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Annual Report 2023



**BENGAL
COMMERCIAL
BANK**
inspiring growth

Annual Report 2023



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COMMERCIAL
BANK**
inspiring growth



Letter of Transmittal

All Sponsor Shareholders of Bengal Commercial Bank PLC.
Bangladesh Bank
Bangladesh Securities & Exchange Commission
Registrar of Joint Stock Companies & Firms

Dear Sir(s)

Annual Report of Bengal Commercial Bank PLC. for the year ended on 31st December 2023.

We are pleased to enclose a copy of the Annual Report-2023, along with the Audited Financial Statements for the year ended at 31st December 2023 for your kind information and record.

The Report includes Balance Sheet, Income Statement, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement, along with the Notes thereon and Directors' Report of Bengal Commercial Bank PLC. for the mentioned period.

Best regards
Yours truly,



(Md. Humayun Kabir, FCS)
Company Secretary

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Introduction



Board Secretariat

Head Office, Dhaka



**BENGAL
COMMERCIAL
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inspiring growth

Registered Office: Khandker Tower (Level: 5 & 6), 94, Gulshan Avenue, Dhaka-1212

NOTICE OF THE 4TH ANNUAL GENERAL MEETING

Notice is hereby given that the 4th ANNUAL GENERAL MEETING (AGM) of the Shareholders of BENGAL COMMERCIAL BANK PLC. will be held at **Surma Hall** (1st Floor) of 'Pan Pacific Sonargaon Dhaka', 107 Kazi Nazrul Islam Avenue, Dhaka-1215 on **Monday, the 15th July, 2024 at 12:00 pm** to transact the following business:

1. To receive, consider and adopt the Directors' Report and the Audited Financial Statements of the Company for the year ended on December 31, 2023 together with the reports of the Auditors' thereon;
2. To declare dividend for the year ended on December 31, 2023;
3. To elect/re-elect Directors;
4. To appoint/re-appointment of the Auditors of the Company and fix their remuneration for the term until the next Annual General Meeting (AGM);
5. To approve the re-appointment of the Independent Director(s).

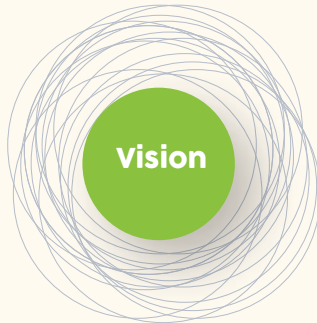
By order of the Board

(Md. Humayun Kabir, FCS)
Company Secretary

Date: 23rd June, 2024

Notes:

- a. Shareholders whose names appeared in the Register of Members of the Company will be eligible to attend the meeting;
- b. A Member eligible to attend the Annual General Meeting (AGM) is entitled to appoint a Proxy to attend and vote on his/her behalf. Forms of Proxy, duly stamped, must be submitted at the Registered Office of the Company at least 48 hours before the time fixed for the meeting.

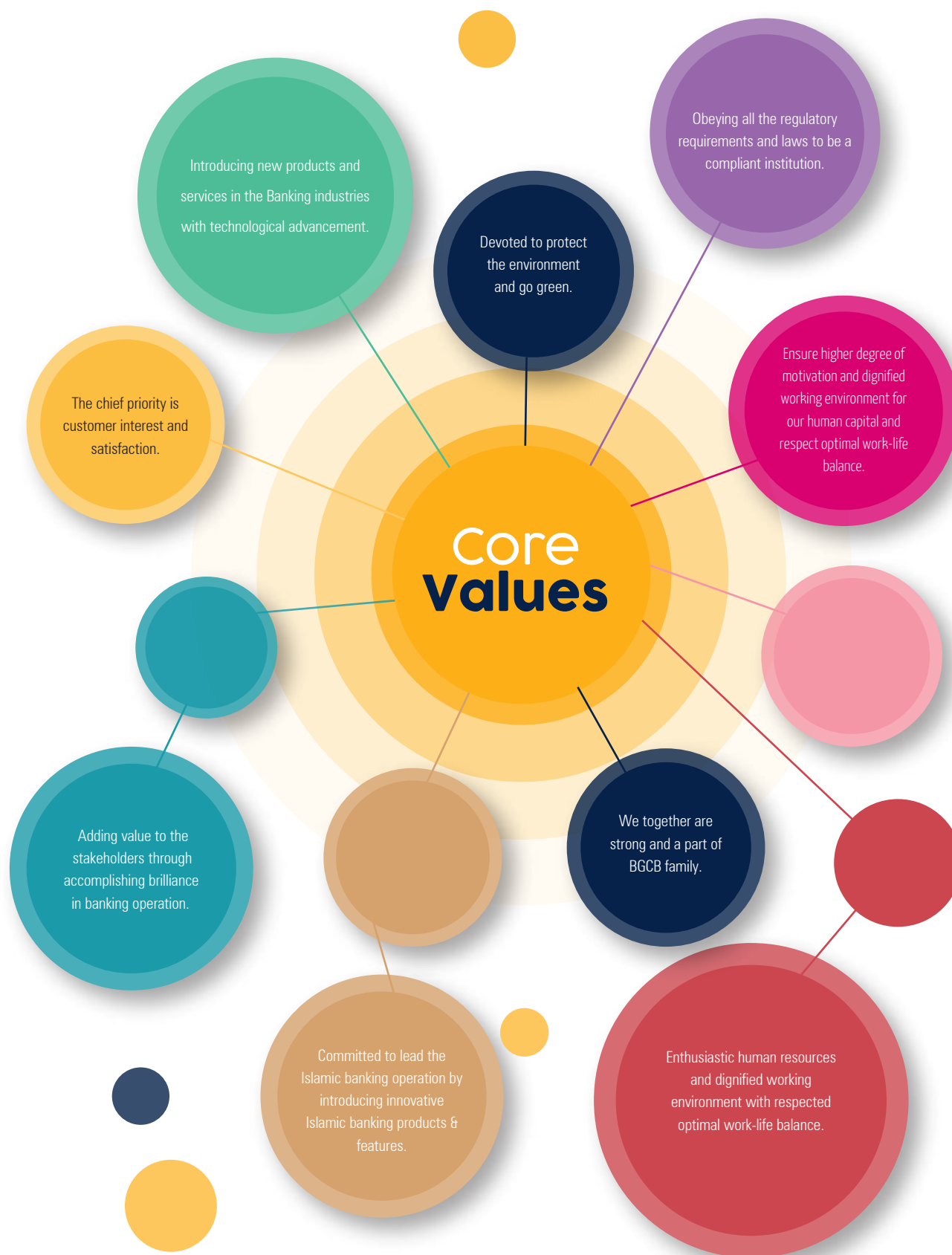


To be a bank of Trust and Reliability for ensuring sustainable economy promoting inspiring growth.

We would like to be a customer centric bank and become the most preferred and trusted financial advisor in the banking sector through our excellence in performance, good governance and professionalism. We will thrive to provide modern financial products and services/solutions to build a lasting value chain and contribute to the socioeconomic growth and development of the country.



Our Core Values



Our Strategic Priorities

- To be the excellent Bank in Bangladesh banking industry by
 - ▶ Reaching to the underprivileged people who is deprived of banking service
 - ▲ Provide attractive banking services and solution of complex situation
 - ▶ Simplify trade services across the banking industry
- Spread banking services to the unbanked areas of the country
- Comply with the rules and regulations of both conventional and shariah based banking
- Expanded Deposit and Loans/Investments product
- Concentrate on SME/Micro Finance Business
- Establishing good client relationship
- Concern about capital adequacy, liquidity & risk mitigation rather than running after profit only.
- Conservative and disciplined on risk, capital and liquidity
- Committed to Cordial Service with those commitments:
 - ▶ Sustainable business practices
 - ▲ Corporate governance compliance
 - ▶ Social & environmental responsibility
 - ▲ Development of human resources










Business Stance of BGCB 2023







Bengal Commercial Bank PLC. was established as 5th generation Bank of Bangladesh upholding the slogan “Inspiring Growth” and rooted a strong base with fame in the industry. In the year 2023, the Bank experienced mixer of success wherein the scale of achievement surpasses the failure. During the year 2023, Russia- Ukraine war, and Israil-Palestine unrest in the Middle-East created equal hardship and challenges for Bangladesh with a continued hindrance of high inflation, crisis of foreign currency, weak economic growth, and imbalance of Export-Import etc. However, Bengal Commercial Bank PLC. (BGCB) has a significant track record of navigating challenges and achieving its growth targets throughout the year 2023 despite several banking turmoil in the industry. Being an ultimate desire of highly rated Bank of Bangladesh, Bengal Commercial Bank PLC. achieved the following milestones in the year 2023:








- i. The Bank achieved an operative profit of Tk.27.20 crore for the year 2023 within less than 03(three) years of commencing Commercial operation of the Bank. The Bank registered total deposit of Tk. BDT 1,645.60 crore while Loan & Advance/ Investments was BDT 1,425.64 crore in the year 2023;
- ii. The Bank kept focused on increased market share in SME & Micro Credit sector. The Bank has been maintaining total loan portfolio in SME Business cluster of Tk. BDT 357.00 crore and BDT 26.04 crore in Micro Credit Business with a view to make a sustainable economic growth and create opportunity for the new entrepreneurs and unbanked people across the country;
- iii. Bengal Commercial Bank PLC. maintained 0% NPL against all of its investment/loans which is commendable in the Banking industry of Bangladesh. Moreover, the Bank established banking ties with renowned business groups of Bangladesh like Meghna Group, City Group, Abul Khair Group, ACI, APEX, Basundhara Group, Pran-RFL, NITOL Motors, Summit Power, Confidence Power, East-Coast Group etc. Depending on our high-class service a European Bangladesh Joint-Venture company. Arla-Foods Bangladesh Ltd (DANO) has also been doing banking with us.
- iv. The Bank introduced time concentrated products and schemes for the people and innovative ideas for different segment of people. Throughout the year the Bank introduced ‘Bengal Student Banking’ ‘Bengal Freelancer Banking’ ‘Bengal i-banking App’ ‘Bengal Universal Account’ ‘Bengal Remittance Loan Account’ ‘Cash Waqf’ ‘Customer Support Centre’ etc. along with different regular schemes.
- v. Amongst other success, the Bank earns its place in the Banking industry of Bangladesh as a fully complied instituted which is adorned with some of renowned Business VIPs of the country.



Bengal Commercial Bank PLC. At a Glance

	Employees 321 nos		Branches 19 nos		Sub-branches 10 nos
	ATMs (Shared ATM 26000+ without charges for the customers) 07 nos		Customers (Depositor) 43,553 nos		Borrowers (Loanee) 1,625 nos
	Credit Cards 82 nos		Debit Cards 12,597 nos		Pre-paid Card 08 nos

	Total Assets 22,695 mn		Total Deposits 16,456 mn		Total Loans & Advances/ Investments 14,256 mn
	Import Business 3,562 mn		Export Business 795 mn		Guarantee Business 589 mn

	Operating Profit 272 mn		Earnings per Share (EPS) Tk. 0.24		Percentage of NPL 0.00%
	Capital Adequacy Ratio (CRAR) 30.98%		Return on Assets (ROA) 0.56%		Return on Investment (ROI) 7.07%
			Return on equity (ROE) 2.56%		

Code of Conduct

Anticipated behaviors and conduct among Bengal Commercial Bank employees are preserved in its written code of conduct. Extracts from the code are presented below:

Abidance of/ Compliance with Laws, Rules and Regulations

- Employees are expected to comply with the laws, rules and regulations governing the Organization's business vis-à-vis regulatory bodies. Employees shall be knowledgeable about specific laws, rules and regulations that apply to their areas of duties and responsibility.

Honesty and Integrity

An employee must act honestly and with integrity at all times. An employee must act fairly and equitably when dealing with customers/ stakeholders and other employees of the Bank.

Accuracy of Records and Reporting

Bank's books, records, accounts and reports shall accurately reflect its transactions and must be subject to an adequate system of internal controls and disclosure controls to promote the highest degree of integrity. An employee shall ensure that records, data and information owned, collected, used and managed by him/her for the Bank are accurate and complete.

Property and Information of Bank

- Employee of a Bank shall follow the operational and IT security manual meticulously while using property of the Bank;
- Employees shall take reasonable care to keep secure Bank's information from unauthorized disclosure and exchange. Any confidential information it receives on clients, or any details of the transactions of its clients shall be preserved with utmost security.
- An employee shall not accede to or use customers' information excepting related business purposes. He/she shall protect the confidentiality and security of customer information.
- Any information of govt. agencies like ACC, NBR, BB, BSEC etc shall not be disclosed without prior approval of competent authority.

Conflicts of Interest

The employees must avoid the conflict of interest as long as they hold positions in the Bank. An employee shall have to refrain from doing the following:

- Performing his/her duties with a view to preserve/protect his/her own benefits at the cost of the Bank.
- Involving in any kind of financial activities relating to his/her personal gain;
- Giving any advice, consultancy, direction or suggestion to anybody or to any institution that may cause for losses to the Bank;
- Getting any unusual or illegitimate benefits directly, or indirectly for himself/herself and family or family members, and relatives either explicitly, or implicitly by disguising identity;

The above noted issues are least in the list, but not exhausted. Any unusual act made/done by the employee(s) shall be considered within the trap of conflict of interest and be reviewed within the purview of offences.

Teaching, Speaking & Writing

No employee shall make any communication regarding the affairs of the bank to the press or any other media, nor publish any article containing data, comments or opinions on banks or other affairs in any newspaper which may involve the bank, without obtaining prior approval of the competent authority.

Fair Treatment of Counter-parties

All relationships with external counter-parties should be conducted in professional and impartial manner. Vendor selection and hiring decisions shall be made objectively and in the best interest of the organization based on evaluation of integrity, suitability, price, delivery of goods/service, quality and other pertinent factors.

Fraud, Theft or Illegal Activities

Employees shall be vigilant about the frauds, theft or illegal activities and shall not engage in such activities at any cost.

Working Environment

- **Health & Safety** - Bank will pay adequate attention of the health and safety of the employees, i.e. deployment of both physical and technical surveillance on premises to minimize possible threats to security.
- **Workplace Environment** - All employees of the Bank are responsible to keep the workplace friendly, congenial, transparent, free from harassment & corruption etc. and ensure the cohesiveness among the colleagues.
- **Team Work** - All employees of Bank shall leverage on the dynamics of collective skills, knowledge and experience to achieve the best for the stakeholders.

Fair & Equal Employment Opportunity

Employees will uphold the Bank's commitment to provide equal opportunity in employment on the basis of individual merit and personal qualifications to employees and applicants for employment. Every individual has the right to work in a professional atmosphere that promotes equal and legal employment opportunities and where discriminatory practices, including harassment are prohibited.

Harassment

The Bank is committed to provide a work environment where all employees can work free from harassment on ground of religion, age, gender, family background, ethnicity, personal appearance etc. All employees shall treat each other with respect and courtesy.

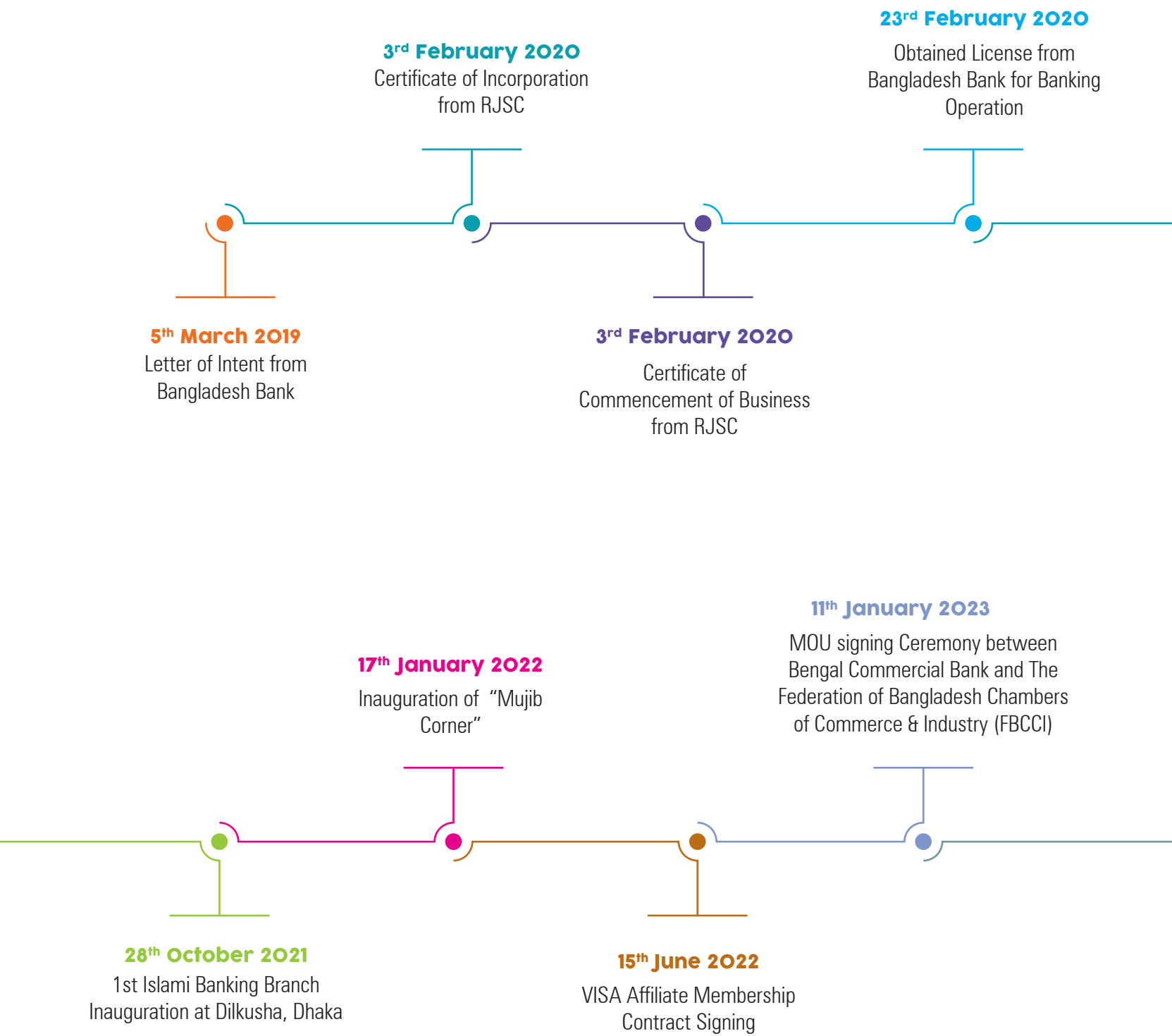
Respect for Others

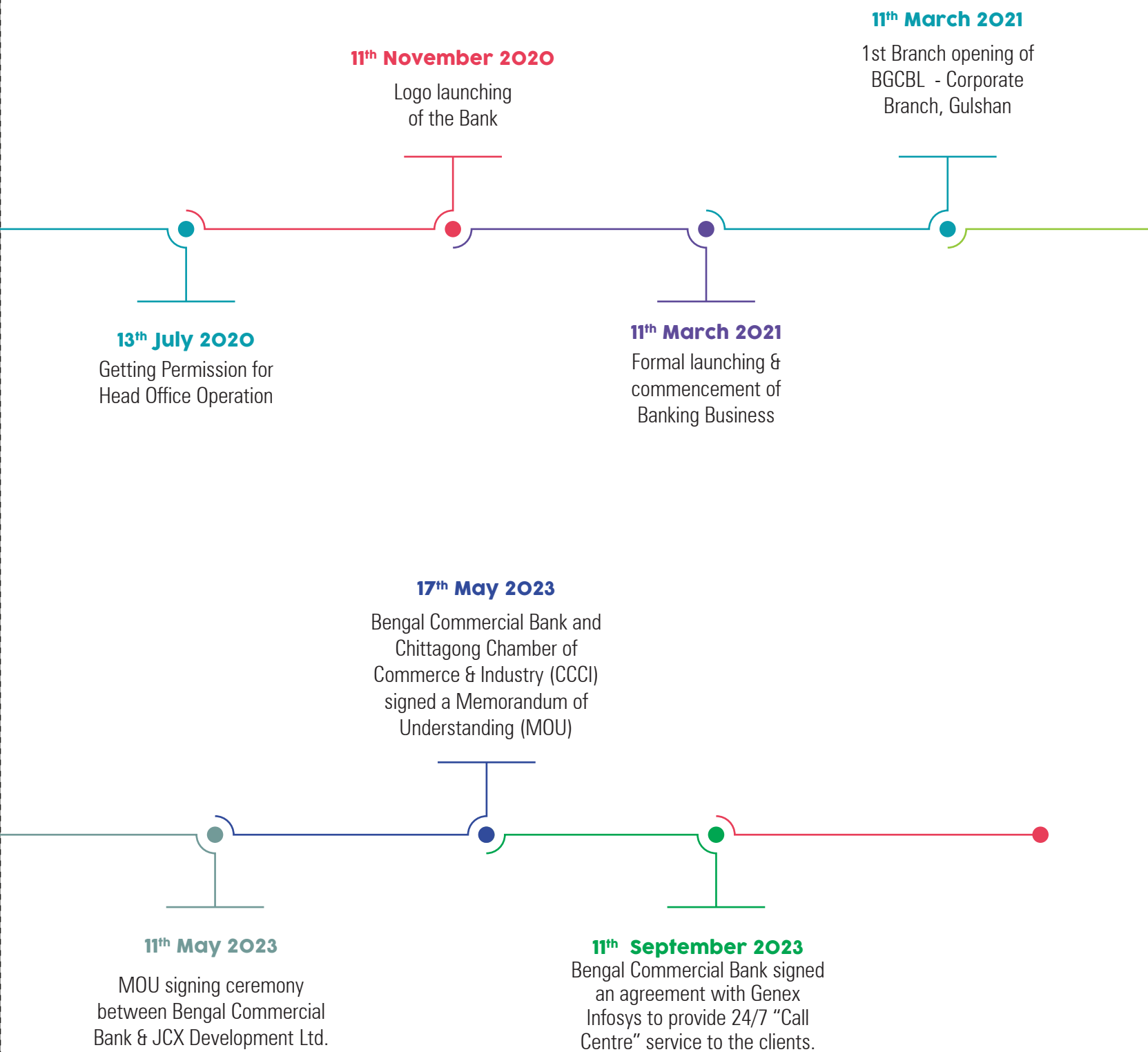
An employee must acknowledge and respect the rights of other employee of the Bank. An employee must treat other employee of the service and other members of the public with courtesy and respect.

Corporate Profile

Name of the company	Bengal Commercial Bank PLC.
Legal Status	Public Limited Company
Date of Incorporation	3 rd February 2020
Date of Commencement of Business	3 rd February 2020
Registration No.	C-159135/2020
Authorized Capital	BDT 15,000 Million
Paid up Capital	BDT 4,500 Million
Chairman	Md. Jashim Uddin
Vice-Chairman	Alhaj Mahbubul Alam, CIP
Vice-Chairman	Engr. Ghulam Mohammed Alomgir
Chairman, Executive Committee	Md. Shahabuddin
Chairman, Board Audit Committee	Prof. Md. Iftekharul Amin, Ph.D
Chairman, Risk Management Committee	S.M. Faruqi Hasan
Managing Director	Tarik Morshed
Company Secretary	Md. Humayun Kabir, FCS
Chief Financial Officer	Mohammad Anisur Rahaman, FCA
Registered Office	Khandker Tower (Level- 5 & 6) 94, Gulshan Avenue Gulshan, Dhaka 1212
TIN	447781475528
BIN	003232861-0101
Number of Branches	19 (Nineteen)
Number of Sub-Branches	10 (Ten)
Number of Employees	321 (Three Hundred Twenty One)
Legal Advisor	Chowdhury Mokimuddin KJ Ali Barrister-at-Law M/S. Chowdhury Mokimuddin & Associates LCP
Auditors	HODA VASI CHOWDHURY & CO Chartered Accountants BTMC Bhaban (Level-7 & 8) 7-9 Kawranbazar C/A, Dhaka-1215 www.hodavasi.com
Tax Consultant	Snehasish Mahmud & Co. Chartered Accountants Plot No, 10 Road No. 9, Baridhara J Block, Dhaka 1212
Credit Rating Agency	Credit Rating Information & Services Limited (CRISL) 26, Segun Bagicha Road, Dhaka 1000.
Website	www.bgcb.com.bd
Hotline (24/7)	16796
Telephone	+8802 550688 89-93
E-mail	info@bgcb.com.bd
SWIFT	BCOLBDDH

Corporate Milestones



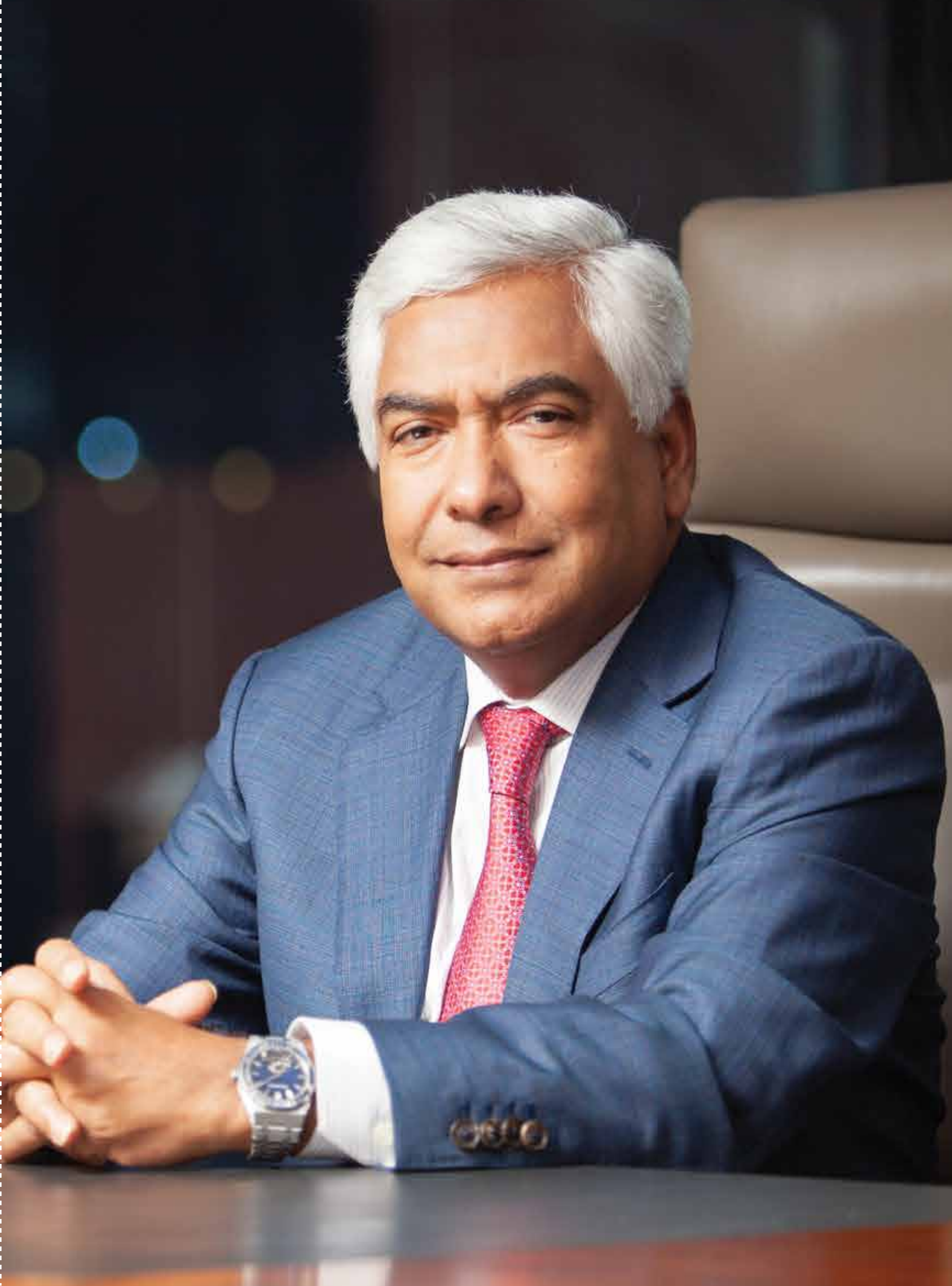


From the Desk of the **Chairman**



The Banking industry of Bangladesh had to bear a compared challenges and consequences in the year 2023 due to geo-political unrest rooted from Russia-Ukraine War and Middle-East crisis and effect of bi-polar alliances across the globe. The hike of dollar price was the main radiator for making the banking industry unstable not only for Bangladesh but also for the world economy.





Dear Shareholders

As we closed another year at Bengal Commercial Bank, I am proud to reflect on our significant achievements and share our vision for the future. The past year has been a testament to our resilience, innovation, and unwavering commitment to our stakeholders.

I am immensely proud to present our annual report, which highlights the remarkable achievements and milestones we have reached together in the face of challenging circumstances.

The year 2023 proved to be a year of great challenges and unprecedented circumstances for the global economy. While the eruption of Israel-Palestine war, prolonged consequence of Russia-Ukraine war, inflation and dollar crisis had a profound impact on the global and country's economy. The world today is dealing with multiple unanticipated challenges that have put enormous strain on trade flows and international financial system. A slow economic recovery was forced due to higher energy prices, currency devaluation, supply chain pressures across a broad range of goods and services, rise cost of living and low employment rate. Resultant monetary tightening has led to interest rate increase and depreciation of currency.

The Banking sector of Bangladesh faced turbulence and uncertainty on multiple fronts, testing collective resilience and adaptability both home and abroad. However, I am pleased to share that, in the face of these challenges, our bank has not only weathered the storm but has also emerged stronger than ever before as we remained steadfast in its commitment for providing excellent service to our customers and supporting our communities in these trying times.

Bangladesh, like many other emerging economies, is facing ongoing challenges that include limits on capital liquidity, foreign exchange risks, inflationary pressures, electricity and gas crisis. Nonetheless, the Government and Central Bank are taking measures to stabilize the situation and regulatory reforms are being considered to improve the business environment.

World Scenario

While the Russia-Ukraine conflict may seem geographically alluring for a new age Cold War between the super powers, the new tension between Israel-Palestine war has been climbed up in the neck of the world's leaders. This has created a ripple effect across global financial markets and impacted economies worldwide including our own. With its geopolitical implications and economic ramifications, it has disrupted global financial stability and created uncertainty in the international banking system in many ways:

1. Financial Market Volatility

Heightened geopolitical tensions have led to increase market volatility, triggering fluctuations in currency exchange rates and commodity prices. Such volatility has impacted the stability of the financial markets in Bangladesh affecting foreign exchange reserves, import/export trade, and investor sentiment. In 2023, Bangladesh grappled with persistent volatility in its foreign exchange market, despite concerted efforts by Bangladesh Bank to stabilize the situation through significant dollar sales from its reserves.

Banks have had to navigate through periods of heightened uncertainty, requiring proactive risk management strategies to mitigate potential shocks.

2. Trade Disruptions

The disruption caused by the war in the trade channels has impacted the flow of goods, commodities, and services amongst the countries who was maintaining strong economic ties with Russia and Ukraine. Moreover, the War between Israel-Palestine is misbalancing the status-que of the Middle East geopolitics. This creates havoc in the pricing of oil market all over the world as these countries are the main supplier of crude oil. On the other hand, the Reduced trade volumes or increased costs due to trade restrictions directly affected banking activities related to trade financing, import/export facilitation and foreign currency exchange. The inability to import raw materials in a timely manner has led to significant disturbances in the productivity of goods and services in different countries like Bangladesh. Delays in importing essential inputs have disrupted production schedules, leading to production bottlenecks and reduced output.

3. Remittances and Foreign Direct Investment (FDI)

Bangladesh receives significant remittances from its diaspora, the largest portion from Arab countries every year. Hence, the adverse economic impact on these countries has led to a decline in remittance inflows, affecting the banking sector's foreign currency reserves and liquidity. Moreover, uncertainties arising from the conflict have also influenced foreign direct investment decisions, impacting the overall investment climate in Bangladesh.

The shape of economic indicators of the world was forced to show different graphs as expected due to Russia-Ukraine started from the year 2021. The World Economy registered a GDP growth of 2.70 percent in the year 2023 which is comparatively lower than previous year of 2022. The World Economy experienced inflation rate of 6.80% for the year 2023. The Most and ominous scenario of the world economy was the unstable hike of US Dollar

rate due to Russia-Ukraine war and recent conflict between Israel-Palestine.

The banking industry has been gone under a technological transformation throughout the year 2023. Trends to expect this year include cloud migrations, the use of Developed and Omni channel strategies, and greater use of AI. Each of these trends has transformative capabilities that are likely to shift the banking landscape. Debt Moratorium, loan forbearance, and relaxed reporting rules reduced transparency about the health of bank balance sheets, particularly in the recognition of non-performing loans (NPLs). This causes few renowned banks dissolved and make sufferings for its customers as well as creating negative impact on the whole economy.

As the situation evolves, we are committed to continue close monitoring of the development of our Bank and take necessary measures to mitigate potential risks. Our banking sector has demonstrated resilience in the face of global uncertainties in the past and I am confident that, with strategic planning and collaborative efforts, we will successfully navigate the potential impact of the recent geo-political unrest derived from Russia-Ukraine and Middle East crisis.

Bangladesh Economy

Bangladesh is growing rapidly over a decade and is one of the fastest-growing Economy in the world. Economic and political stability are driving its journey towards the future. Currently, it's the 35th largest economy and will be the 25th largest economy

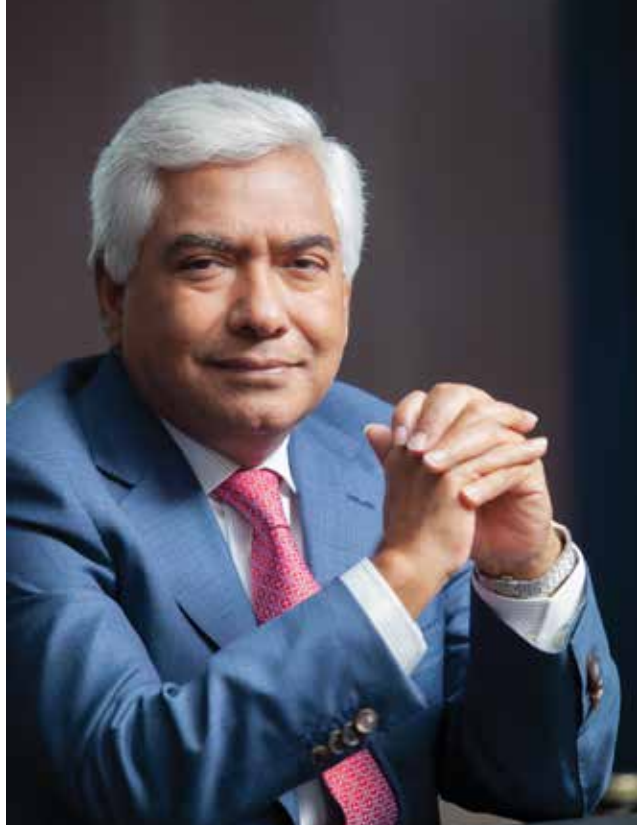
by 2035. Bangladesh is surely heading forward to become a "Trillion-Dollar GDP" country if we can focus more on import substitutes rather exports.

Bangladesh has laid out its grand vision to develop an 'Upper Middle-Income Country' by the next decade and a 'Developed Country' by 2041 as a part of vision to become a SMART Bangladesh as well. Bangladesh can aim to be the next manufacturing and digital economy hub. Several large-scale ports, 100 Economic Zones and regulations can help develop Bangladesh into a heaven for investors. In fiscal year 2022–2023, Bangladesh registered a GDP growth rate of 5.78% after the global pandemic (Bangladesh Bureau of Statistics).

Dear Sponsors, as you know Foreign Exchange Reserves are the foreign assets held or controlled by the country's central bank. The reserves are made of gold or a specific currency. They can also be special drawing rights and marketable securities denominated in foreign currencies like treasury bills, government bonds, corporate bonds and equities and foreign currency loans. The foreign currency reserve stands at 27.13 billion USD (gross) at the end of 2023 comparing to 33.75 billion USD (gross) of 2022. Comparing with the reserves hold at the same period of last year, the current reserves decreased by US\$ 6.62 billion (19.61%) at the end of December, 2023.

Bangladesh's total import declined by 24.32% to \$65.39 billion by the end of 2023 from \$86.40 billion in the previous year, according to Bangladesh Bank data. The sharp reduction has been primarily caused by the reduced imports of capital machinery and





industrial raw materials. Bangladesh achieved \$64.55 billion in total exports, with goods exports amounting to \$55.55 billion and services \$9 billion, reflecting an overall growth of 5.88% (The Business Standard). Despite different challenges, the government remained optimistic about future prospects, setting ambitious targets and seeking to capitalize on global shifts in manufacturing locations.

In 2023, Bangladesh received a total of \$21.82 billion in foreign remittances. This represents a slight increase of 2.54% compared to the \$21.28 billion received in 2022 (Dhaka Tribune) (Press Xpress). The monthly remittance inflow saw a peak in June 2023, reaching \$2.2 billion, the highest in the last 35 months (Dhaka Tribune). The government and Bangladesh Bank have taken various measures, such as providing a 2.5% cash incentive on remittances sent through official channels to encourage higher remittance inflow (Press Xpress). The Per Capita Income as of December 2023, of Bangladesh was around \$2,765. This represents a slight decline from the previous year where it was recorded at \$2,793. The decrease is attributed to the depreciation of the taka against the US dollar and a slight increase in population which impacted the per capita calculation (BSS) (Dhaka Tribune).

Banking Industry of Bangladesh

The Banking industry of Bangladesh had to bear a compared challenges and consequences in the year 2023 due to geo-political unrest rooted from Russia-Ukraine War and Middle-East crisis and effect of bi-polar alliances across the globe. The hike of dollar price was the main radiator for making the banking industry unstable not only for Bangladesh but also for the world economy. However, the chart of profitability of the Banking sector showed a mixer of spike comparing to the previous year 2022.

The total deposit of the whole banking sector of Bangladesh stands BDT 16,754,929 million as at the end of March, 2024 against BDT 15,232,961 million as of March, 2023 which is 9.99% incremental excluding interbank Deposits and Government Deposits. The total loans and advances of the banking sector stands to BDT 20,110,537 million at the end of March, 2024 compare to BDT 17,938,293 million of March, 2023 which is 12.11% higher. Total number of Branches of the banking industry reached to 11,284 as on December, 2023 comparing to 11,139 nos. of branched as of 2022. Different government responded initiatives like implementation of stimulus package, increase of liquidity, decrease of repo rate, restriction on further loan classification, deferral of installment/interest payment etc. still remained very much effective to regain the economic circulation for recovering the losses tolerated due to Covid-19 and calamity enforced by the Wars and recent geopolitical polarization.

BGCB's outlook in 2023

Dear Sponsors, it is apparent that we achieved a noticeable progress against the strategy we set out and are on right track to achieve our objectives. Through a year of commitment, the bank supported the stakeholders we serve, the communities in which we operate and the economies that depend on us. Our people worked diligently to operate the bank and, with the help of policy support from Bangladesh Bank, Bengal Commercial Bank PLC. performed extraordinarily to provide maximum returns for all of our stakeholders. By the grace of the almighty Allah, we have achieved recorded success as a new comer bank in the key areas of banking and proved again our strong determination to achieve our goals. However, there is no room for complacency, and we must work hard to maintain our success and achieve our ultimate goal of being the leading bank in the country.

Dear Colleagues, I am privileged to inform you that in the year 2023, the bank succeeded mobilizing a total deposit of Tk.1645.60 crore as of December 31, 2023 while the total amount of its loans and advances/ investments stood at Tk.1425.65 crore. The total number of client deposit accounts stands at 43,553 nos. as of 31st December, 2023 while total number of Loan and Advance/ Investments Accounts stands at 2188 nos. As you know, the bank is going through the very initial years of commencing its commercial operation and the bank is still expanding it's business stations through establishing new branches every year. Throughout the year 2023, the bank is tolerating a huge amount of establishment cost viz. rent, furniture cost etc. Moreover, rate of accumulating deposits has been cut lose though the lending rate remains controlled. Though the Bank earns a significant amount of profit for the year 2023 but still could not make surplus amount of profit due to carry forward of cumulative loss of previous years to declare dividend for it's

shareholders of the Bank.

Taking count the technology as a tool of a digital economy that is expanding rapidly, the Bank introduced digital financial services in the past years. As part of continuous journey of innovation, the clients are using full-fledged **Mobile App** to provide one touch services to the clients of the Bank by which they can pay different utility bills and make necessary transactions amongst the Banks. The Bank introduced 24/7 hot line number **16796** to access the services of the Bank as and when necessary for any sorts of problem he/she faced.

Dear Shareholders, the Board of Directors worked together for the wellbeing and make our beloved institution perfectly bloomed and hope that this effort shall continue in the coming days as well. We thrive for different initiatives with a view to make sustainable growth of the investment of the bank as a whole. In this connection, the Board of Directors worked hand to hand with the Management to reach profound customers and various business and Regulatory communities to protect the interest of the Bank. Having trusted with the renowned members of the Board, different leading business conglomerates of the country established their banking ties with Bengal Commercial Bank like Megna Group, City Group, Abul Khair Group, ACI, Apex, Bashundhara Group, Pran-RFL, Nitol Motors, Mutual Milk Products Ltd., Summit Power, KPCL, Confidence Power, East-Coast, Samuda Group etc. The relentless efforts of the Management and the personal knowing of the members of the Board of Directors ensure shining the branding image of the Bank across the country in the last year. Now, the logo of Bengal Commercial Bank PLC. is well known to the people of all sectors around the country.

Future prospects of Bengal Commercial Bank PLC.

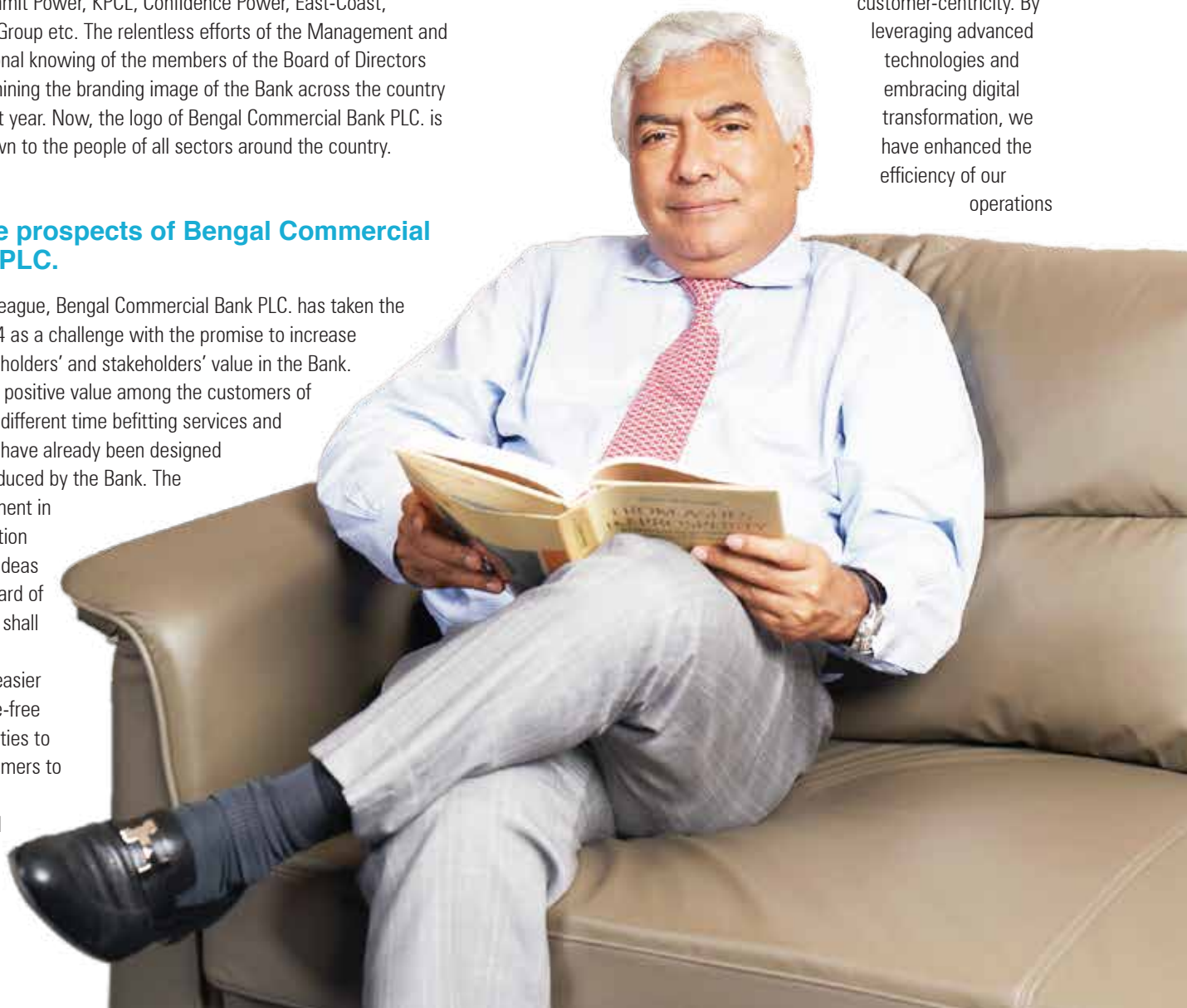
Dear Colleague, Bengal Commercial Bank PLC. has taken the year 2024 as a challenge with the promise to increase the shareholders' and stakeholders' value in the Bank. To create positive value among the customers of the Bank different time befitting services and products have already been designed and introduced by the Bank. The Management in collaboration with the ideas of the Board of Directors shall make the process easier for hassle-free loan facilities to the customers to create a congenial

environment for the young and talented entrepreneurs and for the CMSME sectors so that the whole economy can be soared.

Again Bengal Commercial Bank has eyed on extending digital based secured banking services to it's customers. To reach the services of the Bank to the unbanked people we shall keep expanding our branch network as much as possible in the year 2024. However, the focus made on business potentiality targeting the clusters of business and new entrepreneurs across the country shall remained static.

Implementation of Corporate Governance in all the sectors of the Bank still remained first priority from the inception of the Bank. The Board of Directors as well as the Management of the Bank is promise-bound to make the Bank a strong competitor in the industry based on asset quality, advanced banking products and services, profitability and compliance. The motto of "Inspiring Growth" shall be upheld by mitigating risks, developing the quality of human resources and improving of corporate governance system. Insha-Allah, we shall work hand to hand to reach the uncompromised goal of reaching the pinnacle of success.

Throughout the year, we remained committed to our core values of integrity, innovation, and customer-centricity. By leveraging advanced technologies and embracing digital transformation, we have enhanced the efficiency of our operations



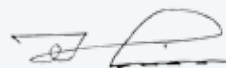
and expanded our service offerings, providing a seamless and personalized banking experience. As we look to the future, we are excited about the opportunities and challenges that lie ahead. We remain steadfast in our commitment to serving as a catalyst for economic growth, supporting our communities and fostering financial inclusivity. Through strategic partnerships and prudent risk management, we will continue to navigate the dynamic market landscape and deliver sustainable value for all of our stakeholders.

Finally I, on behalf of the Board of Directors of the Bank, would like to express my sincere gratitude to our valued customers, dedicated employees and stakeholders for their unwavering support and trust in our bank. We are committed to persevere and deliver the highest comfort for financial services and solutions to meet the evolving needs of our clients.

I wish to thank all our stakeholders and my colleagues of the Board of Directors, Bangladesh Bank, Registrar of Joint Stock Companies and Firms (RJSC), External Auditors, Legal Retainer

and other regulatory authorities for their judicious guidance and assistance. Together we look forward to a bright future for this esteemed institution. I am confident that our bank will continue to grow and remain resilient in the face of the challenges ahead.

May Allah bless our journey towards successful upholding the slogan '*Inspiring Growth*'



Md Jashim Uddin
Chairman
Board of Directors



the
bank
you can
bank
on

Message from the MD & CEO



At Bengal Commercial Bank PLC., with the expansion and diversification of our product and customer portfolios, we will strive to fortify our ethical and sustainable standards, assuring the success of our evolution to serve generations of customers as one of Bangladesh's most modern bank with a history of customer excellence.





In the year 2023 Bengal Commercial Bank PLC unwavering commitment to excellence with 0% (Zero percentage) Non performing Loan (NPL) by adding a human touch to financial services, especially in the lens of digital financial services. Within short time this remarkable feat was made possible thanks to the tireless efforts and unwavering dedication of all employees, as well as the exemplary support of our Board of Directors. I extend my heartfelt gratitude and congratulations to each and every stakeholder of Bengal Commercial Bank PLC. for this incredible achievement.

Dear shareholders and stakeholders,

It is an honor and privilege to connect with you through the pages of this Annual Report as I share my views on Bengal Commercial Bank PLC.'s performance for the year 2023 and its future prospects. I thought it would be useful to stake holders to have a summarized version of the journey of the Bank in the year under report.

Bengal Commercial Bank PLC. has always been an advocate of sustainable growth that is manageable year after year and, in this realm, we have built our culture, systems and practices around how best we can nudge and contribute to the greening of the economy. So in response to these winds of change, at Bengal Commercial Bank PLC., we have taken decisive steps to reinforce our fundamentals even further by refining our long-term strategy, ensuring that we stay relevant and viable in the long run.

Since BGCB's main focus is on SME and Micro Finance complying the prudential guideline of the Bangladesh Bank so we are not limiting our expansion to metropolitan areas, but will also continue to improve our regional services and digital touch points in order to expand our market presence to the unbanked people of Bangladesh and strengthen the Bank's position throughout the country.

The CMSME business portfolio stood at BDT 372.37 crore in 2023 with a growth of 144.49% in comparison to the year of 2022 (BDT 152.30 crore). Where in the year 2022, the CMSME business portfolio grew by 436% in comparison to that of the year 2021 (BDT 34.11 crore). Total portfolio grew by 95.92%, BDT 727.65 to BDT 1425.64. Total CMSME business portfolio is 26.12% in comparison to total bank's business portfolio.

Our Corporate banking and sub-branch model are a striking illustration of this endeavor as we focus on taking our banking platform to the masses, right at their doorstep. It is also clear to us that this is the most viable model for financial inclusion to at least get the unbanked populations to get on boarded by opening an account with us. This is the starting point of how formal financing can play a transformative role in their lives, be it through accessing a micro credit, or getting into the habit of savings.

Bengal Commercial Bank PLC. is proud of its role in this important journey for our customers.

At Bengal Commercial Bank PLC., with the expansion and diversification of our product and customer portfolios, we will strive to fortify our ethical and sustainable standards, assuring the success of our evolution to serve generations of customers as one of Bangladesh's most modern bank with a history of customer excellence. A satisfactory year I will always look back at the year 2023 with pride as we navigated an uncertain and complex macroeconomic environment with relative ease thanks to the strong foundations that we have patiently built over the years. Our platform-building focus has remain unchanged that has enabled us to stand tall at all times.

As economies fully reopened and border restrictions were completely lifted in 2023, consumer spending returned and external demand improved. Against better economic prospects and our ability to monetize those opportunities, our net interest income grew by 112.13% to Tk. 610.43 million, up from Tk. 287.75 million in the previous financial year. All business divisions of the Bank performed well in 2023, and a granular segmentation exhibits that the new businesses seeded in the recent past grew at a faster clip as their proposition resonated well with their target customer base.

The mature and well-established business wings of the Bank grew at a slower pace but on a much higher revenue base. Thus, collectively, the Bank generated a sound performance to keep the commitment to customers for secure deposit and smooth business operation it has strong capital. The authorized capital is 15,000.00 million where is paid up capital 4,500.00 million in 2023 and 4,406.88 million in 2022. A strong capital base helped the bank to maintain a very satisfactory Capital to Risk Weighted Assets Ratio (CRAR) 30.98% in 2023 where as 59.98% was in 2022. Total asset of BGCB is 22,694.52 million in 2023 & 15,951.92 million in 2022 with growth is 70.29%. Total deposit is 16456.05 million in 2023 & 11016.59 million in 2022 with deposit growth is 66.95%. Total loan & Advance/ Investment is 14,256.40 million & 7,276.54 million in respectively 2023 & 2022 with growth is 51.04%. The operating profit was 270.61 million in 2023 against operating loss of 123.57 Millon in 2022. BGCB reached with services to its customers by establishing new branch and ATM network facilities. In 2023 total branch is 19, number of sub branch is 10 and 07 ATM. It has made arrangement for cash withdraw facilities by using more than 26,000 shared ATM all over the country.

The strength of our deposit franchise is clearly evident in the Bank being able to grow its CASA significantly despite offering lower-than-market interest rates. This demonstrates that stability and long-term nature of our deposits as our deposit- holders



At Bengal Commercial Bank PLC., with the expansion and diversification of our product and customer portfolios, we will strive to fortify our ethical and sustainable standards, assuring the success of our evolution to serve generations of customers as one of Bangladesh's most modern bank with a history of customer excellence.



prefer safety of their capital over higher short-term risk-prone returns. At the same time, it was also evident that customers opted to move their excess funds into higher yielding products, such as fixed deposits, amid the rising interest rate environment. The rising rate environment has resulted in higher cost of funding, which limited the upside to net interest margin expansion. At Bengal Commercial Bank PLC., we are committed to delivering unique and innovative digital experiences to our customers. We aim to emulate leading consumer companies for whom digital innovation is a high priority. Recognizing the benefits of digitalization early on, we strive to stay ahead of the curve by continually developing first-to-market digital solutions. This ongoing commitment strengthens our digital banking offering and reinforces our position as a leader in the financial industry. By consistently prioritizing digital advancements, we ensure our customers receive the most cutting-edge and efficient banking services available.

In this regard, it is important for me to mention that our robust office policies play a huge role in shaping the culture of our organization. These help safeguard our operations and our reputation. We are serious about any malpractice being brought to light through our whistle-blower policy, or preventing financial fraud or terrorist activities through our anti-money laundering and



anti-terrorist financing vigilance mechanisms. Having said this, we have been building the capabilities of our people to shape a next-generation workforce or a workforce that is fit for the future, that is not only digitally-savvy and customer-centric, but sustainability-conscious too. That Bengal Commercial Bank PLC. overcame the challenges that surfaced during this prolonged pandemic and war and emerged more determined than ever to achieve its goals. Our resilience is the result of many factors, not least being a shared vision and values.

I would like to acknowledge the contributions of our Board members, our MANCOM team and all employees for coming together at a time when this was really needed, further building the Bank into an organization we can all be proud of. I would also like to thank all our other stakeholders, honorable customers, shareholders, regulators as well as our network of partners. All of you are important to Bengal Commercial Bank PLC., and we will continue to endeavor to be a value-multiplier for you.

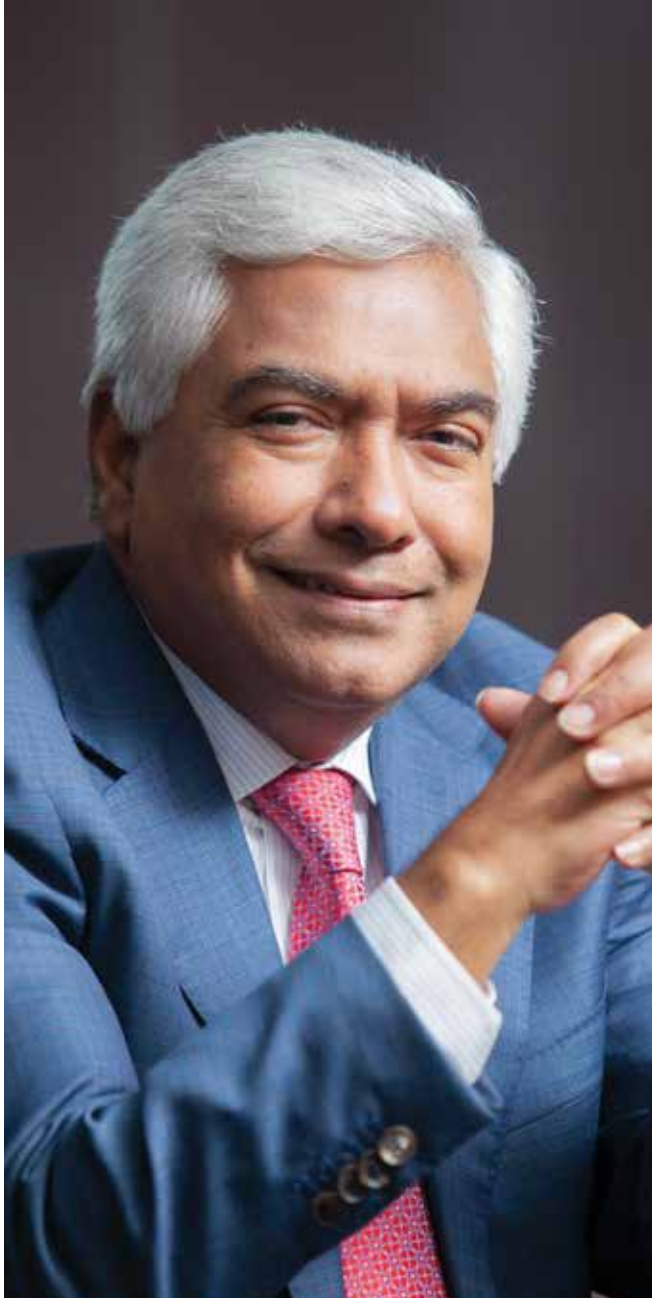
Thank you for believing in us.
Sincerely,

Tarik Morshed
Managing Director & CEO

Board of Directors



Sl.	Name of the Directors	Designation
1.	Mr Md Jashim Uddin	Chairman
2.	Alhaj Mahbubul Alam	Vice-Chairman
3.	Engr Ghulam Mohammed Alomgir [Representative of Max Infrastructure Ltd.]	Vice-Chairman
4.	Ms Jesmin Akhter	Director
5.	Mr Firoz Alam	Director
6.	Mr Shamsul Alam	Director
7.	Mr Md Shahabuddin	Director
8.	Mr Dilip Kumar Agarwala	Director
9.	Dr Joshoda Jibon Debnath [Representative of TECHNOMEDIA Ltd.]	Director
10.	Ms Tasmin Mahmud	Director
11.	Mr S M Faruqi Hasan	Director
12.	Mr Md Iqbal Hossain Chowdhury [Representative of B. DASH Japan Company Ltd.]	Director
13.	Mr Muhammad Jamaluddin [Representative of KDS Textile Mills Ltd.]	Director
14.	Ms Rokeya Khatun, FCA [Representative of Ilmeeyat Apparels Ltd.]	Director
15.	Mr Khawja Mahtab Uddin [Representative of Starlight Sweaters Ltd.]	Director
16.	Engr. Md Abu Noman Howlader	Director
17.	Bengal Plastics Limited	Director
18.	Prof Md Iftekharul Amin, Ph.D.	Independent Director
19.	Mr A N M Abul Kashem	Independent Director
20.	Mr Tarik Morshed	Managing Director & CEO



Mr Md Jashim Uddin
Chairman

Director's Profile

Mr. Md. Jashim Uddin is a Sponsor Director and also the Chairman of the Board of Directors of Bengal Commercial Bank PLC. Currently, he adorns the chair of President of SAARC Chamber of Commerce and Industry. As president of SAARC Chamber, he encourages Trade, Service, Industry, Small & Medium Enterprise, Agriculture, Intra-Regional ties through creating strong business linkages amongst the entrepreneurs of the region of South Asia and recommends to safeguard the economic and business interests of the SAARC countries. Moreover, he encourages Member Countries to accord preferential terms of trade to each other and exchanging commercial, technical, industrial management and scientific information amongst its members. Formerly, he acted as the President of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) wherein he played his pivotal role in consultative and advisory capacity, safeguarding the interest of the private sector industries in collaboration with the Government of the People's Republic of Bangladesh.

He came from a well reputed business family of Noakhali. He is the younger brother of Mr. Morshed Alam (MP), Chairman of Bengal Group. Mr. Jashim obtained his Bachelor of Commerce in the year 1986. He is the Vice-Chairman in the Board of Directors of reputed Bengal Group of Industries. He bears more than 29 years of business experience with a specialized knowledge in plastic chemicals and cast polyester technology. He is entitled as the pioneer of modern technology based plastic industry business of the country. In appreciation of his vast experience, he bears the honor of holding the position of the President of Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA). In addition, he is also a Director of Bengal Media Corporation Limited (RTV), Bengal Windsor Thermoplastics Limited, Romania Food and Beverage Ltd., Bengal Cement Limited, Bengal Adhesive and Chemicals Products Ltd., Bengal Flexipak Limited and some other concerns of Bengal Group. He is also the Managing Director of Bengal Plastics Limited, Bengal Agro Industries Limited, Bengal Renewable Energy Limited, Bengal Feed & Fisheries Limited, Power Utility Bangladesh Limited, Bengal Plastic Pipes Limited, Bengal Polymer Wares Ltd. and other concerns of Bengal Group. He is also a Sponsor shareholder of Meghna Bank PLC. Bangladesh government enlisted Mr. Jashim as Commercially Important Person (CIP) for the year 2011 for his outstanding contribution in the development of Bangladesh Economy.

At the level of personality he is amicable, enthusing of hard working and highest affectionate to his beloved only daughter and son. Mr Jashim is also discharging his duties and responsibilities as a member of Shariah Supervisory Committee of the Bank.



Alhaj Mahbubul Alam, CIP Vice-Chairman

Alhaj Mahbubul Alam, a distinguished business icon came from a notable muslim family of Chattogram. He is the Vice Chairman of the Board of Directors of Bengal Commercial Bank PLC. He is the Chairman of reputed M. Alam Group, Chattogram. Mr. Alam has completed his Bachelor of Arts (Hons) and Master of Arts (M.A) with dignity from Chittagong University.

Alhaj Mahbubul Alam is the current President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI). As president of FBCCI he is playing a pivotal role for safeguarding the interest of the private sector industries in collaboration with the Government of the People's Republic of Bangladesh. As acceptance of his inherent leadership Alhaj Mahbubul Alam was crowned as the President of Chittagong Chamber of Commerce and Industries (CCCI) for consecutive five times. Mr. Alam is also the Chairman of Crown Steel Ltd., M. Alam Gas Station

Director's Profile

Ltd., Anowara Alam Foundation, and Surgescope Hospital Ltd. He is the Managing Director of Alam Trading Corporation, R.M. Enterprise, A.M. Enterprise, Arufa Trading, Munal Trading, Remora Trading and M.M. Trading.

Mr. Alam was enlisted as Commercially Important Person (CIP) by the Government of Bangladesh as recognition of outstanding contribution in the economy of the country. He achieved the prestigious Certificate of Merit awarded by World Customs Organization (WCO) for rendering exceptional service to the international Customs community.

Alhaj Mahbubul Alam is the Honorary Consul of Japan in Chattogram by which he is fostering Japanese investments in Bangladesh for making significant contribution to the country's economic growth. He was also designated Consul General by the Republic of Mali. He is also the Chairman of Business Initiative Leading Development (BUILD) and Co-Chairman of SME Development Working Committee, Ministry of Industry, GOB. Mr. Alam is the Director of International Chamber of Commerce-Bangladesh. He is an Executive Board Member of Bangladesh Foreign Trade Institute, Board Member of Bangladesh Railway Container Service Ltd., Bangladesh Investment Development Authority and Custom Excise and VAT Training Academy, Chittagong. Mr. Alam is also a member of Governing Body of Bangladesh Economic Zones Authority (BEZA).

Mr. Alam as to soar the economy of Bangladesh travelled USA, UK, Australia, Germany, Russia, Netherlands, France, Switzerland, Japan, Turkey, Taiwan, Hong Kong, China, UAE, KSA, Myanmar, India, Thailand, Singapore, Malaysia, Philippines, Sri Lanka. His ardent desire of innovation in the business sector inspire the entrepreneurs to make a developed Bangladesh in near time.

Mr. Mahbubul Alam is discharging his responsibilities as a member of Executive Committee (EC) of the Board of Directors and Shairah Supervisory Committee of the Bank.



Engr Ghulam Mohammed Alomgir Vice-Chairman

Engr. Ghulam Mohammed Alomgir, the founder-director and Vice-Chairman of Bengal Commercial Bank PLC. was born on 1st January 1955 in Noakhali district of Bangladesh. Right after completing his graduation in Mechanical Engineering in 1977 from Bangladesh University of Engineering and Technology (BUET), he joined a French-based Oil and Gas Company in the UAE and served successfully for five years. However, with the ardent desire to emerge as an industrialist, he returned to Bangladesh in 1983 sacrificing his prosperous career and dazzling lifestyle.

Engr. Alomgir is considered as the most successful, respected, and charismatic businessman of current time having a significant contribution to the country's overall economy. He is the founder Chairman of MAX GROUP, one of the largest engineering conglomerates of Bangladesh that accounts for the employment of more than 8000+ people ranging from

Director's Profile

top-notch graduate engineers to semi-skilled laborers. His areas of specialization are but not limited to project management, financial management, contract administration, initiating sustainable work methods, negotiating big businesses, developing performance-oriented relationships and international joint ventures, etc.

Engr. Alomgir, at the age of 30, established Max Infrastructure Limited, by far the largest EPCM (Engineering, Procurement, Construction, and Management) Company of Bangladesh that has a dynamic presence in the development of key infrastructural assets in various sectors such as Railways, Power Generation, Nuclear Power Plants, Flyovers, Bridges, Elevated Expressways, Roadways, Embankment and Shore Protection, High-rise Residential and Commercial Buildings, etc. He owns and operates two Power Plants with a combined capacity of 242 MW. Over the years, he has established manufacturing facilities for Stainless Steel Crockeries, Cutleries, and Pipes, Lubricating Oil Blending, Automobile Leaf Springs, most of the Railway Track Fittings, Pre-stressed Concrete Sleepers, etc. under his dynamic leadership. To ensure the quality and in-time delivery of his projects and consignments, he has established the country's largest fleet of equipment within his company that includes 1500+ state-of-the-art heavy equipment and machinery.

Engr. Alomgir was the founder director of Global Islami Bank PLC. Besides, he is a well-known face to the international business community and has participated many international conventions/ conferences as keynote speaker during his long professional career such as FOBANA Convention '2017 (Florida), Bangladesh Rising Conference '2018 (Harvard University, USA), AABEA Convention '2018 (New York), etc.

Mr. Alomgir apart from business, he is a devoted organizer and passionate activist for social development. He was elected as Director of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI). He is the founder President of BUET Graduates Club Limited. He is also the current President of Engineers Recreation Centre (ERC), IEB, Dhaka. He was the former director of Bangladesh Cricket Board and also reputed for his enthusiasm to promote different sports. For his impeccable contribution in business and other sectors, he has been awarded an Honorary Doctor of Business Administration (DBA) by Commonwealth University in 2019.

On a personal level, he is a very pleasant and media-friendly personality. Moreover, he is not only a successful husband but also an ideal father of two flourishing children. He cares about quality, timeliness, and keeping commitments which he thinks is his main capital of doing business.

Engr. Ghulam Mohammed Alomgir is also discharging his duties and responsibilities as a Member of Risk Management Committee (RMC) of the Bank.



Ms Jesmin Akhter
Director

Director's Profile

Jesmin Akhter came from a renowned practicing muslim family of Naakhali. She is a Sponsor Director in the Board of Directors of Bengal Commercial Bank PLC. She is a skilled motivator for showing the lights for woman entrepreneurship in Bangladesh economy during last few decades. She is also a Director of Bengal Plastic Pipes Limited and Designer Fashion Limited. She is the proprietor of Osenic Trading Company.

Jesmin Akhter at the level of personal known is a sign of honesty, hardworking and amicable to her subordinate. She is an affectionate mother of a daughter and a son.



Mr Firoz Alam
Director

Director's Profile

Mr. Firoz Alam, is a Sponsor Director in the Board of Directors of Bengal Commercial Bank PLC. He has completed his Bachelor's degree from Dhaka City College and also completed his Higher education from Los Angeles, California (USA). Mr. Firoz Alam is the Managing Director of Bengal Cement Ltd., Bengal Poly and Paper Sack Ltd., Bengal Flexipak Ltd. and Bengal Feed & Fisheries Ltd. Mr. Firoz Alam is also Director of Bengal Plastic Ltd., RTV, Swissotel Dhaka and more than 30+ companies of Bengal Group of Industries.

Mr. Alam is named as one of the best young entrepreneurs of the country. He has been awarded with Commercially Important Person (CIP) in the year 2015 & 2017 by the Government of Bangladesh for his outstanding contributing to Bangladesh economy and business arena. He is also a recipient of National Export Trophy for the FY: 2012-2013 & 2016-2017 presented by the Honorable Prime Minister for his owing contribution in Export sector of the country.

Mr. Firoz Alam, as a social contributor donated and constructed numerous madrasahs and schools. His integrity & transparency of workings, idealistic and straight forward in dealing makes him qualified, energetic resourceful businessman. Mr. Alam has also visited India, Europe, USA and many other countries for business purpose which enhanced his professional experiences.

Mr. Alam is discharging his responsibilities as a member of Executive Committee (EC) of the Board of Directors of the Bank.



Mr Shamsul Alam
Director

Director's Profile

Mr. Shamsul Alam, a young entrepreneur is renowned for his innovative business ideas. He is a Sponsor Director in the Board Directors of Bengal Commercial Bank PLC. He is also acting as the Director of Bengal Group of Industries since 1995. He is holding the office of the Director of Bengal Plastics Limited, Bengal Media Corporation Limited (RTV), Bengal Feed & Fisheries Ltd., Bengal Poly and Paper Sack Limited, Bengal Windsor Thermoplastics Limited, Bengal Polymer Wares Ltd., Bengal Plastic Pipes Limited, Romania Food and Beverage Ltd. and few other companies of Bengal Group.

Mr. Alam has flourished his highest talent as the Managing Director of Bengal Adhesive and Chemicals Products Limited. He puts his nose up acquiring knowledge in the fields of adhesive materials across the country. He obtained his BBA degree from Dhaka University. He is the third son of Mr. Morshed Alam, MP and Mrs. Bilkis Nahar. Mr. Shamsul Alam is a widely travelled person including countries of Europe, Asia and America.

Mr. Shamsul Alam is discharging his responsibilities as a member of Board Audit Committee and Shariah Supervisory Committee of the Bank.



Mr Md Shahabuddin
Director

Director's Profile

Mr. Md. Shahabuddin, a distinguished businessman in Bangladesh and considered as one of the pioneers in the field of Indenting Business in Bangladesh. He is a Sponsor Director in the Board of Directors of Bengal Commercial Bank PLC. He has completed his MSS from the reputed Dhaka University. Mr. Shahabuddin is the founder and Managing Director of Pacific Associates Limited since its inception in the year 1988.

As a successful businessman Mr. Shahabuddin anchored the Pacific Associates Limited as the largest Indenting firm, representing top tier International Machinery brands, importer of spare parts & technical service provider in the field of Garments & Textile Machinery in Bangladesh. He bears the inch and outs experience of garments and textile machineries for a period of more than 33 years.

Md. Shahabuddin is also the successful Managing Director of Pacific Tex-Tech Ltd. and Pacific Builders Ltd. The rooftop success of the companies under his surveillance reflects his dedication towards hardworking and valiant leadership quality. Mr. Shahabuddin is well participated humanitarian workers for the wellbeing of the society. He founded the Shahabuddin School & College located in Chandpur as part of his social goodself virtue.

Mr. Md. Shahabuddin is also the Chairman of the Executive Committee (EC) of the Board of Directors of the Bank.



Mr Dilip Kumar Agarwala, CIP, NDC Director

Born on December 14, 1968 in Chuadanga, Dilip Kumar Agarwala is a visionary, juvenile and prominent business personality, entrepreneur and philanthropist of Bangladesh. Visionary and self-esteemed Dilip Kumar Agarwala completed his graduation from a reputed University of Bangladesh. Mr. Agarwala went against the tide to build his career in establishing his own business through which he can offer jobs and not seek them. Mr. Agarwala's experience in Transport, Construction and Jewelry business propelled him towards becoming a pioneer in Diamond Jewelry Business of the country who started the segment of Diamond Business in the year 2005. He is the Managing Director of a brand that has reached the highest echelon of Diamond Jewelry business excellence in Bangladesh, Diamond World Ltd. which received first ISO Certificate in Bangladesh in jewelry sector. Mr. Agarwala is the Past General Secretary of Bangladesh Jewelers Association,

Director's Profile

BAJUS and before that he led this very organization for about 08 years. He is also a member of SAARC Chamber of Commerce and Industry (SAARC CCI). Mr. Agarwala's business caliber can be perceived through his serving of FBCCI, the apex entity for the finest businessmen in the country as Vice-President for the term 2019-21. In line with that he held the Office of Director of FBCCI for multiple terms of 2015-17, 2017-19, 2021-23 and currently for 2023-25.

Mr. Agarwala is human being who feels the misery of the society. His philanthropic notion paved the way towards the introduction of the Tara Devi Foundation established by Mr. Agarwala, Tara Devi Foundation has contributed in education, health and socio-economic development of Chuadanga and Kushtia providing a wide range of social offerings rebating tuition fees, building science laboratories, providing mid-day meals, free ambulance service, setting up old homes and so on. As recognition of his philanthropic activities, he achieved lifetime membership of Bangladesh Red Crescent Society and Bangladesh Diabetic Society. Mr. Agarwala has also been honored with the prestigious Mother Teresa International Award. In recognition of his outstanding contribution towards society and its citizens through business, he has been selected as the best taxpayer in Chuadanga district by the National Board of Revenue for the seventh time in a row. Another feather in Mr. Agarwala's cap is being honored as Commercially Important Person (CIP) for 09 times in a row for his outstanding contribution towards Bangladesh's economy.

Mr. Agarwala and his family has been devoted to the welfare of the minority communities of the country for generations. For this, his family faced brutal oppression during the Liberation War of 1971. Three members of his family were martyred in the war. But it couldn't suppress their notion in aiding the minority communities of the country. Mr. Agarwala and his family keep on providing socio-economic assistance for the helpless and poverty-stricken people in different parts of the country. He is working relentlessly as advisor of Bangladesh Hindu, Buddhist, Christian Unity Council which is a non-profit organization aims to uphold the rights of the minority communities in Bangladesh.

Despite all his business and philanthropic diligence, Mr. Agarwala is a bibliophile who believes that his knowledge is equally valuable for the upcoming generations. To pave the way for the future leaders, Mr. Agarwala is leaving his mark by writing about his vision and mission of propelling Bangladesh to move forward. Some prominent books of Mr. Agarwala are: Agrosor Bangladesh (2020), Swanirvar Bangladesh (2023), Somridkho Bangladesh (2023) and many more. He has explored the world widely including the countries of Europe, Asia and North America.



Dr Joshoda Jibon Debnath, CIP
Director

Director's Profile

Dr. Joshoda Jibon Debnath, CIP is called one of the Metaphors for making a Digital Bangladesh by the nearest time. Mr. Joshoda is a Sponsor Director in the Board of Directors of Bengal Commercial Bank PLC. on behalf of Technomedia Ltd. He is the founder of Technomedia Ltd., one of the advanced IT supporting companies of Bangladesh who are serving mostly for making a hassle free banking industry based on modern technology. As the strongest competitor in the field of Digital Banking and ICT Sector Dr. Joshoda Jibon Debnath holds more than 80% market share of ATMs in the Banking and Financial Institutions. As an IT fellow Mr. Debnath was awarded as the 2nd largest distributor of NCR ATM in Middle East and Africa region in the year 2010.

Dr. Joshoda has been elected as Vice-President (Term: 2023-2025) of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the highest trade organization of Bangladesh comprises of business VIPs and entities. He was also elected as a Director of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) for the term of 2021-2023. He was enlisted as Commercially Important Person (CIP) by the government of Bangladesh in recognition of his contribution for dreaming a Digital Based Bangladesh Economy. He is also the Chairman of Protection One (Pvt.) Ltd., Techo Condidence Securities Ltd., Lenden BD Ltd. He is also a Director of Bangladesh Chamber of Industries (BCI), Plastic Card ID Ltd., Rajendra ECO Resort, Vibrant Software BD Ltd., and Independent Director of Shampur Sugar Mill Ltd. He is the Managing Director of Technomedia Ltd., Money Plant Link Ltd., Delta Force Ltd. and Pay Union BD Ltd.

Dr. Joshoda Jibon Deb Nath, CIP is a responsible member of the Risk Management Committee of the Board of Directors of the Bank.



Ms Tasmin Mahmud
Director

Director's Profile

Mrs. Tasmin Mahmud, a well-known entrepreneur in the RMG, Apparel, Telecommunications, Securities, Financial and Real Estate sector holds a strong dignity. She is a Sponsor Director in the Board of Directors of Bengal Commercial Bank PLC.

Mrs. Mahmud is serving as the Member of the Board of different renowned conglomerates. As a steersman of positive change Mrs. Mahmud is a focused, client-centric executive with an exceptional record for driving growth. She is widely recognized for her role in shaping the business in multiple sectors which brings her the honor to travel Japan as one of the members of a trade delegation led by the Ministry of Commerce of the People's Republic of Bangladesh. Mrs. Mahmud was an integral member of a business delegation led by the FBCCI upon receiving an invitation from the Ambassador of Peoples' Republic of South Korea in Bangladesh.

Mrs. Tasmin Mahmud, being a successful business women idle is holding the position of Director of Cotton dyeing & Finishing Mills Ltd., Cotton Line (BD) Ltd., Cotton N Cotton Garments Industries Ltd., Pacific Cotton Ltd., BG Tel Limited and Bigstar Solutions Ltd.

Mrs. Mahmud was born in a respected Muslim Zaminder family of Shibchor, Madaripur (Utrail Chowdhury Bari). She obtained her BSS and MSS from the University of Dhaka under the Discipline of Public Administration. Mrs. Mahmud is passionate about social responsibility and Philanthropic services. She is currently an active member of Gulshan Ladies Community Club, Army Golf Club, Gulshan Club, Zonta Club of Dhaka and Baridhara Diplomatic Club. By personal level of known is an affectionate mother of a daughter and a son.

Mrs. Mahmud is also a member of Executive Committee of the Bank.



Mr S M FARUQI HASAN, CIP
Director

Director's Profile

Mr. S. M. Faruqi Hasan, C.I.P, is a sponsor Director of Bengal Commercial Bank PLC. He has completed his Master Degree from Dhaka University in 1983. During the mid eighties he started his own construction business. Since then, he has diversified his business into few other areas and now he is a very well known businessman in Bangladesh. Currently, he is the Honorable Chairman of Protik Group. His present business enterprises are;

Position		Name of Company
a. Chairman & CEO	1	Protik Developers Ltd.
	2	Protik Bone China Ltd.
	3	Protik Food and Allied Ltd.
	4	Protik Trade International
	5	Protik Energy & Refinery Ltd.
	6	Protik Logistics Ltd.
	7	Hotel Lake Castle Ltd.
b. MD & CEO	-	Protik Ceramics Ltd.

In addition, Mr. S. M. Faruqi Hasan, C.I.P is an active member of the different business bodies/ organization such as:

- Dhaka Club Limited.
- Real Estate and Housing Association of Bangladesh (REHAB).
- Dhaka Chamber of Commerce & Industry (DCCI).
- Bangladesh Indenting Agent Association (BIAA).
- Chattagram Boat Club.
- Federation of Bangladesh Chambers of Commerce & Industry (FBCCI).
- Vice president of Bangladesh Hotel and Guest House Owner's Association (BHGHOA).
- Advisor of Bangladesh Ceramic Manufacturers & Export Association (BCMEA).

As recognition of his contribution towards the economic development of Bangladesh he was named as Commercially Important Person (CIP) by the government of Bangladesh. He is a widely travelled person and also involved with different social activities and social organization.

Mr. S. M. Faruqi Hasan, C.I.P is the Chairman of Risk Management Committee of the Board of Directors of the Bank.



Mr Md Iqbal Hossain Chowdhury
Director

Director's Profile

Md. Iqbal Hossain Chowdhury came from a well reputed Muslim family from Lakshmipur district. He is the Sponsor Director in the Board of Directors of Bengal Commercial Bank PLC. on behalf of renowned B.Dash Japan Co. Ltd. He has completed his graduation from Dhaka College followed by an MBA.

Mr. Iqbal Hossain Chowdhury is a proud Director of Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) on behalf of Bangladesh Land Developers Association (BLDA). He was also elected as Director of the mentioned organization for the term 2021-2023 as well. He is well known as one of the established Real Estate businessmen of the country. He puts his foot step as an entrepreneur in the Real Estate Sector with the Brand "JAMS" and successfully incorporated JAMS Developments Limited in the year 2009. He brought many FDI in Bangladesh by forming Joint Venture (JV) companies with Creed Group, Japan through companies known as Creed Development BD. Co. Ltd., Creed Asia BD Company Limited, JCX Enterprise Ltd. & JCX Developments Ltd. which is now a brand of faith & quality in the Real-Estate sector.

He is successfully running business conglomerated with diverse interests in Energy, Auto Mobiles and Tourism Sector. He is also acting as Director of JAPASTY Co. Ltd., B.Dash Japan Co. Ltd. He is also the Managing Director of JAMS Interior & Design Ltd. & JAMS Auto Ltd.

He is well involved in many social activities and widely acclaimed for his philanthropic contributions to the society. Mr. Hossain is a responsible member of the Executive Committee (EC) of the Board of Directors of the Bank.



Mr Muhammad Jamaluddin
Director

Director's Profile

Mr. Muhammad Jamaluddin was born in a prominent Muslim family of Chattogram on 29 August 1950. He obtained his B. Sc. (Hons.) and M. Sc. degrees in Physics from the University of Dhaka.

Mr. Jamaluddin joined Petrobangla as Geophysicist in June 1975 and started his career as an oil and gas explorer in the country. He retired from Petrobangla in August 2007 as the Managing Director of BAPEX. He was also a proud member of 'Bangladesh Gas Act' Preparation Committee, Steering Committee for the "Gas Sector Master Plan and Strategy for Bangladesh Project" and Bangladesh Expert Committee for "Petroleum Potential and Resource Assessment Project 2001" during his tenure in Petrobangla.

He also acted as Member of Board of Directors of Bangladesh Petroleum Exploration & Production Company Ltd. (BAPEX), and Pashchimanchal Gas Company Ltd. (PGCL). Currently he is acting as an Independent Member of the Board of Directors of KDS Accessories Ltd. and Director of Grameen Shakti. He is also a Member of Board of Directors of Center for Mass Education in Science (CMES), an NGO working in rural Bangladesh for imparting non-formal education and hands-on technical education to the disadvantaged children of the country.

As part of recognition of condensed experience in Petrobangla, Mr. Muhammad Jamaluddin has been appointed as consultant for different gas-sector projects of Asian Development Bank (ADB), SAARC Energy Center, Islamabad, Gustavson Associates, USA (for implementation of ADB funded project), Keystone Business Support Company Ltd., and IUCN. He is well known for his writings in the National Dailies on various critical energy sector issues of the country. He is widely travelled to the countries of Europe, Asia and America for professional training, education and on behalf of the government.

Mr. Muhammad Jamaluddin is discharging his responsibilities as a member of the Risk Management Committee and Shariah Supervisory Committee of the Bank.



Ms Rokeya Khatun, FCA
Director

Director's Profile

Rokeya Khatun, FCA is a Representative Director in the Board of Directors of Bengal Commercial Bank PLC. on behalf of Ilmeeyat Apparels Limited, a concern of Sharmin Group. Rokeya Khatun, FCA was born in a respected Muslim Family in Khulna in 1976. She has completed BBS(Honour's) and MBS in Economics from Government Girls' University College in Khulna. She has qualified as a Chartered Accountant from the Institute of Chartered Accountants of Bangladesh (ICAB) in 2009. She became the Fellow member of the Institute in 2015.

At present she is working as the Executive Director (Accounts and Finance) of Sharmin Group, one of the largest export oriented Garments Industries in Bangladesh. Previously she worked as Group General Manager (Accounts and Finance) in Anwar Group of Industries.

Mrs. Rokeya is discharging her responsibilities as a member of the Board Audit Committee of the Board of Directors of the Bank.



Mr Khawja Mahtab Uddin
Director

Director's Profile

Khawja Mahtab Uddin is a Representative Director on behalf of Starlight Sweaters Ltd. in the Board of Directors of Bengal Commercial Bank PLC. He has completed his B.Com degree from reputed Dhaka City College. Mr. Mahtab is discharging his responsibilities as the Marketing Director of famous Starlight Sweaters Ltd., a concern of Labib Group.

He bears the highest level of experience in the modern marketing based business policy especially in the Readymade Garments sector. Mr. Mahtab by person is a man of good manner and good leader to motivate the co-worker. He is well travelled in different countries of Europe, Asia and America.

Mr. Khawja Mahtab Uddin is discharging his responsibilities as a member of the Executive Committee (EC) of the Board of Directors of the Bank.



Engr Md Abu Noman Howlader
Director

Director's Profile

Engr. Md. Abu Noman Howlader is a qualified graduate from Bangladesh University of Engineering and Technology (BUET), the highest renowned engineering university of Bangladesh. He bears diversified business experience in manufacturing industry as well as trade. He is the Chairman of Bangladesh Building Systems Ltd. (Publicly Listed Company), Nahee Aluminum Composite Panel Ltd. (Publicly Listed Company), BBS Cables Ltd. (Publicly Listed Company), Nahee SS Pipes Industries Ltd., Nahee Geo-Textile Industries Ltd., Helix Wire & Cables Industries Ltd., BBS Metallurgic Industries Ltd., Xiamen Reflective Insulations Ltd., Dynamic Cars Limited, BBS Infrastructures Ltd., and BBS Distributions Ltd.

He was awarded as Commercially Important Person (CIP) in the year 2016 & 2017 in the Heavy Industry Category by the Ministry of Commerce, Government of the People's Republic of Bangladesh for his outstanding contribution in the whole economy of the country. He was also awarded Business Asia Award as a "Best Entrepreneur of the year'2010-2011", Golden Pen Award, Best Entrepreneur Award 2018, Corporate Governance Award-Awarded by ICSB and many more. He is a Member of Dhaka Chamber of Commerce & Industry (DCCI), Member of Bangladesh-Malaysia Chamber of Commerce & Industry, Member of Turkey-Bangladesh Chamber of Commerce and Industry, Member of Electrical Merchandise & Manufacturing Association, Member of National Association of Small & Cottage Industries of Bangladesh, Founder Member of Executive Committee of BUET Graduate Club and many other business Associations. He is also a Life Member of Banani Club, Corporate member of Uttara Club, Member of Gulshan Runners Society and many other social organizations. Engr. Md. Abu Noman Howlader is a man of noble vision and keeps himself involved in various social activities through which he intends to serve the humanity. He is the founding member of Abdul Hannan Howlader Secondary School which was established to help the poor students to achieve their dreams. Every year he arranges a scholarship program in the name of his father namely 'Abdul Hannan Howlader Shkikha Britti' distributed amongst the poor and meritorious students of his District of birth.

Engr. Md. Abu Noman Howlader is also discharging his duties and responsibilities as a member of 'Board Audit Committee' of the Bank.

Bengal Plastics Limited Director

Bengal Plastics Ltd., a 100% export oriented company commenced its business in 1969 as a proprietorship concern and was incorporated as a Private Ltd. Company in the year 1981. The Company bears a vast experience of more than four decades in the field of plastic processing.

Bengal Plastics Ltd. is famed for producing and supplying of smallest to largest injection and extrusion molded plastic products in a cost effective, timely manner. Since its modest beginning in 1969, Bengal Plastics Ltd. is marching ahead with a committed and continued pursuit for excellence in quality, Service and Productivity.

Bengal Plastics Ltd. is the Licensee manufacturer of Mainetti Group - world's largest manufacturer of apparel hangers and accessories. Mainetti operates in more than 28 countries in the world. Bengal Plastics Ltd. has an installed capacity to produce 2 million pcs of Plastic Apparel hangers, 2500 kg poly bag and 3600 pcs gum tape per day and now produces an extensive line of hangers for men's, women's and children's apparels in many designs, sizes, and colors. In addition, there are many options for vendor application for sizing systems, pre-applied store logo imprinting or labeling, and even custom color options. Bengal Plastics Ltd. caters to the apparel hanger needs of our 100% export-oriented garments industries exporting apparels to USA, Canada and European markets. Bengal Plastics Ltd is also authorized by Mainetti Group to sell hangers to the territory of Nepal and thus catering to the apparel hanger needs of Nepal's export-oriented apparel industries exporting garments to USA, Canada and European markets. Other than apparel Hangers, BPL also produces and supply Poly Bags and Gum Tape to the apparel industry.

Director's Profile



Prof Md Iftekharul Amin, Ph D
Independent Director

Director's Profile

Dr. Md. Iftekharul Amin, Professor, Institute of Business Administration (IBA), University of Dhaka is a renowned academician and also an expert in quantitative research and analysis. He has completed his graduation in Computer Science and Engineering from the University of Dhaka and then obtained his MBA from the Institute of Business Administration (IBA), University of Dhaka. He completed his Ph.D. from the Institute of Information Technology (IIT), University of Dhaka on e-commerce adoption in the context of Bangladesh. He showed outstanding academic performance at all levels of his education. Currently he is a faculty member of IBA, University of Dhaka, and also the Coordinator of the MBA Program and the Warden of IBA Hostel. Before joining at IBA, Dr. Iftekhar worked as an Assistant Commissioner and Executive Magistrate and served at different capacities at different administrative departments of the Government of Bangladesh.

After joining at IBA, Dr. Iftekhar worked in different research projects. As a quantitative researcher, he worked in different research projects of development organizations like WB, UNFPA, CARE, WHO. He was a team member for preparing a strategic plan (2011-2013) for the Bangladesh Police. As a lead researcher, he has also conducted a number of marketing research projects for different private organizations. Besides, as a coordinator and team member, he has been involved in hundreds of recruitment tests and selection processes in different private and public sector organizations. As a coordinator and trainer, he also manages different Business courses under the Management Development Program (MDP), IBA. As an expert, he also contributes in different committees of a number of ministries and autonomous bodies.

As an academician, he is involved in different research projects and has published a number of research papers in different national and international journals. He has also attended a number of international conferences and presented research papers. His area of expertise includes Marketing Research, Consumer Behavior study, E-Commerce, Women Empowerment and SME and Marketing Communication. He is an Associate Member of the Australian Academy of Business Leadership (AABL), Australia since 20 April 2016.

Dr. Iftekhar is a founder and Co-chairperson of Protissruti Residential School and College, Rangpur; Member, Executive Committee and former General Secretary of Center for Men and Masculinity Studies (CMMS), a research based NGO registered under the Ministry of Social Welfare and NGO Bureau, Government of Bangladesh; Member, Trustee Board, United Nations Youth and Students Association of Bangladesh (UNYSAB).

Dr. Md. Iftekharul Amin is also discharging his duties and responsibilities as the Chairman of the Audit Committee of the Board of Directors of the Bank.



Mr ANM Abul Kashem
Independent Director

Director's Profile

A.N.M. Abul Kashem is an Independent Director in the Board of Directors of Bengal Commercial Bank PLC. He was born in a respected Muslim family in Noakhali in 1959. He has completed B.Sc (Hons.) & M.Sc in Geology from University of Dhaka.

He started his career in 1988 as Senior Officer in Agrani Bank in the Loan & Advance section. Later he joined in Bangladesh Bank and lastly served as an Executive Director of the Central Bank.

During his tenure in Bangladesh Bank, he was responsible for Bangladesh Bank Khulna Office; Foreign Exchange Investment Dept. and Human Resource Dept. of Head Office. He is also vastly experienced in Central Bank Strengthen Project (CBSP), Banking inspection, Expenditure management and Accounts dept. He has acquired versatile knowledge by working in different departments at the Central Bank of Bangladesh and this extensive knowledge and long professional experience in banking sector is a great addition to the Board of Directors of Bengal Commercial Bank PLC. He has also been involved in many foreign trainings/meeting including Credit Risk Management, Core Banking Solution Module, Export Credit Agent (ECA) Module, Foreign Investment Road Show (UK, Japan), Joint Meeting with European Credit Agency and Foreign Investment Climate in Bangladesh.

Mr. Kashem is discharging his responsibilities as a member of the Audit Committee of the Board of Directors of the Bank.



Mr Tarik Morshed
Managing Director & CEO

MD's Profile

Mr. Tarik Morshed, a seasoned banker with more than 32 years of extensive and versatile professional experiences in the Banking Industry joined Bengal Commercial Bank PLC. (BGCB) as Managing Director and CEO on 1st April 2020. Prior to joining BGCB, he was the Managing Director and CEO of Bangladesh Finance and Investment Company Limited (BD Finance). Before joining BD Finance, he was working for the Social Islami Bank PLC. (SIBL) as Additional Managing Director. During his tenure in SIBL, different organizational restructuring was implemented for efficient functioning of the Bank.

Mr. Tarik completed his Honors and Masters in Management from Rajshahi University and started his professional Journey with BRAC. He had been the Regional Manager (Credit Program) in BRAC prior to starting his banking profession in 1995 in Social Islami Bank PLC. (SIBL). He served SIBL for 22 years including 10 years as Branch Manager which includes Gulshan and Principal Branch of the Bank with proven record of contributing to the profitability of the bank by generating income and revenue growth. Mr. Morshed earned the prestige of creating milestones in the history of branches of SIBL while acted as Manager. He was awarded as "Best Manager" of the "INDUSTRY Based 10 (Ten) Best Bank Manager Award" for his noteworthy performance. During his long career, Mr. Tarik attended innumerable Seminars, Symposiums Workshops and Training Programs on Banking and Finance both at home and abroad. Mr. Morshed acted as a Nominated Director in the Board of Directors of SIBL Securities Ltd. and SIBL Investment Limited (subsidiaries of SIBL). He was also the head of ALCOO committee of SIBL during his tenure as Additional Managing Director.

Other Sponsors



Mr Mohammad Alamgir Parvez
Sponsor



Mr Mahmud Habib-E-Akbar
Sponsor



Mr Mohammad Akram Hossain
Sponsor



Mr Golam Nasir
Sponsor



Ms Tasfia Jashim
Sponsor



Mr Taseen Jashim
Sponsor

Sub-Committees of the Board

Executive Committee



Mr Md Shahabuddin
Chairman



Alhaj Mahbubul Alam
Member



Mr Firoz Alam
Member



**Mr Dilip Kumar
Agarwala, CIP, NDC**
Member



Ms Tasmin Mahmud
Member



**Mr Md Iqbal Hossain
Chowdhury**
Member



Mr Khawja Mahtab Uddin
Member

Audit Committee



Prof Md Iftekharul Amin, Ph D
Chairman



Mr A N M Abul Kashem
Member



Mr Shamsul Alam
Member



Ms Rokeya Khatun, FCA
Member



Engr Md Abu Noman Howlader
Member

Risk Management Committee



Mr S M Faruqi Hasan
Chairman



**Engr Ghulam
Mohammed Alomgir**
Member



**Dr Joshoda
Jibon Debnath**
Member



**Mr Muhammad
Jamaluddin**
Member

Directors' **Report**



Report of the Board of Directors

In the name of Allah
The most Gracious, the most Merciful

I, on behalf of the Board of Directors, pleased to welcome you all to the 4th Annual General Meeting (AGM). The Bank just completed its 03 years of commercial operation successfully with the help of shareholders and valued stakeholder and I also express my heartiest gratitude and appreciation for your continuous support and trust in the bank, even in times of great difficulties. I take this

opportunity to present you the Directors' Report 2023 along with Audited Financial Statements and the Report of the Auditors for the year ended December 31, 2023 for consideration and adoption. We've also included a summary of the bank's performance and financial position for the same year, as well as information on key elements of the global and Bangladesh economy.

We believe this Directors Report shall disclose the real insights of the bank's performance during the year under review.

Global Economic Outlook-2023



Fig: 1. Growth Projections

*Data Source: IMF World Economic Outlook April 2023

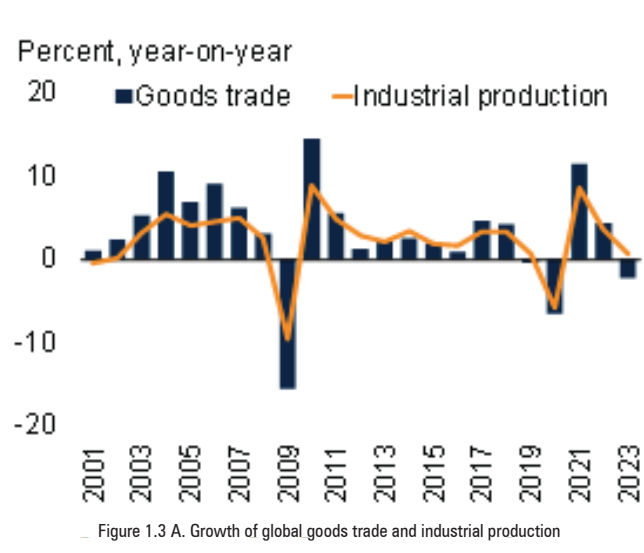
The global economic outlook for 2023 presents a mixed picture, characterized by slow growth and persistent challenges. The global growth was lowered from 3.4% in 2022 to 2.8% in 2023. This slowdown is driven by tighter monetary policies aimed at combating high inflation, geopolitical tensions, and the lingering effects of the COVID-19 pandemic. Advanced economies are expected to experience a significant slowdown by 1.3% in 2023 comparing to 2.61% in the year 2022. Inflation, remains a central concern which is 6.9% in 2023 and shall be forecasted upto 5.8% in 2024, aided by lower commodity prices and tighter monetary policies. The economic landscape is marked by significant regional divergences, with some regions recovering faster than others, exacerbating global economic disparities.

Key risks to the outlook include potential financial sector stress, ongoing geopolitical tensions, particularly relating to Russia's invasion of Ukraine, and structural issues such as public debt sustainability and geoeconomic fragmentation. These factors contribute to an uncertain and challenging recovery environment.

Global trade

Global trade in goods and services was virtually flat in 2023, growing by an estimated 0.2 percent—the slowest expansion outside global recessions in the past 50 years. Goods trade

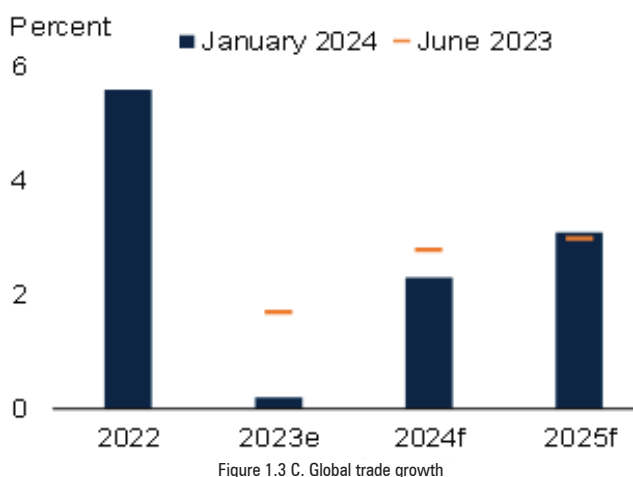
contracted last year, reflecting declines in key advanced economies and deceleration in emerging market and developing economy (EMDEs), and mirroring the sharp slowdown in the growth of global industrial production. This marked the first sustained contraction in goods trade outside a global recession in the past 20 years (figure 1.3.A).



Reflecting stagnant goods trade and fading pandemic-era disruptions, global supply chain pressures have returned to pre-pandemic averages in 2023. Services trade slowed in the second half of 2023, following an initial rebound from the pandemic (figure 1.3.B). After lagging the pace of global growth in 2023, global trade is projected to pick up to 2.3 percent in 2024, mirroring projected growth in global output (figure 1.3.C).

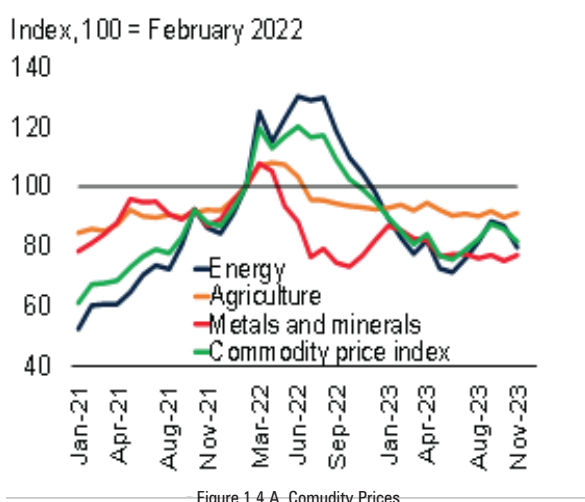
This reflects a partial normalization of trade patterns following exceptional weakness last year (WTO 2023). Goods trade is envisaged to start expanding again, while the contribution of services to total trade growth is expected to decrease, aligning more closely with the trade composition patterns observed before the pandemic. However, in the near term, the responsiveness of global trade to global output is expected to remain lower than before the pandemic, reflecting subdued investment growth. This is because investment tends to be more trade-intensive than other types of expenditures. Global tourist arrivals are expected to return to pre-pandemic levels in 2024, Geopolitical uncertainty, especially in light of ongoing armed conflicts, and the possibility of a more protracted slowdown in China pose downside risks to the trade outlook. Another downside risk arises from the possibility of further measures to restrict international trade. The recent increase in the use of restrictive trade policies, as well as subsidies and industrial policies aimed at localizing production, has accelerated the reshoring of activities by U.S. and European Union (EU) multinationals, although some of this reflects a desire by firms to diversify sourcing to reduce exposure to adverse shocks.

Continuation of this trend could result in more fragmented supply chains and slower trade growth than projected in the baseline.



Commodity Markets

The average prices of most Commodity Markets, in U.S. dollar terms, fell in 2023 amid moderating demand (figure 1.4.A). However, they remain more than 40 percent above pre-pandemic levels. Crude oil prices were volatile last year, including in the wake of the conflict in the Middle East; they averaged \$83/bbl, down from \$100/bbl in 2022. Production cuts by OPEC+, which were deepened and extended in November 2023, have mostly been offset by robust output elsewhere, including in the Islamic Republic of Iran and the United States. Currently, OPEC+ spare capacity stands at just over 5 mb/d. Oil prices are expected to edge down to \$81/bbl in 2024 as global activity slows and China's economy continues to decelerate. An escalation of the conflict in the Middle East is a major upside risk to oil prices. Indeed, since the 1970s, a series of significant geopolitical events, often marked by military



conflict, have exerted a pronounced impact on oil supplies. Further extensions of production cuts by OPEC+ (to beyond an expected phase-out of cuts in the first quarter of 2024) and stronger-than-expected demand could also result in higher prices. Natural gas and coal prices declined considerably in 2023 as countries in Europe reduced energy demand and maintained gas inventories above 90 percent of their storage capacity. Natural gas prices are expected to fall further in 2024 and 2025 as production increases, and as liquefied natural gas exports rise. Key upside risks to gas prices include supply disruptions from the Middle East linked to the conflict and a colder-than-usual winter in Europe. Metal prices fell by 10 percent in 2023 on account of sluggish demand from major economies notably China, which accounts for 60 percent of global metal consumption, in the midst of protracted weakness in the country's property sector. Metal prices are expected to fall further in 2024, before picking up in 2025 as China's property sector stabilizes and demand for metals used in the green transition (such as copper and nickel) increases. A greater-than-expected downturn in China's real estate sector is a key downside risk to prices. Food prices—the biggest component of the agriculture price index—fell by 9 percent in 2023, reflecting ample supplies of major crops, particularly grains. Rice was the exception—its price rose 27 percent in the year amid restrictions on exports of non-basmati rice from India, the world's top rice exporter. Food prices are expected to decline nearly 1 percent in 2024 and 4 percent in 2025. Key upside risks to food prices include increases in energy costs, adverse weather events (possibly as a result of an intensification of the ongoing El Niño), further trade restrictions, and geopolitical uncertainty in the Black Sea region. Longer-term risks include the effects of climate change and the expansion of biofuel mandates. Food insecurity remains a key

challenge amid high, albeit declining, consumer food price inflation. The number of people who are severely food insecure globally is estimated to have risen from 624 million in 2017 to 900 million in 2022 (FAO et al. 2023). The recent surge in rice prices is likely to exacerbate food insecurity as rice is a staple food for over half the world's population, providing more than 20 percent of the calories consumed worldwide.

Global Inflation

Global headline consumer price inflation declined substantially in 2023 moderating energy and food price inflation, along with slowing consumer demand for goods and the recovery of global supply chains, exerted significant downward pressure on goods inflation. In the major advanced economies, the rotation of demand from goods to services continued. Declining goods inflation amid easing import prices was partly offset, however, by persistent services inflation tied to tight domestic labor markets. As a result, core inflation, which surged less than headline inflation in 2021-22, has also declined less since its 2022 peak. The decline in the euro area inflation was accompanied by weak growth, reflecting the negative supply shocks from earlier sharp energy price increases. In most EMDEs, headline and core inflation receded last year as growth weakened. Nevertheless, in countries facing financial stress, inflation remained very high, in association with currency depreciations.

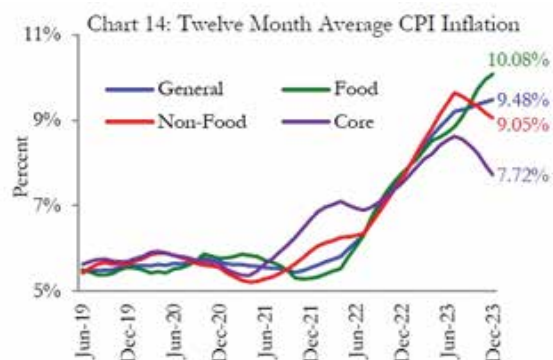
In 2024-25, global inflation is expected to decline further, underpinned by the projected weakness in global demand growth and slightly lower commodity prices. Surveys of inflation expectations similarly suggest a steady decline in inflation, but to levels in 2024 that are still higher than pre pandemic averages.



Bangladesh Economy

Bangladesh's economy has showcased robust resilience and impressive growth in recent years, achieving a real GDP growth of 5.80% in 2023. This growth trajectory was underpinned by strong internal and external demand, complemented by growth-supportive monetary and fiscal policies. The post-pandemic recovery saw substantial progress, notably in the industrial and service sectors. In contrast, the agriculture sector made significant contributions with increased production, buoyed by favorable weather conditions and successful crop harvests. However, according to provisional estimates by BBS, the growth momentum slightly tapered off to 6.11 percent in FY23. This was amidst domestic price levels outpacing wage growth and persistent depreciation pressure on the Bangladesh Taka (BDT).

Projections indicate challenges ahead due to lower-than-expected growth forecasts for key trading partners and remittance sources, notably India, the Middle East, and the Euro Area. These could compound existing headwinds stemming from global macroeconomic uncertainties. Looking ahead to the remaining months of 2024, substantial support from growing industrial output, steady services, agriculture sectors, and increased private demand is expected, along with positive impacts from major religious festivals in the latter half of the fiscal year.



Source: Bangladesh Bureau of Statistics (BBS)

Despite recent moderation in global commodity prices and stabilization in Russia-Ukraine war-related supply chain disruptions, concerns persist regarding price stability. Ongoing monetary tightening in major economies, coupled with global uncertainties and slower growth prospects, pose challenges to the global economic recovery. However, Bangladesh's economy anticipates support from resilient domestic demand, steady growth in Ready-Made Garments (RMG) exports, and consistent inflows of remittances from wage earners, bolstering its growth outlook. Projections suggest that the economy is poised to maintain a robust growth rate of around 6.5 percent in FY24, supported by both domestic and international agencies' forecasts alongside BB's in-house assessments.

The global trend of elevated prices has seen some moderation primarily attributed to improved supply conditions and stabilized food and energy prices. However, Bangladesh's economy has yet to experience an equal adjustment primarily due to domestic price rigidity, market imperfections marked by oligopolistic behaviors in certain commodities, and significant depreciation of the domestic currency, counteracting the potential advantages of reduced global prices.

In Bangladesh, Consumer Price Index (CPI)-based inflation surged notably, particularly following the subsequent upward adjustments in fuel and energy prices, during the first quarter of FY23. Chart 14 illustrates the 12-month average headline inflation trend alongside its components—food and non- food inflation—since June 2019. The average headline inflation continued its ascent throughout FY23 and the initial half of FY24, culminating at 9.02 percent in June 2023 and further increasing to 9.48% percent by December 2023.

The inflexible nature of internal price adjustments, coupled with the persistent depreciation of the domestic currency, might impede a decline in domestic inflation despite recent reductions in international market prices. The inflationary strains and significant price surges observed in various essential goods during FY23 and the initial half of FY24 are likely to contribute to sustained inflationary expectations in the latter half of FY24. Elevated land and construction materials prices have driven up asset prices, further exacerbating inflation risk. While cost-push factors primarily influence inflation in Bangladesh, BB prioritizes measures to curb inflationary pressures. This includes the continuation of tighter monetary policies and strengthened interventions on the supply side, aligning with the objectives outlined in the national budget for FY24. It is anticipated that an improved supply-side scenario, coupled with a stringent monetary policy and support from fiscal measures, will result in a decline in the inflation rate, stabilizing it at an acceptable level by the conclusion of FY24.

BB's strategic policy initiatives to ease external sector pressures and establish a unified exchange rate regime under a crawling peg system aim to mitigate downward pressure on the Bangladesh Taka (BDT). This strategy seeks to minimize the pass-through effects of BDT depreciation and contain inflation throughout FY24. Additionally, the benefits stemming from BB's policy-tightening measures throughout the fiscal year are expected to play a pivotal role in curbing inflationary pressures. Considering these factors collectively, achieving the revised target of 7.50% percent inflation by the end of FY24 appears feasible.

Overview the affairs of Bengal Commercial Bank PLC (BGCB) in 2023

Bengal Commercial Bank PLC (BGCB) is going to complete three years of commencement of successfully business journey. In growing stage, BGCB is enhancing business operation for its valued customers by establishing strong network with good human resource. The authorized capital of the Bank is Tk.1500.00 crore where is paid up capital is Tk.450.00 crore in 2023. A strong capital base helped the bank to maintain a very satisfactory Capital to Risk Weighted Assets Ratio (CRAR) of 30.98% in 2023 whereas it was 59.98% in 2022. Total asset of BGCB was Tk.22,694.52 million in 2023 & Tk.15,951.92 million in 2022 with a growth rate of 70.29%. Total deposit was Tk.16,456.05 million in 2023 & Tk.11,016.59 million in 2022 with deposit growth rate of 66.95%. Total loan & Advance/Investment was Tk.14,256.40 million & Tk.7,276.54 million with growth rate of 51.04%. The operating profit was Tk.270.61 million in 2023 against an operating loss of Tk.123.57 Million in 2022. Bengal Commercial Bank established 19 branches in 2023, 09 Sub branches and 06 ATMs. The Bank has arrangement of cash withdraw facilities by using more than 26,000 shared ATM all over the country.

Statutory Reserve

As per Provision of Bank Company Act, 1991, Bengal Commercial Bank accumulated it's First-ever Statutory Reserve on Profit after Tax @20% amounting to Taka 30.08 Million only as on 31st December 2023.

Dividend

Though the Bank secured an operating profit amounting to Tk.271.60 million (approx.) for the year ended on 31st December, 2023, the Bank could not afford to declare any dividend for it's shareholders due to having accumulated loss for the previous years.

Diversified Deposit, loan and advance/Investment Products and Services

Inspiring Growth, with the slogan, Bengal Commercial Bank PLC, wants to stand beside ensuring client's growth. Keeping this purpose in mind BGCB has come up with a bunch of deposit and different loans and advance/Investment products that are particularly tailored for ensuring growth and making life more beautiful and stress free. With regard to developing the products and services, the bank particularly considered the needs of different segment of people and tailored the product to meet the specific needs of that particular segments.

Deposit Product (Conventional)

- Bengal Corp. Current Account
- Bengal SME Current Account
- Bengal Universal Account
- Bengal Universal Account Payroll
- Bengal Universal Account Staff
- Bengal General Savings Account
- Bengal Staff Savings Account
- Bengal School Savings Account
- Bengal Supreme Savings Account
- Bengal Fixed Deposit Account - 3 Months
- Bengal Fixed Deposit Account - 6 Months
- Bengal Fixed Deposit Account - 01 Year
- Bengal Fixed Deposit Account - 02 Years
- Bengal Fixed Deposit Account - 03 Years
- Bengal Fixed Deposit Account - 1 Month
- Bengal Double Benefit Fixed Deposit Account
- Bengal Evergreen Savings Account
- Bengal Pay-roll Account
- Bengal Nabanno Savings Account
- Bengal Prothoma Savings Account
- Bengal Wage Earners Savings Account
- Bengal Probashi Savings Account
- Bengal Freelancer Account
- Bengal Prottasha Savings Account
- Bengal SND Account
- Bengal Fixed Deposit Account-100 Days
- Bengal Fixed Deposit Account-200 Days
- Bengal Fixed Deposit Account-400 Days
- Bengal Advance Earning Deposit Account-02 Years
- Bengal Advance Earning Deposit Account - 03 Years
- Bengal Advance Earning Deposit Account-01 Year
- Bengal Fixed Deposit Account- 90 Days
- Bengal Monthly Earning Fixed Deposit Account-01 Year
- Bengal Monthly Earning Fixed Deposit Account-02 Years
- Bengal Monthly Earning Fixed Deposit Account-03 Years
- Bengal Monthly Earning Fixed Deposit Account-04 Years
- Bengal Monthly Earning Fixed Deposit Account-05 Years



Deposit Product (Islamic)

- Bengal Al-Wadiah Current Account
- Bengal Al-Wadiah SME Current Account
- Bengal Mudaraba General Savings Account
- Bengal Mudaraba Staff Savings Account
- Bengal Mudaraba School Savings Account
- Bengal Mudaraba Supreme Savings Account
- Bengal Mudaraba Evergreen Savings Account
- Bengal Mudaraba Pay-roll Savings Account
- Bengal Mudaraba Nabanno Savings Account
- Bengal Mudaraba Prothoma Savings Account
- Bengal Mudaraba Wage Earners Savings Account
- Bengal Mudaraba Probashi Savings Account
- Bengal Mudaraba Cash Waqf (General)
- Bengal Mudaraba Universal Account
- Bengal Mudaraba Universal Account Payroll
- Bengal Mudaraba Universal Account Staff
- Bengal Mudaraba Short Notice Deposit Account
- Bengal Mudaraba Term Deposit Account-100 Days
- Bengal Mudaraba Term Deposit Account-200 Days
- Bengal Mudaraba Term Deposit Account-400 Days
- Bengal Mudaraba Term Deposit Account - 1 Month
- Bengal Mudaraba Term Deposit Account - 3 Months
- Bengal Mudaraba Term Deposit Account - 6 Months
- Bengal Mudaraba Term Deposit Account - 01 Year
- Bengal Mudaraba Term Deposit Account - 02 Years
- Bengal Mudaraba Term Deposit Account - 03 Years
- Bengal Mudaraba Advance Earning Deposit Term Account-01 Year

- Bengal Mudaraba Advance Earning Deposit Term Account-02 Years
- Bengal Mudaraba Advance Earning Deposit Term Account-03 Years
- Bengal Mudaraba Advance Earning Deposit Term Account-04 Years
- Bengal Mudaraba Monthly Earning Term Deposit Ac-01 Year
- Bengal Mudaraba Monthly Earning Term Deposit Ac-02 Years
- Bengal Mudaraba Monthly Earning Term Deposit Ac-03 Years
- Bengal Mudaraba Monthly Earning Term Deposit Ac-04 Years
- Bengal Mudaraba Monthly Earning Term Deposit Ac-05 Years
- Bengal Mudaraba Double Benefit Term Deposit Account
- Bengal Mudaraba Al-Wasiyyah Bil Cash Waqf
- Bengal Mudaraba DPS
- Bengal Mudaraba Prothoma DPS
- Bengal Mudaraba Lakhopoti DPS
- Bengal Mudaraba Millionaire DPS
- Bengal Mudaraba Advance Millionaire DPS - 1 Lac
- Bengal Mudaraba Kotipoti DPS

Loans & Advances Product

- Bengal Corporate Loan
- Bengal SME/ CMSME /Finance
- Bengal Micro Credit Facilities
- Bengal Student Loan
- Bengal Home Loan
- Bengal Personal Loan
- Bengal Auto Loan
- Bengal Shonirbhor Loan



Investments Products (Islamic)

- Corporate Bai Muazzal
- SME/ CMSME Bai-Muazzal
- Corporate Bai-Salam
- SME. Bai-Salam
- Guard against MTDR
- Guard against Scheme

Product Development and Business Initiatives

The never-ending emergence of new technology is changing the way banks behave in the banking and finance industry of Bangladesh. To cope up with this ever-growing industry, Bengal Commercial Bank has introduced an innovative division titled Product Development and Business Initiatives which is responsible for finding knowledge to create new products in the banking sector and strengthen existing ones with new features. The Product Development and Business Initiatives team collaborates with cross-functional teams, including business, branding, IT, operations, and compliance to develop and launch innovative financial products that align with the bank's business objectives and customer needs. The division constantly monitors the competitive landscape, benchmarks competitor offerings, and identifies areas of differentiation to drive competitive advantage. PDBI is also responsible for determining, implementing and monitoring research and development strategies and priorities to support the organization's commercial policy, or research objectives and communicate research findings and insights through reports and presentations to senior management. Monitoring the performance of new initiatives, products, and services, defining key performance indicators (KPIs), tracking progress, and conducting regular reviews, are also part of the division's major roles.

Key Products

- **Bengal Student Banking** – Bengal Student Banking is the ultimate banking solution tailored specifically for the dynamic needs of students. Some products of this segment are:
 - **Bengal Student File** – Bengal Student File service provides customized banking solutions to students going abroad for higher education. Any student pursuing higher studies is required to legally send funds abroad for tuition fees and living expenses. Bengal Student File is a convenient and hassle-free way to send funds abroad as well as maintain an account for convenient banking both at home and abroad.

- Bengal Shonirbhor
- Bengal Personal Finance
- Bengal Auto Finance
- Bengal Remittance Investment
- Bengal Commercial Housing Investment
- Bengal Home Finance.

- **Bengal Student Loan** - Bengal Student Loan is an unsecured term loan facility offered by Bengal Commercial Bank to cater to the financial needs of parents/legal guardians/sponsors of university students regarding their study at home or abroad.
- **Bengal Remittance Loan** – Bengal Remittance Loan is a term loan facility for nominated members of a migrant worker or the person who receives remittance through the authorized channel to procure domestic animals, agriculture development, house development, business expansion & other development, etc.
- **Bengal Freelancer Account** – Bengal Freelancer Account is a customized banking solution designed to facilitate and encourage freelancers who are earning foreign currencies through their services to contribute more to the economy of the country.
- **Bengal Universal Account** – “Bengal Universal Account” is one of the flagship products of Bengal Commercial Bank with the tagline “Thousands requirement, one solution”. This product aims to bring all banking facilities under the name of one name.

Key Projects

Asset & Liability Business Model – A bank's business model revolves around managing assets and liabilities effectively to generate revenue and maintain financial stability. PDBI has developed a business model for Asset and Liability products defining the operational procedure and outlining the responsibilities of every team.

Branch Organogram – Branch organogram has been revised based on the new business model to improve efficiency, communication, and effectiveness.

Branch Business Monitoring Report – A branch business monitoring report is a document that provides an overview of the performance and operations of a branch. It serves as a tool for management to assess the branch's effectiveness and identify areas for improvement.

Future Plan

Document Management System (DMS) – A Document Management System (DMS) is a software solution designed to store, manage, track, and organize electronic documents and images. It provides a centralized repository for storing documents, making them easily accessible to authorized users while ensuring security and compliance with regulatory requirements. It is also an effective tool to keep track of turnaround time business and other operational process.

PPG of SME Loan Products – Having proper guidelines for every product is crucial as they ensure consistency in the quality, design, and functionality of SME products. By defining product specifications, features, and performance standards, guidelines ensure that products align with the needs and preferences of target customers.

Overview of Divisions of BGCB

Corporate Business Division

World economy especially the banking sector has been experiencing a challenging time for the last couple of years and Bangladesh is not an exception. While global economy was recovering strongly from Covid-19 pandemic, the war of Ukraine and Russia posed a setback to the ongoing recovery. Globally, geographical tensions and trade uncertainties continue to roil commodity markets. The rise of global commodity price and supply chain disruption of major commodities was major shock to the world economy. Besides, this war fueled inflation worldwide and different international organizations revised their growth forecasting and inflation.



Bangladesh, being an import dependent country for oil and commodities has been facing a tough time due to rise of oil and commodities price. Besides, since mid-2022, the Bangladesh Taka has been depreciating against US dollar, a trend primarily attributed to a balance of payment deficit leading to a significant reduction in foreign exchange reserves over the years. On the other hand, tensions have been aggravated in Europe, the largest importer of RMG due to this war and has had a negative impact in RMG export of Bangladesh. However, Bangladesh economy is showing its resilient performance. Government has taken several initiatives to ensure export growth and control inflation in domestic market. Bangladesh Bank has increased its policy rate on several occasions to control money supply in the market.

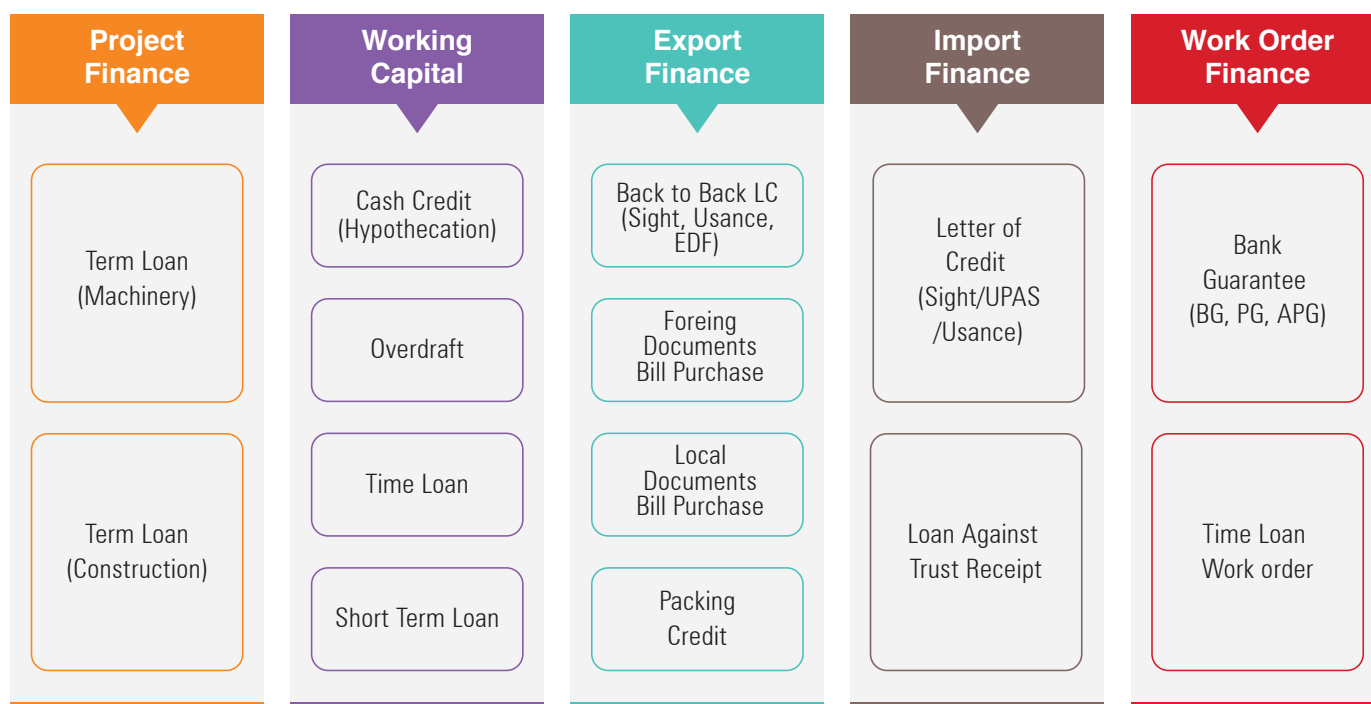
In order to keep the momentum of business and ensure efficient credit management, Bangladesh Bank has initiated a market-oriented lending rate named SMART (Six-Months Moving Average Rate of Treasury Bill) with a provision of revision on monthly basis. After implementation of SMART rate lending rate has been increased more than 4.00% within this short span of time. Cost of doing business has been increased significantly due to implementation of SMART. Besides, deposit rate has also been increasing and already crossed 10.00% p.a. So, money has become costlier in the domestic and international market.

Despite of having all these challenges, Corporate Business Division was able to steer through the difficulties and secure significant growth in 2022-2023. Towards growth, Corporate Business Division, the major contributor to the Banks's income and portfolio, achieved its objectives through professionalism, hard work and utmost dedication.

Since inception, BGCB is operating a centralized dynamic corporate team empowered with experienced and skilled manpower. With the expertise of this business team, Corporate Business Division is offering full range of corporate loan & services to the corporate bodies. Various type of finance in terms of project finance and working capital facilities, work order finance, import financing, export financing etc. are offering by our division.



Major products and services of Corporate Business:



Within this short span of time, Corporate Business Division has successfully established business relationship with a number of large Corporate Groups in Bangladesh in line with risk culture of BGCB. Despite the challenges in 2023, BGCB managed to make way through the difficulties and achieved significant growth. Our Business Team put all of their effort towards Bank's asset growth cautiously so that Bank can maintain a healthy portfolio and till now, we have been maintaining zero classification. In coming years, we are looking forward to grow in line with the risk appetite of the bank for making a sustainable credit environment and maximize stakeholder's interest. CBD has initiated a new business wing named Buying House operation to boost up forex inflow into the bank. CBD successfully on-boarded more than 15 buying houses in this year.

Corporate loan portfolio mix:

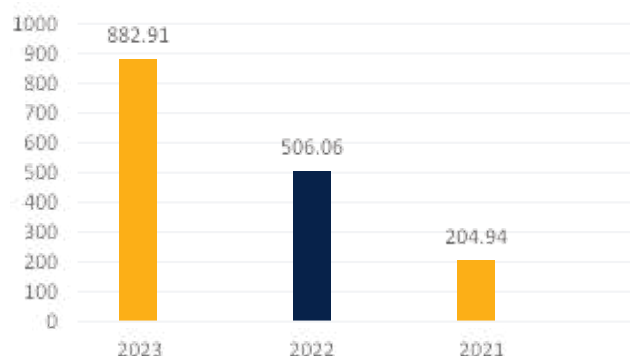


Business at glance

Figure in Crore

Year Wise Loan

Outstanding of Corporate Business Division



Considering all the domestic and international market, Corporate Business Division has an extensive plan for the year 2024 and onward. In addition to large number of corporate clients, CBD has a plan to book a number of emerging corporate clients with a target to achieve significant portfolio growth compare to the similar rated institution. More collateral based clients will be incorporated with the current portfolio to mitigate credit risk. We have strong corporate set up similar to industry and are in the process of recruiting more experienced and efficient manpower in order to deliver the service as committed.

The Year 2024 is going to be a challenging year for corporate business of BGCB. Management has set a mammoth target of Tk.1415 crore for 2024 with a growth rate of around 60.00%. In December, 2023 private sector credit growth rate was just around 10.20% slightly lower than the targeted growth rate of 10.90%. Whereas BB in its latest Monetary Policy forecasted an overall domestic credit growth rate 13.90% out of which private sector credit growth will remain 10.00% for June/2024. CBD has a plan to continue a progressive growth in 2024 so that target can be achieved in a congenial way in line with the risk appetite set by management.

Retail Business Division

The urbanized people are continuously pursuing better life through mitigating various financial needs for progression of their life. Supported by increasing purchasing power, they prefer to consume first and pay later. Addressing the issue, Bengal Commercial Bank PLC. is offering several retail financing services, also known as consumer financing including Personal Loan, Auto Loan, Home

Loan, Secured Overdraft, Bengal Student Loan and Bengal Prottasha Student Loan to the prospective individual client.

Due to lower interest rate, retail financing tends to be a popular means of finance which can be avail within shortest period of time. Considering the nature of clients and nature of the product, the bank already defined a guideline for consumer financing. Meanwhile trained specialized personnel is working through branches across the country for providing faster consumer banking services to the esteemed clients.

Retail Financing (Million BDT) : Tk. 76.89 Crore
No. of Customers : 421



Micro Credit Division

Micro Credit is playing a significant role in creating job opportunities through developing entrepreneurship in Bangladesh. A huge number of people who engaged in the sector are sourcing their finance from informal financial sectors like NGOs. A big percentage among them are still unbanked and they do not have access to enjoy financial facilities from formal Banking Sector.

Micro entrepreneurs have good loan repayment records in informal financial sectors. However, formal Banking sector still need to go far to address these prospective industries. Considering the scenario, Bengal Commercial Bank PLC. aims to reach marginal and low-income professionals specially women entrepreneurs through its specialized products namely "Bengal Shonirbhor"- a product of Microcredit.

A dedicated experienced micro credit team has been nursing the micro credit enterprises by identifying the actual need of the business to cope up with the trending business scenario and acting as personal banker aiming to shape the business and to ensure their sustainable growth.

Meanwhile Bengal Commercial Bank PLC. signed a partnership agreement with Bangladesh Bank to stand up with affected small entrepreneurs after Covid-19. We ensured financing with minimum rate of interest. It is getting appreciation and creates a new faithful

relationship among entrepreneurs, Bangladesh Bank and Bengal Commercial Bank PLC. By assessing needs of low income and marginal people, the bank has also introduced the following loan facilities:

1. **Remittance Loan:** For the persons, nominated by the remittance earner working in abroad for a few years, who are in need to develop their business, renovate or house construction in Bangladesh, as well as motivating them to send money through legal channel which has great impact on our National GDP.
2. **Short-Term Loan:** To meetup immediate working capital during festival / seasonal business.

Mobile banking solution gives comfort to our valued microcredit customers to make transactions easier. "0" Overdue of the program shows the success and acceptance of the program to the target people.

BGCB Microcredit is emerging as a promising solution for unbanked people. Our journey continues to learn from our customers and to initiate new products based on changing scenario of the business environment as well as requirement of the customers. Considering client's requirement and keeping market demand in view, our loan limit has already been increased/ adjusted 3 times since this programme launching to till.

The following is the update of the program as on 31st December,2023

01. No of Clients- 853
02. Outstanding – 26.04 Crore
03. Overdue –nil
04. Loan Sectors are: Trading, Service, Agriculture, Remittance etc.
05. Women Entrepreneurs cover 15% of total clients.
06. Type of business cover 49.

SME/ CMSME Division

Bengal Commercial Bank PLC. (BGCB) inaugurated its business operation during March 2021, with an aim to provide financial support to Cottage, Micro, Small and Medium entrepreneurs (CMSME) to speed up their growth as well as country.

BGCB at present has 29 branches (including Sub-branches) having over 1400 nos outstanding loans to over 1100 nos CMSME customers. A well-trained relationship managers and branch managers remains engaged in frequent interactions with SME customers for their overall banking requirements. They also cross-sell various products of the Bank and cater to the personal banking needs of promoters and family members.

The Bank's business banking portfolio comprises of small business customers with an average loan ticket size of 28 lacs. The CMSME business portfolio stood at BDT 357.60 crore with a growth of 240% in comparison to the year of 2022 (BDT 148.77 crore). Where in the year 2022, the CMSME business portfolio grew by 436% in comparison to that of the year 2021 (BDT 34.11 crore). The total business banking portfolio grew by 196%, BDT 727.65 to BDT 1425.64. The CMSME business portfolio is 25.08% in comparison to total business banking portfolio.

Rural Loan

In the rural segment, the Bank is planning to expand its services, it has already established 12 rural branches across the country. It funds not only traditional agriculture but also allied activities. It is totally committed to furthering the Government's agenda by supporting its various re-finance schemes and lending to small and marginal farmers.

Commercial and Rural Banking segment, bank's aim is to support the growth and success of Cottage, Micro, Small, and Medium Enterprises (CMSMEs) by providing access to credit and other financial solutions and services. We cater to CMSMEs in manufacturing, exports, employment, retail and trade, supply chain network, infrastructure, commercial agriculture, commercial equipment and transport and healthcare businesses. We are committed to resolving challenges such as limited credit access, high borrowing costs, and collateral constraints that are faced by this sector. Our lending activities under this segment play a significant role in meeting our sectorial lending. The Rural loan portfolio grew to BDT 93.51 crore as on December 31, 2023 which is 704% comparing to the year 2022.

The Bank's focus in businesses continues on refinance and pre-finance based lending, which is granular and well-collateralized. A combination of qualitative and quantitative assessment tools is utilized to arrive at the final credit decision.

International Division

International financial transactions are of utmost importance in the banking industry in this age of globalization. In this context, Bengal Commercial Bank PLC. offers a range of services to facilitate international trade and inward foreign remittances.

The bank's international division coordinates and maintains constant communication between foreign banks and its authorized dealer branches, which is essential for the efficient and dynamic execution of foreign exchange transactions. The division seeks to strengthen and broaden ties with foreign correspondents in addition to facilitate international trade and inward foreign remittances.

Achievements 2023

- Credit Limit USD 6.02M equiv. BDT 65.92 Crore for Trade Finance Transactions.
- Arranged AD License for Agrabad Islami Banking Branch.
- 78 SWIFT RMA (notably Wells Fargo Bank, Mashreqbank PSC, ICICI Bank Limited, Axis Bank Limited, Aktif Yatirim Bankasi A.S, Janata Bank UK, Himalayan Bank Limited, Bank of Huzhou, China and others) to maintain correspondent relationships.

Plans for 2024

- Establish additional correspondent banking relationship through SWIFT RMA
- Open Nostro Accounts in different foreign currencies, e.g., EUR, CAD, CNY with other Correspondent Banks throughout the world.
- Arrange Credit Limit with Other Correspondent Banks
- Arrange AD license for other branches.
- Approval from BB for opening Offshore Banking unit.

Nostro Account: The Bank has been maintaining 06 (six) Nostro accounts in major international currencies - US Dollar (USD), Pound Sterling (GBP), Euro (EUR) & ACUD (Asian Clearing Union Dollar) with different Correspondent Banks as at the end of December 2023 as below:

SL No.	Name of Correspondent Banks	City, Country of Correspondent Banks	Currency of Nostro Account
01.	Mashreq Bank PSC	New York, USA	USD
02.	Sonali Bank (UK) Limited	London, UK	USD
03.	Sonali Bank (UK) Limited	London, UK	GBP
04.	Sonali Bank (UK) Limited	London, UK	EUR
05.	AB Bank Limited	Mumbai, India	ACUD
06.	AXIs Bank Ltd. Mumbai	Mumbai, India	ACUD

SWIFT Operations

Bengal Commercial Bank PLC has started SWIFT Operation in 05 June 2021 to undertake foreign exchange and trade finance transactions smoothly, reliably and securely. Bengal Commercial Bank PLC. has actively participated in the SWIFT ISO 20022 migration program. The Bank has also successfully completed mandatory requirements under Customer Security Program (CSP) 2023, and other projects of SWIFT.

Remittance Business

Non-Resident Bangladeshi (NRBs) are residing abroad to earn foreign currency directly to boosting our national economy. We are striving to ensure tailor-made banking services and products for NRB's and beneficiary at home and provide them contemporary banking facilities for better manage lives, savings for future.

Achievement- 2023

- Overall Growth is 228% against the target.
- Signed Agreement with 11 renowned Remittance Exchange Houses.
- Introduced disbursement of remittance through other bank account transfer (BEFTN)
- Successfully onboarded Western Union Money Transfer.
- Successfully executed transaction through Remittance Management System (RMS).

SL No.	Name of Exchange Houses	Country
1	Western Union Money Transfer.	Worldwide
2	Continental Exchange Solution Inc. (RIA)	Worldwide
3	Placid NK Corporation, USA	Worldwide
4	Instant Cash World Wide, UAE	Worldwide
5	National Exchange Company	Italy
6	Merchantrade Asia	Malaysia
7	Prabhu Money Transfer	USA
8	NBL Money Transfer	Malaysia
9	NEC Money Transfer Limited	Worldwide
10	Japan Remit Finance Co. Ltd.	Japan
11	Brac Saajan Exchange Limited	UK

Plan for 2024

- On boarding other reputed exchange houses & Drawing Arrangement with FinTech Company.
- API integration with the onboarded MTO's money transfer organization.
- MFS integration through different MTO's/ Exchange houses.
- Appointing sub-agents to disburse Remittance payment.
- Marketing in different countries for business growth, searching new Hub & NRB deposit Account.



Treasury Division

Treasury management of a bank is responsible for optimizing the bank's overall assets and liabilities in a targeted level, including investment, trading and risk management functions. Through efficient and prudent fund management such as trading, asset management, investment banking etc., Treasury Division generates higher profit for the bank.

Money Market

Money market operations involve the buying and selling of short term debt instruments. The treasury division of a bank in Bangladesh participates in the money market to manage the bank's liquidity and earn short-term profits.

Due to rising local currency demand for ongoing economic operations within the country and rising foreign currency demand for expanding import payments, that were partially met by purchasing greenback from BB in exchange for BDT, excess reserve decreased significantly in last few months of 2023. The instructions from the Bangladesh Bank are focused on maintaining a watchful monetary policy stance until inflation is successfully controlled to the intended level. Bangladesh Bank is now assessing the feasibility of using a crawling peg exchange rate mechanism.

Bangladesh Bank's adoption of the SMART lending rate marks a strategic shift from a lending rate cap. The move, which aims to balance inflation and provide flexibility to commercial banks, brings forth both opportunities and hurdles. SMART is an acronym for the Six-Month Moving Average Rate of Treasury Bill, which has been since July 2023 to set the final lending rate of banks.

Banks are instructed to add a margin with SMART to fix the lending rate, considering the ongoing economic instability. Before that, banks had been guided to use a cap on the lending rate of 9.0% for loan pricing, considering the economic conditions derived from the effect of the Covid-19 pandemic from 2020, to the first half of 2023.

To ensure adequate liquidity in the banking system, Bangladesh Bank took several supportive measures for both conventional and Islamic banks. Considering increasing demand for money, the call money rate was in upward trend during the year 2023. At the end of 2023, the average call money rate was around 9.19%.

BGCB has always been an active participant in money market operation. It offers various money market products to wholesale market by means of lending and borrowing which include call money product, SND product, Term lending & borrowing, Repo & Reverse Repo, USD/BDT SWAP etc. From money market operation,

BGCB has earned short-term profits which contributed to bank's overall profitability and also helped to manage bank's risk exposure. Being a Primary Dealer, BGCB also actively participates in primary auction and secondary trading of fixed income securities.

Foreign Exchange

Foreign exchange risk is the present or potential risk to earning capital due to adverse currency exchange rate fluctuations. BGCB's prudent management decision pertaining to holding of foreign currency position is playing a crucial role in ensuring the safety and soundness of the bank. Treasury Division works meticulously to mitigate the foreign exchange risk of the bank. Our bank has well-defined rules and standards that comply with the central bank's Foreign Exchange Risk Directives. Moreover, to adopt the changing environment, Bengal Commercial Bank PLC. established dealing room and centralized foreign exchange and money activities under a single functional area, which is functioning under Treasury Division.

BGCB has implemented suitable operational guidelines, internal controls, and foreign currency risk management systems to detect and reduce any possible loss resulting from foreign exchange risk. These measures include routinely checking the following:

- Exchange Position
- Counterparty Limit
- Position Reconciliation
- NOSTRO Account Reconciliation
- Dealing Limit
- Intra Day/Intraday/trading dealing Limit per day
- Stop loss limit
- Single day limit
- FC spot & Forward buy-sell
- FC SWAP
- Foreign currency lending/borrowing (Overnight/Short Notice)
- Cross Currency Dealings etc.

To control the Foreign Exchange Risk Treasury Division has prepared a Foreign Exchange Dealing Manual which has covered such risk areas on up-to-date international trade and commerce.

ALM (Asset-Liability Management)

The broad and dynamic framework for measuring, tracking, and managing the financial risks related to fluctuating interest rates, foreign exchange rates, and other variables that may have an

impact on an organization's liquidity and profitability is known as Asset Liability Management (ALM). It is an integral part of bank management and so, it is essential to have a planned and systematic process for management of the Balance Sheet. The Asset and Liability Management Committee (ALCO) of Bengal Commercial Bank PLC. reflects key responsibility for balance sheet risk management.

To ensure highest level of structural balance sheet stability and optimum profitability is another important responsibility of the ALCO for managing assets and liabilities. Besides, for the strategic management of interest rate and liquidity risk, ALCO of the bank plays the vital role. At present Treasury Division of Bengal Commercial Bank PLC. is working thoroughly for Asset and Liability Management. In the meanwhile, BGCB established Treasury Front Office, Back Office and Mid Office as per Bangladesh Bank Guideline to reduce this level of risk.

Asset and Liability Management Committee (ALCO)

Bengal Commercial Bank PLC. already established an Asset and Liability Management Committee (ALCO) with the following roles to appease Liquidity and Market Risk:

- ALCO closely monitors the liquidity position of the bank
- ALCO facilitate, coordinate, communicate and control balance sheet planning with regards to risks inherent in managing liquidity and convergences in interest rates
- Monitor the structure and composition of bank's asset and liabilities and identify balance sheet management issues that are leading to underperformance.
- Decide on the major aspects of balance sheet structure, such as maturity and currency mix of assets and liabilities, mix of wholesale versus retail funding, deposit mix, etc.
- Decide on how to respond to significant, actual and expected increases and decreases in required funding.
- Review maturity profile and mix of assets and liabilities.
- Articulate interest rate views of the bank and decide on balance sheet strategy.
- Approve and periodically review the transfer pricing policy of the bank.

- Evaluate market risk involved in launching of new products.
- Review deposit-pricing strategy.
- Review contingency funding plan for the bank.

Fixed Security Income & Primary Dealer

As a PD (Primary Dealer) bank, Bengal Commercial Bank PLC. actively participates in the primary auction and secondary trading of fixed income instruments issued by the government. BGCB's Treasury proactively conducts its role as a PD & makes an impressive profit along with Capital Gain in 2023. It also maintains the required liquidity reserve in approved securities which is 13% as SLR. BGCB fixed income desk maintained a sizable number of securities in its trading book and has been successful in utilizing the market potential to book gain. BGCB also invested in other fixed income instruments (Corporate Bond, Sub-ordinate Bond, Perpetual Bond etc) considering higher returns with minimum risks. Overall investments were planned in a way to provide sufficient liquidity and flexibility in treasury operations and to boost the income from investments as well as total profitability of the Bank.

Card Operation Division

VISA EMV Dual Interface Credit Card

To provide modern, safe, and secure card services, Bengal Commercial Bank PLC. has already started issuing internationally recognized VISA NFC EMV Chip-based Credit Cards.

Bengal Commercial Bank PLC. has a very secure card network because it was one of the first banks in Bangladesh to deploy NFC, EMV Chip technology, and the 3-Digital Security System (2 Factor Authentication) for online transactions at a time. Bengal Commercial Bank PLC's NFC EMV Chip-based cards provide unparalleled comfort and financial liberty, allowing customers to live and enjoy life as they wish. Advanced chip-based card designs enable enhanced security measures to protect against fraud and encrypted data.

VISA Platinum Credit Card

Plastic currency with an unsecured credit limit from BDT 200,000 to BDT 1,000,000.

VISA Gold Credit Card

Plastic currency with an unsecured credit limit from BDT 20,000 to BDT 199,999.

NFC Chip-based Multicurrency Global Debit Card

VISA Multicurrency Global Debit Card with a highly reliable EMV chip-based card, accepted everywhere in the world with multiple benefits.

Money is withdrawn straight out of a customer's bank account when they use a debit card to make purchases of goods and services or to get cash from an ATM. In an attempt to reduce the number of card fraud activities (such as skimming and clone card usage), BGCB is working on creating a NFC dual interface (Chip-Based) card that is secure EMV Standard. BGCB provides cardholders with "SMS alert" and "e-mail alert" shortly after transactions to let them know about their transactions. Moreover, PIN-based transactions have been integrated to improve better

security. Furthermore, BGCB has partnered with a number of payment processors, such as bKash, Nagad, and others, to offer fund transfer services.

BGCB VISA NFC Chip-based Prepaid Card

BGCB Prepaid Card is available in multi-currency at all branches of Bengal Commercial Bank PLC. for BGCB customers as well as non BGCB customers. This is a multi-currency chip-based prepaid card which can be used according to Bangladeshi travel quota allowance for hassle-free and convenient trip abroad.

ATM (Automated Teller Machine) Service

Beyond simply cash withdrawals, users may top up their mobile phones, check their balances, get mini-statements, and withdraw cash from bKash accounts using the Bengal Commercial Bank ATM. For our bank, security and the growing prominence of technology are the highest priorities. According to the requisite technological advancements, the bank upgraded every automated teller machine to an EMV Compliant ATM as a direct result. Along with 26,000+ Shared ATMs, NPSB, Q Cash network across the country, BGCB's Cards team additionally runs their own ATM network.



Transaction Monitoring

Bengal Commercial Bank has started monitoring customer transactions in order to reduce chances of fraud. From there, a customer analysis with potential risk levels and future behavior predictions can be provided.

Discount Partners

We have already established a substantial number of Discount Partners around the nation, and we will continue to add more, in a bid to bring in cardholders and extend their extensive range of services.

Discount facilitates are offering in the following categories of merchants:

- Babuland
- Prava Health
- Hotel Lake Castle
- Chuti Resort
- SARA Life Style
- Long Beach Hotel Ltd.

Customer Support Center

Bengal Commercial Bank is already establish a dedicated call center to offer 24/7 convenient and simple assistance to the valued customers for Card, ATM, internet Banking, and Islami Banking services. For the ease of its loyal customers, the bank has launched Call Center Short Code 16796.



Credit Risk Management Division

Bengal Commercial Bank PLC, recognizes the critical importance of effective credit risk management in maintaining the stability and resilience of our operations. Our comprehensive credit risk management framework is designed to assess, monitor and mitigate credit risk across all segments of our lending activities.

Credit Risk Management Division adhere to stringent underwriting standards and credit policies to ensure prudent lending practices. Our credit review process involves thorough analysis of borrower creditworthiness, collateral valuation, and industry risk factors. These policies are regularly reviewed and updated to reflect changing market conditions and regulatory requirements.

Our risk assessment process encompasses a holistic view of credit risk, considering factors such as borrower financial strength, loan-to-value ratios, and macroeconomic indicators. Rigorous credit analysis is conducted at origination, and ongoing monitoring ensures early detection of potential credit deterioration.

Credit portfolio of Bengal Commercial Bank PLC is diversified across industries, geographies, and borrower profiles to mitigate concentration risk. Key portfolio metrics, including non-performing loan levels and delinquency rates, are closely monitored to identify emerging trends and proactively address potential issues.

BGCB employs various risk mitigation strategies, including collateralization, credit enhancements, and risk transfer mechanisms such as credit derivatives. These measures serve to minimize potential losses and enhance the overall quality of our credit portfolio.

Regular stress testing exercises are conducted to assess the resilience of our credit portfolio to adverse scenarios, such as economic downturns or sharp increases in default rates. These tests inform our capital planning and risk management strategies to ensure adequate buffers against potential losses.

We remain fully compliant with regulatory requirements governing credit risk management, including capital adequacy ratios and provisioning norms. Our risk management practices are aligned with international best practices and standards set forth by regulatory authorities.

During the reporting period, our credit risk management efforts have resulted in a stable credit portfolio with low levels of non-performing loans. While we have faced challenges in certain sectors, our proactive risk management approach has helped mitigate potential losses and maintain overall portfolio quality.

Looking ahead, we remain committed to enhancing our credit risk management capabilities through continued investment in technology, talent development, and process improvements. We will remain vigilant in identifying and addressing emerging risks to sustain our long-term financial resilience. Key performance indicators such as loan loss provisions, net charge-off ratios, and risk-adjusted return on capital provide insights into the effectiveness of our credit risk management practices and guide our strategic decision-making.

In conclusion, the Credit Risk Management Division of BGCB remains committed to upholding the highest standards of risk management excellence, safeguarding the interests of our stakeholders, and ensuring the long-term sustainability of our institution.

Information Technology Division

Bengal Commercial Bank PLC's Information and Communication Technology (ICT) department has placed a strong emphasis on implementing cyber security, globally standardization, and inventive technological integration to support the long-term growth of the financial services sector. The accomplishment for 2023, which is crucial to the banking security, is listed below:

ISMS 27001:2022

ISO 27001:2022 is the international standard that provides a framework for Information Security Management Systems (ISMS) to provide continued confidentiality, integrity and availability of information as well as legal compliance. ISO: 27001 certification is essential for protecting our most vital assets like employee and client information, brand image and other private information. The ISO standard includes a process-based approach to initiating, implementing, operating and maintaining Bank's ISMS.

ISO/IEC 27001:2022 promotes a holistic approach to information security: vetting people, policies and technology. An information security management system implemented according to this standard is a tool for risk management, cyber-resilience and operational excellence.

ISO 27001:2022 implementation is an ideal response to customer and legal requirements such as the GDPR and potential security threats including: cybercrime, personal data breaches, vandalism / terrorism, fire / damage, misuse, theft and viral attacks.

With cyber-crime on the rise and new threats constantly emerging, it can seem difficult or even impossible to manage cyber-risks. ISO/IEC 27001:2022 helps organizations become risk-aware and proactively identify and address weaknesses.

Next Generation Anti- Virus

As cybersecurity threats evolve, so should your defenses against them. The traditional antivirus software of past generations just does not cut it anymore. Think of next-generation antivirus as the new and improved way to keep your systems secure.

Also known as NGAV, this modern protection addresses the shortcomings of traditional antivirus software. NGAV utilizes

multiple forms of advanced technology to block developing attacks and identify and prevent future ones.

Next-gen antivirus employs advanced monitoring to seek out threats of all kinds. Its defenses even work against never-before-seen attacks. In short, NGAV does not wait until a network security threat has been detected to start working. It is continually on alert.

Next-Generation Antivirus takes traditional antivirus software to a new, advanced level of endpoint security protection.

It goes beyond known file-based malware signatures and heuristics because it's a system-centric, cloud-based approach. It uses predictive analytics driven by machine learning and artificial intelligence and combines with threat intelligence to:

- Detect and prevent malware and fileless non-malware attacks
- Identify malicious behavior and TTPs from unknown sources
- Collect and analyze comprehensive endpoint data to determine root causes
- Respond to new and emerging threats that previously go undetected.

Operations Division

In the field of management and organizational development deciding the right strategy is like winning half of the game. Operations division plays a major role in implementing strategic plan. Strategic intent provides a compelling statement about where an organization or a division is going that succinctly conveys a sense of what that particular organization or division wants to achieve in the long term.

Main agenda of a bank is to be the custodian of public welfare and to maintain that especially in pandemic was hard to perform, though we extended our loan moratorium and stimulus to our clients, aligned with Government regulations and guidelines.

Process Automation and Digitization

Embrace technology to streamline operations, reduce manual intervention, and enhance efficiency. This includes implementing AI-driven solutions and digitizing paperwork to minimize errors and speed up processes.

Risk Management and Compliance

Prioritize maintaining robust risk management frameworks and compliance with regulatory requirements. This involves staying updated with evolving regulations, investing in compliance technologies, and fostering a culture of compliance within the organization.

Cost Optimization

Continuously seek opportunities to optimize costs without compromising service quality. This may involve rationalizing processes, renegotiating vendor contracts, leveraging shared services, and exploring outsourcing options where appropriate.

Data Analytics and Insights

Leverage data analytics to gain actionable insights into customer behavior, operational efficiency, and risk management. Utilize predictive analytics to anticipate customer needs, identify areas for improvement, and enhance decision-making processes.

Operational Resilience

Enhance operational resilience by building robust contingency plans, conducting regular stress tests, and investing in backup infrastructure. This includes ensuring continuity of critical services in the event of disruptions such as cyber-attacks or system failures with the help of Information Technology Department.

Customer - Centric Operations

Align operational processes with customer needs and preferences. Focus on delivering a seamless and personalized experience across all touch points, from account opening to transaction processing and customer support.

Agility and Flexibility

Foster an agile and adaptable operating model to respond quickly to changing market dynamics, customer expectations, and regulatory requirements. This involves promoting a culture of innovation, encouraging experimentation, and embracing agile methodologies.

Customer Experience Enhancement



Place a strong emphasis on delivering exceptional customer experiences at every interaction point. This includes providing personalized services, reducing wait times and soliciting feedback to continually improve service quality.

Empowerment through Self-Service

Empower customers with self-service options such as online banking portals, mobile apps, and interactive voice response (IVR) systems. Invest in intuitive interfaces, comprehensive knowledge bases, and proactive alerts to enable customers to manage their accounts independently.

Relationship Management

Build strong relationships with customers by understanding their individual needs, preferences, and financial goals. Train frontline staff to engage proactively with customers, offer tailored solutions, and anticipate future requirements.

Complaint Resolution and Feedback Mechanisms

Establish efficient mechanisms for handling customer complaints and feedback. Ensure timely resolution of issues, transparency in communication, and accountability for service failures. Use customer feedback to identify recurring problems and implement corrective measures.

Continuous Training and Development



Implement training and development programs for customer service representatives to enhance their product knowledge, communication skills, and problem-solving abilities. Encourage a customer-centric mindset and empower employees to go the extra mile to delight customers.

Brand Reputation Management

Safeguard the bank's reputation by delivering consistent and reliable customer service experiences. Monitor online reputation through social media listening tools, promptly address negative feedback, and actively promote positive customer testimonials.

By focusing on these strategic priorities in banking operations and customer service, we can improve operational efficiency, drive customer satisfaction, and maintain a competitive edge in the dynamic banking landscape.

An easy, convenient, and safe payment experience is what Bengal Commercial Bank PLC. is committed to offering its customers. Debit card, credit card, prepaid card, 24/7 ATM and call center services are offered right now by the bank so as to ensure the satisfaction of customers.

Islamic Banking Division

As per Instruction mentioned in the Guidelines for Islami Banking issued by Bangladesh Bank vide BRPD Circular No.15 dated 09.11.2009, a separate "Islami Banking Division" in Corporate Head Office has been taking up the duties & responsibilities of all works & day to day activities, formulation of required various Standard Operation Procedures - SOPs & Guidelines related to the Islami Banking Business, Marketing, Product Development, Training of Islami Banking & Finance, Islami Treasury, Regulatory issues, Functioning of Shari'ah Supervisory Committee, Inter Divisional activities, communications & liaison with various apex bodies of regulatory bodies and Islami Banking and any other Internal & External activities.

Shariah Supervisory Committee (SSC)

Islamic Banking Operations of BGCB is conducted under keen supervision of Shariah Supervisory Committee. Shariah Supervisory Committee of BGCB consists of a team of Shariah scholars & experts along with personalities having outstanding strength in Qur'an, Hadith & Fiqh. The Shariah Supervisory Committee meeting held from time to time to review the Islamic Banking activities and provides their expert opinion on various Shariah related issues of Islamic Banking Operations. The Muraqib acts in the Shariah Supervisory Committee Secretariat (SSCS) and helps the Shariah Supervisory Committee for its regular activities.

BGCB Shariah Supervisory Committee (SSC) consists of the following members:

SL No.	Name	Position In SSC
01	Janab Mufti Mohammad Muhibullahil Baqee	Chairman
02	Janab Shah Mohammad Wali Ullah	Member
03	Janab Mufti Dr. Md. Anwar Hossain Molla	Member
04	Mr. Jashim Uddin	Member
05	Mr. Alhaj Mahbubul Alam	Member
06	Mr. Shamsul Alam	Member
07	Mr. Muhammad Jamaluddin	Member
08	Mr. Tarik Morshed	Member

Islami Banking Operations of Bengal Commercial Bank PLC (BGCB)

The objectives of the Islami Banking system are not only to provide religiously acceptable financial products and services as alternatives to conventional financial structures but it also aims to contribute to the economic development, facilitate the allocation of resources efficiently and ultimately attaining Social welfare. To achieve these objectives, Bengal Commercial Bank PLC. (BGCB) has started its Islami Banking Operations by opening three (03) full-fledged Islami Banking Branches i.e., Dilkusha Islami Banking Branch, Dhaka, Agrabad Islami Banking Branch, Chattogram & Kasinathpur Islami Banking Branch, Pabna. And One (1) Sub-Branch i.e.; Khatungonj Islami Banking sub-branch under Agrabad Islami Banking Branch.

Islami Banking Operations is totally different & separate from BGCB Conventional Banking Operations as they conduct their operation on the basis of Islami Shariah Principles. Since inception, the Bank has been maintaining separate system for Islami Banking Operations which is completely separate from Conventional Banking following the standards adopted by "Accounting and Auditing Organization for Islamic Financial Institutions - AAOIFI".

Human Resource Division

We believe our people as our key assets which energize the bank towards its goals. Any organization faces several challenges during its nascent stage. However, we have been able to respond to the increasing market demand and achieve significant milestones including setting up new branches with our competent and talented workforce.

Our brand promise 'Inspiring Growth' represents a unique approach to private banking which puts entrepreneurial clients first. Inspiration is the building block of growth and prosperity which gives us hope and drives towards greatness. This watchword speaks of our deep commitment to each stakeholder – the financial growth and wellbeing of our customers, shareholders, partners and our employees.

Talent Acquisition And Resourcing

BGCB Human Resources Division will continuously work on attracting diversified pool of highly qualified candidates. The bank welcomes people with competence and care, people with experience and new perspective. BGCB intends to recruit the best committed people available in the market through a transparent screening process.

The Bank regularly takes part in variety of employment related activities at university career events, internal initiatives such as employee referral program and graduate internship programs. Outsourced deployment options for non-core functions have also been pursued as a resourcing strategy.

Here, we focus on promoting diversity within our workforce and always encourage our employees to take ownership and develop their skillsets in a bid to deliver our clients the best in-class service and a new banking experience.

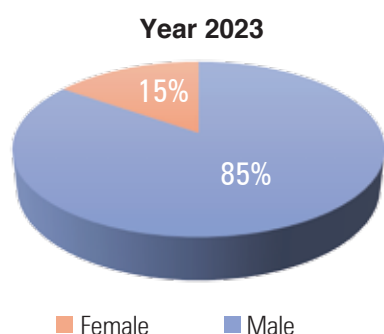
Our Approach

Being in the first years of inauguration, the Bank's success on establishing new policies, counterpart relationships, setting up new businesses and operational procedures has been founded on its team of highly experienced, talented and dedicated employees. Our priorities during this period were to developing our brand positioning, bringing innovative products and services, keep our service running and keep our employees safe and well.

Now, more employees are coming from new generatio. They are more motivated to adopt digitalized tools as much as possible as per regulator's guidelines, which led us to introduce an online platform with several digitalization channels to serve our internal customers -our people.

Particulars	As on December 31, 2022	As on December 31, 2023
Total manpower	298	321
Permanent Employee	288	309
Contractual Employee	10	12
Male Employee	258	278
Female Employee	40	43
Male-Female ratio	6.45	6.46

Workforce By Gender



Reward And Recognition

Both rewards and recognition are important ways of celebrating successes, boosting morale, and providing employee appreciation. Today's workforce is more diverse than ever. We are living in a workforce that can house 5 generations under one roof. Therefore, a one-size-fits-all approach for benefits and rewards no longer works and finding new ways to motivate them with personalized rewards and recognition has become a must. In fact, employees have reported higher engagement at those organizations where recognition program is based on Diversity, Equality and Inclusion.

That's why, we assess our employees on three pillars- Business, Service and Compliance and it has imprinted a positive impact where individual and team performance are appreciated and recognized to keep the employee motivated.

Learning And Development

Employees' learning & development is our main priority. We consider it the core area of human resources management as it is responsible for empowering employees' growth and developing their knowledge, skills, and capabilities to drive better business performance.

Throughout the year, we have arranged several training sessions on BACH Operation & Technical issue with upcoming NIKASH, Advancing Shariah Compliance in Foreign Transactions, International Trade Finance & Operations, Account Opening process and procedure, Anti Money Laundering & Countering Terrorist Financing, etc. Training programs have been conducted both online and in person. However, online platform is still at the forefront.

At the same time, employees also attend training session and workshop organized by Bangladesh bank, Bangladesh Bank Training Academy, Bangladesh Association of Banks, Financial Excellence Ltd., ICC Bangladesh, etc. on a regular basis. In 2023, employees attended 23 external training and workshop.

E-Learning platform of Bengal Commercial Bank PLC. is also on the way, which will provide a flexible and mobile enabled learning opportunity for the employees facilitating our geographically dispersed employees to learn at their own pace and in locations of their choice.

Employee Training Statistics

Total Training Courses	Total Participants	Total man-hours	Employee Coverage
26	401	2163	70%

Performance Management

Employee performance is evaluated on a continuous basis. It is done by their respective line manager on the basis of a predetermined performance criteria. Performance of executives and corporate management is appraised based on KPIs in collaboration with the employees and their Line Managers. We encourage all our employees to obtain professional qualifications to enhance their career development.

Bengal Commercial Bank PLC. adopted a balanced scorecard for performance appraisal. It aims at translating an organization's strategic goals into a set of organizational performance objectives. Obviously, these objectives are not fixed. They can be changed time to time to ensure that the organization's strategic goals are achieved.



Code of Conduct and Ethical Guidelines for Employees

A code of conduct, also known as privacy and code of conduct, is a defined set of rules, principles, values, employee expectations, behaviors, and relationships that a business considers important and believes necessary for its success. The code of conduct provides a foundation for ethical decision-making within the company. This guideline of Bengal Commercial bank PLC. is prepared in direction of BRPD Circular No 16 dated Nov 6, 2017.

Diversity, Equal Opportunity and Gender Equality

Bengal Commercial Bank PLC. is an equal opportunity employer. In terms of recruitment & selection, promotions, transfers, and learning & development, decisions are made with the primary objective of selecting the most deserving and competent candidates, irrespective of socio-economic status, ethnic religious, disability or gender considerations.

The bank is committed to provide a work environment where all employees can work free from harassment on ground of religion, age, gender, family background, ethnicity, personal appearance etc. Any harassment or discriminatory behavior directed at female employees based on their background, gender, religion, race, color, ethnicity, national origin, age, marital status, physical condition, personal appearance, and status shall be dealt with appropriate disciplinary action.

Internal Control & Compliance Division

Internal Controls

Bengal Commercial Bank PLC. has established an appropriate and effective internal control environment through the Board of Directors, Management, organizational and procedural controls and an independent audit mechanism in order to ensure that the Bank is managed and controlled in a sound and prudent manner. The Bank identifies its weakness through internal control system and takes appropriate measures to overcome the weaknesses. The Board of Directors of the Bank has formed an Audit Committee to monitor the effectiveness of internal control system of the Bank. The Audit Committee meets the senior management periodically to discuss the effectiveness of the internal control system of the Bank and ensure that the management has taken appropriate actions as per the recommendations of the Bangladesh Bank's Inspection Team, External Auditors and the Internal Control and Compliance Division (ICCD).

Structure of Internal Control & Compliance Division (ICCD)

As per the 'Guidelines on Internal Control & Compliance in Banks' issued by Bangladesh Bank vide BRPD Circular No. 03 dated 08 March, 2016 and BRPD Circular No. 06 dated 04 September, 2016, the Head of ICCD is reporting to the Senior Management. However, the Head of Audit, despite being a part of ICCD, is reporting directly to and is responsible to the Board Audit Committee. Depending on the size and complexity of operations of the Bank, ICCD of Bengal Commercial Bank PLC. comprises of three departments namely: Audit & Inspection, Monitoring and Compliance.

Audit & Inspection Department

Through using risk-based audit methodology, the audit focus of the bank shifted from the full-scale transaction testing to risk assessment, identification, determination and prioritization of audit areas and allocation of audit resources in accordance with the same risk assessment. While focusing on effective risk management and controls, risk-based internal audit of Bengal Commercial Bank PLC. is not only offering suggestions for mitigating current risks but also anticipating areas of potential risks and playing an important role in protecting the bank from various risks to safeguard the bank's information and financial resources. Based on the approved Risk-based Audit Plan, the Audit & Inspection Department completed the audit and inspection tasks in all Branches, Divisions/Departments in 2023. Besides, comprehensive inspection

the Audit & Inspection Department also conducted audit on Anti-money Laundering and Prevention of Terrorist Financing issues and the issues of Information and Communication Technology (ICT) relevant to the branch operations.

Monitoring Department

The Monitoring Department of ICCD monitors effectiveness of the Bank's internal control system on an ongoing basis through off-site supervision, follow-up of compliances and regularization of deficiencies that are detected through different off-site reports, on-site monitoring, scrutinizing QOR, LDCL, DCFCL, Half-yearly Self-Assessment of Anti-Fraud Internal Controls, Self-Assessment of AML etc. In the year 2023, the Monitoring Department monitored all the Branches through off-site review and reports. Besides, on-site monitoring was executed on the Branches and the respective exception reports on Control Mechanism were set and communicated with the Branches for compliance. This department also prepared Bank's Annual Health Report. All monitoring functions are adequately documented and reported in a timely manner to the appropriate level of Management and the Board Audit Committee based on the gravity of the subject matters.

Compliance Department

The Compliance Department of ICCD ensures timely and proper compliance (both internal & regulatory) with the relevant laws, regulatory instructions/circulars/guidelines and internal policies and procedures in banking operations. In fact, Compliance Department is entrusted to ensure that the Bank complies with all regulatory requirements while conducting its business. This Department also ensures adequate and effective oversight on evolving changes in business environment and increased requirement of regulators. In the year 2023, the Compliance Department ensured compliance of all the Branches and Divisions/Departments through the respective compliance reports and returns. On the other hand, this department submitted required compliance reports to the Bangladesh Bank in a timely and efficient manner.

Effectiveness of Internal Control

The Senior Management Team (SMT) of the Bank reviews the overall effectiveness of the control system of the Bank on a yearly basis and provides feedback to the Board of Directors on the effectiveness of internal control policy, practice and procedure. Internal Auditors conduct comprehensive internal audit on the internal control systems of the Bank. The significant deficiencies identified by the internal audit team are reported to the Board Audit Committee on regular basis.

Corporate Governance

The Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank have issued notifications or circulars on corporate governance for listed companies or banks from time to time. Bengal Bank PLC. has established a set of good corporate governance practices in line with industry best practices and regulatory requirements of the Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank. The bank is ensuring transparency, accountability, and good governance at every step of its operations. The Bank is well aware to ensure the Corporate Governance Code 2018 issued by BSEC in the affairs of the company. However, the details of implementation of the said Code are discussed in a separate chapter of this Annual Report.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility is the business strategy where organization plan to serve the society in a better way, thereby improving its public image and relations. A business is not free from its responsibilities by only complying rules and regulation of ethical and legal ground.

The word, Social Responsibility is used by the western country in early 1960s. Organizations has responsibility to its owner/ shareholders/ stakeholders. Here the stakeholders are those people who are directly or indirectly influenced by the activities of the organizations. In Bangladesh, the terms "Corporate Social Responsibility" was introduced by the Bangladesh Bank for the Financial Institutions of the country in 2008. The Bank and other financial institutions are involved directly or indirectly in various activities of social development such as disaster management, education, health and environment.



Bengal Commercial Bank (BGCB) donated to Ashrayan Project-2 which is under the surveillance of Prime Minister's office. Alhaj Mahbulul Alam (CIP), Vice Chairman of the Bank and Mr. Md. Shahabuddin, EC Chairman of the Bank handed over the Cheque to Prime Minister Sheikh Hasina on behalf of the Bank on Sunday, 15 January 2023.

By way of every year, Bengal Commercial Bank is working together to establish a caring society. As part of its' Corporate Social Responsibility (CSR), the Bank donated 15,000 blankets to the Hon'ble Prime Minister's Relief and Welfare Fund for distribution amongst the cold stricken people across the country. Mr. Md. Jashim Uddin, Hon'ble Chairman, Mr. Dilip Kumar Agarwala, Director and Dr. Joshoda Jibon Debnath, Director handed over a sample of the blanket to the Hon'ble Prime Minister Sheikh Hasina at Ganabhaban, Dhaka on 10th November 2023 on behalf of the Bank.



Going Concern

After reviewing the bank's present and potential business growth, annual budget, performance, liquidity position, and financing arrangements, the directors are satisfied that the bank has adequate resources to continue to operate in the foreseeable future and confirm that there is no material issue threatening the bank's going concern. For this reason, the directors will continue to adopt the going concern basis in preparing these financial statements. There are no significant doubts about the bank's ability to continue as a going concern.

Contribution to the National Exchequer

As a response BGCB and tax-abiding corporate citizen, the bank regularly pays corporate tax on time, sometimes even before it falls due as withheld tax and VAT to the government exchequer. The bank has made a provision of Tk. 41.75 million for corporate tax in 2023. The bank has also contributed to the economy by generating employment for 321 full-time employees. In the year 2023, the bank paid to the government exchequer as source tax, salary tax, VAT, excise duty, and other taxes and VAT realized against various services

Financial Inclusion

The Bank also provides consumption loans for low-income people. Financial solutions are offered to micro-finance institutions, self-help groups and corporations and small and medium enterprises engaged in agriculture-linked businesses. The Bank's rural portfolio grew to BDT 64.00 million at December 31, 2023. The Bank has identified the rural market, which include farmers, dealers, self-employed persons and micro-entrepreneurs. Products offered include working capital loans and different term loans for farm equipment, dairy livestock purchase and farm development. The self-employed businessman who are engaged in trading and manufacturing activities based on commercial and industrial areas in the rural market dealing with both Agri & non-Agri related products.

According to the most recent Findex data, at least 1.7 billion people, or close to one third of all adults, were still without a bank account as of 2017. Women from low-income rural households or those who are unemployed made up about half of the unbanked population. The micro-lending space includes women from the lower-income strata of the population, non-government organizations and other institutions working at the grassroots level in the rural economy. The Bank's reach in rural areas comprises a network of branches increased by 81.25% are in rural areas at December 31, 2023 comparing to the previous year.

Preparation of Financial Statements

The financial statements of the bank prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity under the historical cost convention and following the First Schedule (Section-38) of the Bank Companies Act 1991 (as amended), related Bangladesh Bank circulars, International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994, the listing regulations of the stock exchanges, the Securities and Exchange Rules 1987, the Financial Reporting Act 2015 and other laws and rules applicable in Bangladesh. The financial statements for 2023 have been reviewed by the Audit Committee of the Bank and then referred to the Board of Directors for its consideration. The external auditor, M/S. Hoda Vasi Chowdhury & Co, Chartered Accountants appointed by the shareholders, has certified the fairness of the financial statements for the year ended December 31, 2023.

Maintaining Proper of Books of Account

Bengal Commercial Bank PLC. maintained proper books of account for its financial transactions that occurred during 2023. The books of

account have also been reviewed by the external auditor, M/S. Hoda Vasi Chowdhury & Co, Chartered Accountants, with the opinion that proper books of account as required by the law have been maintained.

Appropriate Accounting policies

Appropriate accounting policies have been selected and applied consistently in the preparation of financial statements, and the accounting estimates are made based on reasonable and prudent judgment. The bank records the financial transactions on an accrual basis with the required disclosures and also prepares the financial statements accordingly.

Directors Responsibility on Financial Statements

The directors BGCB PLC. are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS). Their responsibility includes; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Credit Rating

Bengal Commercial Bank PLC. has been rated by Credit Rating Information and Services Limited (CRISL). CRISL performed the rating as Initial Rating based on audited financial statements up to December 31, 2023 and other relevant information and the report was issued accordingly. They rated the bank as "A+" under the "Long Term" category and "ST3" under the "Short Term" category. An institution rated as "A+" under the "long Term". category has a good capacity to meet its financial commitments. These institutions typically have a good track record and have no readily apparent weaknesses. An institution rated as "ST3" under the "Short Term" category has a good capacity to meet its financial commitments in a timely manner.

Auditor's Report

The Board of Directors reviewed the Auditors' Report issued by the bank's auditor, M/S. Hoda Vasi Chowdhury & Co, Chartered Accountants, based on their audit of the financial statements for the year ended December 31, 2023. The auditor issued an unqualified audit report, which means no material misstatements exist in the financial statements or there is no disagreement with management

regarding the selection and application of accounting policies. The Board also reviewed the auditors' suggestions, which they provided in a separate management report, and gave the strategic guidelines to the management for improvement.

Appointments of Auditors

M/s Hoda Vasi Chowdhury & Co, Chartered Accountants was appointed as the External Auditor of the bank for the year 2023 in compliance with the provision of the Companies Act, 1994 for the period of one year i.e. upto holding of 4th AGM of the Bank. Earlier, the Board of Directors recommended for appointment of M/S. Hoda Vasi Chowdhury & Co, Chartered Accountants as the External Auditor of the bank for the year 2023, subject to the approval of the shareholders and concerned department of Bangladesh Bank. Subsequently, Bangladesh Bank vide its letter dated 2 January 2024 approved the appointment of M/S. Hoda Vasi Chowdhury & Co, Chartered Accountants as the External Auditor of the bank for the year 2023.

Acknowledgements

I, on behalf of the Board of Directors take the opportunity to express thanks and gratitude to all the shareholders, valued customers, patrons and well-wishers at home and abroad who have extended their co-operation and support and contributed to put the bank at a distinctive edge over the competitors. We would like to express our gratitude to the Government of the People's Republic of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), other regulatory bodies and financial institutions for their continued guidance and advice towards betterment of the bank. Finally, the Board would also like to place on record their heart-felt gratitude and appreciation to the Management and employees at all levels for their dedication and relentless efforts to place the bank on a prestigious position.

On behalf of the Board of Directors



Md Jasim Uddin
Chairman
Board of Directors



Investor's Relation

The Company Secretary is the Officer of the Board and the Chief Compliance Officer of the Company. He is administratively responsible to the MD & CEO and operationally accountable to the Board of Directors. He is responsible for providing strategic and operational support to the Board of Directors, Management and the Shareholders of the Bank. He is also liable for maintaining effective working relationship with the Board of Directors, the Committee of the Directors and the Management as he acts in the capacity of Secretary to the Board and its Committees.

Mr. Md. Humayun Kabir, FCS is the Company Secretary of Bengal Commercial Bank PLC. since inception of the Bank. Before joining in Bengal Commercial Bank PLC. he was the Company Secretary of Social Islami Bank PLC. He also discharged his duties and responsibilities as Chief Executive Officer (CEO) of SIBL Securities Limited (a subsidiary of SIBL) in addition to his assignment in the Bank as Company Secretary. Mr. Humayun bears an immense experience of more than 11 years as the Head of Share Department of Social Islami Bank PLC. before appointed as Company Secretary. He qualified "Chartered Secretary" from the "Institute of Chartered Secretaries of Bangladesh (ICSB)" and is now a Fellow member of the Institute. He is well conversant in Companies Act, 1994 and various Regulatory and Corporate Affairs relating to the Bank and Capital Market as well. Mr. Humayun attended different Seminars, Workshop and Training Programs on Banking, Corporate Governance and Capital Market issues both at home and abroad. Apart from his diverse role as Company Secretary, he is also the Secretary of the Executive Committee, Board Audit Committee and the Risk Management Committee of the Board of Directors of the Bank. He is also discharging his responsibilities as member of Senior Management Team (SMT), Management Committee (MANCOM), Strategic Vision Committee (SVC), National Integrity Strategy (NIS) Committee of the Bank. He is also acting as the 'Focal Point' of Central Customer Services & Complaint Management Cell (CSS&CMC) of the Bank.



Md Humayun Kabir, FCS
Company Secretary

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Corporate Governance



Corporate Governance

Corporate governance refers to the system by which companies are directed and controlled. It encompasses the mechanisms, processes, and relations by which corporations are regulated and operated. Corporate governance aims to balance the interests of a company's many stakeholders, including shareholders, senior management executives, customers, suppliers, financiers, the government and the community.

Principles of Corporate Governance ensures equal treatment of shareholders and stakeholders equitably, transparency in the company's performance, accountability in the affairs and responsibilities of the company's leaders.

Practicing strong Corporate Governance leads to improve the capability of making better decision- and operational efficiency in the organization. Good Governance helps identifying, managing, and mitigation of risk issues involved in the business of a company which encourage long-term strategic planning and sustainable business growth.

However, corporate governance is critical in ensuring that companies are run efficiently, transparently and in the best interests of all their stakeholders. Strong governance frameworks not only enhance corporate performance and accountability but also contribute to overall economic stability and growth. Bengal Commercial Bank believes in good governance that refers a harmony between agent and principal aiming to achieve a win-win situation from the both ends.

1. Corporate Governance Frame Work

Fairness, Independence, Accountability, Transparency and Responsibility are the minimum standard of acceptable corporate behavior today. The Board alongwith the Management endeavors to strike and deliver the highest governing standards for the benefit of its stakeholders. In the sphere of Bengal Commercial Bank, due importance is given to major parameters of corporate governance such as Best Board Practice, Controlled Environment, Transparent Disclosures, Well-defined Shareholders' Rights and Boards' commitments. All our Banking activities are guided by the key principles of good governance.

2. Vision, Mission and Values of the Bank

The Vision, Mission and Value statements are crucial to communicating with the three Ws (who, what and why) for organization to corporate management, employees and to the users of the services. These are developed by leaders with inspiring words to convey the purpose, direction and driving forces

of their organization clearly and concisely. By creating clear, meaningful and reflective statements, organizations powerfully communicate its intentions & motivate and inspire the employees to ensure proper understanding about the objectives of the organization to the consistent everyday decisions and to step towards the new directions. Bengal Commercial Bank drives for being a bank of trust and reliability for ensuring sustainable economy promoting "Inspiring Growth".

3. Board of Directors

As a Banking Company Bengal Commercial Bank PLC. has been complied all sorts of Orders/Directives/Circulars/Notifications/ Rules issued by the Bangladesh Bank from time to time. The Bank follows the provision of the Companies Act, 1994 (as amended upto 2020) and Bank Companies Act, 1991(as amended upto 2023) in respect of appointment of Directors. At the time of appointment of directors, the knowledge, skills and experience in business and other areas are considered as rovided in the Act that are necessary to make the affairs functional of the Board.

Total number of Directors of Bengal Commercial Bank PLC. is 18 (eighteen) including 2 (two) Independent Directors which is within the compliance limit of the provision of Bank Companies Act, 1991 (amended upto 2023) and all the Directors are holding sufficient number of shares of the total paid-up capital of the Bank. The Board members of Bengal Commercial Bank are highly competent and professional in the arena of Banking, Business and Industry.

The Board approves and reviews different policies and business plans in line with six core risk management guidelines with an ultimate objective to achieve the goals whereas the administrative and execution powers lie with the management team of the bank which is headed by the Managing Director & CEO.

4. Director's Appointment, Election and Re-election

Directors including Independent Directors are appointed considering the relevant provision of the Companies Act, 1994, Bank Company Act, 1991 (amended 2023), Corporate Governance Code of BSEC, Guidelines/Circulars of Bangladesh Bank and Articles of Association of the Bank. The Managing Director & CEO is appointed for a minimum period of three years subject to approval from Bangladesh Bank.

5. The Chairman of the Board of Directors

The Chairman of the Board of Directors of Bengal Commercial Bank has been elected through the direct participation of the members of the Board. The Chairman of the Board does not personally possess the jurisdiction to apply policy making or executive authority, he does not participate in or interfere into the administrative or operational and routine affairs of the Bank. The Chairman conducts on-site inspection of Bank branch and financing activities under the purview of the oversight responsibilities of the Board. He calls for any information relating to Bank's operation and asks for investigation into any such affairs; he submits such information or investigation report to the meeting of the Board or the Executive Committee and if deemed necessary, with the approval of the Board, he takes necessary actions thereon in accordance with the set rules through the Managing Director & CEO. However, any complain against the Managing Director & CEO is to be appraised to Bangladesh Bank through the Board along with the statement of the Managing Director & CEO. Besides this, the Chairman may assume any other responsibility if the Board assigns within the purview of the Rules, Regulations, Acts and Articles of the Bank. The details responsibility of the Chairman is defined by the Board as directed by BRPD Circular No-02 dated 11th February, 2024. Md. Jashim Uddin, Sponsor Director is holding the position of the Chairman of the Board of Directors of the Bank.

6. Non-Executive Director

All the Directors of BGCB including the Chairman are Non-Executive Directors except the Managing Director & CEO. The Directors attend Board meetings regularly and participate in the deliberation and discussions effectively. They actively involved in the matter of formulation of general strategies of the Bank.

7. Independent Directors and their independence

In compliance with the Corporate Governance Code issued by BSEC, Bank Company Act, 1991 (amended up to 2023) the Board of Directors of Bengal Commercial Bank appointed 2 (two) Independent Directors in its Board and one of whom is the Chairman of the Boards' Audit Committee. The Independent Directors are conversant in the field of financial, regulatory and corporate laws; enjoy full freedom to carry out their assigned responsibilities. As per provisions of BRPD Circular No.03 dated 14th February, 2024, the Audit Committee is formed electing the Chair from Independent Directors. As an Independent Director, the Chairman of the Audit Committee enjoys full freedom to carry out the Committees' assigned responsibilities.

8. Role of the Chairman and the Managing Director & CEO are separate

In compliance with the Corporate Governance Code- 2018 issued by BSEC, we report that the functional responsibilities of the Chairman of the Board and the Managing Director & CEO are kept separated and independent from each other.

9. Induction & Training of the Directors

New Directors and existing Directors are likely to have some key information in case of first and consecutive appointment. They should have updated knowledge about the latest position of the Bank and all related rules and regulations. They also participate in the programs and seminars organized by various professional bodies at home and abroad on business, economic, technical, professional and corporate governance issues.

10. Code of conduct of the Chairman

A Chairperson of the Board of Directors of the Bank holds the most power and authority in the Board of Directors and provides leadership to the Bank. The Chair of the Board ensures that the firm's duties to shareholders are being fulfilled by acting as a link between the Board and Senior management. The Chairman of the Board in compliance with the BRPD Circular No.02 dated 11th February, 2024 conducts the following Roles and Responsibilities of the Bank:

- a) Provides leadership and governance of the Board so as to create the conditions for overall Board's and individual Director's effectiveness and ensures that all key and appropriate issues are discussed by the Board in a timely manner.
- b) Establish standard corporate governance practices and procedures and promotes the highest standards of integrity & probity particularly at Board activities.
- c) Ensures that there is effective communication with shareholders, and each Director develops and maintains an understanding of the stakeholders' views.
- d) Promotes effective relationships, open communication and creates an environment that allows constructive debates regarding proposals apprised aiming to betterment of the Bank.
- e) As the Chairman of the Board of Directors does not personally possess the jurisdiction to apply policy making or executive authority, he does not participate in or interfere into the administrative or operational and routine affairs of the Bank.

- f) The Chairman conducts on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the Board. He calls for any information relating to bank's operation or asks for investigation into any such affairs; he submits such information or investigation report to the meeting of the board or the executive committee and if deemed necessary, with the approval of the Board, he takes necessary action thereon in accordance with the set rules through the CEO of the Bank.
- g) The Chairman establishes the environment to nourish the sense of Corporate Governance within the organization.
- h) The Chairman guides the Bank to appear as an organization valuing business ethics and social responsibilities.

11. Code of Conduct of Chief Executive Officer/ Managing Director.

The Chief Executive Officer/ Managing Director is an ex-officio Board member as provided under the Articles of Association of the Bank and the directives of Bangladesh Bank. In order to strengthen the financial base of the bank and obtain confidence of the depositors, appointment of an honest, efficient, experienced and suitable Chief Executive is one of the responsibilities of the Board of Directors. In order to ensure good governance, bank follows the guidelines enumerated below while appointing the MD/CEO and in devising the role-responsibilities and authorities of the CEO.

12. Rules and regulations for appointment of CEO

12.1 Qualification

Morality: In case of appointment to the post of Chief Executive Officer (CEO), satisfaction in respect of the concerned person should be ensured to the effect that -

- a) He has not been convicted by any Criminal Court of Law;
- b) He has not been punished for violating any rules, regulations or procedures/norms set by any Regulatory Authority;
- c) He was not associated with any such company/organization, registration or license of which has been revoked.

12.2 Experience and Suitability

- a) For appointment as Chief Executive, 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 Chief Executive Officer of a bank.

- b) He must have at least a Master's degree from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person.
- c) In respect of service, the concerned person should have excellent record of performance.
- d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company;
- e) Any director of any bank or financial institution or any person who has business interest in the bank concerned will not be eligible for appointment to the post of Chief Executive.
- f) The concerned person was not involved in any illegal activity while performing duties in his own or banking profession;
- g) He has not suspended payment to creditors or has not compromised with his creditors to be relieved from debt or he is not a loan defaulter;
- h) He is not a tax defaulter;
- i) He has never been adjudicated as an insolvent.

12.3 Age Limit

No person crossing the age of 65 years shall hold the post of CEO of a bank.

12.4 Tenure

The tenure of the Chief Executive shall be for at least 03 (three) years, which is renewable. If the candidate has less than 03 years left to attain 65 years, he/she can be appointed for that particular period of time.

12.5 Duties and Responsibilities

The CEO of the Bank, whatever name called, shall discharge the responsibilities and affect the Authorities as follows:

- a) In terms of the financial, business and administrative authorities vested upon him by the Board, 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.
- b) The CEO shall ensure compliance of the Bank Company Act 1991 and other relevant laws and regulations in discharging routine functions of the bank.

- c) At the time of presenting any memorandum in the Board Meeting or Board Committee Meeting, the CEO must point out if there is any deviation from the Bank Company Act and other relevant laws and regulations.
- d) The CEO shall report to Bangladesh Bank any violation of the Bank Company Act 1991 or of other laws/regulations.
- e) The recruitment and promotion of all staff of the Bank except those in the two tiers below him shall rest on the CEO. He shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and sanctioned strength of employees as approved by the Board.
- 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, which he shall apply in accordance with the approved service rules.
- g) The Authority relating the preparation of financial statements along with different reports in line with the requirement of primary and related regulatory bodies lies on him. He has the authority to ensure publishing Annual Report maintaining true picture of the company's performance.
- h) The Managing Director is an Executive ex-officio Director who can play a vital role to establish corporate governance within the organization by complying all respective rules and regulations. Bengal Commercial Bank PLC. has adopted this Director's Code (Code of Conduct) aiming to guide its Board of Directors in fulfilling their duties and responsibilities to the Bank. BGCB believes that the Board is co-operatively responsible for promoting the success of the Bank by directing and supervising the entire affairs of the Bank effectively.

13. Code of Conduct of the Board of Directors

Bank's affairs where Code of Conduct plays very significant role in broader aspect. This Code of Conduct is prepared in compliance with the guidelines of Bangladesh Bank and it is neither conclusive nor final document; in contradiction with any laws, guideline, notification there will be scope of changing, altering and addition from time to time when it deems fit.

13.1 Formation of Board of Directors

As per Section 15 of the Bank Company Act, 1991 (amended up to 2023) includes provisions for prior approval of Bangladesh Bank before the appointment of new directors, as well as dismissal, termination or removal of any director from the post; director's fit & proper criteria; maximum number of directors; appointment of

independent directors; appointment of maximum 03(three) members from a family as director etc.

13.2 Appointment of New Director

The Bank shall appoint new director(s) under section 15(4) of the Bank Company Act 1991 (amended upto 2023) and prior approval shall be obtained from Bangladesh bank.

13.3 Vacancy of the Office of Director

The office of Director shall be vacated according to the provisions specified in section 108(1) of the Companies Act, 1994 (as amended upto 2020). Besides, when a Director of the Bank becomes defaulter and does not repay the loan within two months after getting a notice under section 17 of the Bank Company Act 1991; provides false statement at the time of appointment; or fails to fulfil the minimum eligibility criteria, the office of the Director will be vacated.

If the office of a Director is vacated by a notice under the section 17 of Banking Companies Act, 1991, the person will not be eligible to become a director of the bank for one year from the date of repayment of the total amount due to the bank.

Bangladesh Bank can remove a Director or Chairman of a Bank, for conducting any kind of activities that is detrimental to the interest of the Bank's depositors or against the public interest under Section 46 and can replace the Board of a Bank Company under Section 47 of Bank Company Act, 1991.

13.4 Removal of Directors from Office

As per Section 15 of the Bank Company Act, 1991 (amended upto 2023) and Bangladesh Bank's Circular include provisions and instructions for prior approval of Bangladesh Bank before the appointment of new Bank Directors as well as dismissal, termination or removal of any Director from the post. In this case, the removal will be effective from the date of Bangladesh Bank's approval.

13.5 Retirement of Directors

As per provisions of Regulation 79 and 81 of Schedule-I of the Companies Act, 1994 all the Directors of the Bank retired in its 1st Annual General Meeting (AGM) from their office and were re-elected in the same meeting they retired. Moreover, the provisions 119 & 120 of the Articles of Association of the Bank also describe the same in respect of retirement and re-election of the Directors in the AGM of the Bank. In accordance with the provision of Section 79 of Schedule-I of the Companies Act, 1994 and Articles of Association of the Bank one-third of the Directors of the Board (who are longest in office) shall retire from their office in the Annual General Meeting (AGM) held in every subsequent year and shall be eligible for re-election as per aforesaid provisions of law.

13.6 Information Regarding Directors

Banks are advised to take the following steps regarding Director's information:

- a) Every bank should keep an updated list of Bank Directors. Banks should send a directors' list to other banks or financial institutions immediately after the Appointment or release of Director.
- b) Banks should display a list of Directors in the website and update it on a regular basis.

14. Responsibilities of the Board of Directors

To ensure good governance in the Bank Management it is essential to have specific demarcation of responsibilities and authorities among controlling bodies over bank affairs. The Bank Company Act, 1991 (amended up to 2023) under Section 15 (kha) & (ga) and BRPD Circular No.02 dated 11th February, 2024 give responsibility to the Board of Directors for establishing policies for the Bank Company for Risk Management, Internal Controls, Internal Audit and Compliance and for ensuring their implementation.

14.1 Authorities of the Board of Directors

- I. The Board shall determine the Objectives and Goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the Determined Objectives and Goals and in the issues relating to structural change and reformation for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor at quarterly basis the development of implementation of the Work-Plans.
- II. The Board shall have its analytical review incorporated in the Annual Report as regards to the success/failure in achieving the business and other targets as set out in its annual workplan 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 & Officers immediate two tiers below the CEO and have it evaluated from time to time.

14.2 Credit and Risk

- i. The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof shall be made with the Board's approval under the purview of the existing laws, rules and regulations. The Board 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 direct or indirect into the process of loan approval.

- 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 board shall monitor the compliance of the guidelines of Bangladesh Bank regarding key risk management.

14.3 Internal Control

The Board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard 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 the reports submitted by its audit committee at quarterly rests regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports. The Board Audit Committee ensures controlling different internal issues through proper supervision of ICCD of the Bank.

14.4 Human Resources 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 Board. The Chairman or the Directors shall in no way involve themselves or 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 Board of Directors shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer & punishment of the officers immediate two tiers below the CEO shall however, rest upon the Board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e. policies for recruitment and promotion.
- ii. The Board shall focus its special attention to the development of skills 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).
- iii. The Board shall get these programs incorporated in its annual work plan. The Board will compose Code of Ethics for every tier and they will follow it properly. The Board will promote healthy code of conducts for developing a compliance culture.

14.5 Financial Management

- i. The Annual Budget and the statutory financial statements shall be finalized with the approval of the Board. It shall at quarterly basis review/monitor the positions in respect of bank's income, expenditure, liquidity, nonperforming asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures;
- ii. The Board shall 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 of expenditures 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 adopted with the approval of the Board;
- iii. The Board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.

15. Meeting of the Board of Directors

As per requirement and desired by the Hon'ble Chairman of the Board of Directors, required number of Board Meeting will be held where to discuss and approve the business proposals, review business strategy, different policy of the Bank, financial performance, compliance and governance, risk management issues etc. as well as reports on matters deliberated by the respective committees.

Meeting papers on the proposals and reports are delivered to the Directors well ahead of the meetings, giving them sufficient time to evaluate the proposals and if necessary, request additional information. This enables the Board to function and discharge their responsibilities effectively. The minimum information required for the Board to make an informed and effective decision includes background, objective, key issues, rationale, financial and non-financial impact of the proposal. Directors who are unable to attend a meeting due to unavoidable circumstances are encouraged to provide feedback to the Chairman on matters to be deliberated for their views to be given for due consideration at the meetings. Proceedings and resolutions are taken by the Board are recorded as minutes of the meeting signed by the Chairman of the meeting and send to Bangladesh Bank within the stipulated time of 07 (Seven) days of holding the meeting.

The decisions taken or the resolution adopted by the Board are disseminated by the Company Secretary to whom such decision

relates, for its onward implementation. As per Companies Act 1994, every company is required to hold minimum 4 (four) Board of Directors meeting in a year wherein they shall meet at least once in every three months. Board of Directors may meet once or more than once in a month if necessary. A total 09 (nine) numbers of Board meetings were held during the period, under report all such meeting related papers, documents, memo, attendance & honorarium registers, minutes etc. are being maintained in good condition by the Board Secretariat of the Bank.

15.1 Attendance of BOD Meeting

During the year 2023 total 09 (nine) nos. of Meeting of Board of Directors were held. The details of the attendance of Board meeting are shown at **Annexure-A** in the Report.

15.2 Duality of Chairperson of the Board of Directors and Director or Chief Executive Officer

- i. The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of Bengal Commercial Bank are filled by different individuals;
- ii. The Managing Director (MD) and/or Chief Executive Officer (CEO) of the Bank does not hold the same position in another Listed Company;
- iii. The Chairperson of the Board is elected from among the non-executive directors of the Company;
- iv. The Board has clearly defined respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;
- v. In the absence of the Chairperson of the Board, the remaining members elect one of themselves from nonexecutive Directors as Chairperson for that particular Board's Meeting; the reason of absence of the regular Chairperson is duly recorded in the minutes.

15.3 Confidentiality

Each Director, during his or her tenure as a Director and after leaving the Board must maintain the confidentiality of information entrusted to him or her by the Bank and its customers, except when disclosure is required by law or regulation, or is otherwise expressly authorized in advance by the Board or the Bank's Legal Department. Confidential information includes all non-public information that might be used by the Bank's competitors or that if disclosed might be harmful or may affect the interests of the Bank and other parties who have business dealings with the Bank or its customers. It also includes information that customers and vendors have entrusted to the Bank.

15.4 Independence of the Directors

There is broad consensus regarding the importance of active engagement of the Directors in guidance and formulation of policies for the Bank, independence does not lend itself to precise definition. It is in large part dependent on the particular governance function being performed by the Directors. A Director's role includes two principal functions: decision-making function and an oversight function. The decision-making function involves actions taken at a particular point of time while the oversight function involves ongoing monitoring over a period of time. In the context of the Board's decision-making function, the question of independence necessarily requires a case-by-case evaluation based on the facts and circumstances surrounding the particular subject before the Board. Generally, the analysis focuses on whether the Director is able to base his or her decision on the corporate merits of the subject rather than extraneous considerations or influences.

15.5 Conflicts of interest

Directors are expected to make business decisions on behalf of the Bank free from conflicting outside interests. It is a violation of Code and Bank's policies to foster personal or business interests (or those of others with whom such persons have a personal or business relationship) at the expense of the Bank. Although it is impossible to cover every potential conflict of interest situation, a potential conflict exists whenever a Bank's Director has an outside interest directly or indirectly which conflicts with their duty to the Bank or adversely affect their judgment in the discharge of their responsibilities to the Bank. The appearance of a conflict of interest may be just as damaging to the Bank's reputation as a real conflict of interest and may be difficult to discern. The Bank's Directors are expected to objectively assess their actions periodically to determine whether a reasonable, disinterested observer, a customer, a supplier, a shareholder, an acquaintance or a government official would have grounds to believe a conflict of interest exists.

15.6 Independence of the Chairman of all Board Committees

All the Committees are formed consisting the members of the Board of Directors. The Chairman of the Committees are elected by the Board. Each Committee has full freedom to carry out their assigned responsibilities. The Chairman of the Committees, with their own jurisdiction with the support of the Committee members, takes the necessary decision regarding different agenda as deems fit. But they do not participate in or interfere into the administrative or operational or routine affairs of the Bank. They strictly ensure confidentiality of the Bank's agenda papers, discussions at the Board/Committee Meetings, Notes and Minutes.

16. Directors' Remuneration

The Directors do not receive any type of remuneration and incentive from the Bank. They are only paid meeting attendance fees, travelling and living expenses incurred for attending in the Board meeting and other Board's Committee meetings as per guidelines of Bangladesh Bank.

Bengal Commercial Bank pays remuneration to its directors based on the guidelines of Bangladesh Bank and other applicable laws. The detail of Director's Remuneration is enclosed at **Annexure-B** in the Report.

17. Proposed Dividends and Appropriation of Profit

The Board of Directors of the Bank recommended no dividend for the year 2023.

18. Delegation of Power

The Board has delegated appropriate finance and business power to the Management. In order to have proper functioning and quick disposal of credit proposal, Board has delegated required authority to the Executive Committee of the Board to approve proposal within certain limit.

19. Director's Shareholding Pattern

In compliance with BSEC Notifications dated 22 November 2011 and 07 December 2011, all the eligible Directors (other than Independent Directors) of BGCB have been holding required percentage of shares individually and jointly. A statement of shareholding of the sponsors is disclosed in the annual report at **Annexure-C** in the report.

19.1 Shareholding of CEO, CS, CFO, Head of ICC and top 5 salaried Executives

The CEO, CS, CFO and Head of ICCD do not hold any shares of Bengal Commercial Bank PLC.

20. Chief Financial Officer (CFO), Company Secretary (CS) and Head of ICC

Chief Financial Officer (CFO), Head of Internal Control & Compliance Division (ICCD) and Company Secretary (CS) are being appointed under the purview of rules and regulation of the policy of the Bank and other regulatory laws and regulations. They are well conversant in the field of financial, regulatory and corporate laws to carry out their assigned responsibilities. The Board of Directors of the Bank clearly defined and approved the respective roles,

responsibilities and duties of Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Control & Compliance Division (ICCD). The CS of the Bank attends the meetings of the Board of Directors as per guideline of Bangladesh Bank, provided that the other concerned officials attend the meeting on particular issue upon requirement of the Board. The officials do not attend such part of a meeting which involves consideration of an agenda item relating to their personal matters.

21. Management and its Committees

Management Team of the Bank is formed headed by the Managing Director & CEO. Several Management Committees have been formed to handle the Banking operation and identify and manage the risk associated issues with the businesses. The following are the Key Management Committees: SMT, ALCO, Credit Committee, Anti-Money Laundering Committee, Risk Management Division, Investment Committee, Basel Implementation Committee and so on.

22. Board of Directors' Meeting

The Board of Directors holds meeting on a regular basis. In each meeting, management provides information, references and detailed working papers for each agenda to all the Directors for consideration well ahead of the meeting. The Chairman of the Board of Directors allocates sufficient time for the Directors to consider each agenda in a prudent way and allows them to freely discuss, inquire and express opinions on the agenda. Directors who cannot attend the meeting(s) are granted leave of absence by the Board.

23. Board committees

As per instruction of BRPD circular no.02 date: 11th February 2024 of Bangladesh Bank, the Board constituted the sub-committees which are enclosed at **Annexure-D**.

23.1 Executive

The Board has an Executive Committee (EC) which conducts their responsibility as per Terms of Reference (TOR) determined by the Board of Directors of the Bank.

The Executive Committee of the Board approves the credit proposals as per approved policy of the Board. The management ensures due diligence of the credit policy and Risk Management guidelines at the time of submitting the credit proposals.

23.2 Audit Committee of the Board

Audit Committee is one of the sub-Committees of the Board which plays a pivotal role in assisting the Board to perform its

responsibilities. The Committee is guided by the TOR as set by the Board of Directors of the Bank in line with the direction of Bangladesh Bank. The Audit committee is chaired by an Independent Director. The Company Secretary acts as the secretary of the Committee. The role of the Audit Committee of the Bank includes the following:

- Oversee the financial reporting process.
- Monitor Internal Control Risk Management process.
- Oversee hiring and performance of external auditors. Meeting with the external auditors to discuss about the audit plan.
- Review the annual financial statements along with the management before submission to the Board for approval.
- Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function.

23.2.1 Report of the Board Audit committee

A report of the Board Audit Committee is attached with the Annual Report separately.

23.3 Risk Management Committee of the Board

Apart from the Executive Committee and Audit Committee of the Board, a Risk Management Committee has been formed which is responsible for planning and guiding on overall Risk Management of the Bank. Key areas of responsibilities of the Committee are as under:

- Risk identification and control policy;
- Designing the organizational structure to manage risk within the Bank;
- Construction of organizational structure;
- Review, analysis and recommendation for approval of Risk Management Policy;
- Monitoring the implementation of overall Risk;
- Enforcing and using adequate record keeping and reporting systems;

24. Regulatory Compliance/Disclosure

The primary regulator of the Bank is Bangladesh Bank and other major regulator includes, Bangladesh Securities and Exchange Commission, Dhaka Exchange Limited (DSE), Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies and Firms (RJSC&F) etc.

Bengal Commercial Bank ensures guidelines on submission of financial statements and other reports ensuring timeliness, completeness, transparency, accountability and accuracy. Board of Directors of the Bank ensures disclosures for the shareholders through Annual Report or other special disclosures if required..

25. Report on Business Concern

A Statement of Business concerns wherein the Directors have got interest is attached with this Report at **Annexure-E**.

26. External Audits

The external auditors are appointed by the shareholders with the recommendation of the Board of Directors. External auditor audited sufficient number of branches and Head Office as part of the annual audit program. Auditors covered 80% of risk weighted assets of the Bank. They have also discussed with the Management and Audit Committee of the Board on various issues including Internal Control and Compliance issues. Suggestions of the auditors are given due consideration and are implemented by the Management. Before presenting to the shareholders, the report is reviewed by the Audit Committee and by the Board. Before recommending to the shareholders for appointment as auditors, the Board considers the level of independence and integrity of the external auditors. Complying with provision of Corporate Governance Code-2018 issued by BSEC, we declare that M/s Hoda Vasi Chowdhury & Co. Chartered Accountants, involved in statutory audit and was not engaged in any of following services during 2023:

Appraisal or valuation services or fairness opinions.

- Financial information system design and implementation.
- Book keeping or other services related to accounting records financial statements.
- Broker-dealer service.
- Actuarial services.
- Internal audit services.
- Audit/ certification services on compliance of corporate governance guidelines issued by BSEC.

M/s Hoda Vasi Chowdhury & Co., Chartered Accountants was recommended for appointment as the External Auditor of the Bank by the Board of Directors in its 23rd Board of Directors Meeting held on 30th July 2023 till holding the 4th AGM of the Bank. Section 210 of the Companies Act of 1994 empowers shareholders to appoint the auditor and set their remuneration in the AGM.

27. Information availability on website

The full text of the Annual Report 2023 including other financial reports are available in the company's website www.bgcb.com.bd.

The related party doesn't enjoy any preferred facility or concession from the viewpoint of approval process, rate or cost charged, action taken for any non-compliance etc. A statement of business concerns of the directors is disclosed in the annual report.

28. Review of internal Control & Compliance System

BGCB has a sound system of internal control to safeguard the stakeholders' interest. The Board of Directors retain the ultimate responsibility for its operations, though has delegated to the Audit Committee for the review of the adequacy and effectiveness of the system of internal controls. Bank has a separate Division for Internal Control and Compliance. This division operates independently and has given responsibilities by the Board in line with the Bangladesh Bank guidelines. Under Internal Control & Compliance Division, there are three major units:

- (1) Audit & Inspection Unit
- (2) Compliance Unit and
- (3) Monitoring Unit. A detail review of internal control system has been presented in "Directors' Report" of the Annual Report.

29. Risk Management

The Risk Management Division (RMD) of Bengal Commercial Bank is responsible for management, integration and monitoring of all risks within the risk appetite set by the Risk Management Committee (RMC). The Risk Management Committee (RMC) of the Board reviews and monitors the overall Risk Management system of the Bank and updates to the Board from time to time.

30. Decision Making Process for Approving Related-party Transactions

The Bank disclosed the related party transaction in its financial statement. For making decision of related party transaction, the process is same as applicable to the other stakeholders. Same process of selection is applied to related party.

31. Rules and Procedures Governing Extraordinary Transactions

For making decision for extraordinary transaction, the Management takes the approval from the Board of Directors, if not covered within the Board approved financial delegation. In financial result, the Bank also discloses the impact of extraordinary transaction (if any).

32. Process for Holding Annual General Meetings

Process for holding Annual General Meeting (AGM) is guided by the statute and regulatory guidelines of the country. All applicable guidelines are duly followed for holding Annual General Meeting of the Bank. In an AGM, generally some key decisions are approved by the shareholders i.e., financial statements, dividend, appointment of Directors, appointment of statutory auditors and fixation of their remuneration etc.

33. A code of Conduct for Company Employees

For eminence corporate culture, all the employees should believe in same Code of Conduct. Bengal Commercial Bank follows a standard Code of Conduct for its employees (guided by Bangladesh Bank) which are also maintained by the employees. By any means, no employee will play a role detrimental to the interest of the business, society and the country as a whole as set in the Code of Conduct and Ethics. For more on Code of Ethics, a separate report has been enclosed with the Annual Report.

34. Rules and Procedures Governing the Acquisition of Corporate control in Capital Markets.

Investment in Capital Market by the Bank is regulated by the Bank Company Act, 1991 (amended up to 2023). For acquisition of corporate control in Capital Market, Bank follows internal investment policy within the regulatory framework. Bank also discloses the invested amount in Capital Market in its financial statements.

35. Communication to Shareholders and other Stakeholders

- **Policy on Communication with Shareholders and Other Stakeholders:** The Company Secretary of the Bank plays an instrumental role to make effective communication with its shareholders and other stakeholders. Shareholders and other stakeholders of the Bank may contact with Board Secretariat during office hour for any sort of information and queries. Furthermore, BGCB provides updated information at its website time to time for the shareholders and other stakeholders of the Bank;
- **Mechanism to Provide Opinion, Recommendation by the Shareholder:** BGCB publishes Annual/Half Yearly Reports, quarterly financials in newspapers for its stakeholders in a complete, fair, accurate, timely and understandable manner. Shareholders can also use their query rights or can provide any recommendations or direction to the Board of Directors at the Annual General Meeting and the Board answers all questions of shareholders.
- **Policy on Ensuring Participation of Shareholders at AGM:** To ensure effective and efficient participation of shareholders in AGM, the Bank circulate notice of AGM with necessary details within timeframe. Annual Reports are circulated as per the provision of Companies Act 1994, so that shareholders would get sufficient time to go through the report and freely provide their valuable comments and suggestions in the AGM.



Attendance of the Directors in the Board Meeting

Total 09 (Nine) Meetings of the Board of Directors were held in the year 2023. Details of the attendance of the Directors in the meeting are as under:

SL	Name of the Directors	Designation	No. of Meeting held	No. of Meeting Attended	Remarks
01.	Md Jashim Uddin	Chairman	09	09	
02.	Alhaj Mahbubul Alam	Vice- Chairman	09	08	Leave of absence was granted by the Board
03.	Engr Ghulam Mohammed Alomgir [Representative of Max Infrastructure Limited.]	Vice- Chairman	09	06	Leave of absence was granted by the Board
04.	Jesmin Akhter	Director	09	09	
05.	Firoz Alam	Director	09	06	Leave of absence was granted by the Board
06.	Shamsul Alam	Director	09	07	Leave of absence was granted by the Board
07.	Md Shahabuddin	Director	09	09	
08.	Dilip Kumar Agarwala	Director	09	08	Leave of absence was granted by the Board
09.	Dr Joshoda Jibon Debnath [Representative of Technomedia Limited]	Director	09	09	
10.	Tasmin Mahmud	Director	09	07	Leave of absence was granted by the Board
11.	S M Faruqi Hasan	Director	09	03	Leave of absence was granted by the Board
12.	Md Iqbal Hossain Chowdhury [Representative of B. Dash Japan Co. Limited]	Director	09	08	Leave of absence was granted by the Board
13.	Muhammad Jamaluddin [Representative of KDS Textile Mills Limited]	Director	09	09	
14.	Rokeya Khatun, FCA [Representative of Ilmeeyat Apparels Limited]	Director	09	09	
15.	Khawja Mahtab Uddin [Representative of Starlight Sweaters Limited]	Director	09	09	
16.	Bengal Plastics Ltd.	Director	09	04	Leave of absence was granted by the Board
17.	Prof Mr Md Iftekharul Amin, Ph.D	Independent Director	09	08	Leave of absence was granted by the Board
18.	Mr ANM Abul Kashem	Independent Director	09	09	

Attendance Fee paid to the Directors of Bengal Commercial Bank PLC.

Total 09 (Nine) Meetings of the Board of Directors were held in the year 2023. The details of attendance fee paid to the Directors are as under:

SL	Name of the Directors	Designation	No. of Attendance	Total amount @Tk.7200/- per meeting
01.	Md Jashim Uddin	Chairman	09	64,800
02.	Alhaj Mahbubul Alam	Vice- Chairman	08	57,600
03.	Engr Ghulam Mohammed Alomgir [Representative of Max Infrastructure Limited.]	Vice- Chairman	06	43,200
04.	Jesmin Akhter	Director	09	64,800
05.	Firoz Alam	Director	06	43,200
06.	Shamsul Alam	Director	07	50,400
07.	Md Shahabuddin	Director	09	64,800
08.	Dilip Kumar Agarwala	Director	08	57,600
09.	Dr Joshoda Jibon Debnath [Representative of Technomedia Limited]	Director	09	64,800
10.	Tasmin Mahmud	Director	07	50,400
11.	S M Faruqi Hasan	Director	03	21,600
12.	Md. Iqbal Hossain Chowdhury [Representative of B. Dash Japan Co. Limited]	Director	08	57,600
13.	Muhammad Jamaluddin [Representative of KDS Textile Mills Limited]	Director	09	64,800
14.	Rokeya Khatun, FCA [Representative of Ilmeeyat Apparels Limited]	Director	09	64,800
15.	Khawja Mahtab Uddin [Representative of Starlight Sweaters Limited]	Director	09	64,800
16.	Bengal Plastics Ltd.	Director	04	28,800
17.	Prof. Mr. Md. Iftekharul Amin, Ph.D	Independent Director	08	57,600
18.	Mr. ANM Abul Kashem	Independent Director	09	64,800

Pattern of Shareholding of the Bank

Annexure-C

CURRENT PAID UP AND SHAREHOLDING POSITION AS ON 31.12.2023						
Sl.	Name of Sponsor	Designation	Total Paid up amount (Tk)	Total no. of Paid up Shares	Holding of Shares by each Sponsor/Director	Percentage(%)
1	Mr. Md. Jashim Uddin	Chairman	4,500,000,000	450,000,000	22,500,000	5.00
2	Alhaj Mahbubul Alam	Vice-Chairman	4,500,000,000	450,000,000	22,500,000	5.00
3	Max Infrastructure Ltd. (Representated by Engr. Ghulam Mohammed Alomgir)	Vice-Chairman	4,500,000,000	450,000,000	22,500,000	5.00
4	Mrs. Jesmin Akter	Director	4,500,000,000	450,000,000	18,000,000	4.00
5	Mr. Firoz Alam	Director	4,500,000,000	450,000,000	21,250,000	4.72
6	Mr. Shamsul Alam	Director	4,500,000,000	450,000,000	21,250,000	4.72
7	Mr. Md. Shahabuddin	Director	4,500,000,000	450,000,000	22,500,000	5.00
8	Mr. Dilip Kumar Agarwala	Director	4,500,000,000	450,000,000	22,500,000	5.00
9	Technomedia Ltd. (Representated by Dr. Joshoda Jibon Debnath)	Director	4,500,000,000	450,000,000	22,500,000	5.00
10	Mrs. Tasmin Mahmud	Director	4,500,000,000	450,000,000	22,500,000	5.00
11	Mr. S.M Faruqi Hasan	Director	4,500,000,000	450,000,000	15,517,500	3.45
12	B. Dash Japan Co. Ltd. (Representated by Mr. Md. Iqbal Hossain Chowdhury)	Director	4,500,000,000	450,000,000	22,500,000	5.00
13	KDS Textile Mills Ltd. (Representated by Mr. Muhammad Jamaluddin)	Director	4,500,000,000	450,000,000	22,500,000	5.00
14	Ilmeeyat Apparels Ltd. (Representated by Mrs. Rokeya Khatun, FCA)	Director	4,500,000,000	450,000,000	22,500,000	5.00
15	Starlight Sweaters Ltd. (Representated by Mr. Khajwa Mahtab Uddin)	Director	4,500,000,000	450,000,000	22,500,000	5.00
16	Engr. Md Abu Noman Howlader	Director	4,500,000,000	450,000,000	21,250,000	4.72
17	Bengal Plastics Ltd.	Director	4,500,000,000	450,000,000	21,250,000	4.72
18	Ramisha BD Ltd.	Sponsor	4,500,000,000	450,000,000	22,500,000	5.00
19	Mr. Md. Alomgir Parvez	Sponsor	4,500,000,000	450,000,000	22,500,000	5.00
20	Mr. Mahmud Habib-E-Akbar	Sponsor	4,500,000,000	450,000,000	21,250,000	4.72
21	Mr. Mohammad Akram Hossain	Sponsor	4,500,000,000	450,000,000	9,902,500	2.20
22	Mr. Golam Nasir	Sponsor	4,500,000,000	450,000,000	3,330,000	0.74
23	Mrs. Tasfia Jashim	Sponsor	4,500,000,000	450,000,000	2,250,000	0.50
24	Mr. Taseen Jashim	Sponsor	4,500,000,000	450,000,000	2,250,000	0.50
Total					450,000,000	100

Committee constituted under the Board of Directors of the Bank

1. Executive Committee

Sl.	Name of the Directors	Designation
1.	Mr. Md. Shahabuddin	Chairman
2.	Alhaj Mahbubul Alam	Member
3.	Mr. Firoz Alam	Member
4.	Mr. Md. Iqbal Hossain Chowdhury	Member
5.	Mr. Dilip Kumar Agarwala	Member
6.	Ms. Tasmin Mahmud	Member
7.	Mr. Khawja Mahtab Uddin	Member

2. Audit Committee

Sl.	Name of the Directors	Designation
1.	Prof. Md. Iftekharul Amin, Ph.D	Chairman
2.	Mr. A.N.M. Abul Kashem	Member
3.	Mr. Shamsul Alam	Member
4.	Mrs. Rokeya Khatun, FCA	Member
5.	Engr. Md. Abu Noman Howlader	Member

3. Risk Management Committee

Sl.	Name of the Directors	Designation
1.	Mr. S.M. Faruqi Hasan	Chairman
2.	Engr. Ghulam Mohammed Alomgir	Member
3.	Dr. Joshoda Jibon Debnath	Member
4.	Mr. Muhammad Jamaluddin	Member

Business concern of the Directors:

SL	Name of the Subscribers	Position/ Designation	Business Concern
01.	Md. Jashim Uddin	Chairman	<ol style="list-style-type: none"> 1. Vice-Chairman of Bengal Group of Industries; 2. Vice-Chairman – Bengal Media Corporation Limited (RTV) 3. Director- Bengal Windsor Thermoplastics Limited 4. Director-Romania Food and Beverage Ltd. 5. Director- Bengal Cement Limited 6. Managing Director- Bengal Plastics Limited 7. Managing Director- Power Utility Bangladesh Limited. 8. Managing Director- Bengal Renewable Energy Limited. 9. Managing Director- Bengal Agro Industries Limited
02.	Alhaj Mahbubul Alam	Vice Chairman	<ol style="list-style-type: none"> 1. Chairman - M. Alam Gas Station Ltd., 2. Chairman - Anowara Alam Foundation, 3. Chairman - Surgescope Hospital Ltd. 4. Managing Director - Alam Trading Corporation, 5. Managing Director – R.M. Enterprise, 6. Managing Director - M.M. Trading.
03.	Engr. Ghulam Mohammed Alomgir [Representative of Max Infrastructure Limited]	Vice Chairman	<ol style="list-style-type: none"> 1. Chairman- MAX GROUP, one of the largest engineering conglomerates of Bangladesh; 2. Chairman- Max Industries Limited; 3. Chairman- Max Building Technologies Limited; 4. Managing Director- Max Power Limited; 5. Managing Director- Kushiara Power Company Ltd. 6. Managing Director-Max Electricity Generation Ltd.;
04.	Jesmin Akhter	Director	<ol style="list-style-type: none"> 1. Director - Bengal Plastic Pipes Limited; 2. Director - Bengal Agro Industries Limited; 3. Director - Bengal Melamine Limited; 4. Director- Designer Washing and Dyeing Ltd.
05.	Firoz Alam	Director	<ol style="list-style-type: none"> 1. Director - Bengal Group of Industries; 2. Managing Director - Bengal Cement Ltd.; 3. Managing Director - Bengal Flexipak Ltd.; 4. Director - Bengal Plastics Ltd.; 5. Director – Bengal Media Corporation Limited (RTV); 6. Director – Bengal Windsor Thermoplastics Limited; 7. Director- Bengal Concept & Holdings Ltd.; 8. Director- Bengal Agro Industries Limited.

Business concern of the Directors...

Sl.	Name of the Subscribers	Position/ Designation	Business Concern
06.	Shamsul Alam	Director	<ol style="list-style-type: none"> 1. Director - Bengal Group of Companies; 2. Director- Bengal Plastics Limited; 3. Director- Bengal Media Corporation Limited (RTV); 4. Director- Romania Food and Beverage Ltd.; 5. Director- Bengal Agro Industries Limited; 6. Director- Bengal Cement Limited; 7. Managing Director - Bengal Adhesive and Chemicals Products Ltd.
07.	Md. Shahabuddin	Director	<ol style="list-style-type: none"> 1. Founder and Managing Director of Pacific Associates Ltd.; 2. Managing Director- Shahabuddin Textile Ltd.; 3. Managing Director- Asiatic Spinning Ltd.
08.	Dilip Kumar Agarwala	Director	<ol style="list-style-type: none"> 1. Managing Director - Diamond World Ltd.; 2. Managing Director - Diamond World BD Ltd.; 3. Managing Director- Prem's Collection Ltd.; 4. Managing Director- Brilliant Diamond Ltd. 5. Managing Director - Najrana Limited; 6. Managing Director – Taradavi Shipping and Sea Trade Ltd.
09.	Dr. Joshoda Jibon Debnath [Representative of Technomedia Limited]	Director	<ol style="list-style-type: none"> 1. Founder - Technomedia LTD, one of the advanced IT supporting companies of Bangladesh; 2. Chairman - Protection One (Pvt.) Ltd.; 3. Chairman - Lenden BD Ltd.; 4. Director - Bangladesh Chamber of Industries (BCI), 5. Director - Plastic Card ID Ltd.; 6. Director - Rajendra ECO Resort; 7. Director - Vibrant Software BD Ltd.; 8. Independent Director - Shampur Sugar Mill Ltd.; 9. Managing Director - Delta Force Ltd.; 10. Managing Director - Pay Union BD Ltd.
10.	Tasmin Mahmud	Director	<ol style="list-style-type: none"> 1. Director - Cotton Dyeing & Finishing Mills Ltd.; 2. Director - Cotton Line (BD) Ltd.; 3. Director - Cotton N Cotton Garments Industries Ltd.; 4. Director - Pacific Cotton Ltd.; 5. Director - BG Tel Limited.
11.	S.M. Faruqi Hasan	Director	<ol style="list-style-type: none"> 1. Chairman & CEO - Protik Developers Ltd.; 2. Chairman & CEO - Protik Bone China Ltd.; 3. Chairman & CEO - Protik Energy & Refinery Ltd.; 4. Chairman & CEO - Protik Logistics Ltd.; 5. Chairman & CEO - Hotel Lake Castle Ltd.; 6. Managing Director & CEO - Protik Ceramics Ltd.
12.	Mr. Md. Iqbal Hossain Chowdhury [Representative of B. Dash Japan Co., Limited.]	Director	<ol style="list-style-type: none"> 1. Chairman- Jams Trading Ltd.; 2. Director- B.Dash Japan Co. Ltd.; 3. Director - JAPASTY Co. Ltd.; 4. Managing Director- Creed Asia BD Co. Ltd.;

Business concern of the Directors...

Sl	Name of the Subscribers	Position/ Designation	Business Concern
13.	Mr. Muhammad Jamaluddin [Representative of KDS Textile Mills Limited]	Director	<ol style="list-style-type: none"> 1. Ex- Managing Director – BAPEX; 2. Ex-Member of Board of Directors - Bangladesh Petroleum Exploration & Production Company Ltd.; (BAPEX); 3. Director - Grameen Shakti.
14.	Rokeya Khatun, FCA [Representative of Imeeyat Apparels Limited]	Director	<ol style="list-style-type: none"> 1. Sharmin Apparels Ltd; 2. Sharmin Fashions Ltd.; 3. Sharaf Embroidery & Printing Ltd.; 4. A M Design Ltd.; 5. A.M. Fashions Ltd.; 6. Ilmeeyat Washing & Dyeing Ind. Ltd.; 7. Ishayat Apparels Ltd.; 8. Ishayat Fashions Ltd.; 9. Sharaf Washing & Dyeing Ind. Ltd.; 10. Sharaf Apparels Ltd.
15.	Khawja Mahtab Uddin [Representative of Starlight Sweaters Limited]	Director	<ol style="list-style-type: none"> 1. Matrix Sweaters Ltd.; 2. Raidha Collections Ltd.; 3. Sultana Sweaters Ltd.; 4. Labib Dyeing Mills Ltd.; 5. Juthi Packaging Industries Ltd.; 6. R & R Agro Complex Ltd.; 7. Nice Cotton Ltd.; 8. Labib Poultry & Fisheries Ltd.
16.	Engr. Md. Abu Noman Howlader	Director	<ol style="list-style-type: none"> 1. Chairman – Bangladesh Building Systems Ltd. 2. Chairman – Xiamen Reflective Insulations Ltd. 3. Chairman – BBS Cables Ltd. 4. Chairman – Nahee Aluminum Composite Panel Ltd. 5. Chairman – BBS Metallurgic Industries Limited.; 6. Chairman – Helix Wire & Cables Industries Ltd. 7. Chairman – Nahee Geo Textile Ind. Ltd. 8. Chairman - BBS Cables Ltd. 9. Chairman - BBS Infrastructure Ltd. 10. Chairman - Nahee SS Pipes Ind. Pvt. Ltd. 11. Chairman - BBS Distribution Ltd. 12. Chairman – Dynamic Cars Ltd.
17.	Bengal Plastics Limited	Director	A concern of Bengal Group of Industries.
18.	Prof. Md. Iftokharul Amin, Ph.D	Independent Director	N/A
19.	ANM Abul Kashem	Independent Director	N/A

Compliance Status of Bangladesh Bank's Guidelines on Corporate Governance

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

1. BRPD Circular No.02 dated 11 February 2024: Formation and responsibilities of Board of Directors (BoD).
2. BRPD Circular No.03 dated 14 February 2024: Appointment and responsibilities of Independent Director(s).
3. BRPD Circular Letter No. 05 dated 25 February 2024: Appointment and responsibilities of Chief Executive Officer (CEO).
4. BRPD Circular Letter No. 19 dated 27 October 2013: Contractual appointment of Advisor and consultant. The summary of the BB guidelines and BGCB compliance thereto are presented below:

1. Formation and responsibilities of Board of Directors (BoD)

SN	Particulars	Compliance Status
1.0	Formation of Board of Directors: Prior approval of Bangladesh Bank before the appointment of new bank directors, as well as dismissal, termination or removal of any director from the post; director's fit & proper criteria; maximum number of directors; appointment of independent directors; appointment of maximum 3(three) members from a family as director.	Complied
1.1	Appointment of New Directors: Every banking company, other than specialized banks, at the time of taking prior approval from Bangladesh Bank for appointing/reappointing directors should furnish the following documents along with the application:	
	a. Personal information of the nominated person	Complied
	b. Nominated person's declaration	Complied
	c. 'Declaration for confidentiality' by the nominated person	Complied
	e. In case of independent director, a declaration of the directors' concern	Complied
	f. CIB report of the nominated person	Complied
	g. Updated list of Directors	Complied
1.2	Vacation of office of Director:	
	(a) The office of director shall be vacated according to the instructions specified in section 108(1) of the Companies Act, 1994. Besides, when a bank director becomes defaulter and does not repay the loan within two months after getting a notice under the section 17 of the Bank Company Act, 1991; provides false statement at the time of appointment; or fails to fulfill the minimum eligibility criteria, the office of the director will be vacated.	No such case
	(b) If the office of a director is vacated by a notice under the section 17 of the Bank Company Act, the person will not be eligible to become a director of the bank or any other bank or any financial institution for one year from the date of repayment of the total amount due to the bank. It is mentionable here that the dues can be adjusted with the shares held by the director in that bank. When a director receives a notice under section 17 of the Bank Company Act, 1991, he/she can't transfer his/her shares of that bank until he/she repays all the liabilities of the noticed bank or financial institution.	No such case
	(c) Bangladesh Bank can remove a director or chairman of a bank, except state owned banks, for conducting any kind of activities that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can supersede the Board of a banking company under Section 47 of Bank Company Act, 1991. Section 46 and can supersede the Board of a banking company under Section 47 of Bank Company Act, 1991.	No such case
1.3	Removal of Directors from office: With the prior approval of Bangladesh Bank, a bank director other than specialized banks can be removed from his office for the reason specified in its Articles of Association. For this purpose, the reason and grounds of the dismissal/removal and copy of the decision of the board and list of directors should be submitted to Bangladesh Bank. In this case, the removal will be effective from the date of Bangladesh Bank's approval.	No such case
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. In this context, the following instructions should be followed:	No such case
	(a) Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original director. If there is any exception, the chief executive officer should immediately inform it to Bangladesh Bank.	N/A

SN	Particulars	Compliance Status
	(b) The copy of the decision of the board regarding appointment of alternate director, with original director's probable returning date from abroad should be sent to Bangladesh Bank within 7 days of taking the decision and the director's arrival date must be intimated to Bangladesh Bank immediately after his return.	N/A
	(c) Any loan defaulter or any person who is not eligible to become a director as per any rules & regulation will not be appointed as an alternate director.	N/A
	(d) As appointment of alternate director is a temporary measure; therefore, he/she will not be included in any kind of committee constituted by the board.	N/A
	(e) While in the office, an alternate director or his/her affiliated organization will not get any kind of loan facilities from his 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 & regulations will also be applicable to the alternate director.	N/A
2	Depositor Director: As per appointment of director from depositors is no longer required. But, after complying regulation under sec 15(9) of the Bank Company Act, 1991 (amended up to 2018) bank can consider the tenure of existing depositor director or may appoint them as independent director.	No such case
3	Information regarding Directors: Banks are advised to take the following steps regarding directors information:	
	(a) (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 director.	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 (Board)	
4.1	Responsibilities and Authorities of the Board:	
a)	Work planning and strategic management	
	(i) The board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reformation for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor, at quarterly rests, the development of implementation of the work-plans.	Complied
	(ii) The board shall have its analytical review incorporated in the Annual Report as regards to the 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 & officers immediate two tiers below the CEO, and have it evaluated from time to time.	
b)	Credit and risk management	
	(i) The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof shall be made with the board's approval under the purview of the existing laws, rules and regulations. The board 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, direct or indirect, 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 board shall monitor the compliance of the guidelines of Bangladesh Bank regarding key risk management.	

SN	Particulars	Compliance Status
c)	Internal Control Management	
	The board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard 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 the reports submitted by its audit committee at quarterly rests regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.	Complied
d)	Human Resources (HR) Management and Development	
	<p>(i) Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the board. The chairman or the directors shall in no way involve themselves or 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 board of directors shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer & punishment of the officers immediate two tiers below the CEO shall, however, rest upon the board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion.</p> <p>(ii) The board shall focus its special attention to the development of skills 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 board shall get these programs incorporated in its annual work plan.</p> <p>(iii) The board will compose Code of Ethics for every tier and they will follow it properly. The board will promote healthy code of conducts for developing a compliance culture.</p>	<p>Complied.</p> <p>BGCB Board reviews HR Policy from time to time.</p>
e)	Financial Management	
	<p>(i) The annual budget and the statutory financial statements shall be finalized with the approval of the board. It shall at quarterly rests review/monitor the positions in respect of bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.</p> <p>(ii) The board shall 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 of expenditures 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 adopted with the approval of the board.</p> <p>iii) The board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.</p>	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 board of directors is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The Board of directors will appoint a suitable CEO with the approval of the Bangladesh Bank.	Complied
g)	Other responsibilities of the Board: The board should follow and comply with the responsibilities assigned by Bangladesh Bank.	<p>Complied.</p> <p>The Board of Directors comply with the required instruction Circulated by Bangladesh Bank.</p>

SN	Particulars	Compliance Status
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 Board:	
	(a) As the chairman of the board of directors or chairman of any committee formed by the board 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 board. 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 board or the executive committee and if deemed necessary, with the approval of the board, 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 Bangladesh Bank through the board along with the statement of the CEO.	Complied
	(c) The chairman may be offered an office-room, a personal secretary/assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business-interest of the bank subject to the approval of the board.	Complied
5	Formation of Supportive Committees of the Board: Each bank company can form 1(one) executive committee, 1(one) audit committee and 1(one) risk management committee with the directors. Board can't form any other permanent, temporary or sub-committee except the above mentioned three committees.	Complied
5.1	Executive Committee (EC): Executive committee should be formed with the members of the board to continue the urgent and daily or routine works between the intervals of two board meetings. Executive committee will perform according to their terms of reference determined by the board of directors.	Complied
a)	Organizational structure:	
	i. Members of the committee will be nominated by the Board of Directors from themselves;	Complied
	ii. The Executive Committee (EC) will comprise of maximum 07 (seven) members;	
	iii. Members may be appointed for a 03 (three)-year term of office;	
	iv. Chairman of the Board of Directors can be the chairman of executive committee;	
	v. Company Secretary of the bank will be the Secretary of the executive committee.	
b)	Qualifications of the Members:	
	i. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;	Complied
	ii. Each member should be capable of making valuable and effective contributions in the functioning of the committee;	
	iii. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	

SN	Particulars	Compliance Status
c)	Roles and Responsibilities of the Executive Committee(EC):	
	<ul style="list-style-type: none"> i. The executive committee can decide or can act in those cases as instructed by the Board of Directors that are not specifically assigned on full board through the Bank Company Act, 1991 and other laws and regulations. ii. The Executive Committee can take all necessary decision or can approve cases within power delegated by the Board of Directors. iii. All decisions taken in the Executive Committee should be ratified in the next Board meeting. 	Complied.
d)	Meetings	
	<ul style="list-style-type: none"> i. The executive committee can sit any time as it may deem fit. ii. The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary; iii. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; iv. All decisions/observations of the committee should be noted in minutes. 	Complied.
5.2	Audit Committee: The Board will approve the objectives, strategies and overall business plans of the bank and the Audit Committee will assist the Board in fulfilling its oversight responsibilities. The Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.	Complied
a)	Organizational structure:	
	<ul style="list-style-type: none"> i. Members of the committee will be nominated by the Board of Directors from the directors; ii. The audit committee will comprise of maximum 05 (five) members, with minimum 2(two) Independent Directors; iii. Audit committee will comprise with directors who are not executive committee members; iv. Members may be appointed for a 03 (three) year term of office; v. Company secretary of the bank will be the secretary of the audit committee. 	Complied.
b)	Qualifications of the Member:	
	<ul style="list-style-type: none"> i. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee ; ii. Each member should be capable of making valuable and effective contributions in the functioning of the committee; iii. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks. iv. Professionally Experienced persons in banking/financial institutions specially having educational qualification in Finance, Banking, Management, Economics, Accounting will get preference informing the committee. 	Complied.
c)	Roles and Responsibilities of the Audit Committee	
	i) Internal Control:	
	1. Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;	Complied.

SN	Particulars	Compliance Status
	2. Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS);	
	3. Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;	
	4. Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management.	
	(ii) Financial Reporting:	
	1. Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank;	Complied
	2. Discuss with management and the external auditors to review the financial statements before its finalization.	
	(iii) Internal Audit:	
	1. Audit committee will monitor whether internal audit working independently from the management.	Complied
	2. Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process;	
	3. Examine the efficiency and effectiveness of internal audit function;	
	4. Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.	
	(iv) External Audit	
	1. Review the performance of the external auditors and their audit reports;	Complied
	2. Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not.	
	3. Make recommendations to the board regarding the appointment of the external auditors.	
	(v) Compliance with existing laws and Regulations:	
	Review whether the laws and regulations framed by the regulatory authorities (central bank and other Bodies) and internal regulations approved by the board are being complied with.	Complied
	(vi) Other Responsibilities:	
	1. Submit compliance report to the board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities;	Complied
	2. External and internal auditors will submit their related assessment report, if the committee solicit;	
	3. Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.	
d)	Meetings:	
	1. The audit committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit;	Complied
	2. The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;	

SN	Particulars	Compliance Status
	3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;	
	4. All decisions/observations of the committee should be noted in minutes.	
5.3	Risk Management Committee: To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a risk management committee will be formed. After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks etc.; the risk management committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.	Complied.
a)	Organizational Structure:	
	1. Members of the committee will be nominated by the Board of Directors from themselves;	Complied.
	2. The Risk Management Committee will comprise of maximum 05 (five) members;	
	3. Members may be appointed for a 03 (three) year term of office;	
	4. Company secretary of the bank will be the Secretary of the Risk Management Committee.	
b)	Qualifications of the Member:	
	1. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;	Complied.
	2. Each member should be capable of making valuable and effective contributions in the functioning of the committee;	
	3. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	
c)	Roles and Responsibilities of the Risk Management Committee:	
	i) Risk identification & control policy :	
	Formulation and implementation of appropriate strategies for risk assessment and its control is the responsibility of Risk Management Committee. Risk Management Committee will monitor risk management policies & methods and amend it if necessary. The committee will review the risk management process to ensure effective prevention and control measures.	Complied.
	ii) Construction of organizational structure:	
	The responsibility of Risk Management Committee is to ensure an adequate organizational structure for managing risk within the bank. The Risk Management Committee will supervise formation of separate management level committees and monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication risk including other risk related guidelines.	Complied.
	iii) Analysis and approval of Risk Management policy:	
	Risk management policies & guidelines of the bank should be reviewed annually by the committee. The committee will propose amendments if necessary and send it to the Board of Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary.	Complied.
	iv) Storage of data & Reporting system:	
	Adequate record keeping & reporting system developed by the bank management will be approved by the risk management committee. The committee will ensure proper use of the system. The committee will minute its proposal, suggestions & summary in a specific format & inform the Board of Directors.	Complied.
	v) Monitoring the implementation of overall Risk Management Policy:	

SN	Particulars	Compliance Status
	Risk Management Committee will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.	Complied
	vi) Other responsibilities:	
	1. Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form;	Complied
	2. Comply instructions issued time to time by the controlling Body;	
	3. Internal & external auditor will submit respective evaluation report whenever required by the committee.	
	d) Meetings:	
	1. The risk management committee should hold at least 4 meetings in a year and it can sit any time as it may deem fit;	Complied
	2. The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary;	Complied
	3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;	Complied
	4. All decisions/observations of the committee should be noted in minutes.	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 (CEO)

SN	Particulars	Compliance Status
A	Rules and regulations for appointment of the CEO	
1	Moral Integrity: In case of appointment to the post of CEO, satisfaction in respect of the concerned person should be ensured to the effects that:	
	a) He has not been convicted by any Criminal Court of Law.	Complied
	b) He has not been punished for violating any rules, regulations or procedures/ norms set by any regulatory authority.	
	c) He was not associated with any such company/organization; registration or license of which has been cancelled.	
2	Experience and Suitability:	
	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.	Complied
	b) He must have a Master's degree at minimum from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person.	
	c) In respect of service, the concerned person should have excellent track record of performance.	

SN	Particulars	Compliance Status
	<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	Transparency and financial integrity: Before making appointment as a CEO, satisfaction should be ensured to the effects that:	
	<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	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 Bangladesh Bank:	
	<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 (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ ceiling. Besides, other facilities (e.g., car, fuel, driver etc.), as far as possible, shall have to be converted in the monetary value and thus determining monthly total salary, it shall have to be mentioned in the proposal submitted to Bangladesh Bank. In the proposal, Basic Salary, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount.</p> <p>c. Without improving the bank's major financial indicator like- CAMELS, annual salary increment will not be payable.</p> <p>d. Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the work performance of the current CEO.</p> <p>e. The CEO so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expense, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above.</p> <p>f. The bank shall not pay any income tax for the CEO, i.e., the CEO so appointed shall have to pay it.</p>	Complied
7	Incentive Bonus: The CEO will get incentive bonus subject to paying incentive bonus to all executives/officers/workers of the bank and the said bonus amount will not exceed BDT 15,00,000 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 Bangladesh Bank.	Complied
10	Prior Approval from Bangladesh Bank: Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of Bank Company Act 1991 (amended up to 2023). For processing such approval, along with the proposal signed by the Chairman of the Board, 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 Bangladesh Bank. The selected person must also submit declarations as per Annexure Ka & Annexure Kha to Bangladesh Bank.	Complied

SN	Particulars	Compliance Status
11	Decision of Bangladesh Bank is final: The decision of Bangladesh Bank regarding appointment of the CEO will be treated as final and such appointed CEO cannot be dismissed, released or removed from his/her office without prior approval from Bangladesh Bank.	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:	
	a. In terms of the financial, business and administrative authorities vested upon him by the Board, 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 and/or other relevant laws and regulations in the "Memo" presented to the meeting of the Board or any other Committee (s) engaged by the Board.	Complied
	d. The CEO shall report to Bangladesh Bank of issues in violation of the Bank Company Act 1991 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 Board.	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 Board, he/she shall nominate officers for training etc.	Complied

3. Contractual appointment of Advisor and Consultant

SN	Particulars	Compliance Status
A	Rules and regulations for appointment of an Advisor	
1	Experience and Suitability: For appointment as advisor, the concerned person will have to fulfill the following requirements with regard to experience and qualifications:	No Such Case
	a. Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities.	
	b. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person.	
	c. Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/ Director/ Executive of any company.	
	d. The person who is working in any bank or financial institution or who has business interest in that bank will not be eligible for appointment to the post of Advisor.	
	e. Satisfaction should be ensured that the concerned person is not a loan defaulter or tax defaulter and has never been adjudicated a bankrupt by the Court.	

3. Contractual appointment of Advisor and Consultant

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

Report on the activities of the Audit Committee

Board Audit Committee (the 'Committee') is one of the prime sub-committees of the Board of Directors (the 'Board') of Bengal Commercial Bank PLC. The purpose of the committee is to assist the Board in fulfilling its oversight responsibilities relating to (i) the integrity of the Bank's financial statements and internal control systems (including the implementation and effectiveness of internal control over financial reporting); (ii) the performance of the internal audit function (iii) the annual independent audit of the Bank's financial statements, engagement of independent auditors and evaluation of the independent auditors' qualifications, independence and performance; (iv) the compliance by the Bank with regards to legal and regulatory requirements; (v) the implementation and effectiveness of the Bank's disclosure controls and procedures; (vi) the evaluation of enterprise risk issues and (vii) the fulfillment of the other responsibilities set out by the regulators and the Board of Directors of the Bank.

Composition of Audit Committee

The Audit Committee of the Board of Directors of Bengal Commercial Bank PLC. was constituted in the 1st meeting of the Board of Directors held on March 02, 2020 in compliance with the Bangladesh Bank directives.

The Audit Committee of the Board is comprised of four Members of the Board of Directors including two Independent Directors having one Independent Director as Chairman in accordance with the Notification on Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) on June 03, 2018 (Notification No. BSEC/CMRRCD/2006-158/207/Admin/80) and Bangladesh Bank's BRPD Circular No. 11 dated 27 October, 2013.

The Audit Committee of Bengal Commercial Bank PLC. consist of the following members:

Names	Status with the Board	Status with the Audit Committee	Educational Qualification
Prof. Dr. Md. Iftekharul Amin	Independent Director	Chairman	MBA, PhD
Mr.A.N.M Abul Kashem	Independent Director	Member	M.Sc
Mr.Shamsul Alam	Director	Member	B.Com
Mrs.Rokeya Khatun, FCA	Director	Member	MSS, FCA

The Company Secretary acts as Secretary of the Committee. The Head of Audit, although being a part of Internal Control & Compliance Division administratively, reports directly to the Chairman, Board Audit Committee (BAC) and responsible to the BAC. The Head of Internal Control & Compliance Division (ICCD) of the Bank reports his/her activities and findings to the Senior Management.

Access to the Audit Committee

On any matter within the Committee's Charter, the Head of Audit has direct access to the Audit Committee.

Roles & Responsibility of the Board Audit Committee

The roles and responsibilities of Audit Committee have been defined in line with the relevant provisions of Corporate Governance Guidelines/Notification issued by Bangladesh Bank and BSEC, two paramount regulators for the Bank, and other best practices of governance. The following functions are common recurring activities for the Audit Committee of the Bank in carrying out its responsibilities in addition to any other responsibilities which may be assigned from time to time by the Board:

a. Internal Control

- Evaluate whether the management is establishing an appropriate compliance culture by communicating the importance of internal control and the prudent management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;
- Review the management's actions in computerization of the Bank and its applications and Management Information System (MIS).
- Consider whether the internal control strategies recommended by internal and external auditors have been prudently and comprehensively implemented by the management;
- Consider reports relating to fraud, forgery and deficiencies in internal control or other similar issues (if any) detected by internal and external auditors and inspectors of the regulatory authority and place it before the Board after reviewing whether necessary corrective and remedial measures have been undertaken by the management.
- With governance and supervisory oversight from the Board of Directors, the Audit Committee will put in place policies and procedures to identify, measure, monitor, mitigate and control risk.
- Ensuring review and subsequent monitoring over the Management Letters issued by the statutory auditors.

b. Financial Reporting

- The Audit Committee checks whether the financial statements reflect complete and accurate information and determine whether the statements are prepared in accordance with the existing rules and regulations and standards enforced in the country and as per the relevant financial reporting standards prescribed by Bangladesh Bank;
- Discuss with the inspection team of Bangladesh Bank, external auditors and management of the Bank to review the financial statements before finalization.
- Review the quarterly and half-yearly financial statements with the management before submission to the Board for approval.
- Review statements of significant related party transactions submitted by the management.
- Review the management's discussion and analysis before disclosing in the annual report.

c. Internal Audit

- Monitor/evaluate whether internal audit functions are truly independent.
- Review the activities and the organizational structure of the internal audit and ensure that no unjustified restriction or limitation hinders the internal audit process.
- Review and assess the risk based annual internal audit plan.
- Review the efficiency and effectiveness of internal audit functions.
- Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.

d. External Audit

- Make recommendations to the Board, to be put to shareholders for approval in the AGM, in relation to appointment, re-appointment and removal of the bank's external auditors.
- Oversee the relationship with the external auditors including:
 - Approval of their remuneration, i.e. fees for audit or non-audit services.
 - Assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements.
 - Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the bank (other than in the ordinary course of business).
 - Meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year, without management being present; to discuss their remit and any issues arising from the audit.
 - Review the findings, its' impact and recommendations made by the external auditors for regularization of the lapses and removal of irregularities, if any, detected are duly acted upon by the management.

e. Compliance with existing Laws and Regulations

- Review whether the laws and regulations framed by the regulatory authorities (Bangladesh Bank, BSEC and other bodies) and internal regulations approved by the Board and other authorities (as applicable) have been duly complied with.

f. Other Responsibilities

- Submit a comprehensive compliance report to the Board on a quarterly basis on regularization of the omission, fraud and forgeries and other irregularities (if any) detected by the internal and external auditors and inspectors of regulatory authorities.
- External and internal auditors shall submit their related assessment report, if the committee solicits;
- Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.

Reporting to the Board of Directors

- The Audit Committee regularly reports its activities to the Board of Directors following each meeting.
- The Audit Committee shall report immediately to the Board of Directors in case of any of the following findings are observed:
 - Report on conflict of interests;
 - Suspected or presumed fraud or irregularity or material weakness in the Bank's internal control system;
 - Suspected infringement of laws, including securities related laws, rules and regulations;
 - Any other matter which shall be disclosed to Board immediately.

Reporting to the Authorities

Report anything which has material impact on the financial position and performance of operation.

Meetings of the Audit Committee

Audit Committee Meetings were held regularly as per regulatory requirement.

Major Issues reviewed by the Audit Committee during 2023

In addition to regular concerns such as review of existing risks & mitigation measures, compliance culture of management, monitoring internal audit functions, financial statements, timely submission of returns, findings and recommendations of External Auditors & Bangladesh Bank auditors etc. were given special focus. In the year 2023, the Audit Committee reviewed and discussed the following issues, amongst others:

- Reviewed the ICC Policy of the bank as per guidelines of Bangladesh Bank and unanimously recommended the same for approval of the Board of Directors of the Bank.
- Reviewed the Risk Based Audit/Inspection Plan and Process for the year 2023 and unanimously recommended for approval of the said Risk Based Audit/Inspection Plan and Process to the Board Audit Committee (BAC).
- BAC reviewed the status of Overdue Foreign Bills, Local Bills & Un-repatriated Export Proceeds on regular basis and advised the bank management to establish a strong monitoring system on the same to avoid any financial and reputational loss of the Bank.
- BAC reviewed the Reconciliation status of the adjustment accounts on periodical basis and advised the bank management for ensuring timely reconciliation of all adjustment accounts to minimize the risk of wrongdoing.

- Reviewed the findings reported in the internal audit reports, its subsequent compliances and advised to ensure regular audit on the branches, divisions and to ensure timely compliance thereon. The committee also advised to ensure regular audit, monitoring and compliance specially Anti-Money Laundering & Prevention of Terrorist financing issues with utmost care.
- The Annual Financial Statements as on 31.12.2023 as audited by the External Auditors M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants was reviewed and recommended for placement before the Board of Directors meeting for their consideration.
- Recommended M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants for appointment as External Auditor of the Bank for the year 2023 i.e. up to holding the 4th AGM of the Bank.
- Appointment of External Auditor regarding audit on Health Report of Bengal Commercial Bank PLC. for the year 2022 and advised the Management to forward the recommendation of the Audit Committee for placement before the Board of Directors meeting for final approval.
- Reviewed the compliance status of the inspection report carried out by the Bangladesh Bank's inspection team on the core risks of the bank and also advised to ensure meticulous compliance and timely reporting to the Bangladesh Bank on all types of inspection carried out by the Bangladesh Bank's inspection team.
- Perused and noted the indicators of the Annual Health Report of Bengal Commercial Bank PLC. for the year 2022 and expressed their satisfaction. The Committee also advised the Management to forward the recommendation of the Audit Committee for placement before the meeting of the Board of Directors for approval and onward submission the same to Bangladesh Bank."
- Perused and approved the Risk Based Internal Audit & Inspection Plan and Process for the year 2024. The committee also advised the Management to follow all the methodology with utmost care for better audit and inspection of the affairs of the Bank to maintain the risk grade minimum.

The Audit Committee further Affirmed that

- The rules and regulations of Bangladesh Bank and all other regulatory authorities and Bank's own policy guidelines approved by the Board are duly complied with.
- Adequate internal control and security measures have been taken by the Bank facilitating Information Technology (IT) based banking including generation of proper Management Information System (MIS).

- The system of internal control and business processes have been strengthened including development of human resources towards creation of a compliance culture in the Bank.
- Efforts shall be continued to keep the assets of the Bank safe along with liabilities and commitments being transparent.
- The Financial Statements of the Bank have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) which contained full disclosures.
- The good governance is in place in the Bank to ensure a strong sustainable position in the industry.

Acknowledgement

The Audit Committee expresses its sincere thanks to the members of the Board, Management and Auditors for their outstanding supports extended to the Audit Committee. The Committee is also grateful to Bangladesh Bank and other regulators for the valuable direction and guidance, which facilitated discharging of its duties and responsibilities in an efficient and timely manner.

On behalf of the Board Audit Committee



Prof Md Iftekharul Amin, Ph D
Chairman
Board Audit Committee

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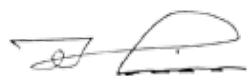
Directors Responsibility Statement to Establish Appropriate System of Internal Control

The Board of Directors of Bengal Commercial Bank PLC. acknowledges its responsibility to establish a robust internal control system and has delegated the overall supervision role to the Audit Committee. The Board of Directors actively reviews internal audit report, external auditor's report including management report and Bangladesh Bank inspection report to ensure compliance and management due diligence. It assesses the qualifications of external auditors and verifies the effectiveness of the Bank's internal control systems, emphasizing continuous risk identification and management.

This control system not only helps the Bank achieve its goals consistently but also ensures compliance with local laws, regulations, and internal/external policies, reducing the risk of unexpected loss or damage. Additionally, Bengal Commercial Bank PLC. conducts anti-fraud control self-assessments twice a year, observing Bangladesh Bank's DOS Circular Letter No. 10 dated 09 May 2017. The results are shared with Bangladesh Bank to confirm our compliance. The details have been discussed in the Directors Report and Corporate Governance Report.

The Directors acknowledge their overall responsibility for the Bank's systems of Internal Control for establishing efficiency, effectiveness, reliability, timeliness, completeness and compliance with applicable laws and regulations.

On behalf of the Board of Directors,



Md Jashim Uddin
Chairman
Board of Directors

Directors Statement on Adequacy of Internal Control System

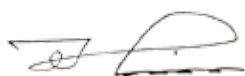
Bengal Commercial Bank PLC. has implemented a strong Internal Control System aimed at ensuring compliance with regulations and upholding sound corporate governance. The Internal Control and Compliance Division conducts periodic audits and ensures adherence to corporate and business laws, as well as established internal policies. The Board of Directors oversee the status of the Bank's governance practices using various tools, including a comprehensive internal control strategy and relevant legislations as provided in the Bank Company Act, 1991, Companies Act, 1994 and various applicable laws.

The Board of Directors has delegated its responsibilities to three sub-committees namely the Executive Committee, Audit Committee and Risk Management Committee. These committees play a crucial role in overseeing accounting records, ensuring accurate and fair financial representation, effective risk management and strengthening internal controls.

Board of Directors monitors the function and effectiveness of the Internal Control System through Board Audit Committee. All the conditions depicted in the Bank Company Act 1991 (as amended up to 2023), Guidelines issued by Bangladesh Bank and Corporate Governance guidelines issued by Bangladesh Securities & Exchange Commission (BSEC) have been properly maintained at the time of formation of the Audit Committee. The principal activity of the Board Audit Committee was to review the financial reporting process, the system of internal control and management of financial risks, the audit process and the bank's process for monitoring compliance with applicable laws and regulations and its own code of business conduct as well as manage the core risks of the Bank.

The Board of Directors reviews internal control's soundness, does continuous monitoring and assures the accuracy of financial records. Financial Statements, prepared on a going concern basis, are considered reliable by the Board, complying with International Financial Reporting Standards (IFRS) and relevant regulatory guidelines.

On behalf of the Board of Directors,



Md Jashim Uddin
Chairman
Board of Directors

BENGAL COMMERCIAL BANK PLC.

Declaration by CEO and CFO

March 31, 2024

The Board of Directors

Bengal Commercial Bank PLC.
Head Office
Khandker Tower
94, Gulshan Avenue, Dhaka -1212.

Subject: Declaration on Financial Statements for the year ended on 31st December 2023

Dear Sirs,

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

- (1) The Financial Statements of Bengal Commercial Bank PLC. for the year ended on 31st December 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our Internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that;

- I. We have reviewed the financial statements for the year ended on 31st December 2023 and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements collectively present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- II. There are, to the best of knowledge and belief no transaction entered into by the Company during the year which is fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Tarik Morshed
Managing Director & CEO



Mohammad Anisur Rahaman, FCA
VP & Chief Financial Officer

Credit Rating Reporting



**BENGAL
COMMERCIAL
BANK**
inspiring growth

Credit Rating

Stable Outlook

Ratings	Year	
	2023	2022
Long Term	A+	A-
Short Term	ST-3 (Good Grade)	ST-3 (Good Grade)
Outlook	Stable	Stable
Valid From	June 09, 2024	October 01, 2023
Valid Till	June 08, 2025	September 30, 2024
Rating Action	Surveillance	Surveillance
Rated By	Credit Rating Information and Services Ltd. (CRISL)	Credit Rating Information and Services Ltd. (CRISL)

A Bank rated A+ in the long term is adjudged to be adequate safety & credit quality and rated "ST-3" in the short term indicates Good certainty of timely payment, short term liquidity is sound and safety is almost like low risk short term obligation. Stable outlook indicates rating is likely to remain unchanged.

A+

Management **Committee**



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graph TD
    Board[Board of Directors] --> Executive[Executive Committee]
    Board --> Risk[Risk Management Committee]
    Board --> Audit[Audit Committee]
    Board --> MD[Managing Director & Chief Executive Officer]
    Board --> BoardSec[Board Secretariat]
    MD -.- BoardSec
    MD --> AMDO[Additional Managing Director & Chief Business Officer]
    MD --> DMO[Deputy Managing Director & Chief Operating Officer]
    AMDO -- Business --> B1[Branches]
    AMDO -- Business --> B2[Sub-Branches]
    AMDO -- Business --> B3[Retail & CMSME Liability Business]
    AMDO -- Business --> B4[Trade Finance & Trade Operations]
    AMDO -- Business --> B5[Cards Business Division]
    AMDO -- Business --> B6[Corporate Business Division]
    AMDO -- Business --> B7[Retail & Micro Credit Business]
    AMDO -- Business --> B8[SME Asset Business Division]
    AMDO -- Business --> B9[Branch Business Division (Credit)]
    AMDO -- Business --> B10[Digital Banking Business]
    AMDO -- Business --> B11[AML & Terrorist Financing Prevention Division]
    DMO -- Operations --> O1[Branches]
    DMO -- Operations --> O2[Sub-Branches]
    DMO -- Operations --> O3[Information Technology Division]
    DMO -- Operations --> O4[Operations Division]
    DMO -- Operations --> O5[Accounts Services]
    DMO -- Operations --> O6[Payment Systems]
    DMO -- Operations --> O7[Policy, Procedure & Process]
    DMO -- Operations --> O8[General Services Division]
    DMO -- Operations --> O9[Card Operations]
    DMO -- Operations --> O10[ADC & Digital Channels Operations]
    DMO --> CRO[Chief Risk Officer (CRO)]
    CRO --> CR[Credit Risk Management]
    CRO --> CR2[Corporate & CMSME Risk]
    CRO --> CR3[Retail & CMSME Risk]
    CRO --> CR4[Risk Mgt. Division]
    CRO --> CR5[Treasury Mid Office]
    CRO --> CR6[Credit Administration]
    CRO --> CR7[Recovery & Monitoring]
    CRO --> MDSec[Managing Director's Secretariat]
    CRO --> ICC[Internal Control & Compliance]
    CRO --> AI[Audit & Inspection]
    CRO --> HR[Human Resources Division]
    CRO --> TFO[Treasury Front Office]
    CRO --> FAD[Finance & Accounts Division]
    CRO --> BC[Brand & Communications]
    CRO --> ID[International Division]
    CRO --> TBO[Treasury Back Office]
    CRO --> OBD[Offshore Banking Division]
  
```


Senior Management Team



Sitting from Left

Engr Md Rafiqul Islam, Ph.D
DMD, COO & CTO
Member

Mr Tarik Morshed
Managing Director & CEO
Chairman

Mr KM Awlad Hossain
AMD & CBO
Member

Mr. Md. Humayun Kabir, FCS
SEVP & Company Secretary
Member

Standing from Left

Mr. Md. Rafiquzzaman
VP & Head of Treasury
Member

Mr Pronab Kumar Roy
SVP & Chief Risk Officer
Member

Mr Md Rashed Rahman
VP & Head of ID
Member

Mr Md Anisur Rahaman, FCA
VP & Chief Financial Officer
Member

Mr. Rafiq Ahmad
SAVP & Head of HRD
Member Secretary

Management Committee



Sitting from Left

Engr Md Rafiqul Islam, Ph.D
DMD, COO & CTO
Member

Mr Tarik Morshed
Managing Director & CEO
Chairman

Mr KM Awlad Hossain
AMD & CBO
Member

Mr Md Humayun Kabir, FCS
SEVP & Company Secretary
Member

Standing from Left

Mr Md Rashed Rahman
VP & Head of ID
Member

Mr K M Zakir Hassan
SAVP & In-Charge, Cards
Member

Mr Mesbahuddin Ahmed
SAVP, IT Division
Member

Ms Navera Alam
VP & Head of Retail
Member

Mr Mohammad Zakir Hossain
VP & Head of CRM
Member

Mr Muhammad Nazmur Rahman
Chowdhury
AVP & Head of Operations
Member

Mr Md Habibullah Sharifi
VP & Head of CAD
Member

Ms Nazia Khanom
EO & In-Charge, Brand & Com.
Member

Mr Md Khomeni Hossain Sabbir
AVP, ICCD
Member

Mr Pronab Kumar Roy
SVP & Chief Risk Officer
Member

Mr Jyotirmoy Chakraborty
SAVP & Head of SME Business
Member

Mr Rafiq Ahmad
SAVP & Head of HRD
Member Secretary

Mr Johary Bin Akhter
AVP & DCAMLCO, AMLD
Member

Mr Md Anisur Rahaman, FCA
VP & Chief Financial Officer
Member

Mr Md Majbah Uddin
SAVP, Corp. Business unit
Member

Mr Md Monzur-A-Moula
SAVP & Head of GSD
Member

Mr Md Anisur Rahman
AVP & Head of Micro Credit
Member

Mr Md Rafiquzzaman
VP & Head of Treasury
Member

Credit Committee



Sitting from Left

Mr KM Awlad Hossain
AMD & CBO
Member

Mr Tarik Morshed
Managing Director & CEO
Chairman

Standing from Left

Mr Md Habibullah Sharifi
VP & Head of CAD
Member

Mr. Md. Rafiquzzaman
VP & Head of Treasury
Member

Mr Md Rashed Rahman
VP & Head of ID
Member

Ms Navera Alam
VP & Head of Retail
Member

Mr Pronab Kumar Roy
SVP & Chief Risk Officer
Member

Mr Md Majbah Uddin
SAVP, Corp. Business unit
Member

Mr Mohammad Zakir Hossain
VP & Head of CRM
Member Secretary

Mr Jyotirmoy Chakraborty
SAVP & Head of SME Business
Member

Central Customer Service & Complaint Management Cell



Sitting from Left

Mr Pronab Kumar Roy
SVP & Chief Risk Officer
Member

Engr Md Rafiqul Islam, Ph.D
DMD, COO & CTO
Member

Mr Md Humayun Kabir, FCS
SEVP & Company Secretary
Focal Point

Standing from Left

Mr Md Khomeni Hossain Sabbir
AVP, ICCD
Member

Mr Md Monzur-A-Moula
SAVP & Head of GSD
Member

Mr Muhammad Nazmur Rahman
Chowdhury
AVP & Head of Operations
Member

Mr Rafiq Ahmad
SAVP & Head of HRD
Member

National Integrity Strategy Implementation Committee



Sitting from Left

Engr Md Rafiqul Islam, Ph.D
DMD, COO & CTO
Member

Mr KM Awlad Hossain
AMD & CBO
Chairman

Mr Md Humayun Kabir, FCS
SEVP & Company Secretary
Member

Standing from Left

Mr Md Khomeni Hossain Sabbir
AVP, ICCD
Member & Focal Point

Mr Rafiq Ahmad
SAVP & Head of HRD
Member

Mr Md Rashed Rahman
VP & Head of ID
Member

Md. Saiful Islam
SVP & Manager Corporate Branch
Member

Asset Liability Committee



Standing from Left

Md. Rafiquzzaman
VP & Head of Treasury
Member Secretary

Mr Md Rashed Rahman
VP & Head of ID
Member

Md. Anisur Rahaman, FCA
VP & Chief Financial Officer
Member

Engr Md. Rafiqul Islam, Ph.D
DMD, COO & CTO
Member

Mr Tarik Morshed
Managing Director & CEO
Chairman

Mr KM Awlad Hossain
AMD & CBO
Member

Ms Navera Alam
VP & Head of Retail
Member

Mr Pronab Kumar Roy
SVP & Chief Risk Officer
Member

Mr Mohammad Zakir Hossain
VP & Head of CRM
Member

Strategic Vision Committee



Sitting from Left

Mr Pronab Kumar Roy
SVP & Chief Risk Officer
Member

Engr Md Rafiqul Islam, Ph.D
DMD, COO & CTO
Member

Mr Tarik Morshed
Managing Director & CEO
Chairman

Mr KM Awlad Hossain
AMD & CBO
Member

Mr Md Humayun Kabir, FCS
SEVP & Company Secretary
Member

Standing from Left

Mr Johary Bin Akhter
AVP & DCAMLCO, AMLD
Member

Mr Md Rashed Rahman
VP & Head of ID
Member

Mr K M Zakir Hassan
SAVP & In-Charge, Cards
Member

Mr Md Majbah Uddin
SAVP, Head of Corp. Buss. Unit
Member

Ms Navera Alam
VP & Head of Retail
Member

Mr Md Habibullah Sharifi
VP & Head of CAD
Member

Mr Mohammad Zakir Hossain
VP & Head of CRM
Member

Mr Muhammad Nazmur Rahman
Chowdhury
AVP & Head of Operations
Member

Mr Md Khomeni Hossain Sabbir
AVP, ICCD
Member

Ms Nazia Khanom
EO & In-Charge, Brand & Com.
Member

Mr Jyotirmoy Chakraborty
SVP, Head of SME Business
Member

Mr Rafiq Ahmad
SAVP & Head of HRD
Member Secretary

Mr Mesbahuddin Ahmed
SAVP, IT Division
Member

Mr Md Anisur Rahaman, FCA
VP & Chief Financial Officer
Member

Mr Md Monzur-A-Moula
SAVP & Head of GSD
Member

Mr Md Anisur Rahman
AVP & Head of Micro Credit
Member

Mr Md Rafiquzzaman
VP & Head of Treasury
Member

Mr. Sheikh Muhammad Zaid Al Fattah
SEO & In-Charge, Retail Sales
Member

Mr Md Masud Rana
FAVP & Head of Micro Credit Buss.
Member

Shariah Supervisory Committee



Janab Mufti Mohammad Muhibullahil Baqee
Chairman



Janab Mufti Dr Md Anwar
Hosain Molla
Co-chairman



Janab Shah Mohammad
Wali Ullah
Member Secretary



Mr Jashim Uddin
Member



Alhaj Mahbubul Alam
Member



Mr Shamsul Alam
Member



Mr Muhammad Jamaluddin
Member



Mr Tarik Morshed
Member

Sustainability **Reporting**



An Overview on Sustainability

Report of BGCB - 2023

This report illustrates how we bring our mission of enabling growth and economic progress to life through our business. We focus on issues that we have determined to be of material¹ importance from an environmental, social and governance (ESG) perspective, which is a broader standard than that used in our financial disclosures. For more information, the Guidelines of Sustainability of Bangladesh Bank incorporate sound governance and risk management frameworks for sustainability and climate-related financial risks and opportunities within their existing risk management frameworks. This will enable them to better understand, identify, assess, monitor and mitigate these risks and provide guidance for sustainability and climate-related financial disclosures. The guideline is to solicit decision-useful, forward-looking information on financial impacts of the entity.

The intended stakeholders for the reports are the primary users of general-purpose financial reports (annual report), i.e. existing and potential investors, lenders and other creditors including development partners.

A Note on Materiality and Forward and Looking Statements. When preparing this report, we referenced the Global Reporting Initiative Universal Standards, the Task Force on Climate-related Financial Disclosures framework as per *IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: Climate-related Disclosure*.

Scope of the Report

This disclosure of BGCB's Sustainability report is the keen to implement leading best practice and has indicated the BGCB's preference to cover all sustainability topics in the reporting requirements. The need to avoid excessive burden on reporting entities, the guideline will be implemented in a phased approach. This approach is enabling the eventual reporting on all sustainability-related financial risks and opportunities but will begin with a stronger focus on climate. *The report is set out a General Requirements for Disclosure of Sustainability-related Financial Information and opportunities, as well as the disclosure of climate-related financial risks and opportunities.*

BGCB's Approaches for Governance in Sustainability:

Good governance is a fundamental principle at BGCB, and we strive to be at the leading edge of best practices. We strive to report on our activities with accuracy and transparency and comply with the laws,

rules and regulations that govern our businesses. Our corporate governance structures, policies and processes promote a culture of accountability and ethical conduct across our firm. The BGCB's Board of Directors has ultimate oversight of our work to identify, assess and integrate the sustainability-related risks and opportunities throughout BGCB, including our climate-related work and talent efforts. The Board receives reports from key personnel on our progress and key issues on a periodic basis. Standing committees of our Board include:

- Audit Committee
- Risk Management Committee etc.

In addition to oversight by the full Board company's sustainability activities, including reviewing our policies and programs for sustainability, climate change, human rights, diversity and other matters, as well as advising on engagement with external stakeholders.

The Risk Management Committee provides oversight of and reviews key risk policies, including those related to environmental, social and climate risk. For more information on the roles and responsibilities of this committee, see the Risk Management Committee charter. The changes being made through the Transformation process will continue to improve our overall governance processes. In 2023, the Council reviewed sustainable finance progress, climate data governance, updates on progress toward our net zero operations goal and our sector target-setting process for emissions reductions in our lending portfolio.

BGCB's Ethics and Business Practices:

We work to maintain the public's trust by adhering to the highest standards of ethical conduct. We ask our colleagues to ensure that their decisions pass three tests: they are in our clients' interests, create economic value and are always systemically responsible. When we do these things well, we make a positive financial and social impact in the communities we serve. Ethics and responsible business practices are among the most material issues for BGCB and our stakeholders. The management's efforts to foster and support the desired culture and promote ethical decision-making within the organization. The committee also oversees efforts to promote diversity and inclusion in the workplace in hiring, retention and staff development practices at BGCB.

BGCB's Approach to Managing Climate Risk:

Our Risk Management function is responsible for identifying, measuring, managing, controlling and reporting risks to the company. BGCB continues to view climate risk as a crosscutting risk under our Enterprise Risk Management Framework, which can manifest in each of the risk categories in our risk taxonomy: Credit, Market, Liquidity, Strategic, Operational, Compliance and Reputation. This year, we finished development of a Climate Risk Management Framework (CRMF), which will promote a globally consistent approach to managing climate risk across BGCB. We are working to embed the CRMF into risk management processes across the bank, as well as relevant policies and standards. In 2023, our climate governance structure continued to evolve as we advanced our Net Zero Plan and made progress on our climate goals. Highlights include the following:

- Expanded our Board of Directors' oversight by incorporating oversight for our climate disclosure risk and controls environment into the charter for the Board of Directors' Audit Committee and climate risk oversight into the charter for the Risk Management Committee.
- Expanded our Climate Risk team and realigned it to be part of the Enterprise Risk Management Function.
- Expanded our Clean Energy Transitions team to include Corporate Banking.
- Established a Head of Net Zero Operations to provide leadership and expertise for our net zero operations commitment

Key Sustainability Highlights IN 2023 of BGCB are-



Biodiversity



Climate Change



Environmental Justice



Operational Footprint



Products and Services with Environmental or Social Benefits



Employee Health and Well-Being



Financial Inclusion



Human Rights



Workforce Diversity



Inclusion and Equal Opportunity



Business Model Resilience




Innovation and Digitization



Systemic Risk Management

BGCB's Stockholders Engagement Strategy in 2023:

	SDG Indicators	BGCB's Responses
Clients and Customers	 	<ul style="list-style-type: none"> Customer Service and Front Desk Officers are responsible for providing top quality service to the Customers. Any complaints/suggestions from Customers are taken seriously by the Management for customers' satisfactions and future development of the Bank. Competitive market Rates are provided to the depositors by ALCO.
Employees	   	<ul style="list-style-type: none"> Arranged in-house training for the development of the employees. Attractive salary packages fixed by the Management in line with Market attractiveness and inflation. Bank invested for Medical & Life insurance for the employees and their families. All the safety measure such as fire alarm system, fire extinguishers are available for the safety of the employees. Provided sick leave and mandatory leave as per the guidelines of Bangladesh Bank. Introduced Bengal HRM (HR & Payroll Management) portal. Rostering maintained as per Guidelines by Bangladesh Bank in Covid-19 Pandemic.
Board & Management		<ul style="list-style-type: none"> Frequent Board/EC/Audit Committee Meeting for Decision Making. Management Committee Meeting as and when required for internal decision making. Business Review Meeting for analyzing the performance and setting target. Making policies by the Management and obtaining approval from Board for smooth operation of the Bank.
Local Communities	   	<ul style="list-style-type: none"> The Bank donated in CSR Activities.

	SDG Indicators	BGCB's Responses
Local Communities	     	<ul style="list-style-type: none"> The Bank donated in CSR Activities.
Government & Regulatory Authorities	 	<ul style="list-style-type: none"> The Management of the Bank is very concern about the Compliance issues. All the reports are sent to regulatory authority in time and accurately as per their requirement. The Bank contributed in Government exchequer in 2021.

CARBON FOOTPRINT MINIMISATION

As per SFD Circular no. 05; dated 30 December, 2020, a carbon footprint is the total amount of greenhouse gas emissions that originates from the production, use and end-of-life of a product or service. It includes carbon dioxide, the gas most commonly emitted by humans and others, including methane, nitrous oxide, and fluorinated gases, which trap heat in the atmosphere, causing global warming.

Bengal Commercial Bank is aware of the impact of its activities on the planet. In this view, the Bank is aiming on promoting sustainable financing and to reduce carbon emissions activities which help to convert into a tradable financial instrument and made carbon reduction a valuable economic commodity.

Key Sources of Carbon Emission

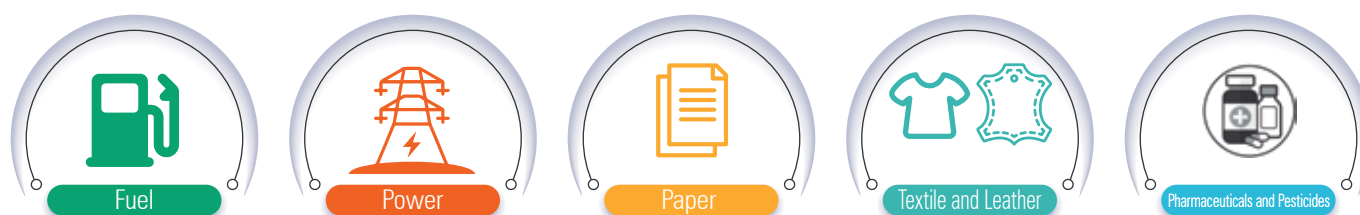


Fig: Sources of Carbon Emission

Our responses to Minimize Carbon Footprint

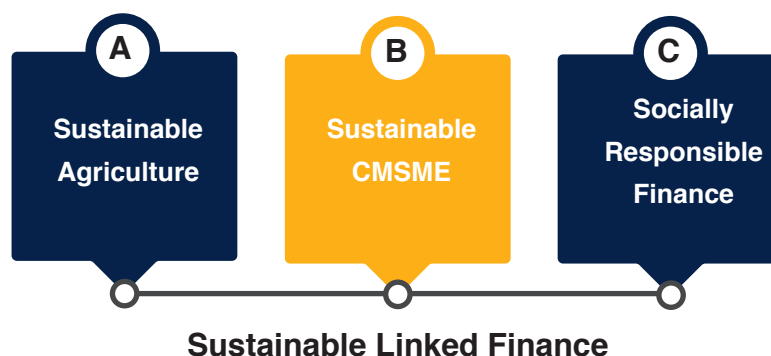
BGCBL is committed to minimize the Carbon footprint by participating actively in carbon markets in various ways:

- Offering advisory services to clients entering or active in carbon markets, including marketing, structuring, transacting, and sales of carbon;
- Offering targeted financing to companies with GHG emission reductions projects and programs that generate a stream of carbon finance income;
- Selling emission reductions in the carbon market which they aggregate and purchase from portfolios of clients with smaller-scale GHG emission reductions projects;
- Making equity investments in companies that originate and transact GHG emission reduction projects and programs that earn carbon finance payments, and
- Receiving emission reductions in addition to interest payments as part of upside-sharing agreed with clients that generate carbon credits.

Sustainable Finance Taxonomy

Sustainable Finance Taxonomy means classification of Sustainable Finance. It is a structured mechanism for identifying and recognizing a product/a project/an initiative belongs to green and other products of Agriculture, CMSME or Socially Responsible Financing Category linked to sustainability. Sustainable Finance Taxonomy includes not only Green Taxonomy but also Sustainable Finance Policy including CSR Policy, Economic and Governance (Good Governance and Green Governance), Green Finance.

Features of Sustainable Finance Taxonomy (As per Sustainable Finance Policy by Bangladesh Bank)



Bengal Commercial Bank PLC is escalating its operation to contribute Sustainable Finance Taxonomy, as per the new SFD Circular No. 06: Sustainable Finance Policy for Banks and Financial Institution; dated 26 December, 2023 by Bangladesh Bank.

A green taxonomy identifies the activities or investments that deliver on environmental objectives, helping drive capital more efficiently toward priority environmentally sustainable projects.

Purpose of green taxonomy

Our First and Foremost purpose of Green Taxonomy is Climate Finance for Sustainability where finance that aims at reducing emissions, and enhancing sinks of greenhouse gases and aims at reducing vulnerability of, and maintaining and increasing the resilience of, human and ecological systems to negative climate change impacts. Green Taxonomy will focus not only on purely green sectors, but also encourages the greening of polluting sectors. The focus is on activities that contribute substantially to environmental objectives. The taxonomy will also include economic activities with a negative impact on the environment, where these activities have substantially reduced their negative impact.

Features of Green Taxonomy



BGCB's Sustainable Finance Unit:

On view of making Bengal Commercial Bank Ltd green, Sustainable Finance Unit has structured and included members to promote green initiatives within the Bank.

Screening:

Setting of screening criteria is essential to avoid significant harm to climate change mitigation and adaptation, environmental and social harmony. The technical screening criteria will determine whether an activity can be considered to substantially contribute to one of the following six environmental objectives and not significantly harm the other environmental objectives.

Six environmental objectives-

- 1) Climate change mitigation

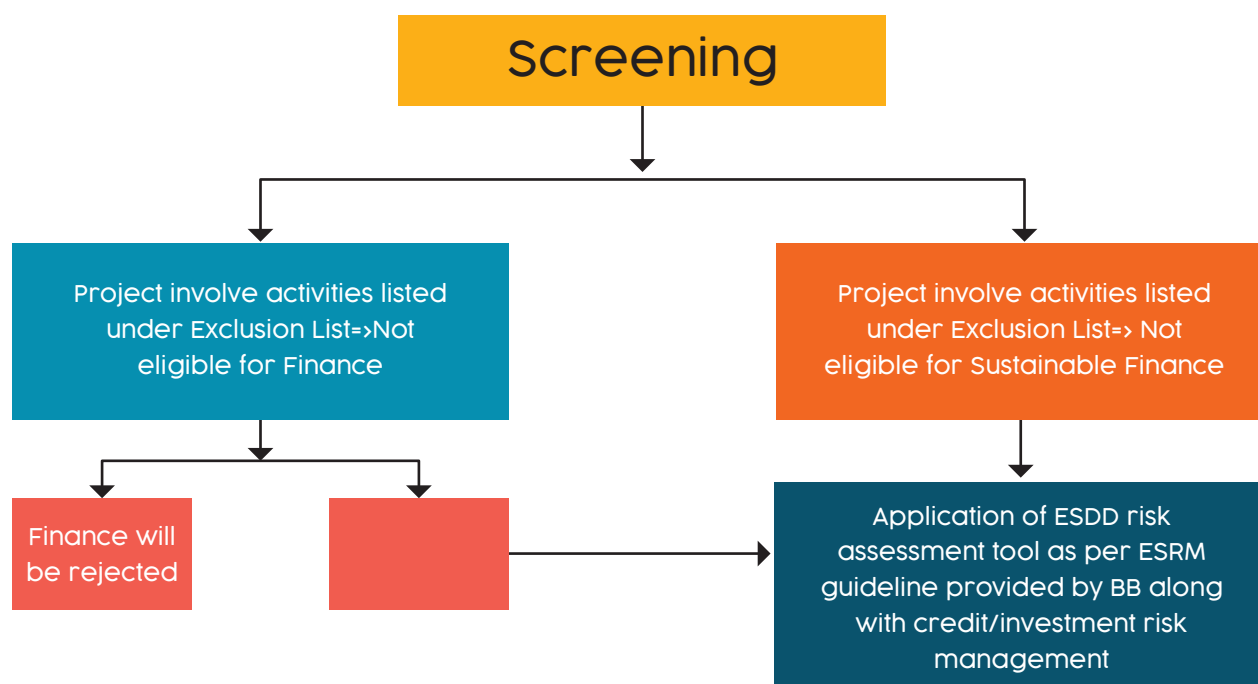
- 2) Climate change adaptation
- 3) Sustainable and protection of water and marine resources
- 4) Transition to a circular economy, waste prevention and recycling
- 5) Pollution prevention and control
- 6) Protection and restoration of biodiversity and healthy ecosystems

Performance thresholds-

- 1) Make a substantive contribution to one of six environmental objectives
- 2) Do No Significant Harm (DNSH) to the other five, where relevant;
- 3) Meet minimum social and governance safeguards

BGCB's Steps of Screening the Sustainability Strength:

All loan proposals will have to be first screened against the exclusion list



Monitoring the BGCB's Sustainability Status:

Monitoring must move on in a structured manner immediate after asset creation by the banks and FIs for the maintenance of the standard quality of the assets. Environmental, Social, Governance Screening is essential for the pre-evaluation of a project with respect to sustainability but the permanence in sustainability will only be ensured if stricter monitoring in both offsite and onsite manner is carried on with regular intervention. The purpose of monitoring a client's ESG performance is to assess existing and emerging ESG risks associated with a client's operations during the transaction. Once a finance proposal has been approved, the Bank/FI needs to monitor the client's ongoing compliance with the ESG clauses stipulated in the legal agreement. The monitoring process generally involves a review of periodic ESG performance reports submitted by the client and regular site visits of the client's operations. Special attention should be paid to:

- i) Assessing implementation of any mitigation measures specified in the corrective action plan
- ii) Monitoring for valid ESG permits or licenses
- iii) Any fines and penalties for non-compliance with ESG regulations
- iv) Recent reports from the relevant regulator or inspection authority confirming compliance with specified laws, including any emissions measurements proving that emissions are below the permitted limits
- v) ESG occurrences including major accidents or incidents associated with a client's operations such as worker injuries and spills
- vi) Media attention to ESG issues related to the client
- vii) Any complaints submitted by stakeholders about a client

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public. Since the year of commercial operation Bengal Commercial Bank PLC. is conducting CSR activities in-compliance with the regulatory requirement.

By practicing Corporate Social Responsibility (CSR), BGCB PLC. is aware of the impact of society, including economic, social, and environmental aspects.

BGCB PLC. is dedicated to integrating social responsibility and community activities into all aspects of our operations. We view Corporate Social Responsibility (CSR) as an imperative to support Bangladesh's development journey and the bank's license to operate.

BGCB PLC. has a distinctive CSR strategy is characterized by its commitment to social and civic initiatives. Instead of engaging in traditional, one-off acts of charity, we put our energy into programs and initiatives that foster enduring positive transformation. By embedding social responsibility into our organizational culture and day-to-day operations, the bank ensures that all aspects of its operations contribute to beneficial society value.

A solid foundation of community assistance activities serves as the foundation of the bank's CSR initiatives. Beyond providing basic relief, these aim to empower individuals, strengthen communities, and promote a future where everyone has a fair chance to succeed. BGCB PLC. strives to promote sustainable and sound societal development through its focus on education, environmental regeneration, and economic empowerment, establishing a reputation as a bank that is highly engaged in community initiatives.

Bangladesh Bank has guided to incur CSR expenditure by a Bank in its current year based on the net profit after tax of the previous year. Despite of Negative Net profit after tax in the year 2022, BGCB PLC. has taken CSR initiatives in the year 2023 for Prime Minister Relief Fund which has little bit of support for substantial social investment and community development initiatives and how they align with our chosen SDGs.

Corporate Social Responsibility (CSR) Policy of BGCB PLC. has furnished on the basis of different circulars published by the Department of Off-Site Supervision, Green Banking & CSR Department and Sustainable Finance Department of Bangladesh Bank from time to time.

Purpose of Corporate Social Responsibility

For the welfare of the country Bengal Commercial Bank PLC. furnished its CSR activities by complying the instructions of Bangladesh Bank. To contribute in the socio-economic development of the country is the main goal of the Bank's CSR Unit. CSR requires engagement with internal and external stakeholders, it enables enterprises to better anticipate and take advantage of fast changing societal expectations and operating conditions. It can therefore drive the development of new markets and create opportunities for growth.

Responsibility for Corporate Social Responsibility

The concept of Corporate Social Responsibility (CSR) is so wide, it includes Human rights, good governance, health, education, security, balance in the environment etc. CSR activities is a social movement and it will help in the development of the backwards people of the country. The responsibilities of CSR are stated below:

- i. Ethical Responsibility;
- ii. Economical Responsibility;
- iii. Social Responsibility;
- iv. Humanitarian Responsibility;
- v. Environmental Responsibility.

Plan of Action for Corporate Social Responsibility

Bengal Commercial Bank PLC. may take the following actions for the CSR activities:

- i. Take action in the ground of Humanity;
- ii. Take action for the healthcare ground;
- iii. Development in the Sports sector,
- iv. Development in the Agricultural sector;
- v. Save the environment from different disaster by Tree Plantation program;
- vi. By constructing dam in the flood affected area, vii. Helping the poor people for accelerate their earning;
- vii. Development in the Human Resource Management.

Administrative infrastructure and Budget Process

1. The Board approved annual CSR activities of the Bank will be functioned by the CSR unit of Bengal Commercial Bank PLC. Internal audit division will follow-up the activities of the CSR Unit. Moreover, the Green Banking & CSR Department and Offsite Supervision Department of Bangladesh Bank will also oversight the overall activities of the CSR Unit.
2. The CSR unit of the Bank will present an Annual CSR Budget to its Board of Directors for approval and the Board will approve the same from the Banks after tax net profit. The proposals for board approval must scrupulously avoid any allocation in favor of any entity directly or indirectly connected with directors, senior management members of the bank or with the members of its CSR unit.
3. The Bank with no after tax net profit surplus may postpone making fresh CSR program expenditure commitments but should continue honoring previous commitments (like educational scholarship for a student's educational course period etc.). CSR engagements in priority sector lending (like agricultural, SME and green financing) should also remain undiminished scale.
4. The Bank shall exercise utmost care in ensuring that the CSR support allocations do not end up siding of abetting financing of militancy and terrorism. Any suspected event of such abuse of CSR assistance must be reported to law enforcement authorities, stopping the CSR assistance forthwith; failure to do so will attract penal proceedings under AMI CFT laws and regulations.

Source of Fund for CSR Activities

The main source of Fund for CSR unit of Bengal Commercial Bank PLC. will be maximum of 10% of the after tax net profit approved by the Board of Directors of the Bank and as prescribed by the Bangladesh Bank.

Sectors for CSR Expenditure

As per Bangladesh Bank's SFD circular no. 01, dated 09 January 2022, followings are the sectors for CSR expenditures by the Bank:

1. Education Sector:

Education and job focused vocational training being crucial in widening advancement opportunities for the underprivileged population segments, around 30% (Thirty percent) of total CSR expenditure may be used in the following fields:

- a) For scholarships/stipends for students from low income family in reputed academic and vocational training institutions, and
- b) For support towards upgrading of facilities in academic and vocational training institutions substantially engaged with students and trainees from the underprivileged rural and urban population segments

Selection processes for scholarships and stipends should elicit enough information to preclude applicants from drawing benefits from multiple banks sources.

2. Healthcare Sector:

Preventive and curative healthcare support assistance for underprivileged population segments comes next in priority, around 30% (Thirty percent) of total CSR expenditure allocation in this area may be appropriate. Support assistances in this area would include direct grants towards costs of curative treatment of poor vulnerable individual patients for expensive treatments, costs of running hospitals and diagnostic centers engaged substantially in treatment of patients from underprivileged population segments, and towards costs of preventive public health and hygiene initiatives like provision of safe drinking water, hygienic toilet facilities for poor households and for floating population in urban areas, and so on.

3. Environment & Climate Change Mitigation & Adoption Sector:

As per circular of Bangladesh Bank at least 20% (Twenty percent) of budgeted CSR fund have to send in the sector of environmental and climate change mitigation & adoption sector, details are stated below:

- a. Tree plantation;
- b. Cyclone center for coastal areas and rehabilitation of the people of the affected area;
- c. Housing program for the affected people in coastal area;
- d. Placement of Solar panel / solar irrigation pump.

4. Other Sector:

The remainder of direct budgetary CSR expenditure allocations 20% (Twenty percent) may be used in such other areas as:

- a. Emergency disaster relief;
- b. Promoting adoption of environmentally sustainable output practices and lifestyles;
- c. Promoting artistic, cultural, literary;
- d. Upgrading facilities and lifesavings equipment's in emergency rescue services like the fire brigades etc;
- e. Infrastructure improvement for disadvantaged communities in remote far flung areas and so forth;
- f. Others.

The CSR unit must have to ensure that the Bank did not approved any CSR amount in the following area:

1. Terrorist Financing;
2. Money laundering;
3. Fund diversion;
4. Controversial organizations;
5. Illegal or Political purpose Fund use;
6. Use of the Fund for Bank or Any employee of the Bank.

Risk Management



1 Risk Management Framework

Risk is inevitable in banking business, as such risk management is part of our culture across the bank. Unlike considering risk exclusively as a vulnerable component, the bank considers risk also as opportunity. The bank manages risk taking limit by formulating risk appetite on yearly basis. The formulation of risk appetite primarily depends on its very own capacity to manage risk as well as on the basis of credibility of the risk to bring along opportunities. Ensuring that we have an effective risk management system in place is key to develop our business and achieving our objectives. Bank's Risk Management Division provide oversight of risk management on an enterprise-wide level through the establishment of the risk strategies, frameworks and policies, with independent assessments and monitoring of all risks challenges. We strived for a simple and practical approach while constantly improving our risk management process and the quality of information it produces. Our key focus areas during the year were:

1. Transformation from practice-based operation for uniform business practices through adoption of policies and procedures.
2. Unlike solo basis we are thriving toward enterprise-wide risk management culture through building awareness and knowledge.
3. Instead of accommodating risk through fresh capital injection, we are managing risk to minimize capital requirement.
4. We are reviewing our risk assessment model through effective back testing to ensure proper alignment with trending risk nature and standard practices.
5. Operational risk management, particularly fraud risk and cyber risk.

2 Risk Management Approach

It is important not only fulfill regulatory requirements but also improve financial and operational performance of the bank's Business. The comprehensive risk management policies and sophisticated risk management processes are required for systematic identification, measurement, monitoring and controlling of all business risks. Bank's overall financial soundness can be measured only by adopting a strong risk management process by communicating concise risk management standards to all concerned officials through adequate policies, directives, operating procedures and training programs. Effective risk management is beyond the regulatory requirement. In a broad sight, risk can be divided into 02 (two) major parts:

- Systematic Risk and
- Non-systematic/Diversifiable Risk.

Systematic risk refers to those risk affect the financial system or market as a whole. On the other hand, Non-systematic risk which belongs to a specific institution but not all participants in the financial market or system. Effective risk management has many benefits like reduction of frequency and severity of losses, safe and sound banking practices and better returns to stakeholders due to lower losses.

The core business of a bank is to manage risk and provide a return to shareholders in line with the accepted risk profile. The default loan in the local banking industry seem to indicate that the banking sector has failed to tend to its core business. In the course of banking operations, banks are invariably faced with different types of risks that may have a potentially adverse effect on their business. Banks are obliged to establish a comprehensive and reliable risk management system, integrated in all business activities and providing for the bank risk profile to be always in line with the established risk propensity.

3 Risk Mitigation Methodology

The success of banking operation largely depends on choosing the best equation between risk and return. This implies that by nature the banking operation is subject to various risks. However, to ensure the sustainability, among all other factors creating value (i.e., return/profit) is a basic requirement for any financial organization. Keeping the uncertainty factor in mind each bank needs to adopt a risk management framework that should be effectively enough to manage all material uncertainties to achieve the goal of the organization.

- The process starts through defining what the organization wants to achieve and the external and internal factors that may influence success in achieving those objectives. This step is called establishing the context and is an essential precursor to risk identification.
- Risk assessment comprises the three steps of risk identification, risk analysis, and risk evaluation. Risk identification requires the application of a systematic process to understand what could happen, how, when, and why.
- Risk analysis is concerned with developing an understanding of each risk, its consequences, and the likelihood of those consequences.
- Risk evaluation involves making decision about the level of risk and the priority for attention through the application of the criteria developed when the context was established.
- Risk treatment is the process by which existing controls are improved or new controls are developed and implemented.

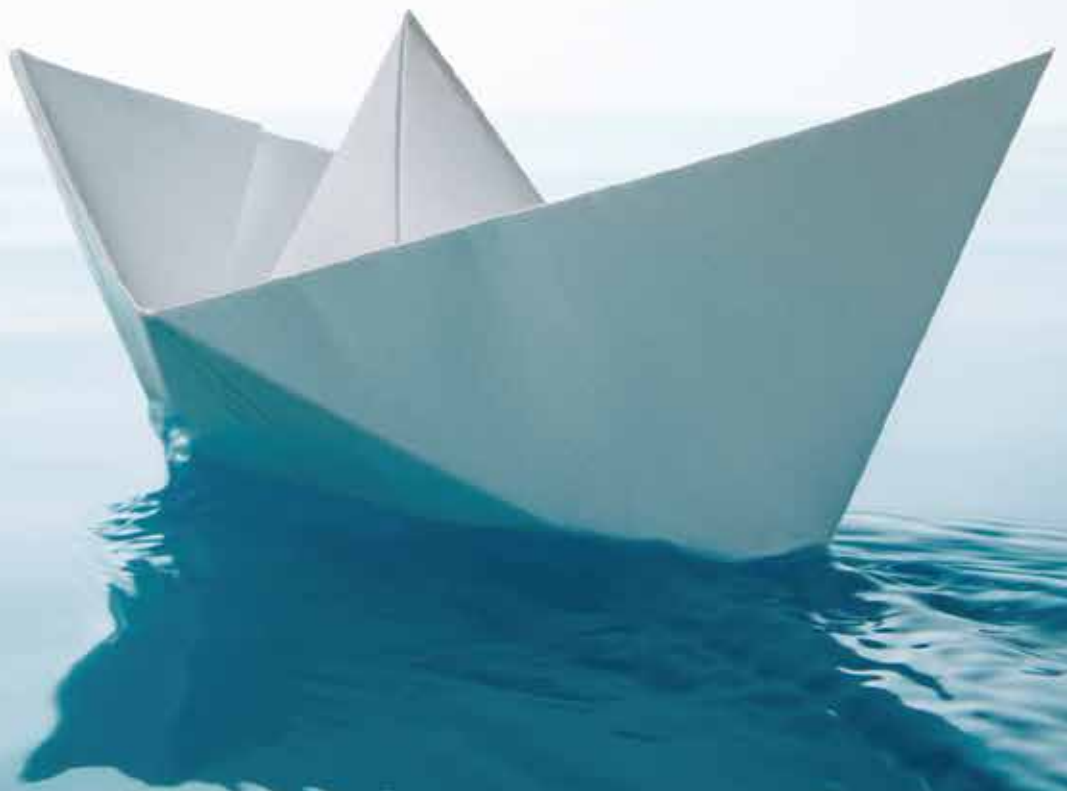
4 Risk Mitigation Approach

The bank has adopted a sound risk mitigation approach to ensure risk exposures within the bank. Risks of the bank are mitigated consistently in line with the Board approved risk appetite statement (RAS) that supports the bank's strategy. The risk mitigation approach sets standardized practices to promote accountability and necessary oversight for the effective management of all these risk types.

5 Risks and Uncertainties facing by the Bank

Risk is inherent in the banking business. When a bank runs on the principle of avoiding all risks, it will be stagnant and will not adequately serve the legitimate needs of the customers. On the other hand, a bank that takes excessive risks is likely to run into difficulty. Banking risks can be sourced in many ways through its activities and it is possible to draw up a long list of the types of risks to which banks are exposed. Bangladesh Bank has identified six core risks for banks and issued policy guidelines for sound management of these core risks that are

central to the functioning of risk management activities. These core risks are Credit Risk, Asset Liability Management Risk, Foreign Exchange Risk, Internal Control & Compliance Risk, Anti Money Laundering (AML) Risk and Information and Communication Technology Risk. On the other hand, as per the Guidelines on Risk-Based Capital Adequacy Framework in line with the Basel-III issued by Bangladesh Bank, risk profile is measured to determine overall risk position of the bank for capital allocation. According to the Basel-III guidelines, three major risks that a bank faces are considered under pillar 1 that are Credit risk, Market risk and Operational risk. In addition to the pillar 1, additional ten risks are also considered under Pillar 2 of the RBCA guidelines through ICAAP that are Residual Risk, Concentration Risk, Interest Rate Risk in Banking Book, Liquidity Risk, Reputational Risk, Strategic Risk, Settlement Risk, Environmental and Climate Changes Risk and Other Material Risk. The details of these principal risks and uncertainties have been described later in this section and also enumerated in the disclosure section of the risk management report.



Disclosures on Risk Based Capital (Basel III)

For the Year Ended on 31 December 2023

1.00 Scope of Application:

Qualitative Disclosure		
a)	The name of the top corporate entity in the group to which this guidelines applies;	Bengal Commercial Bank PLC.
b)	<p>An outline of differences in the basis of consolidation for accounting & regulatory purposes, with a brief description of the entities within the group</p> <p>i) that are fully consolidated,</p> <p>ii) that are given a deduction treatment and</p> <p>iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).</p>	<p>Bengal Commercial Bank PLC. was incorporated on 3 February 2020 as a Public Limited Company under the Companies Act, 1994. The Bank obtained licence from Bangladesh Bank on 23 February 2020 as a scheduled commercial bank and started its commercial operation on 11 March 2021.</p> <p>The principal activities of the bank are to provide all types of commercial banking service to customers through branches, sub-branches, ATMs, corporate, retail and SME units in Bangladesh. As on 31 December 2023 bank had 19 branches (including 3 full fledge Islamic banking branches), 9 sub-branches (including 1 Islamic banking sub-branch) and 7 ATM booths.</p> <p>The disclosure made in the following sections has addressed Bengal Commercial Bank PLC. as a single entity (Solo Basis) as there was no subsidiary as on the reporting date (31 December 2023).</p>
c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Not applicable.

Quantitative Disclosure		
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.

2.00 Capital Structure

Qualitative Disclosure

<p>a)</p>	<p>Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or in Tier 2 Capital.</p> <p>In terms of Section 13 of the Bank Company Act, 1991 (Amended up to date), the terms and conditions of the main features of all capital instruments have been segregated in line with the eligibility criteria set forth vide BRPD Circular No. 18 dated 21 December 2014 [Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel III)] and other relevant instructions given by Bangladesh Bank from time to time. The main features of the capital instruments are as follows:</p> <p>1. Tier 1 Capital (Going-concern capital)</p> <ul style="list-style-type: none"> a) Common Equity Tier 1 (CET 1) b) Additional Tier 1 (AT 1) <p>2. Tier 2 Capital (Gone-concern capital)</p> <p>Common Equity Tier 1 Capital Instruments of Bengal Commercial Bank consists of</p> <ul style="list-style-type: none"> i) Paid-up Capital ii) Statutory Reserve iii) Retained Earnings <p>Currently, bank has no Additional Tier 1 Capital instrument.</p> <p>Tier 2 Capital consists of general provision against unclassified loans and off-balance sheet exposures.</p>
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Quantitative Disclosure

b) The amount of Regulatory Capital as per audited financial statements as of 31 December 2023 are as follows:	
c)	(BDT in million)
d)	
Particulars	Amount
Tier 1 Capital	
Common Equity Tier 1 (CET 1) Capital	
Paid-up Capital	4,500.0
Statutory Reserve	30.1
Retained Earnings	(288.4)
Less: Goodwill and all other Intangible Assets	10.5
Total Common Equity Tier 1 (CET 1) Capital	4,231.2
Additional Tier 1 (AT 1) Capital (ii)	0.0
Total Tier 1 Capital	4,231.2
Tier 2 Capital	
General Provision against unclassified loans	117.1
General Provision against off-balance sheet exposures	40.4
Total Tier 2 Capital	157.5
Total Eligible Capital	4,388.7

3.00 Capital Adequacy

Qualitative Disclosure		
a)	<p>A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.</p>	<p>Bengal Commercial Bank assesses the adequacy of its capital in terms of Section 13 (1) of the Bank Company Act, 1991 (Amended up to date) and instruction contained in BRPD Circular No. 18 dated 21 December 2014 [Guidelines on 'Risk Based Capital Adequacy for Banks' (Revised regulatory capital framework in line with Basel III)] and other relevant rules & regulations issued by Bangladesh Bank from time to time.</p> <p>The Bank computes the capital requirement on the basis of following approaches:</p> <ul style="list-style-type: none"> i) Credit risk: Standardized Approach; ii) Market risk: Standardized Approach; iii) Operational risk: Basic Indicator Approach. <p>The Bank assesses the capital requirement considering the existing size of portfolio, concentration of portfolio to different risk weight groups, asset quality, profit trend etc. The Bank also forecasts the adequacy of capital in terms of its capacity of internal capital generation, maintaining the size of the portfolio, asset quality, conducting credit rating of the borrowers, segregation of portfolio to different risk weight groups etc.</p> <p>Bangladesh Bank vide DOS Circular Letter No. 20 dated 24 July 2023 instructed to maintain 10% of Risk Weighted Assets (RWA) or Taka 5,000 million whichever is higher as Minimum Capital Requirement (MCR) of the bank. As per audited financial statements as on 31 December 2023, 10% of Bank's RWA came to Taka 1,416.7 million. Hence, as per rule, Bank's MCR came to Taka 5,000 million. Against that, as of 31 December 2023, Bank maintained total capital (CET 1/Tier 1 and Tier 2) of Taka 4,388.7 million. As a result, as of the said date, there was a shortfall of Taka 611.3 million (i.e. Taka 5,000 million minus Taka 4,388.7 million).</p> <p>However, Bank's capital to risk-weighted asset ratio (CRAR) as of 31 December 2023 stood at 30.98% (consisting of 29.87% in CET 1 capital and 1.11% in Tier 2 capital) against the regulatory requirement of minimum 12.50% (including 2.5% of Capital Conservation Buffer -CCB).</p> <p>To raise required capital to Taka 5,000 million, Bangladesh Bank extended time till 31 December 2024. To this end, the Board of Directors and the Management are under process to raise paid up capital to Taka 5,000 million and to comply with the MCR well before the BB deadline.</p>

Quantitative Disclosure

b)	Capital requirement for Credit Risk	<p>(BDT in million)</p> <table> <tr> <th>Particulars</th><th>Risk Weighted Assets (RWA)</th><th>Minimum Capital Requirement (MCR)</th></tr> <tr> <td>Credit Risk</td><td></td><td></td></tr> <tr> <td>On-balance sheet</td><td>9,358.1</td><td>935.8</td></tr> <tr> <td>Off-balance sheet</td><td>3,275.0</td><td>327.5</td></tr> <tr> <td>Total</td><td>12,633.1</td><td>1,263.3</td></tr> </table>	Particulars	Risk Weighted Assets (RWA)	Minimum Capital Requirement (MCR)	Credit Risk			On-balance sheet	9,358.1	935.8	Off-balance sheet	3,275.0	327.5	Total	12,633.1	1,263.3						
Particulars	Risk Weighted Assets (RWA)	Minimum Capital Requirement (MCR)																					
Credit Risk																							
On-balance sheet	9,358.1	935.8																					
Off-balance sheet	3,275.0	327.5																					
Total	12,633.1	1,263.3																					
c)	Capital requirement for Market Risk	<p>(BDT in million)</p> <table> <tr> <th>Particulars</th><th>Risk Weighted Assets (RWA)</th><th>Minimum Capital Requirement (MCR)</th></tr> <tr> <td>Market Risk</td><td></td><td></td></tr> <tr> <td>Interest Rate related instrument</td><td>7.9</td><td>0.8</td></tr> <tr> <td>Equities</td><td>609.9</td><td>61.0</td></tr> <tr> <td>Foreign exchange position</td><td>52.6</td><td>5.3</td></tr> <tr> <td>Commodities</td><td>-</td><td>-</td></tr> <tr> <td>Total</td><td>670.3</td><td>67.0</td></tr> </table>	Particulars	Risk Weighted Assets (RWA)	Minimum Capital Requirement (MCR)	Market Risk			Interest Rate related instrument	7.9	0.8	Equities	609.9	61.0	Foreign exchange position	52.6	5.3	Commodities	-	-	Total	670.3	67.0
Particulars	Risk Weighted Assets (RWA)	Minimum Capital Requirement (MCR)																					
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Interest Rate related instrument	7.9	0.8																					
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Foreign exchange position	52.6	5.3																					
Commodities	-	-																					
Total	670.3	67.0																					
d)	Capital requirement for Operational Risk	<p>(BDT in million)</p> <table> <tr> <th>Particulars</th><th>Risk Weighted Assets (RWA)</th><th>Minimum Capital Requirement (MCR)</th></tr> <tr> <td>Operational Risk</td><td>863.9</td><td>86.4</td></tr> <tr> <td>Total</td><td>863.9</td><td>86.4</td></tr> </table>	Particulars	Risk Weighted Assets (RWA)	Minimum Capital Requirement (MCR)	Operational Risk	863.9	86.4	Total	863.9	86.4												
Particulars	Risk Weighted Assets (RWA)	Minimum Capital Requirement (MCR)																					
Operational Risk	863.9	86.4																					
Total	863.9	86.4																					
e)	Total Risk Weighted Assets (RWA)	<p>(BDT in million)</p> <table> <tr> <th>Particulars</th><th>Risk Weighted Assets (RWA)</th><th>Minimum Capital Requirement (MCR)</th></tr> <tr> <td>Credit Risk</td><td>12,633.1</td><td>1,263.3</td></tr> <tr> <td>Market Risk</td><td>670.3</td><td>67.0</td></tr> <tr> <td>Operational Risk</td><td>863.9</td><td>86.4</td></tr> <tr> <td>Total</td><td>14,167.2</td><td>1,416.7</td></tr> <tr> <td>Total regulatory capital</td><td></td><td>4,388.7</td></tr> </table>	Particulars	Risk Weighted Assets (RWA)	Minimum Capital Requirement (MCR)	Credit Risk	12,633.1	1,263.3	Market Risk	670.3	67.0	Operational Risk	863.9	86.4	Total	14,167.2	1,416.7	Total regulatory capital		4,388.7			
Particulars	Risk Weighted Assets (RWA)	Minimum Capital Requirement (MCR)																					
Credit Risk	12,633.1	1,263.3																					
Market Risk	670.3	67.0																					
Operational Risk	863.9	86.4																					
Total	14,167.2	1,416.7																					
Total regulatory capital		4,388.7																					

Quantitative Disclosure												
f)	Total capital, CET1 capital, Total Tier 1 capital and Tier 2 capital ratio for both solo and consolidated basis.	<table><tr><th>Particulars</th><th>Ratio (%)</th></tr><tr><td>Total Capital to Risk-weighted Asset Ratio (CRAR)</td><td>31.0%</td></tr><tr><td>Common Equity Tier 1 Capital Ratio</td><td>29.9%</td></tr><tr><td>Total Tier 1 Capital Ratio</td><td>29.9%</td></tr><tr><td>Tier 2 Capital Ratio</td><td>1.1%</td></tr></table>	Particulars	Ratio (%)	Total Capital to Risk-weighted Asset Ratio (CRAR)	31.0%	Common Equity Tier 1 Capital Ratio	29.9%	Total Tier 1 Capital Ratio	29.9%	Tier 2 Capital Ratio	1.1%
Particulars	Ratio (%)											
Total Capital to Risk-weighted Asset Ratio (CRAR)	31.0%											
Common Equity Tier 1 Capital Ratio	29.9%											
Total Tier 1 Capital Ratio	29.9%											
Tier 2 Capital Ratio	1.1%											
g)	Capital Conservation Buffer (CCB)	<table><tr><th>Particulars</th><th>Ratio (%)</th></tr><tr><td>Required ratio of CCB</td><td>2.5%</td></tr><tr><td>CCB Maintained</td><td>21.0%</td></tr></table>	Particulars	Ratio (%)	Required ratio of CCB	2.5%	CCB Maintained	21.0%				
Particulars	Ratio (%)											
Required ratio of CCB	2.5%											
CCB Maintained	21.0%											
h)	Available Capital under Pillar 2 Requirement	<div>(BDT in million)</div> <table><tr><th>Particulars</th><th>Amount</th></tr><tr><td>Total Eligible Capital [A]</td><td>4,388.7</td></tr><tr><td>Minimum Capital Requirement under Pillar 1 [B]</td><td>5,000.0</td></tr><tr><td>Available Capital for Pillar 2 requirement [C=A-B]</td><td>(611.3)</td></tr></table>	Particulars	Amount	Total Eligible Capital [A]	4,388.7	Minimum Capital Requirement under Pillar 1 [B]	5,000.0	Available Capital for Pillar 2 requirement [C=A-B]	(611.3)		
Particulars	Amount											
Total Eligible Capital [A]	4,388.7											
Minimum Capital Requirement under Pillar 1 [B]	5,000.0											
Available Capital for Pillar 2 requirement [C=A-B]	(611.3)											

4.00 Credit Risk:

Qualitative Disclosure		
a) The general qualitative disclosure requirement with respect to credit risk, including:		
i)	Definitions of past due and impaired (for accounting purposes)	<p>As per relevant guidelines of Bangladesh Bank, the impaired loans and advances are defined on the basis of (i) Objective / Quantitative criteria and (ii) Qualitative judgment. For these purposes, all loans and advances are grouped into four (4) categories namely- (a) Continuous Loan (b) Demand Loan (c) Fixed Term Loan and (d) Short-term Agricultural & Micro Credit.</p> <p>Definition of past due/overdue:</p> <p>i. Any Continuous Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date;</p> <p>ii. Any Demand Loan if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/ overdue from the following day of the expiry date;</p>

Qualitative Disclosure

iii. 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 6 (six) months of the expiry date;

iv. The Short-term Agricultural and Micro-Credit if not repaid within the fixed expiry date for repayment will be considered past due/ overdue after six months of the expiry date.

However, a continuous loan, demand loan or a term loan which will remain overdue for a period of 2 (two) months or more, will be put into the “**Special Mention Account (SMA)**”, the prior status of becoming the Loan into impaired/ classified/ non-performing.

Definition of impaired / classified / non-performing loans and advances are as follows:

Continuous loans are classified as follows:

- **Substandard:** If it is past due/ overdue for 3 (three) months or beyond but less than 9 (nine) months;
- **Doubtful:** If it is past due/ overdue for 9 (nine) months or beyond but less than 12 (twelve) months; and
- **Bad/ Loss:** If it is past due/ overdue for 12 (twelve) months or beyond.

Demand loans are classified as follows:

- **Substandard:** If it remains past due/ overdue for 3 (three) months or beyond but not over 9 (nine) months from the date of expiry or claim by the Bank or from the date of creation of forced loan;
- **Doubtful:** If it remains past due/ overdue for 9 (nine) months or beyond but not over 12 (twelve) months from the date of expiry or claim by the Bank or from the date of creation of forced loan; and
- **Bad/ Loss:** If it remains past due/ overdue for 12 (twelve) months or beyond from the date of expiry or claim by the Bank or from the date of creation of forced loan.

Fixed Term Loans are classified as follows:

- **Substandard:** If the amount of past due installment is equal to or more than 3 (three) months but less than 9 (nine) months; the entire loan will be classified as ‘Sub-standard’;
- **Doubtful:** If the amount of past due installment is equal to or more than 9 (nine) months but less than 12 (twelve) months; the entire loan will be classified as ‘Doubtful’; and
- **Bad/ Loss:** If the amount of past due installment more than 12 (twelve) months, the entire loan will be classified as ‘Bad/Loss’;

Qualitative Disclosure

		<p>Defaulted Loan: Loans have to be treated as defaulted loan as per section 5(GaGa) of the Bank Company Act, 1991 and to be reported accordingly as per formats given in BRPD Circular No-08 dated August 02, 2015. In this regard, a portion of the “Sub-standard (SS)” loans will be reported as defaulted loan.</p> <p>Short-term Agricultural and Micro-credit: The Short-term Agricultural and Micro Credit will be considered irregular if not repaid within the due date as stipulated in the loan agreement. If the said irregular status continues, the credit will be classified as ‘Sub-standard’ after a period of 12 months, as ‘Doubtful’ after a period of 36 months and as ‘Bad/ Loss’ after a period of 60 months from the stipulated due date as per the loan Agreement.</p> <p>Cottage, Micro and Small Credits under CMSME: A Continuous Loan, Demand Loan and Fixed Term Loan will be classified are as under:</p> <ul style="list-style-type: none"> • Substandard: If it is past due/ overdue for 6 (six) months or beyond but less than 18 (eighteen) months; • Doubtful: If it is past due/ overdue for 18 (eighteen) months or beyond but less than 30 (thirty) months; and • Bad/ Loss: If it is past due/ overdue for 30 (thirty) months or beyond.
ii)	Description of approaches followed for specific and general allowances and statistical methods	<p>The Bank follows the relevant Bangladesh Bank guideline for determination of general and specific allowances for loans and advances.</p> <p>Firstly, the base for provision for the unclassified and classified loans are calculated as under:</p> <p>a) Calculation of base for provision for unclassified loans: Outstanding amount <i>less</i> suspended interest, if any;</p> <p>b) Calculation of base for provision for the classified loans, higher of the following two amounts:</p> <ol style="list-style-type: none"> Outstanding amount <i>less</i> suspended interest <i>less</i> value of eligible securities; <i>or</i> 15% of outstanding amount. <p>Secondly, the following rates are applied on base for provision for determination of general and specific allowances for loans:</p>

Qualitative Disclosure

Types of Loans and Advances	Rates of Provision				
	STD	SMA	SS	DF	BL
Consumer Financing (Housing Finance-HF)	1%	1%	20%	50%	100%
Consumer Financing (Professionals)	2%	2%	20%	50%	100%
Consumer Financing (Credit Card)	2%	2%	20%	50%	100%
Consumer Financing (other than HF, Professionals and Credit card)	2%	2%	20%	50%	100%
Loans to Brokerage House, Merchant Banks, Stock Dealers	1%	1%	20%	50%	100%
Small and Medium Enterprise (Medium)	0.25%	0.25%	20%	50%	100%
Small and Medium Enterprise (Cottage, Micro, Small)	0.25%	0.25%	5%	20%	100%
Short Term Agriculture and Micro Credit	1%	1%	5%	5%	100%
Others	1%	1%	20%	50%	100%
Off Balance Sheet Exposure (Other than bills for collection)	1%	N/A			
Off Balance Sheet Exposure (Bills for collection)	0%	N/A			

iii) Discussion of the bank's credit risk management policy

The salient features of the Bank credit risk management policy and procedures are as under:

- i) Credit policy approved by the Board;
- ii) Credit approval delegated properly;
- iii) Independent Credit Risk Management Division for Corporate, Retail and SME portfolio;
- iv) Separate Credit Administration Division;
- v) Credit operations subject to independent Internal Audit;
- vi) Reporting to Board/ Executive Committee/ Risk Management Committee.

Above all, the Risk Management Division is regularly coordinating with the Credit Risk Management Divisions and other Business Units/ Divisions on increasing the collateral coverage, product/ sector specific diversification of credit exposures, single borrower exposures limit, large loan portfolio ceiling as stipulated by Bangladesh Bank, improving the asset quality, conducting credit rating of the borrowers to minimize the capital charge against credit risk of the Bank. Adequate provision is being maintained as per the status of the loan. Status of loans is regularly reported to the Board of Directors/ Risk Management Committee of the Board.

Quantitative Disclosure

b)	Total gross credit risk exposures broken down by major types of credit exposures	<p>Major types of credit exposure as per disclosures in the audited financial statements as of 31 December 2023:</p> <p>(BDT in million)</p> <table> <tr> <th>Particulars</th><th>Outstanding</th><th>Mix (%)</th></tr> <tr> <td>Continuous Loan</td><td>6,791.7</td><td>47.6%</td></tr> <tr> <td>Term Loan</td><td>3,586.6</td><td>25.2%</td></tr> <tr> <td>Demand Loan</td><td>3,800.6</td><td>26.7%</td></tr> <tr> <td>Staff Loan</td><td>45.5</td><td>0.3%</td></tr> <tr> <td>Bill purchased and discounted</td><td>32.1</td><td>0.2%</td></tr> <tr> <td>Total Loans and Advances</td><td>14,256.4</td><td>100.0%</td></tr> </table>	Particulars	Outstanding	Mix (%)	Continuous Loan	6,791.7	47.6%	Term Loan	3,586.6	25.2%	Demand Loan	3,800.6	26.7%	Staff Loan	45.5	0.3%	Bill purchased and discounted	32.1	0.2%	Total Loans and Advances	14,256.4	100.0%																																													
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c)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.	<p>Geographical distribution of credit exposures as per the disclosures in the audited financial statements as of 31 December 2023 are as follows:</p> <p>(BDT in million)</p> <table> <tr> <th>Particulars</th><th>Outstanding</th><th>Mix (%)</th></tr> <tr> <td>Urban</td><td></td><td></td></tr> <tr> <td>Dhaka</td><td>11,953.3</td><td>83.9%</td></tr> <tr> <td>Chattogram</td><td>898.3</td><td>6.3%</td></tr> <tr> <td>Khulna</td><td>-</td><td>-</td></tr> <tr> <td>Sylhet</td><td>-</td><td>-</td></tr> <tr> <td>Barishal</td><td>-</td><td>-</td></tr> <tr> <td>Rajshahi</td><td>10.7</td><td>0.1%</td></tr> <tr> <td>Rangpur</td><td>-</td><td>-</td></tr> <tr> <td>Mymensingh</td><td>-</td><td>-</td></tr> <tr> <td>Sub-total</td><td>12,862.3</td><td>90.2%</td></tr> <tr> <td>Rural</td><td></td><td></td></tr> <tr> <td>Dhaka</td><td>1,094.4</td><td>7.7%</td></tr> <tr> <td>Chattogram</td><td>210.1</td><td>1.5%</td></tr> <tr> <td>Khulna</td><td>-</td><td>-</td></tr> <tr> <td>Sylhet</td><td>-</td><td>-</td></tr> <tr> <td>Barishal</td><td>-</td><td>-</td></tr> <tr> <td>Rajshahi</td><td>8.6</td><td>0.1%</td></tr> <tr> <td>Rangpur</td><td>81.1</td><td>0.6%</td></tr> <tr> <td>Mymensingh</td><td>-</td><td>-</td></tr> <tr> <td>Sub-total</td><td>1,394.2</td><td>9.8%</td></tr> <tr> <td>Total Loans and Advances</td><td>14,256.4</td><td>100.0%</td></tr> </table>	Particulars	Outstanding	Mix (%)	Urban			Dhaka	11,953.3	83.9%	Chattogram	898.3	6.3%	Khulna	-	-	Sylhet	-	-	Barishal	-	-	Rajshahi	10.7	0.1%	Rangpur	-	-	Mymensingh	-	-	Sub-total	12,862.3	90.2%	Rural			Dhaka	1,094.4	7.7%	Chattogram	210.1	1.5%	Khulna	-	-	Sylhet	-	-	Barishal	-	-	Rajshahi	8.6	0.1%	Rangpur	81.1	0.6%	Mymensingh	-	-	Sub-total	1,394.2	9.8%	Total Loans and Advances	14,256.4	100.0%
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d)	Industry or counterparty type distribution of exposures, broken down by major types of credit exposures.	<p>Industry or counterparty type distribution of exposures, broken down by major types of credit exposures as per the disclosures in the audited financial statements as of 31 December 2023 are as follows:</p>																																																																		

Quantitative Disclosure

(BDT in million)

Particulars	Outstanding	Mix (%)
i) Agriculture	170.9	1.2%
ii) Industry	9,203.6	39.2%
Food Manufacturing	1,885.3	13.2%
RMG Industry	427.9	3.0%
Textile Industry	806.5	5.7%
Furniture and Fixtures	4.0	0.0%
Paper and Paper Products	5.0	0.0%
Leather and Leather Products	349.4	2.5%
Rubber And Plastic Industries	192.5	1.4%
Chemical and Chemical Products	557.3	3.9%
Basic Metal Products	519.8	3.6%
Electrical Machinery and Apparatus	33.2	0.2%
Pharmaceutical	211.5	1.5%
Other Manufacturing Industries	3,069.3	21.5%
Others	1,141.8	8.0%
iii) Constructions	828.3	5.8%
iv) Power, Gas, Water and Sanitary Services	1,251.8	8.8%
v) Trade Services	1,037.1	7.3%
vi) Housing Services	274.6	1.9%
vii) Transport, Storage and Communication	13.6	0.1%
viii) Professional and Misc. Services	1,431.0	10.0%
ix) Staff Loan	45.5	0.3%
Total Loans and Advances	14,256.4	100.0%

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

Residual contractual maturity of exposures as per the disclosures furnished in the audited financial statements as of 31 December 2023 are as follows:

(BDT in million)

Particulars	Outstanding	Mix (%)
On demand	623.0	4.4%
Not more than three months	3,705.6	26.0%
Over three months but not more than one year	6,271.8	44.0%
Over one year but not more than five years	2,228.7	15.6%
Above five years	1,427.4	10.0%
Total Loans and Advances	14,256.4	100.0%

Quantitative Disclosure

f) By major industry or counterparty type

i) Amount of impaired loans and if available, past due loans, provided separately (BDT in million)

Particulars	Outstanding	
	NPL	SMA
Continuous Loan	-	-
Term Loan	-	-
Demand Loan	-	-
Short Term Agri and Micro Credit	-	-
Total	-	-

ii) Specific and General Provision (BDT in million)

Particulars	Amount
Specific provision for loans and advances	-
General provision for loans and advances	117.1
General provision for off-balance sheet exposures	40.4
Total	157.5

iii) Charges for specific allowances and charges-off during the year 2023 (BDT in million)

Particulars	Amount
Specific provision for loans and advances	-
General provision for loans and advances	54.8
General provision for off-balance sheet exposures	32.7
Total	87.5

Position of Non-Performing Loans and Advances including bills purchased and discounted of the Bank as per audited financial statements for the year ended 31 December 2023 was as under:

(BDT in million)

Particulars	Amount
Gross Non-Performing Assets (NPAs)	0.00
Non-Performing Assets (NPAs) to Outstanding Loans & advances	0.00%
Movement of Non-Performing Assets (NPAs)	0.00
Opening balance	0.00
Additions/ adjustment during the year (net)	0.00
Closing balance	0.00
Movement of specific provisions for NPAs	0.00
Opening balance	0.00
Add: Provision made during the year	0.00
Less: Write - off	0.00
Add: Recoveries of amounts previously written-off	0.00
Closing balance	0.00

5.00 Equities: Disclosures for Banking Book Positions:

Qualitative Disclosure																															
The general qualitative disclosure requirement with respect to equity risk, including:																															
a)	i) Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons	Investment in equity securities is broadly categorized into two parts: Quoted Securities: These securities are bought and held primarily for the purpose of selling in the future or holding for dividend income, which is reported at cost. Unrealized gains are not recognized in the profit and loss statement. But required provisions are kept for diminution in value of the investment. Unquoted Securities: Investment in non-listed securities is reported at a cost under the cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in non-listed securities.																													
	ii) 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.	As per Bangladesh Bank DOS Circular no. 5 dated 28 January 2009, HFT securities are revalued each week using the marked to market concept and the HTM securities are amortized once in a year according to Bangladesh Bank guidelines. HTM securities are also revaluated if they are reclassified to the HFT category with the Board approval.																													
	<table><tr><th colspan="4">VALUATION & ACCOUNTING OF INVESTMENT</th></tr><tr><th>Investment Class</th><th>Initial Recognition</th><th>Measurement after Recognition</th><th>Recording of changes</th></tr><tr><td>Treasury Bill/Bond (HFT)</td><td>Cost</td><td>Fair Value</td><td>Loss to profit and loss account, gain to revaluation reserve</td></tr><tr><td>Treasury Bill/Bond (HTM)</td><td>Cost</td><td>Amortized Value</td><td>Increase or decrease in value of equity</td></tr><tr><td>Debenture/Bond</td><td>Face Value</td><td>None</td><td>None</td></tr><tr><td>Shares (Quoted)</td><td>Cost</td><td>Lower of cost or market value</td><td>Loss (net) to profit and loss account but no unrealized gain booking</td></tr><tr><td>Prize Bond</td><td>Cost</td><td>None</td><td>None</td></tr></table>			VALUATION & ACCOUNTING OF INVESTMENT				Investment Class	Initial Recognition	Measurement after Recognition	Recording of changes	Treasury Bill/Bond (HFT)	Cost	Fair Value	Loss to profit and loss account, gain to revaluation reserve	Treasury Bill/Bond (HTM)	Cost	Amortized Value	Increase or decrease in value of equity	Debenture/Bond	Face Value	None	None	Shares (Quoted)	Cost	Lower of cost or market value	Loss (net) to profit and loss account but no unrealized gain booking	Prize Bond	Cost	None	None
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Quantitative Disclosure											
b)	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	Values disclosed in balance sheet of investment in share as on 31 December 2023 was as under: <div>(BDT in million)</div> <table><tr><th>Particulars</th><th>Cost Price</th><th>Market Price</th></tr><tr><td>Investment in quoted shares</td><td>355.5</td><td>304.9</td></tr><tr><td>Investment in unquoted shares</td><td>-</td><td>-</td></tr></table>	Particulars	Cost Price	Market Price	Investment in quoted shares	355.5	304.9	Investment in unquoted shares	-	-
Particulars	Cost Price	Market Price									
Investment in quoted shares	355.5	304.9									
Investment in unquoted shares	-	-									

Quantitative Disclosure										
c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period	<div>(BDT in million)</div> <table><tr><th>Particulars</th><th>Amount</th></tr><tr><td>Cumulative realized gains (Loss)</td><td>1.7</td></tr></table>	Particulars	Amount	Cumulative realized gains (Loss)	1.7				
Particulars	Amount									
Cumulative realized gains (Loss)	1.7									
d)	<ul style="list-style-type: none">• Total unrealized gains (losses)• Total latent revaluation gains (losses)• Any amounts of the above included in Tier 2 capital.	<div>(BDT in million)</div> <table><tr><th>Particulars</th><th>Amount</th></tr><tr><td>Total unrealized gain (loss)</td><td>(50.5)</td></tr><tr><td>Total latent revaluation gain (loss)</td><td>-</td></tr><tr><td>Any amounts of the above included in Tier 2 capital</td><td>-</td></tr></table>	Particulars	Amount	Total unrealized gain (loss)	(50.5)	Total latent revaluation gain (loss)	-	Any amounts of the above included in Tier 2 capital	-
Particulars	Amount									
Total unrealized gain (loss)	(50.5)									
Total latent revaluation gain (loss)	-									
Any amounts of the above included in Tier 2 capital	-									
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.	<div>(BDT in million)</div> <table><tr><th>Capital Charge for equities</th><th>Amount</th></tr><tr><td>For Specific Risk</td><td>30.5</td></tr><tr><td>For General Market Risk</td><td>30.5</td></tr><tr><td>Total capital charge</td><td>61.0</td></tr></table>	Capital Charge for equities	Amount	For Specific Risk	30.5	For General Market Risk	30.5	Total capital charge	61.0
Capital Charge for equities	Amount									
For Specific Risk	30.5									
For General Market Risk	30.5									
Total capital charge	61.0									

6.00 Interest Rate Risk in the Banking Book (IRRBB):

Qualitative Disclosure		
a)	The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan repayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.	<p>Interest rate risk has potential impact on the Bank's earnings (Net Interest Income- NII) and net asset values due to changes in market interest rates. Interest rate risk arises when the Bank's principal and interest cash flows (including final maturities), for both On and Off-balance sheet exposures, have mismatched re-pricing dates. The amount at risk is a function of the magnitude and direction of interest rate changes and the size and maturity structure of the mismatch position. The portfolio of assets and liabilities in the banking book sensitive to interest rate changes is the element of interest rate risk.</p> <p>The immediate impact of changes in interest rates is on the Bank's net interest income (difference between interest income accrued on rate sensitive asset portfolio and interest expenses accrued on rate sensitive liability portfolio) for a particular period of time, while the long-term impact is on the Bank's net worth since the economic value of the Bank's assets, liabilities and off-balance sheet exposures are affected.</p> <p>Key assumptions on loan prepayments and behavior of non-maturity deposits:</p> <p>a) Loans with defined contractual maturity are re-priced in the respective time buckets in which it falls as per the loan repayment schedule;</p>

Qualitative Disclosure

		<p>b) Loans without defined contractual maturity are segregated into different time buckets based on the past trend, seasonality, geographical perspective and re-priced accordingly; and</p> <p>c) Non-maturity deposits namely current, saving deposits are segregated into different time buckets on the basis of past trend of withdrawal, seasonality, religious festivals, geographical perspective and re-priced accordingly.</p>
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Quantitative Disclosure

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).	<div>The impact of changes in interest rate for On-balance sheet rate sensitive assets and liabilities as per the audited financial statements as of 31 December 2023 is furnished below:</div> <div>(BDT in million)</div> <table><tr><th>Capital Charge for equities</th><th>3 Months</th><th>6 Months</th><th>1 Year</th></tr><tr><td>Rate sensitive assets [A]</td><td>8,626.9</td><td>4,267.7</td><td>1,966.8</td></tr><tr><td>Rate sensitive liabilities [B]</td><td>9,476.7</td><td>3,490.1</td><td>1,148.6</td></tr><tr><td>GAP [A-B]</td><td>(849.8)</td><td>777.6</td><td>818.2</td></tr><tr><td>Cumulative GAP</td><td>(849.8)</td><td>(72.2)</td><td>746.0</td></tr><tr><td>Interest rate change (IRC) [Note 1]</td><td>1%</td><td>1%</td><td>1%</td></tr><tr><td>Quarterly earnings impact [GAP x IRC]</td><td>(2.1)</td><td>(0.2)</td><td>1.9</td></tr><tr><td>Cumulative earnings impact</td><td>(2.1)</td><td>(2.3)</td><td>(0.4)</td></tr></table> <div>Note 1: Assuming 1% rise in interest rates for both asset and liability portfolio of the Bank and vice-versa.</div>	Capital Charge for equities	3 Months	6 Months	1 Year	Rate sensitive assets [A]	8,626.9	4,267.7	1,966.8	Rate sensitive liabilities [B]	9,476.7	3,490.1	1,148.6	GAP [A-B]	(849.8)	777.6	818.2	Cumulative GAP	(849.8)	(72.2)	746.0	Interest rate change (IRC) [Note 1]	1%	1%	1%	Quarterly earnings impact [GAP x IRC]	(2.1)	(0.2)	1.9	Cumulative earnings impact	(2.1)	(2.3)	(0.4)
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Cumulative earnings impact	(2.1)	(2.3)	(0.4)																															

7.00 Market Risk:

Qualitative Disclosure

a)	i. Views of Board of Directors on trading/ investment activities	<p>The Board approves all policies related to market risk, set limits and reviews compliance on a regular basis. The objective is to provide cost effective funding to finance assets growth and trade related transactions. The market risk covers the followings risks of the Bank's balance sheet:</p> <ul style="list-style-type: none"> i) Interest rate risk; ii) Equity price risk; iii) Foreign exchange risk; iv) Commodity price risk.
	ii. Methods used to measure Market Risk	<p>Standardized Approach has been followed to measure the Market Risk for capital requirement for trading book of the Bank. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for "specific risk" and "general market risk".</p>

Qualitative Disclosure

iii. Market Risk Management system	<p>The Treasury Division of the Bank manages market risk covering liquidity, interest rate and foreign exchange risks with oversight from Assets-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director & CEO. ALCO meets at least once in a month.</p> <p>The Risk Management Division also reviews the market risk parameters on monthly basis and recommends on portfolio concentration for containing the RWA.</p>
iv. Policies and processes for mitigating market risk	<p>There are approved limits for Market risk related instruments both on balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risks. The ALCO of the Bank meets on regular basis to review the prevailing market condition, exchange rate, foreign exchange position and transactions to mitigate foreign exchange risks.</p>

Quantitative Disclosure

b)	The capital requirements for market risk	(BDT in million)	
		The capital requirements for:	Amount
		i) Interest rate risk	0.8
		ii) Equity position risk	61.0
		iii) Foreign exchange risk	5.3
		iv) Commodity risk	-
		Total capital requirement for Market risk	67.0

8.00 Operational Risk:

Qualitative Disclosure

a)	i. Views of Board of Directors on system to reduce Operational Risk	<p>The policy for operational risks including internal control and compliance risk is approved by the Board in line with the relevant guidelines of Bangladesh Bank. Audit Committee of the Board directly oversees the activities of Internal Control and Compliance Division (IC&CD) to protect against all operational risks.</p> <p>As a part of continued surveillance, the Senior Management Team (SMT), Executive Risk Management Committee (ERMC) and Risk Management Division regularly review different aspects of operational risk. The analytical assessment is reported to the Board/ Risk Management Committee/ Audit Committee of the Bank for review and formulating appropriate policies, tool & techniques for mitigation of operational risk.</p>
	ii. Performance gap of executives and staffs	<p>Bengal Commercial Bank has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. BGCB recognizes the importance of having the right people at right positions to achieve organizational goals.</p>

Qualitative Disclosure

iii. Potential external events	There are non-diversifiable external factors that can affect the operations of the business directly or indirectly. BGCB operates its banking business under an umbrella of interconnected socio-economic and political environment where macro-economic conditions, regulatory changes, change in demand, and the status of infrastructure significantly influence the Bank's performance. The Bank has a separate mechanism to address such kinds of events.
iv. Policies and processes for mitigating operational risk	<p>Internal Control and Compliance Division have a key role in identifying and mitigating operational risk. This division works relentlessly under the guidance of the Board Audit committee to manage operational risk issues of the Bank. The audit committee delivers policies and directions from time to time to keep the operational efficiency of the Bank up to the mark. In addition, Bank's Anti- Money laundering activities are headed by CAMLCO and their activities are devoted to protect against all money laundering and terrorist finance related activities.</p> <p>The Central Customer Service & Complaint Management Cell was also engaged in mitigating the operation risks of the Bank. Apart from that, there is adequate check and balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk.</p>
v. Approach for calculating capital charge for operational risk	<p>The Bank follows the Basic Indicator Approach (BIA) in terms of BRPD Circular No. 18 dated 21 December 2014 [Guidelines on 'Risk Based Capital Adequacy for Banks' (revised regulatory capital framework in line with Basel III)]. The BIA stipulates the capital charge for operational risk as a fixed percentage, denoted by α (alpha) of average positive annual gross income of the Bank over the past three years. It also states that if the annual gross income for any year is negative or zero, that should be excluded from both the numerator and denominator when calculating the average gross income. The capital charge for operational risk is enumerated by applying the following formula:</p> $K = [(GI1 + GI2 + GI3) \alpha] / n$ <p>Where:</p> <p>K = the capital charge under the Basic Indicator Approach</p> <p>GI = only positive annual gross income over the previous three years (i.e. negative or zero gross income if any shall be excluded)</p> <p>α = 15 percent</p> <p>n = number of the previous three years for which gross income is positive.</p>

Quantitative Disclosure

b)	The capital requirements for operational risk	(BDT in million)	
		Particulars	Amount
		Gross Income of last 3 years	1,727.7
		Average gross Income	575.9
		15% of average gross income	86.4
		Capital Requirement for Operational Risk	86.4

9.00 Liquidity Ratio:

Qualitative Disclosure		
a)	Views of BOD on system to reduce liquidity Risk	<p>The Board of Directors reviews the liquidity risk of the Bank on quarterly basis while reviewing the Quarterly Financial Statements, Stress Testing Report etc. Besides, the Board also reviews the liquidity position while reviewing the management information system reports on monthly basis.</p> <p>Upon reviewing the overall liquidity position along with the outlook of the Bank funding need, investment opportunity, market/ industry trend, the Board takes its strategic decision regarding deposits, funding, investments, loans as well as interest rates policies etc.</p> <p>The Board of the Bank always strives to maintain adequate liquidity to meet up Bank's overall funding need for the retail depositors, borrowers' requirements as well as maintain regulatory requirements.</p>
b)	Methods used to measure Liquidity Risk	<p>The maintenance of Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) is considered as the fundamental methods/ tools to measure the liquidity position/ risk of the bank.</p> <p>However, under Basel III, the following methods and tools are mandated for measuring the liquidity risk.</p> <p>a) Liquidity Coverage Ratio (LCR): Liquidity Coverage Ratio ensures to maintain an adequate level of stock of high-quality liquid assets that can be converted into cash to meet its liquidity needs (i.e. total net cash outflows) over the next 30 calendar days.</p> <p>b) Net Stable Funding Ratio (NSFR): Net Stable Funding Ratio aims to limit over-reliance on short-term wholesale funding during times of abundant market liquidity and encourage better assessment of liquidity risk across all on- and off-balance sheet items. The minimum acceptable value of this ratio is 100 percent, indicating that, available stable funding (ASF) should be at least equal to required stable funding (RSF).</p> <p>ASF consists of various kinds of liabilities and capital with percentage weights attached given their perceived stability.</p> <p>RSF consists of assets and off-balance sheet items also with percentage weights attached given the degree to which they are illiquid or "long-term" and therefore requires stable funding.</p> <p>In addition to the above, the following measures have been put in place to monitor the liquidity risk management position of the Bank on a continued manner:</p> <ol style="list-style-type: none"> Statutory Liquidity profile (SLP); Advance Deposit Ratio (ADR); Whole sale borrowing capacity; and Maximum Cumulative Outflow (MCO). <p>Besides the above, the following tools are also used for measuring liquidity risk:</p> <ol style="list-style-type: none"> Stress Testing (Liquidity Stress); and Net open position limit

Qualitative Disclosure

c)	Liquidity Risk management system	<p>The liquidity risk is primarily managed by the Treasury Division under oversight of ALCO which is headed by the Managing Director & CEO along with other members of the senior management team. Treasury Division upon reviewing the overall funding requirements on daily basis sets their strategy to maintain a comfortable/ adequate liquidity position taking into consideration of Bank's approved credit deposit ratio, liquid assets to total assets ratio, asset-liability maturity profile, Bank's earning/ profitability as well as overall market behavior and sentiment etc.</p> <p>Apart from the above, Risk Management Division (RMD) also monitors & measures the liquidity risk in line with the Basel III liquidity measurement tools, namely, LCR, NSFR, Leverage Ratio. RMD addresses the key issues and strategies to maintain the Basel III liquidity ratios to the respective division(s) on regular interval.</p>
d)	Policies and processes for mitigating liquidity risk	<p>The Asset-Liability (ALCO) policy leads the process & procedures for mitigation of liquidity risk of the Bank. ALCO works under specific Terms of References (functions) approved by the Board.</p> <p>Treasury Division and ALM desk under regular supervision of Top Management reviews the overall liquidity position of the Bank and takes appropriate strategy, process in line with the industry position for managing liquidity risk of the Bank.</p>

Quantitative Disclosure

e)	(BDT in million)	
Sl. No.	Particulars	As on 31 Dec 2023
i)	Liquidity Coverage Ratio (LCR) [%]	666.5%
ii)	Net Stable Funding Ratio (NSFR) [%]	137.8%
iii)	Stock of High-quality liquid assets (SHQLA)	3,133.6
iv)	Total net cash outflows over the next 30 calendar days	470.2
v)	Available Stable Funding (ASF)	19,963.7
vi)	Required Stable Funding (RSF)	14,492.1

10.00 Leverage Ratio

Qualitative Disclosure

a)	i) Views of Board of Directors on system to reduce excessive leverage	<p>In order to avoid building-up of an excessive on and off-balance sheet leverage in the banking system, a simple, transparent and non-risk-based leverage ratio has been introduced under the Base III framework. Board of Directors of our Bank continuously monitoring the exposure limit of lending, capital strength of our Bank in order to avoid building-up excessive on- and off-balance sheet leverage. Besides, Board Risk Management Committee (BRMC) also reviews the leverage ratio and other liquidity position/ratios while reviewing the comprehensive risk management report on time-to-time.</p>
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Qualitative Disclosure

ii) Policies and processes for managing excessive on and off-balance sheet leverage	To manage excessive leverage, the Bank follows all regulatory requirements for capital, liquidity, commitment, Advance Deposit Ratio (ADR), Maximum Cumulative Outflow (MCO), and other standards set by Bangladesh Bank. The aim is to ensure that the high leverage inherent in banking business models is carefully and prudently managed.
iii) Approach for calculating exposure	<p>For calculating "leverage", the Bank follows the 'Leverage Ratio' approach/ method as suggested by Bangladesh Bank as under</p> $\text{Leverage Ratio} = \frac{\text{Tier-1 Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$

Quantitative Disclosure

b)	(BDT in million)	
	Sl. No.	Particulars
		As on 31 Dec 2023
	i)	Tier -1 Capital (considering all regulatory adjustments)
	ii)	On -balance sheet exposure
	iii)	Off-balance sheet exposure
	iv)	Total exposure after regulatory adjustments
	v)	Leverage ratio (%)
		4,231.2
		22,694.5
		2,757.9
		25,442.0
		16.6%

11.00 Remuneration:

Qualitative Disclosure

a)	Information relating to the bodies that oversee remuneration	<p>Managing Director, Senior Management Team (SMT) & Head of Human Resources Division govern the remuneration related policies and practices in alignment of the Bank's short- & long-term objectives. They play an independent role, operating as an overseer; and if required, makes recommendation to the Board of Directors of the Bank for its consideration and final approval for any remuneration related policy. The main work includes presenting recommendations to the Board regarding remuneration, compensation packages of senior management, incentive schemes and retirement benefits. They also assist the Board of Directors to ensure that all employees are remunerated fairly and get performance-based compensation by ensuring effective remuneration policy, procedures and practices aligned with the Banks' strategy and applied consistency for all employee levels.</p>
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Qualitative Disclosure

b)	Information relating to the design and structure of remuneration processes	<p>BGCB has a flexible compensation and benefits system that helps to ensure pay equity is linked with performance that is understood by employees, and keeps in touch with employee desires and what's converted in the market, while maintaining a balance with the business affordability. The compensation and benefits are regularly reviewed through market and peer group study. The well-crafted total rewards help the Bank to attract, motivate and retain talent that produces desired business results. The structure and level of remuneration are reviewed time to time based on Bank's business performance and affordability. Other than the regular monthly payments and a good number of allowances, BGCB has variety of market-competitive benefits schemes. The various cash and non-cash benefits include; Bank provided chauffeured car facility for top level executives, car maintenance allowance, leave fare assistance, employee car loan facility, festival bonus, noboborsho bonus etc. BGCB also provides long term as well as retirement benefits to employees, like leave encashment, provident fund, benefit under gratuity & superannuation fund etc.</p> <p>The overall objective of the Bank's remuneration policy is to establish a framework for attracting, retaining and motivating employees, and creating incentives for delivering long-term performance within established risk limits.</p>
c)	Description of the ways in which current and future risks are taken into account in the remuneration processes;	<p>The business risk including credit/default risk, compliance & reputational risk are mostly considered when implementing the remuneration measures for each employee/group of employees. Financial and liquidity risk are also considered.</p> <p>Different set of measures are in practice based on the nature & type of business lines/segments etc. These measures are primarily focused on the business target/goals set for each area of operation, branch vis-à-vis the actual results achieved as of the reporting date. The most vital tools & indicators used for measuring the risks are the asset quality (NPL ratio), Net Interest Margin (NIM), provision coverage ratio, credit deposit ratio, cost-income ratio, growth of net profit, as well the non-financial indicators, namely, the compliance status with the regulatory norms, instructions have been brought to all concerned of the Bank from time to time.</p> <p>While evaluating the performance of each employee annually, all the financial and non-financial indicators as per pre-determined set criteria are considered; and accordingly, the result of the performance varies from one to another and thus affect the remuneration as well.</p> <p>No material change has been made during the year 2023 that could the affect the remuneration.</p>

Qualitative Disclosure

d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration;	The Board sets the Key Performance Indicators (KPIs) for the senior management while approving the business target/budget for each year for the Bank and business lines/segments. The management sets the appropriate tools, techniques and strategic planning (with due concurrence/approval of the Board) towards achieving those targets. The most common KPIs are the achievement of loan, deposit and profit target with the threshold of NPL ratio, cost-income ratio, cost of fund, yield on loans, provision coverage ratio, capital to risk weighted asset ratio (CRAR), ROE, ROA, liquidity position (maintenance of CRR and SLR) etc.
e)	Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance;	The Bank pays variable remuneration i.e. annual increment on cash basis with the monthly pay. While the value of longer-term variable part of remuneration i.e. the amount of Provident Fund & Gratuity Fund is made provision on aggregate /individual employee basis; actual payment is made upon retirement, resignation etc. as the case may be, as per rule.
f)	Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms;	<p>A summary of Short-term and Long-term compensation plan are as follows:</p> <p>Total Compensation = Fixed Pay (Salary) + Variable Pay (Bonus) + Variable Pay (Long term incentive).</p> <p>Form of variable remuneration offered by Bengal Commercial Bank:</p> <p>Cash Form:</p> <p>Short-Term Incentive/Rewards</p> <ol style="list-style-type: none"> 1. Yearly fixed and incentive bonus; 2. Yearly increment; 3. Business accomplishment financial award; 4. Car fuel and car maintenance allowance for executives; 5. Cash risk allowance for cashier; 6. Charge allowance for branch manager. <p>Long-Term Incentive/Rewards</p> <ol style="list-style-type: none"> 1. Provident fund; 2. Gratuity; 3. Employee house building loan with minimum interest rate; 4. Provident fund loan with minimum interest rate; 5. Periodically salary review (enhancement) 6. Furniture allowance for executives; <p>Non-Cash Form:</p> <ol style="list-style-type: none"> 1) Short-Term Incentives/Rewards: Accelerate promotion for top talents; 2) Long-Term Incentives/Rewards: Foreign training award;

Quantitative Disclosure

g)	Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member	4 meetings												
h)	i) Number of employees having received a variable remuneration award during the financial year	Nil												
	ii) Number and total amount of guaranteed bonuses awarded during the financial year	Eid -Ul-Fitr Bonus, 296 Employees, BDT. 11.0 million Eid-UI-Azha Bonus, 316 Employees, BDT. 11.7 million												
	iii) Number and total amount of sign-on awards made during the financial year	Nil												
	iv) Number and total amount of severance payments made during the financial year	Details of severance payments during the year 2023 are appended below: <table><tr><th>Type of Severance Payment</th><th>Nos. of employee</th><th>BDT in million</th></tr><tr><td>Leave encashment</td><td>22</td><td>1.4</td></tr></table>	Type of Severance Payment	Nos. of employee	BDT in million	Leave encashment	22	1.4						
Type of Severance Payment	Nos. of employee	BDT in million												
Leave encashment	22	1.4												
i)	i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms	Nil												
	ii)Total amount of deferred remuneration paid out in the financial year	Nil												
j)	Breakdown of amount of remuneration awards for the financial year to show:	i) Fixed and variable remuneration paid in 2023 are as follows: <div>(BDT in million)</div> <table><tr><th>Particulars</th><th>Amount</th></tr><tr><td>Basic salary</td><td>139.4</td></tr><tr><td>Allowances</td><td>291.5</td></tr><tr><td>Festival bonus</td><td>22.7</td></tr><tr><td>Provident fund contribution</td><td>12.0</td></tr><tr><td>Total</td><td>465.6</td></tr></table> ii) Deferred and non-deferred: Nil iii) Different forms used (cash, shares and share linked instruments, other forms): All the remunerations have provided in the form of cash.	Particulars	Amount	Basic salary	139.4	Allowances	291.5	Festival bonus	22.7	Provident fund contribution	12.0	Total	465.6
Particulars	Amount													
Basic salary	139.4													
Allowances	291.5													
Festival bonus	22.7													
Provident fund contribution	12.0													
Total	465.6													

Quantitative Disclosure

k)	Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration	
	i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments	Nil
	ii) Total amount of reductions during the financial year due to ex-posts explicit adjustments	Nil
	iii) Total amount of reductions during the financial year due to ex post implicit adjustments	Nil

Islamic Banking



Islami Banking Manoeuvres of Bengal Commercial Bank PLC. (BGCB)

Islamic financial sector is now considered as a global financial industry in terms of its assets like Islamic banks, Islamic bonds, Islamic mutual fund and Islamic insurance etc. The sector is growing globally based on its risk sharing optimism, inclusiveness and real asset backed transaction features. In line with global trends, Islamic banking in Bangladesh has also been witnessing a robust growth due to strong public demand and policy supports from the Bangladesh Bank.

Bengal Commercial Bank PLC. (BGCB) has set the objectives of the Islami Banking system for not only to provide religiously acceptable financial products and services as alternatives to conventional financial structures but it also aims to contribute to the economic development, facilitate the allocation of resources efficiently and ultimately attaining Social welfare. To achieve these objectives, BGCB has started its Islami Banking Operations by opening two (02) full-fledged Islami Banking Branches i.e., Dilkusha Islami Banking Branch, Dhaka & Agrabad Islami Banking Branch, Chattogram.

Islami Banking Operations is totally different & separate from BGCB Conventional Banking Operations as they conduct their operation on the basis of Islami Shariah Principles. Since inception, the Bank has been maintaining separate system for Islami Banking Operations which is completely separate from Conventional Banking following the standards adopted by "Accounting and Auditing Organization for Islamic Financial Institutions-AAOIFI".

Activities of Islamic Banking Division (IBD):

Islamic Banking has significant contributions towards the growth and economic development of Bangladesh. The system seems progressively attractive and profitable to conventional banks for BGCB's lower Statutory Liquidity Ratio (SLR) and higher Investment-Deposit Ratio (IDR). It is evident that, the system has experienced phenomenal growth and expansion in the country as the deposits and investments have increased significantly over the time.

As per Instruction mentioned in the Guidelines for Islami Banking issued by Bangladesh Bank vide BRPD Circular No.15 dated 09.11.2009, a separate "Islami Banking Division" in Corporate Head Office has been taking up the duties & responsibilities of all works &

day to day activities, formulation of required various Standard Operation Procedures - SOPs & Guidelines related to the Islami Banking Business, Marketing, Product Development, Training of Islami Banking & Finance, Islami Treasury, Regulatory issues, Functioning of Shari'ah Supervisory Committee, Inter Divisional activities, communications & liaison with various apex bodies of regulatory bodies and Islami Banking and any other Internal & External activities.

Shariah Supervisory Committee (SSC)

Islamic Banking Operations of BGCB is conducted under keen supervision of Shariah Supervisory Committee. Shariah Supervisory Committee of BGCB consists of a team of Shariah scholars & experts along with personalities having outstanding strength in Qur'an, Hadith & Fiqh. The Shariah Supervisory Committee meeting held from time to time to review the Islamic Banking activities and provides their expert opinion on various Shariah related issues of Islamic Banking Operations. The Muraqib acts in the Shariah Supervisory Committee Secretariat (SSCS) and helps the Shariah Supervisory Committee for its regular activities.

BGCB Shariah Supervisory Committee (SSC) consists of the following members:

SL	Name	Position In SSC
01	Janab Mufti Mohammad Muhibullahil Baqee	Chairman
02	Janab Shah Mohammad Wali Ullah	Member
03	Janab Mufti Dr. Md. Anwar Hossain Molla	Member
04	Mr. Jashim Uddin	Member
05	Mr. Alhaj Mahbubul Alam	Member
06	Mr. Shamsul Alam	Member
07	Mr. Muhammad Jamaluddin	Member
08	Mr. Tarik Morshed	Member

During the year 2023, (04) four meetings of the Shariah Supervisory Committee were held.

The Members of Shariah Supervisory Committee delivered valuable speech and important suggestions to the bank management as following:

- To take effective steps aiming at gradual development of the employees and customer's awareness about concept and operational methodology of Islamic banking & Shari'ah compliance in Islamic Banking;
- To organize in-depth training courses & workshop on Islami Banking for employees to increase their professional skills;
- To take effective steps aiming at gradual development of Islami Banking awareness among the customers about Shari'ah compliance;
- To continue close monitoring of all investment clients;
- To establish Islami Banking Service Desk at all Branches of the Bank;
- To keep the spirit of Shari'ah high in the days to come;
- To take effective steps for implementation of the recommendations given by the Shari'ah

Supervisory Committee;

- In case of allowing investing in Bai-Sell mode (i.e., Bai-Muajjal & Bai-Salam) bank should ensure proper buying and selling. In case of appointing buying agent importance should be given in the Shari'ah principles;
- To face the current situation and to establish a partnership business model, Mudaraba and Musharaka investment should be introduced in the small scale.
- Investment focus should be given for the socio- economic development of the poor people of the rural area of the country in accordance with corporate, SME & retail clients.
- Conducting sufficient numbers of Shari'ah audit programs;
- Fixing Islamic Banking logo in order to make the Islamic banking branding of BGCB attractive and customer friendly;
- To take necessary steps to implement the 'Maqasid-e-Shari'ah' (i.e., goal and purpose of Islami Shari'ah) in over all activities of the Islami Banking to ensure common welfare of humanity.
- The distribution of profits among Mudarabah depositors must be strictly in accordance with the principles of Islamic Shari'ah.
- The Management and Shari'ah Supervisory Committee should improve their coordination to ensure effective implementation of Shari'ah principles.

- Finally, to take effective initiative for converting existing Bank's conventional activities into the full-fledged Islami Banking.

Activities of Year 2023

During the year 2023 various policy Guideline regarding Islami Banking have been formulated & updated in line with Bangladesh Bank's guidelines for Islami Banking with necessary approval of Management & Board of Directors. The Bank operates Islami Banking through two full functioning branches exclusively designated for this purpose, in compliance with the rules of Islami Shari'ah. Separate Financials have been prepared by following instruction of "Guidelines for Islamic Banking" issued by Bangladesh Bank, vide BRPD Circular No: 15 dated: 09 November, 2009. Islami Banking Division supervises, monitors and looks after all the activities of Islami Banking and comply with the Rules & Principles of Islami Shari'ah as well as those of Regulatory Authorities. Basic information on Islamic banking has briefly discussed below:

Total deposits in Islamic banking branches stood at BDT 489.62 crore at the end of December 2023 with an increase of BDT 166.52 Crore or 51.58% as compared to the end of December 2022.

Total investment of Islamic banking branches stood at BDT 460.43 Crore at the end of December 2023 which increased by BDT 305.41 Crore or 197.00%. Investment-Deposit ratio of the Islamic banks stood at 88.75% at the end of December 2023

Total exports receipts by the Islamic banking branches stood at BDT 26.65 Crore at the end of December 2023, which was higher by BDT 26.14 Crore or 5228% percent in comparison with December 31, 2022.

Total imports by the Islamic banking branches stood at BDT 39.66 Crore at the end of December 2023 which was increased by BDT 38.44 billion or 3203% as comparison with December 31, 2022.

Strategic Plan for 2024

- To strengthen the Digital Financial Services and ensure diversification of products and services by introducing IT based innovative products and engaging alternate delivery channels.
- To emphasize on enhancement of Islamic Banking services through initiating more Islamic Banking Branches and building trust on our Shari'ah practice within the Bank, so that we can fruitfully harvest the benefit of phenomenal growth and expansion of shariah Based banking in Bangladesh.

- We believe in compliance culture. Our philosophy is 'compliance first; profit is its logical consequence'. So, we are reaffirming our commitment towards doing business in compliance with all laws, rules, regulations related to banking as well as the laws of the Country and Shariah.
- To maintain highest quality of customer services by offering best products compatible with customers' need.
- To emphasize on continuation of diversification of credit portfolio in corporate exposure focusing on retail, SME, direct green finance and agriculture loans, SME segment and prioritizing on geographic dispersion.
- To formulate strategies and programmes to develop our human resources more Professionally and skilfully to meet the challenges of ever-changing customer demands and attitudes in the service sector.
- To keep up our Continuous effort for improving internal Shariah governance through strengthening good corporate cultures, motivation, training and supervision at all levels of organisation.
- To confirm efficient and effective Shariah risk management for sustainable business growth.
- Increasing Shariah brand visibility and creating favourable brand image of the bank through distinctive brand positioning in the minds of our prospects and customers is one of our significant priorities for the coming year.



Report On The Shariah Supervisory Committee For The Year Ended On 31st December, 2023:

In the Name of Allah, the Beneficent, the Merciful.

All praise is due to Almighty Allah, the Lord of the Universes and peace and blessing of Allah be upon the Prophet Muhammad (May Allah bless him and grant him peace) and upon his all other descendants and companions

To the Shareholders of the Bengal Commercial Bank PLC.

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

(Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh).

We are pleased to express our appreciation to the Board of Directors, the Managing Director and all the members of the Management Team of Bengal Commercial Bank PLC. for their continuous support. We are grateful to our honorable shareholders and clients for their confidence reposed on us.

Without their confidence and support, we would not be able to perform our duties properly. The Shari'ah Supervisory Committee has participated in different meetings and discussed various issues on Islami Banking activities of the Bank in respect of the Islami Shari'ah Principles & Regulations and provided opinion and necessary directives during the year 2023. Islami Banking

Division of the Bank inspected three Islami Banking Branches of the Bank during the year and submitted their reports to the Shari'ah Supervisory Committee. Irregularities/lapses as detected were reported directly to the Shari'ah Supervisory Committee for information and necessary guidance on remedial measures. Decision of the Committee was disseminated accordingly to the respective branches for compliance / non-recurrence of the irregularities/ lapses.

Mentionable here, duty of the Shari'ah Supervisory Committee is to provide independent opinion & necessary guidelines upon observing and reviewing the activities of the Bank and to conduct Shari'ah related training for the human resources of the Bank and also to make the clients aware of the issues related to Shari'ah compliance. On the other hand, the responsibility of the Islami Banking Branches is to ensure that the businesses are carried out in accordance with the rules and principles of Islami Shari'ah. As per recommendation of Shari'ah Supervisory Committee, Officials performing in Islamic Shari'ah based branches are also evaluated periodically based on their knowledge on basics and updates on Islami Banking. The Shari'ah Supervisory Committee had also discussed/ reviewed and opined on the following issues in their meetings at Bengal Commercial Bank PLC. during 2023:

In compliance with the terms of reference of the Bye Laws of the Bengal Commercial Bank Shari'ah Supervisory Committee (BGCB-SSC), BGCB's has taken various performance analysis of Islami Banking Branches & Sub-branches which is very sustainable for Bank's growth and developments. For the performance evaluation of the Islamic banking in BGCB, the "Banking Efficiency Model" has taken into consideration. Banking Efficiency Model criteria have been developed to measure the efficiency of the Islamic banking system. These five criteria are measured and expressed in terms of ratios for BGCB'S Islami Banking Branches/Sub-branches.

- A. Productive Efficiency.
- B. Operational Efficiency.
- C. Allocative Efficiency.
- D. Distributive Efficiency.
- E. Stabilization Efficiency

On the Basis of above efficiency model we are reviewing the principles and the contracts relating to the transactions and applications introduced by BGCB Islamic Banking during the period from 1st January, 2023 to 31st December, 2023. We have conducted our review on the basis of Shari'ah audit and inspection reports of the Shari'ah Audit team to form our opinion as to whether the BGCB, in its Islamic Banking operations, has complied with Shari'ah rules and principles and also with the specific fatwas, rulings and guidelines issued by us.

In addition to our fatwas, the Muraqibs also followed the Internal Control & Compliance guidelines on Islamic Banking issued by the Bangladesh Bank. Shari'ah non- compliance risk rating of concerned Branches and Windows were 'Low' during the year under report. The Shari'ah Supervisory Committee reviewed the Shari'ah Audit Reports and provided guidelines it deemed necessary for proper Shari'ah compliance.

We also conducted our review which included, on a test basis of each type of transaction, the relevant documentation and procedures adopted by the Bank BGCB Islamic Banking. We planned and performed the review so as to obtain the information and explanation which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that BGCB Islamic Banking has not violated Shari'ah rules and principles.

In our opinion:

- a) The contracts, transactions and dealings entered into by the BGCB Islamic Banking during the year ended on 31st December, 2023 that we have reviewed are in compliance with the Shari'ah rules and principles.
- b) Distribution of profit to the Mudaraba Depositors conforms to the basis in agreed in this ratio the Mudarib (BGCB) & Sahib Al Mall (Amount Holds/ Depositors).
- c) All earnings that have been realized from sources or by means prohibited by Shair'ah rules and principles have not been included in Bank's income;
- d) Transactions with the conventional part of the Bank have been made complying Shari'ah principles. And
- e) We don't pay Zakat of our Depositors and Shareholders. They pay it by themselves.

During the year under report, the BGCB-SSC has advised the Bank on the following Issues:

- a) To take effective steps aiming at creating awareness among the employees and the customers about Shari'ah compliance;
- b) To continue to arrange regular training & workshop on Islamic Banking for the officials of the Bank, for the owners of the Agents Banking and for their Customer Service Officers to increase professional skills for better Shari'ah compliance; And
- c) To continue the practice of obtaining 'Shari'ah clearance' from the Shari'ah division of the Corporate Office before disbursement of Investment Deals in order to maintain highest level of Shari'ah compliance.

The Shari'ah Supervisory Committee appreciated the following steps and initiatives of the Bank during the year for furtherance of Islamic Banking services for:

- a) Conducting sufficient numbers of Shari'ah audit programs; And
- b) Fixing Islamic Banking logo in order to make the Islamic banking branding of BGCB attractive and customer friendly.

May Allah subhanahu wata'la give us strength to achieve His satisfaction through implementation of Shari'ah Principles in every sphere of our life.



Mufti Mohammad Muhibullahil Baqee
Chairman
Shari'ah Supervisory Committee

Integrated **Reporting**



Strategy for Key Business Line

1



Key Stake holder

- Customers
- Shareholders
- Employees
- Regulators
- Society

6



Key Activities

- Deposits & Borrowings
- Investment and Financing
- Digital banking operations
- Treasury functions
- Network expansion

2



Key Resources

- Financial
- Manufactured
- Intellectual
- Human
- Social & Relationship
- Natural

7



Cost Structure

- Profit Expense
- Operating Expense
- Personnel Expense
- Tax Expense
- Default Investment

3



Support Activities

- Risk Management
- Corporate Governance
- Process Re-engineering
- Training & Development of Employees
- R & D

8



Value Propositions

- Client centered innovation
- Expansion of business network
- Maximization of Shareholders Value
- Investing on Human Capital
- Partnering with regulators for mutual benefit
- Fulfilling environmental & social Obligations

4



Customer Segment

- Corporate
- SME
- Retail
- High net worth
- Individuals
- Institutional clients
- Micro Credit & Agriculture

9



Customer Relationships

- Need based product Marketing & Branding
- Customer Awareness
- Customer engagement
- Customer Feedback

5



Channels

- Branch
- ATM
- Internet Banking

10



Revenue Stream

- Interest/Profit Income
- Investment Income
- Treasury Income
- Fees & Commission
- Other Operating Income

Strategy for Key Business Line

Deposits Strategies

- Cross-selling different products and services, including retail to corporate customers.
- Bringing new deposit products to meet the requirements of the customers.
- Conduct deposit campaign to collect deposits, such as the CASA campaign and so on.
- Conduct surveys to identify target groups in search of primarily for low-cost and no-cost deposits (CASA) and onboard them in order to reduce deposit costs.
- In comparison to the competitors, keep an eye on deposit options, rates, and how they are portrayed in the media, including the bank's own website.
- Promote micro-savings through opening no-fee accounts like school banking accounts, farmer accounts, RMG worker accounts, and so on, and thereby contribute to national financial inclusion.
- Take advantages of Exploit the growing rural deposit basket by setting up smaller, low-cost rural branches, subbranches, as well as agent banking outlets.
- Collect short-term deposits to meet short-term investment needs and long-term deposits to cope with long-term investment needs.
- Ensure that priority banking customers receive the services they expect.
- Achieve employee motivation through awarding appreciation letters, cash rewards, and crests for meeting 100% deposit target.
- Emphasize a favorable deposit mix by not sacrificing deposit growth.
- Monitor the bank's liability marketing related MIS for accurate deposit growth forecasting.

Lending/ Investment Strategies

- Focus on those clients who have very good credit ratings.
- Restructure and remodel based on concentration of segment wise investment.
- Focus on retail and SME businesses to reduce the adverse effects of large volume defaults.
- Put more emphasis on existing thrust sectors like CM SME, Agro based industries, leather, frozen food, and the textile industry.
- Build corporate relationships with large investment clients.
- Review and update the bank's lending/ investment policy from time to time to address changes in economic trends.
- Ensure the profitability of the bank by maintaining the spread,

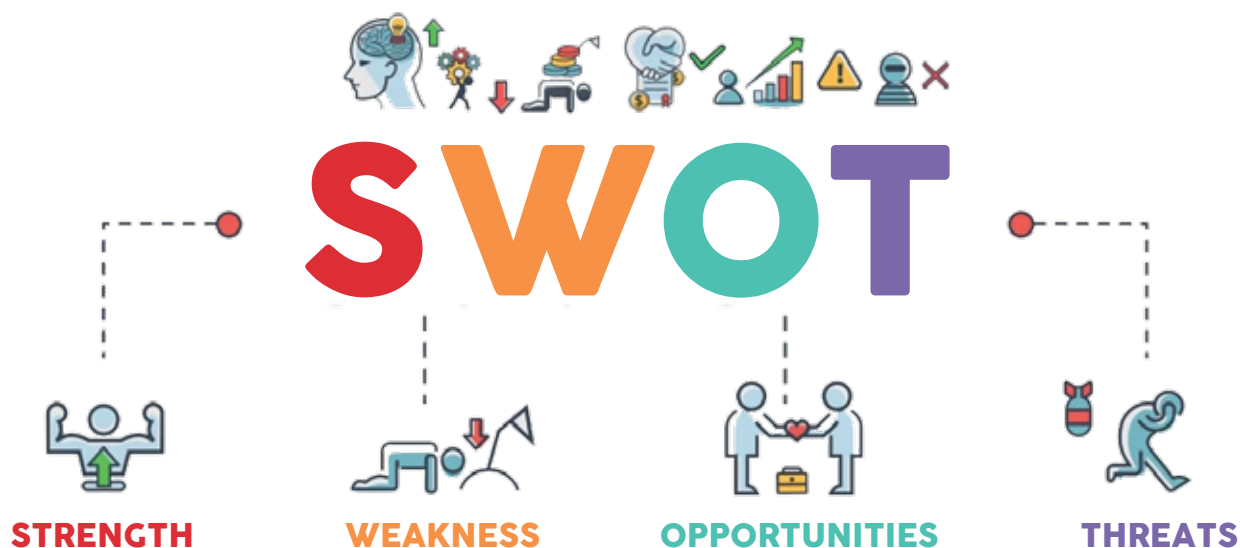
bringing in new customers and enhancing the facilities for existing good customers.

- Increase profitable non-funded businesses like LC, BG, etc and other fees-based business.
- Identify problem loans/ investments through the Early Alert System to take recovery measures.
- Target SME businesses by focusing on backward linkage and forward linkage industries and their supply chains.
- Invest in high-yielding business segments with calculated risk while maintaining a high-quality asset portfolio.
- Ensure investment diversification and minimize investment risk by investing in new and unconventional sectors.
- Put more emphasis on new emerging sectors like the pharmaceutical sector, ICT Sector, Energy & Power Sector, Health Care Sector, Light Engineering and Ceramic Sectors, etc. Finance in green projects for sustainable developments.

Import export strategies

- Open LC at a lower margin to encourage imports for client's proven track records.
- Allow new export-import facilities without collateral for existing and loyal clients.
- Motivate opening LCs to import green products like solar panels and ETP equipment to address the climate change issue.
- Rope-in established business houses and potential clients who have strong entrepreneurial capabilities and have the ability to expand.
- Arrange credit lines for foreign currency from international agencies to facilitate international trade business, particularly with import-clients at competitive rates.
- Concentrate on building a diversified investment portfolio that includes tried-and-tested as well as potential clients in the apparel industry.
- Focus on service export sectors like IT, education, and the healthcare sectors
- Facilitate different schemes provided by the government and foreign bodies for export-import business, such as Cash Incentive, LTFF, EDF, and another Bangladesh Bank and World Bank Refinance, etc.
- Extend export-import services to A-category industrial units in the Export Processing Zones (EPZ) and Economic Zones (EZ) through the Offshore Banking Unit.
- Ensure compliance with local and international norms and standards for exports and imports in accordance with UCPDC, URC, URR, and other similar organizations.

SWOT Analysis



SWOT analysis is a strategic tool that helps to evaluate the strengths, weaknesses, opportunities, and threats of a business or organization. It provides a structured approach to identify and understand the internal and external factors that affect its performance and competitiveness.

Strength

- Strong brand recall through longstanding legacy, with solid track record in financial inclusion, product range, branch/ATM Network, product innovation and digital banking.
- Strong digital-savvy customer base.
- Eminent, experienced and harmonious Board of Directors.
- Competent and Specialist Manpower.
- Unwavering commitment to good governance and compliance structure.
- Strong and consistent business and financial performance.
- One of the lowest cost-income ratio and zero NPL in the banking industry.
- Stable credit rating rated by CRISL

Opportunity

- Strong digital banking focus for enabling scale to reach the unbanked/under banked populations.
- Accelerated digital product and services adoption with maturing ecosystem
- Inclusive banking through digitization.
- Emergence of Islamic Banking.

Weakness

- vigorous changes in banking rules and regulations
- Credit concentration on corporate investment among large corporates.
- The scope for diversifying the sources of revenue is relatively narrow.
- Limited branch network across the country compared to peers.
- High operating cost
- Lack of diversified financial services as like Agent banking, Mobile banking,
- Higher tax rate as the bank is not listed in the capital market.

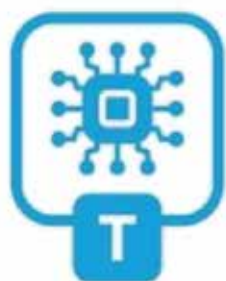
Threat

- Lack of awareness and willingness to adopt digital services at mass-level.
- Intense competition in corporate banking driving focus on retail consumer and MSME financing, thus crowding these spaces too.
- Heightened cyber security threats resulting from rapid digitalization.
- Increased competition through disruptive technology.

PESTEL Analysis



P POLITICAL	E ECONOMIC	S SOCIAL
<p>Factors Political Stability, Legislative Changes, Corruption and Political Interference, Fiscal Policy, Bank Recapitalization, Impact of Political and Country Conflicts, Political Leadership Change</p> <p>BGCB's Approaches Though the political impact is very low, then the BGCB has set plan and execute business strategy with more certainty, reducing the risk of sudden changes in regulations or policies that could negatively impact the Bank's operations or profitability</p>	<p>Factors Interest Rates, Economic Growth, Unemployment Rates, Inflation, Exchange Rates, Consumer Confidence, Housing Market Conditions, Energy Prices, Wage Growth, Commodity Prices, Public Debt Levels.</p> <p>BGCB's Approaches BGCB maintained strong financial performance, including good profitability, liquidity, and capital adequacy, affirmed by CRISL with "A+" long-term rating and "ST-3" short-term rating.</p>	<p>Factors Demographic Changes, Education Levels, Employment Patterns, Environmental Awareness, Family Structures, Lifestyle Trends, Social Networks.</p> <p>BGCB's Approaches BGCB is continuously expanding its network of branches, ATMs, Dropbox, Cash Recycling Machines (CRM), and business centers while safeguarding customer information confidentiality and addressing complaints swiftly.</p>



Technological



Environmental



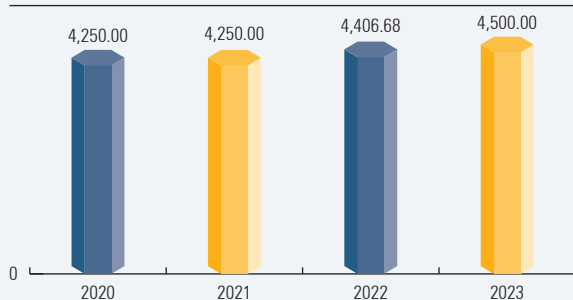
Legal

T TECHNOLOGICAL	E ENVIRONMENTAL	L LEGAL
<p>Factors</p> <p>Artificial Intelligence (AI), Blockchain Technology, Internet of Things (IoT), 5G Technology, Cloud Computing, Big Data Analytics, Cyber security Enhancements, Wearable Technology, Voice and Facial Recognition Technology, Robotics.</p> <p>BGCB's Approaches</p> <p>In BGCB's infrastructure, different Security devices (AI) like Next Generation Anti-virus, Firewall, web application firewall, Email Gateway Devices, PAM etc. by using Artificial Intelligence (AI).</p> <p>BGCB has also implemented various security measures to enhancement of our cyber security like ISO-27001:2022, Network Firewall, Web application Firewall, Anti Bot SDK, Email Security Gateway, Next Generation Anti-Virus, Privilege Access Management (PAM) etc</p>	<p>Factors</p> <p>Climate Change, Renewable Energy Adoption, Carbon Footprint, Green Building Practices Sustainable Agriculture, Energy Efficiency Regulations, Consumer Preferences for Green Products, Corporate Sustainability Practices Environmental Advocacy, Green Technology Innovations</p> <p>BGCB's Approaches</p> <p>BGCB incurring all-out effort to spend in the CSR sector though the bank has no profit yet to date. After all we expect that the bank will be recognized as one of the top ten banks in Sustainability Rating Recognition in future.</p>	<p>Factors</p> <p>Compliance Requirements Labor Laws:, Consumer Protection Laws, Environmental Laws, Data Protection and Privacy Laws, Contract Law, Antitrust and Competition Laws, Securities Law, Bankruptcy Laws, Advertising Laws, Financial Regulations, Insurance Law, Cyber Law.</p> <p>BGCB's Approaches</p> <p>BGCB stands out as one of the most compliant financial institutions in Bangladesh, consistently taking proactive measures in line with the Central Bank's and other regulators requirements.</p>

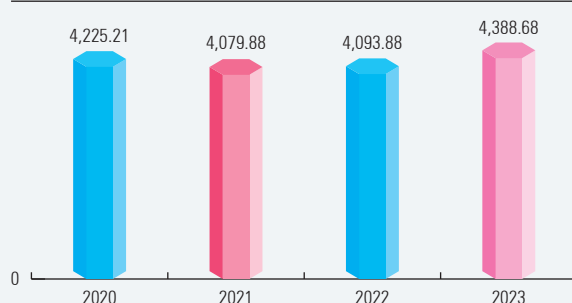
Four Years' Financial Summary

Graphical Presentation

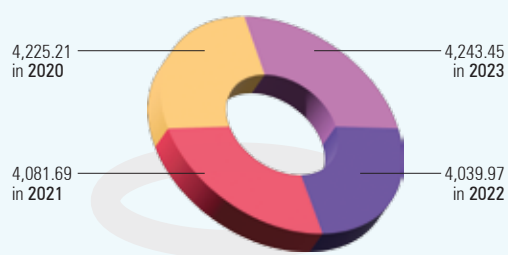
Total Paid-up Capital (Figure in Million)



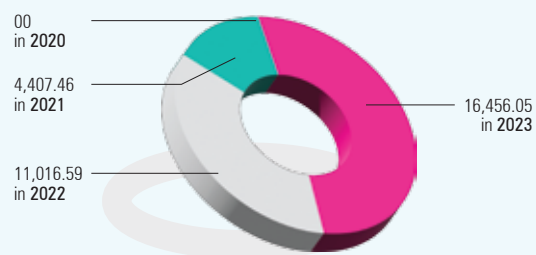
Total Eligible Capital (Figure in Million)



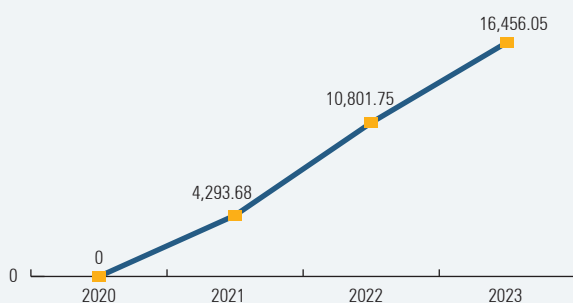
Total Share Holders' Equity (Figure in Million)



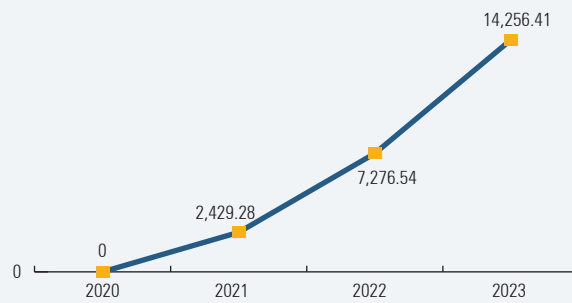
Total Deposits (Figure in Million)



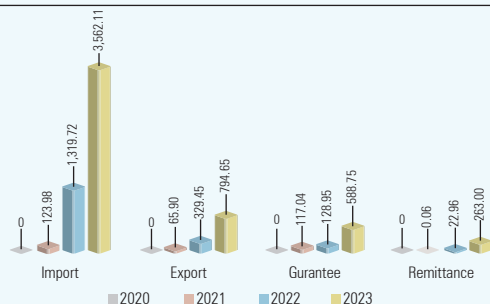
Client Deposits (Figure in Million)



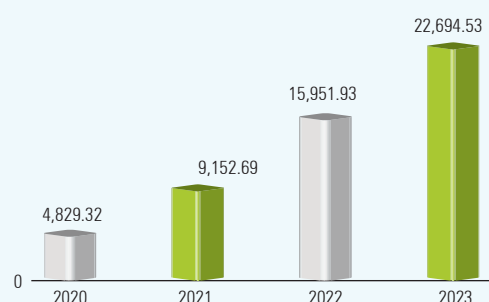
Loan & Advances/Investments (Figure in Million)



Foreign Exchange Business (Figure in Million)

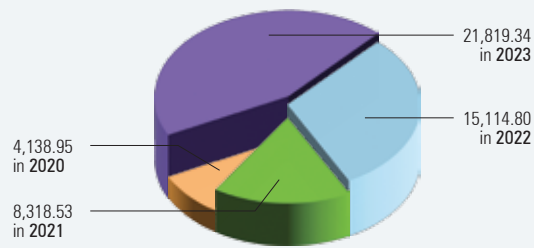


Total Assets (Figure in Million)



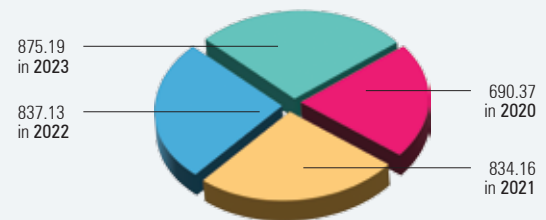
Interest Earning Assets

(Figure in Million)



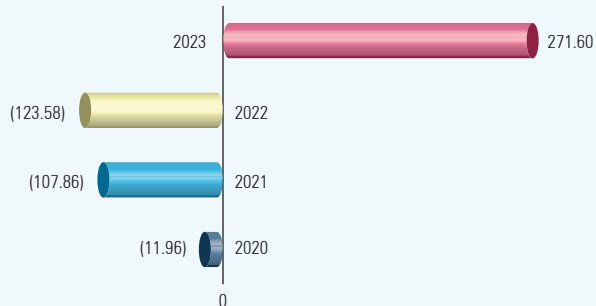
Non-Interest Earning Assets

(Figure in Million)



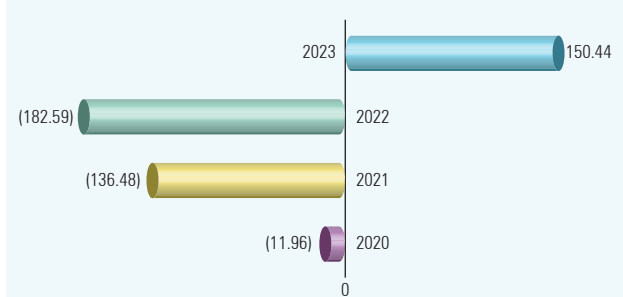
Operating Profit

(Figure in Million)



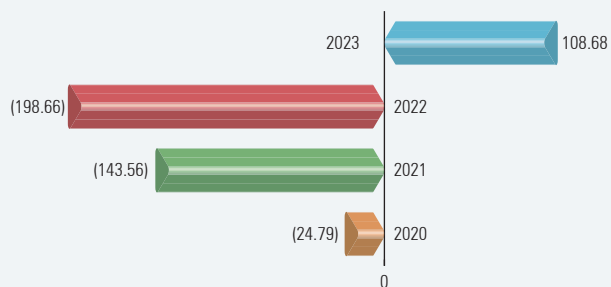
Profit Before Tax

(Figure in Million)



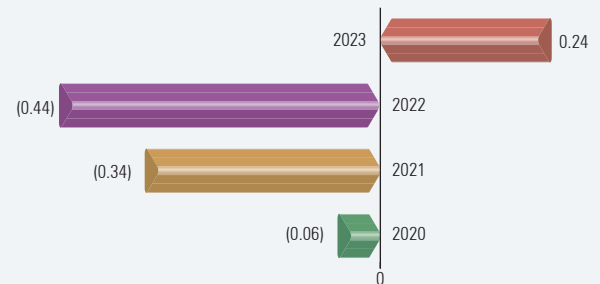
Profit after Tax

(Figure in Million)



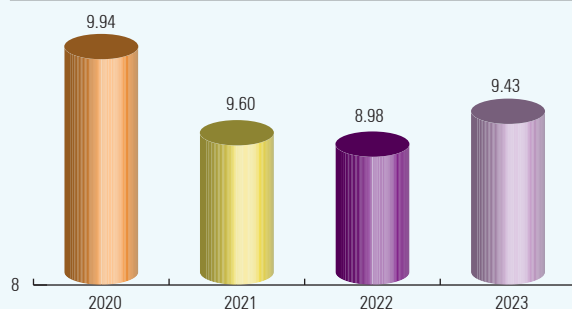
Earning per Share

(Figure in TK)



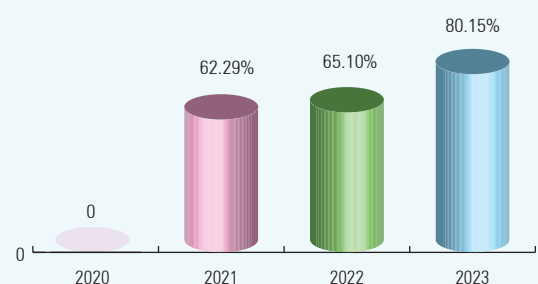
Net Asset Value per Share

(Figure in TK)



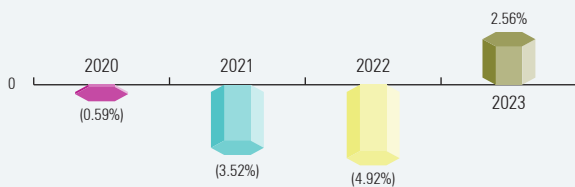
Advance Deposit Ratio (ADR)

(Figure in %)



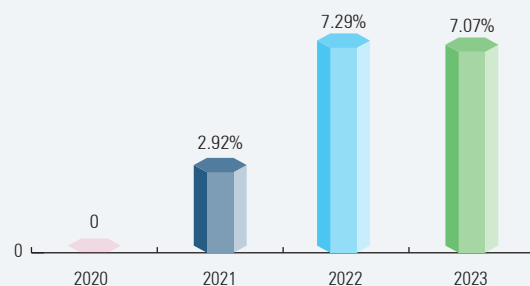
Return on Equity (ROE)

(Figure in %)



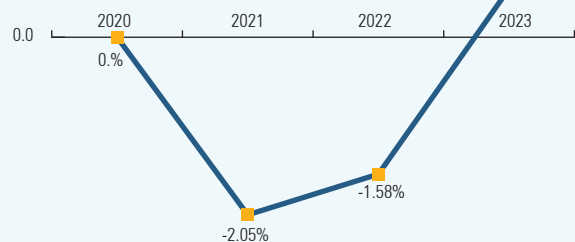
Return on Investment (ROI)

(Figure in %)



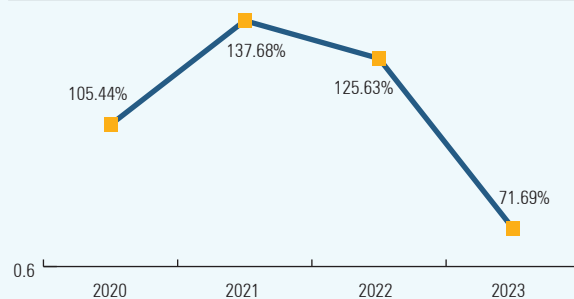
Return on Assets (ROA)

(Figure in %)



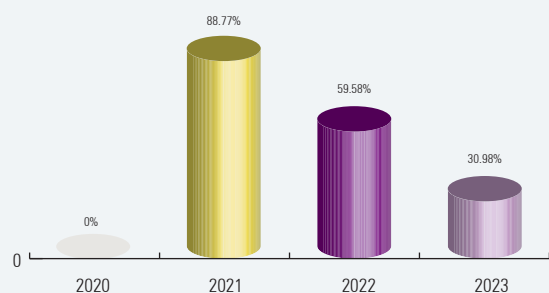
Cost-Income Ratio

(Figure in %)



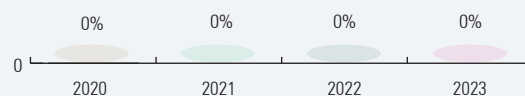
Capital to Risk Weighted Assets (CRAR)

(Figure in %)



Non performing Loan (NPL) as % of Total Loan

(Figure in %)



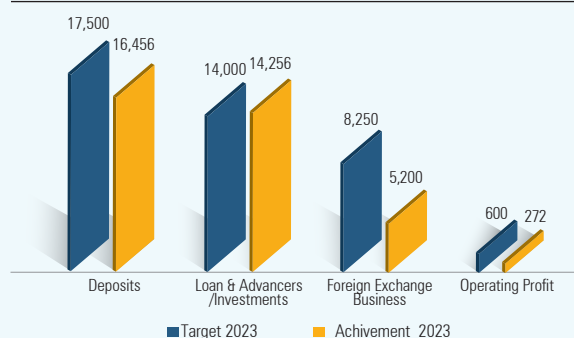
Branch & Sub-branch Network

(Figure in Number)



Target-Achivement

(Figure in Million)



BENGAL COMMERCIAL BANK PLC.

Four Years Performance at a Glance

Fig in Million (Taka)

Particulars	2020	2021	2022	2023
Balance Sheet Metrics				
Authorised Capital	15,000.00	15,000.00	15,000.00	15,000.00
Paid-up Capital	4,250.00	4,250.00	4,406.68	4,500.00
Statutory reserve	-	-	-	30.09
Other reserve	-	0.03	0.30	1.77
Retained earnings	(24.79)	(168.35)	(367.00)	(288.41)
Shareholders' equity	4,225.21	4,081.69	4,039.97	4,243.45
Total Assets	4,829.32	9,152.69	15,951.93	22,694.53
Total Deposits	-	4,407.46	11,016.59	16,456.05
Total Loans & Advances/Investments	-	2,429.28	7,276.54	14,256.41
Total Contingent Liabilities & Commitments	-	261.40	931.77	4,157.44
Interest Earning Assets	4,138.95	8,318.53	15,114.80	21,819.34
Non-interest earning Assets	690.37	834.16	837.13	875.19
Fixed assets	636.90	709.24	713.87	612.21
Investments	-	1,034.04	2,151.37	2,832.16

Capital Metrics				
Total risk weighted assets (RWA)	-	4,595.87	6,871.24	14,167.23
Tier-I capital	-	4,055.31	4,023.93	4,231.21
Tier-II capital	-	24.57	69.96	157.47
Total capital	4,225.21	4,079.88	4,093.88	4,388.68
Tier-I capital adequacy ratio	-	88.24%	58.56%	29.87%
Tier-II capital adequacy ratio	-	0.53%	1.02%	1.11%
Capital to Risk Weighted Assets (CRAR)	-	88.77%	59.58%	30.98%

Asset Quality				
Amount of non-performing loans (NPLs)		-	-	-
Non performing loans as % of total loans	0%	0%	0%	0%
Specific provision against classified loans		-	-	-
General provision against un-classified loans	-	21.92	62.31	117.09
General provision against off-balance sheet items	-	2.61	7.65	40.38
Percentage (%) of net classified loan	0%	0%	0%	0%

Trade/Foreign Exchange Business Metrics				
Import	-	123.98	1,319.72	3,562.11
Export	-	65.90	329.45	794.65
Guarantee	-	117.04	128.95	588.75
Remittance	-	0.06	22.96	263.00

Fig in Million (Taka)

Particulars	2020	2021	2022	2023
Income Statement Metrics				
Interest income on loans & advances/ investments	-	50.06	405.14	974.03
Interest paid on deposits & borrowings	-	106.85	391.38	850.39
Non-interest income	-	35.51	194.39	348.89
Income from Investments	-	30.20	156.84	200.37
Total operating income	219.73	286.23	482.14	959.34
Non-interest/operating expenses	231.68	394.09	605.72	687.75
Total income	219.73	393.08	873.52	1,809.73
Total expenses	231.68	500.94	997.10	1,538.13
Operating profit	(11.96)	(107.86)	(123.58)	271.60
Specific provision against classified loans	-	-	-	-
General provision against UC Loans	-	21.92	40.38	54.78
General provision against Off- Balance Sheet	-	2.61	5.04	32.73
Provision for others	-	0.50	0.20	0.07
Provision for diminution in value of investments	-	3.58	13.39	33.57
Total Provision	-	28.62	59.01	121.16
Profit before tax	(11.96)	(136.48)	(182.59)	150.44
Provision for tax	12.83	7.08	16.06	41.75
Profit after tax	(24.79)	(143.56)	(198.66)	108.68
Profit available for distribution	-	-	-	-

Share Based Metrics				
Earnings per share (EPS) (TK)	(0.06)	(0.34)	(0.44)	0.24
Net asset value (NAV) per share (TK)	9.94	9.60	8.98	9.43
Number of shares (Million)	425.00	425.00	440.67	450.00
Number of shareholders (Nos.)	24	24	24	24

Financial Ratios				
Advance Deposit Ratio (ADR) (%)	-	62.29%	65.10%	80.15%
Return on Equity (ROE) (%)	-0.59%	-3.52%	-4.92%	2.56%
Cost of Fund (COF) (%)	-	6.29%	7.67%	7.83%
Return on Investment (ROI) (%)	-	2.92%	7.29%	7.07%
Return on Assets (ROA) (%)	-	-2.05%	-1.58%	0.56%
Net Interest Margin (NIM) (%)		4.09%	3.84%	4.96%
Cost of Deposits & Borrowings (COD) (%)	-	4.44%	5.23%	6.66%
Yield on Advances (YOA) (%)	-	7.64%	8.06%	9.00%
Interest spread (YOA-CODB) (%)	-	3.20%	2.83%	2.34%
Cost income ratio (%)	105.44%	137.68%	125.63%	71.69%
CASA deposits as % of total deposits	-	18.47%	20.59%	27.83%

Other Information				
Number of branches	-	6	13	19
Number of sub-branches	-	1	3	10
Number of ATM	-	3	5	7
Number of employees	65	185	278	321
Number of foreign correspondents	-	5	6	6

Credit Ratings				
Long term	-	BBB+	BBB+	A-
Short term	-	ST-3	ST-3	ST-3

As on report preparation Date: Long term A+ , short term - ST-3

Value Added Statement

Value added is the wealth accretion made by Bengal Commercial Bank PLC. through providing banking and other financial services in 2023 for its employees, directors, government and shareholders in the form of salaries & allowances, remuneration, duties & taxes, net profit after tax respectively and also indicates value of use of fixed assets through depreciation.

Amount in BDT

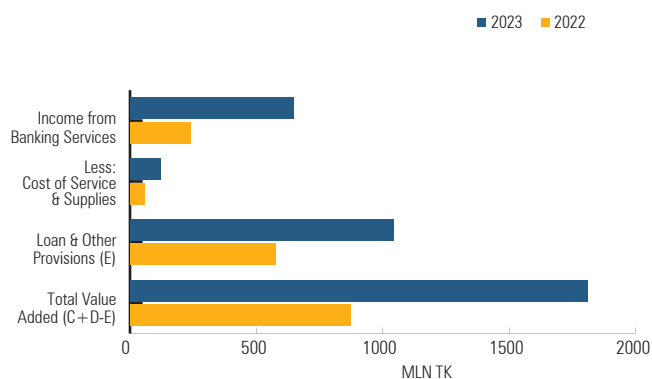
Particulars	2023	2022
Income from Banking Services (A)	1,807,899,070	873,517,654
Commission Exchange & Brokerage	113,120,183	26,193,073
Other operating Income	35,397,226	11,357,384
Interest Income	1,460,814,676	679,129,259
Investment Income	198,566,985	156,837,938
Cost of Service & Supplies (B)	1,040,538,974	573,895,817
Interest Expenses	850,386,630	391,376,481
Rent, Taxes, Insurance	42,884,634	18,717,858
Legal Expenses	1,612,907	1,394,013
Postage, Stamp & Telecommunication	6,844,849	6,117,200
Stationery, Printing & Advertisement	8,401,798	10,353,416
Director's Fees	3,134,189	1,594,197
Auditors Fees	287,500	287,500
Repair & Maintenance	8,152,051	388,726
Other Expenses	118,834,416	143,666,427
Value added by the Banking Services (C=A-B)	767,360,096	299,621,837
Non- Banking Income (D)	-	-
Loan & Other Provisions (E)	121,160,649	59,014,190
Total Value Added (C + D-E)	646,199,447	240,607,647

Distribution of Added Value

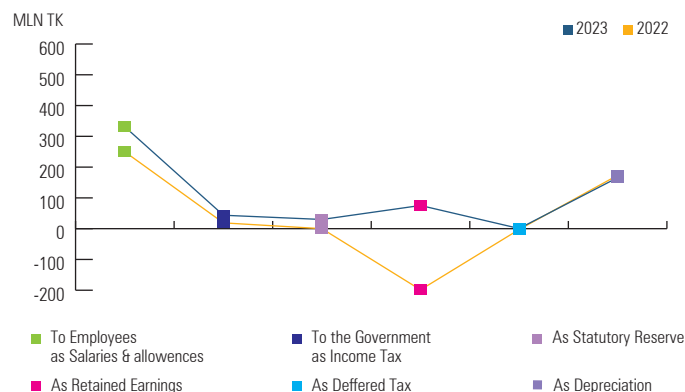
Amount in BDT

Particulars	2023	%	2022	%
To Employees as Salaries & allowances	330,952,865	51.22%	249,761,366	103.80%
To the Government as Income Tax	43,657,544	6.76%	18,831,074	7.83%
To the growth of the entity	271,589,038	42.03%	(27,984,793)	-11.63%
As Statutory Reserve	29,890,476	4.63%	-	0.00%
As Retained Earnings	75,345,238	11.66%	(198,657,070)	-82.56%
As Deffered Tax	559,123	0.09%	(2,768,088)	-1.15%
As Depreciation	165,794,199	25.66%	173,440,366	72.08%
	646,199,445	100.00%	240,607,647	100.00%

Value Added Statement



Distribution of added Value



Economic Value Added Statement (EVA)

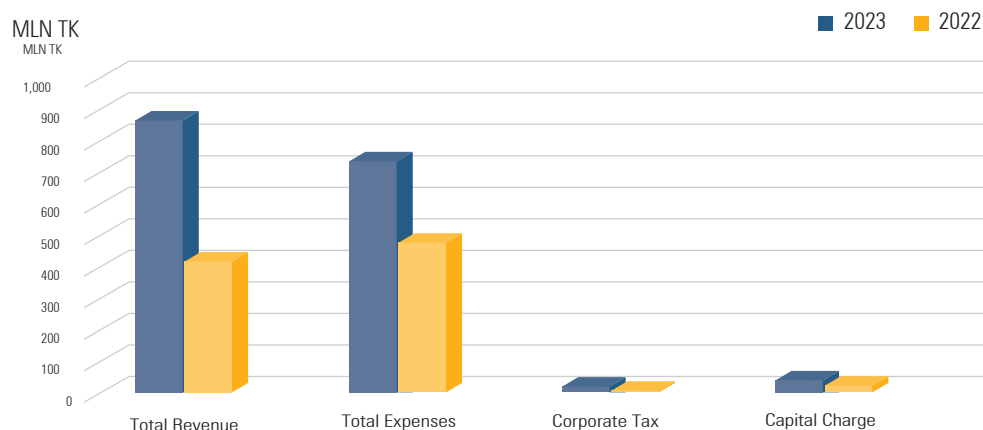
Economic Value Added (EVA) is the measure of financial performance of an organization. It is based on the principle that since a company's management employs equity capital to earn a profit; it must pay for the use of this equity capital. This management tool is useful to shareholders in particular and other stakeholders in general to take decision for increasing wealth.

EVA is equal to Profit after Tax (PAT) plus the provision for loans & other assets less written off (if any) during the year minus cost of equity where cost of equity is the opportunity cost that the shareholders forego. This cost of equity is calculated considering the risk free rate based on weighted average rate of 03 years Treasury bond issued by Bangladesh Government plus 2% risk premium. BGCB management is committed to maximize wealth of its shareholders and other equity providers.

Amount in BDT

Particulars	2023	2022
Total Revenue from Banking Services	1,807,899,070	873,517,654
(Less) Total expenses related to revenue	1,537,286,038	997,097,549
Operating profit	270,613,032	(123,579,895)
Less Provision for Loans/Investments	121,160,649	59,014,190
Less Corporate Tax	44,216,667	16,062,986
Net operating profit after tax	105,235,716	(198,657,070)
Shareholders' Equity	4,239,998,367	4,039,969,717
Average Shareholders' Equity	4,139,984,042	4,060,827,689
Capital Charges	86,294,396	49,405,027
Economic Value Added	18,941,319	(248,062,097)

Economic Value Added Statement (EVA)



Financial Statements



Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Auditor's Report

To the Shareholders of Bengal Commercial Bank PLC.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bengal Commercial Bank PLC (the "Bank") which comprise the balance sheet as at 31 December 2023 and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Bank as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note #2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The Financial Statements of the company were audited by other auditor in the previous year who expressed an unmodified opinion on 18 April 2023.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1) Loans and Advances		
See note# 7 to the financial statements		
	The key audit matter	How the matter was addressed in our audit
	<p>The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, provisions consider the estimates of future business performance and the market value of the collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At year end the Bank reported total loans and advance of BDT 14,256 million (2022: BDT 7,276 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> . Testing of the credit appraisal, loan disbursement procedures, monitoring and provisioning process; . Identification of loss events, including early warning and default warning indicators; and . Reviewing the quarterly Classification of Loans (CL). <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> . Reviewed the adequacy of the Bank's general and specific provisions; . Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;

	The key audit matter	How the matter was addressed in our audit
	<p>We need to focus on the following significant judgements and estimates which could give rise to material misstatement or management bias :</p> <p>. Completeness and timing of recognition of loss events in accordance with criteria set out in relevant BRPD Circulars issued by Bangladesh Bank;</p> <p>. For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows.</p> <p>Provision measurement is primarily dependent upon key assumptions relating to the probability of default, ability to repossess collateral, and recovery rates.</p>	<p>. Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and</p> <p>. Finally, assessed the appropriateness and presentation of disclosures according to relevant accounting standards and Bangladesh Bank guidelines.</p>

2) Valuation of treasury bill and treasury bond

See notes# 6.1 and to the financial statements

	The key audit matter	How the matter was addressed in our audit
	<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>

3) Recognition of Interest Income from loans

See note# 19.1 and to the financial statements

	The key audit matter	How the matter was addressed in our audit
	<p>Recognition of interest income from loans and advances has significant and wide influence on financial statements.</p>	<p>We tested the design and operating effectiveness of key controls over Recognition and measurement of interest on loans and advances.</p>

The key audit matter	How the matter was addressed in our audit
<p>Recognition and measurement of interest income has investment of complex IT environment.</p> <p>We identify recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the bank and therefore there is an inherent risk in recognition of interest by management to meet specific targets or expectations.</p> <p>At year end the Bank reported total interest income of BDT 974 million (2022: BDT 405 million).</p>	<p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately.</p> <p>We assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>

4) Gain or loss on Foreign Exchange	
See note# 22.1 and to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Recognition of gain or loss on foreign exchange has a significant and wide influence on financial statements.</p> <p>We identify recognition and measurement of gain (net of loss) on foreign exchange as a key audit matter because this is one of the key performance indicators of the bank and therefore there is an inherent risk of fraud and error in recognition of gain or loss by management to meet specific targets or expectations.</p> <p>For the year ended the Bank reported a total gain on foreign exchange of BDT 93 million (2022: BDT 17 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on foreign exchange transactions following disclosed foreign exchange rates.</p> <p>We performed procedures to check whether the bank has ensured appropriate measurement as per Bangladesh Bank regulations and the Bank's policy on foreign exchange transactions. In addition, we have performed procedures to check whether gain on foreign is recorded completely and accurately as per IAS-21.</p> <p>Moreover, We also assessed the appropriateness and recognition criteria of foreign exchange gain as per Bangladesh Bank guidelines.</p>

5) IT systems and controls	
The key audit matter	How the matter was addressed in our audit
<p>Our audit procedures have been focused on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>We have focused on master data management, user access management and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring operating effectiveness of manual with automated control and automated controls.</p>	<p>We tested the design and operating effectiveness of the bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. Where deficiencies were identified, we tested compensating controls or performed alternate procedures. We tested the periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization.</p> <p>In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>

6) Legal and regulatory matters	
The key audit matter	How the matter was addressed in our audit
<p>We focused on this area because the Bank operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established as other contingent liabilities.</p> <p>Overall, the legal provision represents the Bank's best estimate for existing legal matters that have a probable and estimable impact on the financial position.</p>	<p>We obtained an understanding of the Bank's key controls over the legal compliance. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>

Other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) "to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate; and
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank;
- (iii) in our opinion, proper books of accounts as required by law have been kept by the Bank and the Bank so far as it appeared from our examination of those books;
- (iv) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

- (v) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vi) The expenditures incurred were for the purpose of the bank's business for the year.
- (vii) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 1770 person hours; and
- (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka, 31 March 2024
DVC: 2403311512AS800222



Shaikh Hasibur Rahman FCA
Partner
Enrollment No: 1512
Hoda Vasi Chowdhury & Co.
Chartered Accountants



Bengal Commercial Bank PLC.

Balance Sheet

As at 31 December 2023

	Notes	31.12.2023 TAKA	31.12.2022 TAKA
Properties & Assets			
Cash	3		
Cash in hand (Including foreign currencies)		397,956,066	254,528,407
Balance with Bangladesh Bank and Its agent Bank(s) (including foreign Currency)		708,084,915	543,750,998
		1,106,040,981	798,279,405
Balance with other banks & financial institutions	4		
In Bangladesh		3,382,609,682	4,151,995,322
Outside Bangladesh		99,713,129	3,134,607
		3,482,322,811	4,155,129,928
Money at Call on short notice	5	-	672,284,940
Investments	6		
Government		2,026,694,292	1,345,745,525
Others		805,461,309	805,626,930
		2,832,155,601	2,151,372,455
Loans and Advances / Investments	7		
Loans, Cash Credits, Overdrafts etc/ Investments		14,224,313,381	7,249,464,752
Bills purchased and discounted		32,095,712	27,077,514
		14,256,409,093	7,276,542,266
Fixed Assets Including Premises, Furniture & Fixture	8	612,212,580	713,872,601
Other Assets	9	405,387,902	184,448,206
Non-Banking Assets	10	-	-
Total Assets		22,694,528,968	15,951,929,801
Liabilities & Capital			
Liabilities:			
Borrowings from Other Banks, Financial Institutions and Agents	11	1,295,405,738	293,049,519
Deposits and Other Accounts	12		
Current / Al-Wadiah current accounts & other accounts		2,942,544,584	1,104,623,713
Bills Payable		63,058,850	38,499,715
Savings Bank / Mudaraba Savings Deposits		1,636,704,583	1,163,283,157
Fixed Deposits / Mudaraba Term Deposits		11,488,957,511	8,495,348,058
Bearer Certificates of Deposits		-	-
Other Deposits	12.1.4	324,786,600	214,836,135
		16,456,052,128	11,016,590,777
Other Liabilities	13	699,625,654	602,319,787
Total Liabilities		18,451,083,520	11,911,960,083
Capital / Shareholders' Equity			
Paid up Capital	14	4,500,000,000	4,406,675,000
Share Premium		-	-
Statutory Reserve	15	30,087,256	-
General Reserve		-	-
Other Reserve	16	1,766,530	298,595
Retained Earnings	17	(288,408,338)	(367,003,877)
Total Shareholders' Equity		4,243,445,448	4,039,969,717
Non-Controlling Interest		-	-
Total Liabilities and Shareholder's Equity		22,694,528,968	15,951,929,801

Bengal Commercial Bank PLC.

Balance Sheet

As at 31 December 2023

Off Balance Sheet Items

Contingent Liabilities :

Acceptances & Endorsements

Letters of Guarantee

Irrevocable Letters of Credit

Bills for Collection

Other Contingent Liabilities

Total Contingent Liabilities

Other Commitments:

Documentary credit and short term trade related transactions

Forward assets purchased and forward deposits placed

Undrawn note issuance and revolving underwriting facilities

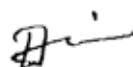
Undrawn formal standby facilities, credit lines and other commitments

Total Off-Balance sheet Items Including Contingent Liabilities

Notes	31.12.2023 TAKA	31.12.2022 TAKA
18		
	116,296,038	274,760,361
	597,428,617	250,057,341
	1,133,028,767	235,031,369
	119,148,272	171,922,125
	2,191,540,800	-
	4,157,442,495	931,771,196
	-	-
	-	-
	-	-
	-	-
	-	-
	4,157,442,495	931,771,196

The annexed notes 01 to 49 form an integral part of these financial statements.


Managing Director & CEO



Director


Director


Chairman

Signed as per our report of same date

Dhaka, 31 March 2024
DVC: 2403311512AS800222


Shaikh Hasibur Rahman FCA
Enrolment No: 1512
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Bengal Commercial Bank PLC.
Profit and Loss Account
For the Year ended on 31 December 2023

Operating Income

Interest Income / Profit on Investments
Interest / Profit paid on deposits and borrowings etc

Net Interest / Profit Income

Investment income
Commission, exchange and brokerage
Other Operating Income

Total Operating Income (A)

Operating Expenses

Salary and allowances
Rent, taxes, insurance, electricity etc.
Legal expenses
Postage, stamps, telecommunications etc.
Stationery, printing, advertisements etc.
MD & CEO's salary and allowances
Directors fees
Auditors' fees
Depreciation and repair of banks assets
Other expenses

Total Operating Expenses (B)

Profit/(Loss) before provision (C) = (A-B)

Provision for Loans & Advances / Investments
Provision on Off-Balance Sheet Exposures
Provision for diminution in value of investments
Other provisions

Total Provisions (D)

Total Profit/(Loss) before Taxes (C-D)

Provision for Taxation

Current Tax
Deferred Tax

Net Profit/(Loss) after Taxation

Appropriations

Statutory Reserve
Transfer to Retained Earnings

Earning Per Share (EPS) (Prior Year Restated)

Notes	2023 TAKA	2022 TAKA
19.0	1,460,840,781	679,129,259
20.0	(850,386,630)	(391,376,481)
	610,454,151	287,752,778
21.0	200,373,061	156,837,938
22.0	113,120,183	26,193,073
23.0	35,397,226	11,357,384
	348,890,470	194,388,395
	959,344,621	482,141,173
25.0	320,197,865	240,071,366
26.0	42,884,634	18,717,858
27.0	1,612,907	1,394,013
28.0	6,844,849	6,117,200
29.0	8,401,798	10,353,416
30.0	10,755,000	9,690,000
31.0	3,134,189	1,594,197
32.0	287,500	287,500
33.0	173,946,250	173,829,092
34.0	119,682,697	143,666,427
	687,747,689	605,721,067
	271,596,932	(123,579,895)
35.1	54,783,000	40,384,000
35.2	32,733,000	5,036,000
35.3	33,571,498	13,394,540
36.0	73,151	199,650
	121,160,649	59,014,190
	150,436,282	(182,594,085)
37.0	43,657,544	18,831,074
38.0	(1,904,058)	(2,768,088)
	41,753,486	16,062,986
	108,682,796	(198,657,070)
15.0	30,087,256	-
17.0	78,595,539	(198,657,070)
	108,682,795	(198,657,070)
39.0	0.24	(0.44)

The annexed notes 01 to 49 form an integral part of these financial statements.


Managing Director & CEO



Director


Director


Chairman

Signed as per our report of same date

Dhaka, 31 March 2024
DVC: 2403311512AS800222


Shaikh Hasibur Rahman FCA
Enrolment No: 1512
Hoda Vasi Chowdhury & Co.
Chartered Accountants

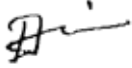
Bengal Commercial Bank PLC.
Cash Flow Statement
For the Year ended on 31 December 2023

	Notes	2023 TAKA	2022 TAKA
A. Cash flows from Operating Activities			
Interest / Profit Receipts in cash		1,558,497,321	789,086,117
Interest / Profit Payments		(769,523,860)	(276,639,967)
Dividend Receipts		19,844,581	30,623,229
Fees & Commission Receipts in cash		20,472,352	9,285,884
Recoveries of loans Previously written off		-	-
Cash Payments to employees		(330,952,865)	(249,761,366)
Cash Payments to suppliers		(15,246,648)	(16,470,615)
Income taxes paid		(88,136,264)	(41,955,867)
Receipt from other operating activities	42	35,397,226	11,357,384
Payment for other operating activities	43	(175,753,977)	(169,548,721)
i. Operating profit before changes in operating assets and liabilities.		254,597,866	85,976,079
Increase/Decrease in operating assets and liabilities:			
(Purchase)/Sale of government securities		(680,896,267)	(931,228,061)
(Purchase)/Sales of trading Securities		165,621	(186,081,421)
Loans and advances / Investments to Customers		(6,979,866,827)	(4,847,261,204)
Other assets	44	(51,583,622)	43,624,242
Deposit from banks		(200,000,000)	(450,000,000)
Deposit from customers/Others		5,559,454,398	6,948,261,445
Other Liabilities	45	(65,608,269)	(21,308,146)
Cash flows from operating Assets and Liabilities		(2,418,334,966)	556,006,855
Net Cash from operating activities (A) = (i+ii)		(2,163,737,100)	641,982,934
B. Cash Flows from Investing Activities			
Proceeds from Sale of Securities		1,652,130	9,425,853
Purchase/Sale of property, plant & equipment		(64,134,178)	(174,577,549)
Net Cash from investing activities (B)		(62,482,049)	(165,151,696)
C. Cash Flows from Financing Activities			
Borrowing from Other Banks & Financial Institutions		1,001,500,401	174,184,130
Surplus/deficit on account of revaluation of investments		1,467,935	266,127
Sub-Ordinated Bond		-	-
Dividends Paid		-	-
Cash received from Issuance of ordinary shares		93,325,000	156,675,000
Net cash from financing activities (C)		1,096,293,336	331,125,256
D. Net Increase/(Decrease) in cash (A+B+C)		(1,129,925,813)	807,956,494
E. Effect of Exchange Rate Changes on Cash		92,647,831	16,907,188
F. Cash and Cash equivalents at beginning of the year		5,625,721,774	4,800,858,091
G. Cash and cash equivalents at the end of the year		4,588,443,791	5,625,721,774
Cash in hand (including foreign currencies)	3	397,956,066	254,528,407
Prize Bonds		80,000	27,500
Balance with Bangladesh bank and its agent bank		708,084,915	543,750,998
Balance with other banks & financial institution	4	3,482,322,811	4,155,129,929
Money at call on short notice		-	672,284,940
		4,588,443,791	5,625,721,774

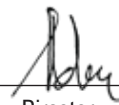
The annexed notes 01 to 49 form an integral part of these financial statements.




Managing Director & CEO



Director



Director



Chairman

Dhaka
March 31, 2024

Bengal Commercial Bank PLC. Statement of Changes in Equity

As at 31 December 2023

Amount in BDT

Particulars	Paid-up capital	Statutory reserve	Dividend equalisation reserve	Assets revaluation reserve (land and other assets)	General reserve	Foreign currency translation difference	Retained earnings	Total
Balance as at 1 st January, 2023	4,406,675,000	-	-	298,595	-	-	(367,003,877)	4,039,969,717
Changes in Accounting Policy	-	-	-	-	-	-	-	-
Statutory Reserve	-	30,087,256	-	-	-	-	-	30,087,256
Surplus/Deficit on account of revaluation	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	1,467,935	-	-	-	1,467,935
Issuance of shares capital	93,325,000	-	-	-	-	-	-	93,325,000
Net Profit Transferred to Retained Earnings	-	-	-	-	-	-	78,595,539	78,595,539
Balance as at 31 December 2023	4,500,000,000	30,087,256	-	1,766,530	-	-	(288,408,338)	4,243,445,448
Balance as at 31 December 2022	4,406,675,000	-	-	298,595	-	-	(367,003,877)	4,039,969,717



Managing Director & CEO



Director



Director



Chairman

Dhaka
March 31, 2024

Bengal Commercial Bank PLC.
Liquidity Statement
(Asset and Liability Maturity Analysis)

As at 31 December 2023

Amount in BDT

Particulars	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	Above 5-years term	Total
Assets						
Cash in hand (including balance with Bangladesh Bank and its agent Bank)	1,106,040,980	-	-	-	-	1,106,040,980
Balances with other banks and financial institutions	2,482,322,810	1,000,000,000	-	-	-	3,482,322,810
Money at call and short notice	-	-	-	-	-	-
Investment	355,541,309	-	50,000,000.00	467,006,418	1,566,754,274	2,439,302,001
Loans and Advances/ Investments	622,970,395	3,705,560,497	6,271,752,208	2,228,708,259	1,427,417,733	14,256,409,093
Fixed assets including land, building, furniture and fixtures	8,708,985	17,417,969	78,380,861	418,031,257	89,673,508	612,212,580
Other assets	91,480,545	31,748,512	77,660,347	204,498,498	-	405,387,902
Non-banking assets	-	-	-	-	-	-
Total Assets	4,667,065,025	4,754,726,979	6,477,793,416	3,318,244,433	3,083,845,515	22,301,675,368
Liabilities						
Borrowing from other banks, financial institutions and agents	-	-	1,295,405,738	-	-	1,295,405,738
Deposits and other accounts	3,399,781,452	693,568,003	7,834,118,683	4,440,818,516	87,765,474	16,456,052,128
Provisions & other liabilities	8,519,179	15,351,200	8,519,179	183,527,708	405,982,076	621,899,342
Deferred Tax Liability	-	-	-	77,726,312	-	77,726,312
Total Liabilities	3,408,300,631	708,919,202	9,138,043,601	4,702,072,535	493,747,550	18,451,083,520
Net Liquidity Gap	1,258,764,394	4,045,807,776	(2,660,250,185)	(1,383,828,103)	2,590,097,965	3,850,591,848
Cumulative Net Liquidity Gap	1,258,764,394	5,304,572,170	2,644,321,985	1,260,493,882	3,850,591,848	-

Net result of the liquidity statement represents the 'shareholders' equity' of the bank.



Managing Director & CEO



Director



Director



Chairman

Dhaka
March 31, 2024

Bengal Commercial Bank PLC.

Notes to the Financial Statements

As at and for the year Ended 31 December 2023

1. Legal Status of the Bank and its Principal Activities

1.1 Legal form of the Bank

Bengal Commercial Bank PLC having its Registered Office at 94 Gulshan Avenue, Dhaka-1212, Bangladesh, was incorporated on 03 February 2020 as a Public Limited Company under the Companies Act, 1994 (As amended up to date) with Authorized Capital of Tk.15,000 million and paid up capital of Tk. 4,250 million which is increased to Tk. 4,500 million as on 31st December 2023. The Bank got Bangladesh Bank License vide Bangladesh Bank Letter ref no: BRPD (P-3)/745(60)/2013-1189 dated 23 February 2020 as per the Banking Companies Act, 1991 Section 31 and obtained licence for establishing Head Office on 13 July 2020, also got licence for Commercial Operation on 18 February 2021. Eventually, the Bank started its commercial operation from 11 March 2021.

The Bank got its PLC registration from the office of the Registrar of Joint Stock Companies & Firms (RJSC) on 10 October 2023.

As on 31st December 2023, the bank had 19- (nineteen) branches and 09-(nine) Sub-branches.

1.2 Nature of Business

The principle activities of the Bengal Commercial Bank PLC (BGCB) are to provide all types of commercial banking services to customers through branches, ATMs, Sub branches, and Corporate, Retail and SME units in Bangladesh. The Bank is also entitled to provide money market operations, financial intermediary services and any related financial services. Provisions of the Bank Companies Act 1991 (as amended up to date), Bangladesh Bank Directives and directives of other regulatory authorities are followed for carrying out all types of activities.

1.3 Islamic Banking Unit

The bank obtained permission from Bangladesh Bank (The Central Bank of Bangladesh) to commence the operation of Dilkusha Branch as a Islamic Banking Branch vide Bangladesh Bank letter ref no: BRPD(LS-2)/745(73)/2021-994, dated: 28.10.2021, and subsequently the bank implemented Islamic banking operation from 01.01.2022. As on reporting date, 31st December 2023, the Bank is operating with 3 full-fledged Islamic banking branches & 1 Islamic banking sub branch. (1 Branch in Dilkusha C/A (Dhaka), (1 Branch in Agrabad, Chottogram) and another in (Kashinathpur, Pabna). The sub branch is located in (Khatunganj, Chottogram). The Islamic Banking Operation is governed under the rules and regulations of Bangladesh Bank.

2. Basis of Preparation and Significant Accounting Policies

2.1 Statement of Compliance

Financial statements of the Bank have been prepared under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs) and as per rules and regulations issued by Bangladesh Bank through BRPD Circular No. 14 dated 25 June 2003 with reference to the provisions of The Banking Companies Act 1991 (amended up to date), Companies Act 1994, Rules, regulations and circulars issued by the Bangladesh Bank from time to time, The Securities and Exchange Ordinance 1969, The Securities and Exchange Rules 1987, Bangladesh Securities and Exchange Commission Act 1993, Bangladesh Securities and Exchange Commission (Public Issues) Rules 2015, Income Tax Act 2023, Value Added Tax Act 1991, Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and Central Depository Bangladesh (CDBL) rules and regulations.

In case any requirement of the Bank Companies Act 1991 (as amended) and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs as adopted, the requirements of the Bank Companies Act 1991 and provisions and circulars issued by Bangladesh Bank shall prevail.

As such the Bank has departed from those which are the requirements of IAS and IFRS in order to comply with the rules and regulations of Bangladesh Bank are disclosed below:

i) Presentation of Financial Statements

IFRSs: As per IAS 1 financial statements shall comprise statement of financial position, comprehensive income statement, changes in equity, cash flow statement, adequate notes comprising summary of accounting policies and other explanatory information. As per IAS 1, the entity shall also present current and non-current assets and liabilities as separate classifications in its statement of financial position.

Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the 'First Schedule' (section 38) of The Banking Companies Act 1991 (amendment up to date) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of BB. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

ii) Investment in Shares and Securities

IFRSs: As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

iii) Revaluation gains/losses on Government Securities

IFRSs: As per requirement of IFRS 9 "Financial Instruments: where securities will fall under the category of fair value through profit or loss account and any change in fair value of the asset is recognised through profit or loss account. Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as amortized cost are measured at effective interest rate method and interest income is recognized through the profit and loss account.

Bangladesh Bank: According to DOS circular no. 5 dated 26 May 2008 and subsequent clarification in DOS circular no. 5 dated 28 January 2009, amortisation gain/loss is charged to profit and loss account, market-to-market loss on revaluation of government securities (T-bills/T-bonds) categorised as Held for Trading (HFT) is charged to profit and loss account, but any unrealised trading gain on such revaluation is recognised to revaluation reserve account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method but income/gain is recognised through equity.

iv) Provisions on Loans and Advances/Investments:

IFRSs: As per IFRS 9 an entity shall recognise an impairment allowance on investments (loan) based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for investment (loan) at an amount equal to the lifetime expected credit losses if the credit risk on these investments has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those investments (loans) for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on investments that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012), BRPD circular No. 05 (29 May 2013), BRPD circular No. 16 (18 November 2014), BRPD circular No. 08 dated 02 August 2015, BRPD Circular No. 15 (27 September 2017), BRPD Circular No. 01 (20 February 2018), BRPD Circular No. 03 (21 April 2019) a general provision at 0.25% to 2% under different categories of unclassified loans (Standard/SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively (except CMSME's Cottage, Micro & Small loans where 5% for sub-standard, 20% for doubtful investments and 100% for bad & loss investments. Also short-term agricultural and micro-credits where 5% for sub-standard and doubtful investments and 100% for bad & loss investments) for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures (except LC issued against Fast Track Electricity Project & Bills for Collection according to BRPD circular letter no. 01 dated 03 January 2018. BRPD circular no. 07 dated 21 June 2018 respectively). Such provision policies are not specifically in line with those prescribed by IFRS 9 "Financial Instruments".

v) Other Comprehensive Income

IFRSs: As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which are strictly to be followed by all Banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

vi) Financial Instruments-Presentation and Disclosure

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

vii) Non Banking Assets

IFRSs: No indication of non-banking assets is found in any IASs/IFRSs.

Bangladesh Bank: As per BRPD circular no.14 dated 25 June 2003, there must exist a face item named non-banking assets.

viii) Repo Transaction

IFRSs: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a collateralised borrowing and the underlying asset continues to be recognised in the entity's financial statements. This transaction will be treated as borrowing and the difference between selling price and repurchase price will be treated as interest expense.

Bangladesh Bank: As per BB circulars/guidelines, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a normal sale transaction and the financial assets should be derecognised in the seller's book and recognised in the buyer's book.

ix) Financial Guarantees

IFRSs: As per IFRS 9, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of the instrument. Financial guarantee liabilities are recognised initially at their fair value and is amortised over the life of the instrument. Any such liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are prescribed to be included within other liabilities.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as LC & LG should be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin and 1% general provision for all contingent liabilities.

x) Cash and Cash Equivalents

IFRSs: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: As per BRPD Circular 14 dated 25 June 2003, Cash and cash-equivalents consist of cash with Bangladesh Bank, with its agent bank(s), government securities (prize bond) and deposits with other banks.

xi) Cash Flow Statement

IFRSs: Cash flow statement can be prepared either in direct method or indirect method. The presentation method is selected to present cash flow information in a manner that is most suitable for the business or industry. Whichever method selected should be applied consistently.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, cash flow statement is to be prepared following a mixture of direct and indirect method.

xii) Balance with Bangladesh Bank (Cash Reserve Requirement)

IFRSs: Balance with Bangladesh Bank should be treated as other assets as it is not available for use in day-to-day operations as per IAS 7.

Bangladesh Bank: Balance with Bangladesh Bank should be treated as cash and cash equivalents.

xiii) Off-Balance Sheet Items

IFRSs: No concept of off-balance sheet items in any IFRS; so nothing to disclose as off-balance sheet items.

Bangladesh Bank: As per BRPD circular no.14 dated 25 June 2003, off-balance sheet items i.e. LC, LG, acceptance should be disclosed separately on the face of the balance sheet.

xiv) Presentation of Loans and Advance/Investments Net of Provision

IFRSs: Loans and advances shall be presented at amortised cost net of any write down for impairment (expected credit losses that result from all possible default events over the life of the financial instrument).

Bangladesh Bank: As per BRPD circular 14 dated 25 June 2003, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances.

xv) Recognition of Interest/Profit in Suspense

IFRSs: Loans and advances to customers are generally classified as "loans and receivables" as per IFRS 9 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per BRPD Circular No. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in balance sheet.

xvi) Disclosure of Appropriation of Profit

IFRSs: There is no requirement to show appropriation of profit in the face of statement of comprehensive income

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed on the face of Profit and Loss Account.

xvii) Presentation of Intangible Asset

IFRSs: Intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38

Bangladesh Bank: There is no requirement for regulation of intangible assets in BRPD circular no. 14 dated 25 June 2003.

xviii) Uniform Accounting Policy

'In several cases Bangladesh Bank and Bangladesh Securities and Exchange Commission guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS 10. As such some disclosure, presentation Notes to the financial statements and measurement requirements of IFRS 10 cannot be made in financial statements.

2.2 Basis of Measurement

'Financial Statements have been prepared on the historical cost basis except for the following:

- Government Treasury Bills and Bonds designated as 'Held for Trading' at present value using market to market with gains, if any credited to revaluation reserve.
- Government Treasury Bills and Bonds designated as 'Held for Maturity (HTM)' at present value using amortisation concept.'

2.3 Going Concern Basis of Accounting

These financial statements have been prepared on the basis of assessment of the Bank's ability to continue as a going concern. BGCB has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

2.4 Use of Estimates and Judgements

The preparation of the financial statements of the Bank in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Key estimates include the following:

- Deferred tax assets/liabilities
- Useful lives of depreciable assets
- Provision on loans and Advances
- Gratuity Fund

2.5 Foreign Currency Transaction

The financial statements of the Bank are presented in Bangladesh Taka (BDT) which is the functional currency of the Bank. All financial information presented in BDT has been rounded off to the nearest integer except when otherwise indicated.

Foreign Currency Translation

'Foreign Currency Translation have been converted into equivalent Taka at the ruling exchange rates on the respective date of each transactions as per IAS 21 "The Effects of Changes in Foreign Exchange Rates".

In preparing solo financial statements, assets and liabilities in foreign currencies as at December 31, 2023 have been converted into Taka currency at the revaluation rate determined by the Bank and profit and loss accounts have been converted into monthly average rate. Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting /crediting exchange gain or loss account.

2.6 Cash Flow Statement

Cash flow statement has been prepared in accordance with IAS 7 'Statement of Cash Flow' and under the guideline of BB BRPD circular no. 14 dated 25 June 2003. The statement shows the structure of changes in cash and cash equivalents during the financial year. Cash flow during the period have been classified as operating activities, investing activities and financing activities.

2.7 Reporting Period

These financial statements of the Bank cover one calendar year from 1 January to 31 December.

2.8 Statement of Changes in Equity

Statement of Changes in Equity has been prepared in accordance with IAS 1 “Presentation of Financial Statements” and following the guidelines of Bangladesh Bank BRPD circular no.14 dated 25 June 2003.

2.9 Liquidity Statement

The liquidity statement has been prepared mainly on the basis of remaining maturity grouping of assets and liabilities as at the close of the year as per following bases:

Particulars	Basis of use
Cash, balance with other banks and financial institutions, money at call and short notice, etc.	Maturity term.
Investments	Respective maturity terms
Fixed assets	Useful life.
Other assets	Realisation/amortisation
Deposits and other accounts	Maturity and behavioral trend (non-maturity products).
Other long term liability	Maturity term.
Provision and other liability	Payment/adjustment schedule basis.

2.10 Significant Accounting Policies

The accounting policies set out below have been applied in these financial statements, except otherwise instructed by Bangladesh Bank as the prime regulator.

A. Assets and Basis of their Valuation

i) Cash and Cash Equivalents

Cash and cash equivalents include notes and coins in hand, balance with other banks and financial institutions.

ii) Investments:

Investments include investment in securities, Repo and reverse Repo, and investment in subsidiaries.

a) Investment in Securities

All investments in securities (bills and bonds) are initially recognized at purchase price excluding commission and accrued coupon interest. Investments are segregated in two broad categories. These are held to maturity (HTM) and held for trading (HFT).

a.i) Held to Maturity

Debt securities that a firm has intention to hold until maturity. These are reported at amortized cost therefore, they are not affected by swings in the financial markets.

a.ii) Held for Trading

Held for trading securities are those which are held with intention of selling in order to generate profits. Held for trading securities are revalued at market price.

b) REPO and Reverse REPO

REPO and Reverse REPO are recorded based on DOS Circular no. 06, dated 15 July 2010 of Bangladesh Bank and subsequent clarification in DOS Circular no 03 dated 30 January 2012 and DOS circular no. 2 dated 23 January 2013. In the case of REPO of both coupon and non-coupon bearing (Treasury bill) securities, the Bank adjusts the Revaluation Reserve Account for HFT securities and stops the weekly revaluation (if the revaluation date falls within the REPO period) of the same security. For interest bearing security, the Bank fully accrues interest during REPO period.

c) Revaluation

As per Bangladesh Bank DOS circular letter no. 5 dated 28 January 2009, HFT securities are revalued each week using Marked to Market concept and HTM securities are amortized once a year according to Bangladesh Bank guidelines. The HTM securities are also revalued if these are reclassified to HFT category with the Board approval. Value of investment has been shown as under:

Investment Class	Initial Recognition	Measurement after initial Recognition	Recording of Changes
Treasury Bill/Bond (HFT)	Cost	Fair Value	Loss to Profit & Loss Account, Gain to Revaluation Reserve through Profit and Loss Account
Treasury Bill/Bond (HTM)	Cost	Amortised Value	Increase or decrease in value of equity
Debenture/Bond	Face Value	None	None
Shares (Quoted)*	Cost	Lower of cost or market value	Loss (net) to profit and Loss Account but no unrealised gain booking
Prize Bond	Cost	None	None

* Quoted shares are bought and held primarily for the purpose of selling then in future or held for dividend income which are reported at cost. Unrealised gains are not recognized in the profit and Loss statement. But provision was made for diminution in value of investment.

d) Investment in Unquoted Securities

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

As per Bangladesh Bank DOS Circular # 04 dated 24 November 2011, provision for diminution in value of investment was made by netting off unrealised gain/ loss of shares from market price/ book value less cost price.

Besides, bank complied with Bangladesh Bank BRPD Circular 14 dated June 25, 2003 as follows, "All investments in shares and securities (both dealing and investment) should be revalued at the year- end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted shares as per book value of last audited balance sheet. Provision should be made for any loss arising from diminution in value of investments."

iii) Loans, Advances/Investments and Provisions

- A loan and advance is a financial facility provided by the banks and financial institutions to help their customers in financial need. Loans and advances comprise of non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. These are recognised at gross amount on the date on which they are originated.
- Interest/profit is calculated on daily product basis, but charged and accounted for quarterly on accrual basis. Interest/profit on classified loans and advances/investments is kept in interest suspense account as per BRPD circulars no. 14 dated September 23, 2012 on Master Circular: Loan Classification and Provisioning. Interest/profit is not charged on bad and loss loans and advances/ investments as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.
- Commission is recognised at the time of realisation.
- Provision for loans and advances/investments is made based on the arrear in equivalent month and reviewed by the management following instructions contained in Bangladesh Bank BRPD circular no. 14 dated 23 September 2012, Bangladesh Bank BRPD circular no. 19 dated 27 December 2012, Bangladesh Bank BRPD circular no. 05 dated 29 May 2013, Bangladesh Bank BRPD circular no. 16 dated 18 November 2014, Bangladesh Bank BRPD circular no. 12 dated 20 August 2017, Bangladesh Bank BRPD circular no. 15 dated 27 September 2017, Bangladesh Bank BRPD circular no. 07 dated 21 June 2018, Bangladesh Bank BRPD circular no. 13 dated 18 October 2018, Bangladesh Bank BRPD circular no. 16 dated 21 July 2020, Bangladesh Bank BRPD circular no.52 dated 20 October 2020 and Bangladesh Bank BRPD circular no. 56 dated 10 December 2020

Provisions for Loans and Advances/Investments

Rates of Provision on Loans and Advances/Investments are given below:

Types of Loans and Advances	Provision				
	STD	SMA	SS	DF	BL
Consumer Financing-House Building	1%	1%	20%	50%	100%
Consumer Financing-Loans for Professionals	2%	2%	20%	50%	100%
Consumer Financing-Other than House Building and Profes	2%	2%	20%	50%	100%
Loans to Brokerage Houses, Merchant Banks, Stock Deale	2%	2%	20%	50%	100%
Small and Medium Enterprise (Medium)	0.25%	0.25%	20%	50%	100%
Small and Medium Enterprise (Cottage, Micro, Small)	0.25%	0.25%	5%	20%	100%
Short Term Agriculture/Micro Credit	1%	1%	5%	5%	100%
Others	1%	1%	20%	50%	100%
Off Balance Sheet Exposure	1%	N/A	N/A	N/A	N/A

iv) Impairment of Financial Assets:

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36 "Impairment of Assets". At each balance sheet date, Bengal Commercial Bank PLC assesses whether there is objective evidence that a financial asset or a group of financial assets i.e, loans and advances, of balance sheet items and investments is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if - In the event of impairment loss, the Bank reviews whether a further allowance for impairment should be provided in the profit and loss statement in addition to the provision made based on Bangladesh Bank guidelines or other regulatory requirements.

- there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset up to the balance sheet date;
- the loss event had an impact on the estimated future cash flows of the financial asset or the group of financial assets; and a reliable estimate of the loss amount can be made.

The Bank reviews whether a further allowance for impairment should be provided in the profit and loss statement in addition to the provision made based on Bangladesh Bank guidelines or other regulatory requirements.

v) Fixed Assets (other than lease Items)

The Bank applies the accounting requirements of IAS 16 'Property, Plant and Equipment' for its own assets which are held for current and future use in the business and are expected to be used for more than one year.

Recognition and Measurement

Fixed assets are stated at cost less accumulated depreciation as per IAS 16. The cost of an item of fixed assets is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

The cost of an item of fixed assets comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purpose other than to produce inventories during that period

Subsequent Cost

Subsequent costs are capitalised only when it is probable that the future economic benefits associated with the costs will flow to the entity and cost can be measured reliably. The carrying amount of the replaced portion is derecognised. The costs of day to day servicing of fixed assets, i.e. repairs and maintenance is charged to profit and loss account as expense when incurred.

vi) Depreciation

Depreciation is charged at the rates stated below on all the items of fixed assets on the basis of estimated useful lives as determined in the fixed asset policy of the Bank. In all cases depreciation is calculated on the straight line method. Charging depreciation commences from the day of acquisition and ceases at the date when the assets are disposed.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets have been capitalized as part of the cost of the assets and net sale proceeds (IAS 36)

The Management of the Bank has adopted a straight-line depreciation policy for Bank fixed assets with certain fixed rates. Considering the current condition of the fixed assets of the Bank, management has decided to revise the depreciation rate only with a straight-line method of the fixed assets in the following manner :

Category	Rate of Depreciation	
	31.12.2023 (New)	31.12.2022 (Previous)
Furnitures & Fixtures	10%	15%
Machineries and equipment	15%	20%
Digital Banking Equipment	10%	10%
Computer and network equipment	15%	20%
Vehicles	15%	20%
Right of Use Asset*	Over the Lease Term	Over the Lease Term
Intangible Assets: Software	20%	20%

Repairs and maintenance are charged to profit and loss account as expense when incurred.

*Right of Use Asset is Depreciated over the lease term as per IFRS 16: Lease. (Note vii)

Revaluation

The frequency of revaluation depends upon the movement in the fair value of the items of property, plant and equipment being revalued.

Increases in the carrying amount as a result of revaluation is credited directly to shareholders' equity under the heading of revaluation surplus. Decreases in the carrying amount as a result of revaluation is recognised as an expense. However, a revaluation decrease is charged directly against any related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of the same assets.

Impairment of Fixed Assets

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36 'Impairment of Assets'. The bank has a policy to review the carrying value of financial and non-financial assets and assess whether there is any indication that an asset may be impaired and/or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recovered. If any such indication exists, the bank will make an estimate of the recoverable amount of the asset. The carrying value of the asset will be reduced to its recoverable amount if the recoverable amount is less than its carrying amount with associated impairment losses recognised in the profit and loss account. However, impairment of any financial assets is guided by relevant BB circulars/instructions and IFRS 9. During the year there was no indication of impairment of fixed assets.

Derecognition of Fixed Assets

The carrying amount of an item of fixed assets is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of fixed assets is to be recorded in profit or loss when the item is derecognised.

No fixed asset was derecognized during the year. Details of fixed assets are presented in note 8 and 'Annexure - A' of these financial statements.

vii) Intangible Assets

Intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are to be classified as per IAS 38 'Intangible Assets' which comprises the value of all licensed computer software including core banking software of the Bank, cards management software, cheque processing software (i.e. BEFTN), software of subsidiaries and other integrated customised software for call center, ATM service, Finance and HR operations i.e. PMS, FAR, HRMS, Payroll Management System etc.

Software: As per the approval of the Board, the Bank decided to purchase software from Flora Systems Limited and subsequently a work order has been issued. On 30th December 2020 software has become functional and recognized in the financial statements at cost less accumulated amortisation. Initial cost will be comprised of license fees paid at the time of purchase and other directly attributable costs incurred for customising the software for its intended use. The value of the software is amortised using the straight line method over the estimated useful life of 5 (five) years commencing from the date at which the application of the software is made available for use.

viii) Leases

IFRS 16: "Leases" is effective from 1 January 2019, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Bengal Commercial Bank PLC. has applied IFRS 16 Leases through recognition, measurement and disclosure in the Financial Statements - 2023.

At inception of a contract, the Bank assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The bank applies a single recognition and measurement approach for all leases, except for short-term leases, or, and lease of low value of assets. The bank recognises lease liabilities to make lease payment and right-of-use assets representing the right to use the underlying assets.

Right-of-Use Assets (ROU)

The bank recognises the Right-of-Use assets at the date of contract with the lessor (i.e. the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted for any measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term, or remaining period of the lease term.

Lease Liabilities

The bank recognised lease liabilities which is present value of lease payments to be made over the lease term from the date of Contract with the Lessor. The lease payments include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the bank and payment of penalties for terminating the lease. The lease payment has been discounted using maximum deposit rate fixed by the Government of Bangladesh at the time of Lease calculation which is 6% per annum.

ix) Other Assets

Other assets include mainly advance office rent, payment of advance income tax for which assessment of tax has not been completed yet and all other financial assets, fees and other unrealized income receivable, advance for operating and capital expenditures and stocks of stationery and stamps, etc.

x) Receivables

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity or person.

xi) Non-Banking Assets

Non-banking assets are usually acquired due to failure of borrowers to repay the loan in time taken against mortgaged properties. There was no assets acquired in exchange for loan during the period of financial statements.

B. Capital, Reserve, Liabilities and Provisions and Basis of their Valuation

i) Borrowing from other Banks, Financial Institutions and Agents

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

ii) Deposits and other Accounts

Deposits and other accounts include non-interest bearing current deposits redeemable at call, interest bearing short-term deposits, savings deposits and fixed deposits which are initially measured at the consideration received. These items are subsequently measured and accounted for at the gross value of the outstanding balance in accordance with the contractual agreements with the counterparties.

iii) Other Liabilities

Other liabilities comprise items such as provision for accrued expenses. Individual item-wise liabilities are recognised as per the guidelines of Bangladesh Bank (BB) and International Financial Reporting Standards (IFRSs).

iv) Dividend Payments

Interim dividend is recognised only when the shareholders' right to receive payment is established. Final dividend is recognised when it is approved by the shareholders in AGM. Dividend payable to the Bank's shareholders is recognised as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive payment is established. Due to Operating Loss no Dividend was paid during the year.

v) Provision for Loans and Advances/Investments

As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 16 dated 18 November 2014 and BRPD circular no. 3 dated 21 April 2019, provisions for loans and advances is to be kept after each quarter end.

vi) Provision Against Investment in Capital Market:

For recognition of loss suffered from investment in capital market, provision is to be provided on unrealized loss (gain net off) according to DOS Circular No. 04 dated 24 November 2011 on portfolio.

vii) Provision for off-Balance Sheet Exposures

As per BRPD circular no. 07 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018, Banks need to maintain provision @0% to 1% against off-balance sheet exposures.

viii) **Provision for Nostro Accounts**

According to guidelines of Foreign Exchange Policy Department of Bangladesh Bank, circular no. FEOD (FEMO)/01/2005-677 dated 13 September 2005, Bank is required to make provision regarding the un-reconciled debit balance of Nostro Account for more than three months as at balance sheet date.

Since there was no unreconciled entries which are outstanding for more than three months, thereafter no provision has been made.

ix) **Provision for other Assets:**

As per BRPD Circular No. 14 dated 25 June 2001 i.e. 100% provision is required on other assets which are outstanding for one year or more.

x) **Provision for Liabilities and Accrued Expenses**

In compliance with IAS 37, provisions for other liabilities and accrued expenses are recognised in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

xi) **Retirement/Post-Employment Benefits**

The retirement benefits accrued for the employees of the Bank as on reporting date has been accounted for in accordance with the provision of International Accounting Standard-19, "Employees Benefits". Various types retirement benefit schemes of the bank are as follows:

a) **Provident Fund**

A "Defined Contribution Plan" is a post employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal constructive obligation to pay further amounts. Provident Fund benefits are given to the staff of the Bank in accordance with the Provident Fund Rules. Permanent employees of the bank are contributing 10% of their basic salary as provident fund. The bank also contributes equal amount of the employees contribution to the fund.

b) **Gratuity**

Gratuity is a form of monetary benefit paid to a worker upon being terminated or retired from employment. Gratuity is voluntarily given by way of favour and is an act of grace. Gratuity is not founded on any legal liability but a mere bounty stemming from appreciation and graciousness and therefore, it is capable of being given or withheld at the discretion of the giver. Gratuity Fund benefits will be given to the staff of the Bank in accordance with the NBR approved Gratuity Fund Rules.

c) **Life and Medical Insurance**

The purpose of Social Insurance is to provide benefit to employees in several ways which includes death benefit, physical disability, etc. The Social Insurance Policy of the Bank has yet not been financed by Board, hence, no provision for social insurance fund has been maintained.

C. **Share Capital and Reserves**

i) **Authorized and Issued Capital**

The authorized capital of the Bank is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association to issue (allocate) among shareholders. This amount can be changed by shareholders' approval upon fulfilment of relevant provisions of the Companies Act 1994. Part of the authorised capital usually remains unissued. The part of the authorised capital already issued to shareholders is referred to as the issued share capital of the Bank. Authorized Capital of the Bank as on 31 December 2023 was at BDT 15,000 million.

ii) **Paid-up Capital**

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

iii) **Share Premium**

The Share premium represents the excess amount received by the Bank from its shareholders over the nominal/par value of its share. The amount of share premium can be utilised as per the provision of section 57 of the Companies Act 1994. Currently, the Bank does not have any share premium.

iv) Statutory Reserve

In accordance with provisions of section 24 of the Bank Company Act, 1991 (amendment up to 2019), no Statutory Reserve has been maintained due to Operating Loss.

v) Asset Revaluation Reserve

When an asset's carrying amount is increased as a result of revaluation, the increased amount (netting off deferred tax liability) which may arise against such revaluation gain as per IAS 12 'Income Tax', is credited directly to equity under the heading of assets revaluation reserve as per IAS 16 'Property, Plant and Equipment'. During the financial year, the bank did not revalue of its any fixed asset.

vi) Non-Controlling (Minority) Interest

Non-controlling (minority) interest in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company

vii) Contingent Liabilities

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or any present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income which may never be realised

D. Revenue Recognition

Revenue is recognized as per IFRS 15. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a entity fulfills the performance obligations regarding the contract of supplying the goods or rendering of service. The standard replaces all existing requirements of IAS 18: Revenue and IAS 11: Construction contracts and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2019 thus the company adopted IFRS 15 with a date of the said initial application.

i) Interest / Profit income

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

ii) Income from Investments (Interest/Profit and Others)

Income on investments in Government and other securities, debentures and bonds is required to account for on accrual basis as per the provisions of IFRS 15 'Revenue from Contracts with Customers' and relevant BB guidelines. Capital gain on investments in shares and dividends on investment in shares are included in investment income.

iii) Fees and Commission Income

The Bank earns fees and commissions from diverse range of services provided to its customers. This includes fees and commission income arising on financial and other services provided by the Bank including trade finance, debit cards, passport endorsement, loan processing, loan syndication and locker facilities, etc. Fees and commission income is recognised on the basis of realisation.

iv) Dividend Income

Dividend income from investments is recognized at the time when it is declared in AGM, ascertained and right to receive the payment is established. It is recognized when

- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The amount of the revenue can be measured reliably.

v) Interest/Profit Paid on Borrowing and Deposits

Interest expenses are recognized on accrual basis taking into account of daily balance outstanding at the rate applicable for respective deposits and interest on savings and SND accounts is credited to depositors account on half yearly basis. No interest is applicable on the balance lying in current deposit account. Interest on FDR accrued but not due to clients A/c was credited to 'Other Liability A/c - Interest Payable'.

vi) Other Operating Expense

Expenses incurred by the Bank are recognised on accrual basis when a performance obligation is satisfied by receiving a promised service by the bank as per IFRS 15 'Revenue from Contracts with Customers'.

viii) Taxation

The expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity.

a. Current Tax

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Provision for current income tax has been made as per prescribed rate in the Income Tax Ordinance 1984 on the accounting profit made by the Bank after considering some of the add-backs to income and disallowances of expenditure as per income tax laws with IAS 12 "Income Taxes". Tax Assets under the group head of other assets are recognized for payment of advance income tax, tax deducted at source and tax paid at the time of IT Return for the year/years for which assessment has not been yet finalized. On the other hand, the tax provision (estimated as per IAS 12, provision of latest Finance Act, related SROs/ Guidelines, etc., issued by National Board of Revenue-NBR) are recognized as tax liability under the head of other liability (note: 13.5.1) for the year/years for which assessment has not been yet finalized.

b. Deferred Tax

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

Details of deferred tax assets or liabilities and amount recognised in profit and loss account for deferred tax income or expense are given in note 13.6 in the financial statements.

E. Others

i) Materiality and Aggregation

Each material class of similar items has been presented separately in the financial statements. Items of dissimilar nature also have been presented separately unless they are immaterial in accordance with IAS 1 'Presentation of Financial Statements'.

ii) Earnings Per Share (EPS)

As per IAS 33 'Earnings per Share' the Bank has been reporting 'Basic EPS' as there has been no dilution possibilities during the year. Basic EPS is computed by dividing the profit or loss attributable to ordinary shareholders of the Bank by the number of ordinary shares outstanding during the period.

iii) Reconciliation of Books of Account

Books of account in regard to inter-Bank are reconciled on monthly basis.

iv) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24 'Related Party Disclosures', Bangladesh Bank & BSEC guidelines. Details of the related party transactions have been disclosed in Note 49.0

v) Events After the Reporting Period

All the material events after the reporting period have been considered and appropriate adjustments/disclosures have been made in the financial statements as per IAS 10 'Events after the Reporting Period'.

vi) Operating Segments

Business segments report consists of products and services whose risks and returns are different from those of other business segments. The Bank has a policy to establish reportable segments, as described below, which are the Bank's strategic business units. The strategic business units offers different products and services, and will be managed separately based on the Bank's management and internal reporting structure. Each of the strategic business units of the Bank will be periodically reviewed by the Management Committee. The following summary describes the operations in each of the Bank's reportable segments:

Segment Name	Description	Status
Corporate Banking	This unit focuses on large corporate groups including structured/syndicated finance with a variety of advances & deposit products and other transactions.	Operational
SME Banking	Includes loans, deposits and other transactions and balances with SME customers.	Operational
Consumer Banking	Includes loans, deposits and other transactions and balances with retail customers.	Operational
Treasury	Treasury unit undertakes the Bank's funding and maintenance of SLR, Asset-liability management through money market operation, Fx. Market dealings, investing in derivatives including forwards, futures and swaps	Operational
Investment Banking	Includes the Bank's trading, investment in equities and other capital market activities.	Operational
Card and Alternate Delivery Channel	This includes offering a variety of debit card and credit card to the customers according to their needs.	Operational
Mobile Financial Services	Mobile Financial Services came up with the aim to cover a large number of people under banking channel through mobile network facilitating convenient cash in/out, bill payment, POS purchase etc	Not Operational

vii) Risk Management and other Related Matters

Today's most risky nature of Banking business has caused the Central Banks of every country much concerned about the risk factors affecting the financial position of the banks. In this connection every Central Banks have come forwarded to establish a general framework to defeat the risk factors considering the laws of the land. Bangladesh Bank has also undertaken an overall core-risk management project under which every bank shall be bounded to the authoritative covenants to install risk management system. Bengal Commercial Bank PLC. has established approved policies covering major areas such as (a) Credit Risk Management, (b) Foreign Exchange Risk Management, (c) Asset Liability Management Risk (d) Money Laundering Risk (e) Internal Control & Compliance Risk and (f) Information & Communication Technology Security Risk (g) Internal Audit (h) Fraud and Forgeries to the DOS circular no: 02 (15 February 2012) regarding 'Risk Management Guidelines' for Banks, Bank Companies Act 1991 (as amended upto 2013) and other guidelines. of Bangladesh Bank.

In addition, the bank is also following relevant Bangladesh Bank guidelines on risk based capital adequacy, stress testing and managing the banking risks in other core risk areas.

The bank has established an independent Risk Management Division (RMD) as per DOS circular no:02 (15 February 2012). The RMD conducts stress testing as per DOS circular no: 01 (23 February 2011), for examining the Bank's capacity of handling future shocks, as well as deals with all potential risks that might occur in future.

The prime objective of the risk management is that the bank takes well calculative business risks while safeguarding the bank's capital, its financial resources and profitability from various risks. In this context, the bank took steps to implement the guidelines of Bangladesh Bank as under:

a. Credit/Investments Risk

Credit risk can be defined as the risk of a potential loss to the Bank when a borrower or counterparty is either unable or unwilling to meet its financial obligations. Granting loans and advances is the core business of BGCB and as such credit risk is its most material risk. The credit risk arises primarily from Corporate Banking, SMEs and Retail loans and advances. Given the scale and materiality of Bank's loan book, managing the credit quality of the lending portfolio is a key focus area with the objective of minimizing probable losses and maintaining credit risk exposure within acceptable parameters.

BGCB's Credit Policy, which is approved by the Board of Directors, plays a central and strategic role in managing daily business activities. The policy defines the principles encompassing client selection, due diligence, early alert reporting, tolerable levels of concentration risk and portfolio monitoring, in line with the Bank's risk appetite. The approach is to avoid excessive credit risk on a counterparty or portfolio level by applying stringent underwriting standards combined with sound collateralization where feasible. The policy is reviewed regularly by the Board of Directors to ensure consistency with the Bank's business strategy.

b. Liquidity Risk

Liquidity risk arises when the Bank cannot maintain or generate sufficient funds to meet its payment obligations as they fall due or can only do so at a material loss. This can arise when counterparties who provide funding to the Bank withdraw or do not roll over a line of funding or as a result of a general disruption in financial markets which lead to normal liquid assets becoming illiquid. The main sources of the Bank's funding are capital, core deposits from retail and commercial clients, wholesale deposits and access to borrowed funds from the interbank money market. The Bank also maintains a portfolio of readily marketable securities to further strengthen its liquidity position. BGCB manages liquidity risk in accordance with regulatory guidelines internal benchmarks. Also, the Contractual maturity of assets and liabilities and liquidity ratios to include adherence to regulatory requirements and monthly liquidity forecasts are reviewed at ALCO meetings. Furthermore, liquidity stress tests is carried out quarterly to assess the impact of extreme events.

c. **Asset Liability Management Risk**

Asset Liability Management (ALM) has been defined as a planned, structured and systematic process of managing the asset and liability with a view to lead the Bank to a balanced and sustainable growth through minimizing various business risk factors - market risk and liquidity risk. According to the Bangladesh Bank guidelines and considering the most practical aspects of the Bank, an approved policy manual on ALM has been prepared so that it could be followed consistently every sphere of the management. To support the ALM process, the Bank has established a committee called "Asset Liability Committee (ALCO)" headed by the Managing Director and holds meeting at least one in every month. ALM Desk, an exclusive functional and operational desk for the asset liability management, is embodied herewith the ALCO to function under the direct control of Treasury Division.

d. **Market Risk**

Market Risk is the risk that changes in equity, bond and commodity prices, as well as movements in foreign exchange rates and interest rates that may adversely affect the Bank's trading and banking books. Market risk can be subdivided into three categories depending on risk factors: interest rate risk, foreign exchange risk, and equity price risk.

e. **Interest/Profit Rate Risk**

Interest rate risk is the risk to earnings or capital of the bank arising from movement of interest rates. The movement of interest rates affects bank's reported earnings and capital by changing:

- Net interest income
- The market value of trading accounts (and other instruments accounted for by market value), and
- Other interest sensitive income and expenses.

To manage interest rate risk, ALCO regularly monitors various ratios and parameters. The Bank has deployed several analysis techniques (e.g. rate sensitive gap analysis, duration gap analysis) to measure interest rate risk, its impact on net interest income and takes insight about course of actions.

f. **Foreign Exchange Risk**

Foreign exchange risk is defined as the potential change in earnings due to change in market price of foreign exchange. The foreign exchange risk of the bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. To Control risk, bank always keep its unhedged net open position within stipulated limit set by central bank.

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

g. **Equity Price Risk**

Equity price risk is the risk of losses caused by changes in equity prices. These losses could arise because of changes in the value of listed shares held directly by the bank; changes in the value of listed shares held by a bank subsidiary; changes in the value of listed shares used as collateral for loans whether the loan was made for the purpose of buying the shares; and changes in the value of unlisted shares.

The risks will be monitored by Credit Committee under a well-designed policy framework.

h. **Operational Risk**

Operational Risk is the risk of losses incurring due to human errors, inadequate or failed internal processes or systems or external events including legal risk. Legal risk arises when the Bank's business is not conducted in accordance with applicable laws, when the Bank may be liable for damages to third parties or when contractual obligations may be enforced against the Bank resulting from legal proceedings. The objective of the Operational Risk Management (ORM) is to establish sound control practices to increase the effectiveness of the Bank's resources and minimize financial losses. BGCB is in process to establish operational risk management unit for management of and reporting of operational risk. Currently, Bank uses the Basel III defined event types for loss classification but a comprehensive loss reporting, recording and tracking database yet to establish.

The Operational Risk may arise from error and fraud due to lack of or failure of internal control and compliance. Management controls the operational procedure through various policy and operational guidelines in conformity with best practices and complying with regulators' instructions. Internal Control and Compliance Division (ICCD) of the Bank evaluates effectiveness of the Internal Control System of the Bank. The Audit Committee of the Board subsequently reviews the reports of ICCD and given their suggestions and guidelines time to time for strengthening the operational procedure of the Bank.

i. Prevention of Money Laundering and Terrorist Financing

Bengal Commercial Bank PLC (BGCB) has framed an approved Money Laundering Prevention Policy Guideline so that it could be sufficient enough to protect the bank from tribulations of money laundering.

As per Money Laundering Prevention Act, 2002 and Money Laundering Prevention circular, a Central Compliance Unit (CCU) has been formed at Head Office in BGCB and a designated person has been nominated to supply any information if required and report any abnormal and suspicious transactions to Bangladesh Bank through CCU. Chief Anti Money Laundering Compliance Officer (CAMALCO) has been designated at head office and Branch Anti Money Laundering Compliance Officers (BAMALCO) will be assigned at branches.

Know Your Customer (KYC) profile, Risk Rating and Assessment (RRA) profile and Transaction Profile (TP) have been introduced as per the direction of Bangladesh Bank. These profiles facilitate and ease the KYC procedures, risk categorization, transaction monitoring process, suspicious activity reporting process, self-assessment process, independent procedures testing system etc. Proper record keeping procedure has been established also.

Various types of statements such as Quarterly STR, Quarterly KYC statement for legacy accounts, Bi-monthly statements etc will be sent to the Bangladesh Bank properly as per the requirements. "

The training procedure has been conforming as per the action plan, which was given to Bangladesh Bank. It provides significant role to develop and to aware the staffs of BGCB about Anti Money Laundering. The management of the Bank is committed to train all of its workforces regarding anti money laundering.

j. Information and Communication Technology Risk

BGCB adheres to the IT Security policies and procedures in line with ICT Security guideline of Bangladesh Bank. To prevent attack from Cyber criminals/fraudsters, BGCB IT has established standard physical and logical security measures for all sensitive IT infrastructures (e.g., Data Centre, Disaster Recovery Site, Power Rooms, Server Rooms, etc.). Besides, BGCB has standard logical IT security measures like access control system, intrusion detection, access log and periodic security assessment for all systems. Vulnerability assessment exercises, both internally and externally, are conducted regularly to identify security weakness and establish control for mitigation.

IT Security team has also taken initiatives to create awareness about cybersecurity among all BGCB employees and customers through retail and corporate channels. We have separate information system audit to identify control gaps and improve continually.

k. Internal Audit

The Bank has a plan to established an independent internal audit function with the head of Internal Control & Compliance (ICC). The internal audit team will performs risk based audit on various business and operational areas of the Bank on continuous basis. The audit committee and the Board will regularly reviews the internal audit reports as well as monitor progress of previous findings. However, the Head of Audit being part of internal control & compliance, will report to audit committee of the Board and is responsible to audit committee of the Board.

l. Prevention of Fraud

Fraud and Forgeries are a critical dimension, the banking industry is facing now a days. In order to safeguard the bank from all probable fraud and forgeries that may occur in any respect, the bank will take all possible safety security measures under direct supervision of ICCD. Concurrent audit, internal audit, Board audit etc. will be done periodically along with surprise audit from time to time. Moreover, there are a lot of safety measures initiated at the branch level also. The core banking solution Flora is designed to prevent IT related fraud and forgeries.

2B Compliance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

The Bank has complied with following IASs & IFRSs as adopted by ICAB during the preparation of financial statements as at and for the year ended 31 December 2023.

Name of IASs/IFRSs	BASs / IFRSs	NO	Status
Presentation of Financial Statements	IAS	1	*Applied
Inventories	IAS	2	N/A
Statement of Cash Flows	IAS	7	*Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS	8	Applied
Events after the Reporting Period	IAS	10	Applied
Income Taxes	IAS	12	Applied
Property, Plant and Equipment	IAS	16	Applied
Employee Benefits	IAS	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS	20	N/A
The Effects of Changes in Foreign Exchange Rates	IAS	21	Applied
Borrowing Costs	IAS	23	N/A
Related Party Disclosures	IAS	24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS	26	N/A
Separate Financial Statements	IAS	27	Applied
Investments in Associates	IAS	28	N/A
Interests in Joint Ventures	IAS	31	N/A
Earnings per share	IAS	33	Applied
Interim Financial Reporting	IAS	34	Applied
Impairment of Assets	IAS	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS	37	*Applied
Intangible Assets	IAS	38	Applied
Financial Instruments: Recognition and Measurement	IAS	39	*Applied
Investment Property	IAS	40	N/A
Agriculture	IAS	41	N/A
First-time Adoption of International Financial Reporting Standards	IFRS	1	Applied
Share-based Payment	IFRS	2	N/A
Business Combinations	IFRS	3	Applied
Insurance Contracts	IFRS	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	IFRS	5	*Applied
Exploration for and Evaluation of Mineral Resources	IFRS	6	N/A
Financial Instruments: Disclosures	IFRS	7	*Applied
Operating Segments	IFRS	8	Applied
Financial Instruments	IFRS	9	*Applied
Consolidated Financial Statements	IFRS	10	Applied
Joint Arrangements	IFRS	11	N/A
Disclosure of Interests in Other Entities	IFRS	12	Applied
Fair Value Measurement	IFRS	13	*Applied
Regulatory Deferral Accounts	IFRS	14	N/A
Revenue from Contracts with Customers	IFRS	15	Applied
Leases	IFRS	16	*Applied

* Subject to departure described in note 2.1, N/A = Not Applicable

Reporting Period

These financial statements cover the period from 1 January 2023 to 31 December 2023.

Approval of Financial Statements

The financial statements have been approved by the Board of Directors of the bank in its meeting held on 31st March 2024

Changes in Accounting Policies

As per IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" Accounting Policies are applied consistently for comparability between financial statements of different accounting periods. Changes in Accounting Policies are applied retrospectively in the financial statements. Comparative amounts presented in the financial statements affected by the change in accounting policy for each prior period presented.

IFRS 15 - Revenue from Contract with Customers

IFRS 15 "Revenue from Contracts with Customers" replaces IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 15 establishes a more systematic approach for revenue measurement and recognition by introducing a five-step model governing revenue recognition. The five-step model includes: 1) identifying the contract with the customer, 2) identifying each of the performance obligations included in the contract, 3) determining the amount of consideration in the contract, 4) allocating the consideration to each of the identified performance obligations and 5) recognising revenue as each performance obligation is satisfied. The Bank has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements.

General

- (i) Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact on the operating result and value of assets and liabilities as reported in the financial statements for the current year.
- (ii) Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- (iii) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- (iv) These financial statements cover one calendar year from 01 January 2023 to 31 December 2023.

Bengal Commercial Bank PLC.

Notes to the Financial Statements

As at and for the Year ended on 31 December 2023

	Notes	31.12.2023 TAKA	31.12.2022 TAKA
3.0 Cash in hand			
Conventional and Islamic Banking			
Cash in hand	3.1	397,956,066	254,528,407
Balance With Bangladesh Bank and its agent Banks	3.2	708,084,915	543,750,998
		1,106,040,981	798,279,405
3.1 Cash in hand			
Local Currency		395,809,575	254,528,407
Foreign Currency		2,146,491	213,900
		397,956,066	254,528,407
3.2 Balance with Bangladesh Bank and its agent Banks			
Conventional and Islamic Banking			
Bangladesh Bank			
Local currency		698,828,989	488,336,826
Foreign currencies		6,736,201	55,410,157
		705,565,190	543,746,983
Balance with agent banks		2,519,725	4,015
		708,084,915	543,750,998

3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirements (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of the Bank Companies Act (As amended up to date) and Bangladesh Bank Mpd Circular no. 03 dated 09 April 2020.

Conventional:

A. Cash Reserve Requirement (CRR)

As per Bangladesh Bank MPD circular no. 03 dated 09 April, 2020 and BRPD(P-3)/744(27)/2020-4086 dated 18 June, 2020, Bank has to maintain 3.50% CRR on daily basis for Domestic Banking Operation (DBO) and 4.00% on bi-weekly basis for Domestic Banking Operation (DBO). CRR requirement is calculated on the basis of weekly Average of Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. The reserve maintained by the Bank as at 31 December 2023 are as follows:

Daily Basis

Average Total Demand and Time Liabilities

Required Reserve

DBO (3.5% of of ATDTL) (A)

Actual Reserved Maintained as Per Bangladesh Bank Statement (B)

Surplus (B-A)

Bi-Weekly Bank's CRR Maintenance

Required Reserve

DBO (4% of of ATDTL) (A)

Actual Reserved Maintained as Per Bangladesh Bank Statement (B)

Surplus (B-A)

		3,991,080,034
	-	3,991,080,034
	407,065,000	322,025,000
	407,065,000	322,025,000
	502,172,020	552,069,940
	502,172,020	552,069,940
	95,107,020	230,044,940
	465,217,000	368,029,000
	465,217,000	368,029,000
	502,172,020	552,069,940
	502,172,020	552,069,940
	36,955,020	184,040,940

B. Statutory Liquidity Ratio (SLR)

As per Section 33 of the Bank Company Act, 1991 & MPD circular no. 02 dated December 10, 2013 issued by Bangladesh Bank with effect from February 1, 2014, Bank has to maintain SLR of minimum 13.00% based on weekly Average Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. SLR maintained by the Bank as at 31 December 2023 are as follows:

Required Reserve (13% of ATDTL) for DBO (A)

Actual Reserve Maintained (B)

Surplus(B-A)

C. Components of Statutory Liquidity Ratio (SLR)

Cash in hand

Balance with Agent Bank

Held to Maturity (HTM) Securities

Held for Trading (HFT) Securities

Excess From CRR (4%)

Other Eligible Securities

1,511,955,000	980,233,000
1,511,955,000	980,233,000
2,089,125,000	1,784,314,880
2,089,125,000	1,784,314,880
577,170,000	804,081,880
397,956,066	254,528,410
	-
1,316,170,690	1,119,131,343
392,853,600	-
36,955,017	184,040,940
-	117,617,500
2,143,935,373	1,675,318,193

As per Bangladesh Bank DOS Circular no. 26 dated 19 August, 2019, cash reserve (if any) in excess of required CRR calculated on bi-weekly basis is considered as an eligible component of Statutory Liquidity Reserve for that particular day.

Islamic:**A. Cash Reserve Requirement (CRR)**

As per Bangladesh Bank MPD circular no. 03 dated 09 April, 2020 and BRPD(P-3)/744(27)/2020-4086 dated 18 June, 2020, Bank has to maintain 3.50% CRR on daily basis for Domestic Banking Operation (DBO) and 4.00% on bi-weekly basis for Domestic Banking Operation (DBO). CRR requirement is calculated on the basis of weekly Average of Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. The reserve maintained by the Bank as at 31 December 2023 are as follows:

Daily Basis

Average Total Demand and Time Liabilities

Required Reserve

DBO (3.5% of of ATDTL) (A)

Actual Reserved Maintained as Per Bangladesh Bank Statement (B)

Surplus (B-A)

Bi-Weekly Bank's CRR Maintenance

Required Reserve

DBO (4% of of ATDTL) (A)

Actual Reserved Maintained as Per Bangladesh Bank Statement (B)

Surplus (B-A)

	-
-	
174,193,000	100,735,000
174,193,000	100,735,000
200,770,090	177,635,270
200,770,090	177,635,270
26,577,090	76,900,270
199,077,000	115,126,000
199,077,000	115,126,000
200,770,090	177,635,270
200,770,090	177,635,270
1,693,090	62,509,270

Notes	31.12.2023 TAKA	31.12.2022 TAKA
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C. Components of Statutory Liquidity Ratio (SLR)

Cash in hand	54,810,380	35,706,890
Balance with Agent Bank		-
Held to Maturity (HTM) Securities		-
Held for Trading (HFT) Securities		-
Excess From CRR (4%)	1,693,088	62,509,269
Other Eligible Securities	317,590,000	117,590,000
	374,093,468	215,806,159

As per Bangladesh Bank DOS Circular no. 26 dated 19 August, 2019, cash reserve (if any) in excess of required CRR calculated on bi-weekly basis is considered as an eligible component of Statutory Liquidity Reserve for that particular day.

4.0 Balance with other banks and financial institutions Conventional and Islamic Banking

Balance In Bangladesh	4.1	3,382,609,682	4,151,995,322
Balance outside Bangladesh	4.2	99,713,129	3,134,607
		3,482,322,810	4,155,129,928

4.1 In Bangladesh

A. SND/STD Account

Mercantile Bank PLC.
Agrani Bank PLC.
EXIM Bank PLC.
Standard Bank PLC.

B. CD Account

Trust Bank PLC.
Jamuna Bank PLC.

C. Term Deposit

Southeast Bank PLC.
Jamuna Bank PLC.
One Bank PLC.
NCC Bank PLC.
NRB Bank PLC.
IDLC Finance PLC.

9,379,530	910,850,801
1,022,189	-
120,068,211	-
2,243,277,165	700,000,000
2,373,747,096	1,610,850,801
8,395,553	1,144,520
467,033	
8,862,586	1,144,520
1,000,000,000	-
-	150,000,000
-	500,000,000
-	1,000,000,000
-	390,000,000
-	-
1,000,000,000	2,540,000,000
3,382,609,682	4,151,995,322

4.2 Outside Bangladesh (NOSTRO Accounts)

AB Bank Limited, Mumbai, India	4,697,162	1,600,276
Axis Bank Limited, Mumbai, India	542,245	311,667
Mashreq Bank PSC, New York, USA	92,624,859	1,202,981
Sonali Bank (GBP)	-	19,683
Sonali Bank (EURO)	957,789	
Sonali Bank (USD)	891,073	-
	99,713,129	3,134,607

Details of NOSTRO Accounts along with Conversion and Unreconciled Position in Annexure-A

	Notes	31.12.2023 TAKA	31.12.2022 TAKA
4.3 Maturity grouping of balance with other banks & financial institutions			
On demand		117,488,212	915,129,928
Not more than three months		1,000,000,000	2,540,000,000
More than three months but less than one year		-	-
More than one year but less than five years		-	-
More than five years		-	-
		1,117,488,212	3,455,129,928
5.0 Money at Call and Short Notice			
Call money Lending		-	-
Short Notice Lending		-	672,284,940
		-	672,284,940
5.1 Call Money Lending-With banking Companies			
Call Money Lending-With banking Companies		-	-
5.2 Short Notice Lending			
Short Notice Lending		-	-
6.0 Investment Conventional and Islamic Banking			
(a) Nature Wise			
Held for Trading		392,853,600	108,996,682
Held for Maturity		1,316,170,692	1,119,131,343
Others		1,123,131,309	923,244,430
		2,832,155,601	2,151,372,455
(b) Claim Wise			
Government Securities	6.1	2,026,694,292	1,345,745,525
Others	6.2	805,461,309	805,626,930
		2,832,155,601	2,151,372,455
6.1 Government Securities			
Treasury Bond	6.1.1	1,709,024,292	1,228,128,025
Sukuk Islami Bond		267,590,000	117,590,000
Islami Investment Bond (BGIIIB)		50,000,000	-
Prize Bond		80,000	27,500
		2,026,694,292	1,345,745,525
6.1.1 Treasury Bond			
Held for Maturity			
Treasury Bond (1 year to 5 years)		199,416,418	10,200,000
Treasury Bond (10 years)		225,713,674	215,611,235
Treasury Bond (15 years)		386,232,736	386,059,442
Treasury Bond (20 years)		504,807,864	507,260,667
		1,316,170,692	1,119,131,343
Held for Trading			
Treasury Bill (90 Days)		392,853,600	108,996,682
Treasury Bond (20 years)		-	-
		392,853,600	108,996,682
		1,709,024,292	1,228,128,025

	Notes	31.12.2023 TAKA	31.12.2022 TAKA
6.2 Others (Investment in Other than Govt. Securities)			
Conventional and Islamic Banking			
Corporate Bond	6.2 (a)	200,000,000	200,000,000
Subordinate Bond	6.2 (b)	150,000,000	150,000,000
Perpetual Bond	6.2 (c)	100,000,000	100,000,000
Ordinary Shares & Mututal Funds		355,461,309	355,626,930
		805,461,309	805,626,930
Investment in ordinary shares, mututal funds and preference shares are detailed in Annexure-B			
6.2 (a) Corporate Bond			
Unquoted			
North West Power Generation Company		200,000,000	200,000,000
Jamuna Bank Limited Subordinated Bond-IV		-	-
		200,000,000	200,000,000
6.2 (b) Subordinate Bond			
Unquoted			
Jamuna Bank Limited Sub Bond		150,000,000	150,000,000
		-	-
		150,000,000	150,000,000
6.2 (c) Perpetual Bond			
Unquoted			
Mercantile bank		100,000,000	100,000,000
		-	-
		100,000,000	100,000,000
6.2 (d) Islami Investment Bond (BGIIIB)			
Unquoted			
Bangladesh Government Islami Investment Bond (BGIIIB)		50,000,000	100,000,000
		-	-
		50,000,000	100,000,000
6.4 Maturity-Wise Grouping			
On Demad		355,541,309	355,654,430
Up to 3 months		442,853,600	-
More than 3 months but not more than 1 year		-	-
More than 1 year but not more than 5 year		467,006,418	117,590,000
More than 5 years		1,566,754,274	1,678,128,025
		2,832,155,601	2,151,372,455
7.0 Loans & Advances / Investment			
Conventional and Islamic Banking			
Loans, Cash credit & overdraft etc / Investments	7.1	14,224,313,381	7,249,464,752
Bills purchased and discounted		32,095,712	27,077,514
		14,256,409,093	7,276,542,266
7.1 Product Wise Loans and Advances / Investments			
Continuous Loan / Investment		6,791,720,546	2,707,399,541
Term Loan / Investments		3,586,583,513	1,977,270,862
Demand Loan / Investments		3,800,553,018	2,522,919,145
Auto Loan / Investments Staff		45,456,304	41,875,205
		14,224,313,381	7,249,464,752
7.2 Loans, Cash Credits, Overdraft etc.			
Overdrafts		5,424,097,826	2,002,422,006
Demand Loans		3,219,417,984	2,136,790,646
Term Loans		1,875,936,427	1,278,155,358
Staff Loans		45,456,304	41,875,205
Hire Purchase		35,587,842	28,583,732
Cash Credit		79,872,709	-
Loan Under COVID-19 stimulus Package		-	301,019,137
		10,680,369,092	5,788,846,084

	Notes	31.12.2023 TAKA	31.12.2022 TAKA
7.3 Small and Medium Enterprise			
Overdrafts		1,284,718,121	283,506,316
Demand Loans		613,230,746	413,206,012
Term Loans		1,550,025,794	561,686,069
Loan Under COVID-19		128,065,341	229,297,784
		3,576,040,001	1,487,696,181
7.4 Net Loans and Advances/Investments			
Gross Loans and Advances/Investments		14,256,409,093	7,276,542,266
Less: Interest Suspense		-	-
Less: Provision for Loans and Advances/Investments		117,090,000	62,307,000
		14,139,319,093	7,214,235,266

Classified loans and advances of the banks are categorized as sub-standard, doubtful and bad/loss as per guidelines of the Bangladesh Bank. Interest accrued on Sub-Standard (SS), doubtful and bad/loss loans is recorded as 'interest suspense' and not taken to income. This interest is recognized as income as and when it is realized by the bank.

7.5 Loans and Advances/Investments under the following Broad Categories

Inside Bangladesh

Cash Credits	421,969,922	114,307,142
Overdrafts	6,369,750,624	2,593,092,399
Term Loan	3,550,995,671	1,948,687,130
Hire Purchase	81,044,146	70,458,936
Demand Loans	3,832,648,730	2,549,996,659
	14,256,409,093	7,276,542,266

Outside Bangladesh

Cash Credits	-	-
Overdrafts	-	-
Hire Purchase	-	-
Term Loan	-	-
Time Loan	-	-
	-	-

7.6 Geographic Location wise Portfolio grouping

Urban

Dhaka Division	11,953,330,014	6,949,262,170
Chattogram Division	898,279,657	84,354,960
Khulan Division	-	-
Sylhet Division	-	-
Barisal Division	-	-
Rajshahi Division	10,645,457	-
Rangpur Division	-	-
Mymensingh Division	-	-
	12,862,255,128	7,033,617,130

Rural

Dhaka Division	1,094,350,008	198,716,293
Chattogram Division	210,118,842	44,208,843
Khulan Division	-	-
Sylhet Division	-	-
Barisal Division	-	-
Rajshahi Division	8,600,063	-
Rangpur Division	81,085,053	-
Mymensingh Division	-	-
	1,394,153,965	242,925,136

7.7 Loans and Advances/Investments on the basis of significant concentration

7.7.1 Loans and Advances/Investments to Directors, Executives and Others

a) Directors		
Credit Cards	-	-
Others	-	-
	-	-
b) Staff		
Managing Director and CEO	-	-
Executives and Staffs	45,456,304	41,875,205
	45,456,304	41,875,205

	Notes	31.12.2023 TAKA	31.12.2022 TAKA
c) Agriculture		170,926,777	65,100,717
d) Industry			
Food Manufacturing		1,885,329,013	895,235,347
Bevarage and Industry		-	-
RMG Industry		427,919,799	343,584,797
Textile Industry		806,466,439	409,172,829
Wood Cork and Allied Products		-	-
Furniture and Fixtures		3,995,295	304,117
Paper and Paper Products		5,041,969	5,300,586
Leather and Leather Products		349,439,327	346,591,244
Rubber And Plastic Industries		192,488,807	145,525,426
Chemical and Chemical Products		557,322,529	398,487,476
Basic Metal Products		519,771,606	657,851,241
Electrical Machinery and Apparatus		33,199,510	214,115,803
Pharmaceutical		211,488,761	219,164,097
Ship Building		-	-
Ship Breaking		-	-
Other Manufacturing Industries		3,069,332,508	1,218,939,757
Others		1,141,841,461	445,359,598
		9,203,637,025	5,299,632,319
e) Constructions		828,306,606	259,460,931
f) Power, Gas, Water and Sanitary Services		1,251,836,640	359,746,272
g) Trade Services		1,037,123,522	389,327,253
h) Housing Services		274,595,155	59,228,200
i) Transport, Storage and Communication		13,560,691	-
j) Banking and Insurance		-	-
k) Professional and Misc. Services		1,430,966,372	802,171,370
		14,256,409,093	7,276,542,266

7.8 Detail of Large Loan/Investments

Number of clients with amount outstanding (Funded and Non Funded) and classification status to whom loans and advances sanctioned are 10% or more of the total regulatory capital of the Bank. Total capital of the bank was Taka 4,388,683,224

Number of Clients

Amount of Outstanding loans and Advances

24	7
6,030,616,155	1,276,988,646

Client Wise Details are Given Below:

Amount in Million

Name of the Client	Sanction Limit	Outstanding		Total	Classification Status
		Funded	Non-Funded		
MUTUAL FOOD PRODUCTS	57.50	46.66	-	46.66	STD
MUTUAL MILK PRODUCTS	50.00	41.14	-	41.14	STD
MUTUAL TRADING	50.00	43.99	-	43.99	STD
AZIM UDDIN AHMED	270.00	262.89	-	262.89	STD
ARLA FOODS BANGLADESH	780.00	180.34	457.37	637.71	STD
ALPHA CARBON	410.00	174.39	21.82	196.21	STD
MEGHNA INNOVA RUBBER	210.00	100.51	-	100.51	STD
ALCA INDUSTRIES LTD.	155.00	20.36	-	20.36	STD
MEGHNA AUTOMOBILES	200.00	71.35	-	71.35	STD
CONFIDENCE POWER	600.00	621.59	-	621.59	STD
DBL CERAMICS LIMITED	600.00	632.87	-	632.87	STD
KHULNA POWER COMPANY	300.00	316.18	-	316.18	STD
SUMMIT CORPORATION	300.00	310.26	-	310.26	STD
MYMENSINGH AGRO	200.00	207.70	-	207.70	STD

Name of the Client	Sanction Limit	Outstanding		Total	Classification Status
		Funded	Non-Funded		
HABIGANJ AGRO LIMITED	400.00	400.00	-	400.00	STD
ACI FORMULATIONS	600.00	557.32	-	557.32	STD
GOLAM RABBANI	746.10	427.85	250.21	678.06	STD
SHAH CEMENT INDUSTRIES	600.00	597.43	-	597.43	STD
AKIJ POLY FIBRE	1,000.00	400.09	-	400.09	STD
AKIJ SHIPPING LINE	-	-	-	-	STD
BONGO TRADERS LTD	-	-	-	-	STD
M/S THE SUCCESSORS	-	-	-	-	STD
CITY SUGAR INDUSTRIES	550.00	263.98	-	263.98	STD
HOSHENDI ECONOMIC		353.73	-	353.73	STD

Note: Large exposures has been calculated on the basis of BRPD Circular No 01, dated 16 January 2022.

7.9 Classified and Unclassified Loans and Advances

Unclassified

Standard

Special Mentioned Accounts (SMA)

Classified

Sub-Standard

Doubtful

Bad/Loss

14,256,409,093	7,276,542,266
-	-
-	-
-	-
-	-
14,256,409,093	7,276,542,266

7.10 Sector-Wise Allocation of Loans and Advances/Investments

Government

Private

Agriculture

Industry

Service Industry

Agro-Based Industry

Commerce and Trade

Consumer Credit

Others

Total

170,926,777	65,100,717
7,633,129,697	4,559,761,956
2,067,076,632	720,250,088
1,680,502,508	654,257,037
1,037,123,522	389,327,253
758,993,473	266,070,035
908,656,484	621,775,180
14,256,409,093	7,276,542,266

7.11 Securities Wise Loans and Advances/Investments Including Bills Purchased and Discounted

Collateral of Moveable/Immoveable Assets

Local Banks and Financial Institutions Guarantee

Fixed Deposit Receipts (FDR)

FDR of Other Banks

Personal Guarantee and Other Securities

Other Securities

Without Securities

3,570,413,081	1,907,264,272
-	-
1,949,802,996	262,430,267
-	-
3,208,142,255	1,777,679,221
5,502,033,629	3,312,679,670
26,017,132	16,488,836
14,256,409,093	7,276,542,266

7.12 Particulars of Loans and Advances/Investments

Loans considered good in respect of which the banking company is fully & partly secured.

Loans considered good against which the banking company holds no security than the debtors personal guarantee.

Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor.

Loans adversely classified, provision not maintained there against.

5,520,216,077	2,168,926,546
26,017,132	16,488,836
8,710,175,884	5,091,126,883
-	-
14,256,409,093	7,276,542,266

Loans due by directors or officers of the banking company or any of them either separately or jointly with any other person

Loans due by companies or firms in which the directors of the banking

Maximum total amount of advances including temporary advances made at any

Maximum total amount of Investments including temporary Investment granted

Due from banking companies

Amount of Classified Loan on which interest has not been

a) (Decrease)/ Increase in provision

Amount of Debts written off

Amount realised against loan previously written off

c) Interest creditable to the interest suspense account.

Cumulative amount of the wirtten off loan

Opening Balance

Amount Written off during the year

The amount of written off loans for which law suits have been filed

-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
14,256,409,093	7,276,542,266

7.13 Particulars of Required Proviaions for Loans and Advances

Status	Base for Provision	Percentage (%) o required Provisio	Required Provision 2023	Required Provision 2022
Unclassified				
All Uncalssified Loans (Other than	9,972,066,609	1%	99,720,666	56,060,427
Small and Medium Enterprise	3,576,040,001	0.25%	8,940,100	3,719,240
Housing Finance	191,227,281	1%	1,912,273	437,986
Loans to Professionals	-	2%	-	-
Loans to BHs/MBs/SDs against Shares	315,661,606	1%	3,156,616	-
Consumer Finance	147,851,598	2%	2,957,032	-
Staff Loan	45,456,304	0%	-	1,936,475
SMA (Same as UC i.e. 0.25%, 1% to 2%)		0.25%	-	-
Sub Total	14,248,303,401		116,686,687	62,154,129

As the bank was incorporated after the COVID-19, special general provision COVID-19 is not maintained in this regard.

Classified

Substandard			-	-
Doubtful			-	-
Bad Loan			-	-
Sub Total				

Provision Required (Short Term Agricultural & Micro Credit)

Unclassified			-	-
Standard (Short Term Agri/ Micro Credit)	8,105,692	1%	81,057	3,058

Classified

SubStandard (Short Term			-	-
Doubtful (Short Term Agri/Micro Credit)			-	-
Bad Loan (Short Term Agri/Micro Credit)			-	-
Sub Total				

Total Required Provision for			116,767,744	62,157,187
Total Provision maintained (Note: 13.1.1)			117,090,000	62,307,000

Excess Provision over minimum required provision prescribed by Bangladesh Bank	322,256	149,813
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Provision for loans and advances is created for covering the bank for possible loan losses in the future. General provision is made on outstanding loans and advances without considering the quality of loans and advances according to the prescribed rate of Bangladesh Bank. Classified loans and advances of the banks are categorized as sub-standard, doubtful and bad/loss as per guidelines of the Bangladesh Bank.

Provision for off-balance sheet items is made as per BRPD circular No. 8 of 7 August 2007 and 18 September 2007 for covering the bank for possible losses on off-balance sheet items in the future.

Notes	31.12.2023 TAKA	31.12.2022 TAKA
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7.14 Provision made for funded exposures only (Other than short term Agriculture & Micro Credit)

Unclassified

Standard		116,686,687	62,302,000
SMA		-	104,328

Classified

Substandard		-	-
Doubtful		-	-
Bad or Loss		-	-
Provision made for funded exposures only (Other than short term Agriculture & Micro Credit (Note # 13.1.1))		116,686,687	62,302,000

Provision Made : (Short Term Agriculture & Micro Credit)

SubStandard (Short Term Agri/Micro Credit)		81,057	5,000
Doubtful (Short Term Agri/Micro Credit)			-
Bad or Loss (Short Term Agri/Micro Credit)			-

Grand Total		116,767,744	62,307,000
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7.15 Particulars of provision for Off-Balance Sheet items

Particulars	Base for Provision	Percentage (%) of required Provision	Required Provision 2023	Required Provision 2022
Acceptance & Endorsement	116296038.25	1%	1,162,960	2,747,604
Letter of Guarantee	597428617.29	1%	5,974,286	2,500,573
Irrevocable Letters of Credit	1133028767	1%	11,330,288	2,350,314
Bill for Collection	119148272.19	0%	-	-
Other Commitment	2191540800	1%	21,915,408	
Required Provision for Off-Balance Sheet Items	-		40,382,942	7,598,491
Provision Maintained (Note: 13.1.3)	-		40,383,000	7,650,000
Excess Provision over minimum required provision prescribed by Bangladesh Bank			58	51,509

7.16 Disclosure of Document Verification System:

As per Bangladesh Bank BRPD circular No: 04 and 35, dated January 04, 2021 and July 06, 2021 respectively instructions have been given to verify the audited financial statements of loan applicants through Document Verification System (DVS), a system developed by Institute of Chartered Accounts of Bangladesh (ICAB). Financial Reporting Council (FRC) also vide letter No: 178/FRC/APR/2021/27(10) dated 5th December given the same instruction. Bengal Commercial Bank PLC. has taken necessary initiatives to comply with the instruction of Bangladesh Bank and FRC and the implementation of the system is in progress.

7.17 Bill Purchased and Discounted under the following board categories

Inside Bangladesh	32,095,712	27,077,514
Outside Bangladesh	-	-
	32,095,712	27,077,514

7.18 Maturity wise grouping of loans and Advances

Payable on Demand	622,970,395	678,572,960
Not More than 3 Months	3,705,560,497	1,789,257,878
More than 3 month but not more than 1 year	6,271,752,208	2,869,446,629
More than 1 year but not more than 5 year	2,228,708,259	1,116,419,942
More than 5 Years	1,427,417,733	822,844,857
	14,256,409,093	7,276,542,266

8.0 Fixed assets including premises, furniture & fixture.

Conventional and Islamic Banking

A Cost

Furniture and fixtures

Office Equipment

Computer & equipments

Vehicles

B Intangible Assets

Software

Total Cost of Tangible and Intangible Assets

Less: Accumulated depreciation & amortization

Written down value at the end of the year

Lease Assets-Premises

Right of use Assets

Less: Accumulated Depreciation

Net Book Value at the end of the year

Fixed assets schedules on standalone basis are shown in Annexure-C.

The bank's management has chosen to adopt a straight-line depreciation approach for its fixed assets, utilizing specific fixed rates. In response to the current condition of the bank's fixed assets, management has opted to amend the depreciation rate within the financial year, adhering to the straight-line method for fixed assets. Comprehensive details regarding this revision are outlined in the policy note- 2.10.

8.1 Right of use of assets (Lease assets)

Present value of Lease liabilities (obligation)

Initial payment (advance rent)

The Cost of the Right of Use Assets includes the Lease Liability which is the present value of Lease Payments less incentive, plus initial direct payments and dismantling cost etc. The Right of Use Assets measured at Cost less Accumulated Depreciation. IFRS 16 Leases is complied at the time of calculation of Right of Use of Assets.

9.0 Other assets

Conventional and Islamic Banking

Income Generating

Interest/Profit Receivable

Profit Receivable from Govt. Securities

Non-Income Generating

Stock of Stationery & Stamps

Account with Stock Broker

Advance Rent

Security Deposit

Suspense Account

Advance to Vendors

Other Prepayment (Staff)

Advance Insurance

EFTN Inward Receivable

Advance Tax

9.1 Suspense accounts

Advance against expenses

Notes	31.12.2023 TAKA	31.12.2022 TAKA
	163,162,105	130,927,295
	76,673,370	54,806,311
	99,210,091	89,177,782
	29,243,086	29,243,086
	368,288,652	304,154,474
	26,374,500	26,374,500
	394,663,152	330,528,974
	153,509,328	102,926,734
	241,153,824	227,602,239
8.1	770,262,311	770,262,311
	399,203,555	283,991,949
	371,058,756	486,270,362
	612,212,580	713,872,601
	336,353,016	407,786,519
	433,909,295	362,475,792
	770,262,311	770,262,311
9.3	138,490,628	59,369,006
	3,917,796	1,819,608
	142,408,424	61,188,614
	1,202,087	730,261
	1,641,777	10,241,177
	30,823,267	9,272,550
	47,975	47,975
9.1	20,996,946	2,392,054
	7,216,800	7,270,000
	3,269,594	25,777
	16,591,459	-
	3,000	229,489
9.2	181,186,573	93,050,309
	262,979,478	123,259,592
	405,387,902	184,448,206
9.1.1	20,996,946	2,392,054
	20,996,946	2,392,054

Notes	31.12.2023 TAKA	31.12.2022 TAKA
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9.1.1 The Detail Breakup of unadjusted suspense accounts are given below:

Less than 03 Months	15,525,129	1,691,754
03 Months to Less than 06 Months	5,069,715	301,000
06 Months to Less than 09 Months	258,602	399,300
12 Months and above	143,500	-
	20,996,946	2,392,054

9.2 Advance tax paid

Conventional and Islamic Banking

Balance at the beginning of the year

Paid during the year

93,050,309	51,094,442
88,136,264	41,955,867
181,186,573	93,050,309

Advance income tax represents the tax payment to the government exchequer. Advance income tax was not adjusted against provision for taxation for the year because the tax assessments have been not been finalized till 31 December 2023.

9.3 Interest/Profit Receivable

Interest Receivable on Subsidiary Receivable Account

Interest Receivable on Balance with Other Banks

Interest Receivable on Other than Government Securities

Interest Receivable on Treasury Bond

9.3 (a)	8,785,067	26,356,452
9.3 (b)	90,161,803	7,200,467
9.3 (c)	13,369,784	11,022,853
	26,173,975	14,789,234
	138,490,628	59,369,006

9.3 (a) Interest Receivable on Subsidiary Receivable Account

Interest Recv. Under SME Stimulus Finance

Interest Receivable under Working Capital Stimulus Package

Subsidiary Recv. on Agri Short-Term Loan Import Substitute Crop

Interest Recv. on COVID19 Special loan package

1,646,970	1,531,925
2,463	18,677,564
5,838	5,424
7,129,796	6,141,538
8,785,067	26,356,452

9.3 (b) Interest Receivable on Balance with Other Banks

SND Account

FDR Account

FCY

62,200,295	2,965,397
27,666,667	4,235,069
294,840	-
90,161,803	7,200,467

9.3 (c) Interest Receivable on Other than Government Securities

Int. Receivable on Subordinate Bond

Int. Receivable on Corporate Bond

Int Receivable from Perpetual Bond

6,060,000	5,221,312
2,309,783	2,817,935
5,000,001	2,983,606
13,369,784	11,022,853

9.4 Maturity Wise Grouping of Other Assets

Up to 6 Months

Over 6 Months to 1 Year

Over 1 Year to 4 Years

Above 4 Years

168,278,266	73,896,889
24,908,322	8,180,483
212,153,340	102,322,859
47,975	47,975
405,387,902	184,448,206

9.5 Classification Status of Other Assets

Unclassified

Doubtful

Bad/Loss

404,985,800	184,448,206
258,602	-
143,500	-
405,387,902	184,448,206

10.0 Non-Banking Assets

Non-banking assets are those acquired by the banks in settlement of their debts. When a borrower express his inability to repay the loan in cash, and instead offers to the bank an asset including an asset given as collateral security like property to the bank to purchase in settlement of their dues, such assets when purchased by the banks are called as non banking assets. As on 31.12.2023 there was no Non-Banking assets.

11.0 Borrowings from other banks, financial institutions & agent.

Conventional and Islamic Banking

In Bangladesh

Out Side Bangladesh

11.1	1,295,405,738	293,049,519
	-	-
	1,295,405,738	293,049,519

	Notes	31.12.2023 TAKA	31.12.2022 TAKA
11.1 In Bangladesh			
Borrowing from Bangladesh Bank			
BB Refinance agst. Stimulus - Corporate		-	148,374,130
BB Refinance agst. Stimulus - SME		1,295,036,643	139,100,000
		369,094	5,575,389
		1,295,405,738	293,049,519
11.1.1 Int. payable on BB Refinance agst. Stimulus			
Borrowing from Bangladesh Bank			
Int. payable on BB Refinance agst. Stimulus - Corporate		-	5,136,295
Int. payable on BB Refinance agst. Stimulus - SME		439,094	439,094
		439,094	5,575,389

11.2 Security Against Borrowing from Other Banks and Financial Institutions and Agents

Secured (Treasury Bill)	-	-
Unsecured	1,295,405,738	293,049,519
	1,295,405,738	293,049,519

11.3 Maturity Grouping of Borrowings from other banks, financial institutions & agent.

Payable on demand	-	-
Payable within one month	-	-
Over one month but within six months	1,295,405,738	293,049,519
Over six month but within one year	-	-
Over one year but within five years	-	-
Over five years but within ten years	-	-
	1,295,405,738	293,049,519

11.4 Disclosure Regarding REPO

Disclosure Regarding REPO Transaction of the bank are given as per Bangladesh Bank DOS Circular No. 6, dated July 15, 2010

a. (i) Disclosure Regarding REPO Outstanding REPO as on 31 December

SL #	Counter Party Name	Agreement Date	Reversal Date	Amount (Taka)
1	Bangladesh Bank	12-27-23	1-3-24	400,000,000
2	Bangladesh Bank	12-28-23	1-1-24	400,000,000
3	Bangladesh Bank	12-24-23	1-1-24	300,000,000
4	Bangladesh Bank	12-26-23	1-2-24	400,000,000
5	Bangladesh Bank	12-26-23	1-2-24	400,000,000
6	Bangladesh Bank	12-26-23	1-2-24	400,000,000

(ii) Disclosure Regarding Outstanding Reverse REPO as on 31 December

SL #	Counter Party Name	Agreement Date	Reversal Date	Amount (Taka)
-	-	-	-	-

b. Disclosure Regarding Overall Transaction of REPO & Reverse REPO

Particulars	Minimum Outstanding	Maximum	Daily Average
Securities Sold Under Repo			
i. With Bangladesh Bank	250,000,000	500,000,000	313,006,843
ii. With Other Bank & FIS			
Securities Purchased under Reverse Repo			
i. With Bangladesh Bank			
ii. With Other Bank & FIS			

12.0 Deposits and other accounts

Conventional and Islamic Banking

Deposit from Customers

Deposit from Banks & NBFIs

12.1 Deposit from Customers

Current / Al-Wadiah current Deposit and other accounts

Bills Payable

Savings / Mudaraba Savings Bank Deposit

Fixed / Mudaraba Term Deposits

Other Deposit

12.1	16,456,052,128	10,816,590,777	
12.2	-	200,000,000	
	16,456,052,128	11,016,590,777	
12.1.1	2,942,544,584	1,104,623,713	
	63,058,850	38,499,715	
12.1.2	1,636,704,583	1,163,283,157	
12.1.3	11,488,957,511	8,295,348,058	
12.1.4	324,786,600	214,836,135	
	16,456,052,128	10,816,590,777	

	Notes	31.12.2023 TAKA	31.12.2022 TAKA
12.1.1 Current / Al-Wadiah current Deposit and other accounts			
Current / Al-Wadiah current Deposit		1,697,270,439	764,057,813
Positive Balance On OD		2,347,333	1,353,283
Accrued Interest/Profit	12.1.1 (a)	1,572	175,057,172
Margin on Facilities		255,064,125	84,864,722
FC Held		924,403,591	79,290,723
		63,457,525	
		2,942,544,584	1,104,623,713
12.1.1 (a) Accrued Interest/Profit			
Int.Payable on Bengal Fixed Deposit-100 Days		372,617	417,769
Int.Payable on Bengal Fixed Deposit Account-200 Days		144,475	540,050
Int.Payable on Bengal Fixed Deposit Account - 3 Months		37,809,006	16,002,764
Int.Payable on Bengal Fixed Deposit Account - 6 Months		33,030,047	23,565,592
Int.Payable on Bengal Fixed Deposit Account - 01 Year		178,345,312	130,001,961
Int.Payable on Bengal Fixed Deposit Account - 02 Years		63,880	65,957
Int.Payable on Bengal Fixed Deposit Account - 03 Years		67,619	60,495
Int. Payable on Bengal Monthly Earning Fixed Deposit Ac-01 Year		631,199	360,339
Int.Payable on Bengal Double Benefit Fixed Deposit Account		2,391,789	2,497,747
Int. Payable on Bengal Monthly Earning Fixed Deposit Ac-02 Years		52,832	49,409
Int. Payable on Bengal Monthly Earning Fixed Deposit Ac-03 Years		29,300	(6,070)
Int. Payable on Bengal Monthly Earning Fixed Deposit Ac-05 Years		4,300	-
Profit Payable on Mudaraba Waqf Deposit		20,003	-
Profit on Cash Waqf		197,008	
Interest Payable on FCY		486,723	
Int. Payable on Bengal Fixed Deposit- 90 Days		-	1,340,278
Int. Payable on Bengal Fixed Deposit- 1 Month		1,418,015	160,881
		255,064,125	175,057,172
12.1.2 Saving Bank Deposit			
Saving Bank Deposit		688,401,195	439,574,291
Special Notice Deposit		940,692,513	723,708,866
Mudaraba Waqf Deposit		7,610,875	-
		1,636,704,583	1,163,283,157
12.1.3 Fixed Deposit			
Fixed Deposit		11,275,640,450	8,201,655,079
Deposit Under Scheme		213,317,061	93,692,979
		11,488,957,511	8,295,348,058
12.1.4 Other Deposit			
Sundry Deposit	12.1.4 (a)	153,977,955	130,956,317
Settlement Account		7,253,330	3,875,228
Others		163,555,315	80,004,589
		324,786,600	214,836,135
12.1.4 (a) Sundry deposits			
SME Foundation Pre-finance Scheme		68,939,880	93,574,940
Security Deposit		10,570,300	6,863,456
Withholding Tax Payable		20,725,026	10,105,870
Withholding VAT Payable		5,942,815	4,443,426
Excise Duty		16,566,450	11,470,000
Others		31,233,484	4,498,625
		153,977,955	130,956,317
12.2 Deposit from Inter Bank			
Fixed Deposit			
Jamuna bank Ltd.		-	150,000,000
Uttara Bank Limited		-	-
Mercantile Bank Limited		-	50,000,000
South East Bank Limited		-	-
Bank Asia Limited		-	-
		-	-
		-	200,000,000

	Notes	31.12.2023 TAKA	31.12.2022 TAKA
12.3 Demand and Time Deposits			
A. Demand Deposits			
Current / Al-Wadiah current Deposits		2,942,544,584	1,104,623,713
Saving / Mudaraba Savings Deposits (10% of Total Saving Deposit)		69,601,207	67,668,810
Sundry Deposit		74,467,776	30,517,921
Bills Payable		63,058,850	38,499,715
Other Demand Deposit		170,808,644	83,879,818
		3,320,481,061	1,325,189,976
B. Time Deposits			
Saving / Mudaraba Savings Deposits (90% of Total Saving Deposit)		626,410,863	609,019,289
Fixed / Mudaraba Term Deposit		11,275,640,450	8,401,655,079
Deposit Pension Scheme		213,317,061	93,692,979
Speical Notice Deposit		940,692,513	486,595,057
Security Deposit		10,570,300	6,863,456
Others Time Deposit		68,939,880	93,574,940
		13,135,571,067	9,691,400,801
Total Demand and Time Deposit		16,456,052,128	11,016,590,777
12.4 Maturity wise Grouping of Deposits and Other Accounts			
Inter- Bank Deposits			
Payable on demand		-	-
Payable within one month		-	50,000,000
Over one month but within six months		-	650,000,000
Over six month but within one year		-	-
Over one year but within five years		-	-
Over five years but within ten years		-	-
		-	700,000,000
Other Deposits			
Payable on demand		3,399,781,452	2,007,984,976
Payable within one month		693,568,003	196,833,824
Over one month but within six months		7,834,118,684	2,425,003,758
Over six month but within one year		4,180,027,687	5,461,981,952
Over one year but within five years		260,790,829	135,911,226
Over five years but within ten years		87,765,474	88,875,042
		16,456,052,128	10,316,590,777
		16,456,052,128	11,016,590,777
12.5 Sector-wise deposits			
Government		244,661,079	115,053,750
Semi-Government		-	-
Deposit from Banks		-	700,000,000
Other Public		872,677,612	606,907,058
Foreign Currency Deposits		63,457,525	79,290,723
Private		15,275,255,912	9,515,339,246
		16,456,052,128	11,016,590,777
13.0 Other Liabilities			
Conventional and Islamic Banking			
Provision for Loans and Advances / Investments	13.1.1	117,090,000	62,307,000
Provision for Off Balance Sheet Items	13.1.3	40,383,000	7,650,000
Provision for diminution in value of Investment	13.1.4	50,544,527	16,973,028
Payable to Vendors		8,435,795	15,585,795
Payable Others		-	-
Adjusting Account Credit Balance		68,320,203	55,344,969
Provision for Climate Risk Fund	13.2	500,000	500,000

	Notes	31.12.2023 TAKA	31.12.2022 TAKA
Provision for Other Assets	37.1	272,801	199,650
Provision for Start-up Fund	13.3	-	-
Lease Liabilities (IFRS 16)	13.4	336,353,016	407,786,519
Provision for Tax	13.5	77,231,875	33,574,331
Deferred Tax Liability	13.6	494,437	2,398,495
		699,625,654	602,319,787

13.1 Provisions for Loans and Advances / Investments

Conventional and Islamic Banking

Provisions for loans and advances in based on instructions contained in Bangladesh Bank BRPD circulars/letters no. 16 dated 06 December 1998, 9 dated 14 May 2001, 9 and 10 dated 20 August 2005, 8 dated 07 August 2007, 10 dated 18 September 2007, 14 dated 23 September 2012, 19 dated 27 December 2012, 5 dated 29 May 2013, 16 dated 18 November 2014, 8 dated 02 August 2015, 12 dated 20 August 2017, 15 dated 27 September 2017, 01 dated 03 January 2018, 01 dated 20 February 2018, 01 dated 06 February 2019, 03 dated 21 April 2019 and 05 dated 16 May 2019.

13.1.1 General Provision

Balance as at 1st January

Add: Provision made during the year

62,307,000	21,923,000
54,783,000	40,384,000
117,090,000	62,307,000

13.1.2 Specific Provision

Balance as at 1st January

Add: Provision made during the year

-	-
-	-
-	-

13.1.3 Provision on Off-Balance Sheet Exposures

Balance as at 1st January

Add: Provision made during the year

7,650,000	2,614,000
32,733,000	5,036,000
40,383,000	7,650,000

Total Provision for loans and Advance/Investments and Off-Balance Sheet Exposures

157,473,000	69,957,000
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13.1.4 Provision for Diminution of value of Shares and Securities

Balance as at 1st January

Add: Provision made during the year

16,973,028	3,578,488
33,571,498	13,394,540
50,544,527	16,973,028

Provision for diminution (gain net off) of value of quoted Shares and mutual fund (close-end) has been calculated as per DOS circular no. 01, dated 24 May 2023 of Bangladesh Bank

13.2 Provision for Climate Risk Fund

As per Bangladesh Bank GBSRD Circular NO: 04 dated 09.07.2015 Banks and Financial Institutions need to allocate at least 10% of their respective Corporate Social Responsibility Budget for Climate Risk Fund, while as per the Bangladesh Bank Guideline to establish a banking company in Bangladesh, the new bank should spent 10% or more of its previous year's net income to CSR. The bank has incurred Net Loss in the year 2022, hence no CSR budget has been maintained for the year 2022. However, in the year 2023, the bank Incurred BDT 5,00,000 as CSR expense, and this expenditure has been considered for maintaining provision for Climate Risk Fund.

Opening Balance

Add: Provision made during the year

Closing Balance

500,000	500,000
-	-
500,000	500,000

13.3 Provision for Start-Up Fund

According to SMESPD Circular no. 04 dated March 29, 2021 and SMESPD Circular letter no. 05, Dated April 26, 2021, Schedule Bank will form start Up fund for extending Loan/Refinance facilities view to creation of New Entrepreneur and self-employment in the country. The basis of Start Up is the 1% of net profit of that concern year and Bank will extend credit to that amount for prospective client as mentioned in the circular. The bank incurred Net loss in the year 2022, hence no provision has been kept in this connection.

Notes	31.12.2023 TAKA	31.12.2022 TAKA
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13.4 Lease Liabilities (Present value of lease payments)

The bank recognised lease liabilities which is present value of lease payments to be made over the lease term from the date of Contract with the Lessor. The lease payments include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the bank and payment of penalties for terminating the lease. The lease payment has been discounted using maximum deposit rate fixed by the Government of Bangladesh which is 6% per annum. The amount of VAT and TAX due is included in Withholding VAT Payable and Withholding TAX Payable and deducted from Lease Liability.

Opening Balance	407,786,519	420,851,385
Add: Addition During the Year	-	52,754,118
Add: Interest Charge during the year	22,076,266	24,780,281
Less: Payment made during the year	93,509,769	90,599,264
Balance as at 31 December	336,353,016	407,786,519
Lease Liabilities - Non Current Portion	336,353,016	394,721,654
Lease Liabilities - Current Portion	-	-
	336,353,016	394,721,654

The Lease Liabilities - Current Portion comprises Lease Liability payable in the next Twelve (12) months, plus any interest accrued, plus any unpaid rent and unpaid advance rent to lessor.

13.5 Total Provision for Current Tax

Opening Balance	33,574,331	14,743,257
Add: Provision made during the year	43,657,544	18,831,074
Less: Adjustment made during the year	77,231,875	33,574,331
Balance as at 31 December	77,231,875	33,574,331
Income Tax Paid During the Year		
Advance Tax paid in Cash	270,000	357,500
Advance Tax Paid at Sources	82,546,277	38,844,508
Advance Tax on Treasury Bonds	5,319,987	2,753,859
	88,136,264	41,955,867

Corporate tax position of the Bank has been presented in Annexure D.

13.5.1 Provision for Current Tax Made during the year

Income tax @ 40% on Estimated Taxable Business Profit	-	-
Income tax @ 20% on Dividend Income	3,687,106	6,124,646
Income tax @ 10% on Capital Gain on Sale of Shares	125,510	942,585
Income tax @ 15% on Capital Gain on Sale of Govt. Securities	5,978,717	-
Income tax @ 40% on Special Business Income	9,800,477	1,763,031
Minimum Tax (u/s 82 (C) of the ITO 1984)	24,065,734	10,000,811
Estimated total provision required	43,657,544	18,831,074

Computation of Taxable Business Profit

Profit before Tax	150,436,282	(182,594,085)
Add: Inadmissible expenses	24,501,193	314,483,114
Less: Admissible Expenses for Separate consideration	131,903,006	347,710,784
Less: Business loss carried forward	161,239,194	
Estimated Taxable Business Profit for the year	(118,204,726)	(215,821,755)

13.6 Deferred Tax Liability (Net of Asset)

Balance at the beginning of the year	2,398,495	5,166,582
Add: Provision made during the year	(1,904,058)	(2,768,087)
	494,437	2,398,495

13.6.1 Deferred Tax Liability

Deferred Tax Liability	13.6.1.1	11,555,180	7,373,285
Deferred Tax Asset	13.6.1.2	13,459,238	10,141,372
		(1,904,058)	(2,768,087)

13.6.1. Deferred Tax Liability

Opening Balance
Addition During the Year
Closing Balance

Notes	31.12.2023 TAKA	31.12.2022 TAKA
	18,132,794	10,759,509
	11,555,180	7,373,285
	29,687,975	18,132,794
	15,734,299	5,592,927
	13,459,238	10,141,372
	29,193,537	15,734,299

13.6.1. Deferred Tax Asset

Opening Balance
Addition During the Year
Closing Balance

Deferred tax assets/(liabilities) have been recognised and measured as per IAS-12: Income Taxes.

As per Bangladesh Bank, BRPD circular no. 11 dated December 12, 2011 deferred tax assets may be recognized but restrictions are to be followed if deferred tax assets is calculated and recognized based on the provisions against classified loan, advances. A description should be provided regarding deferred tax assets recognized on loan loss provision in the notes to the financial statements. On the other hand, deferred tax liabilities must be recognized for those items which are mentioned to recognize in IAS-12.

Deferred tax on Specific provision on loans and advances

Specific provisions for loans are not tax allowable under local tax regulations. So, when calculating taxable income, the loan loss provision charged to the profit and loss account is added back to income. The loan recovery or write-off, however, will be accepted by the tax office as a legitimate tax expense. The Bank will either make a recovery or write off the loans at some point in the future; thus, this item only makes a transitory effect. According to IAS 12, the Bank recognizes the deferred tax on this particular provision, creating a deductible temporary difference to the degree that it can be applied as a credit. Once the underlying bad debt is either repaid or cancelled, the deferred tax will be reversed.

Deferred tax on Fixed assets including intangible assets

Accounting depreciation is not taken into consideration when determining the tax obligation according to local tax regulations. The tax authorities permit tax depreciation at various rates as per third schedule of ITA 2023 & Finance Act 2023 which is different from accounting depreciation rate in many cases. Hence transitory differences are created due to the varying depreciation rates and methodology against which the Bank recognises deferred tax. This is a common occurrence since the accounting depreciation rate and the tax depreciation rate differ from one another. The remaining amount of deferred tax will be released when the assets' useful economic life has passed, though.

14.0 Share Capital

Opening balance
Add: Issuance of 9,332,500 nos of ordinary shares @ Tk. 10 each

	4,406,675,000	4,250,000,000
	93,325,000	156,675,000
	4,500,000,000	4,406,675,000
	15,000,000,000	15,000,000,000

14.1 Authorized Capital

1,50,00000 ordinary shares of Tk. 10.00 each

14.2 History of Paid Up Capital

Year	Number of Shares Issued	Cumulative Number of Shares	Cumulative Paid
2023	9,332,500	450,000,000	4,500,000,000
2022	15,667,500	440,667,500	4,406,675,000
2021	0	425,000,000	4,250,000,000
2020	425,000,000	425,000,000	4,250,000,000

14.3 Percentage of Shareholdings at the closing date

As per clause (VI) of the Memorandum of Association and Article of Association the authorized capital of the Bank is BDT 15,000,000,000 and issued fully paid up capital is BDT 4,500,000,000 denominated by BDT 10 per share. Detail break-up capital as on 31st December 2023 is as follows:

Shareholders group	No. of Shares	% of Share Holdings	BDT
Directors & Sponsors	450,000,000	100%	4,500,000,000
General Public	-	-	-
Financial Institutions	-	-	-

Sl	Name of the Directors	Status	No. of Shares at- 31 Dec, 2023
1	Mr. Md. Jashim Uddin	Chairman	22,500,000
2	Alhaj Mahbubul Alam	Vice Chairman	22,500,000
3	Engr. Ghulam Mohammed Alomgir (Representing Max Infrastructure Limited)	Director	22,500,000
4	Mrs. Jesmin Akhter	Director	18,000,000
5	Mr. Firoz Alam	Director	21,250,000

		Notes	31.12.2023 TAKA	31.12.2022 TAKA
SI	Name of the Directors	Status	No. of Shares at- 31 Dec, 2023	
6	Mr. Shamsul Alam	Director	21,250,000	
7	Mr. Md. Shahabuddin	Director	22,500,000	
8	Mr. Dilip Kumar Agarwala	Director	22,500,000	
9	Mr. Joshoda Jibon Debnath (Representing Technomedia Limited)	Director	22,500,000	
10	Mrs. Tasmin Mahmud	Director	22,500,000	
11	Mr. S.M. Faruqi Hasan	Director	15,517,500	
12	Mr. Md. Iqbal Hossain Chowdhury (Representing B. Dash Japan Co., Limited	Director	22,500,000	
13	Mr. Muhammad Jamaluddin (Representing KDS Textile Mills Limited)	Director	22,500,000	
14	Mrs. Rokeya Khatun. FCA (Representing limeeyat Apparels Limited)	Director	22,500,000	
15	Mr. Khawja Mahtab Uddin (Representing Starlight Sweaters Limited)	Director	22,500,000	
16	Engr. Md. Abu Noman Howlader	Director	21,250,000	
17	Mr. Golam Nasir (Representing Bengal Plastics Limited)	Director	21,250,000	
18	Ramisha BD Ltd.	Sponsor	22,500,000	
19	Mr. Md. Alomgir Parvez	Sponsor	22,500,000	
20	Mr. Mahmud Habib-E-Akbar	Sponsor	21,250,000	
21	Mr. Mohammad Akram Hossain	Sponsor	9,902,500	
22	Mr. Golam Nasir	Sponsor	3,330,000	
23	Mrs. Tasfia Jashim	Sponsor	2,250,000	
24	Mr. Taseen Jashim	Sponsor	2,250,000	
Total			450,000,000	

14.4 Capital to Risk-Weighted Asset Ratio (CRAR)

The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014

i) Core Capital (Tier-1)

a) Common Equity Tier I

Paid-up Capital
Statutory Reserve
General Reserve
Retained Earnings

Less: Regulatory Adjustment
Goodwill and Other Intangible Assets
Reciprocal crossholdings in the CET-1 capital banking, NBFI & Insurance Entities

b) Additional Tier I Capital

ii) Supplementary Capital (Tier-II)

General Provision on unclassified loan
General Provision for off-balance Exposure
Revaluation Reserve of Govt. Securities
Asset Revaluation Reserve

Less: Regulatory Adjustment

Revaluation reserve for Fixed Assets, Govt Securities & Equity Securities
Reciprocal Crossholdings in the T-2 Capital of Banking, NBFI & Insurance Entities

A) Total Capital (Tier-I + Tier-II)

Total Assets including Off-Balance Sheet Items

B) Total Risk Weighted Assets

C) Required Capital Except conservation buffer (10% of total Risk Weighted Assets)

D) Required Capital plus conservation buffer (12.50% of total Risk Weighted Assets)

E) Surplus (A-D)

Capital to Risk Weighted Asset Ratio

4,500,000,000	4,406,675,000
30,087,256	-
-	-
(288,408,338)	(367,003,877)
4,241,678,918	4,039,671,123
-	-
10,468,695	15,743,595
-	-
10,468,695	15,743,595
4,231,210,224	4,023,927,528
-	-
117,090,000	62,307,000
40,383,000	7,650,000
-	-
-	-
157,473,000	69,957,000
-	-
-	-
-	-
4,388,683,224	4,093,884,528
26,851,971,463	17,115,253,524
14,167,228,093	6,871,240,039
5,000,000,000	4,000,000,000
5,000,000,000	4,000,000,000
(611,316,778)	93,884,528
30.98%	59.58%

Capital to Risk Weighted Asset Ratio (Details)

Capital Requirement	2023	
	Required	Held
Tier-I	6%	29.87%
Tier-II	4%	1.11%
Total Capital	10%	30.90%
Total Capital Plus Capital Conservation Buffer	12.50%	30.90%

As Per BRPD Circular letter no 18, Date: 15 June 2023, Bangladesh Bank has set Tk. 500 crore as minimum paid up capital requirement for Banks within 31st December 2023. However, Bangladesh Bank via letter BRPD(LS-1) 745 (73)/ 2023-8689, dated 12 October 2023, has extended up to 31 December 2024 with special consideration.

14.5 Breakdown of Gross Risk-Weighted Assets (RWA) in the various categories of Risk Weights

a) Risk Weights for Credit Risk

Risk Weights (Both B/S & Off-B/S)	Principle Amount	Risk Weighted
0%		-
20%	10,868,521,780	2,942,166,411
40%		71,395,027
50%	43,798,640	353,071,113
60%		203,534,430
75%	259,437,700	313,179,291
80%		-
100%	1,631,239,237	4,287,272,274
125%	785,050,000	4,462,453,996
13%		-
15%		-

b) Risk Weights for Operational Risk

c) Risk Weights for Market Risk

14.6 Composition of Shareholder's Equity

Paid up Capital	4,500,000,000	4,406,675,000
Statutory Reserve	30,087,256	-
General Reserve	-	-
Other Reserve Including Assets Revaluation Reserve	1,766,530	298,595
Retained Earnings	(288,408,338)	(367,003,877)
	4,243,445,448	4,039,969,717

15.0 Statutory and Other Reserve

As per section 24(1) of the Bank company Act, 1991 (amendment upto date), an amount equivalent to 20% of the profit before taxes for the year has to be transferred to the statutory reserve fund as. As on 31.12.2023 the bank incurred Pre-tax profit of tk 150,436,281.28 and hence 20% Statutory reserve has been maintained in following manner;

Opening Balance

Add : Transferred during the year (20% pre-tax profit)

16.0 Other Reserve

General Reserve	-	-
Asset Revaluation Reserve	-	-
Investment Revaluation Reserve	1,766,530	298,595
	1,766,530	298,595

17.0 Retained Earnings

Opening Balance	(367,003,877)	(168,346,807)
Add: Post Tax Profit during the period	108,682,796	(198,657,070)
Less: Transfer to Statutory Reserve	30,087,256	-
	(288,408,338)	(367,003,877)

18.0 Contingent Liabilities

Conventional and Islamic Banking

Acceptances and endorsements	116,296,038	274,760,361
Letters of guarantees	597,428,617	250,057,341
Irrevocable letters of credit	1,133,028,767	235,031,369
Bills for collection	119,148,272	171,922,125
Others	2,191,540,800	-
	4,157,442,495	931,771,196

	Notes	31.12.2023 TAKA	31.12.2022 TAKA
18.1 Letters of Guarantees			
Bid Bond		209,135,000	3,530,000
Performance Gurantee		202,761,071	108,324,738
Advance Payment Gurantee		4,605,026	65,321,868
Payment Gurantee		157,627,100	52,727,100
Custom Gurantee		7,442,919	4,496,136
Other Bank Gurantee		1,600,000	1,400,000
Bank Gurantee BGCB		14,257,500	14,257,500
		597,428,617	250,057,341
Balance for Which The Bank is Contingently Liable in respect of Gurantee Issued Favouring:			
Directors or Officers		-	-
Government		-	-
Bank and Other Financial Institution		-	-
Others		597,428,617	250,057,341
		597,428,617	250,057,341
18.2 Letter of Credit			
Letter of Credit (General)		1,074,870,488	132,095,168
Letter of Credit Back to Bank (Inland)		58,158,279	102,936,201
		1,133,028,767	235,031,369
Conventional and Islamic Banking Income			
Interest / Profit, discount and Similar Income	19.0	1,460,840,781	679,129,259
Investment Income	21.0	200,373,061	156,837,938
Fees, Commission and brokerage	22.0	113,120,183	26,193,073
Other Operating Income	23.0	35,397,226	11,357,384
		1,809,731,250	873,517,654
Expenses			
Interest / Profit Paid on Deposits, Borrowings, etc	20.0	850,386,630	391,376,481
Administrative expenses	24.0	394,118,743	288,225,548
Other operating expenses	34.0	119,682,697	143,666,427
Depreciation on banks assets	33.0	173,946,250	173,829,092
		1,538,134,320	997,097,549
		271,596,931	(123,579,895)

	Notes	2023 TAKA	2022 TAKA
19.0 Interest / Profit, discount and similar income			
Interest / Profit on loans and advances / Investments	19.1	974,030,721	405,143,927
Interest / Profit on money at call and short notice		34,779,601	53,836,173
Interest / Profit on placement with banks and Financial Institutions		450,691,019	220,145,609
Interest / Profit on foreign currency balances		1,339,440	3,550
		1,460,840,781	679,129,259
19.1 Product Wise Interest:			
Continuous Loan / Investmnet		415,130,958	122,191,780
Term Loan / Investmnet		256,881,226	118,172,230
Demand Loan / Investmnet		302,018,537	164,779,917
		974,030,721	405,143,927
20.0 Interest / Profit Paid on Deposits, Borrowing and Others			
Interest / Profit on deposits	20.1	745,273,521	353,207,744
Interest / Profit on borrowings from Banks & Fls		76,180,762	16,280,430
Interest / Profit on borrowings from BB & others		28,911,491	9,060,616
Interest / Profit on Treasury Bond	20.2	20,856	12,827,692
		850,386,630	391,376,481

	Notes	2023 TAKA	2022 TAKA
20.1 Interest/Profit on deposits			
Fixed / Mudaraba Term Deposit		663,163,180	337,281,809
Scheme / Mudaraba Deposit		9,238,770	3,575,975
Short Notice Deposit / Mudaraba Short Notice Deposit		41,456,158	8,266,429
Savings / Mudaraba Savings Deposit		31,415,413	4,083,531
		745,273,521	353,207,744
20.2 Interest on Treasury Bond (Net)			
Coupon Interest Expense		20,856	28,677,844
Less : Coupon Interest Income		-	(15,850,152)
		20,856	12,827,692
21.0 Investment Income			
Investment Income			
Capital Gain on sale of shares (Net)		1,652,130	9,425,853
Dividend Income		19,844,581	30,623,229
Income from Subordinate Bond		12,018,713	10,451,120
Income from Corporate Bond		16,691,848	17,375,946
Income from Govt Sukuk Bond	21.1	6,608,173	4,583,972
Income from Perpetual Bond		12,016,395	2,983,606
Income from Treasury Bills / Bond	21.2	94,437,378	75,416,579
Gain / (Loss) on Sale of Govt Securities		39,858,110	20,993,209
Gain / (Loss) On Revaluation of HFT-T Bond		(2,754,267)	(15,480,186)
Interest on Reverse Repo		-	464,611
		200,373,061	156,837,938
21.1 Interest on Treasury Bills / Bond (Net)			
Income from Govt Sukuk Bond		7,646,123	4,583,972
Less: Coupon expenses for Govt Sukuk Bond		(1,037,951)	-
		6,608,173	4,583,972
21.2 Interest on Treasury Bills / Bond (Net)			
Interest Income on Treasury Bills		5,393,283	7,802,200
Interest Income on Treasury Bond		90,336,071	83,546,148
Less: Interest Paid on Secondary Secuirty Purchase (T-Bond)		(1,291,977)	(15,931,769)
		94,437,378	75,416,579
22.0 Commission Exchange & Brokerage			
Exchange Gain (Net) on Foreign Exchange	22.1	92,647,831	16,907,188
Commission of DD, TT, PO		174,546	88,020
Other Commission Income	22.2	20,297,806	9,197,864
		113,120,183	26,193,073
22.1 Exchange Gain/(Loss)			
Exchange Gain		364,519,398	61,087,594
Less: Exchange Loss		(271,871,568)	(44,180,406)
		92,647,831	16,907,188
22.2 Fees, Commission and Brokerage			
Commission on L/C		13,471,340	5,001,720
Commission on L/G		5,860,056	2,459,443
Other Commission		966,411	1,736,702
		20,297,806	9,197,864

	Notes	2023 TAKA	2022 TAKA
23.0 Other Operating Income			
Loan Processing Fees		4,233,989	2,239,198
Trade Finance (LC Advising/Discrepancy/ Amendment, Swift Charge & Others)		4,717,551	2,189,353
E-Gp Income		19,290	-
Card Fees and Charges		3,773,485	1,867,193
SMS Charge		3,987,577	1,991,100
Batch & RTGS settlement Charge		795,166	326,130
Account Service Charge		3,831,192	1,625,217
Locker Charge		148,000	68,000
Other Service Charge		13,890,976	1,051,194
		35,397,226	11,357,384
24.0 Administrative expenses			
Conventional and Islamic Banking			
Salary and allowances	25.0	320,197,865	240,071,366
Rent, taxes, insurance, electricity etc.	26.0	42,884,634	18,717,858
Legal expenses	27.0	1,612,907	1,394,013
Postage, stamps, telecommunications etc.	28.0	6,844,849	6,117,200
Stationery, printing, advertisements etc.	29.0	8,401,798	10,353,416
MD & CEO's salary and allowances	30.0	10,755,000	9,690,000
Directors' fees	31.0	3,134,189	1,594,197
Auditors' fees	32.0	287,500	287,500
		394,118,743	288,225,548
Commission Exchange & Brokerage			
Commission of DD, TT, PO		10,775	10,775
Commission on Bank Gurantee-SME		1,117,390	1,117,390
		1,128,165	1,128,165
25.0 Salary and allowances			
Basic Salary		135,086,661	101,669,128
Allowances		151,170,414	113,495,673
Bonus		22,250,174	15,987,358
Bank's Contribution to Provident fund		11,690,616	8,919,207
		320,197,865	240,071,366
26.0 Rent, taxes, insurance, electricity etc.			
Rent (Garage)		61,989	52,785
Other rental charges		19,281,206	5,804,008
Rates & Taxes		592,984	214,622
Insurance charge	26.1	12,389,328	5,866,697
Electricity, Water & Gas		10,559,128	6,779,746
		42,884,634	18,717,858
While Implementing IFRS 16 leases, the Bank recognized Interest Expense on Lease Liabilities and depreciation on Right of Use Assets instead of Rental expenses of BDT 149,456,458 (Including VAT) incurred as on 31 December 2023.			
26.1 Insurance charge			
Central Insurance Policy (Cash in Safe, Counter and Transit)		1,235,602	740,136
Insurance of Fixed Asset		-	138,696
Desposit Money Insurance to Bangladesh Bank		7,891,420	3,627,213
Insurance Premium – Life & Medical		3,262,306	1,360,652
		12,389,328	5,866,697
27.0 Legal & Professional Expenses			
Professional fees		1,092,500	966,005
Other legal charges		-	-
Stamp, power of attorney & notary public		17,410	12,798
Credit Rating Agency Fees		134,375	134,375
Other Professional fees		368,622	280,835
		1,612,907	1,394,013

	Notes	2023 TAKA	2022 TAKA
28.0 Postage, stamps, telecommunications etc.			
Postage		372,156	191,274
Telecommunication charges		181,684	183,336
Mobile Bills		1,252,208	936,223
Swift Charge		2,554,111	3,319,787
SMS Service Charges		145,033	-
Internet Banking Transaction Fees		23,168	-
Network Connectivity Charge		2,302,200	1,455,238
Stamps		14,289	31,341
		6,844,849	6,117,200
29.0 Stationery, printing & advertisements etc.			
Computer Stationery		1,232,202	159,020
Printing Stationery		1,163,000	6,070,290
Security Stationery		-	60,000
Office Stationery		2,895,635	2,480,341
		5,290,837	8,769,651
Advertisement			
News paper		1,060,427	3,108,051
Electronic and Social Media		1,138,792	1,513,400
Other Advertisement		911,743	149,275
		3,110,962	4,770,726
Total Stationery, Printing & Advertisement		8,401,798	6,697,266
30.0 MD & CEO's salary and allowances			
Basic salary		5,550,000	5,400,000
Allowances		3,300,000	2,850,000
Festival Bonus		1,500,000	900,000
Bank's Contribution to Provident fund		405,000	540,000
		10,755,000	9,690,000
31.0 Directors Fees & Meeting Expenses			
Directors Fees		3,134,189	1,594,197
		3,134,189	1,594,197
Each director of the Bank is paid for Tk. 8,000 as per BRPD circular letter no. 11 dated 4 October 2015 per board or board committee meeting attended in 2023.			
32.0 Auditors fees			
Statutory		287,500	287,500
Others		-	-
		287,500	287,500
33.0 Depreciation and repair of bank's assets			
Conventional and Islamic Banking			
Depreciation			
Furniture/fixtures		15,888,496	19,080,829
Vehicles		4,386,463	5,848,617
Office equipments		10,160,702	9,395,086
Computer equipments		14,872,032	17,220,272
Computer software		5,274,900	5,274,900
Total Depreciation on Fixed Assets		50,582,593	56,819,704
Repair of bank's assets		8,152,051	3,888,726
Right-of-Use assets		115,211,606	113,120,662
Total Depreciation and repair of bank's assets		173,946,250	173,829,092

	Notes	2023 TAKA	2022 TAKA
34.0 Other expenses			
Conventional and Islamic Banking			
Entertainment		4,880,260	3,586,811
Business Development Expenses		945,224	2,276,630
Fuel & Other Expenses for Car and Generator		15,384,680	13,264,199
Cleaning & Sanitizing Expenses		446,462	173,476
Crockeries & Cutleries		503,435	210,791
Business Traveling		3,056,606	2,456,316
Cleaning & Security Services		22,016,047	12,504,159
Books, Newspaper & Periodicals		65,074	39,011
Bank Charges		9,665,028	16,178,819
Excise Duty		1,250,000	930,000
Finance Cost - Lease Liability		22,076,266	24,780,281
Commission & Discount		113,656	358,998
Recruitment & Training Expense		199,793	2,373,973
Subscription		7,702,201	2,894,078
CSR (Donation To Govt & Others)		5,000,000	10,010,000
Other expenses		26,377,965	51,628,886
		119,682,697	143,666,427

35.0 Provisions Against Loans & Advances / Invesments, Off-balance Sheet Items & Others of the Bank

35.1 Provisions on General Loans and Advances / Invesments	54,783,000	40,384,000
35.2 Provisions on Off-Balance Sheet Items	32,733,000	5,036,000
35.3 Provisions on Investment on Shares and Securities	33,571,498	13,394,540
35.4 Others	-	-
	121,087,498	58,814,540

36.0 Other Provisions

36.1 Provisions for Other Assets

Balance As at 1 January	199,650	-
Add: Provision Made during the year	73,151	199,650
Balance As at 31 December	272,801	199,650
Provision Required	272,801	199,650
Provision Maintained	272,801	199,650
Surplus	-	-

Provision for others made for expenditure related unreconciled entries and other assets that classified as Doubtful and bad and loss as per Bangladesh Bank BRPD Circular 4 dated April 12, 2022

37.0 Tax Expense of the Bank

Current Tax	15.2	43,657,544	18,831,074
Deferred Tax	38.0	(1,904,058)	(2,768,088)
		41,753,486	16,062,986

38.0 Deferred Tax Expenses/(Income) of the Bank

Closing Deferred Tax Liability	494,437	2,398,495
Less: Opening Deferred Tax Liability	2,398,495	5,166,582
	(1,904,058)	(2,768,088)

39.0 Earning Per Share

Earnings per share (EPS) has been computed by dividing the profit after tax (PAT) by the weighted average number of ordinary shares outstanding as per IAS- 33 "Earnings Per Share". Diluted EPS was not required to calculate as there was no dilution possibilities during the year. Total number of shares were 440,667,500 in the year 2022. In the year 2023 new 9,332,500 number of shares issued. Thus total number of shares at the end of the year 2023 was 450,000,000.

Net profit attributable to the shareholders of BGCB	108,682,796	(198,657,070)
Number of ordinary shares outstanding :	450,000,000	450,000,000
Earnings per share (EPS)	0.24	(0.44)

40.0 Net Asset Value (NAV) Per Share

Net Asset Value of the Bank	4,243,445,448	4,039,969,717
Number of Ordinary Shares	450,000,000	450,000,000
Net Asset Value Per Share (Prior Year Restated)	9.43	8.98

41.0 Net Operating Cash Flows Per Share

Net Cash Flows from Operating Activities	(2,163,737,100)	641,982,934
No. of Outstanding Shares	450,000,000	450,000,000
	(4.81)	1.43

	Notes	2023 TAKA	2022 TAKA
42.0 Receipt from Other Operating Activities			
Capital Gain on sale of shares		1,652,130	9,425,853
Service Charge		13,890,976	1,051,194
Others		21,506,249	10,306,190
		37,049,355	20,783,237
43.0 Payment for Other Operating Activities			
Rent, insurance, electricity etc.		42,884,634	18,717,858
Legal expenses		1,612,907	1,394,013
Directors' fees		3,134,189	1,594,197
Auditors' fees		287,500	287,500
Repair of Fixed Assets		8,152,051	3,888,726
Other expenses		119,682,697	143,666,427
		175,753,977	169,548,721
44.0 Cash Increase/Decrease in Other assets			
Stock of Stationery & Stamps		1,202,087	730,261
Account with Stock Broker		1,641,777	10,241,177
Advance Rent		30,823,267	9,272,550
Security Deposit		47,975	47,975
Suspense Account		20,996,946	2,392,054
EFTN Inward Adjustment		3,000	229,489
Advance to Vendors		16,591,459	-
Advance Tax		7,216,800	7,270,000
Others		181,186,573	93,050,309
Advance Insurance		3,269,594	25,777
		262,979,478	123,259,592
Less: Advance Tax Paid		(88,136,264)	(41,955,867)
Less: Interest Receivable on Balance with Other Bank		-	-
Less: Interest Receivable on Treasury Bond		-	-
Less: Openign Balance of Other Assets		(123,259,592)	(124,927,967)
		51,583,622	(43,624,242)
45.0 Cash Increase/Decrease in Other Liabilities			
Payable to Vendors		8,435,795	15,585,795
Adjusting Account Credit Balance		68,320,203	55,344,969
Provision for Climate Risk Fund		500,000	500,000
Provisions - Others		-	-
Lease Liabilities (IFRS 16)		336,353,016	407,786,519
		413,609,015	479,217,283
Less Opening Balance of Other Liabilities		(479,217,283)	(500,525,429)
		(65,608,269)	(21,308,146)
46.0 Reconciliation of Net Profit after Taxation & Operating Profit before changes in operating assets & liabilities			
Net Profit After Tax		108,682,796	(198,657,070)
Provision for Tax		41,753,486	16,062,986
Provision for Loans & Advances & Contingent Liabilities		87,516,000	45,420,000
Provision for diminution in value of investments		33,571,498	13,394,540
Other Provision		73,151	199,650
(Increase)/ Decrease of Interest Receivable		(81,219,810)	(6,831,999)
Increase/(Decrease) of Interest Payable		74,870,658	114,736,515
Depreciation & Amortization of Fixed Assets		165,794,199	169,940,366
Income Tax Paid		(88,136,264)	(41,955,867)
(Capital gain)/ Loss on shares & mutual funds		(1,652,130)	(9,425,853)
Exchange Gain		(92,647,831)	(16,907,188)
Operating Profit before changes in operating assets & liabilities		248,605,755	85,976,079

47.0 Number of Employees

Number of employees at 31 December 2023 was 321 (Three hundred and Twenty One) who were in receipt of remuneration for that year which in the aggregate was not less than Tk. 36,000 per annum.

48.0 Audit Committee

The Audit Committee of the Bank was constituted in the 1st meeting of the Board of Directors held on in compliance with the BRPD Circular No. 11, Dated 27 October, 2013. The Audit Committee was formed to assist the Board in Fulfilling its oversight responsibilities. The present Audit Committee consists of following members:

SL	Name of Directors	Status with	Status with the Bank	Educational
1	Mr. Md. Iftekharul Amin	Chairman	Independent Director	MBA, Ph.D.
2	Mr. A.N.M. Abul Kashem	Member	Independent Director	MSc
3	Mr. Shamsul Alam	Member	Director	B.Com
4	Mrs. Rokeya Khatun, FCA	Member	Director	MSS
5	Engr. Md. Abu Noman Howlader	Member	Director	BSc

Details of Audit Committee Meeting held in 2023

Particulars of the Meeting	No. of Meeting	Date of Meeting
Board Audit Committee Meeting	3	18.04.2023, 26.07.2023, 21.12.2023,

Directors Fee: Each director of the Bank was paid Tk. 8,000 as per BRPD circular letter no. 11 dated 4 October 2015 per board or Audit committee meeting attended in 2023. **Other Benefits:** N/A

Disclosure by Audit Committee

- 1) The Committee reviewed the integrity of the Financial Statement of the Bank to ensure that these reflect a true and fair view of the Bank's state of affairs.
- 2) The committee while reviewing the financial statements ensured that the propoer disclosure required International Accounting Standards as adopted in Bangladesh have been made and also complied with the Companies Act nad various other rules and regulations applicable for banking business.
- 3) The Committee recommended The External Auditor to the Board for presenting the proposal before the shareholder in the upcoming AGM for approval.

49.0 Related Party Disclosure of the Bank

The key management personnel of the Bank for the purposes of IAS 24 are defined as those persons having authority and responsibility for planning, directing and controlling the Bank, being members of the Board of Directors of the Group, Group Managing Directors, and close members of their families and companies they control, or significantly influence, or for which significant voting power is held. There were no transactions between the Bank and the key management personnel of the Bank in 2023 (2023 - nil).

49.1 Name of the Directors and their interest in different entities:

SL	Name of Directors	Status with	Name of the Firms/Companies in Which they have interest
1	Md. Jashim Uddin	Chairman	1. Vice-Chairman of Bengal Group of Industries;
			2. Vice-Chairman – Bengal Media Corporation Limited (RTV)
			3. Director- Bengal Windsor Thermoplastics Limited
			4. Director-Romania Food and Beverage Ltd.
			5. Director- Bengal Cement Limited
			6. Managing Director- Bengal Plastics Limited
			7. Managing Director- Power Utility Bangladesh Limited.
			8. Managing Director- Bengal Renewable Energy Limited.
			9. Managing Director- Bengal Agro Industries Limited
2	Mahbubul Alam	Vice-Chairman	1. Chairman - M. Alam Gas Station Ltd.,
			2. Chairman - Anowara Alam Foundation,
			3. Chairman - Surgescope Hospital Ltd.
			4. Managing Director - Alam Trading Corporation,
			5. Managing Director – R.M. Enterprise,
			6. Managing Director - M.M. Trading.
3	Engr. Ghulam Mohammed Alomgir (Representative of Max Infrastructure Limited)	Vice-Chairman	1. Chairman- MAX GROUP, one of the largest engineering conglomerates of Bangladesh;
			2. Chairman- Max Industries Limited;
			3. Chairman- Max Building Technologies Limited;
			4. Managing Director- Max Power Limited;
			5. Managing Director- Kushiara Power Company Ltd.
			6. Managing Director-Max Electricity Generation Ltd.;
4	Jesmin Akhter	Director	1. Director - Bengal Plastic Pipes Limited;
			2. Director - Bengal Agro Industries Limited;
			3. Director - Bengal Melamine Limited;
			4. Director- Designer Washing and Dyeing Ltd.

SL	Name of Directors	Status with	Name of the Firms/Companies in Which they have interest
5	Firoz Alam	Director	1. Director - Bengal Group of Industries; 2. Managing Director - Bengal Cement Ltd.; 3. Managing Director - Bengal Flexipak Ltd.; 4. Director - Bengal Plastics Ltd.; 5. Director – Bengal Media Corporation Limited (RTV); 6. Director – Bengal Windsor Thermoplastics Limited; 7. Director- Bengal Concept & Holdings Ltd.; 8. Director- Bengal Agro Industries Limited.
6	Shamsul Alam	Director	1. Director - Bengal Group of Companies; 2. Director- Bengal Plastics Limited; 3. Director- Bengal Media Corporation Limited (RTV); 4. Director- Romania Food and Beverage Ltd.; 5. Director- Bengal Agro Industries Limited; 6. Director- Bengal Cement Limited; 7. Managing Director - Bengal Adhesive and Chemicals Products Ltd.
7	Md. Shahabuddin	Director	1. Founder and Managing Director of Pacific Associates Ltd.; 2. Managing Director- Shahabuddin Textile Ltd.; 3. Managing Director- Asiatic Spinning Ltd.
8	Dilip Kumar Agrawala	Director	1. Managing Director - Diamond World Ltd.; 2. Managing Director - Diamond World BD Ltd.; 3. Managing Director- Prem's Collection Ltd.; 4. Managing Director- Brilliant Diamond Ltd. 5. Managing Director - Najrana Limited; 6. Managing Director – Taradavi Shipping and Sea Trade Ltd.
9	Dr. Joshoda Jibon Debnath (Representative of Technomedia Limited)	Director	1. Founder - Technomedia LTD, one of the advanced IT supporting companies of Bangladesh; 2. Chairman - Protection One (Pvt.) Ltd.; 3. Chairman - Lenden BD Ltd.; 4. Director - Bangladesh Chamber of Industries (BCI), 5. Director - Plastic Card ID Ltd.; 6. Director - Rajendra ECO Resort; 7. Director - Vibrant Software BD Ltd.; 8. Independent Director - Shampur Sugar Mill Ltd.; 9. Managing Director - Delta Force Ltd.; 10. Managing Director - Pay Union BD Ltd.
10	Tasmin Mahmud	Director	1. Director - Cotton Dyeing & Finishing Mills Ltd.; 2. Director - Cotton Line (BD) Ltd.; 3. Director - Cotton N Cotton Garments Industries Ltd.; 4. Director - Pacific Cotton Ltd.; 5. Director - BG Tel Limited.
11	S.M. Faruqi Hasan	Director	1. Chairman & CEO - Protik Developers Ltd.; 2. Chairman & CEO - Protik Bone China Ltd.; 3. Chairman & CEO - Protik Energy & Refinery Ltd.; 4. Chairman & CEO - Protik Logistics Ltd.; 5. Chairman & CEO - Hotel Lake Castle Ltd.; 6. Managing Director & CEO - Protik Ceramics Ltd.
12	Md. Iqbal Hossain Chowdhury (Representative of B. Dash Japan Co., Limited)	Director	1. Chairman- Jams Trading Ltd.; 2. Director- B.Dash Japan Co. Ltd.; 3. Director - JAPASTY Co. Ltd.; 4. Managing Director- Creed Asia BD Co. Ltd.;
13	Mr. Muhammad Jamaluddin (Representative of KDS Textile Mills Limited)	Director	1. Ex- Managing Director – BAPEX; 2. Ex-Member of Board of Directors - Bangladesh Petroleum Exploration & Production Company Ltd.; (BAPEX); 3. Director - Grameen Shakti.
14	Mrs. Rokeya Khatun, FCA (Representative of Ilmeeyat Apparels Limited)	Sponsor Shareholder	Sharmin Group- 1. Sharmin Apparels Ltd; 2. Sharmin Fashions Ltd.; 3. Sharaf Embroidery & Printing Ltd.; 4. A M Design Ltd.; 5. A.M. Fashions Ltd.; 6. Ilmeeyat Washing & Dyeing Ind. Ltd.; 7. Ishayat Apparels Ltd.; 8. Ishayat Fashions Ltd.; 9. Sharaf Washing & Dyeing Ind. Ltd.; 10. Sharaf Apparels Ltd.

SL	Name of Directors	Status with	Name of the Firms/Companies in Which they have interest
15	Khawja Mahatab Uddin (Representative Of Starlight Sweaters Limited)	Director	Labib Group- 1. Matrix Sweaters Ltd.; 2. Raidha Collections Ltd.; 3. Sultana Sweaters Ltd.; 4. Labib Dyeing Mills Ltd.; 5. Juthi Packaging Industries Ltd.; 6. R & R Agro Complex Ltd.; 7. Nice Cotton Ltd.; 8. Labib Poultry & Fisheries Ltd.
16	Engr. Abu Noman Howlader	Director	1. Chairman – Bangladesh Building Systems Ltd. 2. Chairman – Xiamen Reflective Insulations Ltd. 3. Chairman – BBS Cables Ltd. 4. Chairman – Nahee Aluminum Composite Panel Ltd. 5. Chairman – BBS Metallurgic Industries Limited.; 6. Chairman – Helix Wire & Cables Industries Ltd. 7. Chairman – Nahee Geo Textile Ind. Ltd. 8. Chairman - BBS Cables Ltd. 9. Chairman - BBS Infrastructure Ltd. 10. Chairman - Nahee SS Pipes Ind. Pvt. Ltd. 11. Chairman - BBS Distribution Ltd. 12. Chairman – Dynamic Cars Ltd
17	Golam Nasir (Representative of Bengal Plastics Limited)	Director	Proprietor: Accurate Steel.
18	Mr. Md. Iftekharul Amin	Independent	N/A
19	Mr. A.N.M. Abul Kashem	Independent	N/A
20	Mr. Tarik Morshed	Managing Director & CEO	N/A

49.2 Significant Contracts where Bank is a party and wherein Directors have interest: Nil NIL

49.3 Shares issued to Directors & Executives without consideration or exercise at discount: Nil NIL

49.4 Lending Policies to related parties:

Lending to related parties are effected as per requirement of section 27(1) of the Banking Companies Act, 1991 (as amended up to date)

49.5 Related Party Transaction

Name of the Company/Person	Related Director of BGCB	Nature of Transaction	Transaction made in 2023	Outstanding as at 31-12-2023
N/A	N/A	N/A	-	-

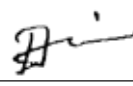
49.6 Post Balance Sheet events (IAS-10)

No material events occurring after balance sheet date came to our notice, which could affect the values reported in the financial statements significantly. NIL

49.7 Business other than Banking business with any related concern of the Directors as per Section 18 (2) of the Bank Companies Act 1991 (as amended up to 2018) NIL

49.8 Investments in Securities of Directors and their related concern:


Managing Director & CEO


Director


Director


Chairman

Dhaka, March 31, 2024

Bengal Commercial Bank PLC. Balance With Other Banks - Outside Bangladesh (Nostro Account)

As at 31 December 2023

Annexure- A

Name of the Bank	Account Type	Currency Type	2023			2022		
			FC Amount	Exchange Rate	Eqvnt. Taka	FC Amount	Exchange Rate	Eqvnt. Taka
AB Bank Limited, Mumbai, India	CD	USD	42,798.74	109.75	4,697,161.72	15,186.85	105.37	1,600,275.59
Axis Bank Limited, Mumbai, India	CD	USD	4,940.73	109.75	542,245.12	3,017.32	103.29	311,667.12
Mashreq Bank PSC, New York, USA	CD	USD	843,962.27	109.75	92,624,859.13	11,646.33	103.29	1,202,980.88
Sonali Bank	CD	GBP	8,119.12	109.75	891,073.42	160.40	122.71	19,683.30
Sonali Bank	CD	USD	7,781.08	123.09	957,789.48	-	-	-
			<u>99,713,129</u>			<u>3,134,607</u>		

Bengal Commercial Bank PLC.

Statement of Unreconciled Entries (Nostro Accounts)

Annexure-A1

As at 31 December 2022

Figur in USD

SL No.	Period of un-reconciliation	As per Local Book			As per Correspondents' Book		
		Debit Entries		Credit Entries		Debit Entries	
		No	Amount	No	Amount	No	Amount
01	Less than 1 month					4	17,576
02	1 month or more but less than 3 month						262,819
03	3 months or more but less than 6 months						
04	6 months or more but less than 9 months						
05	9 months or more but less than 12 months						
06	12 months or more						
	Total	-	-	0	-	4	17,576
						12	262,819

Date upto which reconciliation (wash out) is completed - all entries: 31st december, 2023

Date upto which reconciliation (wash out) is completed - other than cr. entries of local book and entries against which 100% provision have been made: 31st December, 2023

Bengal Commercial Bank PLC. Investment in Shares

As at 31 December 2023

Annexure-B

SL No.	Name of the Company	Face Value	No. of Shares Including Bonus Shares	Cost of Holding	Cost of Per Share	Quoted rate per Share as at 31 Dec 2023	Total Market Value as at 31 Dec 2023
Quoted Shares							
1	BATBC	10	61,993	39,451,432.53	636.39	518.70	32,155,769.10
2	Jamuna Oil	10	73,534	12,609,013.13	171.47	168.50	12,390,479.00
3	AOPLC	10	3,695	36,950.00	10.00	17.60	65,032.00
4	LANKABAFIN	10	50,000	1,367,730.00	27.35	26.00	1,300,000.00
	Sub-Total			53,465,125.66			45,911,280.10
Mutual Fund (Quoted)							
1	ABBASTMF	10	556,105	3,033,812.90	5.46	5.20	2,891,746.00
2	FBFF	10	17,716,527	112,685,670.39	6.36	5.10	90,354,287.70
3	Grameen S2	10	7,079,594	122,756,535.70	17.34	15.20	107,609,828.80
4	Popular1MF	10	5,742,842	32,486,915.01	5.66	5.10	29,288,494.20
5	Reliance1	10	1,690,302	19,714,000.66	11.66	11.50	19,438,473.00
6	TrustB1MF	10	1,684,441	11,319,248.97	6.72	5.60	9,432,869.60
	Sub-Total			301,996,183.63			259,015,699.30
	Grand Total			355,461,309.29			304,926,979.40

Calculation of Required Provision against Investment in Shares

SL No	Particulars	Cost Value	Value Considered for maintaining Provision	Required Provision	Remarks
1	Quoted	53,465,126	61,018,896	7,553,770	Provision was made as per Bangladesh Bank, DOS
2	Quoted (Mutual Fund)	301,996,184	344,986,940	42,990,756	Circular No. 1, dated: 24 May 2023
	Grand Total	355,461,309	406,005,836	50,544,526	

Bengal Commercial Bank PLC.

Schedule of Fixed Assets

As at 31 December 2023

Annexure-C

Particulars	COST			Rate	DEPRECIATION				Written down value as on 31 Dec 2023
	Opening Balance at Cost as on 01 Jan 2023	Addition during the year	Adjustment during the year		Total Cost as on 31 Dec 2023	Charged up to 31 Dec 2022	Adjustment during the year	Charged during the year	Total Depreciation as on 31 Dec 2023
Land	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	130,927,295	32,234,809	-	10%	163,162,105	36,614,307	-	15,888,496	52,502,803
Office Equipment	54,806,311	21,867,059	-	15%	76,673,370	16,508,785	-	10,160,702	26,669,487
Computer Equipment	89,177,782	10,032,310	-	15%	99,210,091	27,756,883	-	14,872,032	42,628,915
Motor Vehicles	29,243,086	-	-	15%	29,243,086	12,810,660	-	4,386,463	17,197,123
Computer Software	26,374,500	-	-	20%	26,374,500	10,563,709	-	5,274,900	15,838,609
Right of use Assets (Lease assets)	770,262,311	-	-	-	770,262,311	282,664,340	-	115,211,606	397,875,946
Total as on	1,100,791,285	64,134,178	-		1,164,925,463	386,918,684	-	165,794,199	552,712,883
									612,212,579

Bengal Commercial Bank PLC. Statement of Tax Position of the Bank

As at 31 December 2023

Annexure-D
(Amt in Taka)

Accounting Year	Assessment Year	Tax Provision as per Financial Statements	Tax as per Assessment Order / Income Tax Return	Excess / (Shortage) provision as per latest assessment order / Income Tax Return	Advance Income Tax Paid	Refund / (Due)	Present Status
1	2	3	4	5 = (3 - 4)	6	7 = (6-4)	8
2020	2021-2022	10,035,711	25,496,723	(15,461,012)	21,972,506	(3,524,217)	Appeal filed before the appellate tribunal
2021	2022-2023	4,707,546	-	4,707,546	29,121,936	-	Return filed u/s 82-BB but assesment order yet to receive
2022	2023-2024	18,831,074	-	18,831,074	41,955,867	-	Return filed u/s 82-BB but assesment order yet to receive
2023	2024-2025	43,657,544	-	43,657,544	88,136,264	-	Deadline for submission of tax return is 15 September 2024
Total		77,231,875	25,496,723	51,735,152	181,186,573	(3,524,217)	

Bengal Commercial Bank PLC.

Annexure-E

Islamic Banking Branch

Balance Sheet

As at 31 December 2023

Properties & Assets

Cash

Cash in hand (Including foreign currencies)
Balance with Bangladesh Bank and Its agent Bank(s)
(including foreign Currency)

Balance with other banks & financial institutions

In Bangladesh
Outside Bangladesh

Placement with banks & other financial institutions

Investments in share & securities

Government
Others

Investments

General investments etc
Bills purchased and discounted

Fixed assets including premises, furniture & fixture

Other assets

Non-banking assets

Total Assets

Liabilities and Capital

Liabilities:

Placements from other banks, financial institutions and
and agents

Deposits and other accounts

Al-Wadiah current deposits & other deposit accounts
Bills Payable
Mudaraba Savings Deposits
Mudaraba Term Deposits
Other Deposits

Other Liabilities

Total Liabilities

Capital / Shareholders' Equity

Paid up Capital
Share Premium
Statutory Reserve
General Reserve
Other Reserve
Retained Earnings
Total Shareholders' Equity

Non-Controlling Interest

Total Liabilities and Shareholders Equity

Notes	31.12.2023 TAKA	31.12.2022 TAKA
3		
	54,810,376	35,706,889
	206,770,088	177,635,269
	261,580,464	213,342,158
4		
	3,871,296	1,524,448,085
	-	-
	3,871,296	1,524,448,085
5	-	-
6		
	267,591,000	117,590,000
	50,000,000	-
	317,591,000	117,590,000
7		
	4,584,125,320	1,523,798,826
	20,264,075	26,479,793
	4,604,389,395	1,550,278,619
8	33,023,802	27,207,183
9	124,287,623	15,526,511
	-	-
	5,344,743,580	3,448,392,556
10	-	-
11		
	281,654,871	226,857,064
	8,558,704	2,794,690
	499,059,745	289,907,125
	4,235,303,149	2,771,694,711
12.2	162,311,162	73,861,225
	5,186,887,631	3,365,114,816
14	193,551,354	140,670,071
	5,380,438,985	3,505,784,886
15		
	-	-
	-	-
	-	-
	-	-
	-	-
	(35,695,405)	(57,392,330)
	(35,695,405)	(57,392,330)
	-	-
	5,344,743,580	3,448,392,556

	Notes	31.12.2023 TAKA	31.12.2022 TAKA
Off Balance Sheet Items			
Contingent Liabilities :	16		
Acceptances & Endorsements		90,887,105	-
Letters of Guarantee		280,185,898	13,777,740
Irrevocable Letters of Credit		32,130,885	26,693,680
Bills for Collection		95,875,665	37,495,108
Other Contingent Liabilities		-	-
Total Contingent Liabilities		499,079,553	77,966,527
Other Commitments:			
Documentary credit and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Other commitments		-	-
Total Off-Balance sheet Items Including Contingent Liabilities		499,079,553	77,966,527

The annexed notes 01 to 39 form an integral part of these financial statements.

Bengal Commercial Bank PLC.

Islamic Banking Branch Profit and Loss Account

For the Period ended 31 December 2023

	Notes	2023 TAKA	2022 TAKA
Operating Income			
Profit on Investments	21.1	392,025,286	113,659,632
Profit paid on deposits	22.0	(285,501,690)	(106,593,659)
Net Investments Income		106,523,596	7,065,972
Income from Investments in share & securities	21.2	6,608,173	4,583,972
Commission, exchange and brokerage	21.3	8,627,232	427,291
Other Operating Income	21.4	4,333,890	956,157
Total Operating Income (A)		126,092,890	13,033,392
OPERATING EXPENSES			
Salary and allowances	24.0	37,486,459	25,427,934
Rent, taxes, insurance, electricity etc.	25.0	1,424,228	1,100,072
Legal expenses	26.0	-	-
Postage, stamps, telecommunications etc.	27.0	239,298	168,978
Stationery, printing, advertisements etc.	28.0	592,949	478,621
Chief Executive's salary and fees		-	-
Directors fees	29.0	-	-
Auditors' fees		-	-
Depreciation and repair of banks assets	30.0	3,668,869	14,967,391
Other expenses	31.0	15,480,777	14,747,107
Total Operating Expenses (B)		58,892,580	56,890,104
Profit/(Loss) before provision (C) = (A-B)		67,200,310	(43,856,713)
Provision for Investments	32.1	41,471,346	13,128,983
Provision on Off-Balance Sheet Exposures	32.2	4,032,039	406,635
Provision for diminution in value of investments	32.3	-	-
Other provisions	35.0	-	-
Total Provisions (D)		45,503,385	13,535,618
Total Profit/(Loss) before Taxes (C-D)		21,696,925	(57,392,330)

The annexed notes 01 to 39 form an integral part of these financial statements.

Bengal Commercial Bank PLC.
Islamic Banking Branch
Notes to the Financial Statements
as at and for the Period ended 31 December 2023

	Notes	2023 TAKA	2022 TAKA
A. Cash flows from operating activities			
Profit Receipts in cash		397,134,063	111,884,482
Profit Payments		(222,461,754)	(48,893,661)
Dividend Receipts		-	-
Fees & Commission Receipts in cash		4,384,406	380,919
Recoveries of loans Previously written off		-	-
Cash Payments to employees		(37,486,459)	(25,427,934)
Cash Payments to suppliers		(832,247)	(647,599)
Income taxes paid		(22,389,799)	(8,971,124)
Receipt from other operating activities	35	4,333,890	956,157
Payment for other operating activities	36	(16,972,848)	(15,872,018)
Operating profit before changes in operating assets and liabilities.		105,709,251	13,409,220
Increase/Decrease in operating assets and liabilities:			
(Purchase)/Sale of government securities		(150,000,000)	(117,590,000)
(Purchase)/Sales of trading Securities		(50,000,000)	-
Investments to Customers		(3,054,110,776)	(1,550,278,619)
Other assets	37	(84,871,916)	(196,265)
Deposit from banks		-	-
Deposit from customers/Others		1,758,732,880	3,307,414,818
Other Liabilities	38	7,377,898	127,134,453
Net Cash from operating activities (A)		(1,572,871,914)	1,766,484,386
B. Cash flows from investing activities			
Proceeds from Sale of Securities		-	-
Purchase/Sale of property, plant & equipment		(9,417,645)	(42,149,735)
Net Cash from investing activities (B)		(9,417,645)	(42,149,735)
C. Cash flows from financing activities			
Borrowing from Other Banks & Financial Institutions		-	-
Surplus/deficit on account of revaluation of investments		-	-
Sub-Ordinated Bond		-	-
Dividends Paid		-	-
Cash received from Issuance of ordinary shares		-	-
Net cash from financing activities (C)		-	-
D. Net Increase/(Decrease) in cash (A+B+C)		(1,476,580,308)	1,737,743,871
E. Effect of Exchange Rate Changes on Cash		4,242,826	46,372
F. Cash and Cash equivalents at beginning of the year		1,737,790,243	-
G. Cash and cash equivalents at the end of the year		265,452,760	1,737,790,243
Cash in hand (including foreign currencies)	3	54,810,376	35,706,889
Prize Bonds		1,000	-
Balance with Bangladesh bank and its agent bank		206,770,088	177,635,269
Balance with other banks & financial institution	4	3,871,296	1,524,448,085
Money at call on short notice		-	-
		265,452,760	1,737,790,243

The annexed notes 01 to 39 form an integral part of these financial statements.

Bengal Commercial Bank PLC.
Islamic Banking Branch
Notes to the Financial Statements
as at and for the Period ended 31 December 2023

	Notes	31.12.2023 TAKA	31.12.2022 TAKA
3.0 Cash in hand			
Cash in hand	3.1	54,810,376	35,706,889
Balance With Bangladesh Bank and its agent Banks	3.2	206,770,088	177,635,269
		261,580,464	213,342,158
3.1 Cash in hand			
Local Currency		53,778,726	35,706,889
Foreign Currency		1,031,650	-
		54,810,376	35,706,889
3.2 Balance with Bangladesh Bank and its agent Banks			
Bangladesh Bank			
Local currency		206,770,088	177,635,269
Foreign currencies		-	-
		206,770,088	177,635,269
Balance with agent banks		-	-
		206,770,088	177,635,269
4.0 Balance with other banks and financial institutions			
Balance In Bangladesh	4.1	3,871,296	1,524,448,085
Balance outside Bangladesh	4.2	-	-
		3,871,296	1,524,448,085
4.1 In Bangladesh			
A. SND account			
Mercantile Bank Limited.		3,871,296	1,524,448,085
		3,871,296	1,524,448,085
5.0 Placement with banks & other financial institutions			
Call money Lending		-	-
Short Notice Lending		-	-
		-	-
6.0 Investments in share & securities			
(a) Nature Wise			
Held for Trading		-	-
Held for Maturity		-	-
Others		-	-
		-	-
(b) Claim Wise			
Government Securities	6.1	267,591,000	117,590,000
Others	6.2	50,000,000	-
		317,591,000	117,590,000
6.1 Government Securities			
Treasury Bond		-	-
Sukuk Islami Bond		267,590,000	117,590,000
Prize Bond		1,000	-
		267,591,000	117,590,000
6.2 Government Securities			
Bangladesh Government Islami Investment Bond (BGIIIB)		50,000,000	
		50,000,000	

7.0 Investment

General investments etc
Bills purchased and discounted

7.1 Product Wise Investments

Continuous Investment
Term Investments
Demand Investments

8.0 Fixed assets including premises, furniture & fixture.

A Cost

Furniture and fixtures
Office Equipment
Computer & equipments

B Intangible Assets

Software

Total Cost of Tangible and Intangible Assets

Less: Accumulated depreciation & amortization

Written down value at the end of the year

Lease Assets-Premises

Right of use Assets

Less: Accumulated Depreciation

Net Book Value at the end of the year

9.0 Other assets

Income Generating

Profit Receivable
Profit Receivable from Govt. Securities

Non-Income Generating

Stock of Stationery & Stamps
Advance Rent
Security Deposit
Suspense Account
Advance to Vendors
Inter Transaction Between Conventional Banking
Advance Insurance
Advance Tax

9.1 Suspense accounts

Advance against expenses

9.2 Advance tax paid

Balance at the beginning of the year
Paid during the year

Notes	31.12.2023 TAKA	31.12.2022 TAKA
7.1	4,584,125,320	1,523,798,826
	20,264,075	26,479,793
	4,604,389,395	1,550,278,619
	4,314,941,872	1,375,800,756
	237,060,314	146,963,973
	32,123,134	1,034,097
	4,584,125,320	1,523,798,826
	23,101,824	20,354,489
	8,977,869	6,046,929
	944,109	805,765
	33,023,802	27,207,183
	-	-
	33,023,802	27,207,183
	-	-
	33,023,802	27,207,183
	-	-
	-	-
	-	-
	33,023,802	27,207,183
	3,950,326	4,549,117
	3,908,192	1,810,004
	7,858,518	6,359,121
	180,995	69,220
9.1	191,005	127,045
	690,000	
	84,006,181	-
	-	-
9.2	31,360,924	8,971,124
	116,429,105	9,167,389
	124,287,623	15,526,511
	191,005	127,045
	191,005	127,045
	8,971,124	-
	22,389,799	8,971,124
	31,360,924	8,971,124

	Notes	31.12.2023 TAKA	31.12.2022 TAKA
10.0 Placements from other banks, financial institutions & agent.			
In Bangladesh		-	-
Out Side Bangladesh		-	-
		-	-
11.0 Deposits and other accounts			
Deposit from Customers	12.0	5,186,887,631	3,365,114,816
Deposit from Banks	13.0	-	-
		5,186,887,631	3,365,114,816
12.0 Deposit from Customers			
Al-Wadiah current Deposit and other accounts	12.1	281,654,871	226,857,064
Bills Payable		8,558,704	2,794,690
Mudaraba Savings Bank Deposit		499,059,745	289,907,125
Mudaraba Term Deposits		4,235,303,149	2,771,694,711
Other Deposit	12.2	162,311,162	73,861,225
		5,186,887,631	3,365,114,816
12.1 Al-Wadiah current Deposit and other accounts			
Al-Wadiah current Deposit		105,153,906	160,873,426
Positive Balance On OD		-	-
Accrued Profit		120,739,934	57,699,998
Margin on Facilities		55,761,032	8,283,640
FC Held		-	-
		281,654,871	226,857,064
12.2 Other Deposit			
Sundry Deposit	12.2.1	932,768	173,689
Settlement Account		-	-
Others		161,378,394	73,687,536
		162,311,162	73,861,225
12.2.1 Sundry deposits			
Security Deposit		-	-
Withholding Tax Payable		5,045	-
Withholding VAT Payable		-	-
Excise Duty		-	-
Others		927,723	173,689
		932,768	173,689
13.0 Demand and Time Deposits			
A. Demand Deposits			
Al-Wadiah current Deposits		281,654,871	226,857,064
Mudaraba Savings Deposits (10% of Total Saving Deposit)		19,329,202	5,279,332
Sundry Deposit		932,768	173,689
Bills Payable		8,558,704	2,794,690
Other Demand Deposit		161,378,394	73,687,536
		471,853,939	308,792,311
B. Time Deposits			
Mudaraba Savings Deposits (90% of Total Saving Deposit)		173,962,814	47,513,985
Mudaraba Term Deposit		4,191,506,802	2,756,630,294
Deposit Pension Scheme		36,185,472	15,064,417
Speical Notice Deposit		305,767,729	237,113,808
Security Deposit		-	-
Others Time Deposit		7,610,875	-
		4,715,033,693	3,056,322,505
Total Demand and Time Deposit		5,186,887,631	3,365,114,816

14.0 Other Liabilities

Provision for Investments
Provision for Off Balance Sheet Items
Provision for diminution in value of Investment
Payable to Vendors
Inter Transaction Between Conventional Banking
Adjusting Account Credit Balance
Lease Liabilities (IFRS 16)
Provision for Tax
Deferred Tax Liability

15.0 Retained Earnings

Opening Balance
Add: Post Tax Profit during the period
Less: Transfer to Statutory Reserve

16.0 Contingent Liabilities

Acceptances and endorsements
Letters of guarantees
Irrevocable letters of credit
Bills for collection
Others

Notes	31.12.2023 TAKA	31.12.2022 TAKA
	54,600,329	13,128,983
	4,438,674	406,635
	-	-
	-	-
	134,312,351	127,134,453
	200,000	-
	-	-
	-	-
	-	-
	193,551,354	140,670,071
	(57,392,330)	-
	21,696,925	(57,392,330)
	-	-
	(35,695,405)	(57,392,330)
	90,887,105	-
	280,185,898	13,777,740
	32,130,885	26,693,680
	95,875,665	37,495,108
	-	-
	499,079,553	77,966,527

21.0 Income Statement

Income

Profit, discount and Similar Income
Fees, Commission and brokerage
Gains/(Loss) arising from investment
Other Operating Income

Expenses

Profit Paid on Deposits, placement, etc
Administrative expenses
Other operating expenses
Depreciation on banks assets

21.1 Profit, discount and similar income

Profit on Investments
Profit on placement with banks and Financial Institutions
Profit on foreign currency balances

21.1(a) Product Wise Profit:

Profit:
Overdraft
Term Investment
Demand Investment

Notes	2023 TAKA	2022 TAKA
21.1	392,025,286	113,659,632
21.3	8,627,232	427,291
21.2	6,608,173	4,583,972
21.4	4,333,890	956,157
	411,594,581	119,627,051
22.0	285,501,690	106,593,659
23.0	39,742,934	27,175,606
31.0	15,480,777	14,747,107
30.0	3,668,869	14,967,391
	344,394,271	163,483,764
21.1(a)	287,643,446	48,753,050
	104,381,841	64,906,582
	-	-
	392,025,286	113,659,632
	268,648,361	43,895,173
	15,793,916	3,737,859
	3,201,168	1,120,018
	287,643,446	48,753,050

	Notes	2023 TAKA	2022 TAKA
21.2 Investment Income			
Capital Gain on sale of shares (Net)		-	-
Dividend Income		-	-
Income from Subordinate Bond		-	-
Income from Corporate Bond		-	-
Income from Govt Sukuk Bond (Net)		6,608,173	4,583,972
Income from Perpetual Bond		-	-
Income from Treasury Bond		-	-
Gain on Sale of Govt Securities		-	-
Loss On Revaluation of HFT-T Bond		-	-
Profit on Reverse Repo		-	-
		6,608,173	4,583,972
21.3 Commission Exchange & Brokerage			
Exchange Gain (Net)		4,242,826	46,372
Commission of DD, TT, PO		43,700	20,170
Other Commission Income		4,340,706	360,749
		8,627,232	427,291
21.4 Other Operating Income			
Service Charge		3,875,955	793,009
Others		457,935	163,148
		4,333,890	956,157
22.0 Profit Paid on Deposits, Borrowing and Others			
Profit on deposits	22.1	285,501,690	106,593,659
Profit on Placement from Banks & Fls		-	-
Profit on borrowings from BB & others		-	-
Profit on Treasury Bond		-	-
		285,501,690	106,593,659
22.1 Profit on deposits			
Mudaraba Term Deposit		268,820,426	103,519,330
Mudaraba Deposit		1,479,105	446,696
Mudaraba Short Notice Deposit		11,830,211	2,014,420
Mudaraba Savings Deposit		3,371,949	613,214
		285,501,690	106,593,659
23.0 Administrative expenses			
Salary and allowances	24.0	37,486,459	25,427,934
Rent, taxes, insurance, electricity etc.	25.0	1,424,228	1,100,072
Legal expenses	26.0	-	-
Postage, stamps, telecommunications etc.	27.0	239,298	168,978
Stationery, printing, advertisements etc.	28.0	592,949	478,621
Chief Executive's salary and fees		-	-
Directors' fees	29.0	-	-
Auditors' fees		-	-
		39,742,934	27,175,606
24.0 Salary and allowances			
Basic Salary		15,823,818	10,693,787
Allowances		15,935,169	10,821,929
Bonus		2,711,690	1,808,175
L/E Salary & Allowances		1,582,382	1,069,379
Bank's Contribution to Provident fund		1,433,401	1,034,665
		37,486,459	25,427,934

25.0 Rent, taxes, insurance, electricity etc.

Rent (Garage)
Other rental charges
Rates & Taxes
Insurance charge
Electricity, Water & Gas

Notes	2023 TAKA	2022 TAKA
	-	-
	-	-
	21,650	38,100
	196,741	110,688
	1,205,837	951,284
	1,424,228	1,100,072

26.0 Legal & Professional Expenses

Professional fees
Other legal charges
Stamp, power of attorney & notary public
Other Professional fees

-	-
-	-
-	-
-	-
-	-

27.0 Postage, stamps, telecommunications etc.

Postage
Telecommunication charges
Mobile Bills
Swift Charge
Internet
Network Connectivity Charge
Stamps

23,904	7,485
17,794	13,830
52,400	39,693
-	-
-	-
145,200	107,970
239,298	168,978

28.0 Stationery, printing & advertisements etc.

Computer Stationery
Printing Stationery
Office Stationery

179,783	31,670
43,780	139,128
328,417	220,551
551,980	391,349

Advertisement

News paper
Other Advertisement

17,969	86,336
23,000	936
40,969	87,272

Total Stationery, Printing & Advertisement

592,949	478,621
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29.0 Directors Fees & Meeting Expenses

Directors Fees

-	-
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30.0 Depreciation and repair of bank's assets

30.1 Depreciation

Furniture/fixtures
Vehicles
Office equipments
Computer equipments
Computer software
Total Depreciation
Repair of bank's assets
Right-of-Use asset
Total Depreciation and repair of bank's assets

2,248,004	2,936,868
-	-
1,215,841	1,233,829
137,181	153,672
-	-
3,601,026	4,324,369
67,843	24,839
-	10,618,183
3,668,869	14,967,391

	Notes	2023 TAKA	2022 TAKA
31.0 Other expenses			
Entertainment		448,155	438,883
Business Development Expenses		94,521	395,495
Car and Generator Expenses		94,830	32,479
Other Car Expenses		1,294,100	925,290
Cleaning & Sanitizing Expenses		76,275	39,939
Crockeries & Cutleries		31,575	4,080
Business Traveling		213,765	118,694
Misc expenditure		31,425	18,478
Cleaning & Security Services		2,820,371	2,105,648
Books, Newspaper & Periodicals		11,607	9,636
Inter Transaction Between Conventional Banking		9,855,787	6,301,533
Excise Duty		100,000	150,000
Finance Cost - Lease Liability		-	3,859,421
Donation/Subscription & Others		-	-
Gift Items		3,259	-
Leave Encashment Expense		-	-
Other expenses		405,108	347,532
		15,480,777	14,747,107
32.0 Provisions Against Invesments, Off-balance Sheet Items & Others of the Bank			
32.1 Provisions on General Invesments		41,471,346	13,128,983
32.2 Provisions on Off-Balance Sheet Items		4,032,039	406,635
32.3 Provisions on Investment on Shares and Securities		-	-
Others		-	-
		45,503,385	13,535,618
33.0 Net Asset Value (NAV) Per Share			
Net Asset Value of the Bank		23,343,597	(43,856,713)
Number of Ordinary Shares		-	-
Net Asset Value Per Share		-	-
34.0 Net Operating Cash Flows Per Share			
Net Cash Flows from Operating Activities		(1,467,162,663)	(37,931,657)
No. of Outstanding Shares		-	-
35.0 Receipt for Other Operating Activities			
Capital Gain on sale of shares		-	-
Service Charge		3,875,955	793,009
Others		457,935	163,148
		4,333,890	956,157
36.0 Payment for Other Operating Activities			
Rent, insurance, electricity etc.		1,424,228	1,100,072
Legal expenses		-	-
Directors' fees		-	-
Auditors' fees		-	-
Repair of Fixed Assets		67,843	24,839
Other expenses		15,480,777	14,747,107
		16,972,848	15,872,018
37.0 Cash Increase/Decrease in Other assets			
Stock of Stationery & Stamps		180,995	69,220
Advance Rent		-	-
Security Deposit		-	-
Suspense Account		191,005	127,045
Advance to Vendors		690,000	-
Advance Tax		31,360,924	17,942,249
Others		84,006,181	-
Advance Insurance		-	-
		116,429,105	18,138,514
Less: Advance Tax Paid		(22,389,799)	(8,971,124)
Less: Profit Receivable on Balance with Other Bank		-	-
Less: Profit Receivable on Treasury Bond		-	-
Less: Opening Balance of Other Assets		(9,167,389)	(9,167,389)
		84,871,916	-

38.0 Cash Increase/Decrease in Other Liabilities

Payable to Vendors
 Payable Others
 Adjusting Account Credit Balance
 Provisions
 Lease Liabilities (IFRS 16)

 Less Opening Balance of Other Liabilities

Notes	2023 TAKA	2022 TAKA
	-	-
	134,312,351	127,134,453
	200,000	-
	-	-
	-	-
	134,512,351	127,134,453
	(127,134,453)	(127,134,453)
	7,377,898	-

39.0 Reconciliation of Net Profit after Taxation & Operating Profit before changes in operating assets & liabilities

Net Profit After Tax
 Provision for Tax
 Provision for Investment & Contingent Liabilities
 Provision for diminution in value of investments
 (Increase)/ Decrease of Profit Receivable
 Increase/(Decrease) of Profit Payable
 Depreciation & Amortization of Fixed Assets
 Income Tax Paid
 (Capital gain)/ Loss on shares & mutual funds
 Exchange Gain
 Operating Profit before changes in operating assets & liabilities

	67,200,310	(43,856,713)
	-	-
	-	-
	-	-
	(1,499,396)	-
	63,039,936	-
	3,601,026	14,942,552
	(22,389,799)	(8,971,124)
	-	-
	(4,242,826)	(46,372)
	105,709,251	(37,931,657)

Bengal Commercial Bank PLC.

Highlights on Overall Activities

Annexure-F

Particulars	Amount in BDT	
	31 Dec 2023	31 Dec 2022
Paid-up Capital	4,500,000,000	4,406,675,000
Total Capital	4,388,683,224	4,093,884,528
Capital Surplus/(Deficit)	(611,316,778)	93,884,528
Total Assets	22,694,528,968	15,951,929,801
Total Deposits	16,456,052,128	11,016,590,777
Total Loans & Advances/Investments	14,256,409,093	7,276,542,266
Total Contingent Liabilities & Commitments	4,157,442,495	931,771,196
Credit Deposit Ratio (%)	80.15%	65.10%
Percentage of Classified Loans & Advances/ Investments against Total Loans and Advances/Investments (NPL)	0%	0%
Operating Profit	271,596,932	(123,579,895)
Profit after Tax & Provision	108,682,796	(198,657,070)
Amount of Classified Loans & Advances/ Investments as during the year	0	0
Provision kept against Classified Loans & Advances/ Investments	0	0
Provision Surplus/(Deficit)	-	-
Cost of Deposit (%)	6.66%	5.23%
Cost of Fund (%) (Interest Expense/ Average Deposits, Borrowings and Other Interest bearing Liabilities)	7.83%	7.67%
Interest Earning Assets	21,819,336,910	15,114,797,608
Non-interest earning Assets	875,192,058	837,132,193
Return on Investment (ROI) (%)	7.07%	7.29%
Return on Assets (ROA) (%)	0.56%	-1.58%
Net Asset value per share	9.43	8.98
Income from Investments	200,373,061	156,837,938
Earning per share (Taka)	0.24	(0.44)
Net Interest Margin (NIM)	4.96%	3.84%

Other Information



Branch Location

1. Corporate Branch

Manager Name : Mr Md Saiful Islam
Branch Location : Khandker Tower (Ground Floor), 94 Gulshan Avenue, Gulshan, Dhaka-1212
Email : corporate.branch@bgcb.com.bd
Routing Number : 315260856
Mobile : +8801401155701

2. Dilkusha Islami Banking Branch

Manager Name : Mr Istiak Uddin Ahmad
Branch Location : Rahmat Tower (1st & 2nd Floor), Holding No-19, Dilkusha C/A, Motijheel, Dhaka-1000
Email : dilkusha.branch@bgcb.com.bd
Routing Number : 315271908
Mobile : +8801401155702

3. Zirabo Branch

Manager Name : Mr Md Nazmul Haque
Branch Location : Hazi Chan Miah Tower, Village: Zirabo, Ashulia, Dhaka.
Email : zirabo.branch@bgcb.com.bd
Routing Number : 315264810
Mobile : +8801401155704

4. Chowmuhan Branch

Manager Name : Mr Mohammad Moshir Rahman
Branch Location : Morshed Alam Complex, Holding Number:0001-01, Rail Gate, Chowmuhan, Begumgonj, Noakhali.
Email : chowmuhan.branch@bgcb.com.bd
Routing Number : 315750340
Mobile : +8801401155705

5. Imamgonj Branch

Manager Name : Mr Mohammad Nazim Uddin
Branch Location : Mashallah Complex, 10 No, Biren Bosh Street (Old), Mitford Road (New), Imamgonj, Chawk Bazar, Dhaka
Email : imamgonj.branch@bgcb.com.bd
Routing Number : 315272802
Mobile : +8801401155706

6. Sonargaon Janapath Branch

Manager Name : Ms Sabrina Nowrin
Branch Location : Plot # 32, Sector 11 Sonargaon Janapath Road, Uttara Model Town, Uttara (west), Dhaka.
Email : sonargaon.branch@bgcb.com.bd
Routing Number : 315260243
Mobile : +8801401155707

7. Eliotganj Branch

Manager Name : Mr Md Shafiqul Islam
Branch Location : Village: Eliotganj, Mouza: Mobarakpur, Daudkandi, Cumilla.
Email : eliotganj.branch@bgcb.com.bd
Routing Number : 315191909
Mobile : +8801401155708

8. Agrabad Islami Banking Branch

Manager Name : Mr Md Ayub Ali
Branch Location : Chamber House 38, Agrabad C/A, Chattogram.
Email : agrabad.branch@bgcb.com.bd
Routing Number : 315150137
Mobile : +8801401155709

9. Gorai Branch

Manager Name : Mr Abdullah Al Fahad
Branch Location : Shikdar Plaza, Village: Gorai, Mouza: Mamin Nagar, Mirzapur, Tangail.
Email : gorai.branch@bgcb.com.bd
Routing Number : 315931035
Mobile : +8801401155710

10. Hemayetpur Branch

Manager Name : Mr Khandker Moniruzzaman
Branch Location : Horindhara, Padmar More Hemayetpur, Savar, Dhaka
Email : hemayetpur.branch@bgcb.com.bd
Routing Number : 315260135
Mobile : +8801786563608

11. Anowara Branch

Manager Name : Mr S M Obidul Kader
Branch Location : J S Plaza, Kalabibir Digi, Balcara, Union: Chaturi, Anowara, Chattogram
Email : anowara.branch@bgcb.com.bd
Routing Number : 315150524
Mobile : +8801817713223

12. Hasnabad Branch

Manager Name : Mr Anisur Rahman
Branch Location : Nazim Uddin Complex, Hasnabad Ekuria, South Keraniganj, Keraniganj, Dhaka.
Email : hasnabad.branch@bgcb.com.bd
Routing Number : 315272565
Mobile : +8801718176955

Branch Location...

13. Rangpur Branch

Manager Name : Mr Md Ahsan Ul Firoz
Branch Location : Holding: 001-00, Suruj Tower (1st & 2nd),
Suruj Tower, G.L. Roy Road (Jahaj
Company Moor), Rangpur.
Email : rangpur.branch@bgcb.com.bd
Routing Number : 315851452
Mobile : +8801717424975

14. Satmasjid Road Branch

Manager Name : Mr Md Abdus Salam
Branch Location : Rangs Eminance, Holding No: 779 (Old), 79
(New), Satmasjid Road, Dhanmondi,
Dhaka 1209
Email : satmasjid.branch@bgcb.com.bd
Routing Number : 315276079
Mobile : +8801755590617

15. Kashinathpur Islami Banking Branch

Manager Name : Mr Mahmud-Ul-Hasan Khan
Branch Location : London Tower, Kashinathpur, Santhia,
Pabna 6670.
Email : kashinathpur.branch@bgcb.com.bd
Routing Number : 315760172
Mobile : +8801772810665

16. Velanagar Branch

Manager Name : Mr Mohammad Ruhul Amin
Branch Location : Madina Tower, Holding No: 1005/1,
Velanagar Bus Stand, Chinishpur, Narsigndi
Sadar, Narsigndi.
Email : velanagar.branch@bgcb.com.bd
Routing Number : 315681398
Mobile : +8801717297269

17. Bogura Branch

Manager Name : Mr Md Abu Toyub
Branch Location : Bhandari Monzil, Holding: 0775-00,
Rangpur Road, Borogola, Bogura 5800.
Email : bogura.branch@bgcb.com.bd
Routing Number : 315100374
Mobile : +8801747906923

18. Banani Branch

Manager Name : Mohammad Tofazzal Hossain
Branch Location : South Brezee Center, Holding No: 05,
Section: G, Road: 11, Banani, Dhaka 1213
Email : banani.branch@bgcb.com.bd
Routing Number : 315260430
Mobile : +8801840666915

19. Ati Bazar Branch

Manager Name : Mohammad Azizur Rahman
Branch Location : Islam Plaza, 459/1, Ati Bazar Main Road,
Ati Bazar, Keraniganj, Dhaka 1312.
Email : atibazar.branch@bgcb.com.bd
Routing Number : 315270341
Mobile : +8801735954026

Sub Branch Location

1. Karwan Bazar Sub-Branch

In-charge Name : Mr Md Mubarak Hossain
Location : NLI Tower(1st floor), 54-55, Kazi Nazrul
Islam Avenue, Karwan Bazar, Tejgaon,
Dhaka 1215
Email : karwan.branch@bgcb.com.bd
Routing Number : 315260856
Mobile : +8801401155703

2. Savar Nama Bazar Sub-Branch

In-charge Name : Mr Abul Kalam Azad
Location : Bandhan Mansion, Holding No: D-191,
D-191/1, D-191/2, Nama Bazar, Savar,
Dhaka.
Email : namabazar.branch@bgcb.com.bd
Routing Number : 315260135
Mobile : +8801718908010

3. Ashkona Sub-Branch

In-charge Name : Mr Khurshed Alam
Location : MG Abed Tower, Holding No: 373, Ward
No: 49, Ashkona, Dakshinkhan, Dhaka
Email : ashkona.branch@bgcb.com.bd
Routing Number : 315260243
Mobile : +8801680875362

4. Rampura Sub-Branch

In-charge Name : Mr Md Hafijur Rahman
Location : Mia Bhaban, 64, DIT Road, East Hazipara,
Khilgaon, Rampura, Dhaka.
Email : rampura.branch@bgcb.com
Routing Number : 315260856
Mobile : +8801706427820

5. Tongi Sub-Branch

In-charge Name : Mr Muhammad Al Amin
Location : Mahadi Tarif Complex, Holding No: 75,
Anarkoli Road, Tongi Bazar, Tongi, Gazipur
Email : tongi.branch@bgcb.com.bd
Routing Number : 315260243
Mobile : +8801818350818

Sub Branch Location...

6. Kamrangirchar Sub-Branch

In-charge Name : Mr Md Kawsar Alam
Location : Shajahan Super Market, Holding No:
49, Ashrafabad Main Road,
Kamrangirchar, Dhaka,
Email : kamrangirchar.branch@bgcb.com.bd
Routing Number : 315272802
Mobile : +8801836199480

7. Ashulia Sub-Branch

In-charge Name : Mr Md Mokbul Hossain
Location : AR Ahsan Tower, Holding No: 121/42,
Bogabari Bazar Bus Stand, Baipail,
Ashulia, Savar, Dhaka
Email : ashulia.branch@bgcb.com.bd
Routing Number : 315264810
Mobile : +8801718908010

8. Haragach Sub-Branch

In-charge Name : Mr Md Jamal Hossain
Location : Malia Market, Holding No: 392, Haragach
Road, Haragach Pourashava, Haragach,
Rangpur
Email : haragach.branch@bgcb.com.bd
Routing Number : 315851452
Mobile : +8801717465262

9. Khatunganj Sub-Branch

In-charge Name : Mr Mohammad Moniruzzaman Bhuiyan
Location : BSP Bhaban, 260 Khatunganj, Chattogram
Email : khatunganj.branch@bgcb.com.bd
Routing Number : 315150137
Mobile : +8801519111586

10. Poddar Bazar Sub-Branch

In-charge Name : Mr Mohammad Ashiqur Rahman
Location : Barek Ali Super Market, Poddar Bazar,
Shibrampur, Nandigram, Lakshmipur
Sadar, Lakshmipur
Email : poddarbazar.branch@bgcb.com.bd
Routing Number : 315750340
Mobile : +8801812847588

ATM Booth Location

1. Corporate Branch ATM

Location : Khandker Tower (Ground Floor) , 94, Gulshan Avenue,
Gulshan, Dhaka 1212

2. Zirabo Branch ATM

Location : Hazi Chan Mia Tower, Vill: Zirabo, Ashulia, Dhaka

3. Eliotganj Branch ATM

Location : Vill: Eliotganj, BS Khatian No: 177, Mouza:
Mobarakpur, Daudkandi, Cumilla

4. Sonargaon Janapath Branch ATM

Location : Plot # 32, Sector 11 Sonargaon Janapath Road,
Uttara Model Town, Uttara (west), Dhaka.

5. Agrabad Islami Banking Branch ATM

Location : Chamber House 38, Agrabad C/A, Chattogram.

6. Karwan Bazar Sub-Branch ATM

Location : National Life Insurance Tower, 54-55, Kazi Nazrul
Islam Avenue, Karwan Bazar, Tejgaon, Dhaka

7. BGCB Bashundhara R/A ATM

Location : JCX Business Tower, Plot: 1136/A, Japan Street,
Block: I, Bashundhara R/A, Dhaka-1229

Photo Gallery



Branch Inauguration



Bengal Commercial Bank opened its 16th Branch in Rangpur, the business hub of North Bangladesh. Mr. Md. Jashim Uddin, Chairman of the Bank, inaugurated the Branch on Sunday the 15th January, 2023. Mr. Mostofa Azad Chowdhury Babu, Senior Vice President of FBCCI amongst others attended the program as Special guest. Alongside other Directors, Mr. Tarik Morshed, Managing Director & CEO of the Bank and other business notables of Rangpur participated the inaugural ceremony.

Bengal Commercial Bank inaugurated its' Rampura Sub-branch in Dhaka. Mr. Md. Shahabuddin, Chairman of Executive Committee (EC) of the Bank inaugurated the said Sub-branch on Wednesday, February 01, 2023. Mr. Tarik Morshed, Managing Director & CEO, Mr. K. M. Awlad Hossain, AMD & CBO alongwith other clients, businessmen and local elites were also present on the occasion.



Bengal Commercial Bank opened Satmasjid Road Branch at Dhanmondi, Dhaka. Mr. Md. Jashim Uddin, Chairman of the Bank inaugurated the Branch on 19 February 2023 as Chief guest. Alhaj Mahbubul Alam, Vice Chairman also attended the program as Special guest. Alongside other Directors Mr. Tarik Morshed, Managing Director & CEO, Mr. K.M. Awlad Hossain, AMD & CBO and other high officials of the Bank were also present in the inaugural ceremony.

Bengal Commercial Bank opened its 21st Branch at Borogola of Bogura. Mr. Md. Jashim Uddin, Chairman of the Bank and President of SCCI, inaugurated the Branch on Thursday the 13 July 2023 as Chief Guest. Professor Dr. Hosne-Ara Begum, Founder Executive Director of Thengamara Mohila Sabuj Sangha (TMSS) attended the program as Special guest. Alongside other Directors of the Bank, Mr. Tarik Morshed, Managing Director & CEO alongwith clients and local business elites were present in the said inaugural ceremony.



Bengal Commercial Bank opened its 22nd Branch at Velanagar of Narshingdi. Mr. Dilip Kumar Agarwala, Director of the Bank and Director, FBCCI inaugurated the Branch on Thursday, the 27 July 2023 as Chief Guest. Mr. Tarik Morshed, Managing Director & CEO, Mr. K.M. Awlad Hossain, AMD & CBO alongwith clients and local business dignitaries were also present in the said inaugural ceremony.



Bengal Commercial Bank opened its Kamrangirchar Sub-Branch in Dhaka. Mr. Mahbubul Alam, Vice Chairman of the Bank and President, FBCCI inaugurated the said Sub-Branch on Thursday, the 3rd August 2023 as the Chief Guest. Dr. Joshoda Jibon Debnath, Director of the Bank and Vice President of FBCCI was also present at the ceremony. Mr. Tarik Morshed, Managing Director & CEO of the Bank were also present in the said inaugural ceremony.



Bengal Commercial Bank opened its 26th Branch at Banani of Dhaka. Mr. Md. Jashim Uddin, Chairman of the Bank and President of SAARC Chamber of Commerce & Industry (SCCI) inaugurated the Branch on 09 November 2023. Mr. Morshed Alam MP, Chairman of Bengal Group of Industries attended the Program as Chief Guest. Alongwith other Directors, Mr. Tarik Morshed, Managing Director & CEO. AMD & CBO, DMD and other renowned business VIPs of the area were present on the occasion.

Bengal Commercial Bank opened its 28th Branch at Ati Bazar of Keraniganj, Dhaka. Mr. Shamsul Alam, Director of the Bank inaugurated the Branch on 26 December 2023. Mr. Tarik Morshed, Managing Director & CEO, Mr. K.M. Awlad Hossain, AMD & CBO of the Bank alongwith other clients and local business elites were present in the said ceremony.



Board & EC Meeting

Bengal Commercial Bank PLC. held its Board Meeting in the Board Room, Head Office, 94, Gulshan Avenue, Dhaka-1212 of the Bank. Mr. Md. Jashim Uddin, Chairman of the Board, presided over the meeting. Alongwith other Directors; Mr. Tarik Morshed, MD & CEO; Mr. K.M. Awlad Hossain, AMD & CBO, DMD and the Company Secretary of the Bank were also present at the meeting.



Bengal Commercial Bank PLC. held its' Executive Committee (EC) Meeting in the Board Room, Head Office, 94 Gulshan Avenue, Dhaka. Mr. Md. Shahabuddin, Chairman of the Committee presided over the meeting. Alongside other members of the Executive Committee, Mr. Tarik Morshed, MD & CEO; Mr. K M Awlad Hossain, AMD & CBO; Mr. Md. Humayun Kabir, FCS, Company Secretary were also present in the meeting.



Conference & Business Review Meeting

Bengal Commercial Bank PLC. organized its “Annual Business Conference-2023” successfully on Thursday the 12 January 2023 in the Head Office premises of the Bank at Khandker Tower, 94, Gulshan Avenue, Dhaka. Mr. Md. Jashim Uddin, Chairman inaugurated the said Business Conference. Mr. Tarik Morshed, Managing Director & CEO, Mr. K. M. Awlad Hossain, AMD & CBO; Mr. Md. Rafiqul Islam, DMD & CTO; Divisional Heads and all Branch Managers of the Bank took part in the said Conference.



Bengal Commercial Bank organized its “Half Yearly Business Review Meeting” successfully on Thursday, the 20 July, 2023 in the Bank’s Head Office premises at Khandker Tower, 94, Gulshan Avenue, Dhaka. Mr. Tarik Morshed, Managing Director & CEO, Mr. K. M. Awlad Hossain, AMD & CBO; Mr. Md. Rafiqul Islam, DMD & CTO; Divisional Heads and all Branch Managers of the Bank took part in the said Business Review Meeting.



Bengal Commercial Bank held its “3rd Annual General Meeting (AGM)” of the shareholders on 06 August 2023, at Sheraton Dhaka. Mr. Md. Jashim Uddin, Chairman of the Board of Directors presided over the Annual General Meeting. Alhaj Mahbubul Alam and Engr. Ghulam Mohammed Alomgir Vice-Chairmen alongwith other Directors and Sponsors were also present in the AGM. Mr. Tarik Morshed, Managing Director & CEO, Mr. Md. Humayun Kabir, FCS, Company Secretary, External Auditor, Legal Advisor and other high officials of the Bank also joined the meeting.



MOU & Agreement Signing Ceremonies

Bengal Commercial Bank signed an agreement on 8th January, 2023 with Bangladesh Bank for availing fund under Refinancing scheme of BDT5000.00 crore for providing Agro loans to assure food security in Bangladesh. Mr. Tarik Morshed, Managing Director & CEO on behalf of the Bank and Mr. Md Abul Kalam Azad, Director, Agriculture Credit Department of Bangladesh Bank signed the agreement. Mr. Abdur Rouf Talukder, Governor and Mr. AKM Sajedur Rahman Khan, Deputy Governor were also present in the signing ceremony.



Bengal Commercial Bank PLC. signed MOU with The Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) on 11th January 2023. Mr. Tarik Morshed, Managing Director & CEO on behalf of the Bank and Mr. Mohammad Mahfuzul Hoque, Secretary General on behalf of FBCCI signed the MOU. Mr. Md. Jashim Uddin, Chairman of the Bank and the then President of FBCCI alongwith other Directors of FBCCI were present in the signing ceremony.



Bengal Commercial Bank signed an agreement with Bangladesh Bank for participation in the Export Facilitation Pre-Finance Fund for Tk.10,000.00 crore on 30 January 2023. Mr. Abdur Rouf Talukder, Governor, Bangladesh Bank handed over the agreement paper to Mr. Tarik Morshed, Managing Director & CEO of Bengal Commercial Bank PLC.



The Bank signed MOU with Praava Health at the Bank's Head Office premises on 07 March 2023. Mr. K. M. Awlad Hossain, Additional Managing Director & CBO of the Bank and Mr. Shafaat Ali Choyon, Head of Marketing and Corporate Sales of Praava Health signed the MOU on behalf of their respective organizations.



The Bank signed MOU with JCX Development Ltd. on 11 May 2023. Mr. K. M. Awlad Hossain, Additional Managing Director & CBO of the Bank and Mr. Md. Iqbal Hossain Chowdhury signed the MOU on behalf of their respective organizations.

Bengal Commercial Bank PLC. and Chittagong Chamber of Commerce & Industry (CCCI) signed a Memorandum of Understanding (MOU) on 17 May 2023, at Chamber House in Chattogram to provide loan to the Small & Medium Enterprise (SME) of Chattogram under easy terms & conditions. Mr. Tarik Morshed, Managing Director & CEO of the Bank and Alhaj Mahbubul Alam, the then President of CCCI signed the MOU on behalf of their respective organizations. Md. Rezaul Karim Chowdhury, Mayor of Chattogram City Corporation, graced the program alongwith other VIPs.



The Bank signed MOU with Farazy Hospital Ltd. on 21.05.2023 for receiving discounted services for the employees of the Bank at the Head Office premises of the Bank.



Bengal Commercial Bank, SME Foundation and Chattogram Chamber of Commerce & Industry (CCCI) signed a Tri-party Memorandum of Understanding (MOU) to provide loan amongst the women entrepreneurs of Chattogram under Small & Medium Entrepreneurs (SME) financing cluster. The MOU was signed under "Association Based Credit Disbursement (ABCD)" program of SME Foundation.



Bengal Commercial Bank signed MOU with NEC Money Transfer Ltd. to facilitate cross border Remittances, COC Payments and Direct account deposit transaction on 02.08.2023. Mr. Tarik Morshed, Managing Director & CEO and Mr. Farazy Ikram, Chairman & CEO signed the agreement on behalf of their respective institution.



Bengal Commercial Bank signed an agreement with Bangladesh Bank for availing Green Transformation Fund (GTF) fund under refinance scheme of billion to accelerate the sustainable growth of the export and manufacturing oriented industries as well as aiming to establish Green Economy. Mr. Tarik Morshed, Managing Director & CEO of Bengal Commercial Bank and Mr. Chowdhury Liakat Ali, Director of Sustainable Finance Department of Bangladesh Bank signed the agreement on behalf of their respective organizations on Tuesday, 13 June 2023 at the Head Office of Bangladesh Bank.

Bengal Commercial Bank signed MOU with Placid NK Corporation to facilitate cross border Remittances, COC Payments and Direct account deposit transaction on 07.08.2023. Mr. Tarik Morshed, Managing Director & CEO and Mr. Mohammad H. Rashid, Executive Vice President signed the agreement on behalf of their respective institution.



Bengal Commercial Bank signed MOU with National Exchange Company to facilitate cross border Remittances, COC Payments and Direct account deposit transaction on 04.09.2023. Mr. Tarik Morshed, Managing Director & CEO and Mr. Mohammed Idrish Farazy, Chairman & CEO signed the agreement on behalf of their respective institution.



Bengal Commercial Bank signed an agreement with Genex Infosys for providing 24/7 banking services to the clients through “Call Centre” on 11.09.2023. Customers now can avail the services just calling “16796” at anytime from anywhere. Mr. Tarik Morshed, Managing Director & CEO and Mr. Shahjalal Uddin, acting MD & CEO signed the agreement on behalf of their respective organization.

Bengal Commercial Bank signed MOU with BRAC Saajan Exchange Ltd. to facilitate cross border Remittances, COC Payments and Direct account deposit transaction on 25.10.2023. Mr. Tarik Morshed, Managing Director & CEO and Mr. Md. Abdus Salam, MD & CEO signed the agreement on behalf of their respective institution.



Bengal Commercial Bank PLC. introduced VISA Cards (Debit, Credit & Pre-paid) in the services of the Bank. Through holding this VISA cards, the clients are able to make necessary transactions all over the World smoothly. In this connection, Mr. Soumya Basu, Country Director-South Asia VISA handed over the ‘VISA License’ to Mr. Tarik Morshed, Managing Director & CEO of the Bank.



Event Celebration

Bengal Commercial Bank launched “Bengal Student Banking” services on 12 January 2023, Thursday at the Bank’s Head office (Khandker Tower, 94 Gulshan Avenue, Dhaka).



Falgun is the first day of spring and eleventh month in the Bengali calendar that falls on 13 February every year. The Bank celebrated Pohela Falgun Uthsob (ফাল্গুন উৎসব ১৪২৯) at its Head Office premises by celebrating various types of festivals like other parts of the country.



Bengal Commercial Bank PLC. celebrated its 2nd Anniversary at the Head Office premises of the Bank at Gulshan. Mr. Md. Jashim Uddin, Chairman of the Bank, inaugurated the Anniversary program by cutting a cake. Alhaj Mahbubul Alam, Vice Chairman of the Bank was present at the program along with other Sponsor Directors. Mr. Tarik Morshed, Managing Director & CEO of the Bank, Maria Nur, Brand Ambassador of the Bank; Additional Managing Director, Deputy Managing Director and other high officials of the Bank also attended the program.



Bengal Commercial Bank introduced "Bengal Freelancer Banking" & "Bengal Student Loan". Mr. Md. Jashim Uddin, Chairman of the Bank, inaugurated these two newly designed banking services at the Head Office premises at Gulshan, Dhaka. Alhaj Mahbubul Alam, Vice Chairman of the Bank alongside other Directors, Mr. Tarik Morshed, Managing Director & CEO of the Bank, Maria Nur, Brand Ambassador of the Bank; Additional Managing Director, Deputy Managing Director and other high officials were also present in launching ceremony.

Bengal Commercial Bank launched "Bengal Mudaraba Cash Waqf" scheme for the welfare of people which is unique from any kind of conventional Waqf we are used to. Mr. Md. Jashim Uddin, Chairman of the Board of Directors of the Bank launched the scheme on 17 April 2023 at the Bank's Head Office. Mufti Mohammad Muhibullahil Bagee, Chairman of the Shariah Supervisory Committee of the Bank & Pesh Imam of Baitul Mukarram National Mosque and Mr. S. M. Faruqi Hasan, Director & Chairman of the Risk Management Committee along with other Directors were also present at the ceremony. Mr. Tarik Morshed, Managing Director & CEO of the Bank, Additional Managing Director, Deputy Managing Director and other officials were also present in the launching ceremony.



Bengal Commercial Bank introduced “Bengal Universal Account” with enormous attractive facilities. Mr. Tarik Morshed, Managing Director & CEO of the Bank launched “Bengal Universal Account” on Tuesday, the 2nd May 2023 at the Bank’s Head Office premises at Gulshan.



Mr. Tarik Morshed, Managing Director & CEO of Bengal Commercial Bank congratulated Mr. Md Jashim Uddin, Chairman of Board of Directors on behalf of the Bank for being elected as the President of SAARC Chamber of Commerce and Industry (SCCI), the apex trade body of the south Asian region.



Mr. Tarik Morshed, Managing Director & CEO of the Bank handed over the “Bengal Remittance Loan” Cheques to the families of two expatriates on Thursday, the 8th June 2023 at the Head Office premises of the Bank at Gulshan, Dhaka.



Bengal Commercial Bank launched “Customer Support Centre” on 20 October 2023 for providing 24/7 banking services to the clients. Customer can avail the service of “Customer Support Centre” by calling “16796” at anytime from anywhere. Mr. Md. Jashim Uddin, Chairman of the Bank and President of SAARC Chamber of Commerce & Industry (SCCI) launched the “Customer Support Centre” at the Bank’s Head Office premises at Gulshan. Mr. Mahbubul Alam, Vice Chairman of the Bank and President of FBCCI alongside other Directors, Mr. Tarik Morshed, Managing Director & CEO of the Bank; AMD, DMD and other high Officials of the Bank were also present in the program.

Bengal Commercial Bank won “Global Brand Award 2023” as Best New Customer- centric Banking Brand in Bangladesh awarded by- UK based Global Brands Magazine. The Bank celebrated the achievement cutting a cake at the Bank’s Head Office premises at Gulshan, Dhaka. Mr. Md. Jashim Uddin, Chairman of the Bank alongwith other Directors of the Board Mr. Tarik Morshed, Managing Director & CEO, Additional Managing Director, Deputy Managing Director and other High Officials of the Bank were also present on the celebration.





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Head Office

Khandker Tower (Level 5-6)
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