

Annual Report 2022



A Look Back To Look Ahead

Into The #1 Network



A look back

More than 25 years of continued operation is a ripe opportunity to take stock of what we have achieved in that time. An excuse to take a walk down memory lane, from where we started to where we are today, and see how much of an impact we have made in the communities we serve. A journey that gives us hope for the future and injects renewed vigour for the opportunities that lie ahead. The journey ahead promises to be an exciting one – for you, for us, and for the millions in the communities across the country who put their trust on us.

To look ahead

Who We Are

Grameenphone is a trusted digital connectivity and services company, empowering societies and keeping customers connected to what matters most.

Our Purpose

**Connecting Customers to What Matters Most
Empowering Societies**

Connecting customers to what matters most has been the core of our business. Today internet connectivity impacts nearly every part of our lives, and we believe in making it personalised and relevant for our customers. It's about more than good business; it's empowering societies.

We have four behaviours that guide the way we work:



Always Explore

We believe growth comes from learning every day. We are curious and we dare to challenge, test, fail fast and pivot.



Create Together

We believe diverse teams and better solutions. We seek different perspectives, share, involve, and help each other succeed.



Keep Promises

We believe that trust is key in all our relationships. We take ownership and pride in delivering with precision and integrity.




Be Respectful

We believe in the unique human ability to understand what matters for people. We meet everyone at eye level, listen and show that we care.

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Chair's Message



Dear Shareholders,

2022 was a milestone year for Grameenphone as the Company marked 25 years of bringing connectivity to millions of people and businesses in Bangladesh. Grameenphone saw a positive growth momentum throughout the year driven by increased data revenue and usage. The management focus on efficient operations and digital transformation resulted in Grameenphone increasing revenue despite adverse regulatory and macroeconomic headwinds.

A Partner for Smart Bangladesh

The Board of Directors is pleased to report that the Company delivered on topline growth in 2022, supported by investment in network, strength in market execution, and greater efficiency coming from modernisation efforts across the organisation. Grameenphone continues to provide the strongest network experience in Bangladesh to meet the growing data demands of its vast customer base, enhancing user experience, and creating value for its shareholders.

The Company remains committed to its role as the digital connectivity partner to the "Smart Bangladesh 2041" vision and ambition. It was a point of pride for all of us working with Grameenphone that the Company was among the first to conduct 5G trials in major cities nationwide. Some of the use cases focused on robotics, augmented reality, virtual reality, and cloud gaming, paving the way for future innovation opportunities.

Future-ready

Grameenphone is becoming a future-ready company, by expanding the services it offers and bringing digital processes to the core of the organisation. The Company remains motivated to run efficient operations. The ongoing modernisation initiatives are resulting in a company which is more agile, better able to ignite growth, and respond faster to market dynamics.

In addition, the Company is focused on partnerships, on a range of programmes that help prepare the country's young minds to unleash their full potential, by equipping them with skills needed for the fourth industrial revolution.

Responsible Business

Responsible business conduct remains at the core of Grameenphone operations and the Board of Directors. We continue to drive high standards in health, safety and security, social impact, human capital development, governance, and in managing environmental impact.

Business Environment

The year brought some external challenges in the form of higher inflation, rising energy costs and austerity measures by the government to curb energy usage. In addition, the Company was adversely affected in the second half of the year by a unilateral regulatory ban on SIM sales. This ban was lifted on 2 January 2023. Grameenphone showed resilience in overcoming the various external factors and remained committed to the priority of enhancing customer experience. Grameenphone continues to actively engage with our stakeholders to address current and emerging opportunities and challenges for the industry.

Looking Ahead

The Company heads into 2023 energised to carry on being a value adding partner to accelerate Bangladesh's digital journey. On behalf of the Grameenphone Board of Directors, I extend our immense gratitude to Grameenphone customers, the communities we serve in, our valued partners and all employees for their good support. It serves as an inspiration for us to do better every day.

Jørgen C. Arentz Rostrup
Chair

30 January 2023

Chief Executive's Message



Dear Shareholders,

Grameenphone's presence in Bangladesh over the last 26 years is a story that is deeply intertwined to peoples' lives, their daily battles and their socio-economic progress supported by the power of connectivity. Our customers are our biggest priority, and we evolve to serve their growing needs and deliver better experience. In 2022, we focused on expanding our network to improve customer experience through acquiring additional spectrum. We also modernised the network to serve seamless data connectivity and higher speed, specially for our new generation of users! As our nation embarks on the journey to become Smart Bangladesh, Grameenphone strives to partner as the technology catalyst, to support hand in hand, ensuring that no one is left behind.

2022 has been a year filled with various challenges in terms of regulatory issues, macroeconomic factors and natural disasters. During the first half, we dealt with some of the worst floods in Northeastern Bangladesh and highest level of rainfall recorded in the history of the country. This adversely impacted the livelihood of our customers, retailers, and distributors. On 29 June 2022, the regulatory authority banned our SIM sales, leading to a decline of our subscribers. SIM sales ban was fully withdrawn on 02 January 2023. We ended the year with a total subscriber base of 79.1 million. The active data user share rose to 55% with 34.2 million 4G data users (23.6% YoY growth).

Despite the setbacks, we continued to invest in acquiring the maximum allowable 60MHz spectrum in the 2600MHz band. We rolled out more than 2,300 4G sites and an additional 1700 all-new network sites across the country. We have strengthened our capacity by deploying an extra 10.4MHz spectrum over more than 18,000 sites to further improve our quality of service to meet customer's daily needs. Some of our key deliveries include maintaining network strength, driving constant innovation (i.e., introducing e-SIM in Bangladesh) and also continuously developing customised product portfolio. Grameenphone is continuing to strengthen its customer-centric solutions with the global tech leaders Google & Meta and local MFS leaders like bKash.

Grameenphone is built upon the foundation of connecting the unconnected rural communities. The pursuit is real, to build sustainable societies and to uplift the livelihood of the people nationwide. As a responsible corporate citizen, we are working passionately to upskill young people of Bangladesh with future-fit skills to become Smart Citizens who will lead the nation. Grameenphone believes that "employable skills" for every youth will be the key to a self-sustained knowledge-based economy. To drive this journey at scale, we have partnered with United Nations Development Programme (UNDP) along with Bangladesh Investment Development Authority (BIDA) to form a post-pandemic programme- FutureNation. Under the scheme, one million youth will be enabled with skills for economic opportunities over the next 5 years utilizing a structured learning journey. We have also launched GP Academy learning platform in collaboration with Telenor global partner- Cisco to create a bridge between academia and work. On our promise to include the marginalised and left-behind communities, we have collaborated with Plan International Bangladesh to equip 2.3 million people from vulnerable communities with basic digital skills ensuring online safety.

Overall in 2022, we have delivered strong financial results and taken some definitive steps to improve customer experience on our network. At the end of the year, we are reporting a 5.1% growth from 2021, generating total revenue of BDT 150.4 billion. Net Profit After Tax was BDT 30.1 billion in 2022, a 11.8% de-growth from 2021. Earnings Per Share (EPS) for 2022 was BDT 22.29, compared to BDT 25.29 in 2021.

We are pleased to report that Grameenphone has made significant strides as an equal-opportunity employer to improve diversity and inclusion. As of 2022, the percentage of women in our total workforce is 18.8%, while almost 14% of Grameenphone's extended leadership team comprises women. In 2022, we continued to drive modernisation across various functions, augmented by further digitalisation, business intelligence and process automation. We hope to continue to deliver on our commitments to create value in the lives of our customers, stakeholders, and shareholders as the preferred digital connectivity partner in Bangladesh.



Yasir Azman
Chief Executive Officer (CEO)

30 January 2023

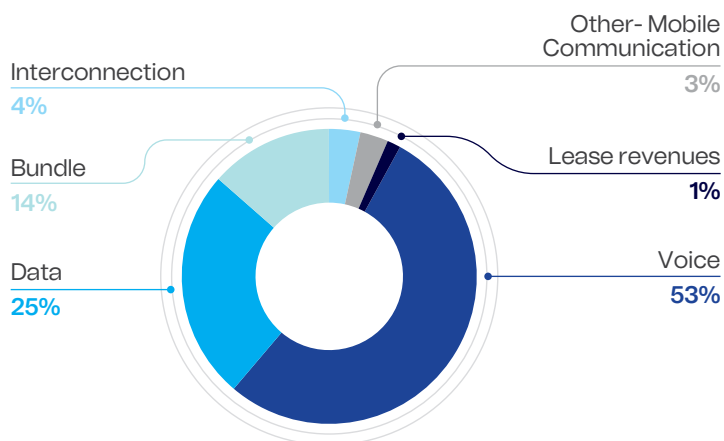
Our Performance 2022

	FY 2022	FY 2021	Percentage (%) change
REVENUE	BDT 150,403m	BDT 143,066m	5.1%
OPERATING PROFIT	BDT 63,598m	BDT 63,336m	0.4%
PROFIT BEFORE TAX	BDT 51,990m	BDT 60,821m	-14.5%
NET PROFIT AFTER TAX	BDT 30,092m	BDT 34,129m	-11.8%
EARNINGS PER SHARE	BDT 22.29	BDT 25.28	-11.8%
NAV* PER SHARE	BDT 34.22	BDT 36.94	-7.4%
NOCF** PER SHARE	BDT 47.26	BDT 42.82	10.4%

*NAV- Net Asset Value; **NOCF- Net Operating Cash Flow

REVENUE

Contribution by Products and Services



SHAREHOLDER PAYOUT

Dividend Per Share (BDT)



Freewheeler to Freelancer

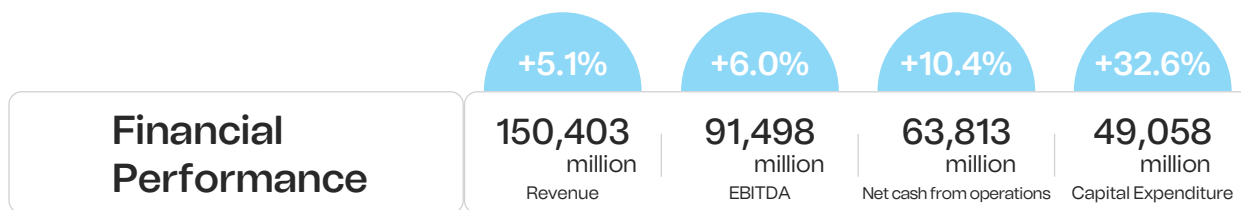
'After being on a job for 10 years, I decided to develop digital skills to upgrade myself and communities around me. I dream of people not relying on jobs only, rather building their own digital forts to thrive.'

Shamim Hussain


Digital Skill Developer



How We Create Value



For our customers



Expanding our network coverage and breadth
Population coverage in Bangladesh

3G 95.54%
4G 97.90%

In our operations we have
4G sites – 19,601 | 3G sites – 16,853

We have invested **BDT 465.7 billion** since inception

BDT 49.1 billion in 2022


79.1 million subscribers

13 million monthly users on MyGP App

43.6 million Mobile data users

34.2 million Customer are empowered with 4G

For the society



We have contributed **BDT 1,060.8 billion** to the National Exchequer since inception

BDT 104.3 billion in 2022


Supported **15,000** families through emergency relief in 2022

Upskilled over **19,200** youth through FutureNation and Grameenphone Academy

Partnered with Plan International Bangladesh to train **2.3** million girls and youth from the most marginalised communities with adequate knowledge and skills, digital resilience over two years (2023 – 2024)

Trained over **296,000** adolescent girls and boys on online safety in 2022

For our investors



220% Dividend (including Interim Dividend 2022)

BDT 22 per share

98.72% dividend payout ratio


Over **36,400** Shareholders

Last 5-years total shareholder return **48.89%**
*As of 29 December 2022

ACCOLADES

- Best Telecom Brand awarded by Bangladesh Brand forum
- Best Presented Annual Report 2021 by SAFA and ICAB
- Best Corporate Award 2021 by ICMA B

For our employees



Over **2,000** hours spent by 662 employees in 'Learning Camp 2022'.

50+ hours on average spent on learning by employees.

65% females joined as management trainees in 2022 and the year ended with 18.8% female ratio.

Maternity benefits revamped, including greater flexibility & infrastructure support for mothers.

Partnership with Virginia Tech in first cross border industry-academia collaboration.

480 processes automated across the organisation, powered by 106 Robogens (in-house RPA experts).

0 Lost Time Injury (LTI) of employees in 2022.

Our Business

Delivering sustainable business growth while ensuring superior customer experience and empowering societies

Customer-centric philosophy: We aim to become the best technology service provider by unleashing the potential of Bangladesh by securing access to spectrum, investing in mobile networks and IT capabilities, developing, and distributing a wide range of products and services tailored to our market segments, and running a strong customer care and brand programme.

These activities enable us to ensure sustainable and profitable growth and high levels of revenue generation, used to reinvest in the resources and relationships we rely on to do business and deliver on our core purpose: 'Empowering societies. Connecting you to what matters most'.

Portfolio and Experience Uplift

Customers are evolving and so are we to give them reasons to use our services. We have simplified our current product portfolio, enhancing diversified service bundles and our content portfolio for the consumer market; as we continue to explore new and relevant services. Special platforms and services will continue to be developed for our premium segment. In our enterprise business, we will introduce new solutions on the mobility and ICT fronts, while meeting current customer needs with our smart solutions.

Differentiation and Digitalised Experience

Our ambition is to provide best customer experience through a simple, digitalised journey, through automated and personalised customer interaction and complaint management. Customer touchpoints, both physical and digital, will have enhanced capability and agility with the help of MyGP, Cockpit and other digital platforms. Our personalised approach towards understanding the customer and offering the right solution will continue as our key strength.

Network and IT Infrastructure

After securing the highest amount of spectrum, we will continue investing to strengthening our network leadership in the market, and provide superior network experience to our customers along with service innovation. IT capabilities enhancement will focus on analytics, resiliency, digital capability, billing and charging transformation, to support the scaling of new portfolios, offers and experiences.

Managing Our Brand and Reputation

Our brand ambition is to become the most preferred connectivity partner for digital Bangladesh. We build a brand with purpose, provide experience that matters, develop and maintain our reputation as a Company that is geared 'to empower societies by connecting you to what matters most.' We show leadership in promoting inclusive and environmentally responsible socioeconomic transformation.

Health, Safety, Security and Environment

Grameenphone promotes high standards within Health, Safety, Security and Environment (HSSE) in order to ensure a healthy, safe and secure workplace and tackle climate concerns. HSSE is an integral part of Grameenphone's strategy and the organisation is focused on continuous improvement of HSSE parameters through major initiatives and projects.



Our Strategy

Grameenphone will have a much sharper and focused approach to drive the data and digital market in Bangladesh. We will continue to invest in our technology and digital capabilities to drive a digitally connected society. Our role as a development partner of Bangladesh will continue towards realising the Government's vision of becoming a Smart Bangladesh.

Our strategy is focused on the following four key Value Drivers:

Driving Growth

Our focus will be driving growth through a superior network experience and providing greater service relevance for our valued customers. We will continue our effort in digitisation and simplification, bringing more relevant products and offers to the fore. While we drive greater efficiency in our core operations, we will enhance new business, and improve portfolio and revenue streams in both the consumer and enterprise market.

Ensure Superior Experience

We will take greater focus in ensuring investment in the data network experience to maintain our strong leadership position. We will continue with a granular approach in providing a superior experience. Strong emphasis will be placed on building IT stability and modernising our digital, billing, and analytics capabilities. Efficiency and security will continue to be embedded in every step of solution, design and deployment.

Continue Modernisation

We will continue with our strong modernisation initiatives, internally and externally. Enhancing digital capability of current digital tools, digitising existing processes, and simplifying the customer journey will continue across all digital assets and channels. Greater focus will be placed on developing the people front, particularly on building leadership, competence, engagement and HSSE (Health, Safety, Security, and Environment).

Strengthen BEM

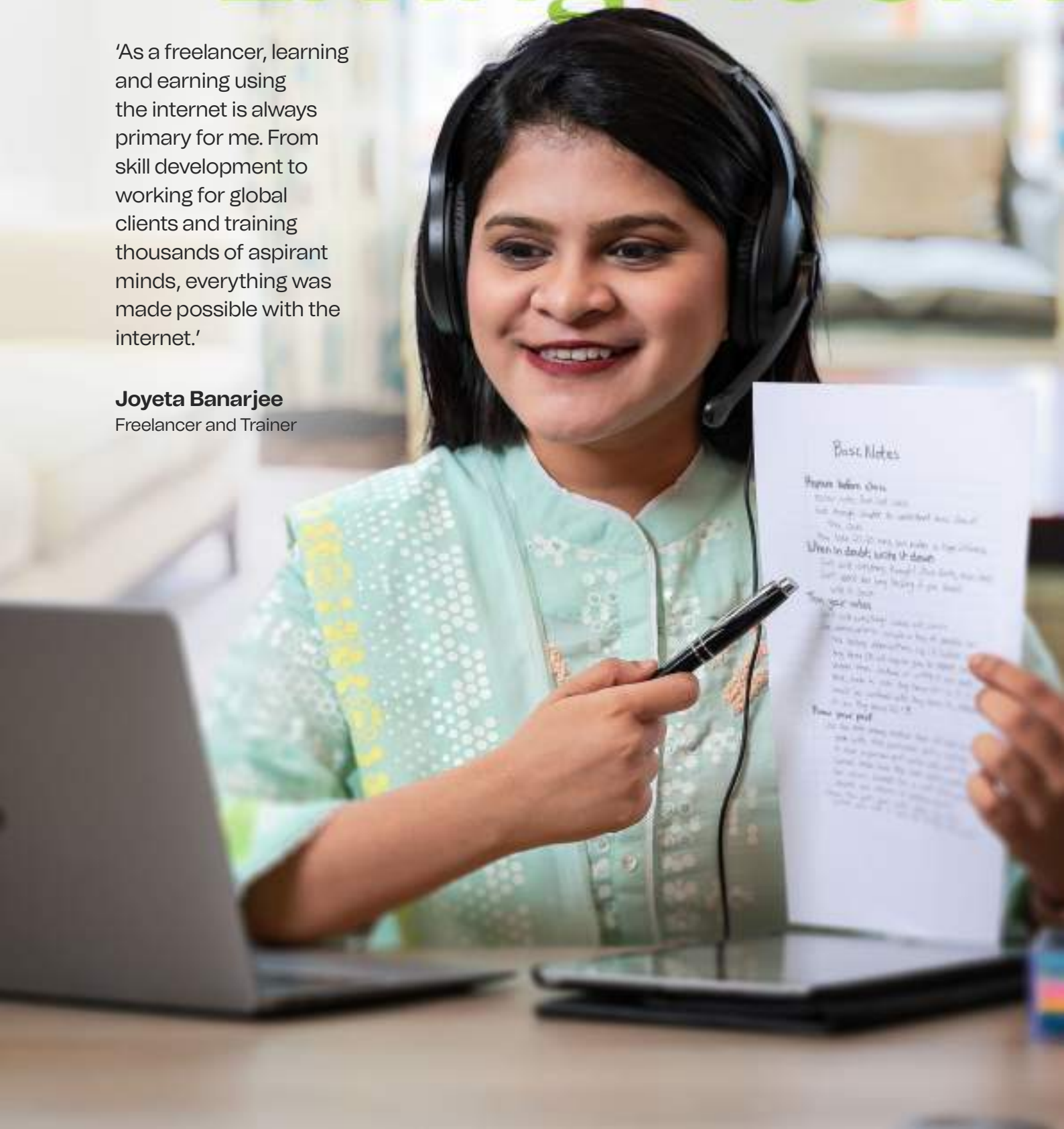
We will strengthen long-term relations with our stakeholder and address stakeholder perception by creating common value and interest, addressing social impact, and by building climate, and privacy awareness. We will continue to take a socially responsible position by strengthening our digital and youth skills programmes and expanding on Online Safety at the national level and across our new/digital business.

These four value drivers will align and be executed alongside our responsible business practices to foster a growth mindset and a culture that will make the organisation future fit.

Classroom to Living Room

'As a freelancer, learning and earning using the internet is always primary for me. From skill development to working for global clients and training thousands of aspirant minds, everything was made possible with the internet.'

Joyeta Banarjee
Freelancer and Trainer



Telecom Industry and Regulatory Environment

The Government of Bangladesh envisions a Smart Bangladesh by 2041, where the telecom industry can play a pivotal role. Alongside the rising digitalisation trend, demand for the expansion of the mobile data network and improved quality is also rising. However, negative macro-economy conditions have impacted the telecom sector in 2022 and the sector has seen de-growth for the first time in terms of mobile connections; which had dropped from 181.2 million at the end of 2021 to 180.2 million at the end of 2022.

The SIM sale ban imposed on Grameenphone is also one of the reasons for this degrowth. Nevertheless, the number of unique mobile subscriber and internet users have grown steadily during the year. Moreover, revenue from data, and new and adjacent businesses continued to grow while voice revenues experienced a decline, when compared to earlier years. Even though the growth momentum of the sector had slowed down in 2022, a positive trend continues and the sector is projected to grow further.

The Bangladesh Government has strong focus on digitalisation, an area that can be considered a major enabler for the Bangladesh economy in the years ahead. By contrast, the regulatory environment has been unpredictable over the years and, to make matters worse, Grameenphone particularly has been singled out and meted differential treatment by the regulators in some instances. To its end, Grameenphone has been maintaining constructive engagement with the relevant stakeholders to address these current and emerging challenges.

Telecom Regulatory Environment

The telecom regulatory environment has not been friendly towards Mobile Network Operators (MNOs) in 2022. BTRC took a strong stance with respect to the Quality of Service (QoS) of MNOs and imposed micromanagement measures. Their directives encroached up to the network design and dimensioning levels; going so far as to impose quarterly roll out obligations on MNOs to improve QoS. In this respect, Grameenphone received even harsher treatment – SIM sales remained suspended for six months. The regulator also initiated a process of amending existing QoS regulations to make them more stringent, however, MNOs took a common position under the AMTOB banner and shared their concerns through a consultation process; any amendment to QoS regulation is yet to be concluded.

To facilitate improving 4G network quality and 5G readiness, BTRC called a spectrum auction in the 2300 and 2600 MHz bands. The MNOs collectively acquired 190 MHz of spectrum through this auction under better terms and conditions than under previous auctions. However, during the spectrum assignment, a condition for 5G trial launch by September 2022 was imposed, with which most MNOs complied. The MNOs started deploying their newly assigned spectrum in the third quarter of the year, which contributed to improving their network QoS. After constructive dialogue, BTRC revised the annual spectrum fee assessment formula to make it simpler and more rational. A task force was also formed to shape up the NTTN regime, which is leading to gradual improvements.

Following previous years' trends, BTRC initiated consultations on many topics – it kicked off consultations on Broadband Policy, License Unification (2G, 3G, 4G and 5G), QoS Guideline Amendment, OTT Guidelines, Data Protection Act, IIG pricing, Data floor pricing, etc. However, the outcome of the consultations has not been significant, as only a few could be concluded. Edotco was designated as an SMP operator in the Tower Co market. Further, the BTRC has been evaluating the amendment of the ILDTS policy in order to streamline the fragmented regulatory regime and move toward a more converged licensing regime: by initially introducing class license. This potential amendment, however, has yet to be opened up to the consultation process.

The telecom regulatory environment in Bangladesh has remained unpredictable and challenging throughout 2022 and it is likely to continue in this manner in the near future. For the telecom industry to grow and prosper, it needs collaborative and constructive engagement to make the regulatory framework predictable and investment-friendly.



Stakeholder Engagement

We identify stakeholders as individuals, communities and organisations that may be affected by and/or may influence our business.

The Company's business sustainability and long-term value depends on our understanding and responding to the needs of valued stakeholders. As a part of our business process, we maintain relationships with key stakeholder groups and engage in dialogue to learn from them; constructive dialogue helps shape our strategic priorities and refine our approach in the market. The following chart presents a summary of our main stakeholders and some examples of how we engage with them.

Our Goal	Who we engage with	How we engage
Long term value creation	Customers Investing in online tools, products and services designed to give our customers a greater level of control in their interactions with us	<ul style="list-style-type: none"> Call centres, retail outlets, MyGP app, Website, messaging and USSD channels Social Media platform: Facebook and Grameenphone website Our continuous effort is on to enable 100% self-service for customers through apps
	Communities Engaging in sustainable development initiatives that strengthen the socio-economic lives of people in the communities in which we operate	<ul style="list-style-type: none"> Partnering with communities in sustainable initiatives Investing in social sustainability projects as part of our corporate social responsibility Investing in public participation projects and initiatives that give back to society, e.g. the FutureNation programme with UNDP Partnering on key areas including education and gender-based programmes
	Governments and Regulators Providing value against access to spectrum and operating licences. Engaging in dialogue to seek the best balance in regulatory measures that pose potential cost implications	<ul style="list-style-type: none"> Participation in consultations and public forums Submission and engagement on draft regulations and bills Engagement through industry consultative bodies
	Investors & Shareholders Providing sustainable financial capital required to grow, presenting operational feedback to management, and improving reporting practices	<ul style="list-style-type: none"> Dedicated investor relations office as the focal point for investor updates Investor engagements that include roadshows, conferences and meetings Annual and interim results announcements Annual General Meetings with shareholders to update them on business strategy Investor Relations page(s) on website
	Employees Engaging and upskilling employees to drive their ability towards adopting Grameenphone's purpose of 'transforming lives' into their work	<ul style="list-style-type: none"> Internal website, Newsletters, and intranet communication Employee surveys and Employee hotline Leadership coaching and mentorship forums
	Suppliers Working in close conjunction with suppliers to improve our ability to offer cost-effective, quality products and services through cutting-edge technology	<ul style="list-style-type: none"> Supplier engagement forums and ongoing site visits Inspections and Audits
	Business partners Collaborating closely with business partners, a key interface with our customers and custodians of our brand and reputation, to ensure our strategy of delivering the best customer experience	<ul style="list-style-type: none"> One-on-one and virtual business meetings Training sessions on new products and services Market visits
	Media Keeping media abreast of operational facts, developments, and new products and services, as they are a critical contact point for our external stakeholders	<ul style="list-style-type: none"> Media session & press release Media advocacy & thought leadership Product launches & events Media query, crisis & change management Reputation drives & initiatives

Dreamer to Doer



'Football skill videos of Ronaldinho, Ronaldo and Messi on the internet have inspired me a lot to become the sports person I am today. I want to build an online sports platform to train our rising stars, where they'll learn from any part of the world and become greater athletes to uphold the name of Bangladesh.'

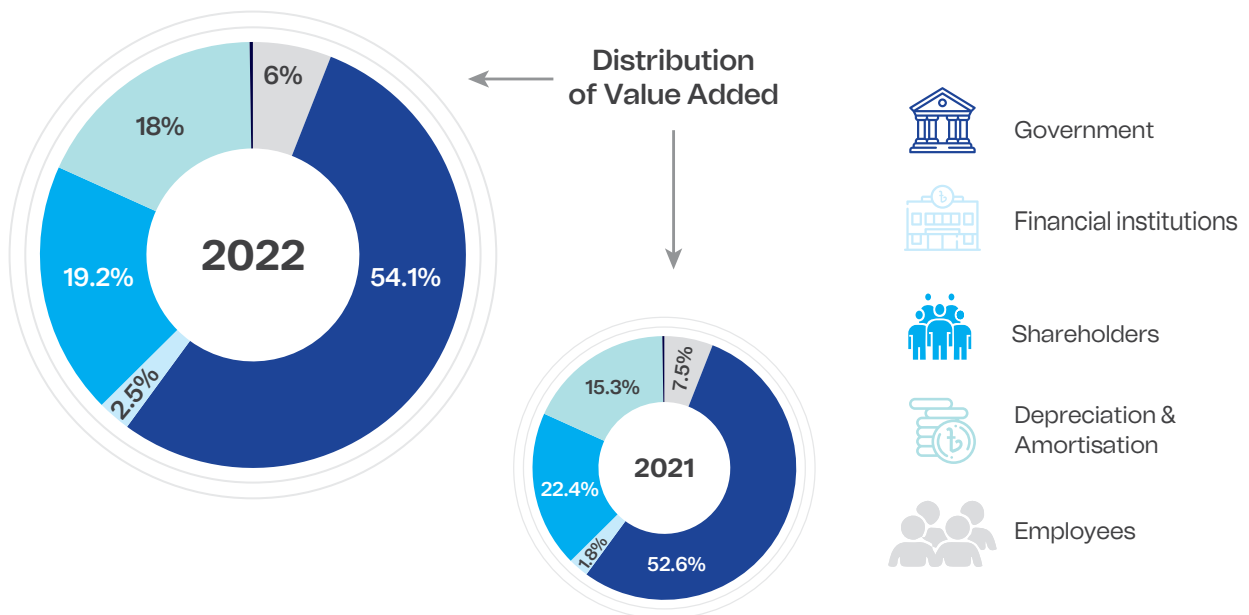
Intishar Mostafa Chowdhury

Footballer & Founder - IMC Sporting Academy

Value Added Statement 2022


in '000 BDT

	2022		2021	
Value Added				
Revenue	150,403,469		143,065,872	
Other income including interest income	165,552		148,262	
Indirect taxes	42,886,244		41,671,993	
	193,455,265		184,886,127	
Less: Cost of network and services	38,525,964		34,231,076	
Available for distribution	154,929,301	100%	150,655,051	100%
Distributions				
Employees	9,238,892	6.0%	11,340,925	7.5%
Government	83,815,281	54.1%	79,285,579	52.6%
Providers of finance:				
Financial institutions	3,885,844	2.5%	2,783,326	1.8%
Shareholders	29,706,600	19.2%	33,757,501	22.4%
	126,646,617	81.8%	127,167,331	84.3%
Value reinvested and retained				
Depreciation and amortisation	27,899,584	18.0%	23,016,177	15.3%
Retained profit	383,100	0.2%	471,543	0.3%
	28,282,684	18.2%	23,487,720	15.6%
	154,929,301	100%	150,655,051	100%



Contribution to National Exchequer

As one of the largest contributors to the National Exchequer for the last several consecutive years, we take our responsibilities to contribute to the social and economic development of the country in which we operate, and we remain committed to acting with integrity, honesty and transparency in the creation and execution of our tax strategy, policies, and practices.



As a major investor, taxpayer, employer and purchaser of local goods and services we contributed more than BDT 104.3 billion (2021: BDT 102.8 billion) to the National Exchequer.

BDT 104.3 billion	BDT 34.8 billion was paid as direct taxes (2021: BDT 36.8 billion)	BDT 53.6 billion was collected and paid as indirect tax contributions (2021: BDT 51.3 billion)	BDT 15.8 billion was paid as other contributions (2021: BDT 14.7 billion)
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The major tax types included in the above are:

We paid BDT 24.1 billion (2021: 26.0 billion) corporate taxes on profit before tax of **BDT 52.0 billion** (2021: 60.8 billion).

Thus, we paid BDT 0.46 in corporate tax for every BDT 1 we generated in profit before tax.

We collected from our customers and deposited **BDT 42.5 billion** (2021: 41.7 billion) in output value-added tax, supplementary duty, surcharge, and other forms.

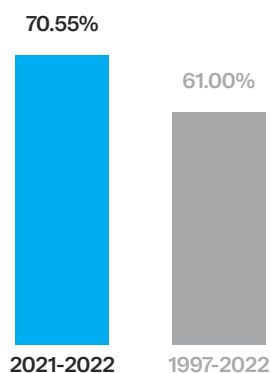
Thus, we contributed BDT 0.28 in output taxes for every BDT 1 we generated in revenue.

We withheld BDT 13.1 billion (2021: 12.7 billion) as withholding tax and value-added-tax from payment to suppliers, employees and shareholders and paid it to the relevant tax authorities on their behalf.

We paid BDT 8.8 billion in customs and import duties (2021: BDT 7.7 billion).

We paid BDT 15.8 billion (2021: 14.7 billion) to BTRC as revenue share, contribution to social obligation fund, spectrum usage charges, spectrum assignment fees and for purchase of spectrum.

Average Contribution to the National Exchequer as a % of average revenue



Enterprise Risk Management

Grameenphone Ltd. operates in a dynamic industry that exposes it to various uncertainties, both risks and opportunities, which may impact its business. With the goal of earning competitive returns at acceptable risk levels, the company maintains a rigorous enterprise risk management (ERM) process. This process is based on a structured framework comprising policies, procedures, and tools that ensure the identification, assessment, and treatment of risks and opportunities to support the achievement of Grameenphone's ambitions and goals.

The ERM framework of Grameenphone is formulated broadly on ISO 31000:2018 and the COSO ERM Framework. The Company has drawn upon the experience of different risk management contexts to identify and prioritize risks and create an effective link between strategy formulation and risk mitigation. Risk management is an ongoing process and is integrated into the business across the organisation. All functions are required to be accountable for risk management within their areas of responsibility and ensure that risk management is embedded in their day-to-day business processes. To increase its effectiveness throughout the process, Risk Management Forums have been established within the Company to ensure active participation from different functional areas. The governance of the ERM process also empowers the ERM function to monitor risks and report regularly to Management and the Board.

Grameenphone recognises the importance of adapting its ERM process in line with its growth and the rapidly changing world. Factors such as technological advancements, geopolitics, environmental issues, and socio-economic changes can all give rise to emerging risks, which need to be identified and treated appropriately. To address these risks, Grameenphone has been continuously evolving its ERM process. The Company utilises its line of defenses to ensure that emerging risks are detected early and addressed effectively.

During the financial year under review, Grameenphone ERM function reviewed, monitored and reported the significant risks of the Company and the mitigating measures were evaluated by the Management and Board on a regular basis. This is to ensure that the Company's risk management framework continues to effectively promote and enable the identification, monitoring, and mitigation of risks across the organisation.

Below are some key risk areas identified at Grameenphone:

Financial	Regulatory	Modernisation	Operational	Supply Chain Sustainability
Key Risk Area	Risk Description		Risk Response	
Financial Risk	<p>Financial risk includes credit risks, liquidity risks, currency risks and interest rate risks.</p> <p>Company's principal financial assets include trade receivables and others, cash and short-term deposits that arise directly from its operations. Company's financial liabilities mainly include trade payables and others, lease obligation and loans and borrowings. The main purpose of these financial liabilities is to finance the Company's operations.</p>		<p>Company's financial risk management is governed by Treasury Policy as approved by the Board of Directors.</p> <p>Company is exposed to credit risk, liquidity risk and market risk in relation to its financial instruments. Grameenphone's exposure and responses to the mentioned financial risks are disclosed under note 39 to the financial statements.</p>	
Regulatory Risk	<p>Grameenphone's operations are subject to requirements through sector specific laws, regulations and national licences. Regulatory developments and regulatory uncertainty could affect the Company's results and business prospects. The introduction of, or increase in, sector specific taxes and levies may impact the business.</p>		<p>The telecom regulatory environment in Bangladesh has remained unpredictable and challenging throughout 2022 and it is likely to continue in this manner in the near future. For the telecom industry to grow and prosper, it needs collaborative and constructive engagement to make the regulatory framework predictable and investment-friendly.</p>	

Key Risk Area	Risk Description	Risk Response
Regulatory Risk	<p>The Company depends on licences, access to spectrum, and numbering resources in order to provide telecommunications services. If the Company is not successful in acquiring/renewing spectrum licences or is required to pay higher rates than expected, this might impact our business strategy. Further, unforeseen events may cause disruption in roll-out plans, resulting in risks of deterioration of network quality. In a nutshell, every change in regulations may affect growth and sustainability of the Company as well as the industry either positively or negatively.</p> <p>The risk is particularly high with issues related to regulatory and tax disputes, renewal of licences and general unpredictability in the business environment. Grameenphone still faces regulatory scrutiny of its operations and has several unresolved regulatory and legal cases pending.</p>	<p>Grameenphone has been maintaining constructive engagement with the relevant stakeholders to address current and emerging challenges.</p> <p>Regarding updates on Telecom Industry and Regulatory Environment, please see page 11 of the Annual Report.</p> <p>For further information on tax, legal and regulatory contingencies please see note 45 to the financial statements.</p>
Modernisation Risk	<p>The introduction of new technologies, digitalisation and changing consumer behaviours open up new business models in the telecom sector, leading to structural changes and new industry dynamics. Grameenphone has started embarking on a vital transformation agenda to adapt accordingly. Failure to respond to the changed dynamics, and to drive a change agenda to meet mature and developing demands in the marketplace, will impact the Company's position in the value chain, service offerings and customer relationships.</p> <p>The transformation agenda also includes risk of not being able to sufficiently acquire; upskill and retain competencies and talents needed for the evolving business dynamics.</p>	<p>Grameenphone has been continuously focusing on innovation, network modernisation and implementation of up-to-date technology and acquired the maximum allowable spectrum to improve service quality further. In 2022, the Company was the first to introduce e-SIM technology in Bangladesh, successfully conducted a 5G trial over the 2.6 GHz band and increase significant fiberisation to enhance customer experience.</p> <p>Last year we set a foundation to future-fit our capabilities and operating model; in 2022 we have continued in that same vein by taking a 360-degree modernisation approach across various functions aiming touch free operations.</p> <p>Grameenphone is following win-win partnership model with strong governance to ensure expected capability & competency upliftment for customer betterment.</p>
Operational Risk	<p>The quality and reliability of Grameenphone's telecommunications services depend on the stability of its network and the networks of other service providers with which it interconnects. These networks are vulnerable to damage or service interruptions, including interruptions or data breaches coming from targeted cyber-attacks. Repeated, prolonged or catastrophic network or IT system failures could damage the Company's reputation and financial performance.</p>	<p>At its core Grameenphone is a connectivity provider. A huge amount of fiber connectivity is now core part of Grameenphone network topology that is exposed to be accidentally damage or interrupt due to road expansion activities. Grameenphone has invested on redundant connections and increased proactive activities significantly to reduce the probability of incident.</p>



Key Risk Area	Risk Description	Risk Response
Operational Risk	<p>Cyber-attacks may cause disruption in services and damage critical infrastructure. This may have a severe impact on the Company's reputation and financial performance. Technological development and complexity continue to drive the risk of cyber-attacks, and especially of advanced cyber threats.</p> <p>Grameenphone handles substantial volumes of confidential information. Loss, alteration or unauthorised disclosure of such information, may adversely affect the Company's business and reputation.</p> <p>Political instability and violence, including social unrest, terrorist attacks etc., may prevent the Company from operating its business effectively.</p>	<p>Grameenphone continuously focus on providing awareness for employees as well as partners. "We are Security", promoting security-first culture, measured and followed up as one of our strategic KPIs. GP continues to invest in people, organisation, partners and technology to even further uplift the security posture.</p> <p>For more information, please refer to Cyber Security part of the Annual Report (page 27).</p> <p>For other operational risks, we have implemented necessary controls and monitoring system where needed.</p>
Supply Chain Sustainability	<p>A responsible and sustainable supply chain is a foundational element of Grameenphone's long-term value creation. Grameenphone believes that partnership and cooperation with suppliers and industry peers is vital to achieving its ambitions within supply chain sustainability.</p> <p>Supply Chain Sustainability continues to be one of Grameenphone's strategic priorities and a key for long-term business success through the Agreement on responsible Business Conduct (ABC), Grameenphone's Supplier Conduct Principles (SCP) are applicable for most supplier categories and contracts (based on risk assessments). The Supplier Conduct Principles are based on internationally recognised standards, including requirements on the respect for human rights, health and Safety, labor rights, working conditions, conflict and other unsustainably mined minerals, environment, privacy and freedom of expression and prohibited business practices.</p> <p>Challenges in supply chain sustainability may impact the progress of Grameenphone's long term value creation.</p>	<p>Effective risk management in Grameenphone's supply chain will remain a priority in 2023.</p> <p>Grameenphone will continue to strive for its supply chain sustainability efforts to have a positive impact on the business as a whole, and in the societies in which it operates and is committed to maintaining responsible business practices throughout its entire supply chain, ensuring that its partners maintain the same standards.</p> <p>For more information, please refer to ESG part of the Annual Report (page 25).</p>

Passion to Profession



'Ballet is my life. Mostly, during lockdown it kept me energised. I learned a lot from online videos. Dancers like Vaslav Nijinsky, Alicia Markova and Sylvie Guillem have inspired me to keep on dancing. I envision to spread it to the thousands of girls nationwide with the power of internet.'

Mubasshira Kamal Era

Ballet Dancer

Environment, Social and Governance (ESG) Report



Grameenphone is committed to doing business in a responsible way; creating value for its people, shareholders and society, as well as empowering and sustaining the nation for generations to come.

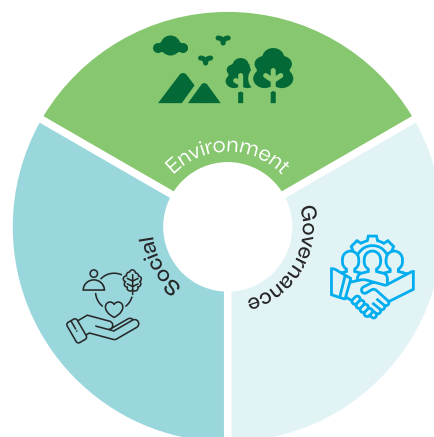
Throughout 2022, Grameenphone's operations have focused on digital upliftment of society and its people through upskilling and building digital resilience, while ensuring fair and sustainable business practices within its own and partner operations. Grameenphone has created GP Academy, with global partner Cisco, to upskill the youth for the future workplace. Additionally, the FutureNation project, a public-private and development partnership with BIDA and UNDP, has touched ground this year and started its mass economic empowerment journey to deliver greater value to the community and shareholders.

As the organisation moves to becoming more future fit through modernisation, Grameenphone has high ambitions of building a gender-inclusive and skill-focused workplace. Gender diversity in the organisation in 2022 reached 18.8%, the highest in over the last 10 years; currently, the organisation has 21 female leaders.

As the largest internet service provider, Grameenphone, has also ensured digital resilience through its 'Online Safety' programme, run in partnership with UNICEF. In 2022, the programme reached 296,000 adolescents, in addition to their parents and guardians, and built online safety awareness for millions.

Grameenphone has continued to uphold the same high regard towards ethics, transparency, and corporate governance. At the same time, to reinforce Grameenphone's commitment towards human rights, the Company has completed a human rights due diligence exercise within the organisation. One of the top priorities throughout the year has been building on and reinforcing existing governing processes for privacy and handling of authority requests, in order to maintain and manage data privacy and information security.

Throughout 2022, the Company has engaged heavily to broaden its ESG outlook towards meeting bigger environment, social, and governance ambitions. Moreover, the Company has reprioritised its efforts in order to balance business development with the expectations from stakeholders.





Material topics



Climate Change

Grameenphone aims to make the planet greener and more liveable for the generations to come by optimising energy consumption and increasing its own reliance on renewable energy. Grameenphone's priority is to take responsibility for the excess CO₂ emissions generated by its own operations.

Ambition

Grameenphone has set a target to reduce 50% of its own carbon emissions (CO₂) by 2030; taking 2019 as the baseline.

To meet the target, Grameenphone needs purchase green electricity from grid through corporate PPAs (Power Purchase Agreement). Reaching 50% CO₂ reduction by 2030 in Grameenphone by combining off-grid and on-grid PPAs is feasible but with very high uncertainty. Single state-owned entity manages generation and distribution. IPPs (Independent Power Producer) are only allowed to generate and sell power to BPDB. In Bangladesh, market is open for private generation, but a single-buyer-market resulting in poor environment for on-grid CPPA so far.

The Company is committed to the continuous deployment of enhanced sustainable solutions for an energy-efficient and environment-friendly network. Grameenphone has been implementing numerous initiatives to reduce its carbon footprint, such as increasing energy efficiency, investing in renewable energy sources, and reducing the use of fossil fuels in its operations. The Company is also working with suppliers to reduce the carbon footprint of its supply chain.

As a continuous effort towards a greener future, the Company adopted an Environment Management System (EMS) in 2010 in accordance with ISO 14001. Grameenphone's EMS policy provides the framework for setting and reviewing our environmental objectives and targets.

Key Highlights 2022

- In 2022, Grameenphone has converted 25 Generator+ Solar sites to Commercial Power+ Solar Hybrid sites. These Hybrid sites provide additional savings of 213,981 litres of fuel, which is around 383 tons of reduced CO₂ emissions per year.
- Grameenphone signed an MoU (Memorandum of Understanding) with one of the leading clean energy companies in South East Asia for a potential renewable Power Purchase Agreement (PPA). This will be a primary route to reduce CO₂ emission from its operations.
- As a part of government's austerity measures to combat the power and energy crisis in 2022, Grameenphone had taken several energy savings initiatives such as load optimisation, HVAC optimisation, weekly one-day work from home, light & elevator optimisation etc. From those initiatives, there has been a 24% energy usage reduction at the head office.
- Grameenphone encourages and promotes various internal awareness programmes. In 2022 the Company celebrated "Green Week," observed "Earth Hour," initiated a tree plantation drive, promoted "Stop using Single-use Plastic" at the workplace, and initiated a "Click Green" photography contest among employees.



Water

Grameenphone's aim to reduce its water footprint and enhance water availability in the communities where it operate.

Ambition

Maintaining treatment of 100% wastewater before draining out every year.

Key Highlights 2022

- In 2022, 9% water usage increased compared to 2021 due to regular office hours starting after the pandemic.



Waste

Reduce, Reuse and Recycle (The 3R's) policy helps to reduce e-waste as well as general waste and conserve natural resources.

Ambition

Grameenphone has an ambition to recycle 100% e-waste and lead acid battery to reduce adverse effects on the environment and support a circular economy.

Key Highlights 2022

- As of 31st December 2022, more than 352 tons of e-waste (GSM, microwave antennas, IT equipment and other electronic accessories) have been recycled through our recycling partner. Recycling is completed in Bangladesh and abroad in accordance with ISO 14000, OSHAS 18000, and R2 standards.
- Recycling of 100% used lead acid batteries has been set as Company's internal KPI. In 2022, Grameenphone has recycled 29,705 (24% of total numbers) old lead acid batteries.



Social

Our Mission

Grameenphone is committed to reducing inequalities and empowering societies by ensuring access to connectivity, focusing on digital inclusion, as well as addressing the critical needs of the society at times of crisis and disaster. The ambition is to empower societies by reducing inequalities (SDG10), empowering women and girls (SDG5), and helping enable quality education (SDG4) through our services, social impact initiatives, and responsible business practices. Grameenphone is committed to maintaining responsible business practices throughout its entire supply chain, ensuring that its partners maintain the same standards and respect human rights.

Material topics



Youth Upskilling

The youth population is a core driver in the journey of building a Smart Bangladesh, thus youth upskilling remains at the heart of Grameenphone's social impact initiatives. The mission is to equip the youth with knowledge and relevant skills to be able to connect to economic opportunities and entrepreneurs. The Company's flagship youth programmes, FutureNation, Grameenphone Academy, and Grameenphone Accelerator, are driving work-ready skills and creating a supportive ecosystem for the young people to realise our national ambition to become a high-income country by 2041. These initiatives are supported by Telenor's global partnerships with Cisco, UNICEF and Plan International.

Ambitions

Grameenphone has the ambition to build supporting programmes and platforms, with local and global partners, for nationwide youth upskilling and ensuring an inclusive approach.

Key Highlights 2022

Grameenphone Accelerator 3.0 shaping the post-Covid Startup landscape

Grameenphone Accelerator (GPA) completed its 7th cohort with six graduating start-ups that registered 10 times growth from where they started post-Covid. GP Accelerator 3.0 was relaunched with a vision to support start-ups that needed readiness to approach investors locally and globally, at a time when mentoring support and funds for start-ups were drying up. After gruelling classroom training, sessions with local and international mentors, one-on-one KPI conversations – six start-ups pitched their ventures and three secured investment during the programme for the first time!

Grameenphone Academy launched as a bridge for youth towards career readiness

Grameenphone Academy, an upskilling platform offering blended learning opportunities, started its journey in mid-2022. Within six months the Academy had 18,000 enrolments, 5200 certifications, and 30% female participation.

The Academy offers exclusive training modules on Career Readiness, prepared by Academic and corporate experts and leaders; Entrepreneurship Training modules, delivered by start-up founders, co-founders; and 4IR-based courses from CISCO Networking Academy. The Academy offers continuous flow of new and relevant content, based on the evolving needs of the workplace and jobs.

FutureNation preparing to connect a million youth to economic opportunities

On 7 August 2022, FutureNation launched its first intervention “Graduate Employment in Private Sector Programme” aiming to enable aspiring graduates through self-assessment and instilling the right skill set to ensure decent employment in the corporate industrial sectors. As part of the programme in December 2022 FutureNation organised a Job fair “FutureNation – DIU Job Utshob 2022” where more than 200 private-sector employers participated with 3,000 jobs openings. FutureNation provided self-assessment training and Employability Masterclass to over 14,000 graduates.

FutureNation, a PPDP (Public, Private, Development, Partnership) programme with UNDP and BIDA, was introduced in November 2021 to enable the youth economic opportunities, post-Covid. FutureNation is working jointly to drive the national vision of becoming a High-Income Nation by 2041.



Online Safety

With the digitalisation of today’s lifestyles, online connectivity continues to become a staple method to access information and all kinds of services. Each one of us is getting exposed to an open and collaborative online culture, and more and more children and young people are connecting through the internet. At this stage, it is important to help these young people become online savvy and resilient; create an ecosystem where learning can thrive. Grameenphone has a long-standing commitment to online safety, and we work diligently to create a safer digital space for children, parents, teachers and guardians.

To promote the development of digital skills, literacy, and awareness, we also continue to focus on creating a safer online experience for children through close collaboration with sustainability partners, policymakers and relevant experts, adolescent clubs, schools, academics, media partners and others. This effort includes making available resources relevant to the communities, enabling discussions for knowledge and awareness, facilitating trainings across the country (irrespective of gender or economic backgrounds), as well as maintaining conversations with policy makers and opinion leaders.

Key Highlights 2022

- Directly trained 296,000 adolescent girls and boys from marginalised communities.
- Continued online education and awareness building through radio, and social platforms to reach over 33 million people.

With growing digitalisation, online safety remains a challenge that is especially relevant for young children who are more likely to become victims of unethical internet practices. Grameenphone has further ambitions to work with Online Safety Curriculum integration for School students through global partner UNICEF to impact 10 million people and also work with vulnerable communities to create impact on 2.3 million people from left behind communities by 2025.



Gender Diversity, Equality, and Inclusion

Grameenphone strongly believes that a gender balanced workplace is essential for better business performance and to master innovation. It is about creating services and solutions collectively that address the different perspectives of our employees, customers, stakeholders and partners. We continue to work with a broader agenda that includes gender, inclusive culture, skills and competence.

Ambition

Grameenphone has been working towards a better balance in female representation in the organisation to become a balanced future fit workplace. The focus is building a critical mass, develop successful female leadership, competence development and creating an inclusive culture. With the commitment from the leaders and the management team, year-on-year we have seen a strong positive movement since 2018. As of 31 December 2022, the female:male ratio stands at 18.8%. Special development initiatives focusing on 218 female talents were undertaken through the year. Soft Skills and Future Skills Development has been a top development area for female talent in the leadership pipeline. For developing inclusive culture there has been focused trainings and workshops with extended management team.

We will continue to drive this journey at full momentum to reach our ambition of 25% by 2025 and further set the standard of inclusive culture in Grameenphone as a benchmark in the local market and beyond.

Key Highlights 2022

Gender Diversity has been delivered objectives through a structured project for the 5th year

- Women representation in the Organisation 18.8%.
- Women representation in Board 20%.
- Women Representation in Extended Management Team 13.8%.
- Women representation in new recruits 29.4%.
- 31% female participation in Global Development Programmes.
- Leaders' Cultural Sensitivity programme designed and rolled out. "Include series" training (to overcome unconscious biases, communication challenges) has been launched and completed for leaders. Extended Management Team has been taken through Gender Sensitivity workshop which led to Gender Diversity and Inclusion Pledge focusing on Zero tolerance towards insensitive behaviour and Leaders commitment to demonstrate and practice inclusive behaviour in teams.



Health, Safety & Security Performance

Grameenphone promotes high standard within Health, Safety and Security (HS&S) in order to ensure a healthy, safe and secure workplace. Ensuring well-being and a sustainable work-life balance empowers employees to perform in their roles and make Grameenphone an attractive employer.

Ambition

Grameenphone's HSSE ambition is to create an advanced HSSE culture and Supply Chain Sustainability and Ecosystem mindset across the value chain by establishing safety as an integral part of the business. Strategic priorities and business goals have been initiated, keeping HSSE at the core. The HSSE step-up journey focuses on the dimensions of leadership & commitment, organisation & competence, work management system & governance, ownership & teamwork, as well as in reporting & communication.

Efforts are ongoing to mitigate the main three risks – working at height, road safety and fire safety – through hierarchy of control (elimination, substitution, engineering control, administrative control, and PPE). Specific focus has been given on stepping-up high-risk functions, i.e., Commercial and Technology, in terms of own employees, distribution field force, and suppliers, through risk analysis and management, travel safety, cash management and fire safety. An emergency preparedness guideline and other safe operation procedures have been developed and shared with all relevant stakeholders. Telenor's mandatory safety standard "Making Zero Possible" has been rolled out across the value chain.

Key Highlights 2022

- Health, Safety, Security & Environment (HSSE) training: Total training hours for employees hit 3,542 hours and total training hours for suppliers hit 21,360 hours. The trainings covered major topics including leading indicator reporting, work at height certification training, road safety & defensive driving training for transport drivers, and firefighting & evacuation drill training.
- HI-RA-RC for high-risk functions such as in the Commercial & Technology value chain has been completed. Currently implementation of the outcome of HI-RA-RC is being worked on.

- 1200 out of 1686 field force employees of distribution houses in the commercial value chain have already participated in the defensive motorbike riding training programme, as of Q2, 2022. To promote the safety of riders, different safety rules like 'No License-No Ride' & 'No Helmet-No Ride' have been implemented. Safety speed limit for two-wheel riders has been determined and communicated with all 394 distribution houses.
- Safety toolbox talk is being carried out during daily morning briefing sessions. 40,000 sessions have taken place till date and will continue in future.
- SMS Alert for high cash in hand: alert generation for sales field force, when cash in hand exceeds BDT 100k, has been implemented.
- An HSSE app for the commercial value chain and the suppliers' incident reporting tool was launched in September 2022 and in Q4 2022 respectively – the suppliers' incident reporting tool was the first ever tool for external people in the value chain to report incidents.

HSSE Incidents Reported	Year to Date (number of cases)		
	Employee	Supplier	Total
Fatality	0	2	2
Fire	6	1	7
Lost Time Injury	0	40	40
Medical Treatment	3	6	9
First-Aid	18	29	47
Security	0	4	4
Any others (Property Damage)	54	6	60
Neat-Miss	39	5	44
Unsafe Act/Unsafe Condition	813	171	984



Supply Chain Sustainability

A responsible and sustainable supply chain is a foundational element of Grameenphone's long-term value creation. Grameenphone believes that partnership and cooperation with suppliers and industry peers are vital to achieving its ambition within supply chain sustainability.

Ambition

Supply Chain Sustainability continues to be one of Grameenphone's strategic priorities and a key for long-term business success. Supply chain risk assessment covers entire supply chain and where applicable the Agreement on responsible Business Conduct (ABC), and Grameenphone's Supplier Conduct Principles (SCP) are applied for supplier categories and contracts. The Supplier Conduct Principles are based on internationally recognised standards, including requirements on the respect for human rights, health and safety, labour rights, working conditions, conflict and other unsustainably mined minerals, environment, privacy and freedom of expression, and prohibited business practices.

Effective risk management in Grameenphone's supply chain is the way the Company conduct business. Grameenphone will continue to strive for its supply chain sustainability efforts to have a positive impact on the business as a whole, and in the societies in which it operates.

Key Highlights 2022

- All suppliers and partners of Grameenphone have endorsed the Supplier Conduct Principles (SCP) and Agreement on responsible Business Conduct (ABC).
- Carried out 174 supplier inspections on medium/high risk suppliers.
- The inspections resulted in 726 major and 1050 minor non-conformities, which were followed up with mitigation plans and further monitoring.
- Conducted 21,360 man-hours of capacity building to enhance supply chains competence and capabilities.



Human Rights

Grameenphone is committed to respect human rights. In 2022 mitigation measures were implemented based on the Human Rights Due Diligence conducted in 2021 following international standard and guiding principles governing Human Rights. Grameenphone is also undertaking continuous efforts towards awareness and competence building among employees working in critical areas as far as human rights is concerned.

Ambition

As a part of annual exercise, in 2023, the ambition is to conduct human rights due diligence within the organisation. At the same time, efforts to generate stronger awareness of Human Rights related impacts in Business decisions making will continue.



Disaster Response Initiatives

As a connectivity partner to the people of Bangladesh, historically Grameenphone has been supporting the nation in times of natural disasters and calamities and is a constant in supporting affected communities and restoring their conditions each year, as and when needed.

Key Highlights 2022

Sylhet division was severely hit by consecutive flash floods in 2022. Like previous instances, Grameenphone, in partnership with Bangladesh Red Crescent Society, provided food relief packs to 15,000 families to shoulder their suffering. In addition, four medical teams were deployed in Sunamganj, Sylhet and Netrokona district. The teams provided medical consultancy along with medicine to 4,951 individuals free of cost.



Governance

Our Mission

Create and maintain sustainable shareholders' value, safeguard stakeholders' interest and investor's trust by maintaining the highest standards of governance and business conduct.

Material topics



Corporate Governance

Grameenphone's principles and practices for Corporate Governance define a framework of rules and procedures for the way business is governed and controlled.

Ambitions

- Bringing the interests of all stakeholders to the fore through our empowered, diverse and inclusive Board.
- Building sustainable and responsible supply chains.
- Ensuring robust compliance and integrity practices.
- Engaging with stakeholders through various channels and earning trust through transparent communication.

Detailed information on corporate governance is provided in the "Corporate Governance in Grameenphone" section of the Annual Report on page 28.



Data Privacy

As a provider of mobile and internet connectivity, respect for the rights to privacy and freedom of expression is central to Grameenphone's core business. Customers, government and other stakeholders demonstrate increasing concerns and knowledge about privacy. A privacy compliant culture in the organisation is, therefore, crucial in enhancing the trust and confidence of everyone related to us.

Ambitions

We strive to build a strong and trusted brand with high focus on our customers' privacy and security. We invest in knowledge, technology and services to ensure safe and secure connectivity for our customers and society. These topics are prioritised at all levels of the organisation, and we continuously train ourselves to understand new threats and concerns. It remains a priority for Grameenphone to strengthen the link between risks, controls, mitigating actions and strategic choices, and improve the privacy control framework.

Key Highlights 2022

- Completed the inventory of personal data processing activities and supporting IT systems.
- Developed and introduced a set of measurable internal controls to ensure that personal data processing in Grameenphone follows its privacy policy requirements.
- Reviewed the privacy governing documents to align with the current contexts, applicable laws and regulations.

- Completed the privacy awareness programme consisting of two e-Learning campaigns and 15 contextual training sessions.



Cyber Security

The nature of Grameenphone's business and its role as a provider of critical infrastructure means that it is at constant risk of basic and advanced cyber threats and frauds; with cyber-attacks being one of Telenor's top enterprise risks. Telenor faces a rapidly changing threat landscape with new technological risks and geopolitical instability. Repeated, prolonged or complex network or IT system failures could damage our services and consequently weaken the trust our customers place on us as a reliable communications provider.

Ambitions

Grameenphone's security strategy is focusing on safeguarding customer data, critical infrastructure and business information. Our Business Security vision is that we always protect society and people in their digital life, and that security is the foundation of everything we do. By 2023, the aim is to professionally manage security risks and cyber security threats according to industry best practices and local laws and regulations. By 2023, the ambition is to have security in all aspects of our business and all technology domains following a risk-based approach, with defensible architecture implemented for critical assets and reach a maturity level defined as Managed.

Key Highlights 2022

- Grameenphone continuously focus on providing awareness for employees as well as partners. "We are Security", promoting security-first culture, measured and followed up as one of our strategic KPIs.
- Grameenphone continues to invest in people, organisation, partners and technology to even further uplift the security posture.
- Grameenphone is benefitting from the cooperation with all Telenor entities through developing solutions and exchanging best practice, solutions and way of work.
- Grameenphone has reached the global target of professionally managing security risks and cyber security threats according to industry best practices and local laws and regulations.

ESG Key Figures

Take a look at Grameenphone's latest social and environmental performance figures.

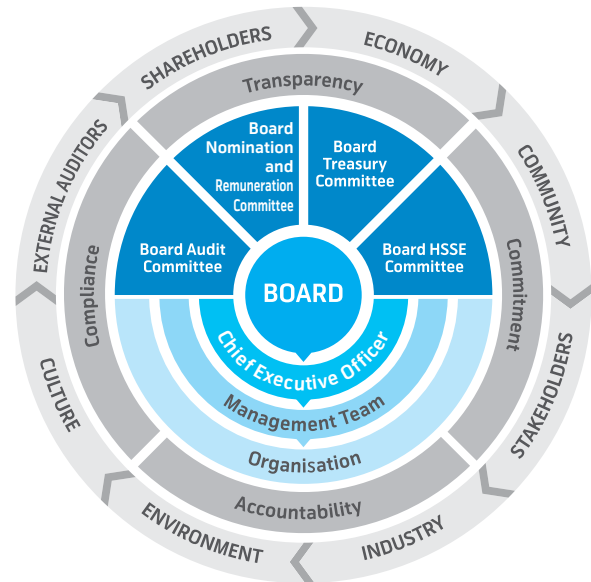
ESG Metrics	Q1'2022	Q2'2022	Q3'2022	Q4'2022
People & Organisation				
Women in total workforce (%)	17	17.4	18.5	18.8
Women in the Board (%)	20	20	20	20
Women in new recruits (%)	16.7	45.5	45	29.4
Women in Extended Management positions (%)	8.7	10.3	13.3	13.8
Supply Chain Sustainability				
Capacity building of suppliers (man-hours)	7,643	9,397	14,106	21,360
Incidents of Child Labour found (below 15 years)	0	0	0	0
Percentage of Suppliers signed ABC	100%	99.6%	100%	100%
Direct Suppliers in scope for ABC	995	1,126	1,026	1,051
Sustainability inspections and audits carried out	15	46	113	174
Climate Change				
Total GHG emissions (thousand tonnes CO ₂ e) (Market based factors)	52	57	62.9	54.1
Direct GHG emissions/ Scope 1 (thousand tonnes CO ₂ e)	1.7	3.1	3.34	2.91
Indirect GHG emissions/ Scope 2 (thousand tonnes CO ₂ e)	50	54	58.9	51
Asia Scope 1+2 GHG emissions level in relevant year compared to emissions in base year 2019 (%)	110.7	121.6	132.4	115.1
Total energy use (GWh)	108.4	121.3	131.9	123.8
Number of solar base stations	1,194	1,194	1,194	1,194
Environment				
Municipal waste recycled (%)	100%	100%	100%	100%
Digital Inclusion				
Mobile Internet users (% of active data users)	53.2%	54.6%	55.6%	55%

Corporate Governance in Grameenphone

The Board of Directors (the Board) recognises the importance of good corporate governance. The board is committed to ensuring the sustainability of the Company's business and operations by integrating good governance ethics and business integrity into the strategies and operations of the Company. The Board believes these practices are key to continue deliver long-term shareholders' value, safeguarding of stakeholders' interest and maintaining investors' trust and confidence.

Corporate Governance Framework

As a technology-oriented business entity, Grameenphone emphasises transparency, accountability and compliance, which are the essence of corporate governance. Grameenphone's high standards of corporate governance play an important part towards the Company's continued growth and success. The Company's highest standards of corporate governance and business conduct help create and maintain sustainable shareholders' value, safeguard stakeholders' interest and maintain investors' trust and confidence. Ethical business practices go hand-in-hand with strong corporate governance, ethical business practices create trust with the public and ultimately create shareholders' value for the Company. The Company, at the same time, expects acts of honesty and integrity from its Board of Directors, employees and suppliers.



Corporate Governance Report 2022

Grameenphone is listed on the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. The Board is of the view that throughout the year ending 31 December 2022, the Company has complied with all the applicable conditions set out in the Corporate Governance Code 2018 ("the Code"), issued by the Bangladesh Securities and Exchange Commission (BSEC). The Board continues to monitor and review the Company's Corporate Governance practices and makes necessary changes at an appropriate time. At Grameenphone, our actions are always governed by our values and principles, which are reinforced at all levels within the Company to ensure sustainable success. The disclosures in this report set out our corporate governance framework, practices and policies for FY2022, with reference to the Code.

Board Matters

a) Board Composition

As at the date of this Annual Report, the Grameenphone Board is comprised of ten (10) Directors, with eight (8) Non-Executive Directors and two (2) Independent Directors. The Non-Executive Directors contribute diversified qualifications and experience to the Company by expressing their views in an independent, constructive and informed manner, and actively participating in Board and Committee meetings. The Directors provide independent judgement and advice on issues relating to the Company's strategies, policies, performance, accountability, resources, key appointments, standards of conduct, conflicts of interests and management processes, with the shareholders' interests being the utmost important factor. The Company has also received from each Independent Director a confirmation annually of his/her independence taking into account the independence guidelines set out in the BSEC Corporate Governance Code.

Board composition		Board diversity		Tenure of Non-Executive Director	
Composition		Gender			
Non-Executive	80%	Male	80%	Up to 3 years	50%
Independent	20%	Female	20%	3-6 years	20%
				Over 6 years	30%

Our business is led by our Board of Directors. They bring years of experience with them. Their breadth of knowledge guides our decisions and actions. The profiles of the Board members are provided below:



Jørgen C. Arentz Rostrup

Non-Executive Director and Chair

Age: 57

Gender: Male

Nationality: Norwegian

Appointed: 9 June 2020

Re-elected: 26 April 2022

Committee Membership: None

Skills and experience

Jørgen C. Arentz Rostrup is the Chair of the Board of Grameenphone. He is also Executive Vice President of Telenor Group and Head of Telenor Asia. Prior to his current role, he was CFO of Telenor Group.

Jørgen has over 30+ years of international business experience having lived and worked on four continents and held key positions in commercial, operational and financial areas of international business operations.

He is also the Chair of the Board of Directors for Telenor Pakistan, Deputy Chair of the Board for CelcomDigi in Malaysia and Vice Chair of the Board for Total Access Communication PCL (dtac) in Thailand.

Prior to joining Telenor, he served as President of Yara North America, Inc. He has also served as CEO of Yara Ghana Ltd., CFO in Norsk Hydro ASA, Executive Vice President Energy in Hydro, and CFO for Hydro's Norwegian oil and gas activity.

Jørgen holds a master's degree in Economics and Business Administration from the Norwegian School of Economics (NHH).



M Shahjahan

Non-Executive Director

Age: 67

Gender: Male

Nationality: Bangladeshi

Appointed: 26 June 2006

Re-elected: 26 April 2022

Committee Membership: Audit Committee, Treasury Committee and HSSE Committee

Skills and experience

Mr. M Shahjahan brings decades of experience in finance and operations in the development sector.

He serves as the Chair of the Grameenphone's Treasury Committee. He is the former Managing Director of Grameen Bank. Currently, he is the Managing Director of Grameen Telecom Trust. Previous experience includes serving as the Deputy Managing Director; the General Manager and Head of the Accounts, Finance, Planning, Monitoring and Evaluation Division; Chief of the Audit Department; and the Zonal Manager of Grameen Bank. Mr. Shahjahan is a member of the Board of Directors of several companies that work in the fields of health, education, agriculture, welfare, renewable energy and telecommunications.

Mr. Shahjahan holds a Master's degree in Accounting and a Master's degree in Finance from the University of Dhaka. He was awarded ICAB Medal (Silver) for passing the 'C.A. Intermediate' examination at the earliest eligible chance.



Håkon Bruaset Kjøl

Non-Executive Director

Age: 51

Gender: Male

Nationality: Norwegian

Appointed: 14 September 2011

Re-elected: 19 April 2021

Committee Membership: NRC

Skills and experience

Mr. Håkon Bruaset Kjøl is a senior corporate and public affairs professional with extensive experience in the telecom and digital industries in Europe and Asia.

He is currently the Senior Vice President and Head of Investment Management Malaysia for Telenor in Asia. Prior to this, Kjøl served as Senior Vice President and Head of External Relations Asia. Kjøl serves on the Board of Directors of several Telenor Group companies in Singapore, dtac in Thailand and Digi in Malaysia. He is also a non-executive Director of the internationally renowned architect and design company Snohetta AS headquartered in Oslo.

Kjøl holds a Master of Business Administration degree from BI Norwegian Business School in Oslo, where he also studied public relations and completed the International Directors programme (IDP47) at INSEAD in 2022.



Md. Ashraful Hassan

Non-Executive Director

Age: 62

Gender: Male

Nationality: Bangladeshi

Appointed: 20 January 2010

Re-elected: 19 April 2021

Committee Membership: NRC

Skills and experience

Mr. Md. Ashraful Hassan has extensive and diversified knowledge in various business and industrial sectors. He has profound knowledge in projects and business development, industry setup and management as well as wide exposure in the local and international market.

Currently he is serving as Executive Vice Chairman of Grameen Telecom and is engaged in promoting and providing easy access to GSM cellular services in rural Bangladesh. Mr. Ashraf also serves as Executive Vice Chairman of Grameen distribution Ltd., Grameen Shamogree, Grameen Knitwear Ltd., and Grameen Fabrics & Fashions Ltd. Managing Director of Ononyo Construction & Developments Ltd. and CEO of Grameen Telecom Trust. He serves as a member of the Board of Directors of several enterprises in the fields of renewable energy, technology, education, health care, food & nutrition, construction, employment generation, and information & communication technology etc.

Mr. Ashraf holds a Bachelor of Science degree in Engineering from Khulna University of Engineering and Technology (KUET), Bangladesh.



Nurjahan Begum

Non-Executive Director

Age: 70

Gender: Female

Nationality: Bangladeshi

Appointed: 15 December 2021

Committee Membership: None

Skills and experience

Ms. Nurjahan Begum has extensive experience in SME and microcredit, human development, training and education, both locally and internationally.

She is currently working as Advisor to Professor Yunus, Additionally, she is serving several Grameen organisations as Chairperson, Director or Trustee. Ms. Nurjahan is one of the earliest associates of Nobel Laureate Professor Muhammad Yunus during the establishment of Grameen Bank. She has served as Acting Managing Director and Deputy Managing Director of Grameen Bank; the Principal of Grameen Bank Central Training Institute; Managing Director of Grameen Shakti and Grameen Shikha; and a Director of Grameen Foundation, USA. Currently she also serves as Director of Grameen Italia Foundation, Italy, Centre for Mass Education in Science (CMES), Bangladesh, and also on the Council of Advisors of DSK (Dushtha Shasthya Kendra), Bangladesh. She has been presented many awards, including the Susan M. Davis Lifetime Achievement Award, the World Summit Millennium Development Goals Award, the Outstanding Contribution to Education Award at Ed Leadership 7th International Roundtable, and the Yunus Social Business Summit Award.

Ms. Nurjahan holds a Master of Arts degree in Bangla from the University of Chittagong.



Tone Ripel

Non-Executive Director

Age: 52

Gender: Female

Nationality: Norwegian

Appointed: 18 October 2020

Re-elected: 26 April 2022

Committee Membership: None

Skills and experience

Ms. Tone Ripel brings broad legal experience, corporate governance and business ethics, in addition to the board of directors experience in the telecom industry.

She currently holds the position as Attorney-at-Law in the Group Legal of Telenor ASA. She has been working in Telenor since 2013 and has until February 2023 also served as Director of Total Access Communications Public Company Limited (dtac), Thailand. She started her career as Higher Executive Officer, advisor and senior advisor in Norwegian Competition Authority. In 1999, Tone joined Wiersholm Lawfirm in Norway as an Associated Attorney and Senior Attorney working primarily with corporate issues hereunder competition law, corruption issues and regulated markets, which included project management of high-profile investigations, crises management and contact with relevant authorities. She has served as Director of Digi Telecommunications Sdn Bhd, Malaysia and Telenor Norge AS, Norway.

Tone holds a Master's degree in Law from University of Oslo.



Øivind Burdal

Non-Executive Director

Age: 53

Gender: Male

Nationality: Norwegian

Appointed: 18 May 2016

Re-elected: 21 April 2020

Committee Membership:
Audit Committee

Skills and experience

Mr. Øivind Burdal has deep knowledge in legal affairs with operational and management experience in Europe and Asia.

He joined the Legal Department of Telenor ASA in 2004 where he practiced and held managerial positions in several areas. In August 2017, he was appointed Vice President, Head of Group Legal Asia in Telenor ASA after having served as Senior Vice President, Head of Legal in Telenor Myanmar Limited since July 2015. After obtaining his law degree, he joined Thommessen Krefting Greve Lund, one of the major law firms in Norway, focusing on M&A and TMT.

Burdal obtained his Law degree (Cand. Jur.) from the University of Oslo, Norway, a degree in Business Administration (Bedriftsøkonom BI) from BI Norwegian Business School Oslo, Norway, and a Master's degree (LLM, Master of Corporate and Commercial Law) from London School of Economics and Political Science in London, England.



Ole Bjørn Sjulstad

Non-Executive Director

Age: 61

Gender: Male

Nationality: Norwegian

Appointed: 19 October 2022

Committee Membership: Health,
Safety, Security and Environment
Committee (HSSE)

Skills and experience

Mr. Ole Bjørn Sjulstad has extensive and diversified international experience from the Information and Telecommunications sector, as well as the oil and gas industry.

He is currently the Telenor Asia Senior Vice President and Head of Investment Management for the Bangladeshi market, and Chair of the Grameenphone's HSSE Committee. Prior to joining the current role, he served as Chief Corporate Affairs Officer (CCAO) of Grameenphone. Sjulstad joined Telenor Asia Pte Ltd. Singapore, as Vice President in 2000 and served as its Managing Director from 2002 to 2004. After relocation to Norway he served as Senior Vice President of Telenor, Asia region, until April 2007. In 2007, he joined the Telenor CEE regional unit. He led the representative office in Moscow for six years, followed by a two-year posting as Chief Corporate Development Officer in Telenor Hungary. Before joining Grameenphone he was CEO of Telenor Bulgaria, until Telenor Group divested its CEE portfolio. In his more than 22 years of experience with Telenor Group he has served as a member of the Board of Directors in Digi (Malaysia), UCOM (Thailand) and Vimpelcom (now VEON).

He earned his Business Administration and Mechanical Engineering degree from Kongsberg Ingeniorhogskole, Norway in 1983, and completed the Executive Development programme at IMD, Switzerland, in 2008.



Dr. Salehuddin Ahmed

Independent Director

Age: 74

Gender: Male

Nationality: Bangladeshi

Appointed: 12 December 2018

Tenure: 2nd Tenure

Committee Membership:
Audit Committee

Skills and experience

Dr. Salehuddin Ahmed was a civil servant of the erstwhile Civil Service of Pakistan (CSP) with extensive experience in administration working with the Government of Bangladesh.

He is Chair of the Grameenphone's Audit Committee; a Professor at the BRAC Business School, BRAC University, Bangladesh; and a non-executive Independent Director of ASA International Group plc. He started his career as a lecturer in Economics at Dhaka University. Dr. Ahmed was appointed as the Governor of the Bangladesh Bank (Central Bank) in May 2005, for a term of four years up to 30 April 2009. He has also served in leadership roles with intergovernmental and micro-credit organisations in Bangladesh. Dr. Ahmed was awarded Nawab Sir Salimullah Foundation Gold Medal for contributions in Economics. He also received the Distinguished Alumni Award from McMaster University, Canada.

Dr. Ahmed holds Master's degrees in Economics from Dhaka University and McMaster University and attained his Ph.D. in Economics from McMaster University, Canada in 1978.



Abdul-Muyeed Chowdhury

Independent Director

Age: 79

Gender: Male

Nationality: Bangladeshi

Appointed: 14 September 2020

Tenure: 1st Tenure

Committee Membership: NRC

Skills and experience

Mr. Abdul-Muyeed Chowdhury was a civil servant belonging to the erstwhile Civil Service of Pakistan (CSP) cadre which he joined in October, 1967. He has extensive experience in administration working with the Government of Bangladesh in field level assignments as Deputy Commissioner and Divisional Commissioner as well as at policy level as Secretary in several ministries.

He served as an Adviser to the non-party Caretaker Government of Bangladesh in 2001 and held charge of five ministries.

He serves as Chair of the Grameenphone's Nomination and Remuneration Committee (NRC) and is currently serving as the Managing Director & CEO of Tiger Tours Limited. He has spent more than three decades in the civil service of Bangladesh, including as Secretary to the Government of Bangladesh in charge of various ministries, including holding leadership roles as Secretary of Internal Resources Division (IRD) of the Ministry of Finance and ex-officio Chairman of the National Board of Revenue (NBR). Among other roles he headed the Jamuna Multipurpose Bridge Authority and served as ex-officio Secretary of Jamuna Bridge Division. In this role he successfully managed and completed the largest-ever development project of the country "The Jamuna Multipurpose Bridge". He was made a Fellow of the Institution of Civil Engineers (FICE), UK, for this accomplishment. He was the founder Chair of the SME Foundation and also Board Member of several other public institutions. Mr. Chowdhury is a nominated member of the Board of Directors of several listed companies, and Independent Director of four listed companies including Grameenphone.

Mr. Chowdhury holds a Bachelor of Arts Degree with honors in General History from Dhaka University and a Master of Arts (1st Class) in Modern History from the same University. He also attended certificate course in Public Administration at the University of Tennessee, Knoxville, USA as a Fulbright Awardee.

b) Key Features of our Board

- All Board Members are Non-Executive Directors;
- Chair of the Board is Non-Executive Director;
- Separation of the roles of Chair of the Board and the CEO;
- No Independent Directors have served more than six (6) years;
- Chair of the Audit Committee and Nomination and Remuneration Committee (NRC) are Independent Directors;

c) Role of the Board

The Directors of the Board are appointed by the Shareholders at the Annual General Meeting (AGM) and are accountable to the Shareholders. The Board is responsible for ensuring that the business activities are soundly administered and effectively controlled. The Directors keep themselves informed about the Company's financial position and ensure that its activities, accounts and asset management are subject to adequate monitoring and control. The Board also ensures that Grameenphone Policies & Procedures and Codes of Conduct are understood, implemented and maintained at all levels and the Company adheres to the generally accepted principles for good governance and effective control of Company activities.

d) Rules of Procedure for the Board

In addition to other regulatory guidelines, the Board has also adopted the 'Rules of Procedure for the Board of Directors' for ensuring better governance in the work and administration of the Board. The Board is also guided by a Delegation of Authority that spells out the practices and processes for discharging its responsibilities.

e) Board Diversity

The Board recognises the importance of diversity in deliberations and decision-making and has established its efforts to establish a diverse Board. We believe that our Board has optimum knowledge, composure and technical understanding of the Company's business, which, combined with its diversity of culture and background, stands as the perfect platform to perform and deliver. Grameenphone Board has approved a policy namely "Local Guidelines Board Diversity" in this aspect.

f) Appointment of new Directors and Top-Level Executives

The Board is responsible for the appointment of new Directors and top-level executives. The Board delegates the screening and selection process to Nomination and Remuneration Committee. The Committee makes its recommendation to the Board for appointment of new Directors and top-level executives.

g) Training of Board members

All new non-executive directors and independent directors are introduced to our Company culture through orientation sessions. The Management Team and senior management provide an overview of operations and familiarise the new non-executive directors and independent directors on matters related to our values and commitments. They are also introduced to the organisation structure, services, constitution, Board procedures, and matters reserved for the Board etc.

h) Board Meetings

The Articles of Association ("AoA") of the Company requires the Board to meet at least four (4) times in a year or when duly called in writing by any Board member. Board meetings for the upcoming financial year are scheduled in advance before the end of the current financial year to enable Directors to plan ahead and attend the meetings according to the respective meeting schedules. The notice of each Board Meeting is served in writing well ahead of the meeting. The notice contains the detailed statement of business to be transacted at each meeting. The Board meets for both scheduled meetings and on other occasions to deal with urgent and important matters that require attention. Grameenphone's AoA allows Board meetings to be held via audio and video conferencing to facilitate the decision-making process. The Board met nine (9) times during the year 2022 and attendance of the Board members in the meetings was as follows.

Board meeting and AGM Attendance of Directors during 2022														
Name of the Director	AGM 26 April 2022	Board meeting number									Held during the tenure	Attended	% of attendance	
		1	2	3	4	5	6	7	8	9				
Mr. M Shahjahan**				X								9	8	89%
Mr. Md. Ashrafur Hassan**								X				9	8	89%
Mr. Håkon Bruaset Kjøl**							X			X		9	7	78%
Mr. Øivind Burdal												9	9	100%
Dr. Salehuddin Ahmed												9	9	100%
Mr. Jørgen C. Arentz Rostrup												9	9	100%
Mr. Abdul-Muyeed Chowdhury												9	9	100%
Ms. Tone Ripel												9	9	100%
Ms. Nurjahan Begum												9	9	100%
Mr. Ole Bjørn Sjulstad	—	—	—	—	—	—	—	—			—	2	2	100%
Mr. Lars Erik Tellmann*										X	—	8	7	88%

Attended in person Attended through video conference Attended through audio conference X Leave of absence — Was not a member

* Mr. Lars Erik Tellmann retired from the Board on 19 October 2022

** In compliance with the law, the Board granted leave of absence to the members who were unable to attend Board meetings

i) Board Activities

Among other things, the Board's Activities in 2022	
Strategy	Performance
<ul style="list-style-type: none"> Approved Grameenphone's annual strategy action plan and annual target Approved Grameenphone's capital investment 	<ul style="list-style-type: none"> Grameenphone's Performance - monthly and quarterly Audited Financial Statements for FY 2021 and Final Dividend Approved Interim Dividend
Risk and Internal Controls	Governance
<ul style="list-style-type: none"> Identified principal risks and ensured appropriate internal controls and mitigation measures and their implementation 	<ul style="list-style-type: none"> Approved 2021 Annual Report Contents Approved the appointment of Board members Established and identified succession plan for leadership

Risk and Internal Controls	Governance
<ul style="list-style-type: none"> Reviewed the adequacy and integrity of the information provided by the Management and internal control systems Reviewed enterprise risks on quarterly basis Reviewed Business Security risks and mitigation activities 	<ul style="list-style-type: none"> Reviewed yearly report of Supply Chain Sustainability, Competition Compliance Programme, Internal HS&S Management, and Anti-Corruption Programme Approved Internal Audit Plan and Compliance Plan Review Internal Audit Reports Approved related party transactions Approved 2021 Short Term Incentive (STI) Achievement and 2022 STI plan for the CEO Reviewed the outcome of the BSEC Corporate Governance Code Compliance Audit Reviewed the update from Board Sub-Committees

j) The Chair and the Chief Executive Officer (CEO)

The Chair of the Board is a Non-Executive Director. The Chair and the CEO of Grameenphone are separate persons. The roles of the Chair and Chief Executive Officer are clearly established, set out in writing and agreed upon by the Board to ensure transparency and better governance. To that end, Grameenphone has also adopted 'Rules of Procedure for Chief Executive Officer'. The Chair leads the Board and is responsible for ensuring the effectiveness of the Board and its governance processes, while the CEO is the authoritative head for day-to-day management in the Company. He acts to reasonably ensure that Grameenphone operates its business as per the Articles of Association. Decisions are made by the Board and Shareholders, as well as according to Grameenphone Policies and Procedures and applicable regulatory laws and legislations.

k) Delegation of Authority

Responsibility or authority is assigned through the delegation of authority framework. The Board approves the Company's delegation of authority which ensures that delegated authority levels flow through the proper governance channels. The delegation of authority framework for the Company is continuously reviewed and updated as circumstances change to ensure relevance and applicability. Amendments to these documents are reviewed and approved by the Board.

l) Code of Conduct

In compliance with the requirement of the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission (BSEC), the Company has framed and adopted the Code of Conduct for the Chair of the Board, other Board members and the Chief Executive Officer of Grameenphone to support the Company's objectives, vision and values. The Code is available on the Company's website at www.grameenphone.com

m) Access to Information

The Board recognises that the decision-making process is highly dependent on the quality of information furnished. In furtherance to this, every Director has access to all information within the Company. Throughout their tenure in office, Directors are continually updated on the business, as well as the regulatory and industry, specific environment in which the Company operates. These updates are transmitted to them by way of written briefs and meetings with Senior Executives, and where appropriate, external sources.

n) Succession planning for Top-Level Executive

The Nomination and Remuneration Committee works with the Board on the leadership succession plan to ensure orderly succession of appointments of top level executives. The Company strives to maintain an appropriate balance of skills and experience within the organisation.

o) Board and Top-Level-Executive Remuneration Policy

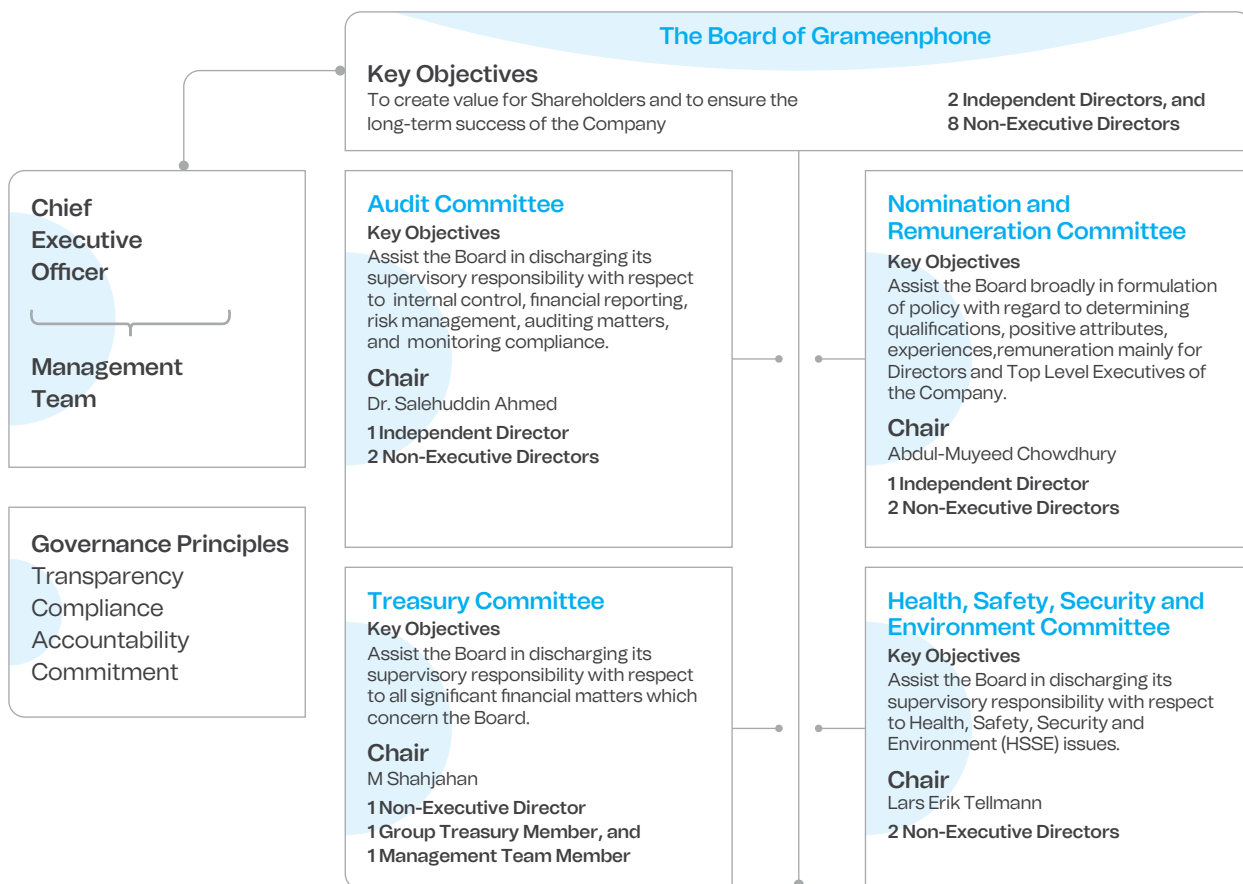
The objective of the Grameenphone's Top-Level Executive remuneration policy is to secure that reward for Top Level Executive shall contribute to attracting, engaging and retaining the right employees to deliver sustainable value for shareholders in accordance with the Grameenphone behaviour.

No remuneration is given to the Directors of the Board. Directors receive attendance fees from the Company for every meeting attended. Rate of such attendance fees is determined by the Shareholders at the General Meeting.

p) Evaluation of the Board

To establish and improve the operating effectiveness of the Board, the Board is required to carry out an annual evaluation of its over-all performance relating to Board function, effectiveness and governance; Board Committees; conduct of Board meetings; and relationship with Management. The evaluation process is led by the Chair of the Board and assisted by the Company Secretary. Each Director is required to complete a confidential pre-set questionnaire. The Nomination and Remuneration Committee has approved the criteria for evaluation of performance of the Board and the CEO. The Board evaluation was performed in January 2022 and the result was dealt by the Board at its Board Meeting on 26 January 2022.

Board Committees



Audit Committee Report 2022

Dear Shareholders,

This report provides an overview of how the Committee operated, an insight into the Committee’s activities, its role in ensuring the integrity of the Company’s published financial information and ensuring the effectiveness of its risk management, controls, and related processes.

Composition and Meetings

The Audit Committee of Grameenphone comprises of two (2) Non-Executive Directors and one (1) Independent Director. All members possess adequate qualifications as determined in the Corporate Governance Code promulgated by the Bangladesh Securities and Exchange Commission (BSEC). The Committee includes:

1. Dr. Salehuddin Ahmed, Chair
2. Mr. M Shahjahan, Member
3. Mr. Øivind Burdal, Member

The Independent Director, Dr. Salehuddin Ahmed acts as Chair of the Committee. As per the regulatory guidelines, the Company Secretary, Mr. S M Imdadul Haque acts as the Secretary to the Committee. The Audit Committee, accordingly, performs in coherence and ensures compliance with the Corporate Governance Code promulgated by the BSEC.

A total of six (6) meetings were held in 2022. Mr. Md. Ashraful Hassan (Nominated Director by Grameen Telecom) attended the meetings as a special invitee. A record of the Members' attendance at the Audit Committee meetings during 2022 is given below:

Committee members	Attendance	% (Percentage)	Committee member since
Dr. Salehuddin Ahmed	6/6	100%	12 December 2018
Mr. Shahjahan	6/6	100%	09 December 2009
Mr. Øivind Burdal	6/6	100%	30 January 2018

* Details of the Committee members' financial, accounting, and other experience and expertise are given in their biographies under 'Directors' Profile' on pages 29 to 32

Permanent invitees to the meetings were the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Head of Internal Audit and the Company Secretary. Relevant heads of divisions and other members of the Management and the internal audit team also attended the meetings on occasions, as required.

Major Responsibilities of the Audit Committee

The purpose, authority, composition, duties, and responsibilities of the Audit Committee are delineated in its Charter. Some of the major responsibilities of the Audit Committee are as follows:

- Review the annual, half-yearly and quarterly Financial Statements and other financial results, and upon its satisfaction of the review, recommend the same to the Board for approval.
- Review the adequacy and effectiveness of the financial reporting process, internal control system, risk management, auditing matters, and the Company's processes for monitoring compliance with laws and regulations and the Code of Conduct.
- Recommend appointment, termination, and determination of audit fees for statutory auditors. Consider the scope of work, oversee and evaluate the works performed by the statutory auditors. Review permitted non-audit services performed by statutory auditors.
- Exercise its oversight of the work of Grameenphone Internal Audit. Review the effectiveness of internal audit functions including performance, structure, adequacy of resources, and compliance with professional standards. Examine audit findings and material weaknesses and monitor the implementation of audit action plans.
- Exercise its oversight of the work of Grameenphone Ethics & Compliance. Review the Compliance Plan.
- Review related party transactions to ensure compliance with relevant statutory rules and regulations.

Major Activities of the Audit Committee during the reporting period

- Reviewed and recommended the annual audited Financial Statements for the year ended 31 December 2021.
- Reviewed the Managements' Discussion & Analysis 2021.
- Approved 2021 yearly report to the shareholders from the Audit Committee.
- Reviewed and recommended the quarterly Financial Statements for the year 2022.
- Reviewed and recommended the Compliance Plan 2022.
- Discussed Internal Audit reports and findings and guided the completion of the annual audit plan.
- Reviewed the Enterprise Risk Management (ERM) process and the top risks for the Company.
- Monitored the implementation status of audit action plans and provided guidance to ensure timely completion of action plans.
- Reviewed and recommended the Internal Audit Plan 2023.
- Reviewed and recommended related party transactions.
- Reviewed Management Letter issued by the External Auditors in their presence.
- Reviewed the performance of the statutory auditors and made a recommendation to the Board on the appointment and remuneration of statutory auditors.
- Reviewed and received report on the matters as per the requirement from the Bangladesh Securities and Exchange Commission (BSEC).
- Reviewed other matters and incidents of significance as per Audit Committee Charter.

For and on behalf of the Board Audit Committee of Grameenphone Ltd.



Dr. Salehuddin Ahmed

Chair
Audit Committee

29 January 2023

Nomination and Remuneration Committee Report 2022

Dear Shareholders,

This report provides an insight into the Committee's activities during the year 2022 and a description of its roles, responsibilities and functions.

Composition and Meetings

The NRC of Grameenphone comprises of three (3) members who are exclusively Non-Executive Directors, including one (1) Independent Director. The Committee consists of:

1. Mr. Abdul-Muyeed Chowdhury, Chair
2. Mr. Håkon Bruaset Kjøl, Member
3. Mr. Md. Ashraful Hassan, Member

Independent Director Mr. Abdul-Muyeed Chowdhury is the Chair of this Committee. As per the regulatory guidelines, the Company Secretary, Mr. S M Imdadul Haque acts as Secretary to the Committee. The NRC ensures compliance with the Corporate Governance Code promulgated by the Bangladesh Securities and Exchange Commission (BSEC).

A total of five (5) meetings were held in 2022. Mr. M Shahjahan (Director Nominated by Grameen Telecom) attended the meetings by special invitation. A record of the Members' attendance at the NRC meetings during 2022 is given below:

Committee members	Attendance	% (Percentage)	Committee member since
Mr. Abdul-Muyeed Chowdhury	5/5	100%	14 September 2020
Mr. Håkon Bruaset Kjøl	5/5	100%	11 December 2018
Mr. Md. Ashraful Hassan	4/5	80%	11 December 2018

* Details of the Committee members' experience and expertise are given in their biographies under 'Directors' Profile' on pages 29 to 32

Permanent invitees to the meetings are the Chief Executive Officer (CEO), the Chief Human Resources Officer (CHRO), and the Company Secretary. Relevant Heads of divisions and other members of the Management team also attended the meetings on occasion, as required.

Major Responsibilities of NRC

The purpose, authority, composition, duties and responsibilities of this Committee are delineated in its Charter. Some of the major responsibilities of the NRC are as follows:

- Recommend on Board's diversity policy, taking into consideration age, gender, experience, education and nationality.
- Formulate the criteria for determining qualification of Directors.
- Identify persons who are qualified to become Directors and top-level executives and recommend their appointment and/or removal.
- Formulate the criteria for performance evaluation of Independent Directors and the Board Members.
- Recommend policy to the Board relating to the remuneration of the Directors, and top-level executives.
- Assess composition, reasonableness and sufficiency of the remuneration package(s) to attract, retain and motivate suitable Directors to run the Company successfully.
- Evaluate whether remuneration of Directors and top-level executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- Identify the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.
- Annually review and recommend human resources and training policies of the Company.
- Recommend the remuneration policy of the Company, particularly regarding yearly increments; and
- Recommend the Code of Conduct for the Chair of the Board, other Board Members and the Chief Executive Officer (CEO) of the Company.

Nomination, Election and Selection of Directors

The NRC is responsible to ensure that the procedure for appointing new Directors is transparent, unbiased and equitable. The Board places great emphasis on ensuring broader diversity in its membership on the basis of age, gender, experience, ethnicity, educational background, nationality as well as on personal attributes to provide all round perspectives and insights for appropriate decision-making. The aim of the recruitment and selection process is to ensure that candidates with the most suitable skills, knowledge, experiences, and personal values can be selected.

Evaluation of the Board

The NRC is responsible for ensuring the effectiveness of the Board. The Board is required to carry out an annual evaluation of its overall performance relating to Board function, effectiveness and governance; Board Committees; conduct of Board meetings; and relationship with Management. The evaluation process is led by the Chair of the Board and assisted by the Company Secretary. Each Director is required to complete a confidential pre-set questionnaire.

Top Level Executive Selection and Remuneration Policy

The performance of the Company depends upon the quality of its Directors and Top-Level Executives. The Company strives to attract, motivate, and retain highly skilled Directors and Executives. Recruitment standards support Grameenphone's reputation as an employer of choice.

Grameenphone's remuneration policy strives to attract highly motivated Top-Level Executives and retain them to add value to the Company's growth and development.

Remuneration for Board of Directors

No remuneration is given to the Directors of the Board. Directors receive attendance fees from the Company for every meeting attended. Rate of such attendance fees is determined by the Shareholders at the General Meeting.

Major Activities of the NRC during the reporting period were as follows:

- Reviewed succession planning for Top Management.
- Approved 2021 yearly report to the shareholders from the NRC Committee.
- Reviewed and recommended 2021 Short Term Incentive (STI) achievements and 2022 STI plan for the Chief Executive Officer (CEO).
- Recommended appointment of Chief Business Officer (CBO), Chief Technology Officer (CTO) and Chief Corporate Affairs Officer (CCAO).
- Reviewed and recommended annual salary increment proposal for 2022.
- Reviewed and recommended the revision in the Local Policy People.
- Reviewed and recommended salary adjustment for the CEO.
- Reviewed and recommended 2022 Long Term Incentive (LTI) allocation for the CEO.
- Recommended the appointment of a new Nominated Non-Executive Director to the Board.

For and on behalf of the Nomination and Remuneration Committee of Grameenphone Ltd.



Abdul-Muyeed Chowdhury

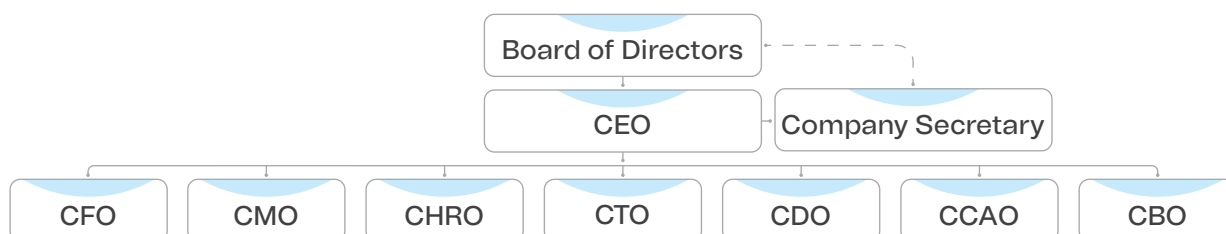
Chair

Nomination and Remuneration Committee

30 January 2023

Management Team

The Management Team is the Executive Committee of Grameenphone. Headed by the CEO, the Management Team is responsible for managing and running the affairs of the Company. All other key managers across the Company are members of the Management Team. The Management Team works to achieve the strategic goals and mission of the Company set by the Board of Directors. In discharging its assigned responsibilities, the Management Team meets on a weekly basis to monitor the business performance of the Company.



The key roles of the Management Team, headed by the Chief Executive Officer, include running the day-to-day business of the Company. Collectively, they inspire our teams and steer the success of our business. The profiles of the present Management Team members are provided below:



Yasir Azman

Chief Executive Officer

Age: 48

Gender: Male

Nationality: Bangladeshi

Appointed: 01 February 2020

Skills and experience

Azman has proven track record as an all-rounded leader for driving organisational transformation, change management and business development.

Prior to his appointment as Chief Executive Officer (CEO) of Grameenphone, he served as Deputy Chief Executive Officer (DCEO) and Chief Marketing Officer (CMO) in the Company. Azman has worked with Telenor Group in India and Norway, serving as the Group Head of Distribution & eBusiness (2013-2015). He also led as EVP & Circle Business Head for Orissa and Karnataka circles (2010-2012). As CMO, Azman has led many transformation journeys in Grameenphone and played the key role to build a digital centric and high-performance driven organisation. In recent years, as CEO of the company, Azman has focused to modernise the organisation to become a future fit Telco Tech Company. He has also elevated the drive to create positive impact in the society as a socially responsible corporate citizen.

Azman holds an MBA degree from Institute of Business Administration, Dhaka University, and also attended several executive educational programmes with the London Business School and INSEAD, France.



Jens Becker

Chief Financial Officer

Age: 55

Gender: Male

Nationality: German

Appointed: 15 August 2019

Skills and experience

Jens has over 21 years of experience in operational management and finance in the telecommunication industry in Germany and Poland.

Before joining Grameenphone as Chief Financial Officer (CFO) he served as CFO of T-Mobile Poland (formerly Polska Telefonia Cyfrowa) (2007-2016) which he followed with time as a consultant in select entrepreneurial ventures. During the rest half of 2015 he also served as interim CEO for GTS Poland. Jens was CFO at T-Online International AG (2004-2007), where he was responsible for controlling of T-Online-s subsidiaries in France and Spain, among others. His experience also includes leadership roles in Deutsche Telekom Group, Germany.

Jens holds a Master's degree (Diplom) in Geography, Economics and Business Administration from Free University, Berlin, and participated in the Deutsche Telekom General Management Programme from London Business School.



Syed Tanvir Hussain

Chief Human Resources Officer

Age: 48

Gender: Male

Nationality: Bangladeshi

Appointed: 12 June 2018

Skills and experience

Tanvir is a visionary leader with over 25 years of diverse experience in the HR domain. As the key architect in leading the organisational modernisation in Grameenphone, he has been playing a vital role to transform the organisation from a traditional telco to a Telco Tech.

With a proven track record of building high performance teams, developing and implementing innovative HR initiatives and driving cultural change, Tanvir was appointed as Chief Human Resources Officer (CHRO) of Grameenphone in 2018. He has since brought about transformative outcomes for Grameenphone in various arenas, including reshaping the organisation through automation and digitalisation, skills transformation, diversity & inclusion, employee experience, innovation and more.

The prestigious CHRO of the Year Award in the Bangladesh C-Suite Awards 2022 was recently presented to him for being a true promoter of infusing technology in the realm of HR and for exemplary impact in the diversity & inclusion arena that also inspires others in the industry.

Tanvir has held several leadership positions at leading MNCs in Bangladesh prior to joining Grameenphone. He holds an MBA degree from the Institute of Business Administration, University of Dhaka.



Sajjad Hasib

Chief Marketing Officer

Age: 44

Gender: Male

Nationality: Bangladeshi

Appointed: 01 February 2020

Skills and experience

As Chief Marketing Officer, Sajjad has successfully spearheaded several Digitalisation, AI integration, and Transformation initiatives aimed at modernising the Sales and Distribution, as well as Commercial operations of Grameenphone. As a dedicated commercial leader, Sajjad has a proven track record of driving growth through innovative, data-driven solutions, customer experience transformation, AI integration & incorporation in processes. Sajjad's growth mindset and effective marketing & business strategies have led the commercial division to be more modernised.

Sajjad's extensive experience in the commercial aspects of Grameenphone's business has been gained through his previous roles as head of the operation, sales, distribution, and circle leadership. In addition to this, Sajjad has also held the position of Circle Business Head in both Dhaka and Sylhet.

He started his career as a Distribution Officer at Citycell and has worked in various companies in Bangladesh and abroad before joining Grameenphone as an Area Sales Manager in 2006.

Sajjad has earned an MBA from the University of Bedfordshire in the UK and a bachelor's degree from North South University in Dhaka. Additionally, he has completed executive training programs at London Business School and INSEAD Business School, further demonstrating his commitment to continuous learning and professional development.



Hans Martin Henrichsen

Chief Corporate Affairs Officer

Age: 65

Gender: Male

Nationality: Norwegian

Appointed: 15 May 2022

Skills and experience

Hans Martin comes with extensive International/Asian experience in building and maintaining Telenor's international business portfolio for more than 20 years.

Before joining Grameenphone, Hans Martin served as CCAO of Telenor Myanmar and played a critical role in running Telenor Myanmar's operation during the most challenging times. Previously he has also held the position as Telenor Group's Chief Country Representative in Bangladesh from 2014 to 2018. He also has work experience from several organisations in Norway, South East Asia and Africa. As the CCAO of Grameenphone, he is currently taking the lead in aligning his deep understanding of business environment and regulatory dynamics to strategically attain the best results for the customers, shareholders and other stakeholders.

Hans Martin holds a business management degree from Norwegian School of Economics (NHH) in Finance and International Management.



Jai Prakash

Chief Technology Officer

Age: 55

Gender: Male

Nationality: Indian

Appointed: 01 April 2022

Skills and experience

Jai has 25 years of extensive experience in the telecommunication industry.

Prior to his appointment as Chief Technology Officer (CTO) of Grameenphone, Jai served as CTO of Telenor Myanmar from November 2014. Under his tenure, Telenor Myanmar has taken a frontrunner position in touch-free operations and realized the critical qualities of a truly digital telco. In Myanmar, he was responsible for all technology operations, including network and IT. As part of the startup team in Myanmar, Jai was instrumental in setting up and rolling out Telenor Myanmar's highly efficient data network. Before joining Telenor Myanmar, he served as Circle Technical Head for Bihar and Eastern Uttar Pradesh in Telenor India.

Jai holds a B.E. in Electronics and Telecommunication Engineering.



Dr. Asif Naimur Rashid

Chief Business Officer

Age: 46

Gender: Male

Nationality: Bangladeshi

Appointed: 16 April 2022

Skills and experience

Dr. Asif brings forward a dynamic approach to leadership with his adaptive and striving for excellence nature backed by vast experience of more than two decades.

In his current role as the Chief Business Officer (CBO), Dr. Asif is leading the transformation of the changing business dynamics in the B2B market, strengthening the business context by combining it with strong techno-commercial collaboration. Before joining Grameenphone, Dr. Asif served as Chief Information Officer (CIO) at Robi Axiata Ltd. and jointly held the position of the founding Managing Director of Red. Digital Ltd., a fully-owned ICT subsidiary of Robi. He is also known as an ICT, Digital Transformation leader in the Telenor fraternity and industry for his long run with Grameenphone, Telenor Myanmar, Telenor ASA and Siemens in various leadership roles in the past.

He holds a Doctoral degree in Artificial Intelligence from California Southern University, USA with summa cum laude, Master of Business Administration (Executive Management) from Royal Roads University, BC, Canada, Master of Engineering Studies (Telecommunications Engineering) from University of Technology Sydney, Australia, and a Bachelor of Science (Hon's) degree in Applied Physics & Electronics from Dhaka University, Bangladesh. He has attended INSEAD business school, MIT Sloane School of Management, Harvard Executive Education, National University of Singapore on leadership and digital transformation courses on numerous occasions and regularly speaks in national and international tech events on IoT, Cloud, 4IR, Digital Transformation and Disruptive Techs.



Solaiman Alam

Chief Digital Officer

Age: 44

Gender: Male

Nationality: Bangladeshi

Appointed: 22 April 2020

Skills and experience

Solaiman has 21 years of professional experience in the FMCG and telecom industry.

He served Grameenphone as Director Marketing, and later Head of Digital Division before being appointed Chief Digital Officer (CDO). Through his career, Solaiman has held various roles spanning digital channel and services, marketing, product management, brand management, trade marketing and sales. He got his start in sales with British American Tobacco Bangladesh (2000-2005) before moving to Orascom Telecom Bangladesh, Banglalink. At Banglalink he played a vital role in establishing that company as one of the most recognised brands in the country and left as its Director, Marketing.

Solaiman is graduate from IBA, University of Dhaka, and has attended a host of courses and certifications from organisations like London Business School, INSEAD France, HFI, IDEO etc.

Company Secretary

To ensure the effective assimilation and timely flow of information that is required by the Board and to maintain necessary liaison with internal organs as well as external agencies, the Board has appointed a Company Secretary. The Corporate Governance Code, issued by the Bangladesh Securities and Exchange Commission (BSEC), also requires a listed Company to appoint a Company Secretary. In pursuance of the same, the Board of Directors has appointed the Company Secretary and defined his roles & responsibilities. In Grameenphone, among other functions, the Company Secretary:

- Performs as the bridge between the Board, Management and Shareholders on strategic and statutory decisions and directions.
- Acts as a quality assurance agent in all information streams towards the Shareholders and the Board.
- Is responsible for ensuring that appropriate Board procedures are followed and advises the Board on Corporate Governance matters.
- Acts as the Disclosure Officer of the Company and monitors the compliance of the acts, rules, regulations, notifications, guidelines, orders/directives, etc. issued by BSEC or Stock Exchange(s) applicable to the conduct of the business activities of the Company so as to protect the interests of the investors and other stakeholders.



S M Imdadul Haque

Company Secretary

Age: 48

Gender: Male

Nationality: Bangladeshi

Appointed: 21 April 2017

Imdad has vast knowledge and expertise in the Company's Secretarial function, Corporate Governance, Compliance, Stakeholder Management, and Public Communications.

Imdad started his career in the Internal Audit function of Grameenphone in 2004. Then he moved to the Department of Company Secretary two years later. He had more than 16 years of experience in the Company Secretariat Function. Before joining Grameenphone, Imdad worked in KPMG Rahman Rahman Huq, Chartered Accountants (2002-2004) where he was also an articled student (November 1998-April 2002).

He holds a Master's degree in Commerce and attended various training programmes at different institutions and educational programme, including INSEAD. He also passed the "C.A. Intermediate" examination.

The Control Environment in Grameenphone

In implementing and ensuring good governance in Grameenphone, the Board and the Management Team ensure the following:

a) Financial Reporting

Grameenphone has strong financial reporting procedures. Financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2015 and other applicable laws in Bangladesh. All the financial transactions are recorded in the Oracle Enterprise Resource Planning (ERP) systems. Financial reports extracted from the ERP are then used to produce the financial statements. These financial statements, once prepared, are reviewed initially by the Chief Accountant, CFO and CEO respectively and then by the Board Audit Committee on a quarterly basis. In each quarter/half-year/year, the external auditors review or audit the financial statements following relevant regulations/requirements. The annual audit is conducted by the external auditors, who are appointed by the Board of Directors followed by the Shareholders' approval in the Annual General Meeting. Details of Internal Control over Financial Reporting are described below.

b) Internal Control Over Financial Reporting (ICFR)

Establishing adequate internal control and ensuring an effective control environment is high on the Grameenphone Management agenda. Grameenphone has implemented necessary Internal Controls to provide reasonable assurance that Grameenphone's financial statements are not materially misstated and give a true and fair view of the transactions and financial position of the Company and that the financial statements are compliant with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Bangladesh Securities and Exchange Rules 2020, as well as relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2015 and other applicable laws in Bangladesh.

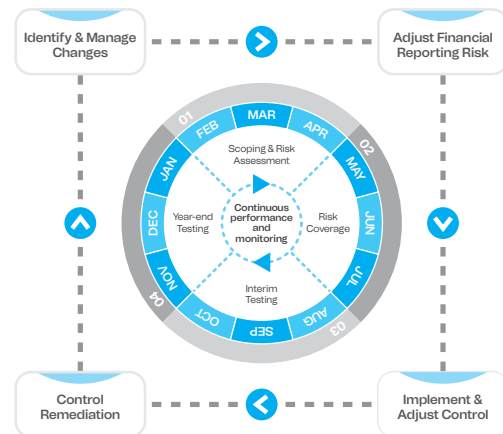


Figure 2: ICFR Routine in Grameenphone

Grameenphone follows a risk-based approach for designing and implementing effective internal controls. The management has also established an appropriate accountability structure with defined roles and responsibilities for control performers, control owners and process owners with overall responsibility lying with the CEO and CFO. Internal controls in Grameenphone are part of Grameenphone's overall corporate governance structure and are deeply embedded in the business processes affecting the financial reporting.

Operating effectiveness of controls is monitored throughout the year. Effectiveness of the controls are tested in two different phases, i.e., Interim Testing and Year-end Testing. An independent audit firm is engaged to test the effectiveness and adequacy of established controls. Grameenphone has a dedicated Internal Control Team, accountable for conducting activities related to internal controls over financial reporting. The ICFR team works independently, but closely with Internal, External Audit and the Telenor Group ICFR team to ensure risks are identified, reported and mitigated timely.

Because of its inherent limitations, any system of internal control over financial reporting, no matter how well designed, may not prevent or detect misstatements due to the possibility that a control can be circumvented or overridden or that misstatements due to error or fraud may occur that are not detected. Also, because of changes in conditions, internal control effectiveness may vary over time.

Management assessed the effectiveness of the Company's internal control over financial reporting engaging an independent audit firm, using the criteria established in Internal Control - Integrated Framework (2013) issued by the COSO and concluded that the Company maintained effective internal control over financial reporting throughout the year ended 31 December 2022.

c) Business Reviews and Financial Reviews

Business reviews and financial reviews are conducted on a quarterly basis. The purpose of business reviews is to monitor the progress of strategic initiatives versus longer term strategic plans and objectives, whilst also taking into consideration the changing market and regulatory environment. The purpose of the financial review is to monitor the financial performance and position of the Company versus its annual financial targets.

In addition to quarterly business and financial review, the CEO and CFO review financial results on a monthly basis to ensure Grameenphone is on track to deliver its annual financial targets or to identify corrective action, if and when required.

d) Statutory Audit and Certification

Auditing of the Company is governed by the Companies Act, 1994, and the Bangladesh Securities and Exchange Commission Rules 2020, and conducted in accordance with International Standards on Auditing (ISA). As per these regulations, auditors are eventually appointed by Shareholders at each Annual General Meeting (AGM) and their remuneration is also fixed by the Shareholders at the AGM. The appropriate structure is in place as per Corporate Governance best practices to ensure their independence. Statutory auditors cannot be appointed for a consecutive period exceeding three years in compliance with the order of Bangladesh Securities and Exchange Commission (BSEC). Statutory auditors are not engaged in non-audit services as this may compromise auditor independence unless otherwise required by the regulators.

e) Internal Audit and Investigation

Internal Audit supports the Company in achieving its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of its risk management, control and governance processes. The investigation unit ensures that internal investigations are conducted with predictability, confidentiality, fairness and confidence to clarify the factual circumstances and establish if there is any evidence of personal misconduct or violation to Grameenphone's Governing Documents and/or laws and regulations. In order to ensure organisational independence of Internal Audit and Investigation, the Head of the function reports functionally to the Board and its Audit Committee and administratively to the Chief Executive Officer. Internal Audit and Investigation activities are governed by its Charter, which is approved by the Board. Grameenphone Internal Audit and Investigation is empowered to carry out its assigned activities in all aspects of the Company and have unrestricted access to any relevant information. The Grameenphone Internal Audit department discharges its assurance and consulting activities through management of three distinct audit streams: Core Business, Governance and Third Parties, and IT & Cyber Security. A risk-based annual audit planning process is in place, which takes into consideration the strategic imperatives and major business risks surrounding Grameenphone, while considering pervasive audit needs. Grameenphone Internal Audit and Investigation also works closely with Telenor Group Internal Audit and Investigation in sharing knowledge and resources to ensure achievement of deliverables and objectives.

f) Related Party Transactions

The Board Audit Committee reviews all the related party agreements and payments before submission to the Board of Directors for approval. Abiding by the laws, a Board Director, who has an interest in a transaction, discloses his interest in such transaction and abstains from deliberations and voting on the relevant resolution at the Board meetings. Details of significant related party transactions are disclosed in notes of the Financial Statements as per the requirements of IAS 24 Related Party Disclosures.

g) Dividend Distribution Policy

The Board of Directors has established a dividend policy, which forms the basis for the proposals on dividend payments that it makes to the Shareholders, taking into consideration the business performance of the Company and its strategic initiatives. The Board believes that it is in the best interest of Grameenphone to draw up a long-term and predictable dividend policy. The objective of the policy is to allow the Shareholders to make informed investment decisions. The Board has approved the following dividend policy:

"The dividend policy is to pay minimum 50% of the net profit after tax depending on the financial health and capital requirement of the Company with an aim to have a consistent growth in dividend pay-out. Grameenphone aims for as frequent dividend distribution as possible."



Grameenphone can consider special dividend payments, such as interim dividend, subject to the Company's business performance and cash availability."

h) Enterprise Risk Management & Risk Mitigation

Risk Management at Grameenphone is concerned with earning competitive returns from the Company's various business initiatives at an acceptable risk level. It supports the Company's competitiveness by developing a culture, practice and structure that systematically recognises and addresses future opportunities whilst managing adverse effects (i.e., threats) by recognising risks and responding appropriately to them. The Company follows well defined risk management manuals and processes to mitigate enterprise-level risks. This aspect is discussed more elaborately in the 'Enterprise Risk Management' section of the Annual Report on page 16.

i) Compliance with Rules & Regulations of the Country

In Grameenphone, we believe that compliance is key towards a sustainable business. Therefore, being respectful to the laws of the land remains a priority for us. Our strategies assure compliance with all legal and regulatory requirements and ensure good governance throughout the Company. Grameenphone is also subject to supervision from regulatory bodies that focus on transparency and requires that Grameenphone provides accurate and periodic reporting of issue, events and certification where necessary. In this context, Grameenphone regularly provides financial statements and required documents to the Bangladesh Securities and Exchange Commission (BSEC), Stock Exchanges, National Board of Revenue (NBR), Registrar of Joint Stock Companies & Firms (RJSC&F), Bangladesh Telecommunication Regulatory Commission (BTRC), the Bangladesh Investment Development Authority (BIDA) and other relevant authorities.

j) Bangladesh Secretarial Standards (BSS)

Grameenphone conducts its Board meetings, records the minutes of the meetings, as well as maintains the required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB).

k) Ethics and Behaviour

i. Ethics and Compliance Function

The Ethics and Compliance function plays a critical role in ensuring that the Company operates with the highest standards of ethical conduct. This function is responsible for managing and executing the Grameenphone Compliance Programmes to promote ethical behaviour, prevent illegal or unethical conduct, and provide a mechanism for employees to report concerns. The function manages annual risk assessment, maintenance of policies and manuals, implementation of controls, resolution of reported concerns, awareness initiatives, monitoring and functional reporting, and evaluation and improvement measures, to ensure that internal and external requirements are met. The function works closely with business units to ensure that all employees understand the importance of ethical behaviour and comply with laws and regulations. Through ongoing training and communication efforts, the Ethics and Compliance function helps to create a culture that values integrity and accountability. To ensure the independence and neutrality of the Ethics and Compliance function, the Head of Ethics and Compliance has direct reporting lines to the Board of Directors as well as to the Chief Executive Officer.

ii. Code of Conduct

Grameenphone's Code of Conduct is an essential component of our Company and a public statement of our commitment to integrity, transparency, and accountability. The Code of Conduct serves as a reference point for decision-making in challenging circumstances. The Code of Conduct is an integral part of our daily lives. It is the basis for how we behave and do business – always in line with the highest ethical standards. The Our Code of Conduct is approved by the Board of Directors. It defines the Company's values and principles and lays out specific guidelines on issues such as anti-corruption, business partner, competition, financial integrity, conflicts of interest, gift & hospitality, health & safety, human rights, discrimination, harassment, insider trading, confidentiality, privacy, environment, etc. It also promotes four key principles:

1. We play by the rules.
2. We are accountable for our actions.
3. We are transparent and honest.
4. We speak up.

The four Code principles are designed to set clear expectations regarding our business conduct. The Code of Conduct is a key governance document that helps employees safeguard themselves and the Company from risk. The mandatory annual re-signing of the Code of Conduct helps remind Grameenphone employees of its joint commitment towards a zero-tolerance policy for corruption

and promotion of ethical business behaviour. Grameenphone's Ethics and Compliance function is available to help any employee navigate and resolve any dilemmas or challenges in their day-to-day work. Ethics and Compliance function manages annual web-based "e-Learning" courses and ensures 100% participation of employees. The function also conducts several live, dilemma-based awareness and training programme to further enhance employee knowledge on how to properly respond to ethical dilemmas.

iii. Restrictions on dealings in Grameenphone Shares by Insiders

The Company has established a detailed policy relating to trading in Grameenphone shares by Directors, Employees and other Insiders. The securities laws also impose restrictions on similar transactions. Insiders are prohibited from trading in Grameenphone shares, while in possession of unpublished price sensitive information in relation to the Company during prescribed restricted trading periods.

iv. Business Partner Management Policy

Grameenphone expects its business partners to meet Grameenphone's standards and respect its values. The Company exercise due care before engaging any of them. It ensures Company's relationships with business partners do not pose unacceptable compliance risks within the supply chain. This year, Grameenphone has taken a significant step forward in its commitment to responsible business practices by adopting an updated Business Partner Compliance Management Policy. The updated policy reflects the latest regulations and industry standards and provides a more comprehensive framework for ensuring that all of its business partners are fully compliant with ethical, legal, and regulatory requirements. With this policy in place, The Company is better equipped to monitor and assess compliance, and to take appropriate action in the event of any non-compliance or non-conformity. By consistently upholding these practices, we aim to protect our reputation and maintain our commitment to responsible business practices.

v. Supplier Conduct Principles

Grameenphone is dedicated to maintaining high standards in all its interactions, including those with suppliers. The Company has established the Supplier Conduct Principles (SCP) that guide its expectations and responsibilities toward its suppliers. Grameenphone's SCP is a set of ethical standards that outlines the expectations and responsibilities of both parties in areas such as human rights, environmental impact, health & safety, labour practices, business integrity, information security, and prohibited business practices. The document aims to ensure that the suppliers produce goods and services in a manner that is fair, responsible, and sustainable. It also promotes mutual respect, trust, and cooperation between the Company and its suppliers. The SCP is binding on the Company's suppliers who each sign an Agreement on Responsible Business Conduct to ensure high standards of business ethics amongst all Company suppliers. Adherence to the SCP is critical for protecting our reputation as a socially responsible company and building long-term supplier relationships. We regularly monitor and assess our supplier's compliance with these standards and will continue to promote responsible sourcing practices.

vi. Whistleblowing Policy

A whistleblowing mechanism allows employees to report illegal, unethical, or inappropriate behaviour within an organisation without fear of retaliation. Grameenphone's whistleblowing policy applies to all employees and suppliers, customers and distributors. The policy outlines the channels through which employees can report their concerns, such as a dedicated hotline, an email address, or other channels. Grameenphone does not tolerate retaliation of any kind against those who speak up in good faith.

Any employee can report a concern internally to their manager, their manager's manager or directly to the Ethics and Compliance function. Grameenphone also has a web-based reporting channel, the "Integrity Hotline" that is operated by an international, independent company and designed to protect the privacy of individuals who report a concern, and individuals who are the subject of a reported concern. Where permitted by law, individuals may choose to remain anonymous. All reports are treated confidentially and appropriately investigated and concluded. Any person can report through any channel without fear of retaliation. Grameenphone policy also specifies the procedures for investigating and addressing the reports, including the protection of the confidentiality of the whistleblower and timely resolution of reported concerns.

vii. Anti-Corruption Policy

Grameenphone's Anti-corruption policy aims to reduce corruption and unethical behaviour within our organisation. "Zero Tolerance" for corruption is Grameenphone's basis for combatting corruption. The Company's robust Anti-Corruption policy applies to the Board of Directors, management, all employees, and others with the authority to act on behalf of Grameenphone. The Company is



proud that its Company successfully implements an anti-corruption programme that promotes ethical behaviour and reduces the risk of corruption. As part of the anti-corruption programme, Grameenphone conducts effective corruption risk assessments of its organisational processes. Corruption risk assessment are conducted on a yearly basis with the ambition of safeguarding Grameenphone from all kinds of corruption risks and chances. This risk assessment includes all functions of the Company and helps identify the possibilities of corruption risks, design the best possible mitigating actions, and assists to monitor and report. Leaders and relevant managers are anchored with ownership, and accountability and are responsible for implementing mitigating actions. Additionally, we place a strong emphasis on anti-corruption training and awareness, observe International Anti-Corruption Day, and regularly educate our employees on ethical business practices and ethical leadership. Through these efforts, we aim to ensure that our Company operates with the highest standards of integrity and accountability, and protect the interests of our stakeholders. The successful implementation of this programme demonstrates our commitment to promoting ethical behaviour and the rule of law, and we will continue to monitor and refine our programme to ensure its continued effectiveness.

I) Investor Relations (IR)

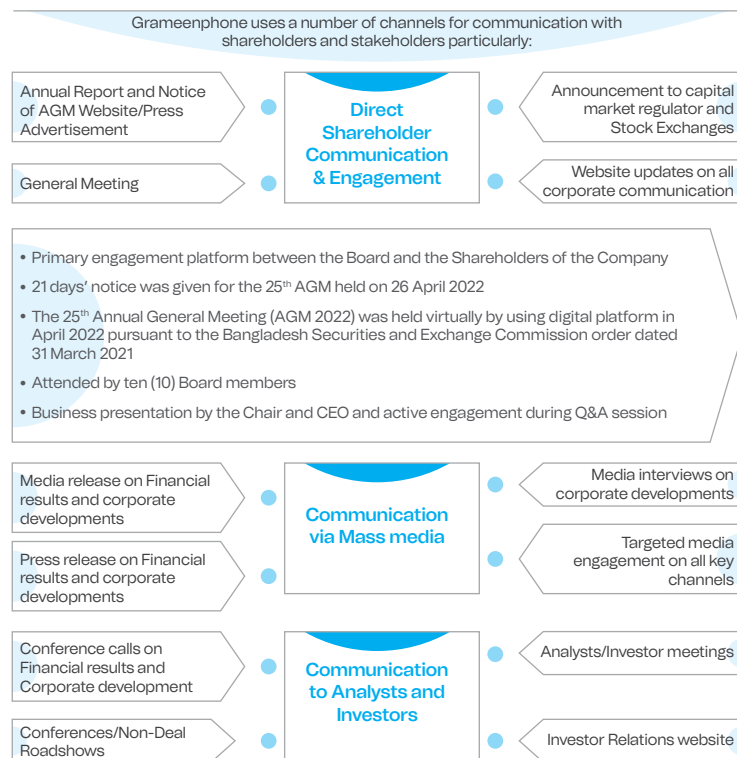
Grameenphone is one of the largest listed corporate entities in Bangladesh, and therefore places high importance to the investment community both within and outside of the country. With the purpose of establishing effective two-way communication between the financial markets and the Company, there is a dedicated Investor Relations function providing best-in-class-practices in Grameenphone. The Investor Relations (IR) function aims to provide relevant and necessary information to the investment community and capital markets in order to enable them to make an informed judgement about the fair value of the Company's shares. IR acts as a bridge between the Management of the Company and its valued investors. As a specialised function IR maintains close contact with global investors, analysts, market experts, capital markets, financial communities and financial journalists on a proactive basis. Through this, the relevant stakeholders are kept informed about the Company's financial results, regulatory landscape, shareholder returns, growth opportunities and strategic ambitions, while objectively sharing the associated risk and rewards.

This also reflects Grameenphone's commitment towards developing the capital market of the country by introducing global best practices and ensuring transparency, accountability, corporate governance, and compliance. Grameenphone's Investor Relations website is updated with the latest information. An email address and hotline number are listed for direct access to key persons. Notable events that IR conducted during the year 2022 were the release of quarterly earnings, frequent conference calls with the financial and capital markets community, participation in foreign non-deal road shows and participation in frontier market conferences.

m) Shareholders

i. Communications with Shareholders

Grameenphone believe good Corporate Governance involves openness and trustful cooperation between all stakeholders involved in the Company, including the owners of the Company – the Shareholders. The Company value the importance of effective communication with our Shareholders and Investors. Information is communicated to the Shareholders regularly through several forums and publications. The Company has adopted a detailed policy on information disclosure and communication. In compliance with continuous disclosure requirements, the Company's policy is that Shareholders will be informed of all major developments that impact the business of the Company in a routine manner so that they are able to make informed decisions.



ii. Information Disclosure

In accordance with the disclosure requirements, the Company follows the following three main forms of information disclosure:

- Continuous disclosure – which is its core disclosure and primary method of informing the market and Shareholders;
- Periodic disclosure – in the form of quarterly and yearly reporting of financial results and other issues; and
- Event-based disclosure – as and when required, of administrative and corporate developments, usually through stock exchanges and press releases.

All information provided to BSEC and Stock Exchanges are immediately made available to the Shareholders and the market on the Company's Investor Relations section of the website: www.grameenphone.com

iii. Annual General Meeting (AGM)

The General Meeting of the Shareholders is the supreme governing forum in Grameenphone. The Company recognises the rights of Shareholders and the Shareholder interests are primarily ensured through Grameenphone's Annual General Meeting (AGM). The Company also encourages Shareholders' active participation in the AGM and other General Meetings. The AGM provides a useful forum for our Shareholders to engage directly with Grameenphone's Board of Directors and Management. The Board Members and Statutory Auditors attend the AGM to respond to Shareholders' queries on the results, or any other aspect of the Company.

Notices of the AGM, together with the annual reports, are generally issued to all Shareholders (including foreign shareholders) at least 21 days prior to the scheduled meeting. This provides ample time for shareholders to review the documents ahead of the meetings and appoint their proxies to attend the meetings if they wish.

Pursuant to the Bangladesh Securities and Exchange Commission notification dated 31 March 2021, the 25th Annual General Meeting (AGM 2022) was held virtually by using a digital platform on 26 April 2022.

In order to encourage the participation of Shareholders at its general meeting, The Company designed the virtual format of the 25th AGM to enhance, rather than constrain, shareholder access, participation and communication. For example, the online format allowed Shareholders to communicate with the Company in advance of and during the meeting so that they could ask any relevant questions or provide comments on performance or any other aspect of the Company. Shareholders were allowed to cast their votes on the Agenda items through the system. The Company will continue to explore leveraging on technology to facilitate Shareholders' participation and enhance proceedings of General Meetings.

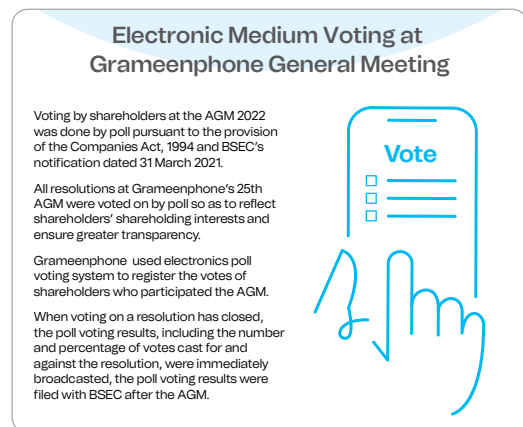
As part of Grameenphone's commitment towards more environmentally-friendly and sustainable practices, Grameenphone makes its annual reports available online at the Grameenphone website. Printed copies of Grameenphone's annual reports are made available upon request.

iv. Website

All financial results and key performance indicators as well as other relevant financial and non-financial data are posted on the Investor Relations section of the Company's website: www.grameenphone.com

v. Shareholders' Queries

Whilst the Company aims to provide sufficient information to Shareholders and Investors about the Company and its activities, it also recognises that Shareholders may have specific queries relating to their shareholding. These queries may be directed at **+88 01711555888** or emailed to Grameenphone Share Office at shareoffice@grameenphone.com



Grameenphone believes in transparency and accountability to society as a whole through the establishment of an efficient and effective Corporate Governance regime. The Company also believes that Corporate Governance is a journey and not a destination and that it needs to be continuously developed, nurtured and adapted to meet not only the varying needs of a modern business house, but the aspirations of valued investors, stakeholders and society at large, as well.

Directors' Report

For the Year ended 31 December 2022

This report has been prepared in compliance with Section 184 of the Companies Act 1994 and Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission (BSEC) and BSEC notification dated 03 June 2018.

2022: Continuing focus on digitalisation, enhanced network experience and customer service via innovative propositions in a challenging regulatory and post-Covid recovery environment

2022 marks the 25th year of Grameenphone operations in Bangladesh; during this period Grameenphone has done remarkable job by connecting rural Bangladesh through telephony and data services, played an instrumental role in reaching Digital Bangladesh vision of Bangladesh Government and building the foundation for the Smart Bangladesh plan 2041. This has been possible due to Grameenphone's long term commitment to customers, as well as cooperation from national authorities and business partners.

The Company has in 2022 also gone through a massive modernisation journey to prepare for next and deeply focusing on a future-fit organisation with the right mix of leadership, competency, capabilities, tools, innovation, and partnerships.

Notably, Grameenphone doubled its fibre network in 2022, thereby strengthening and preparing for the future. In addition, Grameenphone has consistently invested in acquiring new spectrum and allocating the majority of its spectrum to the latest technology. Moreover, Grameenphone started rolling out of L 2600 sites from November 2022, based on the spectrum acquired the same year. This investment played an important part in maintaining network strength and enhancing network quality, paving the way for future-fit technologies, all of which are Grameenphone's core focus. In 2022, the Company was the first to introduce e-SIM technology in Bangladesh and successfully conducted a 5G trial over the 2.6 GHz band.

The biggest challenges in 2022 were two-fold, the first came from a regulatory ban on SIM sales in end-June, adversely affecting the top-line recovery and growth during the second half of the year. The SIM sales ban resulted in a decline in subscriber base. However, engagement with the regulator led to a withdrawal of the ban at the end of the year.

The second challenge was the macroeconomic climate in Bangladesh in the post-Covid period resulting in higher-than-expected inflation, and rising energy prices – triggering energy austerity measures by the government and impacting Grameenphone's day-to-day operations.

Despite unforeseen and unprovoked challenges, Grameenphone invested BDT 49.1 billion in 2022. Notably, a large portion of the investment was made in the acquisition of spectrum in the 2.6 GHz band and capacity expansion. This year, the Company has introduced a notable number of innovations on the customer front, such as revamping the product portfolio, expanding on MyGP partnerships, personalising data offers for customers, and building operational efficiencies, which resulted in a 23.6% growth in 4G data users and 58.3% growth in data volumes YoY.

Grameenphone ended the year with more than 20k active network sites, of which 19k, or 97.6%, are 4G-enabled, providing 93.1% geography coverage and 97.9% population coverage. The Company has paid out BDT 104.3 billion to the National Exchequer, which amounts to 69.3% of its total revenues, for the year 2022.

The Company has made good strides in the modernisation and digitalisation journey of its operations and customer experience while securely positioning itself not only as the most preferred connectivity partner in the market but as a reliable partner for the government in the realisation of its digital ambitions. Further, the Company has continued its ambition of empowering societies and communities through its social impact initiative, including partnering with Government on the FutureNation platform.

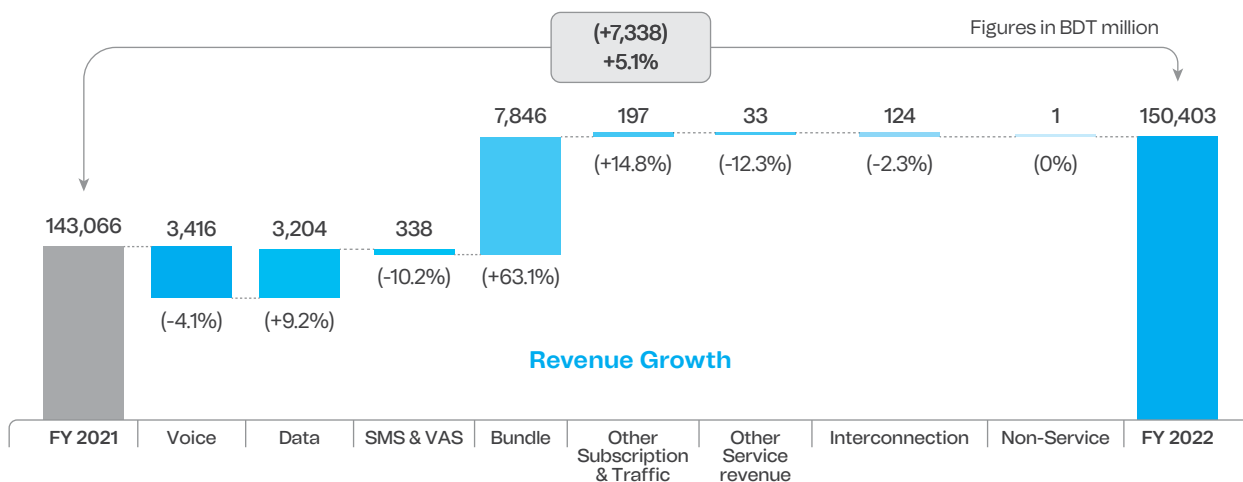
Disclosure/Statements according to the Provisions of the BSEC's Corporate Governance Code 2018

● Segment/Product Wise Performance

Grameenphone provides its products and services to customers across the country and reviews the revenue performance of its services. A relevant disclosure is provided in the notes to the Financial Statements.

Grameenphone posted BDT 150.4 billion total revenue for the year 2022 with 5.1% growth compared to the previous year. The increase in total revenue was mainly driven by higher bundle and data revenue, partly offset by lower voice revenue.

In 2022, Grameenphone continued to promote its bundle services by launching attractive packs through both its own and third-party digital channels to provide better customer value along with enhanced experience. This has resulted in substantial growth in bundle revenue, a 63.1% growth compared to last year.



Voice only revenue decreased by 4.1% from last year, while data only packs and pay-go revenue increased by 9.2%. The decrease in voice revenue is mainly attributed to lower usage, due to SIM sale restrictions; challenging macroeconomic environment; and the shift of usage from voice only packs to bundle packs. 'SMS and VAS' includes Content service, SMS and MMS revenue. De-growth came from content revenue, which continued to decline since implementation of regulatory directives regarding mandatory customer consent.

'Other Subscription & Traffic' includes revenue from outbound roaming services and USSD revenue from mobile-financial services.

Interconnection revenue is generated from incoming traffic originating from outside the Grameenphone network. Interconnection revenue decreased by 2.3% in 2022 compared to 2021 due to decrease in incoming minutes from national and international operators and the reduction of international call termination rate.

'Other service revenue' segment mainly includes revenue from IoT & mobile financial services. The 'Non-Service Revenue' segment includes customer equipment, i.e. sale of handsets, internet modems and Vehicle Tracking System, and revenue from telecom infrastructure sharing etc.

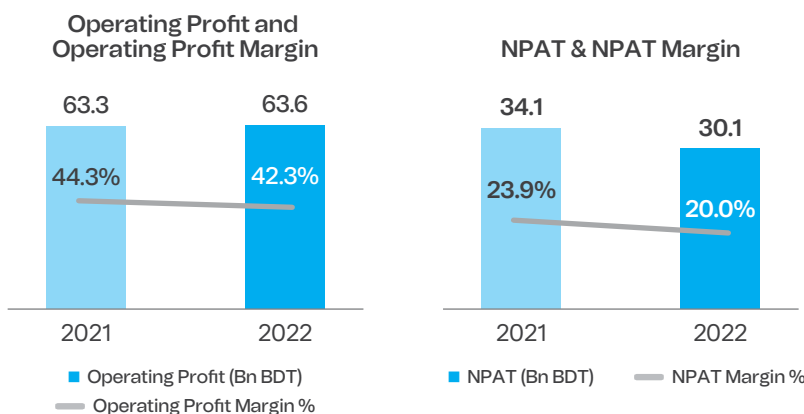
Grameenphone lost 4.1 million subscribers in 2022 due to SIM sale restrictions during the second half of the year. At the end of 2022, Grameenphone's total subscriber base reached 79.1 million, with a 5.0% de-growth from last year, of which 55% are active data users.

Grameenphone increased its investment momentum in 2022 with roll-out of more than 2,000 4G sites, acquisition of additional 60MHz spectrum and deployment of 10.4MHz spectrum in more than 18,000 sites, in addition to re-farming and capacity expansion of existing spectrum for an improved 4G network experience. Furthermore, coverage expansion continued with more than 1,700 new sites added during the year.

● **Review on Operating Expense, Operating Profit Margin and Net Profit Margin**

Operating expenses consist of cost of material and traffic charges, salaries and personnel cost, operation and maintenance, sales, marketing and commission, revenue sharing, spectrum charges & license fees, depreciation & amortisation expense, and other expenses. Operating expense for 2022 was BDT 86.8 billion, a 8.9% increase compared to last year. The increase in operating expense mainly came from higher depreciation & amortisation, spectrum charges, sales, marketing and commission, and other operating expenses, which were partly offset by lower restructuring and operation & maintenance costs. Operating profit for 2022 stood at BDT 63.6 billion, with a margin of 42.3%.

Net profit after tax (NPAT) for 2022 was BDT 30.1 billion with a margin of 20%. The BDT 4 billion decrease in net profit after tax was mainly due to higher finance cost resulted from regulatory dispute and forex loss. Earnings Per Share (EPS) for the year 2022 stood at BDT 22.29 as compared to BDT 25.28 for the year 2021, having year-on-year decrease of 11.8%.



- **Significant Variance of Financial Statements**

No significant variations have occurred between the quarterly and final financial performances of the Company during the year 2022 except for the following:

During the year, Grameenphone participated in an auction conducted by BTRC and secured 60 MHz spectrum from 2.6 GHz band, effective from 01 November 2022 to 18 February 2033. This spectrum has been capitalised as RoU Assets from the effective date. Details are presented in Note 6 of Annual Financial Statements for 2022.

Revenue has grown by 5.13% which is discussed in "Review of Segment/Product Wise Performance" segment of this report.

Service maintenance fee has decreased mainly for the negotiation outcome with a supplier. On the other hand, finance expense has increased as Grameenphone recognised a provision resulted from regulatory disputes. These are disclosed in Note 29 and Note 34.1 to the Financial Statements 2022 respectively.

Besides, on 10 January 2023, the Hon'ble Appellate Division (AD) has verbally pronounced the judgment of 2G license renewal dispute related appeals disallowing the appeal of Grameenphone and allowing the appeals of the National Board of Revenue (NBR), which means that Value Added Tax (VAT) will be applicable for payments to Bangladesh Telecommunication Regulatory Commission (BTRC) in addition to principal and Grameenphone will not get rebate for the said VAT. Disclosed in Note 45 (c) to the Financial Statements 2022, based on the verbal judgement, the necessary provision has been made following relevant International Financial Reporting Standards (IFRSs).

Other variances from business operation are sufficiently disclosed in the relevant segments of this Annual Report.

- **Directors' Declaration on the Financial Statements**

The Board is responsible for presenting an accurate and fair view of the Company's financial performance and position as a part of good governance. To that end, the Directors confirm to the best of their knowledge that:

- a) The Financial Statements, prepared by the Management of the Company, present its state of affairs, the result of its operations, cash flows and changes in equity fairly;
- b) Proper books of account of the Company have been maintained;
- c) Appropriate accounting policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgement;
- d) International Financial Reporting Standards (IFRSs) have been followed in preparation of the Financial Statements and any departure therefrom has been adequately disclosed;
- e) The system of internal control is sound in design and has been effectively implemented and monitored; and
- f) There is no doubt upon the Company's ability to continue as a going concern.

- **Director Remuneration**

No remuneration is given to the Directors of the Board apart from attendance fees in connection with Board and Board Sub-Committee meetings. During the year 2022, attendance fees in connection with Board and Board Sub-Committee meetings were BDT 1,680,489 (2021: BDT 1,089,200). Foreign Directors do not receive the attendance fees in connection with Board and Board Sub-Committee meetings.

- **Minority Interest**

Grameenphone believes that good Corporate Governance involves open and trusting cooperation between all stakeholders involved in the Company, including the owners of the Company – the Shareholders. The Board of Directors is committed to ensuring the highest standards of governance designed to protect the interests of all stakeholders, including the rights of its minority shareholders while promoting integrity, transparency, and accountability. The Board of Directors shall always act in a manner that will be in the best interest of the Company.

- **Risks & Concerns**

Managing risk is an integral part of our business activity. The Company's Board and Management are fully committed to maintaining sound risk management system to safeguard Company and Shareholders' interests. As with other co-existing companies, Grameenphone's business is also exposed to diverse risks that arise both from the internal and external fronts. Apart from uncertainties stemming from a dynamic regulatory regime, the Company has always been prepared for issues such as competing markets, operational challenges, legal knots, interest and exchange rate volatilities, and potential changes in policies at the national or global level. However, Grameenphone has a well-defined risk management policy and a periodic monitoring system to address the concerns and uncertainties that are likely to hit the Company's business activities, operations, liquidity, and financial position for future performances.

● Industry Outlook and Possible Future Developments

While the country and the economy recover from the effects of Covid-19, the current negative macro-economy climate continues to impact the telecom sector of Bangladesh. While the growth momentum of the sector has slowed down in 2022, it is, however, still maintaining a positive trend in terms of unique mobile connections and is projected to grow further. In a backdrop of rising digital trends, the government envisions a Smart Bangladesh by 2041; where the telecom and the ICT sectors will play a pivotal role.

In 2022, the telecom sector witnessed de-growth in terms of mobile connections with 180.20 million at the end of 2022, compared to 181.2 million at the end of 2021. The SIM sales ban on Grameenphone has been one of the reasons for this de-growth. Notably, however, the number of unique mobile subscribers and internet users have grown steadily during the year. Further, data revenue from new and adjacent businesses have continued to grow while voice revenue has seen a declining trend compared to earlier years.

In order to cater to the increased data traffic demand and provide improved 4G service, all the mobile operators have acquired a significant amount of spectrum in the 2300 MHz and 2600 MHz band in the first quarter of 2022. This acquisition also helps operators get ready for a future 5G launch. In fact, all operators have started deploying the newly acquired spectrum from the last quarter of 2022 following direction of the Regulator and have conducted test launch of 5G in selected areas.

The telecom regulator had taken a stringent approach in dealing with QoS issues and had imposed roll-out KPIs on the mobile operators that went beyond the existing regulations, to improve QoS. The regulator also, initiated a process of amending QoS regulations and, accordingly, kicked off a consultation process. The government, in association with the regulator, initiated several consultation processes, namely on license unification (2G, 3G, 4G and 5G licenses), data floor price, SMP regulation for towercos, OTT regulation, the Data Protection Act, and broadband policy, etc., however, there seemed to be a prevailing lack of synchronisation among the different government agencies on future reforms.

Given multiple parallel priorities, the unpredictable regulatory regime is likely to continue into the near future; however, despite the challenges this may pose, there remains a huge opportunity for the ICT and telecom sectors ahead. The country has already embarked on its digital journey - incrementally adopting digital lifestyle, business and financial transactions into its economy. Moreover, we can expect to see one of the highest growths in smart phone adoption and penetration in Asia Pacific by 2025. Just as e-Commerce transactions continue to rise, we see a similar growth projection in the start-up ecosystem as well.

● Other statutory Disclosure

- The Company's financial results have continued to improve since the IPO in 2009 as reflected in the yearly Financial Statements.
- All significant deviations from the previous year in the Company's operating results have been highlighted and reasons thereof have been explained.
- The key operating and financial data for the last six years have been disclosed in Annexure-V of this report on page 66.
- All transactions with related parties have been made on a normal course of business. Details of related parties and related party transactions have been disclosed in note 41 to the Financial Statements 2022 as per the relevant IFRS requirements.
- As per IAS 1 Presentation of Financial Statements, no items of income and expenses are to be presented as "extraordinary gain or loss" in the financial statements. Accordingly, no 'extraordinary gain or loss' has been presented in the Financial Statements.
- The Grameenphone Initial Public Offering (IPO) was made in 2009, and the fund raised thereby has already been utilised by 30 June 2010 as reported to the regulators. No other equity instrument has been issued since then.
- Management's Discussion and Analysis signed by the CEO is disclosed in Annexure-V of this report on page 64.
- The declaration by the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) on Financial Statements 2021 to the Board as prescribed is annexed to this report as Annexure-IV on page 63.
- Grameenphone has declared interim dividend and recommended final dividend for the year 2022. Grameenphone has not declared Bonus Share as Interim and Final Dividend in 2022.
- During 2022, a total of 9 (nine) Board meetings were held, which met the regulatory requirements in this respect. The attendance records of the Directors are shown in Annexure-II of this report on page 61.
- Shareholding pattern of the Company as on 31 December 2022 is shown in Annexure-III of this report on page 62.



Annual Results and Allocations

The Directors take pleasure in reporting the financial results of the Company for the year ended 31 December 2022 and recommended the appropriation as mentioned in the 'Appropriation of Profit' table below:

Figure in BDT million

	2022	2021
Profit available for Appropriation		
Profit/ (Loss) after tax	30,092	34,129
Other comprehensive income (loss), net of tax	(2)	100
Un-appropriated profit brought forward from previous year	28,521	30,750
Total Amount available for Appropriation	58,611	64,979
Appropriation		
Final Dividend Paid for Previous Year	(16,879)	(19,579)
Interim Dividend Paid for Current Year	(16,879)	(16,879)
Closing Retained Earnings at Year End (before Proposed Final Dividend)	24,853	28,521
Proposed Final Dividend for the year (2022: 95% Cash and 2021: 125% cash)	(12,828)	(16,879)
Retained Earnings after Proposed Dividend	12,025	11,642

Dividend

For the year ended 31 December 2022, the Board of Directors of the Company has paid an Interim Cash Dividend @ 125% of the paid-up capital amounting to BDT 16,878,750,275 which was BDT 12.50 per share of BDT 10 each. Now, the Directors are pleased to recommend a Final Cash Dividend @ 95% of the paid-up capital amounting to BDT 12,827,850,209 which is BDT 9.50 per share of BDT 10 each for the year 2022 out of the divisible profits of the Company for consideration and approval of the Shareholders for distribution. Inclusive of the Interim Dividend of 125% paid already, this would make a cumulative total dividend @ 220% of the paid-up capital of the Company which represents 98.72% of the Profit After Tax for the year 2022 amounting to BDT 29,706,600,484.

The above recommendation of dividend is as per the Board approved dividend policy which is disclosed in the "Dividend Distribution Policy" section of the Annual Report 2022 on page 43.

Corporate Governance Approach

Grameenphone is committed to maintaining high standards of corporate governance in the Company through a culture of accountability, transparency and well-understood policies and procedures. In line with the same, the Company has complied with the conditions as stipulated in the Corporate Governance Code issued by BSEC. In this connection, compliance status has been annexed to this report as Annexure-I on page 53. Furthermore, a certificate of compliance from Suriya Parveen & Associates, Chartered Secretaries, confirming compliance of the conditions of the Corporate Governance Code, as stipulated under condition 9(i) of the BSEC Code is also annexed to this report as Annexure-VI on page 70.

Directors' Appointment & Re-Appointment

Regarding the appointment, retirement and re-appointment of Directors, the Company is governed by its Articles of Association, the Companies Act, 1994 and other related legislations. Accordingly, the following Directors of the Board will retire at this Annual General Meeting. They are, however, eligible for re-appointment:

1. Ms. Nurjahan Begum
2. Mr. Øivind Burdal
3. Mr. Ole Bjørn Sjulstad

Brief profiles of the Directors being proposed for re-appointment are given on pages 30, 31 and 139 of the Annual Report, which fulfils condition 1(5)(xxiv) of the Corporate Governance Code of BSEC.

Acknowledgement

The Board of Directors express their deepest appreciation for the trust and support of the Company's shareholders, investors, regulators, customers and partners. The Board of Directors also thank Grameenphone employees for their commitment and contribution to the Company throughout the year.

The Company has invested heavily in network infrastructure, digitalisation, and upskilling employees to meet every new challenge, despite many markets and regulatory hurdles over the years. We now focus on the new year ahead and are focused on continuing to make Grameenphone a bigger partner in the advancement of both the country, its people and towards an improved and enhanced experience for customers. Our priorities remain on the welfare and development of our employees and on ensuring safe working practices within the Company and its partners. We continue our efforts in making Grameenphone the flagship foreign investment in Bangladesh and a sustained success for shareholders.

For and on behalf of the Board of Directors of Grameenphone Ltd.



Jørgen C. Arentz Rostrup
Chair

30 January 2023

Annexure I

Status of compliance with the conditions imposed by the Commission's Notification No.BSEC/ CMRRCD/2006-158/207/ Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1	Board of Directors (BoD)			
1(1)	Board's Size (number of Board members – minimum 5 and maximum 20)	√		Grameenphone Board is comprised of 10 (Ten) Directors
1(2)	Independent Directors			
1(2)(a)	At least one-fifth (1/5) of the total number of directors shall be independent directors (ID);	√		There are 2 (Two) IDs out of total 10 (Ten) Directors
1(2)(b)(i)	Independent director does not hold any shares in the Company or holds less than one percent (1%) shares of the total paid-up shares	√		The IDs have submitted declarations about their compliances
1(2)(b)(ii)	Independent director is not a sponsor of the Company or is not connected with the Company's any sponsor or director or nominated director or shareholder of the Company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the Company	√		-do-
1(2)(b)(iii)	Independent director has not been an executive of the Company in the immediately preceding 2 (two) financial years	√		-do-
1(2)(b)(iv)	Independent director does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary or associated companies	√		-do-
1(2)(b)(v)	Independent director is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	√		-do-
1(2)(b)(vi)	Independent director is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		-do-
1(2)(b)(vii)	Independent director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code	√		-do-
1(2)(b)(viii)	Independent director is not independent director in more than 5 (five) listed companies	√		-do-
1(2)(b)(ix)	Independent director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI)	√		-do-
1(2)(b)(x)	Independent director has not been convicted for a criminal offence involving moral turpitude	√		-do-
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	√		a) The Board extended the tenure of Dr. Salahuddin as an Independent director for a second term of three (3) years and the shareholders approved his extension at the 25 th AGM b) Mr. Abdul-Muyeed Chowdhury is in his 1 st term, and his appointment was approved at the 24 th AGM
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	√		No such case in the reporting year

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only	√		Mr. Abdul-Muyeed Chowdhury is in his regular term of office The tenure of Dr. Salahuddin as an Independent director was extended for a second term of three (3) years with the approval of BSEC and Shareholders
1(3)	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	√		The qualification and background of IDs justify their abilities as such
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of BDT 100 million or of a listed company;	√		
1(3)(b)(iii)	Independent director shall be former official of government or statutory or autonomous or regulatory body in the position not below 5 th Grade of the national pay scale, who has at least educational background of Bachelor degree in economics or commerce or business or law	√		
1(3)(b)(iv)	Independent director shall be university Teacher who has educational background in Economics or Commerce or Business Studies or Law	√		
1(3)(c)	Independent director shall have at least 10 (ten) years' experiences in any field mentioned in clause (b) of the code	√		
1(4)(a)	The positions of the Chair of the Board and the Chief Executive Officer (CEO) of the Company shall be filled by different individuals	√		The Chair and the CEO are different individuals with clearly defined roles and responsibilities
1(4)(b)	The CEO shall not hold the same position in another listed company	√		The CEO does not hold the same position in any other listed company
1(4)(c)	The Chair of the Board shall be elected from among the non-executive directors of the Company	√		All Board members are non-executive director. The Chair of the Board is non-executive director
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chair and the CEO	√		The Board clearly defined roles and responsibilities of the Chair and the CEO
1(4)(e)	In the absence of the Chair of the Board, the remaining members may elect one of themselves from non-executive directors as Chair for that particular Board's meeting; the reason of absence of the regular Chair shall be duly recorded in the minutes	None		No such case in the reporting year
1(5)	The Directors' Report shall include the following additional statements			
1(5)(i)	Industry outlook and possible future developments in the industry	√		Included in the Directors' report on Page 51 of the Annual Report
1(5)(ii)	Segment-wise or product-wise performance	√		Included in the Directors' report on Page 48 of the Annual Report
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	√		Included in the Directors' report on Page 50 of the Annual Report
1(5)(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable	√		Included in the Directors' report on Page 49 of the Annual Report

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(5)(v)	Discussion on continuity of any extraordinary activities and their implications (gain or loss)	√		Included in the Directors' report on Page 52 of the Annual Report
1(5)(vi)	Detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		Included in the Directors' report on Page 51 of the Annual Report
1(5)(vii)	Statement of utilisation of proceeds raised through public issues, rights issues and/or any other instruments	√		Included in the Directors' report on Page 51 of the Annual Report
1(5)(viii)	Explanation if the financial results deteriorate after the Company goes for Initial Public Offering (IPO)	√		Included in the Directors' report on Page 51 of the Annual Report
1(5)(ix)	Explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements	√		Included in the Directors' report on Page 50 of the Annual Report
1(5)(x)	Statement of remuneration paid to the directors including independent directors	√		Included in the Directors' report on Page 50 of the Annual Report
1(5)(xi)	Statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		Included in the Directors' report on Page 50 of the Annual Report
1(5)(xii)	Proper books of account of the issuer company have been maintained	√		Included in the Directors' report on Page 50 of the Annual Report
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgement	√		Included in the Directors' report on Page 50 of the Annual Report
1(5)(xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	√		Included in the Directors' report on Page 50 of the Annual Report
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		Included in the Directors' report on Page 50 of the Annual Report
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	√		Included in the Directors' report on Page 50 of the Annual Report
1(5)(xvii)	There is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	√		Included in the Directors' report on Page 50 of the Annual Report
1(5)(xviii)	Explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	√		Included in the Directors' report on Page 51 of the Annual Report
1(5)(xix)	Key operating and financial data of at least preceding five (5) years shall be summarised	√		Given on Page 66 of the Annual Report
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year	Not applicable		No such case in the reporting year
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	√		Included in the Directors' report on Page 51 of the Annual Report
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director	√		Included in the Directors' report on Page 61 of the Annual Report
1(5)(xxiii)	Pattern of shareholding and name wise details			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties	√		Included in the Directors' report on Page 62 of the Annual Report
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children	√		Included in the Directors' report on Page 62 of the Annual Report

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(5)(xxiii)(c)	Executives	√		Included in the Directors' report on Page 62 of the Annual Report
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the Company	√		Included in the Directors' report on Page 62 of the Annual Report
1(5)(xxiv)	In case of the appointment/re-appointment of a director, disclose:			
1(5)(xxiv)(a)	A brief resume of the director	√		Given on Page 29 of the Annual Report
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas	√		Given on Page 29 of the Annual Report
1(5)(xxiv)(c)	Names of Companies in which the person also holds the Directorship and the membership of committees of the Board	√		Given on Page 139 of the Annual Report
1(5)(xxv)	Management's Discussion and Analysis signed by CEO presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements	√		Stated as Annexure -V (Management's Discussion and Analysis) of the Directors' Report on Page 64 of the Annual Report
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		-do-
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		-do-
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		-do-
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe	√		-do-
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the Company; and	√		-do-
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	√		-do-
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board	√		Stated as Annexure -IV of the Directors' Report on Page 63 of the Annual Report
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code shall be disclosed	√		The Certificate regarding compliance of the conditions is disclosed on page 70 of the Annual Report
1(6)	The Company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB)	√		Company conducts its Board meetings and record the minutes of the meetings as well as keep required books and records as per provisions of the Companies Act 1994 and Bangladesh Secretarial Standards (BSS) as adopted by ICSB
1(7)(a)	The Board shall lay down a Code of Conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chair of the Board, other board members and Chief Executive Officer of the Company	√		There is a written Code of Conduct for the Chair of the Board, other board members and CEO of the Company, which was recommended by the NRC and approved by the Board
1(7)(b)	The Code of Conduct as determined by the NRC shall be posted on the website of the Company	√		The Code of Conduct as recommended by the NRC and approved by the Board is available on the website of the Company

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
2	Governance of Board of Directors of Subsidiary Company	Not applicable		Grameenphone does not have any subsidiary Company as on reporting date
3(1)(a)	The Board shall appoint a Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	√		The CEO, CFO, CS, Head of Internal Audit and Head of Ethics & Compliance have been appointed by the Board
3(1)(b)	The positions of the CEO, CS, CFO and HIAC shall be filled by different individuals	Not applicable		The CEO, CFO, CS, Head of Internal Audit and Head of Ethics & Compliance are different individuals and their roles and responsibilities are separately defined
3(1)(c)	The CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		The CEO, CFO, CS, Head of Internal Audit and Head of Ethics & Compliance do not hold any executive position in any other Company
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		The roles and responsibilities are separately defined
3(1)(e)	The CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	None		No such case in the reporting year
3(2)	The CEO, CS, CFO and HIAC of the Company shall attend the meetings of the Board	√		The CEO, CFO, CS, Head of Internal Audit and Head of Ethics & Compliance attended in the Board Meetings
3(3)(a)	The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief	√		The CEO and CFO have duly certified to the Board and the declaration is disclosed as Annexure-IV on page 63 of the Annual Report
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		-do-
3(3)(a)(ii)	These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws	√		-do-
3(3)(b)	The CEO and CFO shall also certify that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board or its members	√		-do-
3(3)(c)	The certification of the CEO and CFO shall be disclosed in the Annual Report	√		The declaration by the CEO and CFO is disclosed on page 63 of the Annual Report
4(i)	There shall be an Audit Committee as a sub-committee of the Board	√		The Board formed the Audit Committee on 10 November 2008
4(ii)	There shall be a Nomination and Remuneration Committee as a sub-committee of the Board	√		The Board formed the NRC on 11 December 2018
5(1)(a)	The Company shall have an Audit Committee	√		Audit Committee is established as per BSEC guidelines
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business	√		The Audit Committee discharges as per BSEC guidelines
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	√		The duties of the Audit Committee are clearly defined in the Board approved Audit Committee Charter as per BSEC guidelines
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members	√		Audit Committee comprises of 3 (three) members

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the Company excepting Chair of the Board and shall include at least 1 (one) independent director	√		All members of the Audit Committee are non-executive directors, out of which one member is ID. All the members are appointed by the Board. The Chair of the Board is not the member of the Audit Committee
5(2)(c)	All members of the audit committee should be "financially literate" and at least one (1) member shall have accounting or related financial management background and ten (10) years of such experience	√		Based on the academic qualifications and professional experience, which provided on page 29 of the Annual Report demonstrate that all the existing members of the Audit Committee are "financially literate" and they have "related financial management" experience as per BSEC notification
5(2)(d)	The Board shall appoint new Committee member to fill up the casual vacancy immediately or not later than one (1) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	None		No such case in the reporting year
5(2)(e)	The Company Secretary shall act as the secretary of the Committee	√		In practice
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least one (1) independent director	√		In practice
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	√		The Chair of the Audit Committee is an Independent Director
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chair for that particular meeting and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		No such case in the reporting year
5(3)(c)	Chair of the Audit Committee shall remain present in the Annual General Meeting (AGM)	√		The Chair of the Audit Committee attended in the 25 th AGM held on 26 April 2022
5(4)(a)	The Audit Committee shall conduct at least four (4) meetings in a financial year	√		There were six (6) meetings held during the reporting period
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	√		In practice
5(5)	Meeting of the Audit Committee			
5(5)(a)	Oversee the financial reporting process	√		The Audit Committee performs as per BSEC's guidelines
5(5)(b)	Monitor choice of accounting policies and principles	√		-do-
5(5)(c)	Monitor Internal Audit and Compliance, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	√		-do-
5(5)(d)	Oversee hiring and performance of external auditors	√		-do-
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		-do-
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval	√		-do-
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		-do-
5(5)(h)	Review the adequacy of internal audit function	√		-do-

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√		-do-
5(5)(j)	Review statement of all related party transactions submitted by the management	√		-do-
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors	√		-do-
5(5)(l)	Oversee the determination of audit fees and evaluate the performance of external auditors	√		-do-
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) have been utilised as per the purposes stated in relevant offer document or prospectus approved by the Commission	None		No IPO was made in the year 2022
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board	√		
5(6)(a)(ii)(a)	The Audit Committee shall report on conflicts of interests	None		No such event in the reporting year
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements	None		No such event in the reporting year
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	None		No such event in the reporting year
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately	None		No such event in the reporting year
5(6)(b)	Reporting to BSEC (if any, which has material impact on the financial condition and results of operation, unreasonably ignored by the management)	None		No such event in the reporting year
5(7)	Reporting to the Shareholders and General Investors of Audit Committee Activities, which shall be signed by the Chair of the Audit Committee and disclosed in the Annual Report	√		Activities of the Audit Committee are reported on page 35 of the Annual Report
6(1)(a)	The Company shall have a Nomination and Remuneration Committee (NRC)	√		NRC is established as per BSEC guidelines
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive	√		The NRC discharges as per given guidelines
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)	√		The duties of the NRC are clearly defined in the Board approved NRC Charter as per BSEC's guidelines
6(2)(a)	The Committee shall comprise of at least three (3) members including an independent director	√		NRC comprises of three (3) members, which includes one ID
6(2)(b)	All members of the Committee shall be non-executive directors	√		All members of NRC are non-executive directors
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board	√		All members of the NRC are appointed by the Board
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee	√		In practice
6(2)(e)	The Board shall fill the casual vacancy within None one hundred eighty (180) days of such vacancy occurring in the Committee	None		No such case in the reporting year
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member	None		No such case in the reporting year
6(2)(g)	The Company Secretary shall act as the secretary of the Committee	√		In practice

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an Independent Director	√		No such case in the reporting year
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company	√		No such case in the reporting year
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chair of the Committee, who shall be an Independent Director	√		The Chair of the NRC is an Independent Director
6(3)(b)	In the absence of the Chair of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	None		No such case in the reporting year
6(3)(c)	The Chair of the NRC shall attend the annual general meeting (AGM) to answer the queries of the Shareholders	√		The Chair of the NRC attended in the 25 th AGM held on 26 April 2022
6(4)(a)	The NRC shall conduct at least one meeting in a financial year	√		There were five (5) meetings held during the reporting period
6(4)(b)	The Chair of the NRC may convene any emergency meeting upon request by any member of the NRC	None		No such case in the reporting year
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an Independent Director is must	√		In practice
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	√		In practice
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the Shareholders	√		The NRC performs as per BSEC's guidelines
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the Company successfully	√		-do-
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks	√		-do-
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals	√		-do-
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	√		-do-
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board	√		-do-
6(5)(b)(iv)	Formulating the criteria for evaluation of the performance of independent directors and the Board	√		-do-
6(5)(b)(v)	Identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	√		-do-
6(5)(b)(vi)	Developing, recommending and reviewing annually the Company's human resources and training policies	√		-do-
6(5)(c)	The Company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report			The policy, criteria and activities of NRC are given on Page 37 of the Annual Report
7(1)	Statutory auditors not be engaged in the following services			
7(1)(i)	Appraisal or valuation services or fairness opinions	√		As declared by the Auditors
7(1)(ii)	Financial information systems design and implementation	√		-do-
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements	√		-do-

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
7(1)(iv)	Broker-dealer services	√		-do-
7(1)(v)	Actuarial services	√		-do-
7(1)(vi)	Internal audit services or special audit services	√		-do-
7(1)(vii)	Any service that the Audit Committee determines	√		-do-
7(1)(viii)	Audit or certification services on compliance of corporate governance	√		-do-
7(1)(ix)	Any other service that creates conflict of interest	√		-do-
7(2)	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	√		-do-
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	√		The representative of external auditors attended in the 25 th AGM held on 26 April 2022
8(1)	The Company shall have an official website linked with the website of the stock exchange	√		In practice
8(2)	The Company shall keep the website functional from the date of listing	√		In practice
8(3)	The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	√		In practice
9(1)	The Company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and such certificate shall be disclosed in the Annual Report	√		The Company obtained the certificate from M/S Suraiya Parveen & Associates, Chartered Secretaries, Financial & Management Consultants and such certificate is disclosed on page 70 of the Annual Report.
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	√		The Board appointed the Compliance Auditor and their appointment was approved by the Shareholders
9(3)	Directors statement in the directors' report whether the Company has complied with these conditions or not	√		Detailed status of compliance is given on page 52 of the Annual Report in the compliance schedule as published with the Directors' Report

Annexure II

Board Meeting and attendance during the year ended 31 December 2022

Name of Directors	Board Member Since	Number of meetings attended during 2022
Mr. M Shahjahan**	26 June 2006	8/9
Mr. Md. Ashraful Hassan**	20 January 2010	8/9
Mr. Håkon Bruaset Kjøl **	14 September 2011	7/9
Mr. Øivind Burdal	18 May 2016	9/9
Dr. Salehuddin Ahmed	12 December 2018	9/9
Mr. Jørgen C. Arentz Rostrup	09 June 2020	9/9
Mr. Abdul-Muyeed Chowdhury	14 September 2020	9/9
Ms. Tone Ripel	18 October 2020	9/9
Ms. Nurjahan Begum	16 December 2021	9/9
Mr. Ole Bjørn Sjulstad	19 October 2022	2/2
Mr. Lars Erik Tellmann*	11 December 2019	7/8

*Mr. Lars Erik Tellmann retired from the Board on 19 October 2022

**In compliance with the law, the Board granted leave of absence to the members who were unable to attend Board meetings.

Annexure-III

The Pattern of Shareholding as on 31 December 2022

Name of Shareholders	Status	Shares Held	Percentage
i) Parent/Subsidiary/Associate Companies			
Telenor Mobile Communications AS	-	753,408,154	55.80%
Grameen Telecom	-	461,766,409	34.20%
ii) Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouses and minor children			
Mr. Jørgen C. Arentz Rostrup	Chair	-	-
Mr. Håkon Bruaset Kjøl	Board Member	-	-
Mr. Øivind Burdal	Board Member	-	-
Ms. Tone Ripel	Board Member	-	-
Mr. Ole Bjørn Sjulstad	Board Member	-	-
Mr. M Shahjahan	Board Member	-	-
Mr. Md. Ashrafal Hassan	Board Member	-	-
Ms. Nurjahan Begum	Board Member	-	-
Dr. Salehuddin Ahmed	Board Member	-	-
Mr. Abdul-Muyeed Chowdhury	Board Member	-	-
Mr. Yasir Azman	Chief Executive Officer	39,783	0.00%
Mr. Jens Becker	Chief Financial Officer	-	-
Mr. S M Imdadul Haque	Company Secretary	500	0.00%
Mr. Hasan Faisal	Head of Internal Audit	195	0.00%
iii) Executives (as explained in the BSEC's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012) (The following list is prepared based on executive's joining date)			
Mr. Hossain Sadat	Head of Public & Regulatory Affairs	6,876	0.00%
Mr. Mohammad Sajjad Hasib	Chief Marketing Officer	-	-
Mr. Solaiman Alam	Chief Digital Officer	-	-
Mr. Jai Prakash	Chief Technology Officer	-	-
Mr. Hans Martin Henrichsen	Chief Corporate Affairs Officer	-	-
iv) Shareholders holding ten percent or more voting interest			
Telenor Mobile Communications AS	-	753,408,154	55.80%
Grameen Telecom	-	461,766,409	34.20%

Annexure –IV

Declaration by the CEO and the CFO

[As per condition No. 1(5)(xxvi) of Corporate Governance Code 2018]

The Board of Directors

Grameenphone Ltd.

Subject: Declaration on Financial Statements for the year ended on 31 December 2022.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207 Admin/80 dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Grameenphone Ltd. for the year ended on 31 December 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31 December 2022 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws; and
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Code of Conduct for the Company's Board of Directors or its members.

Sincerely yours,



(Yasir Azman)

Chief Executive Officer (CEO)



(Jens Becker)

Chief Financial Officer (CFO)

30 January 2023



Annexure V

Management's Discussion and Analysis

Management's Discussion and Analysis is designed to provide you with a narrative explanation through the eyes of our leadership on how we performed and information about our financial condition and prospects. As the Management's Discussion and Analysis is intended to supplement and complement our financial statements, we recommend that you read this in conjunction with our financial statements for the year ended 31 December 2022.

The Financial and Economic Scenario of Bangladesh and the Globe

Bangladesh's robust economic recovery from the pandemic has been interrupted by supply chain disruptions due to the Russia-Ukraine war, leading to a sharp widening of the current account deficit, rapid decline of foreign exchange reserves, rising inflation and slowing growth. Despite being hit by multiple waves of the Covid-19 pandemic and other global crises, quick and decisive actions by the local authorities, supported by the external environment, led to a much faster rebound than regional peers.

While the real GDP growth rate declined from 7.2% to 6.4% in 2022¹, the IMF expects that GDP growth will grow to 6.7% in 2023 and 7.2% in 2024 (the fiscal year of July-June)¹. To successfully graduate from Least Developed Country status and achieve middle-income status by 2031 and meet the vision for a Smart Bangladesh by 2041, it is imperative to build on past successes and address structural issues to accelerate growth, attract private investment, enhance productivity, and build climate resilience.

However, despite challenges on many fronts, circumstances also offer favourable conditions for the telecoms market in Bangladesh. There remains sizable opportunities to monetise the mobile and fixed data connectivity demand. Growth in data users, migration of both new and existing subscribers to 4G, and pushing beyond core services are crucial drivers for revenue growth; as a result, LTE network expansion and providing superior experience for customers will remain the priority for the operators in the short term.

Overall Operating Performance in 2022

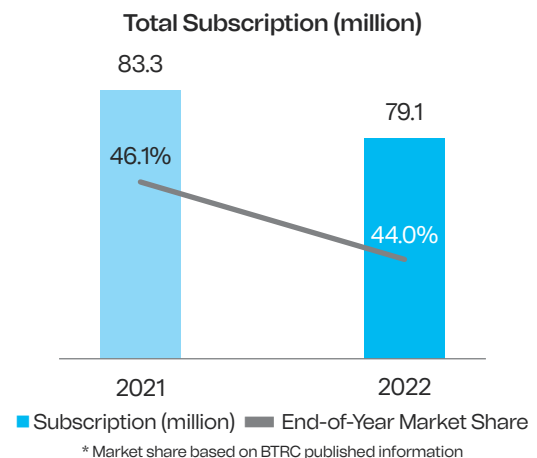
Grameenphone generated total revenue of BDT 150.4 billion (2021: BDT 143.1 billion), with a growth of 5.1% in 2022 compared to the previous year. Operating profit increased in 2022 amidst adverse impact from SIM sale restrictions. The growth in operating profit was mainly driven by growth in revenue, lower restructuring and operation & maintenance costs, which was partially offset by higher depreciation, market spend and spectrum charges resulting in a 0.4% increase from last year. Net profit after tax for 2022 stood at BDT 30.1 billion (2021: BDT 34.1 billion). Grameenphone's subscriber growth impacted by SIM sale restrictions in the second half of 2022, resulted in 4.2 million lower subscriber numbers, taking the year-end subscriber base to 79.1 million.

Total number of internet users stood at 43.6 million at the end of 2022 which was 55% of the total subscriber base. This figure also includes 34.2 million 4G data users, which was 23.6% higher than last year. Number of Grameenphone 4G sites reached more than 19,000 as coverage expansion continued through 2022; this resulted in 97.9% 4G network population coverage for Grameenphone. In order to facilitate the growing demand for data, Grameenphone deployed 10.4MHz of spectrum across more than 18,000 sites. In addition, Grameenphone also acquired an additional 60MHz spectrum in 2022. With this additional spectrum the Company was much better positioned to strengthen customer experience and service quality, contribute to Bangladesh's digitalisation and meet the growing needs for high-speed internet in rural and urban areas.

Grameenphone delivered improved topline growth momentum, amidst a challenging business and macroeconomic environment, through growth in bundle and data services, supported by continued investment in deployment of new spectrum, accelerated 4G rollout and expansion of coverage sites in 2022.

Customers and Average Revenue/Minutes per User (ARPU & AMPU)

The Grameenphone subscription base stood at 79.1 million at the end of 2022, a 5% de-growth from last year. According to BTRC published information, Grameenphone's subscription market share stood at 44.0% at year-end, which was a 2.1 pp decrease from last year.

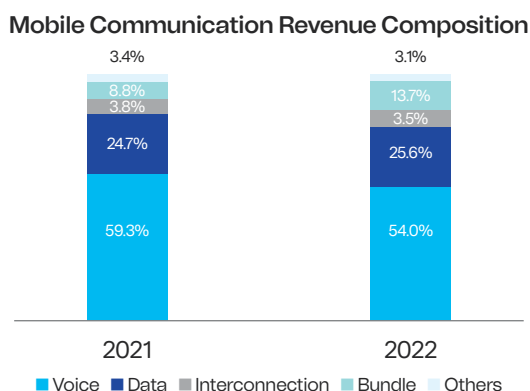
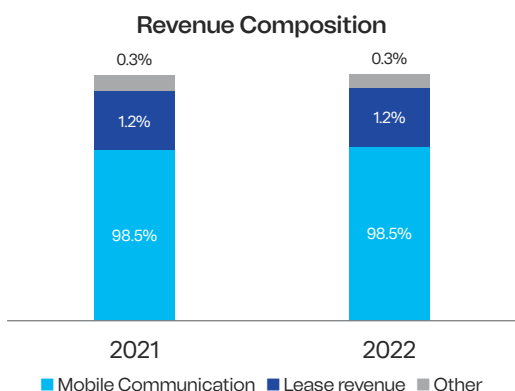
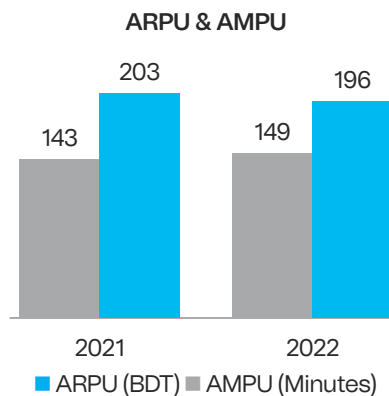


¹Source – IMF, February and October 2022

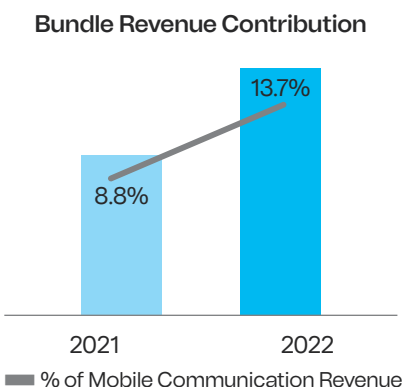
ARPU increased to BDT 149 in 2022 (2021: BDT 143), mainly due to higher contribution from the bundle & data segment, which was partly offset by a lower contribution from voice services. In 2022, AMPU was 196 minutes (2021: 203 minutes) with a decrease of 3.3%, mainly attributed to voice call shift to OTT platform and macroeconomic challenges.

Revenue Performance

Grameenphone reported total revenue of BDT 150.4 billion for the year 2022 (2021: BDT 143.1 billion), with 5.1% growth. The increase in total revenue came mainly from higher mobile communication revenue, which was driven by higher bundle and data only services, and partly offset by lower voice only revenue.



Grameenphone revamped its data portfolio in 2022 due to the implementation of 15% VAT on data services, in response to changes in the national budget. Considering customer needs, Grameenphone introduced exclusive data only products while continued focus on user friendly bundle offers. With continued drive on attractive bundle packs, bundle services revenue grew by 63.1% compared to last year. As a result, bundle revenue mix in mobile communication revenue increased to 13.7% compared to 8.8% last year.

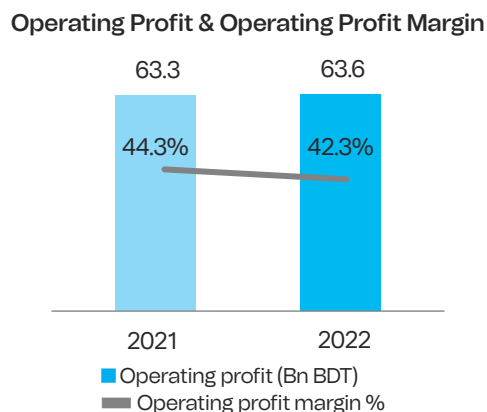


Revenue from voice only services decreased by 4.1%, while data only revenue increased by 9.2%. The growth in data revenue contributed by 52.7% growth in data usage.

Interconnection revenue continued to decrease in 2022 with a de-growth of 2.3%. In addition to the increasing proliferation of OTT services, interconnect revenue growth in 2022 was further impacted by reduction in the international call termination rate.

Cost and Margin Review

Total operating expense of Grameenphone stood at BDT 86.8 billion (2021: BDT 79.7 billion) an 8.9% increase compared to last year. The growth in operating expense came from higher spectrum charges, depreciation & amortisation, sales, marketing & commission, other operating expense, and cost of material & traffic charges, partly offset by lower operation & maintenance and restructuring costs. Higher sales, marketing and commission cost was mainly driven by higher revenue and an enhanced market drive to support the topline growth momentum, partly mitigated by an increased share of digital sales. Higher depreciation resulted from acquisition of spectrum & RoU asset. The de-growth in operation and maintenance cost resulted from lower service maintenance fee as a result of negotiation outcome.

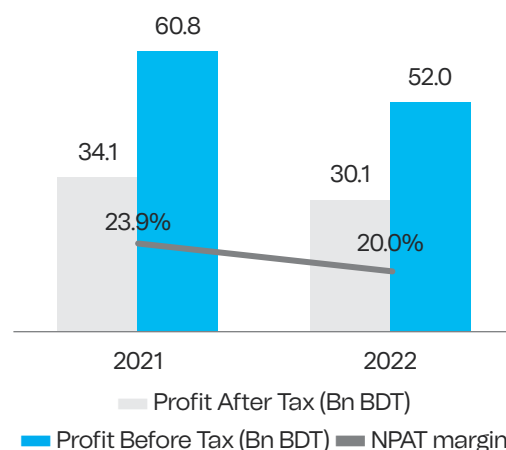


BDT 7.3 billion increase in total revenue and BDT 7.1 billion increase in operating expense contributed to a BDT 0.3 billion increase in operating profit in 2022. Operating Grameenphone profit margin stood at 42.3% (2021: 44.3%).

Profit after Tax

The Net profit after tax for 2022 was stood at BDT 30.1 billion (2021: 34.1 billion) with a margin of 20%, which was 3.8pp lower compared to last year. BDT 4 billion decrease in net profit after tax resulted from BDT 8.8 billion lower profit before tax, mainly due to higher finance costs resulted from regulatory disputes and forex losses, and was partly offset by a BDT 4.8 billion lower tax expense.

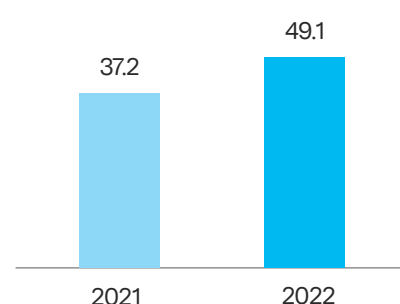
Profit After Tax & Profit Before Tax



Capital Expenditure (Capex) and Network Updates

In 2022, Grameenphone reported BDT 49.1 billion (2021: BDT 37.2 billion) as capital expenditure including the cost of acquisition of 60MHz spectrum, with a 'total capex to sales' ratio of 32.6%. Majority of the investments in 2022 were related to spectrum acquisition, rolling out of 4G sites, capacity and coverage expansion- all in order to ensure improved voice and data experience for customers. In 2022, Grameenphone rolled out 2,000+ new 4G sites, taking the total number of 4G sites to 19,000+, covering 97.6% of the population under the 4G network (2021: 94.1%). With 1,700+ new coverage sites in 2022, Grameenphone's total site locations reached more than 20,000, covering 99.6% of the total population.

Total Capex (Bn BDT)



Comparative analysis of Financial Performance, Financial Position, and Cash Flows

Major areas of financial performance, financial position as well as cash flows [including effects of inflation (Table – 2)] against the immediate preceding five years are as follows:

Table – 1:

Reported numbers	2022	2021	2020	2019	2018 Restated	2017 Adjusted
Financial Performance (in million BDT)						
Revenue	150,403	143,066	139,606	143,656	132,832	128,436
Operating Profit	63,598	63,336	63,440	66,652	56,777	49,340
Profit Before Tax	51,990	60,821	62,801	63,899	54,848	46,419
Net Profit After Tax	30,092	34,129	37,187	34,517	33,363	26,146
Financial Position (in million BDT)						
Paid-up Capital	13,503	13,503	13,503	13,503	13,503	13,503
Shareholders' Equity	46,211	49,879	52,108	38,347	36,836	31,388
Total Assets	185,087	163,007	148,184	148,734	138,713	130,220
Total Liabilities	138,877	113,128	96,077	110,387	101,877	98,832
Current Assets	12,094	9,868	9,931	20,999	13,369	20,658
Current Liabilities	92,933	85,236	76,656	90,426	82,963	78,274
Non-current Assets	172,994	153,139	138,253	127,735	125,345	109,562
Non-current Liabilities	45,994	27,892	19,420	19,961	18,914	20,558
Cash Flows (in million BDT)						
Net Cash generated from Operating Activities	63,813	57,814	33,572	57,393	60,413	57,771
Net Cash used in Investing Activities	(21,571)	(18,786)	(11,217)	(14,263)	(30,200)	(12,944)
Net Cash used in Financing Activities	(41,983)	(38,878)	(33,517)	(35,308)	(36,699)	(35,336)

Reported numbers	2022	2021	2020	2019	2018 Restated	2017 Adjusted
Financial Ratios						
Current Asset to Current Liability	0.13	0.12	0.13	0.23	0.16	0.26
Debt to Equity	1.23	0.75	0.42	0.62	0.50	0.63
Operating Profit Margin	42%	44%	45%	46%	43%	38%
Net Profit Margin	20%	24%	27%	24%	25%	20%
Return on Equity	63%	67%	82%	92%	98%	84%
Return on Total Assets	17%	22%	25%	24%	25%	20%
Ordinary Shares Information						
Ordinary Shares Outstanding (in million)	1,350	1,350	1,350	1,350	1,350	1,350
Face Value per share (BDT)	10	10	10	10	10	10
Cash Dividend on Paid-up Capital ¹	220%	250%	275%	130%	280%	205%
Dividend Pay out ¹	98.72%	99%	100%	51%	113%	106%
NAV per Share (BDT) ²	34.22	36.94	38.59	28.40	27.28	23.25
Net Operating Cash Flow per Share (BDT) ³	47.26	42.82	24.86	42.50	44.74	42.78
Earnings Per Share (BDT) ³	22.29	25.28	27.54	25.56	24.71	19.36

*Gain/loss on disposal of property, plant and equipment has been included in operating profit.

¹Including proposed dividend

²Based on BDT 10 equivalent ordinary share outstanding on 31 December

³Based on weighted average number of shares of BDT 10 each

Table – 2:

Inflation Adjusted numbers	2022	2021	2020	2019	2018 Restated	2017 Adjusted
Financial Performance (in million BDT)						
Revenue	112,206	114,951	118,385	128,751	125,574	128,436
Operating Profit	47,447	50,889	53,796	59,736	53,675	49,340
Profit Before Tax	38,786	48,868	53,255	57,269	51,851	46,419
Net Profit After Tax	22,448	27,422	31,534	30,935	31,540	26,146
Financial Position (in million BDT)						
Paid-up Capital	13,503	13,503	13,503	13,503	13,503	13,503
Shareholders' Equity	34,475	40,076	44,187	34,369	34,824	31,388
Total Assets	138,082	130,973	125,659	133,302	131,134	130,220
Total Liabilities	103,607	90,896	81,472	98,934	96,310	98,832
Current Assets	9,022	7,928	8,421	18,820	12,638	20,658
Current Liabilities	69,331	68,486	65,004	81,044	78,430	78,274
Non current Assets	129,059	123,044	117,238	114,482	118,496	109,562
Non current Liabilities	34,276	22,411	16,468	17,890	17,880	20,558
Cash Flows (in million BDT)						
Net Cash generated from Operating Activities	47,607	46,452	28,469	51,438	57,112	57,771
Net Cash used in Investing Activities	(16,093)	(15,094)	(9,512)	(12,783)	(28,549)	(12,944)
Net Cash used in Financing Activities	(31,321)	(31,238)	(28,423)	(31,645)	(34,694)	(35,336)
Inflation Rate	7.70%	5.54%	5.69%	5.48%	5.78%	5.44%

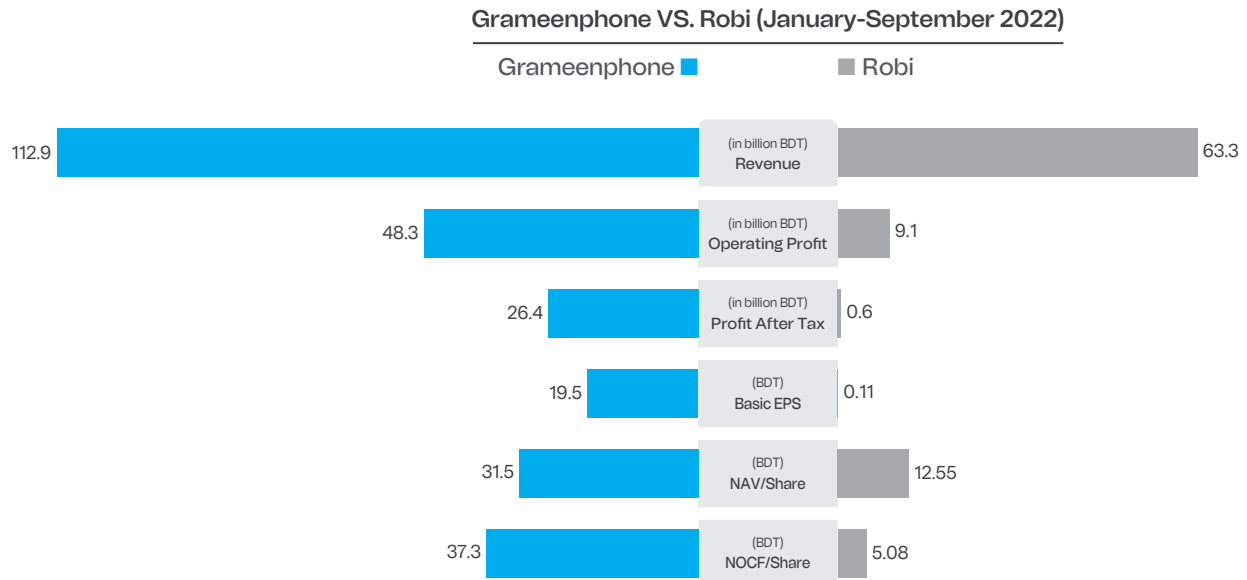
*Inflation Rate Source: Bangladesh Bureau of Statistics

*Since inflation rates are only available for fiscal years, they have been applied for the financial years

Comparison of Financial Performance, Financial Position, and Cash Flow with the peer industry scenario

Peer companies of Grameenphone in the telecommunication industry in Bangladesh include Robi Axiata Limited (Robi), Banglalink Digital Communications Limited and Teletalk Bangladesh Ltd. (Teletalk). Among these three companies, Robi Axiata Limited (Robi) has listed with Dhaka Stock Exchange and Chittagong Stock Exchange and thus allowing for comparative benchmarking.

Following is the comparative peer review with Robi Axiata Limited and its subsidiary, based on Robi's latest available 3rd Quarter/9 Months Un-audited Financial Statements.



Accounting Policies and Estimation for Preparation of Financial Statements

The Financial Statements of Grameenphone have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2015 and other applicable laws in Bangladesh. Detail of the accounting policies and estimation used for preparation of the Financial Statements of the Company are disclosed in the notes 2 & 3 of the financial statements.

Changes in Accounting Policies and Estimation

The accounting policies applied are consistent with those applied in the previous financial year.

Risks and Concerns Related to the Financial Statements

Grameenphone has a structured process to identify Financial Statement risks and implement mitigating controls to ensure Financial Statement gives true and fair view of the events and transactions during the period.

The Company has an integrated process to review the risks arising from transactions, processes, and people, as well as from the external and regulatory environment. Every year, Financial Statement risks are reviewed, involving control and process owners, to identify risks effectively so that Financial Statement assertions are met. Grameenphone follows a risk-based approach where both standard and local risks are addressed. Standard Risks are risks common to all Telenor Business Units and Local Risks are Grameenphone specific risks that arise due to local business processes, people and the regulatory environment we operate in. Each risk is evaluated through a probability and impact matrix and categorised into a four-point rating scale (Very High, High, Medium and Low).

Adequate controls are designed for processes to mitigate the identified risks to an acceptable level. "Risk Assessment" is being conducted annually to amend control description and strengthen control mechanism to ensure effective and efficient risk management framework. Risk mitigation status is being monitored through two control-testing methods i.e., self-assessment and direct testing, twice a year (Interim and Year-end). Details of the ICFR activity is presented in the Internal Control over Financial Reporting (ICFR) section of the Annual Report on page 42.

Future Plan of Grameenphone 2023

Grameenphone will continue to capitalise on the data revolution by providing a greater customer experience and providing users with greater benefits. We will continue to invest in our technological capabilities, which will enable us to bring minds and ideas together. Grameenphone has been a partner in Bangladesh's development journey for more than two decades and going forward we see our role being strengthened in realising the Bangladesh government's vision of becoming a Smart Bangladesh and a digitally connected society. As an enabler to these ambitions, we will focus on a sharper strategy, that maximises investment for top-line revenue and EBIDTA growth but also maximises cash flow.

Our strategy is broken down into the following four key Value Drivers:

- 1. Driving Growth:** Our focus will be driving growth through providing a superior network experience to our valued customers. We will continue our effort on digitisation and simplification, as well as greater efficiency in core operations. This will allow Company to invest and scale revenue from beyond core streams.
- 2. Ensure Superior Experience:** Strong emphasis will be put on building IT stability and modernising our digital, billing, and analytics capabilities. Our focus on this key value driver should result in a superior customer experience that strengthens our Network leadership position.
- 3. Drive Modernisation:** The modernisation initiatives will continue through enhancement and swapping of existing resources. Along with that, digitisation and simplification of the customer journey will continue across all digital assets and channels. Greater focus will be placed on developing people front, particularly on building leadership, competence, engagement and HSSE.
- 4. Strengthen BEM:** We will strengthen long-term relations and perception through stakeholder advocacy, narrative creation, addressing social impact, and climate and privacy awareness. We will continue our dialogue with top stakeholders to mitigate ongoing regulatory issues. We will continue to take a socially responsible position by strengthening digital and youth skills, and expanding on Online Safety at the national level and across new/digital business.

The key value drivers outlined above will be driven with a strong emphasis on developing a culture and mindset across the value chain that will establish safety as an integral part of the business.

Our endeavour is to make ourselves future ready while delivering strong results in both customer experience and financials KPIs to meet the expectations from our Shareholders, stakeholders and above all from our customers. As we contend with a fragmented value chain governed by a dynamic regulatory regime, we remain proactive in addressing regulatory and network experience issues and delivering on our strategic ambitions through strong market execution – thereby enhancing the quality of life for our customers.



(Yasir Azman)

Chief Executive Officer (CEO)

30 January 2023





Suraiya Parveen & Associates

(Chartered Secretaries, Financial & Management Consultants)

[Certificate as per condition No.1 (5) (XXVII)]

Report to the Shareholders of Grameenphone Ltd. on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Grameenphone Ltd. for the year ended on December 31, 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the Company is satisfactory.

Dhaka, Dated
January 30, 2023



For Suraiya Parveen & Associates
Chartered Secretaries

Suraiya Parveen, FCS
Chief Executive Officer

Boutique to Business

'I took a break from job during my pregnancy and pursued my dream later on. I started designing sarees with a touch of local culture and created an online page and physical boutique. From that day, I found the strength to run as an entrepreneur. My dream is to make Bangladeshi tradition popular globally.'

Foura Ferdous

Entrepreneur, Poter Bibi





Financial Statement 2022

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Independent Auditor's Report

To the Shareholders of Grameenphone Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Grameenphone Ltd. (the Company), which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to note # 45 (a) to the financial statements, wherein the management has explained the status of demand notice, which was received from the Bangladesh Telecommunication Regulatory Commission (BTRC) in relation to the information system audit conducted by BTRC. Based on the audit on Grameenphone from 1997 (inception) to 2014, BTRC sent a demand notice dated 02 April 2019 for payment of BDT 125.80 billion. As stated in the same note, Grameenphone filed a Title Suit before the learned District Court against the BTRC demand. On 17 October 2019, on a move by Grameenphone, the Hon'ble High Court Division (HCD) passed an interim order of injunction restraining BTRC from taking any steps based on, or pursuant to, or for the realisation of or enforcement of the Audit Demand dated 02 April 2019 and also stayed the suspension of NOCs by BTRC. Challenging the said interim order of stay and injunction, BTRC moved to the Hon'ble Appellate Division (AD), and on 24 November 2019, the Hon'ble AD pronounced its Order that the interim order of stay and injunction dated 17 October 2019 passed by the Hon'ble HCD is maintained subject to the condition that Grameenphone shall pay BDT 20 billion to BTRC within a period of three months. In a Review Petition filed by Grameenphone, the Hon'ble AD directed Grameenphone to deposit BDT 10 billion by 24 February 2020 and again directed to deposit another BDT 10 billion by 31 May 2020. Accordingly, Grameenphone deposited BDT 20 billion in total which is included in 'Other non-current assets' as disclosed in note # 9 to the financial statements. Detailed disclosures about the demand notice and court cases thereto have been given in note # 45(a) to the audited financial statements for the year ended 31 December 2022.

Key Audit Matters

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



Risk	Our Response to the Risk
1. Regulatory matters	
<p>Referring to note # 45 to the financial statements, the Company is subject to a number of significant claims and litigations. The amounts of claims are significant and estimates of provisions or contingent liabilities are subject to significant management judgment.</p> <p>These claims and litigations matters were a key audit matter due to the amounts involved, potential consequences, and the inherent difficulty in assessing the outcome. The assessment of whether a liability should be recognised involves prudent judgment from management.</p>	<p>We understood the process of identifying claims, litigations, and contingent liabilities and identified key controls in the process. For selected controls, we have performed tests of controls. Moreover, we have gained an understanding of management's decision process to disclose contingent matters in the financial statements.</p> <p>Our procedures also included, among others:</p> <ul style="list-style-type: none"> • Discussed material legal cases with the Company's Legal Department; • Analysed responses received from the Legal Department / external Legal Counsel of the Company; • Reviewed and analysed management's detailed assessment of the probability of outcome substantiated by those legal opinions; • Read the minutes of meetings of the Board of Directors and the Board Audit Committee; • Analysed the disputes/ cases settled during the year and assessed the reasonableness of provision kept against the amounts settled. • Ascertained the steps taken by the Company so that any disputes/ cases are resolved at the earliest, thus minimising the risk of such disputes turning into claims/cases. • Analysed contingent liabilities and changes in provisions for claims and litigations; • Assessed the circumstances which contributed to the significant uncertainties in management estimate of provisions together with the impact of the outcome of each matter; and • Assessed disclosures in the financial statements of material contingencies nature and their measurement.
See note # 45 to the financial statements.	
2. Revenue recognition	
<p>Referring to note # 26 to the financial statements, Revenue of BDT 150.40 billion is recognised in the statement of profit or loss and other comprehensive income of Grameenphone Ltd. This material item is subject to considerable inherent risk due to the complexity of the systems necessary for properly recording and identifying revenue and the impact of ever-changing business, price and tariff models (including tariff structures, customer loyalty rewards, and bundled subscription-based products). Against this background, the proper application of the accounting standards is considered to be complex and to a certain extent based on estimates and assumptions made by management.</p>	<p>Because the high degree of complexity and estimates and assumptions give rise to an increased risk of accounting misstatements, we assessed the Company's processes and controls for recognising revenue as part of our audit.</p> <p>Our audit approach included testing of the controls and substantive audit procedures as below:</p> <ul style="list-style-type: none"> • Assessed the relevant systems supporting the accounting of revenue; • Tested sample controls relating to the recognition of revenue; • Assessed the invoicing and measurement systems up to entries in the general ledger on a sample basis; • Analysed and tested customer contracts, invoices and receipts on a sample basis; • Conducted analytical procedures such as trend analysis, ratio analysis, and variance analysis on a sample basis; and • Analysed the revenue charging model against the regulatory guidelines on a sample basis. • We read and analysed the disclosures made in the financial statements.



See note # 26 to the financial statements.	
3. Uncertain tax positions	
<p>Referring to note # 45 (b) of the financial statements, the Company is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business that could eventually require payments of taxes and possible additional charges. The assessment of uncertainty and risk of one or more unfavourable outcomes involves prudent judgment from management.</p> <p>These uncertain tax positions were a key audit matter because of the amounts involved and because of the uncertainty in estimating the final outcome of these matters.</p> <p>The Company records provisions for uncertain liabilities, including tax contingencies, when it is more likely than not that a liability has been incurred, and the amount can be reliably estimated.</p>	<p>We took into consideration the complexity of accounting and tax issues, internal controls, and gained an understanding over the entity's accounting for taxes and management's process for assessing the effectiveness of internal controls over the significant income tax accounts and the related financial statement disclosures.</p> <p>Our procedures also included:</p> <ul style="list-style-type: none"> • Obtained a listing of all ongoing tax litigations, each above BDT 200 million; • Discussed with the management regarding tax matters, tax jurisdictions, and tax communications; • Identified and tested relevant controls over tax accounts and financial statement disclosures; • Obtained, read and analysed opinions by the Company from the tax consultants and external counsels of the Company as shared by the management; • Verified account reconciliations and traced demand amounts, amounts paid under protest and considered recoverable and amounts charged off on a sample basis to the underlying supporting demand notices, invoices, bank payments and trial balance; • Analysed the technical merits of each demand based on applicable tax provisions and considered settled tax positions in determining estimate of tax contingency made by the management and • Obtained and read the disclosures made in the accompanying financial statements.
See note # 35 to of the financial statements.	
4. IT systems and controls	
<p>The Company's key financial accounting and reporting processes are significantly dependent on the automated controls over the Company's information systems. As such, there are risks of gaps in the IT control environment, including automated accounting procedures. IT-dependent manual controls and controls preventing unauthorised access and unauthorised changes to systems and data could result in the financial accounting and reporting records being materially misstated.</p> <p>The IT systems and controls, as they impact the financial recording and reporting of transactions, is a key audit matter.</p>	<p>We performed audit procedures to assess IT systems and controls over financial reporting, which included the following:</p> <ul style="list-style-type: none"> • Tested sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access, system change management and computer operations; • Assessed the management's evaluation of access rights granted to applicants relevant to financial accounting and reporting systems, and tested resolution of a sample of exceptions and some IT General Controls as per ICFR guidelines; • Assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights; and • Tested sample of specific application controls for key financial reporting controls. • In addition, we also reviewed IT Governance of the Company on a sample basis.





Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The draft Annual Report is expected to be made available to us after the date of this auditor's report but before finalisation of the Annual Report.

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

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

When we read the annual report before finalisation, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance of the Company so that the matter is duly addressed in the annual report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 and the Securities and Exchange Rules 2020, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure incurred was for the purposes of the Company's business.

Dated, Dhaka

30 January 2023

ACNABIN, Chartered Accountants

A handwritten signature in black ink, appearing to read 'Abu Sayed Mohammed Nayeem'.

Abu Sayed Mohammed Nayeem, FCA

Partner

ICAB Enrolment # 0353

DVC: 2301300353AS272903

Grameenphone Ltd.

Statement of financial position

As at 31 December 2022

	Notes	31 December 2022	31 December 2021
		BDT (000)	BDT (000)
Assets			
Non-current assets			
Property, plant and equipment	4	62,849,119	60,387,950
Intangible assets	5	4,023,092	3,632,296
Right-of-use assets	6	80,501,010	62,533,832
Contract cost	8	5,148,908	6,035,958
Other non-current assets	9	20,471,567	20,549,067
Total non-current assets		172,993,696	153,139,103
Current assets			
Inventories	10	1,088,393	260,230
Trade receivables and others	11	7,679,405	6,858,686
Cash and cash equivalents	12	3,325,922	2,748,661
Total current assets		12,093,720	9,867,577
Total assets		185,087,416	163,006,680
Equity and liabilities			
Shareholders' equity			
Share capital	14	13,503,000	13,503,000
Share premium	15	7,840,226	7,840,226
Capital reserve	16	14,446	14,446
Retained earnings		24,853,086	28,520,886
Total equity		46,210,758	49,878,558
Non-current liabilities			
Lease liabilities	6	41,046,666	22,675,135
Deferred tax liabilities	17	3,060,593	3,425,488
Employee benefits	18	1,340,324	1,336,085
Other non-current liabilities	19	496,323	455,308
Total non-current liabilities		45,943,906	27,892,016
Current liabilities			
Trade payables and others	20	27,275,330	25,521,622
Provisions	21	23,612,398	15,703,449
Lease liabilities	6	10,852,496	9,445,609
Loans and borrowings	22	5,037,394	5,500,000
Current tax liabilities	23	23,779,920	25,603,868
Other current liabilities	24	2,316,342	3,414,334
Unclaimed dividend	25	58,872	47,224
Total current liabilities		92,932,752	85,236,106
Total equity and liabilities		185,087,416	163,006,680

The annexed notes 1 to 46 form an integral part of these financial statements.



Director



Director



Chief Executive Officer



Company Secretary

As per our report of same date.

ACNABIN

Chartered Accountants



Abu Sayed Mohammed Nayeem, FCA

Engagement Partner

ICAB Enrolment Number: 0353

DVC: 2301300353AS272903

Dated: Dhaka, 30 January 2023

Grameenphone Ltd.

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2022

	Notes	2022 BDT (000)	2021 BDT (000)
Revenue	26	150,403,469	143,065,872
Cost of material and traffic charges	27	(10,088,492)	(9,604,705)
Salaries and personnel cost	28	(9,235,728)	(11,507,572)
Operation and maintenance	29	(4,252,580)	(5,550,948)
Sales, marketing and commissions	30	(15,278,933)	(13,341,089)
Revenue sharing and spectrum charges	31	(12,583,383)	(10,895,286)
Other operating (expenses)/income	32	(7,466,582)	(5,814,523)
Depreciation and amortisation	33	(27,899,584)	(23,016,177)
		(86,805,282)	(79,730,300)
Operating profit		63,598,187	63,335,572
Finance (expense)/income	34	(10,177,407)	(2,595,396)
Foreign exchange (loss)/gain		(1,430,677)	80,570
		(11,608,084)	(2,514,826)
Profit before tax		51,990,103	60,820,746
Income tax expense	35	(21,898,505)	(26,691,690)
Profit after tax		30,091,598	34,129,056
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan	18	(3,164)	166,647
Related taxes		1,266	(66,659)
		(1,898)	99,988
Total comprehensive income for the year		30,089,700	34,229,044
Earnings per share			
Basic earnings per share (per value BDT 10 each in BDT)	36	22.29	25.28

The annexed notes 1 to 46 form an integral part of these financial statements.



Director



Director



Chief Executive Officer



Company Secretary

As per our report of same date.

ACNABIN
Chartered Accountants



Abu Sayed Mohammed Nayeem, FCA
Engagement Partner
ICAB Enrolment Number: 0353
DVC: 2301300353AS272903

Grameenphone Ltd. Statement of changes in equity

For the year ended 31 December 2022

	Share capital BDT (000)	Share premium BDT (000)	Capital reserve BDT (000)	Retained earnings BDT (000)	Total BDT (000)
Balance as at 01 January 2021	13,503,000	7,840,226	14,446	30,749,942	52,107,614
Transactions with the equity holders:					
Final dividend for 2020	-	-	-	(19,579,350)	(19,579,350)
Interim dividend for 2021	-	-	-	(16,878,750)	(16,878,750)
Total comprehensive income for the year					
Profit for the year	-	-	-	34,129,056	34,129,056
Other comprehensive income/(loss)	-	-	-	99,988	99,988
Balance as at 31 December 2021	13,503,000	7,840,226	14,446	28,520,886	49,878,558
Balance as at 01 January 2022	13,503,000	7,840,226	14,446	28,520,886	49,878,558
Transactions with the equity holders:					
Final dividend for 2021	-	-	-	(16,878,750)	(16,878,750)
Interim dividend for 2022	-	-	-	(16,878,750)	(16,878,750)
Total comprehensive income for the year					
Profit for the year	-	-	-	30,091,598	30,091,598
Other comprehensive income/(loss)	-	-	-	(1,898)	(1,898)
Balance as at 31 December 2022	13,503,000	7,840,226	14,446	24,853,086	46,210,758

Grameenphone Ltd.

Statement of cash flows

For the year ended 31 December 2022

	2022	2021
	BDT (000)	BDT (000)
Cash flows from operating activities		
Cash receipts from customers	148,708,931	143,040,757
Payroll and other payments to employees	(10,266,672)	(11,283,024)
Payments to suppliers, contractors and others	(47,937,814)	(45,982,703)
Interest received	156,852	140,460
Interest paid	(2,762,520)	(2,151,050)
Income tax paid	(24,086,083)	(25,950,477)
	(84,896,237)	(85,226,794)
Net cash generated from operating activities	63,812,694	57,813,963
Cash flows from investing activities		
Payment for acquisition of property, plant and equipment, Right-of-use and intangible assets	(21,786,189)	(19,050,944)
Proceeds from sale of property, plant and equipment	214,929	265,245
Net cash used in investing activities	(21,571,260)	(18,785,699)
Cash flows from financing activities		
Proceeds from short-term bank loan	(462,606)	4,260,000
Payment of dividend	(33,584,032)	(38,058,662)
Transfer of IPO subscription money to Capital Market Stabilisation Fund	-	(5,292)
Transfer of unclaimed dividend to Capital Market Stabilisation Fund	(15,478)	(114,403)
Payment of lease liabilities	(7,920,920)	(4,959,915)
Net cash used in financing activities	(41,983,036)	(38,878,272)
Net change in cash and cash equivalents	258,398	149,992
Cash and cash equivalents as at 01 January	2,748,661	2,598,738
Effect of exchange rate fluctuations on cash held	318,863	(69)
Cash and cash equivalents as at 31 December (Note 12)	3,325,922	2,748,661

Grameenphone Ltd.

Notes to the financial statements

For the year ended 31 December 2022

1. Corporate information

Grameenphone Ltd. (hereinafter referred to as "Grameenphone"/"GP"/"the Company") is a public limited Company incorporated in Bangladesh in 1996 under the Companies Act 1994 and has its registered address at GPHOUSE, Bashundhara, Baridhara, Dhaka 1229. Grameenphone was initially registered as a private limited Company and subsequently converted into a public limited Company on 25 June 2007. During November 2009, Grameenphone listed its shares with both Dhaka and Chittagong Stock Exchanges. The immediate parent of Grameenphone is Telenor Mobile Communications AS and the ultimate parent is Telenor ASA; both the companies are incorporated in Norway.

The Company is primarily involved in providing mobile telecommunication services (voice, data and other related services), along with digital services in Bangladesh. The Company also provides international roaming services through international roaming agreements with various operators of different countries across the world.

2. Basis of preparation

These financial statements are individual financial statements of Grameenphone, and have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2015 and other applicable laws in Bangladesh. These individual financial statements present the financial position and performance of Grameenphone and its investment in Accenture Communications Infrastructure Solutions Ltd. (ACISL) being accounted for under the equity method in accordance with IAS 28 Investment in Associates and Joint Ventures.

In accordance with the requirements of IAS 36 Impairment of Assets, the carrying amount of investment in ACISL as at 31 October 2016 had been fully impaired and no further share of loss has been recognised in line with paragraph 39 of IAS 28 Investment in Associates and Joint Ventures. The assessment of recoverable amount from investment in associate remained unchanged as at 31 December 2022. Hence, for understanding of Grameenphone's stand-alone financial performance, a separate statement of profit or loss and other comprehensive income is not necessary.

These financial statements have been prepared on going concern basis. Unless otherwise specifically mentioned, historical cost principle has been followed for the purpose of these financial statements.

Authorisation for issue

These financial statements have been authorised for issue by the Board of Directors of the Company on 30 January 2023.

2.1 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the Company. The amounts in these financial statements have been rounded off to the nearest BDT in thousand (BDT'000) except otherwise indicated. As a result of these rounding off, in some instances the totals may not match the sum of individual balances.

2.2 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

1. The Company has recognised Right-of-use assets as per IFRS 16 which required management to make important judgements in determination of lease terms. For details, please see Note 3.7 to these financial statements.
2. The Company has significant influence over Accenture Communications Infrastructure Solutions Ltd. (ACISL).

Estimates and assumptions

Key estimates and assumptions used in preparation of these financial statements are:

1. Applicable tax rate for Income Year 2022 will be declared by Finance Act 2023. For the purpose of these financial statements, management has assumed that the existing corporate tax rate (40%) will be applicable for Income Year 2022 as well.
2. Appropriate financial and demographic assumptions have been used in consultation with a certified actuary to measure defined benefit obligation as at 31 December 2022.
3. Key assumptions about the likelihood and magnitude of outflow of resources have been used to recognise and measure provisions and contingencies.
4. Recoverable amount of Investment in Associate.
5. Significant uncertainty exists on the validity and outcome of the dispute with regard to the demand arisen out of BTRC Audit. Note 45 (a) discusses the issue in details.

3. Significant accounting policies

Accounting policies set out below have been applied consistently to all years presented in these financial statements. Comparative information has been rearranged wherever considered necessary to conform to the current year's presentation.

3.1 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- i) expected to be realised or intended to be sold or consumed in normal operating cycle, or
- ii) expected to be realised within twelve months after the reporting period, or
- iii) held primarily for the purpose of trading, or
- iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- i) expected to be settled in normal operating cycle, or
- ii) due to be settled within twelve months after the reporting period, or
- iii) held primarily for the purpose of trading, or
- iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.



3.2 Offsetting

The Company reports separately both assets and liabilities, and income and expenses, unless required by an applicable accounting standard or offsetting reflects the substance of the transaction and such offsetting is permitted by applicable accounting standard.

Cash receipts and payments on behalf of customers when the cash flows reflect the activities of the customer rather than those of the entity and cash receipts and payments for items in which the turnover is quick, the amounts are large, and the maturities are short, are presented net in the statement of cash flows.

3.3 Cash dividend to the equity holders

The Company recognises a liability to pay cash dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in Bangladesh, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturity of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short term commitments.

3.5 Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. Cost also includes initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located and capitalised borrowing costs. The obligations for costs of dismantling and removing the item and restoring the site (generally called 'asset retirement obligation') are recognised and measured in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When major parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(b) Subsequent costs

The cost of replacing or upgradation of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(c) Depreciation

No depreciation is charged on land and capital work in progress (CWIP) as the land has unlimited useful life and CWIP has not yet been placed in service.

Depreciation on other items of property, plant and equipment is recognised on a straight-line basis over the estimated useful life of each item of property, plant and equipment. The range of estimated useful lives shown below depends on sub-category of the assets under the broad category. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Depreciation method, useful lives and residual values are reviewed at each year-end and adjusted if appropriate. The estimated useful lives of the items of property, plant and equipment for the current and comparative periods are as follows:

Own assets:

Building	10 -50	10 -50
Base station - equipment	3-10	3-10
Base station - tower, fibre optic network and related assets	7- 30	7- 30
Transmission equipment	5-10	5-10
Computers and other IT equipment	3-4	3-4
Furniture and fixtures (including office equipment)	3-5	3-5
Vehicles	4	4

2022 Years	2021 Years
10 -50	10 -50
3-10	3-10
7- 30	7- 30
5-10	5-10
3-4	3-4
3-5	3-5
4	4

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

(e) Capital work in progress

Capital work in progress consists of unfinished work at sites and capital inventory. Spare parts expected to be used for more than one year are treated as capital work in progress. In case of import of components, capital work in progress is recognised when risks and rewards associated with such assets are transferred to the Company.

(f) Capitalisation of borrowing costs

As per the requirements of IAS 23 Borrowing Costs, directly attributable borrowing costs are capitalised during construction period for all qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.6 Intangible assets**(a) Recognition and measurement**

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Intangible assets are recognised when all the conditions for recognition as per IAS 38 Intangible Assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the profit or loss as incurred.

Development activities involve a plan or design for the production of new and substantially improved products and processes. Development expenditures, on an individual project, are recognised as an intangible asset when the Company can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Other development expenditures are recognised in profit or loss as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is placed in service. It is amortised over the period of expected future economic benefits. During the period of development, the asset is tested for impairment annually.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

(b) Subsequent costs

Subsequent costs are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other costs are recognised in profit or loss as incurred.

(c) Amortisation

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of intangible assets. The estimated useful lives are as follows:

	2022	2021
	Years	Years
Software and others:		
Pulse Code Modulation (PCM)	5	5
Billing software	5	5
Other operational software	3-7	3-7
Network management software	7	7

Amortisation methods, useful lives and residual values are reviewed at each year-end and adjusted, if appropriate.

(d) Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets, are recognised in profit or loss.

3.7 Leases

At inception of a contract, Grameenphone assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, Grameenphone assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- Grameenphone has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- Grameenphone has the right to direct the use of the asset. Grameenphone has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, Grameenphone has the right to direct the use of the asset if either:
 - (i) Grameenphone has the right to operate the asset; or
 - (ii) Grameenphone designed the asset in a way that predetermines how and for what purpose it will be used.

The policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on the reassessment of a contract that contains a lease component, Grameenphone allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. As a practical expedient, fixed non-lease components embedded in the lease contract are not separated and recognised as part of lease liabilities and right-of-use assets.

Telecom licence and spectrum

Grameenphone has chosen to apply IFRS 16 on telecom license and spectrum which was earlier accounted for under IAS 38 Intangible Assets.

Grameenphone as a lessee

Grameenphone recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is depreciated using the straight line methods from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The estimated useful lives of the items of the right of use asset for the current and comparative periods are as follows:

	2022	2021
	Years	Years
Right-of-use assets:		
Fibre Optic Network (FON)	Upto 30	Upto 30
Spectrum-2008	18	18
Telecom licence and spectrum -2011	15	15
3G licence and spectrum	15	15
4G licence and spectrum	15	15

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Grameenphone's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index rate as the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that Grameenphone is reasonably certain to exercise, lease payments in an optional renewal period if Grameenphone is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Grameenphone is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Grameenphone's estimate of the amount expected to be payable under a residual value guarantee, or if Grameenphone changes its assessment of whether it will exercise purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right to use asset has been reduced to zero.

Grameenphone presents right of use assets and lease liabilities as separate captions in the statement of financial position.

Short-term leases and leases of low-value assets

Grameenphone has elected not to recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets for which the underlying asset is of BDT 400,000 or less. Grameenphone recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

Grameenphone determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Grameenphone applies judgement in evaluating whether it is reasonably certain to exercise an option not to terminate the lease and an option to renew a lease contract. Grameenphone considers all relevant factors before exercising any option. After the commencement date, Grameenphone reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the options (e.g. a change in business strategy).

Grameenphone considered the lease term for active leases at the date of initial application as maximum of 5 years or remaining non-cancellable period from 1 January 2019 by considering changes in technology, development in regulatory environment etc. Leases which would expire before 5 years from 1 January 2019, the lease term had been considered up to the expiry of lease. Leases which commenced on or after 1 January 2019, the lease term would be limited to either their non-cancellable period or 31 December 2023 whichever was later.

In 2020, due to the occurrence of significant event, Grameenphone reassessed its lease term as on 31 December 2020. As an outcome of this reassessment, lease term has been extended for 2 more years.

Consequently, remaining lease term for active leases as on 31 December 2020 will be as maximum of 5 years or remaining non-cancellable period from the same date. Leases which will expire before 5 years from 31 December 2020, the remaining lease term has been considered up to the expiry of lease.

Leases which commence on or after 31 December 2020, the lease term will be limited to either their non-cancellable period or 31 December 2025 whichever was later.

Grameenphone as a lessor

When Grameenphone acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, Grameenphone makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, Grameenphone considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, Grameenphone applies IFRS 15 to allocate the consideration in the contract.

Grameenphone recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

Sub lease

When Grameenphone is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which Grameenphone applies the exemption described in "Short-term leases and leases of low-value assets", then it classifies the sub-lease as an operating lease.

Grameenphone as an intermediate lessor accounts for the sublease as follows:

- (i) if the sublease is classified as an operating lease, Grameenphone continues to account for the lease liability and right-of-use asset on the head lease like any other lease; or
- (ii) if the sublease is classified as a finance lease, Grameenphone derecognises the right-of-use asset on the head lease at the sublease commencement date and continues to account for the original lease

liability in accordance with the lessee accounting model. Grameenphone, as the sublessor, recognises a net investment in the sublease.

3.8 Investment in associate

An associate is an entity over which the investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not to exercise control or joint control over those policies. Investment in associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the investor's share of net assets of the associate since the acquisition date. The statement of profit or loss and other comprehensive income reflects the investor's share of the results of operations of the associate. Any change in other comprehensive income (OCI) of the investee is presented as part of the investor's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the investor recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the investor and the associate are eliminated to the extent of the interest in the associate.

Share of profit/loss of associate is not recognised in Grameenphone's individual financial statements until it is realised through dividend. Dividend income is recognised when Grameenphone's right to receive payment is established.

3.9 Financial instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on Grameenphone's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or Fair Value Through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- a) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.



All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Trade receivables are classified as Financial assets measured at amortised cost.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. Grameenphone measures loss allowances at an amount equal to ECL from trade receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, Grameenphone considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on Grameenphone's historical experience and informed credit assessment and including forward-looking information.

Grameenphone considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by Grameenphone to actions such as realising security (if any is held).

Measurement of Expected Credit Losses (ECL)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Grameenphone uses Lifetime Expected Credit Loss method for Trade receivables.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

Impairment losses related to trade receivables and others, including contract assets, are presented separately in the notes to the financial statement.

3.10 Inventories

Inventories consisting of scratch cards, SIM cards, mobile handsets, data cards and other devices are valued at lower of cost and net realisable value. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying amount of inventories to the lower of cost and net realisable value. Net realisable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.11 Employee benefits

The Company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective trust deeds and rules. Both of the plans are funded and are recognised/approved under Income Tax Ordinance 1984.

(a) Defined contribution plan (provident fund)

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contribution to defined contribution plans are recognised as an employee benefit expense in profit or loss in the period during which related services are rendered by employees. Advance contributions are recognised as an asset to the extent that a cash refund or a reduction in future payment is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which employees render the services are discounted to the present value.

Grameenphone has a separate recognised provident fund scheme. All permanent employees of Grameenphone contribute 10% of their basic salary to the provident fund and the Company makes matching contributions.

The Company recognises contribution to defined contribution plan as an expense when an employee has rendered related services in exchange for such contribution. The legal and constructive obligation is limited to the amount Grameenphone agrees to contribute to the fund.

(b) Defined benefit plan (gratuity fund)

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The employee gratuity plan is considered as defined benefit plan as it meets the recognition criteria. The Company's obligation is to provide the agreed benefits to current and former employees.

The net defined benefit liability (asset) in respect of a defined benefit plan is recognised in the statement of financial position. The net defined benefit liability (asset) is made up of:

- i) the present value of defined benefit obligation; less
- ii) the fair value of plan assets; adjusted for
- iii) any effect of limiting a net defined benefit asset to the asset ceiling.

Present value of defined benefit obligation is determined by professional actuary. Projected Unit Credit method is used to measure the present value of defined benefit obligations and related current and past service cost by using mutually compatible actuarial assumptions about demographic and financial variables.



Current service cost, past service cost and gain/loss on settlement and net interest on the net defined benefit liability (asset) are recognised in profit or loss. Service cost and gain/loss on settlement are classified as personnel expense and net interest on the net defined benefit liability (asset) is classified as financial expense.

Remeasurements of the net defined liability (asset) are recognised in other comprehensive income, comprising:

- i) actuarial gains and losses;
- ii) return on plan asset, excluding amounts included in net interest on the net defined benefit liability (asset); and
- iii) any change in the effect of the asset ceiling excluding amounts included in net interest on the net defined benefit liability (asset).

Relevant tax impacts of such remeasurements are also recognised under other comprehensive income.

(c) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount of annual leave encashment based on the latest basic salary.

3.12 Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

(a) Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rates used for the reporting periods are as follows:

Year	Tax rate
2022	40%
2021	40%

(b) Deferred tax

Deferred tax is recognised in compliance with IAS 12 Income Taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and amounts used for taxation purpose. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each year-end and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.13 Accruals, provisions and contingencies

(a) Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of trade payables and others.

(b) Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Asset Retirement Obligations (ARO)

Asset Retirement Obligations (ARO) are recognised when there is a legal or constructive obligation as a result of past event for dismantling and removing an item of property, plant and equipment and restoring the site on which the item is located and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. A corresponding amount equivalent to the provision is recognised as part of the cost of the related property, plant and equipment. The amount recognised is the estimated expected cost of decommissioning, discounted to its present value. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The Company recognises ARO in respect of base station and office space. The periodic unwinding of the discount is recognised in profit or loss as a finance cost as it occurs.

(c) Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. We recognise any amount as an asset only if recovery of that amount is virtually certain.

Contingent liabilities and assets are not recognised in the statement of financial position of the Company. Significant contingencies are disclosed in the notes to the financial statements.



3.14 Revenue from contract with customers

Under IFRS 15, revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it satisfies a performance obligation by transferring control over goods or services to a customer.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

Nature of goods and services

The following is a description of the principal activities from which the Company generates its revenue

(a) Subscription and traffic fees

Revenues from subscription fees are recognised over the subscription period while revenues from voice and non-voice services are recognised upon actual use. Consideration from the sale of prepaid cards to customers where services have not been rendered at the reporting date is deferred until actual usage or when the cards expire or airtime balances are forfeited.

(b) Connection fees

A connection fee received in the beginning is not considered a separate performance obligation as the connection or SIM card is not a distinct goods or service that is delivered initially. Connection fees that are charged and not allocated to the other elements of an arrangement are deferred and recognised over the periods in which the fees are expected to be earned. The earning period is the average expected lifetime of the customer i.e. four years.

(c) Commission income

The Company recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for other parties to provide goods or services. The Company's fee or commission might be the net amount of consideration that it retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party.

(d) Customer equipment

The Company recognises revenue when it satisfies a performance obligation by transferring a promised good (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset.

(e) Discounts

Discounts are often provided in the form of cash discounts or free products and services delivered by the Company or by external parties. Discounts are recognised on a systematic basis over the period the discount is earned. Cash discounts or free products and services given as part of sales transactions are recognised as a reduction of revenue. Free products or services provided that are not related to sales transactions are recognised as expenses. Discounts are recognised when they are earned and not when they are awarded i.e. at the same time when the underlying services are delivered to which those discounts relate.

(f) Multiple element arrangement

Multiple element arrangements or bundled offers are sales arrangements that require the Company to deliver more than one product and/or perform more than one service, often over an extended period of time. The characteristics of such arrangements mean that the Company must determine if the different elements in a package can be separated from one another - i.e. can be considered distinct performance obligations. The total contract price is then to be allocated to the distinct performance obligations, and revenue is to be recognised in accordance with satisfaction of the performance obligations.

The transaction price is allocated to separate performance obligations in a contract based on relative standalone selling prices. The requirement to allocate revenue on a relative stand-alone selling price basis may result in similar goods and services (e.g. a particular customer equipment or a particular service plan) being allocated different amounts of revenue depending on how the products and service plans are bundled into the arrangement.

Stand-alone selling price for the equipment would be list-price when sold by the Company on a stand-alone basis (not in a bundle). If the Company does not sell the equipment separately, the stand-alone selling price is to be estimated.

(g) Interest and dividend income

Interest income is accrued on a time proportion basis that reflects an effective yield on the financial asset. Dividend income from an investment is recognised when the Company's rights to receive payment is established (declared by the Annual General Meeting of the investee or otherwise).

Contract Costs

Contract costs are costs that are incremental to obtaining a contract with a customer or costs that are directly related to fulfilling a specified contract with a customer (fulfilment costs). Incremental costs of obtaining a contract with a customer is recognised as an asset if the expectation is that the costs will be recoverable except for incremental costs that would have been amortised in a year or less. These may be expensed as incurred.

Contract costs is capitalised as assets and amortised in a way that is consistent with the transfer of the related goods and services. Customer acquisition costs for Grameenphone includes SIM cost, different commissions and other directly attributable costs related to acquisition of customers.

Management expects that customer acquisition cost are recoverable. In the comparative period, such costs were capitalised but to the extent of connection revenue earned. These costs are amortised over the average expected lifetime of the customer i.e. four years.

Determination of agent and principal

The determination of whether the Company is acting as a principal or as an agent in a transaction is based on an evaluation of the substance of the transaction, the responsibility for providing the goods or services, setting prices, form of consideration and exposure to credit risk. When another party is involved in providing goods or services to a customer, the entity shall determine whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the entity is a principal) or to arrange for the other party to provide those goods or services (i.e. the entity is an agent). Where the Company acts as a principal, the revenues are recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customers, after trade discounts, with any related expenses charged as operating costs. Where the Company acts as an agent, the expenses are offset against the revenues and the resulting net revenues represent the margins or commissions earned for providing services in the capacity of an agent.

Licence fees payable to Bangladesh Telecommunication Regulatory Commission (BTRC) that are calculated on the basis of revenue share arrangements are not offset against the revenues. Instead, they are recognised as operating costs because the Company is considered to be the primary obligor.

Customer loyalty programme

Nature and timing of satisfaction of performance obligations

Customers who purchase GP's products or services and fulfil certain conditions enter the Company's customer loyalty programme and earn points. The points are redeemable against any future purchases of the Company's or third party's products or services at customers' discretion. The loyalty points accumulate on cumulative basis and expire after two years where remaining days of current year will be counted as one year. Further, all the accumulated points expire when a subscriber stops using MyGP App for a consecutive period of three months. However, no loyalty point are awarded when a subscriber stops using MyGP App for a consecutive period of one month.

Revenue recognition

GP segregates the monetary value equivalent of the loyalty points as unearned revenue. At subsequent redemption of the loyalty points, nature wise revenue is recognised i.e. where such points are used by customers. Where customer chooses to avail third party goods or services then accounting is done after analysing agent principal relationship. For expired loyalty points, revenue is recognised at expiry.

3.15 Foreign currency transactions

The financial statements are presented in BDT, which is Company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated into BDT at the exchange rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss as per IAS 21 The Effects of Changes in Foreign Exchange Rates.

3.16 Earnings per share

The Company presents basic and diluted (when dilution is applicable) earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods.

3.17 Events after the reporting period

Amounts recognised in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

4. Property, plant and equipment 31 December 2022

Name of assets	Cost			Depreciation & impairment				Carrying amount As at 31 December 2022	
	As at 01 January 2022	Additions during the year	Disposals/ Adjustments during the year	As at 31 December 2022	As at 01 January 2022	Charged during the year	Impairment during the year		Disposals/ Adjustments during the year
Land (Note 4.1)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Building	1,069,921	159,025	(362)	1,228,584	-	-	-	-	1,228,584
Base station	4,064,482	38,199	-	4,102,681	2,219,937	179,383	-	-	2,399,320
Transmission equipment	134,197,356	13,760,730	(2,402,877)	145,555,209	90,441,309	10,197,864	-	(2,296,156)	98,343,017
Computers and other IT equipment	21,542,040	2,606,210	(64)	24,148,186	18,094,570	1,551,780	-	(64)	19,646,286
Furniture and fixtures (including office equipment)	8,332,855	1,739,326	(112,094)	9,960,087	5,987,571	1,072,231	-	(110,786)	6,949,016
Vehicles	2,885,809	92,011	(105,070)	2,872,750	2,677,076	110,086	-	(102,909)	2,684,253
	893,196	51,881	(229,844)	715,233	464,644	99,063	-	(172,594)	391,103
Capital work in progress (Note 4.2)	172,985,659	18,447,382	(2,850,311)	188,582,730	119,885,107	13,210,397	-	(2,682,509)	130,412,995
	7,287,398	15,911,389	(18,519,403)	4,679,384	-	-	-	-	4,679,384
	180,273,057	34,358,771	(21,369,714)	193,262,114	119,885,107	13,210,397	-	(2,682,509)	130,412,995

31 December 2021

Name of assets	Cost			Depreciation & impairment				Carrying amount As at 31 December 2021	
	As at 01 January 2021	Additions during the year	Disposals/ Adjustments during the year	As at 31 December 2021	As at 01 January 2021	Charged during the year	Impairment during the year		Disposals/ Adjustments during the year
Land (Note 4.1)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Building	1,054,130	15,791	-	1,069,921	-	-	-	-	1,069,921
Base station	4,051,020	13,462	-	4,064,482	2,002,027	217,910	-	-	1,844,545
Transmission equipment	135,337,861	11,223,584	(12,364,089)	134,197,356	92,854,211	9,815,757	-	(12,228,659)	43,756,047
Computers and other IT equipment	21,537,399	1,453,255	(1,448,604)	21,542,040	18,897,972	642,067	3,135	(1,448,604)	3,447,470
Furniture and fixtures (including office equipment)	7,457,619	900,980	(25,744)	8,332,855	5,226,439	784,067	-	(22,935)	5,987,571
Vehicles	2,845,757	40,052	-	2,885,809	2,546,324	130,752	-	-	2,345,284
	1,032,658	173,678	(313,140)	893,196	599,240	100,183	-	(234,779)	208,733
Capital work in progress (Note 4.2)	173,316,434	13,820,802	(14,151,577)	172,985,659	122,126,213	11,690,736	3,135	(13,934,977)	53,100,552
	5,710,971	15,440,093	(13,863,666)	7,287,398	-	-	-	-	7,287,398
	179,027,405	29,260,895	(28,015,243)	180,273,057	122,126,213	11,690,736	3,135	(13,934,977)	60,387,950



4.1 Land

Land represents freehold land acquired for office premises and base stations.

4.2 Capital work in progress (CWIP)

This represents primarily the cost of network equipment under construction and capital inventory.

The amount of CWIP completed and transferred during the year to the corresponding items of property, plant and equipment was as follows:

Name of assets	2022	2021
	BDT (000)	BDT (000)
Land (Note 4.1)	159,025	15,791
Building	38,199	13,462
Base station	13,760,730	11,223,584
Transmission equipment	2,606,210	1,453,255
Computers and other IT equipment	1,739,326	900,980
Furniture and fixtures	92,011	40,052
Vehicles	51,881	173,678
	18,447,382	13,820,802

4.2.1 Capital work in progress - components

Capital work in progress as at 31 December 2022 included capital inventory of BDT 3,384,084,289 (2021: BDT 5,324,029,505) and work-in-progress of BDT 1,295,298,443 (2021: BDT 1,963,367,356).

4.3 Change in estimates

Useful lives of Civil Work (Base station) and Asset Retirement Obligation (Base station) have been increased to 30 years from 20 years and 30 years from 22 years respectively based on technical assessment and usage history. Impact of such change on expected depreciation for the current and future years is as follows:

	2022	2023	2024	2025	2026	Later
	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000
Base Station	(177,111)	(177,044)	(176,733)	(175,894)	(176,902)	883,684
	(177,111)	(177,044)	(176,733)	(175,894)	(176,902)	883,684

5. Intangible assets

31 December 2022

Name of assets	Cost				Depreciation & impairment				Carrying amount As at 31 December 2022	
	As at 01 January 2022	Additions during the year	Disposals/ Adjustments during the year	As at 31 December 2022	As at 01 January 2022	Charged during the year	Impairment during the year	Disposals/ Adjustments during the year		As at 31 December 2022
Software and others (Note 5.1)	BDT (000) 14,266,259	BDT (000) 1,387,643	BDT (000) -	BDT (000) 15,653,902	BDT (000) 11,642,147	BDT (000) 1,036,131	BDT (000) -	BDT (000) -	BDT (000) 12,678,278	BDT (000) 2,975,624
Capital work in progress (Note 5.2)	1,008,184	1,426,927	(1,387,643)	1,047,468	11,642,147	1,036,131	-	-	12,678,278	2,975,624
	15,274,443	2,814,570	(1,387,643)	16,701,370	11,642,147	1,036,131	-	-	12,678,278	4,023,092

31 December 2021

Name of assets	Cost				Depreciation & impairment				Carrying amount As at 31 December 2021	
	As at 01 January 2021	Additions during the year	Disposals/ Adjustments during the year	As at 31 December 2021	As at 01 January 2021	Charged during the year	Impairment during the year	Disposals/ Adjustments during the year		As at 31 December 2021
Software and others (Note 5.1)	BDT (000) 12,697,021	BDT (000) 1,569,238	BDT (000) -	BDT (000) 14,266,259	BDT (000) 10,941,210	BDT (000) 700,590	BDT (000) 347	BDT (000) -	BDT (000) 11,642,147	BDT (000) 2,624,112
Capital work in progress (Note 5.2)	560,776	2,016,645	(1,569,237)	1,008,184	10,941,210	700,590	347	-	11,642,147	2,624,112
	13,257,797	3,585,883	(1,569,237)	15,274,443	10,941,210	700,590	347	-	11,642,147	3,632,296

5.1 Software and others

Software includes business software and network management software. Business software includes mainly billing software, oracle financial software, data mining software, campaign automation software, DNS Software, Huawei GGSN SW, Charging System Upgrade etc.

5.2 Capital work in progress (CWIP)

CWIP includes cost of software in process of installation/implementation and also software under testing phase awaiting users' acceptance.



6 Leases

A. Leases as lessee

Grameenphone leases land, rooftop, office & residential spaces, warehouse, tower infrastructure facilities and fiber optical network. Telecom licences and spectrums have also been chosen to consider as lease after implementation of IFRS 16. Information about leases for which Grameenphone is a lessee is presented below.

(i) Right-of-use assets

31 December 2022

Name of assets	Cost			Amortisation				Carrying amount As at 31 December 2022
	As at 01 January 2022	Addition during the year	Disposal/ adjustment during the year	As at 31 December 2022	As at 01 January 2022	Charged during the year	Disposal/ adjustment during the year	
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Fibre Optic Network	11,377,496	2,895,845	-	14,273,341	7,260,222	786,467	-	8,046,689
Telecom licence, annual licence renewal fees and spectrum	86,161,920	18,551,187	-	104,713,107	42,009,596	8,589,943	-	50,599,539
Base transceiver station - Green Field	1,866,112	57,312	(36,403)	1,887,021	607,781	324,812	(6,861)	925,732
Base transceiver station - Roof Top	4,226,254	384,078	(157,804)	4,452,528	1,951,937	759,894	(109,355)	2,602,476
Infrastructure sharing site	14,065,842	9,589,182	-	23,655,024	3,716,591	2,989,227	-	6,705,818
Office/residential space	780,888	241,713	(206,481)	816,120	398,553	202,712	(185,388)	415,877
	118,478,512	31,719,317	(400,688)	149,797,141	55,944,680	13,653,055	(301,604)	69,296,131

31 December 2021

Name of assets	Cost			Amortisation				Carrying amount As at 31 December 2021
	As at 01 January 2021	Addition during the year	Disposal/ adjustment during the year	As at 31 December 2021	As at 01 January 2021	Charged during the year	Disposal/ adjustment during the year	
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Fibre Optic Network	10,651,922	725,574	-	11,377,496	6,679,902	580,320	-	7,260,222
Telecom licence, annual licence renewal fees and spectrum	75,200,846	10,961,074	-	86,161,920	35,000,421	7,009,175	-	42,009,596
Base transceiver station - Green Field	1,325,522	590,767	(50,177)	1,866,112	303,710	322,687	(18,616)	607,781
Base transceiver station - Roof Top	4,239,319	241,570	(254,635)	4,226,254	1,369,290	754,591	(171,944)	1,951,937
Infrastructure sharing site	7,340,201	7,140,524	(414,883)	14,065,842	2,388,854	1,742,620	(414,883)	3,716,591
Office/residential space	823,047	98,535	(140,694)	780,888	306,007	211,976	(119,430)	398,553
	99,580,857	19,758,044	(860,389)	118,478,512	46,048,184	10,621,369	(724,873)	55,944,680

Right-of-use assets addition

Right-of-use assets addition for the year ended 31 December 2022 is BDT 31,719,317,000. BDT 2,636,911,000 has been paid at the time of acquisition and has been classified as part of investing activities in the Statement of Cash Flows. The remaining amount of BDT 29,082,406,000 will be paid when falls due and is classified as part of financing activities.

Telecom licence, annual licence renewal fees and spectrum

The tenure of Mobile Cellular Licence and 14.6 MHz of spectrum acquired in 1996 expired on 10 November 2011. The tenure of this 2G licence and spectrum was renewed for another 15 years on 7 August 2012 effective from 11 November 2011. This 2G licence and spectrum was recognised in accordance with IAS 38 Intangible Assets and was measured at the cash equivalent price being the present value of the installments. The difference between total payment and the cash equivalent price is recognised as finance cost over the period of payment.

Total cost of telecom licence and spectrum also includes cost of 7.4 MHz of spectrum acquired in 2008 for 18 years.

In 2013, Grameenphone, acquired 3G licence and related 10 MHz of spectrum for 15 years effective from 12 September 2013.

Grameenphone acquired 5 MHz spectrum in 1800 MHz band for 15 years at the spectrum auction held by Bangladesh Telecommunications Regulatory Commission (BTRC) on 19 February 2018 and an approval for converting existing 22 MHz 2G spectrum to technology neutral spectrum for 8.75 years. Grameenphone also obtained 4G/LTE Cellular Mobile Phone Services Operator License effective from 19 February 2018 from BTRC.

From 1 January 2019, Grameenphone has chosen to apply IFRS 16 on telecom license and spectrum which was earlier accounted for under IAS 38 Intangible Assets.

In 2021, Grameenphone acquired 0.4 MHz in 1800 MHz band and 10MHz in 2100 MHz band effective from 9 April 2021 to 10 November 2026.

On 31 March 2022, Bangladesh Telecommunication Regulatory Commission (BTRC) conducted a Radio Frequency Auction for 100 MHz in 2.3 GHz band comprised of 10 blocks of 10 MHz each and 120 MHz in 2.6 GHz band comprised of 12 blocks of 10 MHz each to existing telecom operators. GP participated in that auction and secured 60 MHz spectrum from 2.6 GHz band effective from 1 November 2022 to 18 February 2033. This spectrum has been capitalised from the effective date at BDT 17,366,817,380. Additionally, BDT 1,129,596,000 has been capitalised for 2G licence arising from change in estimated total cash outflow related to regulatory disputes.

Change in estimates

Useful life of Fiber Optical Network has been increased to 30 years from 25 years based on technical assessment and usage history. Impact of such change on expected depreciation (under Note 4) and amortisation for the current and future years is as follows:

	2022	2023	2024	2025	2026	Later
	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000
Fiber Optical Network	(5,660)	(67,920)	(67,920)	(67,920)	(67,920)	277,340
	(5,660)	(67,920)	(67,920)	(67,920)	(67,920)	277,340

	2022	2021
	BDT (000)	BDT (000)
(ii) Lease liabilities		
Lease liabilities - non-current portion	41,046,666	22,675,135
Lease liabilities - current portion	10,852,496	9,445,609
	51,899,162	32,120,744
(iii) Amounts recognised in profit or loss		
Interest on lease liabilities	3,254,319	2,495,806
Expense relating to variable lease payments and short term leases not included in measurement of lease liabilities:		
Revenue sharing and spectrum charges	12,583,383	10,895,286
Fuel and energy costs	833,409	490,092
Short term lease	12,751	(10,112)
	16,683,862	13,871,072
(iv) Amounts recognised in statement of cash flows		
Total cash outflow for right-of-use assets	12,638,098	9,804,745
Total cash outflow for right-of-use assets (VAT portion)	420,034	353,710
Total cash outflow for variable lease payment and short term leases	11,967,405	11,607,093

7 Investment in associate

Grameenphone disposed of 51% of its stake in its only subsidiary, Grameenphone IT Ltd. now known as ACISL on 1 September 2013 and retains significant influence over ACISL with its remaining 49% stake.

In accordance with the requirements of IAS 36 Impairment of Assets, the carrying amount of investment in ACISL as at 31 October 2016 was re-assessed for impairment considering the financial performance of ACISL for the period to 31 October 2016 and estimated the recoverable amount from the investment. Based on the assessment, the carrying amount of investment in ACISL (BDT 486,828,493) has been fully impaired. The assessment of recoverable amount from investment in associate remained unchanged as at 31 December 2022 and 31 December 2021.

8 Contract cost

	As at 31 December 2022	As at 31 December 2021
	BDT (000)	BDT (000)
Opening balance	6,035,958	4,934,438
Additions during the year	1,819,493	3,617,429
Amortisation during the year	(2,706,543)	(2,515,909)
	5,148,908	6,035,958

This includes deferred customer acquisition cost mainly in the form of SIM cost, different commissions and other directly attributable costs related to acquisition of customers.

9 Other non-current assets

	As at 31 December 2022	As at 31 December 2021
	BDT (000)	BDT (000)
Appeal deposits	455,483	532,910
Deposit to BTRC (Note 9.1)	20,000,000	20,000,000
Security deposits for utility services and other investments	16,084	16,157
	20,471,567	20,549,067

9.1 Deposit to BTRC

Deposit of BDT 20,000,000,000 to BTRC was made pursuant to the order of Hon'ble Appellate Division of the Supreme Court of Bangladesh. The details of the dispute are discussed in Note 45 (Contingencies) to these financial statements.

10 Inventories

	As at 31 December 2022	As at 31 December 2021
	BDT (000)	BDT (000)
Handset, data card and other devices	109,503	19,508
SIM card	935,483	206,160
Scratch card	43,407	34,562
	1,088,393	260,230

10.1 Movement of inventories

	Handset, data card and other device	SIM card	Scratch card
	BDT (000)	BDT (000)	BDT (000)
Balance as at 1 January 2021 (Gross)	74,560	145,312	26,877
Purchase	340,378	496,360	184,110
Issue	(357,843)	(411,844)	(174,798)
	57,095	229,828	36,189
Adjustment/write-off	(37,587)	(23,668)	(1,627)
Balance as at 31 December 2021 (Net)	19,508	206,160	34,562
Balance as at 1 January 2022 (Gross)	57,095	229,828	36,189
Purchase	378,890	934,828	218,987
Issue	(296,193)	(201,196)	(209,828)
	139,792	963,460	45,348
Adjustment/write-off	(30,289)	(27,977)	(1,941)
Balance as at 31 December 2022 (Net)	109,503	935,483	43,407

10.2 Number of inventories

	As at 31 December 2022	As at 31 December 2021
	Units	Units
Handset, data card and other device	63,886	26,072
SIM card	21,114,580	13,235,465
Scratch card	345,478,965	277,343,948

10.3 SIM card

SIM cards include SIMs for new connections and replacement SIMs. Both new connection and replacement SIM attract SIM tax. Value added tax (VAT) and supplementary duty (SD) imposed on SIM cards are popularly known as SIM tax.

11 Trade receivables and others

	As at 31 December 2022	As at 31 December 2021
	BDT (000)	BDT (000)
Trade receivables		
Trade receivables, gross	7,767,126	6,560,774
Impairment loss allowance	(1,800,342)	(1,696,308)
	5,966,784	4,864,466
Other receivables		
Receivables from employees	27,349	30,156
Other non-interest-bearing receivables	1,443,430	1,620,338
Impairment loss allowance	(116,481)	(116,481)
	1,354,298	1,534,013
Other non-financial assets		
Prepaid expenses	358,323	460,207
	358,323	460,207
Total trade receivables and others	7,679,405	6,858,686
12 Cash and cash equivalents		
Cash in hand	179,783	77,136
Cash at bank	3,146,139	2,671,525
	3,325,922	2,748,661

12.1 Restricted cash balance

Cash at bank as at reporting date includes BDT 43,146,456 (2021: BDT 45,669,564) equivalent to unused Mobicash points in customer wallet and is therefore treated as restricted cash balance.

Additionally, Cash at bank as at reporting date includes BDT 58,822,799 (2021: BDT 47,222,066) equivalent to dividend unclaimed amount (principal portion), BDT 1,672,327 (2021: BDT 1,675,323) equivalent to unclaimed IPO subscription amount (principal portion) and BDT 1,242,254 (2021: 3,005,343) equivalent to accrued interest on unclaimed dividend and IPO subscription amount.

Grameenphone transferred principal portion of unclaimed/undistributed/unsettled cash dividend of BDT 15,478,019 (2021: BDT 114,402,723) and principal portion of unclaimed IPO subscription amount of BDT Nil (2021: BDT 5,292,000) to the Capital Market Stabilisation Fund. Furthermore, Grameenphone transferred net interest received in 2022 on unclaimed dividend and IPO subscription amount of BDT 1,727,572 (2021: BDT 83,013) to the Capital Market Stabilization Fund.

13 Net asset value per share

	As at 31 December 2022	As at 31 December 2021
	BDT	BDT
Net Asset (BDT)	46,210,758,000	49,878,558,000
Weighted average number of ordinary shares outstanding during the year	1,350,300,022	1,350,300,022
Net asset value per share (par value BDT 10 each) (BDT)	34.22	36.94

14 Share capital

	As at 31 December 2022	As at 31 December 2021
	BDT (000)	BDT (000)
Authorised:		
4,000,000,000 ordinary shares of BDT 10 each	40,000,000	40,000,000
	40,000,000	40,000,000
Issued, subscribed, called up and paid up:		
1,350,300,022 ordinary shares of BDT 10 each	13,503,000	13,503,000
	13,503,000	13,503,000

The Company was initially registered with ordinary shares of BDT 43.00 each. These shares were subsequently converted into BDT 10 shares through a 43:1 split at the 16th EGM (held on 15 July 2008) and 1:10 reverse split at the 19th EGM (held on 2 July 2009).

There has been no change in share capital during the current and comparative year.

14.1 Shareholding position

a) Percentage of shareholdings

Name of shareholders	% of holding		Value of shares (BDT)		Date of issue/ Transfer of Shares
	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021	
Telenor Mobile Communications AS, Norway	55.8%	55.8%	7,534,081,540	7,534,081,540	10 October 1996 24 September 1997 25 August 1998 7 December 1998 19 April 2004 21 October 2004 21 December 2004 31 May 2007 15 July 2008 02 July 2009 31 October 2019
Grameen Telecom, Bangladesh	34.2%	34.2%	4,617,664,090	4,617,664,090	10 October 1996 24 September 1997 25 August 1998 7 December 1998 19 April 2004 21 October 2004 27 November 2004 31 May 2007 15 July 2008 02 July 2009
Grameen Kalyan, Bangladesh	0.0%	0.0%	220	220	31 May 2007 15 July 2008 02 July 2009
Grameen Shakti, Bangladesh	0.0%	0.0%	220	220	31 May 2007 15 July 2008 02 July 2009
General public, Grameenphone employees and institutional	10.0%	10.0%	1,351,254,150	1,351,254,150	28 October 2009 28 October 2019
	100%	100%	13,503,000,220	13,503,000,220	

215 shares of Telenor Asia Pte Ltd, Singapore are presented under institutional shareholders as per regulatory direction.

b) Classification of shareholders by range of number of shares held

Shareholding range	No. of shareholders		No. of shares	
	As at	As at	As at	As at
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
1-500	29,122	23,985	4,667,015	3,992,372
501-5,000	5,943	4,857	9,642,823	7,948,098
5,001-10,000	594	472	4,381,950	3,434,998
10,001-20,000	312	245	4,496,209	3,493,533
20,001-30,000	129	112	3,251,744	2,797,971
30,001-40,000	74	53	2,610,393	1,894,072
40,001-50,000	42	31	1,930,061	1,403,462
50,001-100,000	94	93	6,738,098	6,472,840
100,001-1,000,000	122	108	36,480,965	33,204,184
1,000,001-1,000,000,000	21	23	1,276,100,764	1,285,658,492
	36,453	29,979	1,350,300,022	1,350,300,022

15 Share premium

Total amount of BDT 8,384,003,437 was received in the years 1997 and 2009 as share premium in respect of shares issued to shareholders. Net issue cost of BDT 543,777,495 was set off against share premium as per IAS 32 Financial Instruments: Presentation.

16 Capital reserve

In 1999, Grameenphone issued 5,086,779 preference shares of BDT 45.84 each, which were converted into ordinary shares of BDT 43.00 each in 2004. The balance BDT 2.84 per share was transferred to capital reserve account. The conversion was in accordance with provisions of Articles of Association of Grameenphone. This amount is not distributable as dividend as per the Companies Act 1994.

17 Deferred tax liabilities

Deferred tax assets and liabilities have been recognised and measured in accordance with the provisions of IAS 12 Income Taxes. Related deferred tax (expense)/income have been disclosed in Note 35. The components of deferred tax assets and liabilities are given below:

	Carrying amount	Tax base	Taxable/(deductible) temporary difference
	BDT (000)	BDT (000)	BDT (000)
As at 31 December 2022			
Property, plant and equipment (excluding land and CWIP (Note 4))	56,941,151	36,552,828	20,388,323
Difference for vehicle (Note 17.1)	(83,096)	-	(83,096)
			20,305,227
Right of use assets (Note 6)	80,501,010	34,260,547	46,240,463
Trade receivables (Note 11)	(1,916,823)	-	(1,916,823)
Lease liabilities including	(54,610,679)	-	(54,610,679)
current portion (Note 6) Other current liabilities (profit sharing plan)	(259,951)	-	(259,951)
Employee benefit plans including obligation			
under voluntary retirement scheme (funded)	(1,853,190)	-	(1,853,190)
Recoverable income tax on certain aged trading liability	(253,564)	-	(253,564)
Net taxable temporary difference			7,651,483
Net deferred tax liability @40% tax rate (Note 3.12)			3,060,593

As at 31 December 2021

Property, plant and equipment (excluding land and CWIP (Note 4))	52,030,626	33,426,705	18,603,921
Difference for vehicle (Note 17.1)	(103,456)	-	(103,456)
			18,500,465
Right of use assets (Note 6)	62,533,832	34,592,265	27,941,567
Trade receivables (Note 11)	(1,812,789)	-	(1,812,789)
Lease liabilities including current portion (Note 6)	(32,852,681)	-	(32,852,681)
Other current liabilities (profit sharing plan)	(303,136)	-	(303,136)
Employee benefit plans including obligation			
under voluntary retirement scheme (funded)	(2,666,738)	-	(2,666,738)
Recoverable income tax on certain aged trading liability	(242,969)	-	(242,969)
Net taxable temporary difference			8,563,719
Net deferred tax liability @40% tax rate (Note 3.12)			3,425,488

17.1 Difference for vehicle

This represents the permanent difference related to sedan cars, not plying for hire, owned by Grameenphone. As per the provisions of Income Tax Ordinance 1984, depreciation on such cars is allowed only up to certain limit of cost (currently BDT 2.5 million per car) of such cars for tax purpose. Difference for vehicle represents the amount of depreciated cost exceeding such limits.

17.2 Actuarial gain/loss from re-measurement of defined benefit obligations

Deferred tax liabilities as at 31 December 2022 includes net deferred tax asset of BDT 507,796,688 (2021: BDT 506,531,141) for actuarial gain/loss from re-measurement of defined benefit obligations corresponding impact of which has been recognised under other comprehensive income.

18 Employee benefits

	As at 31 December 2022 BDT (000)	As at 31 December 2021 BDT (000)
Amounts recognised in the statement of financial position		
Defined benefit obligation	(4,758,953)	(5,536,139)
Fair value of plan assets	3,418,629	4,200,054
Net defined benefit obligation	(1,340,324)	(1,336,085)
Change in benefit obligation		
Benefit obligation at end of prior year	(5,536,139)	(5,738,813)
Service cost	(336,903)	(400,372)
Interest expense	(322,758)	(298,440)
Benefit payments from plan assets	1,264,745	710,252
Remeasurements due to change in financial assumptions	475,906	250,999
Remeasurements due to experience adjustments	(303,804)	(59,765)
Defined benefit obligation at end of year	(4,758,953)	(5,536,139)
Change in fair value of plan assets		
Fair value of plan assets at end of prior year	4,200,054	4,097,430
Interest income	229,941	194,663
Employer contributions	428,644	642,800
Benefit payments from plan assets	(1,264,745)	(710,252)
Remeasurements for return on assets (excluding interest income)	(175,265)	(24,587)
Fair value of plan assets at end of year	3,418,629	4,200,054
Fair value of plan assets		
Cash and cash equivalents	296,909	836,115
Debt instruments	3,121,720	3,363,939
Total	3,418,629	4,200,054
Components of Defined Benefit Cost (DBO)		
Service cost	336,903	400,372
Interest expense on DBO	322,758	298,440
Interest (income) on plan assets	(229,941)	(194,663)
Defined benefit cost included in profit or loss	429,720	504,149
Remeasurements (recognised in other comprehensive income (OCI))		
Due to change in financial assumptions	(475,906)	(250,999)
Due to change in experience adjustments	303,804	59,765
(Return) on plan assets (excl. interest income)	175,265	24,587
Total remeasurements in OCI	3,163	(166,647)
Total defined benefit cost recognised in profit or loss and OCI	432,883	337,502
Net defined benefit liability (asset) reconciliation		
Opening balance of net defined benefit liability (asset)	1,336,085	1,641,383
Defined benefit cost included in profit or loss	429,720	504,149
Total remeasurements included in OCI	3,163	(166,647)
Employer contributions	(428,644)	(642,800)
Net defined benefit liability (asset) as of end of year	1,340,324	1,336,085

	As at 31 December 2022	As at 31 December 2021
	BDT (000)	BDT (000)
Expected cash flows for following year		
Expected employer contributions	660,409	928,188
Expected total benefit payments		
Year 1	660,409	928,188
Year 2	578,831	583,646
Year 3	591,287	595,554
Year 4	610,055	607,948
Year 5	613,043	630,457
Next 5 years	3,195,298	3,199,470
Significant actuarial assumptions		
Discount rate in %	6.4%	6.4%
Future salary growth in %	8.5%	8.5%

Sensitivity analysis

A change of 50 basis points in following significant assumptions would have increased/ (decreased) defined benefit obligation of the Company by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

	As at 31 December 2022		As at 31 December 2021	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Discount rate in %	(240,527)	42,025	(267,544)	76,241
Future salary growth in %	29,849	(230,298)	59,949	(253,898)

Significant characteristics of plan

Plan sponsor:	Grameenphone Ltd.
Nature of benefits:	Final salary defined benefit plan
Risks associated with the plan:	Plan sponsor bears all the risks associated with the plan
Vesting criteria:	5 year of continuous service
Applicable salary:	Last drawn monthly basic salary
Maximum limit of benefit paid:	No upper limit on benefit
Basis of gratuity:	Accrued benefit
Normal retirement age:	60 years
Benefit calculation:	<ul style="list-style-type: none"> - Past service of 5 years to 5.5 years: 1 month applicable basic salary for each completed years of service - Up to 10 years: 1.5 month applicable basic salary for each completed years of service - More than 10 years: 2 month applicable basic salary for each completed years of service

19 Other non-current liabilities

	As at 31 December 2022	As at 31 December 2021
	BDT (000)	BDT (000)
Asset retirement obligations (Note 19.1)	377,541	349,735
Other non-current liabilities	118,782	105,573
	496,323	455,308
19.1 Asset retirement obligations (ARO)		
Opening balance	349,735	151,400
Provision made during the year	31,477	201,621
	381,212	353,021
Provision released during the year	(3,460)	(2,818)
Paid during the year	(211)	(468)
Closing balance	377,541	349,735

Grameenphone recognises Asset Retirement Obligations (ARO) in respect of base stations and office space for any constructive and/or legal obligations for dismantling, removal or restoration incurred by the Company as a consequence of installing or constructing the sites. ARO is measured at the present value of expected cash outflows required to settle such obligations. Unwinding of the discount is charged as finance expense in the profit or loss.

20 Trade payables and others

	As at 31 December 2022 BDT (000)	As at 31 December 2021 BDT (000)
Financial liabilities		
Trade payables including liability for capital expenditure	12,797,402	12,458,906
Accrued expenses	7,066,699	5,757,060
Indirect taxes	2,301,216	1,862,224
	22,165,317	20,078,190
Other non-financial liabilities		
Deferred connection revenue	48,467	6,514
Unearned revenue	5,061,546	5,436,918
	5,110,013	5,443,432
Total trade payables and others	27,275,330	25,521,622

21 Provisions

A provision is a liability of uncertain timing or amount. Grameenphone takes provision for those items for which it has obtained related goods or service but vendor is formally yet to bill it. The amount concerning provision is almost certain to both parties and uncertainties exist regarding the timing of billing by vendor. Provisions includes provision for regulatory disputes, BTRC revenue share, annual operating licence fee, office running, other operational expenses and capital expenditure.

In 2022, Grameenphone took provision for regulatory disputes based on the available information of the outcome of court proceedings. This is also reflected in Note 31 and 34.

22 Loans and borrowings

This includes short-term bank loan of BDT 5,037,394,374 (2021: BDT 5,500,000,000).

23 Current tax liabilities

	As at 31 December 2022 BDT (000)	As at 31 December 2021 BDT (000)
Movement of current tax liabilities is shown as below:		
Opening balance	25,603,868	24,870,650
Provision made during the year including transactions for other comprehensive income	23,114,162	26,662,291
	48,718,030	51,532,941
Paid during the year (incl. tax deducted at source)	(24,086,083)	(25,950,477)
Provision released during the year	(852,027)	21,404
Closing balance	23,779,920	25,603,868

24 Other current liabilities

Accruals for profit sharing plan	259,951	303,136
Payable for bills pay receipts	42,041	144,270
Security deposits from subscribers and channel partners	588,241	571,749
Dividend payable	146,343	-
Others	1,279,766	2,395,179
	2,316,342	3,414,334

25 Unclaimed dividend

Bangladesh Securities and Exchange Commission (BSEC) issued a Directive dated 14 January 2021, official gazette of the Bangladesh Securities and Exchange Commission (Capital Market Stabilization Rules Fund) Rules dated 27 June 2021 and BSEC Notification dated 19 July 2021 whereby listed companies are instructed to transfer unclaimed/undistributed/unsettled cash dividend and non-refundable public subscription money for a period of 3 years old from the date of declaration or approval or record date, as the case may be to "Capital Market Stabilisation Fund".

In compliance with the said instruction Grameenphone transferred the principal amount of unclaimed/undistributed/unsettled cash dividend of BDT 15,478,019 (2021: BDT 114,402,723) to the fund this year.

26 Revenue

The following is an analysis of revenue for the year:

Revenue from contract with customers (Note 26.1)
Lease revenues

	2022 BDT (000)	2021 BDT (000)
	148,606,377	141,323,884
	1,797,092	1,741,988
	150,403,469	143,065,872
26.1 Disaggregation of revenue from contract with customers		
Type of goods/ services		
Revenue from mobile communication (Note 26.2)	148,179,973	140,865,753
Revenue from customer equipment (Note 26.3)	294,585	248,984
Other revenues (Note 26.4)	131,819	209,147
	148,606,377	141,323,884
Type of subscription		
Prepaid	141,309,171	134,647,923
Contract	6,870,802	6,217,830
Other	426,404	458,131
	148,606,377	141,323,884
Type of customer		
Consumer	131,686,851	124,798,760
Business	16,919,526	16,525,124
	148,606,377	141,323,884

26.2 Revenue from mobile communication

This includes revenue from voice and non-voice traffic, subscription and connection fee and interconnection revenue.

26.3 Revenue from customer equipment

This mainly includes revenue from sale of mobile handsets/devices and data cards.

26.4 Other revenues

This mainly includes revenue from commission and other income.

27 Cost of material and traffic charges

Traffic charges
Cost of materials and services

	2022 BDT (000)	2021 BDT (000)
	8,479,917	8,025,139
	1,608,575	1,579,566
	10,088,492	9,604,705

Traffic charges mainly include national and international interconnection cost.

Cost of materials and services includes cost of SIM card, scratch card, devices and contents.

28 Salaries and personnel cost

28.1 Salaries and personnel cost includes salaries, bonuses, different employment benefits including provident, gratuity, profit sharing (WPPF), employee share programme for employees, long term incentive programme for key personnel, training and other related costs. Additionally, gratuity expense includes BDT 1,734,735,620 (2021: BDT 2,949,817,544) for restructuring expense during the year and BDT 2,981,167,737 (2021: BDT 3,128,593,144) has been transferred during the year. The WPPF expense for the year is BDT 2,599,505,214 (2021: BDT 3,031,357,182) and BDT 2,815,162,953 (2021: BDT 2,848,624,199) has been transferred during the year.

28.2 Number of employees

Total number of employees having annual salary of BDT 36,000 or above each was 1,315 as at 31 December 2022 and 1,636 as at 31 December 2021.

29 Operation and maintenance

	2022	2021
	BDT (000)	BDT (000)
Service maintenance fee	1,378,709	3,458,783
Vehicle maintenance expense	281,681	246,209
Other operation and maintenance	2,592,190	1,845,956
	4,252,580	5,550,948

Service maintenance fee includes costs related to operation and maintenance of serviceability of mobile communication network. During the year Grameenphone released BDT 1,778,564,322 as a result of negotiation outcome with supplier under this category.

30 Sales, marketing and commissions

	2022	2021
	BDT (000)	BDT (000)
Sales, marketing and representation costs (Note 30.1)	592,458	638,302
Advertisement expenses	1,158,880	1,198,853
Promotional expenses (Note 30.2)	279,300	163,794
Commissions	13,248,295	11,340,140
	15,278,933	13,341,089

30.1 Sales, marketing and representation costs include costs related to trade marketing and subscriber acquisition.

30.2 Promotional expenses have been assessed as per definition of Income Tax ordinance 1984 and presented accordingly.

31 Revenue sharing and spectrum charges

Grameenphone shares 5.5% of its revenue as 'revenue sharing' and 1.0% of its revenue as 'contribution to social obligation fund' with BTRC as per licensing conditions. Licensing conditions also require Grameenphone to pay quarterly spectrum charges.

32 Other operating expenses/(income)

	2022	2021
	BDT (000)	BDT (000)
Consultancy and professional services (Note 32.1)	868,261	712,022
Statutory audit fees	3,000	3,000
Rental expense for property, plant and equipment	217,532	187,151
Fuel and energy costs	4,705,804	3,966,933
Impairment loss on trade receivables (Note 32.2)	278,145	(2,385)
Rental and other income	(8,700)	(381)
(Gain)/loss on disposal of assets	(4,160)	(167,978)
Others (Note 32.3)	1,406,700	1,116,161
	7,466,582	5,814,523

32.1 Consultancy and professional services

This includes fees for accounting and legal services, technical and business consultancy, costs related to settlement of contract and other professional services.

32.2 Impairment loss on trade receivables

	2022	2021
	BDT (000)	BDT (000)
Allowance for impairment of trade receivables during the year (Note 39.1.3)	305,590	27,788
Recovery of impaired trade receivables during the year	(27,445)	(30,173)
	278,145	(2,385)

Allowance for impairment has been made as per policy of the Company mentioned in Note 3.9

32.3 Others

This includes office supplies, printing and postage, travelling, subscriptions, meeting, insurance etc.

33 Depreciation and amortisation

	2022	2021
	BDT (000)	BDT (000)
Property, plant and equipment	13,210,398	11,693,871
Intangible assets	1,036,131	700,937
Right-of-use assets	13,653,055	10,621,369
	27,899,584	23,016,177

34 Finance expense/(income)

Interest income	(156,852)	(147,881)
Interest expense	456,720	87,206
Net interest cost on defined benefit obligation	92,816	103,776
Interest expenses on lease liabilities	3,254,319	2,495,806
Other finance expenses (Note 34.1)	6,530,404	56,489
	10,177,407	2,595,396

34.1 This includes provision for regulatory disputes.**35 Income tax expense**

<u>Current tax expense</u>		
Income tax expense for the year	23,114,162	26,662,291
Adjustments/provision released during the year	(852,027)	21,404
	22,262,135	26,683,695
<u>Deferred tax expense/(income)</u>		
Deferred tax expense/(income) relating to origination and reversal of temporary differences	(363,630)	7,995
	21,898,505	26,691,690

35.1 Reconciliation of effective tax rate

	2022		2021	
	Percentage	BDT (000)	Percentage	BDT (000)
Profit before tax		51,990,103		60,820,746
Tax using the Company's tax rate	40.00%	20,796,041	40.00%	24,328,298
Tax effect of:				
Provision for non-deductible expenses	3.75%	1,951,783	3.87%	2,356,472
Adjustments / provision released during the year	-1.64%	(852,027)	-0.01%	(3,853)
Other components of tax as per Income Tax Ordinance 1984	0.00%	-	0.00%	-
Permanent difference as per Income Tax Ordinance 1984	0.01%	2,709	0.02%	10,773
	42.12%	21,898,506	43.89%	26,691,690

36 Earnings per share

	2022	2021
	BDT	BDT
Profit for the year (in BDT)	30,091,598,000	34,129,056,000
Weighted average number of shares (Note 36.1)	1,350,300,022	1,350,300,022
Basic earnings per share (in BDT)	22.29	25.28

36.1 Weighted average number of ordinary shares

The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year.

36.2 Diluted earnings per share

No diluted earnings per share is required to be calculated for the years presented as Grameenphone has no dilutive potential ordinary shares.

37 Reconciliation of net operating cash flow

	2022	2021
	BDT (000)	BDT (000)
Profit after tax	30,091,598	34,129,056
Income tax expense	21,898,505	26,691,690
Profit before tax	51,990,103	60,820,746
Adjustment for:		
Depreciation & amortisation	27,899,584	23,016,177
(Gain)/loss on sale of fixed assets	(4,160)	(167,978)
Finance expense/(income), net	10,177,407	2,595,396
Other adjustments	(5,215,589)	(1,665,204)
	84,847,345	84,599,137
Changes in:		
Inventories	(828,163)	(59,162)
Trade receivables and others	(764,362)	272,479
Trade payables and others	1,559,027	1,359,711
Provisions	6,934,933	252,856
Other current liabilities	(1,244,335)	(649,991)
Cash generated from operating activities	90,504,445	85,775,030
Interest received	156,852	140,460
Interest paid	(2,762,520)	(2,151,050)
Income tax paid	(24,086,083)	(25,950,477)
Net cash generated from operating activities	63,812,694	57,813,963

38 Net operating cash flow per share

	2022	2021
	BDT	BDT
Net operating cash flow (BDT)	63,812,694,000	57,813,963,000
Weighted average number of ordinary shares outstanding during the period	1,350,300,022	1,350,300,022
Net operating cash flow per share (par value BDT 10 each) (BDT)	47.26	42.82

39 Financial risk management

Company's financial risk management is governed by Treasury Policy as approved by the Board of Directors. Company's principal financial assets include trade receivables and others, cash and short-term deposits that arise directly from its operations. Company's financial liabilities mainly include trade payables and others, finance lease obligation and loans and borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company is exposed to credit risk, liquidity risk and market risk in relation to its financial instruments.

39.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company's exposure to credit risk primarily relates to trade receivables and balances with banks including short and long term deposits.

Customer credit risk, where appropriate, is assessed by using qualitative and quantitative criteria.

Outstanding trade receivables are regularly monitored and appropriate impairment charge is considered as per Company's policy.

Credit risk relating to balances with banks is managed by treasury department in accordance with Company's policy. Minimizing counterparty risk is given more importance to yield on investment in making investment decisions. Counterparty limits are reviewed and approved by the Board of Directors.

39.1.1 Company's maximum exposure to credit risk for the components of the statement of financial position is represented by the carrying amounts as illustrated below:

	As at 31 December 2022 BDT (000)	As at 31 December 2021 BDT (000)
Trade receivables (Note 11)	5,966,784	4,864,466
Other receivables (Note 11)	1,354,298	1,534,013
Cash at bank (Note 12)	3,146,139	2,671,525
	10,467,221	9,070,004

39.1.2 Trade receivables, gross

This included interconnection receivables of BDT 3,123,568 as at 31 December 2022 (2021: BDT 3,211,378). The ageing of gross interconnection receivables as at the statement of financial position date was:

	As at 31 December 2022 BDT (000)	As at 31 December 2021 BDT (000)
Not past due	1,114,347	1,186,803
0-30 days past due	22,512	28,661
31-60 days past due	128,987	133,798
61-90 days past due	23,485	24,223
91-180 days past due	170,898	132,137
181-365 days past due	69,616	40,995
over 365 days past due	1,593,723	1,664,761
	3,123,568	3,211,378

Other trade receivables (other than receivable from interconnection) as at 31 December 2022 was BDT 4,643,558 (2021: BDT 3,349,396). The ageing of other trade receivables as at the statement of financial position date was:

Not past due	1,770,758	1,365,162
0-30 days past due	1,236,559	782,739
31-60 days past due	304,794	233,036
61-90 days past due	259,801	107,042
91-180 days past due	481,495	205,312
181-365 days past due	267,664	212,045
over 365 days past due	322,487	444,060
	4,643,558	3,349,396

Total not past due trade receivables (gross) as at 31 December 2022 includes receivables of BDT 715,693,580 (2021: BDT 444,204,412) from customers against whom receivables of BDT 1,574,521,447 (2021: BDT 1,647,791,486) became over 365 days past due and provision for bad debt of BDT 1,465,091,913 (2021: BDT 1,469,072,672) provided against those customers. However, as per BTRC guidelines we are obligated to provide services to the inter connection service providers.

39.1.3 Movements in the allowance for impairment of trade and other receivables during the year was as follows:

	As at 31 December 2022	As at 31 December 2021
	BDT (000)	BDT (000)
Opening balance	1,812,789	2,039,214
Net remeasurement of loss allowance	305,590	27,788
	2,118,379	2,067,002
Amounts written off	(201,556)	(254,213)
Closing balance	1,916,823	1,812,789
39.1.4 Security against trade receivables		
Good and secured	588,241	571,749
Good with personal security/unsecured	5,378,543	4,292,717
Impaired	1,800,342	1,696,308
Gross trade receivables	7,767,126	6,560,774
Impairment loss allowance	(1,800,342)	(1,696,308)
Trade receivables, net	5,966,784	4,864,466

39.1.5 The maximum exposure to credit risk for trade receivables as at the statement of financial position date by geographic regions was:

	As at 31 December 2022	As at 31 December 2021
	BDT (000)	BDT (000)
Domestic	5,337,197	4,836,644
Asia	20,839	14,403
Europe	604,193	11,456
Australia	175	26
America	4,318	1,882
Africa	62	55
	5,966,784	4,864,466

39.2 Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they fall due. The Company forecasts its cash flow requirements and ensures that it has sufficient cash and cash equivalents and loan facilities to cover expected needs for liquidity during the next 12 months. The Company maintains a balanced maturity profile of debt obligations and in general minimizes current excess cash.

The table below gives the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at 31 December 2022

	Carrying amount	Maturity date	Nominal interest rate	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	BDT (000)								
Lease liabilities (including current portion)	51,899,162	Multiple	7.1%-15%	68,010,244	8,591,714	6,220,802	11,879,972	24,021,036	17,296,720
Loans and borrowings - short-term	5,037,394	Multiple	2%-3.25%	5,037,394	5,037,394	-	-	-	-
Trade payables and others	12,797,402	December 2023	N/A	12,797,402	5,223,599	7,573,803	-	-	-
Trade payables including liability for capital expenditure	7,066,699	December 2023	N/A	7,066,699	4,400,503	2,666,196	-	-	-
Accrued expenses	2,316,342	December 2023	N/A	2,316,342	480,433	1,835,909	-	-	-
Other current liabilities	58,872	December 2023	N/A	58,872	-	58,872	-	-	-
Unclaimed dividend	79,175,871			95,286,953	23,733,643	18,355,582	11,879,972	24,021,036	17,296,720

As at 31 December 2021

	Carrying amount	Maturity date	Nominal interest rate	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	BDT (000)								
Lease liabilities (including current portion)	32,120,744	Multiple	7.1%-15%	40,012,657	6,341,429	5,060,165	7,169,578	16,307,006	5,134,478
Loans and borrowings - short-term	5,500,000	January 2022	2%-3.25%	5,500,000	5,500,000	-	-	-	-
Trade payables and others	12,458,906	December 2022	N/A	12,458,906	5,152,273	7,306,633	-	-	-
Trade payables including liability for capital expenditure	5,757,060	December 2022	N/A	5,757,060	4,118,127	1,638,933	-	-	-
Accrued expenses	3,414,334	December 2022	N/A	3,414,334	2,695,593	718,741	-	-	-
Other current liabilities	47,224	December 2022	N/A	47,224	-	47,224	-	-	-
Unclaimed dividend	59,298,268			67,190,181	23,807,422	14,771,696	7,169,578	16,307,006	5,134,478



39.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

a) Currency risk

Foreign currency risk is the risk of changes in the fair value or future cash flows of an exposure due to changes in foreign exchange rates. The Company's exposure to foreign currency risk relates primarily to the Company's operating activities (consultancy, roaming revenue and expense) and financing activities (borrowing in foreign currency). The Company is mainly exposed to changes in USD and NOK rates. The Company's exposure to foreign currency changes for other currencies is not material.

i) Exposure to currency risk

The Company's exposure to monetary assets and liabilities denominated in foreign currencies was as follows (BDT in thousand):

	As at 31 December 2022					As at 31 December 2021				
	USD	NOK	GBP	EUR	JPY	USD	NOK	GBP	EUR	JPY
Foreign currency denominated assets										
Receivables from Telenor entities	985,718	-	-	-	-	243,640	-	-	-	-
Receivables	38,096	-	-	-	-	68,765	-	-	-	-
Cash at bank	2,096,732	-	-	-	-	1,455,921	-	-	-	-
	3,120,546	-	-	-	-	1,768,326	-	-	-	-
Foreign currency denominated liabilities										
Payables to others Telenor entities*	(1,434,389)	(6,399,671)	-	(978)	(1,856,098)	(2,215,997)	(6,797,869)	-	(882)	(903,108)
Trade payables and others	(193,674)	-	-	(28,251)	(783)	(296,282)	-	-	(62,789)	(749)
	(1,628,063)	(6,399,671)	-	(29,229)	(1,856,098)	(2,512,279)	(6,797,869)	-	(63,671)	(749)
Net exposure	1,492,484	(6,399,671)	-	(29,229)	(1,856,098)	(743,953)	(6,797,869)	-	(63,671)	(749)

* Payable to other Telenor entities represents payable for business service costs, consultancy fees etc. which are included mainly in trade payables and others.

The following significant exchange rates have been applied:

	Exchange rate as at	
	31 December 2022	31 December 2021
	BDT	BDT
US Dollar (USD)	103.17	85.74
Norwegian Kroner (NOK)	10.43	9.72
Great Britain Pound (GBP)	124.46	115.76
EURO (EUR)	110.04	97.09
Singaporean Dollar (SGD)	76.80	63.40
Japanese Yen (JPY)	0.78	0.75

39.3 Market risk (contd.)

ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

A change of 10 basis points (bp) in foreign currencies would have increased/(decreased) equity and profit or loss of the Company by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

	Profit or (loss)		Equity	
	10 bp increase	10 bp decrease	10 bp increase	10 bp decrease
31 December 2022	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Expenditures denominated in USD	149,248	(149,248)	149,248	(149,248)
Expenditures denominated in NOK	(639,967)	639,967	(639,967)	639,967
Expenditures denominated in GBP	-	-	-	-
Expenditures denominated in EURO	(2,923)	2,923	(2,923)	2,923
Expenditures denominated in SGD	(185,610)	185,610	(185,610)	185,610
Expenditures denominated in JPY	(78)	78	(78)	78
Exchange rate sensitivity	(679,330)	679,330	(679,330)	679,330

31 December 2021

Expenditures denominated in USD	(74,395)	74,395	(74,395)	74,395
Expenditures denominated in NOK	(679,787)	679,787	(679,787)	679,787
Expenditures denominated in GBP	-	-	-	-
Expenditures denominated in EURO	(6,367)	6,367	(6,367)	6,367
Expenditures denominated in SGD	(90,311)	90,311	(90,311)	90,311
Expenditures denominated in JPY	(75)	75	(75)	75
Exchange rate sensitivity	(850,935)	850,935	(850,935)	850,935

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Exposure to fair value movement relates to fixed rate instruments subject to fair value accounting and exposure to cash flow fluctuation relates to variable rate instruments. The Company is primarily exposed to cash flow fluctuation arising from variable rate borrowings. The objective of interest rate risk management for Grameenphone is to reduce financial cost and ensure predictability.

Profile

As at 31 December 2022, the interest rate profile of the Company's interest bearing financial instruments was:

	Carrying amount	
	As at 31 December 2022	As at 31 December 2021
	BDT (000)	BDT (000)
Floating rate instruments		
Financial liabilities		
Loans and borrowings	5,037,394	5,500,000

Fair value of financial assets and liabilities of the Company together with carrying amount shown in the statement of financial position were as follows:

	As at 31 December 2022 BDT (000)	As at 31 December 2021 BDT (000)
Financial assets		
Financial assets at amortised cost		
Trade receivables	5,966,784	4,864,466
Other receivables	1,354,298	1,534,013
Financial liabilities		
Other financial liabilities		
Lease liabilities	51,899,162	32,120,744
Trade payables and others (except other non-financial liabilities)	22,165,317	20,078,190
Loans and borrowings - short-term	5,037,394	5,500,000
Other current liabilities	2,316,342	3,414,334
Unclaimed dividend	58,872	47,224

*The Company has not disclosed the fair values for financial instruments because their carrying amounts are a reasonable approximation of fair value.

Interest rates used to determine amortised cost

The interest rates used to discount estimated cash flows, when applicable, were as follows:

	2022	2021
Lease liabilities	9.83%	10.48%
Liability for spectrum acquisition	9.05%	8.71%
Loans and borrowings		
Local	4.5%	2.51%

*Fair value of such instruments is not likely to be significantly different from the carrying amounts of such instruments.

40 Capital management

For the purpose of Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of Company's capital management is to support long-term strategic ambitions of the Company.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend, return capital to shareholders, issue new shares or obtain long-term debt. Company has capital structure and dividend policy approved by its Board of Directors.

There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current year.

No changes have been made in the objectives, policies or processes for managing capital during the year ended 31 December 2022.

41 Related party disclosures

During the year ended 31 December 2022, the Company entered into a number of transactions with related parties in the normal course of business. The names of the significant related parties, nature of these transactions [expenditures/(revenue)/, receivables/(payables) and dividend payments] and amounts are set out below in accordance with the provisions of IAS 24 Related Party Disclosures. Nature of relationship and significance of the amounts have been considered in providing this disclosure.

41.1 Key management personnel compensation

	2022 BDT (000)	2021 BDT (000)
Short term employee benefits	859,854	727,406
Post employment benefits	113,830	128,933
Other long term benefits	24,784	20,517
	998,468	876,856

Key management personnel compensation includes benefits for employees of the rank of Deputy Director and above. No remuneration is given to the Board of Directors apart from attendance fees in connection with Board and Board Sub-Committee meetings. During the year 2022, attendance fees in connection with Board and Board Sub-Committee meetings are BDT 1,680,489 (2021: BDT 1,089,200).

41.2 Debts due from and due to key management personnel

Attendance fees of Board of Directors which are not yet paid, includes BDT Nil as at 31 December 2022 (2021: BDT 41,972). Other than that BDT 20,700,000 (2021: BDT 25,800,000) was due from and BDT 5,406,404 (2021: BDT 24,507,925) due to key management personnel of the Company.

41.3 Other related party transactions during the year

Name of related parties	Nature	Nature of transactions	Transaction for the year ended		Receivables/(payables) as at	
			2022 BDT (000)	2021 BDT (000)	31 December 2022 BDT (000)	31 December 2021 BDT (000)
Telenor Mobile Communications AS	Shareholder	Dividend payment	18,835,204	21,967,718	-	-
Telenor Asia Pte. Ltd.	Shareholder	Dividend payment	5.38	5.8	-	-
Grameen Telecom	Shareholder	Commission expense	212,593	137,318	6,638	3,297
		Connection revenue	-	-	(200)	(200)
Grameen Kalyan	Shareholder	Dividend payment	11,544,160	12,467,693	5	5
Grameen Shakti	Shareholder	Dividend payment	0.6	0.6	-	-
		Dividend payment	0.6	0.6	-	-



	Transaction for the year ended		Receivables/(payables) as at	
	2022	2021	31 December 2022	31 December 2021
	BDT (000)	BDT (000)	BDT (000)	BDT (000)
<u>Nature of transactions</u>				
Rental income and other income	-	-	5,084	5,084
Purchase of IT service, equipments and softwares	-	-	(6,360)	(6,360)
Consultancy, professional and technical support service fee (Note 41.3.1)	(1,204,842)	1,024,246	95,276	60,396
Consultancy, professional and technical support service fee	174,300	56,842	(3,557,041)	(4,463,496)
A2P Project Revenue and professional service fee	(1,129,804)	(1,016,982)	(614,739)	(159,915)
Consultancy, professional and technical support service fee	239,031	262,024	781,461	90,061
Consultancy and professional service fee including compensation of key management personnel where relevant	190,724	171,831	(1,567,834)	(1,224,458)
Consultancy, professional and technical support service fee	(9)	79,298	(286,845)	(179,087)
Consultancy, professional and technical support service fee	636,554	687,619	-	(409,379)
Software Support & acquisition cost	124,130	138,291	4,912	256
Roaming revenue net of discount	(68)	(47)	(2,447,438)	(1,448,499)
Roaming cost net of discount	11	10	45	19
Consultancy, professional and technical support service fee	204,789	298,326	(987)	(1)
			195	195
			(1,254,718)	(971,143)

Name of related parties	Nature	Nature of transactions	Transaction for the year ended		Receivables/(payables) as at	
			2022	2021	31 December 2022	31 December 2021
			BDT (000)	BDT (000)	BDT (000)	BDT (000)
Telenor Sweden	Telenor group entity	Roaming revenue net of discount	(46)	(44)	3,564	3
		Roaming cost net of discount	5	8	(6)	(0)
Telenor Denmark	Telenor group entity	Roaming revenue net of discount	(415)	(387)	1,778	42
		Roaming cost net of discount	8	8	(65)	(1)
		Consultancy, professional and technical support service fee	-	-	96	96
Telenor Pakistan	Telenor group entity	Roaming revenue net of discount	(0.3)	(0.1)	312	273
		Roaming cost net of discount	7.7	14	(193)	(193)
		Consultancy Fees	616	1,615	(1,664)	(805)
Dtac Thailand	Telenor group entity	Roaming revenue net of discount	(1,111)	(602)	833	833
		Roaming cost net of discount	185	179	368	390
Celcom DiGi Telecommunications Sdn Bhd	Telenor group entity	Roaming revenue net of discount	(1,049)	(416)	8,121	3,393
		Roaming cost net of discount	(189)	38	(146)	(7)
		Consultancy, professional and technical support service fee	(661)	(501)	(2,196)	(8,268)
Grameen Distribution	Related to Grameen Telecom through Grameen Telecom Trust	Cost of products	-	-	-	-
		Purchase of handsets	113	-	-	-
Grameen Communication	Related to Grameen Telecom	Software solution and maintenance	114	253	-	-
Grameen Telecom Trust	Grameenphone's Board members nominated by Grameen Telecom are trustee of the entity	Cost of service fee	-	87,265	-	-
Telenor Consult AS	Telenor group entity	Consultancy and professional service fee including compensation of key management personnel where relevant	-	-	(1,849)	(1,849)



	Transaction for the year ended			Receivables/(payables) as at	
	2022	2021	2021	31 December	31 December
				BDT (000)	BDT (000)
<u>Name of related parties</u>	<u>Nature</u>	<u>Nature of transactions</u>			
Telenor Southeast Asia Investment Limited	Telenor group entity	Consultancy, professional and technical support service fee	-	-	(146,629)
Telenor Connexion AB	Telenor group entity	Roaming cost net of discount	-	-	-
Grameen Solutions Limited	Related to Grameen Telecom	Consultancy, professional and technical support service fee	-	-	(882)
Telenor India	Telenor group entity	Technical support service fee	-	-	(26)
Telenor Health AS	Telenor group entity	Consultancy and professional service fee	-	-	3,616
Telenor Asia (ROH) Ltd	Telenor group entity	Sale of products, cost reimbursement	-	-	173,822
		Consultancy and professional service fee	-	-	-
				720	720

41.3.1 During the year Grameenphone released BDT 1,778,564,322 as a result of negotiation outcome with Telenor ASA.

41.4 Transactions with post-employment benefit plans, Workers' Profit Participation Fund and Workers' Welfare Fund

No other transaction incurred with defined benefit plan other than those disclosed in Note 18. During the year, BDT 529,386,879 (2021: BDT 616,795,920) was transferred to defined contribution plan, BDT 2,232,913,098 (2021: BDT 2,252,995,374) was transferred to Workers' Profit Participation Fund and BDT 279,114,137 (2021: 281,624,422) was transferred to Workers' Welfare Fund.

42 Expense/expenditure and (revenue) in foreign currency during the year

	2022	2021
	BDT (000)	BDT (000)
CIF value of imports		
Telecommunication equipment	10,150,480	9,204,432
Expenditure in foreign currency		
Consultancy fee	(1,011,227)	1,059,112
Consultancy fee - expatriate	190,724	160,279
Other fee (travel and training)	7,553	5,213
Online advertisement, membership and others	305,216	271,472
Technical know how	1,307,850	1,446,297
International roaming cost net of discount	35,799	19,425
Foreign earnings		
Revenue net of discount from roaming partners	(60,912)	(56,374)

43 Short-term credit facilities available as at 31 December 2022

The Company enjoys composite working capital facilities including both funded and non-funded facilities from 11 banks (2021: 11 banks). The non-funded facilities include Letters of Credit (LC), Shipping Guarantee, Letters of Guarantee and Foreign Exchange Forward Contracts. The funded facilities include overdraft facility and short-term loan. Import loans, though funded in nature, have been incorporated under non-funded facilities given that they are availed solely for the purpose of settlement of LC. The aggregate amount of arranged composite working capital facilities is BDT 45,554 million (2021: BDT 45,079 million) of which non-funded limit is BDT 23,286 million (2021: BDT 23,286 million) and funded limit is BDT 29,678 million (2021: BDT 29,203 million). The limits maintained with some banks are omnibus in nature.

As per the approval of the Board of Directors of Grameenphone, the total amount of short-term funded facilities is limited to BDT 30,000 million (2021: BDT 30,000 million).

Security against short term credit facilities

The short-term credit facilities are unsecured and backed by standard charge documents as per terms and conditions set by respective banks and financial institutions.

44 Commitments

	As at 31 December 2022	As at 31 December 2021
	BDT (000)	BDT (000)
Capital commitment (open purchase order) for Property, plant and equipment	9,741,565	4,245,168
Capital commitment (open purchase order) for intangible assets	851,300	399,697

45 Contingencies

The Company is currently involved in a number of legal proceedings, including inquiries from, or discussions with, governmental authorities that are incidental to its operations. However, save as disclosed below, the Company is not currently involved in any legal proceedings which may have a significant effect on the financial position or profitability of the Company but for which any provision has not been recognised in these financial statements.

(a) BTRC audit

During 2011, Bangladesh Telecommunication Regulatory Commission (BTRC) carried out an information system audit of Grameenphone for the period from 1997-2011 through BTRC's appointed auditor and issued a demand notice to Grameenphone on 03 October 2011 claiming an amount of BDT 30,341,108,581 as outstanding dues on various categories. During and after the audit, Grameenphone clarified to both BTRC and their auditors, that those observations were framed on incorrect basis. Thereafter, Grameenphone disagreed to the claim and responded to the letter requesting BTRC to withdraw the notice. Subsequently, Grameenphone filed a Title Suit before the learned District Court, Dhaka challenging the BTRC demand. In an Appeal arising out of the Title Suit, the Hon'ble High Court Division (HCD) passed an order of status quo on the demand, which is valid till disposal of the matter at the Hon'ble HCD. However, on 30 September 2018, BTRC filed an application for summary dismissal of the said Title Suit without going into the merit. The hearing of the application has not taken place yet and the next date has been fixed on 05 February 2023.

It is to be noted here that in a separate Writ Petition filed by another audit firm challenging the auditor appointment process of BTRC, the appointment of the said auditor was declared illegal by the Hon'ble HCD in 2011 for non-compliance with the relevant procurement laws which was later on upheld by the Hon'ble Appellate Division (AD) in 2013.

In 2015, BTRC appointed a new auditor through a fresh appointment process to conduct an information system audit on Grameenphone since inception i.e., 1997 to 2014. Despite numerous interactions with BTRC and full cooperation to the BTRC appointed auditors, Grameenphone's concerns regarding the audit findings were not addressed by BTRC.

On 02 April 2019, Grameenphone received a demand (Audit Demand) of BDT 125,799,476,135 from BTRC for payment of BDT 84,940,104,730 (including interest of BDT 61,943,079,371 till December 2017) to BTRC and BDT 40,859,371,405 to National Board of Revenue (NBR) within 10 (ten) working days. Pointing out the errors in the methodologies, procedure and substance of the audit exercise, Grameenphone disputed the whole Audit Demand and on 16 April 2019 replied requesting BTRC to withdraw the demand and to engage in discussions with a view to find an amicable resolution. Thereafter, Grameenphone served a notice of arbitration upon BTRC and sent another letter to the Secretary, Ministry of Posts and Telecommunication seeking his support in resolving the matter through arbitration process.

On 04 July 2019, without participating in the arbitration proceedings, BTRC directed International Internet Gateway operators to reduce Grameenphone's internet bandwidth capacity which was subsequently withdrawn on 17 July 2019 considering the impact on subscribers. However, On 22 July 2019, BTRC imposed operational restrictions (Restrictions) through stopping issuance of No Objection Certificates (NOCs) and approvals on products and services and equipment import. In this context, on 30 July 2019, Grameenphone moved with Arbitration applications before the Hon'ble HCD for appointment of BTRC's arbitrator and also for interim relief against the said Restrictions which were subsequently rejected by the Hon'ble HCD on 21 October 2019.

In the meantime, on 14 August 2019, a proposal letter was sent to BTRC for withdrawal of earlier demand based on 2011 audit and discontinuation of the Title Suit in relation to the 2011 audit in order to remove any perceived roadblock for BTRC to participate in arbitration on the current audit demand. The letter remains unanswered.

On 26 August 2019, Grameenphone filed a Title Suit against the Audit Demand before the learned District Court, and on 28 August 2019, Grameenphone moved an application for injunction praying stay on the Restrictions and restraint on BTRC to realize or enforce the Audit Demand. The said application was rejected against which, on 17 September 2019, Grameenphone filed an appeal before the Hon'ble HCD. In the meantime, on 05 September 2019, BTRC issued a show cause notice to Grameenphone as to why Grameenphone's 2G & 3G licenses should not be cancelled. Grameenphone responded timely to the show cause notice.

In parallel, Grameenphone had been continuing engagement with the authorities with a view to find a transparent and amicable resolution. On 18 September 2019, the Finance Minister in the presence of Minister of Post and Telecommunication, NBR Chairman, BTRC Chairman and representatives of Grameenphone, got involved to pursue a constructive path towards resolving the issue. There, it was expressed that BTRC would withdraw the show cause notice and impositions immediately and that Grameenphone would suspend its legal efforts to facilitate an amicable solution. Despite these constructive efforts, BTRC did not lift any of the operational restrictions or the show cause notice.

On 17 October 2019, in the appeal filed earlier by Grameenphone, the Hon'ble HCD passed an interim order of injunction restraining BTRC to realize or enforce the Audit Demand and stayed the operation of the BTRC Restrictions.

Challenging the said order of Hon'ble HCD, BTRC moved to the Hon'ble AD and on 24 November 2019, the Hon'ble AD held that the order of Hon'ble HCD is maintained subject to payment of BDT 20,000,000,000 to BTRC within 03 (three) months; in default the order of Hon'ble HCD shall stand vacated.

On 20 February 2020, in a Review Petition filed by Grameenphone, the Hon'ble AD verbally directed Grameenphone to deposit BDT 10,000,000,000 within 24 February 2020 which Grameenphone complied and booked the deposit as non-current receivables as disclosed in Note 9 to these financial statements. On 24 February 2020, the court further directed Grameenphone to deposit the remaining BDT 10,000,000,000 by 31 May 2020 in default the order of Hon'ble HCD shall stand vacated and BTRC to allow Grameenphone to carry on its business without any hindrance. On 19 May 2020, Grameenphone further deposited BDT 10,000,000,000 and filed a compliance application, for which Grameenphone followed the same accounting treatment.

The hearings of Review Petition and Appeal have not taken place yet at Hon'ble AD and HCD respectively which will take place as per accommodation of the courts. The injunction allowed by the Hon'ble AD continues to remain in force.

The original Title Suit is pending at the learned District Court. BTRC and its Auditor appeared in the suit earlier. On 16 May 2022, BTRC submitted its reply which was accepted by the Court on 27 July 2022. As per Grameenphone's assessment, BTRC has not responded to Grameenphone's arguments in substance and hence, Grameenphone's position on the Audit Demand remains unchanged. The Court has fixed the next date on 22 June 2023. In the ordinary course, on that date the parties will have to inform the Court on their positions about statutory Mediation as provided by the Code of Civil Procedure, 1908. Meanwhile, as part of the initiative to find a transparent process towards an amicable solution, currently Grameenphone is continuing dialogue with BTRC to explore the statutory Mediation.

Despite Grameenphone disagreeing with the Audit Demand as a basis for the audit claim, Grameenphone has consistently tried to engage with the authorities to find a transparent process towards an amicable solution based on the merits of the audit findings. Although in 2019 BTRC declined to refer the matter to arbitration and in October 2019, BTRC did not follow up on pursuing the constructive path towards a solution initiated in the 18 September 2019 meeting, Grameenphone will continue engagement for a transparent amicable solution based on merit while continuing to represent in the legal proceedings.

Grameenphone has performed a detailed assessment of the BTRC and NBR demands and obtained legal advice for each of the various matters/demands and assessed as unjustified from Grameenphone's position. Overall, the BTRC Audit Demand is comprised of claims against 26 line items of which 22 line items are related to BTRC payments (BDT 22,997,025,359 as principal amount and BDT 61,943,079,371 as interest amount). Out of the said 22 line items, necessary provision has been made following relevant International Financial Reporting Standards (IFRSs) based on the verbal judgement of Hon'ble AD as disclosed in Note 45(c).

The other 4 (four) line items (with a total amount of BDT 40,859,371,405) are unauthorised and erroneously claimed by BTRC and are related to already resolved matter or where NBR has no claim against Grameenphone or matters pending in ongoing formal resolution processes (sub-judice) with the NBR. In the NBR matters, Grameenphone had already made the relevant provisions.

Pointing out the errors in the substance, methodologies and procedures of the audit exercise Grameenphone disputed the whole Audit Demand. The errors in the audit-findings, the unprecedented long period covered by the audit (more than 20 years backwards), the inclusion of already settled/ resolved items, the erroneous claim on behalf of third parties, the inclusion of sub-judice items create significant uncertainty about the validity of the demand and outcome of the dispute. Grameenphone through its current assessment concluded that there is no such obligation against the audit claims towards BTRC other than as disclosed in Note 45(c).



(b) SIM tax on replacement SIMs

Large Taxpayers' Unit (LTU)-VAT through a letter dated 16 May 2012 claimed BDT 15,804,391,570 including interests of BDT 5,454,810,667 for all replacement SIMs issued during the period from July 2007 to December 2011 alleging that GP evaded SIM tax by selling new connections in the name of replacement SIMs. The said demand was based on extrapolating the outcome of only five randomly purchased SIMs by LTU-VAT. GP challenged the demand before the Hon'ble HCD and on 6 June 2013, the court disposed of the case directing the LTU-VAT to decide the matter within 120 days and make no demand in the meantime. Subsequently, a SIM Replacement Review Committee (SRRC) was constituted and in January 2014 LTU-VAT finalized their observations without changing their earlier position significantly.

The mobile operators expressed their dissatisfaction over the findings and the way LTU-VAT members of the SRRC disregarded the spirit of the 'Terms of Reference' and agreed methodology as endorsed by BTRC in carrying out the review.

Thereafter, the LTU-VAT issued an order dated 18 May 2015 purporting to dispose of the show cause notice and finalize the demand at BDT 10,232,331,083. The revised demand includes substantially all replacements done by GP between July 2007 and December 2011.

At this juncture, GP filed an appeal before the Customs, Excise & VAT Appellate Tribunal (CEVT) against the demand. Even though GP believes that the claim against it is not likely to be legally enforceable, 10% of the disputed amount was deposited at the time of appeal due to statutory requirement. Since the claim is not likely to be legally enforceable, any payment related to this claim is likely to be recoverable after the resolution of this issue. GP considered the deposit as a contingent asset under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

On 5 June 2017, the CEVT dismissed the Appeals filed by GP and other mobile operators. Subsequently, on 19 July 2017, GP filed a VAT Appeal before the Hon'ble HCD challenging the same and the court passed an order of stay which is still subsisting. The appeal has been fixed for hearing along with other operators' appeals and will be heard as per accommodation of the Hon'ble HCD.

Further, for the period July 2012 to June 2015, without conducting any investigation and based on the assumption that Grameenphone evaded SIM tax by selling new connections in the name of replacement SIMs, LTU-VAT issued the final demand for BDT 3,789,537,820. On 20 February 2018, GP filed appeal before the CEVT against the demand upon depositing 10% of the demanded amount due to statutory requirement and considered the deposit as a contingent asset under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. On 23 March 2019 the CEVT dismissed the Appeal challenging which GP filed a VAT Appeal before the Hon'ble HCD and the court passed an order of stay which is still subsisting. The appeal has been fixed for hearing and will be heard as per accommodation of the Hon'ble HCD.

Subsequently, during November 2017, the LTU-VAT issued a separate show-cause notice for the similar issue covering the period from January 2012 to June 2012 for an amount of BDT 823,342,916. As per the then law LTU-VAT cannot claim any amount beyond 5 years, hence the claim is time barred. GP replied to the show cause notice accordingly. Subsequently the hearing before the LTU-VAT Commissioner took place on 31 January 2019 following which LTU-VAT has not concluded on the demand yet although the statutory limitation to conclude such demand was 120 days from issuance of the show-cause i.e. 23 November 2017.

Out of this NBR claim, BDT 10,232,331,083 are also part of BTRC audit claim dated 02 April 2019 as discussed in Note 45(a) above.

(c) VAT rebate on 2G licence renewal fee

Grameenphone was under legal obligation to deduct 15% VAT at source from the payments to any licensing authorities including BTRC pursuant to insertion of Rule 18(Uma) in Value Added Tax Rules, 1991 which became effective from 1 July 2010. Since then, Grameenphone complied with the same. However, the dispute arose in 2011 at the time of Grameenphone's 2G License Renewal when BTRC stipulated in the License Renewal Guideline to make the payment 'without any deduction' and also imposed Market Competition Factor (MCF) on Spectrum Assignment Fee which was assigned in 2008. MCF is an additional charge on spectrum assignment fee imposed by BTRC based on market share. In 2011 mobile operators including Grameenphone challenged such stipulations in separate Writ Petitions before the Hon'ble HCD. On 13 February 2012, the Hon'ble HCD passed judgement allowing Grameenphone to exercise the right to claim rebate subject to payment of VAT in addition to BTRC's claim amount and declared the imposition of MCF on Spectrum Assignment Fee in 2008 as illegal.

However, Grameenphone, Telenor and some public shareholders filed appeals before the Hon'ble AD challenging the judgement relating to payment obligation of VAT in addition to BTRC's claim, NBR filed an appeal challenging the judgement relating to Grameenphone's rebate right and BTRC filed an appeal challenging the judgement relating to declaring imposition of MCF on Spectrum Assigned in 2008 as illegal. There were appeals also from other operators' divergent HCD judgments. The appeals of all the parties were jointly heard by Hon'ble AD and the verbal judgement has been pronounced on 10 January 2023 disallowing the appeal of Grameenphone and allowing the appeals of NBR. Necessary provision has been made following relevant IFRSs based on the abovementioned verbal AD judgement. Moreover, the appeal of BTRC has been disposed of which will be clarified when the written judgement is available. Upon receiving written judgment Grameenphone will take necessary steps subject to further assessment including for the relevant parts of BTRC Audit Demand which consists this issue.

(d) Interest on SIM Tax during 24 August 2006 to 27 March 2007

National Board of Revenue (NBR) through a General Order (GO) dated 9 June 2005 fixed Tariff Value determining SIM Tax at BDT 2,172.20 per SIM Card. Challenging the legality of such imposition of SIM Tax, one subscriber filed a Writ Petition before the Hon'ble HCD and the Hon'ble HCD on 25 June 2005 by an interim order stayed the operation of the GO. Accordingly, the mobile operators including GP could not collect SIM Tax from the customers since the collection of SIM Tax was suspended. Subsequently, on 24 August 2006 Hon'ble HCD declared the imposition of SIM Tax as illegal challenging which NBR filed a Civil Petition before the Hon'ble AD and the court initially stayed the judgment of the Hon'ble HCD on 27 March 2007 and finally on 1 August 2012, reversed the judgment of Hon'ble HCD declaring the imposition of SIM Tax as legal. NBR issued a demand notice after the judgment of the Hon'ble AD and BDT 3,480,971,703 was paid by GP on 12 September 2012 on protest.

On 9 May 2016, LTU-VAT issued a show cause notice to GP for interest amounting BDT 4,525,263,202 for the delay in payment of SIM Tax on sale of SIM during the period from August, 2006 to March, 2007 for a period of 65 months, i.e. the period between 1 April 2007 and the day before the date of the payment made by GP, i.e. 11 September 2012 during which the matter was pending before the Hon'ble AD for disposal. Subsequently, NBR issued a demand notice on 22 June 2016 for the same amount which was challenged by GP through filing an appeal before the Hon'ble CEVT. Even though GP believes that the claim against GP is not likely to be legally enforceable, 10% of the disputed amount was deposited for filing the appeal due to statutory requirement. Since the claim is not likely to be legally enforceable, any payment related to this claim is likely to be recoverable after the resolution of this issue. GP has considered the deposit as a contingent asset under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. On 11 April 2018, CEVT dismissed the Appeal challenging which GP filed a VAT Appeal before the Hon'ble HCD and on 10 July 2018 the court passed an order of stay which is still subsisting.

As per direction of the Hon'ble HCD, GP has submitted the relevant documents. The Hon'ble HCD fixed the appeal for hearing which will be heard as per accommodation of the court.

In January 2019, International Financial Reporting Interpretations Committee (IFRIC) published Committee's agenda decisions addressing accounting treatment for the deposits relating to indirect taxes. After a thorough analysis, the appeal deposit of 10% has been reinstated to long term receivables by crediting profit or loss account.

(e) Interest for delayed payment of Guaranteed Annual Rent to Bangladesh Railway

There was a dispute regarding payment of VAT (whether inclusive or exclusive) on the Guaranteed Annual Rent (GAR) paid to Bangladesh Railway (BR) to use its Fiber Optic Network (FON) under an Agreement dated 17 September 1997. GP made payment to BR after deduction of VAT from the GAR following inclusive method. In 2008, BR requested GP to pay the amounts deducted as VAT otherwise threatened to disconnect the FON connection. GP filed a Writ Petition before the Hon'ble HCD and HCD disposed of the Writ Petition directing GP to pay VAT following exclusive method i.e. to be grossed up on top of GAR which was later on upheld by the Hon'ble AD. BR issued a demand letter of BDT 319,670,457. GP paid the demanded amount on 10 January 2018 without prejudice to its right to file Review Petition before the Hon'ble AD and subject to adjustment, if any, as per the decision of the Review Petition. However, after assessment, GP decided not to pursue for Review Petition against the decision of the AD.

On 27 February 2018, BR made an additional demand of BDT 1,316,513,243 as interest for delayed payment of deducted GAR referring to the provisions of the agreement between GP and BR. GP believes that interest should not apply during the period when the matter was sub-judice and BR's demand for principal amount was stayed by the Order of the Court. Pursuant to the said demand letter, on 24 May 2018, GP sent a letter to BR for resolution of the dispute amicably by stating its legal position. Thereafter,

BR refused the proposal for amicable resolution on 29 July 2018.

Thereafter, a Certificate Case was filed by BR under Public Demands Recovery Act 1913 against GP, claiming the said amount. On 05 November 2020, GP filed a petition denying the claim. On 22 February 2021, BR submitted its response against the same. Next date of hearing of the Certificate case is fixed on 09 March 2023.

In the meantime, on 24 December 2020, as per agreement GP served an Arbitration notice upon BR for Arbitration proceedings regarding the claim and accordingly requested BR to appoint arbitrator on their behalf. Subsequently, on 24 January 2021 BR in reply requested GP to withdraw the Arbitration notice without appointing any arbitrator on their behalf. Against this backdrop, on 7 March 2021 GP filed two applications before the Hon'ble HCD- one is an injunction application under section 7KA of the Arbitration Act 2001 seeking stay on the proceedings of the Certificate Case and another is an application under section 12 of the Arbitration Act 2001 for appointment of BR's arbitrator. On 14 March 2021, the Hon'ble HCD admitted both the applications and issued Rule (show cause). Thereafter, the hearing of both the arbitration applications concluded before the Hon'ble HCD on 13 February 2022 and awaiting judgement.

46 Other disclosures

46.1 Segment information

Grameenphone essentially provides similar products and services to customers across the country and its products and services essentially have similar risk profile. Grameenphone's business is not organised in product or geographical components and its operating result is reviewed as a whole by its management. Hence, segment information is not relevant.

46.2 Events after the reporting period

The Board of Directors of Grameenphone Ltd. at its 243rd meeting held on 30 January 2023 recommended a final cash dividend amounting to BDT 12,827,850,209 being 95% of the paid-up capital (i.e. BDT 9.50 per share) for the year 2022. Total cash dividend including this final cash dividend stands at 220% of the paid-up capital (i.e. BDT 22.00 per share) for the year 2022. These dividends are subject to final approval by the shareholders at the forthcoming annual general meeting of the Company.

Individual to Influencer

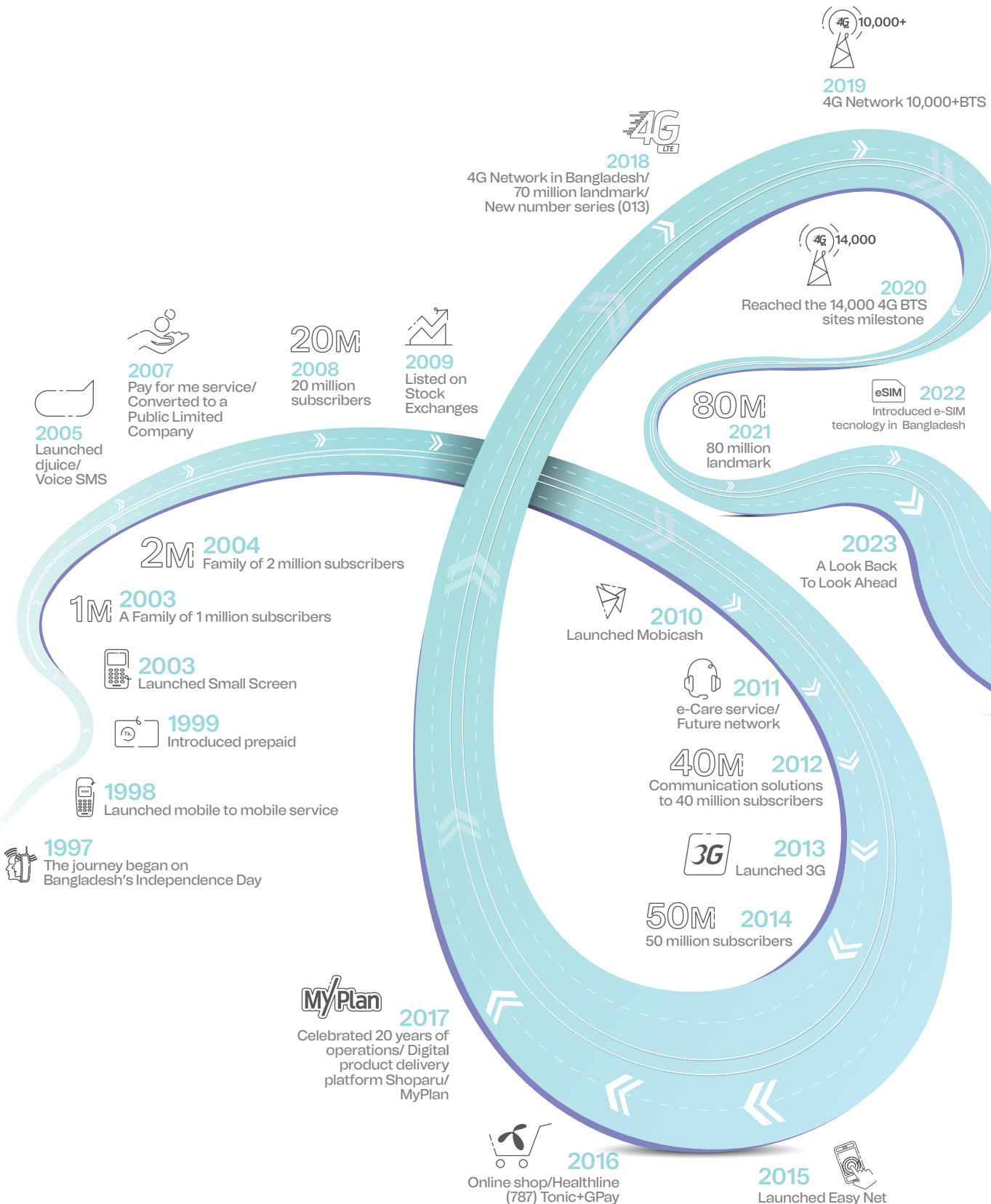
'Creating the right content based on well-researched data has always been a scarcity in Bangladesh. Internet is always a blessing to deep dive into facts and share with the mass audience online.'

Enayet Chowdhury
Digital Content Creator



OUR JOURNEY

Empowering Society & Connecting Customers to a Digital Future



OUR RECOGNITION 2022

Grameenphone has always worked towards delivering the best to the community and to the stakeholders it serves. Every year the Company receives accolades for operational and brand excellence, as well its governance practices. These awards remind us how deeply our operations impact the people who rely on us. The accolades also renew our commitment to ourselves, and to our well-wishers, to continuously improve on what we deliver and how we deliver it.

Best Presented Annual Report /Corporate Governance Award

- 🏆 Adjudged Runners-up Position for 'Best Presented Annual Report 2021' by SAFA (South Asian Federation of Accountants)"
- 🏆 Adjudged Runners-up Position for 'Best Presented Annual Report 2021' by ICAB (The Institute of Chartered Accountants of Bangladesh)
- 🏆 Received Gold Award in 'Best Corporate Award 2021' from ICMAB (Institute of Cost and Management Accountants)

Other Awards

- 🏆 Honoured as the highest taxpayer in the telecommunication sector of Bangladesh by the National Board of Revenue (NBR) for the financial year 2021-22
- 🏆 Received top awards in the 'Best Telecom Brand' and 2nd Runners-up in 'Overall Best Brand category' for the year 2022, presented by Bangladesh Brand Forum, in partnership with Nielsen IQ
- 🏆 Grameenphone brand honoured with 14 awards in 24 categories, the highest, at the 11th edition of "Commward" 2022 organised by Bangladesh
- 🏆 Brand Forum Grameenphone and its three partner agencies (Asiatic Mindshare Ltd., Grey Advertising Ltd. and Magnito Digital) won 12 awards in the 'Digital Marketing Award' 2022, organised by the Bangladesh Brand Forum
- 🏆 Received Championaward in the 'Best Digital Nation Video Award 2022' organised by GSMA Mobile
- 🏆 360 Asia Pacific Received 'Corporate HR Award 2022' for standard HR practices from the Federation of Bangladesh Human Resource Organisations (FBHR)
- 🏆 Won the 'People Award 2022' among all Telenor Business Units



Useful Information for Shareholders

1. General

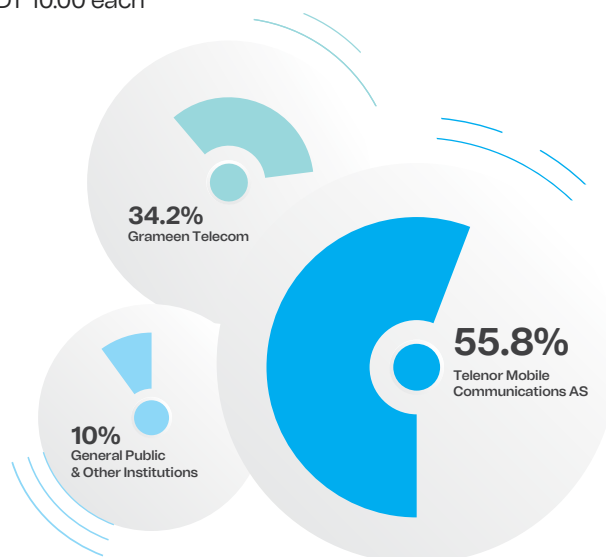
Authorised Capital	: BDT 40,000,000,000
Issued and Fully Paid-up Capital	: BDT 13,503,000,220
Class of Shares	: Ordinary Shares of BDT 10.00 each
Voting Rights	: One vote per
Ordinary Share	

2. Stock Exchange Listing

The Ordinary Shares of the Company are listed on the Dhaka and Chittagong Stock Exchanges. Company trading code is [GP].

3. Shareholding Structure

The shareholding structure comprises of mainly two sponsor shareholders, namely, Telenor Mobile Communications AS (55.80%) and Grameen Telecom (34.20%). The rest 10.00% shareholding includes General Public (2.33%), Foreign (2.13%) and other institutions (5.54%), as of 31 December 2022.



4. Top Twenty Shareholders as on 31 December 2022

Sl. No.	Name of Shareholders	Number of Ordinary Shares Held	Percentage
1	Telenor Mobile Communications AS	753,408,154	55.80%
2	Grameen Telecom	461,766,409	34.20%
3	Government of Norway	11,590,535	0.86%
4	Grameen Bank Borrower's Investment Trust	11,037,221	0.82%
5	A.K. Khan & Company Ltd.	8,564,553	0.63%
6	BBH A/C Matthews Asia Dividend Fund	8,112,021	0.60%
7	ICB Unit Fund	3,226,598	0.24%
8	Brac Bank Limited	2,914,921	0.22%
9	SSBT A/c Wellington Management Funds (Ireland) Public Limited Company- Wellington Global Impact Fund	2,378,014	0.18%
10	Delta Life Insurance Co. Ltd.	1,982,895	0.15%
11	ICB Bond	1,959,895	0.15%
12	Bangladesh Fund	1,900,000	0.14%
13	BBH A/C Japan Trustee Services Bank Ltd. As Trustee of SMTB Global Impact Mother Fund	1,482,380	0.11%
14	Grameen One: Scheme Two	1,400,000	0.10%
15	1 st Bangladesh Fixed Income Fund	1,270,442	0.09%
16	BBS-United Commercial Bank Limited- BB Scheme	1,048,916	0.08%
17	Investment Corporation of Bangladesh	1,032,173	0.08%
18	DBL Securities Ltd.	1,025,637	0.08%
19	United Commercial Bank Limited	948,947	0.07%
20	Pubali Bank Limited	940,000	0.07%
	Total	1,277,989,711	94.67%

5 Dividend

For the Year	Dividend Rate	Dividend Per Share (BDT)	Par Value Per Share (BDT)	Dividend Type
2022	95% (Proposed Final Dividend)	9.50	10.00	Cash
	125% (Interim Dividend)	12.50	10.00	Cash
2021	125% (Final Dividend)	12.50	10.00	Cash
	125% (Interim Dividend)	12.50	10.00	Cash
2020	145% (Final Dividend)	14.50	10.00	Cash
	130% (Interim Dividend)	13.00	10.00	Cash
2019	40% (Final Dividend)	4.00	10.00	Cash
	90% (Interim Dividend)	9.00	10.00	Cash
2018	155% (Final Dividend)	15.50	10.00	Cash
	125% (Interim Dividend)	12.50	10.00	Cash
2017	100% (Final Dividend)	10.00	10.00	Cash
	105% (Interim Dividend)	10.50	10.00	Cash

6 Unclaimed/ Unpaid Dividend and Non-Refunded IPO Subscription Money

The dividend declared at an Annual General Meeting (AGM) is required to be paid within 30 days from the date of declaration. Interim Dividend is required to be paid within 30 days from the Record Date. As per the Directive of Bangladesh Securities and Exchange Commission (BSEC), when a dividend is declared by a company but has not been paid within 30 days or claimed by the shareholders within 1 year from the date of the declaration or Record Date, the Company shall, after elapse of 1 (one) year from date of declaration or approval or record date, transfer the total amount of dividend, which remain unpaid or unclaimed including accrued interest (after adjustment of bank charge, if any) to a special account naming "Unpaid Dividend Account, to be opened by the Company in that behalf in any scheduled bank.

Further, any money transferred to the "Unpaid Dividend Account" of a company in pursuance of the above BSEC Directive, which remain unpaid or unclaimed for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be along with interest accrued (after adjustment of bank charge, if any), if any, thereon, such amount need to be transferred to the Capital Market Stabilization Fund (CMSF) as directed or prescribed by the BSEC.

If any shareholder claims his/her cash dividend after transfer of such dividend to the Fund, within 15 days of receiving such claim, the Company shall, after proper verification of the claim, recommend to the manager of the Fund to pay off such dividend from the Fund and the Manager of the Fund shall pay off such cash dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the BSEC.

The year-wise summary of unclaimed/unpaid dividend as on 31 December 2022

Sl	Financial Year	Dividend Type	Rate of Dividend	Date of Declaration of the Dividend and Record Date as the case may be	Unclaimed/Unpaid Dividend as on 31 December 2022 (BDT'000)
1	2021	Final	125%	26 April 2022	17,663
		Interim	125%	9 August 2021	13,265
2	2020	Final	145%	19 April 2021	13,407
		Interim	130%	5 August 2020	10,640
3	2019	Final	40%	21 April 2020	3,848
5	GP IPO Suspense Account	Interim Dividend 2019 to Final Dividend 2021			55
Total					58,878

The year-wise summary of unclaimed/ unpaid dividend and non-refunded IPO subscription money which was sent to Capital Market Stabilization Fund (CMSF)

Sl	Financial Year	Dividend Type	Rate of Dividend	Date of Declaration of the Dividend and Record Date as the case may be	Unclaimed Dividend (BDT'000) A	Shareholders' claim settled by CMSF (BDT'000) B	Unclaimed/Unpaid Dividend as on 31 December 2022 (BDT'000) A-B=C	Remarks
1	2019	Interim	90%	4-Aug-19	6,575	25	6,550	Transferred to CMSF account on 04 September 2022
2	2018	Final	155%	23-Apr-19	8,886	106	8,780	Transferred to CMSF account on 22 May 2022
		Interim	125%	5-Aug-18	7,533	36	7,497	
3	2017	Final	100%	19-Apr-18	3,618	32	3,586	Transferred to CMSF account on 29 August 2021
		Interim	105%	2-Aug-17	4,877	30	4,847	
4	2016	Final	90%	20-Apr-17	6,758	22	6,736	Transferred to CMSF account on 22 May 2022
					1		1	
		Interim	85%	8-Aug-16	3,753	21	3,732	Transferred to CMSF account on 29 August 2021
					2		2	Transferred to CMSF account on 22 May 2022
5	2015	Final	60%	19-Apr-16	3,843	14	3,829	Transferred to CMSF account on 29 August 2021
		Interim	80%	29-Jul-15	5,238		5,238	
6	2014	Final	65%	21-Apr-15	4,446	2	4,444	
		Interim	95%	5-Aug-14	6,235	22	6,213	
7	2013	Final	50%	9-Apr-14	6,273		6,273	
		Interim	90%	29-Jul-13	3,766		3,766	
8	2012	Final	50%	10-Apr-13	2,803	1	2,801	
		Interim	90%	31-Jul-12	5,119		5,119	
9	2011	Final	65%	10-Apr-12	6,188		6,188	
		Interim	140%	28-Jul-11	13,292		13,292	
10	2010	Final	85%	19-Apr-11	9,231		9,231	
		Interim	35%	2-Nov-10	8,070		8,070	
11	2009	Final	60%	8-Jun-10	13,200		13,200	
12	GP IPO Suspense Account	Final Dividend 2009 to Interim Dividend 2018			159		159	Transferred to CMSF account on 22 May 2022
		Final Dividend 2018			13		13	

7 Credit Rating

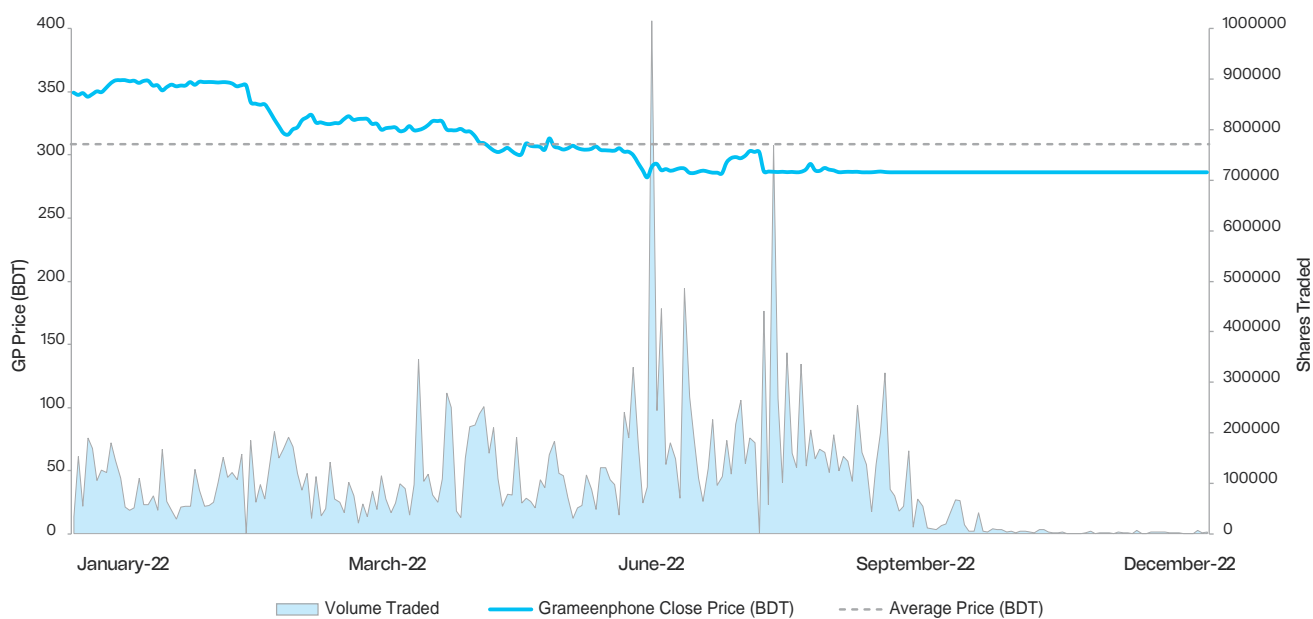
The Company's credit rating was reaffirmed by Credit Rating Information and Services Limited (CRISL) on 06 March 2023 and is valid up to 05 March 2024.

Long Term	Short Term
AAA	ST-1

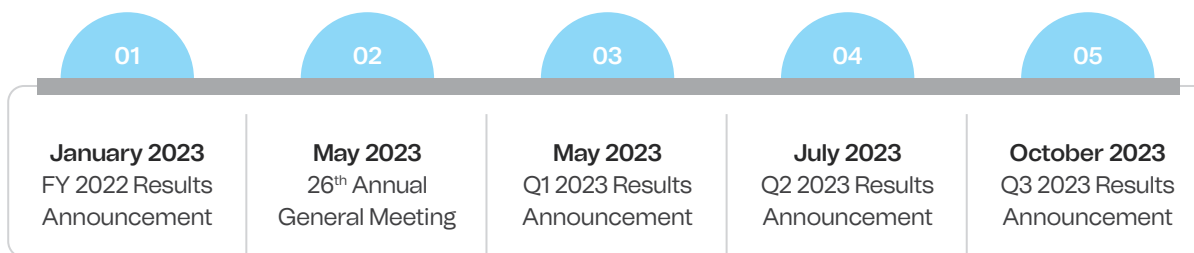
8. Associate Company

Name of the Company	Holding	Activity
Accenture Communications Infrastructure Solutions Ltd. (Formerly known as Grameenphone IT Ltd.)	49%	IT Company

9 Grameenphone Share Performance at Stock Exchanges



10 Financial Calendar 2023



* Please note that these dates are provisional and subject to change, please check www.grameenphone.com/about/investor-relations for latest updates

11. Company Website

Anyone can get information regarding Company’s activities, products and services or can view Annual Report 2022 at www.grameenphone.com

12. Investor Relations

Institutional investors, security analysts and other members of the professional financial community requiring additional financial information, please contact at **+8801755552271** or can visit the Investor Relations section of the Company website: www.grameenphone.com

13. Shareholder Services

If you have any queries relating to your shareholding and dividend, please contact at **+8801711555888** or mail to Grameenphone Share Office at shareoffice@grameenphone.com

Grameenphone Ltd.

Registered Office and Share Office: GPHouse, Bashundhara, Baridhara, Dhaka-1229

Notice of the 26th Annual General Meeting Virtual Shareholder Meeting

Notice is hereby given that the 26th Annual General Meeting (AGM) of Grameenphone Ltd. will be held on **Tuesday, 02 May 2023 at 10:30 am (Dhaka Time)**. The AGM will be held virtually by using digital platform through the following link <https://agmbd.live/gp2023> to transact the following businesses:

AGENDA

1. Consideration and adoption of the Directors' Report and the Audited Financial Statements of the Company for the year ended 31 December 2022 together with the Auditors' Report thereon.
2. Declaration of Dividend for the year ended 31 December 2022 as recommended by the Board of Directors.
3. Election/Re-election of Directors.
4. Appointment of Statutory Auditors and fixation of their remuneration.

By order of the Board of Directors

Sd/-

S M Imdadul Haque
Company Secretary

10 April 2023

Notes:

- The Members whose names appeared on the Members/Depository Register as on the "**Record Date**" i.e. **26 February 2023** are eligible to participate in the **26th Annual General Meeting (AGM)** and receive dividend.
- Pursuant to the Bangladesh Securities and Exchange Commission's Notification No. SEC/SRMIC/94-231/91 dated 31 March 2021, the AGM will be virtual meeting of the Members, which will be conducted via live webcast by through the use of a digital platform.
- The Members will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging in to the system, the Members need to put their **16-digit Beneficial Owner (BO) ID** number and other credential as proof of their identity by visiting the link <https://agmbd.live/gp2023>
- The detailed procedures to participate in the virtual meeting and Frequently Asked Questions (FAQs) have been provided in the Annual Report and published on the Investor Relations section of the Company's website at: www.grameenphone.com
- We encourage the Members to log in to the system prior to the meeting start time of 10:30 am (Dhaka time) on 02 May 2023. Please allow ample time to login and establish your connectivity. The webcast will start at 10:30 am (Dhaka Time). Please contact +8801711555888 for any technical difficulties in accessing the virtual meeting.
- A Member who is entitled to attend and vote at the AGM may appoint a Proxy to attend and vote on his/her behalf. The "**Proxy Form**", duly completed, signed and stamped at **BDT 20** must be emailed to Grameenphone Share Office at shareoffice@grameenphone.com no later than 72 hours prior to the start of the AGM.
- Pursuant to the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158 /208/ Admin/81 dated 20 June 2018, the soft copy of the Annual Report 2022 is being sent to Members at the email addresses of the Members available in their Beneficial Owner (BO) accounts maintained with the Depository. The Members are requested to update their email addresses through their respective Depository Participant (DP). The digital version and soft copy of the Annual Report 2022 will also be available on the Investor Relations section of the Company's website at: www.grameenphone.com

EXPLANATORY NOTES:**1. Election/Re-election of Directors. [Agenda - 3]**

The following Directors of the Board will retire at Company's ensuing 26th Annual General Meeting (AGM). However, they are eligible for re-appointment:

1. Ms. Nurjahan Begum
2. Mr. Øivind Burdal
3. Mr. Ole Bjørn Sjulstad

As per the conditions 1(5)(xxiv) of the Corporate Governance Code of Bangladesh Securities and Exchange Commission, brief profiles of the proposed Directors are given on page 30 and 31 of the Annual Report. The companies (other than Grameenphone Ltd.) in which the above Directors hold directorship and committee membership are given below.

Sl. No	Name of Directors	Directorship	Member of Board committees	Other Business Occupation
1	Ms. Nurjahan Begum	Grameen Group Grameen Distribution Ltd. Grameen Shikkha Grameen Shakti Grameen Kalyan Grameen Telecom Grameen Healthcare Services Ltd. Grameen Krishi Foundation Grameen Fisheries & Livestock Foundation Grameen Shakti Samajik Byabosha Ltd. Grameen Fabrics & Fashions Ltd. Grameen Capital Management Ltd. Yunus Centre Grameen Samogree Ananyo Construction Samadhan Service Ltd. Grameen Employment Services Ltd. CMES (Centre for Mass Education in Sciences) Grameen Italia Japan Automecjanic Ltd. Grameen Australia Member of Board of Trustee Grameen Telecom Trust Grameen Healthcare Trust Yunus Family Trust Professor Muhammad Yunus Trust	Grameen Kalyan Finance, Audit and Regulatory Affairs Committee, Grameen Telecom Finance, Audit and Regulatory Affairs Committee Grameen Telecom Trust Finance, Audit and Regulatory Affairs Committee Grameen Fabrics & Fashions Ltd Finance Audit and Regulatory Affairs Committee Grameen Samogree Finance Audit and Regulatory Affairs Committee Ananyo Construction Finance Audit and Regulatory Affairs Committee	Advisor to Professor Muhammad Yunus, Yunus Centre, Bangladesh
2	Mr. Øivind Burdal	Telenor Pakistan Ltd., Pakistan	None	Vice President, Head of Group Legal Asia, Telenor ASA
3	Mr. Ole Bjørn Sjulstad	None	None	SVP, Head of Investment Management Bangladesh, Telenor Asia, Singapore

2. Appointment of Statutory Auditors and fixation of their remuneration. [Agenda - 4]

As per the Companies Act 1994 and the Articles of Association of Grameenphone, the statutory auditors of the Company, ACNABIN, Chartered Accountants, shall retire at this AGM. The Firm, being eligible, has offered their willingness to be re-appointed. The Board recommended statutory auditors' re-appointment for the year 2023 and to continue till the AGM in 2024 at the existing fee of BDT 3 million plus VAT for onward approval by the Shareholders at the Company's ensuing 26th AGM.

Frequently Asked Questions (FAQs) on Virtual Shareholder Meeting

1. Why is this Virtual Annual General Meeting (AGM)?

Pursuant to the Bangladesh Securities and Exchange Commission's Notification No. SEC/SRMIC/94-231/91 dated 31 March 2021, a listed company can arrange virtual shareholder meeting, which can be conducted via live webcast by using digital platform. All the shareholders, staff and others who plan to attend the AGM 2023, Grameenphone plans to convene its 26th AGM 2023 virtually by using digital platform.

2. How can I participate in the AGM?

You are eligible to participate in the AGM, if you were a shareholder of Grameenphone as on the **"Record Date"** i.e. **26 February 2023**.

You will be able to participate in the AGM online from your laptop, desktop, tablet and smartphone. For log in to the system, you need to put your 16-digit BO ID number and other credential as a proof of your identity by visiting the link <https://agmbd.live/gp2023>.

3. How can I submit questions/comments prior to and during the meeting?

You can submit your questions/comments in written or through voice recording prior to 24 hours of the meeting and during the meeting by visiting the link <https://agmbd.live/gp2023>. You can also email your question/comments to shareoffice@grameenphone.com

4. How the Company will address our questions/comments?

During the live Q&A session on the AGM day, the Board and the Management will try to answer the relevant questions, which are submitted through the system and email prior to or during the meeting. However, Grameenphone reserves the right to edit and reject questions if it deems profane or otherwise inappropriate.

5. Who is entitled to vote and how many shares can I vote?

Each holder of shares of Grameenphone as on the **"Record Date"** i.e. **26 February 2023** is entitled to cast one vote per share on each Agenda item at the AGM. You are entitled to vote all shares owned by you as on the **"Record Date"**.

6. How can I vote my shares in the AGM?

You can vote electronically prior to and during the AGM by visiting the link <https://agmbd.live/gp2023>. You may vote in **"FAVOUR"** or **"AGAINST"** with respect to each agenda item.

7. What is the deadline for voting my shares?

Your vote must be received before the polls close for each agenda items during the AGM.

8. What is the voting requirement to approve each of the Agenda?

Each agenda will be passed by the vote of majority of votes cast. Each agenda receiving more votes in **"FAVOUR"** than votes **"AGAINST"** will be passed.

9. What If I have technical difficulties or trouble accessing the virtual meeting?

If you encounter any difficulties accessing the virtual meeting through the link <https://agmbd.live/gp2023> prior to or during the meeting, please call **+8801711555888**.

Disclaimer

This report contains statements regarding the future in connection with Grameenphone's growth initiatives. All statements regarding the future are subject to inherent risks and uncertainties, and many factors may lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

How to access information on Grameenphone

Grameenphone Produces a range of publications, which are available to download at www.grameenphone.com

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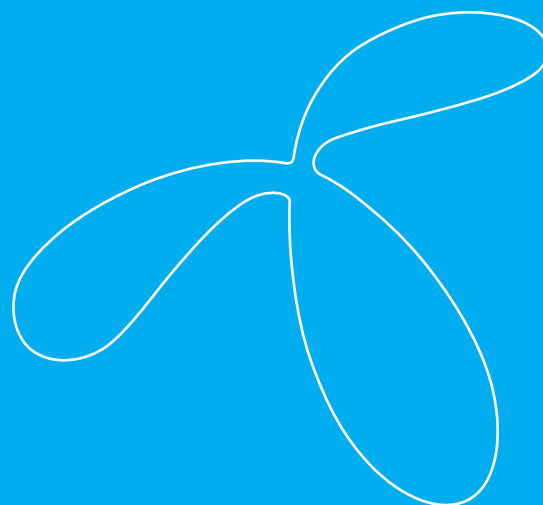
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youtube.com/user/grameenphone



Read our reports at www.grameenphone.com



Here you will find downloadable PDFs of:

- Annual Report 2022
- Proxy Form
- Notice of 26th AGM
- Frequently Asked Questions (FAQs) on Virtual Shareholder Meeting



**A Look Back
To Look Ahead**
Into The #1 Network



We care about our planet

Grameenphone wants to contribute to meet climate challenges and aims to reduce consumption of resources and overall impact on the environment. In an effort to minimise paper consumption, we limit the scope of the printed annual report within regulatory requirement. Grameenphone's website provides extensive information about the company and its current activities.

Grameenphone Ltd.

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