti Money Laundering Compliance Officer (Deputy CAMLCO) designated as Deputy General Manager of Branch Management Department also plays vital role to combat Money Laundering Risk under the supervision of Chief Anti Money Laundering Compliance Officer. Moreover, each branch of the bank has Branch Anti Money Laundering Compliance Officer (BAMLCO) who is responsible for compliance of Bangladesh Bank instructions relating to AML/CFT activities in the branch. Risk is identified by the Branch through analyzing the KYC (Know Your Customer), TP (Transaction Profile) and Suspicious Transaction Report (STR) indicator. CTR (Cash Transaction Report) is sent to the Head Office on monthly basis for cash transaction of 10 (ten) lac and above of an account in a day. All these reports are sent to Bangladesh Bank through special software, goAML. If any suspicious transaction happens as per Bangladesh Bank's instruction STR is reported to convey the message to regulatory body.

5. Internal Control and Compliance Risk Management

Operational loss may arise from errors and fraud due to regulatory failure of Internal Control and Compliance. Internal Control and Compliance Division undertakes periodical and special audit of the branches and Departments at Head Office for review of the operation and compliance of the statutory requirement. The Audit Committee of the Board regularly reviews the report of the Internal Control and Compliance Division. Besides, Internal Control & Compliance Risk Management Manual of the bank plays crucial role in addressing, assessing, monitoring, mitigating and controlling the risks associated with Internal Control and Compliance (ICC).

Internal Control and Compliance (ICC) Division comprises with the three Departments mention below, to manage and monitor the cross divisional and cross regional operational risk as well as risk concentrations at branch level.

Audit & Inspection Department:

The department carries out general & specialized audit on all units of the Bank in order to identify, assess and measure the level of risks (High, Medium and Low).

Compliance Department:

The department monitors compliance activities of all branch, Office and sub-divisions under internal and external audit (Bangladesh Bank Audit/Inspection, Commercial Audit, External Audit /statutory audit and other regulatory authorities).

Monitoring Department:

- i) Verifies the internal control system & operational activities by implementing of Departmental Control Function Checklist (DCFCL), Quarterly Operations Report (QOR), Loan Documentation Checklist (LDCL) at Branch level;
- ii) Ensures timely and effective audit including ICT Audit by Internal Control Team;
- iii) Assists Audit & Inspection Department in Risk Based Internal Audit by assessing department wise risk (Off sight Analysis) with grading of all branches;
- iv) Prepares and submits Self-Assessment of Anti-Fraud Internal Controls report and Bank's Health report to Bangladesh Bank.

6. ICT Security Risk Management

Information Technology has improved over the years and the bank is gradually becoming dependent on its use for performing most of the activities. Information & Communication Technology (ICT) encompasses all fields of data/information processing, transmission and communications by means of computers and telecommunication techniques. For smooth operation of the bank's activities with desirable efficiency, a network-based computerized system is established in the bank. A reliable computer-based information system is essential for efficient management and operation of all the areas of the organization and the bank is moving towards that direction. The bank follows the guidelines of the Bangladesh Bank as well as its own "ICT Security Risk Management Policy" to govern and control the ICT areas, covering the functions of all the departments in the head office, the zonal offices and the branches located in different districts of Bangladesh. These policies are strictly followed at each level in the bank.

Risk management is an important business discipline that an organization should embrace to minimize the effects of risks on its returns and capitals. Bank has introduced the following departments and units to manage all the IT activities in sound, compliant and standard manner.

IT Operation Department: The department is assigned to develop IT infrastructure for sound implantation of digital services. The department has built standard and compliant Data Centre (DC). Also, a near Disaster Recovery Site (DRS) has been established. Far DRS is being planned to set up in Hi-tech Software Park in Jashore in collaboration with other government banks and financial institutions.

IT System Department: The department is responsible for deployment and secure operation of different software including Core Banking Solution (CBS). The department is also engaged in introducing new software to meet the updated demand of the customers. The department plays vital role in monitoring bank's assets and liabilities through analysis of database. At present money laundering related issues are completely identified and observed by the help of this department.

IT Security Unit: The unit has been launched to ensure data security more effective. The unit is maintaining sufficient physical as well as logical access control systems to protect the bank's IT assets and client interest usefully. The sensitive information is kept in the restricted area in the networking environment. Besides, the unit is ensuring execution of different relevant Policies & Plans of IT Operation, IT Security, IT Risk Management, IT Fraud Control and IT Audit for the bank as per the requirement of regulatory body.

Card Management Unit: The unit under IT System Department is ensuring sound implementation and maintenance of 24x7 uninterrupted debit card service. Collecting applications, verification of applications, card production, PIN issuing and card distribution to customers, renewal of expired cards, Card PIN changing, card activation/deactivation, blocking, account settlement, dispute settlement and account reconciliation, maintenance of software platforms to run the services 24x7, providing service on emergency situations/events to stakeholders are the major responsibilities of the unit.

Alternative Payment Management Unit: The unit under IT System Department is ensuring monitoring/maintenance of Mobile App, Merchant Payment and Internet Banking services with assistance of vendors that ensures uninterrupted services. Troubleshooting issues of customer and provide assistance, preparing and updating user manual for internet banking and mobile apps, settlement/reconciliation of Mobile apps and internet banking related transaction, maintaining Play Store and App Store Account to upload update version of mobile apps, notifying customers about different update news information through SMS and App notifications, collecting commission for Mobile Financial Services (MFS) transaction, Maintaining constant communication with the Digital Help Desk Officers at each bank branch to address any problems pertaining to the bank's digital services are the major responsibilities of the unit.

Above all, for oversight of ICT Security Risk in bank, there is an ICT Security Committee which plays a vital role in identifying, assessing and mitigating ICT Security Risks.

7. Environmental and Social Risk Management

Environmental risk is a facilitating element of credit risk arising from environmental issues. These increase risks as they bring an element of uncertainty or possibility of loss in the context of a financing transaction. To address the environmental and social risks the bank has a BoD approved Environmental and Social Risk Management Policy. The main objective of the policy is to contribute to establish an environment friendly banking business system which may be achieved through proper utilization of human & physical resources and encouraging channeling of fund to projects/businesses those expose no or very little risk to the environment/climate. Besides, Sustainable Finance Committee is working to mitigate risks arising from business operation.

Capital Management

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

- a) Capital management helps to ensure that the bank has sufficient capital to cover the risks associated with its activities;
- b) As part of the internal capital adequacy assessment process (ICAAP), management identifies the risks that the bank is exposed to, and determines the means by which these will be mitigated;
- c) Capital is used to cover some of these risks, and the remainder of these risks is mitigated by means of collateral or other credit enhancements, contingency planning, additional reserves and valuation allowances, and other mechanisms.

Basel-III Implementation

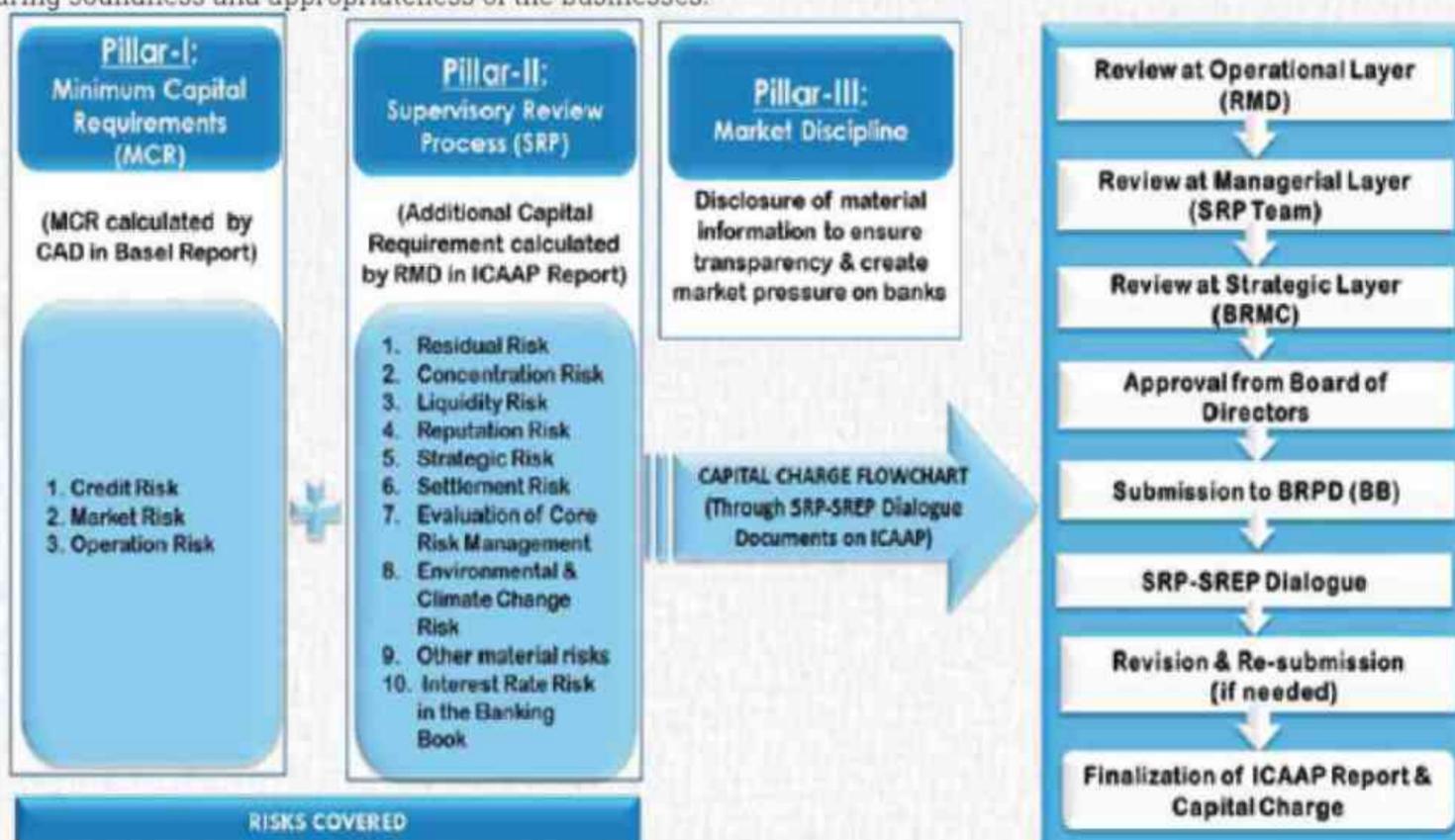
The Basel Accord is the cornerstone of international risk-based banking regulation and banking supervision. The Basel Framework is a banking risk and capital management framework dealing with three distinct areas commonly known as pillars where-

- Pillar-1:** Minimum Capital Requirement (MCR)
- Pillar-2:** Supervisory Review Process (SRP)
- Pillar-3:** Market Discipline through disclosure of material information

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

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

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



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

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

(Tk. in Crore)

SL.	Regulatory Capital (Solo Basis)	December 2024	December 2023
1	Tier-1 Capital [Common Equity Tier-1 Capital (CET-1) (i.e. Going-Concern Capital) + Additional Tier-1 Capital (AT-1)]	997.07	1087.02
2	Tier-2 Capital (Gone-Concern Capital)	6.14	15.31
3	Total Regulatory Capital (1+2)	1003.24	1102.33
4	Credit Risk Weighted Assets	3455.79	3770.17
5	Market Risk Weighted Assets	803.08	885.19
6	Operational Risk Weighted Assets	223.52	229.95
7	Total Risk Weighted Assets (RWA) (4+5+6)	4482.39	4885.31
8	Minimum Capital Requirement (MCR) without Conservation Buffer (10% of RWA)	500.00	500.00
9	Capital Conservation Buffer (2.5% of RWA)	112.06	122.13
10	Minimum Capital Requirement (MCR) with Conservation Buffer (8+9)	612.06	622.13
11	Capital Surplus (3-10)	391.15	480.20
12	Capital to Risk Weighted Assets Ratio (CRAR)	22.38%	22.56%
13	Tier-1 Capital to RWA	22.24%	22.25%
14	Tier-2 Capital to RWA	0.14%	0.31%

Pillar-2: Supervisory Review Process (SRP)

Supervisory Review Process (SRP) of Risk Based Capital Adequacy Framework is intended to ensure that banks have adequate capital to support all the risks in their business and at the same time to encourage banks to develop and use better risk management techniques in monitoring and managing their risks. The key principle of the SRP as per Bangladesh Bank's 'Revised Process Document for SRP-SREP Dialogue on ICAAP (May 2014)' is that "banks have a process for assessing overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital at an adequate level". The bank has an exclusive body called SRP team where RMD is an integral part. RMD, under direct supervision of SRP team of the bank, prepares Internal Capital Adequacy Assessment Process (ICAAP) Report for assessing the bank's overall risk profile and a strategy for maintaining adequate capital. The following risks are considered to assess required capital under pillar-2:

- i. Residual risk;
- ii. Credit concentration risk;
- iii. Interest rate risk in the banking book;
- iv. Liquidity Risk;
- v. Settlement risk;
- vi. Strategic risk; and
- vii. Other material risk.

The bank has a capital plan to raise its capital against risks to fulfill the Bangladesh Bank's requirement.

Pillar-3: Market Discipline through Disclosure of Material Information

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

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

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

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

Market Disclosures for December 2024

Under Pillar-III of Basel III

The regulatory requirement of market disclosure is imposed by Bangladesh Bank to ensure the implementation of Risk Based Capital Adequacy (RBCA) – Basel-III and making banks more transparent to the stakeholders so that they can take rational economic decision. The reports will enable market participants to assess more effectively key information relating to a bank's regulatory capital and risk exposures in order to instill confidence about a bank's exposure to risk and overall regulatory capital adequacy. The qualitative and quantitative disclosures of the bank under Basel-III requirements based on the audited financial statements of 31 December, 2024 are prepared as per the guidelines of Bangladesh Bank "Risk Based Capital Adequacy for Banks" to establish more transparent and more disciplined financial market.

(a) Scope of application

Qualitative Disclosures	(a)	The name of the top corporate entity in the group to which this guideline applies.	Bangladesh Development Bank PLC.
Qualitative Disclosures	(b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	<p>Bangladesh Development Bank PLC. has 2 (two) subsidiaries viz. (i) BDBL Securities Limited (BSL) and (ii) BDBL Investment Services Limited (BISL).</p> <p>A brief description of the bank and its subsidiaries is stated below:</p> <p><u>Bangladesh Development Bank PLC.</u> Bangladesh Development Bank PLC. was incorporated on 16 November 2009 under the Companies Act, 1994 as a public limited company and governed by the bank company Act, 1991 (as amended in 2018) to acquire and take-over, as going concern, the undertakings and businesses of statutory bodies of Bangladesh Shilpa Bank (BSB) and Bangladesh Shilpa Rin Sangstha (BSRS) constituted respectively under the Bangladesh Shilpa Bank Order, 1972 (President Order No.129 of 1972) and Bangladesh Shilpa Rin Sangstha Order, 1972 (President Order No.128 of 1972) with all of their assets, benefits, rights, powers, authorities, privileges, liabilities, borrowings and obligations and to carry on with the same business. Two vendors agreement were executed between the Government of the People's Republic of Bangladesh and Bangladesh Development Bank PLC. on 31 December 2009 in this regard.</p> <p><u>Subsidiaries of Bangladesh Development Bank PLC.</u></p> <p><u>i) BDBL Securities Limited:</u> BDBL Securities Limited, a fully owned subsidiary company which was incorporated on 23 May, 2011 with the Registrar of Joint Stock Companies & Firms with authorized and paid-up capital of Tk. 4000.00 million and 500.00 million respectively. The company is a member of Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. and obtained Stock Broker and Stock Dealer License of DSE on 18.01.2012 and CSE on 15.05.2012.</p> <p><u>ii) BDBL Investment Services Limited:</u> BDBL Investment Services Limited, a fully owned subsidiary company which was incorporated on 06 August, 2014 with authorized and paid-up capital of Tk. 500.00 million and 500.00 million respectively. A vendors Agreement was signed on 11 September, 2014 between Bangladesh Development Bank PLC. and BISL for transfer of membership of DSE Trading Right Entitlement Certificate (TREC) # 152 & Shares (7215106 share10TK per). DSE approved conversion of DSE TREC # 152 & Shares in favor of BISL at its 813th Board Meeting held on 26 November 2015 and then BSEC issued Stock Dealer and Stock Broker Registration Certificate in favor of BISL on 19 January 2016.</p>

Qualitative Disclosures	(c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Not Applicable
Quantitative Disclosures	(d)	The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.	Not Applicable

(b) Capital structure

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

Qualitative Disclosures	(a)	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET1, Additional Tier-1 or Tier-2.	<p>The capital of Bank can be classified into two tiers. The total regulatory capital will consist of sum of the following categories:</p> <p>1. Tier 1 Capital (going-concern capital) a) Common Equity Tier 1 b) Additional Tier 1</p> <p>2. Tier-2 Capital (gone-concern capital) Tier-1 capital consists of CET1 and Additional Tier1 Capital highest quality capital items which are stable in nature and allow a bank to absorb losses on an ongoing basis. CET1 includes paid-up capital, statutory reserve, general reserve, retained earnings, minority interest in subsidiaries, dividend equalization account etc. Tier-2 capital lacks some of the characteristics of the core capital but also bears loss absorbing capacity to a certain extent. Capital consists of applicable percentage of revaluation reserves (assets, securities & equities) and general provision (against unclassified loans, SMA and off-balance sheet exposures). Presently the bank does not have any debt instruments eligible for capital counting.</p>																						
Quantitative Disclosures	(b)	The amount of Regulatory Capital, with separate disclosure of: CET1 Capital Additional Tier 1 Capital Total Tier 1 Capital	<table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th>Solo</th> <th>Consolidated</th> </tr> <tr> <th colspan="2">Taka in Thousand</th> </tr> </thead> <tbody> <tr> <td>Paid up Capital</td> <td>6000000</td> <td>6000000</td> </tr> <tr> <td>Statutory reserve</td> <td>2800471</td> <td>2800471</td> </tr> <tr> <td>General reserve</td> <td>2377755</td> <td>2377755</td> </tr> <tr> <td>Retained earnings</td> <td>628242</td> <td>954534</td> </tr> <tr> <td>Total Tier-1 Capital</td> <td>11806468</td> <td>12132760</td> </tr> </tbody> </table>			Particulars	Solo	Consolidated	Taka in Thousand		Paid up Capital	6000000	6000000	Statutory reserve	2800471	2800471	General reserve	2377755	2377755	Retained earnings	628242	954534	Total Tier-1 Capital	11806468	12132760
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*In response to the Bank's request dated 23 April 2025, Bangladesh Bank, through its letter ref. no. DOS(CAMS)1157/41(Dividend)/2025-3097, dated 21 May 2025, granted approval for the deferral of the required provision of BDT 1,835,751,419 (comprising of BDT 1,662,888,700 (note 12.6.d), plus 184,566,517 (note 12.8) less BDT 8,446,547 (note 12.6.b) BDT 3,257,251 (note 12.6.c) in the financial statements due to insufficient profitability. But the provision shortfall of TK.1835.75 million adjusted against Tier-i capital. Accordingly, the Bank has prepared its financial statements for the year ended 31 December 2024 without recognizing the required provision.

(c) Capital Adequacy

Qualitative Disclosures	(a)	A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.	<p>For computing capital adequacy, the bank has adopted standardized approach for credit risk measurement, market risk measurement and basic indicator approach for operational risk measurement. Assessment of capital adequacy is carried out in combination with the capital adequacy reporting to the Bangladesh Bank.</p> <p>The bank has maintained Capital to Risk Weighted Asset Ratio (CRAR) at 22.38% on solo basis and 21.61% on consolidated basis against minimum regulatory requirement of 10% on Risk Weighted assets.</p> <p>Tier-1 capital adequacy for solo and consolidated basis is 22.24% and 21.48% respectively against the 6% minimum regulatory requirement.</p> <p>Capital Conservation Buffer (CCB) for the year 2024 is 12.38% on solo basis and 11.61% on consolidated basis.</p> <p>The bank's policy is to manage and maintain strong capital base considering all material risk of Basel III and the result of stress tests. The bank maintains sufficient capital level complying with the regulatory requirement to absorb all material risk and also to satisfy all other external stakeholders including depositors. The main objective of capital management process of bank is to ensure adequate capital to meet up its all sorts of obligations any time even in adverse condition as well as steady growth.</p>															
Quantitative Disclosures	(b)	Capital Requirement for Credit Risk	<table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th>Solo</th> <th>Consolidated</th> </tr> <tr> <th colspan="2">Taka in Thousand</th> </tr> </thead> <tbody> <tr> <td>On-Balance Sheet</td> <td>34261856</td> <td>33364167</td> </tr> <tr> <td>Off-Balance Sheet</td> <td>296051</td> <td>296051</td> </tr> <tr> <td>Total Credit Risk</td> <td>34557907</td> <td>33660218</td> </tr> </tbody> </table>	Particulars	Solo	Consolidated	Taka in Thousand		On-Balance Sheet	34261856	33364167	Off-Balance Sheet	296051	296051	Total Credit Risk	34557907	33660218	
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		Total Risk Weighted Assets (RWA)	44823948
		10% of Risk Weighted Assets	4482395
		a. Required Capital (10% of risk weighted assets or 500.00 crore which is higher)	5000000
		b. Capital Conservation Buffer @ 2.50% on Risk Weighted Assets	1120599
		1. Total Required Capital with Conservation Buffer (a+b)	6120599
		2. Total eligible capital	10032123
		Capital Surplus (2-1)	3911524
Quantitative Disclosures	(g)	Available capital under Pillar 2 Requirement	Taka in Thousand 432600

(d) Credit Risk

Qualitative Disclosures	(a)	<p>The general qualitative disclosure requirement with respect to credit risk, including:</p> <p>. Definitions of past due and impaired (for accounting purposes):</p>	<p>Bank classifies loans and advances into performing and non-performing loans (NPL) in accordance with the Bangladesh Bank guidelines in this respect.</p> <p>As per Basel-III guidelines, shortfall of provision on loans was TK. 18,45,66,517 as on 31-12-2024 and it was deducted from common equity tier-1 capital accordingly for calculation of regulatory capital.</p> <p>An NPA (impaired) is defined as a loan or an advance where interest and/ or Installments of principal remain overdue for more than 90 days in respect of a Continuous credit, Demand loan or Term Loan etc. Classified loan is categorized under following 03(three) categories:</p> <p>i. Substandard ii. Doubtful iii. Bad& Loss</p> <p><u>Any continuous loan will be classified as:</u></p> <p>i. Sub-standard- if it is past due/overdue for 3 months or beyond but less than 9 months. ii. Doubtful- if it is past due/overdue for 9 months or beyond but less than 12 months. iii. Bad/Loss- if it is past due/overdue for 12 months or beyond.</p> <p><u>Any Demand Loan will be classified as:</u></p> <p>i. Sub-standard- if it remains past due/overdue for 3 months or beyond but not over 9 months from the date of claim by the bank or from the date of creation of forced loan. ii. Doubtful- if it remains past due/overdue for 9 months or beyond but not over 12 months from the date of claim by the bank or from the date of creation of forced loan. iii. Bad/Loss- if it remains past due/overdue for 12 months or beyond from the date of claim by the bank or from the date of creation of forced loan.</p> <p><u>Term Loan will be classified as:</u></p> <p>In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue after three months of the expiry date. Such types of Fixed Term Loans are classified as:</p> <p>i. Sub-standard- any installment(s)/ part of installment(s) of a Fixed Term Loan which will remain past due/ overdue for a period of 03 (three) months or beyond but less than 09 (nine) months, the entire loan will be put into the "Sub-standard". ii. Doubtful- any installment(s)/ part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 09 (nine) months or beyond but less than 12 (twelve) months, the entire loan will be put into the "Doubtful".</p>
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		<p>iii. Bad/Loss- any installment(s)/ part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 12(twelve) months or beyond, the entire loan will be put into the "Bad/Loss".</p> <p>Short-term Agriculture and Micro Credit will be classified as:</p> <p>Short-term Agriculture and Micro Credit will be considered irregular if it is not repaid within the due date as stipulated in the loans agreement and will be classified as:</p> <p>i. Sub-standard-if the irregular status continues after a period 12 (twelve) months, the credit is classified as "Sub-standard".</p> <p>ii. Doubtful-if the irregular status continues after a period 36 (thirty-six) months, the credit is classified as "Doubtful".</p> <p>I iii. Bad/Loss-if the irregular status continues after a period 60 (sixty) months, the credit is classified as "Bad/Loss".</p>																																																					
	. Description of approaches followed for specific and general allowances and statistical methods;	<p>> If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 18 (eighteen) months, the entire loan will be classified as "Doubtful".</p> <p>> If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 24 (twenty-four) months, the entire loan will be classified as "Bad/Loss".</p> <table border="1"> <thead> <tr> <th rowspan="2">Types of loans</th> <th colspan="5">Provision</th> </tr> <tr> <th>STD</th> <th>SMA</th> <th>SS</th> <th>DF</th> <th>BL</th> </tr> </thead> <tbody> <tr> <td>House Finance</td> <td>1%</td> <td>1%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> <tr> <td>Loan to Professionals</td> <td>2%</td> <td>2%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> <tr> <td>Consumer Finance</td> <td>2%</td> <td>2%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> <tr> <td>Loans to BHs/MBs/SDs</td> <td>1%</td> <td>1%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> <tr> <td>Short term Agri. Credit and Micro Credit</td> <td>1%</td> <td>1%</td> <td>5%</td> <td>5%</td> <td>100%</td> </tr> <tr> <td>Small & Medium Enterprise</td> <td>0.25%</td> <td>0.25%</td> <td>5%</td> <td>20%</td> <td>100%</td> </tr> <tr> <td>Others</td> <td>1%</td> <td>1%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> </tbody> </table>	Types of loans	Provision					STD	SMA	SS	DF	BL	House Finance	1%	1%	20%	50%	100%	Loan to Professionals	2%	2%	20%	50%	100%	Consumer Finance	2%	2%	20%	50%	100%	Loans to BHs/MBs/SDs	1%	1%	20%	50%	100%	Short term Agri. Credit and Micro Credit	1%	1%	5%	5%	100%	Small & Medium Enterprise	0.25%	0.25%	5%	20%	100%	Others	1%	1%	20%	50%	100%
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	. Discussion of the Bank's credit risk management policy;	<p>Credit risk is the risk that the counterparty of a financial institution fails to meet its obligation and causes to incur a financial loss. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or activities in the same geographical region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Credit risk in the Bank's Portfolio is monitored, reviewed and analyzed by the Risk Management Department (RMD). RMD determines the quality of the credit portfolio and assists in minimizing potential losses.</p>																																																					
Quantitative Disclosures	(b) Total gross credit risk exposures broken down by major types of credit exposure.	<table border="1"> <thead> <tr> <th rowspan="2">Nature wise</th> <th>Solo</th> <th>Consolidated</th> </tr> <tr> <th colspan="2">Taka in Thousand</th> </tr> </thead> <tbody> <tr> <td>Cash Credit</td> <td>4679438</td> <td>4679438</td> </tr> <tr> <td>Long Term Loan</td> <td>12915948</td> <td>12915948</td> </tr> <tr> <td>Over Draft</td> <td>664551</td> <td>664551</td> </tr> <tr> <td>Local Documentary Bill Purchase</td> <td>487549</td> <td>487549</td> </tr> <tr> <td>Consumer Loan</td> <td>642784</td> <td>642784</td> </tr> <tr> <td>Loan against trust receipt & others</td> <td>2347155</td> <td>2241190</td> </tr> <tr> <td>Staff Loan</td> <td>3812031</td> <td>3812031</td> </tr> <tr> <td>Total Loans & Advances</td> <td>25549456</td> <td>25443491</td> </tr> </tbody> </table>	Nature wise	Solo	Consolidated	Taka in Thousand		Cash Credit	4679438	4679438	Long Term Loan	12915948	12915948	Over Draft	664551	664551	Local Documentary Bill Purchase	487549	487549	Consumer Loan	642784	642784	Loan against trust receipt & others	2347155	2241190	Staff Loan	3812031	3812031	Total Loans & Advances	25549456	25443491																								
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Quantitative Disclosures	(c)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.	Division wise	Solo	Consolidated
			Taka in Thousand		
			Dhaka Division	12386404	12280439
			Mymensingh Division	1435892	1435892
			Chittagong Division	3288577	3288577
			Khulna Division	1147578	1147578
			Rajshahi Division	3489549	3489549
			Sylhet Division	652885	652885
			Barisal Division	512286	512286
			Rangpur Division	2636285	2636285
Total Loans & Advances			25549456	25443491	
Quantitative Disclosures	(d)	Industry or Counterparty type distribution of exposures, broken down by major types of credit exposure.	Industrial Sector wise	Solo	Consolidated
			Taka in Thousand		
			Food & Allied Products	4645502	4645502
			Jute & Allied Fiber Products	188958	188958
			Cotton, Woolen & Synthetic Textile	5743381	5743381
			Paper, Paper Products & Printing	120714	120714
			Tannery & its Products	47285	47285
			Non-metallic mineral Products	296704	296704
			Forest, Wood Products & Saw Mills	256895	256895
			Metal Products	1525917	1525917
			Electrical Machinery & Goods	202346	202346
			Machinery & Spare Parts	68400	68400
			Transport	96304	96304
			Chemicals & Pharmaceuticals	331651	331651
			Petro- Chemicals	142456	142456
			Service Industries	986426	986426
			Rubber Goods	25761	25761
			Miscellaneous	10870756	10764791
Total Loans & Advances			25549456	25443491	
Quantitative Disclosures	(e)	Residual Contractual maturity breaks down of the whole portfolio, broken down by major types of credit exposure.	Maturity wise	Solo	Consolidated
			Taka in Thousand		
			Repayable - on demand	-	-
			Up to 3 months	3514500	3514500
			Over 3 months but below 1 year	8302370	8196405
			Over 1 year but below 5 years	9222100	9222100
Over 5 years	4510486	4510486			
Total Loans & Advances			25549456	25443491	
Quantitative Disclosures	(f)	By major industry or counterparty type: • Amount of impaired loans and if available, past due loans, provided separately; • Specific and general provisions; and • Charges for specific allowances and charge-offs during the period.	Not Available		
Quantitative Disclosures	(g)	Gross Non-Performing Assets (NPAs)	TK in thousand 10552189		
		Non-Performing Assets (NPAs) to Outstanding Loans & advances	41.30%		
		Movement of Non-Performing Assets (NPAs)	Particulars	TK in thousand	
			Opening balance	9934140	
			Additions	618049	
			Deductions	-	
			Closing balance	10552189	

	Movement of specific provisions for NPAs	Particulars	TK in thousand
		Opening balance	3636137
		Provisions made during the period	-
		Write-off	(708318)
		Interest waiver of staff Loan	(5921)
		Excess provision transferred to other asset and Investment	(21800)
		Recoveries and provision no longer required	23757
		Excess provision transferred from Unclassified Loan	37582
		Closing balance	2961437

(e) Equities: Disclosures for Banking Book Positions

Qualitative Disclosures	(a)	The general qualitative disclosure requirement with respect to equity risk, including: • differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and • discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	Investment in equity is mainly for investment like investment in shares, Marketable securities, Bond, Debentures etc. Quoted shares are valued at cost. Sufficient provision is maintained as per requirement. Unquoted shares are valued at cost. There is no shortfall of provision on solo basis but on consol basis shortfall provision on share was TK. 30,60,01,388.00 as on 31-12-2024 and it was deducted from common equity tier-1 capital accordingly for calculation of regulatory capital.
Quantitative Disclosures	(b)	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	Value of quoted and unquoted shares has been shown at cost and market price in the financial statements as well as in the Basel-III statement.
Quantitative Disclosures	(c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	The cumulative realized gains (losses) arising from sales and liquidations is shown in the financial statements at reporting period.
Quantitative Disclosures	(d)	• Total unrealized gains (losses) • Total latent revaluation gains (losses) • Any amounts of the above included in Tier 2 capital.	TK in thousand 9664635 - -
Quantitative Disclosures	(e)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.	Regulatory capital requirement has been calculated through breaking down equities consisting with the bank's methodology. Such as Investment in quoted and unquoted shares.

(f) Interest Rate Risk in the Banking Book (IRRBB)

Qualitative Disclosures	(a)	The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.	To manage this risk in the banking book, bank considers the impact of interest changes on both assets and liabilities. Changes in interest rates affect both the current earnings as well as net worth of the bank. The bank periodically determine and reports the interest rate risk to the board and regulatory authority that arises due to re-pricing mismatches in interest rate sensitive assets and liabilities.			
Quantitative Disclosures	(b)	The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).	Particulars	<3 Months	3-6 Months	6-12 Months
			Taka in Thousand			
			Risk Sensitive Assets	8319039	3373738	6747476
			Risk Sensitive Liabilities	7300949	3236700	6473399
			GAP	1018090	137038	274077
			Cumulative GAP	1018090	1155128	1429205

(g) Market Risk

Qualitative Disclosures	(a)	Views of BOD on trading/investment activities	The Board Of Directors (BOD) keeps tight watch on the activities and trading in order to maximize profit without violating banking rules, regulations.		
		Methods used to measure Market risk	Standardized approach has been used to measure the market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk according to sub-categories. For each risk category, minimum capital requirement is measured separately. Capital is charged for 'specific risk' and 'general market risk' respectively.		
		Market Risk Management system	Bank makes investment decision based on historical data of market movements of all comparable financial institution instruments to avoid market risk. For managing specific risk bank emphasizes on investment in bonds and quality financial instruments, which are less volatile in nature. A separate section under central accounts department has been established for treasury related activities. Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meeting is held at least once in a month.		
		Policies and processes for mitigating market risk	There are approved policies for Market risk related instruments both on-balance sheet and off-balance sheet items. The investments are monitored and enforced on a regular basis to protect against market risks. Prevailing market condition, exchange rate, forex position and transactions are reviewed time to time to mitigate market risks.		
Quantitative Disclosures	(b)	The capital requirements for: *interest rate risk; *equity position risk; *foreign exchange risk; and *commodity risk.	Particulars	Solo	Consolidated
			Taka in Thousand		
			Interest rate risk	-	-
			Equity position risk	7376456	9633390
			Foreign exchange risk	654378	654378
			Commodity risk	-	-
			Total	8030834	10287768

(h) Operational Risk

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

Qualitative Disclosures	(a)	Views of BOD on system to reduce Operational Risk	The BOD keeps tight watch on the activities and trading in order to maximize profit without violating banking rules, regulations. The policy for operational risks including internal control & compliance risk is approved by the board taking into account relevant guidelines of Bangladesh bank. Audit committee of the Bank oversees the activities of Internal Control & Compliance Division (ICCD) to protect against all operational risk.		
		Performance gap of executives and staffs	Bank has a policy to provide equal opportunity and best working environment to the employees. Bank's strong image plays an important role in employee motivation. As a result, there is no significant performance gap.		
		Potential external events	No potential external events are expected to expose the Bank to significant operational risk.		
		Policies and processes for mitigating operational risk	The policy for operational risks including internal control & compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh bank. Policy guidelines on Internal Audit system is in operation. Branches are audited regularly by Internal Control & Compliance Division (ICCD). It is the policy of the bank to put all the branches of the bank under any form of audit at least once in a year. The audit & inspection department makes a year wise risk based audit plan to carry out comprehensive audits & inspection on the banking operations. Moreover, each and every state owned bank is audited by Government auditors and external audit firms. ICCD directly report to Audit Committee of the Bank. Bank's Anti-Money laundering activities are supervised by CAMLCO and their activities are devoted to protect against all money laundering and terrorist finance related activities. Apart from that, there is adequate check & balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk.		
		Approach for calculating capital charge for operational risk	Basic Indicator Approach was used for calculating capital charge for operational risk as of the reporting date.		
Quantitative Disclosures	(b)	The capital requirements for Operational Risk	Particulars	Solo	Consolidated
				Taka in Thousand	
			The capital requirements for Operational Risk	2235207	2559749

(i) Liquidity Ratio

Qualitative Disclosures	(a)	Views of BOD on system to reduce liquidity risk	Liquidity risk is the risk that a given security or assets cannot be traded quickly in the market to prevent a loss (or make the required profit) or when a bank is unable to fulfill its commitments in time when payments falls due. Liquidity risk can be categorized into two types: i. Funding liquidity risk: The risk that a firm may be unable to meet its current and future cash flow and collateral needs without affecting its daily operation. ii. Market liquidity risk: The risk that a firm cannot easily offset or sell a position without incurring a loss due to inadequate depth in the market. The Board Of Directors (BOD) of bank keeps tight watch on managing the assets and liabilities of the bank in order to maximize shareholders' value and profitability and also to increase capital to protect the bank from any adverse financial consequences arising from liquidity risk. Various liquidity measurement reports are viewed by board. BOD plays important role in controlling the overall liquidity risk.
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		Methods used to measure liquidity risk	<p>The bank always tries to maintain adequate required liquidity at all times and in all situations (favorable or unfavorable). To maintain adequate liquidity bank identifies and monitors the driving factors of liquidity risk considering the following aspects:</p> <ul style="list-style-type: none"> a) Cash Reserve Requirement (CRR) b) Advance Deposit Ratio (ADR)/Investment Deposit Ratio (IDR) c) Liquidity Coverage Ratio (LCR) d) Net Stable Funding Ratio (NSFR) <p>The bank also uses its own liquidity monitoring tool:</p> <ul style="list-style-type: none"> a) Liquidity Contingency Plan b) Whole Sale Borrowing & Funding Guideline 														
		Liquidity risk management system	<p>Any gap at a particular maturity bucket, the liquidity risk will be managed through following systems:</p> <ul style="list-style-type: none"> (i) Fund will be mobilized first from money market. (ii) Balance deposited with other banks will be withdrawn. (iii) The excess amount of CRR with BB will be withdrawn. (iv) Marketable securities will be sold with no or very negligible losses. (v) Fund will be mobilized through Repo or Reverse Repo activities 														
		Policies and process for mitigating liquidity risk	<p>Liquidity ratios are a class of financial metrics used to determine a company's ability to pay off its short-terms debts obligations at the lowest possible time and lowest possible cost. Generally, the higher the value of the ratio, the larger the safety that indicates the company is able to cover short-term debts. A company's ability to turn short-term assets into cash to cover debts is of the utmost importance when creditors are seeking payment. For this purpose, the BOD of the bank has formed Asset Liability Management Committee (ALCO) which meets at least once a month to monitor the liquidity position and take necessary steps to manage liquidity risk. The bank maintains a board approved treasury manual and Liquidity Contingency Plan has been developed to keep enough liquidity to meet crisis situation.</p>														
Quantitative Disclosures	(b)	<ul style="list-style-type: none"> *Liquidity Coverage Ratio *Net Stable Funding Ratio (NSFR) *Stock of High-quality liquid assets *Total net cash outflows over the next 30 calendar days *Available amount of stable funding *Required amount of stable funding 	<table border="1"> <thead> <tr> <th>Liquidity ratio</th> <th>SOLO</th> </tr> </thead> <tbody> <tr> <td>Liquidity Coverage Ratio</td> <td>194.77%</td> </tr> <tr> <td>Net Stable Funding Ratio (NSFR)</td> <td>111.64%</td> </tr> <tr> <td>Stock of High-quality liquid assets (In "000")</td> <td>5788303</td> </tr> <tr> <td>Total net cash outflows over the next 30 calendar days (In "000")</td> <td>2971866</td> </tr> <tr> <td>Available amount of stable funding (In "000")</td> <td>56296867</td> </tr> <tr> <td>Required amount of stable funding (In "000")</td> <td>50424939</td> </tr> </tbody> </table>	Liquidity ratio	SOLO	Liquidity Coverage Ratio	194.77%	Net Stable Funding Ratio (NSFR)	111.64%	Stock of High-quality liquid assets (In "000")	5788303	Total net cash outflows over the next 30 calendar days (In "000")	2971866	Available amount of stable funding (In "000")	56296867	Required amount of stable funding (In "000")	50424939
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(j) Leverage Ratio

Qualitative Disclosures	(a)	Views of BOD on system to reduce excessive leverage	<p>In order to avoid excessive leverage in the banking system, a simple, transparent, non-risk-based leverage ratio has been introduced. The leverage ratio is calibrated to act as a credible supplementary measure to the risk-based requirements. The leverage ratio is intended to achieve the following objectives:</p> <ul style="list-style-type: none"> a) Constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy b) Reinforce the risk-based requirements with an easy to understand and a non-risk-based measure. <p>Bank calculates leverage ratio on quarterly basis as prescribed by Bangladesh Bank through Guidelines on Risk Based Capital Adequacy and submits to Bangladesh Bank.</p> <p>The board of directors regularly reviews the leverage ratio and ensures that the management strictly maintains the leverage ratio as prescribed by Bangladesh Bank through Guidelines on Risk Based Capital Adequacy.</p>
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		Policies and processes for managing excessive on and off-balance sheet leverage	A minimum Tier 1 leverage ratio of 3% is being prescribed by Bangladesh Bank both at solo and consolidated basis. Bank maintains leverage ratio on quarterly basis. The formula for calculating leverage ratio is: Leverage Ratio= Tier 1 Capital (after related deduction)/ Total Exposure (after related deduction)		
		Approach for calculating exposure	The exposure measure for the leverage ratio will generally follow the Accounting measure of exposure. In order to measure the exposure consistently with financial accounts, the following will be applied by the bank: i. On balance sheet, non-derivative exposures will be net of specific provisions and valuation adjustments (e.g. surplus/ deficit on Available for sale (AFS)/ Held-for-trading (HFT) positions). ii. Physical or financial collateral, guarantee or credit risk mitigation purchased is not allowed to reduce on-balance sheet exposure. Netting of loans and deposits is not allowed.		
Quantitative Disclosures	(b)	*Leverage Ratio *On balance sheet exposure *Off balance sheet exposure Total exposure	Particulars	SOLO	CONSOL
				TK in Thousand	
			Leverage Ratio	18.02%	17.79%
			On balance sheet exposure	34261856	33364167
			Off balance sheet exposure	296051	296051
		Total exposure	34557907	33660218	

(k) Remuneration

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

		<p>An overview of the key features and objectives of remuneration policy.</p> <p>Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that was made.</p> <p>A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.</p>	<p>Not Applicable</p> <p>Salary Structure: Salary component is as under: (i) Basic salary (ii) House Rent Allowance (iii) Medical Allowance and (iv) Other allowances</p> <p>Remuneration Type:</p> <ul style="list-style-type: none"> • Employees under pension basis; • Employees under gratuity basis; • Employees under contractual basis;
Qualitative Disclosures	(c)	<p>Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures should include:</p> <p>An overview of the key risks that the bank takes into account when implementing remuneration measures.</p> <p>An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed).</p> <p>A discussion of the ways in which these measures affect remuneration. A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.</p>	Not Applicable
Qualitative Disclosures	(d)	<p>Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration. Disclosures should include:</p> <p>An overview of main performance metrics for bank, top-level business lines and individuals. A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance. A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak.</p>	Not Applicable

Qualitative Disclosures	(e)	<p>Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance. Disclosures should include:</p> <p>A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable</p> <p>Remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.</p> <p>A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through clawback arrangements.</p>	<p>As a state owned entity the remuneration system is governed under National Pay Scale announced by the Government of the People's Republic of Bangladesh. Moreover, various cash and non-cash benefits are provided as per the approval of the Board of Directors as follows:</p> <ul style="list-style-type: none"> • Bank provides car facilities for level executive level employees; • Car loan facility; • Staff loan at bank rate; • Travel allowance/TA/DA as required; • Festival bonus; • Allowance for employees' meritorious students; • Recreations leave for 15 days after every three year and Maternity leave as per guidelines.
Qualitative Disclosures	(f)	<p>Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms. Disclosures should include:</p> <p>An overview of the forms of variable remuneration offered (i.e. cash, shares and share-linked instruments and other forms.</p> <p>A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description the factors that determine the mix and their relative importance.</p>	<p>There are no different forms of variable remuneration (i.e. cash, shares and share-lined instruments and other forms). There are no performance-based rewards. But in some special cases an increment is added as reward for outstanding performance of any employee. However, there is an incentive system on overall performance (based on profit). Salary and all types of benefits provided by the bank are in the form of cash.</p>
Quantitative Disclosures	(g)	<p>Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.</p>	<p>Not Applicable</p>
Quantitative Disclosures	(h)	<p>Number of employees having received a variable remuneration award during the financial year. Number and total amount of guaranteed bonuses awarded during the financial year. Number and total amount of sign-on awards made during the financial year. Number and total amount of severance payments made during the financial year.</p>	<p>Not Applicable</p>

Quantitative Disclosures	(i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. Total amount of deferred remuneration paid out in the financial year.	Not Applicable									
Quantitative Disclosures	(j)	Breakdown of amount of remuneration awards for the financial year to show: - fixed and variable. - deferred and non-deferred. - different forms used (cash, shares and share linked instruments, other forms).	<table border="1"> <thead> <tr> <th data-bbox="1003 519 1577 557">Particulars</th> <th data-bbox="1577 519 1885 557">Taka in Thousand</th> </tr> </thead> <tbody> <tr> <td data-bbox="1003 557 1577 635">Fixed Pay (including two festival bonus and Nabo barsha bonus)</td> <td data-bbox="1577 557 1885 635">375937</td> </tr> <tr> <td data-bbox="1003 635 1577 753">Variable Pay (House rent and 02 incentive bonus equivalent to two-month basic salary)</td> <td data-bbox="1577 635 1885 753">191521</td> </tr> <tr> <td data-bbox="1003 753 1577 804">Total</td> <td data-bbox="1577 753 1885 804">567458</td> </tr> </tbody> </table>	Particulars	Taka in Thousand	Fixed Pay (including two festival bonus and Nabo barsha bonus)	375937	Variable Pay (House rent and 02 incentive bonus equivalent to two-month basic salary)	191521	Total	567458	
Particulars	Taka in Thousand											
Fixed Pay (including two festival bonus and Nabo barsha bonus)	375937											
Variable Pay (House rent and 02 incentive bonus equivalent to two-month basic salary)	191521											
Total	567458											
Quantitative Disclosures	(k)	<p>Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:</p> <p>Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.</p> <p>Total amount of reductions during the financial year due to ex post explicit adjustments.</p> <p>Total amount of reductions during the financial year due to ex post implicit adjustments.</p>	Not Applicable									



SUSTAINABILITY REPORTING

Sustainable Banking

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

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

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

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

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

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

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

- Make sustainable long term financial performance.
- Provide sustainable and responsible financial services.
- Contribute significantly in socio-economic development.
- Create good governance, regulation and stakeholder engagement.
- Help in building green environment.
- Make a positive and consistent employee experience.

Business Partners

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

Regulatory Authorities

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

Economic Contribution

Bangladesh Development Bank PLC, contributes indirectly to the economies by way of providing loans & advances to the industrial ventures which ultimately produce goods & services and create employment opportunities for the people of the country. The loans & advances provided to different industrial ventures by the Bank was Tk.2,554.95 crore in 2024 against Tk.2,657.11 crore in 2023.

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

Future Outlook

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

Environmental Contribution

Green Banking

As a part of green banking, Bangladesh Development Bank PLC, is attaching importance to the activities that are not harmful to the environment. It has established a separate sustainable finance unit and various measures have been adopted to ensure green banking. The Bank has established Dedicated Sustainable Finance Help Desk at Head Office and Branch Offices to ensure the sustainable financing of the Bank. Among others, green financing, creating awareness among employees for efficient use of water, electricity and paper giving preference to preservation of ecosystem while financing commercial projects and reuse of equipment are some initiatives for turning the Bank as a green bank. The Bank is following the Sustainable Finance Policy for Banks and Financial Institutions which is prepared by Bangladesh Bank. As per Bangladesh Bank's guidelines, the Bank has been taken initiatives to prepare its own Sustainable Finance Policy.

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

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

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

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

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

Social Contribution

"Building sustainable society"

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

Financial Inclusion

Financial inclusion is one of the most important tools for ensuring financial and social stability, especially in the developing countries. Access to finance by the poor and vulnerable groups is a pre-requisite for poverty reduction and social balance. This has become an integral part of our efforts to promote inclusive growth. The Bank is dedicated to serve financial services at an affordable cost to the vast sections of the disadvantaged and low-income groups. The various financial services include: credit in the form of short, medium

and long term loans & advances facilities, savings by opening of various accounts and schemes and foreign exchange business including remittance facilities.

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

In Year 2024

- Number of deposit A/Cs is 170,258 in 2024, as against 163,826 in 2023.
- Total deposits in 2024 is BDT. 2,753.06 crore, as against BDT. 3,053.56 crore in 2023.
- Total loan & advances in 2024 is BDT. 2,554.95 crore, as against BDT. 2,657.11 crore in 2023.
- Number of Branches (50) remained same as 2023.

Human Resources

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

The Bank is maintaining a welfare fund namely Benevolent Fund taking contribution from employees and the bank to support the employees and their families on the ground of medical, maternity, retirement, disability and death claim. Staff Welfare Fund is being run by the bank out of the employees' regular contribution to stand before them for their well-being. The physical and mental well-being of the officers and staff are very important especially for the stressful effects of the performance driven culture in the Banking Sector. Effective counseling and proper treatment for employees plays 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.

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

Green Banking

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

Policy Formulation and Governance

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

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

Apart from these, the Bank also undertook the following action plan under different phases according to policy guidelines for green banking given by Bangladesh Bank:-

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

In-House Environment Management

The Bank took a number of steps for in-house environment management in congruence with Green Banking Policy. The following initiatives were taken to activate in-house environment management:

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

Compliance of Environment & Socials Risk Manual (ESRM)

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

Green Financing

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

Green Marketing

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

Online Banking

Online Banking is one of the important and easiest ways to save environment by doing paperless banking. It decreases use of paper, waste of paper along with reduction of carbon emission and printing & postal expenses. At present, all branches along with Head Office are fully online for banking. The Bank has established data center, implemented core banking software (CBS) and launched its mobile banking app & digital platform for its wide range of customers.

Training and Awareness

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

Compliance Status of Green Banking in the Bank

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

Disclosure of Green Banking Activities

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

Management Approach to Green Banking

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

Financial Inclusion

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

BDBPLC's Initiative for Financial Inclusion

Financial inclusion promotes inclusive growth, enhances productive capacity, boosts youth employment, and combats poverty by providing advancement opportunities for the disadvantaged poor. Without access to basic financial services, significant social exclusion occurs in education, employment, and social safety nets. Long-term stability relies heavily on the quality of economic and social growth that includes all segments of the population in the development process.

To ensure the promotion of financial inclusion, a committee has been established to oversee the issue according to BB guidelines. To deliver financial inclusion services to beneficiaries, the following arrangements have been implemented:

- Bank account for the hardcore poor;
- Bank account for garment workers;

- Bank account for the elderly, disabled, widows, and women discarded by their husbands;
- Bank account for beneficiaries of social safety network programs;
- Bank account for freedom fighters;
- Countrywide expansion of branches;
- Bank account for unemployed youth;
- BACH, NPSB, BEFTN & RTGS operations;
- Arrangement of small-scale loans;
- Banking for working/street children;
- Online Sanchayapatra selling service;
- Titas Gas (Meter & Non-Meter), e-Gp, e-Tender, Automated Challan Service;
- Mobile apps, e-account;
- NESCO, DPDC, BGDCL bill collection; and
- Debit card, internet banking.

Future Outlook

Supporting the government's inclusive growth strategy, the Bank will actively implement additional measures to serve underserved/un-served economic sectors and population segments. This includes providing credit facilities to SME entrepreneurs, and supporting agricultural, rural, urban farm, and non-farm productive activities.

Continuing the expansion of rural branches of the bank.

Collaborating with mutually-owned cooperative societies to offer financial and other specified services.

The Bank is currently working with Bangla QR Code, which will soon be operational.

Corporate Social Responsibility

CSR, also known as Corporate Citizenship or Sustainable Responsible Business, is a form of corporate self-regulation integrated into business models. A CSR Policy serves as a self-regulatory mechanism through which businesses monitor and ensure their active compliance with legal, ethical standards, and international norms. CSR aims to embrace responsibility for corporate actions and foster a positive impact on the environment and stakeholders, including customers, employees, investors, communities, and others. Fundamentally, CSR embodies a sense of responsibility towards the community and the environment, promoting inclusive development where no one is left behind.

CSR mainly focuses on promoting environmentally sustainable societal development through awareness and proactive measures. CSR initiatives aim to mitigate various environmental impacts of business activities while also addressing inequalities and poverty within communities across the country.

CSR Activities:

Bangladesh Development Bank PLC, a state-owned commercial bank with 50 branches and 651 employees, acknowledges its responsibility towards society and actively contributes to improving the social well-being of marginalized communities. The bank has formulated its CSR Policy in alignment with the Sustainable Development Goals (SDGs). The primary objective of the bank's CSR activities is to foster a sustainable society. The CSR budget is funded from the bank's annual profits. Since its inception, the bank has utilized BDT 4.72 crore towards various CSR initiatives.

Human Resources Development

Human Resource (HR)

It goes without saying that the most crucial asset of any institution, especially a bank, is its human resources. In today's competitive banking industry, timely and efficient customer service is paramount. Employees at Bangladesh Development Bank PLC. play a pivotal role in delivering superior customer service with personalized attention, thereby fostering strong and enduring business relationships. They are considered among the most valuable assets of the bank, embodying its dedication to maximizing its wealth.

Employee Information

As on 31 December 2024, the Board of Directors approved total manpower in the Bank is 1499. Currently, there are 611 employees working within this approved capacity. The bank oversees operations across 51 branches, 6 zonal offices, 30 departments, 11 divisions, 1 institute, 2 subsidiary companies, and 4 bank offices with its existing workforce. Below is a breakdown of employee distribution and roles within the organization:

Discipline of the Employees

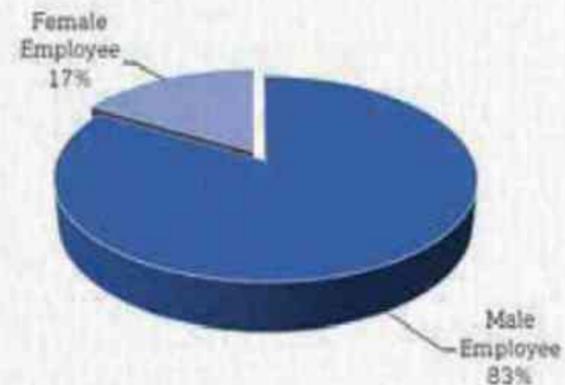
Officers working in different disciplines including staff position are mentioned below:



Male and Female Employees

It's notable that as of December 31, 2024, the bank's workforce included 101 female employees, constituting approximately 16.54% of the total human resources. This reflects a positive and encouraging level of female participation in the corporate culture.

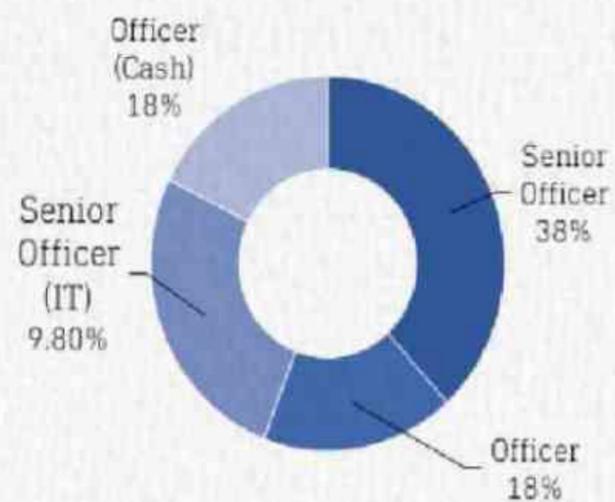
Number of Male/Female	Officer	Staff	Total
Male Employee	439	71	510
Female Employee	96	5	101
Total	535	76	611



Recruitment of Officer

The bank has adopted comprehensive plans to recruit, develop, and retain its workforce, focusing on acquiring the appropriate skills and talent to fulfill present and future requirements. In 2024, the bank appointed 68 officers to various positions as follows:

Post	Numbers
Senior Officer	26
Senior Officer (IT)	12
Officer	18
Officer (Cash)	12
Total	68



Promotion

Promotion stands as the most effective method for rewarding, motivating, and enhancing employees' skills and job satisfaction. In 2024, the bank granted promotions to 129 officers across various posts and grades, as detailed below:

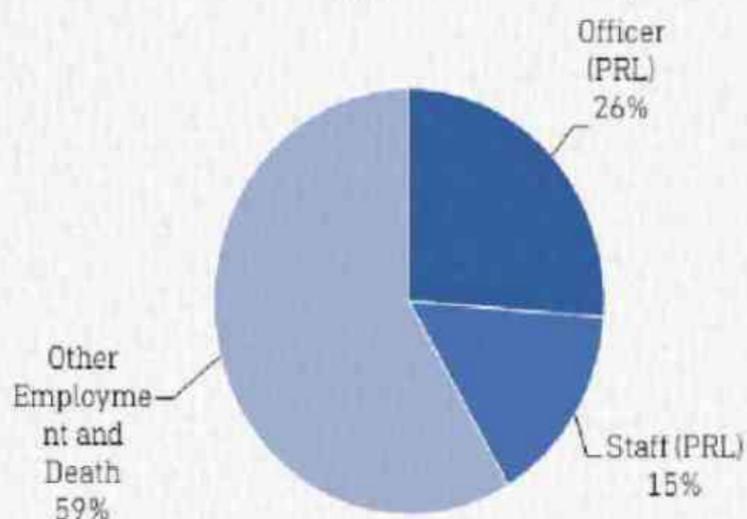
Post	Numbers
General Manager (GM)	0
Deputy General Manager (DGM)	11
Assistant General Manager (AGM)	14
Senior Principal Officer (SPO)	42
Principal Officer (PO)	11
Senior Officer (SO)	22
Total	100



Employee Departure

In 2024, a total of 17 officers and 10 staffs across various posts or grades took Post Retirement Leave (PRL). Additionally, 38 officers in different positions resigned from their jobs for other employment opportunities during the same period.

Post	Numbers
Officer (PRL)	17
Staff (PRL)	10
Officer (Other Employment and Death)	38
Total	65



Health Facility

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

Leave Facility

All the employees of the bank are entitled to various types of leaves as per government and BB regulations. Given the stressful and challenging nature of banking, periodic breaks are essential to enhance integrity, consistency, responsibility, and overall effectiveness at work. In 2024, 201 employees availed recreational leave. Additionally, employees have availed casual leave, sick leave, educational leave, extraordinary leave, earned leave, and ex-Bangladesh leave, among others.

Day Care Centre

The Bank operates its own Day Care Center at the Head Office, offering childcare services for employees' children. This setup allows parents to have their children nearby during working hours, providing both convenience and peace of mind. Having a daycare center on-site or nearby is a significant employee benefit that helps attract and retain top talent for the bank. It promotes work-life balance by supporting working parents and alleviating the stress associated with childcare arrangements.

Pro-Women Work Environment

The Bank is committed to implementing policies and practices that promote gender equality, support the advancement of women, and ensure a safe and inclusive workplace for all employees. The bank guarantees equal access for women to job opportunities, promotions, and career development programs, and has instituted transparent, merit-based processes for recruitment, performance evaluations, and promotions, ensuring no gender bias. Regular assessments of these initiatives are conducted, adjustments are made as necessary, and the bank cultivates a culture that celebrates diversity and inclusion.

Employees' Welfare

The BoD 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 as follow:

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

HR & Payroll Management System

The HR & Payroll Management System introduced by the Bank is a software application designed to manage human resources and payroll processes. It integrates functions such as employee management, attendance tracking, leave management, payroll processing, and reporting. HR & Payroll Management System is equipped with-

- **Employee Database Management:** The system allows the Bank to maintain a centralized employee database with relevant information such as personal details, employment history, job roles and contact information, etc.
- **Attendance and Leave Management:** It helps to track employee attendance, leaves, and time-off requests. It can automatically calculate leave balances and allow employees to submit leave requests online.
- **Payroll Processing:** The system automates payroll calculations using predefined salary structures, tax regulations, and deductions. It generates pay slips, manages bonuses, calculates overtime, and processes reimbursements.
- **Taxation and Compliance:** The system ensures tax regulation compliance through automated tax calculations, tax form generation, and tracking tax-related information, including employee deductions and employer contributions.
- **Performance Management:** It offers tools for managing employee performance, setting goals, conducting performance reviews, and tracking progress. It assists in identifying top performers, providing feedback, and supporting performance-related decisions.
- **Employee Self-Service:** The system usually features a self-service portal enabling employees to access personal information, view pay stubs, update contact details, and submit requests for leaves or reimbursements.
- **Reporting:** It provides reporting capabilities to generate a variety of HR and payroll reports, including employee attendance reports, payroll summaries, tax reports, and employee performance metrics. These reports offer insights into HR and payroll data to support decision-making.
- **Integration:** The system can integrate with other systems such as time and attendance tracking devices, accounting software, and third-party applications.

The HR & Payroll Management System has boosted efficiency, accuracy, and compliance in HR and payroll processes. It has reduced administrative burdens, enhanced data security, improved employee self-service capabilities, and facilitated better decision-making with access to real-time HR and payroll information.

Development of Human Resource

Bangladesh Development Bank PLC's success and competitiveness prevailing at the pinnacle of the banking sector of Bangladesh for it's believe that developed human resources can catch the falling star. The Bank focuses on the following aspects in the development of human resources:

- **Selection and Recruitment:** Bangladesh Bank has established effective selection processes to attract and hire talented individuals with the necessary skills and qualifications for various roles within Bangladesh's banking sector. Following this, Bangladesh Development

Bank PLC implements recruitment procedures that assess candidates' competency, aptitude, cultural fit, health fitness, police verification, and other relevant criteria.

- **Training and Development:** Through its Training Institute along with institutions like BIBM and BBTA, the Bank offers comprehensive training programs aimed at enhancing employees' knowledge, skills, and capabilities. These programs cover technical areas such as banking regulations and software systems, alongside soft skills like customer service, communication, and leadership development. In 2024, the institute conducted several training sessions attended by 1767 participants/employees.
- **Performance Management:** Establish a robust performance management system that sets clear goals, offers regular feedback, and evaluates employee performance effectively. Utilize performance appraisals to pinpoint areas for improvement, acknowledge achievements, and align individual performance with the bank's objectives.
- **Career Development:** The Bank has developed a structured career development framework that enables employees to advance within the organization. It offers opportunities for job rotations, promotions, and cross-functional experiences to expand skill sets and facilitate career advancement.
- **Succession Planning:** The Bank identifies high-potential employees and develops succession plans to ensure smooth transitions for key roles within the organization. This involves grooming employees for leadership positions and implementing strategies to retain top talent.
- **Employee Engagement:** The Bank has created a positive work environment that promotes employee engagement and satisfaction through competitive compensation, recognition of contributions, and opportunities for work-life balance.
- **Diversity and Inclusion:** The Bank promotes diversity and inclusion throughout its operations by fostering a diverse workforce and inclusive environment. It implements training programs to promote understanding and reduce bias.
- **Talent Analytics:** The Bank utilizes data and analytics to gain insights into workforce trends, identify skill gaps, and make informed decisions regarding human resource planning and development strategies.
- **Continuous Learning:** The Bank fosters a culture of continuous learning and professional development, encouraging employees to participate in workshops, conferences, and industry events to stay abreast of the latest trends and best practices in the banking sector.
- **Leadership Development:** The Bank invests in developing strong leaders from within, offering leadership training programs, coaching, and mentoring opportunities to develop the essential skills and competencies required to lead teams and drive the bank's success.

Automation and Digitalization

Bangladesh Development Bank PLC. is steadily advancing toward a digitally empowered banking environment. Through continuous upgrades and the adoption of modern digital tools—including RTGS, BEFTN, e-KYC, Internet Banking, Mobile App, Debit Card services and QR-based cash withdrawals—the Bank has significantly improved service efficiency, security, and accessibility. These efforts reflect the Bank's strong commitment to innovation, customer convenience, and inclusive financial growth in the digital era.

Core Banking Solution (CBS)

As a part of ongoing efforts to promote technological advancement and digital inclusion, Bangladesh Development Bank PLC. has undertaken an action plan to automate all banking activities and implemented a Core Banking Solution (CBS) according to the guidelines of Bangladesh Bank. The Bank commenced live CBS operations on July 1, 2015. Consequently, all branches are 'Real-Time-Online' for carrying out all banking transactions through CBS. The Bank continuously updates the CBS in accordance with the requirements of Bangladesh Bank.

Deposit/Payment System of Cash

Bangladesh Automated Clearing House (BACH)

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

Real Time Gross Settlement (RTGS)

Real Time Gross Settlement (RTGS) mechanism has opened a new horizon in the payment eco-system, accommodating instant settlement of large value and time-critical payments in the country. RTGS payment is a special type of payment where the transfer of money takes place from one bank to another within Bangladesh on a real-time and gross basis. Conceptually, RTGS is a highly developed technology that makes possible fund transfers between Banks on real real-time basis. The minimum amount for an RTGS payment is BDT 1,00,000.00 (One Lac). Bangladesh Bank introduced the RTGS service in Bangladesh on October 29, 2015. The Bank has seamlessly integrated and offered the RTGS system to its valued customers since its inception. Customers can conveniently transfer funds from any branch, and this service is also available through internet banking and mobile apps. Additionally, BDRTGS launched a foreign currency fund transfer system on September 4, 2022.

RTGS Time Schedule (subject to BB's discretion):

1. Customer Transaction: 10.00 to 16.00
2. Custom Duty, Foreign Currency Transaction: 10.00 to 17.00
3. Treasury Transaction: 10.00 to 17.00

Internet Banking & Mobile Apps

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

To ensure orderly, efficient, and optimal use of new opportunities while extending traditional financial services, Bangladesh Development Bank PLC. has launched Internet Banking and Mobile App for its registered account holders. These services enable users to transfer funds within the bank and to other banks via EFT, RTGS, and NPSB. Additionally, customers can transfer funds to Mobile Financial Services (MFS) like bKash and Nagad. The applications also allow for utility bill payments as needed. Customers can securely and instantly recharge their mobile phones using the Mobile App and iBanking. Moreover, our mobile apps and Internet Banking provide the following features:

- View Account Statement
- Chequebook requisition
- Instruction of Stop Payment
- Instruction of Positive Pay
- Cash Withdrawal with QR code scanning

Debit Card

An account holder of the bank can avail themselves of the opportunity for 24/7 banking transactions using a Debit Card. The bank commenced its first Debit card operations on both Q-cash and NPSB Networks on March 15, 2022. Through the bank's debit card, customers can access 24/7 banking services, including cash withdrawals and shopping, across 12,000+ ATMs and POS terminals of all banks nationwide. To date, more than 8,000 customers have received the bank's Debit Card. A separate Card Unit is responsible for monitoring card transactions, providing card information, and issuing debit cards as per the requirements of branch offices.



e-KYC

The 'BDBL e-Account' online service/app has been launched to open bank accounts at home, aiming to bring banking services to the customer's doorstep. With 'BDBL e-Account,' customers can open their own accounts using their National ID in a short period of time. Moreover, customers have the facility to open a bank account at the nearest branch with onboard technology.

QR Code based Cash Withdrawal Facility

Cash withdrawal facility from Over-the-counter (OTC) by scanning the QR code is introduced in the Bank. This System provides the facility of free and quick withdrawal of money without a cheque. A maximum of BDT 1,00,000 (one lac) at a time and a maximum of BDT 5,00,000 (five lac) per day can be withdrawn in this method. Each branch of the bank has its own QR code. Customers scan the QR code by logging into their account only through the bank mobile apps. Two-factor method is used for verification. If it is possible to introduce a QR Code-based payment system in the bank, the users of mobile apps is being benefited by taking the said services easily. With the facility of cheque-less and charge-free cash withdrawal, the Bank's customer base is expected to increase at a higher rate.

Facilities to Walk-in Customers

This service allows for instant cash transactions within the country without the need for a bank account. Utilizing a mobile number, secret PIN, and NID card verification, both senders and recipients can conduct transactions at any branch of the bank nationwide. Each transaction is capped at BDT 1,00,000 (one lac) with a maximum of 5 transactions per day. This service ensures swift remittances, withdrawals, and account-free cash receipts with full security assurance. By offering cost-effective, account-less cash withdrawal options, the bank anticipates expanding its customer base and market reach significantly. This service is available to both Walk-in Customer (without account) and existing bank customers.

A-Challan System

Automated Challan System (A-Challan System) has been introduced for online submission of various government service fees. This system facilitates the quick and secure deposit of VAT, taxes, government fees, passport fees, and more. The bank is connected with Bangladesh Government's A-Challan System, enabling all branches to collect Treasury Challans on behalf of the Bangladesh Government.

e-GP

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

National Savings Scheme (Shanchaypatra)

The National Savings Certificate in Bangladesh comprises various savings schemes managed by the National Savings Department, under the supervision of the Internal Resources Division of the Ministry of Finance of the Bangladesh Government. The Bank offers the Shanchaypatra facility to customers on behalf of the Department of Savings, Bangladesh Government.

SWIFT

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

Foreign Remittance Collection

Foreign remittances play a significant role in our economy. The bank facilitates the collection of foreign remittances through services like Western Union and Ria Money Transfer.

E-Commerce

Online business has become increasingly popular, offering customers the convenience of securely storing payment information and making payments with just a few clicks. Account holders can make online purchases using the bank's Debit Card through the NPSB and Q-Cash networks.

In-House Software

The bank has developed in-house software, including the File Transfer System (FTS), Online CIB Batch, Asset Management System, Training Management System (TMS), BDBL MIS Software, BDBL Lawsuit Management, Monitoring System, and e-Telephone Guide, among others.

Website

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



Domain Controller

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

Email and E-mail Security System

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

D-Nothi Implementation

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

e-Attendance System

The Bank has implemented an e-Attendance system across all branches, zones, and the head office. This system allows employees to register their attendance using facial recognition, palm, and fingerprint scans. All branches are centrally connected through this system, which integrates with the HR and Payroll management system. When an employee is transferred, their templates are centrally transferred to the designated machine.

Cyber Security System

A dedicated IT Security Unit has been established to enhance the bank's cyber security. This unit continuously monitors the bank's servers, network devices, and applications using security tools and takes immediate action to address any intrusions after notifying the management authorities. Additionally, if any backdoors or malware are detected within the bank's network, the unit informs the National CIRT of Bangladesh (N-CIRT), which assists in developing various IT security policies and guidelines for the bank. The IT Security Unit also conducts awareness workshops for general officers to ensure the bank's cybersecurity. To ensure the smooth operation of the bank's IT activities, the unit performs IT audits of all branch, zonal offices, and the head office. This unit collaborates with the BCC VAPT Team to address and resolve issues identified in the VAPT report.

Data Center (DC) and Disaster Recovery Site (DRS)

The bank has established a standard and compliant Data Center at its Head Office and a Disaster Recovery Site (DRS) at the bank's Karwan Bazar Bhaban to safeguard the CBS and ensure business continuity and system recovery in case of any unexpected disaster. Additionally, the bank, along with other government banks (Agrani, Janata, Sonali, Rupali, BKB) and financial institutions, led by the Bangladesh Computer Council (BCC), High-Tech Park Authority, and Investment Corporation of Bangladesh (ICB), has formed a company named "Bangladesh Data Center and Disaster Recovery Site (DRS) Limited." The company has been registered with the Registrar of Joint Stock Companies. Its purpose is to establish a DRS in Jashore and allocate space to its members for setting up Far DRS or for rental. We are hopeful that the company will commence operations very soon.

HR & Payroll Management System

The bank has implemented an HR & Payroll Management System. The Human Resource Management Department and the Central Accounts Department utilize this system for various activities, including centralized payroll processing, maintaining detailed salary records for every employee, tracking deductions, managing salary fixation, allowances, bonuses, staff loans, and overseeing leave and attendance.

Vulnerability Assessment & Penetration Testing (VAPT) for Servers and Applications

A team from the Bangladesh Computer Council (BCC) has completed Vulnerability Assessment and Penetration Testing (VAPT) on the bank's servers, network devices, web applications, and mobile applications, in accordance with Bangladesh Bank's ICT security guidelines. We have addressed and rectified the security issues identified by the team.

Digitalization of the Library

The Bank has introduced an e-Library system, enabling employees to borrow books from the library. The library officials have scanned over 3,000 book covers and updated them in the digital library system. Additionally, readers can access and read e-books through this system.

Video Conferencing System

The bank has implemented automated and modern technology-based conferencing facilities through Zoom. This enables officials from different branches to join online conferences hosted by the bank authority, reducing transportation costs and saving valuable time.

Future Plan

Software-Defined Networking (SDN)

Implementing Software-Defined Networking (SDN) is crucial for centrally monitoring and controlling the bank's network system, including all branches, through software. SDN will be deployed following the implementation of a Security Operations Center (SOC). This integration will enhance the reliability of the bank's network connectivity and expedite disaster recovery processes. Moreover, it will streamline network management, ensuring enhanced security, speed, and efficiency.

Establishment of Security Operation Center (SOC)

The Bank has plans to establish a Security Operation Center (SOC) to strengthen its cybersecurity infrastructure. The bank already possesses several necessary security devices as part of its foundational setup. Going forward, it will take further steps to fully implement the SOC, ensuring continuous monitoring, threat detection, and enhanced protection of its IT systems and digital assets.

CRM/ATM Booth

The Bank plans to establish two CRM/ATM booths—one at its Head Office in Motijheel and another at Karwan Bazar—to enhance customer convenience and expand its self-service banking network. These booths will provide 24/7 access to essential banking services such as cash withdrawal, deposit, and balance inquiries, aligning with the bank's commitment to improving service accessibility and modernizing its banking infrastructure.

Bangla QR

Bangla QR Payment technology utilizes Push payments, enabling transactions through smartphones, tablets, desktops, or other applications. Customers can make payments to any merchant by scanning the Bangla QR code. As per the directives of Bangladesh Bank, we will be introducing Bangla QR technology very soon.

Taka Pay Integration



Bangladesh Bank has instructed to launch the national TakaPay debit card in all banks. BDBPLC has taken the initiative to introduce EMV Chip-based national TakaPay Debit Card. By launching this card, we can ensure more security to our debit cards. We have already contracted with our debit card vendor company and are taking initiatives to get approval from our bank management. By introducing such chip-based cards, the trust and acceptance of the bank towards the customers will increase.

“সঞ্চয় করি একবার
মুনাফা পাই বারবার”

“মাসিক মুনাফা স্কীম”

এককালীন জমাকৃত মূল টাকা	৩ (তিন) বছর মেয়াদী		৫ (পাঁচ) বছর মেয়াদী	
	সুদের হার	মাসিক মুনাফা	সুদের হার	মাসিক মুনাফা
৫০,০০০/-	৯.০০%	৩৭৫/-	৯.৫০%	৩৯৬/-
১,০০,০০০/-	৯.০০%	৭৫০/-	৯.৫০%	৭৯২/-

- ★ বিধি মোতাবেক সরকার নির্ধারিত হার অনুযায়ী উৎসে কর এবং আবগারী শুল্ক প্রযোজ্য হবে।
- ★ আজই আপনার নিকটস্থ ব্রাঞ্চে যোগাযোগ করুন।



BANGLADESH DEVELOPMENT BANK PLC.

(A State Owned Commercial Bank)



PERFORMANCE REVIEW

Analysis of Business Segments

Bangladesh Development Bank PLC operates through a diverse range of business segments to drive sustainable growth and ensure balanced contribution to the overall financial performance. Each segment plays a critical role in supporting the bank's strategic objectives, mitigating risks, and enhancing value for stakeholders. The following is a detailed analysis of key business segments for the year ended 31st December 2024.

Corporate Banking

Corporate Banking remains a core strength of the bank, offering tailored financial solutions to large-scale industries, infrastructure projects, and institutional clients. Despite economic volatility, the segment maintained steady performance, supported by strategic relationship management and a prudent credit risk assessment framework.

- Loan disbursement to corporate clients contributed significantly to total advances.
- Continued support for priority sectors such as manufacturing, infrastructure, and export-oriented businesses.
- Rigorous monitoring helped maintain asset quality and ensured timely recovery of dues.

CMSME Banking

The CMSME segment is vital for fostering entrepreneurship, job creation, and inclusive economic growth. In 2024, the bank prioritized the expansion of CMSME lending, in alignment with the national financial inclusion agenda and Bangladesh Bank's directives.

- SME Portfolio reached BDT 531.45 crore, with notable growth in manufacturing and trade sectors.
- Special initiatives for women entrepreneurs and rural SMEs through dedicated desks and help centers.
- Active participation in Bangladesh Bank's refinance schemes, including the CMSME Tk. 25,000 crore program.

Retail Banking

Retail Banking contributed to deposit mobilization, fee-based income, and customer base expansion. The bank continued to provide traditional and digital banking services to individual customers through its growing branch network and ATM coverage.

- Enhanced debit card services, utility bill payments, and mobile top-ups through CBS-integrated platforms.
- Investment in customer service infrastructure improved satisfaction and retention levels.
- Increased cross-selling of financial products like savings schemes, personal loans, and term deposits.

Investment and Treasury Operations

The Treasury Division played a crucial role in ensuring liquidity management, interest rate optimization, and regulatory compliance.

- SLR maintained at BDT 451.13 crore, exceeding the required BDT 361.49 crore.
- The bank achieved substantial gains from government securities and other low-risk investments.
- Initiatives taken to operationalize a dedicated Foreign Exchange Dealing Room and strengthen ALM functions.

Long-Term Project Finance

This segment focuses on supporting industrial development by providing long-term finance for new and existing projects, including BMRE (Balancing, Modernization, Replacement & Expansion).

- Loans extended to sectors such as textiles, agro-processing, and engineering industries.
- Financing packages designed for sustainability-focused projects, especially in green and renewable energy sectors.
- Close coordination with project implementation units to monitor progress and mitigate project risks.

Green Banking

The bank has adopted sustainable banking practices by promoting green financing and reducing environmental footprints.

- BDT 5.90 crore disbursed in 2024 to environmentally sustainable projects.
- Priority given to projects with lower carbon emissions and resource-efficient operations.
- Enhanced awareness through staff training and customer outreach programs.

IT and Digital Banking

The bank's IT infrastructure underpins all operational segments, enabling seamless service delivery and innovation.

- Integration with Bangladesh Automated Clearing House (BACPS) and BEFTN across 51 branches.
- Development of mobile banking, debit card issuance, and real-time banking transactions.
- Investment initiated in a Disaster Recovery Site at Jessore Software Technology Park.

Capital and Asset Management

The bank's capital base remained strong, ensuring resilience and supporting business expansion.

- Capital Adequacy Ratio stood at 22.38%, above the regulatory requirement.
- Total capital fund reached BDT 1003.21 crore, reflecting sound internal capital generation.
- Risk-weighted asset management aligned with Basel III norms.

Foreign Exchange and International Trade Financing

Bangladesh Development Bank PLC continued to demonstrate strong performance in its Foreign Exchange and International Trade Financing segment, which is managed by the International Banking Department. The Bank ensures efficient service delivery by engaging experienced and skilled officers who oversee the smooth operation of all foreign exchange-related activities. Currently, five Authorized Dealer (AD) branches — Principal, Motijheel, Karwan Bazar, Narayanganj, and Agrabad — are actively engaged in handling the Bank's foreign exchange and trade finance operations.

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, Bill Purchase, Bill Collection, provide PIF facility, Acceptance of bill, etc The Bank provides with Packing Credit (PC) and open L/C under Export Development Fund(EDF) from Bangladesh bank to facilitate client's export business.

Foreign Trade Financing & Foreign Exchange Business:

Bangladesh Development Bank PLC offers a wide range of services to facilitate both **export and import financing**, aligned with international standards and central bank guidelines.

Export Finance

- Export Cash Credit (ECC)
- Packing Credit (PC)
- Back-to-Back L/C
- Advising of Export L/Cs
- Export Bill Collection
- Letter of Credit Confirmation
- Advance Against Bills for Collection
- Purchase of Local and Foreign Documentary Bills

Import Finance

- Issuance of Local and Foreign Letters of Credit (L/C)
- Post-Import Financing (such as LIM, LTR)
- Payment Against Documents (PAD)
- Issuance of Counter Guarantees

Treasury and Money Market Activities:

- Buying and selling of foreign currencies.
- Lending and borrowing in foreign currencies.
- Participation in overnight call money market in foreign currency.
- Providing international remittance services through SWIFT, RIA, and Western Union.

Achievements In 2024

- a) Interest Income: Despite the tough economic situation, the Bank's interest income reached BDT 230.65 crore in 2024, marking a 2.21% increase compared to the previous year.
- b) Investment Income: The Bank's investment income reached BDT 90.94 crore in 2024, which is 223.74% higher than the previous year.
- c) Operating Profit: Despite merger issue, the Bank gained operating profit BDT. 27.59 crore in 2024 , which is 7.98% higher than the previous year.
- d) Loan & Advances: The Bank periodically reviewed its Credit Policy to ensure prompt and efficient service to clients. The Bank disbursed BDT 847.98 crore in loans and advances against a target of BDT 1447.00 crore, achieving 59% of the annual target.
- e) Classified Loan Recovery: The management has been consistently proactive and concerned about the recovery and reduction of classified loans (CL) since its inception. To address the broad spectrum of default loans, the bank designed various action plans and made significant efforts to implement them, aiming to reduce classified loans and increase cash recovery. In 2024, BDT 144.51 crore was recovered from classified loan and in 2023, it was BDT 173.90 crore. In 2024, BDT 7.19 crore recovered from Written-off loans.
- f) Strengthening Capital Base: By sustaining profit growth, the Bank consistently generates internal capital to support business expansion. Consequently, the bank's capital adequacy ratio (CRAR) under Basel III on a consolidated basis remained robust at 21.61%, well above the minimum statutory requirement of 12.50%.
- g) Maintenance of SLR: In 2024, the bank maintained the Statutory Liquidity Ratio (SLR) BDT 451.13 crore compared to the required BDT 361.49 crore.
- h) Policy Review: In 2024, Comprehensive Risk Management Manual and Money Laundering & Terrorist Financing Risk Management Manual were updated. Besides this, Interest Waiver Policy was also updated.

Performance Review of Subsidiaries

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

BDBL Securities Limited (BSL), Dhaka:

BDBL Securities Limited (BSL), a subsidiary of Bangladesh Development Bank PLC, is located at 12 Karwan Bazar, Dhaka-1215. It was incorporated as a public company under the Companies Act, 1994, with registration number C-92946/11 on 23rd May 2011, and received its certificate of commencement on the same day. Commercial operations began on 1st March 2012, following the acquisition of membership No. 20 of Dhaka Stock Exchange Ltd. (formerly held by Bangladesh Shilpa Rin Sangstha) and membership No. 78 of Chittagong Stock Exchange Ltd. (formerly held by Bangladesh Shilpa Bank). These were later converted into TREC-20 (DSE) and TREC-78 (CSE) under the Demutualization Act, 2013. As of December 31, 2024, BSL has an authorized capital of BDT 400.00 crore, a paid-up capital of BDT 50.00 crore, and maintains 8,635 Beneficiary Owners' (BO) accounts.



BDBL Investment Services Limited (BISL):

BDBL Investment Services Limited (BISL) is a public company limited by shares and a fully owned subsidiary of Bangladesh Development Bank PLC. It was incorporated under the companies Act, 1994 on 06 August 2014 with a view to act as stock dealer and stock broker of Dhaka Stock Exchange Ltd (DSE). BISL is constituted by acquiring and taking over membership No.152 of Dhaka Stock Exchange Ltd. held by erstwhile Bangladesh Shilpa Bank. The company started its operation on 13 July 2016 after completion of required formalities with DSE and BSEC. Its authorized capital is BDT. 50 crore and paid up capital is also BDT. 50 crore. BISL maintains 1482 Beneficiary Owners' (BO) accounts as on December 31, 2024.



Nature of Business and Services

BDBL Securities Limited (BSL), a subsidiary of Bangladesh Development Bank PLC, operates as a TREC holder and CDS participant, providing brokerage services in stocks, bonds, and other securities. It is also authorized to invest in listed equities and fixed-income instruments. BSL offers BO account opening, competitive trading commissions, mobile trading (Android & iOS), daily SMS/email alerts, IPO support, G-Sec trading, margin loans, BEFTN and NPSB fund transfers. Trading is available on both DSE and CSE through a modern, well-equipped infrastructure. The company is committed to ethical, professional, and client-focused services in the capital market.

BISL Services:

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