



Community Bank

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AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS OF COMMUNITY BANK BANGLADESH PLC. FOR THE YEAR ENDED 31 DECEMBER 2024

Independent Auditor's Report To the Shareholders of Community Bank Bangladesh PLC. Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Community Bank Bangladesh PLC. and its subsidiary (the "Group") as well as the separate financial statements of Community Bank Bangladesh PLC. (the "Bank"), which comprise the consolidated and separate Balance Sheets as at 31 December 2024 and the consolidated and separate Profit and Loss Accounts, consolidated and separate statement of Changes in Equity, and consolidated and separate Cash Flow Statements for the year then ended, and notes to consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated balance sheet of the Group and the separate balance sheet of the Bank as at 31 December 2024, and of its consolidated and separate profit and loss accounts and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note #02.

Basic 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 Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), guidelines issued by Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note #02, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate

financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

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

- 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;
- To the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the Consolidated Financial Statements of the Group and the Separate Financial Statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in the financial statements appeared to be materially adequate;
 - nothing has come to our attention regarding material instances of forgery or irregularity or administrative error or exception or anything detrimental committed by employees of the Group and its related entities;
 - the financial Statements for the year ended 31 December 2024 of its subsidiaries namely Community Bank Investment Limited have been audited by Hoda Vasi Chowdhury & Co, Chartered Accountants;
 - in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our

examination of those books;

- the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- the expenditures incurred were for the purpose of the Bank's business for the year;
- the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- the information and explanations required by us have been received and found satisfactory;
- We have reviewed over 80% of the risk weighted assets of the Bank and spent over 1456 person hours; and
- Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Place: Dhaka
Dated: 27 April 2025

AKM Kamrul Islam, FCA
Senior Partner
Enrollment Number: 0670 (ICAB)
Islam Attab Kamrul & Co.
Chartered Accountants
Firm's Registration No. CAF-001-007 (FRC)
DVC: 2504290670AS207719

Community Bank Bangladesh PLC. Consolidated Balance Sheet As at 31 December 2024

Particulars	Note	2024 BDT	2023 BDT
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including foreign currency)	31(a)	1,322,040,198	1,354,595,235
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	32(b)	2,920,540,280	2,781,959,548
		4,242,580,478	4,136,554,783
Balance with other Banks and Financial Institutions			
In Bangladesh	4(a)		389,505,500
Outside Bangladesh	41(a)	146,986,664	183,490,162
	42(a)	330,476,826	393,958,470
Money at call on short notice			
	5(a)	50,000,000	200,000,000
Investments			
Government	6(a)		
	61(a)	11,427,729,385	9,222,517,401
Others	62(a)	2,785,172,712	2,781,884,457
		14,212,902,097	12,395,401,858
Loans and Advances			
Loans, Cash Credit, Overdrafts etc.	7(a)	52,533,259,360	54,341,409,791
Bills purchased and discounted	72(a)	159,417,831	122,427,655
		52,692,677,191	54,463,837,446
Fixed assets including premises, furniture and fixtures			
	8(a)	694,519,074	805,000,023
Other assets			
	9(a)	2,886,174,100	1,714,701,468
Non-banking assets			
		-	-
Total Assets		75,109,329,766	74,139,454,048
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents			
	11(a)	1,600,876,288	3,062,869,027
Deposits and other accounts			
Current accounts and other accounts	121(a)	8,958,076,659	12,401,691,801
Bills payable	122(a)	748,732,303	604,471,853
Savings bank deposits	123(a)	10,815,860,416	11,431,216,063
Fixed deposits	124(a)	40,215,781,371	36,402,078,051
Other deposits	125(a)	67,946,462	63,704,498
		60,806,397,211	60,903,162,266
Other liabilities			
	13(a)	6,406,564,852	4,088,415,547
Total Liabilities		68,813,838,351	68,054,446,840
Capital/ Shareholders' Equity			
Paid up capital	142	5,000,000,000	5,000,000,000
Statutory reserve	15	888,127,996	542,922,870
Revaluation reserve	16	37,683,716	13,667,937
Reserve for Actuarial Gain/(Loss) - Gratuity Fund	9.5	-	3,021,337
Surplus in Profit and Loss A/C	17(a)	369,679,703	525,395,064
Total shareholders' equity		6,295,491,415	6,085,007,208
Total Liabilities and Shareholders' Equity		75,109,329,766	74,139,454,048
Off-Balance Sheet Items			
Contingent Liabilities			
Acceptances and endorsements	181	34,295,479	334,054,969
Letters of guarantee	182	9,568,002,676	8,054,168,604
Irrevocable letters of credit	183	1,537,152,568	1,473,188,131
Bills for collection	184	427,516,368	396,933,970
Other contingent liabilities		-	-
Sub total		11,566,967,091	10,258,345,674
Other Commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Sub total		-	-
Total Off-Balance Sheet items including contingent liabilities		11,566,967,091	10,258,345,674
Consolidated net assets value (NAV) per share		12.59	12.17

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

Managing Director (Current Charge)

Director

Director

Chairman

Managing Director (Current Charge)

Director

Director

Chairman

Place: Dhaka
Date: April 27, 2025

Community Bank Bangladesh PLC. Balance Sheet As at 31 December 2024

Particulars	Note	2024 BDT	2024 BDT
Off-Balance Sheet Items			
Contingent Liabilities			
Acceptances and endorsements	181	34,295,479	334,054,969
Letters of guarantee	182	9,568,002,676	8,054,168,604
Irrevocable letters of credit	183	1,537,152,568	1,473,188,131
Bills for collection	184	427,516,368	396,933,970
Other contingent liabilities		-	-
Sub total		11,566,967,091	10,258,345,674
Other Commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Sub total		-	-
Total Off-Balance Sheet items including contingent liabilities		11,566,967,091	10,258,345,674
Net assets value (NAV) per share		12.56	12.17

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

Managing Director (Current Charge)

Director

Director

Chairman

Managing Director (Current Charge)

Director

Director

Chairman

Place: Dhaka
Date: April 27, 2025

Community Bank Bangladesh PLC. Consolidated Statement of Changes in Equity For the year ended 31 December 2024

Particulars	Amount in BDT	Total
Balance as at 01 January 2024		6,085,007,208
Changes in accounting policy		-
Restated balance		6,085,007,208
Surplus/deficit on account of revaluation of properties		24,065,793
Revaluation reserve		24,065,793
Reassessment Gain/(Loss) on Gratuity Fund		(3,021,337)
Currency translation difference		-
Net gains and losses not recognized in the income statement		6,085,007,208
Net profit/(loss) for the year		76,520,119
Issue of share capital		(50,000,000)
Dividend paid		(345,395,064)
Start-up fund		345,395,064
Balance as at 31 December 2024		6,295,491,415
Particulars	Amount in BDT	Total
Balance as at 01 January 2023		5,465,347,72
Changes in accounting policy		-
Restated balance		5,465,347,72
Surplus/deficit on account of revaluation of properties		2,451,246
Revaluation reserve		2,451,246
Reassessment Gain/(Loss) on Gratuity Fund		(3,021,337)
Currency translation difference		-
Net gains and losses not recognized in the income statement		6,085,007,208
Net profit/(loss) for the year		76,520,119
Issue of share capital		(50,000,000)
Dividend paid		(345,395,064)
Start-up fund		345,395,064
Balance as at 31 December 2023		6,085,007,208

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

Managing Director (Current Charge)

Community Bank Bangladesh PLC. Balance Sheet As at 31 December 2024

Particulars	Note	2024 BDT	2024 BDT
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including foreign currency)	31	1,322,038,808	1,354,584,071
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	32	2,920,540,280	2,781,959,548
		4,242,579,088	4,136,543,619
Balance with other banks and financial institutions			
In Bangladesh	41	146,986,664	389,505,500
Outside Bangladesh	42	183,490,162	183,490,162
		330,476,826	393,958,470
Money at call on short notice			
	5	50,000,000	200,000,000
Investments			
Government	61	11,427,729,385	9,222,517,401
Others	62	2,716,470,984	2,781,884,457
		14,144,200,369	12,251,252,754
Loans and Advances			
Loans, Cash Credit, Overdrafts etc.	71	52,305,868,478	54,223,998,195
Bills purchased and discounted	72	159,417,831	122,427,655
		52,465,286,309	54,346,425,850
Fixed assets including premises, furniture and fixtures			
	8	689,702,338	832,365,708
Other assets	9	3,113,531,413	1,951,599,192
Non-banking assets	10	-	-
Total Assets		75,035,776,343	74,112,145,593
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents			
	11	1,600,876,288	3,062,869,027
Deposits and other accounts			
Current accounts and other accounts	121	8,969,799,398	12,405,160,497
Bills payable	122	748,732,303	604,471,853
Savings bank deposits	123	10,815,860,416	11,431,216,063
Fixed deposits	124	40,215,781,371	36,402,078,051
Other deposits	125	67,946,462	63,704,498
		60,818,19,950	60,906,630,962
Other liabilities			
	13	6,335,187,857	4,058,943,838
Total Liabilities		68,754,184,095	68,025,443,827
Capital / Shareholders' Equity			
Paid up Capital	142	5,000,000,000	5,000,000,000
Statutory Reserve	15	888,127,996	542,922,870
Revaluation Reserve	16	37,683,716	13,667,937
Reserve for Actuarial Gain/(Loss) - Gratuity Fund		-	3,021,337
Surplus in Profit and Loss A/C	17	355,780,536	524,089,622
Total Shareholders' Equity		6,281,592,248	6,083,701,766
Total Liabilities and Shareholders' Equity		75,035,776,343	74,112,145,593

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

Place: Dhaka
Date: April 27, 2025

Reconciliation statements regarding operating cash flow is given in Annexure-F
These financial statements should be read in conjunction with the annexed notes from 1 to 39.

Place: Dhaka
Date: April 27,

LLC. Statement of Changes in Equity

Community I

Community Bank Bangladesh PLC.
Liquidity Statement (Asset and Liability Maturity Analysis)

for addition during the year, depreciation is charged for the remaining days of the year and for disposal depreciation is charged up to the date of disposal.

Statement 2 of the bank's financial statements is the statement of financial position. The schedule and gain or loss on disposal is reflected in the statement of financial position. The statement of financial position is determined with reference to the net book value of the assets and net sale proceeds.

2.2.5 Intangible assets

The bank's intangible assets are identifiable non-monetary assets without physical substance. The Bank classifies its intangible assets as per AS 38 Intangible assets which comprises the value of all licensed computer software including but not limited to core banking software of the Bank, banks management software, cheque processing software, (e-BFTN), fixed assets and inventory management system and other integrated computer software for call centre and HR operations. All intangible assets are amortised on a straight-line basis. The value of the software is amortised over its useful life. If it is probable that future economic benefits that are attributable to the software will flow to the entity and the cost of the asset can be measured reliably in accordance with AS 38 Intangible Assets. Subsequent expenditure on intangible asset of the bank is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates, otherwise it is charged as expense when incurred.

Core banking software of CBPN

The core banking software used by CBPN represents the value of application software licensed for the use of the Bank. The value of the software is carried at cost less accumulated amortisation. The amortisation is calculated on the straight-line method over the estimated useful life of the software. The amortisation is charged to the statement of financial position. The value of the software is amortised using the straight-line method over the estimated useful life commencing from the month in which the application of the software is made available for use.

2.2.6 Impairment of Assets

The policy for all assets or cash-generating units for the purpose of assessing such assets for impairment is as follows:

The Bank assesses at the end of each reporting period or more frequently whenever there are changes in circumstances indicate that the carrying value of an asset may be impaired, whether the asset is an identifiable intangible asset or cash-generating unit. If such indication exists, the bank makes an estimate of the recoverable amount of the asset or cash-generating unit. The recoverable amount is the maximum of the asset's recoverable amount. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered as impaired and is written down to its recoverable amount by debiting to profit and loss account.

When the carrying amount of an asset or cash-generating unit is less than its recoverable amount, the carrying amount of an asset may be impaired.

2.2.7 Leases

IFRS 16 states that a lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. In order for such a contract to be classified as a lease, the contract must contain all the following elements:

• The contract must transfer the right to use an asset.

• The contract must identify the economic benefits from the use of the asset (define asset).

• The right to direct the use of the asset.

The Bank as a lessee (Note 8)

For any new contracts entered into on or after 1 January 2019, the Bank considers whether a contract, or contains a lease. A lease is defined as a contract, or part of a contract, that transfers the right to use an identifiable asset (underlying asset) for a period of time in exchange for consideration. To apply this definition the Bank assesses whether the contract meets two key evaluations which are whether:

• the contract contains an identified asset which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the lessee, and

• the Bank has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract. The Bank has the right to direct the use of the identified asset throughout the period of use. The Bank assesses whether it has the right to direct how and for what purpose the asset is used.

Measurement and recognition of leases as a lessee

"At lease commencement date, the Bank recognises a lease of right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the lease payments made, plus any initial direct costs incurred by the Bank, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (if any of incentives received).

The lease liability is measured at the present value of the lease payments that the Bank is expected to make. The Bank also assesses the right-of-use asset for impairment whenever such indicators exist.

At the commencement date, the Bank measures the lease liability at the present value of the lease payments up to the date, discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Bank uses its incremental borrowing rate. The Bank measures the right-of-use asset at the commencement date of the lease.

"Lease payments included in the measurement of the lease liability are made up of lease payments (including in substance fixed), amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

"The Bank also measures the right-of-use asset at the commencement date of the lease. The right-of-use asset is increased or reduced: 1. It is presumed to reflect any assessment or modification, or if there are changes in in-substance lease payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. When there is a change in the lease liability, the Bank measures the right-of-use asset using the practical expedients, instead of computing a right-of-use asset. The lease liability in payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

In the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included other financial liabilities.

The Bank's right-of-use assets and lease liabilities are measured at the end of the reporting period as follows: ₹ 37,82,854 and ₹ 37,08,725 respectively.

as at and for the year ended 31 December 2024

1.1 Community Bank Bangladesh PLC

1.1.1 Legal form of Community Bank Bangladesh PLC

The company was incorporated in Bangladesh on 10 October 2018 under the Companies Act, 1994 (as amended up to 2020) as a Public Limited Company and received its license from Bangladesh Bank on November 2018 as a scheduled commercial bank. The bank engaged in providing a wide range of banking and financial services within the stipulations laid down by the Bank Companies Act, 1991 as amended up to 2020 and Directive as evolved from the Bangladesh Bank from time to time. The bank launched regular business activities from 1 September 2019. Registered office of the bank is located at Police Plaza Compound, Level-10 & 12, Tower P-2, Plot-7, DDA Gulshan - I, Dhaka - 1002. As per BRPD Circular No. - 18 dated 17 December 2020 the banks legal name has changed from "Community Bank Bangladesh PLC" to "Community Bank Bangladesh PLC".

1.2 Principal Activities

The bank is to provide wide array of financial products (loans and advances), deposit facilities and services that includes all kinds of conventional banking facilities to customers, i.e. offers commercial banking, consumer banking, trade finance, treasury, SME retail (including cash deposits) and clearing services to its customers. These activities are conducted through its branches, sub-branches and vibrant alternative delivery channels (ATM booths, internet banking, POS) in Bangladesh. Community Cash service is the bank's flagship digital mobile payment service to provide internet based banking solutions. Community Cash app offers online banking facilities like: fund transfer, utility bill payment, student loan fee payment, mobile recharge, credit card bill payment, accounts balance checking and merchant bill pay through bangla QR. Community Cash app is also integrated with cashless and tagged mobile financial service system.

1.3 Subsidiary of the Bank

The bank has one fully owned subsidiaries as on the reporting date, that is Community Bank Investment Limited.

1.3.1 Community Bank Investment Limited

Community Bank Investment Limited is a subsidiary company of Community Bank Bangladesh PLC, incorporated as a Private Limited company on December 30, 2020, the majority of which consists of shares of the company and the share certificate of incorporation no. C-96728-2020, dated (December 30, 2020). Total 4,899,999 shares (out of 25,000,000 shares) of Community Bank Investment Limited are held by Community Bank Bangladesh PLC, and only 10 shares are held by Bangladesh Policy Kollayan Trust (BPKT). The main objectives of the company for which it was established are to carry out the business of full fledged merchant banking activities like issue management, portfolio management, underwriting corporate advisory services etc. and to act as a financial institution. The company is registered with Registrar of Companies, Bangladesh under registration number 192076. Community Bank Investment Limited issued its N.B. 98/2022 dated June 28, 2021. The Financial Statements of the company are shown in Annexure H.

2.0 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

2.1.1 Statement of compliance

The financial statements of the bank and its subsidiaries have been made for the year ended on 31 December 2024 and are prepared under the historical cost basis, except for certain investments which are stated at fair market value and in accordance with the first Schedule (Sec-38) of the Bank Companies Act 1991 (as amended up to 2018). BPBD Circular No. 14 dated 23 January 2020 provides instructions regarding the application of the provisions of Chartered Accountants of Bangladesh ("ICAB"), the Companies Act 1994 (as amended up to 2020) and other laws and rules applicable in Bangladesh. In accordance with the Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA the Financial Reporting Council (FRC) has been formed and FRC is responsible to issue financial reporting standards for companies in Bangladesh. The Financial Reporting Council (FRC) has issued up to 2019) has been amended to require banks to prepare their financial statements under such financial reporting standards.

Accordingly, the financial statements of the Bank continue to be prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Bank Companies Act 1991 (as amended up to 2018), the rules and regulations issued by Bangladesh Bank (BB), the Companies Act 1994 (as amended up to 2020). In case any requirement of the Companies Act 1991 and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Bank Companies Act 1991 and provisions and circulars issued by Bangladesh Bank shall prevail."

2.1.2 Consolidated and separate financial statements

The consolidated financial statements of Community Bank Bangladesh PLC and its subsidiary, i.e. Community Bank Investment Limited, are prepared and consolidated in accordance with the provisions of the Companies Act 1994 (as amended up to 2020) and International Accounting Standards (IAS/27, "Separate Financial Statements" and International Financial Reporting Standards (IFRS) 10 "Consolidated Financial Statements". The consolidated financial statements are prepared for the common financial year ended on 31 December 2024.

2.2 Use of estimates and judgments

Preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions used in preparing the financial statements are subject to ongoing process. Revisions of accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The most significant areas where estimates and judgments have been applied are to calculate provision for loans, advances and investments as per Bangladesh Bank guidelines.

Statement of cash flows has been prepared in accordance with the BPBD Circular No. 14, dated 23 Jan, 2020 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

2.3 Liquidity statement

The liquidity statement of the bank and its subsidiaries has been prepared on residual maturity term as per the following basis:

- i) Balance with other banks and financial institutions, money at call or short notice, etc. are on the basis of their maturity term;
- ii) Investments are on the basis of their residual term.
- iii) Loans and advances are on the basis of their repayment schedule.
- iv) Fixed assets are on the basis of their useful life.
- v) Other assets are on the basis of their realization / amortization;
- vi) Borrowing from other banks, financial institutions and agents, etc. are based on their repayment terms;
- vii) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors;
- viii) Provisions and other liabilities are on the basis of their payment / adjustments schedule.

2.3.1 Reporting period

These financial statements cover one calendar year from 01 January 2024 to 31 December 2024.

2.2 Assets and basis of their valuation

2.2.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with Bangladesh Bank and highly liquid financial instruments which are subject to insignificant risk changes in their fair value, and are used by the Bank management for its short-term commitments.

b) Interest is calculated on:

	Rate
Unclassified (including SMA) small and medium enterprise	0.25%
Unclassified (including SMA) Loans to B4U/M4U-S2 against shares etc	0.50%
Unclassified (including SMA) loans for housing finance	2%
Unclassified consumer financing other than housing finance, credit card and loans for professionals	2%
Unclassified (including SMA) loans for credit card and loans for professionals	2%
Unclassified (including SMA) other loans and advances	2%
Specific short term credit and micro credit	0%
Off-balance sheet exposures (including Bills for collection)	0.50% p.a.
Specific provision on:	
Substandard loans and advances other than short term agri credit and micro credit	20%
Doubtful loans and advances other than short term agri credit and micro credit	50%
Bad/Loss loans and advances	100%
Substandard & Doubtful short term agri credit and micro credit	50%
Bad/Loss short term agri credit and micro credit	100%
Provision for Collateral, Micro and Small credits under CSMSE (As per BRPD Circular 06/2020)	
a) All unclassified credits	0.25%
b) Classified as "Sub-standard"	2%
c) Classified as "Doubtful"	20%
d) Classified as "Bad/Loss"	100%

2.2.3 Investments

All investment assets are initially recognized at cost, being fair value of the consideration paid, including acquisition charges associated with the investment. Premiums are amortised and distributed over the effective life period as taken to the consideration paid. Government Treasury Bills and Bonds (registered as HT or other HTM) are accounted for as per Bangladesh Bank's Circular no. 15 dated 25 May 2008. DSCR Circular no. 65 dated 28 January 2008 and DSCR circular no. 27 dated 02 December 2022. The valuation method of investments used is:

Help to maturity (HTM)

Investments are intended to be held till maturity are classified as help to maturity (HTM). These are measured at amortised cost at each year-end by taking into account any discount and premium on acquisition (HTM) and movements in market and discounts are accrued, using the effective or historical yield. Any increase in value of securities is booked to equity but decrease to profit and loss is recognized in profit and loss account on earned basis as per BR guideline.

Help to trading (HT)

Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or is designated as such by the management. After initial recognition investments are measured at fair value and any change in fair value is recognized in the Profit and Loss Account for the period in which it arises. These investments are subsequently valued at fair value and any change in fair value is recognized in the Profit and Loss Account for the period in which it arises. Investments in this category have been classified as held for trading against its Revaluation Reserve. If available, the above has been shown in profit & loss account. Value of investments has been enumerated as follows:

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt. T-bills and T-bonds- Held for Trading (HTF)	Cost	Fair value	Gain to revaluation reserve and loss to profit and loss account (after adjustment of reserve of individual bonds)
Govt. T-bills and T-bonds- Held to Maturity (HTM)	Cost	Amortised cost	Increase in fair value due to revaluation is booked to equity, decrease to profit and loss account.
Debtenture and bond	Cost	Cost	Not applicable
Equity shares	Cost	Cost	Not applicable

REPO and reverse REPO

The Bank has been recording transactions of REPO and reverse REPO following ISO circular no 6 dated 5 July 2010 of RBI. In case of REPO of both repo and non-repo bearing transaction (bill facilities), the Bank accrues the revaluation reserve account for HTF securities and the weekly amortisation (if applicable) if the evaluation date falls within the REPO period of the same security. For interest bearing security, the Bank does not accrue interest during REPO period.

Investment in listed securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income which are reported at cost. Unrealised gains are not recognised in the profit and loss statement. But provision may be made for diminution in value of investment in the financial statements where market price is below the price of investments.

Investment in unquoted securities

Investment in unquoted securities is recorded at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unquoted securities.

Investment in subsidiary

Investment in subsidiary is accounted under the cost method of accounting in the Bank's financial statements in accordance with the IAS 27 "Separate Financial Statements". Accordingly, investments in subsidiaries are stated in the Bank's balance sheet at cost.

22.Finest assets including PFI, vehicle, software and other

Property, plant and equipment are recognised if it is probable that future economic benefits be associated with the assets with value to the Bank and the cost of the assets can be reliably measured.

Fixed assets are stated at cost less accumulated depreciation (as per IAS 16 Property, Plant and Equipment). The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use including cost of incurred inward freight, duties and non-refundable taxes.

Depreciation is charged in the carrying amount of an item of fixed assets, over its useful life, by applying the straight line method, if it is probable that the future economic benefits embodied with the item will flow to the bank and the cost of the item can be measured reliably. Depreciation incurred after the assets have been put into operation, such as repairs and maintenance, is normally charged off as revenue expenditure in the period in which it is incurred.

Depreciation is charged at the rate of the following rates on straight line method on all fixed assets; however, the assets (tangible and intangible) which do not fall under below table, are depreciated by respective rate according to their useful life.

2.11 Risk management

the network. The risks that are taking by the bank are reasonable, controlled within its financial resources and credit competence.

In community bank, risk management is through a central organizational structure, risk management and monitoring process that are closely aligned with the activities of the Banks risk management policy. The Bank has a risk management policy and a risk management framework that guides personnel throughout the Bank. The Bank's risk management policy and process is composed with all the structural policies, process and strategies within the Bank so that it does not conflict with other risk management policies. The essential elements of an effective risk management framework are:

1. Clearly defined roles and responsibilities to avoid conflict of interest between divisions
2. Developing a risk culture where everyone will understand the impact of risk on the bank's business decision.
3. Robust risk management and governance by the board for understanding the risks taken by the Bank for safety and protection of the assets.

2.2 Core risk management

BRII considers the risk of 17 January 07 October 2003 and 09BPD circular no. 04 dated 05 March 2007 require the bank to plan an effective risk management system. The risk management system of the bank covers the following risk areas.

2.2.1 Credit risk

credit risk arises from lending, trade finance and treasury business. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the Bank. The failure may result from unwillingness of the counter party or decline in their financial condition. Therefore, the Bank's credit risk management activities have been designed to address all these issues.

The Bank has a credit risk management policy and related activities. A separate Credit Department has been formed at Head Office which is entrusted with the duties of maintaining effective relationship with the customers, marketing of credit products, exploring new business opportunities, etc. Moreover, credit approval, administrative monitoring and recovery functions have been segregated. For this purpose, three separate units have been formed within the credit department. These are (a) Credit Risk Management Unit, (b) Credit Monitoring Unit and (c) Credit Recovery Unit. The Credit Monitoring Unit is entrusted with the duties of maintaining close asset risk assessment risk, lending to a particular customer, sanctioning credit, formulating policy for lending operation, etc.

A thorough assessment is done before sanctioning of any credit facility at Credit Risk Management Unit. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, etc. The Credit Monitoring Unit monitors the credit facilities granted by the Bank to the borrowers. The Credit Recovery Unit is entrusted with the duties of ensuring timely recovery of Bank's assets and ends at Credit Risk Management Unit when it is approved/declined by the competent authority. Credit approval authority has been delegated to the individual officers. Proposals before their designation are approved / declined by the Executive Committee and the Management of the Bank.

At the end of the year, the Bank's credit risk management policy, the internal control system of Bangladesh Bank and the guidelines followed, internal audit and conduct of periodic reviews of Banks and Regulatory policies, etc. are classified as per Bangladesh Bank's guidelines.

result in a loss in earnings:

transactions associated with foreign exchange transactions. The Bank has also developed different strategies to handle foreign exchange risk by setting different types of limits and risk parameters to measure and monitor foreign exchange risk exposure of the Bank.

2.2.2 **Operational Risk** Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risk is associated with different counterparts; the treasury bank office is engaged in transfer of funds and passing of the transaction entries in the books of accounts, and the credit officer is responsible for verification of the details. In foreign exchange transactions are reviewed at market rate for per day for Bangladesh Bank. All nostro accounts are reconciled on a monthly basis and outstanding entries beyond 30 days are reviewed by the management.

2.2.2.1 Asset liability management Asset and liability management is the management of the bank's assets and liabilities to ensure that the bank is able to meet its obligations to its customers and to the market. The bank's asset and liability management is based on the principle of matching the assets and liabilities to ensure that the bank is able to meet its obligations to its customers and to the market. The bank's asset and liability management is based on the principle of matching the assets and liabilities to ensure that the bank is able to meet its obligations to its customers and to the market.

2.2.2.2 **Money laundering risk** Money laundering is the generic term used to describe the process by which criminals disguise the original ownership and the proceeds of criminal conduct by making them appear to have a legitimate source. Money laundering is a global problem that is a major source of funds for the financing of terrorism and other criminal activities. Money laundering is a global problem that is a major source of funds for the financing of terrorism and other criminal activities. Money laundering is a global problem that is a major source of funds for the financing of terrorism and other criminal activities.

2.2.2.3 **Internal control and risk management** Internal control and risk management is the process of identifying, measuring, and managing the risks that an organization faces. Internal control and risk management is the process of identifying, measuring, and managing the risks that an organization faces. Internal control and risk management is the process of identifying, measuring, and managing the risks that an organization faces.

Community Bank

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AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS OF COMMUNITY BANK BANGLADESH PLC. FOR THE YEAR ENDED 31 DECEMBER 2024

2.2.6 Information and communication technology
The rapid development of information and communication technologies (ICTs) has effectively facilitated in reorganizing business processes and streamlining the provision of its products and services in today's dynamic business environment. Such adoption helps the bank to develop and maintain competitive advantage for ensuring bank's profitability and sustainability in the market place. The competitive advantage also brings bank numerous benefits including fast business transactions, increasing automation of business processes, improved customer service, and provision of effective decision support in a timely manner. However, the adoption of ICT applications has also brought organizations exposed to ICT such as strategic risk, financial risk, operational risk, and technological risk. Risk management plays a critical role in protecting the bank's information assets. An effective risk management process is an important component of a successful IT security program. ICT risk management is referred to as the essential process to address enterprise achieving "The new business changes, future investment in information technology system, an increasing ICT threats and an increasing dependence on delivering information in system".
In order to minimize and control these risks successfully, the Bank has developed and implemented ICT risk management policies and strategies, strengthened ICT security infrastructure, acquired centralized real-time security monitoring system, implemented centralized hardware system with high availability policy and implemented Disaster Recovery Site (DRS), developed Business Continuity Plan (BCP) and human resource backup plan with segregation of duties for different ICT tasks.

2.2.7 Liquidity risk
The object of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Bank is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balances. Management of liquidity and funding is carried out by Treasury Department under approved policy guidelines. Treasury front office is supported by a very structured Mid office and Back office. The Liquidity Management is monitored by Asset Liability Committee (ALCO) on a regular basis. A written contingency plan is in place to manage extreme situation.

2.2.8 Market risk
The exposure of market risk of the Bank is restricted to foreign exchange risk, interest rate risk and equity risk.

Foreign exchange risk
Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying LC commitments and other remittance requirements. The Bank's Department independently conducts the transactions and the back office of Treasury is responsible for verification of the deals and passing of entries in the books of account. All foreign exchange transactions are reviewed at Mark-to-Market rate as determined by Bangladesh Bank at the month-end. All Nostro accounts are reconciled on a monthly basis and outstanding entry beyond 30 days is reviewed by the management for its settlement. The position maintained by the bank at the end of day was within the stipulated limit prescribed by the Bangladesh Bank.

Interest rate risk
Interest rate risk may arise either from trading portfolio or non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills of 14 days to 364 days. The short-term investment in interest rate is negligible or nil. Interest rate risk of non-trading business arises from mismatches between the future yield of an asset and its funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

Equity risk
Equity risk arises from movement in market value of equities held. The risks are monitored by Investment Committee under a well designed policy framework.

2.2.9 Operational risk
Operational risks may arise from error and fraud due to lack of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Bank. Operational and Compliance Division undertakes periodical and special audit of the branches and divisions at the Head Office for review of the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division.

2.3 Earnings per share
Basic earnings per share has been calculated in accordance with IAS 33 "Earnings per Share" which has been shown on the face of the profit and loss account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is not required to be calculated for the year as there was no scope for dilution during the year under review.

2.4 Events after the reporting period
Where necessary, all the material events after the reporting period have been considered and appropriate adjustment / disclosures have been made in the financial statements. As of the date no such event occurred.

2.5 Related party transactions
Related party transaction is a transfer of resources, services or obligation between related parties, regardless of whether a price is charged. Detail of related parties transaction are given in Note-39.2.

2.6 Compliance with International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS)

* In order to comply with certain specific rules and regulations of the Central Bank (Bangladesh Bank) which are different to IAS/IFRS, some of the requirements specified in these IAS/IFRS are not applied. Refer below (Note-27) to the relevant control and measurement differences that are most relevant and material to the Bank.

2.7 Departures from IAS/IFRS
In case the requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory authorities and accounting standards, the provisions and circulars issued by Bangladesh Bank shall prevail. Bank have departed from certain contradictory requirements of IFRS in order to comply with the rules and regulations of Bangladesh Bank which are discussed below:

i) Presentation of financial statements
IAS/IFRS: As per IAS 1 "Presentation of Financial Statements" a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.
Bangladesh Bank: A format of financial statements (i.e. balance sheet, profit and loss account, cash flow statement, changes in equity, liquidity statement) is prescribed in the "First Schedule" of section 38 of the Bank Company Act 1991 (as amended up to date) and BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

ii) Investment in shares and Securities
IAS/IFRS: As per requirements of IFRS 9 investment in shares and securities generally fall under "fair value through profit or loss" or "fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end or taken to profit or loss account or other comprehensive income respectively.
Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 and ODS circular no. 01 dated 24 May 2003 investments in equities shall be revalued at the year end and at last traded prices and as per book value of last audited balance sheet provision. As per ODS circular no. 01 dated 24 May 2003, investment in Mutual Fund (open-end) if the surrender value is lower than average purchase price, difference amount should be kept as provision. Provision is made for any loss arising from diminution in value of investment; otherwise investments are recognized at cost.

iii) Revaluation gain/loss on Government securities
IAS/IFRS: As per IFRS 9 investments in shares and securities generally fall under the category of fair value through profit or loss account, any change in the fair value of these investments is recognized through the profit and loss account. Securities designated as amortized cost method are measured at effective interest rate method and interest income is recognized through the profit and loss account. T-bills/bonds designated as held to maturity are measured at amortized cost method and interest income is recognized through the profit and loss account.
Bangladesh Bank: HT securities are revalued on the basis of market and at year end any gains or losses on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HT securities including amortization of discount are recognized in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized at the year end and gains or losses on amortization are recognized in other reserve as a part of equity.

iv) Provision on loans and advances
IAS/IFRS: As per IFRS 9 Financial Instruments, loans and advances should be recognized and measured at amortized cost (or at fair value through profit or loss, if any) with any objective evidence of impairment (i.e. loss allowance for expected credit losses) exists for such financial instruments. Impairment should be undertaken individually or portfolio basis and should not be individually significant.

v) Financial instruments - presentation and disclosure
Bangladesh Bank: Bangladesh Bank instructions through different circulars, general provision (GP) ranging 0.25% to 2% on different categories of unclassified loans (standard/3MA loans) and special GP for COVID-19 ranging 1% to 2% on accounts under payment by default facility upon receiving 15% and 50% payment against total debt for the year 2021 and 2022 respectively to be maintained regardless of objective evidence of impairment. And specific provision ranging 5% to 100% on classified loans against including certain rescheduled loan accounts to be made meeting of eligible securities (if any). Also, a general provision ranging 0.5% to 1% to be provided for certain sub-classified exposures (including other commitments). Such provision policies are not specifically in line with those prescribed by IFRS 9.

vi) Recognition of interest in suspense
IAS/IFRS: Loans and advances to customers are generally classified at amortized cost or as per IFRS 9 and interest income is recognized by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan is subsequently income credit-impaired, the entity shall apply the effective interest rate to the amortized cost of these loans and advances.
Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2002, once a loan is classified, interest on such loans are not allowed to be recognized as income, rather the corresponding amount would be credited to an interest in suspense account, which is presented as liability in the balance sheet.

vii) Other Comprehensive Income
IAS/IFRS: As per IAS 1, Other Comprehensive Income is a component of financial statements or the elements of Other Comprehensive income are to be included in a Single Other Comprehensive Income (OCI) Statement.
Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to include in a Single Other Comprehensive Income (OCI) Statement. As such the company does not prepare the other comprehensive income statement. However elements of OCI, if any, are shown in the statements of changes in equity.

viii) Repo and Reverse Repo transactions
In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. As such some disclosure and presentation requirements of IFRS 9 and IAS 32 cannot be made in the accounts.

viii) Repo and Reverse Repo transactions
IAS/IFRS: As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price at a future date (repo), the arrangement is treated as a loan with the underlying asset continues to be recognized at amortized cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).
Bangladesh Bank: As per ODS Circular no. 01 dated 15 July 2020 and subsequent clarification in ODS Circular no. 01 dated 23 July 2021, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price at a future date (repo or stock lending), the arrangement is accounted for as a normal sales transaction and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

ix) Financial guarantees
IAS/IFRS: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debt fails to make payment when due in accordance with the original or modified terms of a financial instrument. Financial guarantee liabilities are recognized initially at their fair value plus transaction costs that are imputed attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured as the higher of the amount of loss allowance for expected credit loss or as impairment requirement and the amount initially recognized less, income recognized in accordance with the principles of IFRS 9. Financial guarantees are included within other liabilities.
Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee will be treated as Off-Balance Sheet Items. No liability is recognized for the guarantees except the cash margin.

x) Cash and cash equivalent
IAS/IFRS: Cash and cash equivalents items should be reported as cash item at short term. T-bills, prize bonds are not prescribed to be shown as cash and cash equivalents rather shown as face item in the balance sheet. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with Bangladesh Bank and other banks.

xi) Non-banking asset
IAS/IFRS: In addition of Non-banking asset is found in any IAS or IFRS.
Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 there must be a face item named Non-banking asset.

xii) Cash flow statement
IAS/IFRS: Cash flow statement can be prepared either in direct method or in indirect method as per IAS 17 Statement of Cash Flows. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.
Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 cash flows is the nature of direct and indirect method.

xiii) Balance with Bangladesh Bank (CR)
IAS/IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.
Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

xiv) Presentation of intangible asset
IAS/IFRS: Intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.
Bangladesh Bank: There is no requirement for recognition of intangible assets in BRPD circular no. 14 dated 25 June 2003.

xv) Off-balance sheet items
IAS/IFRS: There is no concept of off-balance sheet items in any IFRS, hence there is no requirement of disclosure of off-balance sheet items.
Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, off-balance sheet items (i.e. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of balance sheet.

xvi) Disclosure of appropriation of profit
IAS/IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.
Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.

xvii) Loans and advance not of provision
IAS/IFRS: Loans and advances should be presented net of provisions.
Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

xviii) The Bank's compliance with related pronouncements by Bangladesh Bank
Banking is a diversified, dynamic and highly regulated financial activity that involves dealing with and mitigating diversified risks. Hence, an effective internal control system, application of good governance, culture of ethical behavior, transparency of all financial activities and accountability towards stakeholders and regulators is indispensable to ensure a sustainable long term success and stability of the bank.
Community Bank Bangladesh PLC (CBBL) has established an effective internal control system whose primary aim is to ensure the overall control of risk and provide reasonable assurance that the objectives set by the Bank will be met. It has designed to develop a high level risk culture among the personnel of the Bank, establish efficient and quality operating model of the Bank, ensure proper and timely control over risks successfully, the Bank has developed and implemented ICT risk management policies and strategies, strengthened ICT security infrastructure, acquired centralized real-time security monitoring system, implemented centralized hardware system with high availability policy and implemented Disaster Recovery Site (DRS), developed Business Continuity Plan (BCP) and human resource backup plan with segregation of duties for different ICT tasks.

i) Internal Audit
The objective of internal control is to ensure that management has reasonable assurance that (i) operations are effective, efficient and aligned with strategy, (ii) financial reporting and management information is reliable, complete and timely accessible, (iii) the entity is in compliance with applicable laws and regulators as well as its internal policies and ethical values including sustainability, and (iv) assets of the organization are safeguarded and frauds or errors are prevented or detected.
Internal Audit Mechanism is used as an important element to ensure good governance of CBBL. Internal Audit Activity of CBBL is effective and it provides senior management with a number of important services. These include detecting and preventing fraud, testing internal control, and monitoring compliance with own policies and procedures, applicable laws and regulations and compliance with regulatory and audit requirements.

ii) Fraud and Fictitious
The increasing wave of fraud and forgery cases in the banking sector in recent times calls for concerted steps in identifying ways for reducing or preventing frauds and forgeries by analyzing the causes and root of frauds and forgeries, and prescribing effective strategies for salvaging frauds in the banking sector. CBBL, always pays due attention to anti-fraud internal controls for prevention of fraud and forgery. The Bank has already implemented some strategies like Financial Control Strategy, Accounting Control Strategy, Credit Control Strategy, Strategic and Operational Control Strategy, etc. to ensure good governance of CBBL. Internal Audit Activity of CBBL is effective and it provides senior management with a number of important services. These include detecting and preventing fraud, testing internal control, and monitoring compliance with own policies and procedures, applicable laws and regulations and compliance with regulatory and audit requirements.

2.10 Approval of Financial Statements
The Board of Directors of Community Bank, through its Audit Committee, periodically reviews the effectiveness of the Bank's internal control system covering all the material controls, including financial, operational and compliance controls, risk management systems, the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, training programs, budget, etc. Audit Committee of the Board reviews the actions taken on internal controls issues identified by the Internal & External Auditors and Regulatory Authorities. It also reviews the internal audit's findings, annual audit plan and frequency of the internal audit activities, scope of work and reports and it also reviews the findings of Internal Control and Compliance Division of Head Office.

2.11 Internal Audit
Internal Audit is a continuous and systematic process of examining and reporting on the activities of an organization undertaken by the specially assigned staffs. Internal Audit works as the Eyes and Ears of the management. It may therefore be used to bridge the gap between management and shop floor. It can assure the management that the Internal Controls are adequate in operations, the policies and systems laid down are being adhered to and accounting records provided by the lower level are correct. It also identifies the causes of the internal and external control deficiencies and recommends corrective actions to the management. Internal Audit Mechanism is used as an important element to ensure good governance of CBBL. Internal Audit Activity of CBBL is effective and it provides senior management with a number of important services. These include detecting and preventing fraud, testing internal control, and monitoring compliance with own policies and procedures, applicable laws and regulations and compliance with regulatory and audit requirements.

2.12 Meeting of the Board
The Board of Directors of Community Bank, through its Audit Committee, periodically reviews the effectiveness of the Bank's internal control system covering all the material controls, including financial, operational and compliance controls, risk management systems, the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, training programs, budget, etc. Audit Committee of the Board reviews the actions taken on internal controls issues identified by the Internal & External Auditors and Regulatory Authorities. It also reviews the internal audit's findings, annual audit plan and frequency of the internal audit activities, scope of work and reports and it also reviews the findings of Internal Control and Compliance Division of Head Office.

2.13 Approval of Financial Statements
The Board of Directors of Community Bank, through its Audit Committee, periodically reviews the effectiveness of the Bank's internal control system covering all the material controls, including financial, operational and compliance controls, risk management systems, the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, training programs, budget, etc. Audit Committee of the Board reviews the actions taken on internal controls issues identified by the Internal & External Auditors and Regulatory Authorities. It also reviews the internal audit's findings, annual audit plan and frequency of the internal audit activities, scope of work and reports and it also reviews the findings of Internal Control and Compliance Division of Head Office.

Particulars	Note	2024 BDT	2023 BDT
3 Cash			
Cash in hand (including foreign currencies)	31	1,322,038,808	1,354,584,071
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	32	2,920,540,280	2,781,955,548
		4,242,579,088	4,136,539,619
31 Cash in hand			
Local currency		1,322,038,808	1,354,584,071
Foreign currency		-	-
		1,322,038,808	1,354,584,071
31(a) Consolidated Cash in hand			
Community Bank Bangladesh PLC		1,322,038,808	1,354,584,071
Community Bank Investment Limited		1,322,038,808	1,354,584,071
		2,644,077,616	2,709,168,142
3.2 Balance with Bangladesh Bank and its agent bank(s)			
Local currency		2,789,338,527	2,726,226,774
Foreign currency		13,400,753	55,723,774
		2,802,749,280	2,781,950,548
Sonal Bank as agent of Bangladesh Bank (Local currency)		2,920,540,280	2,781,955,548
		2,920,540,280	2,781,955,548
Reconciliation statements regarding Bangladesh Bank balance are given in Annexure-B			
3.2(b) Consolidated Balance with Bangladesh Bank and its agent bank			
Community Bank Bangladesh PLC		2,802,749,280	2,781,950,548
Community Bank Investment Limited		2,920,540,280	2,781,955,548
		5,723,289,560	5,563,906,096

3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)
Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated in accordance with section 33 of Bank Companies Act, 1991 (amended upto date) and MPO circular no. 01 dated June 23, 2004, MPO circular no. 02 dated October 10, 2013, ODS circular no. 01 dated January 04, 2018, MPO Circular no. 01 dated April 03, 2018, ODS Circular no. 01 dated August 20, 2018 and MPO Circular no. 03 dated April 03, 2020.

The Cash Reserve Requirement is calculated on the weekly total demand and time liabilities of a base month which is two months back of the reporting month. (i.e. CRR of Bangladesh is maintained on the basis of Weekly Average total demand and time liabilities (ATDL) of October 2024) of the year of 350th CRR on day basis and 400th on bi-weekly basis. The Statutory Liquidity Ratio (SLR) is maintained on the basis of cash in hand, balance with Bangladesh Bank and its agent bank, treasury bills, bonds and debentures. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:

Average total demand and time liabilities (ATDL) of October 2024

66,928,246,000	65,076,033,000
----------------	----------------

Sl No.	Group name	Name of clients	Outstanding		2024	2023
			Funded	Non-funded	Total	
Subtotal			726,264.532	488,203.311	1,214,468.073	1,274,221.221
2	ACI	Advanced Chemical Industries Ltd.				865,675.587
3	Ananta	Ananta apurvis ltd	681,653.553		681,653.553	935,318.297
4	BBS cables	BBS cables limited	794,718.440	214,507.680	1,009,316.120	1,197,185.321
5	Energypac	Energypac engineering ltd	504,904.386	1,321,506.886	1,826,411.272	1,852,785.800
6	Rangnagru	Rangnagru builders (pvt.) Ltd	734,019.739	1,136,150	1,870,169.889	652,101.205
7	Rangnagru	RG media ltd	49,948.202		49,948.202	52,455.206
7	Max	Max infrastructure limited	783,067.901	1,135,150	795,353.091	704,561.120
8	Confidence	Confidence power holdings limited co-borrower: confidence power bogra ltd. Confidence batteries limited	252,865.354 445,352.881	1,164,800.000	1,417,665.354 445,352.881	1,296,147.945 500,577.949
			698,218.235	1,164,800.000	1,863,018.235	1,796,539,064.230
9	Rangs	Rangs Limited Pharma solutions bangladesh limited Rangs electronics limited	935,620.200 934,599.470		1,870,219.670	1,016,135.553
			685,490.506	936,077.823	1,381,572.329	1,016,135.553
			591,310.794	956,272.393	1,576,582.987	1,016,135.553
10	City	Hosindri electronics zone limited City auto Rice & Dals Mills limited City Sugar Industries Ltd City Sugar Industries Ltd	411,373.135 575,000.000 80,000.000		411,373.135 575,000.000 80,000.000	1,016,135.553 575,000.000 80,000.000
			491,373.135	575,000.000	1,066,373.135	772,861.930
11	Kader	A A coarce - spun ltd Modulbazar Solar Power Limited		19,800.000	19,800.000	
12	Paramount	Dynamic Sun energy private limited Paramount textile limited	685,490.506 8,978.345	1,025,219.38	8,978.345 1,117,544.76	1,010,403.928 1,010,403.928
			695,229.506	1,025,219.38	1,140,461.320	1,010,403.928
13	Karin Group	Al-Haj Karim Textiles limited Abdul Karim limited (AKS) Karim Tex limited	259,309.227 143,921.278		259,309.227 143,921.278	290,695.455 170,316.318
			402,622.205	492,830.200	492,830.200	492,830.200
				492,830.200	895,452.000	953,841.877
14	PRAN-RFL Group	Habiganj Agro Chemicals Ltd				1,084,367,802
15	Navana	Navana Pharmaceuticals Limited	4,901,419.85	4,167,000	904,566,985	859,456,079
16	UNIFILL	Unifill Composite Dyeing Mills Limited	619,764.005	249,118.457	868,882.502	915,282.210
17	Premier Cement Group	Premier Cement Mills Ltd. Premier Power Generation Limited Kanoor Lihgarage Limited	391,503.156 208,645.017	200,305.427 21,426.700	591,808.582 208,645.017	431,004.754 239,871.800
			600,148.172	231,727.127	832,880.299	670,873.143



Particulars

Note

2024
BDT

2023
BDT

7.16

The directors of the Bank have not taken any loan from the Bank during the year or there is no outstanding balances with any director of the Bank.

7.1(a)

Consolidated loans and advances

7.1(a)

Loans and advances

7.2(a)

Bills purchased and discounted

8

Fixed assets including PPE, vehicle, software and others

9

Other assets

9.1

Investment generating other assets

9.1.1

Interest receivables

9.1.1

Interest receivables

9.2

Non interest generating other assets

9.2.1

Advances

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Community Bank
• Trust • Security • Progress

AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS OF COMMUNITY BANK BANGLADESH PLC. FOR THE YEAR ENDED 31 DECEMBER 2024

Particulars	Note	2024 BDT	2023 BDT
25.2 The major portion of Insurance premium (BDT 31,599,873 in 2024 and BDT 29,605,402 in 2023) was paid to Bangladesh Bank as per DOS circular letter no 1 dated 10 January 2007 and Circular no. DID-02/2012 dated 02 October 2012 in exchange of coverage of deposits up to certain threshold in case the bank goes bankrupt. The rest of the premium covers Property, Cash security etc.			
25(a) Consolidated rent, taxes, insurance, electricity etc.			
Community Bank Bangladesh PLC.		221,770,977	208,663,763
Community Bank Investment Limited		813,248	725,548
		222,584,240	209,389,311
26 Postage, stamp, telecommunication etc			
Postage and courier		1,964,641	2,039,779
Telegram, tele, fax and network		7,519,145	7,105,466
Court fees and stamps		77,614	68,407
Telephone and mobile		28,554,722	27,002,072
		34,416,122	27,113,324
26(a) Consolidated postage, stamps, telecommunication etc.			
Community Bank Bangladesh PLC.		34,416,122	27,113,324
Community Bank Investment Limited		118,568	196,651
		34,534,690	27,310,575
27 Stationery, printing, advertisement etc.			
Office stationery and printing		7,546,974	7,339,101
Security stationery		5,001,577	3,692,179
Advertisement		7,892,255	11,852,737
		20,440,806	23,884,017
27(a) Consolidated stationery, printing, advertisements etc.			
Community Bank Bangladesh PLC.		20,440,806	23,884,017
Community Bank Investment Limited		99,790	124,650
		20,540,596	23,508,667
28 Managing Director's salary and fees (Bank only)			
Basic salary		10,450,000	10,850,000
Allowances		2,750,000	2,750,000
Bonus (Festival and Incentive)		3,400,000	2,800,000
Bank's contribution to Provident fund		1,045,000	1,085,000
		17,645,000	17,485,000
29 Directors' fees			
Each director of the Bank is paid as per BRPD circular letter no. 11 dated 4 October 2015 per board and it's committee meeting attended in 2024.			
Meeting attendance fee		2,254,000	2,254,000
		2,254,000	2,254,000
29(a) Consolidated Directors' fees			
Community Bank Bangladesh PLC.		2,254,000	2,254,000
Community Bank Investment Limited		391,000	461,324
		2,645,000	2,715,324
30 Auditors' fees			
Annual audit and Corporate Governance compliance audit fees		545,000	495,000
VAT on audit fees (i.e. 15%)		81,750	74,250
		626,750	569,250
30(a) Consolidated Auditors fees			
Community Bank Bangladesh PLC.		626,750	569,250
Community Bank Investment Limited		34,500	34,500
		661,250	603,750

31 Depreciation on repairs to bank's assets			
Depreciation of property plant and equipments			
Furniture and fixtures		17,757,487	17,337,145
Office equipments, appliance and machinery		22,400,162	23,866,511
IT hardware		53,624,747	56,562,865
Motor vehicles		3,942,557	6,362,428
Amortization of intangible assets			
IT software		29,274,279	29,175,959
		133,399,032	133,305,008
Repair and maintenance expenses			
Transport maintenance		42,004,076	38,747,842
Building maintenance		76,393	527,135
Hardware and software maintenance		44,158,089	39,071,518
Office equipment maintenance		4,602,815	4,602,815
Furniture and fixtures maintenance		3,374,744	1,216,830
Cards maintenance		5,560,000	4,420,050
ATM maintenance		17,160,783	13,907,861
		119,271,538	102,000,851
		246,706,770	235,305,859

31(a) Consolidated depreciation and repairs of Bank's assets			
Community Bank Bangladesh PLC.		246,570,770	235,305,859
Community Bank Investment Limited		2,133,283	1,671,914
		248,724,053	236,947,773

32 Other expenses			
Local conveyance		6,728,029	5,870,357
Fuel expenses		2,021,789	2,335,969
Staff traveling		1,784,418	1,091,250
Professional fees		4,795,155	3,065,452
Regulatory fees and charges		734,415	587,881
Office refreshment		9,314,680	8,569,898
Promotional expenses		17,002,829	14,771,436
Books, newspapers and periodicals		1,546,925	564,880
Excise duty and Government levies		20,443	245,380
Staff training, development and engagement		5,979,012	5,979,012
Staff recruitment		333,987	1,813,632
Cash carrying charges		30,464,486	30,103,180
Bank charges		91,658	981,288
Utensils		21,005	38,359
IT enabled services		21,325	21,325
IT consumables		2,199,950	1,989,470
Security expenses		57,986,139	7,400,000
Clearing expense		413,394	401,674
Card issue, re-issue and renewal expense		24,931,707	20,865,629
Card transaction drives expense		34,438,520	34,438,520
AGM expenses		839,583	1,266,873
SWIFT expenses		987,500	2,428,284
Membership fees and subscriptions		13,261,197	10,212,953
Sponsorship and CSR expenses		75,450,680	65,450,680
Outsourced support services/function expense		19,680,397	22,616,504
Office consumable		2,524,083	1,927,441
RD account maintenance charges		900	17,318
RD verification expense		439,413	1,145,000
Archiving expense		913,634	649,205
Documentation charges - CB		414,890	-
Remeasurement loss on actuarial valuation - Gratuity Fund		929,443	-
Loss on sale of fixed assets		19	-
Operational loss		755,000	-
		331,865,465	280,366,021
Expenses incurred by the bank shown in these financial statements are inclusive of VAT where applicable as per VAT and Supplementary Duty Act-2012.			

32(a) Consolidated other expenses			
Community Bank Bangladesh PLC.		331,865,465	280,366,021
Community Bank Investment Limited		3,059,211	1,884,766
		334,924,676	282,250,787

33 Provision			
For classified loans and advances		732,105,384	56,238,020
For unclassified loans and advances		(33,760,756)	2,943,239
For special general provision covid-19		(102,150)	-
For off balance sheet items		698,242,778	59,201,259
For diminution in value of investments		12,781,088	31,851,509
For investment in subsidiary		(2,419,265)	(5,027,491)
For other assets		(416,000)	(416,000)
		877,194,601	92,889,185

33(a) Consolidated provision for loans and advances and investments			
Community Bank Bangladesh PLC.		698,242,778	59,201,259
Community Bank Investment Limited		4,329,253	3,744,743
		702,572,031	62,946,002

33(a) For off balance sheet items			
Community Bank Bangladesh PLC.		12,781,088	31,851,509
Community Bank Investment Limited		-	-
		12,781,088	31,851,509

33(a) For diminution in value of investments			
Community Bank Bangladesh PLC.		168,600,000	7,400,000
Community Bank Investment Limited		(18,843)	(18,843)
		168,581,157	7,381,157

33(a) For other assets			
Community Bank Bangladesh PLC.		(10,000)	(436,092)
Community Bank Investment Limited		-	-
		(10,000)	(436,092)

34 Provision for taxation			
Current year		1,081,248,416	599,059,061
Adjustment for prior year		-	-
		1,081,248,416	599,059,061

34.2 Deferred tax expense/(credit)			
Net deferred tax liability/(asset) originated for temporary differences		(59,158,181)	(48,554,477)
		(59,158,181)	(48,554,477)

34(a) Consolidated provision for taxation			
Community Bank Bangladesh PLC.		1,081,248,416	599,059,061
Community Bank Investment Limited		9,675,641	2,338,624
		1,090,924,057	601,397,685

34(a) Deferred tax expense/(credit)			
Community Bank Bangladesh PLC.		(59,158,181)	(48,554,477)
Community Bank Investment Limited		4,116,745	(3,419,524)
		(55,041,436)	(51,974,001)

35 Earnings 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 on 31 December 2024 as per IAS 33: Earnings per share. Diluted EPS was not required to calculate as there was no dilution possibilities during the year.			
Net profit after tax (Numerator)		703,935,394	797,477,308
Number of Ordinary shares outstanding (Denominator)		500,000,000	500,000,000
Earnings per share (EPS)		1.41	1.59

35(a) Consolidated earnings per share			
Net profit after tax (Numerator)		716,529,119	798,134,626
Number of Ordinary shares outstanding (Denominator)		500,000,000	500,000,000
Consolidated earnings per share (EPS)		1.43	1.60

36 Cash and cash equivalent			
Cash in hand (including foreign currency)		1,322,038,808	1,354,584,071
Balance with Bangladesh Bank and its agents banks (including foreign currency)		2,920,440,280	2,781,295,548
Balance with other banks and financial institutions		330,476,826	393,958,470
Money at call on short notice		50,000,000	200,000,000
Prepaid bond		48,800	352,700
		4,623,304,714	4,730,842,789

36(a) Consolidated cash and cash equivalent			
Community Bank Bangladesh PLC.		4,623,304,714	4,730,842,789
Community Bank Investment Limited		13,724,129	3,479,860
		4,637,028,843	4,734,322,649
Less: inter-company transactions		11,727,739	3,458,696
CBIL bank account balance maintained with CBPLC.		4,625,301,104	4,730,865,953

37 Receipts from other operating activities			
Miscellaneous income including forfeiture amount of provident fund		6,211,511	8,127,666
		6,211,511	8,127,666

38 Payment for other operating activities			
Rent, taxes, insurance, electricity etc.		221,770,977	208,663,763
Legal expense		1,416,571	1,258,288
Audit fees		626,750	569,250
Directors fees and expenses		3,254,500	2,254,000
Repair and maintenance		119,771,538	102,000,851
Other expenses		279,680,133	280,003,559
		626,020,869	594,749,711

38(a) Consolidated Payment for other operating activities			
Community Bank Bangladesh PLC.		626,020,869	594,749,711
Community Bank Investment Limited		5,997,756	4,482,757
		632,018,625	599,232,468

39 General disclosure			
Audit committee			
The Audit Committee of the Bank was constituted on 11th meeting of the Board of Directors held on 29 November 2018 in compliance with the BRPD Circular No. 11, dated 27 October, 2013. The Audit Committee was formed to assist the Board in fulfilling its oversight responsibilities. The present Audit Committee was reconstituted by the Board in its 33rd Board Meeting held on May 15, 2024 in compliance with the BRPD Circular No. 10, dated 11 February 2024 consisting of the following members:			

39.2	Si no	Name of Director	Status with the Bank	Status with the Committee	Educational qualification
1	Mr. Masud Khan, FCA, FCMA	Independent Director	Chairman	FCA, FCMA	
2	Dr. Shoeb Reaz Alam, BPM (Sheba)	Director	Member	PHD, M.Sc. (Engg.)	
3	Mr. Md Aminul Islam, BPM (Bar)	Director	Member	M.Sc.	
4	Mr. Muntashirul Islam, PPM	Director	Member	M. Sc, MA	
5	Mr. Kazi Masrur Rahman*	Independent Director	Member	MSS	

(*Mr. Kazi Masrur Rahman had expired on 10 November 2024)

During year 2024, the Audit Committee of the Board conducted 08 (Eight) meetings in which among others, the following issues were discussed:
 > Audited Financial statements for the year ended 31 December 2023 of the Bank;
 > Recommended the appointment of External Auditors of the Bank for the year 2024;
 > Recommended the appointment of Corporate Governance Compliance Auditors of the Bank for the year 2024;
 > Management Report from the External Auditors and compliance thereof;
 > Approved the Risk Based Annual Audit Plan;
 > Reviewed the different policies of the Bank and recommended to Board of Directors of the Bank for final approval;
 > Summary Audit Report on various Branches and Divisions with compliance;
 > Annual Integrated Health Report;
 > Cyber Security and Bank's preparedness.

39.2 Related party transaction (ies) transactions			
> Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24. The Bank in normal course of business had transactions with other entities that fall within the definition of 'Related Party' as contained in International Accounting Standards 24: Related party disclosures and as defined in the BRPD circular no 14, dated 25 June 2003.			

The significant related party transactions during the year were as follows:

Sl no.	Name of the Related Parties	Relationship	Nature of transactions	Transaction / outstanding amount 2024	Transaction / outstanding amount 2023
1	Bangladesh Police Kalyan Trust (BPKT)	Parent	Rental payment for CBPLC office premises at Police Plaza Concord Tower-2, Gulshan, Dhaka, (5th Floor, 10th Floor 11th and 12th Floor)	BDT 58,194,660.00	BDT 56,260,122
2	Bangladesh Police Kalyan Trust (BPKT)	Parent	Preliminary expenses paid	BDT 30,21,172.67	Nil
3	Police Trust Security and logistics Limited	A unit of parent	Payment for security services at Police Plaza Concord Tower-2, Gulshan, Dhaka, (5th Floor, 10th Floor 11th and 12th Floor)	BDT 44,998,340.00	BDT 41,624,408
4	Police Trust tours and travels	A unit of parent	Mainly airline tickets	BDT 15,500.00	BDT 7,994
5	Police news	A unit of parent	Payment for advertisement of CBPLC Service Charge and electricity bill payment for CBPLC	BDT 1,200,000.00	BDT 1,200,000
6	Police plaza concord	A unit of Parent	Service Charge and electricity bill payment for CBPLC premises at Police Plaza Concord, Tower-2, Gulshan, Dhaka, Level-1	BDT 15,570,284.15	BDT 13,855,216
7	Police trust industrial product limited	A unit of Parent	Payment for purchase of stationery and parties items	BDT 143,413.00	BDT 81,210
8	PKT Security and logistics Limited	A unit of parent	Current account maintained with CBPLC	Net transaction - withdrawal BDT 2,182,646.86 Outstanding - BDT 0.00	Net transaction - withdrawal BDT 3,000.00 Outstanding - BDT 2,182,646.86
9	PKT Security and logistics Limited	A unit of parent	SND account maintained with CBPLC	Net transaction - withdrawal BDT 17,948,564.44 Outstanding - BDT 0.00	Net transaction - deposit BDT 878,529.09 Outstanding - BDT 1,734,856.44
10	Police Trust tours and travels	A unit of parent	SND account maintained with CBPLC	Net transaction - withdrawal BDT 776,342.88 Outstanding - BDT 1,634,504.86	Net transaction - deposit BDT 1,770,849.28 Outstanding - BDT 2,410,747.74
11	Police Trust tours and travels	A unit of parent	Fixed deposit account maintained with CBPLC	Net transaction - BDT 0.00 Outstanding - BDT 20,000,000.00	Net transaction - BDT 0.00 Outstanding - BDT 20,000,000.00
12	Bangladesh police kalyan trust bank tahabli kendrya	A unit of parent	Current account maintained with CBPLC	Net transaction - withdrawal BDT 73,065,602.65 Outstanding - BDT 17,791,320.82	Net transaction - deposit BDT 86,136,507.25 Outstanding - BDT 90,856,923.47
13	Bangladesh police kalyan trust anduran tahabli	A unit of parent	Current account maintained with CBPLC	Net transaction - withdrawal BDT 9,134,131.00 Outstanding - BDT 17,623,516.00	Net transaction - deposit BDT 26,985,389.00 Outstanding - BDT 27,247,607.00
14	Police plaza nondonkanon chattagram	A unit of parent	Current account maintained with CBPLC	Net transaction - withdrawal BDT 3,002.00 Outstanding - BDT 68,000.00	Net transaction - withdrawal BDT 68



Community Bank Bangladesh PLC.
Highlights on the overall activities
 As at 31 December 2024

Community Bank Bangladesh PLC.
Reconciliation statement of balance with bangladesh bank
As at 31 December 2024

Community Bank Bangladesh PLC.
Balance with other banks-outside bangladesh (nostro account)
As at 31 December 2024

Name of Bank	Account type	Currency type	2024			2023		
			FC Amount	Exchange Rate	Equivalent BDT	FC Amount	Exchange Rate	Equivalent BDT
Habib America, NY-USD	Current	USD	1,214,106	119.50	145,085,663	-	109,7500	-
AB Bank Limited Mumbai, India	Current	USD	217,677	119.50	26,012,429	40,075	109,7500	4,398,252
Sonal Bank (UK) -USD	Current	USD	2,566	119.50	306,644	489	109,7500	54,718
Kumari Bank Ltd Nepal USD	Current	USD	101,133	119.50	12,085,427	-	-	-
Total			1,535,483		183,490,163	40,574		4,452,970

Annexure - C

* As per Bangladesh Bank DOS Circular No. 01, dated February 10, 2020 regarding Special Fund, Mark to Market revaluation will be suspended upto February 2025 and reported at cost price in financial statements

Community Bank Bangladesh PLC.
Schedule of Fixed Assets
As at 31 December 2024

Annexure - C

Amounts in BDT

Asset Class	Cost		Accumulated Depreciation and Amortization			Net Book Value as at 31 December 2024			
	Balance as at 01 January 2024	Addition	Disposal/Adjustment	Balance as at 31 December 2024	Charge during the year				
Furniture and fixture	174,205,168	4,028,287	212,033	178,021,422	58,632,259	17,757,487	212,030	76,177,216	101,843,706
Office equipment, appliances and machinery	120,756,792	9,955,938	1,342,715	129,370,015	82,188,014	22,400,162	827,666	101,843,706	101,843,706
Motor vehicles	31,812,140	-	-	31,812,140	25,599,591	3,942,557	-	29,457,148	2,869,992
IT software	199,141,897	-	-	211,824,624	89,254,050	25,352,640	-	114,606,690	97,217,954
License fee	8,608,209	-	-	8,608,209	6,906,304	1,721,641	-	8,027,045	580,264
Membership fee	2,500,000	-	-	2,500,000	-	2,500,000	-	2,500,000	-
IT hardware	292,616,238	14,682,105	2,164,142	305,334,891	200,147,435	53,624,747	2,164,129	251,608,033	53,726,838
Capital work in progress	-	3,182,591	-	3,182,591	-	-	-	-	3,182,591
Sub total	829,841,134	44,551,688	3,718,890	870,655,932	462,119,653	127,299,234	3,202,765	586,215,122	264,438,790
Lease assets (Premises (as per FRS 16))									
Right-of-use assets	783,267,608	24,333,174	-	787,660,782	298,623,380	83,713,854	-	382,337,234	405,263,548
Sub total	783,267,608	24,333,174	-	787,660,782	298,623,380	83,713,854	-	382,337,234	405,263,548
As at 31 December 2024	1,593,108,742	68,844,982	3,718,890	1,655,254,694	760,743,033	121,013,088	3,202,765	985,552,536	689,707,338
As at 31 December 2023	1,556,143,350	37,951,486	986,274	1,593,108,742	548,274,615	113,884,800	1,416,382	760,743,034	760,743,034

Annexure - F

Particulars	Note	2024 BDT	2023 BDT
Net Profit After Tax		703,935,394	797,477,308
Adjustments for non-cash items			
Add: Depreciation expenses		127,299,232	133,305,008
Add: Provision for loans, advances and investments		877,194,601	92,989,185
Add/(Less): Revaluation P/L		(42,650,588)	(14,487,163)
Add: Loss on sale of fixed assets		-	-
Add/(Less): Provision for Current Tax		1,081,248,416	599,059,061
Add/(Less): Deferred Tax		(59,158,181)	(48,554,477)
		2,687,668,874	1,559,788,922
Changes in operating assets and liabilities			
(Purchase)/Sale of trading securities		(2,683,522,014)	240,124,296
(Increase)/Decrease in Loans and advances		1,881,139,541	(1,563,572,806)
(Increase)/Decrease in Other assets		(33,067,467)	(1,963,620)
Increase/(Decrease) in Deposits from other banks		-	-
Increase/(Decrease) in Deposits from customers		(88,511,012)	2,436,200,932
Increase/(Decrease) in Borrowing		(1,461,992,739)	(1,798,086,025)
Increase/(Decrease) in Other liabilities		572,779,869	452,775,881
Payment of Income Tax		(1,058,577,270)	(651,107,516)
Cash received/(paid) from operating assets and liabilities		(2,873,751,591)	(895,612,091)
Net cash from operating activities		(873,882,717)	664,176,831

Annexure - G

Accounting year	Assessment year	Present status
Up to 2019		Completed
2020	2021-2022	Assessment is in progress
2021	2022-2023	Assessment is in progress
2022	2023-2024	Tax return submitted for the assessment
2023	2024-2025	Tax return submitted for the assessment
2024	2025-2026	Filing of tax return is not due yet

