

Directors' Report

For the Year ended 31 December 2023

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.

Grameenphone navigated 2023 by prioritising customer-centric digitalisation and a future-ready network, while adhering to regulatory requirements and upholding our commitment to high standards of corporate governance.

Empowering Digital Transformation

The year began with the lifting of the regulatory ban on SIM sales, allowing Grameenphone to resume its pivotal role in enabling the nation's digitalisation journey with cutting-edge solutions and pioneering initiatives, in tandem with national infrastructure development.

Future-Fit Organisation

Our modernisation journey has set the stage for a future ready Grameenphone to be a stronger enabler of a Smart Bangladesh. Through strategic partnerships, innovation, and collaboration, we have established a firm foundation for sustained growth and success, positioning ourselves to tackle emerging challenges and seize new opportunities.

Telco Tech Innovations

Embarking on a telco tech journey, Grameenphone has empowered the future with smart solutions. From the Alo intuitive app for IoT solutions to industry-first offerings like GP Prime and Tourist SIM, we have kept customers at the centre of every innovation. In 2023, 10.1% growth in 4G data users and 23% increase in data volume testify to our commitment towards excellence.

Resilient Investments Amid Challenges

Grameenphone invested BDT 33.1 billion in 2023, ensuring network expansion, covering 96.9% of the geography and reaching 99.6% of the population for a seamless customer experience. Our commitment to innovation is evident in the Company's advancements in 4G and 5G readiness, increased fibre connectivity and resilient network support during natural disasters.

Contributions to National Development

As the telecom sector's highest taxpayer for eight years in a row, contributing BDT 121.8 billion in 2023 and BDT 1,182.6 billion since the inception to the National Exchequer, Grameenphone affirms its role as a partner to Smart Bangladesh and a responsible corporate entity, actively contributing to Bangladesh's development and building a technologically advanced country.

Social Impact and Sustainability

The Company goes beyond connectivity, it is dedicated to empowering lives and creating a positive impact. With programmes like GP Academy and GP Accelerator, Grameenphone fosters economic opportunities. Recognised by Bloomberg as Bangladesh's leading corporation for sustainable development initiatives, Grameenphone aims to reduce carbon emissions by 50% by 2030 and has deployed 1,200 solar panel-supported towers for sustainable connectivity.

Digital Literacy and Inclusivity

In collaboration with Telenor, UNICEF, and other partners, Grameenphone is committed to providing digital literacy support to children and marginalised groups. In 2023, we trained over 188 thousand people through various initiatives to promote inclusivity and internet safety.

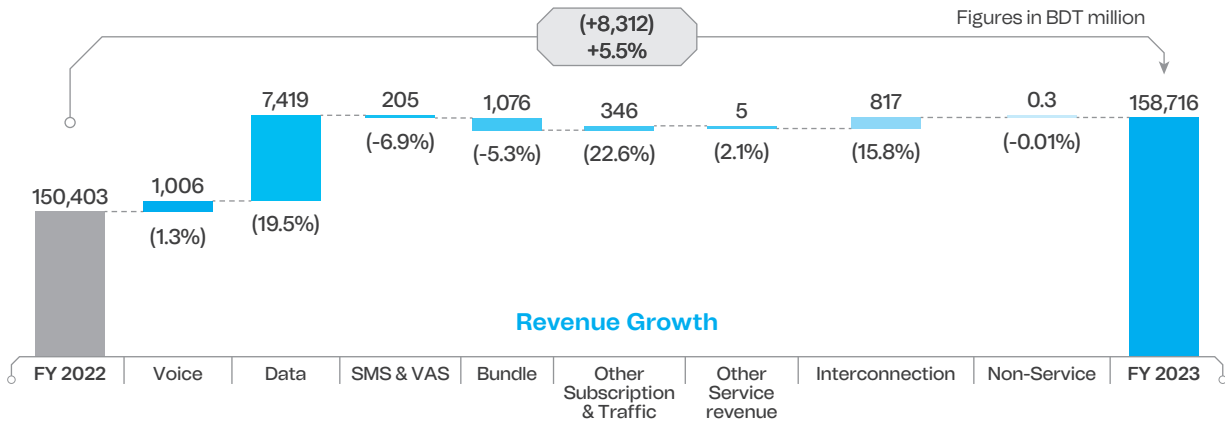
Disclosure/Statements according to the Provisions of the BSEC's Corporate Governance Code 2018

● Segment/Product Wise Performance

Across the country, Grameenphone provides its products and services to customers and evaluates its service revenue performance. Relevant disclosure is provided in the notes to the Financial Statements.

In 2023, Grameenphone posted BDT 158.7 billion total revenue with 5.5% growth compared to last year as an outcome of continuous network coverage expansion and spectrum deployment to improve the network experience along with customer-centric market activity.

During the year, Grameenphone continued to utilise its own, as well as third-party, digital channels to evolve and promote its data services by launching attractive packs for customers to provide better value along with an enhanced experience. This has resulted in a 19.5% growth in data revenue compared to last year.



From last year, voice only revenue increased by 1.3% while bundle revenue decreased by 5.3%. The de-growth in bundle revenue was primarily caused by the personalised offers in product portfolio to meet the evolving needs of our customers. 'SMS and VAS' includes Content services, SMS and MMS revenue. The de-growth came from SMS revenue which has continued to decrease due to higher OTT platform usage for short message communication.

'Other Subscription and Traffic' revenue includes outbound roaming services, connection fees and USSD revenue from mobile-financial services. The growth in other subscription and traffic revenue mainly came from higher connection fees as the second half of last year was impacted by the SIM ban.

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

Revenue generating from incoming traffic which originate from outside the Grameenphone network, has been posted as interconnection revenue. Compared to last year, interconnection revenue increased by 15.8% in 2023 due to increase in application to person messaging (A2P) service.

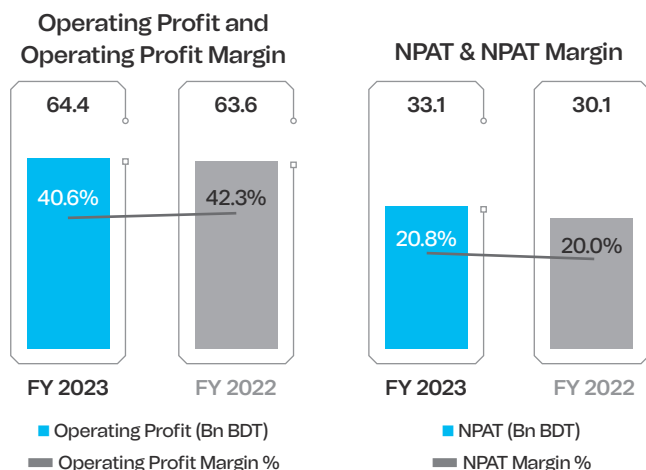
Grameenphone added 2.8 million subscribers in 2023 after SIM sale restrictions were withdrawn in the beginning of the year. At the end of year 2023, Grameenphone's total subscriber base reached at 82.0 million, a 3.6% growth from last year, including 57% active data users.

In 2023, Grameenphone continued its investment momentum with more than 2,100 fibreised sites, concluding the year with more than 40% fibreised sites, compared to 34% in the previous year. To improve the 4G network experience, Grameenphone deployed the 60 MHz spectrum in more than 2,300 sites, alongside re-farming and capacity expansion of the existing spectrum. Additionally, Grameenphone rolled out more than 1,600 new 4G sites during the year, taking the total number of 4G sites to more than 21,200, covering 97.9% of the population under the 4G network. At the same time, Grameenphone also focused on coverage expansion, resulting in more than 1,300 new coverage sites in 2023, covering 99.6% of the total population.

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

Operating expenses consist of material and traffic charges, salaries and personnel costs, operation and maintenance, energy costs, sales and marketing costs, revenue sharing, spectrum charges and licence fees, depreciation and amortisation expenses, and other expenses. In 2023, operating expenses were BDT 94.3 billion, an 8.6% increase compared to last year. The growth in operating expenses mainly resulted from higher depreciation and amortisation, energy costs, operation and maintenance, revenue sharing and other operating expenses. Operating profit for the year 2023 stood at BDT 64.4 billion, with a margin of 40.6%.

Net profit after tax for the year 2023 was BDT 33.1 billion with a margin of 20.8%. The BDT 3 billion increase in net profit after tax from last year resulted from higher profit before tax and lower tax expenses. Earnings Per Share (EPS) for the year 2023 stood at BDT 24.49 as compared to BDT 22.29 for the year 2022, a year-on-year increase of 9.9%.



- **Significant Variance of Financial Statements**

No significant variations have occurred between the quarterly and final financial performances of the Company during the year 2023 except for the following:

Total assets as at 31 December 2023 have increased by 8.28% compared to that of 31 December 2022 mainly due to an increase in cash and cash equivalents.

Total liabilities as at 31 December 2023 have decreased by 3.71% compared to that of 31 December 2022 mainly due to a decrease in current and deferred tax liabilities, loans and borrowings which is partially offset by increase in dividend payable.

Revenue has grown by 5.53% which is discussed in the “Review of Segment/Product Wise Performance” segment of this report.

Total expenses for the year 2023 have increased by 4.43% compared to that of the comparative year mainly due to an increase in depreciation and amortisation expense.

Net change in cash and cash equivalent for the year 2023 compared to that of the comparative year has increased by BDT 12.94 billion due to higher cash receipts from customers, lower payment of dividends, higher payment to suppliers, income tax, acquisition of fixed assets and lease liabilities.

Other variances from business operations 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 the preparation of the Financial Statements and the accounting estimates are based on reasonable and prudent judgement;
- d) International Financial Reporting Standards (IFRSs) have been followed in the 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 2023, attendance fees in connection with Board and Board Sub-Committee meetings were BDT 1,962,089 (2022: BDT 1,680,489). Foreign Directors do not receive attendance fees in connection with Board and Board Sub-Committee meetings.

- **Minority Interest**

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 the best interest of the Company.

- **Risks & Concerns**

Risk Management is embedded in Grameenphone’s strategic and operational framework. We believe that risk resilience is the key to achieving our strategic goals and securing a sustainable business environment. The Company’s Board and Management are fully committed to maintaining an effective risk management process to safeguard its assets and Shareholders’ interests.

Grameenphone’s robust risk management framework encompasses strategic, regulatory, financial, operational, technological, safety and climate risks. There is a structured risk management process in place for the timely identification, assessment and prioritisation of risks affecting the Company in the short term and in the foreseeable future. The process also suggests setting a mitigation strategy to adequately address the risks, to foster a reliable and secure business environment.

Detailed updates on the risk management process have been covered under the Enterprise Risk Management section of the Annual Report on page 17.

● Industry Outlook and Possible Future Developments

Bangladesh experienced macro-economic challenges in 2023 which impacted the Telecom sector along with other industries. The continuous decline of the forex reserve and devaluation of local currency put pressure on the economy for which the government took a conservative approach to imports. Consequently, telecom operators faced challenges in importing network equipment in the 2nd half of 2023. Nevertheless, telecom and ICT remain at the core of the government's vision and the sector saw growth through the year, though at a lower rate.

In 2023, the Bangladesh telecom sector reversed the slowdown in subscriber base seen in 2022. Mobile connections reached above 190.5 million at the end of December 2023 compared to 180.2 million connections at the end of December 2022. The same trend was observed for mobile data subscribers which reached 118.5 million at the end of December 2023 compared to 112.5 million at the end of 2022.

Throughout the year, Grameenphone, along with all the other mobile operators, has dedicated efforts towards improved network service quality and catering to higher data demand. Bangladesh Telecommunications Regulatory Commission (BTRC) has provided strong guidance, following up with MNOs on additional KPIs related to QoS as well as initiating several consultation processes on related policy and regulations. Consultations were also held with the industry on the data floor price and simplified customer journeys along with consultations and initiation to reform policies and regulatory issues such as the National Broadband Policy, 2G VAT and late fee amendment, OTT guidelines, Cyber Security Act, Data Protection Act, and NTTN licence amendment etc.

While the Telecom and ICT sector is a priority area for the Government, economic challenges are likely to remain in the near future contributing to an unpredictable regulatory and business environment. However, there is huge potential for the adoption of digital services at government and public levels. Going forward, innovation with affordability will play a key role in capitalising on the potential in this sector.

● 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 71.
- 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 2023 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 69.
- The declaration by the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) on Financial Statements 2023 to the Board as prescribed is annexed to this report as Annexure-IV on page 68.
- Grameenphone has recommended the final dividend for the year 2023. Grameenphone has not declared Bonus Share as an Interim and Final Dividend in 2023.
- During 2023, a total of 09 (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 66.
- Shareholding pattern of the Company as on 31 December 2023 is shown in Annexure-III of this report on page 67.

● Annual Results and Allocations

The Directors take pleasure in reporting the financial results of the Company for the year ended 31 December 2023 and recommended the appropriation as mentioned in the 'Appropriation of Profit' table below:

Figure in BDT million

	2023	2022
Profit available for Appropriation		
Profit/ (Loss) after tax	33,075	30,092
Other comprehensive income (loss), net of tax	232	(2)
Un-appropriated profit brought forward from previous year	24,853	28,521
Total Amount available for Appropriation	58,160	58,611
Appropriation		
Final Dividend Paid for Previous Year	(12,828)	(16,879)
Interim Dividend Paid for Current Year	-	(16,879)
Closing Retained Earnings at Year End (before Proposed Final Dividend)	45,332	24,853
Proposed Final Dividend for the Year (2023: 125% Cash and 2022: 95% cash)	(16,879)	(12,828)
Retained Earnings after Proposed Dividend	28,453	12,025

Dividend

For the year ended 31 December 2023, the Board of Directors of the Company are pleased to recommend a Final Cash Dividend @ 125% of the paid-up capital amounting to BDT 16,878,750,275 which is BDT 12.50 per share of BDT 10 each for the year 2023 out of the divisible profits of the Company and represents 51.03% of the Profit After Tax for the year 2023 for consideration and approval of the Shareholders for distribution.

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 2023 on page 46.

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 57. Furthermore, a certificate of compliance from M/S Suraiya Parveen & Associates, Chartered Secretaries, confirming compliance with 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 75.

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. Mr. M Shahjahan
2. Mr. Md. Ashraful Hassan
3. Mr. Håkon Bruaset Kjøl

As per the Corporate Governance Code 2018, after the extension of the tenure of Independent Director for a second term of three (3) years by the Board, the Shareholders will approve the said extension in the Annual General Meeting. Accordingly, Mr. Abdul Mueyed Chowdhury's extension is to be vetted and confirmed at the Company's ensuing 27th AGM.

Brief profiles of the Directors being proposed for re-appointment are given on pages 30 and 141 of the Annual Report, which fulfils condition 1(5)(xxiv) of the Corporate Governance Code of BSEC.

Acknowledgements & Looking Ahead

In essence, 2023 was a year defined by customer trust, network enhancements, and digital focus. Grameenphone eagerly embraces the future, staying at the forefront of industry trends, driving digital transformation, and contributing to a safe and sustainable future for Bangladesh.

As we reflect on our achievements, we draw inspiration from our resilient team, the trust of our customers, and the promising opportunities ahead. Committed to excellence, innovation, and socio-economic development, we strive for a thriving and inclusive digital future for Bangladesh.

The Board of Directors extends heartfelt gratitude to the Company's shareholders, investors, regulators, customers, and partners for their unwavering trust and support. They also express their appreciation to Grameenphone employees for their dedication and invaluable contributions throughout the year.

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



Petter-Børre Furberg

Chair

05 February 2024

Annexure I

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRC/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 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 2 (two) directors or one-fifth (1/5) of the total number of directors in the Company's Board, whichever is higher shall be independent directors	√		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 reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for nonpayment of any loan or advance or obligation to a bank or a financial institution	√		-do-
1(2)(b)(x)	Independent director has not been convicted for a criminal offence involving moral turpitude	√		-do-

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM). Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the Company	√		a) Based on the NRC recommendation, the Board extended the tenure of Mr. Abdul- Muyeed Chowdhury as an Independent Director for a second term of three (3) years and the BSEC approved his said extension on 03 October 2023. The Shareholders will approve his extension in the upcoming 27 th AGM. b) Dr. Salahuddin is in his 2 nd term, and his extension was approved at the 25 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
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	√		Based on the NRC recommendation, the Board extended the tenure of Mr. Abdul-Muyeed Chowdhury as an Independent Director for a second term of three (3) years and the BSEC approved his extension on 03 October 2023. The Shareholders will approve his extension in the upcoming 27 th AGM. 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 or existing 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

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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 directors. 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 the 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 55 of the Annual Report
1(5)(ii)	Segment-wise or product-wise performance	√		Included in the Directors' Report on Page 52 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 54 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 53 of the Annual Report
1(5)(v)	Discussion on continuity of any extraordinary activities and their implications (gain or loss)	√		Included in the Directors' Report on Page 55 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 55 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 55 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 55 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 54 of the Annual Report
1(5)(x)	Statement of remuneration paid to the directors including independent directors	√		Included in the Directors' Report on Page 54 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 54 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 54 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 54 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 54 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 54 of the Annual Report

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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 54 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 thereof shall be disclosed	√		Included in the Directors' Report on Page 54 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 55 of the Annual Report
1(5)(xix)	Key operating and financial data of at least preceding five (5) years shall be summarised	√		Included in the Directors' Report on Page 71 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 55 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 66 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 67 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 67 of the Annual Report
1(5)(xxiii)(c)	Executives	√		Included in the Directors' Report on Page 67 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 67 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 30 of the Annual Report
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas	√		Given on Page 30 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 141 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 69 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-

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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 68 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 75 of the Annual Report
1(5)(xxviii)	The Directors' Report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality	√		
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
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

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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 68 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 68 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
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 pages 30 to 32 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 60 (sixty) days 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

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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 26 th AGM held on 02 May 2023
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-
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 2023
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

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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 36 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)	At least two (2) members of the Committee shall be non- executive directors	√		NRC comprises of three (3) members. Two (2) members of NRC are non-executive directors and remaining one is Independent Director
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 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
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 honourarium 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 26 th AGM held on 02 May 2023

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
6(4)(a)	The NRC shall conduct at least one meeting in a financial year	√		There were seven (7) 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 39 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-
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-

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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 26 th AGM held on 02 May 2023
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 practising 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 75 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 56 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 2023

Name of Directors	Board Member Since	Number of meetings attended during 2023
Mr. M Shahjahan***	26 June 2006	7/9
Mr. Md. Ashrafal Hassan	20 January 2010	9/9
Mr. Håkon Bruaset Kjøl***	14 September 2011	8/9
Mr. Øivind Burdal	18 May 2016	9/9
Dr. Salehuddin Ahmed	12 December 2018	9/9
Mr. Jørgen C. Arentz Rostrup*	09 June 2020	7/7
Mr. Abdul-Muyeed Chowdhury***	14 September 2020	8/9
Ms. Tone Ripel	18 October 2020	9/9
Ms. Nurjahan Begum	15 December 2021	9/9
Mr. Ole Bjørn Sjulstad**	19 October 2022	7/7
Mr. Irfan Wahab Khan	15 September 2023	2/2
Mr. Petter-Børre Furberg	01 October 2023	2/2

*Mr. Jørgen C. Arentz Rostrup retired from the Board on 30 September 2023

**Mr. Ole Bjørn Sjulstad retired from the Board on 14 September 2023

***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 2023

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. Petter-Børre Furberg	Chair	-	-
Mr. Håkon Bruaset Kjøl	Board Member	-	-
Mr. Øivind Burdal	Board Member	-	-
Ms. Tone Ripel	Board Member	-	-
Mr. Irfan Wahab Khan	Board Member	-	-
Mr. M Shahjahan	Board Member	-	-
Mr. Md. Ashraful 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. Otto Magne Risbakk	Chief Financial Officer	-	-
Mr. S M Imdadul Haque	Company Secretary	500	0.00%
Mr. Adil Iftekhar	Head of Internal Audit	-	-
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 joining date)			
Mr. Stephanos Gulbraar Orestis	Head of Ethics and Compliance	-	-
Mr. Rune Hjelseng	Business Security Officer	-	-
Mr. Kaustubh Vats	Chief Procurement Officer	-	-
Mr. Jai Prakash	Chief Technology Officer	-	-
Mr. Hans Martin Hoegh 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 2023.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207 Admin/80 dated 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 2023 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 2023 and that to the best of our knowledge and belief;
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present 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)



(Otto Magne Risbakk)
Chief Financial Officer (CFO)

05 February 2024

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 2023.

The Financial and Economic Scenario of Bangladesh and the Globe

Despite a strong recovery from the COVID-19 pandemic, Bangladesh’s post-pandemic recovery was disrupted in FY23 due to rising inflation, financial sector vulnerabilities, external pressure, energy shortage, declining exports and global economic uncertainty. While the government is taking reform measures to stabilise the economy, concerns remain over the country’s dollar reserve and currency devaluation. The Central Bank reserve dropped by -25% last year, and slow remittance inflows, and an acute dollar shortage continue to hinder foreign payments. Although the real GDP growth for Bangladesh has declined from an initial projection of 7% to 6% in 2023, The International Monetary Fund (IMF) expects GDP growth to continue at 6% in 2024 which is slightly better than emerging and developing Asia of 4.8%. Globally, uncertainties will continue, which will effect growth. IMF has projected global growth to be 2.9% for 2024.

Moreover, the rapid expansion of digital services, such as e-commerce, online education, entertainment and telemedicine presents significant opportunities for telecom operators to diversify their revenue streams and cater to the changing needs of their customers. The government’s focus on digitisation and the development of a digital economy provides a platform for telecom operators to invest in new technologies and expand their services. Though the telecoms market in Bangladesh may face challenges due to economic slowdown, it also presents many opportunities for growth and innovation. Telecom operators need to stay ahead of the curve by continuing to innovate and make the right investment while providing the right customer experience and delivering sustainable growth. By doing so, they can capitalise on the immense potential of the market and emerge as leaders in the industry.

*Source: BB, MF, 2023 reported

Overall Operating Performance in 2023

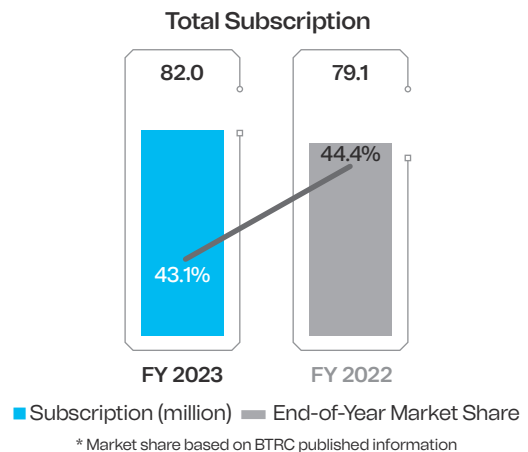
Grameenphone reported total revenue BDT 158.7 billion for the year 2023 (2022: BDT 150.4 billion), with a growth of 5.5% compared to last year. The operating profit increased by 1.3% in 2023 compared to last year. The growth in operating profit was mainly driven by growth in revenue which was partially offset by higher depreciation, energy cost, operation and maintenance and revenue sharing. Net profit after tax for the year 2023 stood at BDT 33.1 billion (2022: BDT 30.1 billion). Grameenphone added 2.8 million subscribers in 2023 after SIM sale restrictions were withdrawn in the beginning of the year 2023. At the end of 2023, Grameenphone’s total subscriber base reached at 82 million, a 3.6% growth from last year.

As per BTRC published information, Grameenphone’s subscription market share stood at 43.1% at the year-end, a 1.3% decrease from last year.

At the end of 2023, total number of internet users stood at 46.6 million which was 57% of the total subscriber base. Out of these internet users, 4G data users stood at 37.6 million, which was 10.1% higher compared to last year.

To facilitate the growing demand for data services, Grameenphone deployed 60MHz of spectrum over more than 2,300 sites across the country. With this spectrum, Grameenphone is positioned much better to strengthen customers data experience and quality services and cater to customers growing high-speed internet needs, contributing towards digital Bangladesh.

Grameenphone continuously maintained topline growth throughout the year amidst a challenging macroeconomic environment, through growth in data services, supported by continued investment in new spectrum deployment, spectrum re-farming, capacity expansion, and new coverage sites in 2023.



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

ARPU of Grameenphone increased at BDT 161 in year 2023 (2022: BDT 149), mainly due to higher contribution from data and voice segment which was partly offset by lower contribution from bundle services. Reported AMPU 189 minutes for the year 2023 (2022: 196 minutes) with a decrease of 3.3%, mainly attributed to macroeconomic challenges and voice call shifting towards OTT platforms.

Revenue Performance

Grameenphone reported total revenue of BDT 158.7 billion for the year 2023 (2022: BDT 150.4 billion), with 5.5% Year-on-Year growth. The increase in total revenue mainly came from higher mobile communication revenue, which was driven by higher voice only and data only services, partly offset by lower bundle service revenue.

Considering the customer's growing needs and BTRC directives to limit the number of data-centric products to 40, Grameenphone introduced exclusive customer-centric data packs during the year. With continued drive through attractive data packs, data revenue grew by 19.5% compared to last year. As a result, data revenue contribution in mobile communication revenue increased to 29.1% compared to 25.6% of the previous year. The growth in data revenue is mainly contributed by usage growth and data user addition, partly offset by lower prices.

For the year 2023, revenue from voice only services increased by 1.3% while bundle service revenue decreased by 5.3%. Bundle service revenue performance was impacted by personalised offers in product portfolio to meet the evolving needs of our customers.

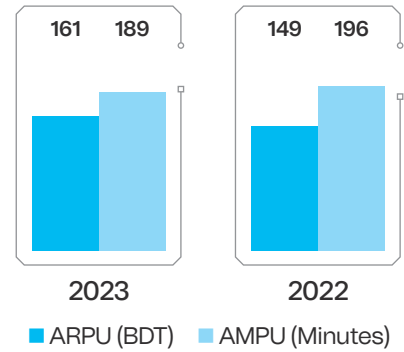
Interconnection revenue improved in 2023 with a 15.8% growth compared to previous year. Interconnect revenue growth mainly contributed by increase in application to person (A2P) messaging service.

Cost and Margin Review

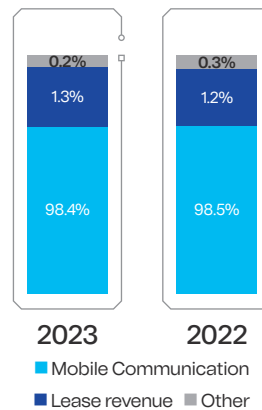
Grameenphone total operating expense in 2023 stood at BDT 94.3 billion (2022: BDT 86.8 billion) with 8.6% increase compared to previous year. The growth in operating expense resulted from higher depreciation and amortisation, energy cost, operation and maintenance, revenue sharing, and other operating expenses. Higher depreciation resulted from acquisition of new spectrum last year, new leased sites and Capex addition during the year. Higher energy cost driven by energy price hike and increased energy consumption. The growth in operation and maintenance cost and revenue sharing resulted from lower service maintenance fees last year due to negotiation outcome and higher revenue respectively.

Compared with last year, total revenue increased by BDT 8.3 billion and operating expenses increased by BDT 7.5 billion, which resulted in BDT 0.8 billion increase in operating profit with an operating profit margin of 40.6% (2022: 42.3%).

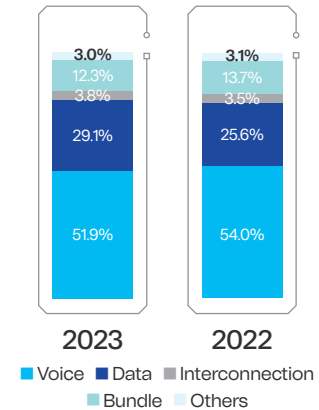
ARPU & AMPU



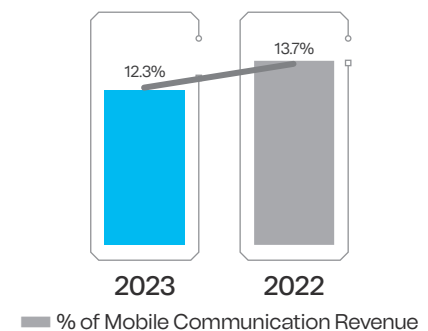
Revenue Composition



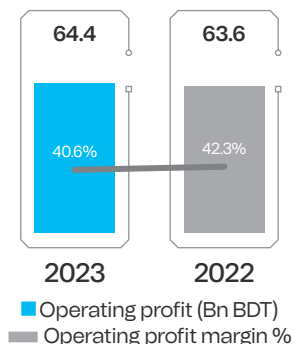
Mobile Communication Revenue Composition



Bundle Revenue Contribution



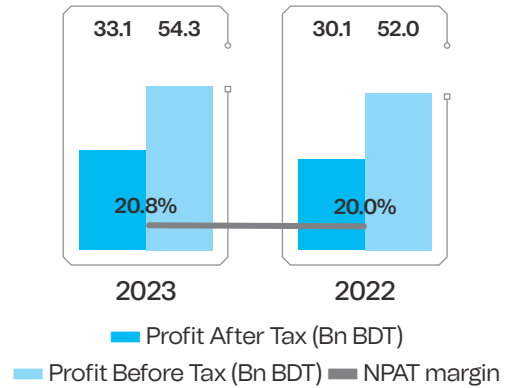
Operating Profit & Operating Profit Margin



Profit after Tax

Net profit after tax for the year 2023 was BDT 33.1 billion (2022: 30.1 billion) with a margin of 20.8%, which was 0.8% higher compared to the previous year. BDT 3 billion increase in net profit after tax resulted from higher profit before tax and lower tax expenses. The growth in profit before tax resulted from higher finance costs last year. The lower tax expense during the year resulted from positive one-off adjustments arising from the settlement of tax dispute and completion of tax assessment. The earnings per share (EPS) for the year 2023 stood at BDT 24.49 as compared to BDT 22.29 for the year 2022, a year-on-year increase of 9.9%.

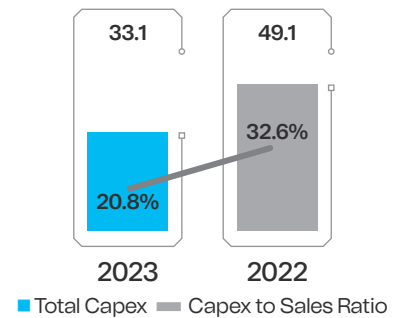
Profit After Tax & Profit Before Tax



Capital Expenditure (Capex) and Network Updates

In 2023, Grameenphone reported BDT 33.1 billion as capital expenditure (2022: BDT 49.1 billion) with a 'total capex to sales' ratio of 20.8% (2022: 32.6%). The majority of the investment in 2023 was related to spectrum deployment, 4G site rollout, capacity expansion, and coverage expansion to ensure improved voice and data experience for our customers. In 2023, Grameenphone rolled out 1,600 plus new 4G sites, bringing the total number of 4G sites to more than 21,200, covering 97.9% of the population under the 4G network. With 1,300 plus new coverage sites in 2023, Grameenphone's total site locations reached more than 21,400, 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	2023	2022	2021	2020	2019	2018 Restated
Financial Performance (in million BDT)						
Revenue	158,716	150,403	143,066	139,606	143,656	132,832
Operating Profit	64,429	63,598	63,336	63,440	66,652	56,777
Profit Before Tax	54,324	51,990	60,821	62,801	63,899	54,848
Net Profit After Tax	33,075	30,092	34,129	37,187	34,517	33,363
Financial Position (in million BDT)						
Paid-up Capital	13,503	13,503	13,503	13,503	13,503	13,503
Shareholders' Equity	66,690	46,211	49,879	52,108	38,347	36,836
Total Assets	200,420	185,087	163,007	148,184	148,734	138,713
Total Liabilities	133,731	138,877	113,128	96,077	110,387	101,877
Current Assets	25,304	12,094	9,868	9,931	20,999	13,369
Current Liabilities	92,198	92,933	85,236	76,656	90,426	82,963
Non-current Assets	175,116	172,994	153,139	138,253	127,735	125,345
Non-current Liabilities	41,533	45,994	27,892	19,420	19,961	18,914
Cash Flows (in million BDT)						
Net Cash generated from Operating Activities	60,601	63,813	57,814	33,572	57,393	60,413
Net Cash used in Investing Activities	(23,597)	(21,571)	(18,786)	(11,217)	(14,263)	(30,200)
Net Cash used in Financing Activities	(23,805)	(41,983)	(38,878)	(33,517)	(35,308)	(36,699)
Financial Ratios						
Current Asset to Current Liability	0.27	0.13	0.12	0.13	0.23	0.16
Debt to Equity	0.80	1.23	0.75	0.42	0.62	0.50

Reported numbers	2023	2022	2021	2020	2019	2018 Restated
Operating Profit Margin	41%	42%	44%	45%	46%	43%
Net Profit Margin	21%	20%	24%	27%	24%	25%
Return on Equity	59%	63%	67%	82%	92%	98%
Return on Total Assets	17%	17%	22%	25%	24%	25%
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	125%	220%	250%	275%	130%	280%
Dividend Pay out ¹	51.03%	98.72%	99%	100%	51%	113%
NAV per Share (BDT) ²	49.39	34.22	36.94	38.59	28.40	27.28
Net Operating Cash Flow per Share (BDT) ³	44.88	47.26	42.82	24.86	42.50	44.74
Earnings Per Share (BDT) ³	24.49	22.29	25.28	27.54	25.56	24.71

¹Gain/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	2023	2022	2021	2020	2019	2018 Restated
Financial Performance (in million BDT)						
Revenue	114,406	118,692	121,595	125,228	136,193	132,832
Operating Profit	46,442	50,189	53,830	56,906	63,189	56,777
Profit Before Tax	39,158	41,028	51,693	56,333	60,579	54,848
Net Profit After Tax	23,841	23,747	29,007	33,357	32,724	33,363
Financial Position (in million BDT)						
Paid-up Capital	13,503	13,503	13,503	13,503	13,503	13,503
Shareholders' Equity	48,071	36,468	42,393	46,741	36,355	36,836
Total Assets	144,467	146,063	138,543	132,922	141,007	138,713
Total Liabilities	96,396	109,595	96,150	86,182	104,652	101,877
Current Assets	18,240	9,544	8,387	8,908	19,908	13,369
Current Liabilities	66,458	73,338	72,444	68,761	85,728	82,963
Non-current Assets	126,227	136,519	130,156	124,014	121,099	125,345
Non-current Liabilities	29,938	36,257	23,706	17,420	18,924	18,914
Cash Flows (in million BDT)						
Net Cash generated from Operating Activities	43,682	50,358	49,137	30,114	54,411	60,413
Net Cash used in Investing Activities	(17,009)	(17,023)	(15,966)	(10,062)	(13,522)	(30,200)
Net Cash used in Financing Activities	(17,159)	(33,131)	(33,043)	(30,065)	(33,474)	(36,699)
Inflation Rate	9.48%	7.70%	5.54%	5.69%	5.48%	5.78%

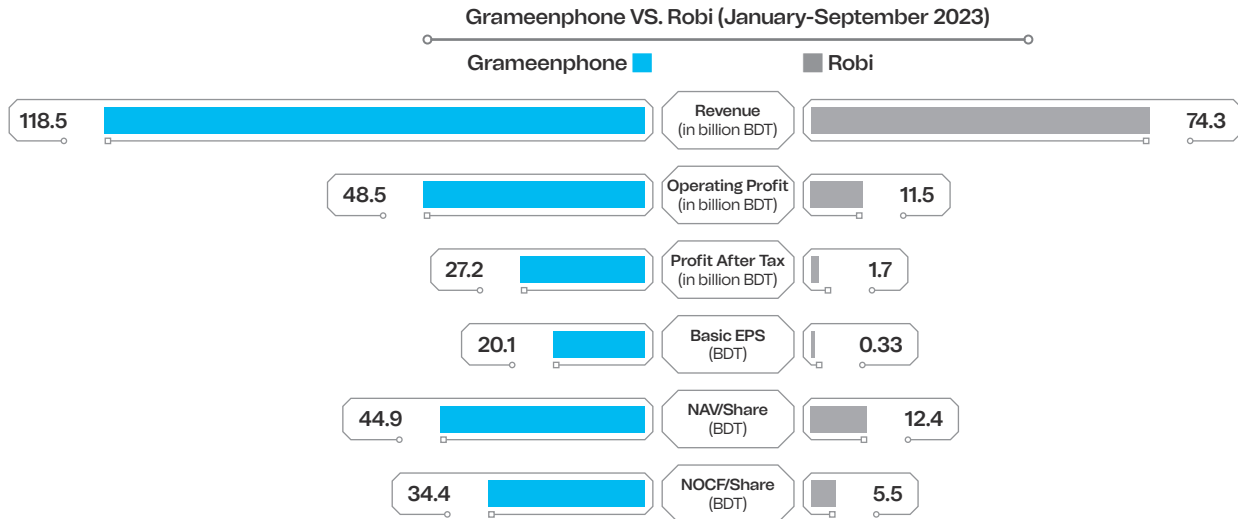
*Inflation Rate Source: Bangladesh Bureau of Statistics

*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 Limited (Teletalk). Among these three companies, Robi Axiata Limited (Robi) has been enlisted with the Dhaka Stock Exchange and Chittagong Stock Exchange and thus enabling for a financial comparative benchmarking.

Following is the comparative peer review with Robi Axiata Limited based on its latest available 3rd Quarter/9 Months Un-audited Consolidated 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. Details of the accounting policies and estimation used for the 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 the Financial Statement gives a 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 Statements risks are reviewed, involving control and process owners, to identify risks effectively so that Financial Statements 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 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 and presented in the Internal Control over Financial Reporting (ICFR) section of the Annual Report on page 45.

Future Plan of Grameenphone 2024

A sharper and transformative strategy, that maximises investment for top-line revenue and EBITDA growth with desired cash flow. Our ambition to be at the forefront of fulfilling evolving customer needs through telecommunications and beyond to stay relevant and win in a rapidly changing, technology-driven business environment. We will have a strong focus on customer experience, diversifying and innovating our service offerings with modernised and scalable Network & IT solutions embedding partnership at the core and building future-fit employees with uplifted leadership and culture. Grameenphone will continue to capitalise on the data revolution by providing a greater customer experience and providing users with greater benefits. We will continue investing in our technological capabilities, enabling us to bring minds and ideas together. Grameenphone has been a partner in Bangladesh's development journey for more than two decades and continuing the same going forward in realising the Bangladesh government's vision of becoming a Smart Bangladesh and a digitally connected society; connecting people is what matters most to us. As an enabler of these ambitions, we will focus on a sharper strategy, that maximises investment for top-line revenue, EBITDA growth, while maximising cash flow.

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

- 1. Sustainability:** Sustainability is of the core of our strategy and operations. It focuses on our entire value chain and how we are practising sustainability across. We will continue to manage the business environment to enable growth while mitigating disputes and safeguarding from possible risk exposure from existing and emerging areas. We will also continue to take a socially responsible position through climate management programme, strengthening digital inclusion, Youth upskilling, and expanding online safety at the national level and across new/digital businesses.
- 2. Customer Experience:** We start and end with customers with an equal focus for consumer and business segments. We will stand on the backbone of providing network leadership through continuous modernisation in the core network to ensure a superior experience for our customers. We continuously understand and predict customer needs through insight and feedback gathering, build tailored solutions through hyper personalisation, develop seamless customer journey and resolving any customer issue proactively and efficiently.
- 3. Transformation:** We focus on building a competent, resilient, and forward-thinking resource pool that thrives in driving a technology-driven business led by strong leaders, robust organisational capability and enabling culture. In the dynamic technology landscape, our journey of Telco to Telco-Tech mostly relies on stepping up in IT capability. Our focus on IT will be on enhancing infrastructure, modernising applications and building strong analytics.
- 4. Growth:** Our primary focus is to maintain voice and grow our data business faster by embracing new products, services, digitisation and innovation and continue exploring core and beyond core services while maintaining premium pricing. We will encourage a culture of continuous learning and experimentation to develop and provide new technologies and solutions to meet the evolving needs of businesses and consumers. We aim to grow with our customers and with our ecosystem partners.

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 effort is to make ourselves future ready while delivering strong results in both customer experience, contributing towards progressing Bangladesh and financials KPIs to meet the expectations of our shareholders, stakeholders and above all our customers. As we contend with a fragmented value chain governed by a dynamic regulatory regime also challenges that we encounter during an economic slowdown we remain proactive in addressing regulatory 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

05 February 2024



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, 2023. 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
05 February 2024



For Suraiya Parveen & Associates
Chartered Secretaries

Suraiya Parveen, FCS
Chief Executive Officer